

Quarterly Report
Fourth Quarter 2005

The earnings per share, on a diluted basis, for the year ended December 31, 2005 were up 4.3% over the year ended December 31, 2004. Earnings per share, on a diluted basis, for the fourth quarter were 57 cents per share compared to 58 cents last year. Earnings for the year were \$5.8 million, an increase of \$58 thousand over the year ended December 31, 2004. Net interest income has been affected by a compression of our net interest margin, as a result of competitive pressure on our short-term deposit rates.

Assets were \$572.8 million as of December 31, 2005, up 8.4% over last year. Loans exceeded \$370.9 million as of December 31, 2005, which was a 3.5% increase over last year. As of December 31, 2005, deposits were \$431.6 million, up 11.3% over the prior year.

We hope to build upon our positive growth in assets and deposits in 2005, along with the tobacco lump sum payouts offered during the last seven months of 2005, to produce another profitable year.

Louis Prichard
President, CEO