

Condensed Income Statement:

	As of and for the three months ended		As of and for the three months ended	
	March 31,		March 31	December 31
	(Dollars in thousands)		(Dollars in thousands)	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Net interest income	\$ 6,670	\$ 6,068	\$ 6,670	\$ 6,602
Less: Provision for loan losses	<u>198</u>	<u>275</u>	<u>198</u>	<u>300</u>
Net interest income after provision for loan losses	\$ 6,472	\$ 5,793	\$ 6,472	\$ 6,302
Gains on sales of securities	36	40	36	74
Gains on sales of loans	212	298	212	207
Noninterest income	1,662	1,576	1,662	1,898
Noninterest expense	<u>5,960</u>	<u>5,314</u>	<u>5,960</u>	<u>6,068</u>
Income before income taxes	\$ 2,422	\$ 2,393	\$ 2,422	\$ 2,413
Income taxes	<u>647</u>	<u>699</u>	<u>647</u>	<u>630</u>
Net income	<u>\$ 1,775</u>	<u>\$ 1,694</u>	<u>\$ 1,775</u>	<u>\$ 1,783</u>

Share and Per Share Data

Average common shares outstanding (basic)	3,021,495	2,978,916	3,021,495	2,998,157
Average common shares outstanding (dilutive)	3,186,140	3,190,020	3,186,140	3,092,185
Period-end common shares outstanding (common)	3,170,032	2,979,052	3,170,032	3,004,386
Period-end common shares outstanding (dilutive)	3,184,432	3,190,156	3,184,432	3,190,290
Net income per common share (basic)	\$ 0.59	\$ 0.57	\$ 0.59	\$ 0.59
Net income per common share (dilutive)	\$ 0.56	\$ 0.54	\$ 0.56	\$ 0.57
Cash dividend declared	\$ 0.25	\$ 0.19	\$ 0.25	\$ 0.20
Book value per common share	\$ 19.70	\$ 18.26	\$ 19.70	\$ 19.51
Last stock trade @ period end	\$ 30.20	\$ 23.50	\$ 30.20	\$ 31.00

Period-end balances

Assets	\$ 937,932	\$ 814,908	\$ 937,932	\$ 868,161
Earning assets	\$ 886,753	\$ 768,405	\$ 886,753	\$ 814,222
Loans	\$ 612,960	\$ 554,256	\$ 612,960	\$ 605,201
Allowance for loan losses	\$ 8,373	\$ 7,764	\$ 8,373	\$ 8,188
Deposits	\$ 852,816	\$ 739,123	\$ 852,816	\$ 772,111
Shareholders' equity	\$ 62,446	\$ 54,408	\$ 62,446	\$ 58,622

Average Balances

Assets	\$ 903,379	\$ 808,095	\$ 903,379	\$ 862,786
Earning assets	\$ 851,015	\$ 762,071	\$ 851,015	\$ 811,425
Loans	\$ 604,507	\$ 545,812	\$ 604,507	\$ 601,034
Allowance for loan losses	\$ 8,278	\$ 7,629	\$ 8,278	\$ 8,500
Deposits	\$ 817,897	\$ 724,117	\$ 817,897	\$ 755,235
Shareholders' equity	\$ 60,692	\$ 54,237	\$ 60,692	\$ 58,495

Key Ratios

Earnings:

Return on average assets	0.79%	0.85%	0.79%	0.82%
Return on average equity	11.76%	12.67%	11.76%	12.09%
Net interest margin	3.15%	3.23%	3.15%	3.23%
Net interest margin (T/E)	3.24%	3.33%	3.24%	3.31%
Efficiency ratio*	71.53%	69.52%	71.53%	71.39%

Asset quality

Net loan charge-offs to average loans	0.00%	0.01%	0.00%	0.09%
Allowance for loan losses to period-end loans	1.37%	1.40%	1.37%	1.35%
Non-performing loans to period-end loans	0.66%	0.68%	0.66%	0.68%

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