

Balance Sheet

First National Bank of Midland

(Unaudited Bank Subsidiary Only)

	March 31,		December 31,
	2008	2007	2007
Assets		(In Thousands)	
CASH AND DUE FROM BANKS	\$ 9,242	\$ 10,857	\$ 9,905
INVESTMENTS:			
Municipal securities	8,901	9,082	9,040
U.S. gov't agencies	17,972	26,892	21,402
Mortgage backed securities	19,884	23,914	20,518
Due from bank certificates of deposit	—	—	—
Due from bank money market accounts	4	—	4,015
Federal reserve bank stock	514	289	514
Federal home loan bank stock	367	—	363
TIB stock	200	—	200
Total Investments	47,842	60,177	56,052
FEDERAL FUNDS SOLD	4,525	—	6,925
LOANS:			
Real estate	74,753	40,337	71,277
Secondary mortgage	6,961	2,588	4,511
Commercial, industrial, and agricultural	95,164	61,884	79,237
Government entities	1,928	—	543
Consumer	8,149	3,272	6,250
Other	50	30	29
Total Loans	187,005	108,111	161,847
Less - Allowance for possible loan losses	(2,164)	(1,336)	(1,974)
Loans, net	184,841	106,775	159,873
BANK PREMISES AND EQUIPMENT, NET	8,921	6,545	7,853
OTHER ASSETS	2,429	1,910	2,307
TOTAL ASSETS	\$ 257,800	\$ 186,264	\$ 242,915
Liabilities & Shareholders' Equity			
DEPOSITS:			
Demand	\$ 72,105	\$ 61,374	\$ 72,433
NOW Accounts	20,614	17,687	20,744
Savings	4,665	2,687	4,117
Time	130,983	72,864	119,039
Total Deposits	228,367	154,612	216,333
SHORT-TERM BORROWINGS:			
Federal funds purchased	—	3,750	—
Securities sold under agreement to repurchase	6,247	6,920	3,859
Federal Home Loan Bank borrowings	—	—	—
Total short-term borrowings	6,247	10,670	3,859
ACCRUED EXPENSES AND OTHER LIABILITIES	804	593	876
Total Liabilities	235,418	165,875	221,068
SHAREHOLDERS' EQUITY:			
Common Stock	3,096	3,096	3,096
Surplus	14,046	14,046	14,046
Retained earnings	5,240	3,247	4,705
Total shareholders' equity	22,382	20,389	21,847
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 257,800	\$ 186,264	\$ 242,915

Statement of Income

For the Three Months Ended March 31

First National Bank of Midland

(Unaudited Bank Subsidiary Only)

	<u>2008</u>	<u>2007</u>
	(In Thousands)	
Interest Income:		
Interest and fees on loans	\$ 3,208	\$ 1,899
Interest on investment securities	537	665
Interest on Federal funds sold	36	51
Other interest income	<u>19</u>	<u>—</u>
TOTAL INTEREST INCOME	<u>3,800</u>	<u>2,615</u>
Interest Expense:		
Deposits	1,026	619
Short-term borrowings	<u>41</u>	<u>55</u>
TOTAL INTEREST EXPENSE	<u>1,067</u>	<u>674</u>
Net Interest Income	2,733	1,941
Provision for possible loan losses	<u>190</u>	<u>95</u>
Net Interest Income After Provision For Possible Loan Losses	2,543	1,846
Other Income:		
Mortgage	526	265
Trust, net	44	40
Other income	<u>217</u>	<u>215</u>
TOTAL OTHER INCOME	<u>787</u>	<u>520</u>
Other Expenses:		
Salary and employee benefits	1,616	1,061
Building occupancy expense	430	300
Marketing expense	64	54
Data processing expense	60	56
Other employee expense	69	49
Other operating expense	396	275
Other expenses	<u>59</u>	<u>62</u>
TOTAL OTHER EXPENSES	<u>2,694</u>	<u>1,857</u>
Income Before Income Taxes	636	509
Provision for income taxes	<u>190</u>	<u>155</u>
NET INCOME	<u>\$ 446</u>	<u>\$ 354</u>

Bank Officers

Michael J. Canon

Chairman of the Board

Kenneth L. Burgess, Jr.

Chief Executive Officer & President

Midland Market –

(First National Bank of Midland)

Jay W. Isaacs

President – Midland Market &

Sr. Trust Officer

Brian J. Lucas

Executive Vice President &

Sr. Relationship Manager

Brad D. Bullock

Executive Vice President & Compliance

Tracy A. Timlin

Sr. Vice President & Mortgage Division Manager

Toby D. Payne

Sr. Vice President & Relationship Manager

Janene D. Binnion

Vice President & Team Resources

Department Manager

R. Kyle Clifton

Vice President, Cashier & Controller

Debbie K. Glennan

Vice President & Branch Operations Manager

Robin R. Richey

Vice President, Secretary to the Board & Trust

Administration Officer

Lynne M. Sawyer

Vice President & Credit Administration

Department Manager

Martin F. Ruehl

Assistant Vice President, Branch Manager &

Relationship Manager

Jon D. Black

Vice President, Odessa Mortgage

Veronica S. Pyle

Banking Officer & Personal Banker

Griselda J. Bujanda

Banking Officer & Loan Operations Manager

Melanie J. Barrera

Banking Officer & Assistant Controller

Jeremy M. Bishop

Banking Officer & Relationship Manager

Katie J. Boyd

Banking Officer, Branch Manager & Relationship

Manager

Drew N. Hirt

Banking Officer & Relationship Manager

Chris L. McGinnis

Banking Officer & IT Manager

Amarillo Market –

(First Bank of Texas)

J. Greg Burgess

President – Amarillo Market &

Chief Lending Officer

George H. Reeves

Executive Vice President &

Chief Operations Officer

Anita K. Fink

Assistant Vice President &

Assistant Operations Manager

Stacye M. Worthen

Banking Officer & Branch Manager

Dora M. Evans

Banking Officer & Executive Assistant

Landon M. Gann

Banking Officer & Relationship Manager

Lubbock Market –

(First Texas Bank of Lubbock)

Brad D. Burgess

President – Lubbock Market &

Sr. Relationship Manager

David R. Quintanilla

Executive Vice President & Sr. Relationship

Manager

Patrick M. Irish

Vice President & Relationship Manager

Beverly R. Holland

Assistant Vice President & Executive Assistant

Raina Keneda

Assistant Vice President & Executive Assistant

Lisha F. King

Assistant Vice President &

Branch Operations Manager



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