

2020 ANNUAL REPORT



SERVING SONOMA COUNTY

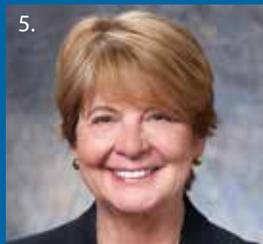
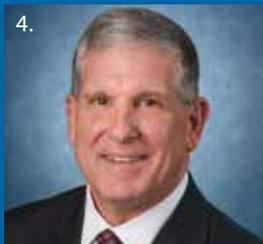
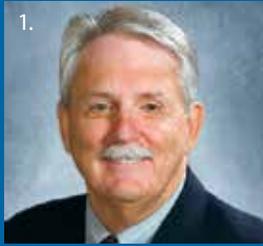
1890

130 years

2020

A Legacy to Celebrate!

LEADERSHIP



BOARD OF DIRECTORS

1. **Richard W. Abbey, ESQ.** – *Abbey, Weitzenberg, Warren & Emery*
2. **Bruce E. DeCrona**, *Retired, Banker*
3. **Steven G. Dutton**, *President and Co-owner – Dutton Ranch Corp.*
4. **Gary Hartwick**, *Retired, Banker*
5. **Deborah A. Meekins**, *Retired, Banker*
6. **James M. Ryan**, *President, Ryan Mortgage Co. – Vice Chairman of the Board, Exchange Bank - Trustee, Frank P. Doyle Trust*
7. **Troy Sanderson**, *President and Chief Executive Officer – Exchange Bank*
8. **William R. Schrader**, *Chairman of the Board – Exchange Bank*
9. **Marlene K. Soiland**, *President and CEO – Soiland Management Company, Corporate Secretary – Exchange Bank*
10. **Gregory S. Steele**, *Chief Operating Officer, Vicarious, Inc.*

EXECUTIVE TEAM

1. **Troy Sanderson**, *President and Chief Executive Officer*
2. **Shari DeMaris**, *Executive Vice President and Chief Financial Officer*
3. **Michael Sullivan**, *Executive Vice President and Chief Credit Officer*
4. **Ann Lobdell Hudson**, *Senior Vice President and Retail Banking*
5. **Lori Zaret**, *Senior Vice President and Chief HR Officer*
6. **Craig Bainbridge**, *Senior Vice President and Product Innovation & Delivery Manager*



SHAREHOLDER LETTER

In a historically low interest rate environment, and in the midst of a significant economic and societal disruption caused by the pandemic, Exchange Bank posted solid operating results in 2020 by again intensely focusing on its core mission as a community bank—supporting our customers.

The legacy of business, community and philanthropic leadership provided by Frank Doyle is the cornerstone of Exchange Bank's culture and continues to drive our vision going forward. Our legacy has been sustained and expanded upon not due to the simple passage of time, but because of the Bank's ongoing deep and substantial commitment to the economic and social success of our community, both in good times and in tough times. Founded in 1890, during our long history, the Bank has stood strong through devastating earthquakes, the Great Depression, two world wars, wildfires and even a prior pandemic. On May 1, 2020, we quietly acknowledged our 130th anniversary of serving the financial needs of our community, not with a celebration, but with a rededication to our tireless efforts to support our customers, especially in times of great need. We were reminded that Frank Doyle's legacy of leadership and compassion provides not only a moral compass for Exchange Bank, but also a yardstick by which to measure our performance going forward. Like those serving before us, we believe we met that test again in 2020.

Our hearts go out to all who have been affected by the COVID-19 pandemic. We could not be prouder of our 392 employees who rose to the challenge and continued to serve our customers and community during these very difficult times. The pandemic put unimaginable strain on all sectors of the business community, especially the financial services industry. As a designated essential business with an unwavering duty to

serve our community, we leveraged years of business continuity preparation and experience, putting our plans into action when the pandemic hit and major portions of our business community were virtually shut down. In the span of just over one week, our IT professionals configured hundreds of our non-branch personnel with the equipment and connectivity to work safely and effectively from remote locations. Our facilities team worked nights and weekends to configure our branches to provide the safest possible environments for both employees and customers in order to keep our essential banking services open.

We are most proud of the important work the Bank was able to accomplish providing financial lifelines to local businesses, charitable organizations and nonprofits through the Paycheck Protection Program (PPP). Navigating uncharted waters, the Bank built an online-based application and funding system in a matter of days that enabled us to provide quick relief to our cash-strapped business customers, especially in the lodging, restaurant and tourism industries. Leveraging the talent of our employees throughout the Bank, we were ultimately able to provide funding to 1,783 small businesses in the community with loan balances totaling approximately \$264.4 million in 2020. Even more heartening is the fact that \$22 million of those PPP loans were for local nonprofit and charitable organizations, enabling them to continue to provide critically-needed community assistance. We know Frank Doyle would have been proud.

Despite the severe economic disruptions and record low interest rates of 2020, Exchange Bank posted strong net income of \$33.7 million, a decline from the \$36.5 million net income posted in 2019. The reasons for this decline are predictable given the circumstances of the year, and primarily relate to declines in non-interest

income, net interest income and a resumption of loan loss reserve provisioning.

Non-interest income was lower by \$2.68 million, or 11%, from the prior year to \$21.54 million. This decline can be attributed to three main factors: lower account service fees due to higher than normal compensating balances across both business and consumer deposit accounts; a decline in interchange fees as a result of dramatically reduced consumer spending; and lower SBA fee income due to diminished business activities during this period.

Net interest income declined in 2020 by \$0.5 million. During 2020, as interest rates hovered around historic lows, the declines in the yields on loans and investments outpaced our ability to offset those declines with a matching lower cost of funds. Our already low cost of funds of 0.20% at the beginning of 2020 did adjust downward, but only to 0.09%. As earning assets repriced faster than liabilities, interest earned on loans and investments decreased. However, this decrease was significantly offset by fees earned on loans originated during the year. The slight decrease in net interest income coupled with the dramatic increase in earning assets predominately comprised of low-yielding PPP loans put pressure on the Bank's net interest margin, pushing it down to 3.46% at year-end, a decrease of 43 basis points from year-end 2019. With the expectation that in 2021 the treasury yields will remain low and the Bank's earning assets will likely remain elevated, the Bank believes net interest margin pressure will remain a challenge in 2021.

Even though the Bank's loan portfolio credit quality remains strong, the economic uncertainties surrounding the pandemic led the Bank to resume loan loss provisioning in 2020, creating a drag to 2020 net income. The \$1.8 million addition to our reserve was defensive in nature, and was the first provisioning that the Bank had made since 2016.

We note that on the expense side of the net income equation the Bank was able to offset some of the declines in revenue by expense control. Total operating expenses were down \$1.70 million, or 2.41%, from 2019. We also note, and discuss in greater depth further on in

this letter, that the Bank's second of two large technology conversions in the past two years created one-time operating expenses in 2020 of approximately \$2.3 million.

The significant effects of the pandemic on the Bank's balance sheet were related in part to the over one-quarter of a billion dollars in PPP loans funded, and also to unexpected savings trends. The SBA-dictated terms of the PPP loans lead us to expect that the overwhelming number of them will be repaid in the short-term. Total assets increased by 17.4% in 2020 with the Bank ending the year at \$3.14 billion. Gross loans in 2020 increased by 9.25% reaching \$1.73 billion. Year-over-year deposits were up a dramatic \$424 million, or 18%, to \$2.78 billion. The majority of this amount, approximately \$264.4 million, was related to the funding of PPP loans that returned to the Bank in the form of deposits. However, the remaining came from both business and consumer customers who had increased savings rates and who maintained liquid positions, conserving cash during the pandemic. Management and the board of directors believe the balance sheet is temporarily inflated due to these events.

In 2020, our customers' increased savings rates and corresponding higher depository balances dictated the Bank's increased liquidity position in preparation for the eventual and expected run off of these excess deposits. From the second quarter of 2020 through the end of the year, the Bank chose to hold atypically higher balances in Fed Funds and short-term investments for this reason. We believe deposit balances remain inflated for the same reasons, and we also believe that much of the increase seen in 2020 is transitory in nature. Therefore, the Bank will likely continue to maintain an elevated level of liquidity in 2021. We will closely monitor these deposits and look for trends that may indicate the return to a more normalized balance sheet as economic activity increases.

In these unusual times, the Bank took a cautious approach to loan growth in 2020. We observed the dual headwinds of a relatively shallow yield curve providing little reward for longer term interest rate risk in a market demanding it, as well

as a concern over the economic uncertainties surrounding the pandemic, especially relating to commercial real estate values of hospitality and office properties. As discussed previously, our PPP lending effort was substantial. As well, specific efforts were made to cement and further expand existing Bank relationships. While core loan growth was challenging, we are buoyed by the high credit quality of our loan portfolio. At year-end, the Bank's ratio of non-accrual loans to total loans was just 0.22%, unchanged from 2019, a year which enjoyed a significantly more positive economic environment. We believe this is the expected result of a disciplined approach to both loan origination and portfolio management, both of which will continue to serve us well going forward. We further note that the Bank's loan loss reserve (ALLL) is well-funded at 2.41%, a level in excess of our peer average.

The Bank continues on its strategic path of growing capital in a reasonable manner while working to provide dividend growth to its investors. At the end of 2020, all of the Bank's capital ratios exceeded the regulatory definitions of "well-capitalized." Even though the Bank was able to increase our year-end capital position from \$270.8 million in 2019 to \$304.9 million in 2020, an increase of 12.6%, the inflated balance sheet described previously served to decrease the Bank's tangible capital ratio from 10.39% in 2019 to 9.52% in 2020. This ratio will improve when the surge deposits we currently hold begin to leave the Bank in 2021, as we believe they likely will. In another important indicator of a strong capital position, the Bank ended 2020 with total risk-based capital of 15.92%, up from 15.79% in 2019.

In 2020, a year with so much inherent uncertainty and amplified business and consumer fear, the Bank is proud to have paid cash dividends per share of \$4.80, a 9.1% increase from those paid in 2019. We were able to do this while concurrently and meaningfully increasing our capital, both positioning ourselves for future growth and steeling ourselves against the potential for further economic disruption.

Our Trust and Investment Management group, formed in 1963, continues to be an integral part of the Bank, providing our customers

with a trusted fiduciary to assist them in their investment and estate planning needs. Following two successful acquisitions, one in 2018 and another in 2019, the group worked hard to assimilate their geographically expanded team, adopting new technology and processes to continue to efficiently and effectively serve our clientele in 2020. Their hard work proved successful as the group had another record year of gross revenue, topping last year's previous record. This increase in revenue, coupled by effective expense control, helped them to achieve net income growth of 8.7% over the prior year. The Trust and Investment Management group is well-positioned to continue to grow and meet the needs of both our business and consumer clientele going forward.

As briefly discussed previously, in September of 2020, the Bank executed on a key strategic objective with the conversion of our core operating system from an in-house FiServ platform to a hosted FIS platform. The conversion created one-time expenses of approximately \$2.3 million in 2020 and was the focus of a significant allocation of internal resources throughout the year. However, we are confident that this investment in a cutting-edge core system will allow the Bank to operate more efficiently and provide our customers with a superior banking experience. Further, transitioning from an in-house to a hosted environment provides the Bank with an extra layer of protection from both a cybersecurity and business continuity planning perspective. Taking into consideration the conversion of our digital and mobile banking platform in 2019, the Bank has now completed a full technological upgrade of our IT delivery systems. We believe our products and services compare very favorably with our competition and we stand ready to perform on our pledge to ensure that our customers can bank "how they want, when they want and where they want."

This pledge is an important part of our overall strategic plan. We have no intention of pushing our customers to an electronic-only banking experience if that is not how they want to bank. On the contrary, even though we now have

a cutting-edge digital and mobile banking platform, Exchange Bank still maintains the largest retail branch footprint in Sonoma County, allowing our customers to choose how they want to conveniently interact with us—in person or online. Our commitment to our branching network may be best demonstrated by the October 2020 opening of our new state-of-the-art branch in Sebastopol. Built from the ground up and designed locally with a focus on both sustainability as well as on Sebastopol's agricultural heritage, the open and airy yet technologically sophisticated branch was a North Bay Business Journal 2020 Top Real Estate Project Award winner.

While we maintain a commitment to a robust physical branch network, the pandemic has clearly changed the way many of our customers engage with us. As has been witnessed on a nationwide basis, transaction counts in retail branches are trending down, and the adoption rate of digital and mobile platforms is trending up. With the 2019 full upgrade of our digital and mobile banking platform, Exchange Bank is seeing this trend as well. The number of our customers who actively interact with us through all of our electronic channels continues to grow and is up 5.3% year-over-year, and up 7.5% specifically on our mobile (tablets and phones) channel. Bank-wide, the total number of authorized transactions has increased 11% year-over-year. Most interestingly, and likely as a result of changes in consumer behavior related to the pandemic, the number of mobile deposits has increased dramatically by 53.2% year-over-year with over 63% of our active users now taking advantage of this functionality. We believe that this change in consumer behavior is sticky, and we further believe that the Bank's commitment to the continual upgrading of our electronic delivery channels will serve to help us leverage this trend going forward.

In support of our electronic delivery channels, the Bank maintains an aggressive defensive posture against all cyber threats, and we take our responsibility to maintain the confidentiality, availability and integrity of our customers' data very seriously. We employ multiple layers of cutting-edge cybersecurity tools to provide this

protection and we continually scan the threat environment to ensure that our customers' data remains secure.

Throughout 2020, the Bank continued to serve our community by working tirelessly to support the banking needs of our consumer and business customers. The Bank's long history of community support and public service in terms of time, talent and treasure also continued unabated. Senior management and the members of the board of directors remained committed to volunteer leadership roles at local nonprofits and charitable organizations such as Catholic Charities, Redwood Empire Food Bank, Hanna Boys' Center, Committee on the Shelterless (COTS) and Luther Burbank Center for the Arts, to name just a very few. The Bank actively sources lending opportunities that help to support those in our community in need. We funded over \$68.9 million in community development loans in 2020, and we are especially proud to have been able to provide a \$13 million construction loan for Dutton Flats, a 41 unit, 100% affordable, multi-family housing project in Santa Rosa. Financially, the Bank also supported more than one hundred other local organizations with nearly \$700,000 in direct donations in 2020. The Bank was also honored to be able to sponsor and ultimately help secure a \$37,500 Federal Home Loan Bank grant for the Sonoma County Career Technical Education Foundation.

The pandemic further validated a fact that we have known for a very long time—that our 392 employees remain our greatest asset. As designated essential workers, they stood up and stood tall to continue to serve our customers and community during this difficult time. Nearly half of our teammates switched to a remote work posture in early 2020, and the challenges endured during this period exposed the strengths and weaknesses of this new work environment. We believe that when we are ultimately able to return to a more normal footing, we will incorporate a hybrid work model that will leverage the hard lessons we have learned to create greater workplace efficiencies, help our employees achieve a better work-life balance and lessen our environmental footprint. We continue to remain committed to providing

career and leadership growth opportunities for our teammates with a strong preference to “grow our own.” To that end, the majority of our open positions in 2020 were filled by current employees.

While we ultimately judge our success as a community bank on both our financial performance and the direct feedback we receive from our customers, we admit that the recognition of our efforts by way of local awards and community surveys is always greatly appreciated and a tremendous affirmation of our work. 2020 was again an impressive and humbling year for Exchange Bank. In the Santa Rosa Press Democrat 2020 annual readers’ survey, Exchange Bank was awarded *Best Bank* in Sonoma County for the 9th consecutive year. The North Bay Business Journal conferred not only a *Best Place to Work* award to the Bank, but also a *Healthiest Place to Work* award as well. And the NorthBay biz Magazine readers’ poll declared Exchange Bank to be both the area’s *Best Consumer Bank* and *Best Business Bank* in 2020. These important acknowledgements serve only to motivate us to work even harder to live up to the high standards they represent.

We clearly recognize that Exchange Bank is, at its core, a human enterprise, built upon the vision and toil of prior leadership. As such, at the end of 2020, we celebrated the well-deserved retirements of three key Bank leaders. Gary Hartwick joined Exchange Bank in 2009 and helped to guide the Bank through some of its most challenging times during the Great Recession. Assuming the role of president and CEO in 2014, Gary’s strategic vision, especially around credit and technology, has well-positioned the Bank to continue to be successful going forward. Greg Jahn joined Exchange Bank in 2002. As the Bank’s chief financial officer for the past 12 years, Greg’s skillful management of the balance sheet and his keen understanding of the capital markets allowed the Bank to deftly balance risk and reward to enhance shareholder value. Finally, Dan Libarle joined the Exchange Bank Board of Directors in 2007. As a very successful local businessman and the former chairman of a community bank, Dan brought not only a high financial acumen to the board, but also his deep and substantial ties to

the Sonoma County community as the president of Lace House Linen, his family’s Petaluma business started in 1915. We are grateful for the significant contributions that these three individuals have made to the Bank in the past many years. Their legacy of leadership and vision will guide us as we continue the good work that they started.

While certainly every year brings forth a unique set of circumstances—some expected and others less so—perhaps nothing quite comes close to matching the challenges of 2020. We have all been personally affected by the ravages of this pandemic and it has changed the way that we live and work. We trust that most of these changes will prove to be temporary, but especially as it relates to the workplace, some may become more permanent. Successful companies like Exchange Bank will adjust, both as necessary and appropriate.

Throughout this very difficult time, the Bank has remained a cornerstone financial resource for our community by maintaining a strong balance sheet with a focus on high asset quality and more than adequate capital and liquidity. Our commitment is to our community, as it has been for our 130-year history. And just as we did throughout the challenges of 2020, we stand strong and ready to continue to serve it in 2021.

Sincerely,



William R. Schrader
Chairman of the Board



Troy J. Sanderson
President and Chief Executive Officer



Invested in our community

Since 1890, our co-founders Manville and Frank P. Doyle's vision for Exchange Bank has not changed. **GIVING BACK TO OUR COMMUNITIES HAS BEEN A PART OF OUR RICH LEGACY** and remains a defining part of who we are today.

2020 PHILANTHROPY



174

NON-PROFIT AND CHARITABLE ORGANIZATIONS HELPED



\$697,000

IN DONATIONS



1,022

TEAM MEMBER VOLUNTEER HOURS



48

TEAM MEMBERS SERVED ON A BOARD OR IN A COMMITTEE LEADERSHIP ROLE

2020 CARES ACT



SBA Paycheck Protection Program

COMMUNITY IMPACT

1,783

SMALL BUSINESS LOANS FUNDED

87

TEAM MEMBERS PROCESSED LOANS

Total loan amount = \$264.4 million
(\$264,400,000.00) helped small businesses stay open

#1

SBA LENDER
IN SONOMA COUNTY

Here for you when relationships matter most.

2020 AWARDS & ACCOLADES

BEST BANK – 9TH CONSECUTIVE YEAR

Press Democrat Readers' Choice

BEST LOCAL BANK

Petaluma People's Choice Awards

BEST LOCAL BANK

Sonoma People's Choice Awards

BEST CONSUMER BANK

NorthBay biz Magazine Readers' Poll

North Bay Bohemian's Best of 2020 Readers' Poll

BEST BUSINESS BANK

NorthBay biz Magazine Readers' Poll

North Bay Bohemian's Best of 2020 Readers' Poll

#1 SBA LENDER IN SONOMA COUNTY – 2ND CONSECUTIVE YEAR

Small Business Administration

BEST PLACES TO WORK – 15TH CONSECUTIVE YEAR

North Bay Business Journal Readers' Poll

2020 NORTH BAY COMMUNITY PHILANTHROPY AWARD

North Bay Business Journal

HEALTHIEST COMPANIES IN THE NORTH BAY AWARD

North Bay Business Journal Readers' Poll

CONSOLIDATED BALANCE SHEETS

EXCHANGE BANK AND SUBSIDIARIES

– Unaudited –

December 31, 2020 and 2019

(In thousands, except share and par value amounts)

	2020	2019
ASSETS		
Cash and due from banks	\$ 336,170	\$ 204,716
Short-term investments	241	239
Total cash and cash equivalents	336,411	204,955
Interest-bearing deposits in other financial institutions	38,000	60,000
Available-for-sale investment securities	919,705	718,055
Loans and leases	1,727,689	1,581,269
Less allowance for loan and lease losses	(41,668)	(39,907)
Net loans and leases	1,686,021	1,541,362
Federal Home Loan Bank stock	13,483	13,483
Bank premises and equipment, net	20,498	18,335
Bank owned life insurance	52,932	51,666
Other real estate owned	40	40
Accrued interest receivable and other assets	72,007	65,222
Total assets	\$ 3,139,097	\$ 2,673,118
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	\$ 1,118,093	\$ 867,878
Interest bearing	1,660,480	1,487,126
Total deposits	2,778,573	2,355,004
Federal Home Loan Bank Advance	5,000	—
Accrued interest payable and other liabilities	50,606	47,299
Total liabilities	2,834,179	2,402,303
Stockholders' equity:		
Preferred stock, 1,000,000 shares authorized:		
None issued or outstanding	—	—
Common stock, \$2.50 par value; 3,000,000 shares authorized; 1,714,344 shares issued and outstanding	4,286	4,286
Additional paid-in capital	46,026	46,026
Retained earnings	248,113	222,645
Accumulated other comprehensive income (loss), net of taxes	6,493	(2,142)
Total stockholders' equity	304,918	270,815
Total liabilities and stockholders' equity	\$ 3,139,097	\$ 2,673,118

CONSOLIDATED STATEMENTS OF INCOME**EXCHANGE BANK AND SUBSIDIARIES**

– Unaudited –

For the Years Ended December 31, 2020 and 2019

(In thousands, except per share amounts)

	2020	2019
Interest income:		
Interest and fees on loans and leases	\$ 82,339	\$ 78,845
Interest on investment securities:		
Taxable	15,560	21,015
Exempt from Federal income taxes	1,777	1,729
Total interest income	99,676	101,589
Interest expense:		
Interest on deposits	3,297	4,679
Total interest expense	3,297	4,679
Net interest income before provision for loan and lease losses	96,379	96,910
Provision for loan and lease losses	1,800	—
Net interest income after provision for loan and lease losses	94,579	96,910
Non-interest income:		
Service charges and fees	3,594	5,076
Trust income	8,951	8,633
Merchant discount and interchange fees	4,116	4,642
Income from bank owned life insurance	1,764	1,740
Loss on sale of assets	—	(86)
Other income	3,110	4,226
Total non-interest income	21,535	24,231
Non-interest expense:		
Salaries and employee benefits	38,922	39,061
Occupancy and equipment	7,838	7,664
Professional fees	7,081	8,177
FDIC assessments	275	450
Other expenses	14,525	14,986
Total non-interest expense	68,641	70,338
Income before provision for income taxes	47,473	50,803
Provision for income taxes	13,774	14,302
Net income	\$ 33,699	\$ 36,501
Basic and diluted earnings per common share	\$ 19.66	\$ 21.29

EXCHANGE BANK OFFICERS

EXECUTIVE OFFICERS

Troy Sanderson
President and Chief Executive Officer

Shari DeMaris
EVP and Chief Financial Officer

Michael Sullivan
EVP and Chief Credit Officer

Ann Lobdell Hudson
SVP Retail Banking

ACCOUNTING

Shauna R. Lorenzen
VP and Controller

Stacy McKee
AVP and Assistant Controller

APPLICATION SUPPORT

Linda G. Wilson
VP and Application Support Manager

BRANCH BANKING

Rick Mossi
SVP and Retail Delivery Group Manager

Dave McLennon
VP and Regional Sales Manager

Dorothy Rodella
VP and Regional Sales Manager

Beth Ryan
VP and Customer Experience Manager

Cassandra Zorn
VP and Retail Operations Officer

Kenn Cunningham
AVP and Sales Officer

Barb Myers
AVP and Relationship Banking Wholesaler

BUSINESS BANKING

Paul Garayalde
VP and Business Banking Credit Manager

Joseph Carbonaro
VP and Business Banking Supervisor

William Deedy
AVP and Business Banking Officer

Lachele Plaskett
AVP and Business Banking Officer

CENTRAL SERVICES

Aaron Greenhalgh
VP and Bank Operations Manager

Byron Webb
VP and Electronic Banking Manager

Diane Bogges
AVP and Bank Operations Business Analyst

Heather Brewer
AVP and Electronic Banking Assistant Manager

COMMERCIAL BANKING

Steve Herron
SVP and Commercial Banking Manager

Ramsay Brown
VP and Commercial Relationship Manager

Carolyn Derr
VP and Commercial Underwriter

Jason Hinde
VP and Commercial Loan Officer

CONSTRUCTION AND MORTGAGE LENDING

Terrance Flynn
SVP and Commercial Real Estate Banking Manager

Scott Affens
VP and Commercial Relationship Manager

Gregory Hancock
VP and Commercial Relationship Manager

Jeff Owen
VP and Real Estate Loan Officer

CONSUMER LOANS

Lori DeCosta
VP and Retail Lending Manager

CREDIT ADMINISTRATION

Justin Hubbs
SVP and Senior Credit Officer

Mary Leonard-Wilson
SVP and Senior Credit Officer

Paul Yeomans
SVP and Wholesale Banking Sales Manager

Glenna D. Davidson
VP and Commercial Credit Risk Officer

CUSTOMER CARE CENTER

Stacy Small
AVP and Customer Care Manager

EXCHANGE BANK LEASING

Janae Simmons
AVP and Broker Relations Officer

FACILITIES AND PURCHASING

Sue Maddigan
VP and Facilities and Purchasing Manager

HUMAN RESOURCES

Lori Zaret
SVP and Chief Human Resources Officer

LEARNING AND DEVELOPMENT

Dawn Warner
VP and Learning and Development Director

Kelly Dibblee
AVP and Learning Business Partner

Erin Williams
AVP and Senior Learning Business Partner

LOAN SERVICE CENTER

Elvia Coronado
VP and Loan Service Center Manager

Suzanne Geske
AVP and Loan Service Center Assistant

Donna Smith
AVP and Real Estate Closing and Disbursement Specialist

MARKETING

Craig Bainbridge
SVP and Product Innovation and Delivery Manager

Tony De Mattei
VP and Digital Channels Product Manager

Angelina Hovan
VP and Project Manager

Carol Washburn
VP and Product Manager

Sally Traugher
AVP and Marketing Services Manager

RESIDENTIAL MORTGAGE

Kevin Smart
SVP and Residential Mortgage Manager

Colleen Oller
VP and Retail Lending Underwriting Manager

Lori Mauchley
AVP and Residential Mortgage Operations Manager

RISK MANAGEMENT

Jamie Hidalgo
VP and Risk Management Officer

Kerri Howard
VP and BSA Officer

Robert Lee
VP and Information Security Officer

Cyndi Perez
VP and Deposit Compliance and Operational Risk Manager

Olufemi Ojikutu
AVP and Audit Manager

Danna Prater
AVP and CRA Officer

ROSEVILLE COMMERCIAL BANKING

Jerry Gamboa
SVP and Commercial Banking Regional Manager

Geofry Fong
VP and Commercial Loan Officer

Paul Stiplosek
VP and Commercial Loan Officer

Cory Kellogg
AVP and Senior Credit Analyst

SALES AND BUSINESS DEVELOPMENT

Joseph Huang
VP and Regional Business Development Officer

Summer Jeffus
VP and Regional Business Development Officer

SMALL BUSINESS ADMINISTRATION

Chad Barbieri
VP and SBA Business Development Officer

Richard Carlson
VP and SBA Business Development Officer

Maryanne Harris
VP and SBA Business Development Officer

Dean Pena
VP and SBA Business Development Officer

Antonio G. Uribe
VP and SBA Underwriting Supervisor

Daniel Farris
AVP and SBA Officer

June Ingalls
AVP and SBA Operations Manager

Terrie King
AVP and SBA Officer

SPECIAL ASSETS

Lori Crechriou
VP and Special Assets Manager

TECHNICAL SERVICES

Brian Rober
SVP and Chief Information Officer

Brian Davidson
VP and Core System Support Manager

Daniel Seletzky
VP and IT Manager

Jane Daniel
AVP and Project Portfolio Manager

TRUST AND INVESTMENT MANAGEMENT

John Mackey
SVP and Managing Director of Investment and Fiduciary Services

Diana Angell
VP and Personal Trust Officer

Cathleen Colgan
VP and Personal Trust Officer

Alysia Corell
VP and Personal Trust Officer

Matthew Kelman
VP and Institutional Trust Fiduciary Manager

Emily Menjou
VP and Personal Trust Fiduciary Manager

David Rapoport
VP and Investment Officer

William Sullivan
VP and Investment Officer

Cathy Larson
AVP and Personal Trust Officer

Andriy Lesyshyn
AVP and Personal Trust Officer

Renee Pilkenton
AVP and Trust Operations and Compliance Manager

Chris Stafford
AVP and Personal Trust Officer

Tiffany Terrell
AVP and Personal Trust Officer

Joseph Williams
AVP and Investment Officer

BRANCH MANAGERS

Santa Rosa Main Office
John Matli
VP and Branch Manager

Bennett Valley
Stephen Schofield
VP and Branch Manager

Cloverdale
Ramiro Rodriguez
Branch Manager

Coddington
Britt Cooper
VP and Branch Manager

College
Carrie Winn
Branch Manager

Cotati
Dana O'Halloran
VP and Branch Manager

Dutton
Carmen Garcia
VP and Branch Manager

Healdsburg
Patti Mannatt
VP and Branch Manager

Larkfield
Laura Buhner
VP and Branch Manager

Petaluma East
Edie Cheda
VP and Branch Manager

Petaluma Main
Rick Gorman
VP and Branch Manager

Reinking
Terry Fassold
VP and Branch Manager

Rohnert Park
Daniel Reilly
VP and Branch Manager

Sebastopol
Kelly Back
VP and Branch Manager

Sonoma
Becky Ettinger
VP and Branch Manager

St. Francis
Jessica Hidalgo
VP and Branch Manager

Stony Point
Veronica Rincon
VP and Branch Manager

Windsor
Jim Curry
VP and Branch Manager

IN RECOGNITION

The Board of Directors wishes to acknowledge the outstanding service provided by three retired leaders of our Bank: Greg Jahn, executive vice president and CFO; Gary Hartwick, president and CEO and Dan Libarle, board member.

These exceptional teammates profiled integrity, compassion and respect for our community and an uncompromised commitment to our Bank. Their steady leadership was highly influential in our success, especially their focus during the challenging days of the Great Recession, the wildfires and, most recently, today's pandemic. It has been an honor and a pleasure for us to have had them as trusted teammates.

We wish them all the very best as they now pivot into a well-deserved new chapter of their lives. Greg, Gary and Dan, all the best to each of you!



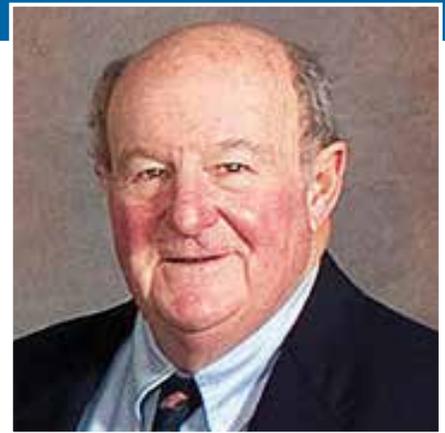
GREG JAHN

EVP, Chief Financial Officer
2002 - 2021



GARY HARTWICK

President and CEO
2009 - 2021



DANIEL G. LIBARLE

Board Member
2007- 2020

THANK YOU

MISSION STATEMENT

From generation to generation, we invest in people, business and community to build a strong future.

VISION STATEMENT

We want to be your bank, making a difference in the communities we serve, to create a better future for generations to come.

CORE VALUES

COMMITMENT

Exchange Bank's legacy is one of financial leadership and community support, which we will continue through responsiveness to the needs of our customers and communities. As a public company, we strive for an attractive long-term return for our shareholders, act as a responsible community citizen and demonstrate leadership in local business and community circles. We support our communities with our money, time and talent.

RESPECT

We value the diversity of our customers, employees and communities. We believe that everyone is entitled to be treated with fairness and respect. Our employees are empowered to think independently, act resourcefully and are charged with the responsibility of representing our values within the organization and in the community.

INTEGRITY

Our business is grounded in trust. We are committed to acting with the highest standards of personal, professional and organizational integrity and character.

TEAMWORK

Together, we are stronger and wiser than any of us individually. We foster a spirit of enthusiasm, professionalism, engagement and fun while working together in pursuit of common goals. We are known as people who care about our customers, our company, our communities and one another.



Equal Opportunity Employer



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