

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

(Dollars in thousands)

<b>Three months ended December 31,</b>	<b>2018</b>			<b>2017</b>		
<b>ASSETS</b>	<b>Avg Balance</b>	<b>Interest</b>	<b>Avg Yield</b>	<b>Avg Balance</b>	<b>Interest</b>	<b>Avg Yield</b>
Taxable loans and leases	\$ 305,939	\$ 3,708	4.81%	\$ 304,987	\$ 3,563	4.63%
Tax-exempt loans and leases	15,522	174	4.45%	14,073	164	4.62%
Taxable investment securities	272,348	1,971	2.87%	238,402	1,309	2.18%
Tax-exempt investment securities	14,696	117	3.16%	22,764	211	3.68%
Corporate stock	-	-	-	52	-	-
Federal funds sold	14,380	80	2.21%	-	-	-
Interest-bearing deposits in banks	1,746	10	2.27%	1,405	4	1.13%
<b>Total earning assets</b>	<b>624,631</b>	<b>6,060</b>	<b>3.85%</b>	<b>581,683</b>	<b>5,251</b>	<b>3.58%</b>
Cash & due from banks	25,543			45,797		
Other assets	40,437			38,401		
Allowance for loan & lease losses	(4,321)			(4,632)		
	<b>\$ 686,290</b>			<b>\$ 661,249</b>		
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>						
Interest checking and money market	\$ 219,580	\$ 76	0.14%	\$ 196,381	\$ 35	0.07%
Savings	74,582	7	0.04%	67,278	6	0.04%
Time deposits	81,382	331	1.61%	80,080	193	0.96%
Other borrowings	15,500	66	1.69%	15,500	54	1.38%
<b>Total interest bearing liabilities</b>	<b>391,044</b>	<b>480</b>	<b>0.49%</b>	<b>359,239</b>	<b>288</b>	<b>0.32%</b>
Noninterest bearing demand deposits	216,265			214,473		
Other liabilities	7,198			7,653		
<b>Total liabilities</b>	<b>614,507</b>			<b>581,365</b>		
<b>Shareholders' equity</b>	<b>71,783</b>			<b>79,884</b>		
	<b>\$ 686,290</b>			<b>\$ 661,249</b>		
<b>Net interest income &amp; margin</b>		<b>\$ 5,580</b>	<b>3.54%</b>		<b>\$ 4,963</b>	<b>3.39%</b>

<b>Twelve months ended December 31,</b>	<b>2018</b>			<b>2017</b>		
<b>ASSETS</b>	<b>Avg Balance</b>	<b>Interest</b>	<b>Avg Yield</b>	<b>Avg Balance</b>	<b>Interest</b>	<b>Avg Yield</b>
Taxable loans and leases	\$ 294,114	\$ 13,924	4.73%	\$ 305,345	\$ 13,947	4.57%
Tax-exempt loans and leases	14,251	632	4.43%	14,286	667	4.67%
Taxable investment securities	264,247	6,901	2.61%	238,710	5,287	2.21%
Tax-exempt investment securities	18,651	611	3.28%	22,789	874	3.84%
Corporate stock	-	-	-	55	16	29.09%
Federal funds sold	18,688	348	1.86%	-	-	-
Interest-bearing deposits in banks	1,745	33	1.89%	1,258	13	1.03%
<b>Total earning assets</b>	<b>611,696</b>	<b>22,449</b>	<b>3.67%</b>	<b>582,443</b>	<b>20,804</b>	<b>3.57%</b>
Cash & due from banks	34,535			35,876		
Other assets	39,822			39,201		
Allowance for loan & lease losses	(4,423)			(4,800)		
	<b>\$ 681,630</b>			<b>\$ 652,720</b>		
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>						
Interest checking and money market	\$ 219,742	\$ 272	0.12%	\$ 197,298	\$ 139	0.07%
Savings	71,742	26	0.04%	64,880	22	0.03%
Time deposits	79,422	1,061	1.34%	81,056	694	0.86%
Other borrowings	15,533	237	1.53%	15,522	206	1.33%
<b>Total interest bearing liabilities</b>	<b>386,439</b>	<b>1,596</b>	<b>0.41%</b>	<b>358,756</b>	<b>1,061</b>	<b>0.30%</b>
Noninterest bearing demand deposits	215,721			204,565		
Other liabilities	7,062			7,583		
<b>Total liabilities</b>	<b>609,222</b>			<b>570,904</b>		
<b>Shareholders' equity</b>	<b>72,408</b>			<b>81,816</b>		
	<b>\$ 681,630</b>			<b>\$ 652,720</b>		
<b>Net interest income &amp; margin</b>		<b>\$ 20,853</b>	<b>3.41%</b>		<b>\$ 19,743</b>	<b>3.39%</b>