

Financial Statements

In compliance with its [Investor Relations Policy](#), the Bancorp does not mail quarterly reports or other financial updates to shareholders. Summary financial information for the most recent quarter is below. You may also [review full, audited financial statements for the full year \(2011\) in PDF file format](#) (requires Adobe Acrobat or Acrobat Reader).

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

	September 30	
	2011	2012
Cash and due from banks	2,386	1,910
Interest-bearing deposits	7,387	22,264
Securities - AFS	149,971	171,323
Loans held for sale	44,425	55,490
Gross loans	332,934	351,432
Net deferred (fees)/expenses	3,677	3,807
Allowance for loan losses	(5,570)	(6,400)
Net Loans	<u>331,041</u>	<u>348,839</u>
Accrued interest receivable	2,243	2,263
FHLB stock	2,943	2,943
Bank owned life insurance	8,087	11,442
Goodwill	4,687	4,687
Other real estate owned	1,834	553
Other assets	6,289	5,964
Total Assets	561,293	627,678
Non-interest bearing demand deposits	15,973	12,072
Interest bearing demand deposits	56,688	65,189
Savings and money market deposits	167,277	205,450
Time deposits	224,168	239,948
Total deposits	<u>464,106</u>	<u>522,659</u>
FHLB advances	40,543	40,658

Accrued interest payable	98	98
Accrued payroll and related expenses	1,263	1,686
Other liabilities	1,297	1,882
Total Liabilities	<u>507,307</u>	<u>566,983</u>
Common stock	41,291	41,366
Accumulated earnings	11,837	16,949
Accumulated OCI	858	2,380
Shareholder's Equity	<u>53,986</u>	<u>60,695</u>
Total Liabilities & Equity	561,293	627,678

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

	Quarter Ended September 30	
	2011	2012
Securities income	1,328	1,063
Loan income	4,774	4,887
Other interest income	11	18
Total interest income	<u>6,113</u>	<u>5,968</u>
Deposit interest expense	2,065	1,829
Other interest expense	343	342
Total interest expense	<u>2,408</u>	<u>2,171</u>
Net interest income	3,705	3,797
Provision for Loan Losses	634	974
Net interest income after provision	3,071	2,823
Service charges and fees	284	226
Gain on loans sold	637	3,206
Other-than-temporary impairment loss	(123)	(112)
Loss on asset disposals	(60)	113
Other non-interest income	78	99
Total non-interest income	<u>816</u>	<u>3,532</u>

Salaries and employee benefits	1,366	2,161
Marketing, advertising and promotion	242	278
Consulting and professional fees	176	438
Data processing	237	215
Loan expenses	155	381
Premises and equipment	456	315
Deposit insurance premiums	110	121
Other non-interest expense	205	198
Total non-interest expense	<u>2,947</u>	<u>4,107</u>
Income before taxes	940	2,248
Tax provision	<u>175</u>	<u>621</u>
Net income	765	1,627
Income per share: Basic and diluted	0.40	0.85
Weighted average of shares outstanding: Basic and diluted	1,906,954	1,913,786

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

	Nine Months Ended September 30	
	2011	2012
Securities income	3,977	3,728
Loan income	13,989	14,268
Other interest income	43	55
Total interest income	<u>18,009</u>	<u>18,051</u>
Deposit interest expense	6,371	5,475
Other interest expense	1,013	1,019
Total interest expense	<u>7,384</u>	<u>6,494</u>

Net interest income	10,625	11,557
Provision for Loan Losses	1,493	2,108
Net interest income after provision	9,132	9,449
Service charges and fees	876	719
Gain on loans sold	1,427	6,991
Other-than-temporary impairment loss	(556)	(204)
Loss on asset disposals	(239)	12
Other non-interest income	228	290
Total non-interest income	<u>1,736</u>	<u>7,808</u>
Salaries and employee benefits	3,871	6,066
Marketing, advertising and promotion	536	1,010
Consulting and professional fees	513	1,037
Data processing	695	682
Loan expenses	372	869
Premises and equipment	1,136	1,092
Deposit insurance premiums	609	341
Other non-interest expense	569	687
Total non-interest expense	<u>8,301</u>	<u>11,784</u>
Income before taxes	2,567	5,473
Tax provision	<u>442</u>	<u>1,421</u>
Net income	2,125	4,052
Income per share: Basic and diluted	1.12	2.12
Weighted average of shares outstanding: Basic and diluted	1,905,604	1,911,846

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.