



BALANCE SHEETS

(Unaudited)

(In thousands, except ratios)

	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16
ASSETS					
Cash and cash equivalents					
Cash and due from banks	\$ 14,801	\$ 11,867	\$ 17,273	\$ 13,142	\$ 17,483
Federal funds sold	4,674	4,856	797	797	—
Total cash and cash equivalents	19,475	16,723	18,070	13,939	17,483
Investment securities available for sale, at fair value	38,274	29,889	36,354	26,434	25,869
Investment securities held to maturity	26,615	26,664	27,714	26,518	24,357
Restricted equity securities, at cost	3,895	3,892	3,426	3,423	3,420
Loans, net of allowance for loan losses	525,989	461,768	463,926	441,335	417,640
Premises and equipment, net	12,008	12,132	12,309	12,500	12,339
Other real estate owned, net	135	135	135	135	135
Accrued interest and other receivables	2,737	2,363	2,261	2,265	2,194
Bank owned life insurance	13,417	13,308	10,202	8,126	8,051
Other assets	1,715	1,388	1,314	1,234	1,437
Total Assets	\$ 644,260	\$ 568,262	\$ 575,711	\$ 535,909	\$ 512,925
LIABILITIES AND STOCKHOLDERS' EQUITY					
Liabilities:					
Non-interest bearing deposits	\$ 139,023	\$ 114,044	\$ 106,050	\$ 114,128	\$ 98,505
Interest bearing DDA deposits	27,639	17,443	41,611	—	—
Savings and NOW deposits	48,268	44,697	44,833	41,896	40,243
Money market deposits	86,009	79,704	75,670	76,152	59,906
Other time deposits	237,853	207,854	205,402	214,636	224,753
Total deposits	538,792	463,742	473,566	446,812	423,407
Securities sold under agreements to repurchase	—	—	—	2,736	—
Federal Home Loan Bank advances and other borrowings	40,167	40,179	40,192	40,204	44,409
Subordinated Debt	14,733	14,726	14,019	—	—
Other liabilities	1,807	2,011	1,539	872	957
Total Liabilities	595,499	520,658	529,316	490,624	468,773
Stockholders' Equity:					
Common stock	16,808	16,792	16,650	16,645	16,634
Capital surplus	22,229	22,126	22,152	21,995	21,913
Retained earnings	9,777	8,827	7,801	6,724	5,712
Accumulated other comprehensive income (loss)	(53)	(141)	(208)	(79)	(107)
Total Stockholders' Equity	48,761	47,604	46,395	45,285	44,152
Total Liabilities and Stockholders' Equity	\$ 644,260	\$ 568,262	\$ 575,711	\$ 535,909	\$ 512,925
Other Financial Highlights					
Annualized return on average assets	0.68%	0.72%	0.76%	0.75%	0.73%
Annualized return on average equity	8.06%	8.74%	8.72%	8.52%	8.25%
Annualized net interest margin	3.64%	3.75%	3.78%	3.79%	3.82%
Efficiency ratio	68.47%	69.40%	69.47%	71.09%	71.02%
Gross loans to deposits	98.45%	100.02%	98.58%	99.16%	99.74%
Allowance for loan losses to total loans	0.84%	0.87%	0.85%	0.82%	0.87%
Past due loans 30-89 days to total gross loans	0.38%	0.02%	0.07%	0.02%	0.01%
Past due loans 90 days or more to total gross loans	0.00%	0.00%	0.00%	0.00%	0.00%
Non-accrual loans to total gross loans	0.02%	0.02%	0.04%	0.09%	0.09%
Quarterly net loan charge-offs (recoveries)	\$ 39	\$ 111	\$ 30	\$ 109	\$ 111
Book value per share	\$ 11.30	\$ 11.09	\$ 10.85	\$ 10.65	\$ 10.39
Closing stock price	\$ 16.05	\$ 16.55	\$ 14.20	\$ 12.60	\$ 11.90
Regulatory Capital Ratios					
Tier 1 risk-based capital ratio	10.74%	11.78%	11.74%	9.67%	10.02%
Common equity tier 1 capital ratio	10.74%	11.78%	11.74%	9.67%	10.02%
Total risk-based capital ratio	11.52%	12.57%	12.53%	10.46%	10.86%
Leverage ratio	10.32%	10.69%	10.95%	8.66%	8.91%



STATEMENTS OF INCOME
(Unaudited)

(In thousands, except share data)

	Year-to-Date		Three Months Ended				
	6/30/17	6/30/16	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16
INTEREST INCOME:							
Interest and fees on loans	\$ 11,070	\$ 9,814	\$ 5,717	\$ 5,353	\$ 5,267	\$ 5,111	\$ 4,969
Interest on investment securities	809	597	413	396	351	339	292
Interest on federal funds sold	87	45	47	40	19	29	21
Total interest income	11,966	10,456	6,177	5,789	5,637	5,479	5,282
INTEREST EXPENSE:							
Interest on interest bearing DDA deposits	84	—	43	41	11	—	—
Interest on savings and NOW deposits	90	80	47	43	44	43	41
Interest on money market deposits	266	121	150	116	96	83	62
Interest on other time deposits	1,130	1,143	594	536	579	605	589
Interest on Federal Home Loan Bank advances and other borrowings	192	121	108	84	74	71	65
Interest on Subordinated Debt	482	—	241	241	—	—	—
Total interest expense	2,244	1,465	1,183	1,061	804	802	757
Net interest income	9,722	8,991	4,994	4,728	4,833	4,677	4,525
Provision for loan losses	620	220	425	195	335	90	135
Net interest income after provision for loan losses	9,102	8,771	4,569	4,533	4,498	4,587	4,390
OTHER INCOME:							
Deposit account service charges	394	348	202	192	183	205	218
Bank owned life insurance income	216	51	110	106	76	75	51
Other fee income	595	239	246	349	194	156	153
Total other income	1,205	638	558	647	453	436	422
OTHER EXPENSES:							
Salaries and employee benefits	4,821	4,342	2,449	2,372	2,038	2,208	2,241
Furniture and equipment expenses	592	545	306	286	301	297	267
Advertising and marketing	57	118	26	31	56	102	78
Occupancy expenses	324	376	153	171	158	200	203
Outside services	242	246	113	129	202	167	136
Administrative expenses	188	168	98	90	89	93	99
Other operating expenses	1,258	1,043	605	653	595	571	534
Total other expenses	7,482	6,838	3,750	3,732	3,439	3,638	3,558
INCOME BEFORE INCOME TAXES	2,825	2,571	1,377	1,448	1,512	1,385	1,254
Income tax expense	848	784	427	421	436	373	381
NET INCOME	\$ 1,977	\$ 1,787	\$ 950	\$ 1,027	\$ 1,076	\$ 1,012	\$ 873
Net income per common share, basic and diluted	\$ 0.46	\$ 0.42	\$ 0.22	\$ 0.24	\$ 0.25	\$ 0.24	\$ 0.20
Weighted average number of shares, basic and diluted	4,315,223	4,252,611	4,315,591	4,314,852	4,260,232	4,260,232	4,261,118