

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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>
Net interest income	\$ 20,745	\$ 19,250	\$ 7,038	\$ 7,037
Less: Provision for loan losses	<u>899</u>	<u>975</u>	<u>351</u>	<u>350</u>
Net interest income after provision for loan losses	\$ 19,846	\$ 18,275	\$ 6,687	\$ 6,687
Gains on sales of securities	470	93	245	189
Gains on sales of loans	1,091	863	539	340
Noninterest income	5,542	5,137	2,057	1,823
Noninterest expense	<u>18,615</u>	<u>16,529</u>	<u>6,562</u>	<u>6,093</u>
Income before income taxes	\$ 8,334	\$ 7,839	\$ 2,966	\$ 2,946
Income taxes	<u>2,275</u>	<u>2,256</u>	<u>839</u>	<u>789</u>
Net income	<u>\$ 6,059</u>	<u>\$ 5,583</u>	<u>\$ 2,127</u>	<u>\$ 2,157</u>

Share and Per Share Data

Average common shares outstanding (basic)	3,124,104	2,984,838	3,178,830	3,171,385
Average common shares outstanding (dilutive)	3,186,511	3,191,432	3,187,595	3,185,785
Period-end common shares outstanding (common)	3,187,702	2,995,170	3,187,702	3,171,327
Period-end common shares outstanding (dilutive)	3,187,702	3,191,874	3,187,702	3,185,727
Net income per common share (basic)	\$ 1.94	\$ 1.87	\$ 0.67	\$ 0.68
Net income per common share (dilutive)	\$ 1.91	\$ 1.77	\$ 0.67	\$ 0.68
Cash dividend declared	\$ 0.75	\$ 0.58	\$ 0.25	\$ 0.25
Book value per common share	\$ 20.94	\$ 19.11	\$ 20.94	\$ 20.25
Last stock trade @ period end	\$ 30.00	\$ 25.25	\$ 30.00	\$ 30.25

Period-end balances

Assets	\$ 926,823	\$ 862,734	\$ 926,823	\$ 928,220
Earning assets	\$ 871,192	\$ 809,944	\$ 871,192	\$ 881,388
Loans	\$ 650,538	\$ 598,543	\$ 650,538	\$ 626,473
Allowance for loan losses	\$ 9,009	\$ 8,423	\$ 9,009	\$ 8,683
Deposits	\$ 846,303	\$ 751,604	\$ 846,303	\$ 841,424
Shareholders' equity	\$ 66,738	\$ 57,234	\$ 66,738	\$ 64,231

Average Balances

Assets	\$ 918,547	\$ 833,890	\$ 928,627	\$ 924,646
Earning assets	\$ 866,944	\$ 786,330	\$ 876,655	\$ 873,048
Loans	\$ 621,222	\$ 566,585	\$ 638,197	\$ 620,775
Allowance for loan losses	\$ 8,517	\$ 7,934	\$ 8,802	\$ 8,469
Deposits	\$ 833,668	\$ 743,808	\$ 844,112	\$ 838,881
Shareholders' equity	\$ 63,664	\$ 55,548	\$ 66,110	\$ 63,995

Key Ratios

Earnings:

Return on average assets	0.88%	0.90%	0.91%	0.94%
Return on average equity	12.71%	13.44%	12.80%	13.56%
Net interest margin	3.20%	3.27%	3.19%	3.24%
Net interest margin (T/E)	3.28%	3.37%	3.27%	3.33%
Efficiency ratio*	70.81%	67.78%	72.15%	68.77%

Asset quality

Net loan charge-offs to average loans	0.01%	0.02%	0.00%	0.01%
Allowance for loan losses to period-end loans	1.38%	1.41%	1.38%	1.39%
Non-performing loans to period-end loans	0.70%	0.72%	0.70%	0.60%

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