

# FINANCIAL HIGHLIGHTS

	December 31,				
	2006	2005	2004	2003	2002
<b>Statement of Operations</b>					
Interest Income	\$12,477,308	\$11,017,612	\$ 9,920,451	\$10,588,009	\$11,295,623
Interest Expense	6,960,055	5,625,072	4,673,284	5,340,133	5,670,750
Net Interest Income	5,517,253	5,392,540	5,247,167	5,247,876	5,624,873
Provision for Loan Losses	225,976	300,000	538,000	401,000	610,000
Net Interest Income After Provision for Loan Losses	5,291,277	5,092,540	4,709,167	4,846,876	5,014,873
Noninterest Income	1,421,488	1,358,107	1,249,188	1,304,107	1,220,244
Noninterest Expenses	4,848,825	4,765,408	4,502,675	4,347,017	4,176,772
Income Before Income Taxes	1,863,940	1,685,239	1,455,680	1,803,966	2,058,345
Provision for Income Taxes	481,157	485,173	392,170	526,320	567,108
Net Income	\$1,382,783	\$1,200,066	\$1,063,510	\$1,277,646	\$1,491,237
<b>Statement of Condition</b>					
Total Assets	\$210,414,243	\$202,782,616	\$197,176,673	\$192,414,308	\$192,806,976
Federal Funds Sold	2,401,000	3,591,000	3,136,000	5,120,000	7,949,000
Investment Securities	39,252,631	37,641,481	35,241,190	30,568,549	28,389,687
Loans	152,913,704	147,750,095	144,110,714	143,409,512	145,188,721
Total Deposits	169,950,499	169,495,195	162,413,339	157,222,638	154,304,126
Other Borrowings	19,000,000	13,000,000	15,000,000	16,000,000	20,000,000
Subordinated Debentures	4,130,000	4,130,000	4,130,000	4,000,000	4,000,000
Stockholders' Equity	15,024,339	14,206,519	13,933,521	13,389,313	12,243,759
<b>Averages</b>					
Average Assets	\$204,749,099	\$199,160,445	\$192,646,596	\$194,880,215	\$179,783,781
Average Loans	150,040,001	146,483,450	142,173,800	143,781,207	140,848,671
Average Deposits	167,667,123	169,424,888	157,681,528	156,234,278	144,695,707
Average Equity	14,615,429	14,161,242	13,508,989	112,714,157	11,664,963
<b>Ratios</b>					
Asset Growth Rate	3.76%	2.84%	2.48%	(0.20%)	11.58%
Loan Growth Rate	3.49%	2.53%	.49%	(1.23%)	8.74%
Deposit Growth	0.27%	4.36%	3.30%	1.89%	12.69%
Loan to Deposit Ratio	89.98%	87.17%	88.73%	91.21%	94.09%
Return on Average Assets	0.68%	0.60%	0.55%	0.66%	0.83%
Return on Average Equity	9.46%	8.47%	7.87%	10.05%	12.78%
Stockholders' Equity to Average Assets	7.34%	7.28%	7.18%	6.77%	6.81%
Earnings per Share	\$46.46	\$39.79	\$34.91	\$41.44	\$48.07
Dividend Paid per Share	\$10.00	\$9.00	\$8.00	\$8.00	\$8.00

# MOUND CITY FINANCIAL SERVICES, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

December 31, 2006 and 2005

Assets	2006	2005
Cash and due from banks	\$ 4,143,084	\$ 4,108,086
Federal funds sold	2,401,000	3,591,000
Cash and cash equivalents	6,544,084	7,699,086
Interest bearing deposits in banks	1,326,657	568,097
Securities available-for-sale	35,252,631	33,641,481
Securities held to maturity, at amortized cost (fair value of \$4,000,000 at December 31, 2006 and 2005)	4,000,000	4,000,000
Loans, net of allowance of \$1,480,729 at 2006 and \$1,473,603 at 2005	152,913,704	147,750,095
Premises and equipment, net	3,488,035	3,530,013
Cash surrender value of life insurance	2,482,846	1,439,804
Accrued interest receivable and other assets	4,406,286	4,154,040
Total assets	\$ 210,414,243	\$ 202,782,616
Liabilities and Stockholders' Equity		
Liabilities		
Deposits		
Demand	\$ 13,045,021	\$ 14,037,342
Savings and NOW	64,530,935	64,612,216
Other time	92,374,543	90,845,637
Total deposits	169,950,499	169,495,195
Other borrowings	19,000,000	13,000,000
Subordinated debt	4,130,000	4,130,000
Accrued interest payable and other liabilities	2,309,405	1,950,902
Total Liabilities	195,389,904	188,576,097
Stockholders' equity		
Common stock, no par value, 300,000 shares authorized, 31,494 shares issued, 29,497 and 29,960 shares outstanding at December 31, 2006 and 2005, respectively		
	31,494	31,494
Additional paid-in-capital	7,618,010	7,618,010
Retained earnings	8,662,185	7,575,972
Treasury stock, 1,997 and 1,534 shares at cost at December 31, 2006 and 2005, respectively	(1,035,816)	(736,416)
Accumulated other comprehensive loss	(251,534)	(282,541)
Total Stockholders' Equity	15,024,339	14,206,519
Total liabilities and stockholders' equity	\$ 210,414,243	\$ 202,782,616

# MOUND CITY FINANCIAL SERVICES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31, 2006, 2005 and 2004

	2006	2005	2004
Interest income:			
Interest and fees on loans	\$ 10,591,783	\$ 9,339,455	\$ 8,510,265
Interest on investment securities			
Taxable	1,186,888	1,051,616	912,255
Tax exempt	515,811	463,972	385,715
Interest on federal funds sold	112,376	99,982	40,949
Other	70,450	62,587	71,267
Total Interest Income	<u>12,477,308</u>	<u>11,017,612</u>	<u>9,920,451</u>
Interest expense:			
Interest on deposits	5,941,391	4,792,757	3,708,820
Interest on other borrowings	688,264	501,915	634,064
Interest on subordinated debt	330,400	330,400	330,400
Total Interest Expense	<u>6,960,055</u>	<u>5,625,072</u>	<u>4,673,284</u>
Net Interest Income Before Provision For Loan Losses	5,517,253	5,392,540	5,247,167
Provision For Loan Losses	225,976	300,000	538,000
Net Interest Income After Provision For Loan Losses	<u>5,291,277</u>	<u>5,092,540</u>	<u>4,709,167</u>
Noninterest income:			
Service fees	643,068	522,938	507,560
Gain on sale of securities available for sale	1,445	-	15,789
Gain on loan sales	52,245	52,787	101,073
Mutual fund sales commission	177,882	168,659	182,719
Other income	546,848	613,723	442,047
Total Noninterest Income	<u>1,421,488</u>	<u>1,358,107</u>	<u>1,249,188</u>
Noninterest expenses:			
Salaries and employee benefits	2,881,677	2,783,957	2,706,705
Occupancy	477,633	433,936	456,290
Computer services	303,856	224,722	221,870
Other	1,185,659	1,322,793	1,117,810
Total Noninterest Expenses	<u>4,848,825</u>	<u>4,765,408</u>	<u>4,502,675</u>
Income before income taxes	1,863,940	1,685,239	1,455,680
Income tax expense	481,157	485,173	392,170
Net Income	<u>\$ 1,382,783</u>	<u>\$ 1,200,066</u>	<u>\$ 1,063,510</u>
Earnings per share	<u>\$ 46.46</u>	<u>\$ 39.79</u>	<u>\$ 34.91</u>
Weighted Average Shares Outstanding	<u>29,765</u>	<u>30,160</u>	<u>30,466</u>

# MOUND CITY FINANCIAL SERVICES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Years ended December 31, 2006, 2005 and 2004

	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2003	\$31,494	\$7,618,010	\$5,825,636	\$ (290,586)	\$204,759	<u>\$13,389,313</u>
Comprehensive income						
Net income	-	-	1,063,510	-	-	1,063,510
Change in net unrealized gains on available-for-sale securities	-	-	-	-	(158,545)	(158,545)
Reclassification adjustment for gains included in net income	-	-	-	-	(15,789)	(15,789)
Income tax effect	-	-	-	-	69,672	69,672
Comprehensive Income						<u>958,848</u>
Cash dividends paid - \$8.00 per share	-	-	(243,600)	-	-	(243,600)
Purchase of 319 shares of treasury stock	-	-	-	(171,040)	-	(171,040)
Balance, December 31, 2004	31,494	7,618,010	6,645,546	(461,626)	100,097	<u>13,933,521</u>
Comprehensive income						
Net income	-	-	1,200,066	-	-	1,200,066
Change in net unrealized losses on available-for-sale securities	-	-	-	-	(580,050)	(580,050)
Income tax effect	-	-	-	-	197,412	197,412
Comprehensive Income						<u>817,428</u>
Cash dividends paid - \$9.00 per share	-	-	(269,640)	-	-	(269,640)
Purchase of 490 shares of treasury stock	-	-	-	(274,790)	-	(274,790)
Balance, December 31, 2005	31,494	7,618,010	7,575,972	(736,416)	(282,541)	<u>14,206,519</u>
Comprehensive income						
Net income	-	-	1,382,783	-	-	1,382,783
Change in net unrealized losses on available-for-sale securities	-	-	-	-	42,994	42,994
Reclassification adjustment for gains/losses realized in net income	-	-	-	-	(1,445)	(1,445)
Income tax effect	-	-	-	-	(10,542)	(10,542)
Comprehensive Income						<u>1,413,790</u>
Cash dividends paid - \$10.00 per share	-	-	(296,570)	-	-	(296,570)
Purchase of 463 shares of treasury stock	-	-	-	(299,400)	-	(299,400)
Balance, December 31, 2006	<u>\$ 31,494</u>	<u>\$7,618,010</u>	<u>\$8,662,185</u>	<u>\$ (1,035,816)</u>	<u>\$ (251,534)</u>	<u>\$15,024,339</u>