

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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Net interest income	\$ 4,127	\$ 4,242	\$ 4,127	\$ 4,299	\$ 4,127	\$ 4,299
Less: Provision for loan losses	<u>195</u>	<u>500</u>	<u>195</u>	<u>240</u>	<u>195</u>	<u>240</u>
Net interest income after provision for loan losses	\$ 3,932	\$ 3,742	\$ 3,932	\$ 4,059	\$ 3,932	\$ 4,059
Securities gains	0	0	0	0	0	0
Noninterest income	1,319	1,161	1,319	1,348	1,319	1,348
Noninterest expense	<u>3,894</u>	<u>3,511</u>	<u>3,894</u>	<u>3,870</u>	<u>3,894</u>	<u>3,870</u>
Income before income taxes	\$ 1,357	\$ 1,392	\$ 1,357	\$ 1,537	\$ 1,357	\$ 1,537
Income taxes	<u>349</u>	<u>389</u>	<u>349</u>	<u>435</u>	<u>349</u>	<u>435</u>
Net income	<u>\$ 1,008</u>	<u>\$ 1,003</u>	<u>\$ 1,008</u>	<u>\$ 1,102</u>	<u>\$ 1,008</u>	<u>\$ 1,102</u>

Share and Per Share Data

Average common shares outstanding (basic)	858,641	858,041	858,641	858,211
Average common shares outstanding (dilutive)	929,009	858,041	929,009	858,211
Period-end common shares outstanding (common)	859,779	858,056	859,779	857,979
Period-end common shares outstanding (dilutive)	930,147	858,056	930,147	857,979
Net income per common share (basic)	\$ 1.17	\$ 1.17	\$ 1.17	\$ 1.28
Net income per common share (dilutive)	\$ 1.09	\$ 1.17	\$ 1.09	\$ 1.28
Cash dividend declared	\$ 0.33	\$ 0.30	\$ 0.33	\$ 0.38
Book value per common share (basic)	\$ 37.95	\$ 35.66	\$ 37.95	\$ 36.73
Book value per common share (dilutive)	\$ 35.08	\$ 35.66	\$ 35.08	\$ 36.73
Last stock trade @ period end	\$ 50.00	\$ 39.95	\$ 50.00	\$ 40.00

Period-end balances

Assets	\$ 527,727	\$ 471,236	\$ 527,727	\$ 513,585
Earning assets	\$ 495,594	\$ 439,038	\$ 495,594	\$ 481,681
Loans	\$ 312,741	\$ 288,218	\$ 312,741	\$ 312,629
Allowance for loan losses	\$ 6,555	\$ 5,120	\$ 6,555	\$ 6,441
Deposits	\$ 464,079	\$ 409,064	\$ 464,079	\$ 424,006
Shareholders' equity	\$ 32,627	\$ 30,599	\$ 32,627	\$ 31,511

Average Balances

Assets	\$ 516,384	\$ 462,992	\$ 516,384	\$ 509,636
Earning assets	\$ 484,077	\$ 431,982	\$ 484,077	\$ 477,268
Loans	\$ 313,136	\$ 288,337	\$ 313,136	\$ 306,926
Allowance for loan losses	\$ 6,565	\$ 5,036	\$ 6,565	\$ 6,631
Deposits	\$ 444,606	\$ 396,460	\$ 444,606	\$ 424,270
Shareholders' equity	\$ 32,414	\$ 30,701	\$ 32,414	\$ 33,226

Key Ratios

Earnings:

Return on average assets	0.79%	0.88%	0.79%	0.86%
Return on average equity	12.61%	13.25%	12.61%	13.16%
Net interest margin	3.46%	3.98%	3.46%	3.57%
Net interest margin (T/E)	3.55%	4.06%	3.55%	3.66%
Efficiency ratio*	73.24%	66.48%	73.24%	69.50%

Asset quality

Net loan charge-offs to average loans	0.03%	0.10%	0.03%	0.14%
Allowance for loan losses to period-end loans	2.10%	1.78%	2.10%	2.06%
Non-performing loans to period-end loans	1.93%	0.68%	1.93%	1.79%

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