

American River Bankshares
Condensed Consolidated Statements of Income (Unaudited)

(Dollars in thousands, except per share data)

	First Quarter 2017	First Quarter 2016	% Change
Interest income	\$ 5,053	\$ 5,276	(4.2) %
Interest expense	242	234	3.4 %
Net interest income	<u>4,811</u>	<u>5,042</u>	(4.6) %
Provision for loan and lease losses	-	-	-
Noninterest income:			
Service charges on deposit accounts	117	129	(9.3) %
Gain on sale of securities	56	282	(80.1) %
Rental income from other real estate owned	-	106	(100.0) %
Other noninterest income	<u>246</u>	<u>237</u>	3.8 %
Total noninterest income	419	754	(44.4) %
Noninterest expense:			
Salaries and employee benefits	2,170	2,160	0.5 %
Occupancy	269	298	(9.7) %
Furniture and equipment	151	165	(8.5) %
Federal Deposit Insurance Corporation assessments	53	80	(33.8) %
Expenses related to other real estate owned	20	340	(94.1) %
Other expense	<u>767</u>	<u>748</u>	2.5 %
Total noninterest expense	3,430	3,791	(9.5) %
Income before provision for income taxes	<u>1,800</u>	<u>2,005</u>	(10.2) %
Provision for income taxes	<u>616</u>	<u>633</u>	(2.7) %
Net income	<u>\$ 1,184</u>	<u>\$ 1,372</u>	(13.7) %
Basic earnings per share	\$ 0.18	\$ 0.19	(5.3) %
Diluted earnings per share	\$ 0.18	\$ 0.19	(5.3) %
Net interest margin as a percentage of average earning assets	3.44%	3.63%	
Average diluted shares outstanding	6,640,592	7,130,444	

Operating Ratios:

Return on average assets	0.74%	0.87%
Return on average equity	5.74%	6.44%
Return on average tangible equity	7.13%	7.95%
Efficiency ratio (fully taxable equivalent)	64.38%	64.07%