

BLACKHAWK BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2017 AND DECEMBER 31, 2016
(UNAUDITED)

Assets	March 31, 2017	December 31, 2016
	(Amounts in thousands, except share and per share data)	
Cash and due from banks	\$ 18,863	\$ 16,402
Securities purchased under agreements to resell	-	-
Interest-bearing deposits in banks and other	13,448	7,640
Total cash and cash equivalents	<u>32,311</u>	<u>24,042</u>
Securities available-for-sale	191,928	191,815
Loans held for sale	534	1,053
Federal Home Loan Bank stock, at cost	497	1,086
Loans, less allowance for loan losses of \$5,307 and \$5,093 at March 31, 2017 and December 31, 2016, respectively	406,891	407,331
Premises and equipment, net	9,794	8,242
Goodwill	5,037	5,037
Mortgage Servicing rights	2,221	2,189
Cash surrender value of bank-owned life insurance	10,291	10,208
Other assets	13,195	14,725
Total assets	<u>\$ 672,699</u>	<u>\$ 665,728</u>
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	\$ 116,420	\$ 117,785
Interest-bearing	468,696	454,581
Total deposits	<u>585,116</u>	<u>572,366</u>
Subordinated debentures and notes (including \$1,031 at fair value at March 31, 2017 and December 31, 2016)	11,255	11,255
Senior secured term note	-	7,500
Other borrowings	311	21,200
Other liabilities	2,906	3,857
Total liabilities	<u>599,588</u>	<u>616,178</u>
Stockholders' equity		
Common stock, \$0.01 par value, 10,000,000 shares authorized; 3,342,285 and 2,376,750 shares issued as of March 31, 2017 and December 31, 2016, respectively	33	24
Additional paid-in capital	32,548	10,664
Retained earnings	41,049	39,990
Treasury stock, 91,238 and 90,844 shares at cost as of March 31, 2017 and December 31, 2016, respectively	(1,030)	(1,020)
Accumulated other comprehensive income (loss)	511	(108)
Total stockholders' equity	<u>73,111</u>	<u>49,550</u>
Total liabilities and stockholders' equity	<u>\$ 672,699</u>	<u>\$ 665,728</u>

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

	Three months ended March 31,	
	2017	2016
	(Amounts in thousands, except per share data)	
Interest Income:		
Interest and fees on loans	\$ 4,688	\$ 4,635
Interest and dividends on available-for-sale securities:		
Taxable	764	561
Tax-exempt	371	301
Interest on other	14	73
Total interest and dividend income	5,837	5,570
Interest Expense:		
Interest on deposits	401	398
Interest on subordinated debentures and notes	162	157
Interest on senior secured term note	67	91
Interest on other borrowings	9	1
Total interest expense	639	647
Net interest and dividend income before provision for loan losses	5,198	4,923
Provision for loan losses	360	495
Net interest and dividend income after provision for loan losses	4,838	4,428
Noninterest Income:		
Service charges on deposits accounts	668	689
Net gain on sale of loans	378	353
Net loan servicing income	192	81
Debit card interchange fees	576	568
Net gains on sales of securities available-for-sale	-	-
Net other gains (losses)	(14)	2,933
Increase in cash surrender value of bank-owned life insurance	83	85
Other	311	279
Total noninterest income	2,194	4,988
Noninterest Expenses:		
Salaries and employee benefits	3,182	3,136
Occupancy and equipment	606	645
Data processing	398	344
Debit card processing and issuance	272	255
Advertising and marketing	101	94
Professional fees	259	230
Office Supplies	81	86
Telephone	112	103
Other	665	615
Total noninterest expenses	5,676	5,508
Income before income taxes	1,356	3,908
Provision for income taxes	205	1,335
Net income	\$ 1,151	\$ 2,573