

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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
Net interest income	\$ 8,410	\$ 8,545	\$ 4,283	\$ 4,127
Less: Provision for loan losses	<u>325</u>	<u>1,120</u>	<u>130</u>	<u>195</u>
Net interest income after provision for loan losses	\$ 8,085	\$ 7,425	\$ 4,153	\$ 3,932
Securities gains	0	0	0	0
Noninterest income	2,863	2,430	1,544	1,319
Noninterest expense	<u>7,902</u>	<u>7,201</u>	<u>4,008</u>	<u>3,894</u>
Income before income taxes	\$ 3,046	\$ 2,654	\$ 1,689	\$ 1,357
Income taxes	<u>722</u>	<u>644</u>	<u>373</u>	<u>349</u>
Net income	<u>\$ 2,324</u>	<u>\$ 2,010</u>	<u>\$ 1,316</u>	<u>\$ 1,008</u>

Share and Per Share Data

Average common shares outstanding (basic)	859,143	858,123	859,639	858,641
Average common shares outstanding (dilutive)	929,511	858,123	930,007	929,009
Period-end common shares outstanding (common)	859,768	858,194	859,768	859,779
Period-end common shares outstanding (dilutive)	930,136	858,194	930,136	930,147
Net income per common share (basic)	\$ 2.71	\$ 2.34	\$ 1.54	\$ 1.17
Net income per common share (dilutive)	\$ 2.56	\$ 2.34	\$ 1.45	\$ 1.11
Cash dividend declared	\$ 0.68	\$ 0.63	\$ 0.35	\$ 0.33
Book value per common share (basic)	\$ 40.56	\$ 37.08	\$ 40.56	\$ 37.95
Book value per common share (dilutive)	\$ 37.49	\$ 37.08	\$ 37.49	\$ 35.08
Last stock trade @ period end	\$ 50.00	\$ 36.67	\$ 50.00	\$ 50.00

Period-end balances

Assets	\$ 537,852	\$ 487,729	\$ 537,852	\$ 527,727
Earning assets	\$ 503,509	\$ 455,949	\$ 503,509	\$ 495,594
Loans	\$ 328,770	\$ 296,491	\$ 328,770	\$ 312,741
Allowance for loan losses	\$ 6,428	\$ 5,711	\$ 6,428	\$ 6,555
Deposits	\$ 473,356	\$ 423,064	\$ 473,356	\$ 464,079
Shareholders' equity	\$ 34,871	\$ 31,819	\$ 34,871	\$ 32,627

Average Balances

Assets	\$ 526,466	\$ 474,319	\$ 536,438	\$ 516,384
Earning assets	\$ 493,929	\$ 443,083	\$ 503,672	\$ 484,077
Loans	\$ 316,061	\$ 290,984	\$ 318,954	\$ 313,136
Allowance for loan losses	\$ 6,548	\$ 5,179	\$ 6,531	\$ 6,565
Deposits	\$ 458,149	\$ 409,205	\$ 471,543	\$ 444,606
Shareholders' equity	\$ 33,205	\$ 31,161	\$ 33,987	\$ 32,414

Key Ratios

Earnings:

Return on average assets	0.89%	0.85%	0.98%	0.79%
Return on average equity	14.11%	13.01%	15.53%	12.61%
Net interest margin	3.43%	3.89%	3.41%	3.46%
Net interest margin (T/E)	3.57%	4.02%	3.54%	3.60%
Efficiency ratio*	72.05%	67.44%	70.93%	73.24%

Asset quality

Net loan charge-offs to average loans	0.11%	0.11%	0.08%	0.03%
Allowance for loan losses to period-end loans	1.96%	1.93%	1.96%	2.10%
Non-performing loans to period-end loans	1.84%	1.98%	1.84%	1.93%

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