

BALANCE SHEETS
(Unaudited)
(In thousands, except ratios)

	9/30/16	6/30/16	3/31/16	12/31/15	9/30/15
ASSETS					
Cash and cash equivalents					
Cash and due from banks	$ 13,142	$ 17,483	$ 9,463	$ 7,211	$ 17,736
Federal funds sold	797	—	805	—	779
Total cash and cash equivalents	13,939	17,483	10,268	7,211	18,515
Investment securities available for sale, at fair value	26,434	25,869	33,111	33,657	36,317
Investment securities held to maturity	26,518	24,357	21,955	19,857	17,282
Restricted equity securities, at cost	3,423	3,420	3,843	3,508	3,718
Loans, net of allowance for loan losses	441,335	417,640	412,685	398,291	389,327
Premises and equipment, net	12,500	12,339	12,449	12,526	12,616
Other real estate owned, net	135	135	135	135	234
Accrued interest and other receivables	2,265	2,194	2,076	1,857	1,411
Bank owned life insurance	8,126	8,051	—	—	—
Other assets	1,234	1,437	1,286	1,208	1,552
Total Assets	$ 535,909	$ 512,925	$ 497,808	$ 478,250	$ 480,972
LIABILITIES AND STOCKHOLDERS' EQUITY					
Liabilities:					
Non-interest bearing deposits	$ 114,128	$ 98,505	$ 81,072	$ 68,409	$ 72,659
Savings and NOW deposits	41,896	40,243	38,877	38,770	37,683
Money market deposits	76,152	59,906	54,455	59,580	58,023
Other time deposits	214,636	224,753	228,819	218,795	220,057
Total deposits	446,812	423,407	403,223	385,554	388,422
Securities sold under agreements to repurchase	2,736	—	—	19	521
Federal Home Loan Bank advances and other borrowings	40,204	44,409	50,229	49,509	50,254
Other liabilities	872	957	1,209	1,044	660
Total Liabilities	490,624	468,773	454,661	436,126	439,857
Stockholders' Equity:					
Common stock	16,645	16,634	16,624	16,515	16,508
Capital surplus	21,995	21,913	21,814	21,837	21,757
Retained earnings	6,724	5,712	4,839	3,924	2,980
Accumulated other comprehensive income (loss)	(79)	(107)	(130)	(152)	(130)
Total Stockholders' Equity	45,285	44,152	43,147	42,124	41,115
Total Liabilities and Stockholders' Equity	$ 535,909	$ 512,925	$ 497,808	$ 478,250	$ 480,972
Other Financial Highlights					
Annualized return on average assets	0.75%	0.73%	0.76%	0.53%	0.42%
Annualized return on average equity	8.52%	8.25%	8.56%	5.33%	4.01%
Annualized net interest margin	3.79%	3.82%	3.84%	3.96%	4.03%
Efficiency ratio	71.09%	71.02%	70.06%	73.01%	73.99%
Gross loans to deposits	99.16%	99.74%	103.52%	104.57%	101.54%
Allowance for loan losses to total loans	0.82%	0.87%	0.88%	0.91%	0.95%
Past due loans 30-89 days to total gross loans	0.02%	0.01%	0.01%	0.03%	0.03%
Past due loans 90 days or more to total gross loans	0.00%	0.00%	0.01%	0.00%	0.00%
Non-accrual loans to total gross loans	0.09%	0.09%	0.17%	0.17%	0.21%
Quarterly net loan charge-offs (recoveries)	$ 109	$ 111	$ 97	$ 208	$ 91
Book value per share	$ 10.65	$ 10.39	$ 10.16	$ 10.00	$ 9.78
Closing stock price	$ 12.60	$ 11.90	$ 11.95	$ 12.35	$ 11.59
Regulatory Capital Ratios					
Tier 1 risk-based capital ratio		10.02%	10.22%	10.27%	10.29%
Common equity tier 1 capital ratio		10.02%	10.22%	10.27%	10.29%
Total risk-based capital ratio		10.86%	11.09%	11.17%	11.22%
Leverage ratio		8.91%	8.98%	8.90%	9.12%



STATEMENTS OF INCOME
(Unaudited)
(In thousands, except share data)

	Year-to-Date		Three Months Ended				
	9/30/16	**9/30/15**	**9/30/16**	**6/30/16**	**3/31/16**	**12/31/15**	**9/30/15**
INTEREST INCOME:							
Interest and fees on loans	$ 14,925	$ 12,217	$ 5,111	$ 4,969	$ 4,845	$ 4,793	$ 4,438
Interest on investment securities	936	687	339	292	305	245	231
Interest on federal funds sold	74	30	29	21	24	15	14
Total interest income	15,935	12,934	5,479	5,282	5,174	5,053	4,683
INTEREST EXPENSE:							
Interest on savings and NOW deposits	123	110	43	41	39	40	40
Interest on money market deposits	204	115	83	62	59	55	52
Interest on other time deposits	1,748	1,401	605	589	554	528	478
Interest on Federal Home Loan Bank advances and other borrowings	192	48	71	65	56	45	41
Total interest expense	2,267	1,674	802	757	708	668	611
Net interest income	13,668	11,260	4,677	4,525	4,466	4,385	4,072
Provision for loan losses	310	1,355	90	135	85	145	775
Net interest income after provision for loan losses	13,358	9,905	4,587	4,390	4,381	4,240	3,297
OTHER INCOME:							
Deposit account service charges	553	352	205	218	130	135	130
Gain on securities available for sale	—	214	—	—	—	—	—
Bank owned life insurance income	126	—	75	51	—	—	—
Other fee income	395	439	156	153	86	125	232
Total other income	1,074	1,005	436	422	216	260	362
OTHER EXPENSES:							
Salaries and employee benefits	6,550	5,653	2,208	2,241	2,101	1,873	1,965
Furniture and equipment expenses	842	824	297	267	278	290	282
Advertising and marketing	220	237	102	78	40	157	99
Occupancy expenses	576	522	200	203	173	162	162
Outside services	413	231	167	136	110	156	74
Administrative expenses	261	243	93	99	69	84	87
Other operating expenses	1,614	1,365	571	534	509	549	458
Total other expenses	10,476	9,075	3,638	3,558	3,280	3,271	3,127
INCOME BEFORE INCOME TAXES	3,956	1,835	1,385	1,254	1,317	1,229	532
Income tax expense	1,157	611	373	381	403	283	179
NET INCOME	$ 2,799	$ 1,224	$ 1,012	$ 873	$ 914	$ 946	$ 353
Net income per common share, basic and diluted	$ 0.66	$ 0.29	$ 0.24	$ 0.20	$ 0.22	$ 0.22	$ 0.08
Weighted average number of shares, basic and diluted	4,255,170	4,231,773	4,260,232	4,261,118	4,244,104	4,226,098	4,232,811