

**EXCHANGE BANK**  
and Subsidiaries  
**Consolidated Balance Sheets**  
(Unaudited)

**March 31, 2017 and 2016**  
(In Thousands)

<b>ASSETS</b>	2017	2016	Change 17/16	% Change 17/16
Cash and due from banks	\$ 33,962	\$ 25,211	\$ 8,751	34.71%
Fed Funds Sold	41,568	90,227	(48,659)	-53.93%
<b>Total Cash and cash equivalents</b>	<b>75,530</b>	<b>115,438</b>	<b>(39,908)</b>	<b>-34.57%</b>
Investments				
Interest-earning deposits in other financial institutions	70,000	77,000	(7,000)	-9.09%
Securities available for sale	546,438	514,348	32,090	6.24%
FHLB Stock	10,015	9,036	979	10.83%
Loans and leases				
Real estate	1,000,245	887,948	112,297	12.65%
Consumer	110,300	106,307	3,993	3.76%
Commercial	315,186	279,895	35,291	12.61%
	1,425,731	1,274,150	151,581	11.90%
Less allowance for loan and lease losses	(38,403)	(37,831)	(572)	1.51%
<b>Net loans and leases</b>	<b>1,387,328</b>	<b>1,236,319</b>	<b>151,009</b>	<b>12.21%</b>
Bank premises and equipment	17,814	17,165	649	3.78%
Other assets	100,236	77,891	22,345	28.69%
<b>Total Assets</b>	<b>\$ 2,207,361</b>	<b>\$ 2,047,197</b>	<b>\$ 160,164</b>	<b>7.82%</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Deposits				
Non-Interest Bearing Demand	\$ 729,133	\$ 678,424	\$ 50,709	7.47%
Interest Bearing				
Transaction	368,787	318,417	50,370	15.82%
Money market	270,269	256,600	13,669	5.33%
Savings	410,174	381,786	28,388	7.44%
Time	186,295	205,186	(18,891)	-9.21%
<b>Total Deposits</b>	<b>1,964,658</b>	<b>1,840,413</b>	<b>124,245</b>	<b>6.75%</b>
Other borrowings	8,000	8,000	-	0.00%
Other liabilities	39,752	20,162	19,590	97.16%
<b>Total liabilities</b>	<b>2,012,410</b>	<b>1,868,575</b>	<b>143,835</b>	<b>7.70%</b>
<b>Stockholders' equity</b>	<b>194,951</b>	<b>178,622</b>	<b>16,329</b>	<b>9.14%</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>\$ 2,207,361</b>	<b>\$ 2,047,197</b>	<b>\$ 160,164</b>	<b>7.82%</b>

**EXCHANGE BANK**  
and Subsidiaries  
**Consolidated Statements of Operations**  
(Unaudited)

**For the Period Ended March 31, 2017 and 2016**

(In Thousands, except per share amounts)

	Three Months Ended		Twelve Months Ended	
	2017	2016	Change 17/16	% Change 17/16
Interest Income				
Interest and fees on loans	\$ 16,864	\$ 15,442	\$ 1,422	9.21%
Interest on investments securities	2,720	2,678	42	1.57%
<b>Total interest income</b>	<b>19,584</b>	<b>18,120</b>	<b>1,464</b>	<b>8.08%</b>
Interest expense				
Interest on deposits	175	206	(31)	-15.05%
Other interest expense	94	95	(1)	-1.05%
<b>Total interest expense</b>	<b>269</b>	<b>301</b>	<b>(32)</b>	<b>-10.63%</b>
<b>Net interest income</b>	<b>19,315</b>	<b>17,819</b>	<b>1,496</b>	<b>8.40%</b>
Provision (reversal of) for losses on loans	-	(500)	500	-
<b>Net interest income after provision for loan and leases</b>	<b>19,315</b>	<b>18,319</b>	<b>996</b>	<b>5.44%</b>
<b>Non-interest income</b>	<b>6,791</b>	<b>4,763</b>	<b>2,028</b>	<b>42.58%</b>
Non interest expense				
Salary and benefit costs	8,417	8,695	(278)	-3.20%
Other expenses	6,724	6,010	714	11.88%
<b>Total non-interest expense</b>	<b>15,141</b>	<b>14,705</b>	<b>436</b>	<b>2.96%</b>
<b>Income before income taxes</b>	<b>10,965</b>	<b>8,377</b>	<b>2,588</b>	<b>30.89%</b>
Provision for income taxes	4,332	3,166	1,166	36.83%
<b>Net income</b>	<b>\$ 6,633</b>	<b>\$ 5,211</b>	<b>\$ 1,422</b>	<b>27.29%</b>
Basic earnings per common share	\$ 3.87	\$ 3.04	\$ 0.83	27.30%
Dividends per share	\$ 0.80	\$ 0.65	\$ 0.15	23.08%

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

Total average shares outstanding for both 2017 and 2016 was 1,714,344