

EXCHANGE BANK

Condensed Consolidated Statements (Unaudited)

December 31, 2015

CONDENSED STATEMENT OF CONDITION

(in thousands)

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and due from banks	\$ 122,932	\$ 97,243
Interest-bearing deposits in other financial institutions	76,000	52,000
Investment Securities available for sale	495,250	437,427
Total investment securities	<u>495,250</u>	<u>437,427</u>
Loans		
Real estate	875,284	792,155
Consumer	104,266	96,198
Commercial	299,355	333,598
	<u>1,278,905</u>	<u>1,221,951</u>
Less allowance for loan losses	<u>37,830</u>	<u>37,653</u>
Net loans	1,241,075	1,184,298
Bank premises and equipment	16,478	16,232
Other assets	<u>110,773</u>	<u>100,479</u>
	<u>\$ 2,062,508</u>	<u>\$1,887,679</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Non Interest Bearing Demand	\$ 677,539	\$ 617,410
Interest Bearing		
Transaction	331,563	269,953
Money market	238,181	220,892
Savings	377,550	332,597
Time	214,144	227,547
Total Deposits	1,838,977	1,668,399
Other borrowings	8,000	22,000
Other liabilities	<u>42,423</u>	<u>37,206</u>
Total liabilities	<u>1,889,400</u>	<u>1,727,605</u>
Stockholders' equity	<u>173,108</u>	<u>160,074</u>
	<u>\$ 2,062,508</u>	<u>\$1,887,679</u>

EXCHANGE BANK

Condensed Consolidated Statements
(Unaudited)
December 31, 2015

STATEMENT OF INCOME

(in thousands)

	2015	2014	2015	2014
	Quarter ended Dec 31,		Twelve months ended Dec 31,	
Interest Income				
Interest and fees on loans	\$ 15,160	14,266	\$ 59,379	56,953
Interest on investments securities	2,635	2,351	10,402	9,109
Total interest income	17,794	16,617	69,781	66,062
Interest expense				
Interest on deposits	223	351	1,018	1,504
Other interest expense	96	389	753	1,007
Total interest expense	319	740	1,771	2,511
Net interest income	17,475	15,877	68,010	63,551
Provision (recapture) for losses on loans	-	-	(3,200)	-
Net interest income after provision for losses on loans	17,475	15,877	71,210	63,551
Non interest income	5,028	4,882	21,056	20,999
Non interest expense				
Salary and benefit costs	7,387	6,749	31,212	29,839
Other expenses	7,467	7,122	27,034	26,439
	14,854	13,871	58,246	56,278
Income before income taxes	7,649	6,888	34,020	28,272
Provision for income taxes	2,528	2,340	12,992	10,563
Net income	\$ 5,121	4,548	\$ 21,028	17,709
			In dollars	
Basic/diluted earnings per common share ¹	\$ 2.99	\$ 2.65	\$ 12.27	\$ 10.25
Simple earnings per share ²	\$ 2.99	\$ 2.65	\$ 12.27	\$ 10.33
Dividends per share	\$ 0.60	\$ 0.45	\$ 2.20	\$ 1.55

1 Earnings per share is computed by dividing net income, less preferred stock dividends, by the weighted averaged number of shares outstanding during the year.

2 Simple earnings per share is computed by dividing net income by the weighted average of shares outstanding during the year.

Total average shares outstanding for both 2015 and 2014 was 1,714,344