

April 29, 2010

FOR IMMEDIATE RELEASE

**AMERICAN PRINCIPLE BANK ANNOUNCES:
FIRST QUARTER 2010 FINANCIAL RESULTS;
CONTINUED PROFITABILITY AND RECORD DEPOSIT LEVELS;
UPCOMING NAME CHANGE AND OPENING OF A BRANCH OFFICE IN SANTA MARIA**

San Luis Obispo, CA. April 29, 2010. American Principle Bank (OTC Bulletin Board: APBA) (the "Bank") today announced first quarter results through March 31, 2010. The Bank reported net income of \$147 thousand during the first three months of 2010, equivalent to \$0.03 diluted earnings per share. This compares to: (i) net income of \$241 thousand during the fourth quarter of 2009 (the immediately preceding quarter), equivalent to \$0.06 diluted earnings per share; and (ii) net income of \$204 thousand during the first quarter of 2009, equivalent to \$0.05 diluted earnings per share. The Bank, a de novo financial institution which opened for business on October 15, 2007, has generated a profit during four of the most recent five consecutive quarters.

The Bank reported record levels of total assets and deposits as of March 31, 2010. Total assets increased from \$203.0 million at December 31, 2009 to \$204.1 million at March 31, 2010. Total deposits increased from \$152.3 million at December 31, 2009 to \$162.7 million at March 31, 2010, representing a 6.9% increase. The inflow of deposits during the first quarter of 2010 facilitated the Bank's repaying all \$10.0 million of short term borrowings outstanding at December 31, 2009.

At March 31, 2010, the Bank's: (i) Tier One Leverage regulatory capital ratio was 19.48%; (ii) Tier One Risk-Based regulatory capital ratio was 25.96%; and (iii) Total Risk-Based regulatory capital ratio was 27.21%. All of these ratios were significantly in excess of the levels required to be categorized in the highest regulatory capital classification of "well capitalized." The Bank's capital ratio profile continues to be one of the strongest for banks headquartered in San Luis Obispo and Santa Barbara counties.

During the first quarter of 2010, the Bank reached a settlement with a third party that alleged trademark infringement associated with the Bank's name. Under the terms of the settlement, the Bank agreed to change its name within a suitable time period in exchange for the plaintiff and the Bank's general liability insurance carrier agreeing to defray a significant portion of the costs associated with the name change. The Bank has reserved the successor name, "American Perspective Bank," with the applicable government agencies. The Bank has also received approval from the Federal Deposit Insurance Corporation (the "FDIC") and the California State Department of Financial Institutions to change its name to American Perspective Bank.

The Bank's shareholders will vote upon an amendment to the Bank's Articles of Incorporation to adopt the new name at the 2010 Annual Meeting of Shareholders which will be held on Tuesday, May 25, 2010. The 2010 Annual Meeting will be held at 6:30 PM Pacific Time in the Garden Room at the Madonna Inn in San Luis Obispo. Shareholders are invited to commence arriving at 5:30 PM for a welcome reception and an opportunity to meet with the Bank's directors and employees.

Construction of tenant improvements is now underway at the Bank's first branch office, located at 2646 Santa Maria Way, Suite # 101, in Santa Maria (near the intersection of Santa Maria Way and Broadway). The branch will present many attractive features, including a conference / training room that will be available to local clients and community groups, all "sit-down" transaction processing (no teller lines or ropes), a concierge desk, a focus on client comfort and confidentiality throughout the facility, and private offices for meetings with Bank officers. The Santa Maria branch is targeted toward opening in mid-summer 2010.

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Cash and cash equivalents increased from \$4.9 million at December 31, 2009 to \$6.9 million at March 31, 2010, as the Bank augmented its short term liquidity position in preparation for seasonal tax related payments by its clients in April.

Total securities available for sale decreased from \$56.0 million at December 31, 2009 to \$52.7 million at March 31, 2010. The Bank did not purchase any additional securities during the first quarter of 2010, thereby allowing the portfolio to decline in conjunction with principal payments received. All of the Bank's securities at March 31, 2010 were AAA rated government agency mortgage backed securities or collateralized mortgage obligations. The estimated fair value of the Bank's \$52.7 million in securities at March 31, 2010 exceeded historical cost by \$886 thousand.

Net loans decreased slightly from \$137.4 million at December 31, 2009 to \$136.8 million at March 31, 2010. The \$0.6 million decrease in net loans during the first quarter of 2010 was due in part to:

- The transfer of one \$3.15 million loan from non-accrual status to other real estate owned ("OREO") as a result of the Bank's foreclosure of the real estate securing the loan.
- The charge-off of \$0.6 million in loans (some of which was previously reserved; see discussion below).
- The general industry trend toward restrained loan portfolio growth due to the limited credit demand present in an uncertain economic environment and due to some borrowers deleveraging in order to reduce their risk profile.

During the first quarter of 2010, the Bank was successful in originating additional multifamily loans and commercial business loans, with those segments of the portfolio expanding by \$3.5 million and \$2.3 million, respectively. Multifamily loans were pursued to diversify the real estate loan portfolio. The Bank continues to focus on attracting additional professionals (e.g. physicians, accountants, and attorneys) and local businesses as a key part of its strategic plan, offering those clients a highly customizable suite of financial solutions.

Land, lot, and construction loans declined from \$18.1 million at December 31, 2009 to \$16.6 million at March 31, 2010. The Bank has deemphasized land and construction lending over the past year in light of the sales prices of existing inventory relative to the costs of development of new real estate projects. At both December 31, 2009 and March 31, 2010, the Bank had no residential, closed-end mortgages on its balance sheet.

As of March 31, 2010, the Bank had no loans that were 30 or more days delinquent other than those loans on non-accrual status. Loans on non-accrual status decreased from \$6.6 million at December 31, 2009 to \$5.7 million at March 31, 2010. Significant changes in the Bank's non-accrual loans from December 31, 2009 to March 31, 2010 included:

- The aforementioned foreclosure of the collateral (a motel) securing a \$3.15 million loan.
- A \$2.8 million loan secured by commercial real estate in the Bank's primary market area was placed on non-accrual status, and is currently in the process of foreclosure.
- \$0.6 million in partial charge-offs on non-accrual loans were recorded to reduce the Bank's investment therein to the estimated fair value of the underlying collateral.

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The Bank actively marketed the foreclosed motel for sale throughout the first quarter of 2010 after listing the real estate with a brokerage firm specializing in the hospitality industry. The motel, flagged as a Best Western, continues to operate, with the Bank having retained a motel management company to perform the day to day operations. The Bank is currently discussing potential sale terms and conditions with a number of interested potential purchasers. However, at this time, no assurance can be provided that: (i) the Bank will be successful in selling the motel; or (ii) regarding the eventual sale price for the business and associated real estate.

In regard to the non-accrual loan secured by commercial real estate in the Bank's primary market area, the Bank is now collecting the rents from the tenants, the property is listed for sale by the owner, and the Bank is proceeding with the foreclosure process.

\$3.0 million of the non-accrual loan total at March 31, 2010 was comprised of a single loan secured by three contiguous real estate parcels in the Bank's primary market area. The loan was adversely impacted by the incorrect recording of the real estate by the title company. The Bank has filed a claim under the subject title insurance policy and has also filed a lawsuit against the title company seeking to enforce their performance under the title insurance policy. The owner of the real estate (the Bank's borrower) has also filed a lawsuit which names the title company and the Bank, among multiple other parties, as defendants. These lawsuits have now been consolidated by the court. An initial mediation session among the parties was held during the first quarter of 2010, with the result being a decision to proceed with discovery and depositions prior to reconvening the parties for a potential subsequent mediation session. The next scheduled court date is in June 2010. The Bank intends to continue to vigorously pursue the title company to fully rectify the error or hold the Bank financially harmless from the result of the error.

The ratio of allowance for loan losses to loans outstanding decreased from 1.78% at December 31, 2009 to 1.52% at March 31, 2010. The primary reasons for this decrease were: (i) the charge-off of specific loan loss reserves to adjust the carrying value of certain loans on non-accrual status, which were deemed to be impaired and collateral dependent, to the current estimated fair market value of their underlying collateral less costs to sell; and (ii) a lower general reserve allocation for certain loans that experienced an improvement in credit profile during the first quarter of 2010. Specific loan loss reserves totaled \$0.3 million at March 31, 2010, compared to \$0.4 million at December 31, 2009.

The Bank's OREO balance of \$3.1 million at March 31, 2010 represented the Bank's net investment in the foreclosed motel, with such investment net of a \$78 thousand valuation allowance recorded in the first quarter of 2010 in order to reflect the revised estimated fair value of the OREO less costs to sell. The Bank recorded the valuation allowance during the first quarter of 2010 after receiving market feedback regarding the likely range of purchase prices for the motel based upon current market conditions for hospitality properties.

Non-interest bearing demand deposit balances decreased from \$18.5 million at December 31, 2009 to \$14.5 million at March 31, 2010. The primary reason for this decline was that some of the Bank's larger business customers used their demand deposit balances in order to pay down their lines of credit. In addition, certain clients enhanced their cash management processes and therefore more actively swept excess checking funds into money market accounts.

Interest bearing checking accounts increased by 18.6% during the first quarter of 2010; rising from \$3.3 million at December 31, 2009 to \$3.9 million at March 31, 2010. This increase was facilitated in part by the Bank's participation in the FDIC Transaction Account Guarantee Program (the "Program"), which grants unlimited deposit insurance coverage to the Bank's checking accounts. Deposit insurance under the Program is in addition to the regular FDIC deposit insurance. The FDIC recently announced its decision to extend the Program, with modifications, through at least December 31, 2010. The Bank will continue participating in the Program. Participants, including the Bank, pay additional FDIC deposit insurance premiums in conjunction with the Program.

Money market deposits increased from \$74.9 million at December 31, 2009 to \$81.2 million at March 31, 2010. The Bank's money market deposit balances during the first quarter of 2010 benefited from:

- Low (often, near zero) interest rates being paid on brokerage accounts and money market mutual funds, thereby encouraging clients to transfer their funds to higher yielding and FDIC insured accounts.
- The desire by certain clients to keep their funds liquid given the weak economic environment.
- The conversion of certain deposits from certificates of deposit to money market accounts given the limited yield differential between the products in the current interest rate environment.

Certificates of deposit increased from \$55.5 million at December 31, 2009 to \$63.0 million at March 31, 2010. Because of the Bank's strong regulatory capital profile, it was able to attract a \$10.0 million certificate of deposit from a government agency during the first quarter of 2010. This deposit offset the impact of certain clients transferring their maturing certificate of deposit balances to money market accounts.

Commenting on the first quarter 2010 deposit performance, Thomas R. Strait, the Bank's Director of Retail Banking, stated: "Our introduction of retirement deposit accounts (e.g. IRAs) during the first quarter of 2010 helped draw additional clients to the Bank. In addition, our superior cash management services continue to attract a wide range of business and professional clients. We also benefited from referrals by existing clients who have been pleased with the detailed level of customization the Bank offers across its suite of deposit products. The Bank continues to invest in its technology and operations, working to further enhance the features and functionality of our platform. As a career banker, it has been particularly rewarding to assist so many clients in improving their efficiency and profitability."

The Bank's strong liquidity position further improved during the first quarter of 2010, benefitting from the deposit inflows. The Bank continues to pledge various assets to the Federal Home Loan Bank of San Francisco and the Federal Reserve Bank of San Francisco to have access to substantial off balance sheet liquidity. In addition, the Bank continues to maintain a significant amount of securities available for sale or for utilization in secured borrowings to provide future liquidity. Commenting in this regard, Thomas J. Beene, the Bank's President and Chief Executive Officer, stated: "In my meetings with individuals, businesses, and community groups in recent months, I have often been asked if financial institutions are lending these days. It has been a pleasure to respond that American Principle Bank has the capital strength and liquidity to make new loans to qualified borrowers and thereby support the economy and employment in San Luis Obispo and Santa Barbara counties."

Shareholders' equity rose from \$39.2 million at December 31, 2009 to \$39.5 million at March 31, 2010. The increase was due to: (i) the first quarter net income; (ii) capital generated through the Bank's Restricted Share Plan; and (iii) an increase in the accumulated other comprehensive income associated with the unrealized gain on securities available for sale. Nominal and tangible book values were \$9.19 per share at March 31, 2010 versus \$9.15 per share at December 31, 2009. Shares of common stock outstanding rose by 22,800 during the first quarter of 2010 in conjunction with the vesting of awards under the Restricted Share Plan. The Bank grants restricted share awards to employees and outside directors as a means of encouraging an ownership orientation and aligning employee interests with the generation of shareholder value. The majority of the awards which vested during the first quarter were related to the first and only restricted share awards granted to outside directors, which fully vested in March 2010. At this time, the Board of Directors has no plans to extend additional restricted share awards to outside directors. This will result in a reduction in director expenses commencing in April 2010.

Net interest income before the provision for loan losses during the first quarter of 2010 totaled \$1.8 million, unchanged from the fourth quarter of 2009. Net interest income before the provision for loan losses during the first quarter of 2009, when the Bank maintained a notably smaller balance sheet, was \$1.5 million. The impact of a reduction of average annualized net interest income as a percentage of average total assets from 3.75% during the fourth quarter of 2009 to 3.57% during the first quarter of 2010 was offset by the effect of a larger average balance sheet. The primary factor that reduced the Bank's ratio of net interest income to average total assets during the first quarter of 2010 was the placement of the aforementioned \$2.8 million loan on non-accrual status.

The Bank was successful in reducing the weighted average interest rate on deposits from 1.36% at December 31, 2009 to 1.33% at March 31, 2010 despite the decrease in non-interest bearing demand deposits during the first quarter of 2010. The FDIC's imposition of deposit rate caps on troubled financial institutions, the industry-wide contraction in lending, and the limited competition from money market mutual funds have all contributed to a less competitive environment for deposit pricing than in certain prior periods.

The provision for loan losses was \$262 thousand during the first quarter of 2010, compared to \$299 thousand during the fourth quarter of 2009 and \$215 thousand during the first quarter of 2009. The first quarter of 2010 provision for loan losses was primarily associated with additional specific reserves for impaired loans, as the size of the loan portfolio was little changed during the quarter.

Non-interest income totaled \$25 thousand during the first quarter of 2010, compared to \$78 thousand during the fourth quarter of 2009 and \$16 thousand during the first quarter of 2009. During the fourth quarter of 2009, the Bank realized a gain of \$47 thousand on the sale of one security. The Bank did not sell any securities during the first quarter of 2010. The Bank is gradually augmenting its fee income as it builds its client base and more clients select fee based services such as ACH origination and online wire request. In addition, the Bank is currently finalizing its checking account analysis product, which should result in businesses increasing their deposits with the Bank and / or paying greater fees in order to offset the cost of the services they utilize.

Non-interest expense increased from \$1.1 million during the first quarter of 2009 and \$1.3 million during the fourth quarter of 2009 to \$1.4 million during the first quarter of 2010. The upcoming opening of the Santa Maria branch contributed to the overall rise in non-interest expense during the first quarter of 2010, as the Bank recognized initial rent costs for the facility, commenced ordering various supplies, recruited employees, expanded systems, and insured the property.

Compensation and employee benefits expenses rose from \$588 thousand during the first quarter of 2009 and from \$601 thousand during the fourth quarter of 2009 to \$710 thousand during the first quarter of 2010. Factors contributing to the sequential quarter increase included:

- Seasonal factors, such as greater effective employment tax rates and accrued vacation liability (i.e. most employees take a majority of their vacation days during the summer and during the holiday season).
- The first full quarter of expenses for the Chief Credit Officer as an employee, rather than as a consultant, following his hire as an officer of the Bank in December 2009.
- The hire of additional employees during the first quarter of 2010 light of historic and planned growth.

During April 2010, the Bank hired Lisa Mumford as a new Vice President and Relationship Manager. Ms. Mumford is a well regarded commercial lender in the Bank's primary market area. In addition, the Bank recently hired Rachel Hill as the Branch Manager for the Santa Maria location. Ms. Hill has extensive experience in the Santa Maria market, and is well known for her community involvement and visibility in the area. Ms. Hill has worked in the financial services industry for many years, is bilingual (Spanish), and will team with Mike Sell, Senior Vice President and Senior Relationship Manager, to lead the Santa Maria branch team.

Accounting, legal, and consulting expenses totaled \$175 thousand during the first quarter of 2010, down from \$215 thousand during the fourth quarter of 2009, but up from \$115 thousand during the first quarter of 2009. Legal expenses were elevated during the two most recent quarters primarily due to the costs associated with collecting troubled loans. Legal expenses totaled \$109 thousand during the first quarter of 2010 and \$78 thousand during the fourth quarter of 2009. In contrast, legal expenses during the first quarter of 2009 were \$28 thousand. Accounting expenses in 2010 will be moderated by the Bank's negotiating more favorable pricing for internal audit services. Consulting expenses decreased by \$62 thousand during the first quarter of 2010 as compared to the preceding quarter primarily due to the transfer of the Chief Credit Officer from consulting status during the majority of the fourth quarter of 2009 to a regular salaried employee in December 2009.

Occupancy expense totaled \$157 thousand during the first quarter of 2010, up from \$126 thousand during the fourth quarter of 2009 and \$125 thousand during the first quarter of 2009. This increase was primarily due to the first three months of occupancy expense associated with the Santa Maria branch location.

Advertising and promotion expense totaled \$50 thousand during the first quarter of 2010, up from \$22 thousand during the fourth quarter of 2009 and \$20 thousand during the first quarter of 2009. The Bank increased its advertising during the first quarter of 2010 in support of:

- Its new retirement deposit account product line (e.g. both liquid and term IRA deposits).
- Introducing new officers to the Bank's primary market.
- Commencing the introduction of the Bank to the north San Luis Obispo County market in preparation for the planned branch opening in Paso Robles in 2011.
- Beginning the communication plan associated with changing the Bank's name to American Perspective Bank.

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In addition, now that the Bank is approaching three years old, it has largely attracted the business of its organizers, directors, shareholders, officers, and their affiliated entities. Additional business generation will thus need to be sourced via increased market awareness of the Bank, as facilitated through both the community involvement and visibility of the Bank's officers and directors and by enhanced advertising and market communications.

The operation of the foreclosed motel during the first quarter of 2010 generated net pre-tax income of \$118 thousand. The first quarter of the year is traditionally the seasonal peak period for the facility.

Commenting on the Bank's financial results for the first quarter of 2010, Eric J. Schwefler, the Bank's Chairman of the Board, stated: "We are very pleased to report the Bank's being profitable in four of the five most recent quarters. We are also pleased to report the many key steps the Bank is now implementing to advance the strategic plan, including completing the name change and settling the associated litigation at little cost to the Bank and opening the Santa Maria branch. The Bank currently has a significant shareholder and client base in the Santa Maria market, and will therefore offset a majority of the rent expense for the new branch through eliminating various existing costs of serving these clients, such as remote branch deposit and courier expenses."

Paul S. Viborg, owner of Viborg Sand & Gravel and the Bank's newest director, then commented: "Our experience with the design and operation of the new Santa Maria facility will establish a great foundation for the planned expansion into the Paso Robles market in 2011. The Bank's completing the name change prior to its opening in Santa Maria will allow us to enter that market as American Perspective Bank. At the same time, the use of the same colors, font, and logos for the American Perspective Bank name as we currently employ will provide continuity for our existing market area."

John M. Spencer, a director of the Bank and owner of Spencer's Fresh Markets, a regional chain of grocery stores, then stated: "The Bank's strategic plan of covering the market area from north San Luis Obispo County south through the Santa Maria Valley through three well located and custom designed facilities, augmented by a highly advanced and flexible technology platform, should result in the development of an attractive franchise and the generation of shareholder value. Our upcoming introduction of mobile banking via PDAs is just the latest addition to a comprehensive suite of customizable financial solutions. This flexibility in service delivery has been greatly valued by the local businesses with whom we endeavor to build longstanding relationships. The Bank's having the capital, liquidity, and human resources to expand at a time when other financial institutions are failing or contracting provides a unique opportunity to gain desirable market share and produce long term earnings."

Thomas J. Beene then concluded: "The management team and the Board of Directors are united in the objectives of timely and successfully resolving the three notable problem assets and reallocating those resources to the further development and growth of the Bank. Our success in recently hiring several of the best regarded bankers in our market area should only add to our achievements in coming quarters, and is a confirmation of the attractiveness of the Bank's mission and vision."

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The Bank's target markets are commercial enterprises, professionals, real estate investors, family business entities, and residents in San Luis Obispo County and northern Santa Barbara County. The Bank is located at 4051 Broad Street, Suite 140, San Luis Obispo, California, near the intersection of Broad Street (Highway 227) and Tank Farm Road. The Bank's deposits are insured by the FDIC up to applicable legal limits.

Certain of the statements contained herein that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "intend," "estimate," "target," "plans," "may increase," "may fluctuate," "may result in," "are projected," and similar expressions. The Bank's actual results may differ materially from those included in the forward-looking statements. These forward-looking statements involve risks and uncertainties including, but not limited to, the economic, business, and real estate market conditions in the Bank's market areas, the interest rate environment, competition, regulatory and legislative actions, the possibility that the Bank will not be successful in achieving its strategic objectives, the performance and contributions of employees and directors, and other factors. The Bank does not undertake, and specifically disclaims any obligation, to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements.

This news release is available at the www.americanprinciplebank.com Internet site for no charge.

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--- financial data follows ---

AMERICAN PRINCIPLE BANK

Financial Highlights Unaudited (Dollars In Thousands)

Financial Condition Data	March 31, 2010	December 31, 2009
<u>Assets</u>		
Cash and due from banks	\$ 2,284	\$ 2,462
Interest bearing deposits in other financial institutions	4,656	2,421
Securities available for sale, at fair value:		
Mortgage backed securities	49,163	51,218
Collateralized mortgage obligations	3,562	4,819
Loans receivable held for investment:		
Home equity lines of credit	12,392	12,536
Multifamily real estate loans	11,438	7,966
Commercial and industrial real estate loans	53,533	55,231
Construction loans	9,414	9,440
Land / lot loans	7,146	8,681
Farm real estate loans	--	3,600
Commercial business loans	39,342	37,067
Other loans	<u>5,688</u>	<u>5,402</u>
Gross loans held for investment, net of deferred fees and costs	138,953	139,923
Less:		
Allowance for loan losses	<u>(2,115)</u>	<u>(2,488)</u>
Loans receivable held for investment, net	136,838	137,435
Investment in capital stock of the Federal Home Loan Bank, at cost	757	757
Premises and equipment, net	1,305	1,384
Accrued interest receivable	593	623
Other real estate owned	3,072	--
Other assets	<u>1,822</u>	<u>1,849</u>
Total assets	<u>\$ 204,052</u>	<u>\$ 202,968</u>
<u>Liabilities and Shareholders' Equity</u>		
Deposits:		
Non-interest bearing demand deposits	\$ 14,517	\$ 18,482
Interest bearing checking accounts	3,911	3,297
Savings accounts	101	77
Money market accounts	81,177	74,936
Certificates of deposit	<u>63,022</u>	<u>55,460</u>
Total deposits	162,728	152,252
Borrowings	422	10,453
Other liabilities	<u>1,389</u>	<u>1,109</u>
Total liabilities	<u>164,539</u>	<u>163,814</u>
Shareholders' equity	<u>39,513</u>	<u>39,154</u>
Total liabilities and shareholders' equity	<u>\$ 204,052</u>	<u>\$ 202,968</u>

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Financial Highlights, Continued Unaudited (Dollars In Thousands Except Per Share Amounts)

	Three Months Ended <u>3/31/2010</u>	Three Months Ended <u>12/31/2009</u>	Three Months Ended <u>3/31/2009</u>
Operating Data			
Interest and dividend income	\$ 2,303	\$ 2,326	\$ 2,123
Interest expense	<u>511</u>	<u>533</u>	<u>614</u>
Net interest income before provision for loan losses	1,792	1,793	1,509
Provision for loan losses	<u>262</u>	<u>299</u>	<u>215</u>
Net interest income after provision for loan losses	<u>1,530</u>	<u>1,494</u>	<u>1,294</u>
Non-interest income	<u>25</u>	<u>78</u>	<u>16</u>
Non-interest expense:			
Compensation and employee benefits	710	601	588
Accounting, legal, and consulting	175	215	115
Occupancy	157	126	125
Regulatory assessments	75	77	53
Equipment	68	67	63
Data and item processing	51	52	49
Director expenses	38	39	2
Supplies, printing, courier, and postage	22	31	16
Advertising and promotion	50	22	20
(Reduction of) provision for off balance sheet commitments	(3)	3	--
OREO valuation adjustment	78	--	--
Net OREO operations	(118)	--	--
Other expenses	<u>105</u>	<u>97</u>	<u>75</u>
Total non-interest expense	<u>1,408</u>	<u>1,330</u>	<u>1,106</u>
Income before provision for income taxes	147	242	204
Provision for income taxes	<u>--</u>	<u>1</u>	<u>--</u>
Net income	<u>\$ 147</u>	<u>\$ 241</u>	<u>\$ 204</u>
Weighted average shares used in basic income per share calculation	4,281,600	4,273,389	4,251,194
Basic income per share	<u>\$ 0.03</u>	<u>\$ 0.06</u>	<u>\$ 0.05</u>
Weighted average shares used in diluted income per share calculation	4,300,491	4,291,747	4,251,983
Diluted income per share	<u>\$ 0.03</u>	<u>\$ 0.06</u>	<u>\$ 0.05</u>
Annualized net interest income / average total assets	3.57%	3.75%	3.69%

	<u>March 31, 2010</u>	<u>December 31, 2009</u>
Other Information		
Net loans / deposits	84.09%	90.27%
Allowance for loan losses / loans outstanding	1.52%	1.78%
Nominal and tangible book value per share	\$ 9.19	\$ 9.15
Shares of common stock outstanding	4,300,513	4,277,713