

EXCHANGE BANK
and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

June 30, 2023 and 2022

(In Thousands)

ASSETS	2023	2022	Change 23/22	% Change 23/22
Cash and due from banks	\$ 35,536	\$ 33,272	\$ 2,264	6.80%
Federal Reserve Bank	17,578	129,801	(112,223)	-86.46%
Total Cash and cash equivalents	<u>53,114</u>	<u>163,073</u>	<u>(109,959)</u>	<u>-67.43%</u>
Investments				
Interest-earning deposits in other financial institutions	1,000	8,000	(7,000)	-87.50%
Securities available for sale	1,516,839	1,609,853	(93,014)	-5.78%
FHLB Stock	15,000	15,000	-	0.00%
Loans and leases				
Real estate	1,184,431	1,139,608	44,823	3.93%
Consumer	141,246	143,864	(2,618)	-1.82%
Commercial	222,014	240,209	(18,195)	-7.57%
	1,547,691	1,523,681	24,010	1.58%
Less allowance for loan and lease losses	(43,038)	(43,870)	832	-1.90%
Net loans and leases	<u>1,504,653</u>	<u>1,479,811</u>	<u>24,842</u>	<u>1.68%</u>
Bank premises and equipment	17,444	17,973	(529)	-2.94%
Other assets	212,090	179,179	32,911	18.37%
Total Assets	<u>\$ 3,320,140</u>	<u>\$ 3,472,889</u>	<u>\$ (152,749)</u>	<u>-4.40%</u>
LIABILITIES AND STOCKHOLDERS' EQUITY				
Deposits				
Non-Interest Bearing Demand	\$ 1,036,086	\$ 1,223,168	\$ (187,082)	-15.29%
Interest Bearing				
Transaction	511,155	634,386	(123,231)	-19.43%
Money market	399,340	433,638	(34,298)	-7.91%
Savings	602,358	739,806	(137,448)	-18.58%
Time	286,981	172,680	114,301	66.19%
Total Deposits	<u>2,835,920</u>	<u>3,203,678</u>	<u>(367,758)</u>	<u>-11.48%</u>
Other liabilities	264,202	32,909	231,293	702.83%
Total liabilities	<u>3,100,122</u>	<u>3,236,587</u>	<u>(136,465)</u>	<u>-4.22%</u>
Stockholders' equity	<u>220,018</u>	<u>236,302</u>	<u>(16,284)</u>	<u>-6.89%</u>
Total Liabilities and Stockholder's Equity	<u>\$ 3,320,140</u>	<u>\$ 3,472,889</u>	<u>\$ (152,749)</u>	<u>-4.40%</u>

EXCHANGE BANK
and Subsidiaries
Consolidated Statements of Operations
(Unaudited)

For the Period Ended June 30, 2023 and 2022

(In Thousands, except per share amounts)

	Quarter Ended		Six Months Ended		Six Months Ended	
	2023	2022	2023	2022	Change	% Change
					23/22	23/22
Interest Income						
Interest and fees on loans	\$ 20,389	\$ 17,703	\$ 39,664	\$ 34,808	\$ 4,856	13.95%
Interest on investments securities	8,214	7,247	16,363	12,924	3,439	26.61%
Total interest income	28,603	24,950	56,027	47,732	8,295	17.38%
Interest expense						
Interest on deposits	3,405	407	4,896	808	4,088	505.94%
Other interest expense	2,373	-	3,559	-	3,559	0.00%
Total interest expense	5,778	407	8,455	808	7,647	946.41%
Net interest income	22,825	24,543	47,572	46,924	648	1.38%
Provision (reversal of) for losses on loans	-	-	-	-	-	0.00%
Net interest income after provision for loan and leases	22,825	24,543	47,572	46,924	648	1.38%
Non-interest income	5,788	6,072	11,813	12,176	(363)	-2.98%
Non interest expense						
Salary and benefit costs	10,585	9,479	20,431	19,156	1,275	6.66%
Other expenses	8,597	7,992	16,874	15,416	1,458	9.46%
Total non-interest expense	19,182	17,471	37,305	34,572	2,733	7.91%
Income before income taxes	9,431	13,144	22,080	24,528	(2,448)	-9.98%
Provision for income taxes	2,516	3,627	5,949	6,751	(802)	-11.88%
Pension Termination net of tax	9,052	-	9,052	-	9,052	0.00%
Net income	\$ (2,137)	\$ 9,517	\$ 7,079	\$ 17,777	\$ (10,698)	-60.18%
Basic earnings per common share	\$ (1.25)	\$ 5.55	\$ 4.13	\$ 10.37	\$ (6.24)	-60.18%
Dividends per share	\$ 1.30	\$ 1.20	\$ 2.60	\$ 2.40	\$ 0.20	8.33%

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 2023 and 2022 was 1,714,344