

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

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

<b>ASSETS</b>	2019	2018	Change 19/18	% Change 19/18
Cash and due from banks	\$ 33,346	\$ 36,133	\$ (2,787)	-7.71%
Federal Reserve Bank	171,609	116,991	54,618	46.69%
<b>Total Cash and cash equivalents</b>	<b>204,955</b>	<b>153,124</b>	<b>51,831</b>	<b>33.85%</b>
Investments				
Interest-earning deposits in other financial institutions	60,000	44,000	16,000	36.36%
Securities available for sale	718,055	844,905	(126,850)	-15.01%
FHLB Stock	13,483	11,303	2,180	19.29%
Loans and leases				
Real estate	1,115,374	1,049,405	65,969	6.29%
Consumer	130,483	124,528	5,955	4.78%
Commercial	335,412	340,471	(5,059)	-1.49%
	1,581,269	1,514,404	66,865	4.42%
Less allowance for loan and lease losses	(39,907)	(39,854)	(53)	0.13%
<b>Net loans and leases</b>	<b>1,541,362</b>	<b>1,474,550</b>	<b>66,812</b>	<b>4.53%</b>
Bank premises and equipment	18,335	17,591	744	4.23%
Other assets	116,928	108,487	8,441	7.78%
<b>Total Assets</b>	<b>\$ 2,673,118</b>	<b>\$ 2,653,960</b>	<b>\$ 19,158</b>	<b>0.72%</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Deposits				
Non-Interest Bearing Demand	\$ 867,878	\$ 886,864	\$ (18,986)	-2.14%
Interest Bearing				
Transaction	491,374	508,124	(16,750)	-3.30%
Money market	294,817	288,880	5,937	2.06%
Savings	514,755	518,947	(4,192)	-0.81%
Time	186,180	176,868	9,312	5.26%
<b>Total Deposits</b>	<b>2,355,004</b>	<b>2,379,683</b>	<b>(24,679)</b>	<b>-1.04%</b>
Other liabilities	47,301	42,705	4,596	10.76%
<b>Total liabilities</b>	<b>2,402,305</b>	<b>2,422,388</b>	<b>(20,083)</b>	<b>-0.83%</b>
<b>Stockholders' equity</b>	<b>270,813</b>	<b>231,572</b>	<b>39,241</b>	<b>16.95%</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>\$ 2,673,118</b>	<b>\$ 2,653,960</b>	<b>\$ 19,158</b>	<b>0.72%</b>

**EXCHANGE BANK**  
and Subsidiaries  
**Consolidated Statements of Operations**  
(Unaudited)

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

(In Thousands, except per share amounts)

	Quarter Ended		Twelve Months Ended		Twelve Months Ended	
	2019	2018	2019	2018	Change 19/18	% Change 19/18
Interest Income						
Interest and fees on loans	\$ 19,789	\$ 19,128	\$ 78,845	\$ 74,634	\$ 4,211	5.64%
Interest on investments securities	5,273	5,926	22,744	21,322	1,422	6.67%
<b>Total interest income</b>	<b>25,062</b>	<b>25,054</b>	<b>101,589</b>	<b>95,956</b>	<b>5,633</b>	<b>5.87%</b>
Interest expense						
Interest on deposits	1,183	969	4,679	2,627	2,052	78.11%
Other interest expense	-	-	-	-	-	0.00%
<b>Total interest expense</b>	<b>1,183</b>	<b>969</b>	<b>4,679</b>	<b>2,627</b>	<b>2,052</b>	<b>78.11%</b>
<b>Net interest income</b>	<b>23,879</b>	<b>24,085</b>	<b>96,910</b>	<b>93,329</b>	<b>3,581</b>	<b>3.84%</b>
Provision (reversal of) for losses on loans	-	-	-	-	-	0.00%
<b>Net interest income after provision for loan and leases</b>	<b>23,879</b>	<b>24,085</b>	<b>96,910</b>	<b>93,329</b>	<b>3,581</b>	<b>3.84%</b>
<b>Non-interest income</b>	<b>6,137</b>	<b>5,665</b>	<b>24,230</b>	<b>25,771</b>	<b>(1,541)</b>	<b>-5.98%</b>
Non interest expense						
Salary and benefit costs	9,882	9,425	39,061	36,086	2,975	8.24%
Other expenses	7,512	7,837	31,277	29,519	1,758	5.96%
<b>Total non-interest expense</b>	<b>17,394</b>	<b>17,262</b>	<b>70,338</b>	<b>65,605</b>	<b>4,733</b>	<b>7.21%</b>
<b>Income before income taxes</b>	<b>12,622</b>	<b>12,488</b>	<b>50,802</b>	<b>53,495</b>	<b>(2,693)</b>	<b>-5.03%</b>
Provision for income taxes	3,551	3,482	14,301	14,984	(683)	-4.56%
<b>Net income</b>	<b>\$ 9,071</b>	<b>\$ 9,006</b>	<b>\$ 36,501</b>	<b>\$ 38,511</b>	<b>\$ (2,010)</b>	<b>-5.22%</b>
Basic earnings per common share	\$ 5.29	\$ 525.00	\$ 21.29	\$ 22.46	\$ (1.17)	-5.22%
Dividends per share	\$ 1.15	\$ 1.00	\$ 4.40	\$ 3.85	\$ 0.55	14.29%

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