

15985 East High Street P. O. Box 35 Middlefield, Ohio 44062 Phone: 440/632-1666 FAX: 440/632-1700 www.middlefieldbank.bank

## PRESS RELEASE

**Company Contact:** Thomas G. Caldwell President/Chief Executive Officer Middlefield Banc Corp. (440) 632-1666 Ext. 3200 tcaldwell@middlefieldbank.com Investor and Media Contact: Andrew M. Berger Managing Director SM Berger & Company, Inc. (216) 464-6400 andrew@smberger.com

#### Middlefield Banc Corp. Reports 2016 First Quarter Financial Results

MIDDLEFIELD, OHIO, April 21, 2016 **\* \* \*** Middlefield Banc Corp. (NASDAQ: MBCN) today reported financial results for the 2016 first quarter ended March 31, 2016.

2016 First Quarter Financial Highlights Include (on a year-over-year basis unless noted):

- Net interest income increased 2.8% to \$6.3 million.
- Noninterest income grew 14.2% to \$0.9 million.
- Noninterest expenses increased 11.0%.
- Net income was \$1.5 million, or \$0.79 per diluted share.
- Tangible stockholders' equity improved 2.5% from the 2015 fourth quarter.
- Total net loans increased 11.6% to \$524.0 million.
- Tier 1 capital ratio remains strong at 9.19%.

"We were pleased with our first quarter results, as net loans grew 11.6% and tangible book value per share increased 6.0% over the same period last year," stated Thomas G. Caldwell, President and Chief Executive Officer. "As we expected, the first quarter reflects the additional expenses from our new Mentor LPO and the addition of several new loan officers, which contributed to an 11.0% increase in noninterest expenses from the 2015 first quarter. We anticipate loan growth to show significant sequential improvements in the 2016 second quarter driven by increased productivity from our new lenders. In addition, we are making progress growing our secondary mortgage program as we enter the strong residential real estate selling season. For the 2016 first quarter, fees generated by selling residential mortgages increased nearly 30% from the same period a year ago. We continue to believe 2016 will benefit from the full-year contribution of our new lenders, business managers and Mentor LPO, and we are optimistic this will drive higher assets and loans, and improved profitability."

Net income for the 2016 first quarter was \$1.5 million, or \$0.79 per diluted share, compared to net income for the 2015 first quarter of \$1.6 million, or \$0.79 per diluted share. Annualized returns on average equity

("ROE") and average assets ("ROA") for the 2016 first quarter were 9.34% and 0.81%, respectively, compared with 10.23% and 0.96% for the 2015 first quarter.

Mr. Caldwell continued: "We continue to execute on the strategic plan we developed last year and the strong team of dedicated associates we assembled is starting to contribute to our next phase of growth. We operate in competitive markets and having a strong team in place is critical for our success. As other banks within our markets focus on consolidation, our emphasis continues to be on growing our market share by providing customers with our core community banking values. I am excited about our opportunities in 2016."

## **Income Statement**

Net interest income for the 2016 first quarter was \$6.3 million, compared to nearly \$6.2 million for the 2015 first quarter. The 2.8% increase in net interest income for the 2016 first quarter was a result of a 5.6% increase in interest and fees on loans. The net interest margin for the 2016 first quarter was 3.87%, compared to 4.02% for the same period of 2015.

Noninterest income for the 2016 first quarter was up 14.2% to \$0.9 million, primarily a result of gains on the sales of investments and loans, as well as on earnings on bank-owned life insurance. Noninterest expense for the 2016 first quarter was \$5.3 million, an increase of approximately \$0.5 million from the 2015 first quarter. The higher noninterest expenses were primarily because of higher salaries, employee benefits, and operating expenses to support the company's growth objectives.

"Our asset quality remains strong, as charge offs declined 73.6% from the first quarter last year," said Donald L. Stacy, Chief Financial Officer. "Nonperforming loans are up year-over-year mainly due to the overall increase in our loan portfolio. While we expect strong loan growth in the 2016 second quarter, we remain focused on managing risk and maintaining high quality lending practices. We had \$30.2 million in cash and cash equivalents on our balance sheet at March 31, 2016 and net loans to total deposits of 83.0%. Looking at expenses, the main driver of the increase in 2016 first quarter noninterest expenses was higher salary and benefit costs as a result of the investments we made last year in personnel. We expect to leverage these costs as our lenders close loans and increase the size of our portfolio. In addition, we expect to see further improvements in noninterest income, which will help offset higher operating expenses."

#### **Balance Sheet**

Total assets at March 31, 2016 increased 4.7% to \$732.9 million, from \$700.0 million at March 31, 2015. Net loans at March 31, 2016 were \$524.0 million, compared to \$469.4 million at March 31, 2015. The 11.6% year-over-year improvement in net loans was a result of loan growth in both residential and commercial mortgages, which increased 11.7% and 18.7%, respectively, as well as a 9.5% increase in consumer installment loans. This improvement more than offset a 7.1% year-over-year decrease in commercial and industrial and real estate construction loans.

Total deposits at March 31, 2016 increased 2.3% to \$631.4 million from \$617.1 million at March 31, 2015. The company continued to proactively manage its cost of funds and control deposit growth. The investment portfolio, which is entirely classified as available for sale, was \$142.6 million at March 31, 2016, compared with \$151.2 million at March 31, 2015.

## Stockholders' Equity and Dividends

Tangible stockholders' equity decreased 3.0% to \$59.1 million for the 2016 first quarter, compared to \$61.0 million at March 31, 2015. On a per share basis, tangible stockholders' equity increased 6.0% to \$31.42 at March 31, 2016 from \$29.65 at March 31, 2015. In October 2015, the Company repurchased 196,635 shares of its common stock. At March 31, 2016, the company had a Tier 1 leverage ratio of 9.19%, down from 9.70% at March 31, 2015.

During the 2016 first quarter, the company paid cash dividends of \$0.27 per share, which represents a dividend payout ratio of 34.1%.

### **Asset Quality**

The provision for loan losses for both the 2016 and 2015 first quarter were \$0.1 million. Nonperforming assets at March 31, 2016 were \$12.0 million, compared to \$10.5 million at March 31, 2015. Net charge-offs for the 2016 first quarter were \$0.1 million, or 0.10% of average loans, annualized compared to \$0.5 million, or 0.4.3% of average loans, annualized. The allowance for loan losses at March 31, 2016 stood at \$6.4 million, or 1.20% of total loans, compared to \$6.4 million or 1.35% of total loans at March 31, 2015.

The following table provides a summary of asset quality and reserve coverage ratios.

			-	<b>ty Histor</b> housands	•					
	3/3	1/2016	3/3	31/2015	12/	31/2015	12/	31/2014	12/.	31/2013
Nonperforming loans	\$	10,508	\$	8,262	\$	10,263	\$	9,048	\$	12,290
Real estate owned	\$	1,447	\$	2,203	\$	1,412	\$	2,590	\$	2,698
Nonperforming assets	\$	11,955	\$	10,465	\$	11,675	\$	11,638	\$	14,988
Allowance for loan losses	\$	6,357	\$	6,447	\$	6,385	\$	6,846	\$	7,046
Ratios: Nonperforming loans to										
total loans Nonperforming assets to		1.98%		1.74%		1.92%		1.92%		2.82%
total assets Allowance for loan losses to		1.63%		1.50%		1.59%		1.72%		2.32%
total loans Allowance for loan losses to		1.20%		1.35%		1.20%		1.45%		1.62%
nonperforming loans		60.50%		78.03%		62.21%		75.66%		57.33%

Middlefield Banc Corp., headquartered in Middlefield, Ohio, is a bank holding company with total assets of \$732.9 million at March 31, 2016. The bank operates 10 full service banking centers and an LPL Financial<sup>®</sup> brokerage office serving Chardon, Cortland, Dublin, Garrettsville, Mantua, Middlefield, Newbury, Orwell, and Westerville. The Bank also operates a Loan Production Office in Mentor, Ohio. Additional information is available at <u>www.middlefieldbank.bank</u>.

This press release of Middlefield Banc Corp. and the reports Middlefield Banc Corp. files with the Securities and Exchange Commission often contain "forward-looking statements" relating to present or future trends or factors affecting the banking industry and, specifically, the financial operations, markets and products of Middlefield Banc Corp. These forward-looking statements involve certain risks and uncertainties. There are a number of important factors that could cause Middlefield Banc Corp.'s future results to differ materially from historical performance or projected performance. These factors include, but are not limited to: (1) a significant increase in competitive pressures among financial institutions; (2) changes in the interest rate environment that may reduce interest margins; (3) changes in prepayment speeds, charge-offs and loan loss provisions; (4) less favorable than expected general economic conditions; (5) legislative or regulatory changes that may adversely affect businesses in which Middlefield Banc Corp. is engaged; (6) technological issues which may adversely affect Middlefield Banc Corp.'s financial operations or customers; (7) changes in the securities markets; or (8) risk factors mentioned in the reports and registration statements Middlefield Banc Corp. files with the Securities and Exchange Commission. Middlefield Banc Corp. undertakes no obligation to release revisions to these forward-looking statements or to reflect events or circumstances after the date of this press release.

#### MIDDLEFIELD BANC CORP.

#### Consolidated Selected Financial Highlights

March 31, 2016 and 2015

(Dollar amounts in thousands) (unaudited)

(unaudited)					
	For the Three Months Ended				
	 <u> </u>		<u>arch 31,</u> 2015		
INTEREST INCOME	 2010		2015		
Interest and fees on loans	\$ 6,173	\$	5,843		
Interest-bearing deposits in other institutions	12		8		
Federal funds sold	4		3		
Investment securities			-		
Taxable interest	340		395		
Tax-exempt interest	790		759		
Dividends on stock	29		27		
Total interest income	 7,348		7,035		
INTEREST EXPENSE	 .,		.,		
Deposits	855		831		
Short term borrowings	120		37		
Other borrowings	17		23		
Trust preferred securities	33		(8)		
Total interest expense	 1,025		883		
rotur meetest enpense	 1,020				
NET INTEREST INCOME	6,323		6,152		
Provision for loan losses	 105		105		
NET INTEREST INCOME AFTER PROVISION					
FOR LOAN LOSSES	 6,218		6,047		
NONINTEREST INCOME					
Service charges on deposits	447		441		
Investment securities gains, net	51		24		
Earnings on bank-owned life insurance	99		69		
Gains on sale of loans	87		53		
Other income	 225		209		
Total non-interest income	909		796		
NONINTEREST EXPENSE					
Salaries and employee benefits	2,780		2,360		
Occupancy expense	335		349		
Equipment expense	269		216		
Data processing costs	272		250		
Ohio state franchise tax	100		75		
Federal deposit insurance expense	132		112		
Professional fees	292		319		
Loss on sale of other real estate owned	12		88		
Advertising expense	195		196		
Other real estate expense	46		65		
Directors Fees	107		118		
Core deposit intangible amortization	10		10		
Other operating expense	788		653		
Total non-interest expense	 5,338		4,811		
Income before income taxes	 1,789		2,032		
Provision for income taxes	302		404		
NET INCOME	\$ 1,487	\$	1,628		

#### MIDDLEFIELD BANC CORP. Consolidated Selected Financial Highlights

# March 31, 2016 and 2015 and December 31, 2015

Balance Sheet (period end)	March 31,	December 31,	March 31,	
(Dollar amounts in thousands)	2016	2015	2015	
	(unaudited)		(unaudited)	
Assets				
Cash and due from banks \$	25,251	\$ 22,421	\$ 32,727	
Federal funds sold	4,969	1,329	12,535	
Cash and cash equivalents	30,220	23,750	45,262	
Investment securities available for sale	142,560	146,520	151,159	
Loans held for sale	176	1,107	690	
Loans:	530,356	533,710	475,818	
Less: reserve for loan losses	6,357	6,385	6,447	
Net loans	523,999	527,325	469,371	
Premises and equipment	9,607	9,772	9,927	
Goodwill	4,559	4,559	4,559	
Core deposit intangible	66	76	106	
Bank-owned life insurance	13,240	13,141	9,161	
Other real estate owned	1,447	1,412	2,203	
Accrued interest receivable and other assets	7,008	7,477	7,496	
Total Assets \$	732,882	\$ 735,139	\$ 699,934	
	March 31,	December 31,	March 31,	
	2016	2015	2015	
Liabilities and Stockholders' Equity				
Non-interest bearing demand deposits \$	115,453	\$ 116,498	\$ 105,728	
Interest bearing demand deposits	67,082	57,219	64,460	
Money market accounts	82,143	78,856	77,099	
Savings deposits	178,292	180,653	179,850	
Time deposits	188,436	191,221	190,006	
Total Deposits	631,406	624,447	617,143	
Short-term borrowings	26,124	35,825	4,913	
Other borrowings	9,875	9,939	10,533	
Other liabilities	1,713	2,624	1,661	
Total Liabilities	669,118	672,835	634,250	
Common equity	36,345	36,191	35,706	
Retained earnings	38,216	37,236	33,618	
Accumulated other comprehensive income	2,721	2,395	3,094	
Treasury stock	(13,518)	(13,518)	(6,734)	
Total Stockholders' Equity	63,764	62,304	65,684	
Total Liabilities and Stockholders' Equity \$	732,882	\$ 735,139	\$ 699,934	

Per common share data         2016         2015           Net income per common share - diluted         \$         0.79         \$         0.79           Net income per common share - diluted         \$         0.79         \$         0.79           Dividends declared         \$         0.27         \$         0.26           Book value per share (period end)         \$         33.88         \$         31.92           Tangible book value per share (period end)         \$         31.42         \$         29.56           Average shares outstanding - basic         1.878,177         2.035,026         2.062,867           Period ending shares outstanding         1.882,026         2.038,026         2.062,867           Selected ratios         0.81%         0.96%         4.56%           Cost of interest bearing liabilities         0.75%         0.70%         Net interest stepread         3.72%         3.86%           Net interest spread         3.72%         4.06%         4.56%         6.56%         6.56%           Te 1 capital to average assets         9.19%         9.70%         2.062         2.073,07%           Commercial and industrial         \$         47,436         \$         4.916           Real estate - construction         21.			For the Three Months Ended March 31,		
Per common share data         Net income per common share - duted         \$         0.79         \$         0.79           Net income per common share - duted         \$         0.79         \$         0.79         \$         0.79           Dividends declared         \$         0.77         \$         0.26         Book value per share (period end)         \$         33.88         \$         31.42         \$         29.65           Dividend payout ratio         34.10%         32.30%         \$         20.26         \$         20.86         \$         2.078,002         \$         20.88,026         \$         2.088,026         \$         2.088,026         \$         2.088,026         \$         2.088,026         \$         2.088,026         \$         2.088,026         \$         2.088,026         \$         2.088,026         \$         \$         3.87         \$         4.6%         4.56%         \$         \$         \$         3.87%         \$         0.81%         0.096%         \$         0.079%         \$         0.079%         \$         0.079%         \$         0.079%         \$         0.079%         \$         0.023%         \$         0.66%         \$         \$         5         0.66%         \$         \$         0					2015
Net income per common share - basic         \$         0.79         \$         0.79         \$         0.79           Net income per common share - diluted         \$         0.27         \$         0.26           Book value per share (period end)         \$         33.88         \$         31.92           Tangible book value per share (period end)         \$         31.42         \$         2056           Dividends declared         1.878,177         2.035,660         Average shares outstanding - basic         1.878,177         2.053,660           Average shares outstanding         0.81%         0.069%         2.008,026         2.058,026           Selected ratios         0.81%         0.069%         4.46%         4.56%           Cost of interest obearing liabilities         0.75%         0.70%         4.25%           Net interest spread         3.72%         3.86%         4.26%           Cost of interest bearing liabilities         0.75%         0.70%         4.25%           To amounts in thousands)         2016         2015         24.763           Commercial and industrial         \$         47.436         \$         4.8916           Real estate - construction         21.005         24.763         8         4.52%	Per common share data				
Dividends declared         \$         0.27         \$         0.26           Book value per share (period end)         \$         33.88         \$         31.92           Tangible book value per share (period end)         \$         31.42         \$         20.65           Dividend payout ratio         34.10%         32.80%         \$         32.80%           Average shares outstanding - dhuted         1.878,177         2.053.660         \$           Average shares outstanding - dhuted         1.886,043         2.062.867           Period ending shares outstanding         1.882,026         2.058.026           Selected ratios         0.81%         0.96%           Return on average easiets         0.81%         0.96%           Keturn on average easiets         0.75%         0.70%           Net interest spread         3.72%         3.86%           Net interest spread         3.72%         3.86%           Net interest spread         3.72%         3.86%           Commercial and industrial         \$         47,436         \$         4.8916           Real estate - construction         2.1005         2.4763         \$         4.8916           Real estate - construction         2.1005         2.4763         \$		\$	0.79	\$	0.79
Book value per share (period end)         \$         33.88         \$         31.92           Tangible book value per share (period end)         \$         31.42         \$         29.65           Dividend payout ratio         34.10%         5         22.89%           Average shares outstanding - basic         1.878,177         20.653,660           Average shares outstanding - duted         1.886,043         2.002,867           Period ending shares outstanding - duted         1.886,043         2.002,867           Selected ratios         0.81%         0.025%           Retum on average assets         0.81%         0.025%           Retur on average assets         0.75%         0.70%           Net interest sprend         3.72%         3.86%           Net interest sprend         3.87%         4.025%           Efficiency         69.88%         66.56%           Tir I capital to average assets         9.19%         9.70%           Commercial and industrial         \$         47,436         \$         48.916           Real estate - construction         210.05         24,763         Real estate - mortgage:         Residential         23.849         213.537           Commercial and industrial         \$         5303.356         \$	Net income per common share - diluted	\$	0.79	\$	0.79
Tangible book value per share (period end)       S $31.42$ S $29.65$ Dividend payout ratio $34.10\%$ $32.80\%$ Average shares outstanding - basic $1.878,177$ $2.053,660$ Average shares outstanding - diluted $1.886,943$ $2.002,867$ Period ending shares outstanding $1.882,026$ $2.058,026$ Selected ratios       Retum on average assets $0.81\%$ $0.96\%$ Retum on average capity $9.34\%$ $10.23\%$ $75\%$ Yield on earning assets $0.81\%$ $0.09\%$ $0.09\%$ Net interest margin $3.72\%$ $3.387\%$ $4.02\%$ Efficiency $69.88\%$ $65.56\%$ $65.56\%$ Ter L capital to average assets $9.19\%$ $9.70\%$ Commercial and industrial       S $47,436$ S $48,916$ Real estate - construction $21.005$ $24,763$ S $45,937$ Commercial and industrial       S $50,633$ $4,623$ $45,237$ Commercial and industrial       S $50,633$ $4,623$ $45,237$ Total Loans       S $50,355$ <td>Dividends declared</td> <td>\$</td> <td>0.27</td> <td>\$</td> <td>0.26</td>	Dividends declared	\$	0.27	\$	0.26
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Book value per share (period end)	\$	33.88	\$	31.92
Average shares outstanding - basic       1.878,177       2.053,660         Average shares outstanding       1.886,943       2.062,867         Period ending shares outstanding       1.882,026       2,058,026         Selected ratios       0.81%       0.96%         Return on average assets       0.81%       0.96%         Return on average equity       9.34%       10.23%         Yield on earning assets       4.46%       4.56%         Ost of interest bearing liabilities       0.75%       0.70%         Net interest spread       3.72%       3.86%         Net interest margin       2.062,867       4.02%         Efficiency       69.88%       65.56%         Tie 1 capital to average assets       9.19%       9.70%         Commercial and industrial       \$       47,436       \$       48,916         Real estate - construction       21,005       24,763       Real estate - mortgage:       2         Residential       238,489       213,537       Commercial       183,079       2005       247,63         Conservation       \$       530,356       \$       4475,818       1475,818       1475,818       1475,818       166       105         Dollar amounts in thousands)       0.0	Tangible book value per share (period end)	\$	31.42	\$	29.65
Average shares outstanding - diluted1,886,9432,062,867Period ending shares outstanding1,882,0262,058,026Selected ratios0.81%0.96%Return on average assets0.81%10,23%Yield on earning assets4,46%4,56%Cost of interest bearing liabilities0.75%0,70%Net interest spread3,72%3,86%Net interest spread3,72%3,86%Net interest margin3,87%40,2%Efficiency69,88%65,56%Tier I capital to average assets9,19%9,70%Commercial and industrial\$ 47,436\$ 48,916Real estate - construction21,00524,763Real estate - construction218,363183,979Consumer installment5,063 $4,623$ (Dollar amounts in thousands)55,0356Consumer installment5,063 $4,623$ (Dollar amounts in thousands)1,363183,979Consumer installment5,063 $4,623$ (Dollar amounts in thousands)0162015Non-accrual loans\$ 7,534\$ 6,229Troubled debt restructuring2,9071,767Nonperforming loans\$ 10,5088,262Other real estate owned1,4472,203Nonperforming loans\$ 10,5088,262Other real estate owned1,245\$ 10,465Nonperforming loans\$ 1,20%1,35%Nonperforming loans, annualized133504Neare-offs:133 <t< td=""><td>Dividend payout ratio</td><td></td><td>34.10%</td><td></td><td>32.80%</td></t<>	Dividend payout ratio		34.10%		32.80%
Period ending shares outstanding         1,882,026         2,058,026           Selected ratios         Return on average assets         0.81%         0.96%           Return on average assets         0.81%         0.96%           Return on average equity         9.34%         10.23%           Yield on earning assets         4.46%         4.56%           Cost of interest bearing liabilities         0.75%         0.70%           Net interest margin         3.87%         4.02%           Efficiency         69.88%         65.56%           Tier 1 capital to average assets         9.19%         9.70%           Commercial and industrial         \$         47,436         \$         48,916           Real estate - construction         21,005         24,763         Real estate - construction         210,05         24,763           Real estate - mortgage:         Residential         238,489         213,537         Consumer installment         5,003         4,623           Total Loans         \$         530,356         \$         475,818           Non-accrual loans         \$         7,534         \$         6,329           Total Loans         \$         7,534         \$         6,329           Non-performing loans			1,878,177		2,053,660
Selected ratiosReturn on average assets0.81%0.96%Return on average equity9.34%10.23%Yield on earning assets4.46%4.56%Ocst of interest bearing liabilities0.75%0.70%Net interest spread3.72%3.86%Net interest margin3.87%4.02%Efficiency69.88%65.56%Tier 1 capital to average assets9.19%9.70%Commercial and industrial\$47,436\$Real estate - construction21,00524,763Real estate - nortgage:218,363183,979Commercial218,363183,979Consumer installment5,0634,623Total Loans\$530,356\$March 31, 20162015March 31, 20162015Asset quality data20162015(Dollar amounts in thousands)55,30,356\$Consumer installment5,0634,623Total Loans\$7,534\$6,329Non-accrual loans\$7,534\$6,329Non-accrual loans\$1,4772,203Nonperforming loans10,508Nonperforming loans\$1,20%1,35%1,465Allowance for loan and lease losses\$6,357\$6,447Allowance for loan and lease losses/total loans1,20%1,35%Net charge-offs: rear-to-date133504Net charge-offs: 	Average shares outstanding - diluted		1,886,943		2,062,867
Return on average assets $0.81\%$ $0.96\%$ Return on average quity $9.34\%$ $10.23\%$ Yield on earning assets $4.46\%$ $4.56\%$ Cost of interest bearing liabilities $0.75\%$ $0.70\%$ Net interest spread $3.72\%$ $3.86\%$ Net interest spread $3.72\%$ $3.86\%$ Net interest spread $3.72\%$ $3.86\%$ Efficiency $69.88\%$ $65.56\%$ Tier 1 capital to average assets $9.19\%$ $9.70\%$ Loans $2016$ $2015$ Commercial and industrial $\$$ $47,436$ $\$$ Real estate - construction $21,005$ $24,763$ Real estate - mortgage:         Residential $238,489$ $213,537$ Commercial $218,363$ $183,979$ $0$ Consumer installment $5.063$ $4.623$ $4623$ Total Loans $$ 5.7534$ $$ 6.329$ $7.534$ $$ 6.329$ Troubled debt restructuring $2.907$ $1.767$ $90$ day past due and accruing $0$	Period ending shares outstanding		1,882,026		2,058,026
Return on average equity       9.34%       10.23%         Yield on earning assets       4.46%       4.56%         Cost of interest bearing liabilities       0.75%       0.70%         Net interest spread       3.72%       3.86%         Net interest spread       3.72%       3.86%         Net interest margin       3.87%       4.02%         Efficiency       69.88%       65.56%         Tier 1 capital to average assets       9.19%       9.70%         Commercial and industrial       \$ 47,436       \$ 48,916         Real estate - construction       21,005       24,763         Real estate - construction       210,005       24,763         Real estate - mortgage:       Residential       238,489       213,537         Commercial       218,363       183,979       2016       2015         Consumer installment       5,063       4,623       303356       \$ 475,818         Asset quality dta       20,07       1,767       30       4,623         Non-accrual loans       \$ 7,534       \$ 6,329       7 166         Nonperforming loans       10,508       8,262       2007       1,767         90 day past due and accruing       67       166       30,056	Selected ratios				
Yield on earning assets       4.46%       4.56%         Cost of interest braing liabilities       0.75%       0.70%         Net interest spread       3.87%       4.02%         Efficiency       69.88%       65.56%         Tier 1 capital to average assets       9.19%       9.70%         March 31, 2016       2015         (Dollar amounts in thousands)       2016       2015         Commercial and industrial       \$ 47,436       \$ 48,916         Real estate - construction       21,005       24,763         Real estate - nontgage:       Residential       238,489       213,537         Commercial       218,363       183,979       20.63       4623         Consumer installment       5,063       \$ 475,818       4623         Non-accrual loans       \$ 7,534       \$ 6,329       75,818         Non-accrual loans       \$ 7,534       \$ 6,329       71,667         Youlded debt restructuring       2,907       1,767       166         Nonperforming loans       10,508       8,2322       10,465         Allowance for loan and lease losses       \$ 6,357       \$ 6,447         Allowance for loan and lease losses/total loans       1,20%       1,35%         Net	Return on average assets		0.81%		0.96%
Cost of interest bearing liabilities $0.75\%$ $0.70\%$ Net interest spread $3.72\%$ $3.86\%$ Net interest margin $3.87\%$ $4.02\%$ Efficiency $69.88\%$ $65.56\%$ Tier 1 capital to average assets $9.19\%$ $9.70\%$ March 31,         March 31,         March 31,         2016         2015           Commercial and industrial         \$ 47,436         \$ 48,916         Real estate - construction         21,005         24,763           Real estate - construction         218,063         183,979         Commercial         218,363         183,979           Consumer installment $5.063$ $4.623$ 7015 $4.623$ Total Loans         \$ 530,356         \$ 475,818         March 31,         2015           Moneaccrual loans         \$ 7,534         \$ 6,329         70,563 $8.262$ Other real estate owned $1,447$ 2,203         2,007         1,767           Nonperforming loans         \$ 1,055         \$ 10,465         \$ 1,447         2,203           Nonperforming loans         \$ 1,20\%         \$ 1,35\%         \$ 1,465           Allowance for loan and lease l	Return on average equity		9.34%		10.23%
Net interest spread $3.72\%$ $3.86\%$ Net interest margin $3.87\%$ $4.02\%$ Efficiency $69.88\%$ $65.56\%$ Tier I capital to average assets $9.19\%$ $9.70\%$ March 31,       March 31, $2016$ $2015$ (Dollar amounts in thousands) $2016$ $2015$ $24.763$ Commercial and industrial       \$ 47,436       \$ 48,916 $88.8\%$ $65.56\%$ Real estate - construction $21,005$ $24.763$ $8a.84\%$ $213,537$ Commercial $218,363$ $183,979$ $205.33,0356$ $5.475.818$ Consumer installment $5.063$ $4.623$ $530.356$ $5.475.818$ Asset quality data $2016$ $2015$ $2015$ (Dollar amounts in thousands) $8.7534$ $5.6329$ $7.534$ $6.329$ Non-accrual loans       \$ 7.534 $5.6329$ $7.666$ $8.262$ Other real estate owned $1.4477$ $2.203$ $8.262$ $9.6337$ $5.6447$ Allowance for loan and lease losses       \$ 6.357       \$ 6.447 $1.20\%$ $1.35\%$	Yield on earning assets		4.46%		4.56%
Net interest margin $3.87\%$ $4.02\%$ Efficiency $69.88\%$ $65.56\%$ Tier I capital to average assets $9.19\%$ $9.70\%$ March 31, 2016March 31, 2015March 31, 2015Loans $2016$ $2015$ (Dollar amounts in thousands) $21.005$ $24.763$ Commercial and industrial $$47,436$ $$48,916$ Real estate - construction $21.005$ $24.763$ Real estate - nortgage:Real estate - mortgage: $8.363$ Residential $238,489$ $213,537$ Commercial $218,363$ $183,979$ Consumer installment $5.063$ $4.623$ Total Loans $$530,356$ $$475,818$ March 31, 2016 $2015$ $2015$ (Dollar amounts in thousands) $$10,508$ $$2,907$ Non-accrual loans $$7,534$ $$6,329$ Troubled debt restructuring $2,907$ $1,767$ 90 day past due and accruing $67$ $166$ Nonperforming loans $$1,1,955$ $$10,465$ Allowance for loan and lease losses $$6,357$ $$6,447$ Allowance for loan and lease losses/total loans $$1.20\%$ $$1.35\%$ Net charge-offs: Year-to-date $$133$ $$504$ Net charge-offs: Year-to-date $$0.10\%$ $$0.43\%$ Nonperforming loans/total loans $$1.98\%$ $$1.74\%$	Cost of interest bearing liabilities		0.75%		0.70%
Efficiency $69.88\%$ $65.56\%$ $9.19\%$ Tier 1 capital to average assets $9.19\%$ $9.70\%$ Leans $2016$ $2015$ (Dollar amounts in thousands)March 31, $2016$ $2015$ Commercial and industrial $\$$ $47,436$ $\$$ $48,916$ Real estate - construction $21,005$ $24,763$ Real estate - construction $21,005$ $24,763$ Real estate - construction $218,363$ $183,979$ Consumer installment $5.063$ $4.623$ Total Loans $\$$ $530,356$ $\$$ March 31, $2016$ $2015$ March 31, $2016$ $2015$ March 31, $2016$ $2015$ On-accrual loans $\$$ $7,534$ $\$$ Consumer installment $5.063$ $4.623$ Toubled debt restructuring $2.907$ $1,767$ 90 day past due and accruing $67$ $1.66$ Nonperforming loans $10.508$ $8.262$ Other real estate owned $1.447$ $2.203$ Nonperforming assets $$1.1955$ $$10.465$ Allowance for loan and lease losses $$6,357$ $$6.447$ Allowance for loan and lease losses/total loans $1.20\%$ $1.35\%$ Net charge-offs: Year-to-date $9.3\%$ $1.00\%$ $0.43\%$ Nonperforming loans/total loans $1.98\%$ $1.74\%$	Net interest spread		3.72%		3.86%
Tier I capital to average assets9.19%9.70%LeansMarch 31, 2016March 31, 2015(Dollar amounts in thousands)\$47,436\$48,916Commercial and industrial\$47,436\$48,916Real estate - construction21,00524,763Real estate - mortgage:218,363183,979Consumer installment5,0634,623Total Loans\$530,356\$March 31, 20162015March 31, 20162015Mon-accrual loans\$7,534\$Non-accrual loans\$7,534\$6,329Non-accrual loans\$7,534\$6,329Non-performing loans10,5088,2621.66Nonperforming loans\$1.05088,262Other real estate owned\$1.14472,203Nonperforming assets\$1.20%1.35%Allowance for loan and lease losses /total loans\$1.20%1.35%Net charge-offs: Year-to-date133504Net charge-offs: Year-to-date0.10%0.43%0.043%Nonperforming loans/total loans1.98%1.74%	Net interest margin		3.87%		4.02%
March 31, 2016March 31, 2015Loans20162015(Dollar amounts in thousands)\$ 47,436 21,005\$ 48,916 24,763Commercial and industrial Real estate - construction\$ 47,436 21,005\$ 48,916 24,763Real estate - mortgage: Residential238,489 213,537213,537 2016Commercial Consumer installment Total Loans218,363 530,356183,979 4,623Non-accrual loans\$ 530,356 2016\$ 475,818March 31, 201620152015Non-accrual loans Non-accrual loans\$ 7,534 2,907 1,767\$ 6,329 1,767Non-performing loans Nonperforming loans\$ 11,955 2,007\$ 10,465Allowance for loan and lease losses Net charge-offs: Year-to-date\$ 6,357 1,20%\$ 6,447 1,35%Allowance for loan and lease losses/total loans Net charge-offs: Year-to-date\$ 1,32% 1,35%\$ 0,10% 1,33%	Efficiency		69.88%		65.56%
Leans         2016         2015           (Dollar amounts in thousands)         \$             47,436         \$             48,916         \$             48,916         \$             8eal estate - construction         21,005         24,763         \$             8eal estate - mortgage:            Real estate - mortgage:              238,489         213,537         Commercial         218,363         183,979           Consumer installment              5,063              4,623         \$             530,356              475,818           March 31,         2016         2015           \$             50,063         \$             4,623         \$             75,345         \$             6,329         \$             71,767         \$             0166         \$             2015         \$             70166         \$             2015         \$             71,767         \$             90 day past due and accruing             7,534         \$             6,329         \$             71,767         \$             00 day past due and accruing             7,673         \$             8,262         \$             10,508         \$             8,262         \$             0,508         \$             8,262         \$             10,508         \$             8,262         \$             10,455         \$             10,455         \$             10,455         \$             10,455         \$             10,455         \$             10,455	Tier 1 capital to average assets		9.19%		9.70%
Leans         2016         2015           (Dollar amounts in thousands)         \$             47,436         \$             48,916         \$             48,916         \$             8eal estate - construction         21,005         24,763         \$             8eal estate - mortgage:            Real estate - mortgage:              238,489         213,537         Commercial         218,363         183,979           Consumer installment              5,063              4,623         \$             530,356              475,818           March 31,         2016         2015           \$             50,063         \$             4,623         \$             75,345         \$             6,329         \$             71,767         \$             0166         \$             2015         \$             70166         \$             2015         \$             71,767         \$             90 day past due and accruing             7,534         \$             6,329         \$             71,767         \$             00 day past due and accruing             7,673         \$             8,262         \$             10,508         \$             8,262         \$             0,508         \$             8,262         \$             10,508         \$             8,262         \$             10,455         \$             10,455         \$             10,455         \$             10,455         \$             10,455         \$             10,455					
(Dollar amounts in thousands)Commercial and industrial\$ 47,436\$ 48,916Real estate - construction21,00524,763Real estate - mortgage:218,363183,979Conmercial218,363183,979Consumer installment $5,063$ $4,623$ Total Loans\$ 530,356\$ 475,818March 31, 201620162015(Dollar amounts in thousands) $Non-accrual loans$ \$ 7,534\$ 6,329Non-accrual loans\$ 7,534\$ 6,329Troubled debt restructuring2,9071,76790 day past due and accruing $67$ 166Nonperforming loans10,5088,262Other real estate owned $1,447$ 2,203Nonperforming assets\$ 11,955\$ 10,465Allowance for loan and lease losses\$ 6,357\$ 6,447Allowance for loan and lease losses/total loans1.20%1.35%Net charge-offs : Year-to-date133504Net charge-offs to average loans, annualized Year-to-date0.10%0.43%Nonperforming loans/total loans1.98%1.74%					
Commercial and industrial\$ $47,436$ \$ $48,916$ Real estate - construction $21,005$ $24,763$ Real estate - mortgage: $218,363$ $183,979$ Conmercial $218,363$ $183,979$ Consumer installment $5,063$ $4,623$ Total Loans\$ $530,356$ \$Asset quality data $2016$ $2015$ (Dollar amounts in thousands) $Non-accrual loans$ \$ $7,534$ \$Non-accrual loans\$ $7,534$ \$ $6,329$ Troubled debt restructuring $2,907$ $1,767$ $90$ day past due and accruing $67$ $166$ Nonperforming loans $10,508$ $8,262$ $2,203$ $8$ Other real estate owned $1,447$ $2,203$ $2,203$ Nonperforming assets\$ $11,955$ \$ $10,465$ Allowance for loan and lease losses\$ $6,357$ \$ $6,447$ Allowance for loan and lease losses/total loans $1.20\%$ $1.35\%$ $1.35\%$ Net charge-offs: Year-to-date $133$ $504$ Net charge-offs: Year-to-date $133$ $504$ Net charge-offs to average loans, annualized Year-to-date $0.10\%$ $0.43\%$ $0.43\%$	Loans		2016		2015
Real estate - construction       21,005       24,763         Real estate - mortgage:       Residential       238,489       213,537         Commercial       218,363       183,979         Consumer installment $5,063$ 4,623         Total Loans       \$ 530,356       \$ 475,818         March 31,       2016       2015         (Dollar amounts in thousands)       Non-accrual loans       \$ 7,534       \$ 6,329         Non-accrual loans       \$ 7,534       \$ 6,329       \$ 11,767         90 day past due and accruing $67$ 166       \$ 2015         Nonperforming loans       10,508       8,2622       \$ 11,955       \$ 10,465         Allowance for loan and lease losses       \$ 6,357       \$ 6,447       \$ 2,203         Nonperforming assets       \$ 1,20%       1.35%       \$ 1,20%       \$ 1,35%         Net charge-offs to average loans, annualized       Year-to-date       133       504         Year-to-date       0.10%       0.43%       Nonperforming loans/10,20%       1.74%	(Dollar amounts in thousands)				
Real estate - construction $21,005$ $24,763$ Real estate - mortgage:       Residential $238,489$ $213,537$ Commercial $218,363$ $183,979$ Consumer installment $5,063$ $4,623$ Total Loans       \$ 530,356       \$ 475,818         March 31,       March 31,       2015         (Dollar amounts in thousands)       Non-accrual loans       \$ 7,534       \$ 6,329         Non-accrual loans       \$ 7,534       \$ 6,329       \$ 6,329         Troubled debt restructuring $2,907$ $1,767$ 90 day past due and accruing $67$ 166         Nonperforming loans $10,508$ $8,262$ 0ther real estate owned $1,447$ $2,203$ Nonperforming assets       \$ 11,955       \$ 10,465       \$ 10,465         Allowance for loan and lease losses       \$ 6,357       \$ 6,447         Allowance for loan and lease losses/total loans $1.20\%$ $1.35\%$ Net charge-offs:       '''       '''' $2.03$ Year-to-date       133       504         Net charge-offs to average loans, annualized       '''       ''''         Year-to-date       0.10%       0.43%	Commercial and industrial	\$	47,436	\$	48,916
Real estate - mortgage:Residential238,489213,537Commercial218,363183,979Consumer installment $5,063$ $4,623$ Total Loans\$ $530,356$ \$March 31,March 31,2016(Dollar amounts in thousands)02015Non-accrual loans\$7,534\$(Dollar amounts in thousands)2,9071,76790 day past due and accruing $67$ 166Nonperforming loans10,5088,262Other real estate owned $1,447$ 2,203Nonperforming assets\$11,955\$Allowance for loan and lease losses\$6,357\$Year-to-date133504Net charge-offs to average loans, annualized1.35%1.98%Year-to-date0.10%0.43%Nonperforming loans/total loans1.98%1.74%	Real estate - construction				
Residential       238,489       213,537         Commercial       218,363       183,979         Consumer installment $5,063$ $4,623$ Total Loans       \$ 530,356       \$ 475,818         March 31,       March 31,       March 31,         Asset quality data       2016       2015         (Dollar amounts in thousands)       Non-accrual loans       \$ 7,534       \$ 6,329         Non-accrual loans       \$ 7,534       \$ 6,329         Troubled debt restructuring       2,907       1,767         90 day past due and accruing $67$ 166         Nonperforming loans       10,508       8,262         Other real estate owned       1,447       2,203         Nonperforming assets       \$ 11,955       \$ 10,465         Allowance for loan and lease losses       \$ 6,357       \$ 6,447         Allowance for loan and lease losses/total loans       1.20%       1.35%         Net charge-offs:       '       '       '         'Year-to-date       133       504         Net charge-offs to average loans, annualized       '       '         Year-to-date       0.10%       0.43%         Nonperforming loans/total loans       1.98%       1.			,		,
Commercial $218,363$ $183,979$ Consumer installment $5,063$ $4,623$ Total Loans\$ $530,356$ \$ $475,818$ March 31, (Dollar amounts in thousands)March 31, 20162015Non-accrual loans\$ $7,534$ \$ $6,329$ Troubled debt restructuring $2,907$ $1,767$ 90 day past due and accruing $67$ $1166$ Nonperforming loans $10,508$ $8,262$ Other real estate owned $1,447$ $2,203$ Nonperforming assets\$ $11,955$ \$ $10,465$ Allowance for loan and lease losses /total loans $1,20\%$ $1.35\%$ Net charge-offs: Year-to-date133504Vet charge-offs to average loans, annualized Year-to-date $0.10\%$ $0.43\%$ Nonperforming loans/total loans $1.98\%$ $1.74\%$			229,490		012 527
Consumer installment $5,063$ $4,623$ Total Loans\$ $530,356$ \$ $475,818$ March 31, 201620152015March 31, 201620152015Non-accrual loans\$ $7,534$ \$ $6,329$ Troubled debt restructuring $2,907$ $1,767$ 90 day past due and accruing $67$ 166Nonperforming loans10,508 $8,262$ $2,203$ $8,262$ Other real estate owned $1,447$ $2,203$ $2,203$ Nonperforming assets\$ $6,357$ \$ $6,447$ Allowance for loan and lease losses\$ $6,357$ \$ $6,447$ Allowance for loan and lease losses/total loans $1.20\%$ $1.35\%$ $1.35\%$ Net charge-offs: Year-to-date133504 $504$ Nonperforming loans/total loans $1.98\%$ $1.74\%$					
Total Loans\$ 530,356\$ 475,818March 31, 2016March 31, 2015March 31, 2015Asset quality data20162015(Dollar amounts in thousands)\$ 7,534\$ 6,329Non-accrual loans\$ 7,534\$ 6,329Troubled debt restructuring2,9071,76790 day past due and accruing67166Nonperforming loans10,5088,262Other real estate owned1,4472,203Nonperforming assets\$ 11,955\$ 10,465Allowance for loan and lease losses\$ 6,357\$ 6,447Allowance for loan and lease losses/total loans1.20%1.35%Net charge-offs: Year-to-date133504Net charge-offs to average loans, annualized Year-to-date0.10%0.43%Nonperforming loans/total loans1.98%1.74%	Commercial		*		
March 31, 2016March 31, 2015Asset quality data2016(Dollar amounts in thousands)Non-accrual loans\$ 7,534Non-accrual loans\$ 7,534Troubled debt restructuring2,90790 day past due and accruing6790 day past due and accruing6716610,508Nonperforming loans10,5080ther real estate owned1,447Nonperforming assets\$ 11,955Allowance for loan and lease losses\$ 6,357Allowance for loan and lease losses/total loans1.20%Net charge-offs: Year-to-date133Year-to-date0.10%Nonperforming loans/total loans1.98%	Consumer installment		5,063	_	4,623
Asset quality data20162015(Dollar amounts in thousands)Non-accrual loans\$ 7,534\$ 6,329Non-accrual loans\$ 7,534\$ 6,329Troubled debt restructuring2,9071,76790 day past due and accruing67166Nonperforming loans10,5088,262Other real estate owned1,4472,203Nonperforming assets\$ 11,955\$ 10,465Allowance for loan and lease losses\$ 6,357\$ 6,447Allowance for loan and lease losses/total loans1.20%1.35%Net charge-offs:133504Year-to-date0.10%0.43%Nonperforming loans/total loans1.98%1.74%	Total Loans	\$	530,356	\$	475,818
(Dollar amounts in thousands)Non-accrual loans\$ 7,534\$ 6,329Troubled debt restructuring $2,907$ $1,767$ 90 day past due and accruing $67$ $166$ Nonperforming loans $10,508$ $8,262$ Other real estate owned $1,447$ $2,203$ Nonperforming assets\$ $11,955$ \$ $10,465$ Allowance for loan and lease losses\$ $6,357$ \$ $6,447$ Allowance for loan and lease losses/total loans $1.20\%$ $1.35\%$ Net charge-offs: $133$ $504$ Year-to-date $0.10\%$ $0.43\%$ Nonperforming loans/total loans $1.98\%$ $1.74\%$			March 31,		March 31,
Non-accrual loans\$ $7,534$ \$ $6,329$ Troubled debt restructuring $2,907$ $1,767$ 90 day past due and accruing $67$ $166$ Nonperforming loans $10,508$ $8,262$ Other real estate owned $1,447$ $2,203$ Nonperforming assets\$ $11,955$ \$Allowance for loan and lease losses\$ $6,357$ \$Allowance for loan and lease losses/total loans $1.20\%$ $1.35\%$ Net charge-offs: $133$ $504$ Year-to-date $0.10\%$ $0.43\%$ Nonperforming loans/total loans $1.98\%$ $1.74\%$	Asset quality data		2016		2015
Troubled debt restructuring2,9071,76790 day past due and accruing $67$ $166$ Nonperforming loans $10,508$ $8,262$ Other real estate owned $1,447$ $2,203$ Nonperforming assets\$ $11,955$ \$Allowance for loan and lease losses\$ $6,357$ \$Allowance for loan and lease losses/total loans $1.20\%$ $1.35\%$ Net charge-offs: $133$ $504$ Year-to-date $0.10\%$ $0.43\%$ Nonperforming loans/total loans $1.98\%$ $1.74\%$	(Dollar amounts in thousands)				
90 day past due and accruing $67$ $166$ Nonperforming loans $10,508$ $8,262$ Other real estate owned $1,447$ $2,203$ Nonperforming assets\$ 11,955\$ 10,465Allowance for loan and lease losses\$ 6,357\$ 6,447Allowance for loan and lease losses/total loans $1.20\%$ $1.35\%$ Net charge-offs:Year-to-date $133$ $504$ Net charge-offs to average loans, annualized $0.10\%$ $0.43\%$ Nonperforming loans/total loans $1.98\%$ $1.74\%$	Non-accrual loans	\$	7,534	\$	6,329
Nonperforming loans10,5088,262Other real estate owned1,4472,203Nonperforming assets\$ 11,955\$ 10,465Allowance for loan and lease losses\$ 6,357\$ 6,447Allowance for loan and lease losses/total loans1.20%1.35%Net charge-offs:133504Year-to-date0.10%0.43%Nonperforming loans/total loans1.98%1.74%	Troubled debt restructuring		2,907		1,767
Other real estate owned1,4472,203Nonperforming assets\$11,955\$10,465Allowance for loan and lease losses\$6,357\$6,447Allowance for loan and lease losses/total loans1.20%1.35%Net charge-offs:133504Year-to-date133504Net charge-offs to average loans, annualized0.10%0.43%Nonperforming loans/total loans1.98%1.74%	90 day past due and accruing		67		166
Nonperforming assets\$ 11,955\$ 10,465Allowance for loan and lease losses\$ 6,357\$ 6,447Allowance for loan and lease losses/total loans1.20%1.35%Net charge-offs: Year-to-date133504Net charge-offs to average loans, annualized Year-to-date0.10%0.43%Nonperforming loans/total loans1.98%1.74%	Nonperforming loans	_	10,508		8,262
Allowance for loan and lease losses\$6,357\$6,447Allowance for loan and lease losses/total loans1.20%1.35%Net charge-offs:133504Year-to-date133504Net charge-offs to average loans, annualized0.10%0.43%Nonperforming loans/total loans1.98%1.74%	Other real estate owned		1,447		2,203
Allowance for loan and lease losses/total loans1.20%1.35%Net charge-offs:133504Year-to-date133504Net charge-offs to average loans, annualized Year-to-date0.10%0.43%Nonperforming loans/total loans1.98%1.74%	Nonperforming assets	\$	11,955	\$	10,465
Allowance for loan and lease losses/total loans1.20%1.35%Net charge-offs:133504Year-to-date133504Net charge-offs to average loans, annualized Year-to-date0.10%0.43%Nonperforming loans/total loans1.98%1.74%					
Allowance for loan and lease losses/total loans1.20%1.35%Net charge-offs:133504Year-to-date133504Net charge-offs to average loans, annualized0.10%0.43%Year-to-date0.10%1.74%	Allowance for loan and lease losses	\$	6,357	\$	6,447
Net charge-offs: Year-to-date133504Net charge-offs to average loans, annualized133504Year-to-date0.10%0.43%Nonperforming loans/total loans1.98%1.74%	Allowance for loan and lease losses/total loans				
Year-to-date133504Net charge-offs to average loans, annualized0.10%0.43%Year-to-date0.10%1.74%Nonperforming loans/total loans1.98%1.74%	Net charge-offs:				
Year-to-date0.10%0.43%Nonperforming loans/total loans1.98%1.74%			133		504
Year-to-date0.10%0.43%Nonperforming loans/total loans1.98%1.74%	Net charge-offs to average loans, annualized				
			0.10%		0.43%
	Nonperforming loans/total loans		1.98%		1.74%
Allowance for loan and lease losses/nonperforming loans 60.50% /8.03%	Allowance for loan and lease losses/nonperforming loans		60.50%		78.03%