

# EXCHANGE BANK

## Condensed Consolidated Statements (Unaudited)

September 30, 2013

### CONDENSED STATEMENT OF CONDITION

	2013	2012
	in thousands	
<b>ASSETS</b>		
Cash and due from banks	\$ 93,478	\$ 131,938
Interest-bearing deposits in other financial institutions	24,500	
Investment Securities available for sale	468,969	388,820
Total investment securities	<u>468,969</u>	<u>388,820</u>
Loans		
Real estate	736,181	691,886
Consumer	83,775	89,284
Commercial	<u>264,112</u>	<u>265,423</u>
	1,084,068	1,046,593
Less allowance for loan losses	<u>38,281</u>	<u>36,488</u>
Net loans	1,045,787	1,010,105
Bank premises and equipment	16,115	16,430
Other assets	<u>81,742</u>	<u>86,591</u>
	<u>\$ 1,730,591</u>	<u>\$ 1,633,884</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Deposits		
Non Interest Bearing Demand	\$ 527,256	\$ 493,481
Interest Bearing		
Transaction	217,068	196,963
Money market	240,034	212,498
Savings	300,241	264,749
Time	<u>246,950</u>	<u>249,907</u>
Total Deposits	1,531,549	1,417,598
Other borrowings	28,000	39,000
Other liabilities	<u>20,323</u>	<u>24,512</u>
Total liabilities	<u>1,579,872</u>	<u>1,481,110</u>
Stockholders' equity	<u>150,719</u>	<u>152,774</u>
	<u>\$ 1,730,591</u>	<u>\$ 1,633,884</u>

# EXCHANGE BANK

Condensed Consolidated Statements  
(Unaudited)  
September 30, 2013

## STATEMENT OF INCOME

(in thousands)

	2013	2012	2013	2012
	Quarter ended Sept 30,		Nine months ended Sept 30,	
Interest Income				
Interest and fees on loans	\$ 14,196	15,066	\$ 41,167	45,036
Interest on investments securities	2,145	1,975	6,073	6,056
Interest on cash equivalents	-	-	-	-
Total interest income	16,341	17,041	47,240	51,092
Interest expense				
Interest on deposits	437	558	1,354	1,803
Other interest expense	754	376	1,460	1,147
Total interest expense	1,191	934	2,814	2,950
Net interest income	15,150	16,107	44,426	48,142
Provision for losses on loans	250	2,100	2,500	7,350
Net interest income after provision for losses on loans	14,900	14,007	41,926	40,792
Non interest income	6,764	5,405	17,643	16,355
Non interest expense				
Salary and benefit costs	7,426	7,872	22,960	23,920
Other expenses	7,895	6,671	19,462	19,833
	15,321	14,543	42,422	43,753
Income before income taxes	6,343	4,869	17,147	13,394
Provision for income taxes	1,934	1,659	5,717	4,396
Net income	\$ 4,409	3,210	\$ 11,430	8,998
		In dollars		
Basic/diluted earnings per common share <sup>1</sup>	\$ 2.45	\$ 1.53	\$ 6.23	\$ 4.22
Simple earnings per share <sup>2</sup>	\$ 2.57	\$ 1.87	\$ 6.67	\$ 5.25

<sup>1</sup> Earnings per share is computed by dividing net income, 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 2013 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.