

EXCHANGE BANK

Condensed Consolidated Statements (Unaudited)

March 31, 2015

CONDENSED STATEMENT OF CONDITION

	2015	2014
	in thousands	
ASSETS		
Cash and due from banks	\$ 119,415	\$ 113,710
Interest-bearing deposits in other financial institutions	60,500	30,000
Investment Securities available for sale	459,360	437,258
Total investment securities	<u>459,360</u>	<u>437,258</u>
Loans		
Real estate	799,407	769,318
Consumer	96,389	85,768
Commercial	<u>318,776</u>	<u>281,097</u>
	1,214,572	1,136,183
Less allowance for loan losses	<u>37,526</u>	<u>37,551</u>
Net loans	1,177,046	1,098,632
Bank premises and equipment	16,143	15,956
Other assets	<u>68,301</u>	<u>72,279</u>
	<u>\$ 1,900,765</u>	<u>\$ 1,767,835</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Non Interest Bearing Demand	\$ 627,085	\$ 559,236
Interest Bearing		
Transaction	281,747	228,319
Money market	224,440	231,242
Savings	343,755	319,710
Time	<u>219,687</u>	<u>243,502</u>
Total Deposits	1,696,714	1,582,009
Other borrowings	22,000	24,000
Other liabilities	<u>16,247</u>	<u>11,142</u>
Total liabilities	<u>1,734,961</u>	<u>1,617,151</u>
Stockholders' equity	<u>165,804</u>	<u>150,684</u>
	<u>\$ 1,900,765</u>	<u>\$ 1,767,835</u>

EXCHANGE BANK

Condensed Consolidated Statements
(Unaudited)
March 31, 2015

STATEMENT OF INCOME

(in thousands)

	2015	2014
	Three months ended March 31,	
Interest Income		
Interest and fees on loans	\$ 14,611	13,783
Interest on investments securities	2,378	2,213
Interest on cash equivalents	-	-
	<u>16,989</u>	<u>15,996</u>
Total interest income	16,989	15,996
Interest expense		
Interest on deposits	306	391
Other interest expense	179	204
	<u>485</u>	<u>595</u>
Total interest expense	485	595
Net interest income	16,504	15,401
Provision (recapture) for losses on loans	<u>(400)</u>	<u>-</u>
Net interest income after provision for losses on loans	16,904	15,401
Non interest income	5,601	5,201
Non interest expense		
Salary and benefit costs	7,743	7,979
Other expenses	6,289	6,112
	<u>14,032</u>	<u>14,091</u>
Income before income taxes	8,473	6,511
Provision for income taxes	<u>3,339</u>	<u>2,448</u>
Net income	<u>\$ 5,134</u>	<u>4,063</u>
	In dollars	
Basic/diluted earnings per common share ¹	\$ 2.99	\$ 2.29
Simple earnings per share ²	\$ 2.99	\$ 2.37

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

The consolidated financial statements include the accounts of the Bank and its wholly owned subsidiaries. Certain intercompany accounts and transactions have been eliminated.