



Prime Interest

Bank of Agriculture & Commerce | ECC Bank

A Unique Community Banking Experience

August 2010

Message from the CEO

Mobile Banking Now Part of the Bank's Future



William R. Trezza

The never ending reach of technology goes on, and I'm happy to announce that BAC and ECC Bank are planning to introduce Mobile Banking, which has been around for a few years. Like most customer related technologies its future promises to be much broader and deeper than today's applications. The beginning stages of cable TV, ATM's, computer banking, and cell phones were heavy on hype and light on utility. There are always a variety of barriers, particularly those of human nature, technology, and regulations. People are resistant to change because of fear of the unknown. The onset of cable TV and ATM's generated much cynicism. Part of that was generational and some was due to the fact that there was not much foundation in the early stages of the

tech revolution. As we've evolved through several tech advances the cynicism has subsided. Now the question is, "is this really something I can make good use of?" On the technology side there were huge infrastructure barriers (cable) and many inherent barriers. Do you recall that at one time ATM cards were not accepted at all ATMs? When was the last time you incurred a roaming charge? There were also cost factors which delayed community banks from instituting computer banking and check imaging.

Many of these paradigms do not exist today and as a result the gap between implementation and heavy usage has narrowed.

There are, however, some barriers such as equipment being limited to certain service providers.

Limitations such as this will slow the growth of Mobile Banking. It is true that you can utilize your cell phone as a substitute PC for accessing an account and transferring funds as well as messaging. This, however, is only half of the loaf. Technology exists to convert a cell phone to a payment vehicle via transponder or smart chip technology (e.g., fast track toll tokens.) Like the early stages of

cable TV there's more infrastructure required. When you can walk up to the vending machine, ATM, or retail kiosk and swipe your phone over the scanner we will be there. There is no doubt that this will evolve because Americans are ready for it. Bank card and cell phone users enjoy extremely high usage and this



technology brings an attractive package to the market place.

Researchers note that an individual learns on average that he's lost his wallet in several hours. The discovery moment for the lost cell phone is eight minutes. These factors, along with America's free market spirit, bode for a promising future. The only question that will remain unanswered is what's the "cure for carpal thumb?" We will keep you apprised on this project.

Quality Glass Turns to Quality Banking

Andrew Vandenoudenaller and Jeff Carothers, owners of Quality Glass Inc., a Greater Bay Area commercial construction company have been customers of ECC Bank for nearly four years. Andrew is a strong believer in supporting community businesses in his hometown. Switching from a “large” bank to ECC Bank was an easy choice when he found that his “large” bank “showed little interest” in his business when he was ready to purchase a new building. “ECC Bank provided detailed and personal service,” describes Andrew.

Today, in addition to the business lines of credit and personal loans, Andrew and Jeff are using ECC Bank’s Merchant



ECC Bank’s Commercial Banking Officer, Alan Moore (left) and Quality Glass Owner, Andrew Vandenoudenaller.

Remote Deposit (MRD) program. Andrew says that “MRD is great” and makes his banking transactions from his business in Fremont, much quicker and easier.

Prior to MRD, Andrew was pleasantly surprised that he was offered courier service for his banking needs. In fact, one of his compliments to ECC Bank was that they offered him services to assist with his business banking, where as his prior bank “never offered anything extra.” ECC Bank treats him like a person rather than just another account.

Working Hard Raising Funds for Charity



Maria Ornelas

Bank of Agriculture & Commerce’s (BAC) Cal-Weber Branch Manager, Maria Ornelas, acted as co-chairman

of the finance office for the Stockton Asparagus Festival and coordinated a group of volunteers of which she oversaw their efforts while managing her own duties.

Maria shares her experience, “I have volunteered for that position for two years and have been a festival volunteer for the last ten years. My duties include scheduling 12-15 volunteers



and working along side them each of the three days, arranging the meetings with other members of the festival and arranging all of the cash pick-ups with the Stockton Police Department and Loomis.

Inside the finance office, we count all of the cash for the festival for all three days. This year, we raised \$361,574 for over 100 local non-profit organizations.”

Maria designated her team’s hours, which turned into over \$3,500 dollars, to The Learning Center for the Homeless Children (TLC).”

Volunteering with Maria were BAC employees: Claudia Cozad, Terri Hartner, Suzanne Fedi, Rochell Covarruvias, Karen Griffen, Amber Hill, Selena Alfaro, Emily Young, Becky Drury, Brenda Harrison, Corinda Montgomery, Cassandra Hill, Nikki Sanchez, Shari Woods, Tanya Paul, Heather Harth, Robert Goodpasture, Nathan Singh, Bertha Fancias, Maria Garcia, Mercedes Chavez, and Mayling Fernandez.

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**EXECUTIVE, ADMINISTRATION
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 Stockton, CA 95207
 (209) 473-6800

CUSTOMER SERVICE

517 E. Weber Avenue
 Stockton, CA 95202
 (877) 226-5820
 customer.service@bankbac.com

WEBSITES

www.bankbac.com | www.bankecc.com

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

Embracing Technology



Linda Specht*

Those of you who have known me for a long time know that conversion to new technology is not easy for me. I was almost the last person on the planet to get a pager, remember those? It took me forever to finally give in and purchase a cell phone, and learning to use a computer has often been painfully frustrating. So when I tell you that I have my own Investment Center on the new BAC and ECC Bank websites, you can imagine how anxious I was when I found out. But guess what? It is easy to use, even for me.

I've been spending time learning my way around the site and have found that there are many resources that are not only interesting, but valuable. Now you are able to access my site by going to www.bankbac.com or www.bankecc.com Investment Section and clicking on the "Investment Center." Once you get there, you will find drop down menus titled "Services," "Contact," "Client Center," "Information," and "Research."

Under the "Services" heading you will find "Useful Links." Here you have access to market news and stock information. In addition to this standard fare, when you click the Kiplinger Tools and USA Today links, you will find interactive financial calculators that are both informative and fun to use. For example, if you want to know what your mortgage payment would be, how inflation affects your standard of living or what your required minimum distribution is for this year, there are calculators in these sections that can help you. Also, in this area, you will find links to MSN Money Central, CNN Financial, and others.

Under "Information" there is a bevy of topics including book reviews on suggested readings such as *Conscious Spending for Couples* and *Big Bucks*, as well as articles like *Becoming a Better Negotiator* and *Subtract Inflation, and It All Adds Up!* Here, too, are articles on how to apply for financial aid for college tuition and information on educational savings plans. This is where you will also find my Market Monitor Newsletter.

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

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Jackie Verkuyl Promoted to EVP



Jackie Verkuyl

Jackie Verkuyl is the newest Executive Vice President and Chief Financial Officer at Bank of Agriculture & Commerce (BAC). In 2003 she joined BAC as Vice President and Chief Financial Officer and in 2008 was promoted to Senior Vice President.

Previously with Deloitte & Touche Financial Services, Verkuyl has more than 20 years experience in accounting and finance. She obtained a Bachelor of Science degree in Business Administration from California Polytechnic State University in San Luis

Obispo and graduated from Pacific Coast Banking School in 2008. Verkuyl is an Advisory Board member for Intrasweep, a bank service company focused on supporting deposit and liquidity needs of banks, their commercial customers and their communities. An active member in her community, she is on the Finance Committee of the Welsh Pony & Cob Society of America and is also one of three individuals recognized by the Welsh Pony & Cob Society of America with their most prestigious lifetime award, the Order of the Dragon. Verkuyl has held various board positions on the Welsh Pony & Cob Association of California.

Exceptional Service | Exceptional Bank | Exceptionally Safe

FINANCIAL PERFORMANCE

STATEMENT OF CONDITION as of June 30, 2010

ASSETS:

Cash & Due From Banks	\$	43,259,000
Securities		55,689,000

Gross Loans	350,815,000
Less Allowance for Loan Loss	(4,352,000)
Less Deferred Loan Fees	(270,000)
Net Loans	346,193,000

Premises & Equipment	12,085,000
Real Estate Owned	597,000
Other Assets	11,884,000

TOTAL ASSETS	469,707,000
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LIABILITIES:

Demand Deposits	\$	115,048,000
Interest Bearing Deposits		275,741,000
Total Deposits		390,789,000

Borrowings	30,609,000
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Other Liabilities	2,867,000
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TOTAL LIABILITIES	424,265,000
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SHAREHOLDERS' EQUITY:

Common Stock	6,300,000
Retained Earnings	39,142,000

TOTAL SHAREHOLDERS' EQUITY	45,442,000
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TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	469,707,000
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STATEMENT OF INCOME

For the Six Months Ended June 30, 2010

Interest Income	\$	11,755,000
Interest Expense		1,353,000
Net Interest Income		10,402,000

Fees & Services Charges	1,050,000
Other Income	116,000
Total Other Income	1,166,000

Overhead Expense	\$	776,200.00
Provision for Loan Loss		884,000.00
Other Expense		192,000.00

Gain / (Loss) on Sale of Assets	19,000.00
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INCOME BEFORE TAXES	274,900.00
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Income Taxes	89,400.00
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NET INCOME	185,500.00
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The Chase Traditions Extend to Banking

John Chase, third generation owner of Chase Chevrolet in Stockton, has been banking with Bank of Agriculture & Commerce (BAC) for more than twenty one years. Prior to BAC, Chase Chevrolet banked with one of the “Big Banks” for fifty years and found the decision to switch to BAC easy. “It made sense” said John, “to bank with a community bank that is run by his long time friend and fellow community businessman, Ron Berberian.” John Chase and Melanye Satterfield, Controller, both agree that their relationship with BAC is outstanding. Anything they need from cashier’s checks to lines of credit, BAC is always ready and willing to meet their needs. “Even going into the Bank is wonderful because the tellers are always so friendly,” commented John.

Melanye discussed how BAC’s Positive Pay program has saved Chase Chevrolet over \$200,000 in the past three years. With Positive Pay, fraudulent checks are caught almost immediately. Prior to the program, the checks may not have been caught for up to forty five days! In fact, because of the high number of fraudulent checks identified, BAC developed the

Positive Pay program specifically because of the issues that Chase Chevrolet had been experiencing and now Positive Pay is a safeguard for many businesses in the area.

John and Melanye find the customer service provided by BAC to be “excellent” and all questions are addressed immediately. John refers to BAC as “The Bank of Chase.”



(left to right) BAC’s Commercial Loan Officer, Denys Soto, Owner, John Chase, Barbara Schneider, Buffie Buchmann, Dulce Bermejo, Kerri Van Matre, Controller, Melanye Satterfield and BAC’s Commercial Banking Officer, Eddie Lira.

Ione Real Estate Prefers the Personal Touch

Ione Real Estate, family owned by Dustin and Ione Taunton, has been serving Lodi for more than forty years. Dustin and Ione have been banking with the Bank of Agriculture & Commerce (BAC) for nearly six years. In fact, they began their banking relationship before the Lodi branch was open and utilized BAC’s courier service to manage their banking needs.

“Switching from our previous bank to BAC was an easy and smooth transition,” said Dustin. They were tired of being treated as though they were “subhuman” and discovering “hidden fees” with many of their transactions. They were ready for a change and because of Commercial Banking Officer, Phil Felde’s, “excellent customer service” the decision to move to BAC was easy.

Dustin describes a time when he was running late to complete his banking transactions at the Lodi branch and was so impressed when they let him in to complete his deposit even though he had arrived five

minutes after the bank closed. They “love the friendly edge” and “personable atmosphere” offered by BAC. Ione commented, “Everyone at the Bank knows your name and treats you like family.”



(left to right) BAC’s Phil Felde and Ione Real Estate Owners, Ione Taunton and Dustin Taunton.

Reduce our Community's Carbon Footprint

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New Oakley Branch Opening in October

We are pleased to announce that our NEW Oakley Branch located at 1070 Laurel Rd., is scheduled to open on October 12, 2010.

The NEW Oakley Branch is conveniently located and just over a mile away from the current location. In addition to existing services, our new branch will allow much easier access, convenient parking, and drive-up service. The staff is very excited about the new facility and is looking forward to providing you with the same excellent service our customers are accustomed to receiving.

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