

# EXCHANGE BANK

Consolidated Statements  
(Unaudited)

March 31, 2012

## STATEMENT OF CONDITION

	<u>2012</u>	<u>2011</u>
	in thousands	
<b>ASSETS</b>		
Cash and due from banks	\$ 141,274	\$ 73,606
Investment securities		
Securities available for sale	359,318	328,157
Securities held to maturity	-	-
Total investment securities	<u>359,318</u>	<u>328,157</u>
Loans		
Real estate	682,559	674,888
Consumer	91,735	98,220
Commercial	<u>281,680</u>	<u>261,277</u>
	1,055,974	1,034,385
Less allowance for loan losses	<u>33,906</u>	<u>31,478</u>
Net loans	1,022,068	1,002,907
Bank premises and equipment	17,239	17,900
Other assets	<u>90,364</u>	<u>94,635</u>
	<u>\$ 1,630,263</u>	<u>\$ 1,517,205</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Deposits		
Non Interest Bearing Demand	\$ 485,580	\$ 431,871
Interest Bearing		
Transaction	195,243	156,765
Money market	206,181	204,587
Savings	255,745	229,333
Time	<u>260,211</u>	<u>278,942</u>
Total Deposits	1,402,960	1,301,498
Other borrowings	39,000	43,000
Other liabilities	<u>23,164</u>	<u>12,698</u>
Total liabilities	<u>1,465,124</u>	<u>1,357,196</u>
Stockholders' equity	<u>165,139</u>	<u>160,009</u>
	<u>\$ 1,630,263</u>	<u>\$ 1,517,205</u>

# EXCHANGE BANK

Consolidated Statements  
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March 31, 2012

## STATEMENT OF INCOME

(in thousands)

	<u>2012</u>	<u>2011</u>
	Three months ended Mar 31,	Three months ended Mar 31,
Interest Income		
Interest and fees on loans	\$ 15,454	15,229
Interest on investments securities	2,063	2,274
Interest on cash equivalents	-	6
	<u>17,517</u>	<u>17,509</u>
Total interest income	17,517	17,509
Interest expense		
Interest on deposits	644	867
Other interest expense	395	431
	<u>1,039</u>	<u>1,298</u>
Total interest expense	1,039	1,298
Net interest revenue	16,478	16,211
Provision for losses on loans	<u>2,750</u>	<u>3,250</u>
Net interest revenue xter provision for losses on loans	13,728	12,961
Non interest income	5,354	5,200
Non interest expense		
Salary and benefit costs	8,224	7,465
Other expenses	6,513	6,386
	<u>14,737</u>	<u>13,851</u>
Income before income taxes	4,345	4,309
Provision for income taxes	<u>1,400</u>	<u>1,325</u>
Net income	<u>\$ 2,945</u>	<u>2,984</u>
	In dollars	
Basic/diluted earnings (loss) per common share <sup>1</sup>	\$ 1.38	\$ 1.40
Simple earnings per share <sup>2</sup>	\$ 1.72	\$ 1.74

<sup>1</sup> Earnings (loss) per share is computed by dividing net income (loss), less preferred stock dividends, by the weighted averaged number of shares outstanding during the year.

<sup>2</sup> Simple earnings per share is computed by dividing net income (loss) by the weighted average of shares outstanding during the year.

Total average shares outstanding for both 2011 and 2012 was 1,714,344

The consolidated financial statements include the accounts of the Bank and its wholly owned subsidiaries. Certain intercompany accounts and transactions have been eliminated.