

EXCHANGE BANK
and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

December 31, 2016 and 2015
(In Thousands)

ASSETS	2016	2015	Change 16/15	% Change 16/15
Cash and due from banks	\$ 31,519	\$ 27,688	\$ 3,831	13.84%
Fed Funds Sold	36,470	95,244	(58,774)	-61.71%
Total Cash and cash equivalents	67,989	122,932	(54,943)	-44.69%
Investments				
Interest-earning deposits in other financial institutions	76,500	76,000	500	0.66%
Securities available for sale	514,245	495,250	18,995	3.84%
FHLB Stock	10,015	9,036	979	10.83%
Loans and leases				
Real estate	994,452	875,285	119,167	13.61%
Consumer	114,261	104,266	9,995	9.59%
Commercial	317,979	299,354	18,625	6.22%
	1,426,692	1,278,905	147,787	11.56%
Less allowance for loan and lease losses	(38,009)	(37,830)	(179)	0.47%
Net loans and leases	1,388,683	1,241,075	147,608	11.89%
Bank premises and equipment	17,681	16,478	1,203	7.30%
Other assets	105,850	101,737	4,113	4.04%
Total Assets	\$ 2,180,963	\$ 2,062,508	\$ 118,455	5.74%
LIABILITIES AND STOCKHOLDERS' EQUITY				
Deposits				
Non-Interest Bearing Demand	\$ 726,107	\$ 677,539	\$ 48,568	7.17%
Interest Bearing				
Transaction	369,441	331,565	37,876	11.42%
Money market	261,296	238,181	23,115	9.70%
Savings	396,591	377,549	19,042	5.04%
Time	189,975	214,143	(24,168)	-11.29%
Total Deposits	1,943,410	1,838,977	104,433	5.68%
Other borrowings	8,000	8,000	-	0.00%
Other liabilities	40,381	42,423	(2,042)	-4.81%
Total liabilities	1,991,791	1,889,400	102,391	5.42%
Stockholders' equity	189,172	173,108	16,064	9.28%
Total Liabilities and Stockholder's Equity	\$ 2,180,963	\$ 2,062,508	\$ 118,455	5.74%

EXCHANGE BANK
and Subsidiaries
Consolidated Statements of Operations
(Unaudited)

For the Period Ended December 31, 2016 and 2015

(In Thousands, except per share amounts)

	Quarter Ended		Twelve Months Ended		Twelve Months Ended	
	2016	2015	2016	2015	Change 16/15	% Change 16/15
Interest Income						
Interest and fees on loans	\$ 16,474	\$ 15,160	\$ 63,226	\$ 59,379	\$ 3,847	6.48%
Interest on investments securities	2,890	2,635	10,868	10,402	466	4.48%
Total interest income	19,364	17,795	74,094	69,781	4,313	6.18%
Interest expense						
Interest on deposits	182	225	767	1,018	(251)	-24.66%
Other interest expense	96	96	382	753	(371)	-49.27%
Total interest expense	278	321	1,149	1,771	(622)	-35.12%
Net interest income	19,086	17,474	72,945	68,010	4,935	7.26%
Provision (reversal of) for losses on loans	-	-	(900)	(3,200)	2,300	-71.88%
Net interest income after provision for loan and leases	19,086	17,474	73,845	71,210	2,635	3.70%
Non-interest income	4,948	5,028	20,304	21,056	(752)	-3.57%
Non interest expense						
Salary and benefit costs	8,673	7,387	34,029	31,212	2,817	9.03%
Other expenses	6,564	7,466	25,451	27,034	(1,583)	-5.86%
Total non-interest expense	15,237	14,853	59,480	58,246	1,234	2.12%
Income before income taxes	8,797	7,649	34,669	34,020	649	1.91%
Provision for income taxes	3,346	2,528	13,167	12,992	175	1.35%
Net income	\$ 5,451	\$ 5,121	\$ 21,502	\$ 21,028	\$ 474	2.25%
Basic earnings per common share	\$ 3.18	\$ 2.99	\$ 12.54	\$ 12.27	\$ 0.28	2.25%
Dividends per share	\$ 0.75	\$ 0.60	\$ 2.80	\$ 2.20	\$ 0.60	27.27%

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 2016 and 2015 was 1,714,344