



# BALANCE SHEETS

(Unaudited)

(In thousands, except ratios)

	3/31/16	12/31/15	9/30/15	6/30/15	3/31/15
<b>ASSETS</b>					
Cash and cash equivalents					
Cash and due from banks	\$ 9,463	\$ 7,211	\$ 17,736	\$ 7,283	\$ 11,082
Federal funds sold	805	—	779	—	803
Total cash and cash equivalents	10,268	7,211	18,515	7,283	11,885
Investment securities available for sale, at fair value	33,111	33,657	36,317	29,852	27,582
Investment securities held to maturity	21,955	19,857	17,282	15,910	15,934
Restricted equity securities, at cost	3,843	3,508	3,718	1,596	1,594
Loans, net of allowance for loan losses	412,685	398,291	389,327	305,401	287,111
Premises and equipment, net	12,449	12,526	12,616	12,796	12,918
Other real estate owned, net	135	135	234	234	234
Accrued interest and other receivables	2,076	1,857	1,411	1,306	1,185
Other assets	1,286	1,208	1,552	1,201	830
<b>Total Assets</b>	<b>\$ 497,808</b>	<b>\$ 478,250</b>	<b>\$ 480,972</b>	<b>\$ 375,579</b>	<b>\$ 359,273</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>Liabilities:</b>					
Non-interest bearing deposits	\$ 81,072	\$ 68,409	\$ 72,659	\$ 72,244	\$ 65,178
Savings and NOW deposits	38,877	38,770	37,683	38,364	35,963
Money market deposits	54,455	59,580	58,023	47,387	36,774
Other time deposits	228,819	218,795	220,057	174,698	179,354
Total deposits	403,223	385,554	388,422	332,693	317,269
Securities sold under agreements to repurchase	—	19	521	717	495
Federal Home Loan Bank advances and other borrowings	50,229	49,509	50,254	455	279
Other liabilities	1,209	1,044	660	1,055	1,020
<b>Total Liabilities</b>	<b>454,661</b>	<b>436,126</b>	<b>439,857</b>	<b>334,920</b>	<b>319,063</b>
<b>Stockholders' Equity:</b>					
Common stock	16,624	16,515	16,508	16,491	16,491
Capital surplus	21,814	21,837	21,757	21,690	21,602
Retained earnings	4,839	3,924	2,980	2,626	2,221
Accumulated other comprehensive income (loss)	(130)	(152)	(130)	(148)	(104)
<b>Total Stockholders' Equity</b>	<b>43,147</b>	<b>42,124</b>	<b>41,115</b>	<b>40,659</b>	<b>40,210</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 497,808</b>	<b>\$ 478,250</b>	<b>\$ 480,972</b>	<b>\$ 375,579</b>	<b>\$ 359,273</b>
<b>Other Financial Highlights</b>					
Annualized return on average assets	0.76%	0.53%	0.42%	0.49%	0.53%
Annualized return on average equity	8.56%	5.33%	4.01%	4.33%	4.65%
Annualized net interest margin	3.84%	3.96%	4.03%	4.25%	4.32%
Efficiency ratio	70.06%	73.01%	73.99%	75.95%	74.91%
Gross loans to deposits	103.52%	104.57%	101.54%	92.79%	91.47%
Allowance for loan losses to total loans	0.88%	0.91%	0.95%	0.99%	1.00%
Past due loans 30-89 days to total gross loans	0.01%	0.03%	0.03%	0.00%	0.00%
Past due loans 90 days or more to total gross loans	0.01%	0.00%	0.00%	0.00%	0.00%
Non-accrual loans to total gross loans	0.17%	0.17%	0.21%	0.14%	0.14%
Quarterly net loan charge-offs (recoveries)	\$ 97	\$ 208	\$ 91	\$ 105	\$ 172
Book value per share	\$ 10.16	\$ 10.00	\$ 9.78	\$ 9.64	\$ 9.52
Closing stock price	\$ 11.95	\$ 12.35	\$ 11.59	\$ 10.20	\$ 9.40
<b>Regulatory Capital Ratios</b>					
Tier 1 risk-based capital ratio	10.23%	10.27%	10.29%	13.30%	14.34%
Common equity tier 1 capital ratio	10.23%	10.27%	10.29%	13.30%	14.34%
Total risk-based capital ratio	11.10%	11.17%	11.22%	14.30%	15.37%
Leverage ratio	8.98%	8.90%	9.12%	11.14%	11.54%



# STATEMENTS OF INCOME

(Unaudited)

(In thousands, except share data)

	Year-to-Date		Three Months Ended				
	3/31/16	3/31/15	3/31/16	12/31/15	9/30/15	6/30/15	3/31/15
<b>INTEREST INCOME:</b>							
Interest and fees on loans	\$ 4,842	\$ 3,855	\$ 4,842	\$ 4,793	\$ 4,438	\$ 3,924	\$ 3,855
Interest on investment securities	305	236	305	245	231	220	236
Interest on federal funds sold	24	7	24	15	14	9	7
Total interest income	5,171	4,098	5,171	5,053	4,683	4,153	4,098
<b>INTEREST EXPENSE:</b>							
Interest on savings and NOW deposits	39	34	39	40	40	36	34
Interest on money market deposits	59	29	59	55	52	34	29
Interest on other time deposits	554	479	554	528	478	444	479
Interest on Federal Home Loan Bank advances and other borrowings	56	4	56	45	41	3	4
Total interest expense	708	546	708	668	611	517	546
Net interest income	4,463	3,552	4,463	4,385	4,072	3,636	3,552
Provision for loan losses	85	302	85	145	775	278	302
Net interest income after provision for loan losses	4,378	3,250	4,378	4,240	3,297	3,358	3,250
<b>OTHER INCOME:</b>							
Deposit account service charges	133	99	133	135	130	123	99
Gain on securities available for sale	—	214	—	—	—	—	214
Other fee income	86	112	86	125	232	95	112
Total other income	219	425	219	260	362	218	425
<b>OTHER EXPENSES:</b>							
Salaries and employee benefits	2,101	1,866	2,101	1,873	1,965	1,822	1,866
Furniture and equipment expenses	278	265	278	290	282	277	265
Advertising and marketing	40	57	40	157	99	81	57
Occupancy expenses	173	191	173	162	162	169	191
Outside services	110	78	110	156	74	79	78
Administrative expenses	69	77	69	84	87	79	77
Other operating expenses	509	445	509	549	458	462	445
Total other expenses	3,280	2,979	3,280	3,271	3,127	2,969	2,979
INCOME BEFORE INCOME TAXES	1,317	696	1,317	1,229	532	607	696
Income tax expense	403	231	403	283	179	201	231
NET INCOME	\$ 914	\$ 465	\$ 914	\$ 946	\$ 353	\$ 406	\$ 465
Net income per common share, basic and diluted	\$ 0.22	\$ 0.11	\$ 0.22	\$ 0.22	\$ 0.08	\$ 0.10	\$ 0.11
Weighted average number of shares, basic and diluted	4,244,104	4,226,685	4,244,104	4,226,098	4,232,811	4,235,755	4,226,685