BLACKHAWK BANCORP, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS MARCH 31, 2015 AND DECEMBER 31, 2014 (UNAUDITED)

Cash and due from banks (Amounts in thousands, except share and per share data) Cash and due from banks \$ 11,945 \$ Interest-bearing deposits in banks and other 14,213 1 Total cash and cash equivalents 26,6158 2 Securities available-for-sale 126,691 12 Loans held for sale 2,266 2 Federal Home quipment, net 8,129 39,414 39 Goodwill 5,037 5,037 Mortgage Servicing rights 2,561 Cash surrender value of bank-owned life insurance 9,684 Other assets 9,491 5 58 Liabilities and Stockholders' Equity 39,414 39 Liabilities \$ 5,037 Noninterest-bearing \$ 10,385 \$ Itabilities \$ 5,90,487 \$ Subordinated debentures and notes (including \$1,031 at fair value at 5,361 53 Subordinated debentures and notes (including \$1,031 at fair value at 9,000 5 FHLB advances - - - Other liabilities 3,258 5 53 Stockholders' equity 11,255 1 1 Preferred stock, \$0.01 par value, 1,000,000 shares authorized; - -	Assets	March 31, 2015	December 31, 2014
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0 and 10,500 shares issued as of March 31, 2015 and December 31, 2014, respectively-Common stock, \$0.01 par value, 10,000,000 shares authorized; 2,322,854 and 2,318,496 shares issued as of March 31, 2015 and December 31, 2014, respectively23Additional paid-in capital10,013Retained earnings31,912Treasury stock, 88,783 and 87,865 shares at cost as of March 31, 2015 and December 31, 2014, respectively(983)Accumulated other comprehensive income (loss)2,399	Stockholders' equity		
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Common stock, \$0.01 par value, 10,000,000 shares authorized; 2,322,854 and 2,318,496 shares issued as of March 31, 2015 and December 31, 2014, respectively23Additional paid-in capital10,013Retained earnings31,912Treasury stock, 88,783 and 87,865 shares at cost as of March 31, 2015 and December 31, 2014, respectively(983)Accumulated other comprehensive income (loss)2,399	0 and 10,500 shares issued as of March 31, 2015 and December 31,		
2,322,854 and 2,318,496 shares issued as of March 31, 2015 and23December 31, 2014, respectively23Additional paid-in capital10,013Retained earnings31,912Treasury stock, 88,783 and 87,865 shares at cost as of March 31, 2015 and December 31, 2014, respectively(983)Accumulated other comprehensive income (loss)2,399	2014, respectively	-	-
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Additional paid-in capital10,013Retained earnings31,9123Treasury stock, 88,783 and 87,865 shares at cost as of March 31, 2015983)and December 31, 2014, respectively(983)Accumulated other comprehensive income (loss)2,399	2,322,854 and 2,318,496 shares issued as of March 31, 2015 and		
Retained earnings31,9123Treasury stock, 88,783 and 87,865 shares at cost as of March 31, 2015 and December 31, 2014, respectively(983)Accumulated other comprehensive income (loss)2,399	December 31, 2014, respectively	23	23
Treasury stock, 88,783 and 87,865 shares at cost as of March 31, 2015(983)and December 31, 2014, respectively(983)Accumulated other comprehensive income (loss)2,399	Additional paid-in capital	10,013	9,960
and December 31, 2014, respectively(983)Accumulated other comprehensive income (loss)2,399	Retained earnings	31,912	31,091
Accumulated other comprehensive income (loss) 2,399	Treasury stock, 88,783 and 87,865 shares at cost as of March 31, 2015		
Accumulated other comprehensive income (loss) 2,399		(983)	(969)
	Accumulated other comprehensive income (loss)		1,931
	Total stockholders' equity	43,364	42,036
		\$ 590,487	

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

(UNAUDITED)	Three months	Three months ended March 31,		
	2015		2014	
	(Amounts in th		•	
	share and p	er share data	1)	
Interest Income:		<u>_</u>		
Interest and fees on loans	\$ 4,614	\$	4,620	
Interest and dividends on available-for-sale securities:	100		465	
Taxable	466		465	
Tax-exempt	316		335	
Interest on securities purchased under agreements to resell	-		64	
Interest on other	5		5	
Total interest and dividend income	5,401		5,489	
Interest Expense:				
Interest on deposits	444		534	
Interest on subordinated debentures and notes	152		152	
Interest on senior secured term note	90		-	
Interest on FHLB advances			27	
Total interest expense	686		713	
Net interest and dividend income before provision for loan losses	4,715		4,776	
Provision for loan losses	617		511	
Net interest and dividend income after provision for loan losses	4,098		4,265	
Noninterest Income:				
Service charges on deposits accounts	621		654	
Net gain on sale of loans	457		298	
Net loan servicing income	58		74	
Debit card interchange fees	554		542	
Net gains on sales of securities available-for-sale securities	200		198	
Net other gains (losses)	(32)		(259)	
Increase in cash surrender value of bank-owned life insurance	82		80	
Other	239		256	
Total noninterest income	2,179		1,843	
Noninterest Expenses:				
Salaries and employee benefits	2,873		2,884	
Premises and equipment	657		668	
Data processing	596		606	
Advertising and marketing	58		63	
Professional fees	255		230	
Office Supplies	90		89	
Telephone	108		92	
Other	583		739	
Total noninterest expenses	5,220		5,371	
Income before income taxes	1,057		737	
Provision for income taxes			37	
Net income	<u> </u>	\$	700	
Net income	÷ 005	Ļ	700	
Key Ratios				
Basic Earnings Per Common Share	\$ 0.39	\$	0.25	
Diluted Earnings Per Common Share	0.38		0.24	