

Condensed Income Statement:

	As of and for the three months ended		As of and for the three months ended	
	March 31,		March 31,	Dec 31,
	(Dollars in thousands)		(Dollars in thousands)	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net interest income	\$ 6,068	\$ 5,622	\$ 6,068	\$ 6,033
Less: Provision for loan losses	<u>275</u>	<u>150</u>	<u>275</u>	<u>150</u>
Net interest income after provision for loan losses	\$ 5,793	\$ 5,472	\$ 5,793	\$ 5,883
Gains on sales of securities	40	50	40	50
Gains on sales of loans	298	182	298	277
Noninterest income	1,576	1,483	1,576	1,741
Noninterest expense	<u>5,314</u>	<u>4,876</u>	<u>5,314</u>	<u>5,283</u>
Income before income taxes	\$ 2,393	\$ 2,311	\$ 2,393	\$ 2,668
Income taxes	<u>699</u>	<u>614</u>	<u>699</u>	<u>802</u>
Net income	<u>\$ 1,694</u>	<u>\$ 1,697</u>	<u>\$ 1,694</u>	<u>\$ 1,866</u>

Share and Per Share Data

Average common shares outstanding (basic)	1,489,458	1,491,173	1,489,458	1,489,325
Average common shares outstanding (dilutive)	1,595,010	1,596,725	1,595,010	1,594,877
Period-end common shares outstanding (common)	1,489,526	1,491,405	1,489,526	1,488,506
Period-end common shares outstanding (dilutive)	1,595,078	1,596,957	1,595,078	1,594,058
Net income per common share (basic)	\$ 1.14	\$ 1.14	\$ 1.14	\$ 1.25
Net income per common share (dilutive)	\$ 1.08	\$ 1.08	\$ 1.08	\$ 1.18
Cash dividend declared	\$ 0.38	\$ 0.33	\$ 0.38	\$ 0.38
Book value per common share	\$ 36.53	\$ 32.89	\$ 36.53	\$ 35.27
Last stock trade @ period end	\$ 47.00	\$ 38.26	\$ 47.00	\$ 45.46

Period-end balances

Assets	\$ 814,908	\$ 758,095	\$ 814,908	\$ 806,844
Earning assets	\$ 768,405	\$ 715,756	\$ 768,405	\$ 761,738
Loans	\$ 554,256	\$ 510,219	\$ 554,256	\$ 544,464
Allowance for loan losses	\$ 7,764	\$ 7,265	\$ 7,764	\$ 7,549
Deposits	\$ 739,123	\$ 688,936	\$ 739,123	\$ 698,202
Shareholders' equity	\$ 54,408	\$ 49,056	\$ 54,408	\$ 52,506

Average Balances

Assets	\$ 808,095	\$ 739,407	\$ 808,095	\$ 795,368
Earning assets	\$ 762,071	\$ 698,268	\$ 762,071	\$ 751,403
Loans	\$ 545,812	\$ 503,260	\$ 545,812	\$ 541,006
Allowance for loan losses	\$ 7,629	\$ 7,189	\$ 7,629	\$ 7,688
Deposits	\$ 724,117	\$ 658,645	\$ 724,117	\$ 709,865
Shareholders' equity	\$ 54,237	\$ 49,176	\$ 54,237	\$ 54,096

Key Ratios

Earnings:

Return on average assets	0.85%	0.93%	0.85%	0.93%
Return on average equity	12.67%	14.00%	12.67%	13.69%
Net interest margin	3.23%	3.27%	3.23%	3.19%
Net interest margin (T/E)	3.33%	3.37%	3.33%	3.28%
Efficiency ratio*	69.52%	68.63%	69.52%	67.96%

Asset quality

Net loan charge-offs to average loans	0.01%	0.00%	0.01%	0.04%
Allowance for loan losses to period-end loans	1.40%	1.42%	1.40%	1.39%
Non-performing loans to period-end loans	0.68%	0.80%	0.68%	0.73%

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