

**Condensed Income Statement:**

	As of and for the nine months ended		As of and for the three months ended	
	September 30,		Sept 30,	June 30,
	(Dollars in thousands)		(Dollars in thousands)	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2013</u>
Net interest income	\$ 16,352	\$ 14,369	\$ 5,607	\$ 5,452
Less: Provision for loan losses	<u>375</u>	<u>0</u>	<u>150</u>	<u>150</u>
Net interest income after provision for loan losses	\$ 15,977	\$ 14,369	\$ 5,457	\$ 5,302
Gains on sales of securities	429	215	7	191
Gains on sales of loans	755	1,175	170	224
Noninterest income	4,010	3,480	1,419	1,322
Noninterest expense	<u>13,662</u>	<u>12,807</u>	<u>4,638</u>	<u>4,570</u>
Income before income taxes	\$ 7,509	\$ 6,432	\$ 2,415	\$ 2,469
Income taxes	<u>1,987</u>	<u>1,709</u>	<u>604</u>	<u>611</u>
Net income	<u>\$ 5,522</u>	<u>\$ 4,723</u>	<u>\$ 1,811</u>	<u>\$ 1,858</u>

**Share and Per Share Data**

Average common shares outstanding (basic)	1,488,431	1,353,646	1,489,534	1,488,764
Average common shares outstanding (dilutive)	1,593,983	1,458,813	1,595,086	1,594,316
Period-end common shares outstanding (common)	1,489,630	1,486,079	1,489,630	1,488,827
Period-end common shares outstanding (dilutive)	1,595,182	1,591,631	1,595,182	1,594,379
Net income per common share (basic)	\$ 3.71	\$ 3.49	\$ 1.21	\$ 1.24
Net income per common share (dilutive)	\$ 3.51	\$ 3.29	\$ 1.15	\$ 1.18
Cash dividend declared	\$ 0.95	\$ 0.90	\$ 0.33	\$ 0.31
Book value per common share	\$ 30.37	\$ 29.81	\$ 30.37	\$ 29.91
Last stock trade @ period end	\$ 37.00	\$ 31.65	\$ 37.00	\$ 38.00

**Period-end balances**

Assets	\$ 720,980	\$ 656,247	\$ 720,980	\$ 693,077
Earning assets	\$ 680,992	\$ 617,524	\$ 680,992	\$ 656,719
Loans	\$ 489,441	\$ 424,074	\$ 489,441	\$ 471,718
Allowance for loan losses	\$ 7,113	\$ 6,963	\$ 7,113	\$ 6,981
Deposits	\$ 622,417	\$ 584,158	\$ 622,417	\$ 609,179
Shareholders' equity	\$ 45,234	\$ 44,293	\$ 45,234	\$ 44,536

**Average Balances**

Assets	\$ 691,437	\$ 614,109	\$ 701,805	\$ 688,106
Earning assets	\$ 653,690	\$ 575,754	\$ 667,068	\$ 649,868
Loans	\$ 461,351	\$ 387,987	\$ 480,024	\$ 459,724
Allowance for loan losses	\$ 7,020	\$ 6,997	\$ 7,048	\$ 7,020
Deposits	\$ 613,677	\$ 541,306	\$ 611,815	\$ 612,922
Shareholders' equity	\$ 45,977	\$ 39,928	\$ 45,135	\$ 46,887

**Key Ratios**

*Earnings:*

Return on average assets	1.07%	1.03%	1.02%	1.08%
Return on average equity	16.06%	15.80%	15.92%	15.89%
Net interest margin	3.34%	3.33%	3.33%	3.36%
Net interest margin (T/E)	3.46%	3.46%	3.44%	3.48%
Efficiency ratio*	67.10%	71.75%	66.01%	67.46%

*Asset quality*

Net loan charge-offs to average loans	0.06%	0.01%	0.01%	0.03%
Allowance for loan losses to period-end loans	1.45%	1.64%	1.45%	1.48%
Non-performing loans to period-end loans	0.21%	1.07%	0.21%	0.22%

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