

**Statement of Financial Condition
as of December 31, 2012 and 2011 (\$ in Thousands)**

| | 2012 | 2011 |
|---------------------------------------|------------------|------------------|
| Cash | 1,940 | 2,638 |
| Cash Equivalent | 100,389 | 112,906 |
| Investments | 77,975 | 48,884 |
| Net Loans | 299,753 | 306,364 |
| Fixed Assets | 12,773 | 12,990 |
| Other Assets | 7,963 | 7,943 |
| Total Assets | 500,793 | 491,725 |
| Savings | 401,739 | 393,303 |
| Borrowings | 40,000 | 40,000 |
| Other Liabilities | 7,516 | 4,836 |
| Total Liabilities | 449,255 | 438,139 |
| Equity | 51,538 | 53,586 |
| Total Liabilities & Equity | \$500,793 | \$491,725 |

**Statement of Income
for the years ended December 31, 2012 and 2011
(\$ in Thousands)**

| | 2012 | 2011 |
|----------------------------------|---------------|----------------|
| Interest on Loans | 14,585 | 16,065 |
| Interest on Investments | 1,101 | 1,200 |
| Total Interest Income | 15,686 | 17,265 |
| Interest on Savings | 1,106 | 1,606 |
| Interest on Borrowings | 1,339 | 1,320 |
| Total Interest Expense | 2,445 | 2,926 |
| Provision for Loan Losses | 779 | 1,735 |
| Net Interest Income | 12,462 | 12,604 |
| Other Income | 5,911 | 5,885 |
| Compensation & Employee Benefits | 9,691 | 9,859 |
| Office Occupancy & Operations | 3,430 | 3,607 |
| Education & Promotional | 495 | 532 |
| Professional & Outside Services | 2,834 | 2,953 |
| Other Expenses | 708 | 749 |
| Member Insurance | 394 | 1,008 |
| Total Operating Expenses | 17,552 | 18,708 |
| Net Income | \$821 | (\$219) |