

AMERISERV FINANCIAL INC /PA/

Form 8-K

October 16, 2012

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 16, 2012

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-4(c))

Form 8-K

Item 2.02 Results of operation and financial condition.

AMERISERV FINANCIAL Inc. (the "Registrant") announced third quarter and first nine month results through September 30, 2012. For a more detailed description of the announcement see the press release attached as Exhibit #99.1.

Exhibits

Exhibit 99.1

Press release dated October 16, 2012, announcing the third quarter and first nine month results through September 30, 2012.

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 16, 2012

Exhibit 99.1

AMERISERV FINANCIAL REPORTS EARNINGS FOR THE THIRD QUARTER AND FIRST NINE MONTHS OF 2012

JOHNSTOWN, PA AmeriServ Financial, Inc. (NASDAQ: ASRV) reported third quarter 2012 net income available to common shareholders of \$1,056,000 or \$0.05 per diluted common share. This performance is consistent with the financial results reported for the third quarter of 2011. For the nine month period ended September 30, 2012, the Company reported net income available to common shareholders of \$3,528,000 or \$0.18 per diluted share. While net income available to common shareholders for the nine month period was down by \$120,000 or 3.3%, compared to the same period in 2011, diluted earnings per share increased by \$0.01 or 5.9% due to the success of the Company's common stock repurchase program. The sustained improvements in asset quality continued to result in a negative provision for loan losses in 2012, but at a lesser level than in 2011. This is the factor causing the reduction in net income for both the third quarter and nine month period of 2012. The following table highlights the Company's financial performance for both the three and nine month periods ended September 30, 2012:

| | Third Quarter 2012 | Third Quarter 2011 | Nine Months Ended September 30, 2012 | Nine Months Ended September 30, 2011 |
|----------------------------|-----------------------|-----------------------|---|---|
| Net income | \$1,307,000 | \$1,566,000 | \$4,304,000 | \$4,767,000 |
| Net income available to | | | | |
| common shareholders | \$1,056,000 | \$1,027,000 | \$3,528,000 | \$3,648,000 |
| Diluted earnings per share | \$ 0.05 | \$ 0.05 | \$ 0.18 | \$0.17 |

Glenn L. Wilson, President and Chief Executive Officer, commented on the third quarter 2012 financial results: AmeriServ Financial was able to report a sixth consecutive quarter of loan growth during the third quarter of 2012 and now exceeds \$1 billion in total assets. This loan growth helped us increase our net interest income by over \$200,000 and maintain a stable net interest margin on a linked quarter basis, despite the challenging interest rate environment. I was pleased that our recently opened loan production offices are now contributing to the loan increase we have achieved in 2012. Additionally, this loan growth has occurred in loan categories that qualify for the Small Business Lending Fund (SBLF). As a result, we will pay the lowest preferred share dividend rate available under the SBLF program for at least two consecutive quarters beginning in the fourth quarter of 2012. This will have a positive impact on the key shareholder value metrics of earnings per share and tangible book value per share in future quarters.

The Company's net interest income has been relatively consistent this year as it increased by \$24,000 or 0.3% in the third quarter of 2012 from the prior year's third quarter and for the first nine months of 2012 decreased by only \$49,000 or 0.2% when compared to the first nine months of 2011. The Company's 2012 net interest margin of 3.63% was seven basis points lower than the net interest margin of 3.70% for the first nine months of 2011. The decreased net interest margin reflects the challenges of a flatter yield curve which has pressured interest revenue in 2012. The Company has been able to overcome this net interest margin pressure and keep net interest income relatively constant by reducing its cost of funds and growing its earning assets, particularly loans. Specifically, total loans outstanding have increased for six consecutive quarters and now are \$39.2 million or 5.9% higher than they were at September 30, 2011. This loan growth reflects the successful results of the Company's more intensive sales calling efforts with an emphasis on generating commercial loans and owner occupied commercial real estate loans which qualify as Small Business Lending Fund loans, particularly through its new loan production offices. Despite this growth in loans, total interest revenue dropped by \$1.6 million between years and reflects the lower interest rate environment and flatter yield curve. Interest revenue has also been negatively impacted by increased premium amortization on mortgage backed securities due to faster mortgage prepayment speeds. However, careful management of funding costs has allowed the Company to mitigate a significant portion of this drop in interest revenue during the past year. Specifically, interest expense in the first nine months of 2012 declined by \$1.5 million from the same prior year period due to the Company's proactive efforts to reduce deposit and borrowing costs. Even with this reduction in deposit costs, the Company still experienced solid growth in deposits which increased by \$22.8 million or 2.8% over the past 12 months. The Company continues to maintain strong liquidity as evidenced by a loan to deposit ratio of 83.1% at September 30, 2012.

Sustained improvements in asset quality evidenced by low levels of non-performing assets, net charge-offs, and classified loans allowed the Company to again reverse a portion of the allowance for loan losses into earnings in the third quarter of 2012 while still maintaining strong coverage ratios. At September 30, 2012, non-performing assets totaled \$5.4 million or 0.77% of total loans. This represents the fifth consecutive quarter where non-performing assets have been near the \$5 million level. Criticized and classified loans also dropped by \$11 million or 20.7% during the past 12 months. Actual credit losses realized through net charge-offs have also declined in 2012 for both the third quarter and nine month periods. For the first nine months of 2012, net charge-offs totaled \$470,000 or 0.09% of total loans which represents a decrease from the first nine months of 2011 when net charge-offs totaled \$1.4 million or 0.28% of total loans. As a result of this sustained asset quality improvement, the Company recorded a negative provision for loan losses of \$200,000 in the third quarter of 2012 compared to a negative provision of \$550,000 in the third quarter of 2011. For the nine month period in 2012, the negative provision amounted to \$1,325,000 compared to a \$2,325,000 credit provision in the first nine months of 2011. Overall, there has been \$1.0 million less earnings benefit from negative loan loss provisions in 2012. When determining the provision for loan losses, the Company considers a number of factors some of which include periodic credit reviews, non-performing asset, loan delinquency and charge-off trends, concentrations of credit, loan volume trends and broader local and national economic trends. In summary, the allowance for loan losses provided 282% coverage of non-performing loans, and was 1.83% of total loans, at September 30, 2012, compared to 288% of non-performing loans, and 2.18% of total loans, at December 31, 2011.

The Company's growth in non-interest income has also been a financial performance highlight in 2012. Total non-interest income in the third quarter of 2012 increased by \$125,000 or 3.5% from the prior year's third quarter and for the first nine months of 2012 increased by \$973,000 or 9.6% when compared to the first nine months of 2011. The 2012 non-interest income increase was driven by increased revenue from residential mortgage banking activities. Specifically, gains realized on residential mortgage loan sales into the secondary market increased by \$76,000 for the third quarter and by \$186,000 for the nine month period due to increased mortgage loan production in 2012. Higher fees related to residential mortgage banking activities along with increased revenue from financial services (annuity

and mutual funds sales) were the key factors responsible for the \$159,000 quarterly increase and \$377,000 nine month increase in other income in 2012. Also for the nine month period, our Trust Company continued its positive momentum with trust fees increasing by \$115,000 or 2.4% as our wealth management businesses benefited from the implementation of new fee schedules and improved asset values under management in 2012. Finally, the Company realized a modest \$12,000 investment security gain in 2012 compared to a \$358,000 investment security loss in the first quarter of 2011 that resulted from a portfolio repositioning strategy.

Total non-interest expense in the third quarter of 2012 increased by \$205,000 from the prior year's third quarter and for the first nine months of 2012 increased by \$590,000 or 2.0% when compared to the first nine months of 2011. Salaries and employee benefits increased by \$430,000 for the third quarter and \$1.3 million or 7.9% for the nine month period due to higher salaries expense, incentive compensation, and pension expense. The 2012 personnel expenses also reflect the staffing costs associated with new loan production offices in Altoona, Harrisburg and Hagerstown, Maryland. Other expenses also increased by \$152,000 for the nine month period due to an increase in the reserve for unfunded loan commitments as result of increased commercial loan origination activity in 2012 and higher business development related expenses. These negative items were partially offset by a \$158,000 reduction in FDIC deposit insurance expense for the third quarter of 2012 and an \$837,000 reduction for the nine month period. This reduction resulted from a change in the calculation methodology which took effect in the second half of 2011 and the Company's improved risk profile resulting primarily from better asset quality. Finally, the Company recorded an income tax expense of \$1.9 million or an effective tax rate of 31.0% for the first nine months of 2012 which was comparable with the income tax expense of \$2.1 million or an effective tax rate of 30.9% for the first nine months of 2011. The quarterly effective tax rates were also comparable with the nine month average.

ASRV had total assets of \$1.0 billion and shareholders' equity of \$112 million or a book value of \$4.74 per common share and a tangible book value of \$4.09 per common share at September 30, 2012. During the first nine months of 2012, the Company repurchased 1,667,000 shares or 8.0% of its outstanding common stock at an average price of \$2.49 in conjunction with the terms of its previously announced common stock repurchase program. This was a key factor contributing to an 8.8% growth in tangible book value per share since the end of 2011. The Company continued to maintain strong capital ratios that considerably exceed the regulatory defined well capitalized status with a risk based capital ratio of 16.26%, an asset leverage ratio of 11.45% and a tangible common equity to tangible assets ratio of 7.95% at September 30, 2012.

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

September 30, 2012

(In thousands, except per share and ratio data)

(Unaudited)

2012

| | 1QTR | 2QTR | 3QTR | YEAR TO DATE |
|--|---------|---------|---------|-----------------|
| PERFORMANCE DATA FOR THE PERIOD: | | | | |
| Net income | \$1,565 | \$1,432 | \$1,307 | \$4,304 |
| Net income available to common | | | | |
| shareholders | 1,302 | 1,170 | 1,056 | 3,528 |
| PERFORMANCE PERCENTAGES (annualized): | | | | |
| Return on average assets | 0.65% | 0.59% | 0.52% | 0.59% |
| Return on average equity | 5.60 | 5.19 | 4.66 | 5.15 |
| Net interest margin | 3.70 | 3.59 | 3.59 | 3.63 |
| Net charge-offs (recoveries) as a percentage | | | | |
| of average loans | 0.13 | (0.02) | 0.16 | 0.09 |
| Loan loss provision as a percentage of | | | | |
| average loans | (0.38) | (0.30) | (0.11) | (0.26) |
| Efficiency ratio | 86.17 | 86.34 | 85.50 | 86.00 |
| PER COMMON SHARE: | | | | |
| Net income: | | | | |
| Basic | \$0.06 | \$0.06 | \$0.05 | \$0.18 |
| Average number of common shares | | | | |
| outstanding | 20,679 | 19,584 | 19,275 | 19,844 |
| Diluted | 0.06 | 0.06 | 0.05 | 0.18 |
| Average number of common shares | | | | |
| outstanding | 20,722 | 19,652 | 19,351 | 19,904 |

2011

| | 1QTR | 2QTR | 3QTR | YEAR TO DATE |
|--|------|------|------|-----------------|
|--|------|------|------|-----------------|

PERFORMANCE DATA FOR THE PERIOD:

| | | | | |
|--------------------------------|---------|---------|---------|---------|
| Net income | \$1,263 | \$1,938 | \$1,566 | \$4,767 |
| Net income available to common | | | | |
| shareholders | 973 | 1,648 | 1,027 | 3,648 |

PERFORMANCE PERCENTAGES
(annualized):

| | | | | |
|--|--------|--------|--------|--------|
| Return on average assets | 0.54% | 0.81% | 0.64% | 0.66% |
| Return on average equity | 4.77 | 7.11 | 5.52 | 5.81 |
| Net interest margin | 3.70 | 3.71 | 3.68 | 3.70 |
| Net charge-offs as a percentage of | | | | |
| average loans | 0.70 | (0.07) | 0.20 | 0.28 |
| Loan loss provision as a percentage of | | | | |
| average loans | (0.37) | (0.72) | (0.33) | (0.47) |
| Efficiency ratio | 89.53 | 85.53 | 84.83 | 86.59 |

PER COMMON SHARE:

Net income:

| | | | | |
|---------------------------------|--------|--------|--------|--------|
| Basic | \$0.05 | \$0.08 | \$0.05 | \$0.17 |
| Average number of common shares | | | | |
| outstanding | 21,208 | 21,208 | 21,208 | 21,208 |
| Diluted | 0.05 | 0.08 | 0.05 | 0.17 |
| Average number of common shares | | | | |
| outstanding | 21,230 | 21,236 | 21,227 | 21,231 |

AMERISERV FINANCIAL, INC.

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

(Unaudited)

2012

| | | | |
|--------------------------------|-----------|-----------|-------------|
| | 1QTR | 2QTR | 3QTR |
| PERFORMANCE DATA AT PERIOD END | | | |
| Assets | \$967,401 | \$997,102 | \$1,002,281 |

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| | | | |
|--|-------------|-------------|-------------|
| Short-term investments/overnight funds | 7,398 | 14,158 | 14,210 |
| Investment securities | 190,089 | 191,791 | 181,319 |
| Loans and loans held for sale | 671,328 | 690,815 | 706,624 |
| Allowance for loan losses | 13,778 | 13,317 | 12,829 |
| Goodwill | 12,613 | 12,613 | 12,613 |
| Deposits | 820,105 | 854,017 | 850,125 |
| FHLB borrowings | 6,390 | 3,000 | 12,000 |
| Shareholders equity | 112,270 | 110,810 | 112,311 |
| Non-performing assets | 4,801 | 5,077 | 5,372 |
| Asset leverage ratio | 11.83% | 11.60% | 11.45% |
| Tangible common equity ratio | 8.24 | 7.84 | 7.95 |
| PER COMMON SHARE: | | | |
| Book value (A) | \$4.46 | \$4.66 | \$4.74 |
| Tangible book value | 3.84 | 4.00 | 4.09 |
| Market value | 2.74 | 2.82 | 2.97 |
| Trust assets fair market value (B) | \$1,469,789 | \$1,447,877 | \$1,511,012 |

STATISTICAL DATA AT PERIOD END:

| | | | |
|--------------------------------|------------|------------|------------|
| Full-time equivalent employees | 353 | 353 | 355 |
| Branch locations | 18 | 18 | 18 |
| Common shares outstanding | 20,465,521 | 19,284,521 | 19,255,221 |

2011

| | 1QTR | 2QTR | 3QTR | 4QTR |
|--|-----------|-----------|-----------|-----------|
| PERFORMANCE DATA AT PERIOD END | | | | |
| Assets | \$961,067 | \$954,893 | \$973,439 | \$979,076 |
| Short-term investments/overnight funds | 26,769 | 4,338 | 17,941 | 7,845 |
| Investment securities | 195,272 | 198,770 | 195,784 | 195,203 |
| Loans and loans held for sale | 644,836 | 656,838 | 667,409 | 670,847 |
| Allowance for loan losses | 18,025 | 16,958 | 16,069 | 14,623 |
| Goodwill and core deposit intangibles | 12,613 | 12,613 | 12,613 | 12,613 |
| Deposits | 816,528 | 810,082 | 827,358 | 816,420 |
| FHLB borrowings | 9,736 | 9,722 | 9,707 | 21,765 |
| Shareholders equity | 108,170 | 111,410 | 114,164 | 112,352 |
| Non-performing assets | 9,328 | 7,433 | 5,344 | 5,199 |
| Asset leverage ratio | 11.40% | 11.60% | 11.70% | 11.66% |

| | | | | |
|------------------------------------|-------------|-------------|-------------|-------------|
| Tangible common equity ratio | 7.89 | 8.29 | 8.38 | 8.15 |
| PER COMMON SHARE: | | | | |
| Book value (A) | \$4.12 | \$4.28 | \$4.39 | \$4.37 |
| Tangible book value | 3.53 | 3.68 | 3.80 | 3.76 |
| Market value | 2.37 | 1.95 | 1.90 | 1.95 |
| Trust assets fair market value (B) | \$1,410,755 | \$1,390,534 | \$1,313,440 | \$1,382,745 |

STATISTICAL DATA AT
PERIOD END:

| | | | | |
|--------------------------------|------------|------------|------------|------------|
| Full-time equivalent employees | 351 | 352 | 342 | 347 |
| Branch locations | 18 | 18 | 18 | 18 |
| Common shares outstanding | 21,207,670 | 21,208,421 | 21,208,421 | 20,921,021 |

NOTES:

(A)

Preferred stock of \$21 million received through the Small Business Lending Fund is excluded from the book value per common share and tangible book value per common share calculations.

(B) Not recognized on the balance sheet.

AMERISERV FINANCIAL, INC.

CONSOLIDATED STATEMENT OF INCOME

(In thousands)

(Unaudited)

2012

| | 1QTR | 2QTR | 3QTR | YEAR TO DATE |
|----------------------------|---------|---------|---------|--------------------|
| INTEREST INCOME | | | | |
| Interest and fees on loans | \$8,729 | \$8,552 | \$8,807 | \$26,088 |
| Total investment portfolio | 1,395 | 1,333 | 1,223 | 3,951 |
| Total Interest Income | 10,124 | 9,885 | 10,030 | 30,039 |
| INTEREST EXPENSE | | | | |
| Deposits | 1,762 | 1,668 | 1,587 | 5,017 |
| All borrowings | 304 | 296 | 301 | 901 |

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| | | | | |
|---|---------|---------|---------|---------|
| Total Interest Expense | 2,066 | 1,964 | 1,888 | 5,918 |
| NET INTEREST INCOME | 8,058 | 7,921 | 8,142 | 24,121 |
| Provision (credit) for loan losses | (625) | (500) | (200) | (1,325) |
| NET INTEREST INCOME AFTER | | | | |
| PROVISION (CREDIT) FOR LOAN | | | | |
| LOSSES | 8,683 | 8,421 | 8,342 | 25,446 |
| NON-INTEREST INCOME | | | | |
| Trust fees | 1,697 | 1,628 | 1,533 | 4,858 |
| Investment advisory fees | 193 | 177 | 182 | 552 |
| Net realized gains on investment securities | - | 12 | - | 12 |
| Net realized gains on loans held for sale | 276 | 251 | 262 | 789 |
| Service charges on deposit accounts | 535 | 517 | 567 | 1,619 |
| Bank owned life insurance | 215 | 212 | 217 | 644 |
| Other income | 758 | 936 | 888 | 2,582 |
| Total Non-interest Income | 3,674 | 3,733 | 3,649 | 11,056 |
| NON-INTEREST EXPENSE | | | | |
| Salaries and employee benefits | 5,986 | 5,976 | 6,132 | 18,094 |
| Net occupancy expense | 729 | 702 | 698 | 2,129 |
| Equipment expense | 451 | 473 | 395 | 1,319 |
| Professional fees | 923 | 937 | 977 | 2,837 |
| FDIC deposit insurance expense | 129 | 114 | 104 | 347 |
| Other expenses | 1,896 | 1,865 | 1,781 | 5,542 |
| Total Non-interest Expense | 10,114 | 10,067 | 10,087 | 30,268 |
| PRETAX INCOME | 2,243 | 2,087 | 1,904 | 6,234 |
| Income tax expense | 678 | 655 | 597 | 1,930 |
| NET INCOME | 1,565 | 1,432 | 1,307 | 4,304 |
| Preferred stock dividends | 263 | 262 | 251 | 776 |
| NET INCOME AVAILABLE TO COMMON SHAREHOLDERS | | | | |
| | \$1,302 | \$1,170 | \$1,056 | \$3,528 |

2011

1QTR 2QTR 3QTR YEAR

| | | | | TO DATE |
|--|--------------|--------------|--------------|---------------|
| INTEREST INCOME | | | | |
| Interest and fees on loans | \$9,083 | \$8,804 | \$8,888 | \$26,775 |
| Total investment portfolio | 1,513 | 1,726 | 1,604 | 4,843 |
| Total Interest Income | 10,596 | 10,530 | 10,492 | 31,618 |
| INTEREST EXPENSE | | | | |
| Deposits | 2,294 | 2,106 | 2,038 | 6,438 |
| All borrowings | 336 | 338 | 336 | 1,010 |
| Total Interest Expense | 2,630 | 2,444 | 2,374 | 7,448 |
| NET INTEREST INCOME | 7,966 | 8,086 | 8,118 | 24,170 |
| Provision (credit) for loan losses | (600) | (1,175) | (550) | (2,325) |
| NET INTEREST INCOME AFTER | | | | |
| PROVISION (CREDIT) FOR LOAN | | | | |
| LOSSES | 8,566 | 9,261 | 8,668 | 26,495 |
| NON-INTEREST INCOME | | | | |
| Trust fees | 1,556 | 1,617 | 1,570 | 4,743 |
| Investment advisory fees | 198 | 198 | 172 | 568 |
| Net realized losses on investment securities | (358) | - | - | (358) |
| Net realized gains on loans held for sale | 262 | 155 | 186 | 603 |
| Service charges on deposit accounts | 472 | 549 | 640 | 1,661 |
| Bank owned life insurance | 216 | 218 | 227 | 661 |
| Other income | 759 | 717 | 729 | 2,205 |
| Total Non-interest Income | 3,105 | 3,454 | 3,524 | 10,083 |
| NON-INTEREST EXPENSE | | | | |
| Salaries and employee benefits | 5,500 | 5,574 | 5,702 | 16,776 |
| Net occupancy expense | 757 | 742 | 680 | 2,179 |
| Equipment expense | 429 | 411 | 435 | 1,275 |
| Professional fees | 980 | 911 | 983 | 2,874 |
| FDIC deposit insurance expense | 462 | 460 | 262 | 1,184 |
| Other expenses | 1,791 | 1,779 | 1,820 | 5,390 |
| Total Non-interest Expense | 9,919 | 9,877 | 9,882 | 29,678 |
| PRETAX INCOME | 1,752 | 2,838 | 2,310 | 6,900 |
| Income tax expense | 489 | 900 | 744 | 2,133 |
| NET INCOME | 1,263 | 1,938 | 1,566 | 4,767 |

| | | | | |
|--|-------|---------|---------|---------|
| Preferred stock dividends and accretion of preferred stock | 290 | 290 | 539 | 1,119 |
| NET INCOME AVAILABLE TO COMMON SHAREHOLDERS | \$973 | \$1,648 | \$1,027 | \$3,648 |

AMERISERV FINANCIAL, INC.

Nasdaq: ASRV

Average Balance Sheet Data (In thousands)

(Unaudited)

2012

2011

| | 3QTR | NINE MONTHS | 3QTR | NINE MONTHS |
|---|-----------|-------------|-----------|-------------|
| Interest earning assets: | | | | |
| Loans and loans held for sale, net of unearned income | \$701,104 | \$678,995 | \$663,230 | \$658,442 |
| Deposits with banks | 5,265 | 8,870 | 9,861 | 4,546 |
| Short-term investment in money market funds | 4,717 | 4,567 | 3,547 | 3,451 |
| Federal funds sold | - | - | - | 7,784 |
| Total investment securities | 187,474 | 190,662 | 199,228 | 198,580 |
| Total interest earning assets | 898,560 | 883,094 | 875,866 | 872,803 |
| Non-interest earning assets: | | | | |
| Cash and due from banks | 17,090 | 16,775 | 16,228 | 15,598 |
| Premises and equipment | 11,019 | 10,925 | 10,535 | 10,504 |
| Other assets | 81,526 | 81,793 | 79,342 | 79,323 |
| Allowance for loan losses | (13,167) | (13,830) | (17,032) | (18,309) |
| Total assets | \$995,028 | \$978,757 | \$964,939 | \$959,919 |

Interest bearing liabilities:

Interest bearing deposits:

| | | | | |
|---------------------------------|----------|----------|----------|----------|
| Interest bearing demand | \$63,321 | \$59,703 | \$59,099 | \$57,143 |
| Savings | 86,373 | 85,152 | 83,280 | 81,241 |
| Money market | 216,644 | 208,414 | 193,921 | 190,642 |
| Other time | 328,410 | 330,073 | 346,639 | 352,643 |
| Total interest bearing deposits | 694,748 | 683,342 | 682,939 | 681,669 |

Borrowings:

Federal funds purchased and other short- term

| | | | | |
|--|---------|---------|---------|---------|
| borrowings | 3,808 | 2,827 | 227 | 507 |
| Advances from Federal Home Loan Bank | 4,417 | 5,683 | 9,715 | 9,729 |
| Guaranteed junior subordinated deferrable interest | 13,085 | 13,085 | 13,085 | 13,085 |
| debentures | | | | |
| Total interest bearing liabilities | 716,058 | 704,937 | 705,966 | 704,990 |

Non-interest bearing liabilities:

| | | | | |
|---|-----------|-----------|-----------|-----------|
| Demand deposits | 150,844 | 146,229 | 134,767 | 133,465 |
| Other liabilities | 16,467 | 15,970 | 11,634 | 11,691 |
| Shareholders equity | 111,659 | 111,621 | 112,572 | 109,773 |
| Total liabilities and shareholders equity | \$995,028 | \$978,757 | \$964,939 | \$959,919 |