



BANK NOTES

QUARTERLY NEWS FROM MECHANICS BANK | Volume 1 Issue 3 Fall 2024

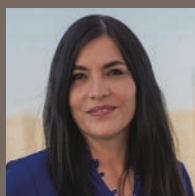


IN FOCUS

Investing in solutions for you and your home loan



Lorena Miranda is making a difference



Elvira Gonzalez celebrates 25 years with Mechanics Bank



Safeguard your debit card this holiday season

MESSAGE FROM THE CEO

We're constantly evolving with you in mind



As we grow with our clients, Mechanics Bank is mindful that the world around us is never idle. It's always changing. That's why, as your bank, staying nimble and expanding our resources whenever and wherever they're needed is key to ensuring we consistently deliver the high level of service you expect from us.

For example, in our Mortgage division, we have made significant investments in our people. With rates and borrowing costs declining in the past year, we have substantially grown our team of home-loan professionals across California, making certain that, as loan applications increase, every client need is addressed decisively and promptly.

Your home is among the largest and most important financial assets you own. Our accomplished Lending Advisors will help you find the right financing solution and strategically position your residential real estate investments to make the most of wealth-building opportunities.

We have also advanced our home-loan technology. Clients who prefer the convenience of handling the loan-application process remotely will enjoy an enhanced digital mortgage experience. With improved automation and direct-connection underwriting capabilities, loan recommendations and estimates are turned around even faster than before.

In this edition of *Bank Notes*, we're proud to highlight everything our Mortgage team has to offer. Under the leadership of Daniel Watt, Executive Vice President and Director of Mortgage and Consumer Lending, these and other developments exemplify our commitment to providing a personalized, top-notch client experience in every community we serve.

I am often reminded about past banking innovations that have delivered speed and convenience for our clients. One example drives this point both literally and figuratively. Back in 1948, Mechanics Bank President E.M. Downer Jr., whose father founded our bank 43 years earlier, oversaw the rollout of the first drive-through banking service anywhere in Northern California. It was the talk of the town then — and still popular now!

As always, providing outstanding client service and convenient access to the banking and lending products you depend on is paramount. Delivering on this promise is at the heart of our mission we have pursued for more than a century.

CJ Johnson
Interim President & CEO

OUTSTANDING FINANCIALS¹ – SAFE AND SOUND SINCE 1905

\$16.6 BILLION
in assets

\$14.1 BILLION
in deposits

\$9.9 BILLION
in loans

70% loan to
deposit ratio

15.3% Common Equity
Tier 1 Capital Ratio

1) FDIC, Consolidated Reports of Conditions and Income, FFIEC, 09/30/24

Shanna Hansen among 'Most Influential Women in Business'

Shanna Hansen, Director of Retail Banking, has been named one the "Most Influential Women in Business" in 2024 by the *San Francisco Business Times*, a leading business publication in the region.

"Shanna embodies our service-driven culture," says Tony Kallingal, the Bank's Chief Banking Officer. "Always leading by example, she inspires everyone around her. She is a remarkable leader whose compassion and relentless pursuit of excellence support the best interests of our employees, clients and California communities."

She oversees the Retail division's business direction and operations, and our 112-branch, statewide network.

Congratulations, Shanna!

"Always leading by example, she inspires everyone around her."

Genuine.
Inspiring.
Home-grown.
Shanna.

Shanna Hansen
Senior Vice President
Director of Retail Banking
Mechanics Bank

Among this year's Most Influential Women, Shanna Hansen is a selfless leader whose passion and good deeds improve people's lives every day. We're grateful for everything the Bay Area native does for our dedicated employees, loyal customers and remarkable communities. Congratulations, Shanna, and to all the talented leaders in this distinguished group.

Mechanics Bank

119 Years of Stability, Safety and Soundness
Visit us at MechanicsBank.com, call us at 800.797.6324, or stop by one of our branches.

FDIC



Lorena (left) with a fellow volunteer.

Bingo! Lorena Miranda is making a difference

Castroville Branch Manager Lorena Miranda is one of her community's most sought-after volunteers, thanks to her banking and cash-handling skills.

All because of Bingo. That's right, credit the communal and immensely popular game of chance that many nonprofit service organizations deploy for fundraising. Weekly bingo sessions run by local charities routinely raise thousands of dollars, heightening the importance of reconciling funds that are collected, paid out to winners and deposited. After each session, she provides a detailed report to the hosting charity.

"They appreciate my support because I'm a banker who can make sense of their spreadsheets and keep things in financial order," says Lorena. "I really enjoy the work and the people and, most importantly, I love doing something good for charity."

Last year, she put in nearly 300 community service hours at 56 events hosted by local nonprofits. That's remarkable.

Thank you, Lorena! We are grateful for all you do in your community.



Investing in solutions for you and your home loan

Mortgage rates have declined year over year, easing borrowing costs and providing a favorable opportunity to buy, refinance, renovate or get cash from your home — among the most valuable financial assets you own. Mechanics Bank's industry experts can help you assess your options and tailor a solution that's right for you.

Now with seasoned Lending Advisors throughout California, we've made it even easier for you to explore our robust financing capabilities, expanded product offerings and competitive pricing.



Offerings in line with your financial goals

Fixed-rate mortgages. A fixed-rate mortgage has a fixed rate for the life of your loan, ensuring predictable monthly principal and interest payments.

Intermediate adjustable-rate mortgages. Intermediate adjustable-rate mortgages (ARM) are fixed for an initial period (5, 7, 10 years), then convert to a 1-year variable rate. This loan option can lower interest rates in the early years of your loan, but interest rates and payments may increase.

Refinance loans. Refinancing your mortgage can offer several advantages, depending on your individual situation and goals.

Home equity line of credit. A Home Equity Line of Credit (HELOC) allows you to use the equity in your home to achieve your goals with flexible financing options.

Jumbo loans. Jumbo home loans offer a larger loan amount for high-priced housing markets.

Investment properties. Evaluate custom solutions for your personal or investment needs on single family residential properties (1-4 units).

HomeReady mortgages¹. For home buyers who have limited cash for a down payment. Expanded eligibility for financing homes in low-income communities.



“Each client has a unique story and specific objectives that deserve a thorough analysis and personalized recommendations from our team of professionals.”



Daniel Watt, Executive Vice President and Director of Mortgage and Consumer Lending

“No two home loans are identical or serve the same purpose,” says Daniel Watt, Executive Vice President and Director of Mortgage and Consumer Lending for Mechanics Bank. “Each client has a unique story and specific objectives that deserve a thorough analysis and personalized recommendations from our team of professionals. It’s among the many reasons we continue to invest substantially

in our people and other resources that fortify our culture of responsibly delivering lending solutions that promote sustainable and valued-added homeownership.”

Connect with a Lending Advisor

Count on our team of experienced home-loan professionals to provide the clear communication, strategic guidance and support you need throughout the home-loan process.

Apply online – It’s fast and easy

Our hassle-free, highly automated online application quickly gathers all the information we need to qualify you, make a loan recommendation and deliver an estimate. To get started, visit our Home Loans page at [MechanicsBank.com](https://www.mechanicsbank.com).



Disclosures: All loans subject to credit approval. Other terms and conditions may apply. Mortgage loan rates and the resulting mortgage loan payment are based upon a variety of assumptions and conditions. Your loan’s interest rate and payment will depend upon the specific characteristics of your loan transaction and market conditions. Mechanics Bank NMLS #442116. Equal Housing Lender.

1. HomeReady is a registered trademark of Fannie Mae.

IN THE COMMUNITY



Directing financial resources where needed

Throughout California, Mechanics Bank proudly supports scores of organizations that help lift our neighbors and enrich the quality of our communities where we live and work. We recently donated \$50,000 to the **Community Foundation of the North State**, which responds to urgent needs such as wild-fire relief through foundation-directed grants. Presenting the donation (from right) were **Nick Mellon**, Director of Commercial Banking, **Tony Kallingal**, Chief Banking Officer, and **CJ Johnson**, Interim President and CEO.



Embracing career development

“There is strength in our diverse stories,” **Shanna Hansen**, Director of Retail Banking, fondly says. Recently, Shanna and 11 Bank colleagues hosted over a dozen students enrolled in **BankWork\$®**, which helps young adults from under-resourced communities pursue meaningful careers in banking. As part of the students’ free, eight-week program involving career training, placement assistance and coaching, our team provided a tour of our Oakland Branch, shared personal success stories and led inspirational discussions about career opportunities.



Supporting mental health recovery

Assisting individuals and family members on the recovery journey, **Transitions Mental Health Association** is dedicated to eliminating stigma and promoting recovery and wellness for people with mental illness in the Central Coast region. This additional funding will help support over 40 programs operated by TMHA on California’s Central Coast. From left, **Lisa Adams**, Branch Manager, **San Luis Obispo Broad Street Branch**, and **Jill Bolster-White**, Executive Director of Transitions Mental Health.

EMPLOYEE SPOTLIGHT



Elvira Gonzalez celebrates 25 years with Mechanics Bank

Community is paramount in the historic Imperial Valley where Elvira was raised. She wouldn’t have it any other way, which explains her 25-year tenure with Mechanics Bank.

“I love it when customers at the grocery store introduce me as ‘my banker’ to their family,” she says. “The relationships I have built are why I’ve never left the profession. Being in banking means you’re involved in everything where you live.”

Elvira started her career with us at our El Centro Branch, where she served our customers in various roles over 16 years. For the past nine years, the Banking Services Manager has worked a few miles east at our Holtville Branch, where you will find her faithfully taking care of the needs of customers whose roots with the Bank span three generations.

“I treasure our customers and am honored to serve them. They’re my lifetime friends and neighbors. That never changes.”

Safeguard your debit card with Card Controls and Alerts

With the holiday shopping season fast approaching, now's the time to safeguard your card. Used through online banking and our mobile banking app, Card Controls lets you safeguard your Mechanics Bank debit card against unauthorized transactions and purchases. Our convenient feature lets you set transaction limits, establish merchant or transaction restrictions, and even turn your card on or off.



Prevent Fraud

Easily turn off your debit card to prevent new withdrawals and purchases and protect your card against fraud. Simply turn your card back on to resume normal authorized transactions.

Control Spending

- Set dollar amount limits to decline transactions over a specific dollar amount.
- Enable or restrict debit card activity by the type of transaction. For example, you can allow in-store or digital wallet purchases while restricting online or phone transactions. You can even manage transactions made at the ATM.
- Manage card transactions based on the merchant type. Merchant categories include department stores, entertainment, gas stations, groceries, household, personal care, restaurants, and travel.
- Restrict debit card activity geographically by choosing to block or allow foreign or domestic originated transactions.

Receive Alerts¹

- Establish alerts for your debit card transactions (all, preferred or blocked transactions).
- Reduce the risk of fraud by staying informed about attempted and declined transactions.
- Select your preference to receive alerts by text, email, or both.

1. The actual time between a card transaction that triggers a transaction alert and the time you receive the alert is dependent on your wireless carrier's service and coverage within the area in which you are physically located at that time.

Get Started

Card Controls and Alerts are available with your Mechanics Bank debit card.


Visit [MechanicsBank.com/CardControls](https://www.MechanicsBank.com/CardControls)

FROM THE VAULT

This dime-saving piggy bank was a big hit in the 1960s. But good savings habits never grow old. Then and now, a dime saved is a dime earned.



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