

American River Bankshares
Condensed Consolidated Statements of Income (Unaudited)

(Dollars in thousands, except per share data)

| | Fourth Quarter 2016 | Fourth Quarter 2015 | % | For the Twelve Months Ended December 31, | | % |
|---|---------------------------|---------------------------|-----------|---|-----------|----------|
| | | | Change | 2016 | 2015 | Change |
| Interest income | \$ 5,344 | \$ 5,325 | 0.4 % | \$ 21,153 | \$ 20,968 | 0.9 % |
| Interest expense | 232 | 229 | 1.3 % | 910 | 961 | (5.3) % |
| Net interest income | 5,112 | 5,096 | 0.3 % | 20,243 | 20,007 | 1.2 % |
| Provision for loan and lease losses | (676) | - | nm % | (1,344) | - | nm % |
| Noninterest income: | | | | | | |
| Service charges on deposit accounts | 121 | 122 | (0.8) % | 502 | 498 | 0.8 % |
| Gain on sale of securities | - | - | - | 314 | 251 | 25.1 % |
| Income from other real estate owned | 173 | 87 | 98.9 % | 279 | 335 | (16.7) % |
| Other noninterest income | 235 | 224 | 4.9 % | 950 | 931 | 2.0 % |
| Total noninterest income | 529 | 433 | 22.2 % | 2,045 | 2,015 | 1.5 % |
| Noninterest expense: | | | | | | |
| Salaries and employee benefits | 2,101 | 2,028 | 3.6 % | 8,435 | 8,528 | (1.1) % |
| Occupancy | 290 | 295 | (1.7) % | 1,175 | 1,183 | (0.7) % |
| Furniture and equipment | 159 | 163 | (2.5) % | 652 | 690 | (5.5) % |
| Federal Deposit Insurance Corporation assessments | 23 | 85 | (72.9) % | 256 | 324 | (21.0) % |
| Expenses related to other real estate owned | (84) | 62 | (235.5) % | 246 | 322 | (23.6) % |
| Other expense | 795 | 787 | 1.0 % | 3,072 | 3,033 | 1.3 % |
| Total noninterest expense | 3,284 | 3,420 | (4.0) % | 13,836 | 14,080 | (1.7) % |
| Income before provision for income taxes | 3,033 | 2,109 | 43.8 % | 9,796 | 7,942 | 23.3 % |
| Provision for income taxes | 1,118 | 652 | 71.5 % | 3,392 | 2,674 | 26.9 % |
| Net income | \$ 1,915 | \$ 1,457 | 31.4 % | \$ 6,404 | \$ 5,268 | 21.6 % |
| Basic earnings per share | \$ 0.29 | \$ 0.20 | 45.0 % | \$ 0.95 | \$ 0.70 | 35.7 % |
| Diluted earnings per share | \$ 0.29 | \$ 0.20 | 45.0 % | \$ 0.94 | \$ 0.70 | 34.3 % |
| Net interest margin as a percentage of average earning assets | 3.57% | 3.63% | | 3.62% | 3.63% | |
| Average diluted shares outstanding | 6,647,926 | 7,315,109 | | 6,783,210 | 7,579,074 | |

| Operating Ratios: | | | | | |
|---|--------|--------|--|--------|--------|
| Return on average assets | 1.16% | 0.91% | | 1.00% | 0.85% |
| Return on average equity | 9.04% | 6.71% | | 7.60% | 6.03% |
| Return on average tangible equity | 11.21% | 8.28% | | 9.43% | 7.42% |
| Efficiency ratio (fully taxable equivalent) | 56.98% | 60.72% | | 60.81% | 62.87% |