

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

**December 31, 2018 and 2017**  
(In Thousands)

<b>ASSETS</b>	2018	2017	Change 18/17	% Change 18/17
Cash and due from banks	\$ 36,133	\$ 49,422	\$ (13,289)	-26.89%
Federal Reserve Bank	116,991	258,895	(141,904)	-54.81%
<b>Total Cash and cash equivalents</b>	<b>153,124</b>	<b>308,317</b>	<b>(155,193)</b>	<b>-50.34%</b>
Investments				
Interest-earning deposits in other financial institutions	44,000	52,000	(8,000)	-15.38%
Securities available for sale	844,905	638,912	205,993	32.24%
FHLB Stock	11,303	10,015	1,288	12.86%
Loans and leases				
Real estate	1,049,404	1,051,559	(2,155)	-0.20%
Consumer	124,528	120,349	4,179	3.47%
Commercial	340,471	325,877	14,594	4.48%
	1,514,403	1,497,785	16,618	1.11%
Less allowance for loan and lease losses	(39,854)	(40,323)	469	-1.16%
<b>Net loans and leases</b>	<b>1,474,549</b>	<b>1,457,462</b>	<b>17,087</b>	<b>1.17%</b>
Bank premises and equipment	17,591	18,762	(1,171)	-6.24%
Other assets	108,488	98,624	9,864	10.00%
<b>Total Assets</b>	<b>\$ 2,653,960</b>	<b>\$ 2,584,092</b>	<b>\$ 69,868</b>	<b>2.70%</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Deposits				
Non-Interest Bearing Demand	\$ 886,864	\$ 894,899	\$ (8,035)	-0.90%
Interest Bearing				
Transaction	508,124	469,418	38,706	8.25%
Money market	288,880	319,104	(30,224)	-9.47%
Savings	518,947	474,789	44,158	9.30%
Time	176,868	185,459	(8,591)	-4.63%
<b>Total Deposits</b>	<b>2,379,683</b>	<b>2,343,669</b>	<b>36,014</b>	<b>1.54%</b>
Other borrowings	-	-	-	0.00%
Other liabilities	42,706	37,218	5,488	14.75%
<b>Total liabilities</b>	<b>2,422,389</b>	<b>2,380,887</b>	<b>41,502</b>	<b>1.74%</b>
<b>Stockholders' equity</b>	<b>231,571</b>	<b>203,205</b>	<b>28,366</b>	<b>13.96%</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>\$ 2,653,960</b>	<b>\$ 2,584,092</b>	<b>\$ 69,868</b>	<b>2.70%</b>

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

**For the Period Ended December 31, 2018 and 2017**

(In Thousands, except per share amounts)

	Quarter Ended		Twelve Months Ended		Twelve Months Ended	
	2018	2017	2018	2017	Change 18/17	% Change 18/17
Interest Income						
Interest and fees on loans	\$ 19,128	\$ 18,756	\$ 74,634	\$ 70,186	\$ 4,448	6.34%
Interest on investments securities	5,926	3,498	21,322	12,183	9,139	75.01%
<b>Total interest income</b>	<b>25,054</b>	<b>22,254</b>	<b>95,956</b>	<b>82,369</b>	<b>13,587</b>	<b>16.50%</b>
Interest expense						
Interest on deposits	969	254	2,627	830	1,797	216.51%
Other interest expense	-	155	-	587	(587)	-100.00%
<b>Total interest expense</b>	<b>969</b>	<b>409</b>	<b>2,627</b>	<b>1,417</b>	<b>1,210</b>	<b>85.39%</b>
<b>Net interest income</b>	<b>24,085</b>	<b>21,845</b>	<b>93,329</b>	<b>80,952</b>	<b>12,377</b>	<b>15.29%</b>
Provision (reversal of) for losses on loans	-	-	-	-	-	0.00%
<b>Net interest income after provision for loan and leases</b>	<b>24,085</b>	<b>21,845</b>	<b>93,329</b>	<b>80,952</b>	<b>12,377</b>	<b>15.29%</b>
<b>Non-interest income</b>	<b>5,665</b>	<b>5,225</b>	<b>25,771</b>	<b>24,292</b>	<b>1,479</b>	<b>6.09%</b>
Non interest expense						
Salary and benefit costs	9,425	8,352	36,086	33,528	2,558	7.63%
Other expenses	7,837	7,854	29,519	28,145	1,374	4.88%
<b>Total non-interest expense</b>	<b>17,262</b>	<b>16,206</b>	<b>65,605</b>	<b>61,673</b>	<b>3,932</b>	<b>6.38%</b>
<b>Income before income taxes</b>	<b>12,488</b>	<b>10,864</b>	<b>53,495</b>	<b>43,571</b>	<b>9,924</b>	<b>22.78%</b>
Provision for income taxes	3,482	11,155	14,984	24,063	(9,079)	-37.73%
<b>Net income</b>	<b>\$ 9,006</b>	<b>\$ (291)</b>	<b>\$ 38,511</b>	<b>\$ 19,508</b>	<b>\$ 19,003</b>	<b>97.41%</b>
Basic earnings per common share	\$ 5.25	\$ (0.17)	\$ 22.46	\$ 11.38	\$ 11.08	97.41%
Dividends per share	\$ 1.00	\$ 0.90	\$ 3.85	\$ 3.40	\$ 0.45	13.24%

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 2018 and 2017 was 1,714,344