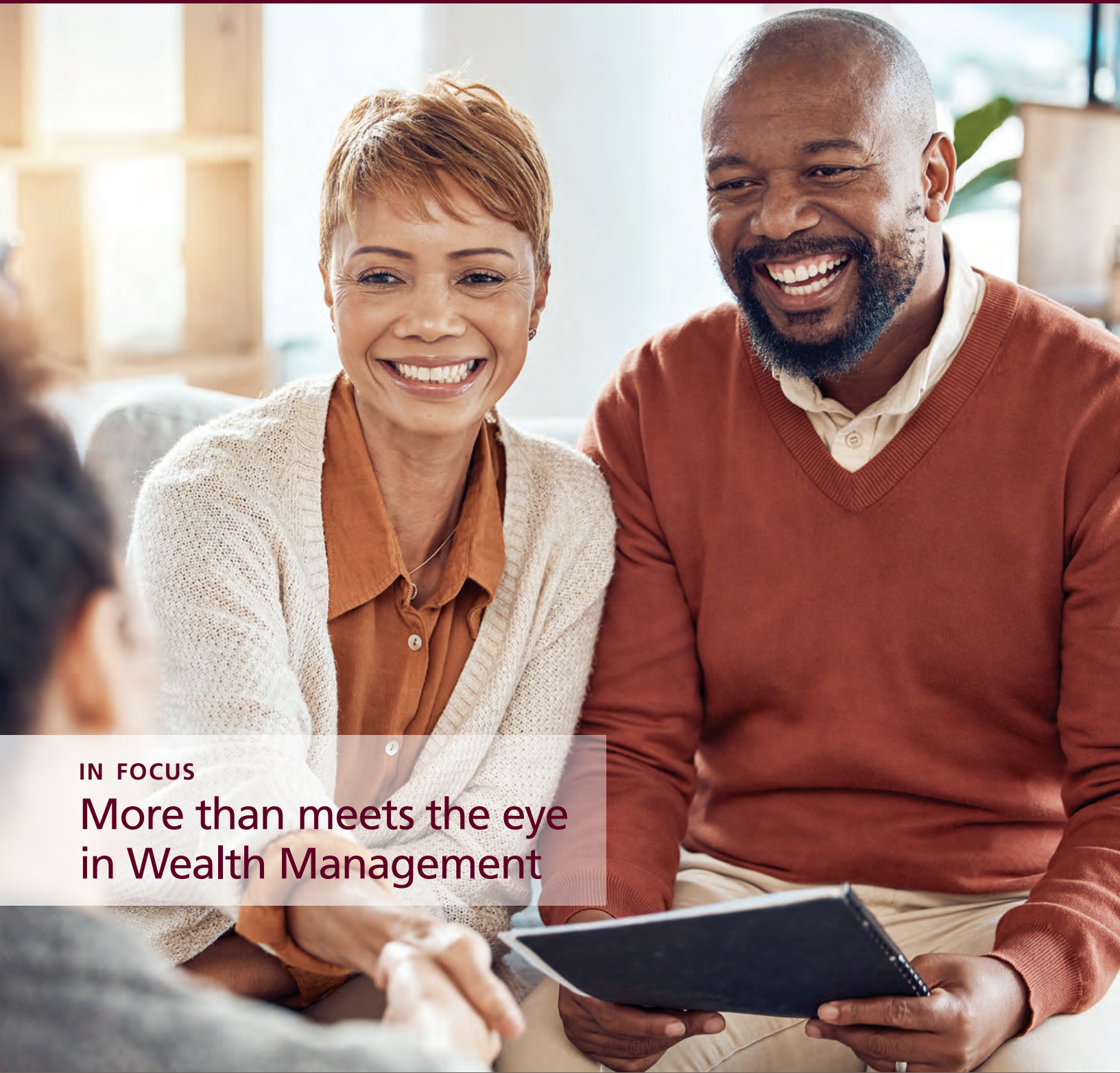




BANK NOTES

QUARTERLY NEWS FROM MECHANICS BANK | Volume 1 Issue 1 April 2024

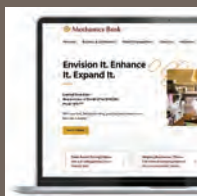


IN FOCUS

More than meets the eye in Wealth Management



Know How
to Spot Elder
Financial Abuse



An Even Better
MechanicsBank.com
is here



Fast and Secure
Payments with
Our Mobile Wallet

MESSAGE FROM THE CEO

We're always looking ahead for you



We're extraordinarily proud of Mechanics Bank's 119-year record of financial stability and success. It's a testament to our tried-and-true banking principles that never go out of style.

But as times change, so too do the needs of our clients. We're constantly evolving to ensure we have the right expertise, products and services that address your day-to-day concerns.

For example, we're investing even more resources in our Wealth Management division, which has continually helped our clients prosper since its inception as an independent trust department nearly 60 years ago. Featuring a deep bench of accomplished professionals, we have expanded our team and rolled out new offerings in Private Banking, Specialty Asset Management, Trust and Estate Services, Retirement Planning, and Employee Benefit Plan Administration.

Our inaugural edition of *Bank Notes* brings Wealth Management to the fore. Under the leadership of industry veteran Kelly Johnston, Executive Vice President and Director of Wealth Management at Mechanics Bank, our talented and resourceful team is committed to delivering you an exceptional experience.

We're constantly evolving to ensure we have the right expertise, products and services that address your immediate needs.

Our goal is to earn your confidence. Since 1905, Mechanics Bank has been one of the strongest, safest and most resilient banks in the country. We've weathered every economic storm that has come our way without any government assistance. Throughout the Great Depression, two World Wars and the Great Financial Recession, our priority has been to maintain a simple, low-risk balance sheet to ensure your assets are safe and sound.

Our financial position is as strong as ever, despite lingering inflation and economic concerns. Through it all, we remain extremely well-capitalized and can easily absorb the inevitable ebbs and flows of the business cycle.

Our continued key to success is charting our own proven course no matter what may be popular on Wall Street, in Washington, or at any other financial institution.

You should expect nothing but the best from us.

CJ Johnson
Interim President & CEO

OUTSTANDING FINANCIALS¹

\$17.5 BILLION
in assets

\$14.3 BILLION
in deposits

\$10.8 BILLION
in loans

75% loan to
deposit ratio

1) FDIC, Consolidated Reports of Conditions and Income, FFIEC, 12/31/23

BRANCH UPDATE

Enhancing our branch network

Our 112 branches across the Golden State remain an integral component of our total-banking commitment to you.

We're constantly making enhancements to ensure that our facilities, and our friendly bankers, always meet your expectations, and then some.

Last summer, we relocated two branches in their respective communities to newer, spacious and more accessible facilities nearby. Our customers love them!

In March, our Palm Desert Branch moved nearby to a brand-new facility at Highway 111 and Larkspur Lane, adjacent to the renowned El Paseo shopping district.

We're always on the move for you!



In Palm Desert, we moved into a beautiful, newly constructed building set in the heart of the desert city's thriving business district.



Serving Danville residents for over 20 years, our new location affords easy access and all the amenities our customers expect.



Our Indio branch has moved to this brand-new, spacious facility nearby.

IN THE COMMUNITY



This past holiday season, our **South Chico Branch** partnered with Butte County's Probation Department and Sheriff's Office to deliver holiday-season toys for more than 1,800 local children. Across California, in fact, our employees collected thousands of new, unused toys for the U.S. Marine Corps Reserve Toys for Tots and other organizations.




Every year, employees across California volunteer their time for Junior Achievement. In **Roseville**, Bank employees had the opportunity to host workshops on financial literacy, work preparedness and the economy for students in grades K-6.



Organizations like People's Self Help Housing share our belief that affordable housing is a major linchpin for driving vibrant neighborhoods and communities. On behalf of Mechanics Bank, **Lisa Adams** (left), Branch Manager at our **Broad Street Branch** in **San Luis Obispo**, recently presented a donation to support the nonprofit's 2024 Builder Games dedicated to supporting a wide range of vital education programs.

More than meets the eye in Wealth Management



In addition to managing your financial assets, a sound Wealth Management practice team can also help you navigate financial waters during life's biggest transitions, establishing a roadmap for passing down values alongside generational wealth.

For nearly 60 years, Mechanics Bank has been a reliable and trusted partner to thousands of Wealth Management clients, each with a unique set of financial considerations, opportunities and dreams. Our unfailing record of financial stability and strength, time-honored methods and strategies, and unwavering commitment to personalized service have served our clients well.

Today, our Wealth Management Team across California delivers a wide range of personalized solutions through Private Banking, Specialty Asset Management, Trust and Estate Services, Retirement Planning, and Employee Benefit Plan Administration. We have the flexibility and breadth of resources to address different life stages and wealth levels, and we tailor employee benefit plans for organizations of many sizes and their employees.

We're constantly evolving and growing



Kelly Johnston

Staying ahead of changing demands and trends in today's complex financial-planning world, we continue to evolve and grow, both in the way of resources and expertise.

Leading our group is Kelly Johnston, CTFP and CWS®, who returned to Mechanics Bank in 2023. Kelly has nearly 30 years of experience in managing multigenerational family wealth, the administration of complex trusts and estates, and a host of family wealth

services. She holds of a Bachelor of Arts degree in Business Administration from Saint Mary's College and an MBA from Texas A&M University.

"We are a relationship-based bank focused on our clients and not transactions," says Kelly. "Backed by our 119-year record of financial stability and capital strength, we are investing significantly in talent and resources to meet the growing needs of the market, and provide our clients a personalized experience and sound financial outcomes."

"Choose your own path. We have the flexibility and breadth of resources to meet your evolving needs."

Kelly and her growing team of accomplished wealth professionals embrace the fact that no two clients define financial success and security the same way.

Says Kelly, "Choose your own path. We have the flexibility and breadth of resources to meet your evolving needs and support the pursuit of your financial goals at all stages of life."

Investment management and trust services are offered by Mechanics Bank Wealth Management. Mechanics Bank investment products are: Not FDIC Insured | Not Bank Guaranteed | May Lose Value

EMPLOYEE SPOTLIGHT



Sherria Tavares' 40-year Journey at Mechanics Bank

Our employees have always been and will always be our greatest asset.

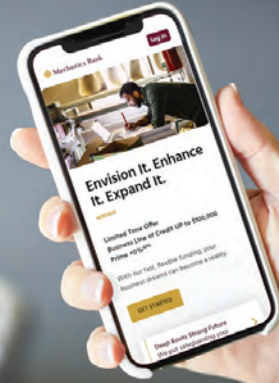
Perhaps no one exemplifies our dedicated staff better than Sherria Tavares, whose four-decade journey at Mechanics Bank began as a teller in 1983.

Over time, Sherria has pursued numerous opportunities throughout the Bank, always expanding her horizons. Today, as our Employee Benefits Services & IRA Manager on our Wealth Management team, she oversees the administration of Defined Benefit, 401(K), ESOP, and complex IRA accounts. She is a Certified IRA Services Professional (CISP) through the Institute of Certified Bankers and Chartered Certified Retirement Plan Specialist (CRPS®) through the College of Financial Planning.

"Over the years, I've learned a lot and worked with so many wonderful clients and fellow employees."

"Over the years, I've learned a lot and worked with so many wonderful clients and fellow employees," says Sherria. "Mechanics Bank has always been good to me, always supporting my educational pursuits and credentialing, and always on board for me to climb the ladder."

Cleaner, simpler, faster MechanicsBank.com is here!

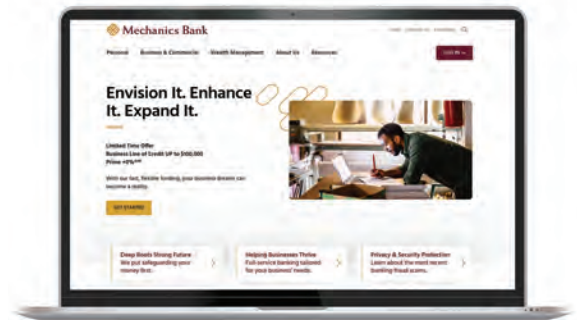


We're always looking for ways to improve your digital experience, which is why we've made sweeping enhancements and delivered a fresh new look to our website!

We're confident you'll love what we've done:

- Mobile optimization, making it easier for you to use on your mobile device
- Faster page load times — getting you to the info you need quicker
- An updated, clean new look and feel
- Enhanced navigation
- And as always, we made sure it features the latest encryption and digital security technology to keep you and your information safe

Visit us at MechanicsBank.com!



Make secure, one-touch payments with our mobile wallet!

Add your Mechanics Bank Debit and/or Credit card to any of the most popular mobile wallets to make secure, one-touch purchases using your Apple®, Android™ or Samsung® mobile device!

A mobile wallet is a virtual, digitized version of your physical wallet. It securely stores payment-card information on your mobile device of choice.

Mobile wallets use a randomly-generated number, not your real card number, each time you shop to help keep your information private. Your transaction information is never stored on your device and your card information is never shared with merchants. That reduces the risk of fraudulent activity.

Where to use your mobile wallet:

In-store

Look for the contactless symbol when you want to make an in-store purchase. Just hold your device near the card reader to pay.



Online

No need to enter your payment information. Just choose Apple Pay, Google Pay or Samsung Pay at checkout.

In-App

Make an in-app purchase with fewer taps. Choose Apple Pay, Google Pay or Samsung Pay at checkout.

Visit us online for more information: www.MechanicsBank.com

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Elder financial abuse is on the rise

Know how to spot it

One of our nation's fastest growing financial crime trends preys on elders.

Assisting in or committing the theft or embezzlement of money or any other property, elder financial abuse is a serious crime that can leave seniors (65 and over) and disabled adults (18-64) unable to provide for their financial and essential-living needs and fearful of their future.

Scammers often target victims who are:

- Vulnerable due to grief from the loss of a spouse, family member, friend, or pet.
- Unfamiliar with managing financial matters.
- Suffering from a cognitive impairment that causes a diminished ability to make financial decisions.
- Embarrassed, socially isolated or in fear of retaliation.

By phone, email or regular mail, a scammer may pretend to be someone of import, like a technology service provider who wants the victim to send a payment, or a trustworthy friend or potential lover who wants money to get out of a jam.

Useful Prevention Tips

Don't let anyone pressure you

Scammers pressure their victims to act fast and believe the story they're telling. The scam often falls apart on a quick investigation, such as calling the company that the scammer is pretending to represent, or by calling a family member. Even if the scammer puts on a good act, this verification step can undo the whole game.

If it's too good to be true, it probably is

If someone is claiming to have fallen in love after a few conversations, or have a great investment opportunity, or a guaranteed fortune available with some magical cryptocurrency, then it's probably a scam. Always make

sure to get a friend or family member to look over the messages to check for anything fishy.

Stay up to date on your credit report

There's always the risk of digital fraud happening through a data breach or computer hack. Regularly checking credit reports, bank statements and credit card statements, and monitoring accounts online on a weekly or biweekly basis can catch most other frauds before they become serious problems, and may increase the odds of getting reimbursed.

Visit us online for more information
www.MechanicsBank.com/resources



FROM THE VAULT

Mechanics Bank's first branch was located at the corner of Macdonald and 8th Avenue in Richmond, CA. To accommodate growing demand for its services, the Bank moved the branch to a larger building across the street in 1923.




Photo: circa 1907

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