

Condensed Income Statement:

	As of and for the nine months ended		As of and for the three months ended	
	September 30		September 30,	June 30,
	(Dollars in thousands)		(Dollars in thousands)	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2012</u>
Net interest income	\$ 14,369	\$ 12,977	\$ 5,059	\$ 4,682
Less: Provision for loan losses	<u>0</u>	<u>835</u>	<u>0</u>	<u>0</u>
Net interest income after provision for loan losses	\$ 14,369	\$ 12,142	\$ 5,059	\$ 4,682
Securities gains	215	407	0	0
Noninterest income	5,080	4,462	2,021	1,526
Noninterest expense	<u>13,232</u>	<u>11,946</u>	<u>4,599</u>	<u>4,416</u>
Income before income taxes	\$ 6,432	\$ 5,065	\$ 2,481	\$ 1,792
Income taxes	<u>1,709</u>	<u>1,262</u>	<u>722</u>	<u>401</u>
Net income	<u>\$ 4,723</u>	<u>\$ 3,803</u>	<u>\$ 1,759</u>	<u>\$ 1,391</u>

Share and Per Share Data

Average common shares outstanding (basic)	1,353,646	1,289,937	1,468,849	1,299,835
Average common shares outstanding (dilutive)	1,458,813	1,394,949	1,573,254	1,405,387
Period-end common shares outstanding (common)	1,486,079	1,291,340	1,486,079	1,484,778
Period-end common shares outstanding (dilutive)	1,591,631	1,396,892	1,591,631	1,590,330
Net income per common share (basic)	\$ 3.49	\$ 2.95	\$ 1.20	\$ 1.07
Net income per common share (dilutive)	\$ 3.29	\$ 2.78	\$ 1.14	\$ 1.00
Cash dividend declared	\$ 0.90	\$ 0.69	\$ 0.30	\$ 0.30
Book value per common share	\$ 29.81	\$ 28.26	\$ 29.81	\$ 28.69
Last stock trade @ period end	\$ 31.65	\$ 33.00	\$ 31.65	\$ 32.00

Period-end balances

Assets	\$ 656,270	\$ 540,412	\$ 656,270	\$ 638,876
Earning assets	\$ 617,524	\$ 506,181	\$ 617,524	\$ 597,267
Loans	\$ 424,074	\$ 342,351	\$ 424,074	\$ 404,904
Allowance for loan losses	\$ 6,963	\$ 6,888	\$ 6,963	\$ 6,981
Deposits	\$ 584,158	\$ 474,085	\$ 584,158	\$ 566,358
Shareholders' equity	\$ 44,293	\$ 36,495	\$ 44,293	\$ 42,604

Average Balances

Assets	\$ 614,109	\$ 531,154	\$ 648,537	\$ 622,821
Earning assets	\$ 575,754	\$ 498,147	\$ 609,906	\$ 584,285
Loans	\$ 387,987	\$ 323,026	\$ 413,313	\$ 386,850
Allowance for loan losses	\$ 6,997	\$ 6,575	\$ 6,970	\$ 7,009
Deposits	\$ 541,306	\$ 464,039	\$ 577,459	\$ 553,743
Shareholders' equity	\$ 39,928	\$ 34,224	\$ 44,206	\$ 38,457

Key Ratios

Earnings:

Return on average assets	1.03%	0.96%	1.08%	0.90%
Return on average equity	15.80%	14.86%	15.83%	14.55%
Net interest margin	3.33%	3.48%	3.30%	3.22%
Net interest margin (T/E)	3.46%	3.61%	3.43%	3.35%
Efficiency ratio*	72.46%	70.94%	71.07%	74.17%

Asset quality

Net loan charge-offs to average loans	0.01%	0.12%	0.00%	0.01%
Allowance for loan losses to period-end loans	1.64%	2.01%	1.64%	1.72%
Non-performing loans to period-end loans	1.07%	1.76%	1.07%	1.43%

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