

AMERISERV FINANCIAL INC /PA/

Form 8-K

October 19, 2010

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

Current Report

Pursuant to Section 13 or 15(d) of the Securities Act of 1934

Date of Report (Date of earliest event reported) October 19, 2010

AMERISERV FINANCIAL, Inc.

(exact name of registrant as specified in its charter)

Pennsylvania 0-11204 25-1424278

(State or other (commission (I.R.S. Employer

jurisdiction File Number) Identification No.)

of Incorporation)

Main and Franklin Streets, Johnstown, Pa. 15901

(address or principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 814-533-5300

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities

Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange

Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the

Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the

Exchange Act (17 CFR 240.13e-4c))



Form 8-K

Item 2.02 Results of operation and financial condition.

AMERISERV FINANCIAL Inc. (the "Registrant") announced third quarter and first nine months results through September 30, 2010. For a more detailed description of the announcement see the press release attached as Exhibit #99.1.

Exhibits

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Exhibit 99.1

Press release dated October 19, 2010, announcing the third quarter and first nine months results through September 30, 2010.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERISERV FINANCIAL, Inc.

By /s/Jeffrey A. Stopko

Jeffrey A. Stopko

Executive Vice President

& CFO

Date: October 19, 2010

Exhibit 99.1

**AMERISERV FINANCIAL REPORTS EARNINGS FOR THE THIRD QUARTER AND FIRST NINE MONTHS OF 2010**

JOHNSTOWN, PA AmeriServ Financial, Inc. (NASDAQ: ASRV) reported a second consecutive quarter of profitability in the third quarter of 2010 by posting net income of \$609,000 or \$0.02 per diluted common share. This represents a significant improvement of \$3.4 million from the third quarter 2009 net loss of \$2.8 million or (\$0.15) per diluted common share. For the nine month period ended September 30, 2010, the Company reported net income of \$168,000 or (\$0.03) per diluted share which also represents an increase of \$3.4 million when compared with the net loss of \$3.2 million or (\$0.19) per diluted common share reported for the same nine month period in 2009. The following table highlights the Company's financial performance for both the three and nine month periods ended September 30, 2010 and 2009:

|                            | Third Quarter<br>2010 | Third Quarter<br>2009 | Nine Months Ended<br>September 30, 2010 | Nine Months Ended<br>September 30, 2009 |
|----------------------------|-----------------------|-----------------------|---|---|
| Net income (loss)          | \$609,000             | (\$2,810,000)         | \$168,000                               | (\$3,216,000)                           |
| Diluted earnings per share | \$ 0.02               | (\$ 0.15)             | (\$ 0.03)                               | (\$0.19)                                |

Glenn L. Wilson, President and Chief Executive Officer, commented on the 2010 third quarter financial results, "Our disciplined approach to monitoring our loan portfolio continued this quarter as we aggressively identify and seek prompt resolution to problem credits in order to limit actual losses. As a result of this proactive monitoring, we have been able to carefully adjust downward the provision for loan losses for four consecutive quarters while still maintaining solid loan loss reserve coverage ratios. Specifically, the allowance for loan losses provided 85% coverage of non-performing loans at September 30, 2010 and represented 2.97% of total loans outstanding. The continued growth of deposits throughout our community bank network was a positive factor contributing to our strong balance sheet liquidity and good net interest margin performance. I was also pleased with our capital strength and the revenue contribution of our retail bank which benefitted from a strong quarter of residential mortgage loan production. The recent opening of our 19<sup>th</sup> branch office on North Atherton Street in State College provides further evidence of our strategic commitment to community banking

The Company's net interest income has improved modestly in 2010 increasing by \$98,000 in the third quarter and \$115,000 for the first nine months of 2010 compared to the same periods in 2009. Careful management of funding costs during a period when interest revenues are declining has allowed the Company to increase its net interest margin by 12 basis points to average 3.77% for the first nine months of 2010. This solid net interest margin performance is reflective of the Company's strong liquidity position and its ability to reduce its funding costs during a period of deposit growth. Specifically, total deposits averaged \$801 million in the first nine months of 2010, an increase of \$45 million or 5.9% over the same period in 2009. The Company believes that uncertainties in the economy have

contributed to growth in money market accounts, certificates of deposit and demand deposits as consumers and businesses have looked for safety in well capitalized community banks like AmeriServ Financial. Overall, total loans have declined by \$24 million or 3.3% since December 31, 2009 as the Company has focused on reducing its commercial real estate exposure during this period of economic weakness.

The Company has appropriately strengthened its allowance for loan losses over the past year in response to ongoing careful monitoring of the commercial loan and commercial real estate portfolios in this weak economic environment.

When determining the provision for loan losses, the Company considers a number of factors some of which include periodic credit reviews, non-performing, delinquency and charge-off trends, concentrations of credit, loan volume trends and broader local and national economic trends. Overall, the Company recorded a \$1.0 million provision for loan losses in the third quarter of 2010 compared to a \$6.3 million provision in the third quarter of 2009, or a decrease of \$5.3 million. For the nine month period ended September 30, 2010, the Company recorded a \$5.3 million provision for loan losses compared to an \$11.4 million provision for the first nine months of 2009, or a decrease of \$6.2 million. Actual credit losses realized through charge-offs in 2010, however, are running below the provision level but are higher than the prior year. For the first nine months of 2010, net charge-offs amounted to \$4.2 million or 0.79% of total loans compared to net charge-offs of \$1.1 million or 0.19% of total loans for the first nine months of 2009. The higher charge-offs in 2010 primarily relate to two non-performing commercial real-estate loans, one of which was completely resolved in the first quarter (\$1.2 million charge-off) and the second of which relates to a student housing project (\$2.3 million charge-off) which the Company is striving to resolve through a note sale by the end of 2010. During the third quarter, total non-performing assets increased by \$5.5 million to \$25.3 million or 3.61% of total loans as certain commercial borrowers continue to be impacted by the weak economy. Of the total \$5.5 million increase, \$3.5 million relates to three commercial real estate loans that are each current on their payments but we still elected to transfer to non-performing status given our concern regarding the borrowers' ultimate ability to service the debt. In summary, the allowance for loan losses provided 85% coverage of non-performing loans and was 2.97% of total loans at September 30, 2010, compared to 115% of non-performing loans and 2.72% of total loans at December 31, 2009.

The Company's non-interest income in the third quarter of 2010 increased by \$59,000 from the prior year's third quarter and for the first nine months of 2010 decreased by \$305,000 when compared to the first nine months of 2009.

The largest item negatively impacting both periods was a reduced level of deposit service charges which were down \$147,000 in the third quarter and \$347,000 for the first nine months of 2010. Customers have maintained higher balances in their checking accounts which have resulted in fewer overdraft fees in 2010. Additionally, the third quarter 2010 deposit service charges were also impacted by regulatory changes which took effect in mid-August and are designed to limit customer overdraft fees on debit card transactions. Non-interest income has also been negatively impacted by a decrease in trust fees as a result of reductions in the market value of certain real estate assets we manage in our specialty real estate funds in 2010. The impact was less significant on the quarterly results as trust fees were \$20,000 lower in the third quarter but \$190,000 lower for the nine month period. These negative items were partially offset by increased revenue generated on residential mortgage loan sales into the secondary market. As a result of increased mortgage loan production, the realized gain on loan sales was \$65,000 higher in the third quarter of 2010 and \$74,000 higher for the first nine months of 2010. This increased residential mortgage loan production also contributed to the increase in other income due to higher underwriting and document preparation fees.

Total non-interest expense in the third quarter of 2010 increased by \$208,000 or 2.2% from the prior year's third quarter and for the first nine months of 2010 increased by \$960,000 or 3.4% when compared to the first nine months of 2009. Total salaries and benefits were up by \$301,000 for the third quarter and \$661,000 for the nine month period

as a result of higher medical insurance costs, increased pension expense, and modest merit salary increases in 2010. Professional fees were down modestly in the third quarter but up \$407,000 for the nine month period due to increased consulting expenses and recruitment costs in the Trust company and higher legal fees and workout costs at the Bank in 2010. Overall, the total level of non-interest expense has been relatively consistent for each of the three quarters in 2010.

ASRV had total assets of \$963 million and shareholders equity of \$108 million or a book value of \$4.13 per common share at September 30, 2010. The Company continued to maintain strong capital ratios that exceed the regulatory defined well capitalized status with a risk based capital ratio of 15.97%, an asset leverage ratio of 11.07% and a tangible common equity to tangible assets ratio of 7.86% at September 30, 2010.

This news release may contain forward-looking statements that involve risks and uncertainties, as defined in the Private Securities Litigation Reform Act of 1995, including the risks detailed in the Company's Annual Report and Form 10-K to the Securities and Exchange Commission. Actual results may differ materially.

Nasdaq: ASRV

SUPPLEMENTAL FINANCIAL PERFORMANCE DATA

October 19, 2010

(In thousands, except per share and ratio data)

(All quarterly and 2010 data unaudited)

2010

|   | 1QTR    | 2QTR  | 3QTR  | YEAR<br>TO DATE |
|---|---------|-------|-------|-----------------|
| PERFORMANCE DATA FOR THE PERIOD:                      |         |       |       |                 |
| Net income (loss)                                     | \$(918) | \$477 | \$609 | \$168           |
| Net income (loss) available to common<br>shareholders | (1,181) | 215   | 346   | (620)           |
| PERFORMANCE PERCENTAGES<br>(annualized):              |         |       |       |                 |
| Return on average assets                              | (0.39)% | 0.20% | 0.25% | 0.02%           |
| Return on average equity                              | (3.47)  | 1.79  | 2.24  | 0.21            |
| Net interest margin                                   | 3.78    | 3.83  | 3.70  | 3.77            |
|   | 0.69    | 1.13  | 0.56  | 0.79            |



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Net charge-offs as a percentage of average loans

Loan loss provision as a percentage of

|                  |       |       |       |       |
|------------------|-------|-------|-------|-------|
| average loans    | 0.72  | 0.68  | 0.57  | 0.99  |
| Efficiency ratio | 85.42 | 84.33 | 84.67 | 84.81 |

PER COMMON SHARE:

Net income (loss):

|   |          |        |        |          |
|---|----------|--------|--------|----------|
| Basic                                       | \$(0.06) | \$0.01 | \$0.02 | \$(0.03) |
| Average number of common shares outstanding | 21,224   | 21,224 | 21,224 | 21,224   |
| Diluted                                     | (0.06)   | 0.01   | 0.02   | (0.03)   |
| Average number of common shares outstanding | 21,224   | 21,245 | 21,225 | 21,229   |

2009

|  |      |      |      |                 |
|--|------|------|------|-----------------|
|  | 1QTR | 2QTR | 3QTR | YEAR<br>TO DATE |
|--|------|------|------|-----------------|

PERFORMANCE DATA FOR THE PERIOD:

|   |       |         |           |           |
|---|-------|---------|-----------|-----------|
| Net income                                  | \$533 | \$(939) | \$(2,810) | \$(3,216) |
| Net income available to common shareholders | 274   | (1,202) | (3,073)   | (4,001)   |

PERFORMANCE PERCENTAGES (annualized):

|  |       |         |         |         |
|--|-------|---------|---------|---------|
| Return on average assets                         | 0.22% | (0.39)% | (1.15)% | (0.44)% |
| Return on average equity                         | 1.90  | (3.29)  | (9.83)  | (3.77)  |
| Net interest margin                              | 3.72  | 3.66    | 3.57    | 3.65    |
| Net charge-offs as a percentage of average loans | 0.03  | 0.19    | 0.35    | 0.19    |
| Loan loss provision as a percentage of           |       |         |         |         |
| average loans                                    | 1.02  | 1.81    | 3.42    | 2.10    |
| Efficiency ratio                                 | 78.22 | 82.56   | 84.00   | 81.57   |

PER COMMON SHARE:

Net income:

|       |        |          |          |          |
|-------|--------|----------|----------|----------|
| Basic | \$0.01 | \$(0.06) | \$(0.15) | \$(0.19) |
|-------|--------|----------|----------|----------|

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|   |        |        |        |        |
|---|--------|--------|--------|--------|
| Average number of common shares outstanding | 21,137 | 21,151 | 21,178 | 21,156 |
| Diluted                                     | 0.01   | (0.06) | (0.15) | (0.19) |
| Average number of common shares outstanding | 21,137 | 21,152 | 21,182 | 21,159 |

AMERISERV FINANCIAL, INC.

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

(All quarterly and 2010 data unaudited)

2010

|                                    | 1QTR        | 2QTR        | 3QTR        |
|------------------------------------|-------------|-------------|-------------|
| PERFORMANCE DATA AT PERIOD END     |             |             |             |
| Assets                             | \$960,817   | \$962,282   | \$963,169   |
| Short-term investment in money     |             |             |             |
| market funds                       | 2,105       | 4,216       | 3,611       |
| Investment securities              | 150,073     | 157,057     | 165,291     |
| Loans                              | 712,929     | 693,988     | 699,394     |
| Allowance for loan losses          | 21,516      | 20,737      | 20,753      |
| Goodwill                           | 12,950      | 12,950      | 12,950      |
| Deposits                           | 802,201     | 809,177     | 818,150     |
| FHLB borrowings                    | 25,296      | 17,777      | 13,119      |
| Shareholders equity                | 106,393     | 108,023     | 108,391     |
| Non-performing assets              | 20,322      | 19,815      | 25,267      |
| Asset leverage ratio               | 11.01%      | 11.08%      | 11.07%      |
| Tangible common equity ratio       | 7.70        | 7.83        | 7.86        |
| PER COMMON SHARE:                  |             |             |             |
| Book value (A)                     | \$4.04      | \$4.11      | \$4.13      |
| Market value                       | 1.67        | 1.61        | 1.81        |
| Trust assets fair market value (B) | \$1,398,215 | \$1,329,495 | \$1,341,699 |
| STATISTICAL DATA AT PERIOD END:    |             |             |             |
| Full-time equivalent employees     | 353         | 355         | 355         |
| Branch locations                   | 18          | 18          | 19          |

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Common shares outstanding 21,223,942 21,223,942 21,223,942

2009

|                                       | 1QTR        | 2QTR        | 3QTR        | 4QTR        |
|---------------------------------------|-------------|-------------|-------------|-------------|
| <b>PERFORMANCE DATA AT PERIOD END</b> |             |             |             |             |
| Assets                                | \$975,062   | \$978,899   | \$959,344   | \$970,026   |
| Short-term investment in money        |             |             |             |             |
| market funds                          | 10,817      | 7,516       | 6,565       | 3,766       |
| Investment securities                 | 138,853     | 136,119     | 138,715     | 142,883     |
| Loans                                 | 726,961     | 739,649     | 722,540     | 722,904     |
| Allowance for loan losses             | 10,661      | 13,606      | 19,255      | 19,685      |
| Goodwill and core deposit intangibles | 13,498      | 13,498      | 12,950      | 12,950      |
| Deposits                              | 746,813     | 783,807     | 779,185     | 786,011     |
| FHLB borrowings                       | 90,346      | 57,702      | 44,451      | 51,579      |
| Shareholders equity                   | 114,254     | 112,880     | 110,706     | 107,254     |
| Non-performing assets                 | 5,099       | 14,670      | 23,689      | 18,337      |
| Asset leverage ratio                  | 11.82%      | 11.61%      | 11.41%      | 11.06%      |
| Tangible common equity ratio          | 8.35        | 8.17        | 8.16        | 7.71        |
| <b>PER COMMON SHARE:</b>              |             |             |             |             |
| Book value (A)                        | \$4.44      | \$4.37      | \$4.25      | \$4.09      |
| Market value                          | 1.67        | 1.85        | 1.80        | 1.67        |
| Trust assets fair market value (B)    | \$1,432,375 | \$1,376,272 | \$1,340,119 | \$1,358,570 |

**STATISTICAL DATA AT PERIOD END:**

|                                |            |            |            |            |
|--------------------------------|------------|------------|------------|------------|
| Full-time equivalent employees | 355        | 352        | 350        | 345        |
| Branch locations               | 18         | 18         | 18         | 18         |
| Common shares outstanding      | 21,144,700 | 21,156,801 | 21,215,115 | 21,221,909 |

**NOTES:**

(A) Preferred stock received through the Capital Purchase Program is excluded from the book value per common share calculation.

(B) Not recognized on the balance sheet.

AMERISERV FINANCIAL, INC.

## CONSOLIDATED STATEMENT OF INCOME

(In thousands)

(All quarterly and 2010 data unaudited)

2010

|  | 1QTR     | 2QTR    | 3QTR    | YEAR<br>TO DATE |
|--|----------|---------|---------|-----------------|
| <b>INTEREST INCOME</b>   |          |         |         |                 |
| Interest and fees on loans                                     | \$10,020 | \$9,984 | \$9,592 | \$29,596        |
| Total investment portfolio                                     | 1,445    | 1,466   | 1,468   | 4,379           |
| Total Interest Income  | 11,465   | 11,450  | 11,060  | 33,975          |
| <b>INTEREST EXPENSE</b>  |          |         |         |                 |
| Deposits   | 2,927    | 2,833   | 2,668   | 8,428           |
| All borrowings   | 417      | 409     | 369     | 1,195           |
| Total Interest Expense   | 3,344    | 3,242   | 3,037   | 9,623           |
| <b>NET INTEREST INCOME</b>                                     | 8,121    | 8,208   | 8,023   | 24,352          |
| Provision for loan losses                                      | 3,050    | 1,200   | 1,000   | 5,250           |
| <b>NET INTEREST INCOME AFTER<br/>PROVISION FOR LOAN LOSSES</b> | 5,071    | 7,008   | 7,023   | 19,102          |
| <b>NON-INTEREST INCOME</b>                                     |          |         |         |                 |
| Trust fees   | 1,454    | 1,373   | 1,357   | 4,184           |
| Net realized gains on investment securities                    | 65       | 42      | 50      | 157             |
| Net realized gains on loans held for sale                      | 131      | 159     | 278     | 568             |
| Service charges on deposit accounts                            | 572      | 611     | 565     | 1,748           |
| Investment advisory fees                                       | 187      | 167     | 171     | 525             |
| Bank owned life insurance                                      | 254      | 258     | 260     | 772             |
| Other income   | 637      | 778     | 832     | 2,247           |
| Total Non-interest Income                                      | 3,300    | 3,388   | 3,513   | 10,201          |
| <b>NON-INTEREST EXPENSE</b>                                    |          |         |         |                 |
| Salaries and employee benefits                                 | 5,199    | 5,236   | 5,415   | 15,850          |
| Net occupancy expense  | 736      | 639     | 620     | 1,995           |
| Equipment expense  | 418      | 427     | 401     | 1,246           |
| Professional fees  | 1,102    | 1,114   | 1,034   | 3,250           |
| FDIC deposit insurance expense                                 | 331      | 341     | 430     | 1,102           |

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|   |           |       |       |         |
|---|-----------|-------|-------|---------|
| Other expenses  | 1,978     | 2,029 | 1,874 | 5,881   |
| Total Non-interest Expense                            | 9,764     | 9,786 | 9,774 | 29,324  |
| PRETAX INCOME (LOSS)                                  | (1,393)   | 610   | 762   | (21)    |
| Income tax expense (benefit)                          | (475)     | 133   | 153   | (189)   |
| NET INCOME (LOSS)                                     | (918)     | 477   | 609   | 168     |
| Preferred stock dividends                             | 263       | 262   | 263   | 788     |
| NET INCOME (LOSS) AVAILABLE<br>TO COMMON SHAREHOLDERS | \$(1,181) | \$215 | \$346 | \$(620) |

2009

|  | 1QTR     | 2QTR     | 3QTR     | YEAR<br>TO DATE |
|--|----------|----------|----------|-----------------|
| INTEREST INCOME  |          |          |          |                 |
| Interest and fees on loans                             | \$10,349 | \$10,544 | \$10,247 | \$31,140        |
| Total investment portfolio                             | 1,586    | 1,511    | 1,451    | 4,548           |
| Total Interest Income                                  | 11,935   | 12,055   | 11,698   | 35,688          |
| INTEREST EXPENSE                                       |          |          |          |                 |
| Deposits   | 3,255    | 3,405    | 3,316    | 9,976           |
| All borrowings   | 539      | 479      | 457      | 1,475           |
| Total Interest Expense                                 | 3,794    | 3,884    | 3,773    | 11,451          |
| NET INTEREST INCOME                                    | 8,141    | 8,171    | 7,925    | 24,237          |
| Provision for loan losses                              | 1,800    | 3,300    | 6,300    | 11,400          |
| NET INTEREST INCOME AFTER<br>PROVISION FOR LOAN LOSSES | 6,341    | 4,871    | 1,625    | 12,837          |
| NON-INTEREST INCOME                                    |          |          |          |                 |
| Trust fees   | 1,559    | 1,438    | 1,377    | 4,374           |
| Net realized gains on investment<br>securities         | 101      | 63       | -        | 164             |
| Net realized gains on loans held for<br>sale           | 118      | 163      | 213      | 494             |
| Service charges on deposit accounts                    | 673      | 710      | 712      | 2,095           |
| Investment advisory fees                               | 137      | 152      | 176      | 465             |

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|  |       |           |           |           |
|--|-------|-----------|-----------|-----------|
| Bank owned life insurance                          | 250   | 254       | 258       | 762       |
| Other income                                       | 723   | 711       | 718       | 2,152     |
| Total Non-interest Income                          | 3,561 | 3,491     | 3,454     | 10,506    |
| NON-INTEREST EXPENSE                               |       |           |           |           |
| Salaries and employee benefits                     | 5,092 | 4,983     | 5,114     | 15,189    |
| Net occupancy expense                              | 722   | 641       | 602       | 1,965     |
| Equipment expense                                  | 415   | 442       | 398       | 1,255     |
| Professional fees                                  | 920   | 873       | 1,050     | 2,843     |
| FDIC deposit insurance expense                     | 32    | 691       | 311       | 1,034     |
| Amortization of core deposit intangibles           | 108   | -         | -         | 108       |
| Other expenses                                     | 1,873 | 2,006     | 2,091     | 5,970     |
| Total Non-interest Expense                         | 9,162 | 9,636     | 9,566     | 28,364    |
| PRETAX INCOME (LOSS)                               | 740   | (1,274)   | (4,487)   | (5,021)   |
| Income tax expense (benefit)                       | 207   | (335)     | (1,677)   | (1,805)   |
| NET INCOME (LOSS)                                  | 533   | (939)     | (2,810)   | (3,216)   |
| Preferred stock dividends                          | 259   | 263       | 263       | 785       |
| NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS | \$274 | \$(1,202) | \$(3,073) | \$(4,001) |

AMERISERV FINANCIAL, INC.

Nasdaq: ASRV

Average Balance Sheet Data (In thousands)

(All quarterly and 2010 data unaudited)

2010

2009

|   | 3QTR      | NINE MONTHS | 3QTR      | NINE MONTHS |
|---|-----------|-------------|-----------|-------------|
| Interest earning assets:                              |           |             |           |             |
| Loans and loans held for sale, net of unearned income | \$694,432 | \$705,656   | \$730,152 | \$725,657   |
| Deposits with banks                                   | 1,781     | 1,785       | 1,746     | 1,762       |

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|   |           |           |           |           |
|---|-----------|-----------|-----------|-----------|
| Short-term investment in money market funds                   | 5,075     | 4,301     | 7,388     | 9,804     |
| Federal funds sold  | 6,184     | 3,754     | 413       | 156       |
| Total investment securities                                   | 167,892   | 157,894   | 145,109   | 146,146   |
| Total interest earning assets                                 | 875,364   | 873,390   | 884,808   | 883,525   |
| Non-interest earning assets:                                  |           |           |           |           |
| Cash and due from banks                                       | 14,889    | 14,952    | 14,135    | 14,543    |
| Premises and equipment  | 10,645    | 10,011    | 9,052     | 9,207     |
| Other assets  | 80,888    | 80,141    | 73,296    | 72,124    |
| Allowance for loan losses                                     | (21,173)  | (21,347)  | (13,658)  | (11,301)  |
| Total assets  | \$960,613 | \$957,147 | \$967,633 | \$968,098 |
| Interest bearing liabilities:                                 |           |           |           |           |
| Interest bearing deposits:                                    |           |           |           |           |
| Interest bearing demand                                       | \$59,014  | \$58,247  | \$62,479  | \$62,050  |
| Savings   | 79,038    | 77,701    | 72,864    | 72,537    |
| Money market  | 187,563   | 186,229   | 182,735   | 165,065   |
| Other time  | 363,327   | 357,165   | 352,584   | 342,076   |
| Total interest bearing deposits                               | 688,942   | 679,342   | 670,662   | 641,728   |
| Borrowings:   |           |           |           |           |
| Federal funds purchased, securities sold under                |           |           |           |           |
| agreements to repurchase, and other short-term borrowings     | 1,258     | 2,963     | 29,851    | 59,037    |
| Advanced from Federal Home Loan Bank                          | 13,434    | 21,419    | 13,828    | 13,840    |
| Guaranteed junior subordinated deferrable interest debentures | 13,085    | 13,085    | 13,085    | 13,085    |
| Total interest bearing liabilities                            | 716,719   | 716,809   | 727,426   | 727,690   |
| Non-interest bearing liabilities:                             |           |           |           |           |
| Demand deposits   | 125,117   | 121,712   | 114,548   | 114,365   |
| Other liabilities   | 10,624    | 11,290    | 12,234    | 12,137    |
| Shareholders equity   | 108,153   | 107,336   | 113,425   | 113,906   |
| Total liabilities and shareholders equity                     | \$960,613 | \$957,147 | \$967,633 | \$968,098 |