

**Consolidated Balance Sheet (\$000s) (Unaudited<sup>1</sup>)**

June 30

	2011	2012
Cash and due from banks	623	1,344
Interest-bearing deposits	7,677	34,658
Securities - AFS	150,267	182,670
Loans held for sale	9,529	34,960
Gross loans	345,752	343,340
Net deferred (fees)/expenses	3,881	3,954
Allowance for loan losses	<u>(6,080)</u>	<u>(5,727)</u>
Net Loans	343,553	341,567
Accrued interest receivable	2,187	2,263
FHLB stock	2,943	2,943
Bank owned life insurance	8,013	11,346
Goodwill	4,687	4,687
Other real estate owned	2,293	750
Other assets	6,713	6,757
Total Assets	538,485	623,945
Non-interest bearing demand deposits	12,784	13,588
Interest bearing demand deposits	57,357	64,458
Savings and money market deposits	160,226	200,287
Time deposits	<u>213,274</u>	<u>243,692</u>
Total deposits	443,641	522,025
FHLB advances	40,514	40,629
Accrued interest payable	116	115
Accrued payroll and related expenses	954	1,140
Other liabilities	<u>1,288</u>	<u>1,786</u>
Total Liabilities	486,513	565,695
Common stock	41,276	41,346
Accumulated earnings	11,072	15,323
Accumulated OCI	<u>(376)</u>	<u>1,581</u>
Shareholder's Equity	51,972	58,250
Total Liabilities & Equity	538,485	623,945

**Consolidated Income Statement (\$000s) (Unaudited<sup>1</sup>)**

Quarter Ended June 30

	2011	2012
Securities income	1,334	1,320
Loan income	4,621	4,654
Other interest income	<u>17</u>	<u>19</u>
Total interest income	5,972	5,993
Deposit interest expense	2,139	1,826
Other interest expense	<u>335</u>	<u>338</u>
Total interest expense	2,474	2,164
Net interest income	3,498	3,829
Provision for Loan Losses	336	564
Net interest income after provision	3,162	3,265
Service charges and fees	298	228
Gain on loans sold	407	2,034
Other-than-temporary impairment loss	(150)	(92)
Loss on asset disposals	(30)	(31)
Other non-interest income	<u>76</u>	<u>98</u>
Total non-interest income	601	2,237
Salaries and employee benefits	1,283	1,929
Marketing, advertising and promotion	190	341
Consulting and professional fees	170	272
Data processing	227	238
Loan expenses	96	303
Premises and equipment	313	350
Deposit insurance premiums	251	121
Other non-interest expense	<u>184</u>	<u>241</u>
Total non-interest expense	2,714	3,795
Income before taxes	1,049	1,707
Tax provision	<u>221</u>	<u>428</u>
Net income	<u><u>828</u></u>	<u><u>1,279</u></u>

Income per share: Basic and diluted	0.43	0.67
Weighted average of shares outstanding: Basic and diluted	1,905,595	1,911,842

**Consolidated Income Statement (\$000s) (Unaudited<sup>1</sup>)**

	Six Months Ended June 30	
	2011	2012
Securities income	2,649	2,666
Loan income	9,215	9,381
Other interest income	32	37
Total interest income	<u>11,896</u>	<u>12,084</u>
Deposit interest expense	4,307	3,646
Other interest expense	670	677
Total interest expense	<u>4,977</u>	<u>4,323</u>
Net interest income	6,919	7,761
Provision for Loan Losses	859	1,134
Net interest income after provision	6,060	6,627
Service charges and fees	592	493
Gain on loans sold	790	3,785
Other-than-temporary impairment loss	(433)	(92)
Loss on asset disposals	(179)	(101)
Other non-interest income	150	190
Total non-interest income	<u>920</u>	<u>4,275</u>
Salaries and employee benefits	2,504	3,920
Marketing, advertising and promotion	294	732
Consulting and professional fees	337	599
Data processing	458	468
Loan expenses	218	488
Premises and equipment	680	762

Deposit insurance premiums	499	219
Other non-interest expense	<u>365</u>	<u>489</u>
Total non-interest expense	5,355	7,677
Income before taxes	1,625	3,225
Tax provision	<u>265</u>	<u>800</u>
Net income	<u><u>1,360</u></u>	<u><u>2,425</u></u>
Income per share: Basic and diluted	0.71	1.27
Weighted average of shares outstanding: Basic and diluted	1,904,917	1,910,866

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