

American River Bankshares
Analysis of Net Interest Margin on Earning Assets
(Taxable Equivalent Basis)

(Dollars in thousands)

Three months ended December 31,

| | 2016 | | | 2015 | | |
|---|-------------------|-----------------|--------------|-------------------|-----------------|--------------|
| ASSETS | Avg Balance | Interest | Avg Yield | Avg Balance | Interest | Avg Yield |
| Taxable loans and leases | \$ 304,338 | \$ 3,584 | 4.68% | \$ 279,302 | \$ 3,455 | 4.91% |
| Tax-exempt loans and leases | 17,559 | 251 | 5.69% | 12,778 | 165 | 5.12% |
| Taxable investment securities | 237,231 | 1,422 | 2.38% | 249,307 | 1,574 | 2.50% |
| Tax-exempt investment securities | 23,116 | 207 | 3.56% | 25,925 | 252 | 3.86% |
| Corporate stock | 77 | - | 0.00% | 81 | - | 0.00% |
| Interest-bearing deposits in banks | 999 | 2 | 0.00% | 997 | 1 | 0.40% |
| Total earning assets | 583,320 | 5,466 | 3.73% | 568,390 | 5,447 | 3.80% |
| Cash & due from banks | 41,539 | | | 32,118 | | |
| Other assets | 36,942 | | | 40,828 | | |
| Allowance for loan & lease losses | (5,193) | | | (4,942) | | |
| | \$ 656,608 | | | \$ 636,394 | | |
| LIABILITIES & SHAREHOLDERS' | | | | | | |
| EQUITY | | | | | | |
| Interest checking and money market | \$ 195,693 | \$ 36 | 0.07% | \$ 197,773 | \$ 52 | 0.10% |
| Savings | 62,338 | 5 | 0.03% | 60,234 | 6 | 0.04% |
| Time deposits | 82,794 | 144 | 0.69% | 85,253 | 135 | 0.63% |
| Other borrowings | 15,011 | 47 | 1.25% | 12,565 | 36 | 1.14% |
| Total interest bearing liabilities | 355,836 | 232 | 0.26% | 355,825 | 229 | 0.26% |
| Noninterest bearing demand deposits | 209,336 | | | 187,484 | | |
| Other liabilities | 7,179 | | | 6,914 | | |
| Total liabilities | 572,351 | | | 550,223 | | |
| Shareholders' equity | 84,257 | | | 86,171 | | |
| | \$ 656,608 | | | \$ 636,394 | | |
| Net interest income & margin | | \$ 5,234 | 3.57% | | \$ 5,218 | 3.63% |

Twelve months ended December 31,

| | 2016 | | | 2015 | | |
|---|-------------------|------------------|--------------|-------------------|------------------|--------------|
| ASSETS | Avg Balance | Interest | Avg Yield | Avg Balance | Interest | Avg Yield |
| Taxable loans and leases | \$ 289,699 | \$ 14,008 | 4.84% | \$ 270,267 | \$ 13,547 | 5.01% |
| Tax-exempt loans and leases | 17,038 | 967 | 5.68% | 9,461 | 481 | 5.08% |
| Taxable investment securities | 240,149 | 5,755 | 2.40% | 255,137 | 6,280 | 2.46% |
| Tax-exempt investment securities | 23,952 | 867 | 3.62% | 26,128 | 1,015 | 3.88% |
| Corporate stock | 75 | 14 | 18.67% | 79 | 12 | 15.19% |
| Interest-bearing deposits in banks | 996 | 7 | 0.70% | 994 | 5 | 0.50% |
| Total earning assets | 571,909 | 21,618 | 3.78% | 562,066 | 21,340 | 3.80% |
| Cash & due from banks | 33,806 | | | 26,313 | | |
| Other assets | 37,753 | | | 39,941 | | |
| Allowance for loan & lease losses | (5,192) | | | (5,271) | | |
| | \$ 638,276 | | | \$ 623,049 | | |
| LIABILITIES & SHAREHOLDERS' | | | | | | |
| EQUITY | | | | | | |
| Interest checking and money market | \$ 190,237 | \$ 146 | 0.08% | \$ 196,120 | \$ 244 | 0.12% |
| Savings | 60,543 | 19 | 0.03% | 58,910 | 29 | 0.05% |
| Time deposits | 83,114 | 565 | 0.68% | 86,930 | 544 | 0.63% |
| Other borrowings | 17,201 | 180 | 1.05% | 14,092 | 144 | 1.02% |
| Total interest bearing liabilities | 351,095 | 910 | 0.26% | 356,052 | 961 | 0.27% |
| Noninterest bearing demand deposits | 196,434 | | | 173,130 | | |
| Other liabilities | 6,494 | | | 6,537 | | |
| Total liabilities | 554,023 | | | 535,719 | | |
| Shareholders' equity | 84,253 | | | 87,330 | | |
| | \$ 638,276 | | | \$ 623,049 | | |
| Net interest income & margin | | \$ 20,708 | 3.62% | | \$ 20,379 | 3.63% |