



BALANCE SHEETS

(Unaudited)

(In thousands, except ratios)

	6/30/16	3/31/16	12/31/15	9/30/15	6/30/15
ASSETS					
Cash and cash equivalents					
Cash and due from banks	\$ 17,483	\$ 9,463	\$ 7,211	\$ 17,736	\$ 7,283
Federal funds sold	—	805	—	779	—
Total cash and cash equivalents	17,483	10,268	7,211	18,515	7,283
Investment securities available for sale, at fair value	25,869	33,111	33,657	36,317	29,852
Investment securities held to maturity	24,357	21,955	19,857	17,282	15,910
Restricted equity securities, at cost	3,420	3,843	3,508	3,718	1,596
Loans, net of allowance for loan losses	417,640	412,685	398,291	389,327	305,401
Premises and equipment, net	12,339	12,449	12,526	12,616	12,796
Other real estate owned, net	135	135	135	234	234
Accrued interest and other receivables	2,194	2,076	1,857	1,411	1,306
Bank owned life insurance	8,051	—	—	—	—
Other assets	1,437	1,286	1,208	1,552	1,201
Total Assets	\$ 512,925	\$ 497,808	\$ 478,250	\$ 480,972	\$ 375,579
LIABILITIES AND STOCKHOLDERS' EQUITY					
Liabilities:					
Non-interest bearing deposits	\$ 98,505	\$ 81,072	\$ 68,409	\$ 72,659	\$ 72,244
Savings and NOW deposits	40,243	38,877	38,770	37,683	38,364
Money market deposits	59,906	54,455	59,580	58,023	47,387
Other time deposits	224,753	228,819	218,795	220,057	174,698
Total deposits	423,407	403,223	385,554	388,422	332,693
Securities sold under agreements to repurchase	—	—	19	521	717
Federal Home Loan Bank advances and other borrowings	44,409	50,229	49,509	50,254	455
Other liabilities	957	1,209	1,044	660	1,055
Total Liabilities	468,773	454,661	436,126	439,857	334,920
Stockholders' Equity:					
Common stock	16,634	16,624	16,515	16,508	16,491
Capital surplus	21,913	21,814	21,837	21,757	21,690
Retained earnings	5,712	4,839	3,924	2,980	2,626
Accumulated other comprehensive income (loss)	(107)	(130)	(152)	(130)	(148)
Total Stockholders' Equity	44,152	43,147	42,124	41,115	40,659
Total Liabilities and Stockholders' Equity	\$ 512,925	\$ 497,808	\$ 478,250	\$ 480,972	\$ 375,579

Other Financial Highlights

Annualized return on average assets	0.73%	0.76%	0.53%	0.42%	0.49%
Annualized return on average equity	8.25%	8.56%	5.33%	4.01%	4.33%
Annualized net interest margin	3.82%	3.84%	3.96%	4.03%	4.25%
Efficiency ratio	71.02%	70.06%	73.01%	73.99%	75.95%
Gross loans to deposits	99.74%	103.52%	104.57%	101.54%	92.79%
Allowance for loan losses to total loans	0.87%	0.88%	0.91%	0.95%	0.99%
Past due loans 30-89 days to total gross loans	0.01%	0.01%	0.03%	0.03%	0.00%
Past due loans 90 days or more to total gross loans	0.00%	0.01%	0.00%	0.00%	0.00%
Non-accrual loans to total gross loans	0.09%	0.17%	0.17%	0.21%	0.14%
Quarterly net loan charge-offs (recoveries)	\$ 111	\$ 97	\$ 208	\$ 91	\$ 105
Book value per share	\$ 10.39	\$ 10.16	\$ 10.00	\$ 9.78	\$ 9.64
Closing stock price	\$ 11.90	\$ 11.95	\$ 12.35	\$ 11.59	\$ 10.20

Regulatory Capital Ratios

Tier 1 risk-based capital ratio	10.02%	10.22%	10.27%	10.29%	13.30%
Common equity tier 1 capital ratio	10.02%	10.22%	10.27%	10.29%	13.30%
Total risk-based capital ratio	10.86%	11.09%	11.17%	11.22%	14.30%
Leverage ratio	8.91%	8.98%	8.90%	9.12%	11.14%



STATEMENTS OF INCOME

(Unaudited)

(In thousands, except share data)

	Year-to-Date		Three Months Ended				
	6/30/16	6/30/15	6/30/16	3/31/16	12/31/15	9/30/15	6/30/15
INTEREST INCOME:							
Interest and fees on loans	\$ 9,814	\$ 7,779	\$ 4,969	\$ 4,845	\$ 4,793	\$ 4,438	\$ 3,924
Interest on investment securities	597	456	292	305	245	231	220
Interest on federal funds sold	45	16	21	24	15	14	9
Total interest income	10,456	8,251	5,282	5,174	5,053	4,683	4,153
INTEREST EXPENSE:							
Interest on savings and NOW deposits	80	70	41	39	40	40	36
Interest on money market deposits	121	63	62	59	55	52	34
Interest on other time deposits	1,143	923	589	554	528	478	444
Interest on Federal Home Loan Bank advances and other borrowings	121	7	65	56	45	41	3
Total interest expense	1,465	1,063	757	708	668	611	517
Net interest income	8,991	7,188	4,525	4,466	4,385	4,072	3,636
Provision for loan losses	220	580	135	85	145	775	278
Net interest income after provision for loan losses	8,771	6,608	4,390	4,381	4,240	3,297	3,358
OTHER INCOME:							
Deposit account service charges	348	222	218	130	135	130	123
Gain on securities available for sale	—	214	—	—	—	—	—
Bank owned life insurance income	51	—	51	—	—	—	—
Other fee income	239	207	153	86	125	232	95
Total other income	638	643	422	216	260	362	218
OTHER EXPENSES:							
Salaries and employee benefits	4,342	3,688	2,241	2,101	1,873	1,965	1,822
Furniture and equipment expenses	545	542	267	278	290	282	277
Advertising and marketing	118	138	78	40	157	99	81
Occupancy expenses	376	360	203	173	162	162	169
Outside services	246	157	136	110	156	74	79
Administrative expenses	168	156	99	69	84	87	79
Other operating expenses	1,043	907	534	509	549	458	462
Total other expenses	6,838	5,948	3,558	3,280	3,271	3,127	2,969
INCOME BEFORE INCOME TAXES	2,571	1,303	1,254	1,317	1,229	532	607
Income tax expense	784	432	381	403	283	179	201
NET INCOME	\$ 1,787	\$ 871	\$ 873	\$ 914	\$ 946	\$ 353	\$ 406
Net income per common share, basic and diluted	\$ 0.42	\$ 0.21	\$ 0.20	\$ 0.22	\$ 0.22	\$ 0.08	\$ 0.10
Weighted average number of shares, basic and diluted	4,252,611	4,231,245	4,261,118	4,244,104	4,226,098	4,232,811	4,235,755