BLACKHAWK BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2016 AND DECEMBER 31, 2015
(UNAUDITED)

Assets		**December 31, 2016**		**December 31, 2015**
		(Amounts in thousands, except share and per share data)		
Cash and due from banks	$	16,402	$	11,653
Securities purchased under agreements to resell		2		14,955
Interest-bearing deposits in banks and other		7,638		1,144
Total cash and cash equivalents		24,042		27,752
Securities available-for-sale		191,815		139,533
Loans held for sale		1,053		3,014
Federal Home Loan Bank stock, at cost		1,086		2,266
Loans, less allowance for loan losses of $5,093 and $4,790 at December 31, 2016 and December 31, 2015, respectively		407,331		395,187
Premises and equipment, net		8,242		7,715
Goodwill		5,037		5,037
Mortgage Servicing rights		2,189		2,395
Cash surrender value of bank-owned life insurance		10,208		9,902
Other assets		14,482		9,711
Total assets	$	665,485	$	602,512
Liabilities and Stockholders' Equity				
Liabilities				
Deposits:				
Noninterest-bearing	$	117,785	$	102,943
Interest-bearing		454,581		420,114
Total deposits		572,366		523,057
Subordinated debentures and notes (including $1,031 at fair value at December 31, 2016 and December 31, 2015)		11,255		11,255
Senior secured term note		7,500		8,500
Other borrowings		21,200		11,250
Other liabilities		3,614		3,301
Total liabilities		615,935		557,363
Stockholders' equity				
Common stock, $0.01 par value, 10,000,000 shares authorized; 2,376,750 and 2,327,197 shares issued as of December 31, 2016 and December 31, 2015, respectively		24		23
Additional paid-in capital		10,664		10,362
Retained earnings		39,990		34,376
Treasury stock, 90,844 and 88,783 shares at cost as of December 31, 2016 and December 31, 2015, respectively		(1,020)		(982)
Accumulated other comprehensive income (loss)		(108)		1,370
Total stockholders' equity		49,550		45,149
Total liabilities and stockholders' equity	$	665,485	$	602,512

BLACKHAWK BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Twelve ended December 31, 2016	2015
	(Amounts in thousands, except per share data) share and per share data)	
Interest Income:		
Interest and fees on loans	$ 18,823	$ 18,953
Interest and dividends on available-for-sale securities:		
Taxable	2,785	1,998
Tax-exempt	1,214	1,203
Interest on securities purchased under agreements to resell	115	61
Interest on other	160	19
Total interest and dividend income	23,097	22,234
Interest Expense:		
Interest on deposits	1,651	1,616
Interest on subordinated debentures and notes	633	612
Interest on senior secured term note	345	361
Interest on other borrowings	12	12
Total interest expense	2,641	2,601
Net interest and dividend income before provision for loan losses	20,456	19,633
Provision for loan losses	1,880	2,139
Net interest and dividend income after provision for loan losses	18,576	17,494
Noninterest Income:		
Service charges on deposits accounts	2,845	2,716
Net gain on sale of loans	2,402	2,021
Net loan servicing income	289	293
Debit card interchange fees	2,285	2,242
Net gains on sales of securities available-for-sale	156	631
Net other gains (losses)	2,781	(450)
Increase in cash surrender value of bank-owned life insurance	307	299
Other	1,346	1,263
Total noninterest income	12,411	9,015
Noninterest Expenses:		
Salaries and employee benefits	12,360	11,557
Premises and equipment	2,561	2,589
Data processing	1,388	1,293
Debit card	1,226	1,088
Advertising and marketing	406	276
Professional fees	1,160	1,024
Office Supplies	322	352
Telephone	431	423
Other	2,693	2,739
Total noninterest expenses	22,547	21,341
Income before income taxes	8,440	5,168
Provision for income taxes	2,462	1,249
Net income	$ 5,978	$ 3,919

Key Ratios

Basic Earnings Per Common Share	$ 2.60	$ 1.74
Diluted Earnings Per Common Share	2.59	1.73
Dividends Per Common Share	0.16	0.12
Net Interest Margin (FTE)	3.40%	3.65%
Efficiency Ratio (FTE)	73.74%	73.33%
Return on Assets	0.90%	0.65%
Return on Common Equity	11.95%	8.90%

BLACKHAWK BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Three months ended December 31, 2016	2015
	(Amounts in thousands, except share and per share data)	
Interest Income:		
Interest and fees on loans	$ 4,749	$ 4,772
Interest and dividends on available-for-sale securities:		
Taxable	758	518
Tax-exempt	315	297
Interest on securities purchased under agreements to resell	1	58
Interest on other	34	5
Total interest and dividend income	5,857	5,650
Interest Expenses:		
Interest on deposits	416	389
Interest on subordinated debentures	161	154
Interest on senior secured term note	83	89
Interest on other borrowings	6	3
Total interest expense	666	635
Net interest and dividend income before provision for loan losses	5,191	5,015
Provision for loan losses	475	350
Net interest and dividend income after provision for loan losses	4,716	4,665
Noninterest Income:		
Service charges on deposits accounts	715	744
Net gain on sale of loans	702	415
Net loan servicing income	67	66
Debit card interchange fees	557	551
Net gains on sales of securities available-for-sale	156	310
Net other gains (losses)	(51)	(469)
Increase in cash value of bank-owned life insurance	75	73
Other	288	378
Total noninterest income	2,509	2,068
Noninterest Expenses:		
Salaries and employee benefits	3,040	2,830
Premises and equipment	592	661
Data processing	384	322
Debit card	258	273
Advertising and marketing	114	91
Professional fees	252	280
Office Supplies	79	93
Telephone	115	111
Other	481	789
Total noninterest expenses	5,315	5,450
Income before income taxes	1,910	1,283
Provision for income taxes	512	298
Net income	$ 1,398	$ 985

Key Ratios

Basic Earnings Per Common Share	$ 0.61	$ 0.43
Diluted Earnings Per Common Share	0.60	0.43
Dividends Per Common Share	0.04	0.04
Net Interest Margin (FTE)	3.42%	3.58%
Efficiency Ratio (FTE)	68.48%	73.65%
Return on Assets	0.89%	0.68%
Return on Common Equity	10.87%	8.59%

BLACKHAWK BANCORP, INC. AND SUBSIDIARIES
AVERAGE BALANCE SHEET WITH RESULTANT INTEREST AND RATES

Average Balance Sheet with Resultant Interest and Rates
(Amounts in thousands)
(Yields on a tax-equivalent basis)

	Twelve months ended December 31, 2016			Twelve months ended December 31, 2015		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Interest Earning Assets:						
Interest-bearing deposits in banks	$ 31,183	$ 160	0.51%	$ 7,386	$ 19	0.26%
Federal funds sold & securities purchased under agreements to resell	8,831	115	1.30%	4,479	61	1.37%
Investment securities:						
Taxable investment securities	136,398	2,785	2.04%	97,539	1,998	2.05%
Tax-exempt investment securities	40,821	1,214	4.55%	38,251	1,203	4.81%
Total Investment securities	177,219	3,999	2.62%	135,790	3,201	2.83%
Loans	402,757	18,823	4.67%	407,010	18,953	4.66%
Total Earning Assets	**$ 619,990**	**$ 23,097**	**3.83%**	**$ 554,665**	**$ 22,234**	**4.12%**
Allowance for loan losses	(5,046)			(4,814)		
Cash and due from banks	14,439			13,163		
Other assets	36,119			35,507		
Total Assets	$ 665,502			$ 598,521		
Interest Bearing Liabilities:						
Interest bearing checking accounts	$ 221,779	$ 681	0.31%	$ 163,613	$ 452	0.28%
Savings and money market deposits	172,110	252	0.15%	174,451	311	0.18%
Time deposits	83,440	718	0.86%	82,278	853	1.04%
Total interest bearing deposits	477,329	1,651	0.35%	420,342	1,616	0.38%
Subordinated debentures and notes	11,255	633	5.63%	11,255	612	5.43%
Borrowings	11,001	357	3.24%	17,279	373	2.16%
Total Interest-Bearing Liabilities	**$ 499,585**	**$ 2,641**	**0.53%**	**$ 448,876**	**$ 2,601**	**0.58%**
Interest Rate Spread			**3.30%**			**3.54%**
Noninterest checking accounts	111,781			101,484		
Other liabilities	4,127			4,123		
Total liabilities	615,493			554,483		
Common Stockholders' equity	50,009			44,038		
Total Stockholders' equity	50,009			44,038		
Total Liabilities and Stockholders' Equity	$ 665,502			$ 598,521		
Net Interest Income/Margin		**$ 20,456**	**3.40%**		**$ 19,633**	**3.65%**

BLACKHAWK BANCORP, INC. AND SUBSIDIARIES
AVERAGE BALANCE SHEET WITH RESULTANT INTEREST AND RATES

Average Balance Sheet with Resultant Interest and Rates
(Amounts in thousands)
(yields on a tax-equivalent basis)

	Three months ended December 31, 2016			Three months ended December 31, 2015		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Interest Earning Assets:						
Interest-bearing deposits in banks	$ 26,451	$ 34	0.53%	$ 6,268	$ 5	0.34%
Federal funds sold & securities purchased under agreements to resell	489	1	0.19%	15,111	58	1.53%
Investment securities:						
Taxable investment securities	149,309	758	2.02%	100,945	518	2.04%
Tax-exempt investment securities	43,299	315	4.42%	39,244	297	4.60%
Total Investment securities	192,608	1,073	2.56%	140,189	815	2.75%
Loans	403,937	4,749	4.68%	410,964	4,772	4.61%
Total Earning Assets	**$ 623,485**	**$ 5,857**	**3.84%**	**$ 572,532**	**$ 5,650**	**4.02%**
Allowance for loan losses	(5,309)			(4,821)		
Cash and due from banks	15,080			13,270		
Other assets	37,820			35,472		
Total Assets	$ 671,076			$ 616,453		
Interest Bearing Liabilities:						
Interest bearing checking accounts	$ 209,515	$ 160	0.30%	$ 157,669	$ 110	0.28%
Savings and money market deposits	174,517	66	0.15%	200,662	114	0.22%
Time deposits	88,267	190	0.86%	78,691	165	0.84%
Total interest bearing deposits	472,299	416	0.35%	437,022	389	0.35%
Subordinated debentures	11,255	161	5.69%	11,255	154	5.42%
Borrowings	12,268	89	2.87%	14,351	92	2.54%
Total Interest-Bearing Liabilities	**$ 495,822**	**$ 666**	**0.53%**	**$ 462,628**	**$ 635**	**0.54%**
Interest Rate Spread			**3.31%**			**3.48%**
Noninterest checking accounts	119,749			104,357		
Other liabilities	4,353			3,954		
Total liabilities	619,924			570,939		
Common Stockholders' equity	51,152			45,514		
Total Stockholders' equity	51,152			45,514		
Total Liabilities and Stockholders' Equity	$ 671,076			$ 616,453		
Net Interest Income/Margin		**$ 5,191**	**3.42%**		**$ 5,015**	**3.58%**