

Consolidated Financial Highlights

(\$ in thousands except per share data)
(unaudited)

	At or for the three months ended					At or for the six months ended	
	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sept 30, 2015	Jun 30, 2015	2016	June 30, 2015
Earnings (loss)							
Net interest income	\$ 2,835	\$ 2,666	\$ 2,451	\$ 2,454	\$ 2,456	\$ 5,501	\$ 4,892
Provision for loan losses	\$ 160	\$ 50	\$ 50	\$ 50	\$ 75	\$ 210	\$ 150
Noninterest income	\$ 290	\$ 304	\$ 205	\$ 324	\$ 464	\$ 594	\$ 819
Noninterest expense	\$ 2,339	\$ 2,454	\$ 2,370	\$ 2,398	\$ 2,378	\$ 4,793	\$ 4,843
Net Income (loss) ⁽¹⁾	\$ 422	\$ 316	\$ 3,429	\$ 330	\$ 467	\$ 738	\$ 718
Dividends on Series B preferred stock and accretion of discount	\$ (215)	\$ (214)	\$ (214)	\$ (214)	\$ (215)	\$ (429)	\$ (429)
Earnings (loss) available to common stockholders	\$ 207	\$ 102	\$ 3,215	\$ 116	\$ 252	\$ 309	\$ 289
Basic earnings (loss) per common share	\$ 0.01	\$ 0.01	\$ 0.20	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.02
Diluted earnings (loss) per common share	\$ 0.01	\$ 0.01	\$ 0.15	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.02
Performance Ratios (annualized)							
Return on average assets	0.47%	0.36%	4.06%	0.40%	0.57%	0.42%	0.45%
			39.05				
Return on average equity	4.37%	3.29%	%	3.77%	5.37%	3.83%	4.14%
Average yield on interest-earning assets	4.29%	4.14%	4.00%	4.06%	4.08%	4.22%	4.10%
Average rate paid on interest-bearing liabilities	1.06%	1.03%	1.03%	1.03%	1.01%	1.04%	0.97%
Average interest rate spread	3.23%	3.11%	2.97%	3.03%	3.07%	3.18%	3.13%
Net interest margin, fully taxable equivalent	3.41%	3.29%	3.13%	3.17%	3.22%	3.35%	3.28%
	74.85	82.63	89.23	86.32	81.44	78.64	84.62
Efficiency ratio	%	%	%	%	%	%	%
Noninterest expense to average assets	2.61%	2.80%	2.80%	2.87%	2.89%	2.71%	3.01%
Capital							
Core capital ratio ⁽²⁾	10.92	10.89	11.12	10.82	10.85	10.92	10.85
	%	%	%	%	%	%	%
Total risk-based capital ratio ⁽²⁾	13.23	13.69	13.67	13.77	13.14	13.23	13.14
	%	%	%	%	%	%	%
Tier 1 risk-based capital ratio ⁽²⁾	11.97	12.43	12.40	12.50	11.88	11.97	11.88
	%	%	%	%	%	%	%
Common equity tier 1 capital to risk weighted assets ⁽²⁾	11.97	12.43	12.40	12.50	11.88	11.97	11.88
	%	%	%	%	%	%	%
Equity to total assets at end of period	10.64	10.91	10.91	10.60	10.30	10.64	10.30
	%	%	%	%	%	%	%
Book value per common share	\$ 1.67	\$ 1.66	\$ 1.64	\$ 1.46	\$ 1.45	\$ 1.67	\$ 1.45
Tangible book value per common share	\$ 1.67	\$ 1.66	\$ 1.64	\$ 1.46	\$ 1.45	\$ 1.67	\$ 1.45
Period-end market value per common share	\$ 1.36	\$ 1.35	\$ 1.32	\$ 1.34	\$ 1.31	\$ 1.36	\$ 1.31
Period-end common shares outstanding	16,00	16,02	16,02	15,82	15,82	16,00	15,82
	3,710	4,210	4,210	3,710	3,710	3,710	3,710

Average basic common shares outstanding	16,01	16,02	15,95	15,82	15,82	16,02	15,82
Average diluted common shares outstanding	7,997	4,210	7,377	3,710	3,710	1,103	3,710
	16,02	16,03	22,82	15,83	15,83	16,02	15,83
	8,990	3,988	0,088	2,106	6,192	9,576	3,673
<u>Asset Quality</u>							
Nonperforming loans	\$ 1,397	\$ 1,442	\$ 1,425	\$ 1,492	\$ 1,538	\$ 1,397	\$ 1,538
Nonperforming loans to total loans	0.42%	0.47%	0.47%	0.51%	0.53%	0.42%	0.53%
Nonperforming assets to total assets	0.38%	0.87%	0.87%	0.94%	0.94%	0.38%	0.94%
Allowance for loan losses to total loans	2.00%	2.19%	2.18%	2.25%	2.23%	2.00%	2.23%
Allowance for loan losses to nonperforming loans	473.37%	465.74%	464.56%	437.13%	421.33%	473.37%	421.33%
Net charge-offs (recoveries)	\$ 263	\$ (46)	\$ (48)	\$ 8	\$ 37	\$ 217	\$ (14)
Annualized net charge-offs (recoveries) to average loans	0.34%	(0.06%)	(0.07%)	0.01%	0.05%	0.14%	(0.01%)
<u>Average Balances</u>							
Loans	\$ 313,438	\$ 298,158	\$ 280,169	\$ 280,710	\$ 276,731	\$ 305,798	\$ 269,742
Assets	\$ 358,290	\$ 349,991	\$ 338,095	\$ 334,067	\$ 329,230	\$ 354,140	\$ 322,287
Stockholders' equity	\$ 38,632	\$ 38,422	\$ 35,127	\$ 35,018	\$ 34,781	\$ 38,527	\$ 34,684

⁽¹⁾ Net Income for the quarter ended December 31, 2015, includes a \$3.2 million credit to income tax expense as a result of the reversal of a deferred tax valuation allowance that occurred in the fourth quarter of 2015.

⁽²⁾ Regulatory capital ratios of CFBank