

**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)	
	2013	2012	2013	2012
Net interest income	\$ 5,293	\$ 4,628	\$ 5,293	\$ 5,227
Less: Provision for loan losses	<u>75</u>	<u>0</u>	<u>75</u>	<u>450</u>
Net interest income after provision for loan losses	\$ 5,218	\$ 4,628	\$ 5,218	\$ 4,777
Securities gains	231	215	231	0
Noninterest income	1,630	1,413	1,630	1,636
Noninterest expense	<u>4,454</u>	<u>4,097</u>	<u>4,454</u>	<u>4,335</u>
Income before income taxes	\$ 2,625	\$ 2,159	\$ 2,625	\$ 2,078
Income taxes	<u>772</u>	<u>586</u>	<u>772</u>	<u>631</u>
Net income	<u>\$ 1,853</u>	<u>\$ 1,573</u>	<u>\$ 1,853</u>	<u>\$ 1,447</u>

**Share and Per Share Data**

Average common shares outstanding (basic)	1,486,967	1,290,989	1,486,967	1,487,410
Average common shares outstanding (dilutive)	1,592,519	1,396,541	1,592,519	1,592,962
Period-end common shares outstanding (common)	1,488,455	1,291,113	1,488,455	1,486,514
Period-end common shares outstanding (dilutive)	1,594,007	1,396,665	1,594,007	1,592,066
Net income per common share (basic)	\$ 1.25	\$ 1.22	\$ 1.25	\$ 0.97
Net income per common share (dilutive)	\$ 1.18	\$ 1.15	\$ 1.18	\$ 0.93
Cash dividend declared	\$ 0.31	\$ 0.30	\$ 0.31	\$ 0.36 <sup>(1)</sup>
Book value per common share	\$ 30.84	\$ 28.57	\$ 30.84	\$ 30.19
Last stock trade @ period end	\$ 40.00	\$ 31.25	\$ 40.00	\$ 34.50

**Period-end balances**

Assets	\$ 695,658	\$ 607,586	\$ 695,658	\$ 665,143
Earning assets	\$ 657,827	\$ 567,237	\$ 657,827	\$ 624,147
Loans	\$ 449,173	\$ 374,242	\$ 449,173	\$ 445,906
Allowance for loan losses	\$ 6,990	\$ 7,014	\$ 6,990	\$ 7,000
Deposits	\$ 632,639	\$ 537,338	\$ 632,639	\$ 598,305
Shareholders' equity	\$ 45,910	\$ 36,883	\$ 45,910	\$ 44,884

**Average Balances**

Assets	\$ 684,207	\$ 569,609	\$ 684,207	\$ 659,880
Earning assets	\$ 643,877	\$ 532,697	\$ 643,877	\$ 619,624
Loans	\$ 443,909	\$ 363,520	\$ 443,909	\$ 435,225
Allowance for loan losses	\$ 6,991	\$ 7,012	\$ 6,991	\$ 6,875
Deposits	\$ 616,346	\$ 492,319	\$ 616,346	\$ 588,122
Shareholders' equity	\$ 45,919	\$ 37,075	\$ 45,919	\$ 45,656

**Key Ratios**

*Earnings:*

Return on average assets	1.10%	1.11%	1.10%	0.87%
Return on average equity	16.37%	17.06%	16.37%	12.61%
Net interest margin	3.33%	3.49%	3.33%	3.36%
Net interest margin (T/E)	3.45%	3.62%	3.45%	3.48%
Efficiency ratio*	67.85%	71.68%	67.85%	67.02%

*Asset quality*

Net loan charge-offs to average loans	0.02%	0.00%	0.02%	0.09%
Allowance for loan losses to period-end loans	1.56%	1.87%	1.56%	1.57%
Non-performing loans to period-end loans	0.30%	1.55%	0.30%	0.19%

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

<sup>(1)</sup> Includes a special dividend of \$0.05