

Consolidated Balance Sheet (\$000s) (Unaudited¹)

	September 30	
	2010	2011
Cash and due from banks	868	2,386
Interest-bearing deposits	23,517	7,387
Securities - AFS	136,167	149,971
Loans held for sale	19,530	44,425
Gross loans	282,429	332,934
Net deferred (fees)/expenses	4,209	3,677
Allowance for loan losses	<u>(6,980)</u>	<u>(5,570)</u>
Net Loans	279,658	331,041
Accrued interest receivable	2,112	2,243
FHLB stock	3,638	2,943
Bank owned life insurance	7,794	8,087
Goodwill	4,687	4,687
Other real estate owned	2,158	1,834
Other assets	6,947	6,290
Total assets	487,076	561,294
Non-interest bearing demand deposits	9,892	15,973
Interest bearing demand deposits	51,755	56,689
Savings and money market deposits	132,383	167,277
Time deposits	<u>210,027</u>	<u>224,168</u>
Total deposits	404,057	464,107
FHLB advances	30,424	40,543
Accrued interest payable	104	98
Accrued payroll and related expenses	1,050	1,263
Other liabilities	<u>688</u>	<u>1,297</u>
Total liabilities	436,323	507,308
Common stock	41,231	41,291
Accumulated earnings	9,008	11,837
Accumulated OCI	<u>514</u>	<u>858</u>
Shareholder's Equity	50,753	53,986
Total Liabilities & Equity	487,076	561,294

Consolidated Income Statement (\$000s) (Unaudited¹)

Quarter Ended September 30

	2010	2011
Securities income	1,326	1,328
Loan income	4,969	4,774
Other interest income	<u>13</u>	<u>11</u>
Total interest income	6,308	6,113
Deposit interest expense	2,275	2,065
Other interest expense	<u>328</u>	<u>343</u>
Total interest expense	2,603	2,408
Net interest income	3,705	3,705
Provision for Loan Losses	627	634
Net interest income after provision	3,078	3,071
Service charges and fees	314	284
Gain on loans sold	933	637
Other-than-temporary impairment loss	(426)	(123)
Loss on asset disposals	(55)	(60)
Other non-interest income	<u>77</u>	<u>78</u>
Total non-interest income	843	816
Salaries and employee benefits	1,337	1,366
Marketing, advertising and promotion	58	242
Consulting and professional fees	122	176
Data processing	253	238
Loan expenses	198	213
Premises and equipment	214	398
Deposit insurance premiums	228	110
Other non-interest expense	<u>203</u>	<u>204</u>
Total non-interest expense	2,613	2,947
Income before taxes	1,308	940
Tax expense	<u>302</u>	<u>175</u>

Net income	1,006	765
	<u> </u>	<u> </u>
Income per share: Basic and diluted	0.53	0.40
Weighted average of shares outstanding: Basic and diluted	1,900,019	1,906,954

Consolidated Income Statement (\$000s) (Unaudited¹)

	Nine Months Ended September 30	
	2010	2011
Securities income	4,080	3,977
Loan income	15,223	13,989
Other interest income	41	43
Total interest income	<u>19,344</u>	<u>18,009</u>
Deposit interest expense	7,035	6,372
Other interest expense	1,206	1,013
Total interest expense	<u>8,241</u>	<u>7,385</u>
Net interest income	11,103	10,624
Provision for Loan Losses	(370)	1,493
Net interest income after provision	11,473	9,131
Service charges and fees	952	876
Gain on loans sold	1,528	1,427
Other-than-temporary impairment loss	(686)	(556)
Loss on asset disposals	(160)	(239)
Other non-interest income	230	229
Total non-interest income	<u>1,864</u>	<u>1,737</u>
Salaries and employee benefits	3,484	3,870
Marketing, advertising and promotion	213	536
Consulting and professional fees	529	513

Data processing	723	696
Loan expenses	413	565
Premises and equipment	866	944
Deposit insurance premiums	702	609
Other non-interest expense	<u>568</u>	<u>566</u>
Total non-interest expense	7,498	8,299
Income before taxes	5,839	2,569
Tax expense	<u>1,588</u>	<u>444</u>
Net income	<u><u>4,251</u></u>	<u><u>2,125</u></u>
Income per share: Basic and diluted	2.24	1.12
Weighted average of shares outstanding: Basic and diluted	1,897,786	1,905,604

¹ Financial results for the Bancorp are audited by external accountants on an annual basis; however, external auditors are not engaged to review quarterly information.