

EXCHANGE BANK
and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

December 31, 2022 and 2021
(In Thousands)

ASSETS	2022	2021	Change 22/21	% Change 22/21
Cash and due from banks	\$ 35,528	\$ 24,712	\$ 10,816	43.77%
Federal Reserve Bank	12,845	448,257	(435,412)	-97.13%
Total Cash and cash equivalents	48,373	472,969	(424,596)	-89.77%
Investments				
Interest-earning deposits in other financial institutions	1,000	17,000	(16,000)	-94.12%
Securities available for sale	1,575,648	1,407,247	168,401	11.97%
FHLB Stock	15,000	14,465	535	3.70%
Loans and leases				
Real estate	1,142,203	1,076,593	65,610	6.09%
Consumer	148,874	135,446	13,428	9.91%
Commercial	218,831	298,068	(79,237)	-26.58%
	1,509,908	1,510,107	(199)	-0.01%
Less allowance for loan and lease losses	(43,540)	(43,847)	307	-0.70%
Net loans and leases	1,466,368	1,466,260	108	0.01%
Bank premises and equipment	17,217	18,717	(1,500)	-8.01%
Other assets	210,791	140,093	70,698	50.47%
Total Assets	\$ 3,334,397	\$ 3,536,751	\$ (202,354)	-5.72%
LIABILITIES AND STOCKHOLDERS' EQUITY				
Deposits				
Non-Interest Bearing Demand	\$ 1,189,742	\$ 1,232,666	\$ (42,924)	-3.48%
Interest Bearing				
Transaction	622,765	642,026	(19,261)	-3.00%
Money market	392,223	420,451	(28,228)	-6.71%
Savings	706,092	706,719	(627)	-0.09%
Time	155,459	177,256	(21,797)	-12.30%
Total Deposits	3,066,281	3,179,118	(112,837)	-3.55%
Other liabilities	66,092	38,431	27,661	71.98%
Total liabilities	3,132,373	3,217,549	(85,176)	-2.65%
Stockholders' equity	202,024	319,202	(117,178)	-36.71%
Total Liabilities and Stockholder's Equity	\$ 3,334,397	\$ 3,536,751	\$ (202,354)	-5.72%

EXCHANGE BANK
and Subsidiaries
Consolidated Statements of Operations
(Unaudited)

For the Period Ended Decemer 31, 2022 and 2021

(In Thousands, except per share amounts)

	Quarter Ended		Twelve Months Ended		Twelve Months Ended	
	2022	2021	2022	2021	Change	% Change
					22/21	22/21
Interest Income						
Interest and fees on loans	\$ 18,575	\$ 18,533	\$ 71,437	\$ 77,880	\$ (6,443)	-8.27%
Interest on investments securities	8,489	4,938	29,773	17,426	12,347	70.85%
Total interest income	<u>27,064</u>	<u>23,471</u>	<u>101,210</u>	<u>95,306</u>	<u>5,904</u>	<u>6.19%</u>
Interest expense						
Interest on deposits	803	421	2,035	1,757	278	15.82%
Other interest expense	40	-	40	-	40	
Total interest expense	<u>843</u>	<u>421</u>	<u>2,075</u>	<u>1,757</u>	<u>318</u>	<u>18.10%</u>
Net interest income	<u>26,221</u>	<u>23,050</u>	<u>99,135</u>	<u>93,549</u>	<u>5,586</u>	<u>5.97%</u>
Provision (reversal of) for losses on loans	-	-	-	2,000	(2,000)	-100.00%
Net interest income after provision for loan and leases	<u>26,221</u>	<u>23,050</u>	<u>99,135</u>	<u>91,549</u>	<u>7,586</u>	<u>8.29%</u>
Non-interest income	5,691	6,740	24,368	23,645	723	3.06%
Non interest expense						
Salary and benefit costs	11,065	8,203	40,279	35,622	4,657	13.07%
Other expenses	9,202	7,838	33,138	29,024	4,114	14.17%
Total non-interest expense	<u>20,267</u>	<u>16,041</u>	<u>73,417</u>	<u>64,646</u>	<u>8,771</u>	<u>13.57%</u>
Income before income taxes	11,645	13,749	50,086	50,548	(462)	-0.91%
Provision for income taxes	2,008	3,899	12,606	14,138	(1,532)	-10.84%
Net income	<u>\$ 9,637</u>	<u>\$ 9,850</u>	<u>\$ 37,480</u>	<u>\$ 36,410</u>	<u>\$ 1,070</u>	<u>2.94%</u>
Basic earnings per common share	\$ 5.62	\$ 5.75	\$ 21.86	\$ 21.24	\$ 0.62	2.94%
Dividends per share	\$ 1.25	\$ 1.20	\$ 4.90	\$ 4.80	\$ 0.10	2.08%

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 2022 and 2021 was 1,714,344