

November 14, 2005

Dear Shareholder:

We are pleased to report the results of our first full quarter of operations. As you recall, we opened for business on May 16, 2005. During this time, we have followed our business plan of careful measured growth.

For the quarter ended September 30, 2005, total loans outstanding were \$13.0 million, increasing \$12.0 million from June 30, 2005. Unfunded loan commitments were \$8.9 million as of September 30, 2005. Total deposits stood at \$9.8 million, increasing \$3 million from June 30, 2005. We recognized \$236,327 in net interest income for the quarter ended September 30, 2005 compared to \$79,702 for the quarter ended June 30, 2005, an increase of \$156,625 primarily the result of the increase in loans. We anticipate the growth in loans in future quarters will drive the growth in assets as well as interest income.

We invite you to read about our products and services on our website at www.IndependenceNB.com or to visit our main office location at 500 E. Washington Street in Greenville.

We appreciate your support as a shareholder and are committed to providing high quality and long-term financial services to our clients, shareholders, community and associates so each can achieve our shared financial goals and objectives. Please do not hesitate to contact us with any questions you may have.

Best Regards,

Charles D. Walters
Chairman of the Board

Lawrence R. Miller
President & CEO



Financial Highlights (unaudited)

Balance Sheet Data	As of	
	September 30, 2005	June 30, 2005
Total assets	\$ 29,034,094	\$ 26,452,144
Loans, gross	13,172,868	1,010,336
Allowance for loan losses	172,000	13,000
Deposits	9,904,441	6,877,057
Shareholders' equity	19,101,154	19,528,941

Income Statement Data	For the	
	Quarter Ended September 30, 2005	Nine Months Ended September 30, 2005
Net interest income	\$ 236,327	\$ 296,754
Provision for loan loss	159,000	172,000
Non-interest income	6,059	13,813
Non-interest expense	485,420	1,134,484
Net loss	(402,034)	(995,917)
Net loss per diluted share	\$ (0.19)	\$ (0.48)



BOARD OF DIRECTORS

Robert M. Austell	John W. Burnett <i>Co-founder</i>
Robert M. Carpenter	Billy J. Coleman
Jose De Ocampo	Robert E. Hamby, Jr.
H. Neel Hipp, Jr.	James D. King
William R. Mathis	Lawrence R. Miller <i>President & CEO</i>
Sudhirkumar C. Patel	Hasmukh P. Rama
Walter R. Samuels	Charles D. Walters <i>Chairman</i>
Roger W. Walters	Vivian A. Wong <i>Co-founder</i>

EXECUTIVE OFFICERS

Lawrence R. Miller, <i>President & CEO</i>	
Susan B. Hoag <i>EVP & Corporate Business Development</i>	David L. Shelnett <i>EVP & Chief Credit Officer</i>
Kimberly D. Barrs <i>EVP & Chief Financial Officer</i>	Schaefer M. Carpenter <i>SVP & Retail Banking Director</i>