

The following table shows the gross unrealized losses and fair value of securities aggregated by category and length of time that securities have been in a continuous unrealized loss position at December 31, 2004 and 2003.

Description of Securities	Less Than 12 Months		More Than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2004:						
U. S. Government and federal agencies	\$ 33,929	\$ 118	\$ 6,178	\$ 33	\$ 40,107	\$ 151
Corporate debt securities	-	-	1,001	13	1,001	13
Mortgage-backed securities	44,349	386	39,427	368	83,776	754
Subtotal, debt securities	78,278	504	46,606	414	124,884	918
Equity securities	-	-	216	50	216	50
Total temporarily impaired securities	\$ 78,278	\$ 504	\$ 46,822	\$ 464	\$ 125,100	\$ 968
December 31, 2003:						
U. S. Government and federal agencies	\$ 1,912	\$ 8	\$ -	\$ -	\$ 1,912	\$ 8
Corporate debt securities	1,012	7	-	-	1,012	7
Mortgage-backed securities	59,838	572	982	1	60,820	573
Subtotal, debt securities	62,762	587	982	1	63,744	588
Equity securities	-	-	221	47	221	47
Total temporarily impaired securities	\$ 62,762	\$ 587	\$ 1,203	\$ 48	\$ 63,965	\$ 635

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. The majority of debt securities containing unrealized losses at December 31, 2004 represent mortgage-backed securities. Eight (8) debt securities contained unrealized losses greater than two percent (2%) of their costs. None of the debt securities contained an unrealized loss

greater than 3.0% of its cost. One equity security representing an investment in a mutual fund reflected an unrealized loss of 19% of its cost. The unrealized loss in this security represented 5.2% of the total unrealized losses in the Company's investment portfolio. The unrealized losses are considered temporary because each security carries an acceptable investment grade and the repayment sources of principal and interest are government backed.