

Condensed Income Statement:

	As of and for the twelve months ended		As of and for the three months ended	
	December 31,		December 31	September 30
	(Dollars in thousands)		(Dollars in thousands)	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>
Net interest income	\$ 28,026	\$ 25,852	\$ 7,281	\$ 7,038
Less: Provision for loan losses	<u>1,100</u>	<u>1,275</u>	<u>201</u>	<u>351</u>
Net interest income after provision for loan losses	\$ 26,926	\$ 24,577	\$ 7,080	\$ 6,687
Gains on sales of securities	470	167	0	245
Gains on sales of loans	1,275	1,070	185	539
Noninterest income	7,507	7,035	1,963	2,057
Noninterest expense	<u>25,640</u>	<u>22,597</u>	<u>7,024</u>	<u>6,562</u>
Income before income taxes	\$ 10,538	\$ 10,252	\$ 2,204	\$ 2,966
Income taxes	<u>2,941</u>	<u>2,886</u>	<u>666</u>	<u>839</u>
Net income	<u>\$ 7,597</u>	<u>\$ 7,366</u>	<u>\$ 1,538</u>	<u>\$ 2,127</u>

Share and Per Share Data

Average common shares outstanding (basic)	3,140,523	2,988,576	3,189,423	3,178,830
Average common shares outstanding (dilutive)	3,187,256	3,191,588	3,189,477	3,187,595
Period-end common shares outstanding (common)	3,189,706	3,004,386	3,189,706	3,187,702
Period-end common shares outstanding (dilutive)	3,194,706	3,190,290	3,194,706	3,187,702
Net income per common share (basic)	\$ 2.42	\$ 2.46	\$ 0.48	\$ 0.67
Net income per common share (dilutive)	\$ 2.38	\$ 2.34	\$ 0.48	\$ 0.67
Cash dividend declared	\$ 1.01	\$ 0.78	\$ 0.25	\$ 0.25
Book value per common share	\$ 21.59	\$ 19.51	\$ 21.59	\$ 20.94
Last stock trade @ period end	\$ 31.50	\$ 31.00	\$ 31.50	\$ 30.00

Period-end balances

Assets	\$ 956,132	\$ 868,161	\$ 956,132	\$ 926,823
Earning assets	\$ 905,228	\$ 814,222	\$ 905,228	\$ 871,192
Loans	\$ 678,691	\$ 605,201	\$ 678,691	\$ 650,538
Allowance for loan losses	\$ 7,796	\$ 8,188	\$ 7,796	\$ 9,009
Deposits	\$ 860,073	\$ 772,111	\$ 860,073	\$ 846,303
Shareholders' equity	\$ 68,853	\$ 58,622	\$ 68,853	\$ 66,738

Average Balances

Assets	\$ 923,093	\$ 841,174	\$ 936,645	\$ 928,627
Earning assets	\$ 871,677	\$ 792,656	\$ 885,770	\$ 876,655
Loans	\$ 631,965	\$ 575,268	\$ 663,958	\$ 638,197
Allowance for loan losses	\$ 8,440	\$ 8,076	\$ 8,211	\$ 8,802
Deposits	\$ 837,241	\$ 746,688	\$ 847,821	\$ 844,112
Shareholders' equity	\$ 64,329	\$ 56,291	\$ 66,390	\$ 66,110

Key Ratios

Earnings:

Return on average assets	0.82%	0.88%	0.65%	0.91%
Return on average equity	11.81%	13.09%	9.22%	12.80%
Net interest margin	3.22%	3.26%	3.27%	3.19%
Net interest margin (T/E)	3.30%	3.28%	3.35%	3.27%
Efficiency ratio*	72.16%	68.71%	75.98%	72.15%

Asset quality

Net loan charge-offs to average loans	0.24%	0.11%	0.00%	0.00%
Allowance for loan losses to period-end loans	1.15%	1.35%	1.15%	1.38%
Non-performing loans to period-end loans	0.22%	0.68%	0.22%	0.70%

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