

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

**March 31, 2019 and 2018**  
(In Thousands)

<b>ASSETS</b>	2019	2018	Change 19/18	% Change 19/18
Cash and due from banks	\$ 40,625	\$ 34,061	\$ 6,564	19.27%
Federal Reserve Bank	85,581	227,129	(141,548)	-62.32%
<b>Total Cash and cash equivalents</b>	<u>126,206</u>	<u>261,190</u>	<u>(134,984)</u>	<u>-51.68%</u>
Investments				
Interest-earning deposits in other financial institutions	54,000	54,500	(500)	-0.92%
Securities available for sale	842,747	753,944	88,803	11.78%
FHLB Stock	11,303	10,015	1,288	12.86%
Loans and leases				
Real estate	1,040,163	1,066,875	(26,712)	-2.50%
Consumer	125,454	118,905	6,549	5.51%
Commercial	343,118	330,788	12,330	3.73%
	1,508,735	1,516,568	(7,833)	-0.52%
Less allowance for loan and lease losses	(39,577)	(39,924)	347	-0.87%
<b>Net loans and leases</b>	<u>1,469,158</u>	<u>1,476,644</u>	<u>(7,486)</u>	<u>-0.51%</u>
Bank premises and equipment	18,499	18,207	292	1.60%
Other assets	110,525	99,016	11,509	11.62%
<b>Total Assets</b>	<u>\$ 2,632,438</u>	<u>\$ 2,673,516</u>	<u>\$ (41,078)</u>	<u>-1.54%</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Deposits				
Non-Interest Bearing Demand	\$ 829,263	\$ 866,846	\$ (37,583)	-4.34%
Interest Bearing				
Transaction	499,524	515,216	(15,692)	-3.05%
Money market	305,570	331,132	(25,562)	-7.72%
Savings	526,727	523,611	3,116	0.60%
Time	184,022	191,097	(7,075)	-3.70%
<b>Total Deposits</b>	<u>2,345,106</u>	<u>2,427,902</u>	<u>(82,796)</u>	<u>-3.41%</u>
Other borrowings	-	-	-	0.00%
Other liabilities	44,439	37,417	7,022	18.77%
<b>Total liabilities</b>	<u>2,389,545</u>	<u>2,465,319</u>	<u>(75,774)</u>	<u>-3.07%</u>
<b>Stockholders' equity</b>	<u>242,893</u>	<u>208,197</u>	<u>34,696</u>	<u>16.66%</u>
<b>Total Liabilities and Stockholder's Equity</b>	<u>\$ 2,632,438</u>	<u>\$ 2,673,516</u>	<u>\$ (41,078)</u>	<u>-1.54%</u>

# EXCHANGE BANK

and Subsidiaries

## Consolidated Statements of Operations

(Unaudited)

**For the Period Ended March 31, 2019 and 2018**

(In Thousands, except per share amounts)

	Three Months Ended		Three Months Ended	
	2019	2018	Change	% Change
			19/18	19/18
<b>Interest Income</b>				
Interest and fees on loans	\$ 19,194	\$ 17,900	\$ 1,294	7.23%
Interest on investments securities	5,970	4,779	1,191	24.92%
<b>Total interest income</b>	<u>25,164</u>	<u>22,679</u>	<u>2,485</u>	<u>10.96%</u>
<b>Interest expense</b>				
Interest on deposits	1,068	374	694	185.56%
Other interest expense	-	-	-	0.00%
<b>Total interest expense</b>	<u>1,068</u>	<u>374</u>	<u>694</u>	<u>185.56%</u>
<b>Net interest income</b>	<u>24,096</u>	<u>22,305</u>	<u>1,791</u>	<u>8.03%</u>
Provision (reversal of) for losses on loans	-	-	-	0.00%
<b>Net interest income after provision for loan and leases</b>	<u>24,096</u>	<u>22,305</u>	<u>1,791</u>	<u>8.03%</u>
<b>Non-interest income</b>	5,858	9,097	(3,239)	-35.61%
<b>Non interest expense</b>				
Salary and benefit costs	9,743	8,969	774	8.63%
Other expenses	7,563	6,926	637	9.20%
<b>Total non-interest expense</b>	<u>17,306</u>	<u>15,895</u>	<u>1,411</u>	<u>8.88%</u>
<b>Income before income taxes</b>	12,648	15,507	(2,859)	-18.44%
Provision for income taxes	3,580	4,407	(827)	-18.77%
<b>Net income</b>	<u>\$ 9,068</u>	<u>\$ 11,100</u>	<u>\$ (2,032)</u>	<u>-18.31%</u>
Basic earnings per common share	\$ 5.29	\$ 6.47	\$ (1.18)	-18.31%
Dividends per share	\$ 1.05	\$ 0.95	\$ 0.10	10.53%

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 2019 and 2018 was 1,714,344