



2010 was a year full of challenges and changes for our industry, our community, and our country. Among those changes was the introduction of hundreds of new banking regulations, multitudes of bank failures across the nation, challenges with unemployment on a national and local level, as well as the ever-evolving state of technology.

And yet, we can take comfort that the old saying, "The more things change, the more things stay the same" holds true for Carter County Bank.

Many things have remained the same at Carter County Bank. As we have been since 1939, we were profitable, we remained in a strong, well capitalized position, were able to give back to our community, and the same professional employees were able to assist our customers with the financial needs they had.

We have also made some improvements to our services. One example is the introduction of eStatements. This new technology allows us to deliver customer statements and notices in a quick and secure environment. As we continue to investigate and invest in new methods for delivering banking services, our customers can rest assured that those methods will be safe and secure.

After more than 70 years, we are proud to say that our company remains a cornerstone in the development of, and improvement in quality of life for all who live in our community. That has been made possible by two groups: our valued customers and our dedicated employees. We are grateful to each and we look forward to continuing that service for many, many years to come. With that said, we proudly provide you with this Statement of Condition for the year ending December 31, 2010.

CARTER COUNTY BANCORP AND SUBSIDIARY ASSETS	DECEMBER 31	
	2010	2009
Cash and due from banks.....	\$ 3,176,501	\$ 5,340,367
Securities available for sale.....	51,054,331	40,096,479
Securities held to maturity.....	1,600,833	1,825,000
Federal funds sold.....	5,606,464	6,569,691
Restricted investments.....	1,304,300	1,299,900
Loans, net of unearned interest and allowance for loan losses.....	191,579,117	216,518,356
Premises and equipment.....	3,768,988	4,089,028
Accrued interest receivable.....	940,924	1,173,260
Cash surrender value of life insurance.....	5,594,558	5,390,500
Other assets.....	8,593,584	5,757,032
<b>TOTAL ASSETS.....</b>	<b>\$273,219,600</b>	<b>\$288,059,613</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Deposits:		
Noninterest-bearing demand deposits.....	\$ 30,595,997	\$ 32,030,448
Interest-bearing demand deposits.....	15,736,278	16,126,018
NOW accounts.....	19,323,699	20,386,120
Money market accounts.....	20,753,079	19,353,135
Savings deposits.....	30,164,335	29,431,396
Time deposits.....	93,875,062	112,466,039
<b>TOTAL DEPOSITS.....</b>	<b>210,448,450</b>	<b>229,793,156</b>
Securities sold under agreements to repurchase.....	7,572,062	3,945,743
Federal funds purchased.....	0	0
Federal home loan bank advances.....	28,000,000	28,000,000
Accrued interest payable.....	98,276	259,110
Other liabilities.....	1,660,632	1,524,322
<b>TOTAL LIABILITIES.....</b>	<b>247,779,420</b>	<b>263,522,331</b>
Stockholders' equity:		
Common stock, \$2.50 par value; 300,000 shares authorized;		
238,695 shares outstanding.....	596,738	596,738
Additional paid-in capital.....	2,851,087	2,851,087
Retained earnings.....	21,913,838	20,792,554
Accumulated other comprehensive income.....	78,517	296,903
<b>TOTAL STOCKHOLDERS' EQUITY.....</b>	<b>25,440,180</b>	<b>24,537,282</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY.....</b>	<b>\$273,219,600</b>	<b>\$288,059,613</b>