

Since 2010, our financial performance has gotten better...

...and better...

Dear shareholders:

2017 was our eighth straight year of record-level financial performance.

...and better...

Our Birmingham office's first full year was an unequivocal success. We cordially welcome the eight new Directors to our Birmingham Community and Advisory Board.

We now have eight banking offices and 225 employees in Washtenaw, western Wayne and Oakland.

UniFi Equipment Finance, our wholly owned small-ticket leasing subsidiary in Ann Arbor (which does business nationally), **achieved record-level performance in 2017**. Led by R.J. Grimshaw, UniFi continues to exceed expectations.

...and better...

Also in Birmingham, we added personnel in private banking, commercial lending, investment advisory, and mortgage banking. Lyle Dahlberg, who oversees our trust officers, moved his office to Birmingham.

Congratulations, Satish Jasti, promoted to Plymouth District President. He joined us in 2010 as a Senior Loan Officer, following our acquisition of New Liberty Bank. Satish has helped grow our commercial loan portfolio at the Plymouth office to more than \$200 million.

Our Technology Industry Group celebrated its 15-year anniversary. Michael Cole and his team have built a significant portfolio in southeast Michigan of deposits, loans, and investments for innovative businesses, entrepreneurs, and venture capital firms.

...and better...

We continue to help, help, help. Since Bank of Ann Arbor was founded in 1996, we've been steadfast in our support of the communities we serve. We've contributed over \$5.4 million to help support area nonprofit organizations, schools, faith-based institutions, the arts, and others.

Bank of Ann Arbor personnel volunteered more than 3,000 hours to nearly 200 nonprofit organizations.

Tim Marshall, Bank of Ann Arbor President and CEO, served a very productive term as the Chairman of the Michigan Bankers Association board of directors.

Our free Sonic Lunch Concert Series enjoyed a 10th successful year filling Liberty Plaza in downtown Ann Arbor every Thursday afternoon during the summer.

Our ongoing commitment to helping the people and businesses in the communities we serve is a big reason for our record-level financial performance.

...and better...

For the third time in five years, we were named one of *American Banker*'s Best Banks to Work For (only 75 of 6,000 institutions were named) thanks to our strong culture, value system, competitive benefits, terrific team, strong commitment to the community, and fun work environment.

We were also selected as one of Michigan's Best and Brightest in Wellness. Our wellness program, now in its 10th year, offers fitness classes, wellness workshops, sponsorships of walks, runs, and races, access to nutrition advisors, and more.

As always, we're thankful for our terrific team, impressive Board members and their thoughtful oversight, and our valued shareholders, who are endlessly supportive. We also look forward to working closely with our new Birmingham Community and Advisory Board members.

For 2018:

Our goal is to achieve a ninth consecutive year of record-level performance.

We will continue to invest in our people, technology, and the communities we serve.

We will continue to provide the exceptional customer service which has propelled our growth and prompted more people and businesses to choose Bank of Ann Arbor.

Timothy G. Marshall President & CEO

im Marshall

William C. Martin Chairman of the Board

Bell Martin

...and better.

2017 FINANCIAL HIGHLIGHTS

Eighth consecutive year of record-level earnings: nearly \$17 million (after write down of \$4.1 million of the deferred tax asset on the balance sheet upon passing and signing of new tax legislation).

In 2018, we anticipate making up the write down in December 2017 as we benefit from the reduction in the corporate tax rate from 35% to 21%.

Net interest income: \$60.8 million, up from \$43.9 million in 2016

Trust and investment income: \$6.1 million, an improvement of 21% year over year

Mortgage area: closed \$108.5 million in loans, generated nearly \$2.2 million in fee income

Commercial loan group: record-level loan closings of \$305 million

UniFi: \$163 million in leases; 27% compound annual growth rate since being acquired by Bank of Ann Arbor in January 2013

Efficiency ratio: 50.6%, well below the Michigan bank average of 65.3%

Total assets: more than \$1.5 billion, up from \$1.2 billion in 2016

Trust and Investment Assets: grew \$173 million and finished the year at \$1,340,000

Total Loans: more than \$1.2 billion, up 38.6% over 2016

Total Deposits: grew \$297 million to more than \$1.3 billion

Three-for-one stock split

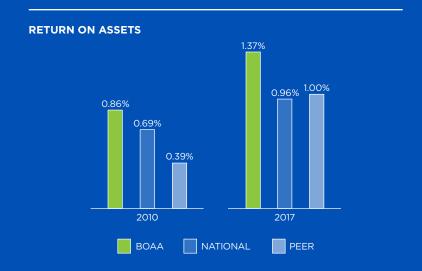
Annual dividend increased 21.4% to \$0.85 per share

BANK ASSETS

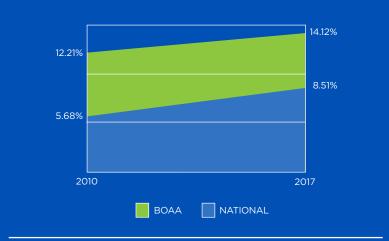
+123%

TRUST & INVESTMENT ASSETS

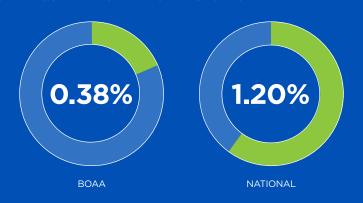
+104%



RETURN ON EQUITY



CREDIT QUALITY: NON-PERFORMING LOANS



One bank.

225 people.

A million ways we help the community.























































DIRECTORS

Thomas P. Borders President, Midtown Group, Inc.

Jan L. Garfinkle

Founder & Managing Director, Arboretum Ventures

Isadore J. King President & Owner, King Consultant Group, LLC

Timothy G. Marshall President & Chief Executive Officer. Bank of Ann Arbor

Michael C. Martin Vice President. First Martin Corporation

William C. Martin. Chairman Athletic Director Emeritus, University of Michigan

Ernest G. Perich President, Perich + Partners, Ltd.

David R. Sarns Managing Partner, 360 Advisors, LLC Joseph A. Sesi

Owner, Sesi Motors, Inc.

Cynthia H. Wilbanks Vice President for Government Relations, University of Michigan

Jeffrey S. Williams Chairman & Chief Executive Officer, NeuMoDx Molecular, Inc.

Directors Emeritus

James W. Anderson, Jr. President, The Anderson Associates

Richard P. Eidswick Managing Partner, Arbor Partners

Jan Barney Newman Trustee. Ann Arbor District Library Board

Richard N. Robb, DDS Regent Emeritus, Eastern Michigan University

BIRMINGHAM COMMUNITY AND ADVISORY BOARD

David Colman

Principal. ROCO Real Estate

John Hamaty President, Vibra-Tite

Brian J. Hunter Partner,

Fenner Melstrom & Dooling PLC **Tom Murray**

President, Hosco Fittings, LLC **Alison Orlans**

President & CEO. Orlans Group

Warren Rose

Chief Executive Officer, Edward Rose & Sons

Bernd M. Ronnisch

President,

Ronnisch Construction Group

Michael G. Sarafa

Group President, Vision Investment Partners

OFFICE LOCATIONS

Ann Arbor

Downtown

125 South Fifth Avenue

Ellsworth

801 West Ellsworth Road

Stadium

2204 West Stadium Boulevard

Traver Village

2601 Plymouth Road

Birmingham

33583 Woodward Avenue

Plymouth

1333 West Ann Arbor Road

Saline

179 East Michigan Avenue

Ypsilanti

7 West Michigan Avenue

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2017 AND 2016

Interest-bearing balances in banks		2017	2016
Interest-bearing balances in banks	ASSETS		
Cash and cash equivalents	Cash and due from financial institutions	\$ 22,042	\$ 20,251
Securities available-for-sale	Interest-bearing balances in banks	69,075	107,138
Loans held for sale 4,127 4,127 4,120 4,124,593 897 600 1,244,593 897 1,131<	Cash and cash equivalents	91,117	127,389
Loans, excluding covered loans, net 1,244,593 897, Covered loans 1,131 1,131 1,131 1,131 1,131 1,131 1,131 1,131 1,131 1,131 1,131 1,131 1,131 1,131 1,131 1,131 1,132 1,131 <t< td=""><td>Securities available-for-sale</td><td>116,652</td><td>127,958</td></t<>	Securities available-for-sale	116,652	127,958
Covered loans 1,131 1, Total loans 1,245,724 898 Federal Home Loan Bank stock, at cost 1,992 1 Premises and equipment, net 20,918 20 Cash surrender value of life insurance 23,616 20 Corber real estate owned (OREO) 698 20 Goodwill 13,087 13,087 Core deposit intangible 2,930 2 Accrued interest receivable and other assets 14,745 14 LIABILITIES AND SHAREHOLDERS' EQUITY Deposits Non-interest-bearing \$ 456,846 \$ 328 Interest-bearing \$ 686,728 700 Total deposits 1,325,574 1,029 Other borrowings 5,380 5 Repurchase agreements 34,975 36 Subordinated debentures 27,344 27 Accrued expense and other liabilities 11,359 8 Total liabilities 11,359 8 Total liabilities 12,96 12 <td< td=""><td>Loans held for sale</td><td>4,127</td><td>4,545</td></td<>	Loans held for sale	4,127	4,545
Total loans	Loans, excluding covered loans, net	1,244,593	897,038
Federal Home Loan Bank stock, at cost 1,992 1 Premises and equipment, net 20,918 20 Cash surrender value of life insurance 23,616 20 Other real estate owned (OREO) 698 698 Goodwill 13,097 5 Core deposit intangible 2,930 4 Accrued interest receivable and other assets 14,745 14 LIABILITIES AND SHAREHOLDERS' EQUITY Exposits Non-interest-bearing \$ 456,846 \$ 328 Interest-bearing \$ 456,846 \$ 328 Interest-bearing \$ 456,846 \$ 328 Interest-bearing \$ 349,75 36 Subordinated depentures \$ 34,975 36 Subordinated depentures 27,344 27 Accrued expense and other liabilities 11,359 8 Total liabilities 11,359 8 Total liabilities 11,000 12 Shareholders' equity 20 12 Preferred stock, \$1,000 value; 15,000 shares authorized; 12,350 and 12,350, shares	Covered loans	1,131	1,836
Premises and equipment, net 20,918 20 Cash surrender value of life insurance 23,616 20 Other real estate owned (OREO) 698 Goodwill 13,087 13,087 Core deposit intangible 2,930 14,745 14,745 Accrued interest receivable and other assets 14,745 14,745 14,745 LIABILITIES AND SHAREHOLDERS' EQUITY Deposits Non-interest-bearing \$ 456,846 \$ 328 Interest-bearing 868,728 700, Total deposits 1,325,574 1,029, Other borrowings 5,380 5,380 Repurchase agreements 34,975 36 Subordinated debentures 27,344 27, Accrued expense and other liabilities 11,359 8 Total liabilities 11,404,632 1,101 Shareholders' equity 12 12 Preferred stock, \$1,000 value; 15,000 shares authorized; 12,350 and 12,350 where issued and outstanding at December 31, 2017 and 2016, liquidation value of \$12,350,000 and \$12,350,000 and \$12,350,000 and \$12,350,000 and \$12,350,000 and \$12,350,000 and \$12	Total loans	1,245,724	898,874
Cash surrender value of life insurance 23,616 20 Other real estate owned (OREO) 698 Goodwill 13,087 Core deposit intangible 2,930 Accrued interest receivable and other assets 14,745 14 LIABILITIES AND SHAREHOLDERS' EQUITY Deposits Non-interest-bearing \$ 456,846 \$ 328 Interest-bearing 868,728 700, 700, 700, 700, 700, 700, 700, 700,	Federal Home Loan Bank stock, at cost	1,992	1,740
Other real estate owned (OREO) 698 Goodwill 13,087 Core deposit intangible 2,930 Accrued interest receivable and other assets 14,745 14,745 LIABILITIES AND SHAREHOLDERS' EQUITY \$ 1,535,606 \$ 1,217,000 Deposits S Non-interest-bearing \$ 456,846 \$ 328 Interest-bearing 868,728 700,000 Total deposits 1,325,574 1,029 Other borrowings 5,380 \$ 27,344 27,444 <	Premises and equipment, net	20,918	20,484
Goodwill 13,087 Core deposit intangible 2,930 Accrued interest receivable and other assets 14,745 14,745 LIABILITIES AND SHAREHOLDERS' EQUITY EQUITY LIABILITIES AND SHAREHOLDERS' EQUITY Deposits Non-interest-bearing \$ 456,846 \$ 328 Interest-bearing 868,728 700,700 Total deposits 1,325,574 1,029,700 Other borrowings 5,380 2 Repurchase agreements 34,975 36 Subordinated debentures 27,344 27, Accrued expense and other liabilities 11,359 8 Total liabilities 1,04,632 1,101 Shareholders' equity Preferred stock, \$1,000 value; 15,000 shares authorized; 12,350 and 12,350 shares issued 12,196 12 and outstanding at December 31, 2017 and 2016, liquidation value of \$12,350,000 and December 31, 2017 and 2016 2 4 Common stock, no par value; 10,000,000 shares authorized; 2,796,514 and 2,766,441 shares 66,014 65 issued and outstanding at Decem	Cash surrender value of life insurance	23,616	20,306
Core deposit intangible 2,930 Accrued interest receivable and other assets 14,745 14,745 Like Like Like Like SAND SHAREHOLDERS' EQUITY \$ 1,535,606 \$ 1,217,725 Deposits Son-interest-bearing \$ 456,846 \$ 328 Interest-bearing 868,728 700,700,700,700,700,700,700,700,700,700	Other real estate owned (OREO)	698	866
Accrued interest receivable and other assets 14,745 14,745 LIABILITIES AND SHAREHOLDERS' EQUITY EQUITY Deposits Non-interest-bearing 4 456,846 \$ 328 Interest-bearing 868,728 700,700,700,700 Total deposits 1,325,574 1,029,700,700,700,700,700,700,700,700,700,70	Goodwill	13,087	-
Sample S	Core deposit intangible	2,930	-
Common stock, no par value; 10,000,000 shares authorized; 2,796,514 and 2,766,441 shares a gree ments a common stock, no par value; 10,000,000 shares authorized; 2,796,514 and 2,766,441 shares a gree ments a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and 2016 Retained earnings a common stock and outstanding at December 31, 2017 and	Accrued interest receivable and other assets	14,745	14,843
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Interest-bearing 868,728 700,		\$ 456.846	\$ 328 753
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Total liabilities 1,404,632 1,101. Shareholders' equity Preferred stock, \$1,000 value; 15,000 shares authorized; 12,350 and 12,350 shares issued 12,196 12 and outstanding at December 31, 2017 and 2016, liquidation value of \$12,350,000 and \$12,350,000 at December 31, 2017 and 2016 Common stock, no par value; 10,000,000 shares authorized; 2,796,514 and 2,766,441 shares 66,014 65 issued and outstanding at December 31, 2017 and 2016 Retained earnings 52,462 37 Accumulated other comprehensive income/(loss) 302 Total shareholders' equity 130,974 115	Accrued expense and other liabilities	11,359	8,258
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Preferred stock, \$1,000 value; 15,000 shares authorized; 12,350 and 12,350 shares issued and outstanding at December 31, 2017 and 2016, liquidation value of \$12,350,000 and \$12,350,000 at December 31, 2017 and 2016 Common stock, no par value; 10,000,000 shares authorized; 2,796,514 and 2,766,441 shares issued and outstanding at December 31, 2017 and 2016 Retained earnings Accumulated other comprehensive income/(loss) Total shareholders' equity 12,196 12,19	Shareholders' equity		
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Common stock, no par value; 10,000,000 shares authorized; 2,796,514 and 2,766,441 shares issued and outstanding at December 31, 2017 and 2016 Retained earnings Accumulated other comprehensive income/(loss) Total shareholders' equity 66,014 65 67 67 67 68 69 69 69 69 69 69 69 69 69 69 69 69 69	and outstanding at December 31, 2017 and 2016, liquidation value of \$12,350,000 and		
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Accumulated other comprehensive income/(loss) 302 Total shareholders' equity 130,974 115		52,462	37,418
Total shareholders' equity 130,974 115			551
¢1575.606 ¢ 1.217			115,783
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CONSOLIDATED STATEMENTS OF INCOME YEARS ENDED DECEMBER 31, 2017 AND 2016

Interest income		2017	2016
Scentrifies: 1,154 1,80 Taxable 1,57 1,82 Federal funds sold and other 1,37 7,82 Federal funds sold and other 6,324 45,903 Interest expense 2,337 1,619 Deposits 2,337 1,619 Federal Home Loan Bank advances 2,37 1,619 Federal Home Loan Bank advances 1,798 195 Christian State S			
Tax balle 1,154 1,280 Tax exempt 1,57 1,821 Ecteral funds sold and other 1,347 716 Ecteral funds sold and other 65,324 45,903 Interest expense 2,367 1,619 Pederal Home Loan Bank advances 2,62 1,72 Subordinated debentures 1,798 195 Other borrowings 2,235 1 Repurchase agreements 129 157 Repurchase agreements 2,493 2,209 Net interest income 60,777 43,920 Provision for loan losses 2,498 2,209 Net interest income 88,279 41,711 Non-interest income 88,00 69,		\$ 61,246	\$ 42,086
Face seempt 1,577 1,827 Federal Finds sold and other 1,347 7,16 Federal Finds sold and other 65,324 4,5903 Interest expense 2 367 1,619 Poposits 2,337 1,619 Federal Home Loan Bank advances 1,798 195 Other borrowings 2,33 1,75 Other borrowings 233 1,75 Repurchase agreements 129 15 Net interest income 6,077 4,352 Provision for loan losses 2,498 2,209 Not interest income after provision for loan losses 38,279 41,711 Non-interest income after provision for loan losses 58,279 41,711 Non-interest income after provision for loan losses 58,279 41,711 Non-interest income after provision for loan losses 58,279 41,711 Non-interest income after provision for loan losses 613 51 Service charges on deposit accounts 613 51 Income from fiduciary activities 61,86 5,98 <t< td=""><td></td><td></td><td></td></t<>			
Federal funds sold and other 1,347 7,16 Association of the composits of the composition of the c			
Deposits 2,387 1,619 1	·		
Deposits 2,387 1,619 1,220 1	Federal funds sold and other		
Deposits 2,387 1.619 Federal Home Loan Bank advances 1,798 195 Other borrowings 233 1-6 Repurchase agreements 129 155 Net interest income 60,777 43,920 Provision for loan losses 2,498 2,209 Net interest income 58,279 41,711 Non-interest income 58,279 41,711 Non-interest income 613 517 Income from fiduciary activities 613 517 Income from fiduciary activities 6146 5,084 Net just on sales of loans 2,71 2,318 Net loss on sales and calls of scurities (98) -6 Gain on sales of OREO 3845 3,051 Gher 3,845 3,051 Government expense 13,657 11,664 Non-interest expense 13,657 11,664 Non-interest expense 25,713 20,012 Salaries and employee benefits 25,713 20,012 Occupancy and equipment		65,324	45,903
Federal Home Loan Bank advances 1 12 Subordinated debentures 1,78 195 Other borrowings 233 5 Repurchase agreements 1,58 1,58 Net interest income 60,777 43,920 Provision for loan losses 2,498 2,209 Net interest income 58,279 41,711 Non-interest income 58,279 41,711 Non-interest income 613 517 Service charges on deposit accounts 613 517 Income from fiduciary activities 613 517 Net agains on sales of loans 2,271 2,318 Net opins on sales of OREO 80 694 Other 3,845 3,051 Non-interest expense 3,845 3,051 Salaries and employee benefits 25,713 2,061 Occupancy and equipment 4,00 3,045 Marketing and business promotion 2,166 1,440 Flock expense 863 6,56 Provision (benefit) for loan repurchase li		2.707	1.010
Subordinated debentures 1,798 195 Other borrowings 233 - Repurchase agreements 129 15-7 Net interest income 60,777 43,920 Provision for loan losses 2,498 2,209 Net interest income 58,279 41,711 Non-interest income 58,279 41,711 Service charges on deposit accounts 613 517 Income from ifiduciary activities 613 57 Income from ifiduciary activities 6146 5,084 Net loss on sales and calls of securities 98 - Gain on sales of OREO 380 994 Other 3,645 3,051 Occupancy and equipment 4,008 3,045 Occupancy and equipment 4,008 3,045 Provision (benefit) for loan repurchase liability - 7,051 5,367 Other 7,951 5,367 3,367 3,367 Income before Income taxes 31,329 6,793 6,793 Income tax expense	·	2,387	
Other borrowings 233 1		1700	
Repurchase agreements 129 157 Net interest income 60,777 43,920 Provision for loan losses 2,498 2,209 Net interest income after provision for loan losses 58,279 41,711 Non-interest income 58,279 41,711 Non-interest income 58,279 41,711 Non-interest income 58,279 41,711 Service charges on deposit accounts 613 517 Income from fiduciary activities 613 517 Income from fiduciary activities 6146 5,084 Net loss on sales of loans 2,271 2,318 Net loss on sales and calls of securities 98 - Gain on sales of OREO 880 694 Other 3,657 11,664 Non-interest expense 25,713 20,612 Salaries and employee benefits 25,713 20,612 Occupancy and equipment 4,008 3,635 Marketing and business promotion 2,166 1,440 Fibric expense 31,325 3,237		·	195
Net interest income 60,777 43,920 Provision for loan losses 2,498 2,209 Net interest income after provision for loan losses 58,279 41,711 Non-interest income Service charges on deposit accounts 613 517 Income from fiduciary activities 6,146 5,084 Net jains on sales of loans 2,271 2,318 Net loss on sales of OREO 880 694 Other 3,845 3,051 Other 3,845 3,051 Salaries and employee benefits 25,713 20,612 Occupancy and equipment 4,008 3,645 Marketing and business promotion 2,166 1,440 FDIC expense 863 363 Provision (benefit) for loan repurchase liability 7,951 5,367 Income before Income taxes 31,352 23,275 Income tax expense 31,706 \$ 16,476 Net income \$ 17,706 \$ 16,476 Net income \$ 17,706 \$ 16,476 Net income available to common shareholders <td></td> <td></td> <td>-</td>			-
Net interest income 60,777 43,920 Provision for loan losses 2,498 2,209 Net interest income after provision for loan losses 58,279 41,711 Non-interest income Service charges on deposit accounts 613 517 Income from fiduciary activities 6,146 5,084 Net loss on sales and calls of securities (98) - Gain on sales of OREO 880 694 Other 3,855 11,664 Non-interest expense 25,713 20,612 Occupancy and equipment 4,008 3,045 Marketing and business promotion 2,166 1,440 FDIC expense 863 3636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$ 17,706 \$ 16,476 Preferred stock dividends 743 - Referred stock dividends \$ 16,963<	Repurchase agreements		
Provision for loan losses 2,498 2,209 Net interest income after provision for loan losses 58,279 41,711 Non-interest income 8 58,279 41,711 Non-interest income 8 517 Service charges on deposit accounts 613 517 Income from fiduciary activities 6,146 5,084 Net gains on sales of loans 2,271 2,318 Net loss on sales and calls of securities (98) - Gain on sales of OREO 880 694 Other 3,845 3,051 Non-interest expense 880 694 Salaries and employee benefits 25,713 20,612 Occupancy and equipment 4,008 3,045 Marketing and business promotion 2,166 1,440 FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 13,529 <td< td=""><td></td><td>4,547</td><td>1,983</td></td<>		4,547	1,983
Net interest income after provision for loan losses 58,279 41,711 Non-interest income 8 58,279 41,711 Service charges on deposit accounts 613 517 Income from fiduciary activities 6,146 5,084 Net gains on sales of loans 2,271 2,318 Net loss on sales and calls of securities (98) 694 Other 38,05 3,051 Other 3,845 3,051 Salaries and employee benefits 25,713 20,612 Occupancy and equipment 4,008 3,045 Marketing and business promotion 2,166 1,440 FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$17,706 \$16,476 Preferred stock dividends 743 - Net income available to common shareholders \$6,08	Net interest income	60,777	43,920
Net interest income after provision for loan losses 59,279 41,711 Non-interest income 59,279 41,711 Service charges on deposit accounts 613 517 Income from fiduciary activities 6,146 5,084 Net gains on sales of loans 2,271 2,318 Net loss on sales and calls of securities (98) - Gain on sales of OREO 880 694 Other 3,845 3,051 Non-interest expense 25,713 20,612 Salaries and employee benefits 25,713 20,612 Occupancy and equipment 4,008 3,045 Marketing and business promotion 2,166 1,440 FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$17,706 \$16,476 Preferred stock dividends 743 - </td <td>Provision for loan losses</td> <td>2,498</td> <td>2,209</td>	Provision for loan losses	2,498	2,209
Non-interest income 613 517 Service charges on deposit accounts 613 517 Income from fiduciary activities 6,146 5,084 Net gains on sales of loans 2,271 2,318 Net loss on sales and calls of securities (98) - Gain on sales of OREO 880 694 Other 3,845 3,051 Non-interest expense 31,657 11,664 Non-interest expense 25,713 20,612 Occupancy and equipment 4,008 3,045 Marketing and business promotion 2,166 1,440 FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income 17,706 \$ 16,476 Preferred stock dividends 743 - Net income available to common shareholders \$ 16,963 \$ 5,99			<u> </u>
Service charges on deposit accounts 613 517 Income from fiduciary activities 6,146 5,084 Net loss on sales of loans 2,271 2,318 Net loss on sales and calls of securities (98) - Gain on sales of OREO 880 694 Other 3,845 3,051 Non-interest expense 3,657 11,664 Non-interest expense 25,713 20,612 Occupancy and equipment 4,008 3,045 Marketing and business promotion 2,166 1,440 FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$17,706 \$16,476 Preferred stock dividends 743 - Net income available to common shareholders \$16,963 \$16,476	Net interest income after provision for loan losses	58,279	41,711
Income from fiduciary activities 6,146 5,084 Net gains on sales of loans 2,271 2,318 Net loss on sales and calls of securities (98) 6-9 Gain on sales of OREO 880 6-94 Other 3,845 3,051 Non-interest expense 13,657 11,664 Non-interest expense 25,713 20,612 Occupancy and equipment 4,008 3,045 Marketing and business promotion 2,166 1,440 FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$ 17,706 \$ 16,476 Preferred stock dividends 743 - Net income available to common shareholders \$ 16,963 \$ 16,476	Non-interest income		
Net gains on sales of loans 2,271 2,318 Net loss on sales and calls of securities (98) - Gain on sales of OREO 880 694 Other 3,845 3,051 Non-interest expense 13,657 11,664 Non-interest expense 25,713 20,612 Occupancy and equipment 4,008 3,045 Marketing and business promotion 2,166 1,440 FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$ 17,706 \$ 16,476 Preferred stock dividends 743 - Net income available to common shareholders \$ 16,963 \$ 16,476 Basic earnings per share \$ 6.08 \$ 5.99	Service charges on deposit accounts	613	517
Net loss on sales and calls of securities (98) - Gain on sales of OREO 880 694 Other 3,845 3,051 Non-interest expense 3,657 11,664 Non-interest expense 25,713 20,612 Occupancy and equipment 4,008 3,045 Marketing and business promotion 2,166 1,440 FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income 17,706 \$ 16,476 Preferred stock dividends 743 - Net income available to common shareholders \$ 16,963 \$ 16,476 Basic earnings per share \$ 6,08 \$ 5,99	Income from fiduciary activities	6,146	5,084
Gain on sales of OREO 880 694 Other 3,845 3,051 Non-interest expense 13,657 11,664 Non-interest expense 25,713 20,612 Salaries and employee benefits 25,713 20,612 Occupancy and equipment 4,008 3,045 Marketing and business promotion 2,166 1,440 FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 31,235 23,275 Net income \$ 17,706 \$ 16,476 Preferred stock dividends 743 - Net income available to common shareholders \$ 16,963 \$ 16,476 Basic earnings per share \$ 6.08 \$ 5.99	Net gains on sales of loans	2,271	2,318
Other 3,845 3,051 Non-interest expense 13,657 11,664 Salaries and employee benefits 25,713 20,612 Occupancy and equipment 4,008 3,045 Marketing and business promotion 2,166 1,440 FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$17,706 \$16,476 Preferred stock dividends 743 - Net income available to common shareholders \$16,963 \$16,476 Basic earnings per share \$ 6.08 \$ 5.99	Net loss on sales and calls of securities	(98)	-
Non-interest expense 13,657 11,664 Salaries and employee benefits 25,713 20,612 Occupancy and equipment 4,008 3,045 Marketing and business promotion 2,166 1,440 FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$17,706 \$16,476 Preferred stock dividends 743 - Net income available to common shareholders \$16,963 \$16,476 Basic earnings per share \$6.08 \$5.99	Gain on sales of OREO	880	694
Non-interest expense 25,713 20,612 Salaries and employee benefits 25,713 20,612 Occupancy and equipment 4,008 3,045 Marketing and business promotion 2,166 1,440 FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$17,706 \$16,476 Preferred stock dividends 743 - Net income available to common shareholders \$16,963 \$16,476 Basic earnings per share \$6.08 \$5.99	Other		
Salaries and employee benefits 25,713 20,612 Occupancy and equipment 4,008 3,045 Marketing and business promotion 2,166 1,440 FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$17,706 \$16,476 Preferred stock dividends 743 - Net income available to common shareholders \$16,963 \$16,476 Basic earnings per share \$6.08 \$5.99		13,657	11,664
Occupancy and equipment 4,008 3,045 Marketing and business promotion 2,166 1,440 FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$ 17,706 \$ 16,476 Preferred stock dividends 743 - Net income available to common shareholders \$ 16,963 \$ 16,476 Basic earnings per share \$ 6.08 \$ 5.99			
Marketing and business promotion 2,166 1,440 FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 40,701 30,100 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$ 17,706 \$ 16,476 Preferred stock dividends 743 - Net income available to common shareholders \$ 16,963 \$ 16,476 Basic earnings per share \$ 6.08 \$ 5.99	Salaries and employee benefits		
FDIC expense 863 636 Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$ 17,706 \$ 16,476 Preferred stock dividends 743 - Net income available to common shareholders \$ 16,963 \$ 16,476 Basic earnings per share \$ 6.08 \$ 5.99	Occupancy and equipment	4,008	3,045
Provision (benefit) for loan repurchase liability - (1,000) Other 7,951 5,367 40,701 30,100 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$ 17,706 \$ 16,476 Preferred stock dividends 743 - Net income available to common shareholders \$ 16,963 \$ 16,476 Basic earnings per share \$ 6.08 \$ 5.99	Marketing and business promotion	2,166	1,440
Other 7,951 5,367 40,701 30,100 Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$ 17,706 \$ 16,476 Preferred stock dividends 743 - Net income available to common shareholders \$ 16,963 \$ 16,476 Basic earnings per share \$ 6.08 \$ 5.99	FDIC expense	863	636
Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$ 17,706 \$ 16,476 Preferred stock dividends 743 - Net income available to common shareholders \$ 16,963 \$ 16,476 Basic earnings per share \$ 6.08 \$ 5.99	Provision (benefit) for loan repurchase liability	-	
Income before income taxes 31,235 23,275 Income tax expense 13,529 6,799 Net income \$ 17,706 \$ 16,476 Preferred stock dividends 743 - Net income available to common shareholders \$ 16,963 \$ 16,476 Basic earnings per share \$ 6.08 \$ 5.99	Other		
Income tax expense 13,529 6,799 Net income \$ 17,706 \$ 16,476 Preferred stock dividends 743 - Net income available to common shareholders \$ 16,963 \$ 16,476 Basic earnings per share \$ 6.08 \$ 5.99		40,701	30,100
Net income \$ 17,706 \$ 16,476 Preferred stock dividends 743 - Net income available to common shareholders \$ 16,963 \$ 16,476 Basic earnings per share \$ 6.08 \$ 5.99	Income before income taxes	31,235	23,275
Preferred stock dividends 743 - Net income available to common shareholders \$16,963 \$16,476 Basic earnings per share \$6.08 \$5.99	Income tax expense	13,529	6,799
Preferred stock dividends 743 - Net income available to common shareholders \$16,963 \$16,476 Basic earnings per share \$6.08 \$5.99			
Net income available to common shareholders\$ 16,963\$ 16,476Basic earnings per share\$ 6.08\$ 5.99			\$ 16,476
Basic earnings per share \$ 6.08 \$ 5.99			-
	Net income available to common shareholders	<u>\$ 16,963</u>	\$ 16,476
Diluted earnings per share 4.94 5.61	Basic earnings per share	\$ 6.08	\$ 5.99
	Diluted earnings per share	4.94	5.61