

Condensed Income Statement:

	As of and for the twelve months ended		As of and for the three months ended	
	December 31,		December 31	September 30
	(Dollars in thousands)		(Dollars in thousands)	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
Net interest income	\$ 17,562	\$ 17,089	\$ 4,585	\$ 4,567
Less: Provision for loan losses	<u>965</u>	<u>2,405</u>	<u>130</u>	<u>510</u>
Net interest income after provision for loan losses	\$ 16,597	\$ 14,684	\$ 4,455	\$ 4,057
Securities gains	407	727	0	407
Noninterest income	5,966	5,101	1,505	1,599
Noninterest expense	<u>16,072</u>	<u>14,860</u>	<u>4,127</u>	<u>4,044</u>
Income before income taxes	\$ 6,898	\$ 5,652	\$ 1,833	\$ 2,019
Income taxes	<u>1,760</u>	<u>1,484</u>	<u>499</u>	<u>540</u>
Net income	<u>\$ 5,138</u>	<u>\$ 4,168</u>	<u>\$ 1,334</u>	<u>\$ 1,479</u>

Share and Per Share Data

Average common shares outstanding (basic)	859,901	858,229	860,798	860,495
Average common shares outstanding (dilutive)	930,263	858,229	931,160	930,863
Period-end common shares outstanding (common)	859,948	857,979	859,948	860,893
Period-end common shares outstanding (dilutive)	930,310	857,979	930,310	931,261
Net income per common share (basic)	\$ 5.97	\$ 4.86	\$ 1.55	\$ 1.71
Net income per common share (dilutive)	\$ 5.64	\$ 4.86	\$ 1.46	\$ 1.62
Cash dividend declared	\$ 1.43	\$ 1.34	\$ 0.40	\$ 0.35
Book value per common share (basic)	\$ 41.67	\$ 36.73	\$ 41.67	\$ 42.39
Book value per common share (dilutive)	\$ 38.52	\$ 36.73	\$ 38.52	\$ 39.19
Last stock trade @ period end	\$ 40.00	\$ 40.00	\$ 40.00	\$ 49.50

Period-end balances

Assets	\$ 555,451	\$ 513,585	\$ 555,451	\$ 539,481
Earning assets	\$ 516,233	\$ 481,681	\$ 516,233	\$ 506,181
Loans	\$ 359,951	\$ 312,629	\$ 359,951	\$ 342,351
Allowance for loan losses	\$ 7,001	\$ 6,441	\$ 7,001	\$ 6,888
Deposits	\$ 460,999	\$ 424,006	\$ 460,999	\$ 474,085
Shareholders' equity	\$ 35,838	\$ 31,511	\$ 35,838	\$ 36,495

Average Balances

Assets	\$ 534,923	\$ 488,477	\$ 543,953	\$ 540,377
Earning assets	\$ 501,098	\$ 456,326	\$ 509,855	\$ 506,443
Loans	\$ 330,218	\$ 296,601	\$ 351,561	\$ 336,727
Allowance for loan losses	\$ 6,662	\$ 5,832	\$ 6,921	\$ 6,629
Deposits	\$ 465,322	\$ 416,687	\$ 469,128	\$ 475,626
Shareholders' equity	\$ 35,503	\$ 32,038	\$ 37,093	\$ 36,230

Key Ratios

Earnings:

Return on average assets	0.96%	0.85%	0.97%	1.09%
Return on average equity	14.47%	13.01%	14.27%	16.20%
Net interest margin	3.50%	3.74%	3.57%	3.58%
Net interest margin (T/E)	3.63%	3.87%	3.69%	3.70%
Efficiency ratio*	70.76%	68.64%	70.27%	68.88%

Asset quality

Net loan charge-offs to average loans	0.12%	0.30%	0.00%	0.01%
Allowance for loan losses to period-end loans	1.94%	2.06%	1.94%	2.01%
Non-performing loans to period-end loans	1.65%	1.79%	1.65%	1.76%

* Calculated by dividing total noninterest expense by net interest income plus noninterest income (adjusted for certain items).