

**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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
Net interest income	\$ 12,977	\$ 12,790	\$ 4,567	\$ 4,283
Less: Provision for loan losses	<u>835</u>	<u>2,165</u>	<u>510</u>	<u>130</u>
Net interest income after provision for loan losses	\$ 12,142	\$ 10,625	\$ 4,057	\$ 4,153
Securities gains	407	727	407	0
Noninterest income	4,462	3,753	1,599	1,544
Noninterest expense	<u>11,946</u>	<u>10,991</u>	<u>4,044</u>	<u>4,008</u>
Income before income taxes	\$ 5,065	\$ 4,114	\$ 2,019	\$ 1,689
Income taxes	<u>1,262</u>	<u>1,048</u>	<u>540</u>	<u>373</u>
Net income	<u>\$ 3,803</u>	<u>\$ 3,066</u>	<u>\$ 1,479</u>	<u>\$ 1,316</u>

**Share and Per Share Data**

Average common shares outstanding (basic)	859,598	858,272	860,495	859,639
Average common shares outstanding (dilutive)	929,966	858,272	930,863	930,007
Period-end common shares outstanding (common)	860,893	858,908	860,893	859,768
Period-end common shares outstanding (dilutive)	931,261	858,908	931,261	930,136
Net income per common share (basic)	\$ 4.42	\$ 3.57	\$ 1.71	\$ 1.54
Net income per common share (dilutive)	\$ 4.18	\$ 3.57	\$ 1.62	\$ 1.45
Cash dividend declared	\$ 1.03	\$ 0.96	\$ 0.35	\$ 0.35
Book value per common share (basic)	\$ 42.39	\$ 37.83	\$ 42.39	\$ 40.56
Book value per common share (dilutive)	\$ 39.19	\$ 37.83	\$ 39.19	\$ 37.49
Last stock trade @ period end	\$ 49.50	\$ 35.30	\$ 49.50	\$ 50.00

**Period-end balances**

Assets	\$ 539,481	\$ 503,399	\$ 539,481	\$ 537,852
Earning assets	\$ 506,181	\$ 471,387	\$ 506,181	\$ 503,509
Loans	\$ 342,351	\$ 300,811	\$ 342,351	\$ 328,770
Allowance for loan losses	\$ 6,888	\$ 6,622	\$ 6,888	\$ 6,428
Deposits	\$ 474,085	\$ 423,622	\$ 474,085	\$ 473,356
Shareholders' equity	\$ 36,495	\$ 32,490	\$ 36,495	\$ 34,871

**Average Balances**

Assets	\$ 531,154	\$ 480,695	\$ 540,377	\$ 536,438
Earning assets	\$ 498,147	\$ 449,268	\$ 506,443	\$ 503,672
Loans	\$ 323,026	\$ 293,122	\$ 336,727	\$ 318,954
Allowance for loan losses	\$ 6,575	\$ 5,562	\$ 6,629	\$ 6,531
Deposits	\$ 464,039	\$ 414,132	\$ 475,626	\$ 471,543
Shareholders' equity	\$ 34,224	\$ 31,638	\$ 36,230	\$ 33,987

**Key Ratios**

*Earnings:*

Return on average assets	0.96%	0.85%	1.09%	0.98%
Return on average equity	14.86%	12.96%	16.20%	15.53%
Net interest margin	3.48%	3.81%	3.58%	3.41%
Net interest margin (T/E)	3.61%	3.93%	3.70%	3.54%
Efficiency ratio*	70.94%	68.35%	68.88%	70.93%

*Asset quality*

Net loan charge-offs to average loans	0.12%	0.16%	0.01%	0.08%
Allowance for loan losses to period-end loans	2.01%	1.93%	2.01%	1.96%
Non-performing loans to period-end loans	1.76%	1.87%	1.76%	1.84%

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