C & F FINANCIAL CORP Form 10-Q August 03, 2007 Table of Contents

# **UNITED STATES**

# **SECURITIES AND EXCHANGE COMMISSION**

V	Vashington, D.C. 20549
	FORM 10-Q
(Mark One)	
x QUARTERLY REPORT PURSUANT ACT OF 1934 For the quarterly period ended June 30, 2007	TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
" TRANSITION REPORT PURSUANT ACT OF 1934 For the transition period from to	TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
Con	nmission file number 000-23423
	nancial Corporation ne of registrant as specified in its charter)
Virginia (State or other jurisdiction of	54-1680165 (I.R.S. Employer
incorporation or organization)	Identification No.)

Table of Contents

23181

802 Main Street

West Point, VA

## Edgar Filing: C & F FINANCIAL CORP - Form 10-Q

(Address of principal executive offices)

(Zip Code)

(804) 843-2360

(Registrant s telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes "No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer " Accelerated filer x Non-accelerated filer "

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). "Yes x No

At July 31, 2007, the latest practicable date for determination, 3,052,591 shares of common stock, \$1.00 par value, of the registrant were outstanding.

### TABLE OF CONTENTS

Part I - Fii	nancial Information	Page
Item 1.	Financial Statements	
	Consolidated Balance Sheets - June 30, 2007 (unaudited) and December 31, 2006	1
	Consolidated Statements of Income (unaudited) - Three months and six months ended June 30, 2007 and 2006	2
	Consolidated Statements of Shareholders Equity (unaudited) - Six months ended June 30, 2007 and 2006	3
	Consolidated Statements of Cash Flows (unaudited) - Six months ended June 30, 2007 and 2006	5
	Notes to Consolidated Financial Statements (unaudited)	6
Item 2.	Management s Discussion and Analysis of Financial Condition and Results of Operations	13
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	32
Item 4.	Controls and Procedures	32
Part II - O	ther Information	
Item 1A.	Risk Factors	33
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	33
Item 4.	Submission of Matters to a Vote of Security Holders	33
Item 6.	<u>Exhibits</u>	34
Signatures	S .	35

### PART I - FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEETS

(In thousands, except for share and per share amounts)

	ne 30, 2007 Jnaudited)	Decei	nber 31, 2006
<u>ASSETS</u>			
Cash and due from banks	\$ 13,617	\$	11,496
Interest-bearing deposits in other banks	4,551		17,010
Total cash and cash equivalents	18,168		28,506
Securities-available for sale at fair value, amortized cost of \$71,687 and \$66,407, respectively	71,698		67,584
Loans held for sale, net	44,294		53,504
Loans, net	551,437		517,843
Federal Home Loan Bank stock	2,014		2,093
Corporate premises and equipment, net	33,698		33,189
Accrued interest receivable	4,737		4,432
Goodwill	10,724		10,724
Other assets	17,355		16,593
Total assets	\$ 754,125	\$	734,468
LIABILITIES AND SHAREHOLDERS EQUITY  Deposits  Noninterest-bearing demand deposits	\$ 100,018	\$	90,260
Savings and interest-bearing demand deposits	177,716		188,450
Time deposits	275,739		254,125
Total deposits	553,473		532,835
Short-term borrowings	28,306		12,462
Long-term borrowings	82,159		92,284
Trust preferred capital notes	10,310		10,310
Accrued interest payable	2,029		1,915
Other liabilities	13,678		16,656
Total liabilities	689,955		666,462
Commitments and contingent liabilities			
Shareholders equity			
Preferred stock (\$1.00 par value, 3,000,000 shares authorized)			
Common stock (\$1.00 par value, 8,000,000 shares authorized, 3,051,191 and 3,182,411 shares	2.020		2.150
issued and outstanding, respectively)	3,028		3,159
Additional paid-in capital	22		324
Retained earnings	61,750		64,402
Accumulated other comprehensive (loss) income, net	(630)		121

## Edgar Filing: C & F FINANCIAL CORP - Form 10-Q

Total shareholders equity	64,170	68,006
Total liabilities and shareholders equity	\$ 754,125	\$ 734,468

The accompanying notes are an integral part of the consolidated financial statements.

1

### CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except for share and per share amounts)

		Six Months I					nths En	Ended		
		<b>Three Months Ended</b>								
		June 30,				ne 30,	2007			
Interest income		2007		2006		2007		2006		
Interest and fees on loans	\$	15,058	\$	14,172	\$	29,226	\$	26,767		
Interest on money market investments	Ψ	58	Ψ	144	Ψ	409	Ψ	275		
Interest and dividends on securities		30		111		107		213		
U.S. government agencies and corporations		66		60		129		119		
Tax-exempt obligations of states and political subdivisions		627		585		1,229		1.169		
Corporate bonds and other		161		89		276		213		
corporate contact and canon		101		0)		2.0		210		
Total interest income		15,970		15,050		31,269		28,543		
Interest expense		605		<b>5.40</b>		1.005		1 110		
Savings and interest bearing deposits		627		549		1,307		1,112		
Certificates of deposit, \$100 or more		1,235		750		2,360		1,364		
Other time deposits		1,866		1,353		3,606		2,564		
Borrowings		2,001		1,891		3,845		3,436		
Total interest expense		5,729		4,543		11,118		8,476		
Net interest income		10,241		10,507		20,151		20,067		
Provision for loan losses		1,490		825		2,890		2,100		
Net interest income after provision for loan losses		8,751		9,682		17,261		17,967		
Noninterest income										
Gains on sales of loans		4,439		4,256		8,067		8,119		
Service charges on deposit accounts		872		898		1,725		1,572		
Other service charges and fees		1,248		1,260		2,187		2,352		
Gains on calls of available for sale securities		6		50		2,107		81		
Other income		597		418		972		744		
Total noninterest income		7,162		6,882		12,960		12,868		
Nanintanast armanasa										
Noninterest expenses		7,903		7,153		15,205		14,102		
Salaries and employee benefits		1,579		1,326		3,023		2,534		
Occupancy expenses				2,660		5,637		5,133		
Other expenses		2,901		2,000		3,037		3,133		
Total noninterest expenses		12,383		11,139		23,865		21,769		
Income before income taxes		3,530		5,425		6,356		9,066		
Income tax expense		1,068		1,699		1,883		2,814		
1		,		,		,		,-		

Edgar Filing: C & F FINANCIAL CORP - Form 10-Q

Net income	\$	2,462	\$	3,726	\$	4,473	\$	6,252
Per share data								
Net income basic	\$	.81	\$	1.18	\$	1.45	\$	1.99
Net income assuming dilution	\$	.77	\$	1.14	\$	1.39	\$	1.91
Cash dividends paid and declared	\$	.31	\$	.29	\$	.62	\$	.56
Weighted average number of shares basic	3,	3,053,550		150,352	3,079,506		3,	149,496
Weighted average number of shares assuming dilution	3,	3,185,113		3,275,074		213,597	3,	274,768

The accompanying notes are an integral part of the consolidated financial statements.

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY

(Unaudited)

(In thousands)

	Common Stock	Pa	ditional aid-In apital	prehensive ncome	Retained Earnings	Accumu Othe Compreh (Los Incor Ne	er nensive ss) ne,	Total
December 31, 2006	\$ 3,159	\$	324		\$ 64,402	\$	121	\$ 68,006
Comprehensive income								
Net income				\$ 4,473	4,473			4,473
Other comprehensive loss, net of tax								
Amortization of prepaid pension transition costs				7			7	7
Unrealized holding losses on securities, net of								
reclassification adjustment				(758)			(758)	(758)
Comprehensive income				\$ 3,722				
Purchase of common stock	(149)		(858)		(5,228)			(6,235)
Share-based compensation			152					152
Stock options exercised	18		404					422
Cash dividends					(1,897)			(1,897)
June 30, 2007	\$ 3,028	\$	22		\$ 61,750	\$	(630)	\$ 64,170
Disclosure of Reclassification Amount:								
Unrealized net holding losses arising during period				\$ (752)				
Less: reclassification adjustment for gains included in net income				(6)				
Unrealized holding losses on securities, net of								
reclassification adjustment				\$ (758)				

 $\label{thm:companying} \textit{The accompanying notes are an integral part of the consolidated financial statements}.$ 

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY

(Unaudited)

(In thousands)

	Common Stock	Pa	litional id-In pital	Comprehensive Income		•		•		•		•		•		•		Retained Earnings	O Compr	mulated ther ehensive come	Total
December 31, 2005	\$ 3,141	\$	183			\$ 55,930	\$	832	\$ 60,086												
Comprehensive income																					
Net income				\$	6,252	6,252			6,252												
Other comprehensive loss, net of tax																					
Unrealized holding losses on securities, net of																					
reclassification adjustment					(754)			(754)	(754)												
Comprehensive income				\$	5,498																
Purchase of common stock	(12)		(459)						(471)												
Share-based compensation			23						23												
Stock options exercised	21		330						351												
Cash dividends						(1,764)			(1,764)												
June 30, 2006	\$ 3,150	\$	77			\$ 60,418	\$	78	\$ 63,723												
Disclosure of Reclassification Amount:																					
Unrealized net holding losses arising during period				\$	(701)																
Less: reclassification adjustment for gains included in net income					(53)																
Unrealized holding losses on securities, net of reclassification adjustment				\$	(754)																

The accompanying notes are an integral part of the consolidated financial statements.

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(In thousands)

	Six Months E 2007	Ended June 30, 2006		
Operating activities:				
Net income	\$ 4,473	\$ 6,252		
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation	1,287	992		
Provision for loan losses	2,890	2,100		
Share-based compensation	152	23		
Amortization of prepaid pension transition costs	7			
Accretion of discounts and amortization of premiums on investment securities, net	23	17		
Net realized gains on calls of securities	(9)	(81		
Proceeds from sale of loans	461,184	459,251		
Origination of loans held for sale	(451,974)	(476,608		
Change in other assets and liabilities:				
Accrued interest receivable	(305)	(315		
Other assets	(354)	(3,534		
Accrued interest payable	114	274		
Other liabilities	(2,978)	3,217		
Net cash provided by (used in) operating activities	14,510	(8,412		
Investing activities:				
Proceeds from maturities and calls of securities available for sale	2,486	5,143		
Purchases of securities available for sale	(7,780)	(5,455		
Net redemptions (purchases) of Federal Home Loan Bank stock	79	(802		
Net increase in customer loans	(36,484)	(36,508		
Purchases of corporate premises and equipment	(1,818)	(4,208		
Disposals of corporate premises and equipment	22	71		
Net cash used in investing activities	(43,495)	(41,759		
Financing activities:				
Net (decrease) increase in demand, interest bearing demand and savings deposits	(976)	39		
Net increase in time deposits	21,614	15,528		
Net increase in borrowings	5,719	21,019		
Purchase of common stock	(6,235)	(471		
Proceeds from exercise of stock options	422	351		
Cash dividends	(1,897)	(1,764		
Net cash provided by financing activities	18,647	34,702		
Net decrease in cash and cash equivalents	(10,338)	(15,469		
Cash and cash equivalents at beginning of period	28,506	42,878		
Cash and cash equivalents at end of period	\$ 18,168	\$ 27,409		
Supplemental disclosure				
Interest paid	\$ 11,004	\$ 8,202		

Income taxes paid \$ 1,484 \$ 2,347

The accompanying notes are an integral part of the consolidated financial statements.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### (Unaudited)

#### Note 1

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial reporting and with applicable quarterly reporting regulations of the Securities and Exchange Commission. They do not include all of the information and notes required by accounting principles generally accepted in the United States of America for complete financial statements. Therefore, these consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the C&F Financial Corporation Annual Report on Form 10-K for the year ended December 31, 2006.

In the opinion of C&F Financial Corporation s management, all adjustments, consisting only of normal recurring accruals, necessary to present fairly the financial position as of June 30, 2007 and the results of operations for the three and six months ended June 30, 2007 and 2006 and cash flows for the six months ended June 30, 2007 and 2006 have been made. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year.

The consolidated financial statements include the accounts of C&F Financial Corporation (the Corporation ) and its subsidiary, Citizens and Farmers Bank ( C&F Bank or the Bank ), with all significant intercompany transactions and accounts being eliminated in consolidation. In addition, the Corporation owns C&F Financial Statutory Trust I, an unconsolidated subsidiary. The subordinated debt owed to the trust is reported as a liability of the Corporation.

**Share-Based Compensation:** Effective January 1, 2006, the Corporation adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 123(R), *Share-Based Payment*, which requires that the Corporation recognize expense related to the fair value of share-based compensation awards in net income.

The Corporation has elected to follow the modified prospective transition method allowed by SFAS 123(R). Under the modified prospective transition method, compensation expense is recognized prospectively for all unvested options outstanding at January 1, 2006 and for all awards modified or granted after that date. Compensation expense for the three months and six months ended June 30, 2007 included \$73,000 (\$45,000 after tax) and \$152,000 (\$94,000 after tax), respectively, for options and restricted stock granted during 2007 and 2006. As of June 30, 2007, there was \$902,000 of total unrecognized compensation expense related to nonvested stock options and restricted stock that will be recognized over the remaining requisite service period.

6

Stock option plan activity for the six months ended June 30, 2007 is summarized below:

		Exercise	Remaining Contractual Life	V: Une Ii N	trinsic alue of exercised n-The Money ptions
	Shares	Price*	(in years)*	(iı	1 000 s)
Options outstanding, January 1, 2007	530,167	\$ 31.54	6.7	\$	4,511
Granted	13,500	37.17			
Exercised	(18,100)	23.35			
Options outstanding at June 30, 2007	525,567	31.97	6.3	\$	4,803
Options exercisable at June 30, 2007	512,067	31.83	6.2	\$	4,752

<sup>\*</sup> Weighted average

The total intrinsic value of in-the-money options exercised during the first half of 2007 was \$352,000. Cash received from option exercises during the first half of 2007 was \$422,000. The Corporation issues new shares to satisfy the exercise of stock options.

#### Note 2

Diluted net income per share has been calculated on the basis of the weighted average number of shares of common stock and common stock equivalents outstanding for the applicable periods. Potentially-dilutive common stock had no effect on income available to common shareholders.

#### Note 3

During the first six months of 2007, the Corporation purchased 149,720 shares of its common stock in negotiated and open-market transactions at prices ranging from \$37.25 to \$45.07. During the first six months of 2006, the Corporation purchased 12,022 shares of its common stock in open-market transactions at prices from \$39.43 to \$40.00.

#### Note 4

Securities in an unrealized loss position at June 30, 2007, by duration of the period of unrealized loss, are shown below. No impairment has been recognized on any securities in a loss position based on management s intent and demonstrated ability to hold such securities to scheduled maturity or call dates and management s evaluation that there is no permanent impairment in the value of these securities.

	<b>Less Than 12 Months</b>			12 Montl	hs or I	More	Total		
	Fair	ir Unrealized		Fair	Unrealized		Fair	Unr	ealized
(in 000 s)	Value	Loss		Value	Loss		Value	Loss	
U.S. government agencies and corporations	\$ 1,400	\$	9	\$ 4,643	\$	103	\$ 6,043	\$	112
Mortgage-backed securities	386		10	1,104		35	1,490		45
Obligations of states and political subdivisions	20,828	3	60	5,918		118	26,746		478
Subtotal-debt securities	22,614	3	79	11,665		256	34,279		635
Preferred stock	1,084		38	174		14	1,258		52
Total temporarily impaired securities	\$ 23,698	\$ 4	17	\$ 11,839	\$	270	\$ 35,537	\$	687

The primary cause of the temporary impairments in the Corporation s investment in debt securities was the decline in prices as interest rates have risen. There are 99 debt securities and three equity securities totaling \$34.3 million and \$1.3 million, respectively, considered temporarily impaired at June 30, 2007. Because the Corporation has the intent and demonstrated ability to hold these investments until a recovery of unrealized losses, which may be maturity, the Corporation does not consider these investments to be other-than-temporarily impaired at June 30, 2007.

Securities in an unrealized loss position at December 31, 2006 are shown below by duration of the period of unrealized loss.

	<b>Less Than 12 Months</b>			12 Montl	hs or N	<b>Iore</b>	Total			
(in 000 s)	Fair Value	Unrea Lo		Fair Value			Inrealized Fair Loss Value		Unrealized Loss	
U.S government agencies and corporations	\$ 476	\$	2	\$ 4,654	\$	92	\$ 5,130	\$	94	
Mortgage-backed securities	1,246		33	427		1	1,673		34	
Obligations of states and political subdivisions	2,284		10	4,530		49	6,814		59	
Subtotal-debt securities	4,006		45	9,611		142	13,617		187	
Preferred stock	585		10	1,178		19	1,763		29	
Total temporarily impaired securities	\$ 4,591	\$	55	\$ 10,789	\$	161	\$ 15,380	\$	216	

#### Note 5

The Bank has a noncontributory defined benefit plan for which the components of net periodic benefit cost are as follows:

(in 000 s)	Three Months Ende	d June 30, 2006
Service cost	<b>\$ 194</b>	\$ 188
Interest cost	96	86
Expected return on plan assets	(112)	(107)
Amortization of net obligation at transition	(1)	(1)
Amortization of prior service cost	2	2
Amortization of net loss	4	11
Net periodic benefit cost	\$ 183	\$ 179
(in 000 s)	Six Months Ended 2007	June 30, 2006
Service cost	\$ 388	\$ 376
Interest cost	192	172
Expected return on plan assets	(224)	(214)
Amortization of net obligation at transition	(2)	(2)
Amortization of prior service cost	4	4
Amortization of net loss	8	22
Net periodic benefit cost	\$ 366	\$ 358

In December 2006, the Bank made a \$1.18 million contribution to the plan. The estimated minimum contribution for 2007 is approximately \$58,000.

#### Note 6

The Corporation operates in a decentralized fashion in three principal business segments: Retail Banking, Mortgage Banking and Consumer Finance. Revenues from Retail Banking operations consist primarily of interest earned on loans and investment securities and service charges on deposit accounts. Mortgage Banking operating revenues consist principally of gains on sales of loans in the secondary market, loan origination fee income and interest earned on mortgage loans held for sale. Revenues from Consumer Finance consist primarily of interest earned on automobile loans.

The Corporation s other subsidiaries include:

an investment company that derives revenues from brokerage services,

an insurance company that derives revenues from insurance services, and

a title company that derives revenues from title insurance services.

The results of these other subsidiaries are not significant to the Corporation as a whole and have been included in Other.

Montpol   Rear   Banking   Banking   Family			Thr	ee Months En	nded June	e 30, 2007	
Revenues:		Retail	Mortgage	Consumer			
Interest income	(in 000 s)	Banking	Banking	Finance	Other	Eliminations	Consolidated
Gains on sales of Iolans         4,513         Cytol         4,349           Other         1,400         844         108         371         (1,120)         2,723           Total operating income         11,265         6,165         6,465         371         (1,120)         23,132           Expenses:         2         4223         444         2,094         43         (1,075)         5,729           Provision for Ioan Iosses         40         1,450         1,450         1,400         1,400           Other         2,217         1,628         5,808         2,57         (61)         7,000           Other         2,217         1,628         5,808         2,57         (61)         7,000           Other         2,217         1,628         5,808         2,57         (61)         7,000           Income before income taxes         11,712         983         1,243         116         1,316         3,508           Net income         8,079         5,619         5,729         7,2         1,313         2,462           Total assets         5,607,388         5,293         1,518         5,7         5,13         5,155         5,25         5,25         5,25	Revenues:						
Other         1,400         844         108         371         2,723           Total operating income         11,265         6,165         6,451         371         (1,120)         23,132           Expenses:         1         4223         444         2,094         43         (1,075)         5,729           Provision for loan losses         40         1,145         1         1,490           Provision for loan losses         3,613         3,110         1,066         175         (61)         7,903           Other         2,217         1,628         598         37         (61)         7,903           Other         2,217         1,628         598         37         (61)         7,903           Other         2,217         1,628         598         37         (61)         7,903           Other         2,217         1,628         598         3,73         443         116         16         3,536           Provision for income taxes         1,172         983         1,243         116         16         3,536           Provision for income taxes         1,172         983         1,548         5,14         5,616         9,745	Interest income	\$ 9,865		\$ 6,343	\$		\$ 15,970
Total operating income   11,265	Gains on sales of loans		4,513			(74)	4,439
Expenses	Other	1,400	844	108	371		2,723
Expenses							
Expenses	Total operating income	11,265	6,165	6,451	371	(1,120)	23,132
Interest expense		,	,	,			,
Interest expense	Evnoncoc						
Provision for loan losses	•	4 222	444	2 004	12	(1.075)	5 720
Personnel expenses Other         3,613 (2,217)         3,104 (3,227)         1,066 (3,258)         1,75 (3,248)         1,79 (3,248)         1,006 (3,248)         1,75 (3,248)         1,006 (3,248)         1,006 (3,248)         1,006 (3,248)         1,006 (3,248)         1,124 (3,248)		,	444		43	(1,073)	
Other         2,217         1,628         598         37         4,480           Total operating expenses         10,093         5,182         5,208         255         (1,136)         19,602           Income before income taxes         1,172         983         1,243         116         3,530           Provision for income taxes         1,175         373         44         3         1,068           Net income         \$ 997         \$ 610         \$ 770         \$ 72         \$ 13         \$ 2,462           Total assets         \$ 607,938         \$ 52,934         \$ 15,808         \$ 74         \$ (61,629)         \$ 754,125           Capital expenditures         \$ 372         \$ 95         \$ 127         \$ 72         \$ 13         \$ 2,462           Total assets         \$ 607,938         \$ 52,934         \$ 15,488         \$ 74         \$ (61,629)         \$ 754,125           Capital expenditures         \$ 10,00			2 110		155	((1)	
Total operating expenses   10,093   5,182   5,208   255   (1,136)   19,602     Income before income taxes   1,172   983   1,243   116   16   3,530     Provision for income taxes   175   373   473   44   3   1,068     Net income   \$997   \$610   \$770   \$72   \$13   \$2,462     Total assets   \$607,938   \$52,934   \$154,808   \$74   \$(61,629)   \$754,125     Capital expenditures   \$372   \$95   \$127   \$ \$ \$ \$ \$94     Capital expenditures   \$375   \$95   \$127   \$ \$ \$ \$ \$94     Capital expenditures   \$10,003   \$643   \$5,175   \$5   \$7710   \$15,050     Capital expenses   \$13,33   \$287   \$795   \$285     Capital expenses   \$13,33   \$287   \$107   \$290   \$780   \$21,925     Capital expenses   \$3,554   \$344   \$1,651   \$185     Capital expenses   \$3,173   \$2,992   \$761   \$208   \$199   \$7,153     Capital expenses   \$3,173   \$3,174   \$40   \$1,099     Capital expenses   \$3,089   \$994   \$1,311   \$44   \$41,31   \$4,40   \$4,100     Capital expenses   \$3,089   \$994   \$1,311   \$44   \$4,100   \$1,099     Capital expens						(61)	
Net income before income taxes   1,172   983   1,243   116   16   3,530   1,068   1,	Other	2,217	1,628	598	37		4,480
Net income before income taxes   1,172   983   1,243   116   16   3,530   1,068   1,							
Provision for income taxes         175         373         473         444         3         1,068           Net income         \$ 997         \$ 610         \$ 770         \$ 72         \$ 13         \$ 2,462           Total assets         \$ 607,938         \$ 52,934         \$ 154,808         \$ 74         \$ 616,629         \$ 754,125           Capital expenditures         The complete of th	Total operating expenses	10,093	5,182	5,208	255	(1,136)	19,602
Provision for income taxes         175         373         473         444         3         1,068           Net income         \$ 997         \$ 610         \$ 770         \$ 72         \$ 13         \$ 2,462           Total assets         \$ 607,938         \$ 52,934         \$ 154,808         \$ 74         \$ 616,629         \$ 754,125           Capital expenditures         The complete of th							
Provision for income taxes         175         373         473         444         3         1,068           Net income         \$ 997         \$ 610         \$ 770         \$ 72         \$ 133         \$ 2,462           Total assets         \$ 607,938         \$ 52,934         \$ 154,808         \$ 74         \$ 61,629         \$ 754,125           Capital expenditures         \$ 372         \$ 95         \$ 100         \$ 10	Income before income taxes	1,172	983	1,243	116	16	3,530
Net income         \$ 997         \$ 610         \$ 770         \$ 72         \$ 13         \$ 2,462           Total assets         \$ 607,938         \$ 52,934         \$ 154,808         \$ 74         \$ (61,629)         \$ 754,125           Capital expenditures         \$ 372         \$ 95         \$ 127         \$ 8         \$ 594           Results income         Results income         \$ 10,003         \$ 643         \$ 5,175         \$ \$ (771)         \$ 15,050           Gains on sales of loans         4,265         999         107         290         \$ (780)         21,932           Other         1,332         897         107         290         \$ (780)         21,932           Expenses:         Expenses:           Interest expense         3,354         324         1,651         (786)         4,543           Provision for loan losses         (250)         1,075         825           Personnel expenses         3,173         2,992         761         208         19         7,153           Other         1,969         1,495         484         38         9,398         94         4,31         44         (13)         5,425      <	Provision for income taxes	175	373	473	44	3	1,068
Total assets							·
Total assets	Net income	\$ 997	\$ 610	\$ 770	\$ 72	\$ 13	\$ 2.462
Capital expenditures         \$ 372         \$ 95         \$ 127         \$ \$         \$ 594           Retail Banking         Tour burders burdens burdens           Gin 000 \$)         Retail Banking         Finance   State	Net income	φ ))1	φ 010	φ //0	φ 12	φ 13	φ 2,402
Capital expenditures         \$ 372         \$ 95         \$ 127         \$ \$         \$ 594           Retail Banking         Tour burders burdens burdens           Gin 000 \$)         Retail Banking         Finance   State		φ <b>ζοπ</b> 020	ф. <b>53</b> .03.4	A 174 000	Φ 74	Φ ((1 (20)	ф. <b>554.105</b>
Retail Retail Banking         Retail Banking Banking         Retail Pinner         Wortgage Pinner         Consumer Pinner         Consolidated Pinner         Consolidated Pinner         Revenues:         Consolidated Pinner         Revenues:         Stanking         Finance         Consolidated Pinner         Revenues:         Stanking         Stanking         Finance         Consolidated Pinner         Revenues:         Stanking							
ketail (in 000 s)         Retail Banking         Mortgage Flame         Consulted Flame         Consolidated Flame           Revenues:         Interest income         \$ 10,003         \$ 643         \$ 5,175         \$ (771)         \$ 15,050           Gains on sales of loans         4,265         \$ 290         (99         4,256           Other         1,332         897         107         290         (780)         21,932           Total operating income         11,335         5,805         5,282         290         (780)         21,932           Expenses:         8         8         1,651         (786)         4,543           Provision for loan losses         (250)         1,075         825           Personnel expenses         3,173         2,992         761         208         19         7,153           Other         1,969         1,495         484         38         8         3,986           Total operating expenses         8,246         4,811         3,971         246         (767)         16,507           Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381	Capital expenditures	\$ 372	\$ 95	<b>\$</b> 127	\$	\$	\$ 594
ketail (in 000 s)         Retail Banking         Mortgage Flame         Consulted Flame         Consolidated Flame           Revenues:         Interest income         \$ 10,003         \$ 643         \$ 5,175         \$ (771)         \$ 15,050           Gains on sales of loans         4,265         \$ 290         (99         4,256           Other         1,332         897         107         290         (780)         21,932           Total operating income         11,335         5,805         5,282         290         (780)         21,932           Expenses:         8         8         1,651         (786)         4,543           Provision for loan losses         (250)         1,075         825           Personnel expenses         3,173         2,992         761         208         19         7,153           Other         1,969         1,495         484         38         8         3,986           Total operating expenses         8,246         4,811         3,971         246         (767)         16,507           Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381							
(in 000 s)         Banking         Banking         Finance         Other         Eliminations         Consolidated Revenues:           Interest income         \$ 10,003         \$ 643         \$ 5,175         \$ (771)         \$ 15,050           Gains on sales of loans         4,265         \$ (9)         4,256           Other         1,332         897         107         290         (780)         21,932           Expenses:         11,335         5,805         5,282         290         (780)         21,932           Expenses:         11,335         3,54         324         1,651         (786)         4,543           Provision for loan losses         (250)         1,075         825           Personnel expenses         3,173         2,992         761         208         19         7,153           Other         1,969         1,495         484         38         3,986           Total operating expenses         8,246         4,811         3,971         246         (767)         16,507           Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381         498							
Revenues:           Interest income         \$ 10,003         \$ 643         \$ 5,175         \$ (771)         \$ 15,050           Gains on sales of loans         4,265         (9)         4,256           Other         1,332         897         107         290         2,626           Total operating income         11,335         5,805         5,282         290         (780)         21,932           Expenses:         Interest expense         8,246         1,651         (786)         4,543           Provision for loan losses         (250)         1,075         825           Personnel expenses         3,173         2,992         761         208         19         7,153           Other         1,969         1,495         484         38         3,986           Total operating expenses         8,246         4,811         3,971         246         (767)         16,507           Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381         498         17         (4)         1,699           Net income         \$2,282         \$613         \$813					nded June	2 30, 2006	
Interest income         \$ 10,003         \$ 643         \$ 5,175         \$ (771)         \$ 15,050           Gains on sales of loans         4,265         (9)         4,256           Other         1,332         897         107         290         2,626           Total operating income         11,335         5,805         5,282         290         (780)         21,932           Expenses:         Interest expense         3,354         324         1,651         (786)         4,543           Provision for loan losses         (250)         1,075         825           Personnel expenses         3,173         2,992         761         208         19         7,153           Other         1,969         1,495         484         38         3,986           Total operating expenses         8,246         4,811         3,971         246         (767)         16,507           Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381         498         17         (4)         1,699           Net income         \$2,282         613         813         \$27	4.000		Mortgage	Consumer			a
Gains on sales of loans         4,265         (9)         4,256           Other         1,332         897         107         290         2,626           Total operating income         11,335         5,805         5,282         290         (780)         21,932           Expenses:         Interest expense         2         2         290         (780)         21,932           Expenses:         Interest expense         3,354         324         1,651         (786)         4,543           Provision for loan losses         (250)         1,075         825           Personnel expenses         3,173         2,992         761         208         19         7,153           Other         1,969         1,495         484         38         3,986           Total operating expenses         8,246         4,811         3,971         246         (767)         16,507           Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381         498         17         (4)         1,699           Net income         \$2,282         613 <td></td> <td></td> <td>Mortgage</td> <td>Consumer</td> <td></td> <td></td> <td>Consolidated</td>			Mortgage	Consumer			Consolidated
Other         1,332         897         107         290         2,626           Total operating income         11,335         5,805         5,282         290         (780)         21,932           Expenses:         Interest expense         3,354         324         1,651         (786)         4,543           Provision for loan losses         (250)         1,075         825           Personnel expenses         3,173         2,992         761         208         19         7,153           Other         1,969         1,495         484         38         3,986           Total operating expenses         8,246         4,811         3,971         246         (767)         16,507           Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381         498         17         (4)         1,699           Net income         \$2,282         \$613         \$813         \$27         \$(9)         \$3,726	Revenues:	Banking	Mortgage Banking	Consumer Finance	Other	Eliminations	
Total operating income         11,335         5,805         5,282         290         (780)         21,932           Expenses:         Interest expense         3,354         324         1,651         (786)         4,543           Provision for loan losses         (250)         1,075         825           Personnel expenses         3,173         2,992         761         208         19         7,153           Other         1,969         1,495         484         38         3,986           Total operating expenses         8,246         4,811         3,971         246         (767)         16,507           Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381         498         17         (4)         1,699           Net income         \$2,282         \$613         \$813         \$27         \$(9)         \$3,726	Revenues: Interest income	Banking	Mortgage Banking \$ 643	Consumer Finance	Other	Eliminations \$ (771)	\$ 15,050
Expenses:         Interest expense       3,354       324       1,651       (786)       4,543         Provision for loan losses       (250)       1,075       825         Personnel expenses       3,173       2,992       761       208       19       7,153         Other       1,969       1,495       484       38       3,986         Total operating expenses       8,246       4,811       3,971       246       (767)       16,507         Income before income taxes       3,089       994       1,311       44       (13)       5,425         Provision for income taxes       807       381       498       17       (4)       1,699         Net income       \$ 2,282       \$ 613       \$ 813       \$ 27       \$ (9)       \$ 3,726	Revenues: Interest income Gains on sales of loans	<b>Banking</b> \$ 10,003	Mortgage Banking \$ 643 4,265	Consumer Finance \$ 5,175	Other \$	Eliminations \$ (771)	\$ 15,050 4,256
Expenses:         Interest expense       3,354       324       1,651       (786)       4,543         Provision for loan losses       (250)       1,075       825         Personnel expenses       3,173       2,992       761       208       19       7,153         Other       1,969       1,495       484       38       3,986         Total operating expenses       8,246       4,811       3,971       246       (767)       16,507         Income before income taxes       3,089       994       1,311       44       (13)       5,425         Provision for income taxes       807       381       498       17       (4)       1,699         Net income       \$ 2,282       \$ 613       \$ 813       \$ 27       \$ (9)       \$ 3,726	Revenues: Interest income Gains on sales of loans	<b>Banking</b> \$ 10,003	Mortgage Banking \$ 643 4,265	Consumer Finance \$ 5,175	Other \$	Eliminations \$ (771)	\$ 15,050 4,256
Interest expense         3,354         324         1,651         (786)         4,543           Provision for loan losses         (250)         1,075         825           Personnel expenses         3,173         2,992         761         208         19         7,153           Other         1,969         1,495         484         38         3,986           Total operating expenses         8,246         4,811         3,971         246         (767)         16,507           Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381         498         17         (4)         1,699           Net income         \$ 2,282         \$ 613         \$ 813         \$ 27         \$ (9)         \$ 3,726	Revenues: Interest income Gains on sales of loans	<b>Banking</b> \$ 10,003	Mortgage Banking \$ 643 4,265	Consumer Finance \$ 5,175	Other \$	Eliminations \$ (771)	\$ 15,050 4,256
Interest expense         3,354         324         1,651         (786)         4,543           Provision for loan losses         (250)         1,075         825           Personnel expenses         3,173         2,992         761         208         19         7,153           Other         1,969         1,495         484         38         3,986           Total operating expenses         8,246         4,811         3,971         246         (767)         16,507           Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381         498         17         (4)         1,699           Net income         \$ 2,282         \$ 613         \$ 813         \$ 27         \$ (9)         \$ 3,726	Revenues: Interest income Gains on sales of loans Other	<b>Banking</b> \$ 10,003  1,332	Mortgage Banking \$ 643 4,265 897	* 5,175	<b>Other</b> \$ 290	### (771)	\$ 15,050 4,256 2,626
Interest expense         3,354         324         1,651         (786)         4,543           Provision for loan losses         (250)         1,075         825           Personnel expenses         3,173         2,992         761         208         19         7,153           Other         1,969         1,495         484         38         3,986           Total operating expenses         8,246         4,811         3,971         246         (767)         16,507           Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381         498         17         (4)         1,699           Net income         \$ 2,282         \$ 613         \$ 813         \$ 27         \$ (9)         \$ 3,726	Revenues: Interest income Gains on sales of loans Other	<b>Banking</b> \$ 10,003  1,332	Mortgage Banking \$ 643 4,265 897	* 5,175	<b>Other</b> \$ 290	### (771)	\$ 15,050 4,256 2,626
Provision for loan losses         (250)         1,075         825           Personnel expenses         3,173         2,992         761         208         19         7,153           Other         1,969         1,495         484         38         3,986           Total operating expenses         8,246         4,811         3,971         246         (767)         16,507           Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381         498         17         (4)         1,699           Net income         \$ 2,282         \$ 613         \$ 813         \$ 27         \$ (9)         \$ 3,726	Revenues: Interest income Gains on sales of loans Other  Total operating income	<b>Banking</b> \$ 10,003  1,332	Mortgage Banking \$ 643 4,265 897	* 5,175	<b>Other</b> \$ 290	### (771)	\$ 15,050 4,256 2,626
Personnel expenses         3,173         2,992         761         208         19         7,153           Other         1,969         1,495         484         38         3,986           Total operating expenses         8,246         4,811         3,971         246         (767)         16,507           Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381         498         17         (4)         1,699           Net income         \$ 2,282         \$ 613         \$ 813         \$ 27         \$ (9)         \$ 3,726	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses:	### Banking  \$ 10,003  1,332  11,335	Mortgage Banking  \$ 643 4,265 897  5,805	* 5,175 107 5,282	<b>Other</b> \$ 290	### (771)  (9)  (780)	\$ 15,050 4,256 2,626 21,932
Other       1,969       1,495       484       38       3,986         Total operating expenses       8,246       4,811       3,971       246       (767)       16,507         Income before income taxes       3,089       994       1,311       44       (13)       5,425         Provision for income taxes       807       381       498       17       (4)       1,699         Net income       \$ 2,282       \$ 613       \$ 813       \$ 27       \$ (9)       \$ 3,726	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense	Banking \$ 10,003  1,332  11,335	Mortgage Banking  \$ 643 4,265 897  5,805	* 5,175 107 5,282	<b>Other</b> \$ 290	### (771)  (9)  (780)	\$ 15,050 4,256 2,626 21,932
Total operating expenses         8,246         4,811         3,971         246         (767)         16,507           Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381         498         17         (4)         1,699           Net income         \$ 2,282         \$ 613         \$ 813         \$ 27         \$ (9)         \$ 3,726	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses	Banking \$ 10,003  1,332  11,335  3,354 (250)	Mortgage Banking \$ 643 4,265 897 5,805	* 5,175  \$ 5,175  107  5,282  1,651 1,075	Other \$ 290 290	### (771)  (9)  (780)  (786)	\$ 15,050 4,256 2,626 21,932 4,543 825
Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381         498         17         (4)         1,699           Net income         \$ 2,282         \$ 613         \$ 813         \$ 27         \$ (9)         \$ 3,726	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses	Banking \$ 10,003  1,332  11,335  3,354 (250) 3,173	Mortgage Banking \$ 643 4,265 897 5,805	\$ 5,175 107 5,282	Other \$ 290 290	### (771)  (9)  (780)  (786)	\$ 15,050 4,256 2,626 21,932 4,543 825 7,153
Income before income taxes         3,089         994         1,311         44         (13)         5,425           Provision for income taxes         807         381         498         17         (4)         1,699           Net income         \$ 2,282         \$ 613         \$ 813         \$ 27         \$ (9)         \$ 3,726	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses	Banking \$ 10,003  1,332  11,335  3,354 (250) 3,173	Mortgage Banking \$ 643 4,265 897 5,805	\$ 5,175 107 5,282	Other \$ 290 290	### (771)  (9)  (780)  (786)	\$ 15,050 4,256 2,626 21,932 4,543 825 7,153
Provision for income taxes 807 381 498 17 (4) 1,699  Net income \$ 2,282 \$ 613 \$ 813 \$ 27 \$ (9) \$ 3,726	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses Other	\$ 10,003 1,332 11,335 3,354 (250) 3,173 1,969	Mortgage Banking  \$ 643 4,265 897 5,805 324 2,992 1,495	\$ 5,175 107 5,282 1,651 1,075 761 484	Other \$ 290 290 208 38	\$ (771) (9) (780) (786)	\$ 15,050 4,256 2,626 21,932 4,543 825 7,153 3,986
Provision for income taxes 807 381 498 17 (4) 1,699  Net income \$ 2,282 \$ 613 \$ 813 \$ 27 \$ (9) \$ 3,726	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses Other	\$ 10,003 1,332 11,335 3,354 (250) 3,173 1,969	Mortgage Banking  \$ 643 4,265 897 5,805 324 2,992 1,495	\$ 5,175 107 5,282 1,651 1,075 761 484	Other \$ 290 290 208 38	\$ (771) (9) (780) (786)	\$ 15,050 4,256 2,626 21,932 4,543 825 7,153 3,986
Net income \$ 2,282 \$ 613 \$ 813 \$ 27 \$ (9) \$ 3,726	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses Other	\$ 10,003 1,332 11,335 3,354 (250) 3,173 1,969	Mortgage Banking  \$ 643 4,265 897 5,805 324 2,992 1,495	\$ 5,175 107 5,282 1,651 1,075 761 484	Other \$ 290 290 208 38	\$ (771) (9) (780) (786)	\$ 15,050 4,256 2,626 21,932 4,543 825 7,153 3,986
Net income \$ 2,282 \$ 613 \$ 813 \$ 27 \$ (9) \$ 3,726	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses Other  Total operating expenses	\$ 10,003 1,332 11,335 3,354 (250) 3,173 1,969 8,246	Mortgage Banking  \$ 643 4,265 897 5,805  324 2,992 1,495 4,811	\$ 5,175 107 5,282 1,651 1,075 761 484 3,971	Other \$ 290 290 208 38 246	\$ (771) (9) (780) (786) 19	\$ 15,050 4,256 2,626 21,932 4,543 825 7,153 3,986
	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses Other  Total operating expenses Income before income taxes	\$ 10,003 1,332 11,335 3,354 (250) 3,173 1,969 8,246 3,089	Mortgage Banking  \$ 643 4,265 897 5,805  324 2,992 1,495 4,811	\$ 5,175 107 5,282 1,651 1,075 761 484 3,971 1,311	Other \$ 290 290 208 38 246 44	\$ (771) (9) (780) (786) 19 (767) (13)	\$ 15,050 4,256 2,626 21,932 4,543 825 7,153 3,986 16,507
	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses Other  Total operating expenses Income before income taxes	\$ 10,003 1,332 11,335 3,354 (250) 3,173 1,969 8,246 3,089	Mortgage Banking  \$ 643 4,265 897 5,805  324 2,992 1,495 4,811	\$ 5,175 107 5,282 1,651 1,075 761 484 3,971 1,311	Other \$ 290 290 208 38 246 44	\$ (771) (9) (780) (786) 19 (767) (13)	\$ 15,050 4,256 2,626 21,932 4,543 825 7,153 3,986 16,507
Total assets \$502.242 \$ 70.660 \$ 120.250 \$ 70 \$ (65.660) \$ 715.671	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses Other  Total operating expenses Income before income taxes Provision for income taxes	\$ 10,003 1,332 11,335 3,354 (250) 3,173 1,969 8,246 3,089 807	Mortgage Banking  \$ 643 4,265 897  5,805  324  2,992 1,495  4,811  994 381	\$ 5,175 107 5,282 1,651 1,075 761 484 3,971 1,311 498	290 290 290 208 38 246 44 17	\$ (771) (9) (780) (786) 19 (767) (13) (4)	\$ 15,050 4,256 2,626 21,932 4,543 825 7,153 3,986 16,507 5,425 1,699
	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses Other  Total operating expenses Income before income taxes Provision for income taxes	\$ 10,003 1,332 11,335 3,354 (250) 3,173 1,969 8,246 3,089 807	Mortgage Banking  \$ 643 4,265 897  5,805  324  2,992 1,495  4,811  994 381	\$ 5,175 107 5,282 1,651 1,075 761 484 3,971 1,311 498	290 290 290 208 38 246 44 17	\$ (771) (9) (780) (786) 19 (767) (13) (4)	\$ 15,050 4,256 2,626 21,932 4,543 825 7,153 3,986 16,507 5,425 1,699
	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses Other  Total operating expenses Income before income taxes Provision for income taxes Net income	\$ 10,003 1,332 11,335 3,354 (250) 3,173 1,969 8,246 3,089 807 \$ 2,282	Mortgage Banking  \$ 643	\$ 5,175 107 5,282 1,651 1,075 761 484 3,971 1,311 498 \$ 813	290 290 290 208 38 246 44 17	\$ (771) (9) (780) (786) 19 (767) (13) (4) \$ (9)	\$ 15,050 4,256 2,626 21,932 4,543 825 7,153 3,986 16,507 5,425 1,699 \$ 3,726
	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses Other  Total operating expenses  Income before income taxes Provision for income taxes Provision for income taxes  Net income  Total assets	\$ 10,003 1,332 11,335 3,354 (250) 3,173 1,969 8,246 3,089 807 \$ 2,282 \$ 582,242	Mortgage Banking  \$ 643	\$ 5,175 107 5,282 1,651 1,075 761 484 3,971 1,311 498 \$ 813 \$ 128,359	290 290 290 208 38 246 44 17 \$ 27 \$ 70	* (771) (9) (780) (786) (786) (767) (13) (4) (9) (65,660)	\$ 15,050 4,256 2,626 21,932 4,543 825 7,153 3,986 16,507 5,425 1,699 \$ 3,726 \$ 715,671
Capital experiments $\frac{3}{2}$ $\frac{130}{2}$ $\frac{3}{2}$ $\frac{5}{2}$ $\frac{5}{2}$ $\frac{13}{2}$ $\frac{13}{2}$ $\frac{13}{2}$	Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses Other  Total operating expenses Income before income taxes Provision for income taxes Net income	\$ 10,003 1,332 11,335 3,354 (250) 3,173 1,969 8,246 3,089 807 \$ 2,282	Mortgage Banking  \$ 643	\$ 5,175 107 5,282 1,651 1,075 761 484 3,971 1,311 498 \$ 813	290 290 290 208 38 246 44 17	\$ (771) (9) (780) (786) 19 (767) (13) (4) \$ (9)	\$ 15,050 4,256 2,626 21,932 4,543 825 7,153 3,986 16,507 5,425 1,699 \$ 3,726

			_	_	_
Tah	IΡ	Ωŧ	Cai	ntei	nte

	Retail	Six Mortgage	x Months End Consumer	ed June	30, 2007	
(in 000 s)	Banking	Banking	Finance	Other	Eliminations	Consolidated
Revenues:						
Interest income	\$ 19,397	\$ 1,329	\$ 12,280	\$	\$ (1,737)	\$ 31,269
Gains on sales of loans		8,145			(78)	8,067
Other	2,581	1,435	238	639		4,893
Total operating income	21,978	10,909	12,518	639	(1,815)	44,229
Expenses:						
Interest expense	8,151	614	4,038	86	(1,771)	11,118
Provision for loan losses	40		2,850			2,890
Personnel expenses	7,178	5,676	2,055	348	(52)	15,205
Other	4,354	3,076	1,157	73		8,660
Total operating expenses	19,723	9,366	10,100	507	(1,823)	37,873
Income before income taxes	2,255	1,543	2,418	132	8	6,356
Provision for income taxes	325	586	919	50	3	1,883
Net income	\$ 1,930	\$ 957	\$ 1,499	\$ 82	\$ 5	\$ 4,473
Total assets	\$ 607,938	\$ 52,934	\$ 154,808	\$ 74	\$ (61,629)	\$ 754,125
			ΨΙΟΤΙΟ	Ψ / 🕶		Ψ /37,123
Capital expenditures	\$ 1,457	\$ 149	\$ 212	\$	\$	\$ 1,818
	\$ 1,457	\$ 149 Six	\$ 212 x Months End	\$	\$	
Capital expenditures	\$ 1,457  Retail	\$ 149 Six	\$ 212 x Months End Consumer	\$ led June	\$ 30, 2006	\$ 1,818
Capital expenditures  (in 000 s)	\$ 1,457	\$ 149 Six	\$ 212 x Months End	\$	\$	
Capital expenditures  (in 000 s)  Revenues:	\$ 1,457  Retail  Banking	\$ 149 Siz	\$ 212 x Months End Consumer Finance	\$ led June : Other	\$ 30, 2006 Eliminations	\$ 1,818  Consolidated
Capital expenditures  (in 000 s)  Revenues: Interest income	\$ 1,457  Retail	\$ 149 Six Mortgage Banking \$ 1,219	\$ 212 x Months End Consumer	\$ led June	\$ 30, 2006  Eliminations \$ (1,454)	\$ 1,818  Consolidated  \$ 28,543
Capital expenditures  (in 000 s)  Revenues: Interest income Gains on sales of loans	\$ 1,457  Retail Banking  \$ 18,633	\$ 149  Sir Mortgage Banking  \$ 1,219  8,143	\$ 212  X Months End Consumer Finance  \$ 10,145	\$  ded June of ther  \$	\$ 30, 2006 Eliminations	\$ 1,818  Consolidated  \$ 28,543
Capital expenditures  (in 000 s)  Revenues: Interest income	\$ 1,457  Retail  Banking	\$ 149 Six Mortgage Banking \$ 1,219	\$ 212 x Months End Consumer Finance	\$ led June : Other	\$ 30, 2006  Eliminations \$ (1,454)	\$ 1,818  Consolidated  \$ 28,543
Capital expenditures  (in 000 s)  Revenues: Interest income Gains on sales of loans	\$ 1,457  Retail Banking  \$ 18,633	\$ 149  Sir Mortgage Banking  \$ 1,219  8,143	\$ 212  X Months End Consumer Finance  \$ 10,145	\$  ded June of ther  \$	\$ 30, 2006  Eliminations \$ (1,454)	\$ 1,818  Consolidated  \$ 28,543
Capital expenditures  (in 000 s) Revenues: Interest income Gains on sales of loans Other	\$ 1,457  Retail Banking  \$ 18,633  2,370	\$ 149  Six Mortgage Banking  \$ 1,219  8,143  1,657	\$ 212  x Months End Consumer Finance  \$ 10,145	\$ Other \$ 507	\$ 30, 2006 Eliminations \$ (1,454) (24)	\$ 1,818  Consolidated  \$ 28,543
Capital expenditures  (in 000 s)  Revenues: Interest income Gains on sales of loans Other  Total operating income	\$ 1,457  Retail Banking  \$ 18,633  2,370	\$ 149  Six Mortgage Banking  \$ 1,219  8,143  1,657	\$ 212  x Months End Consumer Finance  \$ 10,145	\$ Other \$ 507	\$ 30, 2006 Eliminations \$ (1,454) (24)	\$ 1,818  Consolidated  \$ 28,543
Capital expenditures  (in 000 s) Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses	\$ 1,457  Retail Banking  \$ 18,633  2,370  21,003  6,263 (250)	\$ 149  Six Mortgage Banking  \$ 1,219  8,143  1,657  11,019	\$ 212 x Months End Consumer Finance \$ 10,145 215 10,360 3,110 2,350	\$ ded June do Other \$ 507	\$ 30, 2006  Eliminations \$ (1,454) (24)  (1,478)	\$ 1,818  Consolidated  \$ 28,543
Capital expenditures  (in 000 s) Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense	\$ 1,457  Retail Banking  \$ 18,633  2,370  21,003	\$ 149  Six Mortgage Banking  \$ 1,219  8,143  1,657  11,019	\$ 212 x Months End Consumer Finance \$ 10,145 215 10,360 3,110	\$ Other \$ 507	\$ 30, 2006  Eliminations \$ (1,454) (24)  (1,478)	\$ 1,818  Consolidated  \$ 28,543
Capital expenditures  (in 000 s) Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses	\$ 1,457  Retail Banking  \$ 18,633  2,370  21,003  6,263 (250)	\$ 149  Six Mortgage Banking  \$ 1,219  8,143  1,657  11,019	\$ 212 x Months End Consumer Finance \$ 10,145 215 10,360 3,110 2,350	\$ ded June do Other \$ 507	\$ 30, 2006  Eliminations \$ (1,454) (24)  (1,478)	\$ 1,818  Consolidated  \$ 28,543
Capital expenditures  (in 000 s) Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses	\$ 1,457  Retail Banking  \$ 18,633  2,370  21,003  6,263 (250) 6,333	\$ 149  Six Mortgage Banking  \$ 1,219  8,143  1,657  11,019  607  5,891	\$ 212 x Months End Consumer Finance \$ 10,145 215 10,360 3,110 2,350 1,485	\$ ded June d	\$ 30, 2006  Eliminations \$ (1,454) (24)  (1,478)	\$ 1,818  Consolidated  \$ 28,543
Capital expenditures  (in 000 s) Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses Other	\$ 1,457  Retail Banking  \$ 18,633  2,370  21,003  6,263 (250) 6,333 3,816	\$ 149  Six Mortgage Banking  \$ 1,219  8,143  1,657  11,019  607  5,891  2,799	\$ 212 x Months End Consumer Finance \$ 10,145 215 10,360 3,110 2,350 1,485 974	\$ 6ed June  Other  \$ 507  507	\$ 30, 2006 Eliminations \$ (1,454) (24)	\$ 1,818  Consolidated  \$ 28,543
Capital expenditures  (in 000 s) Revenues: Interest income Gains on sales of loans Other  Total operating income  Expenses: Interest expense Provision for loan losses Personnel expenses Other  Total operating expenses	\$ 1,457  Retail Banking  \$ 18,633  2,370  21,003  6,263 (250) 6,333 3,816  16,162	\$ 149  Six Mortgage Banking  \$ 1,219  8,143  1,657  11,019  607  5,891  2,799  9,297	\$ 212  x Months End Consumer Finance  \$ 10,145  215  10,360  3,110 2,350 1,485 974  7,919	\$ 6ed June Other \$ 507 507 433	\$ 30, 2006 Eliminations \$ (1,454) (24)  (1,478)  (1,504)  38	\$ 1,818  Consolidated  \$ 28,543