



**WALDEN
MUTUAL
BANK.**
[in organization]

May 2022

Cautionary Note Regarding Forward Looking Statements

Some of the information in this presentation contains or incorporates by reference certain forward-looking projections, goals, assumptions and statements about the Bank's financial condition, results of operations and business that are based on its current and future expectations. You can find many of these statements by looking for words such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of such terms and other comparable terminology. Such statements reflect the Bank's current views with respect to future events and are subject to risks and uncertainties, including those discussed under "Risk Factors" and elsewhere in the Bank's Offering Circular that could cause actual results to differ materially from those contemplated in such forward-looking statements. Factors that could cause the Bank's actual results to differ, possibly materially, from those in the specific projections, goals, assumptions and statements include:

- legislative or regulatory changes that affect the Bank's business and the impact of such changes on the Bank's compliance costs;
- deterioration of the credit quality of the Bank's loan portfolio, increased default rates and loan losses or adverse changes in the industry concentrations of the Bank's loan portfolio;
- the Bank's ability to manage the impact of changes in interest rates, spreads on interest earning assets and interest-bearing liabilities, and interest rate sensitivity;
- increased competitive pressures among financial services companies;
- failures of counterparties or third party vendors to perform their obligations;
- prepayment speeds, loan originations, credit losses and market values, collateral securing loans and other assets;
- adverse changes in the securities market;
- the economic impact of past and any future terrorist attacks, acts of war, or threats thereof and the response of the United States to any such threats and attacks;
- the amount of assessments and premiums the Bank is required to pay for FDIC deposit insurance;
- the costs, effects, and outcomes of existing or future litigation;
- the failure to successfully implement the Bank's business;
- the ability of the Bank to manage the risks associated with the foregoing factors as well as anticipated risk factors; and
- such other factors discussed throughout the "Risk Factors" section of our Offering Circular.

You are cautioned that no forward-looking statement is a guarantee of future performance, and you should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. There may be events in the future that the Bank has little control or is unable to accurately predict. These statements are representative only as of the date this presentation. Before you invest in the Special Deposits, you should be aware that the occurrence of the events described in these risk factors, and elsewhere in our Offering Circular, could have a material adverse effect on the Bank's business, operating results and financial condition.

Starting Points

WHY DO 44% OF MILLENNIALS BANK WITH CHASE, WELLS FARGO, OR BANK OF AMERICA?

70% of the millennial generation is worried about climate change... but the top-5 global banks have invested over \$1 trillion in fossil fuels (tar sands oil, new coal plants, etc.) since the Paris Agreement was signed in 2015

WHY ARE THERE NO BANK BRANDS WITH CUSTOMER LOVE AND VALUES LIKE PATAGONIA?

We express our values by supporting purpose driven brands in food, cleaning products, cosmetics...but not banks?

EXPLOSION OF INTEREST IN IMPACT INVESTING... BUT DOES ANYONE BELIEVE ESG ETFs ARE IMPACTFUL?

10x growth in net inflows in 2 years: \$50 billion invested in “Sustainable funds” in 2020 vs. \$5 billion in 2018

Some components of iShares “ESG Aware” ETF: ExxonMobil, Chevron, ConocoPhillips, Comcast, Raytheon... not exactly at the vanguard of social impact



Sources:

Forbes: “Why Do Millennials Bank With Bank of America, Chase, and Wells Fargo?”
http://priceofoil.org/content/uploads/2020/03/Banking_on_Climate_Change_2020.pdf
Morningstar: “Sustainable Funds US Landscape Report”

Walden Mutual is a new mutual bank in organization, focused on providing impact-focused online savings accounts to depositors across New England and New York while lending to the region's sustainable food and farm businesses.

WE ARE SEEKING THE FIRST NEW MUTUAL BANK CHARTER TO BE GRANTED IN ANY STATE IN 50 YEARS.

Our Ethos and Mission

GROW YOUR CHANGE

Our mission is to promote sustained holistic wellness by providing lasting value – financial and social – to our partner depositors. We do this through interest, dividends and social & environmental impact.

We are focused on lending to local food & agriculture businesses because we believe that they can drive transformative impact on the environmental, economic and cultural vitality of our home: New England and New York.



What We're Building

A BANK FOR EVERYONE WHO EATS, MAKES, GROWS, COOKS, OR JUST LOVES LOCAL FOOD

LENDING

Our focus is lending to food, agriculture and other community businesses in New England and New York, to support infrastructure, land, working capital, and business expansion.

- At least 92,000 eligible food & farm businesses in target area
- Farm Credit East has over \$8 billion in outstanding loans in the region, growing at 8.5% annually
- **We've built a lending pipeline of over \$25m to date, with several million under LOI**

DEPOSITS

Digital **Grow Local** accounts for conscientious individuals as well as our commercial partners, with our initial campaign focused on consumers in the Concord, Manchester and Boston areas. Plus a comprehensive suite of products and services to support business depositors.

- \$439 billion in deposits in target area
- **Over 7,000 people currently on a waitlist for deposit accounts**

Your Team*



CHARLEY CUMMINGS, PRESIDENT & CEO

- Founder / Former CEO Walden Local, Inc., \$40m Revenue, 200-employee business operating together with 75 partner farms and 30,000 member families in region
- Previously directed acquisitions for a venture-backed compost company, founded a non-profit advocacy group



JACKIE CHARRON, COO

- Former Chief Risk Officer & SVP of Operations & IT, PeoplesBank
- Former VP Commercial Lending / Credit at PeoplesBank
- 35 years of banking experience in risk, CRA, and compliance, IT, operations, lending and credit



DEBBIE MORIN, CFO

- Former controller & CFO Centrix Bank (a de novo bank, grew from \$0 to \$1bn assets)
- Former CFO NH Community Dev. Finance Authority
- 25 years of banking experience in finance, audit, regulatory reporting



CHRISTINE BASCETTA-GATH, SVP OF LENDING

- Former SVP & Chief Lending Officer, Litchfield Bancorp
- 11 years of banking and commercial lending experience
- Masters degree in Psychology from University of Chicago



JEAN CONKLIN, SR. AG & COMM. LENDER

- Former Sr. Loan Officer, VEDA and Yankee Farm Credit
- Previously UNH Cooperative extension specialist, owned and operated dairy farm
- 18 years of agriculture lending experience



CHRISTINA JOHANTGEN, HEAD OF MARKETING

- Former marketing coordinator of IDEO's global collaborative innovation team
- Fulbright recipient in visual and digital media
- Former marketing lead at Walden Local, Inc.



JOE YORK, HEAD OF PRODUCT

- Former director of innovation and design at VISA
- Previously leader of inclusive design practice and director of consumer credit capabilities at VISA



*As a mutual, it's as much your team as it is ours.

Board of Directors: 150 Years of Banking Experience



A. VINCENT SICILIANO, BOARD CHAIR

- Former CEO of New Resource Bank
- 42 years in banking, 32 as COO or CEO



DULCIE MADDEN LIPOMA

- Operating Partner, The Engine
- Founder / CEO Rest Devices, Inc.
- 19 years business leadership experience



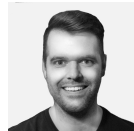
RADHIKA DHOLAKIA LIPTON, AUDIT CHAIR

- CEO, RADD, LLC
- Former EVP, COO Merchants Bank
- 30 years bank risk & compliance experience



ALEXANDRA LUNT

- Principal, Armonia, LLC
- Previously Analyst at J.P. Morgan Chase
- Leading investor in sustainable agriculture



ETHAN WINGFIELD, FINANCE CHAIR

- Former CMO, CapitalOne Consumer Bank
- 15 years consumer banking experience



SHERRY YOUNG

- Founder, Board Chair, former President of Rath, Young, and Pignatelli, P.C.
- Founding Board Member of de novo Horizon Bank
- Former Board Member of Centrix Bank



ANTHONY POORE

- Adjunct Faculty, S. NH University
- Former Director, NH Humanities
- Former Director, Fed Reserve Bank of Boston



MIKE CLAFLIN, LOAN CHAIR

- Executive Director AHEAD, Inc.
- Former RVP, Connecticut River Bank
- 20 years banking experience



STEVE TAYLOR

- Former 25-year Secretary of Agriculture, State of NH
- Former Director, Yankee Farm Credit (10 years)



BOB BURKE, ESG CHAIR

- CEO, Natural Products Consulting
- 30+ years in the natural food industry
- Director at King Arthur Flour, Cali' flour Foods, Saffron Road, Uncle Matt's Organic, EcoFish



PAUL NARDONE

- Former CEO of Annie's Homegrown, Stirrings, Immaculate Baking Co., current CEO PopCorners
- 20 years of food business leadership
- Former Operating Partner, Sherbrooke Capital



SUSAN LEDUC

- CAO, Drivetrain Administrative Services
- Former SVP, Chief Risk Officer, Bank of NH
- 30+ years in banking & compliance

What is a Mutual? A Model That Has Worked For Centuries

TO BUILD A 100+ YEAR INSTITUTION, WE NEED AN OWNERSHIP STRUCTURE TO MATCH.

Mutual banks are a form of alternative ownership, in which the bank is owned by its depositors and governed by a board of Corporators tasked with stewarding the organization for the long term.

Historically the lifespans of mutuals have far exceeded those of average public and private companies by many multiples – many mutuals today are over 200 years old. But a new mutual has not been formed in many decades. We view it as a model that is ripe for reinvention in the modern era, and a way of **giving our impact model “teeth.”**

Mutual governance provides powerful strategic alignment in a mission-driven company, allows us to confidently build a brand and business that truly works in the best interest of our customers & community, and **allows us to truly focus on the long term.**

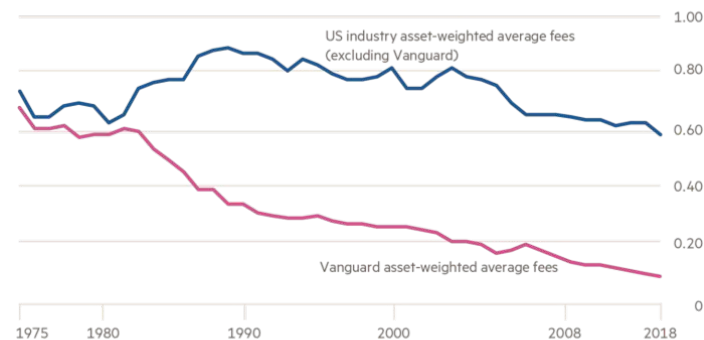
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Sources:

<https://www.evidenceinvestor.com/us-fund-fees-cut-in-half-in-20-years/>
<https://www.ft.com/content/9414052a-3142-11ea-9703-eea0cae3f0de>

VANGUARD'S COMPETITIVE ADVANTAGE: MUTUAL GOVERNANCE

Historical average US expense ratios, 2018 (%)



Sources: Vanguard; Morningstar; Lipper
© FT

Over its 46-year history, Vanguard has effectively destroyed the old guard of the mutual fund industry by returning profits to their owners (fund investors) in the form of lower and lower fees. Vanguard fees have been reduced 80% since 1985, making them the 2nd largest asset holder in the world... as a result of their core competitive advantage: **their owners**. Their governance is now a core part of their brand.

What is Sustainable Food?

INDUSTRIAL FARMING THREATENS A PRECIOUS NATURAL RESOURCE: SOIL

3 billion tons of topsoil are lost annually;
60 harvests left at current depletion rates

Industrial agriculture is a significant (24%
of US total) contributor to climate change



WE WILL UTILIZE OUR WALDEN IMPACT EVALUATION (WIE) TO ASSESS THE SUSTAINABILITY OF BORROWER OPERATIONS

We seek to work with borrowers
expressing a desire to change,
demonstrated through their WIE score

Although we will look for certifications
(Organic, B Corp, and others) we believe
sustainable change occurs through the
growth in the “flow” of new conversions to
sustainable practices, not simply
addressing the existing “stock”

THE WIE ASKS POTENTIAL BORROWERS TO EVALUATE THEIR BUSINESS AND ITS IMPACT ALONG SEVERAL DIMENSIONS

Building upon holistic B Corp assessment
stakeholder group evaluation

We will seek to increase our aggregate score
and that of our individual borrowers over
time



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Sources:

<https://www.scientificamerican.com/article/only-60-years-of-farming-left-if-soil-degradation-continues/>
<https://www.epa.gov/ghgemissions/global-greenhouse-gas-emissions-data>

Lending: We Fund Local Food & Agriculture Businesses

Our lending focus (\$50k- \$3-4m loan range) is supporting leaders who are pursuing a healthier and more sustainable New England and New York community in a world long dominated by industrial agriculture. Our focus is lending to sustainable food and agriculture enterprises, including:

PRODUCTION FARMS, FORESTS, AND FISHERIES	CRITICAL INFRASTRUCTURE	CONSUMER AND TRADE BRANDS	COMMUNITY ORGANIZATIONS
Growing on land, in the ocean, or anywhere in between	Manufacturers, processors, distributors, and retailers	Food or food-adjacent enterprises	Food or non-food based nonprofits, land trusts, co-operatives, or other alternative ownership models

We plan to partner with the SBA and the USDA Farm Service Agency Loan Program as well as Farmer Mac.



Our Value Proposition for Commercial Borrowers

A **deep understanding** of food & agriculture businesses up and down the value chain, driving differentiated credit understanding and allowing lending where there are gaps in the market

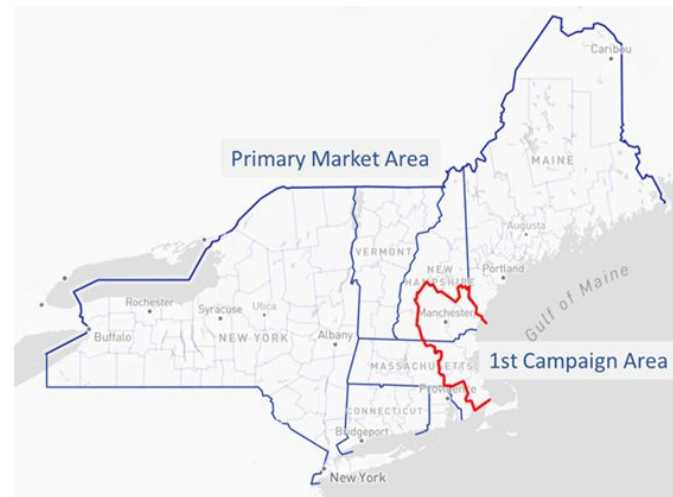
The desire of a borrower to be a part of an **affinity group** that reflects their values

Personalized service

Best-in-class technology

The opportunity to connect borrowers directly with the Bank's **passionate deposit base**, who are often, in turn, their core customers

OUR MARKET AREA INCLUDES ALL OF NEW ENGLAND AND NEW YORK
allowing for diversification in industry and geography



Lending Pipeline

Our lending pipeline has swelled to over \$25m; some example deals:

ENTITY	EST. LOAN	NOTES / LOAN PURPOSE
Pet Food & Treat Producer	\$3m	Premium food and treats from underutilized food & ag waste products. Refinancing existing debt.
Solar Developer/Asset Mngr	\$1.8m	Project financing for solar developer that provides incremental income to area farms and other landowners. Potential pipeline of 20+ more projects.
Grass-fed Organic Dairy*	\$1.4m	Marquee dairy refinancing and generational transfer.
Local Market Concept	\$700k	Local, vertically integrated market concept; refinancing.
Pasture Raised Egg Operation*	\$415k	Refinancing of private purchase of farmland.
Organic Bakery*	\$78k	Building local grainshed with a retail bakery. New equipment financing.
Farm and Food Hub*	\$40k	Refinancing to start relationship for larger upcoming land/building purchase.
Agritourism Operator	TBD	Project financing for local agritourism platform.



*Term sheet in place - note that some of these loans will be funded prior to opening.

Deposits

CUSTOMERS MISTRUST BANKS

The multitude of existing offerings confuse consumers; huge proliferation of deposit products continues. And, post-Great Recession, millennial distrust of financial institutions is elevated.

- For example: like most regional banks, Citizens Bank offers **four** different types of checking accounts and **three** different types of savings accounts, each with unique features, benefits and rate profiles
- Our research indicates distinctions between savings and checking accounts are ambiguous, distracting and confusing to our consumer set
- Only **28% of millennials characterize banks as fair and honest**
- As a result, **simplicity** is one of our core values – and we aspire to integrate the **mutual** model into our product design

Choose Your Account

Choosing the right account for you is simple with Citizens.
Check out our account offerings below.

	Student Checking	One Deposit Checking from Citizens SM	Citizens Quest SM Checking	Citizens Wealth SM Checking
	Open Your Account	Open Your Account	Open Your Account	Open Your Account
Good if...	You are an individual under 25 ready to start your financial journey	You want a simple solution for everyday banking	You want a relationship account that allows you to bank easier with many additional services at no fee	You want a combination of banking benefits along with access to a team of financial professionals who provide assistance with banking, lending and investing
Monthly Maintenance Fee	\$0.00 under age 25	\$0.00 or \$9.99	\$0.00 or \$25.00	No Fee
Requirement to waive monthly maintenance fee	Be under age 25 ⁴	Make one deposit each statement period	Make \$5,000 in total deposits to your primary checking each statement period OR maintain a \$25,000 monthly combined deposit and investment balance across your linked accounts	N/A Clients must maintain \$200,000 in combined deposit and investments to be eligible for Wealth Checking
Earns Interest ⁶	No	No	Yes, Citizens Quest Rates View All Tiers Also, Access to Citizens Quest Rates on Money Markets, Savings and CDs	Yes, Citizens Wealth Rates View All Tiers Also, Access to Citizens Wealth Rates on Money Markets, Savings and CDs

Screenshot from Citizens Bank



Source:

World Economic Forum, 2018

<https://www.cnbc.com/2018/09/14/a-new-generation-puts-trust-in-tech-over-traditional-banks.html>

Deposit Products

We will offer our partner depositors:

ONLINE GROW LOCAL ACCOUNTS

- Transactional features of a checking account, with compelling interest rates of a savings account
- Simple, single account structure with interest paid on all balances
- Yield on par with national online savings accounts (e.g. CapitalOne) and above regional leaders' checking products
- Ongoing monthly interest, plus year end "dividend"
- Pay of up to \$15 per month in fees charged by other banks for ATM use

PLUS LOCAL IMPACT CDS (1-15 YEARS)



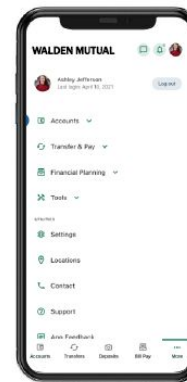
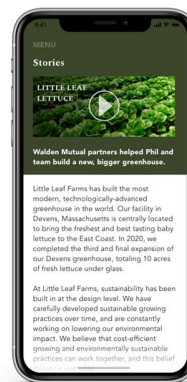
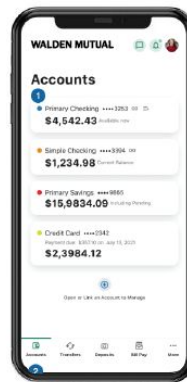
*Note: Designs Are Illustrative Only and Subject to Change

Best-in-class technology

Reciprocal rewards with aligned partners (e.g. food co-ops, farmers markets, other B Corps)

Community participation in product decisions, access to local events, etc.

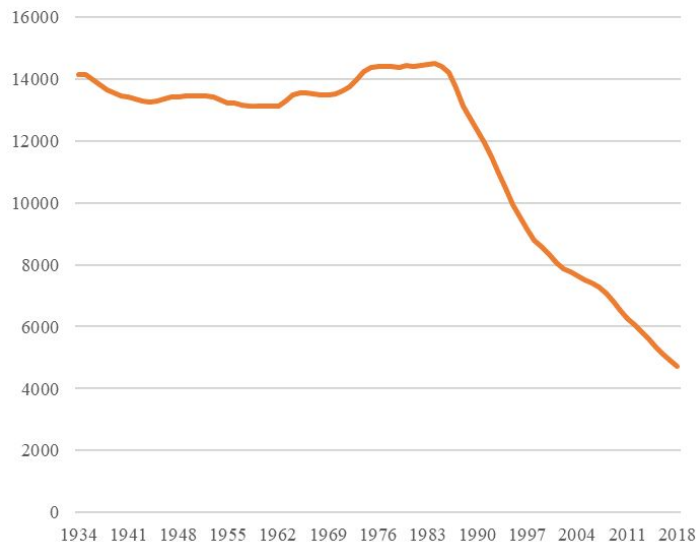
Tangible, specific and local impact unlike that of any other bank brand in the market



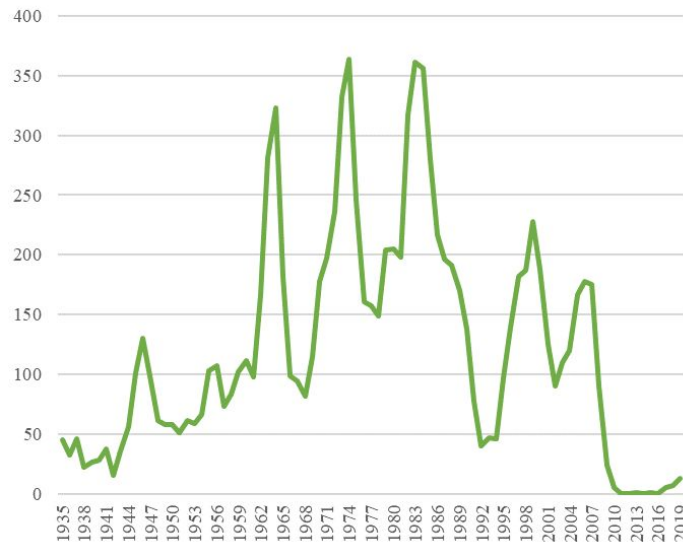
Walden Mutual Bank [in organization] - Proprietary & Confidential

Dramatic Declines in Banking Competitiveness for 40+ Years

TOTAL # OF US BANK CHARTERS



NEW BANK CHARTERS ISSUED



Source:
FDIC, 2020

Banking is an Oligopoly in Our Markets, Ripe for a New Entrant

50%

Market share of deposits for the top-3 banks in New Hampshire (Citizens, TD and BofA)

80%

Market share of deposits for the top-3 banks in Manchester-Nashua MSA

73%

Market share of deposits for the top-5 banks in Greater Boston MSA

“Oligopolies set high price umbrellas, under which there is plenty of room for smaller, more efficient and more specialized entrants to prosper and grow.” - American Banker



Source:
FDIC, 2020

Investing for Impact

Banks – **by virtue of leveraging investment capital 10:1** – offer a powerful way to catalyze systemic change

We are investing in a sector critical to our region's economic, ecological and cultural vitality: sustainable agriculture

Our theory of change: meaningful impact is local, tangible, and specific – which also means it's transparent and measurable

- Our impact will be assessed by our board quarterly, based on our stakeholder impact assessments, across our partner borrowers, depositors and vendors
- Individual borrower and aggregate **carbon footprint** data is a critical component of this analysis, ultimately driven by the use of SASB accounting standards
- We plan to partner closely with B Corp as one of only a handful of B Corp certified banks
- Our governance structure provides the alignment that will allow us to truly focus on the long term, and to deliver our partner depositors a holistic return on capital, both financial and non-financial



Banks have become “Black Boxes” in the modern era – but have the potential to yield transformative change by investing with purpose

... and facilitating connection between depositors & borrowers

Special Deposits: Catalytic Capital

Mutuals do not have traditional equity, and banks cannot be financed with debt.

Our **Special Deposits** are designed to bridge this gap to provide regulatory collateral, and create IRRs consistent with small bank equity:

- 30% of post-tax profits automatically allocated to dividend reserve account quarterly, then dispersed at year end
- Target long-term annual return of 8-10% through the payment of dividends following positive retained earnings
- Cash or Pay-in-kind (reinvestment), at option of holder

Designed as a perpetual instrument, special deposits match the characteristics of the oldest security in the history of finance, the Dutch Perpetual Bond (paid continuously since 1648) and more recently securities of other cooperatives such as Organic Valley

We are targeting **\$20-25m in starting capital**



The 372 Year Old Dutch Perpetual Bond is still paying interest annually to Yale University.

Governance for Building a 100+ Year Institution

The advantage in the mutual model is the ability to truly focus on the long term, which is enabled by a (small-r) republican governance structure; we will pair it with public benefit corporation status

DEPOSITORS

Vote on change of control or change to stock form, 1 vote per depositor

Interest in pro rata share of assets in liquidation

CORPORATORS

Nominate and confirm Board of Directors, serve as brand & business ambassadors

Ratify changes to bylaws, corporate organization, M&A activity

Attend annual meeting

BOARD OF DIRECTORS

Responsible for risk management, annual budget and strategic plan approval, financial & strategic oversight

Appoint / Remove CEO

Highly active board & committee meetings, investment requirement, modest compensation with special deposit component

Board Committees: Executive (including comp & gov), Audit, Loan, Finance, ESG Impact

MANAGEMENT TEAM

Develop and execute the bank's strategy

Committees: ALCO, Compliance & CRA Committee, IT Steering Committee

Compensation tied to long-term organizational goals

Special Deposits granted with 6-year vesting as long-term incentives

Press

The Boston Globe

He built a grass-fed beef empire. Now he wants to be your bank

Charley Cummings, the 37-year-old founder of Walden Local, wants to build the 'Patagonia of banking'

By [Janelle Nanos](#) Globe Staff. Updated August 26, 2021, 5:32 p.m.



Charley Cummings, founder of Walden Mutual, visited with his Katahdin sheep while on his property in Hopkinton, N.H. ERIN CLARK/GLOBE STAFF

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"The most important mutual application in at least a generation"

– Tom Fraser

AMERICAN BANKER

New Englander aims to open country's first mutual thrift since 1970s



He Started A Meat CSA To Support Local Farmers. Now He's Starting A Bank With The Same Mission.



From Food To Finance: Walden Mutual Bank, Based In Concord, N.H., Lends To Farmers



In Concord, nation's first mutual bank in 50 years looks to serve the region's farms

Forbes

The Rise Of Socially Responsible Banking

Contact

CHARLEY CUMMINGS, PRESIDENT & CEO

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(401) 714-4887



Why birch trees?

The New Hampshire state tree, White Birch are known as the “pioneer species” due to their ability to grow where other trees cannot. Its distinctive white bark can light a fire even if soaking wet, and Ojibwe folklore held that birch trees were immune to lightning strikes. In Celtic Lore, birch trees carried ancient wisdom, but appeared forever young... a perfect metaphor for rejuvenating an age-old concept.

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Appendix



Balance Sheet Forecast: Management Working Model (anticipates +220bps Fed Rate increases over 3 years)

Balance Sheet																	All Numbers \$000s			
	Year 1 Ending				Year 2 Ending				Year 3 Ending				Year 4 Ending				Year 5 Ending			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Assets																				
Cash	16,901	12,017	7,134	2,250	2,813	3,375	3,938	4,500	4,938	5,375	5,813	6,250	6,688	7,125	7,563	8,000	8,438	8,875	9,313	9,750
Securities AFS	4,500	9,000	13,500	18,000	19,125	20,250	21,375	22,500	23,750	25,000	26,250	27,500	29,985	32,470	34,955	37,440	37,830	38,220	38,610	39,000
Fed Funds Sold	450	900	1,350	1,800	2,250	2,700	3,150	3,600	3,950	4,300	4,650	5,000	5,350	5,700	6,050	6,400	6,750	7,100	7,450	7,800
Loans																				
Construction & Land	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Farmland	6,307	12,080	17,852	23,625	30,831	38,036	45,242	52,448	57,897	63,346	68,795	74,244	79,595	84,946	90,297	95,648	101,084	106,519	111,955	117,390
Revolving 1-4 Family	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial RE	5,063	10,125	15,188	20,250	26,426	32,603	38,779	44,955	49,626	54,296	58,967	63,638	68,224	72,811	77,397	81,984	86,643	91,302	95,961	100,620
Agriculture Production	1,688	3,375	5,063	6,750	8,809	10,868	12,926	14,985	16,542	18,099	19,656	21,213	22,741	24,270	25,799	27,328	28,881	30,434	31,987	33,540
Commercial	4,316	8,502	12,689	16,875	22,022	27,169	32,316	37,463	41,355	45,247	49,139	53,031	56,853	60,676	64,498	68,320	72,203	76,085	79,968	83,850
Total Loans	17,372	34,082	50,791	67,500	88,088	108,675	129,263	149,850	165,419	180,988	196,556	212,125	227,414	242,703	257,991	273,280	288,810	304,340	319,870	335,400
Allowance for LL	(174)	(341)	(508)	(675)	(881)	(1,087)	(1,293)	(1,499)	(1,654)	(1,810)	(1,966)	(2,121)	(2,274)	(2,427)	(2,580)	(2,733)	(2,888)	(3,043)	(3,199)	(3,354)
Net Loans	17,199	33,741	50,283	66,825	87,207	107,588	127,970	148,352	163,765	179,178	194,591	210,004	225,140	240,275	255,411	270,547	285,922	301,297	316,671	332,046
Earning Assets	22,322	43,982	65,641	87,300	109,463	131,625	153,788	175,950	193,119	210,288	227,456	244,625	262,749	280,873	298,996	317,120	333,390	349,660	365,930	382,200
Fixed Assets	350	350	350	350	388	425	463	500	500	500	500	500	563	625	688	750	750	750	750	750
Other Assets	203	126	335	850	1,091	1,265	1,636	2,215	2,973	3,655	4,879	5,962	11,443	11,908	12,614	12,535	15,603	18,642	21,894	24,309
Total Assets	39,603	56,134	72,952	90,075	112,872	135,603	158,531	181,667	199,875	218,008	236,682	255,215	279,168	298,104	317,280	335,672	355,292	374,883	394,688	413,655
Liabilities																				
Demand	3,431	6,863	10,294	13,725	18,214	22,703	27,191	31,680	35,073	38,465	41,858	45,250	48,578	51,905	55,233	58,560	61,860	65,160	68,460	71,760
NOW	858	1,716	2,573	3,431	4,553	5,676	6,798	7,920	8,768	9,616	10,464	11,313	12,144	12,976	13,808	14,640	15,465	16,290	17,115	17,940
MMK/Savings	10,294	20,588	30,881	41,175	54,641	68,108	81,574	95,040	105,218	115,395	125,573	135,750	145,733	155,715	165,698	175,680	185,580	195,480	205,380	215,280
Time under \$100k	2,145	4,289	6,434	8,578	11,384	14,189	16,995	19,800	21,920	24,041	26,161	28,281	30,361	32,441	34,520	36,600	38,663	40,725	42,788	44,850
Time \$100k or more	429	858	1,287	1,716	2,277	2,838	3,399	3,960	4,384	4,808	5,232	5,656	6,072	6,488	6,904	7,320	7,733	8,145	8,558	8,970
Total Deposits	17,156	34,313	51,469	68,625	91,069	113,513	135,956	158,400	175,363	192,325	209,288	226,250	242,888	259,525	276,163	292,800	309,300	325,800	342,300	358,800
Repos/Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bearing Liabilities	13,725	27,450	41,175	54,900	72,855	90,810	108,765	126,720	140,290	153,860	167,430	181,000	194,310	207,620	220,930	234,240	247,440	260,640	273,840	287,040
Other	250	250	250	250	500	500	500	500	750	750	750	750	1,000	1,000	1,000	1,000	1,250	1,250	1,250	1,250
Total Liabilities	17,406	34,563	51,719	68,875	91,569	114,013	136,456	158,900	176,113	193,075	210,038	227,000	243,888	260,525	277,163	293,800	310,550	327,050	343,550	360,050
Equity																				
Special Deposits-Initial	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,375	25,375	25,375	25,375	26,390	26,390	26,390	26,390	27,446
Special Deposits-Secondary	0	0	0	0	0	0	0	0	0	0	0	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital Reserve Acct	0	0	0	0	0	0	0	0	0	0	395	844	1,321	1,851	2,437	3,076	3,738	4,452	5,214	6,027
Dividend	0	0	0	0	0	0	0	0	0	0	0	(750)	(750)	(750)	(750)	(2,780)	(2,780)	(2,780)	(2,780)	(4,891)
Cumulative Earnings	(2,804)	(3,428)	(3,767)	(3,800)	(3,697)	(3,409)	(2,925)	(2,233)	(1,238)	(67)	1,249	2,746	4,335	6,103	8,056	10,186	12,394	14,772	17,314	20,023
Total Equity	22,196	21,572	21,233	21,200	21,303	21,591	22,075	22,767	23,762	24,933	26,644	28,215	35,280	37,579	40,117	41,872	44,742	47,833	51,138	53,605
Total Liab & Equity	39,603	56,134	72,952	90,075	112,872	135,603	158,531	181,667	199,875	218,008	236,682	255,215	279,168	298,104	317,280	335,672	355,292	374,883	394,688	413,655

P&L Forecast: Management Working Model (anticipates +220bps Fed Rate increases over 3 years)

Income Statement																									
	Year 1					Year 2					Year 3					Year 4					Year 5				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Interest Income																									
Securities AFS	11.25	35.63	63.75	99.38	210.00	119.06	128.91	138.75	148.59	535.31	159.17	170.10	181.04	191.98	702.29	210.12	231.86	253.61	275.35	970.95	284.88	288.29	291.70	295.11	1,159.98
Fed Funds Sold	1.13	2.81	7.50	10.31	21.75	13.13	15.94	18.75	21.56	69.38	23.96	26.15	28.33	30.52	108.96	32.71	34.90	37.08	39.27	143.96	41.46	43.65	45.83	48.02	178.96
Loans																									
Secured by RE	118.50	284.00	467.57	660.17	1,530.24	882.94	1,120.80	1,358.67	1,596.53	4,958.95	1,795.74	1,975.61	2,155.49	2,335.37	8,262.21	2,513.09	2,689.73	2,866.37	3,043.02	11,112.21	3,221.52	3,400.95	3,580.38	3,759.81	13,962.65
Commercial & Other	64.83	158.93	284.08	392.87	900.72	518.10	651.56	785.02	918.48	2,873.17	1,030.25	1,131.17	1,232.10	1,333.02	4,726.54	1,432.74	1,531.85	1,630.95	1,730.06	6,325.60	1,830.22	1,930.89	2,031.56	2,132.24	7,924.90
Total Loan Interest	183.33	442.94	751.65	1,053.04	2,430.95	1,401.05	1,772.37	2,143.69	2,515.01	7,832.11	2,825.98	3,106.79	3,387.59	3,668.39	12,988.75	3,945.83	4,221.58	4,497.33	4,773.08	17,437.81	5,051.73	5,331.84	5,611.94	5,892.04	21,887.55
Total Interest Income	195.70	481.38	822.90	1,162.72	2,662.70	1,533.23	1,917.21	2,301.19	2,685.17	8,436.80	3,009.11	3,303.04	3,596.96	3,890.89	13,800.00	4,188.65	4,488.34	4,788.02	5,087.70	18,552.72	5,378.07	5,663.77	5,949.47	6,235.18	23,226.48
Interest Expense																									
NOW	0.46	2.50	4.90	7.23	15.10	14.26	21.94	27.62	33.77	97.60	23.76	26.13	28.51	30.88	109.29	33.23	35.56	37.89	40.22	146.89	42.53	44.84	47.15	49.46	183.99
MMK/Savings	5.49	30.02	58.85	86.81	181.17	171.18	263.33	331.47	405.21	1,171.19	285.11	313.61	342.10	370.60	1,311.42	398.73	426.69	454.64	482.59	1,762.64	510.38	538.10	565.82	593.54	2,207.86
Time under \$100k	3.22	9.23	16.68	24.66	53.79	36.07	51.27	67.32	83.61	238.27	95.30	104.32	113.33	122.34	435.29	131.23	140.07	148.91	157.75	577.97	166.54	175.31	184.07	192.84	718.76
Time \$100k or more	0.64	1.85	3.34	4.93	10.76	7.21	10.25	13.46	16.72	47.65	19.06	20.86	22.67	24.47	87.06	26.25	28.01	29.78	31.55	115.59	33.31	35.06	36.81	38.57	143.75
Total Deposit Interest	9.81	43.61	83.77	123.64	260.82	228.73	346.80	439.87	539.31	1,554.71	423.23	464.92	506.61	548.29	1,943.05	589.44	630.33	671.22	712.10	2,603.09	752.76	793.31	833.86	874.41	3,254.35
Repos/Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Expense	9.81	43.61	83.77	123.64	260.82	228.73	346.80	439.87	539.31	1,554.71	423.23	464.92	506.61	548.29	1,943.05	589.44	630.33	671.22	712.10	2,603.09	752.76	793.31	833.86	874.41	3,254.35
Net Interest Income	185.89	437.77	739.14	1,039.08	2,401.89	1,304.50	1,570.41	1,861.32	2,145.86	6,882.09	2,585.88	2,838.12	3,090.36	3,342.60	11,856.95	3,599.21	3,858.01	4,116.80	4,375.60	15,949.62	4,625.30	4,870.46	5,115.61	5,360.76	19,972.13
Provision for LL	167.09	167.09	167.09	167.09	668.37	205.88	205.88	205.88	205.88	823.50	155.69	155.69	155.69	155.69	622.75	152.89	152.89	152.89	152.89	611.55	155.30	155.30	155.30	155.30	621.20
Net Int Inc after Prov	18.80	270.68	572.04	871.99	1,733.52	1,098.63	1,364.54	1,655.44	1,939.98	6,058.59	2,430.19	2,682.43	2,934.67	3,186.91	11,234.20	3,446.32	3,705.12	3,963.92	4,222.71	15,338.07	4,470.00	4,715.16	4,960.31	5,205.46	19,350.93
Non-interest Income																									
Deposit Service Charges	1.50	1.50	1.50	1.50	6.00	1.88	1.88	1.88	1.88	7.50	2.34	2.34	2.34	2.34	9.38	2.93	2.93	2.93	2.93	11.72	3.66	3.66	3.66	3.66	14.65
Other	13.50	13.50	13.50	13.50	54.00	16.88	16.88	16.88	16.88	67.50	21.09	21.09	21.09	21.09	84.38	26.37	26.37	26.37	26.37	105.47	32.96	32.96	32.96	32.96	131.84
Total Non-Int Income	15.00	15.00	15.00	15.00	60.00	18.75	18.75	18.75	18.75	75.00	23.44	23.44	23.44	23.44	93.75	29.30	29.30	29.30	29.30	117.19	36.62	36.62	36.62	36.62	146.48
Non-interest Expense																									
Salaries & Benefits	480.20	486.70	501.33	494.83	1,963.05	496.76	503.26	517.89	511.39	2,029.29	532.09	538.59	585.71	579.21	2,235.60	644.38	650.88	650.88	644.38	2,590.52	729.97	736.47	751.10	744.60	2,962.13
Other Occ & Equip & Equip	71.42	71.92	72.92	72.92	289.19	74.58	74.58	74.58	74.58	298.31	76.28	76.28	76.28	76.46	305.30	82.65	82.65	82.65	82.65	330.62	84.59	84.59	84.59	84.59	338.34
Other	356.69	351.69	351.69	351.69	1,411.75	396.21	396.21	396.21	396.21	1,584.82	443.67	443.67	443.67	443.67	1,774.67	514.56	514.56	514.56	514.56	2,058.24	588.89	588.89	588.89	588.89	2,355.55
Total Non-Int Expense	908.31	910.31	925.94	919.44	3,663.99	967.54	974.04	988.67	982.17	3,912.42	1,052.03	1,058.53	1,105.66	1,099.33	4,315.56	1,241.60	1,248.10	1,241.60	1,248.10	4,979.38	1,403.44	1,409.94	1,424.57	1,418.07	5,656.02
Income before Taxes	(874.51)	(624.63)	(338.89)	(32.44)	(1,870.48)	149.84	409.25	685.52	976.57	2,221.18	1,401.59	1,647.33	1,852.45	2,111.01	7,012.38	2,234.02	2,486.32	2,745.12	3,010.41	10,475.88	3,103.18	3,341.84	3,572.36	3,824.02	13,841.40
Taxes	0.00	0.00	0.00	0.00	0.00	0.00	121.72	201.33	285.08	654.97	406.11	476.66	535.81	614.08	2,032.65	645.72	718.13	792.38	879.60	3,035.83	895.66	964.18	1,030.41	1,114.19	4,004.44
Net Income	(874.51)	(624.63)	(338.89)	(32.44)	(1,870.48)	149.84	287.53	484.20	691.49	1,566.21	995.48	1,170.68	1,316.64	1,496.94	4,979.74	1,588.31	1,768.19	1,952.74	2,130.81	7,440.05	2,207.52	2,377.66	2,541.95	2,709.83	9,836.96
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	750.00	750.00	0.00	0.00	0.00	2,030.00	2,030.00	0.00	0.00	0.00	2,111.20	2,111.20

Supplemental Financial Ratios (Management Working Model)

Core Ratios																									
	Year 1					Year 2					Year 3					Year 4					Year 5				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Return on assets	-10.24%	-4.94%	-2.02%	-0.15%	-3.16%	0.57%	0.90%	1.28%	1.59%	1.12%	2.05%	2.21%	2.29%	2.40%	2.25%	2.33%	2.42%	2.51%	2.58%	2.47%	2.53%	2.58%	2.62%	2.66%	2.60%
Return on equity	-15.56%	-11.48%	-6.35%	-0.61%	-8.62%	2.82%	5.35%	8.84%	12.28%	7.18%	17.00%	19.08%	20.21%	21.53%	19.55%	18.37%	19.22%	19.90%	20.48%	19.53%	20.17%	20.32%	20.33%	20.40%	20.30%
Net interest margin	4.92%	4.76%	5.07%	5.19%	5.03%	5.11%	5.06%	5.09%	5.09%	5.08%	5.52%	5.55%	5.58%	5.60%	5.56%	5.61%	5.62%	5.62%	5.63%	5.62%	5.64%	5.66%	5.68%	5.69%	5.67%
Efficiency ratio	452.13%	201.05%	122.78%	87.23%	148.83%	73.12%	61.29%	52.59%	45.37%	56.24%	40.32%	36.99%	35.51%	32.66%	36.11%	34.22%	32.11%	30.10%	28.19%	30.99%	30.10%	28.73%	27.65%	26.27%	28.11%
Earning asset yield	5.18%	5.24%	5.64%	5.81%	5.57%	6.01%	6.17%	6.29%	6.37%	6.23%	6.42%	6.46%	6.49%	6.51%	6.47%	6.53%	6.53%	6.54%	6.54%	6.53%	6.56%	6.58%	6.60%	6.62%	6.59%
Paying liability yield	0.43%	0.76%	0.92%	0.98%	0.87%	1.37%	1.64%	1.71%	1.79%	1.65%	1.25%	1.25%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%
Net interest spread	4.75%	4.48%	4.73%	4.83%	4.70%	4.64%	4.54%	4.58%	4.59%	4.57%	5.18%	5.21%	5.25%	5.27%	5.23%	5.28%	5.29%	5.30%	5.30%	5.29%	5.32%	5.34%	5.36%	5.38%	5.35%
Cost of funds	0.34%	0.61%	0.73%	0.79%	0.70%	1.09%	1.31%	1.37%	1.43%	1.32%	1.00%	1.00%	1.00%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%
Loans to assets	43.87%	60.71%	69.62%	74.94%		78.04%	80.14%	81.54%	82.49%		82.76%	83.02%	83.05%	83.12%		81.46%	81.42%	81.31%	81.41%		81.29%	81.18%	81.04%	81.08%	
Loans to deposits	101.26%	99.33%	98.68%	98.36%		96.73%	95.74%	95.08%	94.60%		94.33%	94.11%	93.92%	93.76%		93.63%	93.52%	93.42%	93.33%		93.38%	93.41%	93.45%	93.48%	
Allowance to loans	1.00%	1.00%	1.00%	1.00%		1.00%	1.00%	1.00%	1.00%		1.00%	1.00%	1.00%	1.00%		1.00%	1.00%	1.00%	1.00%		1.00%	1.00%	1.00%	1.00%	
Earning assets/assets	56.37%	78.35%	89.98%	96.92%		96.98%	97.07%	97.01%	96.85%		96.62%	96.46%	96.10%	95.85%		94.12%	94.22%	94.24%	94.47%		93.84%	93.27%	92.71%	92.40%	
Yields																									
Securities AFS	1.50%	1.90%	2.13%	2.41%	2.15%	2.54%	2.59%	2.64%	2.69%	2.62%	2.73%	2.77%	2.80%	2.84%	2.78%	2.88%	2.93%	2.97%	3.01%	2.95%	3.02%	3.03%	3.03%	3.04%	3.03%
Fed Funds Sold	1.50%	1.50%	2.50%	2.50%	2.22%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Loans Secured by RE	6.11%	6.11%	6.36%	6.56%	6.35%	6.69%	6.77%	6.84%	6.87%	6.79%	6.90%	6.92%	6.93%	6.94%	6.92%	6.96%	6.97%	6.98%	6.98%	6.97%	6.99%	7.00%	7.00%	7.01%	7.00%
Commercial & Other	6.41%	6.41%	7.20%	7.25%	6.98%	7.29%	7.31%	7.33%	7.34%	7.31%	7.35%	7.35%	7.36%	7.36%	7.35%	7.37%	7.37%	7.37%	7.37%	7.37%	7.37%	7.38%	7.38%	7.38%	7.37%
Total Loans	6.21%	6.21%	6.66%	6.80%	6.57%	6.90%	6.96%	7.01%	7.04%	6.98%	7.05%	7.07%	7.08%	7.09%	7.07%	7.10%	7.11%	7.11%	7.12%	7.11%	7.12%	7.13%	7.13%	7.14%	7.13%
NOW	0.32%	0.70%	0.86%	0.92%	0.81%	1.37%	1.66%	1.72%	1.79%	1.66%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%
MMK/Savings	0.32%	0.70%	0.86%	0.92%	0.81%	1.37%	1.66%	1.72%	1.79%	1.66%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%
Time under \$100k	0.90%	1.03%	1.17%	1.25%	1.15%	1.38%	1.55%	1.68%	1.77%	1.62%	1.80%	1.79%	1.78%	1.77%	1.78%	1.77%	1.76%	1.76%	1.76%	1.76%	1.75%	1.75%	1.75%	1.75%	1.75%
Time \$100k or more	0.90%	1.03%	1.17%	1.25%	1.15%	1.38%	1.55%	1.68%	1.77%	1.62%	1.80%	1.79%	1.78%	1.77%	1.78%	1.77%	1.76%	1.76%	1.76%	1.76%	1.75%	1.75%	1.75%	1.75%	1.75%
Total Deposits	0.43%	0.76%	0.92%	0.98%	0.87%	1.37%	1.64%	1.71%	1.79%	1.65%	1.25%	1.25%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%
Repos/Borrowings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Regulatory Capital Ratios																									
Total Equity	22,196	21,572	21,233	21,200	21,200	21,303	21,591	22,075	22,767	22,767	23,762	24,933	26,644	28,215	28,215	35,280	37,579	40,117	41,872	41,872	44,742	47,833	51,138	53,605	53,605
Other Tier 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Tier 1 Capital	22,196	21,572	21,233	21,200	21,200	21,303	21,591	22,075	22,767	22,767	23,762	24,933	26,644	28,215	28,215	35,280	37,579	40,117	41,872	41,872	44,742	47,833	51,138	53,605	53,605
Allowance for LL	174	341	508	675	675	881	1,087	1,293	1,499	1,499	1,654	1,810	1,966	2,121	2,121	2,274	2,427	2,580	2,733	2,733	2,888	3,043	3,199	3,354	3,354
Tier 1 & Tier 2 Capital	22,370	21,913	21,741	21,875	21,875	22,184	22,678	23,368	24,265	24,265	25,416	26,743	28,610	30,337	30,337	37,554	40,006	42,697	44,605	44,605	47,630	50,877	54,336	56,959	56,959
Total Average Assets	34,162	50,614	67,270	84,352	59,259	105,351	128,019	150,795	173,950	139,747	193,883	211,959	230,381	249,156	221,521	272,928	291,787	310,811	329,875	301,532	348,832	368,351	388,010	407,682	378,407
Total Risk Weighted Assets	20,605	37,739	55,159	72,885	72,885	94,122	115,293	136,660	158,235	158,235	174,925	191,540	208,696	225,712	225,712	247,155	263,582	280,250	296,133	296,133	314,923	333,683	352,657	370,794	370,794
Tier 1 / Total RW Assets	107.72%	57.16%	38.49%	29.09%	29.09%	22.63%	18.73%	16.15%	14.39%	14.39%	13.58%	13.02%	12.77%	12.50%	12.50%	14.27%	14.26%	14.31%	14.14%	14.14%	14.21%	14.33%	14.50%	14.46%	14.46%
Tier 1 & Tier 2 / RW Assets	108.56%	58.06%	39.41%	30.01%	30.01%	23.57%	19.67%	17.10%	15.33%	15.33%	14.53%	13.96%	13.71%	13.44%	13.44%	15.19%	15.18%	15.24%	15.06%	15.06%	15.12%	15.25%	15.41%	15.36%	15.36%
j) 64.97%	42.62%	31.56%	25.13%	35.78%	20.22%	16.87%	14.64%	13.09%	16.29%	12.26%	11.76%	11.57%	11.37%	12.74%	12.93%	12.88%	12.91%	12.69%	13.89%	12.83%	12.99%	13.18%	13.15%	14.17%	

Balance Sheet Forecast: Low Rate Model (anticipates no change in Fed Rates)

Balance Sheet																All Numbers \$000s				
	Year 1 Ending				Year 2 Ending				Year 3 Ending				Year 4 Ending				Year 5 Ending			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Assets																				
Cash	16,901	12,017	7,134	2,250	2,813	3,375	3,938	4,500	4,938	5,375	5,813	6,250	6,688	7,125	7,563	8,000	8,438	8,875	9,313	9,750
Securities AFS	4,500	9,000	13,500	18,000	19,125	20,250	21,375	22,500	23,750	25,000	26,250	27,500	29,985	32,470	34,955	37,440	37,830	38,220	38,610	39,000
Fed Funds Sold	450	900	1,350	1,800	2,250	2,700	3,150	3,600	3,950	4,300	4,650	5,000	5,350	5,700	6,050	6,400	6,750	7,100	7,450	7,800
Loans																				
Construction & Land	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Farmland	6,307	12,080	17,852	23,625	30,831	38,036	45,242	52,448	57,897	63,346	68,795	74,244	79,595	84,946	90,297	95,648	101,084	106,519	111,955	117,390
Revolving 1-4 Family	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial RE	5,063	10,125	15,188	20,250	26,426	32,603	38,779	44,955	49,626	54,296	58,967	63,638	68,224	72,811	77,397	81,984	86,643	91,302	95,961	100,620
Agriculture Production	1,688	3,375	5,063	6,750	8,809	10,868	12,926	14,985	16,542	18,099	19,656	21,213	22,741	24,270	25,799	27,328	28,881	30,434	31,987	33,540
Commercial	4,316	8,502	12,689	16,875	22,022	27,169	32,316	37,463	41,355	45,247	49,139	53,031	56,853	60,676	64,498	68,320	72,203	76,085	79,968	83,850
Total Loans	17,372	34,082	50,791	67,500	88,088	108,675	129,263	149,850	165,419	180,988	196,556	212,125	227,414	242,703	257,991	273,280	288,810	304,340	319,870	335,400
Allowance for LL	(174)	(341)	(508)	(675)	(881)	(1,087)	(1,293)	(1,499)	(1,654)	(1,810)	(1,966)	(2,121)	(2,274)	(2,427)	(2,580)	(2,733)	(2,888)	(3,043)	(3,199)	(3,354)
Net Loans	17,199	33,741	50,283	66,825	87,207	107,588	127,970	148,352	163,765	179,178	194,591	210,004	225,140	240,275	255,411	270,547	285,922	301,297	316,671	332,046
Earning Assets	22,322	43,982	65,641	87,300	109,463	131,625	153,788	175,950	193,119	210,288	227,456	244,625	262,749	280,873	298,996	317,120	333,390	349,660	365,930	382,200
Fixed Assets	350	350	350	350	388	425	463	500	500	500	500	500	563	625	688	750	750	750	750	750
Other Assets	195	110	261	671	846	976	1,303	1,844	2,425	2,910	3,519	4,293	9,034	8,681	8,487	7,446	9,492	11,440	13,534	14,737
Total Assets	39,595	56,118	72,878	89,896	112,628	135,314	158,198	181,296	199,327	217,262	235,323	253,546	276,759	294,876	313,153	330,583	349,181	367,681	386,327	404,083
Liabilities																				
Demand	3,431	6,863	10,294	13,725	18,214	22,703	27,191	31,680	35,073	38,465	41,858	45,250	48,578	51,905	55,233	58,560	61,860	65,160	68,460	71,760
NOW	858	1,716	2,573	3,431	4,553	5,676	6,798	7,920	8,768	9,616	10,464	11,313	12,144	12,976	13,808	14,640	15,465	16,290	17,115	17,940
MMK/Savings	10,294	20,588	30,881	41,175	54,641	68,108	81,574	95,040	105,218	115,395	125,573	135,750	145,733	155,715	165,698	175,680	185,580	195,480	205,380	215,280
Time under \$100k	2,145	4,289	6,434	8,578	11,384	14,189	16,995	19,800	21,920	24,041	26,161	28,281	30,361	32,441	34,520	36,600	38,663	40,725	42,788	44,850
Time \$100k or more	429	858	1,287	1,716	2,277	2,838	3,399	3,960	4,384	4,808	5,232	5,656	6,072	6,488	6,904	7,320	7,733	8,145	8,558	8,970
Total Deposits	17,156	34,313	51,469	68,625	91,069	113,513	135,956	158,400	175,363	192,325	209,288	226,250	242,888	259,525	276,163	292,800	309,300	325,800	342,300	358,800
Repos/Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bearing Liabilities	13,725	27,450	41,175	54,900	72,855	90,810	108,765	126,720	140,290	153,860	167,430	181,000	194,310	207,620	220,930	234,240	247,440	260,640	273,840	287,040
Other	250	250	250	250	500	500	500	500	750	750	750	750	1,000	1,000	1,000	1,000	1,000	1,250	1,250	1,250
Total Liabilities	17,406	34,563	51,719	68,875	91,569	114,013	136,456	158,900	176,113	193,075	210,038	227,000	243,888	260,525	277,163	293,800	310,550	327,050	343,550	360,050
Equity																				
Special Deposits-Initial	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	26,000	26,000	26,000	26,000	27,040
Special Deposits-Secondary	0	0	0	0	0	0	0	0	0	0	0	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital Reserve Acct	0	0	0	0	0	0	0	0	0	0	111	489	887	1,331	1,822	2,360	2,915	3,515	4,159	4,847
Dividend	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,000)	(2,000)	(2,000)	(2,000)	(4,080)
Cumulative Earnings	(2,812)	(3,444)	(3,841)	(3,979)	(3,941)	(3,699)	(3,258)	(2,604)	(1,786)	(813)	174	1,057	1,985	3,020	4,168	5,423	6,716	8,117	9,619	11,226
Total Equity	22,188	21,556	21,159	21,021	21,059	21,301	21,742	22,396	23,214	24,187	25,285	26,546	32,871	34,351	35,990	36,783	38,631	40,631	42,777	44,033
Total Liab & Equity	39,595	56,118	72,878	89,896	112,628	135,314	158,198	181,296	199,327	217,262	235,323	253,546	276,759	294,876	313,153	330,583	349,181	367,681	386,327	404,083

P&L Forecast: Low Rate Model (anticipates no change in Fed Rates)

Income Statement																								All Numbers \$000s	
	Year 1					Year 2					Year 3					Year 4					Year 5				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Interest Income																									
Securities AFS	11.25	28.13	45.00	61.88	146.25	70.31	74.53	78.75	82.97	306.56	87.50	92.19	96.88	101.56	378.13	109.34	118.66	127.98	137.29	493.26	141.38	142.84	144.30	145.76	574.28
Fed Funds Sold	0.38	0.94	1.50	2.06	4.88	2.63	3.19	3.75	4.31	13.88	4.79	5.23	5.67	6.10	21.79	6.54	6.98	7.42	7.85	28.79	8.29	8.73	9.17	9.60	35.79
Loans																									
Secured by RE	118.50	284.00	449.51	615.02	1,467.03	806.46	1,010.87	1,215.28	1,419.69	4,452.30	1,590.88	1,745.45	1,900.03	2,054.61	7,290.97	2,207.33	2,359.13	2,510.93	2,662.73	9,740.13	2,816.12	2,970.32	3,124.51	3,278.70	12,189.66
Commercial & Other	57.53	141.17	224.80	308.44	731.94	404.70	507.28	609.86	712.44	2,234.28	798.34	875.91	953.48	1,031.06	3,658.80	1,107.70	1,183.87	1,260.05	1,336.23	4,887.84	1,413.20	1,490.58	1,567.96	1,645.34	6,117.08
Total Loan Interest	176.03	425.17	674.32	923.46	2,198.98	1,211.17	1,518.15	1,825.14	2,132.12	6,686.58	2,389.22	2,621.37	2,853.52	3,085.67	10,949.77	3,315.03	3,543.01	3,770.98	3,998.95	14,627.97	4,229.33	4,460.90	4,692.47	4,924.04	18,306.74
Total Interest Income	187.65	454.23	720.82	987.40	2,350.10	1,284.10	1,595.87	1,907.64	2,219.40	7,007.01	2,481.51	2,718.78	2,956.06	3,193.33	11,349.68	3,430.91	3,668.64	3,906.37	4,144.10	15,150.03	4,378.99	4,612.47	4,845.94	5,079.41	18,916.81
Interest Expense																									
NOW	0.46	1.14	1.83	2.52	5.95	3.34	4.24	5.14	6.04	18.76	6.79	7.47	8.15	8.82	31.22	9.49	10.16	10.82	11.49	41.97	12.15	12.81	13.47	14.13	52.57
MMK/Savings	5.49	13.73	21.96	30.20	71.37	40.12	50.90	61.67	72.44	225.13	81.46	89.60	97.74	105.89	374.69	113.92	121.91	129.90	137.88	503.61	145.82	153.74	161.66	169.58	630.82
Time under \$100k	3.22	8.04	12.87	17.69	41.82	23.51	29.82	36.13	42.45	131.91	47.73	52.50	57.27	62.04	219.55	66.75	71.43	76.11	80.79	295.09	85.44	90.08	94.73	99.37	369.62
Time \$100k or more	0.64	1.61	2.57	3.54	8.36	4.70	5.96	7.23	8.49	26.38	9.55	10.50	11.45	12.41	43.91	13.35	14.29	15.22	16.16	59.02	17.09	18.02	18.95	19.87	73.92
Total Deposit Interest	9.81	24.52	39.23	53.94	127.50	71.68	90.92	110.17	129.41	402.18	145.52	160.07	174.62	189.16	669.37	203.52	217.79	232.05	246.32	899.68	260.51	274.66	288.81	302.95	1,126.93
Repos/Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Expense	9.81	24.52	39.23	53.94	127.50	71.68	90.92	110.17	129.41	402.18	145.52	160.07	174.62	189.16	669.37	203.52	217.79	232.05	246.32	899.68	260.51	274.66	288.81	302.95	1,126.93
Net Interest Income	177.84	429.72	681.59	933.46	2,222.60	1,212.43	1,504.95	1,797.47	2,089.99	6,604.84	2,335.98	2,558.71	2,781.44	3,004.17	10,680.31	3,227.39	3,450.85	3,674.32	3,897.78	14,250.35	4,118.49	4,337.81	4,557.13	4,776.45	17,789.88
Provision for LL	167.09	167.09	167.09	167.09	668.37	205.88	205.88	205.88	205.88	823.50	155.69	155.69	155.69	155.69	622.75	152.89	152.89	152.89	152.89	611.55	155.30	155.30	155.30	155.30	621.20
Net Int Inc after Prov	10.75	262.62	514.49	766.36	1,554.23	1,006.55	1,299.07	1,591.59	1,884.12	5,781.34	2,180.30	2,403.03	2,625.75	2,848.48	10,057.56	3,074.50	3,297.97	3,521.43	3,744.89	13,638.80	3,963.19	4,182.51	4,401.83	4,621.15	17,168.68
Non-Interest Income																									
Deposit Service Charges	1.50	1.50	1.50	1.50	6.00	1.88	1.88	1.88	1.88	7.50	2.34	2.34	2.34	2.34	9.38	2.93	2.93	2.93	2.93	11.72	3.66	3.66	3.66	3.66	14.65
Other	13.50	13.50	13.50	13.50	54.00	16.88	16.88	16.88	16.88	67.50	21.09	21.09	21.09	21.09	84.38	26.37	26.37	26.37	26.37	105.47	32.96	32.96	32.96	32.96	131.84
Total Non-Int Income	15.00	15.00	15.00	15.00	60.00	18.75	18.75	18.75	18.75	75.00	23.44	23.44	23.44	23.44	93.75	29.30	29.30	29.30	29.30	117.19	36.62	36.62	36.62	36.62	146.48
Non-Interest Expense																									
Salaries & Benefits	480.20	486.70	501.33	494.83	1,963.05	496.76	503.26	517.89	511.39	2,029.29	532.09	538.59	585.71	579.21	2,235.60	644.38	650.88	650.88	644.38	2,590.52	729.97	736.47	751.10	744.60	2,962.13
Other Occ & Equip & Equip	71.42	71.92	72.92	72.92	289.19	74.58	74.58	74.58	74.58	298.31	76.28	76.28	76.28	76.46	305.30	82.65	82.65	82.65	82.65	330.62	84.59	84.59	84.59	84.59	338.34
Other	356.69	351.69	351.69	351.69	1,411.75	396.21	396.21	396.21	396.21	1,584.82	443.67	443.67	443.67	443.67	1,774.67	514.56	514.56	514.56	514.56	2,058.24	588.89	588.89	588.89	588.89	2,355.55
Total Non-Int Expense	908.31	910.31	925.94	919.44	3,663.99	967.54	974.04	988.67	982.17	3,912.42	1,052.03	1,058.53	1,105.66	1,099.33	4,315.56	1,241.60	1,248.10	1,248.10	1,241.60	4,979.38	1,403.44	1,409.94	1,424.57	1,418.07	5,656.02
Income before Taxes	(882.56)	(632.69)	(396.44)	(138.07)	(2,049.76)	57.76	343.78	621.68	920.70	1,943.92	1,151.70	1,367.93	1,543.53	1,772.59	5,835.75	1,862.20	2,079.17	2,302.63	2,532.60	8,776.60	2,596.37	2,809.19	3,013.89	3,239.71	11,659.15
Taxes	0.00	0.00	0.00	0.00	0.00	19.65	101.59	181.25	266.84	569.33	333.11	395.07	445.63	511.19	1,685.00	537.25	599.42	663.41	740.22	2,540.30	748.01	808.99	867.69	943.76	3,368.45
Net Income	(882.56)	(632.69)	(396.44)	(138.07)	(2,049.76)	38.11	242.19	440.42	653.85	1,374.59	818.59	972.86	1,097.90	1,261.40	4,150.75	1,324.95	1,479.75	1,639.22	1,792.37	6,236.30	1,848.36	2,000.20	2,146.20	2,295.95	8,290.70
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00	2,000.00	0.00	0.00	0.00	2,080.00