



Prime Interest

Bank of Agriculture & Commerce | ECC Bank

A Unique Community Banking Experience

October 2009

We Are Main Street

“Wall Street vs. Main Street” has been a popular topic since the meltdown of the credit and financial markets. It is on the hot list of many including the administration in Washington, Congress, federal financial regulators, business journalists and the general public. The U.S. banking industry is divided along these lines:

Type	Asset Size	Number	Mkt Share
Money Center	> \$1 trillion	4	48%
Super Regional	> \$10 billion	73	37%
Community	< \$10 billion	6,368	15%

“Main Street” is comprised of the third category with minor cross over from the super regional category. It is clear that the money center and larger super regionals were at the epicenter of the financial crises of 2007-2008. Today I will discuss what makes community banking different and special.

There are many features which differentiate community banks from money center and super regionals. For starters we service a defined market, a city, county, or string of adjacent cities or counties. As such this enables us to focus on the needs of our communities financial services as well as social needs which are fulfilled by local non profit entities. As California regional banks migrated to much wider boundaries, community banks have picked up a larger portion of the in kind and financial support of local non profits. Our executives and service officers

live in the markets we serve and this grants us first hand knowledge of local conditions. We attend religious, civic, and athletic events and see many of our customers through routine activities. Community bankers get to celebrate and mourn in person. It is not uncommon for us to visit customers’ businesses on a regular basis, which is a great advantage when determining the merits of a loan request. The community banker is witness to the fulfillment of the dreams of many business owners and their families, and we’re also there to be of aid when success is fleeting. Fortunately, our customers’ successes far exceed their failures. We live with the successes and failures in our community, and we’re accountable to our shareholders, customers and employees; not “Wall Street.”

Throughout this crisis our executive officers have spent many hours counseling customers about the U.S. economy and the impact to their businesses and lives.

As we continue to participate in a prolonged and painful economic recovery, the Bank will continue to be a source of strength for our communities. That is not a by product of “Wall Street.”

A MESSAGE FROM:

William R. Trezza
Chief Executive Officer
Bank of Agriculture & Commerce
ECC Bank



Erik Kapeller

The Bank Welcomes Erik Kapeller as Commercial Loan Officer

The Bank is proud to announce that Erik Kapeller has joined the Bank as Vice President and Commercial Loan Officer. He is responsible for the origination and collection of commercial loans and

lines of credit, and oversees commercial loan portfolios. Erik obtained his degree in Agriculture and Managerial Economics, from UC Davis. Erik comes to the Bank with more than 14 years experience in the banking industry. Erik and his wife Karin reside in Elk Grove, California and have two children, ages eight and five.

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 Ronald McNabb
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Vice President, Lodi
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Vice President, Concord
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Assistant Vice President, Stockton
 Gina Machado
Assistant Vice President, Modesto

**EXECUTIVE, ADMINISTRATION
OFFICES & LOAN DEPARTMENT**

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 Stockton, CA 95207
 (209) 473-6800

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WEBSITES

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BRANCHES**BAC**

Stockton 2001 W. March Ln. Stockton, CA 95207 (209) 473-6832	Stockton Cal-Weber 517 E. Weber Ave Stockton, CA 95202 (209) 944-1807
Lodi 1610 W. Kettleman Ln. Lodi, CA 95242 (209) 367-9400	Modesto 2605 Coffee Rd. Modesto, CA 95355 (209)544-2227

ECC BANK

Antioch 1411 A St. Antioch, CA 94509 (925) 776-2200	Concord 901 Sunvalley Blvd. #100 Concord, CA 94520 (925) 609-1970
Brentwood 740 First St. Brentwood, CA 94513 (925) 634-2111	Discovery Bay 14804-A Hwy. 4 Discovery Bay, CA 94514 (925) 634-0112
Brentwood Country Club 2251 Balfour Road Brentwood, CA 94513 (925) 308-7011	Oakley 3775 Main St., Ste A Oakley, CA 94561 (925) 625-4990

Yikes - This is Scary



*Linda Specht**

I was looking for something new to address in this issue of Prime Interest when I came across an interesting publication from the Social Security Administration regarding income of older Americans. The report is called Income of the Population 55 or Older, 2006 (released February 2009.) I found it rather disturbing especially since I think the figures are more sobering than this report reflects due to the effect that the economy has had during the past 20 months on our retirement savings.

This report is 347 pages long and very elaborate in measuring the income levels and sources of persons 55 or older, divided by race, gender and marital status. But I was more interested in the total income level of all people 65 or older, and here is what I found:

- 15.3% had an income of \$10,000 or less
- 28.1% had an income greater than \$10,000 but less than \$20,000
- 18.2% had an income greater than \$20,000 but less than \$30,000
- 11.4% had an income greater than \$30,000 but less than \$40,000
- 6.9% had an income greater than \$40,000 but less than \$50,000
- 20.1% had an income greater than \$50,000

If 61.6% of people 65 or older lived on less than \$30,000 in 2006, and the median income (half above and half below) was \$23,194, I think it's time to save more money for retirement. Don't you? If you want to analyze what you'll be living on in retirement give me a call at (209) 444-3354.

*Linda Specht**
 Investment Advisor Representative
 Financial Network Investment Corporation
 2001 W. March Lane
 Stockton, CA 95207

Source: Income of the Population 55 or older 2006, SSA Publication No. 13-11871 Released: February 2009 Social Security Administration, Office of Retirement and Disability Policy, Office of Research, Statistics, and Evaluation.

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Entisys Solutions Enhances Efficiency

Entisys Solutions was established in 1988, as a local PC training company. As the demand for information technology grew, so did Entisys Solutions. With over two decades of experience and a deep understanding of today's most advanced technologies, Entisys Solutions and its southern California division Agile 360, is a top-tier consulting company who specializes in virtualization and enhancing levels of efficiency through improved agility,



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Co-owners Michael Strohl, Matt General and Bets Strohl seen here with ECC Bank's Relationship Manager Tania Brugger

Exceptional Service | Exceptional Bank | Exceptionally Safe

FINANCIAL PERFORMANCE

STATEMENT OF CONDITION as of SEPTEMBER 30, 2009

ASSETS:

Cash & Due From Banks	\$	15,327,000
Securities		55,368,000

Gross Loans	352,942,000
Less Allowance for Loan Loss	(4,441,000)
Less Deferred Loan Fees	(310,000)
Net Loans	348,191,000

Premises & Equipment	12,075,000
Real Estate Owned	146,000
Other Assets	10,581,000

TOTAL ASSETS \$ **441,688,000**

LIABILITIES:

Demand Deposits	\$	109,433,000
Interest Bearing Deposits		270,809,000
Total Deposits		380,242,000

Borrowings	15,094,000
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Other Liabilities	2,801,000
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TOTAL LIABILITIES **398,137,000**

SHAREHOLDERS' EQUITY:

Common Stock	6,300,000
Retained Earnings	37,251,000

TOTAL SHAREHOLDERS' EQUITY **43,551,000**

TOTAL LIABILITIES & SHAREHOLDERS' EQUITY \$ **441,688,000**

STATEMENT OF INCOME

For the Nine Months Ended SEPTEMBER 30, 2009

Interest Income	\$	17,780,000
Interest Expense		2,669,000
Net Interest Income		15,111,000

Fees & Services Charges	1,879,000
Other Income	90,000
Total Other Income	1,969,000

Overhead Expense	\$	11,569,000
Provision for Loan Loss		978,000
Other Expense		207,000

Gain / (Loss) on Sale of Assets	22,000
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INCOME BEFORE TAXES **4,348,000**

Income Taxes	1,430,000
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NET INCOME \$ **2,918,000**

Entisys Solutions

mobility, performance, security and cost control. Entisys also offers comprehensive professional support services, complementary managed services, consulting and engineering services to mid-tier and enterprise organizations as well as government agencies. Entisys provides state-of-the-art methodologies to all of its clientele.

In May 2009, owner Bets Strohl along with co-owners/sons Michael Strohl and Matt General made the decision to change banks. After careful consideration they decided to join ECC Bank. “We were with our previous bank for five years and never once met our relationship

manager,” says Bets. “Now our relationship manager, Tania Brugger, visits the office frequently.” Bets, Michael and Matt agree the transition to ECC Bank was very smooth because of the close relationships they have with Bank employees. “We were able to provide feedback to Tania, who allowed us to determine which Bank products and services would work best for us,” says Matt. Entisys Solutions currently utilizes Cash Management, Bill Pay, Remote Deposit and a Line of Credit. “I absolutely love Remote Deposit because we can see exactly what deposits have come in each day,” says Bets.

AVOID **ID** **THEFT**



DETER
DETECT
DEFEND

Identity theft is a serious crime. It occurs when your personal information is stolen and used without your knowledge to commit fraud or other crimes. Identity theft can cost you time and money. It can destroy your credit and ruin your good name.

DETER – safeguard your information

- Shred financial documents and paperwork with personal information before you discard them.
- Protect your Social Security number. Don't carry your Social Security card in your wallet. Give it out only if absolutely necessary.
- Don't give out personal information on the phone, through email, or over the Internet unless you know who you are dealing with.

DETECT – be alert to suspicious activity

Act immediately if:

- Bills do not arrive as expected.
- You are denied credit for no apparent reason.
- You receive unexpected credit cards or account statements.

Inspect your credit report:

- Your credit report contains information about you, including what accounts you have and your bill paying history.

DEFEND – act against ID theft as soon as you suspect it

- Place a “fraud alert” on your credit reports – the alert tells creditors to follow certain procedures before they open new accounts in your name.
- Close any account that has been tampered with or established fraudulently.
- File a report with law enforcement officials.
- Report the theft to the Federal Trade Commission.

DeVinci's Delicatessen & Catering Offers Great Homemade Food – For the Right Price

DeVinci's is a small local chain that originated in Stockton in 1979. Three years ago the Lodi restaurant was purchased by husband and wife, John and Leslie Phillips, son, Trevor Phillips, and a business partner in Texas. "I've always wanted to own a little deli," said Leslie Phillips, who was a business manager at a church prior to opening the restaurant. Trevor Phillips loves co-managing the day-to-day operations with his mom.

DeVinci's Delicatessen & Catering offers a wide range of home-made dishes including pastas, tri-tip dinners, sandwiches and salads. One of the most popular menu items is raviolis, served fresh daily topped with a special home-made sauce. Trevor estimates they go through approximately 25 gallons of home-made sauce each day.

Leslie always knew she wanted to bank with BAC. "We've known our relationship manager Phil Felde for a long time and value the relationship we have with him," says Leslie. Trevor enjoys visiting the staff at the Lodi



BAC's Relationship Manager Phil Felde with DeVinci's Co-owners Leslie Phillips and Trevor Phillips

branch because, "it's more than just depositing money. Everyone is really nice and they take care of everything we need, even if it's something small." Leslie and Trevor both like using online banking and agree it's very useful to pay bills.

Meet Our Staff at the March Lane Branch in Stockton

The March Lane branch opened in 1978 and since then has grown to become the largest branch in the BAC network. Branch Manager, Diane White, has been with the Bank for five years and at the March Lane office since June 2008. Diane has worked in the banking industry for 24 years and loves her job. The March Lane branch consists of nine staff members, Commercial Banking Officers, Claudia Cozad and Eddie Lira, and Investment Advisor Representative,

Linda Specht. Claudia Cozad recently celebrated her 32nd anniversary with BAC, making her the employee to have worked the longest at the Bank.

Long time customer Greg Risso thinks the staff at March Lane "is always willing to answer your questions and go out of their way to make you happy." Greg has been banking with BAC for over 20 years and has used March Lane as his primary branch for the last seven years.



(Left to Right) Back Row: Lito Rivera, Veronica Tienda, Eddie Lira, Commercial Banking Officer, Nick Migliore, Nathan Singh, Twyla Loudermilk, Robert Goodpasture Front Row: Jane Norick (retired on 11/6/09 after 21 years with BAC), Karen Chism, Lorene Evans, Janet Loreda, Becky Perez, Diane White, Branch Manager, and Linda Specht, Investment Advisor Representative



Claudia Cozad
Commercial Banking
Officer

Modesto Gastroenterology & Sylvan Surgery Center Count on Personalized Service

Magdy S. Elsagr, MD, completed a fellowship in Gastroenterology and Hepatology at the State University of New York, Stony Brook. After completing his fellowship in 1993, Dr. Elsagr moved to Modesto where he continues to practice medicine. In August 2005, Dr. Elsagr opened his own medical practice and surgery center known as Modesto Gastroenterology and Sylvan Surgery Center. Each week approximately 100 patients visit Dr. Elsagr's office for GI and liver consultations. Next door, the staff at Sylvan Surgery Center performs approximately 25 procedures per week including colonoscopies and esophagogastroduodenoscopy's (EGDs).



Sally Elsagr, Magdy S. Elsagr, MD and BAC's Gina Machado

In 2004, Dr. Elsagr was looking for a reliable community bank that offered personalized service. After careful research he decided that BAC was a good fit. "The staff is really friendly, they know you by name which makes you feel at home," says Dr. Elsagr. Sally Elsagr, office manager and wife of Dr. Elsagr, thinks relationship manager, Gina Machado, is very easy to work with and was especially helpful in

setting up "Remote Deposit." Remote Deposit helps the Elsagr's save time and money by eliminating unnecessary trips to the Bank. Sally also likes "the simplicity of using BAC's online banking features." In conjunction with using Remote Deposit, the practice also utilizes Cash Management, Bill Pay, eStatements and a Line of Credit.



2021 W. March Lane • Stockton, CA 95207

SAVE THE DATE 2010 Economic Forecast

Modesto	Stockton
February 10, 2010	February 11, 2010
Double Tree Hotel	Brookside Country Club
11:45 A.M.	7:30 A.M.
Brentwood	
February 11, 2010	
The Nines Restaurant	
12:00 P.M.	

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