

Condensed Income Statement:

	As of and for the six months ended		As of and for the three months ended	
	June 30		June 30,	March 31,
	(Dollars in thousands)		(Dollars in thousands)	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2012</u>
Net interest income	\$ 9,310	\$ 8,410	\$ 4,682	\$ 4,628
Less: Provision for loan losses	<u>0</u>	<u>325</u>	<u>0</u>	<u>0</u>
Net interest income after provision for loan losses	\$ 9,310	\$ 8,085	\$ 4,682	\$ 4,628
Securities gains	215	0	0	215
Noninterest income	3,059	2,863	1,526	1,533
Noninterest expense	<u>8,633</u>	<u>7,902</u>	<u>4,416</u>	<u>4,217</u>
Income before income taxes	\$ 3,951	\$ 3,046	\$ 1,792	\$ 2,159
Income taxes	<u>987</u>	<u>722</u>	<u>401</u>	<u>586</u>
Net income	<u>\$ 2,964</u>	<u>\$ 2,324</u>	<u>\$ 1,391</u>	<u>\$ 1,573</u>

Share and Per Share Data

Average common shares outstanding (basic)	1,295,412	1,288,715	1,299,835	1,290,989
Average common shares outstanding (dilutive)	1,400,964	1,394,267	1,405,387	1,396,532
Period-end common shares outstanding (common)	1,484,778	1,289,652	1,484,778	1,291,113
Period-end common shares outstanding (dilutive)	1,590,330	1,395,204	1,590,330	1,396,656
Net income per common share (basic)	\$ 2.29	\$ 1.80	\$ 1.07	\$ 1.22
Net income per common share (dilutive)	\$ 2.15	\$ 1.70	\$ 1.00	\$ 1.15
Cash dividend declared	\$ 0.60	\$ 0.45	\$ 0.30	\$ 0.30
Book value per common share	\$ 28.69	\$ 27.04	\$ 28.69	\$ 28.57
Last stock trade @ period end	\$ 32.00	\$ 33.33	\$ 32.00	\$ 31.25

Period-end balances

Assets	\$ 638,876	\$ 538,358	\$ 638,876	\$ 608,372
Earning assets	\$ 597,267	\$ 503,509	\$ 597,267	\$ 567,237
Loans	\$ 404,904	\$ 328,770	\$ 404,904	\$ 374,242
Allowance for loan losses	\$ 6,981	\$ 6,428	\$ 6,981	\$ 7,014
Deposits	\$ 566,358	\$ 473,356	\$ 566,358	\$ 537,338
Shareholders' equity	\$ 42,604	\$ 34,871	\$ 42,604	\$ 36,883

Average Balances

Assets	\$ 596,705	\$ 526,466	\$ 622,821	\$ 569,609
Earning assets	\$ 558,490	\$ 493,929	\$ 584,285	\$ 532,697
Loans	\$ 375,185	\$ 316,061	\$ 386,850	\$ 363,520
Allowance for loan losses	\$ 7,011	\$ 6,548	\$ 7,009	\$ 7,012
Deposits	\$ 523,031	\$ 458,149	\$ 553,743	\$ 492,319
Shareholders' equity	\$ 37,766	\$ 33,205	\$ 38,457	\$ 37,075

Key Ratios

Earnings:

Return on average assets	1.00%	0.89%	0.90%	1.11%
Return on average equity	15.78%	14.11%	14.55%	17.06%
Net interest margin	3.35%	3.43%	3.22%	3.49%
Net interest margin (T/E)	3.48%	3.57%	3.35%	3.62%
Efficiency ratio*	73.22%	72.05%	74.17%	72.26%

Asset quality

Net loan charge-offs to average loans	0.01%	0.11%	0.01%	0.00%
Allowance for loan losses to period-end loans	1.72%	1.96%	1.72%	1.87%
Non-performing loans to period-end loans	1.43%	1.84%	1.43%	1.55%

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