

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)		(Dollars in thousands)	
	<u>2013</u>		<u>2012</u>		<u>2013</u>		<u>2013</u>	
Net interest income	\$	10,745	\$	9,310	\$	5,452	\$	5,293
Less: Provision for loan losses		<u>225</u>		<u>0</u>		<u>150</u>		<u>75</u>
Net interest income after provision for loan losses	\$	10,520	\$	9,310	\$	5,302	\$	5,218
Securities gains		422		215		191		231
Noninterest income		3,176		2,789		1,546		1,630
Noninterest expense		<u>9,024</u>		<u>8,363</u>		<u>4,570</u>		<u>4,454</u>
Income before income taxes	\$	5,094	\$	3,951	\$	2,469	\$	2,625
Income taxes		<u>1,383</u>		<u>987</u>		<u>611</u>		<u>772</u>
Net income	\$	<u>3,711</u>	\$	<u>2,964</u>	\$	<u>1,858</u>	\$	<u>1,853</u>

Share and Per Share Data

Average common shares outstanding (basic)		1,487,870		1,295,412		1,488,764		1,486,967
Average common shares outstanding (dilutive)		1,593,422		1,400,964		1,594,316		1,592,519
Period-end common shares outstanding (common)		1,488,827		1,484,778		1,488,827		1,488,455
Period-end common shares outstanding (dilutive)		1,594,379		1,590,330		1,594,379		1,594,007
Net income per common share (basic)	\$	2.49	\$	2.29	\$	1.24	\$	1.25
Net income per common share (dilutive)	\$	2.36	\$	2.15	\$	1.18	\$	1.18
Cash dividend declared	\$	0.62	\$	0.60	\$	0.31	\$	0.31
Book value per common share	\$	29.91	\$	28.69	\$	29.91	\$	30.88
Last stock trade @ period end	\$	38.00	\$	32.00	\$	38.00	\$	40.00

Period-end balances

Assets	\$	693,077	\$	639,003	\$	693,077	\$	695,658
Earning assets	\$	656,719	\$	597,267	\$	656,719	\$	657,827
Loans	\$	471,718	\$	404,904	\$	471,718	\$	449,173
Allowance for loan losses	\$	6,981	\$	6,981	\$	6,981	\$	6,990
Deposits	\$	609,179	\$	566,358	\$	609,179	\$	632,639
Shareholders' equity	\$	44,536	\$	42,604	\$	44,536	\$	45,966

Average Balances

Assets	\$	686,167	\$	596,705	\$	688,106	\$	684,207
Earning assets	\$	646,889	\$	558,490	\$	649,868	\$	643,877
Loans	\$	451,860	\$	375,185	\$	459,724	\$	443,909
Allowance for loan losses	\$	7,005	\$	7,011	\$	7,020	\$	6,991
Deposits	\$	614,624	\$	523,031	\$	612,922	\$	616,346
Shareholders' equity	\$	46,406	\$	37,766	\$	46,887	\$	45,919

Key Ratios

Earnings:

Return on average assets		1.09%		1.00%		1.08%		1.10%
Return on average equity		16.13%		15.78%		15.89%		16.37%
Net interest margin		3.35%		3.35%		3.36%		3.33%
Net interest margin (T/E)		3.47%		3.48%		3.48%		3.45%
Efficiency ratio*		67.66%		72.60%		67.46%		67.85%

Asset quality

Net loan charge-offs to average loans		0.05%		0.01%		0.03%		0.02%
Allowance for loan losses to period-end loans		1.48%		1.72%		1.48%		1.56%
Non-performing loans to period-end loans		0.22%		1.43%		0.22%		0.30%

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