

**Statements of Income — Years Ended December 31, 2010 and 2009**

<b>Interest and dividend income</b>	<b>2010</b>	<b>2009</b>
Loans	\$ 4,680,129	\$ 4,594,216
Securities	183,790	372,156
Federal funds sold	17,090	13,469
Interest-bearing time deposits and other	114,636	528,852
<b>Total interest and dividend income</b>	<b>4,995,645</b>	<b>5,508,693</b>
<b>Interest and dividend expense</b>		
Share accounts	758,799	1,047,548
Borrowings	59,018	201,351
<b>Total interest and dividend expense</b>	<b>817,817</b>	<b>1,248,899</b>
Net interest income	4,177,828	4,259,794
Provision for loan losses	386,694	396,110
<b>Net interest income after provision for loan losses</b>	<b>3,791,134</b>	<b>3,863,684</b>
<b>Noninterest income</b>		
Fees and charges	1,843,641	2,014,096
Interchange fees	480,832	432,870
Gain (loss) on fixed asset sales	—	3,860
Other	89,372	59,977
<b>Total noninterest income</b>	<b>2,413,845</b>	<b>2,510,803</b>
<b>Noninterest expense</b>		
Compensation and benefits	2,572,593	2,948,480
Office operations	1,094,365	1,143,628
Service processing charges	1,077,411	1,153,595
Depreciation and amortization	301,099	327,059
Occupancy	471,586	504,427
Member education and promotion	227,129	387,953
Professional fees	128,155	144,233
Director and dues expenses	92,696	113,948
Insurance	42,100	44,953
Prepayment penalty on long-term borrowing	—	116,349
American Share Insurance special premium assessment	150,752	146,451
Other	185,422	233,234
<b>Total noninterest expense</b>	<b>6,343,308</b>	<b>7,264,310</b>
<b>Net income (loss)</b>	<b>\$ (138,329)</b>	<b>\$ (889,823)</b>

**Statements of Changes in Members' Equity — Years Ended December 31, 2010 and 2009**

	<b>Appropriated Statutory Reserve</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Income (loss)</b>	<b>Total Members' Equity</b>
Beginning, January 1, 2009	\$ 3,560,622	\$ 7,690,252	\$ (60,853)	\$ 11,190,021
Appropriation of retained earnings	138,572	(138,572)	—	—
Comprehensive income (loss)				
Net income (loss)	—	(889,823)	—	(889,823)
Other comprehensive income (loss)	—	—	212,682	212,682
<b>Total comprehensive income (loss)</b>				<b>(677,141)</b>
Balance, December 31, 2009	3,699,194	6,661,857	151,829	10,512,880
Appropriation of retained earnings	—	—	—	—
Comprehensive income (loss)				
Net income (loss)	—	(138,329)	—	(138,329)
Other comprehensive income (loss)	—	—	(158,300)	(158,300)
<b>Total comprehensive income (loss)</b>				<b>(296,629)</b>
<b>Balance, December 31, 2010</b>	<b>\$ 3,699,194</b>	<b>\$ 6,523,528</b>	<b>\$ (6,471)</b>	<b>\$ 10,216,251</b>