

2 0 1 9 A N N U A L R E P O R T



LEADERSHIP



BOARD OF DIRECTORS

Top Row:

Carlos G. Tamayo, Chairman of the Board – La Tortilla Factory

Bruce E. DeCrona, Retired Banker

Daniel G. Libarle, President – Lace House Linen Supply, Inc.

Richard W. Abbey, ESQ. – Abbey, Weitzberg, Warren & Emery

Deborah A. Meekins, Retired Banker

Marlene K. Soiland, President and CEO – Soiland Management Company, Corporate Secretary – Exchange Bank

Steven G. Dutton, President and Co-owner – Dutton Ranch Corp.

Bottom Row:

James M. Ryan, President – Ryan Mortgage Company, Vice Chairman of the Board – Exchange Bank, Trustee – Frank P. Doyle Trust

Dante B. Benedetti, Chairman Emeritus – Clover Sonoma, Trustee – Frank P. Doyle Trust

Gary Hartwick, President and CEO – Exchange Bank

William R. Schrader, Chairman of the Board – Exchange Bank

EXECUTIVE TEAM

Left to Right:

Rich Lewis, SVP/Chief Information Officer

Ann Hudson, SVP/Retail Banking

Troy Sanderson, EVP/Chief Banking Officer

Gary Hartwick, President and Chief Executive Officer

Michael Sullivan, EVP/Chief Credit Officer

Lori Zaret, SVP/Chief Human Resources Officer

Greg Jahn, EVP/Chief Financial Officer



On May 1, 2020 we will celebrate our 130th anniversary of service to our community. Exchange Bank opened its doors for business on May 1, 1890. Today, we have over 430 dedicated employees and total assets in excess of \$2.6 billion. As we look ahead to 2020 and beyond, we celebrate our legacy, but today we must focus on our future.

We begin this letter with a sense of pride in how our Bank and employees responded in the face of another wildfire that struck our community. After the destructive wildfires of 2017, disaster struck again in 2019 with the Kincade Fire. The community and businesses were further impacted by multiple rolling blackouts following the fire. Once again, we saw the amazing spirit, cooperation, support and kindness of our people and we are grateful for all of the firefighters, first responders and hundreds of volunteers who worked tirelessly to protect our community.

In an effort to support our customers, we waived a variety of service charge fees, extended and deferred payments on customers' loans and provided necessary relief on customers' mortgages. Since 1890, the mission of Exchange Bank has been to support and contribute to our community. We demonstrated our support during this difficult time by donating in excess of \$40,000 to several organizations providing much needed services to fire victims.

We continue to operate in a period of dynamic change, with shifting customer expectations, intense competition from other financial institutions, non-bank fintechs and rapidly evolving technology. We are balancing the need to deliver strong financial results with the requirement to make critical investments in our Bank that position us for long-term growth. In 2019, we further positioned the Bank for sustainable growth with major investments to our digital capabilities, technology infrastructure and revenue producing initiatives with our Trust and Investment Management department. While making these important investments, we continued to strengthen the core income of the Bank. Despite the short-term impact of expenses associated with these major investments, we are proud to have delivered another year of strong financial performance across most key metrics.

Exchange Bank reported net income after taxes for the year ending December 31, 2019 of \$36.50 million. While net income for 2019 came in slightly lower than the \$38.51 million recorded in 2018, when adjusted for elements that were unusual to our normal sources of revenue and expense, the true outstanding results of 2019 as compared to 2018 become evident.

During 2019, we undertook a major Bank-wide initiative of converting our existing online and mobile banking

platform to a new state-of-the-art digital platform. As a result of this successful initiative, we recognized operating expenses totaling approximately \$1.86 million that were not present during the similar 12-month period in 2018. Additionally, during 2018, we recognized an unusually large gain of \$3.25 million on the sale of other real estate owned (OREO) that did not exist in the similar year ending December 31, 2019. Absent this unusual gain of \$3.25 million in 2018 and the one-time expense of \$1.86 million relating to our digital conversion in 2019 (both adjusted for the impact of taxes), we would have experienced net income of approximately \$36.17 million in the year ending December 31, 2018 compared to net income of \$37.84 million during the year ending December 31, 2019, an increase of 4.6%.

The following table sets forth a reconciliation of GAAP net income to normalized earnings by removing OREO gains from 2018 and removing unusual operating expenses relating to our digital conversion in 2019, both adjusted for the impact of associated income tax expense.

(All \$ in millions)	2019	2018
Reported Net Income	\$36.50	\$38.51
OREO Gain		(3.25)
Digital Conversion Operating Expenses	1.86	
Provision for Income Tax	(.52)	.91
Net Income After Tax	\$37.84	\$36.17

We continue to experience growth in our primary business of meeting the credit needs of our communities. In this regard we experienced strong growth in net interest income, which increased from \$93.3 million in 2018 to \$96.9 million in 2019, an increase of 3.84%. Contributing to the positive trend in net interest income was growth in the loan portfolio and the generally rising interest rate environment during much of 2018. As a result of the lagged effect of higher treasury yields during 2018 as well as prudent management of the balance sheet, we were able to increase our net interest margin from 3.73% during the 12 months in 2018 to 3.89% for the similar period ending December 31, 2019. Due to the material decline in interest rates during 2019, we will be challenged to continue to increase our net interest margin into 2020.

The Bank's balance sheet growth during the year was somewhat inhibited as we continued to witness deposit withdrawals from clients who were impacted by the wildfires of 2017. As the rebuild efforts have continued to accelerate, those clients have had the opportunity to utilize cash reserves from their insurance proceeds held at the Bank to rebuild or relocate their primary residence.

As a result, we estimate that approximately \$150 million of deposits related to insurance proceeds were utilized by clients and exited our Bank during 2019, and we estimate there is another \$170 million of insurance related deposits that remain. This runoff of insurance-related deposits was largely offset by organic growth in deposits totaling approximately \$122 million, resulting in a net decline in total deposits of \$25 million as total deposits declined from \$2.380 billion at December 31, 2018 to \$2.355 billion at December 31, 2019. The Bank's net growth in deposits will continue to be challenged by deposit runoff utilized to support the rebuild efforts throughout 2020.

When excluding the OREO gain of \$3.25 million from non-interest income during the year ending December 31, 2018, non-interest income would have increased from \$22.5 million to \$24.2 million during 2019. This 7.6% increase in non-interest income year-over-year was primarily driven by an increase of approximately \$1.3 million in revenue generated by our Trust and Investment Management business. In addition to organic growth of approximately \$500,000 in the Sonoma County market, approximately \$800,000 of growth in trust revenue was the result of recent acquisitions of trust business in the Sacramento and South Bay markets.

Operating expenses for the year ending December 31, 2019 increased by \$4.7 million or 7.2% over the similar period in 2018 as we continued to invest in technology and personnel necessary to support future growth. We recognized approximately \$1.86 million of expenses during 2019 relating to the implementation of a new online and mobile banking platform that are spread between salaries, professional fees and other expenses. Exclusive of these non-recurring expenses, total operating expenses would have increased by \$3 million or 4.6%.

We remain committed to meeting the credit needs of our customers and community in a responsible and consistent manner. Mindful that the economy is well into the longest expansion in history, we continue to adhere to our credit underwriting standards.

We are proud of our efforts to support our customers as our loan portfolio expanded in 2019 by \$67 million, or 4.42%, to \$1.581 billion versus loans of \$1.514 billion at the end of 2018. The increase in the loan portfolio is primarily attributable to growth in commercial real estate and residential mortgage loans. The growth in loans outstanding during 2019 understates our true commitment to supporting the economic growth of the communities we serve. In fact, we supported our clients with new loan production exceeding \$400 million during 2019. This was largely offset by an unusually high volume of payoffs within our construction loan portfolio and

clients taking advantage of other financial institutions offering aggressive, long-term, fixed interest rate loans.

The Bank's credit quality remains strong, with non-accrual loans at December 31, 2019 of \$3.45 million, representing 0.33% of total loans, versus non-accrual loans of \$4.31 million, or 0.38% of total loans at December 31, 2018. Despite continued loan growth, as a result of maintaining exceptional credit quality and a net recovery position in our loan charge-offs, we did not make any provision for loan losses in 2019 and were able to maintain a ratio of loan loss reserves to total loans of 2.52%.

Continuing to grow our capital position remained a key initiative in 2019. As a result of strong earnings growth, we continued to reward our shareholders with three increases to the quarterly dividend during the year and were successful in growing our capital from \$231.6 million to \$270.8 million, an increase of 17%. This allowed the Bank to increase its tangible capital ratio from 9.22% at December 31, 2018 to 10.39% at December 31, 2019.

The Bank's capital ratios exceed all regulatory definitions of "well capitalized." As of December 31, 2019, we reported total risk-based capital of 15.79%. Additionally, our liquidity position remains strong due to the outstanding quality of our investment securities portfolio and strong overnight cash position. For the full year of 2019, Exchange Bank paid common dividends of \$4.40 per share compared to \$3.85 in 2018. Total dividends paid to our shareholders during 2019 were \$7.5 million, an increase of 14% above total dividends of \$6.6 million paid in 2018. Those distributions resulted in a dividend payout ratio of nearly 21%.

Our Trust and Investment Management department has been a trusted fiduciary since 1963. This department provides trust and investment services to a wide range of individuals, companies and associations and has grown to oversee more than \$1.2 billion in client assets under management. We attribute our growth largely to the individualized approach we take to help clients achieve their long-term financial goals.

Top talent is our single most important asset. We have an experienced team, including several credentialed trust and investment professionals who work closely with the top estate planning attorneys in Sonoma County. Whether working with private clients and their families or business clients and their Employee Benefit Trust account (401k plans), our goal is to create a trusted relationship that helps our clients feel confident and secure about meeting their financial goals.

2019 marked another year of impressive financial performance, growing our client base and expanding our presence in the markets we serve and in new geographic

areas. The department generated a record \$8.6 million in gross revenue to the Bank for 2019, an increase of \$1.3 million, or 18% over the prior year. Our Trust and Investment Management department is the fifth largest community bank trust department by asset size in the state of California.

In late 2018, we successfully executed our strategic plan by expanding our presence in the Sacramento market with the acquisition of the trust department of First Northern Bank of Dixon. In April 2019, we again executed our growth strategy with the successful acquisition of the California trust assets of American Trust and Savings Bank. We consolidated the employees and approximately \$72 million in trust assets into a new trust office in Los Altos, California. This acquisition was designed for Exchange Bank to establish a foothold in the South Bay that would lead with our Trust and Investment Management department and grow into a team that would acquire a broad range of clients. This concept has already proven to be a success as we have added two significant relationships resulting in two commercial real estate loans totaling \$30 million.

We have a proud legacy of serving our clients and we believe the continued expansion of our Trust and Investment Management team will provide value to our shareholders, clients and employees. The progress we have made over the last two years positions our Bank for continued growth and success.

The economy continues to thrive with the longest U.S. economic expansion ever recorded. Unemployment running at 3.5% is at a 50-year low and we continue to witness strength in new job creation. For all of last year, employers added 2.11 million jobs. The positive U.S. economic performance is truly remarkable given the global economy's anemic rate of growth. We can thank the American consumer who continues to spend as wages and incomes continue to rise in a range of 3%. From a year earlier, consumer spending increased 2.5% in the third quarter, roughly consistent with the pace over the past year. The housing sector was a tailwind for growth as residential investment rose at a 5.1% annual pace. Consumers are the lifeblood of the U.S. economy as their spending accounts for nearly 70% of economic output. Still, business spending declined during 2019. Nonresidential fixed investment, which reflects business spending on software, research and development, equipment and facilities, fell. The weak number suggests that factors including political uncertainty and the outlook for trade tariffs are weighing on business decisions to spend on new equipment and facilities.

After raising the Fed Funds rate four times during 2018, the Fed abruptly shifted course during 2019. Persistent concerns of economic weakness driven primarily by a period of intense and escalating trade tension between China and the U.S. caused the Fed to lower the Fed Funds rate on three occasions during 2019. With a slightly weaker outlook for GDP growth and inflation, the Fed is now projected to be on hold at this lower rate for an extended period of time.

Within the U.S., the outlook remains favorable on many fronts. The rate cuts in 2019 should reinvigorate investment in 2020. Additionally, the outlook is enhanced by recent compromise in America's nearly two-year trade war with China. Consumer spending is expected to remain strong in 2020 as job security, rising incomes and a growing economy are expected to have a positive impact in household attitudes, all resulting in moderately faster GDP growth by mid-year. Because of the rapid pace of change, it is vitally important that we make appropriate investments in our Bank to meet customer demands and stay competitive.

We are focused on the future, modernizing our operations and investing in new capabilities. In 2019, we made substantial progress in areas of strategic importance. We devoted significant investments to our delivery channel strategy, including improvements to our digital capabilities and facilitating seamless customer experiences across the Bank.

We live in a fast-paced and ever-changing world and helping our customers access their Bank is an absolute necessity. As the digital transformation accelerates, we must accelerate our efforts to deliver a customer experience that is not only high-tech, but high-touch as well. Therefore, in 2019 we embarked on a strategic initiative to adopt a new suite of online and mobile banking technologies to improve our customer experience in our digital delivery channel.

Our new online banking platform serves consumer and business with online banking, mobile banking and online account opening. The new online banking platform will serve as one of two cornerstones of our digital strategy over the next several years. The cash management capabilities that the new platform offers will allow us to actively promote those services and attract commercial customers with complex needs. Our new consumer online banking product is equally robust and the mobile capabilities are excellent across the entire platform.

In March 2019, a contract was finalized for the conversion to a new core banking platform that will drive the Bank forward in a digital era. This conversion is the second

cornerstone of our digital transformation. Our new core banking platform, expected to be in place in late 2020, will provide the Bank a suite of products in a hosted environment—a paradigm shift as we have historically run our applications in-house. We are investing in this new core operating platform to enhance our capabilities, operate more efficiently, grow more effectively and simplify our operations so we can provide a customer experience that is faster, safer and easier for our customers. This conversion will require the allocation of substantial financial and human resources. The core operating system decision will be the biggest driver of change in our Bank over the next couple of years and is the key to improving efficiency within our company.

With the growth of digital banking, there is an increasing awareness of the potential threat of cybercrime. We leverage technology as a defense against cybersecurity risks to ensure a continual focus to protect our customers' information, at all times, and we take that responsibility very seriously. Our cybersecurity strategy is focused on protecting the Bank from malicious cybersecurity threats. We will continue to work tirelessly to implement the necessary tools to strengthen our security controls and protect our customer relationships. New technologies have been installed to facilitate greater protection of confidential information and our cybersecurity program was strengthened in light of the ever-increasing security risk.

We will continue to invest in technologies that improve performance, reliability and safety for our customers. Going forward, our strategic focus on technology will help us meet customer expectations, future challenges in the ever-changing banking environment and capitalize on new opportunities.

Today, our products and services are no longer exclusively delivered through our branch network. Customer expectations are evolving rapidly and we must ensure our customers can bank through multiple channels whenever and wherever they choose. As digital technology transforms the banking industry, we see technology as a way to enhance (not replace) the personal and trusted relationship between our employees and customers.

It is becoming more apparent that an increasing number of consumers are interacting with our Bank through their mobile devices. Indeed, 65% of our online banking customers are now accessing their accounts through a mobile device. Approximately 47% of our consumer deposit base are utilizing mobile banking, a 27% increase over last year. At year-end we had 38,757 customers who bank online and an average of 24,755 active users per month. In addition, we have 13,454 registered mobile deposit users, an increase of 15.3% over the prior year.

Looking ahead in 2020, we will continue to leverage our digital channels strategy to transform the customer experience, enhance our products and use online marketing to help grow our business. We will be launching an innovative online and mobile account opening solution to provide a quick, intuitive process for customers to open new deposit accounts.

Despite the advancement of technology, the branch still plays an important role in providing one-on-one customer service and meeting the needs of the community. As a community bank, our branches remain an essential, yet evolving, part of our retail strategy. Convenient access to a physical branch continues to rank at or near the top of consumers' and small business owners' priorities when choosing a bank. Although mobile and other self-service channels are available for simple transactions, for more complex financial transactions, consumers continue to express a strong preference for the face-to-face interaction afforded by a branch.

We offer a complete suite of retail banking products and services. Following a review of our consumer checking account products, it was recognized that if we are to attract new customers to our Bank and retain the deposit balances that have grown over the past several years, we needed to refresh our product line-up. As a result, in 2019 we introduced a simplified product strategy to improve customer retention and new customer acquisition. The new consumer checking line-up is designed to encourage utilization and reward customers based on the depth of their relationship. To encourage a younger demographic, we will leverage our digital channels strategy by providing enhanced online new account opening and real-time online and mobile banking enrollment.

We continue to invest in our branch network by remodeling and rebranding branches to create a better customer experience. During 2019, we began construction of our striking new Sebastopol branch, with estimated completion by mid-2020. The branch was designed with a refreshed, open layout to provide an improved customer experience reflecting our brand and the spirit of the Sebastopol community. The design has been described as a nod to Sebastopol's agricultural past, with influences from the surrounding wine and apple industries.

At Exchange Bank, our employees are our most valuable asset and are the driving force behind our success. Developing our employees remains a key commitment for us and we must continue to focus on investing in our future leaders. We are committed to leadership development at all levels and support our employees by offering financial assistance to further their education and achieve their professional goals.

Our success is dependent on the interactions our employees have with our customers every day. We would not be able to accomplish our objectives without the effort and dedication of our employees who fully embrace a customer-centric service model and our commitment to improving the lives of people in our community.

Throughout the nearly 130 years since our founding, we have been committed to serving the communities in which we operate. At Exchange Bank, we understand that our success is directly linked to the success of our communities. Giving back to the communities where we live and work is part of our legacy—it's our mission and a cornerstone of our culture. We are once again very proud of our employees' commitment to the community, as demonstrated by over 4,000 volunteer hours they give each year in support of local charitable and civic organizations. Additionally, in 2019 our employees personally raised over \$100,000 through a variety of fundraising activities for programs that make a difference in our communities. In 2019, we increased our philanthropic giving and awarded over \$900,000 to more than 300 non-profit, charitable and civic organizations throughout Sonoma County to support fire relief efforts, charitable initiatives and local events.

Our customer focus and commitment to our community resulted in many accolades during 2019. We are proud to report that Exchange Bank was recognized as one of Sonoma County's "Best Places to Work" for the fourteenth consecutive year. We were also recognized as "Best Local Bank," "Best Business and Consumer Bank" and one of Sonoma County's "Healthiest Places to Work." In 2019 we were also a recipient of a "Community Philanthropy Award." These honors are a reflection of the company values that have been instilled in our Bank by our original founders in 1890.

As we look ahead, we believe the fundamental elements of our core business are solid and we are well positioned for growth in 2020 and beyond. We are confident that we will continue to develop our strategy of building the business for the long-term. We are excited by the challenges and opportunities before us and are confident in our ability to meet them.

We would like to thank our leadership team and all of our 430 employees for their continued hard work and commitment to providing excellent service to our customers every day while continuing to drive long-term value for you, our shareholders.

We would especially like to thank Dante (Dan) Benedetti and Carlos Tamayo for their years of dedicated and valued service to Exchange Bank, as they retired from our board

at year-end. Dante (Dan) Benedetti, past president and chairman of the board of Clover Stornetta Farms and current chairman emeritus of Clover Sonoma, served for 18 years as a board member—11 of which he also served as a trustee of the Frank P. Doyle Trust. Carlos Tamayo, chairman of the board of La Tortilla Factory, served as a board member for 15 years. The leadership and service of these men had a lasting and positive impact on our Bank. We are grateful for the many years they invested in Exchange Bank.

We are grateful to you, our shareholders, as well as our valued customers and our devoted employees for the continued support over the past year. We would also like to thank our Board of Directors for their ongoing service and valued counsel.

On behalf of our Board of Directors and employees, we sincerely thank you, our shareholders, for your commitment and continued support. We look forward to a successful 2020.

Sincerely,



William R. Schrader
Chairman of the Board



Gary Hartwick
President and Chief Executive Officer



Volunteer Hours
4,000+



Non-Profits and Civic Organizations
300+



Corporate Charitable Giving
\$900,000

Employee Charitable Giving
\$100,000



COMMITMENT CONNECTION COMMUNITY

Since 1890, one of the legacy core values at Exchange Bank has been our commitment to our local community. We maintain this commitment both collectively as an organization and individually in our personal contributions. Exchange Bank is extremely proud to have served our community for 129 years. Our board members, executives and our employees continually serve the community by providing countless hours of volunteer time and monetary support.

2019 AWARDS & ACCOLADES

BEST BANK

Press Democrat readers' poll
North Bay Bohemian's Best of 2019 readers' poll

BEST LOCAL BANK

Petaluma People's Choice Awards

BEST FINANCIAL INSTITUTION – HONORABLE MENTION

Sonoma People's Choice Awards

BEST CONSUMER BANK

NorthBay biz magazine readers' poll
North Bay Bohemian's Best of 2019 readers' poll

BEST BUSINESS BANK

NorthBay biz magazine readers' poll

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

Small Business Administration

BEST PLACES TO WORK – 14TH CONSECUTIVE YEAR

NorthBay biz magazine readers' poll

2019 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, 2019 and 2018

(In thousands, except share and par value amounts)

	2019	2018
ASSETS		
Cash and due from banks	\$ 204,716	\$ 152,890
Short-term investments	239	234
Total cash and cash equivalents	204,955	153,124
Interest-bearing deposits in other financial institutions	60,000	44,000
Available-for-sale investment securities	718,055	844,905
Loans and leases	1,581,269	1,514,404
Less allowance for loan and lease losses	(39,907)	(39,854)
Net loans and leases	1,541,362	1,474,550
Federal Home Loan Bank stock	13,483	11,303
Bank premises and equipment, net	18,335	17,591
Bank owned life insurance	51,666	47,530
Other real estate owned	40	1,022
Accrued interest receivable and other assets	65,222	59,935
Total assets	\$ 2,673,118	\$ 2,653,960
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	\$ 867,878	\$ 886,864
Interest bearing	1,487,126	1,492,819
Total deposits	2,355,004	2,379,683
Accrued interest payable and other liabilities	47,299	42,705
Total liabilities	2,402,303	2,422,388
Commitments and contingencies (Note 14)		
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	222,645	193,687
Accumulated other comprehensive loss, net of taxes	(2,142)	(12,427)
Total stockholders' equity	270,815	231,572
Total liabilities and stockholders' equity	\$ 2,673,118	\$ 2,653,960

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

– Unaudited –

For the Years Ended December 31, 2019 and 2018

(In thousands, except per share amounts)

	2019	2018
Interest income:		
Interest and fees on loans and leases	\$ 78,845	\$ 74,634
Interest on investment securities:		
Taxable	21,015	19,402
Exempt from Federal income taxes	1,729	1,920
Total interest income	101,589	95,956
Interest expense:		
Interest on deposits	4,679	2,627
Total interest expense	4,679	2,627
Net interest income before provision for loan and lease losses	96,910	93,329
Provision for (reversal of) loan and lease losses	—	—
Net interest income after provision for loan and lease losses	96,910	93,329
Non-interest income:		
Service charges and fees	5,076	4,845
Trust income	8,633	7,330
Merchant discount and interchange fees	4,642	4,413
Income from bank owned life insurance	1,740	1,639
(Loss) gain on sale of assets	(86)	3,251
Other income	4,226	4,293
Total non-interest income	24,231	25,771
Non-interest expense:		
Salaries and employee benefits	39,061	36,086
Occupancy and equipment	7,664	7,663
Professional fees	8,177	7,440
FDIC assessments	450	840
Other expenses	14,986	13,576
Total non-interest expense	70,338	65,605
Income before provision for income taxes	50,803	53,495
Provision for income taxes	14,302	14,984
Net income	\$ 36,501	\$ 38,511
Basic and diluted earnings per common share	\$ 21.29	\$ 22.46

EXCHANGE BANK OFFICERS

EXECUTIVE OFFICERS

Gary Hartwick
President and Chief Executive Officer

Greg Jahn
EVP and Chief Financial Officer

Troy Sanderson
EVP and Chief Banking Officer

Michael Sullivan
EVP and Chief Credit Officer

Ann Hudson
SVP Retail Banking

ACCOUNTING

Shauna R. Lorenzen
VP and 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

Kenn Cunningham
AVP and Sales Officer

Barb Myers
AVP and Relationship Banking Wholesaler

Cassandra Zorn
AVP and Retail Operations Officer

BUSINESS BANKING

Paul Garayalde
VP and Business Banking Credit Manager

Joseph Carbonaro
VP and Business Banking Supervisor

Jocelyn Lundgren
VP and Business Banking Officer

William Deedy
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

COMMERCIAL BANKING

Steve Herron
SVP and Commercial Banking Manager

Ramsay Brown
VP and Portfolio Manager

Jason Hinde
VP and Commercial Loan Officer

Doreen Lorinczi
VP and Portfolio Manager

CONSTRUCTION AND MORTGAGE LENDING

Terrance Flynn
SVP and Commercial Real Estate Banking Manager

Douglas Angelo
VP and Real Estate Loan Officer

Ronald Ortiz
VP and Real Estate Loan Officer

Jeff Owen
VP and Real Estate Loan Officer

CONSUMER LOANS

Lori DeCosta
VP and Retail Lending Manager

CREDIT ADMINISTRATION

Paul Yeomans
SVP and Wholesale Banking Sales Manager

Ed Gomez
SVP and Senior Credit Officer - Commercial Lending

Justin Hubbs
SVP and Senior Credit Officer - Retail Lending

Glenna D. Davidson
AVP and Commercial Credit Risk Officer

CUSTOMER CARE CENTER

Stacy Small
AVP and Customer Care Manager

EXCHANGE BANK LEASING

Kenneth Taylor
VP and Leasing General Manager

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

Carie A. Fletcher
VP and Loan Service Center Manager

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

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

Andrew Chen
VP and Risk and Compliance Manager

Randy Hong
VP and Information Security Officer

Cyndi Perez
VP and Deposit Compliance and Operational Risk Manager

Eileen Berry
AVP and CRA Officer

Kerri Howard
AVP and BSA Officer

Olufemi Ojikutu
AVP and Audit Manager

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

SALES AND BUSINESS DEVELOPMENT

Alan Aranha
VP and Regional Business Development Officer

Joseph Huang
VP and Regional Business Development Officer

Summer Jeffus
VP and Regional Business Development Officer

SMALL BUSINESS ADMINISTRATION

Joseph Smith
SVP and Small Business Administration Manager

Chad Barbieri
VP and Small Business Administration Business Development Officer

Jim Barnett
VP and Small Business Administration Business Development Officer

Richard Carlson
VP and Small Business Administration Business Development Officer

Maryanne Harris
VP and Small Business Administration Business Development Officer

Dean Pena
VP and Small Business Administration Business Development Officer

Antonio G. Uribe
VP and SBA Underwriting Supervisor

June Ingalls
AVP and SBA Operations Manager

Terrie King
AVP and Small Business Administration Officer

SPECIAL ASSETS

Christy Qabazard
VP and Special Assets Manager

TECHNICAL SERVICES

Richard Lewis
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

Mary Chapot
AVP and Personal Trust Officer

Cathy Larson
AVP and Personal Trust Officer

Andriy Lesyshyn
AVP and Personal Trust Officer

Renee Pilkenton
AVP and Trust Operations and Compliance Manager

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

Jessica Hidalgo
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

Cherie Chipman
VP and Branch Manager

Sebastopol

Kelly Back
VP and Branch Manager

Sonoma

Becky Ettinger
VP and Branch Manager

St. Francis

Dana O'Halloran
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 of Exchange Bank express their appreciation and gratitude to Dante (Dan) Benedetti and Carlos Tamayo for their years of dedicated and valued service to Exchange Bank, as they retired from our board on December 31, 2019.

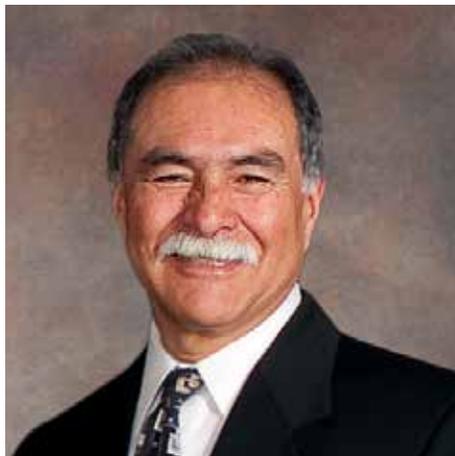
Dante (Dan) Benedetti served on the board for 18 years, from 2002-2019 and also served as a trustee of the Frank P. Doyle Trust for 11 years, from 2008 -2019. Carlos Tamayo served on the board for 15 years, from 2004- 2019.

Your immense contribution and dedication to Exchange Bank will be forever remembered.

On your retirement from active service on the Board of Directors, we wish you a happy and fulfilling tomorrow.

DANTE (DAN) BENEDETTI

Chairman Emeritus,
Clover Sonoma



CARLOS G. TAMAYO

Chairman of the Board,
La Tortilla Factory

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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