

American River Bankshares
Condensed Consolidated Statements of Income (Unaudited)

(Dollars in thousands, except per share data)

	First Quarter 2016	First Quarter 2015	% Change
Interest income	\$ 5,276	\$ 4,902	7.6 %
Interest expense	234	248	(5.6) %
Net interest income	<u>5,042</u>	<u>4,654</u>	8.3 %
Provision for loan and lease losses	-	-	-
Noninterest income:			
Service charges on deposit accounts	129	117	10.3 %
Gain on sale of securities	282	167	68.9 %
Rental income from other real estate owned	106	71	49.3 %
Other noninterest income	<u>237</u>	<u>230</u>	3.0 %
Total noninterest income	754	585	28.9 %
Noninterest expense:			
Salaries and employee benefits	2,160	2,270	(4.8) %
Occupancy	298	293	1.7 %
Furniture and equipment	165	177	(6.8) %
Federal Deposit Insurance Corporation assessments	80	80	-
Expenses related to other real estate owned	340	147	131.3 %
Other expense	<u>748</u>	<u>846</u>	(11.6) %
Total noninterest expense	3,791	3,813	(0.6) %
Income before provision for income taxes	<u>2,005</u>	<u>1,426</u>	40.6 %
Provision for income taxes	<u>633</u>	<u>470</u>	34.7 %
Net income	<u>\$ 1,372</u>	<u>\$ 956</u>	43.5 %
Basic earnings per share	\$ 0.19	\$ 0.12	58.3 %
Diluted earnings per share	\$ 0.19	\$ 0.12	58.3 %
Net interest margin as a percentage of average earning assets	3.63%	3.46%	
Average diluted shares outstanding	7,130,444	7,845,532	

Operating Ratios:

Return on average assets	0.87%	0.64%
Return on average equity	6.44%	4.39%
Return on average tangible equity	7.95%	5.39%
Efficiency ratio (fully taxable equivalent)	64.07%	71.81%

American River Bankshares

Condensed Consolidated Statements of Income (Unaudited)

(Dollars in thousands, except per share data)

	First Quarter 2016	Fourth Quarter 2015	Third Quarter 2015	Second Quarter 2015	First Quarter 2015
Interest income	\$ 5,276	\$ 5,325	\$ 5,458	\$ 5,283	\$ 4,902
Interest expense	234	229	240	244	248
Net interest income	5,042	5,096	5,218	5,039	4,654
Provision for loan and lease losses	-	-	-	-	-
Noninterest income:					
Service charges on deposit accounts	129	122	132	127	117
Gain on sale of securities	282	-	33	51	167
Rental income from other real estate owned	106	87	87	90	71
Other noninterest income	237	224	238	239	230
Total noninterest income	754	433	490	507	585
Noninterest expense:					
Salaries and employee benefits	2,160	2,028	2,185	2,045	2,270
Occupancy	298	295	294	301	293
Furniture and equipment	165	163	171	179	177
Federal Deposit Insurance Corporation assessments	80	85	83	76	80
Expenses related to other real estate owned	340	62	58	55	147
Other expense	748	787	641	759	846
Total noninterest expense	3,791	3,420	3,432	3,415	3,813
Income before provision for income taxes	2,005	2,109	2,276	2,131	1,426
Provision for income taxes	633	652	807	745	470
Net income	\$ 1,372	\$ 1,457	\$ 1,469	\$ 1,386	\$ 956
Basic earnings per share	\$ 0.19	\$ 0.20	\$ 0.20	\$ 0.18	\$ 0.12
Diluted earnings per share	\$ 0.19	\$ 0.20	\$ 0.20	\$ 0.18	\$ 0.12
Net interest margin as a percentage of average earning assets	3.63%	3.63%	3.72%	3.69%	3.46%
Average diluted shares outstanding	7,130,444	7,315,109	7,501,459	7,674,711	7,845,532
Shares outstanding-end of period	6,994,300	7,343,649	7,343,649	7,730,157	7,705,666

Operating Ratios (annualized):

Return on average assets	0.87%	0.91%	0.92%	0.90%	0.64%
Return on average equity	6.44%	6.71%	6.71%	6.31%	4.39%
Return on average tangible equity	7.95%	8.28%	8.27%	7.75%	5.39%
Efficiency ratio (fully taxable equivalent)	64.07%	60.72%	59.14%	60.45%	71.81%