

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

**June 30, 2019 and 2018**  
(In Thousands)

<b>ASSETS</b>	2019	2018	Change 19/18	% Change 19/18
Cash and due from banks	\$ 36,347	\$ 39,816	\$ (3,469)	-8.71%
Federal Reserve Bank	30,872	104,517	(73,645)	-70.46%
<b>Total Cash and cash equivalents</b>	<b>67,219</b>	<b>144,333</b>	<b>(77,114)</b>	<b>-53.43%</b>
Investments				
Interest-earning deposits in other financial institutions	56,000	51,000	5,000	9.80%
Securities available for sale	791,257	818,837	(27,580)	-3.37%
FHLB Stock	13,483	11,303	2,180	19.29%
Loans and leases				
Real estate	1,064,862	1,049,898	14,964	1.43%
Consumer	128,035	120,937	7,098	5.87%
Commercial	353,300	335,632	17,668	5.26%
	1,546,197	1,506,467	39,730	2.64%
Less allowance for loan and lease losses	(39,857)	(39,765)	(92)	0.23%
<b>Net loans and leases</b>	<b>1,506,340</b>	<b>1,466,702</b>	<b>39,638</b>	<b>2.70%</b>
Bank premises and equipment	18,112	18,871	(759)	-4.02%
Other assets	111,827	100,804	11,023	10.94%
<b>Total Assets</b>	<b>\$ 2,564,238</b>	<b>\$ 2,611,850</b>	<b>\$ (47,612)</b>	<b>-1.82%</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Deposits				
Non-Interest Bearing Demand	\$ 805,686	\$ 841,535	\$ (35,849)	-4.26%
Interest Bearing				
Transaction	487,151	492,991	(5,840)	-1.18%
Money market	287,772	319,568	(31,796)	-9.95%
Savings	510,737	521,764	(11,027)	-2.11%
Time	176,357	189,493	(13,136)	-6.93%
<b>Total Deposits</b>	<b>2,267,703</b>	<b>2,365,351</b>	<b>(97,648)</b>	<b>-4.13%</b>
Other borrowings	-	-	-	0.00%
Other liabilities	42,512	32,162	10,350	32.18%
<b>Total liabilities</b>	<b>2,310,215</b>	<b>2,397,513</b>	<b>(87,298)</b>	<b>-3.64%</b>
<b>Stockholders' equity</b>	<b>254,023</b>	<b>214,337</b>	<b>39,686</b>	<b>18.52%</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>\$ 2,564,238</b>	<b>\$ 2,611,850</b>	<b>\$ (47,612)</b>	<b>-1.82%</b>

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

**For the Period Ended June 30, 2019 and 2018**

(In Thousands, except per share amounts)

	Quarter Ended		Six Months Ended		Six Months Ended	
	2019	2018	2019	2018	Change	% Change
					19/18	19/18
Interest Income						
Interest and fees on loans	\$ 19,538	\$ 18,596	\$ 38,732	\$ 36,496	\$ 2,236	6.13%
Interest on investments securities	5,669	5,173	11,639	9,952	1,687	16.95%
<b>Total interest income</b>	<b>25,207</b>	<b>23,769</b>	<b>50,371</b>	<b>46,448</b>	<b>3,923</b>	<b>8.45%</b>
Interest expense						
Interest on deposits	1,199	570	2,267	944	1,323	140.15%
Other interest expense	-	-	-	-	-	0.00%
<b>Total interest expense</b>	<b>1,199</b>	<b>570</b>	<b>2,267</b>	<b>944</b>	<b>1,323</b>	<b>140.15%</b>
<b>Net interest income</b>	<b>24,008</b>	<b>23,199</b>	<b>48,104</b>	<b>45,504</b>	<b>2,600</b>	<b>5.71%</b>
Provision (reversal of) for losses on loans	-	-	-	-	-	0.00%
<b>Net interest income after provision for loan and leases</b>	<b>24,008</b>	<b>23,199</b>	<b>48,104</b>	<b>45,504</b>	<b>2,600</b>	<b>5.71%</b>
<b>Non-interest income</b>	<b>6,039</b>	<b>5,394</b>	<b>11,897</b>	<b>14,491</b>	<b>(2,594)</b>	<b>-17.90%</b>
Non interest expense						
Salary and benefit costs	9,471	8,918	19,214	17,887	1,327	7.42%
Other expenses	8,121	7,398	15,684	14,324	1,360	9.49%
<b>Total non-interest expense</b>	<b>17,592</b>	<b>16,316</b>	<b>34,898</b>	<b>32,211</b>	<b>2,687</b>	<b>8.34%</b>
<b>Income before income taxes</b>	<b>12,455</b>	<b>12,277</b>	<b>25,103</b>	<b>27,784</b>	<b>(2,681)</b>	<b>-9.65%</b>
Provision for income taxes	3,446	3,403	7,026	7,810	(784)	-10.04%
<b>Net income</b>	<b>\$ 9,009</b>	<b>\$ 8,874</b>	<b>\$ 18,077</b>	<b>\$ 19,974</b>	<b>\$ (1,897)</b>	<b>-9.50%</b>
Basic earnings per common share	\$ 5.26	\$ 5.18	\$ 10.54	\$ 11.65	\$ (1.11)	-9.50%
Dividends per share	\$ 1.10	\$ 0.95	\$ 2.15	\$ 1.90	\$ 0.25	13.16%

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