

EXCHANGE BANK
and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

June 30, 2018 and 2017
(In Thousands)

ASSETS	2018	2017	Change 18/17	% Change 18/17
Cash and due from banks	\$ 39,816	\$ 35,482	\$ 4,334	12.21%
Fed Funds Sold	104,517	27,886	76,631	274.80%
Total Cash and cash equivalents	144,333	63,368	80,965	127.77%
Investments				
Interest-earning deposits in other financial institutions	51,000	65,305	(14,305)	-21.90%
Securities available for sale	818,837	567,629	251,208	44.26%
FHLB Stock	11,303	10,015	1,288	12.86%
Loans and leases				
Real estate	1,049,898	1,029,194	20,704	2.01%
Consumer	120,937	114,042	6,895	6.05%
Commercial	335,632	315,096	20,536	6.52%
	1,506,467	1,458,332	48,135	3.30%
Less allowance for loan and lease losses	(39,765)	(39,093)	(672)	1.72%
Net loans and leases	1,466,702	1,419,239	47,463	3.34%
Bank premises and equipment	18,871	17,790	1,081	6.08%
Other assets	100,804	100,295	509	0.51%
Total Assets	\$ 2,611,850	\$ 2,243,641	\$ 368,209	16.41%
LIABILITIES AND STOCKHOLDERS' EQUITY				
Deposits				
Non-Interest Bearing Demand	\$ 841,535	\$ 728,081	\$ 113,454	15.58%
Interest Bearing				
Transaction	492,991	383,619	109,372	28.51%
Money market	319,568	294,233	25,335	8.61%
Savings	521,764	411,195	110,569	26.89%
Time	189,493	185,963	3,530	1.90%
Total Deposits	2,365,351	2,003,091	362,260	18.09%
Other borrowings	-	2,000	(2,000)	-100.00%
Other liabilities	32,162	37,281	(5,119)	-13.73%
Total liabilities	2,397,513	2,042,372	355,141	17.39%
Stockholders' equity	214,337	201,269	13,068	6.49%
Total Liabilities and Stockholder's Equity	\$ 2,611,850	\$ 2,243,641	\$ 368,209	16.41%

EXCHANGE BANK
and Subsidiaries
Consolidated Statements of Operations
(Unaudited)

For the Period Ended June 30, 2018 and 2017

(In Thousands, except per share amounts)

	Quarter Ended		Six Months Ended		Six Months Ended	
	2018	2017	2018	2017	Change 18/17	% Change 18/17
Interest Income						
Interest and fees on loans	\$ 18,596	\$ 16,917	\$ 36,496	\$ 33,781	\$ 2,715	8.04%
Interest on investments securities	5,173	2,905	9,952	5,626	4,326	76.89%
Total interest income	23,769	19,822	46,448	39,407	7,041	17.87%
Interest expense						
Interest on deposits	570	188	944	363	581	160.06%
Other interest expense	-	313	-	407	(407)	-100.00%
Total interest expense	570	501	944	770	174	22.60%
Net interest income	23,199	19,321	45,504	38,637	6,867	17.77%
Provision (reversal of) for losses on loans	-	-	-	-	-	0.00%
Net interest income after provision for loan and leases	23,199	19,321	45,504	38,637	6,867	17.77%
Non-interest income	5,394	6,714	14,491	13,505	986	7.30%
Non interest expense						
Salary and benefit costs	8,918	8,448	17,887	16,865	1,022	6.06%
Other expenses	7,398	6,833	14,324	13,553	771	5.69%
Total non-interest expense	16,316	15,281	32,211	30,418	1,793	5.89%
Income before income taxes	12,277	10,754	27,784	21,724	6,060	27.90%
Provision for income taxes	3,403	4,245	7,810	8,578	(768)	-8.95%
Net income	\$ 8,874	\$ 6,509	\$ 19,974	\$ 13,146	\$ 6,828	51.94%
Basic earnings per common share	\$ 5.18	\$ 3.80	\$ 11.65	\$ 7.67	\$ 3.98	51.94%
Dividends per share	\$ 0.95	\$ 0.85	\$ 1.90	\$ 1.65	\$ 0.25	15.15%

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