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## Section 1: 8-K (FORM 8-K)

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

### FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **April 25, 2017**

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#### **FIRST COMMUNITY BANCSHARES, INC.**

(Exact name of registrant as specified in its charter)

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**Nevada**  
(State or other jurisdiction  
of incorporation)

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**000-19297**  
(Commission  
File Number)

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**55-0694814**  
(IRS Employer  
Identification No.)

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**P.O. Box 989**  
**Bluefield, Virginia**  
(Address of principal executive offices)

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**24605-0989**  
(Zip Code)

Registrant's telephone number, including area code: **(276) 326-9000**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition.**

On April 25, 2017, First Community Bancshares, Inc. (the "Company") announced by press release its earnings for the first quarter of 2017. A copy of the press release is attached hereto as Exhibit 99.1.

**Item 5.07 Submission of Matters to a Vote of Security Holders**

On April 25, 2017, the Company held its annual shareholders' meeting. At the meeting, the Company's shareholders: (i) elected all persons listed below under Proposal 1 to serve as director of the Company for a term that will continue until the 2020 annual meeting of shareholders; (ii) approved on a non-binding basis, the compensation of the Company's named executive officers; (iii) approved a three year frequency of the advisory vote on executive compensation; and (iv) ratified the appointment of Dixon Hughes Goodman LLP as the Company's independent registered public accounting firm.

The following tables summarize voting results by the Company's shareholders.

*Proposal 1: To elect three directors to serve as members of the Board of Directors Class of 2020.*

<u>Nominee</u>	<u>Votes FOR</u>	<u>Votes WITHHELD</u>	<u>Broker Non-Votes</u>
C. William Davis	9,686,481	445,426	2,111,371
Gary R. Mills	8,998,690	1,133,217	
M. Adam Sarver	9,321,323	810,584	

*Proposal 2: To approve on a non-binding basis, the compensation of the Company's named executive officers.*

<u>Votes FOR</u>	<u>Votes AGAINST</u>	<u>Votes ABSTAIN</u>
9,781,030	319,233	31,644

*Proposal 3: To approve the frequency of the advisory vote on executive compensation.*

<u>3 Years</u>	<u>2 Years</u>	<u>1 Year</u>	<u>Votes ABSTAIN</u>
5,661,055	159,325	4,264,115	47,412

*Proposal 4: To ratify the appointment of Dixon Hughes Goodman LLP as the Company's independent registered public accounting firm.*

<u>Votes FOR</u>	<u>Votes AGAINST</u>	<u>Votes ABSTAIN</u>
11,942,284	242,849	58,145

**Item 8.01 Other Events.**

On April 25, 2017, the Company announced by press release its quarterly cash dividend to common stockholders of sixteen cents (\$0.16) per common share, payable on May 19, 2017, to shareholders of record on May 5, 2017. A copy of the press release is attached hereto as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) The following exhibit is included with this report:

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Earnings and dividend press release dated April 25, 2017

## **Forward-Looking Statements**

This Current Report on Form 8-K contains forward-looking statements. These forward-looking statements are based on current expectations that involve risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results may differ materially. These risks include: changes in business or other market conditions; the timely development, production and acceptance of new products and services; the challenge of managing asset/liability levels; the management of credit risk and interest rate risk; the difficulty of keeping expense growth at modest levels while increasing revenues; and other risks detailed from time to time in the Company's Securities and Exchange Commission reports, including but not limited to the Annual Report on Form 10-K for the most recent year ended. Pursuant to the Private Securities Litigation Reform Act of 1995, the Company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FIRST COMMUNITY BANCSHARES, INC.

Date: April 26, 2017

By: /s/ David D. Brown

David D. Brown  
Chief Financial Officer

[\(Back To Top\)](#)

## Section 2: EX-99.1 (EXHIBIT 99.1)

Exhibit 99.1



NEWS RELEASE

FOR IMMEDIATE RELEASE:  
April 25, 2017

FOR MORE INFORMATION, CONTACT:  
David D. Brown  
(276) 326-9000

Bluefield, Virginia – First Community Bancshares, Inc. (NASDAQ: FCBC) ([www.fcbin.com](http://www.fcbin.com)) (the “Company”) today reported its unaudited results of operations and other financial information for the quarter ended March 31, 2017. The Company reported net income available to common shareholders of \$6.20 million, or \$0.36 per diluted common share for the quarter ended March 31, 2017, which represents a 5.88% increase in per share diluted earnings compared to the same quarter of 2016.

The Company also announced today that the Board of Directors declared a quarterly cash dividend to common shareholders of sixteen cents (\$0.16) per common share, which represents an increase of 14.29% over the first quarter of 2016. The quarterly dividend is payable to common shareholders of record on May 5, 2017, and is expected to be paid on or about May 19, 2017. The current year marks the 32<sup>nd</sup> consecutive year of cash dividends paid to stockholders.

### **First Quarter 2017 Highlights**

- **Income Statement**

- Net income available to common shareholders increased \$118 thousand, or 1.94%, to \$6.20 million compared to the same quarter of 2016.
- Diluted earnings per share increased \$0.02, or 5.88%, to \$0.36 compared to the same quarter of 2016.
- Core, non-GAAP diluted earnings per common share increased \$0.03, or 9.09%, to \$0.36 compared to the same quarter of 2016.
- Net interest margin increased 16 basis points to 4.17%, and normalized net interest margin increased 21 basis points to 3.95% compared to the same quarter of 2016.

- **Balance Sheet**

- Book value per common share increased \$0.23 to \$20.18 compared to December 31, 2016.
- On January 9, 2017, the Company redeemed all of its previously issued trust preferred securities totaling \$15.46 million. The callable trust preferred securities bore an interest rate of three-month LIBOR plus 2.95% with a maturity date of October 8, 2033.
- The Company and its subsidiary bank both significantly exceed regulatory “well capitalized” targets as of March 31, 2017.

### **Non-GAAP Financial Measures**

The Company prepares its financial statements in accordance with generally accepted accounting principles in the United States (“GAAP”). This press release also refers to certain non-GAAP financial measures that the Company believes provide investors with important information, when used in conjunction with results presented in accordance with GAAP, regarding its operational performance. The Company’s non-GAAP financial measures presented in this release include core earnings, the efficiency ratio, tangible book value per common share, average tangible common equity, and normalized net interest margin. Management believes that core earnings provide the Company and investors a valuable tool to evaluate the Company’s financial results. Management believes that the efficiency ratio provides important information about the Company’s operating expense control and efficiency of operations. Management also believes this ratio focuses attention on the core operating performance of the Company over time and is highly useful in comparing period-to-period operating performance of core business operations. The efficiency ratio used by the Company may not be comparable to efficiency ratios reported by other financial institutions. The reconciliations of these measures to GAAP measures are provided within this news release.

## **About First Community Bancshares, Inc.**

First Community Bancshares, Inc., a financial holding company headquartered in Bluefield, Virginia, provides banking products and services through its wholly owned subsidiary First Community Bank. First Community Bank operated 45 branch banking locations in Virginia, West Virginia, North Carolina, and Tennessee as of March 31, 2017. First Community Bank provides insurance services through First Community Insurance Services, which operated 6 in-branch locations in Virginia and West Virginia as of March 31, 2017, and offers wealth management and investment advice through its Trust Division and First Community Wealth Management, which collectively managed \$906 million in combined assets as of March 31, 2017. The Company reported consolidated assets of \$2.43 billion as of March 31, 2017. The Company's common stock is listed on the NASDAQ Global Select Market under the trading symbol, "FCBC". Additional investor information is available on the Company's website at [www.fcinc.com](http://www.fcinc.com).

*This news release may include forward-looking statements. These forward-looking statements are based on current expectations that involve risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results may differ materially. These risks include: changes in business or other market conditions; the timely development, production and acceptance of new products and services; the challenge of managing asset/liability levels; the management of credit risk and interest rate risk; the difficulty of keeping expense growth at modest levels while increasing revenues; and other risks detailed from time to time in the Company's Securities and Exchange Commission reports including, but not limited to, the Annual Report on Form 10-K for the most recent fiscal year end. Pursuant to the Private Securities Litigation Reform Act of 1995, the Company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.*

## Financial Performance

### CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	Three Months Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<i>(Amounts in thousands, except share and per share data)</i>					
<b>Interest income</b>					
Interest and fees on loans	\$ 21,827	\$ 21,956	\$ 21,952	\$ 22,237	\$ 21,573
Interest on securities	1,206	1,362	1,643	1,891	1,957
Interest on deposits in banks	159	98	26	9	20
Total interest income	23,192	23,416	23,621	24,137	23,550
<b>Interest expense</b>					
Interest on deposits	1,166	1,145	1,133	1,087	1,114
Interest on borrowings	885	1,314	1,367	1,359	1,325
Total interest expense	2,051	2,459	2,500	2,446	2,439
<b>Net interest income</b>	21,141	20,957	21,121	21,691	21,111
Provision for (recovery of) loan losses	492	500	(1,154)	722	1,187
<b>Net interest income after provision (recovery)</b>	20,649	20,457	22,275	20,969	19,924
Total noninterest income	5,691	6,238	5,895	7,030	7,903
Total noninterest expense	17,083	16,653	18,557	18,722	18,814
Income before income taxes	9,257	10,042	9,613	9,277	9,013
Income tax expense	3,055	3,638	3,230	3,022	2,929
<b>Net income</b>	6,202	6,404	6,383	6,255	6,084
Dividends on preferred stock	-	-	-	-	-
<b>Net income available to common shareholders</b>	<u>\$ 6,202</u>	<u>\$ 6,404</u>	<u>\$ 6,383</u>	<u>\$ 6,255</u>	<u>\$ 6,084</u>
<b>Earnings per common share</b>					
Basic	\$ 0.36	\$ 0.38	\$ 0.37	\$ 0.36	\$ 0.34
Diluted	0.36	0.38	0.37	0.36	0.34
Cash dividends per common share	0.16	0.16	0.16	0.14	0.14
<b>Weighted average shares outstanding</b>					
Basic	16,998,125	16,891,010	17,031,074	17,414,320	17,859,197
Diluted	17,072,174	17,043,869	17,083,526	17,462,845	17,892,531
<b>Performance ratios</b>					
Return on average assets	1.06%	1.05%	1.03%	1.02%	0.99%
Return on average common equity	7.35%	7.49%	7.58%	7.47%	7.15%
Return on average tangible common equity <sup>(1)</sup>	10.50%	10.75%	11.07%	10.88%	10.34%

(1) A non-GAAP financial measure defined as average stockholders' equity less average goodwill, other intangibles, and preferred stock liquidation preference

**RECONCILIATION OF GAAP NET INCOME TO CORE EARNINGS (Unaudited)**

	Three Months Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<i>(Amounts in thousands, except per share data)</i>					
<b>Net income, GAAP</b>	\$ 6,202	\$ 6,404	\$ 6,383	\$ 6,255	\$ 6,084
Non-GAAP adjustments:					
Net gain on divestitures	-	(619)	(3,065)	-	-
Allowance reversal for sold loans	-	-	(1,354)	-	-
Merger, acquisition, and divestiture expense	-	55	226	410	39
Net (gain) loss on sale of securities	-	(388)	(25)	79	(1)
Net impairment losses	-	-	4,635	11	-
Other non-core items	(18)	(48)	(264)	-	(240)
Total adjustments to core earnings	(18)	(1,000)	153	500	(202)
Tax effect	(7)	(708)	56	184	(74)
<b>Core earnings, non-GAAP<sup>(1)</sup></b>	<u>\$ 6,191</u>	<u>\$ 6,112</u>	<u>\$ 6,480</u>	<u>\$ 6,571</u>	<u>\$ 5,956</u>
Core diluted earnings per common share	\$ 0.36	\$ 0.36	\$ 0.38	\$ 0.38	\$ 0.33
Performance ratios					
Core return on average assets	1.06%	1.01%	1.05%	1.07%	0.97%
Core return on average common equity	7.33%	7.15%	7.70%	7.85%	7.00%
Core return on average tangible common equity <sup>(2)</sup>	10.48%	10.26%	11.24%	11.43%	10.12%

(1) Excludes gains, losses, and impairment losses on securities; goodwill and intangible impairment; taxes; and other non-recurring income and expense items from net income

(2) A non-GAAP financial measure defined as average stockholders' equity less average goodwill, other intangibles, and preferred stock liquidation preference



## Net Interest Income and Margin

### AVERAGE BALANCE SHEETS AND NET INTEREST INCOME ANALYSIS (Unaudited)

(Amounts in thousands)	Three Months Ended March 31,					
	2017			2016		
	Average Balance	Interest <sup>(1)</sup>	Average Yield/Rate <sup>(1)</sup>	Average Balance	Interest <sup>(1)</sup>	Average Yield/Rate <sup>(1)</sup>
<b>Assets</b>						
Earning assets						
Loans <sup>(2)</sup>	\$ 1,838,837	\$ 21,895	4.83%	\$ 1,730,401	\$ 21,599	5.02%
Securities available for sale	161,738	1,483	3.72%	354,582	2,268	2.57%
Securities held to maturity	47,112	152	1.31%	72,512	194	1.08%
Interest-bearing deposits	55,754	159	1.16%	15,591	20	0.52%
Total earning assets	2,103,441	23,689	4.57%	2,173,086	24,081	4.45%
Other assets	270,597			297,156		
Total assets	<u>\$ 2,374,038</u>			<u>\$ 2,470,242</u>		
<b>Liabilities and stockholders' equity</b>						
Interest-bearing deposits						
Demand deposits	\$ 381,050	\$ 102	0.11%	\$ 342,524	\$ 57	0.07%
Savings deposits	525,573	36	0.03%	535,769	66	0.05%
Time deposits	515,506	1,028	0.81%	533,635	991	0.75%
Total interest-bearing deposits	1,422,129	1,166	0.33%	1,411,928	1,114	0.32%
Borrowings						
Federal funds purchased	-	-	-	3,424	5	0.59%
Retail repurchase agreements	66,947	11	0.07%	77,993	13	0.07%
Wholesale repurchase agreements	25,000	199	3.23%	50,000	468	3.76%
FHLB advances and other borrowings	66,618	675	4.11%	108,013	839	3.12%
Total borrowings	158,565	885	2.26%	239,430	1,325	2.23%
Total interest-bearing liabilities	1,580,694	2,051	0.53%	1,651,358	2,439	0.59%
Noninterest-bearing demand deposits	425,540			448,849		
Other liabilities	25,477			27,784		
Total liabilities	2,031,711			2,127,991		
Stockholders' equity	342,327			342,251		
Total liabilities and stockholders' equity	<u>\$ 2,374,038</u>			<u>\$ 2,470,242</u>		
Net interest income, FTE		<u>\$ 21,638</u>			<u>\$ 21,642</u>	
Net interest rate spread			<u>4.04%</u>			<u>3.86%</u>
Net interest margin			<u>4.17%</u>			<u>4.01%</u>

(1) Fully taxable equivalent ("FTE") basis based on the federal statutory rate of 35%

(2) Nonaccrual loans are included in average balances; however, no related interest income is recorded during the period of nonaccrual.

**RECONCILIATION OF GAAP NET INTEREST MARGIN TO NON-GAAP NORMALIZED NET INTEREST MARGIN (Unaudited)**

<i>(Amounts in thousands)</i>	<b>Three Months Ended March 31,</b>			
	<b>2017</b>		<b>2016</b>	
	<b>Interest<sup>(1)</sup></b>	<b>Average Yield/ Rate<sup>(1)</sup></b>	<b>Interest<sup>(1)</sup></b>	<b>Average Yield/ Rate<sup>(1)</sup></b>
<b>Earning assets</b>				
Loans <sup>(2)</sup>	\$ 21,895	4.83%	\$ 21,599	5.02%
Accretion income	1,784		2,252	
Less: cash accretion income	650		805	
Non-cash accretion income	1,134		1,447	
Loans, normalized <sup>(3)</sup>	20,761	4.58%	20,152	4.68%
Other earning assets	1,794	2.75%	2,482	2.26%
<b>Total earning assets</b>	<b>22,555</b>	<b>4.35%</b>	<b>22,634</b>	<b>4.18%</b>
<b>Total interest-bearing liabilities</b>	<b>2,051</b>	<b>0.53%</b>	<b>2,439</b>	<b>0.59%</b>
<b>Net interest income, FTE<sup>(3)</sup></b>	<b>\$ 20,504</b>		<b>\$ 20,195</b>	
<b>Net interest rate spread, normalized<sup>(3)</sup></b>		<b>3.82%</b>		<b>3.60%</b>
<b>Net interest margin, normalized<sup>(3)</sup></b>		<b>3.95%</b>		<b>3.74%</b>

(1) FTE basis based on the federal statutory rate of 35%

(2) Nonaccrual loans are included in average balances; however, no related interest income is recorded during the period of nonaccrual.

(3) Normalized totals are non-GAAP financial measures that exclude non-cash loan interest accretion related to PCI loans.

## Noninterest Income and Expense

### CONDENSED QUARTERLY STATEMENTS OF INCOME (Unaudited)

	Three Months Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<i>(Amounts in thousands)</i>					
<b>Noninterest income</b>					
Wealth management	\$ 790	\$ 681	\$ 653	\$ 810	\$ 684
Service charges on deposits	3,113	3,442	3,494	3,361	3,291
Other service charges and fees	2,078	2,014	2,024	2,054	2,010
Insurance commissions	373	59	1,592	1,600	2,191
Net impairment losses recognized in earnings	-	-	(4,635)	(11)	-
Net gain (loss) on sale of securities	-	388	25	(79)	1
Net FDIC indemnification asset amortization	(1,332)	(1,618)	(1,369)	(1,328)	(1,159)
Net gain on divestitures	-	619	3,065	-	-
Other operating income	669	653	1,046	623	885
<b>Total noninterest income</b>	<b>5,691</b>	<b>6,238</b>	<b>5,895</b>	<b>7,030</b>	<b>7,903</b>
<b>Noninterest expense</b>					
Salaries and employee benefits	8,884	9,411	9,828	10,198	10,475
Occupancy expense	1,248	1,158	1,249	1,359	1,531
Furniture and equipment expense	1,091	1,070	1,066	1,109	1,096
Amortization of intangibles	261	265	316	277	278
FDIC premiums and assessments	244	274	363	372	374
Merger, acquisition, and divestiture expense	-	55	226	410	39
Other operating expense	5,355	4,420	5,509	4,997	5,021
<b>Total noninterest expense</b>	<b>17,083</b>	<b>16,653</b>	<b>18,557</b>	<b>18,722</b>	<b>18,814</b>

## Efficiency Ratio

### EFFICIENCY RATIO CALCULATION (Unaudited)

	Three Months Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<i>(Amounts in thousands)</i>					
Noninterest expense, GAAP	\$ 17,083	\$ 16,653	\$ 18,557	\$ 18,722	\$ 18,814
Non-GAAP adjustments					
Merger, acquisition, and divestiture expense	-	(55)	(226)	(410)	(39)
OREO expense and net loss	(328)	(184)	(278)	(247)	(711)
Other non-core items	-	8	(168)	(30)	(174)
<b>Adjusted noninterest expense</b>	<b>16,755</b>	<b>16,422</b>	<b>17,885</b>	<b>18,035</b>	<b>17,890</b>
Net interest income, GAAP	21,141	20,957	21,121	21,691	21,111
Noninterest income, GAAP	5,691	6,238	5,895	7,030	7,903
Non-GAAP adjustments					
Tax equivalency adjustment	497	520	509	521	531
Net impairment losses	-	-	4,635	11	-
Net (gain) loss on sale of securities	-	(388)	(25)	79	(1)
Net gain on divestitures	-	(619)	(3,065)	-	-
Other non-core items	(18)	(40)	(432)	(30)	(414)
<b>Adjusted net interest and noninterest income</b>	<b>27,311</b>	<b>26,668</b>	<b>28,638</b>	<b>29,302</b>	<b>29,130</b>
<b>Non-GAAP efficiency ratio<sup>(1)</sup></b>	<b>61.35%</b>	<b>61.58%</b>	<b>62.45%</b>	<b>61.55%</b>	<b>61.41%</b>
<b>GAAP efficiency ratio</b>	<b>63.67%</b>	<b>61.24%</b>	<b>68.69%</b>	<b>65.19%</b>	<b>64.84%</b>

(1) A non-GAAP financial measure computed by dividing adjusted noninterest expense by the sum of tax equivalent net interest income and

adjusted noninterest income

## Balance Sheet and Capital

### CONDENSED CONSOLIDATED QUARTERLY BALANCE SHEETS (Unaudited)

<i>(Amounts in thousands, except per share data)</i>	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<b>Assets</b>					
Total cash and cash equivalents	\$ 152,851	\$ 76,307	\$ 65,929	\$ 44,301	\$ 39,587
Securities available for sale	158,685	165,579	220,856	322,699	338,469
Securities held to maturity	47,092	47,133	72,182	72,239	72,485
Loans held for investment, net of unearned income					
Non-covered	1,784,371	1,795,954	1,774,547	1,733,398	1,685,891
Covered	51,412	56,994	61,837	68,585	76,538
Less allowance for loan losses	(18,458)	(17,948)	(19,633)	(21,099)	(20,467)
Loans held for investment, net	1,817,325	1,835,000	1,816,751	1,780,884	1,741,962
FDIC indemnification asset	9,931	12,173	14,332	16,431	18,787
Premises and equipment, net	50,057	50,085	50,564	50,199	50,799
Other real estate owned, non-covered	4,477	5,109	4,052	4,187	5,313
Other real estate owned, covered	241	276	2,437	2,017	2,279
Interest receivable	5,059	5,553	5,498	6,115	5,968
Goodwill	95,779	95,779	101,776	100,486	100,486
Other intangible assets	6,947	7,207	7,964	4,688	4,965
Other assets	82,069	86,197	87,932	91,082	89,187
Total assets	<u>\$ 2,430,513</u>	<u>\$ 2,386,398</u>	<u>\$ 2,450,273</u>	<u>\$ 2,495,328</u>	<u>\$ 2,470,287</u>
<b>Liabilities</b>					
Deposits					
Noninterest-bearing	\$ 467,677	\$ 427,705	\$ 473,509	\$ 451,003	\$ 453,336
Interest-bearing	1,438,917	1,413,633	1,388,390	1,373,412	1,421,329
Total deposits	1,906,594	1,841,338	1,861,899	1,824,415	1,874,665
Federal funds purchased	-	-	-	42,000	18,000
Securities sold under agreements to repurchase	90,653	98,005	118,532	113,392	134,661
FHLB borrowings	65,000	65,000	90,000	140,000	65,000
Other borrowings	244	15,708	15,707	15,756	15,756
Interest, taxes, and other liabilities	24,618	27,290	26,599	25,553	24,576
Total liabilities	2,087,109	2,047,341	2,112,737	2,161,116	2,132,658
<b>Stockholders' equity</b>					
Common stock	21,382	21,382	21,382	21,382	21,382
Additional paid-in capital	228,176	228,142	227,884	227,791	227,725
Retained earnings	173,860	170,377	166,689	163,030	159,223
Treasury stock, at cost	(78,533)	(78,833)	(78,789)	(74,974)	(64,968)
Accumulated other comprehensive (loss) income	(1,481)	(2,011)	370	(3,017)	(5,733)
Total stockholders' equity	343,404	339,057	337,536	334,212	337,629
Total liabilities and stockholders' equity	<u>\$ 2,430,513</u>	<u>\$ 2,386,398</u>	<u>\$ 2,450,273</u>	<u>\$ 2,495,328</u>	<u>\$ 2,470,287</u>
Shares outstanding at period-end	17,013,185	16,994,208	16,988,972	17,155,322	17,631,011
Book value per common share <sup>(1)</sup>	\$ 20.18	\$ 19.95	\$ 19.87	\$ 19.48	\$ 19.15
Tangible book value per common share <sup>(2)</sup>	14.15	13.89	13.41	13.35	13.17

(1) Stockholders' equity divided by as-converted common shares outstanding

(2) A non-GAAP financial measure defined as stockholders' equity less goodwill and other intangibles, divided by as-converted common shares outstanding

## Asset Quality

### SELECTED CREDIT QUALITY INFORMATION (Unaudited)

<i>(Amounts in thousands)</i>	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<b>Allowance for Loan Losses</b>					
Beginning balance	\$ 17,948	\$ 19,633	\$ 21,099	\$ 20,467	\$ 20,233
Provision for (recovery of) loan losses charged to operations	492	500	(1,154)	722	1,187
(Recovery of) provision for loan losses recorded through the FDIC indemnification asset	-	-	-	(10)	9
Charge-offs	(357)	(2,485)	(772)	(691)	(1,228)
Recoveries	375	300	460	611	266
Net recoveries (charge-offs)	18	(2,185)	(312)	(80)	(962)
Ending balance	<u>\$ 18,458</u>	<u>\$ 17,948</u>	<u>\$ 19,633</u>	<u>\$ 21,099</u>	<u>\$ 20,467</u>
<b>Nonperforming Assets</b>					
<b>Non-covered nonperforming assets</b>					
Nonaccrual loans	\$ 18,537	\$ 15,854	\$ 17,487	\$ 16,626	\$ 16,196
Accruing loans past due 90 days or more	20	-	62	64	243
Troubled debt restructurings ("TDRs") <sup>(1)</sup>	-	114	115	115	158
Total non-covered nonperforming loans	18,557	15,968	17,664	16,805	16,597
OREO	4,477	5,109	4,052	4,187	5,313
Total non-covered nonperforming assets	<u>\$ 23,034</u>	<u>\$ 21,077</u>	<u>\$ 21,716</u>	<u>\$ 20,992</u>	<u>\$ 21,910</u>
<b>Covered nonperforming assets</b>					
Nonaccrual loans	\$ 918	\$ 608	\$ 688	\$ 680	\$ 1,955
Total covered nonperforming loans	918	608	688	680	1,955
OREO	241	276	2,437	2,017	2,279
Total covered nonperforming assets	<u>\$ 1,159</u>	<u>\$ 884</u>	<u>\$ 3,125</u>	<u>\$ 2,697</u>	<u>\$ 4,234</u>
<b>Additional Information</b>					
Performing TDRs <sup>(2)</sup>	\$ 8,593	\$ 12,838	\$ 13,336	\$ 13,562	\$ 13,474
Total TDRs <sup>(3)</sup>	8,593	12,952	13,451	13,677	13,632
<b>Non-covered ratios</b>					
Nonperforming loans to total loans	1.04%	0.89%	1.00%	0.97%	0.98%
Nonperforming assets to total assets	0.97%	0.90%	0.91%	0.87%	0.92%
Non-PCI allowance to nonperforming loans	99.40%	112.32%	111.08%	125.48%	123.17%
Non-PCI allowance to total loans	1.03%	1.00%	1.11%	1.22%	1.21%
Annualized net charge-offs to average loans	0.00%	0.49%	0.07%	0.02%	0.23%
<b>Total ratios</b>					
Nonperforming loans to total loans	1.06%	0.89%	1.00%	0.97%	1.05%
Nonperforming assets to total assets	1.00%	0.92%	1.01%	0.95%	1.06%
Allowance for loan losses to nonperforming loans	94.78%	108.28%	106.98%	120.67%	110.32%
Allowance for loan losses to total loans	1.01%	0.97%	1.07%	1.17%	1.16%
Annualized net charge-offs to average loans	0.00%	0.47%	0.07%	0.02%	0.22%

(1) Accruing TDRs restructured within the past six months or nonperforming

(2) Accruing TDRs with six months or more of satisfactory payment performance

(3) Accruing total TDRs