



BALANCE SHEETS

(Unaudited)

(In thousands, except ratios)

	Consolidated 3/31/17	Consolidated 12/31/16	Consolidated 9/30/16	Unconsolidated 6/30/16	Unconsolidated 3/31/16
ASSETS					
Cash and cash equivalents					
Cash and due from banks	\$ 11,867	\$ 17,273	\$ 13,142	\$ 17,483	\$ 9,463
Federal funds sold	4,856	797	797	—	805
Total cash and cash equivalents	16,723	18,070	13,939	17,483	10,268
Investment securities available for sale, at fair value	29,889	36,354	26,434	25,869	33,111
Investment securities held to maturity	26,664	27,714	26,518	24,357	21,955
Restricted equity securities, at cost	3,892	3,426	3,423	3,420	3,843
Loans, net of allowance for loan losses	461,768	463,926	441,335	417,640	412,685
Premises and equipment, net	12,132	12,309	12,500	12,339	12,449
Other real estate owned, net	135	135	135	135	135
Accrued interest and other receivables	2,363	2,261	2,265	2,194	2,076
Bank owned life insurance	13,308	10,202	8,126	8,051	—
Other assets	1,388	1,314	1,234	1,437	1,286
Total Assets	\$ 568,262	\$ 575,711	\$ 535,909	\$ 512,925	\$ 497,808
LIABILITIES AND STOCKHOLDERS' EQUITY					
Liabilities:					
Non-interest bearing deposits	\$ 114,044	\$ 106,050	\$ 114,128	\$ 98,505	\$ 81,072
Interest bearing DDA deposits	17,443	41,611	—	—	—
Savings and NOW deposits	44,697	44,833	41,896	40,243	38,877
Money market deposits	79,704	75,670	76,152	59,906	54,455
Other time deposits	207,854	205,402	214,636	224,753	228,819
Total deposits	463,742	473,566	446,812	423,407	403,223
Securities sold under agreements to repurchase	—	—	2,736	—	—
Federal Home Loan Bank advances and other borrowings	40,179	40,192	40,204	44,409	50,229
Subordinated Debt	14,726	14,019	—	—	—
Other liabilities	2,011	1,539	872	957	1,209
Total Liabilities	520,658	529,316	490,624	468,773	454,661
Stockholders' Equity:					
Common stock	16,792	16,650	16,645	16,634	16,624
Capital surplus	22,126	22,152	21,995	21,913	21,814
Retained earnings	8,827	7,801	6,724	5,712	4,839
Accumulated other comprehensive income (loss)	(141)	(208)	(79)	(107)	(130)
Total Stockholders' Equity	47,604	46,395	45,285	44,152	43,147
Total Liabilities and Stockholders' Equity	\$ 568,262	\$ 575,711	\$ 535,909	\$ 512,925	\$ 497,808

Other Financial Highlights

Annualized return on average assets	0.72%	0.76%	0.75%	0.73%	0.76%
Annualized return on average equity	8.74%	8.72%	8.52%	8.25%	8.56%
Annualized net interest margin	3.75%	3.78%	3.79%	3.82%	3.84%
Efficiency ratio	69.40%	69.47%	71.09%	71.02%	70.06%
Gross loans to deposits	100.02%	98.58%	99.16%	99.74%	103.52%
Allowance for loan losses to total loans	0.87%	0.85%	0.82%	0.87%	0.88%
Past due loans 30-89 days to total gross loans	0.02%	0.07%	0.02%	0.01%	0.01%
Past due loans 90 days or more to total gross loans	0.00%	0.00%	0.00%	0.00%	0.01%
Non-accrual loans to total gross loans	0.02%	0.04%	0.09%	0.09%	0.17%
Quarterly net loan charge-offs (recoveries)	\$ 111	\$ 30	\$ 109	\$ 111	\$ 97
Book value per share	\$ 11.09	\$ 10.85	\$ 10.65	\$ 10.39	\$ 10.16
Closing stock price	\$ 16.55	\$ 14.20	\$ 12.60	\$ 11.90	\$ 11.95

Regulatory Capital Ratios

Tier 1 risk-based capital ratio	11.78%	11.74%	9.67%	10.02%	10.22%
Common equity tier 1 capital ratio	11.78%	11.74%	9.67%	10.02%	10.22%
Total risk-based capital ratio	12.57%	12.53%	10.46%	10.86%	11.09%
Leverage ratio	10.69%	10.95%	8.66%	8.91%	8.98%



STATEMENTS OF INCOME

(Unaudited)

(In thousands, except share data)

	Year-to-Date		Three Months Ended				
	Consolidated 3/31/17	Unconsolidated 3/31/16	Consolidated 3/31/17	Consolidated 12/31/16	Consolidated 9/30/16	Unconsolidated 6/30/16	Unconsolidated 3/31/16
INTEREST INCOME:							
Interest and fees on loans	\$ 5,353	\$ 4,845	\$ 5,353	\$ 5,267	\$ 5,111	\$ 4,969	\$ 4,845
Interest on investment securities	396	305	396	351	339	292	305
Interest on federal funds sold	40	24	40	19	29	21	24
Total interest income	5,789	5,174	5,789	5,637	5,479	5,282	5,174
INTEREST EXPENSE:							
Interest on interest bearing DDA deposits	41	—	41	11	—	—	—
Interest on savings and NOW deposits	43	39	43	44	43	41	39
Interest on money market deposits	116	59	116	96	83	62	59
Interest on other time deposits	536	554	536	579	605	589	554
Interest on Federal Home Loan Bank advances and other borrowings	84	56	84	74	71	65	56
Interest on Subordinated Debt	241	—	241	—	—	—	—
Total interest expense	1,061	708	1,061	804	802	757	708
Net interest income	4,728	4,466	4,728	4,833	4,677	4,525	4,466
Provision for loan losses	195	85	195	335	90	135	85
Net interest income after provision for loan losses	4,533	4,381	4,533	4,498	4,587	4,390	4,381
OTHER INCOME:							
Deposit account service charges	192	130	192	183	205	218	130
Gain on securities available for sale	—	—	—	—	—	—	—
Bank owned life insurance income	106	—	106	76	75	51	—
Other fee income	349	86	349	194	156	153	86
Total other income	647	216	647	453	436	422	216
OTHER EXPENSES:							
Salaries and employee benefits	2,372	2,101	2,372	2,038	2,208	2,241	2,101
Furniture and equipment expenses	286	278	286	301	297	267	278
Advertising and marketing	31	40	31	56	102	78	40
Occupancy expenses	171	173	171	158	200	203	173
Outside services	129	110	129	202	167	136	110
Administrative expenses	90	69	90	89	93	99	69
Other operating expenses	653	509	653	595	571	534	509
Total other expenses	3,732	3,280	3,732	3,439	3,638	3,558	3,280
INCOME BEFORE INCOME TAXES	1,448	1,317	1,448	1,512	1,385	1,254	1,317
Income tax expense	421	403	421	436	373	381	403
NET INCOME	\$ 1,027	\$ 914	\$ 1,027	\$ 1,076	\$ 1,012	\$ 873	\$ 914
Net income per common share, basic and diluted	\$ 0.24	\$ 0.22	\$ 0.24	\$ 0.25	\$ 0.24	\$ 0.20	\$ 0.22
Weighted average number of shares, basic and diluted	4,304,852	4,244,104	4,304,852	4,260,232	4,260,232	4,261,118	4,244,104