

**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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>
Net interest income	\$ 13,707	\$ 12,502	\$ 7,037	\$ 6,670
Less: Provision for loan losses	<u>548</u>	<u>650</u>	<u>350</u>	<u>198</u>
Net interest income after provision for loan losses	\$ 13,159	\$ 11,852	\$ 6,687	\$ 6,472
Gains on sales of securities	225	82	189	36
Gains on sales of loans	552	587	340	212
Noninterest income	3,485	3,356	1,823	1,662
Noninterest expense	<u>12,053</u>	<u>10,763</u>	<u>6,093</u>	<u>5,960</u>
Income before income taxes	\$ 5,368	\$ 5,114	\$ 2,946	\$ 2,422
Income taxes	<u>1,436</u>	<u>1,497</u>	<u>789</u>	<u>647</u>
Net income	<u>\$ 3,932</u>	<u>\$ 3,617</u>	<u>\$ 2,157</u>	<u>\$ 1,775</u>

**Share and Per Share Data**

Average common shares outstanding (basic)	3,096,440	2,982,980	3,171,385	3,021,495
Average common shares outstanding (dilutive)	3,185,963	3,190,982	3,185,785	3,186,140
Period-end common shares outstanding (common)	3,171,327	2,988,106	3,171,327	3,170,032
Period-end common shares outstanding (dilutive)	3,185,727	3,192,010	3,185,727	3,184,432
Net income per common share (basic)	\$ 1.27	\$ 1.21	\$ 0.68	\$ 0.59
Net income per common share (dilutive)	\$ 1.24	\$ 1.15	\$ 0.68	\$ 0.56
Cash dividend declared	\$ 0.50	\$ 0.38	\$ 0.25	\$ 0.25
Book value per common share	\$ 20.25	\$ 18.41	\$ 20.25	\$ 19.70
Last stock trade @ period end	\$ 30.25	\$ 24.50	\$ 30.25	\$ 30.20

**Period-end balances**

Assets	\$ 928,220	\$ 837,690	\$ 928,220	\$ 937,932
Earning assets	\$ 881,388	\$ 789,444	\$ 881,388	\$ 886,753
Loans	\$ 626,473	\$ 575,881	\$ 626,473	\$ 612,960
Allowance for loan losses	\$ 8,683	\$ 8,117	\$ 8,683	\$ 8,373
Deposits	\$ 841,424	\$ 753,191	\$ 841,424	\$ 852,816
Shareholders' equity	\$ 64,231	\$ 55,006	\$ 64,231	\$ 62,446

**Average Balances**

Assets	\$ 914,013	\$ 820,576	\$ 924,646	\$ 903,379
Earning assets	\$ 862,031	\$ 773,384	\$ 873,048	\$ 851,015
Loans	\$ 612,641	\$ 555,573	\$ 620,775	\$ 604,507
Allowance for loan losses	\$ 8,373	\$ 7,771	\$ 8,469	\$ 8,278
Deposits	\$ 828,389	\$ 739,853	\$ 838,881	\$ 817,897
Shareholders' equity	\$ 62,344	\$ 54,904	\$ 63,995	\$ 60,692

**Key Ratios**

*Earnings:*

Return on average assets	0.87%	0.89%	0.94%	0.79%
Return on average equity	12.68%	13.28%	13.56%	11.76%
Net interest margin	3.20%	3.26%	3.24%	3.15%
Net interest margin (T/E)	3.28%	3.36%	3.33%	3.24%
Efficiency ratio*	70.11%	67.87%	68.77%	71.53%

*Asset quality*

Net loan charge-offs to average loans	0.01%	0.01%	0.01%	0.00%
Allowance for loan losses to period-end loans	1.39%	1.41%	1.39%	1.37%
Non-performing loans to period-end loans	0.60%	0.74%	0.60%	0.66%

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