CENTRIC FINANCIAL CORPORATION

ANNUAL REPORT

2012

CENTRIC BANK
We Revolve Around You.

OUR MISSION

Centric Bank is a locally owned, locally loaned community bank that provides a variety of core financial services to businesses, professionals, and individuals. We promise our customers immediate, direct access to our bank decision makers and deliver the finest personalized service in the industry. Centric has committed people and resources to enrich the communities where we live and work. Because trust is our most important commodity, we are focused on building and sustaining long-term generational relationships with our customers, our community, our employees, and our shareholders. In every transaction, *We Revolve Around You*.

OUR VISION

We aspire to become the locally owned, independent, community bank of choice for small and medium-size businesses, professionals, and individuals in central Pennsylvania. We will combine steady growth, consistent earnings, and firm control of risk factors to provide safety for our depositors. Our people will be the difference in establishing consistency in earnings and enhanced shareholder value.

CORE VALUES

We trust our principles are clear to every customer from the moment you enter our facilities or speak to a Centric Bank representative:

- We value an uncompromising dedication to understanding and meeting our clients' financial needs.
- We recognize and reward the contributions of our team members and believe that qualified, loyal, and committed professionals are our most valuable asset.
- We practice prudent business planning and cost management strategies to ensure financial viability and responsible growth.
- We embrace change and continually seek ways to provide quality, cost-effective services that meet or exceed our clients' expectations.
- We seek to establish a relationship of trust and respect with our clients and value integrity as an organization and as individuals.
- We are committed to providing the best possible service to our clients. We will go above and beyond what is required to attract and retain cherished business relationships. Our goal is to build relationships. *We Revolve Around You*.

CENTRIC
BANK
We Revolve Around You.

The Art of Banking

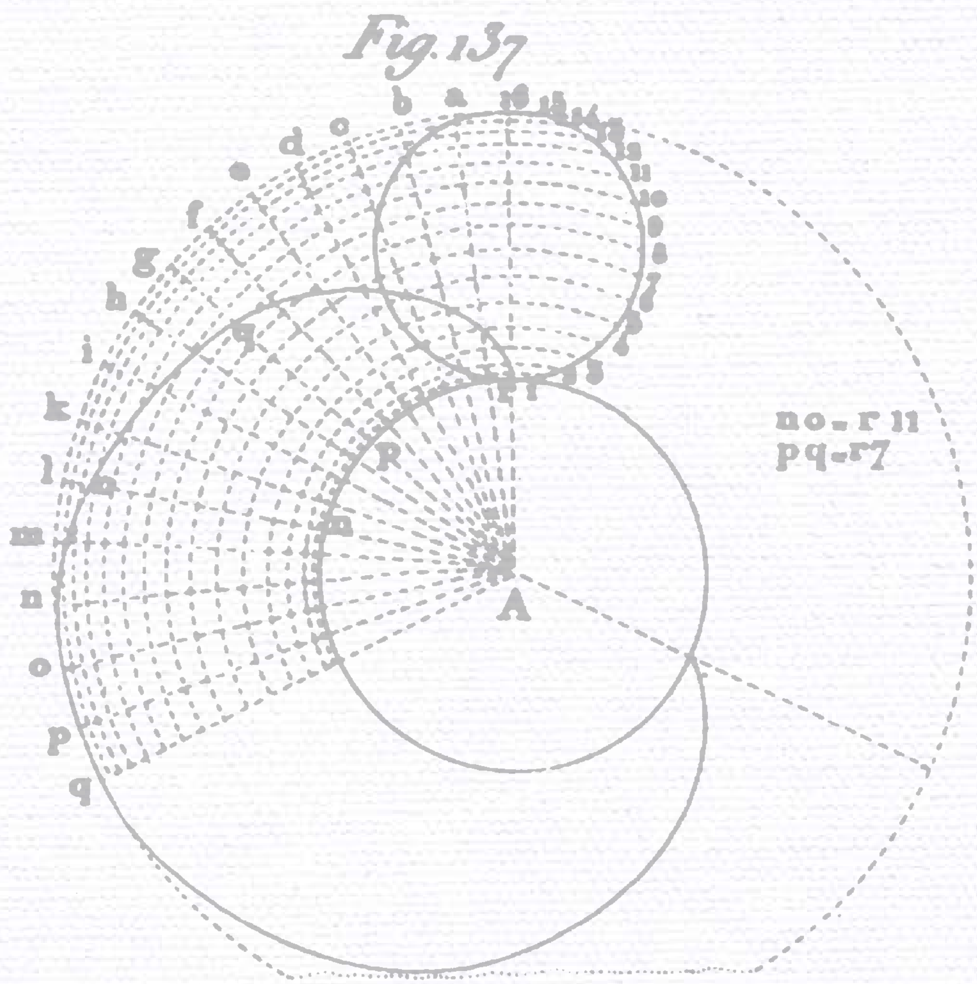
Growing a community bank means growing a strong neighborhood, and that requires nurturing equal parts art and science. The science part comes naturally to us—that's the numbers and business analyses, and we don't mind saying that we excel in that regard. The art side; however, is where we truly differentiate ourselves. It's where the people-to-people relationship begins and stereotyped banking ends.

If we only focused on the numbers, we would be identical to every other financial institution. But at Centric Bank, a home mortgage, a medical practice financing package, or a line of credit means we're undergirding the community fabric. We're investing in people, big ideas, and optimism. That's the art of banking.

4320 Linglestown Road | Harrisburg, PA 17112 | (717) 657-7727 | **Fax** (717) 657-7748 | **www.centricbank.com**

Centric Financial Corporation | 2012 Annual Report

Centric Financial Corporation: Financial Report 2012



To Our Shareholders, Customers, and Friends:

From strong roots grow great communities. That was Centric Bank's banner for 2012—a reminder of how we grow and why, with a steady focus on our mission of being a lifetime financial services provider.

Although media across the globe broadcasted blame and disdain for banking and bankers, this was a year of triumph for our team and our customers. We continue to break ground both physically with our new footprint in the Hershey community, and company-wide with fresh faces and new services to "revolve around you."

Donald E. Enders, Jr.
Chairman of the Board

At each of our three financial centers, we combine old-fashioned respect and gratefulness with new channels of banking. When business succeeds, we succeed, and our shareholders succeed—not only with a strong Return on Investment, but with the important Return on Value of community pride and loyalty.

Your stories, challenges, and successes are vital to us. We heard heartwarming testimonials of dreams achieved and business triumphs, some of which are shared by customers on these very pages.

Because we live where we lend, we see firsthand the services and products that result from our business decisions. Helping young entrepreneurs realize their lifelong dream of opening a new restaurant in Harrisburg—and to great acclaim—is a source of pride for us.

We know who powers the economy and who's creating jobs—small business owners. And we're honored to have a part in putting Americans back to work.

Patricia A. Husic
President & CEO

We remain the outliers in organic banking growth with deposits topping $271 million, reflecting an increase of 21.4% over the previous year. We continue to lead in lending with loan growth at 15.9%; infusing $79.4 million in new loans to businesses and individuals in central Pennsylvania. Loans at December 31 totaled $208.5 million, as compared to $179.9 million the previous year. Assets topped $302 million at year end, touting a growth of 19.2% over 2011.

Net income before tax expense for 2012 was $1.0 million, as compared to $959,000 in 2011. 2012 was the first year in which Centric Bank reported tax expense. Income tax expense was $301,000, as compared to a tax benefit of $446,000 for 2011. Net income after taxes for 2012 was $708,000, as compared to $1.4 million in 2011.

As a few investors struggled to succeed, we experienced a past due and nonperforming loan increase in 2012, specifically relating to investment properties in the City of Harrisburg. Total past due loans were 2.79% of total loans, as compared to 1.74% in 2011. Although Centric Bank experienced a rise in nonperforming loans and delinquency ratios, we were comparable to our local banking peers and more favorable than those around the country.

During 2012, a cost savings of $276,000 was realized over the previous year from the Small Business Lending Fund. As a direct result of Centric Bank's loan growth, we qualified for the lowest dividend rate of 1%.

To our shareholders, we remain laser-focused on the bottom line for our bank's continued health amid complicated and volatile regulations. We have added enhancements to our credit and risk management and loan operations areas by strengthening lending policies and procedures with more stringent underwriting, especially in specific segments of our commercial real estate portfolio. We have welcomed five additional employees to our credit and risk and loan operations teams and are poised for prudent growth.

Centric Bank celebrated several significant successes in 2012:

- In May, we unveiled our newest, innovative service—Doctor Centric Bank—to deliver private banking and concierge services to the region's health care professionals. From practice financing and equipment purchases, to commercial real estate packages, we provide direct-to-doctor care to ensure all financial assets remain strong.
- To meet our customers' full-access needs, we have integrated mobile banking to unveil in 2013.
- We added new hires in every sector to support and sustain our growth.
- Named one of Pennsylvania's Top 50 Fastest Growing Companies for the second consecutive year, we are steadily creating new opportunities for businesses to grow and prosper in our region.
- In August, we moved to our new operations center on Crums Mill Road, Harrisburg, expanding our infrastructure to support our physical and financial growth.
- Construction began on the Hershey financial center in November, with plans to open in May 2013.
- We combined steady growth, consistent earnings, and firm control of risk factors to provide safety for our depositors.
- As part of our communications strategy and to meet our customers' information needs, we established a social media presence on Twitter, Facebook, and LinkedIn for both Centric Bank and Doctor Centric Bank.

Leading by example, our community roots run strong and deep, and it remains our privilege to give back to our neighborhoods by supporting these and many other fine organizations:

- Toys for Tots Parade and Collection
- Central Pennsylvania Food Bank
- The Lion Foundation
- The Arc of Dauphin and Lebanon Counties
- Leukemia and Lymphoma Society
- American Heart Association
- Harrisburg Regional and West Shore Chambers of Commerce
- Bishop McDevitt, Central Dauphin, Susquehanna Township, and Camp Hill school activities
- Big Brothers Big Sisters of the Capital Region
- Colonial Park Rotary

We are grateful to you for your unwavering belief and investment in Centric Bank. None of these achievements would have been possible without our shareholders' confidence in our mission and future. Thank you for partnering with us to deliver "revolutionary" banking services. At every level, *We Revolve Around You*.

Sincerely,

Donald E. Enders, Jr.

Donald E. Enders, Jr.
Chairman of the Board

Patricia A. Husic

Patricia A. Husic
President & CEO

Our Triumphs in a Year of Economic Challenges, Increasing Complexity, and Unrivaled Federal Regulations

1st

to introduce concierge banking services to the central Pennsylvania health care community with Doctor Centric Bank.

#1

Every relationship is personal to us. Every customer is #1!

5

talented people joined our team to add systemic strength and ensure safety and soundness in banking.

$3,777,000

in Doctor Centric Bank loans to physicians, their practices, and health care professionals.

$8.2 million

in SBA loans that allowed 12 business owners to build their dreams.

100%

local loans made by local decision makers.

6

new social media platforms to increase our digital footprint, share our voice, and listen to our customers.

$79.4 million

total loans originated in 2012.

#17

in highest loan growth rate in Pennsylvania.

$47,852,000

increase in total deposits in 2012.

Setting Our Customers Up for Small Business Success

We believe small business opportunities and their vitality undergird strong, healthy communities. From our inception in 2007, we've viewed Centric Bank as our region's economic epinephrine and a driver for economic stability. Small business is big business to us.

In fact, it's where we make life-changing impact. Our local lending brings a holistic view to every business; we evaluate profitability, potential, and passion. And we ensure that even unplanned financial situations can be worked through, rather than structuring a loan package with financial burdens beyond a business's capacity to repay. "Streamlined our systems" and "saved our company" are familiar praises from our customers.

"We truly appreciate Centric Bank's outstanding level of customer service. Our account management team always goes the extra mile and gives us everything we need to easily manage our banking. They are knowledgeable, prompt, and courteous. Their banking solutions have streamlined our deposits and reconciliation process. Plus, Centric's attention to service demonstrates their concern for small business and has saved our company hundreds of dollars."

JESSICA E. MEYERS
Owner/President, JEM Group

"In 1999, I started my own law practice and title insurance agency in central Pennsylvania. Since then, I have formed various real estate investment companies. As a small business owner, I cannot stress enough how important it is to have a valued and trusting relationship with a lender of Centric Bank's caliber.

Not only were their interest rates and fees competitive, the service I received throughout the lending process was exceptional. I have been extremely pleased with Centric Bank's customer service, honesty, and integrity since becoming a client and have greatly expanded my relationship with them. Thank you to Patti Husic, Paul Zwally, and the entire Centric Bank team for the kindness and generosity you have provided to me, my family, and my businesses."

DARRIN C. DINELLO, ESQUIRE
Owner, Law Office of Darrin C. Dinello

Customer-Centric

In the banking world, one of the most powerful indicators of a growing economy is a surge in consumer confidence—that magic equation of people + positivity. And it's a Key Performance Indicator for economists, bankers, and Wall Street. How do the stars align to create confidence? It begins with a laser-focus on the men and women we call customers.

As we add and expand the services that our entrepreneurs and small businesses depend on, we see a steady rise in confidence in every service area. *We Revolve Around You* has always been more than a tagline for us. For six years, it has been our guiding principle and a sentiment that cannot be manufactured or contrived.

In every transaction, our customers agree that a relationship with us is "unlike any bank [they] have dealt with," and we continue to be a "passionate neighborhood partner."

Since 2007, we have built our banking services on trust—trust in the integrity of our customer relationships, trust in the quality of products we provide, trust in our commitment to the community. It's the sense of reassurance we hope every person experiences when you walk into one of our Centric Bank Financial Centers and are greeted by name; or the relief you feel when you hear our lending advisor say, "We can help you on your business journey. Let's do this."

"We had finally found our dream house but were disappointed with the loan packages that banks were offering. And now it seemed that the home of our dreams was becoming out of reach.

Sensing our frustration, John Fox of FoxBuilt Homes suggested we speak to the team at Centric Bank. We were thrilled to meet with Paul Zwally. He understood that after 12 years of medical school and surgical training, our financial situation was unique. He listened to our ideas and concerns and created a loan package tailored to our needs.

With help from Paul and Centric Bank, we began construction on our new home. We can't wait to move in!"

DR. TOM AND KRISTIN SAMSON
AND FOXBUILT HOMES

Hitting Our Stride

As we break ground in Hershey for our fourth and newest financial center, grow our Doctor Centric Bank brand, and expand our mortgage services, we strive to be the lender with big ideas and sensible risk. Hometown lending means we understand the needs of a medical company, a marketing firm, a hotelier, a printer, a dental practice, a manufacturer, a construction company, and a woman- or minority-owned business.

"In our experience, most banks do not understand the needs of the limousine industry. In 1982, when Jim's idea of a 'limousine company for Harrisburg' began to materialize, the financial institutions we met with were unwilling to help us. Had it not been for our neighbor who was a bank manager, we're not certain that Unique Limousine Service would have ever gotten off the ground. As we grew, we continued to face financing challenges with several banks.

Then Centric Bank came along, and all of that changed! They became our personal bankers. Mike Watson and the Centric Bank team took the initiative to learn more about the luxury transportation industry and remain committed to keeping Unique Limousine a strong, family owned company.

Our relationship with Centric Bank is unlike any other bank that we have dealt with. We look forward to growing with them as our 'go to' bank!"

JOSIE AND JIM SALINGER
Owners, Unique Limousine Service

In 2012, we hit our stride in three market sectors:

- ***Banking for Business***—The engine of our economy "revolves around" the ideas and innovations of small business. We lend and lead our entrepreneurs to success.
- ***Banking for Community***—Supporting events, schools, and fundraisers builds a strong neighborhood foundation, the essence of community banking.
- ***Banking for Life***—We know that each season demands unique sets of financial knowledge, resources, and risk assessments. It is our privilege to serve three and four generations of customers. Offering financial guidance and services for the young, mature, families, retirees, learners, home buyers, and business builders is an honor we take seriously. From new life to retirement life, Centric Bank is a partner for life.

Connecting Person-to-Person

Balancing our intensity for portfolio numbers and predictions with an equal intensity and respect for our customers keeps us focused on our roots. We're in the people business. 2012 saw a stronger commitment to connecting with our customers in the channels you communicate in.

We have increased our presence and brand on Facebook, Twitter, and LinkedIn. During Hurricane Sandy's impact, we used a combination of new and traditional communications to keep every customer informed, as news happened. With over 1 billion users on Facebook alone, its importance in first-person connectivity is clear. Look for banking news, regional updates, and community support on all our social media channels.

In 2012, you may have noticed one of your lenders waving a flag in the Camp Hill Memorial Day Parade; grilling hot dogs at Silver Spring Financial Center to show appreciation for your trust and faith in us; or collecting toys and canned goods for Toys for Tots on Linglestown Road.

While we keep a keen eye on global financial trends, our primary attention is squarely in our backyard—Dauphin and Cumberland counties.

We pride ourselves on making you feel welcome and your voice heard! Whether a customer calls, tweets, walks through our doors, or we meet at a community event, our true measure of success is in our reputation and the personal relationships we develop. Please say "Hello!" when you see us in your neighborhood!

"As a stronghold for foundation and non-profit banking, Centric Bank is a passionate neighborhood partner, deeply invested in the people and businesses that call central Pennsylvania home. The Centric team works, shops, and lends locally. We truly value the banking services they provide and the guidance, knowledge, and support they offer to our schools and the entire Camp Hill community."

ROBIN JONES, *Executive Director of the Camp Hill Lion Foundation*

DAVID REEDER, *Camp Hill School District Superindendent*

Safety and Soundness

While the banking industry continued to be indicted globally, our reality of lending with honesty, leading with purpose, and growing with care remains a financial stabilizer for customers.

Safety and soundness is more than a banking buzz word for us, it's our culture. For an organization to operate with safety and soundness, its people have to understand their guiding principles, business practices, and the communities they serve. In 2012, risk management was pre-eminent in every loan decision and investment.

- We banked on the American spirit reimagined on Market Street, Front Street, and Technology Drive.
- We banked on positive attitudes, hometown pride, and fresh ideas.
- We banked on schools, medical practices, boroughs, construction companies, restaurants, first responders, and neighbors.

We banked on YOU!

"Centric Bank walked us through the SBA loan process with patience and precision. We instantly felt that they were as passionate about our business as we are. More than a loan, this is a true partnership. Our dream of opening up a restaurant in Harrisburg just came true!"

ADAM & DANIELLE STURGES
Owners, The Sturges Speakeasy

To our shareholders, we remain driven by the bottom line for our bank's continued safety and soundness amid complicated and unpredictable regulations.

In a new normal, we are marching into our sixth year lending to small businesses with big ideas and individuals ready to go further.

Our customers did not wait in limbo for pent-up demand to return; nor were they mitigating risk by ignoring opportunities. Our 50 Fastest Growing Companies award in central Pennsylvania was evidence that our customers depended on us to fuel their dreams. And thanks to the support from our shareholders and the combined financial expertise of our team, we delivered!

At Doctor Centric Bank, our newest subsidiary, physicians started practices with the most advanced technology and patient-friendly environments. From think to build, we loaned more than $3.7 million to physicians, their practices, and health care professionals. As your private banker, we take care of your finances so you can focus on what really matters—the people who depend on your care.

Controlled and sophisticated underwriting standards and credit and risk management practices ensure that our customers are well-equipped and financially capable of supporting their investments—even through challenging financial conditions.

When business needs change, our services will support your change. When lending requirements shift, you can depend on our experienced team to lead the way to deal-making and success.

As a lifetime financial provider, we have the resources to lend big and connect small. In a world where large, impersonal institutions fall short, we are your financial home stretch!

"I was fortunate to meet the staff at Centric Bank in 2012 while transitioning into my own dental practice. When they described the level of service provided by their subsidiary, Doctor Centric Bank, I was amazed.

As I developed my dental office, Doctor Centric Bank helped me every step of the way, providing me with business planning and financing options. They truly understood my financing needs as a health care provider. The staff is always available to answer any of my questions; and if they don't know, they promptly find the answer and return my call as soon as possible.

I am so pleased to have Doctor Centric Bank caring for my business and am happy to recommend them for any personal banking or business banking needs."

MICHAEL P. KOVALESKI, D.M.D.
Owner, Kovaleski Dental Suite, LLC

Each season demands unique sets of financial knowledge, resources, and risk assessments. It is our privilege to serve three and four generations of customers. From new life to retirement life, Centric Bank is a partner for life.

Management's Discussion and Analysis

Please note that in this discussion we have made forward-looking statements that are subject to risks and uncertainties. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Reform Act of 1995. These statements include information concerning the future financial results of Centric Financial Corporation and Centric Bank. Many factors could affect these future results including economic, political, regulatory, or operating risks. In addition, competition and rapidly changing technology could also impact our future operations. Our analysis of these risks may also be incorrect and our strategies to address them may be ineffective.

BANK PERFORMANCE

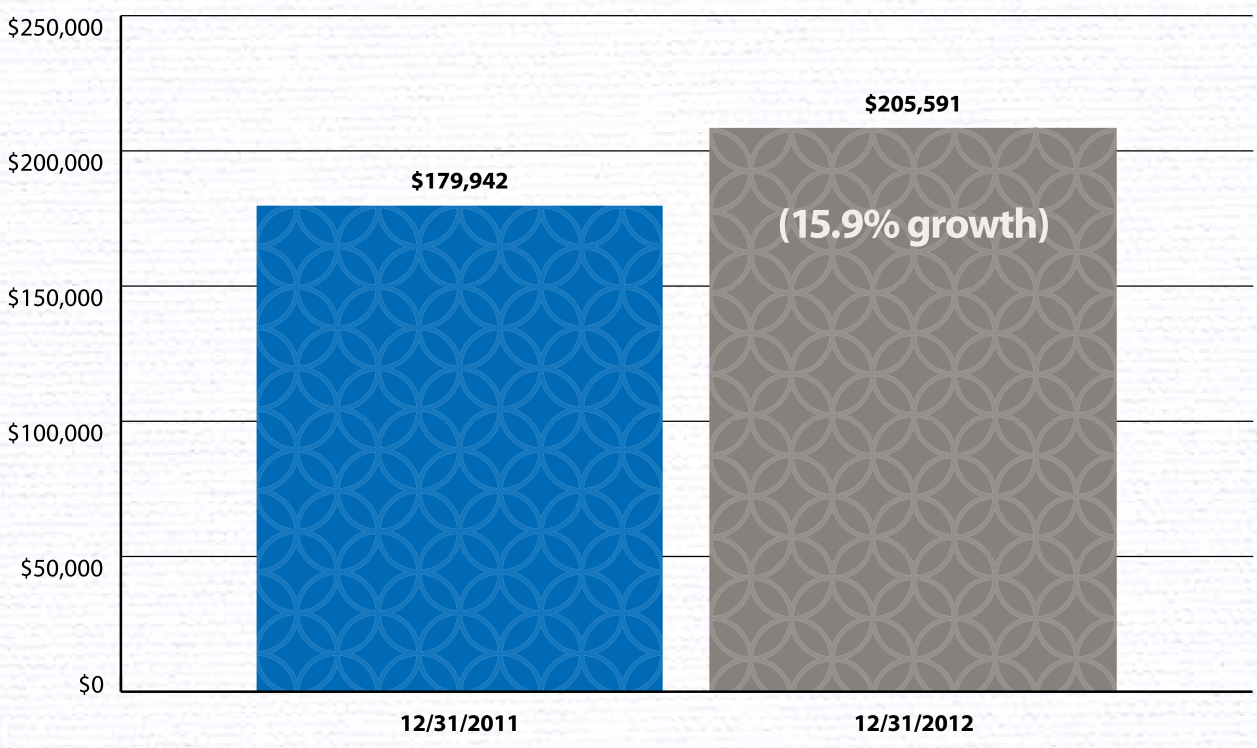
Centric's performance for 2012 delivers another year of double-digit growth and reaching key milestones. Centric was recognized as number 14 of central Pennsylvania's Top 50 Fastest Growing Companies in 2012, moving up 9 positions from 2011. Our strong foundation in our communities has provided Centric the ability to cultivate and deepen strong relationships which are the roots of our success.

FINANCIAL POSITION

Loans

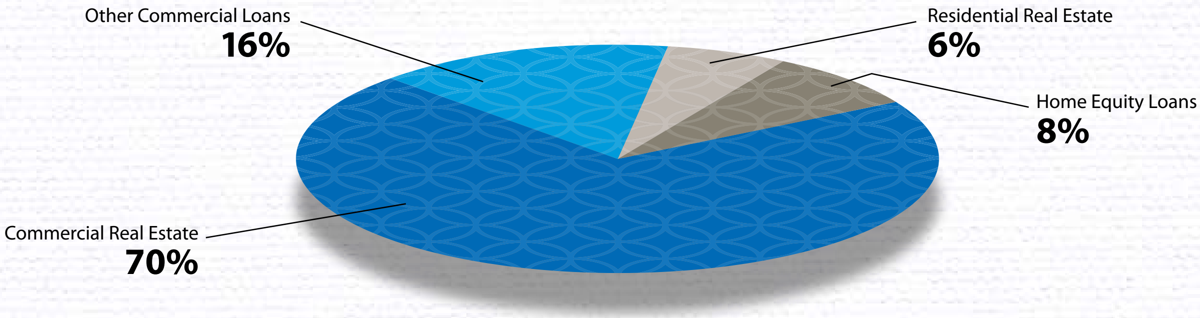
Centric Bank's primary earning asset is loans. As depicted in the following graph, loan growth was 15.9% during 2012.

CENTRIC FINANCIAL CORPORATION
TOTAL LOANS
(in thousands)



Our primary area of strategic focus is in loans to small and medium-sized businesses and their owners. This focus is reflected in the level of commercial loans detailed in the following graph:

CENTRIC FINANCIAL CORPORATION | LOAN MIX AS OF DECEMBER 31, 2012

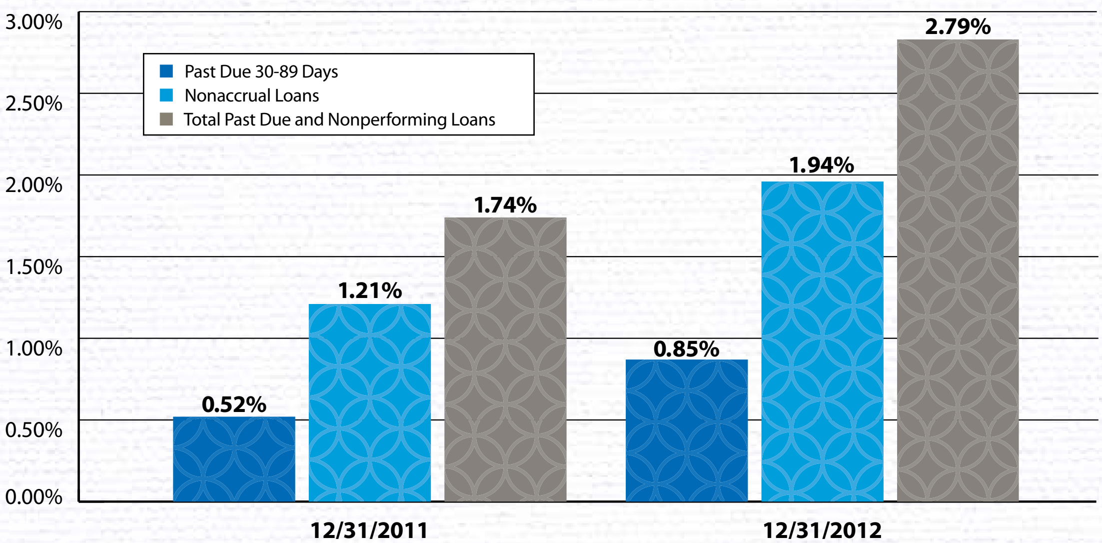


The focus on commercial lending has been coupled with prudent loan underwriting standards and enhanced relationship monitoring. This helps to ensure that loans being recorded are solid and that proactive efforts can be taken to address any potential credit deterioration identified in the loan portfolio.

Credit Quality

Prudent underwriting and related controls along with continual monitoring will ensure the long-term maintenance of overall loan portfolio credit quality. Centric experienced an increase in nonperforming and past due loans in 2012. The increase was related to investment properties in the City of Harrisburg in the commercial real estate portfolio. Even though we have seen an increase in nonperforming as a percent of total loans, we are comparable with the average of the banks in our area for the fourth quarter of 2012. Centric continues to manage past due and nonperforming loans as a percent of total loans which is reflected in the following graph:

NONPERFORMING ASSETS AND PAST DUE LOANS AS A % OF TOTAL LOANS



Nonaccrual loans (included in nonperforming loans above) have a negative impact on the bank's earnings as these are assets that require funding, but do not provide current income. These loans are primarily secured with real estate, and management believes that potential losses related to these loans have already been provided for in the allowance for loan losses as discussed further below. Management continues aggressive collection efforts with these nonaccrual loans, however, this collection process is extremely lengthy and is often delayed by bankruptcy proceedings.

Allowance for Loan Losses

The allowance for loan losses is maintained at a level considered by management to be adequate to provide for losses that can be reasonably anticipated. This evaluation is inherently subjective and requires significant estimates that are subject to change.

During 2012, the bank had net charge-offs of $917,000.

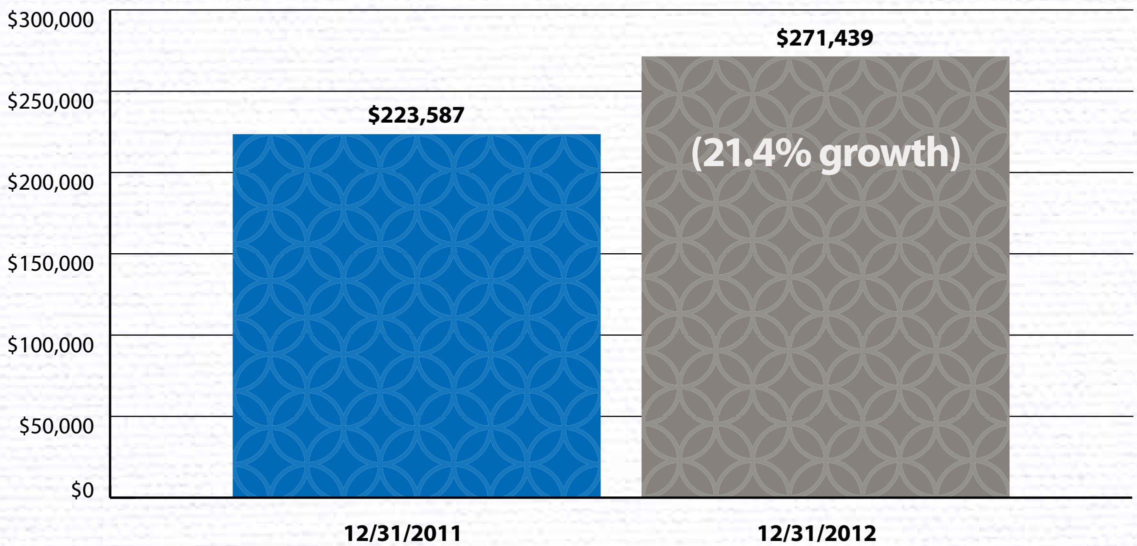
Investment Securities

Periodically, the bank invests excess funds in investment securities. Investment securities are part of the overall balance sheet management strategy. These investments serve as a source of liquidity through paydowns, maturities, and sales to fund future loan growth and are also utilized to secure public funds deposits as required by state law. These investments are an alternative to overnight federal funds investment and provide an offset to a liability sensitive risk position. The bank's investment securities consist of U.S. agency, mortgage-backed, and municipal securities. The securities have a relatively short average life. Investments are thoroughly analyzed prior to purchase and the portfolio is subject to ongoing monitoring. The bank recognized $156,000 in other-than-temporary-impairment of the investment security portfolio in 2012.

Deposits

The most critical source of funding for the bank is its deposit base. We continue to pursue core deposit growth including acquiring deposit accounts with new loan relationships and look to our local market to expand the deposit base. We have been successful in funding our loan growth with growth in deposits. The bank consistently monitors its deposit pricing and that of its competitors. The following graph depicts the growth in total deposits.

CENTRIC FINANCIAL CORPORATION | DEPOSIT GROWTH



Borrowings

An additional source of funding for the bank is borrowings through the bank's membership in the Federal Home Loan Bank of Pittsburgh (FHLB). The FHLB provides a ready source of funding at flexible terms.

Stockholders' Equity

Our stockholder equity continues to be in excess of minimum total capital levels required by regulatory authorities. Please see Note 12 to the Consolidated Financial Statements for additional details.

RESULTS OF OPERATIONS

Net Interest Income

Net interest income is the amount by which interest earned on loans, investment securities, and other earning assets exceeds the interest paid on deposits and borrowings. This is Centric's main source of income and it is summarized in the following table for the year ended December 31, 2012:

DISTRIBUTION OF ASSETS, LIABILITIES, AND STOCKHOLDERS' EQUITY
INTEREST RATES AND INTEREST DIFFERENTIAL

(*in thousands*)	Year Ended December 31, 2012		
	Average Balance	**Interest**	**Rate**
ASSETS:			
Deposits in Other Banks	$ 8,709	$ 39	0.45%
Federal Funds Sold	30,482	79	0.26%
Investment Securities (1)	24,054	567	2.36%
Loans (2)	198,145	10,712	5.41%
Restricted Invest. - Bank Stocks	926	2	0.22%
Total Earning Assets	262,316	11,399	4.35%
Allowance for Loan Losses	(2,584)		
Other Nonearning Assets	19,187		
TOTAL ASSETS	$ 278,919		
LIABILITIES and STOCKHOLDERS' EQUITY:			
Deposits:			
Interest-Bearing Demand	$ 128,440	$ 1,338	1.04%
Savings	19,602	164	0.84%
Time	82,724	1,447	1.75%
Total Deposits	230,766	2,949	1.28%
Long-Term Debt	7,279	185	2.54%
Total Interest-Bearing Liabilities	238,045	3,134	1.32%
Demand Deposits	17,602		
Other Liabilities	1,044		
TOTAL LIABILITIES	256,691		
Stockholders' Equity	22,228		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 278,919		
Net Interest Income/Interest Rate Spread		$ 8,265	3.03%
Net Interest Margin			3.15%

NOTES:

(1) Balances reflect amortized historical cost for available-for-sale securities. The related average unrealized gain or loss on securities is included in other nonearning assets.

(2) Balances of nonaccrual loans and related income recognized have been included for computational purposes. Includes net loan fee income of $58,000.

Management strives to limit exposure to changes in interest rates through prudent structuring of interest-bearing assets and liabilities. This is accomplished through the promotion of various loan and deposit products and the purchase of certain investment securities or the structure of borrowings. Interest-rate risk is measured on a quarterly basis and current measurement indicates exposure to rising interest rates. The Federal Reserve has made no change to short-term interest rates in 2012. The lack of action has continued the decline in overall market interest rates. The extended period of low rates has impacted the yield on Centric's earning assets. Offsetting some of this impact have been reductions to deposit rates and lower borrowing rates. In addition, certain variable-rate loans have interest-rate floors and have not been fully impacted by these rate reductions.

Provision for Loan Losses

Centric's provision for loan losses amounted to $1,353,000 for the year. The provision for loan losses is an estimated expense to provide for losses attributable to uncollectible loans. The provision is based on management's analysis of the adequacy of the allowance for loan losses and is impacted by the level of net charge-offs, loan growth, and estimated changes in credit risk on specifically identified loans and the overall loan portfolio. The evaluation is subjective and involves significant estimates that are subject to change.

Other Operating Income

Other operating income consists primarily of service charges on deposit accounts, interchange income on debit card transactions, servicing income on loans sold, fee income on mortgages sold on the secondary market, and bank-owned life insurance. Servicing income is primarily related to earnings on residential mortgage loans sold to the FHLB. The bank had previously sold loans to the FHLB as part of its Mortgage Partnership Finance Program. The bank is no longer actively selling loans through this program. Future servicing revenue from these loans will decrease as the outstanding balances of these loans continue to decline.

Other Operating Expenses

The most significant operating cost for Centric is salaries and wages and related employee benefit costs. Included in these costs for 2012 are costs related to the hiring of additional lenders and support staff. Additional lending staff was hired to concentrate on small business and mortgage lending that would be sold on the secondary market.

Other operating costs also included $274,000 in advertising and marketing costs primarily focused on the bank's presence in our local market.

During 2012, total legal and professional fees amounted to $376,000. This included significant legal costs related to loan collections. It is anticipated that these costs will decline in future years as the overall quality of our loan portfolio continues to improve.

The overall results of operations for 2012 amounted to net income of $708,000. Please see the Consolidated Statements of Operations and related notes for further details.

Regulatory Supervision

Centric Bank is subject to the regulatory supervision of the FDIC and the Pennsylvania Department of Banking.

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
CENTRIC FINANCIAL CORPORATION
HARRISBURG, PENNSYLVANIA

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Centric Financial Corporation and subsidiary which comprise the consolidated balance sheet as of December 31, 2012 and 2011; the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended; and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Centric Financial Corporation and subsidiary as of December 31, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

S.R. Snodgrass, A.C.

S.R. Snodgrass, A.C.
Wexford, Pennsylvania
March 1, 2013

CONSOLIDATED BALANCE SHEET

(in thousands, except share data)	December 31,	
	2012	**2011**
ASSETS		
Cash and due from banks	$2,813	$ 4,589
Interest-bearing deposits in other banks	2,795	1,834
Federal funds sold	40,285	25,913
Cash and cash equivalents	45,893	32,336
Investment certificates of deposit	9,831	5,394
Securities available for sale	26,661	25,023
Securities held to maturity, fair value $951 and $896	929	931
Loans	208,509	179,942
Less: allowance for loan losses	2,918	2,482
Net loans	205,591	177,460
Loans held for sale	1,059	395
Accrued interest receivable	597	570
Premises and equipment, net	6,362	6,151
Regulatory stock	1,060	807
Cash surrender value life insurance	1,387	1,337
Goodwill	492	492
Other assets	2,197	2,703
TOTAL ASSETS	**$302,059**	**$253,599**
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Noninterest bearing	$20,645	$15,830
Interest bearing	250,794	207,757
Total deposits	271,439	223,587
Long-term debt	6,763	9,442
Accrued interest payable	98	126
Other liabilities	1,206	498
Total Liabilities	**279,506**	**233,653**
STOCKHOLDERS' EQUITY		
Preferred stock series C, $1.00 par; 7,492 shares issued and outstanding in 2012 and 2011 (liquidation preference $1,000 per share)	7,492	7,492
Common stock, $1.00 par; 12,000,000 shares authorized; 2,999,718 and 2,687,919 shares issued and outstanding in 2012 and 2011, respectively	2,999	2,688
Additional paid-in capital	14,904	13,274
Retained deficit	(2,885)	(3,518)
Accumulated other comprehensive income	43	10
Total Stockholders' Equity	**22,553**	**19,946**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$302,059**	**$253,599**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

(in thousands, except share data)	Year Ended December 31, 2012	2011
INTEREST INCOME		
Interest and fees on loans	$ 10,712	$ 9,518
Interest and dividends on securities	569	664
Interest-bearing deposits in other banks	39	43
Federal funds sold	79	45
Total interest income	11,399	10,270
INTEREST EXPENSE		
Interest on deposits	2,949	2,874
Interest on long-term debt	185	246
Total interest expense	3,134	3,120
Net Interest Income	8,265	7,150
Provision for loan losses	1,353	1,098
Net interest income after provision for loan losses	6,912	6,052
NONINTEREST INCOME		
Service charges on deposit accounts	99	88
Other loan fees and servicing income	223	134
Net gain on sale of loans	251	90
Net gain on sale of securities	145	-
Total other-than-temporary impairment ("OTTI") losses	(63)	(116)
Non-credit portion of OTTI recognized in other comprehensive income	(93)	54
Net OTTI losses recognized in earnings	(156)	(62)
Other income	207	228
Total noninterest income	769	478
NONINTEREST EXPENSE		
Salaries and employee benefits	3,098	2,588
Occupancy and equipment	916	818
Legal and professional fees	376	312
Data processing	429	401
Advertising and marketing	274	264
Shares and capital stock tax	154	132
Directors expense	148	108
Federal deposit insurance	233	239
Other expenses	1,044	709
Total noninterest expense	6,672	5,571
Income before income tax	1,009	959
Income tax expense (benefit)	301	(446)
NET INCOME	**708**	**1,405**
Preferred stock dividends and discount accretion	(75)	(351)
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	**$ 633**	**$ 1,054**
PER SHARE DATA		
Basic earnings per share	$ 0.23	$ 0.40
Diluted earnings per share	$ 0.23	$ 0.39
Average shares outstanding (basic)	2,741,791	2,658,251
Average shares outstanding (diluted)	2,760,885	2,674,975

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(*in thousands*)	December 31, 2012		December 31, 2011	
NET INCOME	$	708	$	1,405
Other comprehensive income:				
Unrealized holding gain (losses) on available-for-sale securities		(97)		271
Tax effect		34		(92)
Reclassification adjustment for gains recognized in income		(145)		-
Tax effect		49		-
Accretion of losses on securities transferred to held-to-maturity		43		34
Tax effect		(15)		(12)
Unrealized holding gains (losses) due to other-than-temporary impairment on held-to-maturity securities		93		(24)
Tax effect		(32)		8
Other-than-temporary impairment losses recognized in earnings		156		62
Tax effect		(53)		(21)
Total other comprehensive income		33		226
COMPREHENSIVE INCOME	$	**741**	$	**1,631**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

(in thousands, except share data)	**Preferred Stock Series A**	**Preferred Stock Series B**	**Preferred Stock Series C**	**Common Stock**	**Additional Paid-in Capital**	**Retained Deficit**	**Accumulated Other Comprehensive Income (Loss)**	**Total**
Balance, December 31, 2010	$ 5,912	$ 182	$ -	$2,640	$ 12,975	$(4,572)	$ (216)	$16,921
Net income						1,405		1,405
Other comprehensive income							226	226
Stock-based compensation plans:								
Restricted stock - compensation expense					23			23
Stock options - compensation expense					28			28
Redemption of preferred stock and related warrant (6,238 shares)	(6,056)	(182)						(6,238)
Issuance of preferred stock (7,492 shares)			7,492					7,492
Net accretion on preferred stock	144					(144)		-
Preferred stock dividend						(207)		(207)
Issuance of common stock (47,750 shares)				48	248			296
Balance, December 31, 2011	-	-	7,492	2,688	13,274	(3,518)	10	19,946
Net income						708		708
Other comprehensive income							33	33
Stock-based compensation plans:								
Vesting of restricted stock (6,952 shares)				6	(6)			-
Restricted stock - compensation expense					30			30
Stock options - compensation expense					24			24
Preferred stock dividend						(75)		(75)
Issuance of common stock (304,847 shares)				305	1,582			1,887
Balance, December 31, 2012	**$ -**	**$ -**	**$ 7,492**	**$2,999**	**$ 14,904**	**$(2,885)**	**$ 43**	**$22,553**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands)	Year Ended December 31, 2012	2011
Cash flows from operating activities		
Net income	$ 708	$ 1,405
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	1,353	1,098
Depreciation and amortization	520	471
Stock-based compensation	54	51
Deferred income tax benefit	113	(494)
Loans originated for sale	(14,544)	(7,426)
Proceeds from sale of loans	14,130	7,391
Net gain on sale of loans	(251)	(90)
Increase in accrued interest receivable	(27)	(95)
Decrease in accrued interest payable	(28)	(27)
Net gain on sale of securities	(145)	-
Security impairment losses realized in earnings	156	62
Decrease in prepaid federal depository insurance	216	225
Net (gain) loss on sale of assets	75	(36)
Other, net	528	(133)
Net cash provided by operating activities	2,858	2,402
Cash flows from investing activities		
Net (increase) decrease in certificates of deposit	(4,437)	3,431
Sales of available-for-sale securities	2,369	-
Maturities and principal pay downs of available-for-sale securities	13,101	10,535
Maturities and principal pay downs of held-to-maturity securities	139	130
Purchases of available-for-sale securities	(16,863)	(12,967)
Purchases of regulatory stock	(526)	(326)
Redemption of regulatory stock	273	25
Net increase in loans	(29,926)	(33,100)
Purchases of bank premises and equipment	(957)	(2,303)
Proceeds from disposal of other real estate owned	249	492
Purchase of bank-owned life insurance	-	(1,300)
Proceeds from disposal of bank premises and equipment	273	17
Net cash used by investing activities	(36,305)	(35,366)
Cash flows from financing activities		
Net increase in deposits	47,852	49,115
Proceeds from long-term debt	-	4,812
Payments on long-term debt	(2,679)	(4,000)
Dividends paid - preferred stock	(56)	(187)
Net proceeds from issuance of common stock	1,887	296
Net proceeds from issuance of preferred stock	-	7,492
Net payments from redemption of preferred stock	-	(6,238)
Net cash provided by financing activities	47,004	51,290
Net increase in cash and cash equivalents	13,557	18,326
Cash and cash equivalents at beginning of period	32,336	14,010
Cash and cash equivalents at end of period	**$ 45,893**	**$ 32,336**
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ 3,162	$ 3,147
Income taxes	175	60
Supplemental schedule of noncash investing and financing activities:		
Other real estate acquired in settlement of loans	468	650
Securities purchased not settled	514	-

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 | Significant Accounting Policies

Organization and Nature of Operations

Centric Financial Corporation ("Centric") or ("the Company") is a financial holding company which includes its wholly-owned subsidiary, Centric Bank ("the Bank").

The Bank entails virtually all of Centric's ongoing operations. The Bank offers customers a range of deposit, loan, and other services typical of community banks through three offices in south central Pennsylvania and online banking channels. The Bank's principal source of revenue emanates from interest income from its portfolio of commercial and residential real estate loans, commercial loans, and consumer loans, as well as from its investment portfolio.

Centric is subject to regulation and supervision of the Pennsylvania Department of Banking and the FDIC.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The accounts of Centric and the Bank are consolidated with the elimination of all intercompany transactions and balances.

Estimates

Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense, and the nature and extent of disclosures. Ultimate results could differ significantly from those estimates and assumptions. Centric's material estimates that are particularly susceptible to significant change in the near term relate to the valuation of loans, the allowances for loan and other credit losses, and other-than-temporary impairment evaluations of securities, evaluation of goodwill impairment, deferred tax valuation, and fair value of financial instruments.

In the ordinary course of business, Centric and the Bank are parties to legal proceedings that entail uncertainty. In management's opinion, Centric's financial position and results of operations would not be materially impacted by the outcome of such proceedings individually or in the aggregate.

Cash and Cash Equivalents

Cash and cash equivalents with original maturities of 90 days or less include cash, balances due from banks, interest-bearing demand deposits in other banks, and federal funds sold. Federal funds sold are generally for one-day periods. The Bank has been required to maintain average balances with the Federal Reserve Bank. In 2012, the Bank engaged in a deposit reclassification program that evaluates the unused balance of transaction accounts. The unused portion is then reclassified as a non-transaction account. This allows the Bank to reclaim the balances held at the Federal Reserve for investment or operating use. The Federal Reserve of Philadelphia approved the use of this program for Centric Bank in the second quarter of 2012. The required minimum balance was $0 at December 31, 2012, and $2,929,000 at December 31, 2011.

Credit Risk Concentrations

As a community bank, most of the Bank's loans and credit commitments comprise Pennsylvania customers, primarily individuals and entities situated in Dauphin and Cumberland counties.

Securities

Investment securities are classified when purchased as either "securities available for sale" or "securities held to maturity."

Securities classified as "available for sale" are those debt securities that the Bank intends to hold for an indefinite period of time but not necessarily to maturity, and are carried at fair value. Unrealized gains or losses are included in other comprehensive income, net of the related deferred tax effect. Realized gains and losses on

Note 1 | **Significant Accounting Policies** (*continued*)

disposition of securities are recognized as noninterest income measured on specific identification of the simple difference between net proceeds and adjusted book value. Premiums and discounts are recognized in interest income using the interest method over the terms of the securities.

Securities classified as "held to maturity" are those debt securities the Bank has both the intent and ability to hold to maturity regardless of changes in market conditions, liquidity needs, or changes in general economic conditions. These securities are carried at cost adjusted for the amortization of premium and accretion of discount, computed by the interest method over the terms of the securities.

Securities are periodically reviewed for other-than-temporary impairment based upon a number of factors, including, but not limited to, the length of time and extent to which market value has been less than cost, the financial condition of the underlying issuer, the ability of the issuer to meet contractual obligations, the likelihood of the security's ability to recover any decline in its market value, and whether or not management intends to sell the security or whether it is more likely than not that they would be required to sell the security before its anticipated recovery in market value, to determine whether the loss in value is other-than-temporary. A decline in value that is considered to be other-than-temporary is recorded as a loss within noninterest income in the Consolidated Statement of Income.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are stated at their outstanding unpaid principal balances, net of any allowance for loan losses and any deferred fees or costs. Interest income is accrued on the unpaid principal balance.

Lease contracts are classified as direct finance leases. Lessees guarantee 100 percent of the leases' residual value at the conclusion of the lease term.

Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the yield (interest income) of the related loans. The Bank is generally amortizing these amounts over the contractual life of the loan.

The accrual of interest is discontinued when the contractual payment of principal or interest has become 90 days past due or management has serious doubts about further collectibility of principal or interest, even though the loan is currently performing. A loan may remain on accrual status if it is in the process of collection and is either guaranteed or well secured. When a loan is placed on nonaccrual status, unpaid interest credited to income in the current year is reversed and unpaid interest accrued in prior years is charged against the allowance for loan losses. Interest received on nonaccrual loans generally is either applied against principal or reported as interest income, according to management's judgment as to the collectability of principal. Generally, loans are restored to accrual status when the obligation is brought current, has performed in accordance with the contractual terms for a reasonable period of time and the ultimate collectability of the total contractual principal and interest is no longer in doubt.

Allowance for Loan Losses

The allowance for loan losses is established through provisions for loan losses charged against income as losses are estimated to have occurred. Loans deemed to be uncollectible are charged against the allowance for loan losses, and subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management's periodic evaluation of the adequacy of the allowance is based on known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral, composition of the loan portfolio, current economic conditions, and other relevant factors. This evaluation is inherently subjective, since it requires material estimates that may be susceptible to significant change.

Note 1 | **Significant Accounting Policies** (*continued*)

The allowance consists of specific and general components. The specific component relates to loans that are classified as Doubtful, Substandard, or Special Mention. For such loans that are also classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers non-classified loans and is based on historical loss experience adjusted for qualitative factors. An unallocated component is maintained to cover uncertainties that could affect management's estimate of probable losses.

A loan is considered impaired when, based on current information and events, it is probable that the Bank will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis for commercial and construction loans by either the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral-dependent.

Purchased loans with evidence of credit quality deterioration for which it is probable at purchase that all contractually required payments will not be collected are acquired with deteriorated credit quality. Centric accounts for differences between contractual cash flows and cash flows expected to be collected from an investor's initial investment in loans acquired in a transfer if those differences are attributable, at least in part, to credit quality. Centric records impaired loans at fair value and did not carry over valuation allowances in the initial accounting for loans acquired in a transfer, including loans acquired in a purchase business combination. The excess of cash flows expected at purchase over the purchase price is recognized as interest income over the life of the loans. Subsequent increases in cash flows expected to be collected are recognized prospectively through an adjustment of the loan's yield over its remaining life. Decreases in expected cash flows are recognized as impairments.

Unfunded Credit Commitments

In the ordinary course of business, the Bank enters into commitments to extend credit and letters of credit. Such financial instruments are recorded when funded. A reserve for unfunded lending commitments under contract, lines and letter of credit, is included in other liabilities.

Restricted Investments in Bank Stocks

Under membership agreement, the Bank is required to own stock issued by Atlantic Central Bankers Bank. Because ownership and disposition is restricted, the shares lack a market for measuring fair value and are recorded at cost.

The Bank is also a member of the Federal Home Loan Bank of Pittsburgh ("FHLB") and as such is required to maintain a minimum investment in stock of the FHLB, which varies with the level of advances outstanding with the FHLB. The stock is bought from and sold to the FHLB based upon its $100 par value. The stock does not have a readily determinable fair value and as such is classified as restricted stock, carried at cost and evaluated by management. The stock's value is determined by the ultimate recoverability of the par value rather than by recognizing temporary declines. The determination of whether the par value will ultimately be recovered is influenced by criteria such as the following: (a) the significance of the decline in net assets of the FHLB as compared to the capital stock amount and the length of time this situation has persisted; (b) commitments by the FHLB to make payments required by law or regulation and the level of such payments in relation to the

Note 1 | Significant Accounting Policies (*continued*)

operating performance; (c) the impact of legislative and regulatory changes on the customer base of the FHLB; and (d) the liquidity position of the FHLB. Management evaluated the stock and concluded that the stock was not impaired for the periods presented herein.

Goodwill

Goodwill represents the amount paid to acquire the Bank beyond the fair value of the identifiable net assets acquired. Goodwill is not amortized but rather is tested for impairment at least annually. For federal tax purposes, goodwill is amortized on a straight-line basis over 15 years. There was no impairment of goodwill for 2012 and 2011.

Core Deposit Intangibles

Core deposit intangibles represent the asset identified for depositor relationships acquired with the Bank. This asset was valued at acquisition based upon the economic advantages of core deposits as a funding source. This acquired asset is being amortized using an accelerated method with an estimated useful life of ten years; $10,000 and $12,000 of amortization expense was recognized in 2012 and 2011, respectively. The unamortized balance was $21,000 and $31,000 at December 31, 2012 and 2011, respectively. Amortization expense will be $8,000, $6,000, $5,000, and $2,000 for years 2013, 2014, 2015, and 2016, respectively.

Mortgage Servicing Rights and Related Credit Enhancement Fees

Some years prior to being acquired by Centric, the Bank sold residential mortgages to FHLB under the Mortgage Partnership Finance Program ("MPF"). The Bank is no longer an active participant in the MPF program. Under this program, the Bank services the portfolio sold to the FHLB and receives corresponding fees. The MPF program also entails a credit enhancement arrangement whereby the Bank receives a fee for retaining a residual contingent liability for the repayment of loans sold to the FHLB.

When Centric purchased the Bank, assets for mortgage servicing rights and related credit enhancement fees were recorded at fair value corresponding to net cash flows expected for servicing and credit enhancement of the MPF portfolio. Mortgage servicing rights are $25,000 and $41,000 at December 31, 2012 and 2011, respectively. These assets are amortized based upon portfolio activity and subject to ongoing evaluation for any permanent impairment.

MPF portfolio fees earned amounted to $39,000 and $53,000 for 2012 and 2011, respectively. The MPF portfolio balance was $8,565,000 and $12,092,000 at December 31, 2012 and 2011, respectively. The FHLB maintains a first-loss position for the MPF portfolio that totals $294,000. Should the FHLB exhaust its first-loss position, recourse to the Bank's credit enhancement would be up to the next $113,000 of losses. The Bank has not experienced any losses for the MPF portfolio. The value of credit enhancement fees receivable, net of an estimated liability, was $15,000 and $25,000 at December 31, 2012 and 2011, respectively.

Transfers of Financial Assets

The Bank sells interests in loans receivable through loan participation sales. The Bank accounts for these transactions as sales, when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Bank, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Bank does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

The Bank retains servicing responsibilities for the loan participation sales. The Bank does not recognize a servicing asset or liability, since the amount received for servicing the loan participations is a reasonable approximation of market rates and servicing costs.

Note 1 | Significant Accounting Policies (*continued*)

Advertising Costs

The Bank charges advertising costs to expense as accrued.

Earnings Per Share

Basic earnings per share represents income available to common stockholders divided by the weighted-average number of shares outstanding during the period. Diluted earnings per share reflects additional common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustment to income that would result from the assumed issuance. Potential common shares that may be issued by Centric relate to outstanding stock options and warrants and non-vested restricted stock.

Anti-dilutive options and warrants to purchase 24,674 and 25,054 shares of common stock, at a weighted-average price of $5.89 and $5.62 outstanding at December 31, 2012 and 2011, respectively; and unvested restricted shares of 2,750 and 3,693 at a price of $5.92 and $5.53 at December 31, 2012 and 2011, respectively, were not included in dilutive earnings per share.

(in thousands, except per share data)	**2012**	**2011**
Net income	$ 708	$ 1,405
Preferred stock dividends	(75)	(351)
Net income available to common shareholders	$ 633	$ 1,054
Weighted-average number of shares outstanding (basic)	2,741,791	2,658,251
Effect of dilutive securities	19,094	16,724
Weighted-average number of shares outstanding (diluted)	2,760,885	2,674,975
Per share information:		
Basic earnings per share	$ 0.23	$ 0.40
Diluted earnings per share	$ 0.23	$ 0.39

Stock-Based Compensation

Centric records the cash flow from the tax benefits resulting from tax deductions in excess of the compensation cost recognized for stock-based awards (excess tax benefit) be classified as financing cash flows. During 2012 and 2011, no stock options were exercised.

Accumulated Other Comprehensive Income or Loss

Centric recognizes revenue, expenses, gains, and losses in net income. Certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, are reported as a separate component of the equity section of the Consolidated Balance Sheet. Such items are included as components of accumulated comprehensive income as of December 31, 2012 and 2011, as follows:

(in thousands)	**2012**	**2011**
Net unrealized gains on securities available-for-sale	$ 191	$ 433
Unaccreted losses on securities transferred into held-to-maturity	(23)	(66)
Unaccreted non-credit portion of OTTI	(103)	(352)
Total accumulated other comprehensive income before taxes	65	15
Tax effect	(22)	(5)
Total accumulated other comprehensive income	$ 43	$ 10

Note 2 | Investment Securities

The Consolidated Balance Sheet presents "available-for-sale" securities at fair value. Corresponding unrealized gains and losses do not affect net income but are recorded in accumulated other comprehensive income, net of related deferred income taxes.

A summary of securities available for sale is as follows:

(in thousands)	December 31, 2012			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. government agency securities	$ 10,299	$ 15	$ (42)	$ 10,272
Municipal securities	1,977	8	(5)	1,980
Mortgage-backed securities:				
Government sponsored or guaranteed	14,194	225	(10)	14,409
Total	$ 26,470	$ 248	$ (57)	$ 26,661

(in thousands)	December 31, 2011			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. government agency securities	$ 8,999	$ 28	$ -	$ 9,027
Municipal securities	304	1	-	305
Mortgage-backed securities:				
Government sponsored or guaranteed	15,210	410	(7)	15,613
Privately issued residential	77	1	-	78
Total	$ 24,590	$ 440	$ (7)	$ 25,023

A summary of securities held to maturity is as follows:

(in thousands)	December 31, 2012			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mortgage-backed securities:				
Privately issued residential	$ 928	$ 23	$ -	$ 951

(in thousands)	December 31, 2011			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mortgage-backed securities:				
Privately issued residential	$ 931	$ 8	$ (43)	$ 896

Securities with a fair value of $24,147,000 and $20,221,000 were pledged to collateralize bank deposits by Pennsylvania local governments, FHLB advances, and the discount window as of December 31, 2012 and 2011, respectively.

Note 2 | Investment Securities (*continued*)

The amortized cost and fair value of debt securities owned at December 31, 2012, by contractual maturity, are shown below:

(*in thousands*)	Available for Sale		Held to Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ -	$ -	$ -	$ -
Due after one year through five years	1,000	1,008	-	-
Due after five years through ten years	10,193	10,170	-	-
Due after ten years	15,277	15,483	928	951
Total investment securities	$ 26,470	$ 26,661	$ 928	$ 951

A summary of securities available for sale which were in an unrealized loss position is as follows:

(*in thousands*)	December 31, 2012					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government agency securities	$ 6,758	$ (42)	$ -	$ -	$ 6,758	$ (42)
Municipal securities	1,235	(5)	-	-	1,235	(5)
Mortgage-backed securities:						
Government sponsored or guaranteed	3,222	(10)	-	-	3,222	(10)
Total temporarily impaired securities	$ 11,215	$ (57)	$ -	$ -	$ 11,215	$ (57)

(*in thousands*)	December 31, 2011					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Mortgage-backed securities:						
Government sponsored or guaranteed	$ 863	$ (7)	$ -	$ -	$ 863	$ (7)
Privately issued residential	850	(43)	-	-	850	(43)
Total temporarily impaired securities	$ 1,713	$ (50)	$ -	$ -	$ 1,713	$ (50)

Securities are evaluated on an ongoing basis to determine whether a decline in their value is other than temporary. For debt securities, management considers whether the present value of cash flows expected to be collected is less than the security's amortized cost basis (the difference defined as the credit loss), the magnitude and duration of the decline, the reasons underlying the decline and management's intent to sell the security or whether it is more likely than not that they would be required to sell the security before its anticipated recovery in market value, to determine whether the loss in value is other than temporary. Once a decline in value is determined to be other than temporary, if the investor does not intend to sell the security, and it is more likely than not that it will not be required to sell the security, before recovery of the security's amortized cost basis, the charge to earnings is limited to the amount of credit loss. Any remaining difference between fair value and amortized cost (the difference defined as the non-credit portion) is recognized in other comprehensive income, net of applicable taxes. Otherwise, the entire difference between fair value and amortized cost is charged to earnings.

Centric reviews investment securities on an ongoing basis for potential impairment which would be other than temporary and has adopted the provision which provides for the bifurcation of other-than-temporary impairment ("OTTI") into two categories: (a) the amount of the total OTTI related to a decrease in expected cash flows to be collected (credit loss) which is recognized through earnings; and (b) the amount of OTTI related to all other factors, which is recognized, net of income taxes, as a component of other comprehensive income. Centric recorded credit-related impairment of $156,000 on three private label mortgage-backed securities through earnings as of December 31, 2012, and $62,000 on one private label mortgage-backed security for the year ended December 31, 2011. There were 24 securities that were temporarily impaired at December 31, 2012.

Changes in credit losses during 2012 and 2011 associated with investment securities for which other-than-temporary impairment losses have been previously recognized in both earnings and other comprehensive income follow:

	December 31	
(*in thousands*)	**2012**	**2011**
Estimated credit losses - beginning balance	$ 363	$ 301
Additions for credit losses not previously recognized	156	62
Reductions for increases in cash flows	-	-
Reductions for realized losses	(128)	-
Estimated credit losses - ending balance	$ 391	$ 363

During the year ended December 31, 2012, the Bank sold five securities totaling $2,258,000 for a gain of $145,000. There were no sales or proceeds from sales of securities in 2011.

Note 3 | Loans

The composition of loans, net of unamortized loan origination fees of $131,000 and $86,000, at December 31, 2012 and 2011, is as follows:

	December 31	
(*in thousands*)	**2012**	**2011**
Commercial	$ 34,698	$ 28,903
Real estate:		
Commercial non-owner occupied/investment	74,936	67,804
Commercial all other	70,342	55,792
Residential	14,269	14,690
Home equity lines of credit	13,530	12,096
Consumer	734	657
Total loans	208,509	179,942
Allowance for loan losses	(2,918)	(2,482)
Net loans	$ 205,591	$ 177,460

Note 4 | Allowance for Loan Losses

Management has an established methodology to determine the adequacy of the allowance for loan losses that assesses the risks and losses inherent in the loan portfolio. For purposes of determining the allowance for loan losses, the Bank has grouped certain loans in the portfolio into the following segments: commercial non-owner occupied and investment real estate loans; commercial all other real estate loans; residential real estate loans; home equity lines of credit; consumer loans; and unallocated. Historical loss percentages for each risk category are calculated and used as the basis for calculating allowance allocations. These historical loss percentages are calculated over a three-year period for all portfolio segments. Certain qualitative factors are then added to the historical allocation percentage to get the adjusted factor to be applied to non-classified loans. The following qualitative factors are analyzed for each portfolio segment:

- Levels of and trends in delinquencies and nonaccruals
- Trends in volume and terms
- Changes in lending policies and procedures
- Volatility of losses within each risk category
- Economic trends
- Concentrations of credit
- Experience depth and ability of management

Due to the amount of available history the Bank has migrated from using peer loss statistics to actual experience as a component of the qualitative factors. Each segment is reviewed at least quarterly and adjusted based on the following qualitative factors: economic conditions, volume, trends in delinquencies, nonperforming and classified loans, collateral value, personnel, and policy and procedures.

Note 4 | Allowance for Loan Losses (*continued*)

The total allowance reflects management's estimate of loan losses inherent in the loan portfolio at the balance sheet date. The Bank considers the allowance for loan losses of approximately $2,918,000 adequate to cover loan losses inherent in the loan portfolio, as of and for the year ending December 31, 2012. The following table presents, by portfolio segment, the activity within the allowance for loan losses and the ending balance of the allowance for loan losses for 2012:

(*in thousands*)	Balance at December 31, 2011	Charged-off Loans	Recoveries	Provision	Balance at December 31, 2012
Commercial	$ 448	$ (203)	$ 8	$ 48	$ 301
Real estate:					
Commercial non-owner occupied / investment	886	(675)	-	991	1,202
Commercial all other	609	(15)	-	418	1,012
Residential	148	-	-	(2)	146
Home equity lines of credit	132	-	-	2	134
Consumer	104	(34)	2	(4)	68
Unallocated	155	-	-	(100)	55
Total	$ 2,482	$ (927)	$ 10	$ 1,353	$ 2,918

Allowance for loan losses activity during 2011 is as follows:

(*in thousands*)	Balance at December 31, 2010	Charged-off Loans	Recoveries	Provision	Balance at December 31, 2011
Commercial	$ 330	$ (73)	$ 8	$ 183	$ 448
Real estate:					
Commercial non-owner occupied / investment	415	(304)	-	775	886
Commercial all other	537	(57)	15	114	609
Residential	105	-	1	(42)	148
Home equity lines of credit	-	-	-	132	132
Consumer	170	(18)	-	(48)	104
Unallocated	255	-	-	(100)	155
Total	$ 1.812	$ (452)	$ 24	$ 1,098	$ 2,482

The following tables present, by portfolio segment, the recorded investment in those loans for 2012 and 2011:

(*in thousands*)	December 31, 2012		
	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Total
Allowance for loan losses:			
Commercial	$ -	$ 301	$ 301
Real estate:			
Commercial non-owner occupied / investment	150	1,052	1,202
Commercial all other	300	712	1,012
Residential	-	146	146
Home equity lines of credit	-	134	134
Consumer	-	68	68
Unallocated	-	55	55
Total	$ 450	$ 2,468	$ 2,918
Loans, ending balance:			
Commercial	$ 1,116	$ 33,582	$ 34,698
Real estate:			
Commercial non-owner occupied / investment	1,920	73,016	74,936
Commercial all other	1,087	69,255	70,342
Residential	-	14,269	14,269
Home equity lines of credit	-	13,530	13,530
Consumer	-	734	734
Total	$ 4,123	$ 204,386	$ 208,509

Note 4 | Allowance for Loan Losses (*continued*)

(*in thousands*)	December 31, 2011		
	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Total
Allowance for loan losses:			
Commercial	$ 168	$ 280	$ 448
Real estate:			
Commercial non-owner occupied / investment	-	886	886
Commercial all other	-	609	609
Residential	-	148	148
Home equity lines of credit	-	132	132
Consumer	-	104	104
Unallocated	-	155	155
Total	$ 168	$ 2,314	$ 2,482
Loans, ending balance:			
Commercial	$ 1,082	$ 27,821	$ 28,903
Real estate:			
Commercial non-owner occupied / investment	1,160	66,644	67,804
Commercial all other	453	55,339	55,792
Residential	-	14,690	14,690
Home equity lines of credit	-	12,096	12,096
Consumer	-	657	657
Total	$ 2,695	$ 177,247	$ 179,942

Credit Quality and Aging

The following tables represent credit exposures by internally assigned grades for 2012 and 2011. The grading analysis estimates the capability of the borrower to repay the contractual obligations of the loan agreements as scheduled or at all. The Bank's internal credit risk grading system is based on experiences with similarly graded loans. The Bank also sub-segments the commercial real estate segment into the following two classes: commercial real estate non-owner occupied and investment and commercial real estate all other.

The Bank's internally assigned grades are as follows:

- ***Pass*** – loans which are protected by the current net worth and paying capacity of the obligor or by the value of the underlying collateral.
- ***Special Mention*** – loans where a potential weakness or risk exists, which could cause a more serious problem if not corrected.
- ***Substandard*** – loans that have a well-defined weakness based on objective evidence and are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected.
- ***Doubtful*** – loans classified as "Doubtful" have all the weaknesses inherent in a Substandard asset. In addition, these weaknesses make collection or liquidation in full highly questionable and improbable, based on existing circumstances.
- ***Loss*** – loans classified as a loss are considered uncollectible, or of such value that continuance as an asset is not warranted.

Note 4 | Allowance for Loan Losses (*continued*)

(in thousands)	December 31, 2012		
	Commercial	Commercial Real Estate Non-Owner	Commercial Real Estate All Other
Pass	$ 31,892	$ 71,068	$ 69,178
Special mention	1,681	87	52
Substandard	1,125	3,781	1,112
Doubtful	-	-	-
Loss	-	-	-
Total	$ 34,698	$ 74,936	$ 70,342

(in thousands)	December 31, 2011		
	Commercial	Commercial Real Estate Non-Owner	Commercial Real Estate All Other
Pass	$ 25,951	$ 66,823	$ 55,015
Special mention	1,869	87	63
Substandard	1,083	894	714
Doubtful	-	-	-
Loss	-	-	-
Total	$ 28,903	$ 67,804	$ 55,792

Payment activity for the noncommercial portfolio is reviewed by management on a monthly basis to determine how loans are performing. Loans are considered nonperforming when they become 90 days past due or the Bank is in possession of other information that would deem the loan nonperforming. The following tables present performing and nonperforming residential real estate, home equity lines of credit, and consumer loan classes based on payment activity as of December 31:

(in thousands)	December 31, 2012		
	Residential Real Estate	Home Equity Lines of Credit	Consumer
Performing	$ 14,070	$ 13,530	$ 703
Nonperforming	199	-	31
	$ 14,269	$ 13,530	$ 734

(in thousands)	December 31, 2011		
	Residential Real Estate	Home Equity Lines of Credit	Consumer
Performing	$ 14,571	$ 12,096	$ 585
Nonperforming	119	-	72
	$ 14,690	$ 12,096	$ 657

Past Due and Nonaccrual Loans

Loans are considered nonaccrual upon reaching 90 days of delinquency, although the Bank may be receiving partial payments of interest and partial repayments of principal on such loans. When a loan is placed in nonaccrual status, previously accrued but unpaid interest is deducted from interest income.

The following table presents performing and nonperforming loans and aging analysis of the recorded investment of past-due financing receivables, broken by segment and sub-segment, based on payment activity for the year ended December 31, 2012 and 2011. Payment activity is reviewed by management on a monthly basis to determine how loans are performing. Loans are considered to be nonperforming when they become 90 days past due.

Note 4 | Allowance for Loan Losses (*continued*)

There were no loans 90 days past due and still accruing during 2012 or 2011.

(*in thousands*)	December 31, 2012					
	30-89 Days Past Due	90+ Days Past Due	Total Past Due	Current	Total Loans	Non-accrual
Commercial	$ -	$ 918	$ 918	$ 33,780	$ 34,698	$ 1,071
Real estate:						
Commercial non-owner occupied/investment	286	1,951	2,237	72,699	74,936	1,983
Commercial all other	188	754	942	69,400	70,342	754
Residential	1,306	111	1,417	12,852	14,269	199
Home equity lines of credit	-	-	-	13,530	13,530	-
Consumer	-	31	31	703	734	31
Total	$ 1,780	$ 3,765	$ 5,545	$202,964	$208,509	$ 4,038

(*in thousands*)	December 31, 2011					
	30-89 Days Past Due	90+ Days Past Due	Total Past Due	Current	Total Loans	Non-accrual
Commercial	$ 83	$ 894	$ 977	$ 27,926	$ 28,903	$ 894
Real estate:						
Commercial non-owner occupied/investment	372	875	1,247	66,557	67,804	875
Commercial all other	293	224	517	55,275	55,792	224
Residential	194	119	313	14,377	14,690	119
Home equity lines of credit	-	-	-	12,096	12,096	-
Consumer	-	72	72	585	657	72
Total	$ 942	$ 2,184	$ 3,126	$176,816	$179,942	$ 2,184

Impaired Loans

Management analyzes loans which are 90 days or more past due for impairment to determine if it is probable that all amounts will not be collected according to the contractual terms of the loan agreement. If management determines that the value of the impaired loan is less than the recorded investment in the loan (net of previous charge-offs, deferred loan fees or costs, and unamortized premium or discount), impairment is recognized through an allowance estimate or a charge-off to the allowance.

Loans acquired with deteriorated credit quality had outstanding contractual balances of $152,000 and $244,000 and carrying amounts of $97,000 and $134,000 as of December 31, 2012 and 2011, respectively.

Note 4 | Allowance for Loan Losses (*continued*)

The following tables include the recorded investment and unpaid principal balances for impaired financing receivables with the associated allowance amount, if applicable, as of and for the years ended December 31, 2012 and 2011.

(*in thousands*)	December 31, 2012				
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded:					
Commercial	$ 1,116	$ 1,438	$ -	$ 1,074	$ 33
Real estate:					
Commercial non-owner occupied/investment	1,626	1,682	-	1,100	26
Commercial all other	335	335	-	344	21
Residential	-	-	-	-	-
Home equity lines of credit	-	-	-	-	-
Consumer	-	-	-	-	-
With an allowance recorded:					
Commercial	-	-	-	-	-
Real estate:					
Commercial non-owner occupied/investment	294	294	150	176	-
Commercial all other	752	752	300	449	17
Residential	-	-	-	-	-
Home equity lines of credit	-	-	-	-	-
Consumer	-	-	-	-	-
Total	$ 4,123	$ 4,501	$ 450	$ 3,143	$ 97

(*in thousands*)	December 31, 2011				
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded:					
Commercial	$ 312	$ 459	$ -	$ 297	$ 19
Real estate:					
Commercial non-owner occupied/investment	1,160	1,355	-	745	22
Commercial all other	453	454	-	181	29
Residential	-	15	-	2	-
Home equity lines of credit	-	-	-	-	-
Consumer	-	-	-	-	-
With an allowance recorded:					
Commercial	770	853	168	835	3
Real estate:					
Commercial non-owner occupied/investment	-	-	-	-	-
Commercial all other	-	-	-	-	-
Residential	-	-	-	-	-
Home equity lines of credit	-	-	-	-	-
Consumer	-	-	-	-	-
Total	$ 2,695	$ 3,136	$ 168	$ 2,060	$ 73

Note 4 | Allowance for Loan Losses (*continued*)

Loan Modifications

Situations may arise that would cause the Bank to grant a concession for other-than-temporary purpose to the borrower that the Bank would not otherwise consider. The loan receiving the concession would then be classified as a Trouble Debt Restructure ("TDR"). The situations leading to the concession may be economic or legal in nature and affect the borrower's ability to meet the contractual obligation to the Bank. Management actively attempts to identify borrowers having financial difficulty early, and work with them to modify terms prior to the loan becoming nonaccrual. Modifications may include rate reductions, payment forbearance, principal reduction, or other actions with the intent to minimize the loss and/or avoid foreclosure or repossession of collateral. In cases where a restructure occurs, management measures impairment based on collateral to support the revised terms of the loan. If the loan is not collateral dependent, impairment is calculated using the present value of the revised loan terms compared to the investment in the loan prior to the restructure. TDRs are individually evaluated and provided for in the allowance for loan losses and are therefore excluded from pooled portfolio allocations. Management continually evaluates loans that are considered TDRs under the modified loan terms, including payment history and the borrower's ability to continue to repay the loan based on continued evaluations of their results of operation and cash flow from operations. Based on this evaluation, management would no longer consider a loan to be a TDR when the facts support such a conclusion.

There were no loan modifications that were considered TDRs during the year ended December 31, 2012. Loan modifications that are considered TDRs completed during the year ended December 31, 2011, are as follows:

(*in thousands*)	December 31, 2011		
	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Commercial	-	$ -	$ -
Real estate:			
Commercial non-owner occupied/investment	2	578	578
Commercial all other	1	739	739
Residential	-	-	-
Home equity lines of credit	-	-	-
Consumer	-	-	-
Total troubled debt restructurings	3	$ 1,317	$ 1,317

No loans modified and considered TDRs that were made during the twelve months previous to December 31, 2012 or 2011, have defaulted in the current reporting period.

Note 5 | Premises and Equipment

Ongoing additions to premises and equipment are recorded at cost. Occupancy and equipment expense includes depreciation expense of $356,000 and $344,000, respectively, for the years ended 2012 and 2011. Depreciation expense is calculated on the straight-line method over estimated economic lives: buildings and improvements, 15 to 40 years; leasehold improvements, 10 years; furniture, fixtures and equipment, 3 to 10 years.

Premises and equipment at December 31 was comprised of:

(in thousands)	2012	2011
Land	$ 2,929	$ 2,929
Buildings and improvements	1,728	1,535
Leasehold improvements	1,497	1,473
Furniture, fixtures, and equipment	1,627	1,307
Subtotal	7,781	7,244
Less: accumulated depreciation	(1,419)	(1,093)
Premises and equipment - net	$ 6,362	$ 6,151

During 2012, the Company entered into a contract to construct a branch in Derry Township, Pennsylvania. At December 31, 2012, this commitment totaled approximately $1,073,000, which is not included in the Consolidated Balance Sheet.

Lease expense amounted to $211,000 for 2012 and $164,000 for 2011. Future minimum lease payments are as follows:

(in thousands)	
2013	$ 267
2014	282
2015	291
2016	300
2017	263
Thereafter	41
	$ 1,444

Note 6 | Deposits

Centric's deposits at December 31 were comprised of:

(in thousands)	2012	2011
Demand, noninterest-bearing	$ 20,645	$ 15,830
Demand, interest-bearing	121,449	79,348
Savings	18,157	21,178
Money market	30,068	23,646
Time deposits	81,120	83,585
	$ 271,439	$ 223,587

Scheduled maturities of time deposits are:

(in thousands)	
2013	$ 47,310
2014	24,210
2015	3,612
2016	2,207
2017	3,781
	$ 81,120

Time deposits in denominations of $100,000 or greater totaled $41,197,000 for 2012 and $39,117,000 for 2011.

Note 7 | Long-Term Debt

As one avenue for funding growth, the Bank is approved by the FHLB for borrowings of up to $91,372,000. At year-end, $4,263,000 was outstanding and $24,000,000 was held as letters of credit to secure specific deposit balances. Additional borrowing capacity for FHLB borrowings was $63,109,000 at year-end. The Company also has a borrowing with another institution in the amount of $2,500,000, which has a stated rate of 5.00 percent and a maturity date in 2013.

The following table presents borrowings that mature at various dates through 2016 with weighted-average rates as follows:

(in thousands)	Principal Amount		Rate	
	2012	**2011**	**2012**	**2011**
Advances from FHLB				
Fixed	$ 2,000	$ 4,130	1.00%	2.21%
Amortizing	2,263	2,812	1.17%	1.17%
Other borrowings	2,500	2,500	5.00%	6.25%
	$ 6,763	$ 9,442	2.54%	2.97%

The aggregate amount of future principal payments required on these borrowings at December 31, 2012, is as follows:

(in thousands)	
2013	$ 5,056
2014	562
2015	569
2016	576
	$ 6,763

Note 8 | Stock Plans and 401K

401(k) Plan

The Bank has a 401(k) plan whereby all employees are eligible to participate after 90 days of employment. Employees may make contributions to the plan, subject to certain limitations based on federal tax laws. The Bank makes matching contributions of 50 percent of employees' contributions, subject to a maximum contribution of 4 percent of an employee's compensation. Matching contributions vest to the employee on a graded percentage and are fully vested in five years. For the years ended December 31, 2012 and 2011, expense attributable to the plan amounted to $29,000 and $12,000, respectively, and is included in salaries and employee benefits.

Stock Options and Warrants

The Company has a Stock Incentive Plan (the "Plan") that includes directors and other designated employees. The Plan covers 240,000 shares of common stock. Shares available for grant at December 31, 2012, were 90,207.

Options granted under the Plan will have an option price at least equal to the fair market value of the common stock on the date of the grant. The options expire not more than ten years after the date of the grant. Exercise and vesting dates and terms may vary and are specified at the date of the grant.

In addition to those shares granted under the stock incentive plan, the Company also granted warrants to designated officers and directors. Warrants expire not more than ten years after the date of the grant. Exercise and vesting dates and terms may vary and are specified at the date of the grant.

Note 8 | Stock Plans and 401K (*continued*)

Options and warrants of the Plan outstanding at December 31, 2012, consisted of the following:

	Options and Warrants	Weighted-Average Exercise Price
Outstanding at the beginning of the year	123,121	$ 5.38
Granted	19,032	6.00
Exercised	-	-
Forfeited	-	-
Outstanding at the end of the year	142,153	$ 5.46
Exercisable at December 31	118,798	$ 5.39

At December 31, 2012, the aggregate intrinsic value of all options and warrants outstanding and exercisable were approximately $76,000 and $73,000, respectively. The weighted average remaining life of outstanding and exercisable options and warrants is 6.59 and 6.19 years, respectively. No options were exercised during 2011 or 2012.

For the years ended December 31, 2012 and 2011, stock option compensation expense of $24,000 and $28,000 was recognized in connection with the option plan, respectively. Tax benefits of $3,000 and $12,000 were recognized relative to these stock options at December 31, 2012 and 2011, respectively. At December 31, 2012, future compensation expense related to non-vested stock option grants is expected to be recognized as $9,000, $5,000 and $1,000 in 2013, 2014, and 2015, respectively.

Common stock warrants were issued in 2006 to certain directors to purchase an aggregate share of common stock pursuant to the warrant grant. At December 31, 2012, 26,580 shares were outstanding and exercisable related to these warrants, with a weighted-average exercise price of $4.91. There were no warrants exercised during 2011 or 2012.

In addition to the options and warrants included in the Plan above, during 2010, the Company also granted one warrant to each of the directors of the Company, which are not part of the Plan. Each warrant represents 31,500 shares for a total of 315,000 shares, all of which vest only upon a change in control of the Company and have an exercise price of $5.44. During 2012 and 2011 none of these warrants vested, and the Company recorded no compensation expense associated with this grant.

Note 8 | Stock Plans and 401K (*continued*)

The fair value of the options granted during the years ended December 31, 2012 and 2011, was calculated using the Black-Scholes option pricing model with the following weighted-average assumptions:

	Exercise Price	Dividend Yield	Expected Volatility	Expected Life (Years)	Risk-Free Interest Rate	Value Black Scholes
Nonemployee director stock plans						
2012	$6.00	0.00%	14.10%	5	0.79%	$0.86
2011	5.71	0.00	14.09	5	1.53	0.91
Employee stock plans						
2012	$6.00	0.00%	13.63%	6.5	1.37%	$1.08
2011	5.78	0.00	14.07	6.5	2.27	1.22

Restricted Stock

Under the Plan, the Company awarded 19,838 restricted shares to non-employee directors and executive officers subject to vesting and other provisions. At December 31, 2012, 6,952 shares granted to the Plan participants had vested and been distributed. No shares vested during 2011.

The following table summarizes transactions regarding restricted stock under the Plan:

	Number of Restricted Shares	Weighted-Average Grant Date Price Per Share
Non-vested shares at the beginning of the year	11,436	$ 5.52
Granted	2,300	6.00
Vested	(6,952)	5.44
Forfeited	-	-
Non-vested shares at the end of the year	6,784	$ 5.76

For the years ended December 31, 2012 and 2011, compensation expense of $30,000 and $23,000 was recognized in connection with restricted stock, respectively. Tax benefits of $10,000 and $8,000 were recognized relative to these shares at December 31, 2012 and 2011, respectively. Future compensation expense related to non-vested restricted stock at December 31, 2012 is $9,000, $6,000 and $1,000 in 2013, 2014, and 2015, respectively.

Note 9 | Federal Income Taxes

The provision (benefit) for income taxes consists of the following for the years ended December 31:

(in thousands)	2012	2011
Currently payable	$ 188	$ 48
Deferred taxes	113	257
Valuation allowance against deferred tax asset	-	(751)
Total income tax expense (benefit)	$ 301	$ (446)

The following temporary differences gave rise to the net deferred tax assets at December 31:

(in thousands)	2012	2011
Deferred tax assets:		
Allowance for loan losses	$ 992	$ 844
Impairment losses on securities	53	228
Stock incentive expense	29	28
Uncollected interest	9	83
Unrealized losses on securities held to maturity	43	142
Other real estate expense	52	4
Other	44	40
Total deferred tax assets	1,222	1,369
Deferred tax liabilities:		
Goodwill and core deposit intangible	50	40
Prepaid expenses	123	112
Loan origination costs	176	166
Unrealized gains on securities available for sale	65	147
Premises and equipment	164	111
Other	6	25
Total deferred tax liabilities	584	601
Net deferred tax assets	$ 638	$ 768

The Company has been in existence since February 8, 2007, and accumulated a net operating loss during its first three years of operation. As such, in 2009, management established a valuation allowance of $1,265,000 for its deferred tax assets, primarily the accumulated future tax benefits attributed to the operating loss carryforward and loan loss provisions since it was more likely than not that realization of these deferred assets would not be fully supported at that time. At December 31, 2011, the Company had fully used the operating loss carryforward. The Company no longer held a valuation allowance at December 31, 2012 or 2011.

The total provision (benefit) for income taxes is different from that computed at the statutory rates due to the following items for the years ended December 31:

(in thousands)	2012	2011
Computed statutory tax expense	$ 343	$ 326
Valuation allowance	-	(751)
Other, net	(42)	(21)
	$ 301	$ (446)

Note 9 | Federal Income Taxes (*continued*)

The Company utilizes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Benefits from tax positions should be recognized in the financial statements only when it is more likely than not that the tax position will be sustained upon examination by the appropriate taxing authority that would have full knowledge of all relevant information. A tax position that meets the more-likely-than-not recognition threshold is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Tax positions that previously failed to meet the more-likely-than-not recognition threshold should be recognized in the first subsequent financial reporting period in which that threshold is met. Previously recognized tax positions that no longer meet the more-likely-than-not recognition threshold should be derecognized in the first subsequent financial reporting period in which that threshold is no longer met.

There is currently no liability for uncertain tax positions and no known unrecognized tax benefits. The Company recognizes, when applicable, interest and penalties related to unrecognized tax benefits in the provision for income taxes in the Consolidated Statement of Income. With few exceptions, the Company is no longer subject to U.S. federal, state, or local income tax examination by tax authorities for years before 2009.

Note 10 | Related Party Transactions

Centric has transactions in the ordinary course of business with its directors, their immediate families, and affiliated companies (commonly referred to as related parties).

In management's opinion, all loans and deposits with related parties are on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other customers. At December 31, 2012, loans to related parties were $14,370,000 and deposits by related parties totaled $6,730,000. At December 31, 2011, loans to related parties were $13,215,000 and deposits by related parties totaled $3,227,000.

Related party loan activity is summarized as follows:

(*in thousands*)	**2012**	**2011**
Balance at the beginning of the period	$ 13,215	$ 6,635
Additions	3,880	7,479
Reductions	2,725	899
Balance at end of period	$ 14,370	$ 13,215

All of Centric's directors are customers of the Bank. Centric shareholders number approximately 183 and many are Bank customers situated in the south central Pennsylvania community. Conversely, the Bank is a customer of some shareholder-related entities in the ordinary course of business. The Bank also had a joint venture arrangement with an insurance agency affiliated with a director that began in 2001. At December 31, 2012, the investment in the insurance agency had been sold. During 2012, related party transactions include $96,000 of purchases and $16,000 in revenue; in 2011, there were $79,000 of purchases and $19,000 in revenue.

Note 11 | Unfunded Credit Commitments

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and letters of credit by Centric's banking subsidiary. Such instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the balance sheet.

The Bank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument is represented by the contractual amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

Unfunded lending commitments at year-end:

(in thousands)		**2012**		**2011**
Commitment to grant loans	$	14,852	$	11,084
Unfunded commitments under lines of credit		37,742		28,232
Standby letters of credit		1,433		636
Total unfunded lending commitments	$	54,027	$	39,952

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The Bank evaluates each customer's creditworthiness on a case-by-case basis.

The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management's credit evaluation. Collateral held varies but may include personal or commercial real estate, accounts receivable, inventory, and equipment. Commitments under lines of credit presented above include lines that will be funded only to the extent that the Bank receives corresponding augmentation of satisfactory collateral.

Outstanding letters of credit are conditional commitments issued by the Bank to guarantee performance of a customer to a third party. Most of these standby letters of credit expire within 12 months. The credit risk involved in issuing letters of credit is essentially the same as in extending comparable loans to customers. The Bank requires collateral supporting these letters of credit as deemed necessary. Management believes that the proceeds through liquidation of such collateral would be sufficient to cover the maximum potential amount of future payments required under the corresponding guarantees.

The Bank did not incur any losses in 2012 or 2011 associated with financial instruments with off-balance sheet risk.

The Bank purchased an investment security prior to the year ended December 31, 2012, for $496,000 that will be issued and settled in January 2013.

Note 12 | Regulatory Matters

The Company is subject to various regulatory capital requirements administered by the federal banking agencies. The Company must meet the minimum capital requirements or face mandatory and discretionary actions by regulators that could have a direct material effect on Centric and its financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of the Centric's assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. Centric's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk-weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Company to maintain minimum amounts and ratios of Total and Tier 1 capital (as defined in the regulations) to risk-weighted assets and of Tier 1 capital to average assets.

(in thousands)	December 31, 2012					
	Actual		For Capital Adequacy Purposes		Minimum to be Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital (to risk-weighted assets)						
Company	$ 24,547	12.04%	$ 16,310	8.00%	$ N/A	N/A
Bank	26,568	13.03%	16,312	8.00%	20,390	10.00%
Tier 1 capital (to risk-weighted assets)						
Company	21,994	10.79%	8,153	4.00%	N/A	N/A
Bank	24,014	11.78%	8,154	4.00%	12,231	6.00%
Tier 1 capital (to total assets)						
Company	21,994	7.44%	11,825	4.00%	N/A	N/A
Bank	24,014	8.14%	11,800	4.00%	14,751	5.00%

(in thousands)	December 31, 2011					
	Actual		For Capital Adequacy Purposes		Minimum to be Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital (to risk-weighted assets)						
Company	$ 21,670	12.00%	$ 14,447	8.00%	$ N/A	N/A
Bank	23,478	13.00%	14,448	8.00%	18,060	10.00%
Tier 1 capital (to risk-weighted assets)						
Company	19,409	10.74%	7,229	4.00%	N/A	N/A
Bank	21,216	11.74%	7,229	4.00%	10,843	6.00%
Tier 1 capital (to total assets)						
Company	19,409	8.03%	9,668	4.00%	N/A	N/A
Bank	21,216	8.79%	9,655	4.00%	12,068	5.00%

Dividends are generally restricted by federal banking laws based upon regulatorily defined profit. The Company does not intend to declare cash dividends for the foreseeable future.

Note 13 | Fair Value Measurements

The following disclosures show the hierarchal disclosure framework associated with the level of pricing observations utilized in measuring assets and liabilities at fair value. The three broad levels are defined as follows:

Level I: Quoted prices are available in active markets for identical assets or liabilities as of the reported date.

Level II: Pricing inputs are other than the quoted prices in active markets, which are either directly or indirectly observable as of the reported date. The nature of these assets and liabilities includes items for which quoted prices are available but traded less frequently and items that are fair-valued using other financial instruments, the parameters of which can be directly observed.

Level III: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

This hierarchy requires the use of observable market data when available.

The following tables present the assets reported on the Consolidated Balance Sheet at their fair value as of December 31, 2012 and 2011, by level within the fair value hierarchy. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

(in thousands)	December 31, 2012			
	Level I	**Level II**	**Level III**	**Total**
Assets:				
Fair value measured on a recurring basis:				
U.S. government agency securities	$ -	$ 10,272	$ -	$ 10,272
Municipal securities	-	1,980	-	1,980
Mortgage-backed securities:				
Government sponsored or guaranteed	-	14,409	-	14,409
Fair value measured on a non-recurring basis:				
Other real estate owned	-	-	993	993
Impaired loans	-	-	3,673	3,673

(in thousands)	December 31, 2011			
	Level I	**Level II**	**Level III**	**Total**
Assets:				
Fair value measured on a recurring basis:				
U.S. government agency securities	$ -	$ 9,027	$ -	$ 9,027
Municipal securities	-	305	-	305
Mortgage-backed securities:				
Government sponsored or guaranteed	-	15,613	-	15,613
Privately issued residential	-	78	-	78
Fair value measured on a non-recurring basis:				
Other real estate owned	-	-	720	720
Impaired loans	-	-	2,949	2,949

Note 13 | Fair Value Measurements (*continued*)

During the valuation process for impaired loans, management may rely on unobservable inputs to derive fair value. The unobservable inputs may include measurements such as: future selling costs, estimates on future income generation and discounts to appraised value.

The following table presents quantitative information about the Level III significant unobservable inputs for assets and liabilities measured at fair value on a non-recurring basis at December 31, 2012:

(*in thousands*)	Quantitative Information about Level III Fair Value Measurements			
	Fair Value	**Valuation Technique**	**Unobservable Input**	**Range**
Impaired loans	$ 3,673	Appraisal of collateral	Appraisal adjustments	10% - 20%
			Liquidation expenses	0% - 15%
			Holding period	0 - 12 months
Other real estate owned	993	Appraisal of collateral	Appraisal adjustments	10% - 20%
			Liquidation expenses	0% - 15%

Note 14 | Fair Value of Financial Instruments

The fair value of the Company's financial instruments is as follows:

(*in thousands*)	December 31, 2012				
	Carrying Value	**Fair Value**	**Level I**	**Level II**	**Level III**
Financial assets:					
Cash and cash equivalents	$ 45,893	$ 45,893	$ 45,893	$ -	$ -
Investments in certificates of deposits	9,831	9,831	9,831	-	-
Securities available for sale	26,661	26,661	-	26,661	-
Securities held to maturity	929	951	-	-	951
Net loans	205,591	207,878	-	-	207,878
Loans held for sale	1,059	1,059	1,059	-	-
Regulatory stock	1,060	1,060	1,060	-	-
Cash surrender value life insurance	1,387	1,387	1,387	-	-
Mortgage servicing rights and credit enhancement fees	40	50	-	-	50
Accrued interest receivable	597	597	597	-	-
Financial liabilities:					
Non-maturity deposits	$ 190,319	$ 190,319	$ 190,319	$ -	$ -
Time deposits	81,120	82,013	-	-	82,013
Other borrowings	6,763	6,786	-	-	6,786
Accrued interest payable	98	98	98	-	-

Note 14 | Fair Value of Financial Instruments (*continued*)

The fair value of the Company's financial instruments is as follows:

(in thousands)	December 31, 2011	
	Carrying Value	Fair Value
Financial assets:		
Cash and cash equivalents	$ 32,336	$ 32,336
Investments in certificates of deposit	5,394	5,394
Securities available for sale	25,023	25,023
Securities held to maturity	931	896
Net loans	177,460	184,033
Loans held for sale	395	395
Regulatory stock	807	807
Cash surrender value life insurance	1,337	1,337
Mortgage servicing rights and credit enhancement fees	67	68
Accrued interest receivable	570	570
Financial liabilities:		
Deposits	$ 223,587	$ 224,722
Other borrowings	9,442	9,459
Accrued interest payable	126	126

Financial instruments are defined as cash, evidence of ownership interest in an entity, or a contract that creates an obligation or right to receive or deliver cash or another financial instrument from/to a second entity on potentially favorable or unfavorable terms.

Fair value is defined as the amount at which a financial instrument could be exchanged in current transactions using active trading markets. If a quoted market price is available for a financial instrument, the estimated fair value would be calculated based upon the market price per trading unit of the instrument.

If no readily available market exists, the fair value estimates for financial instruments should be based upon management's judgment regarding current economic conditions, interest rate risk, expected cash flows, future estimated losses, and other factors as determined through various option pricing formulas.

As many of these assumptions result from judgments made by management based upon estimates that are inherently uncertain, the resulting estimated fair values may not be indicative of the amount realizable in the sale of a particular financial instrument. In addition, changes in assumptions on which the estimated fair values are based may have a significant impact on the resulting estimated fair values.

As certain assets such as deferred tax assets and premises and equipment are not considered financial instruments, the estimated fair value of financial instruments would not represent the full value of Centric.

Centric employed simulation modeling in determining the estimated fair value of financial instruments for which quoted market prices were not available based upon the following assumptions:

Cash and Cash Equivalents, Investments in Certificates of Deposit, Regulatory Stock, Cash Surrender Value Life Insurance, Accrued Interest Receivable, and Accrued Interest Payable
The fair value is equal to the current carrying value.

Note 14 | Fair Value of Financial Instruments (*continued*)

Investment Securities
The fair market value of investment securities is equal to the available quoted market price. If no quoted market price is available, fair value is estimated using the quoted market price for similar securities.

Loans
Fair value is estimated by discounting future cash flows using current market inputs at which loans with similar terms and qualities would be made to borrowers of similar credit quality. Where quoted market prices were available, primarily for certain residential mortgage loans, such market rates were utilized as estimates for fair value.

Mortgage Servicing Rights and Credit Enhancement Fees
The fair value for mortgage servicing rights is estimated by discounting contractual cash flows and adjusting for prepayment estimates. Discount rates are based upon rates generally charged for such loans with similar characteristics.

Deposits and Other Borrowings
The fair values of certificates of deposit and other borrowed funds are based on the discounted value of contractual cash flows. The discount rates are estimated using rates currently offered for similar instruments with similar remaining maturities. Demand, savings, and money market deposit accounts are valued at the amount payable on demand as of year-end.

These financial instruments are generally not subject to sale and estimated fair values are not readily available. The carrying value is represented by the net deferred fees arising from the unrecognized commitment or letter of credit. The fair value is determined by discounting the remaining contractual fee over the term of the commitment using fees currently charged to enter into similar agreements with similar credit risk. Neither the carrying value nor the fair value is considered material for disclosure. The contractual amounts of unfunded commitments and letters of credit are presented in Note 11.

Note 15 | Participation in U.S. Treasury Programs

Centric entered into a Securities Purchase Agreement (“Agreement”) on December 18, 2009, with the U.S. Department of the Treasury (“Treasury”) in association with its participation in the Capital Purchase Program (“CPP”) of the Emergency Economic Stabilization Act of 2008 (“EESA”). Pursuant to the agreement, Centric sold to the Treasury 6,056 shares of fixed rate, noncumulative Senior Perpetual Preferred Stock, par value $1.00 per share, having a liquidation amount of $1,000 per share, with an attached warrant to purchase 182 shares of Centric’s preferred stock for the aggregate price of $6.1 million.

The preferred stock Series A qualifies as Tier 1 capital and pays quarterly dividends, beginning February 2010, at a rate of 5 percent per year, for the first five years and 9 percent per year thereafter. The warrants pay dividends quarterly, beginning February 2010, at a rate of 9 percent. Under the terms of the CPP, the preferred stock may be redeemed with the approval of the Federal Reserve in the first three years with the proceeds from the issuance of certain qualifying Tier 1 capital or after three years at par value plus accrued and unpaid dividends.

On July 14, 2011, Centric elected to participate in the Treasury’s Small Business Lending Fund (“SBLF”) program. With the execution of this Securities Purchase Agreement with the Secretary of the Treasury, the Company paid back the monies from its participation in Capital Purchase Program. Pursuant to the agreement Centric sold to the Treasury 7,492 shares of senior non-cumulative perpetual preferred stock, Series C at $1,000 liquidation value per share, for the price of $7,492,000.

Note 15 | Participation in U.S. Treasury Programs (*continued*)

The preferred stock Series C qualifies as Tier 1 capital and pays quarterly dividends, beginning October 2011. Divided rates are determined upon funding and for the next nine calendar quarters, adjusted quarterly (based on outstanding loans at the end of the second previous quarter). The percentage of the increase in lending determines the dividend rate. Dividend rates for the tenth quarter after funding through the end of the first 4.5 years are based on the increased lending at the end of the eighth quarter after funding. The dividend rate after 4.5 years, if the funding has not been repaid, is set at 9 percent. For both 2012 and 2011, Centric qualified for a dividend rate of 1 percent per year due to its lending growth. Under the terms of the SBLF program, with the approval of its regulator, an institution may exit the program at any time by repaying the funding provided plus any accrued dividends.

Note 16 | Common Stock

On November 15, 2010, Centric Financial Corporation ended a private stock offering of up to 1,000,000 shares of $1.00 par value common stock to accredited investors. Accompanying the purchase of common shares during the offering was a warrant to purchase an equal amount of common shares at $6.19 per share (adjusted for the 5 percent stock dividend paid April 30, 2011) exercisable for the period of April 15, 2011 through July 15, 2011. The exercisable period for the purchase of warrants was extended through October 31, 2012 at the Board of Directors meeting in March 2011. The value of the services received in connection with this agreement has been measured utilizing the Black-Scholes model as of the date of the issuance of the warrant. Due to the higher purchase price of the shares under this warrant over the current price of Centric's stock, and the lack of volatility in Centric's stock price, there was no expense associated with these instruments, nor any impact in diluted earnings per share.

Note 17 | Subsequent Events

Management has reviewed events occurring through March 1, 2013, the date the financial statements were issued and no subsequent events have occurred requiring accrual or disclosure.

Board of Directors

BOARD OF DIRECTORS

Standing left to right: Robert V. Gothier Sr., CEO, RVG Management & Development Company; Steven P. Dayton, Retired, Founder and Former CEO, CODI Inc.; Frank A. Conte, Managing Partner, Conte Wealth Advisors, LLC; Dr. Jeffrey W. Keiser, Partner & President, Forest Hills Dental Associates, P.C.; R. Luke Rohrbaugh, Retired, Director–Investments, Wells Fargo Advisors; Fred M. Essis, President & CEO, Essis & Sons Carpet One; Thomas H. Flowers, Certified Public Accountant, Flowers & Flowers, CPA; Kerry A. Pae, Secretary of the Board, President & Owner, Kerry Pae Auctioneers Inc.; and Renée J. Conner, CEO/Owner, PensionPro Software LLC.

Seated left to right: Donald E. Enders Jr., Chairman of the Board, President, Colonial Park Realty Company, Enders Insurance Associates; Patricia A. Husic, President & CEO, Centric Financial Corporation and Centric Bank; and John A. Maher, CPA, Vice Chairman of the Board, Member, Pennsylvania House of Representatives.

SENIOR MANAGEMENT TEAM

Seated left to right: Sandra L.J. Schultz, Executive Vice President, Chief Financial Officer; Patricia A. Husic, President & CEO; and Jeffrey W. Meyers, Executive Vice President, Chief Lending Officer.

Standing left to right: Leslie A. Meck, Senior Vice President, Chief Retail Officer and Shane E. McNaughton, Senior Vice President, Management Information Systems.

COMMERCIAL LENDING SERVICES

Seated left to right: Paul B. Zwally, Vice President, Commercial Lending; Jeffrey W. Myers, Executive Vice President, Chief Lending Officer; and Michael J. Watson, Vice President, Commercial Lending.

Standing left to right: Eric Fischer, Assistant Vice President, Commercial Lending; Michael J. Meck, Vice President, Commercial Lending; Cheryl C. Sakalosky, Vice President, Commercial Lending; Gale E. Gallo, Mortgage Lending Officer; Maura E. Fay, Consumer Loan Underwriter; Jeian J. Rauchut, Vice President, Cash Management Manager; and Robert E. McDonald, Vice President, Portfolio Manager.

CREDIT AND RISK MANAGEMENT

Seated left to right: Peggy J. Elder, Vice President, Loan Operations & Compliance Manager and Todd Gelbaugh II, Credit Analyst.

Standing left to right: Cory Bishop, Senior Credit Analyst; Douglas Martin, Credit Analyst; and Sascha C. Leftault, Assistant Vice President, Credit Officer.

Coming Soon!

DERRY TOWNSHIP FINANCIAL CENTER

1201 West Governor Road
Hummelstown, PA 17036
(717) 533-7626
Fax (717) 533-7670

Lobby & Drive-Thru Hours

Monday-Thursday 8:30 a.m. to 5 p.m.
Friday 8:30 a.m. to 6:00 p.m.
Saturday 8:30 a.m. to 12 noon

Centric Bank Financial Center Teams

LOWER PAXTON FINANCIAL CENTER *(left)*

Left to right: Tia L. Zidik, Personal Banker; Vicky L. LaCour, Assistant Financial Center Manager; Karen M. Shepherd, Personal Banker; Amber N. Spotts, Personal Banker; and Flow Higgins, Financial Center Manager.

SILVER SPRING FINANCIAL CENTER *(below)*

Left to right: Dorothy L. Strine, Personal Banker; Marianna Golovkina, Personal Banker Manager; Lois M. Zeigler, Customer Service Representative; and Mary Anne Bayer, Assistant Vice President, Financial Center Manager.

CAMP HILL FINANCIAL CENTER *(left)*

Left to right: Angela M. Clements, Personal Banker; Vickie L. Broughton, Assistant Vice President, Financial Center Manager; Sharon Shuff, Personal Banker; Shawn W. Wright, Customer Service Representative; and Kim Lahnstein, Personal Banker Manager and Trainer.

Centric Bank Financial Centers

LOWER PAXTON FINANCIAL CENTER

4320 Linglestown Road
Harrisburg, PA 17112
(717) 657-7727
Fax (717) 657-5036

Lobby & Drive-Thru Hours

Monday-Thursday 8:30 a.m. to 5 p.m.
Friday 8:30 a.m. to 6:00 p.m.
Saturday 8:30 a.m. to 12 noon

SILVER SPRING FINANCIAL CENTER

6480 Carlisle Pike
Mechanicsburg, PA 17050
(717) 591-1360
Fax (717) 591-1363

Lobby & Drive-Thru Hours

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Saturday 8:30 a.m. to 12 noon

CAMP HILL FINANCIAL CENTER

1625 Market Street
Camp Hill, PA 17011
(717) 730-2816
Fax (717) 730-2813

Lobby & Drive-Thru Hours

Monday-Thursday 8:30 a.m. - 5 p.m.
Friday 8:30 a.m. to 6:00 p.m.
Saturday 8:30 a.m. to 12 noon