

**American River Bankshares**  
**Condensed Consolidated Statements of Income** (Unaudited)

(Dollars in thousands, except per share data)

	Second Quarter 2016	Second Quarter 2015	%	For the Six Months Ended June 30,		%
			Change	2016	2015	Change
Interest income	\$ 5,229	\$ 5,283	(1.0) %	\$ 10,505	\$ 10,185	3.1 %
Interest expense	221	244	(9.4) %	455	492	(7.5) %
Net interest income	5,008	5,039	(0.6) %	10,050	9,693	3.7 %
Provision for loan and lease losses	-	-	-	-	-	-
Noninterest income:						
Service charges on deposit accounts	128	127	0.8 %	257	244	5.3 %
(Loss) gain on sale or impairment of securities	(1)	51	(102.0) %	281	218	28.9 %
Rental income from other real estate owned	-	90	(100.0) %	106	161	(34.2) %
Other noninterest income	236	239	(1.3) %	473	469	0.9 %
Total noninterest income	363	507	(28.4) %	1,117	1,092	2.3 %
Noninterest expense:						
Salaries and employee benefits	2,101	2,045	2.7 %	4,261	4,315	(1.3) %
Occupancy	292	301	(3.0) %	590	594	(0.7) %
Furniture and equipment	163	179	(8.9) %	328	356	(7.9) %
Federal Deposit Insurance Corporation assessments	76	76	-	156	156	-
Expenses related to other real estate owned	20	55	(63.6) %	360	202	78.2 %
Other expense	763	759	0.5 %	1,511	1,605	(5.9) %
Total noninterest expense	3,415	3,415	-	7,206	7,228	(0.3) %
Income before provision for income taxes	1,956	2,131	(8.2) %	3,961	3,557	11.4 %
Provision for income taxes	652	745	(12.5) %	1,285	1,215	5.8 %
Net income	\$ 1,304	\$ 1,386	(5.9) %	\$ 2,676	\$ 2,342	14.3 %
Basic earnings per share	\$ 0.19	\$ 0.18	5.6 %	\$ 0.39	\$ 0.30	30.0 %
Diluted earnings per share	\$ 0.19	\$ 0.18	5.6 %	\$ 0.39	\$ 0.30	30.0 %
Net interest margin as a percentage of average earning assets	3.64%	3.69%		3.64%	3.58%	
Average diluted shares outstanding	6,746,099	7,674,711		6,933,435	7,754,319	

**Operating Ratios:**

Return on average assets	0.84%	0.90%	0.85%	0.77%
Return on average equity	6.29%	6.31%	6.37%	5.36%
Return on average tangible equity	7.83%	7.75%	7.89%	6.57%
Efficiency ratio (fully taxable equivalent)	62.26%	60.45%	63.20%	65.95%

**American River Bankshares**

**Condensed Consolidated Statements of Income (Unaudited)**

(Dollars in thousands, except per share data)

	<b>Second Quarter 2016</b>	<b>First Quarter 2016</b>	<b>Fourth Quarter 2015</b>	<b>Third Quarter 2015</b>	<b>Second Quarter 2015</b>
Interest income	\$ 5,229	\$ 5,276	\$ 5,325	\$ 5,458	\$ 5,283
Interest expense	221	234	229	240	244
Net interest income	5,008	5,042	5,096	5,218	5,039
Provision for loan and lease losses	-	-	-	-	-
Noninterest income:					
Service charges on deposit accounts	128	129	122	132	127
(Loss) gain on sale or impairment of securities	(1)	282	-	33	51
Rental income from other real estate owned	-	106	87	87	90
Other noninterest income	236	237	224	238	239
Total noninterest income	363	754	433	490	507
Noninterest expense:					
Salaries and employee benefits	2,101	2,160	2,028	2,185	2,045
Occupancy	292	298	295	294	301
Furniture and equipment	163	165	163	171	179
Federal Deposit Insurance Corporation assessments	76	80	85	83	76
Expenses related to other real estate owned	20	340	62	58	55
Other expense	763	748	787	641	759
Total noninterest expense	3,415	3,791	3,420	3,432	3,415
Income before provision for income taxes	1,956	2,005	2,109	2,276	2,131
Provision for income taxes	652	633	652	807	745
Net income	\$ 1,304	\$ 1,372	\$ 1,457	\$ 1,469	\$ 1,386
Basic earnings per share	\$ 0.19	\$ 0.19	\$ 0.20	\$ 0.20	\$ 0.18
Diluted earnings per share	\$ 0.19	\$ 0.19	\$ 0.20	\$ 0.20	\$ 0.18
Net interest margin as a percentage of average earning assets	3.64%	3.63%	3.63%	3.72%	3.69%
Average diluted shares outstanding	6,746,099	7,130,444	7,315,109	7,501,459	7,674,711
Shares outstanding-end of period	6,655,980	6,994,300	7,343,649	7,343,649	7,730,157
<b>Operating Ratios (annualized):</b>					
Return on average assets	0.84%	0.87%	0.91%	0.92%	0.90%
Return on average equity	6.29%	6.44%	6.71%	6.71%	6.31%
Return on average tangible equity	7.83%	7.95%	8.28%	8.27%	7.75%
Efficiency ratio (fully taxable equivalent)	62.26%	64.07%	60.72%	59.14%	60.45%