

## American River Bankshares

### Condensed Consolidated Statements of Income (Unaudited)

(Dollars in thousands, except per share data)

	<b>First Quarter 2019</b>	<b>First Quarter 2018</b>	<b>% Change</b>
Interest income	\$ 6,132	\$ 5,066	21.0 %
Interest expense	583	329	77.2 %
Net interest income	<u>5,549</u>	<u>4,737</u>	17.1 %
Provision for loan and lease losses	180	-	- %
Noninterest income:			
Service charges on deposit accounts	121	117	3.4 %
Gain on sale of securities	36	1	3,500.0 %
Other noninterest income	254	254	- %
Total noninterest income	<u>411</u>	<u>372</u>	10.5 %
Noninterest expense:			
Salaries and employee benefits	2,781	2,206	26.1 %
Occupancy	257	262	(1.9) %
Furniture and equipment	140	138	1.4 %
Federal Deposit Insurance Corporation assessments	50	53	(5.7) %
Expenses related to other real estate owned	4	5	(20.0) %
Other expense	1,028	686	49.9 %
Total noninterest expense	<u>4,260</u>	<u>3,350</u>	27.2 %
Income before provision for income taxes	<u>1,520</u>	<u>1,759</u>	(13.6) %
Provision for income taxes	374	406	(7.9) %
Net income	<u>\$ 1,146</u>	<u>\$ 1,353</u>	(15.3) %
Basic earnings per share	\$ 0.20	\$ 0.23	(13.0) %
Diluted earnings per share	\$ 0.20	\$ 0.22	(9.1) %
Net interest margin as a percentage of average earning assets	3.59%	3.29%	
Average diluted shares outstanding	5,857,627	6,032,787	

#### **Operating Ratios:**

Return on average assets	0.68%	0.80%
Return on average equity	6.17%	7.39%
Return on average tangible equity	7.88%	9.47%
Efficiency ratio (fully taxable equivalent)	70.91%	64.81%

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

(Dollars in thousands, except per share data)

	<b>First Quarter 2019</b>	<b>Fourth Quarter 2018</b>	<b>Third Quarter 2018</b>	<b>Second Quarter 2018</b>	<b>First Quarter 2018</b>
Interest income	\$ 6,132	\$ 6,012	\$ 5,666	\$ 5,498	\$ 5,066
Interest expense	583	480	409	378	329
Net interest income	5,549	5,532	5,257	5,120	4,737
Provision for loan and lease losses	180	125	50	-	-
Noninterest income:					
Service charges on deposit accounts	121	124	119	116	117
Gain on sale of securities	36	12	8	10	1
Other noninterest income	254	248	250	254	254
Total noninterest income	411	384	377	380	372
Noninterest expense:					
Salaries and employee benefits	2,781	2,929	2,551	2,517	2,206
Occupancy	257	259	267	262	262
Furniture and equipment	140	138	141	136	138
Federal Deposit Insurance Corporation assessments	50	44	52	53	53
Expenses related to other real estate owned	4	8	10	(3)	5
Other expense	1,028	951	982	863	686
Total noninterest expense	4,260	4,329	4,003	3,828	3,350
Income before provision for income taxes	1,520	1,462	1,581	1,672	1,759
Provision for income taxes	374	337	428	403	406
Net income	\$ 1,146	\$ 1,125	\$ 1,153	\$ 1,269	\$ 1,353
Basic earnings per share	\$ 0.20	\$ 0.19	\$ 0.20	\$ 0.22	\$ 0.23
Diluted earnings per share	\$ 0.20	\$ 0.19	\$ 0.20	\$ 0.22	\$ 0.22
Net interest margin as a percentage of average earning assets	3.59%	3.54%	3.44%	3.36%	3.29%
Average diluted shares outstanding	5,857,627	5,858,615	5,864,827	5,882,914	6,032,787
Shares outstanding-end of period	5,887,962	5,858,428	5,864,802	5,864,802	5,882,214

**Operating Ratios** (annualized):

Return on average assets	0.68%	0.65%	0.68%	0.75%	0.80%
Return on average equity	6.17%	6.22%	6.37%	7.09%	7.39%
Return on average tangible equity	7.88%	8.05%	8.24%	9.18%	9.47%
Efficiency ratio (fully taxable equivalent)	70.91%	72.59%	70.49%	68.91%	64.81%