

CITIZENS COMMERCE BANCSHARES, INC.
CONSOLIDATED BALANCE SHEETS
December 31

	Audited <u>2012</u>	Audited <u>2011</u>
ASSETS		
Cash and cash equivalents	\$ 16,709,928	\$ 27,641,056
Securities:		
Available for sale	90,667,441	47,144,541
Held to maturity	-	16,622,206
Loans held for sale	561,224	336,872
Loans, net	101,593,219	126,773,238
Bank premises and equipment, net	4,784,922	5,142,814
Federal Home Loan Bank stock	1,310,900	1,310,900
Federal Reserve Bank stock	302,050	192,100
Other real estate owned	2,428,325	6,672,254
Cash surrender value of bank owned life insurance	1,872,703	1,734,261
Interest receivable	1,047,285	1,362,587
Other assets	<u>766,661</u>	<u>917,517</u>
Total assets	\$ <u>222,044,658</u>	\$ <u>235,850,346</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Demand - noninterest bearing	\$ 15,817,816	\$ 13,897,108
Savings, NOW and money market	82,959,514	84,947,526
Time	<u>81,691,168</u>	<u>93,296,958</u>
Total deposits	180,468,498	192,141,592
Securities sold under agreements to repurchase	4,125,560	5,047,670
Federal Home Loan Bank advances	24,000,000	27,000,000
Obligations under capital leases	1,320,000	1,410,000
Note payable	2,523,500	2,108,500
Subordinated debentures	3,500,000	3,500,000
Interest payable	626,065	410,652
Other liabilities	<u>2,982,111</u>	<u>2,944,035</u>
Total liabilities	219,545,734	234,562,449
Stockholders' equity		
Preferred stock, no par value; 25,000 shares authorized, 6,300 Series A shares and 315 shares of Series B, issued and outstanding with a liquidation preference of \$6,615,000	6,539,208	6,476,090
Common stock, no par value; 8,000,000 shares authorized, 1,735,281 (2012) and 1,736,165 (2011) shares issued and outstanding	3,315,161	3,315,433
Additional paid in capital	1,808,119	1,808,119
Accumulated deficit	(10,341,013)	(10,085,732)
Accumulated other comprehensive income (loss)	<u>1,177,449</u>	<u>(226,013)</u>
Total stockholders' equity	2,498,924	1,287,897
Total liabilities and stockholders' equity	\$ <u>222,044,658</u>	\$ <u>235,850,346</u>

CITIZENS COMMERCE BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
Years Ended December 31

	Audited <u>2012</u>	Audited <u>2011</u>
Interest income		
Loans, including fees	\$ 6,486,984	\$ 8,984,744
Securities		
U. S. Treasury, government agencies and other	1,713,470	1,717,324
Municipal bonds	972,265	287,767
Federal funds sold	2,460	1,271
Other	<u>130,876</u>	<u>139,678</u>
	9,306,055	11,130,784
Interest expense		
Deposits	1,344,765	2,409,904
Subordinated debentures	143,212	133,237
Other borrowings	<u>1,302,932</u>	<u>1,437,797</u>
	<u>2,790,909</u>	<u>3,980,938</u>
Net interest income	6,515,146	7,149,846
Provision for loan losses	<u>-</u>	<u>1,940,209</u>
Net interest income after provision for loan losses	6,515,146	5,209,637
Other income		
Service charges and fees	894,918	989,300
Net gains on sale of securities	1,112,795	869,068
Gain on sale of loans held for sale	192,198	45,889
Gain on extinguishment of debt	-	4,683,031
Other	<u>289,186</u>	<u>393,949</u>
	2,489,097	6,981,237
Other expenses		
Salaries and benefits	4,196,742	4,124,872
Occupancy and equipment	869,279	831,193
Data processing	521,819	661,533
Professional fees	643,948	1,088,744
FDIC Insurance	569,300	958,303
Other real estate owned, net of gain/loss from sale or writedowns and other expenses	320,696	1,332,865
Other	<u>1,731,272</u>	<u>1,495,089</u>
	<u>8,853,056</u>	<u>10,492,599</u>
Income before income taxes	151,187	1,698,275
Income tax benefit	<u>-</u>	<u>(424,454)</u>
Net income	\$ <u>151,187</u>	\$ <u>2,122,729</u>
Dividend and accretion on preferred shares	<u>406,468</u>	<u>405,153</u>
Net income (loss) available to common shareholders	\$ <u>(255,281)</u>	\$ <u>1,717,576</u>
Earnings (loss) per share		
Basic	\$ (0.15)	\$ 1.18
Diluted	(0.14)	1.12