

EXCHANGE BANK
and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

March 31, 2018 and 2017
(In Thousands)

ASSETS	2018	2017	Change 18/17	% Change 18/17
Cash and due from banks	\$ 34,061	\$ 33,962	\$ 99	0.29%
Fed Funds Sold	227,129	41,568	185,561	446.40%
Total Cash and cash equivalents	<u>261,190</u>	<u>75,530</u>	<u>185,660</u>	<u>245.81%</u>
Investments				
Interest-earning deposits in other financial institutions	54,500	70,000	(15,500)	-22.14%
Securities available for sale	753,944	546,438	207,506	37.97%
FHLB Stock	10,015	10,015	-	0.00%
Loans and leases				
Real estate	1,066,875	1,000,245	66,630	6.66%
Consumer	118,905	110,300	8,605	7.80%
Commercial	330,788	315,186	15,602	4.95%
	1,516,568	1,425,731	90,837	6.37%
Less allowance for loan and lease losses	(39,924)	(38,403)	(1,521)	3.96%
Net loans and leases	<u>1,476,644</u>	<u>1,387,328</u>	<u>89,316</u>	<u>6.44%</u>
Bank premises and equipment	18,207	17,814	393	2.21%
Other assets	99,016	100,236	(1,220)	-1.22%
Total Assets	<u>\$ 2,673,516</u>	<u>\$ 2,207,361</u>	<u>\$ 466,155</u>	<u>21.12%</u>
LIABILITIES AND STOCKHOLDERS' EQUITY				
Deposits				
Non-Interest Bearing Demand	\$ 866,846	\$ 729,133	\$ 137,713	18.89%
Interest Bearing				
Transaction	515,216	368,787	146,429	39.71%
Money market	331,132	270,269	60,863	22.52%
Savings	523,611	410,174	113,437	27.66%
Time	191,097	186,295	4,802	2.58%
Total Deposits	<u>2,427,902</u>	<u>1,964,658</u>	<u>463,244</u>	<u>23.58%</u>
Other borrowings	-	8,000	(8,000)	-100.00%
Other liabilities	37,417	39,752	(2,335)	-5.87%
Total liabilities	<u>2,465,319</u>	<u>2,012,410</u>	<u>452,909</u>	<u>22.51%</u>
Stockholders' equity	<u>208,197</u>	<u>194,951</u>	<u>13,246</u>	<u>6.79%</u>
Total Liabilities and Stockholder's Equity	<u>\$ 2,673,516</u>	<u>\$ 2,207,361</u>	<u>\$ 466,155</u>	<u>21.12%</u>

EXCHANGE BANK
and Subsidiaries
Consolidated Statements of Operations
(Unaudited)

For the Period Ended March 31, 2018 and 2017

(In Thousands, except per share amounts)

	Three Months Ended		Three Months Ended	
	2018	2017	Change	% Change
			18/17	18/17
Interest Income				
Interest and fees on loans	\$ 17,900	\$ 16,864	\$ 1,036	6.14%
Interest on investments securities	4,779	2,720	2,059	75.70%
Total interest income	22,679	19,584	3,095	15.80%
Interest expense				
Interest on deposits	374	175	199	113.71%
Other interest expense	-	94	(94)	-100.00%
Total interest expense	374	269	105	39.03%
Net interest income	22,305	19,315	2,990	15.48%
Provision (reversal of) for losses on loans	-	-	-	0.00%
Net interest income after provision for loan and leases	22,305	19,315	2,990	15.48%
Non-interest income	9,097	6,791	2,306	33.96%
Non interest expense				
Salary and benefit costs	8,969	8,417	552	6.56%
Other expenses	6,926	6,724	202	3.00%
Total non-interest expense	15,895	15,141	754	4.98%
Income before income taxes	15,507	10,965	4,542	41.42%
Provision for income taxes	4,407	4,332	75	1.73%
Net income	\$ 11,100	\$ 6,633	\$ 4,467	67.35%
Basic earnings per common share	\$ 6.47	\$ 3.87	\$ 2.60	67.24%
Dividends per share	\$ 0.95	\$ 0.80	\$ 0.15	18.75%

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 2018 and 2017 was 1,714,344