

July 19, 2016

Dear Shareholder,

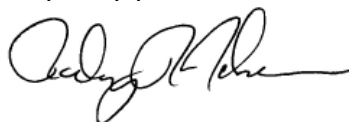
We are pleased to share we've enjoyed a very good first six months of earnings. Net income was at \$6,442,991, putting us \$702,859 over plan and slightly ahead of last year.

The biggest drivers of our success continue to be commercial loan and mortgage loan volume. These main drivers were complemented by revenue enhancement, credit card growth, sale of other real estate owned, a popular CD special and gain on sale of investments, to name just a few areas.

Our employees come to work each day with the intent to discover ways to take even better care of our customers, become even better teammates and reward our shareholders through helping our markets grow and prosper.

We have promoted a number of people who have earned the opportunity to take on new responsibilities, and we have hired new leadership for our Trust and Mortgage Departments to help us achieve even greater levels of success. We strive for excellence each day. One way it is measured is through our earnings. I anticipate continued success throughout the year and look forward to sharing that good news.

Very truly yours,



Rodney R. Nelson  
President and CEO

**EARNINGS PERFORMANCE**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Income	\$ 41,549,928	\$ 38,591,434
Expense	<u>\$ 31,427,937</u>	<u>\$ 28,619,169</u>
Earnings Before Taxes	\$ 10,121,991	\$ 9,972,265
Less: Projected Applicable Taxes	<u>\$ 3,679,000</u>	<u>\$ 3,697,000</u>
<b>NET INCOME</b>	<b>\$ 6,442,991</b>	<b>\$ 6,275,265</b>
<b>Number of Shares Outstanding</b>	<b>2,730,601</b>	<b>2,730,601</b>
YTD Earnings Per Share	\$ 2.36	\$ 2.30
Book Value Per Share	\$ 52.92	\$ 48.69
Tangible Book Value Per Share	\$ 43.98	\$ 39.72