

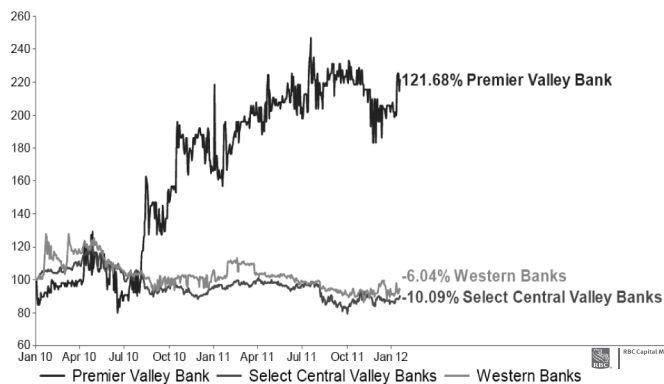
CONDENSED CONSOLIDATED BALANCE SHEET

(Unaudited)
(In thousands)

	December 31,	
	2011	2010
ASSETS		
Cash and due from banks	\$ 11,846	\$ 10,654
Federal funds sold and deposits in banks	14,665	311
Total cash and cash equivalents	26,511	10,965
Investment securities	112,819	66,768
Loans, less allowance for loan losses	340,873	347,743
Premises and equipment	3,060	3,170
Intangible assets	14,246	14,502
Other assets	24,729	28,916
	<u>\$522,238</u>	<u>\$472,064</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Noninterest bearing	\$215,900	\$126,192
Interest bearing	<u>230,068</u>	<u>273,364</u>
Total deposits	445,968	399,556
Other liabilities		
	<u>10,918</u>	<u>9,681</u>
Total liabilities	456,886	409,237
Common stock		
	54,650	55,787
Retained earnings		
	10,049	6,846
Other comprehensive income, net		
	<u>653</u>	<u>194</u>
Total shareholders' equity	<u>65,352</u>	<u>62,827</u>
	<u>\$522,238</u>	<u>\$472,064</u>

Relative Stock Performance

Since January 2010



CONDENSED CONSOLIDATED FINANCIAL HIGHLIGHTS

(Unaudited)
(In thousands, except per share and ratio data)

	Year Ended December 31,				
	2011	2010	2009	2008	2007
STATEMENT OF INCOME DATA					
Net interest income	\$ 19,842	\$ 20,207	\$ 19,705	\$ 20,358	\$ 19,878
Provision for loan losses	450	3,420	5,390	5,375	1,580
Noninterest income	3,579	3,147	2,628	2,900	2,620
Noninterest expenses ^{1), 2)}	15,198	16,489	14,419	16,922	13,509
Income taxes	1,860	41	724	(50)	2,779
Net income	5,913	3,404	1,800	1,011	4,630
BALANCE SHEET DATA					
Total assets	\$522,238	\$472,064	\$474,454	\$488,134	\$469,037
Loans, net	340,873	347,743	366,353	369,794	331,124
Investment securities	112,819	66,768	55,811	66,478	93,362
Intangible assets	14,246	14,502	14,905	15,364	15,806
Deposits	445,968	399,556	403,128	395,911	403,049
Shareholders' equity	65,352	62,827	59,666	56,142	57,900
SHARE DATA					
Earnings per share					
Basic	\$ 0.46	\$ 0.27	\$ 0.14	\$ 0.08	\$ 0.36
Diluted	\$ 0.45	\$ 0.26	\$ 0.14	\$ 0.07	\$ 0.34
Book value per share	\$ 5.06	\$ 4.82	\$ 4.74	\$ 4.48	\$ 4.63
Tangible book value per share	\$ 3.95	\$ 3.71	\$ 3.55	\$ 3.25	\$ 3.37
Average shares outstanding	13,062	12,949	12,579	12,954	12,765
Shares outstanding end of year	12,922	13,032	12,592	12,533	12,495
SELECTED RATIOS					
Net interest margin	4.41%	4.58%	4.50%	4.61%	4.80%
Return on average assets	1.19%	0.70%	0.38%	0.21%	1.02%
Return on average equity	9.20%	5.49%	3.08%	1.72%	7.76%
Return on average tangible equity	12.78%	8.17%	5.20%	3.28%	11.61%
Efficiency ratio	63%	69%	63%	71%	58%
Loans to deposits	78%	89%	93%	95%	83%
Allowance for loan losses to total loans	2.00%	2.60%	1.86%	1.42%	1.48%
Nonperforming assets to total assets	2.77%	4.28%	2.27%	1.97%	0.16%
Net loan losses to average loans	0.80%	0.30%	1.02%	1.43%	0.15%
Equity to assets	12.51%	13.31%	12.58%	11.50%	12.34%

1) Includes OREO valuation adjustments of \$1,620, \$749 and \$663 in 2011, 2010 and 2009, respectively.

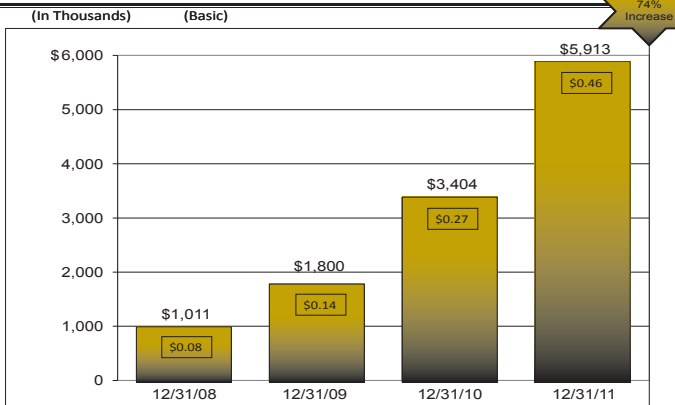
2) Includes other-than-temporary impairment charges of \$1,081, \$31 and \$2,519, in 2010, 2009 and 2008, respectively. In 2009, the adoption of new accounting standards resulted in a recovery of \$1,100 of the \$2,519 charge in 2008 as an increase to retained earnings, net of taxes of \$452.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)
(In thousands, except per share data)

	Year Ended December 31,	
	2011	2010
INTEREST INCOME		
Loans	\$18,538	\$20,152
Investment securities	2,924	2,779
Federal funds sold and deposits in banks	50	35
Total interest income	21,512	22,966
INTEREST EXPENSE		
Deposits	1,670	2,754
Borrowings	-	5
Total interest expense	1,670	2,759
Net interest income	19,842	20,207
Provision for loan losses	450	3,420
Net interest income after provision for loan losses	19,392	16,787
NONINTEREST INCOME		
Service charges	1,460	1,647
Other	<u>2,119</u>	<u>1,500</u>
Total noninterest income	3,579	3,147
NONINTEREST EXPENSES		
Salaries and employee benefits	7,288	7,246
Occupancy and equipment	1,199	1,627
Other ^{1), 2)}	<u>6,711</u>	<u>7,616</u>
Total noninterest expenses	15,198	16,489
Income before income taxes	7,773	3,445
Income taxes	<u>1,860</u>	<u>41</u>
Net income	<u>\$ 5,913</u>	<u>\$ 3,404</u>
Basic earnings per share	<u>\$ 0.46</u>	<u>\$ 0.27</u>
Diluted earnings per share	<u>\$ 0.45</u>	<u>\$ 0.26</u>

Net Income/Earnings Per Share



74% Increase