



# BANK NOTES

QUARTERLY NEWS FROM MECHANICS BANK | Volume 1 Issue 2 Summer 2024



IN FOCUS

## History and community pride define philanthropy at Mechanics Bank



New Redding Branch dazzles



Marlene Weeks: Putting customers first for 40 years



Check fraud is still prevalent

## MESSAGE FROM THE CEO

# Rolling up our sleeves for our communities



**C**ivic engagement and financial aid for those who need it are commitments Mechanics Bank has taken seriously since 1905, when hard-working Californians first put their trust in us. Our clients believed in Mechanics Bank and together we helped each other grow and thrive. As such, we possess a keen sense of corporate responsibility that drives our philanthropic culture to this day.

The contributions we make in our communities come in many forms and all are intended to make lasting impressions for the better, as this edition of *Bank Notes* illuminates.

Year after year, we roll up our sleeves and put in thousands of hours of our time and millions more in financial resources to support charitable organizations around the state.

As a local bank, giving back defines who we are.

Edward Downer III, the grandson of Mechanics Bank founder E.M. Downer, once said, "People don't realize, but being in the banking business puts you in a position to help people." He was referring to the actions of his father, who, as President of the Bank during World War II, safeguarded the mortgage and business assets of Japanese residents — his neighbors and fellow business owners — who were sent to internment camps. Upon their return, Mr. Downer safely returned their assets to them.

The example set by Mr. Downer still guides our charitable endeavors today. Then and now, going the extra mile for those in need reaps dividends for everyone.

CJ Johnson

*Interim President & CEO*

---

**We have a keen sense of corporate responsibility that drives our philanthropic culture to this day.**

---

Recognized as one of the Top 100 Bay Area Corporate Philanthropists by the *San Francisco Business Times*.

— July 2024

## OUTSTANDING FINANCIALS<sup>1</sup> – SAFE AND SOUND SINCE 1905

**\$17.3** BILLION  
in assets

**\$14.1** BILLION  
in deposits

**\$10.2** BILLION  
in loans

**72%** loan to deposit ratio

1) FDIC, Consolidated Reports of Conditions and Income, FFIEC, 06/30/24

# Giving back in many forms

Nothing has deterred Mechanics Bank's philanthropic dedication for 119 years. Through it all, including the World Wars, economic crises, and two pandemics a century apart, our people have delivered mightily in the way of essential financial support and exemplary levels of volunteerism. Our commitment to our communities has never been stronger.

- Over \$2 million in donations to 578 nonprofit organizations (year ended 12/31/23)
- 4,200 employee volunteer hours (year ended 6/30/24)
- Over \$250 million in small-business and community-development loans in support of economic development, affordable housing, community services and neighborhood revitalization. (year ended 12/31/23)
- Over \$80 million in alternative, complex community investments — including equity-equivalent investments, low-income housing tax credits and new-market tax credits — committed to communities and households earning less than 80% of area median income. (year ended 12/31/23)
- A \$3 million social impact bond with a 0% coupon purchased wholly by Mechanics Bank, administered in collaboration with the City of Richmond and Richmond Community Foundation, restores abandoned properties for first-time homebuyers.
- The Bank's support of 13 Community Development Financial Institutions in 2023 amplifies our efforts to ensure that economically disadvantaged communities have consistent access to investment capital and financial services.



*Working together with nonprofit organizations, opportunities for economic growth and prosperity in our communities are limitless. The Fresno Area Hispanic Foundation provides minority-owned businesses with assistance in gaining capital, business development workshops and other valuable resources.*

- Over \$4 million in HomeReady® loans and Workforce Initiative Subsidy for Homeownership grants, helping the American Dream come true for credit-worthy, low- to moderate-income individuals and families. (four years ended 12/31/2023)
- Low-cost bank accounts with no monthly service charge for unbanked and underbanked households in partnership with Bank On, ensuring that everyone has access to safe and affordable financial products and services.
- Annual, in-person and virtual financial-literacy training by Bank employees statewide, enlightening students on the importance of saving and forming good financial habits for a lifetime.

---

**Our people have delivered mightily in the way of essential financial support and exemplary levels of volunteerism.**

---

# History and community pride define philanthropy

Reaching out, digging in and giving back. It's a mindset Mechanics Bank has embraced ever since opening our doors in California over a century ago. We take immense pride in volunteering and providing a wide range of financial resources that help make our communities healthy, vibrant and strong.

It starts with our employees who give their time and expertise where they live and work in the Golden State. Every year, they donate thousands of hours and their professional skills to hundreds of nonprofit organizations committed to many causes — financial literacy, job training and placement, youth and senior programs to name a few.

---

**We take immense pride in volunteering and providing a wide range of financial resources that help make our communities healthy, vibrant and strong.**

---

As we grow with our communities, we're constantly exploring more ways to make volunteerism a central part of what we do. In fact, we pay our employees for volunteer activities performed during scheduled work hours, up to 16 hours annually.

Mechanics Bank augments our employees' efforts with a variety of innovative corporate giving and financing initiatives that support a range of community-based organizations — including those devoted to assisting low- to moderate-income individuals and families, and small businesses.

Case in point: In partnership with the City of Richmond and the Richmond Community Foundation, the Bank is part of a groundbreaking program that eliminates housing blight by reclaiming abandoned properties and creating clean, safe, advanced-energy homes for first-time homebuyers.



*With operations in La Quinta, Indio, Mecca and Coachella, the Boys and Girls Clubs of the Coachella Valley strives to enhance the lives of young people by focusing on safety, academic support and character development. (Left to right) CJ Johnson, Interim CEO; Quinton Egson, President and CEO, Boys and Girls Club of Coachella Valley; Shanna Hansen, Director of Retail Banking; and Tony Kallingal, Chief Banking Officer.*

It is funded through a \$3-million social impact bond, which blends private investments and charity to effect social change. Purchased wholly by Mechanics Bank, the 0% coupon bond has resulted in millions in local spending and significant economic benefits to the City of Richmond and its citizens. Due to its success, the Bank has extended the bond's term through 2025.

---

**As we grow with our communities, we're constantly exploring more ways to make volunteerism a central part of what we do.**

---

# at Mechanics Bank



Volunteering as classroom facilitators on Junior Achievement Day at a Castroville elementary school this spring, our employees spoke to the next generation about career readiness and economic empowerment. (Left to right) Sofia Tu'ufuli, Seaside Branch; Juana Vasquez-Ruiz, Monterey Branch; Stephanie Reyes, Seaside Branch; and Christina Garcia and Andrea Boutelle from our Salinas Main Branch.

Earlier this year, Mechanics Bank Senior Financial Intelligence Unit Fraud Investigator Chris Martin put in 139 community service hours, most of which were dedicated to year-end financial reporting, general bookkeeping, auditing, and helping plan fundraisers for three Roseville-based nonprofits including VFW Post 1487 and Placer Veterans Stand Down. Thank you, Chris!



Teaching dollars and sense: Around the state, our employees visit local schools to impart the importance of good personal finance habits and general banking knowledge. The thank you notes are priceless.

## BRANCH UPDATE

# New Redding Branch dazzles

Constantly improving on our total-banking commitment to you, enhancements across our network of 112 branches are always in motion. This month, our Redding Branch moved into a brand-new facility at 4621 Churn Creek Road.

Staffed by the same friendly team of banking professionals, our spacious and beautifully designed facility features all the modern amenities and is complemented by convenient parking, a full-service ATM and a night depository.

We make it easy for you!



## EMPLOYEE SPOTLIGHT



# Marlene Weeks: Putting customers first for 40 years

You have probably never met Marlene Weeks, but rest assured, she's in your corner. The Mechanics Bank Operations Manager has been a resourceful, behind-the-scenes asset for our customers for 40 years.

Marlene began her career as an audit-appraisal secretary before taking on numerous responsibilities for the executive management team. Expanding on her overall banking and administration skills, she eventually moved to Operations, where she has taken on a variety of leadership roles dedicated to enforcing policies and procedures that support smooth, multi-department workflows and foster customer satisfaction.

**“Long ago it was instilled in me to embrace changes that make us even better and always put our customers first.”**

The banking industry has evolved over the years, but Marlene is not deterred. “Long ago it was instilled in me to embrace changes that make us even better and always put our customers first. I take great pride in that. It’s a part of our culture and our purpose for being in business.”

# Check fraud is still prevalent

## *Here's what to know*

Cybercrime gets most of the attention, but criminals also continue to exploit more traditional payment methods, causing significant financial harm.

### What is check fraud?

If you mailed a check that was paid/cashed, but the recipient never received it, you may be the victim of check fraud. Individuals and criminal operations are swiping checks from mailboxes or the USPS's blue drop boxes. Once they have a check that you mailed, they use chemicals to remove the ink on all lines except the signature line. "Washing" the check allows them to change the amount or make themselves the payee. Then, they deposit or cash your check and steal your money.

### How do you protect yourself?

Follow these ways to protect yourself. And remember, if there is unusual or suspicious activity, notify us immediately. The sooner you report it, the better chance we have to help recover your funds.

- Whenever possible, switch to secure electronic payment methods (ACH, online banking bill pay).
- Use online and mobile banking to monitor your accounts daily/regularly – don't wait for your monthly statement.
- Use text and email alerts on online and mobile banking to notify you of unusual account activity.
- Identify any checks "outstanding" and contact the payee to ensure they received your check (place a stop payment with the bank and reissue if needed).
- Review your paid check images and ensure the checks were not altered (including the back of the check where it's endorsed).
- Don't let delivered mail sit in your mailbox. Pick it up right away. Arrange for the USPS to hold mail if you're out of town.
- Use security envelopes, and always take checks to be mailed into the post office – don't use the blue drop boxes.



When writing checks...

- Use a pen with black or blue non-erasable gel ink.
- Don't leave blank spaces in the payee or amount lines.
- Don't write personal details, such as your Social Security number, driver's license or phone number on checks.

Vigilance and timing are vital in battling check fraud. Monitor your accounts daily/regularly and contact us immediately if you see anything unusual.

### What to do if you're a victim:


- Contact us immediately at 800.797.6324. The sooner you report it, the better chance we'll have to help recover your funds.
- Contact your local police department.
- Contact the United States Postal Inspection Service at [uspis.gov/report](https://uspis.gov/report) or call 877.876.2455.
- Consider enrolling in an identify-theft-protection service.

## FROM THE VAULT

Long before toasters were popular, we were keen on providing our customers with more practical gifts — like this portable safe from the early 1900s.



[www.MechanicsBank.com](http://www.MechanicsBank.com)

 [MechanicsBank1905](https://www.facebook.com/MechanicsBank1905)

 [@mechanics\\_bank](https://www.instagram.com/@mechanics_bank)

 [mechanics-bank](https://www.linkedin.com/company/mechanics-bank)

 [@mechanicsbank](https://www.twitter.com/@mechanicsbank)

 **Mechanics Bank**<sup>®</sup>



MKT9071-1410/0824

Deposit and loan products are offered by Mechanics Bank, Member FDIC NMLS#442116