

MOUND CITY FINANCIAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2005 and 2004

| ASSETS | 2005 | 2004 |
|---|-----------------------|-----------------------|
| Cash and due from banks | \$ 4,108,086 | \$ 5,830,066 |
| Federal funds sold | 3,591,000 | 3,136,000 |
| Cash and cash equivalents | 7,699,086 | 8,966,066 |
| Interest bearing deposits in banks | 568,097 | - |
| Available for sale securities - stated at fair value | 33,641,481 | 31,241,190 |
| Held to maturity securities, fair value of \$3,866,425 and \$3,952,352 at 2005 and 2004, respectively | 4,000,000 | 4,000,000 |
| Loans, less allowance for loan losses of \$1,473,603 and \$1,457,798 at 2005 and 2004, respectively | 147,750,095 | 144,050,714 |
| Loans held for sale | - | 60,000 |
| Premises and equipment, net | 3,530,013 | 3,676,722 |
| Cash surrender value of life insurance | 1,439,804 | 1,397,495 |
| Accrued interest receivable and other assets | 4,154,040 | 3,784,486 |
| TOTAL ASSETS | \$ 202,782,616 | \$ 197,176,673 |

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

| | | |
|--|--------------------|--------------------|
| Deposits | | |
| Demand | \$ 14,037,342 | \$ 13,696,053 |
| Savings and NOW | 64,612,216 | 59,392,682 |
| Other time | 90,845,637 | 89,324,604 |
| Total Deposits | 169,495,195 | 162,413,339 |
| Other borrowings | 13,000,000 | 15,000,000 |
| Long-term debt - trust preferred securities | 4,130,000 | 4,130,000 |
| Accrued interest payable and other liabilities | 1,950,902 | 1,699,813 |
| Total Liabilities | 188,576,097 | 183,243,152 |

STOCKHOLDERS' EQUITY

| | | |
|--|-------------------|-------------------|
| Common stock, no par value, 300,000 shares authorized, 31,494 shares issued, 29,960 and 30,450 shares outstanding at December 31, 2005 and 2004, respectively | 31,494 | 31,494 |
| Surplus | 7,618,010 | 7,618,010 |
| Retained earnings | 7,575,972 | 6,645,546 |
| Treasury stock, 1,534 and 1,044 shares in 2005 and 2004, respectively, at cost | (736,416) | (461,626) |
| | 14,489,060 | 13,833,424 |
| Accumulated other comprehensive income (loss) | (282,541) | 100,097 |
| Total Stockholders' Equity | 14,206,519 | 13,933,521 |

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY **\$ 202,782,616** **\$ 197,176,673**

FINANCIAL HIGHLIGHTS

| | December 31, | | | | |
|--|--------------|-------------|--------------|--------------|--------------|
| | 2005 | 2004 | 2003 | 2002 | 2001 |
| Statement of Operations | | | | | |
| Interest Income | \$11,017,612 | \$9,920,451 | \$10,588,009 | \$11,295,623 | \$12,086,596 |
| Interest Expense | 5,625,072 | 4,673,284 | 5,340,133 | 5,670,750 | 6,813,229 |
| Net Interest Income | 5,392,540 | 5,247,167 | 5,247,876 | 5,624,873 | 5,273,367 |
| Provision for Loan Losses | 300,000 | 538,000 | 401,000 | 610,000 | 355,000 |
| Net Interest Income After Provision for Loan Losses | 5,092,540 | 4,709,167 | 4,846,876 | 5,014,873 | 4,918,367 |
| Noninterest Income | 1,358,107 | 1,249,188 | 1,304,107 | 1,220,244 | 956,640 |
| Noninterest Expenses | 4,765,408 | 4,502,675 | 4,347,017 | 4,176,772 | 3,914,527 |
| Income Before Income Taxes | 1,685,239 | 1,455,680 | 1,803,966 | 2,058,345 | 1,960,480 |
| Provision for Income Taxes | 485,173 | 392,170 | 526,320 | 567,108 | 536,471 |
| Net Income | \$1,200,066 | \$1,063,510 | \$1,277,646 | \$1,491,237 | \$1,424,009 |

Statement of Condition

| | | | | | |
|-------------------------|---------------|---------------|---------------|---------------|---------------|
| Total Assets | \$202,782,616 | \$197,176,673 | \$192,414,308 | \$192,806,976 | \$172,792,163 |
| Federal Funds Sold | 3,591,000 | 3,136,000 | 5,120,000 | 7,949,000 | 4,232,000 |
| Investment Securities | 37,641,481 | 35,241,190 | 30,568,549 | 28,389,687 | 21,334,046 |
| Loans | 147,750,095 | 144,110,714 | 143,409,512 | 145,188,721 | 133,517,418 |
| Total Deposits | 169,495,195 | 162,413,339 | 157,222,638 | 154,304,126 | 136,929,589 |
| Other Borrowings | 13,000,000 | 15,000,000 | 16,000,000 | 20,000,000 | 22,200,000 |
| Subordinated Debentures | 4,130,000 | 4,130,000 | 4,000,000 | 4,000,000 | None |
| Stockholders' Equity | 14,489,060 | 13,833,424 | 13,184,554 | 12,243,759 | 11,086,167 |

Averages

| | | | | | |
|------------------|---------------|---------------|---------------|---------------|---------------|
| Average Assets | \$199,160,445 | \$192,646,596 | \$194,880,215 | \$179,783,781 | \$164,664,633 |
| Average Loans | 146,483,450 | 142,173,800 | 143,781,207 | 140,848,671 | 129,036,066 |
| Average Deposits | 169,424,888 | 157,681,528 | 156,234,278 | 144,695,707 | 131,168,096 |
| Average Equity | 14,161,242 | 13,508,989 | 12,714,157 | 11,664,963 | 10,516,643 |

Ratios

| | | | | | |
|--|---------|---------|---------|---------|---------|
| Asset Growth Rate | 2.84% | 2.48% | (0.20%) | 11.58% | 9.19% |
| Loan Growth Rate | 2.53% | .49% | (1.23%) | 8.74% | 10.75% |
| Deposit Growth | 4.36% | 3.30% | 1.89% | 12.69% | 4.61% |
| Loan to Deposit Ratio | 87.17% | 88.73% | 91.21% | 94.09% | 97.51% |
| Return on Average Assets | 0.60% | 0.55% | 0.66% | 0.83% | 0.86% |
| Return on Average Equity | 8.47% | 7.87% | 10.05% | 12.78% | 13.54% |
| Stockholders' Equity to Average Assets | 7.28% | 7.18% | 6.77% | 6.81% | 6.73% |
| Earnings per Share | \$39.79 | \$34.91 | \$41.44 | \$48.07 | \$45.66 |
| Dividend Paid per Share | \$9.00 | \$8.00 | \$8.00 | \$8.00 | \$8.00 |

MOUND CITY FINANCIAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Years ended December 31, 2005, 2004 and 2003

| | Common Stock | Surplus | Retained Earnings | Treasury Stock | Accumulated Other Comprehensive Income (Loss) | Total |
|---|-----------------|-------------|----------------------|-------------------|--|---------------------|
| Balances, December 31, 2002 | \$31,494 | \$7,618,010 | \$4,794,142 | \$ (199,887) | \$339,505 | <u>\$12,583,264</u> |
| Comprehensive income | | | | | | |
| Net income - 2003 | - | - | 1,277,646 | - | - | 1,277,646 |
| Change in unrealized gains/losses on securities available for sale | - | - | - | - | (217,170) | (217,170) |
| Reclassification adjustment for gains/losses realized in net income | - | - | - | - | (5,000) | (5,000) |
| Income tax effect | - | - | - | - | 87,424 | 87,424 |
| Total Comprehensive Income | | | | | | <u>1,142,900</u> |
| Cash dividends - \$8.00 per share | - | - | (246,152) | - | - | (246,152) |
| Purchase of 205 shares of treasury stock | - | - | - | (90,699) | - | (90,699) |
| Balances, December 31, 2003 | 31,494 | 7,618,010 | 5,825,636 | (290,586) | 204,759 | <u>13,389,313</u> |
| Comprehensive income | | | | | | |
| Net income - 2004 | - | - | 1,063,510 | - | - | 1,063,510 |
| Change in unrealized gains/losses on securities available for sale | - | - | - | - | (158,545) | (158,545) |
| Reclassification adjustment for gains/losses realized in net income | - | - | - | - | (15,789) | (15,789) |
| Income tax effect | - | - | - | - | 69,672 | 69,672 |
| Total Comprehensive Income | | | | | | <u>958,848</u> |
| Cash dividends - \$8.00 per share | - | - | (243,600) | - | - | (243,600) |
| Purchase of 319 shares of treasury stock | - | - | - | (171,040) | - | (171,040) |
| Balances, December 31, 2004 | 31,494 | 7,618,010 | 6,645,546 | (461,626) | 100,097 | <u>13,933,521</u> |
| Comprehensive income | | | | | | |
| Net income - 2005 | - | - | 1,200,066 | - | - | 1,200,066 |
| Change in unrealized gains/losses on securities available for sale | - | - | - | - | (580,050) | (580,050) |
| Income tax effect | - | - | - | - | 197,412 | 197,412 |
| Total Comprehensive Income | | | | | | <u>817,428</u> |
| Cash dividends - \$9.00 per share | - | - | (269,640) | - | - | (269,640) |
| Purchase of 490 shares of treasury stock | - | - | - | (274,790) | - | (274,790) |
| Balances, December 31, 2005 | \$31,494 | \$7,618,010 | \$7,575,972 | \$ (736,416) | \$ (282,541) | <u>\$14,206,519</u> |

MOUND CITY FINANCIAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31, 2005, 2004 and 2003

| | 2005 | 2004 | 2003 |
|---|---------------------|---------------------|---------------------|
| INTEREST INCOME | | | |
| Interest and fees on loans | \$ 9,339,455 | \$ 8,510,265 | \$ 9,289,743 |
| Interest on investment securities | | | |
| Taxable | 1,051,616 | 912,255 | 803,293 |
| Tax exempt | 463,972 | 385,715 | 308,437 |
| Interest on federal funds sold | 99,982 | 40,949 | 80,532 |
| Other | 62,587 | 71,267 | 106,004 |
| Total Interest Income | 11,017,612 | 9,920,451 | 10,588,009 |
| INTEREST EXPENSE | | | |
| Interest on deposits | 4,792,757 | 3,708,820 | 3,956,871 |
| Interest on other borrowings | 501,915 | 634,064 | 1,063,262 |
| Interest on long term debt - trust preferred securities | 330,400 | 330,400 | 320,000 |
| Total Interest Expense | 5,625,072 | 4,673,284 | 5,340,133 |
| Net Interest Income Before Provision For Loan Losses | 5,392,540 | 5,247,167 | 5,247,876 |
| Provision For Loan Losses | 300,000 | 538,000 | 401,000 |
| Net Interest Income After Provision For Loan Losses | 5,092,540 | 4,709,167 | 4,846,876 |
| NONINTEREST INCOME | | | |
| Service fees | 522,938 | 507,560 | 547,986 |
| Gain on sale of available for sale securities | - | 15,789 | 5,000 |
| Gain on loan sales | 52,787 | 101,073 | 194,742 |
| Mutual fund sales commission | 168,659 | 182,719 | 173,559 |
| Other income | 613,723 | 442,047 | 382,820 |
| Total Noninterest Income | 1,358,107 | 1,249,188 | 1,304,107 |
| NONINTEREST EXPENSES | | | |
| Salaries | 1,849,647 | 1,830,602 | 1,726,513 |
| Profit sharing and other employee benefits | 934,310 | 876,103 | 843,141 |
| Occupancy | 433,936 | 456,290 | 469,496 |
| Computer services | 224,722 | 221,870 | 207,626 |
| Other expenses | 1,322,793 | 1,117,810 | 1,100,241 |
| Total Noninterest Expenses | 4,765,408 | 4,502,675 | 4,347,017 |
| Income before income taxes | 1,685,239 | 1,455,680 | 1,803,966 |
| Less: Applicable income taxes | 485,173 | 392,170 | 526,320 |
| NET INCOME | \$ 1,200,066 | \$ 1,063,510 | \$ 1,277,646 |
| Basic Earnings Per Share | \$ 39.79 | \$ 34.91 | \$ 41.44 |
| Weighted Average Shares Outstanding | 30,160 | 30,466 | 30,832 |