

# 2006

Annual Report

Sierra Bancorp  
The Holding Company For  
Bank of the Sierra



**BANK  
OF THE  
SIERRA**



# 2006

## Annual Report

Jim Holly,  
President, CEO

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## Mission Statement

To be responsible stewards for our shareholders by providing a superior return on equity of 18%+ and a return on average assets of 1.4%+ within a culture of discipline and ethical entrepreneurship. This is a fundamental stewardship responsibility.

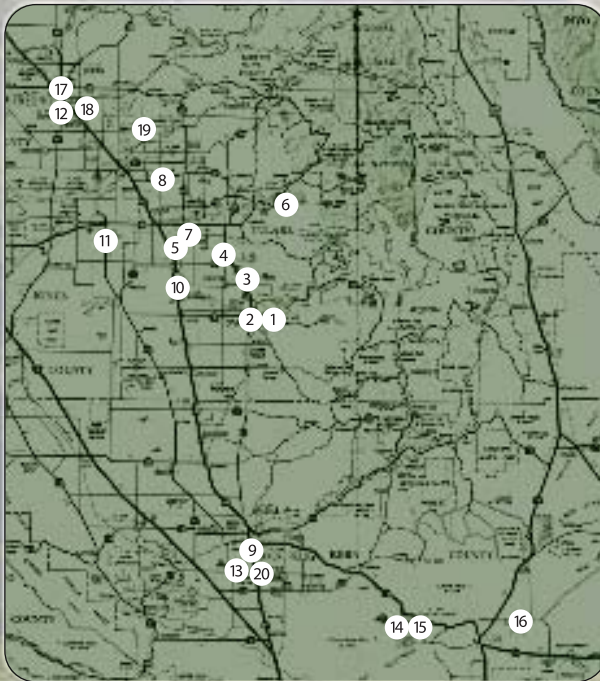
## Our Vision

Our vision is to be the multi-community, independent bank of choice in our designated market areas by meeting the financial needs of the consumers, businesses and agri-businesses that we serve.

## Major Strategies

1. To anticipate and meet the dynamic needs of our existing and future customers by providing a broad line of competitive and innovative financial products.
2. To provide quality service on a timely, competitive basis.
3. To establish and maintain a selection and review process that employs the right people on the team.
4. To maintain a positive teamwork environment for our people which enables creativity, entrepreneurship and the opportunity for advancement.
5. To assist the communities we serve with their socioeconomic needs.
6. To be a disciplined institution of excellence.

## Branch Locations



- |      |    |                                     |
|------|----|-------------------------------------|
| 1978 | 1  | Main St., Porterville Branch        |
| 1981 | 2  | West Olive, Porterville Branch      |
| 1981 | 3  | Lindsay Branch                      |
| 1988 | 4  | Exeter Branch                       |
| 1991 | 5  | Mooney Blvd, Visalia Branch         |
| 1994 | 6  | Three Rivers Branch                 |
| 1995 | 7  | Main St., Visalia Branch            |
| 1997 | 8  | Dinuba Branch                       |
| 1997 | 9  | California Ave., Bakersfield Branch |
| 1998 | 10 | Tulare Branch                       |
| 1998 | 11 | Hanford Branch                      |
| 1999 | 12 | Shaw Ave., Fresno Branch            |
| 2000 | 13 | Ming Ave., Bakersfield Branch       |
| 2000 | 14 | F St., Tehachapi Branch             |
| 2000 | 15 | Old Town, Tehachapi Branch          |
| 2000 | 16 | California City Branch              |
| 2003 | 17 | N. Ingram/Herndon, Fresno Branch    |
| 2004 | 18 | Clovis Branch                       |
| 2005 | 19 | Reedley Branch                      |
| 2006 | 20 | Riverlakes, Bakersfield Branch      |



# President's Message

Jim Holly

*"... the founding concept for HP  
was not what, but who ..."*

Good to Great by Jim Collins

During the course of 2006 we put together yet another outstanding year in terms of financial performance, increasing shareholder value and continuing to strengthen the value of our banking franchise. None of this would be possible without the right people in place starting with the Board of Directors and then permeating through the Bank Officers and Support Staff. We concluded year 2006 with the best team person for person in the history of the Bank and that is primarily how we accomplished so much in the year.

In 2006, we devoted space in each Quarterly Report to stockholders to the book More Banks than Bankers, because it speaks to the greatest single challenge to our Bank going forward; namely, retaining and attracting qualified personnel in a market where there are more banks than qualified bankers. We are meeting that challenge by creating a positive work environment, developing multiple incentive programs and putting in place training programs both in-house and



out-sourced to bring promising staff members along. We are succeeding so far but the challenge never ends.

"The old adage 'People are your most important asset' is wrong. People are not your most important asset. The right people are!" *Good to Great by Jim Collins*

The right people are indeed our most important asset and getting the right people is no small task. Several years ago we started using two seemingly simplistic screening tools, the Predictive Index and The Wonderlic Test. These two tools combined with other efforts have helped us greatly in getting the right people on the bus, everyone is the right seat, and the right people off the bus. These actions are essential to building a strong team.

With a strong team in place we continued our branch expansion program with the opening of the Bakersfield Riverlakes Office in the 1st Quarter. The much awaited Delano Office was postponed into 2007 due to difficulties with the re-model of our older building. We also completed final lease negotiations for a fourth office in Bakersfield, this one near the East Hills Mall. We are looking at other sites in our existing footprint. We continue to believe there is a competitive advantage in market density and we do not see the need to expand our branch system beyond our existing geography.

We also added new products in 2006. Sierra Premium Sweep was introduced in April and it is an on-balance sheet sweep account which enables us to provide a high interest rate for business deposits and yet preserve deposits within the Bank. In October we successfully converted consumer and businesses to a new Internet Banking System that resides in our core system. This will result in better customer service and it will significantly lower costs going forward.

Towards the end of the year we completed final testing and the graphic design on Sierra Remote Deposit Capture which will permit businesses to transmit check images digitally for immediate deposit. The product will be operational in the 1st Quarter 2007 on a pilot program and then bank-wide thereafter. The implications of this technology are huge and

by moving early we anticipate a decisive competitive advantage.

Just before year-end we signed a contract to enable on-line account opening and credit approval. We have searched for this technology for several years sensing the tremendous possibilities of enabling existing customers to add to their accounts, but also as a way to capture new customers through the thousands of hits per month on our website. There is the potential for a "virtual office" once this technology is operative. We recognize that technology can accelerate our momentum, not create it!

"The good-to-great companies used technology as an accelerator of momentum, not a creator of it." *Good to Great by Jim Collins*

Lastly we should comment on what a great market we have. The southern San Joaquin Valley (Fresno to Bakersfield), the Tehachapi Plateau and California City in the Mojave Desert is really the last under developed area in California with significant potential. This area is alive with development activities in every community. We are moving off a dominant agricultural base to a diversified non-agricultural economy.

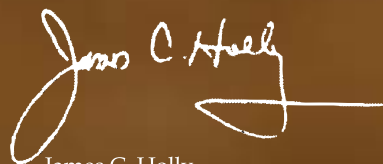
Our Bank has benefited from the on-going development of this large area. At the same time we have kept the Bank diversified by developing a strong consumer bank, and a strong business bank, and presenting our Bank as a community bank in each of the fourteen communities where our twenty (20) branches are located. It is this diversity within our Bank that stabilizes our net income and that has enabled us to increase our net income in 23 of the last 24 years.

Let me finish with a few thoughts on creating a great bank, or more simply why greatness, and for that I would echo the thoughts of Jim Collins that "if you engage in work you love and care about, for whatever reason, then the question needs no answer. The question is then not why, but how." That is how we go about managing the Bank. We do think about "stewardship" as related in the "Parable of the Talents" in The Bible, but that while important is not all of it.

"If you have to ask the question, why should we try to make it great? Isn't success enough?, then you're probably in the wrong line of work!" *Good to Great by Jim Collins*

As this message concludes I should note that the Board has already approved a "Five Year Strategic Plan for 2007-2011" and we are taking Year 2007 and developing specific action plans to make it all happen again. The Board, the Staff and I all believe that we have yet to reach our full potential!

Sincerely,

  
James C. Holly  
President and CEO















# 2006

## Business of the Company

### **About Sierra Bancorp**

Headquartered in Porterville, California, Sierra Bancorp (the “Company”) is a California corporation registered as a bank holding company. The Company was incorporated in November 2000 and acquired all of the outstanding shares of Bank of the Sierra (the “Bank”) in August 2001. The Company's only consolidated subsidiary is the Bank, and the Company exists primarily for the purpose of holding the stock of the Bank. At December 31, 2006, the Company had consolidated assets of \$1.2 billion, gross loans and leases totaling \$888 million, deposits of \$868 million and shareholders' equity of \$90 million. The Company's unconsolidated subsidiaries are Sierra Capital Trust III, which was formed in June 2006 solely to facilitate the issuance capital trust pass-through securities, and Sierra Statutory Trust II, formed in March 2004 also for the purpose of issuing capital trust pass-through securities.

Sierra Bancorp's common stock has been listed on the NASDAQ Global Market (formerly the NASDAQ National Market) since August 10, 2001, the effective date of the holding company reorganization, and prior to that the Bank's common stock was listed on the NASDAQ National Market commencing June 10, 1999. The Company's common stock trades under the symbol “BSRR”.

References herein to the “Company” include the Company and the Bank, unless the context indicates otherwise.

### **About Bank of the Sierra**

The Bank is a California state-chartered bank headquartered in Porterville, California. It was incorporated in September 1977 and opened for business in January 1978, and is currently in its 30th year of operations. All of the Bank's directors are founding shareholders, and most have been directors since the Bank's inception. The Bank's president and CEO was the founding president. Stability in the Board of Directors and low turnover among the officer staff has contributed to a strong foundation that serves as the underpinning for a progressive philosophy and operational flexibility, which has led to consistently superior financial results. The Bank has increased net income almost every year of its existence, and has grown to be the largest independent bank headquartered in the South San Joaquin Valley.

From the beginning, we have attempted to maintain a broad line of banking products and services that appeal to a wide variety of customers. We offer a full range of loans and deposits and associated services to individuals and businesses in communities throughout our service area, which is comprised primarily of Tulare, Kern, Fresno, and Kings Counties. We operate twenty-one full service branch offices throughout this geographic footprint. The Bank's newest branches commenced operations in Delano in March 2007, Reedley in December 2005 and Bakersfield in February 2006. We have also received regulatory approvals for a fourth Bakersfield branch which could possibly open during the last quarter of 2007, and we are exploring site alternatives for a branch in Selma.

The Bank's lending activities include real estate, commercial (including small business), agricultural, and consumer loans. The bulk of our real estate loans are secured by commercial or professional office properties which are predominantly owner-occupied. In addition, we staff our



Fresno, Visalia, Porterville, and Bakersfield offices with real estate lending specialists who are responsible for a complete line of land acquisition and development loans, construction loans for residential and commercial development, and multifamily credit facilities. To round out our real estate lending products we have an arrangement with Genpact Mortgage Services (formerly Moneyline Lending Services), whereby Genpact underwrites single-family mortgage loans for qualifying Bank customers referred to them via Bank-branded delivery channels (i.e., Bank branches, the Bank's internet site, and a dedicated telephone line).

Agricultural Credit Centers located in Fresno and Porterville provide a complete line of credit services in support of the agricultural activities that are key to the continued economic development of the communities we serve. We also actively engage in Small Business Administration ("SBA") lending. We have been designated as an SBA Preferred Lender since 1999, and Bank of the Sierra is a participant in the SBA's innovative "Community Express" program. Another service provided to business customers is equipment leasing, and we offer both direct finance and operating leases through our Leasing Division. Our principal retail lending services include home equity lines, consumer loans, and credit card loans.

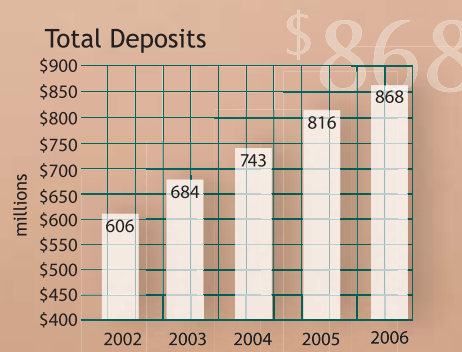
Deposit products available to retail and business banking markets include checking accounts, interest-bearing transaction accounts, savings accounts

(including money market demand accounts), time deposits, retirement accounts, and sweep accounts. Telephone banking and internet banking with bill-pay are options for our deposit customers, and we expect to soon have the ability to open deposit accounts online. Remote deposit capture capabilities were also recently developed, to allow our business customers to send their check deposits to us electronically. We attract deposits from throughout our market area with a customer-oriented product mix, competitive pricing, convenient locations, and drive-up banking, all provided with the highest level of customer service. At December 31, 2006 we had 60,788 deposit accounts totaling \$868 million.

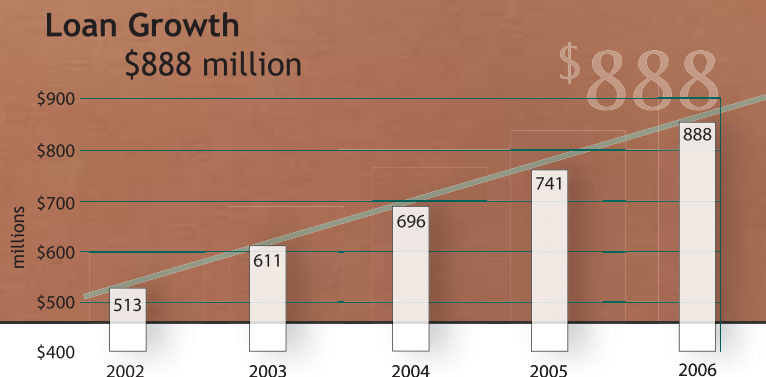
We offer a multitude of other products and services to complement our lending and deposit services. These include installment note collection, cashier's checks, traveler's checks, gift cards, bank-by-mail, ATM, night depository, safe deposit boxes, direct deposit, automated payroll services, electronic funds transfers, online banking, and other customary banking services. In addition, we have established a convenient customer service group accessible by toll-free telephone to answer questions and provide a high level of customer service.

In order to provide non-deposit investment options we have developed a strategic alliance with Investment Centers of America, Inc. of Bismarck, North Dakota ("ICA").

Through this arrangement, registered and licensed representatives of ICA provide our customers with convenient access to annuities, insurance products, mutual funds, and a full range of investment products. They conduct business from offices located in our Porterville, Visalia, Tulare, Tehachapi and Fresno branches.



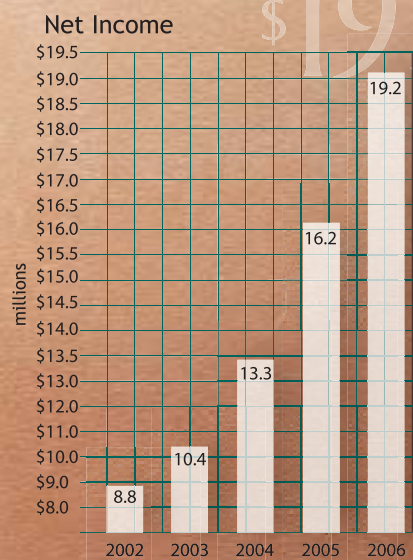
Our officers and employees are continually searching for ways to increase public convenience, enhance public access to the electronic payments system, and enable us to improve our competitive position. In the first quarter of 2007, for example, as noted above, we opened a new branch in Delano. We also plan to enhance our internet site to include the ability to open deposit accounts online, and we expect to ultimately leverage this capability into an online branch, although no assurance can be given in that regard. In 2006, we added a money market deposit account sweep product and developed remote deposit capture capabilities for the convenience of business customers, in addition to opening another Bakersfield branch. In 2005, we researched health savings accounts and began offering them to customers, implemented a gift card product, and opened a new branch in the city of Reedley.



## Recent Developments

On March 15, 2007, the Company's Board of Directors approved the 2007 Stock Incentive Plan, subject to the further approval of the Company's shareholders, which provides for the issuance of stock options or restricted stock awards to officers, employees, and non-employee directors of the Company and its subsidiaries. The Company's 1998 Stock Option Plan will be terminated on the date shareholder approval of the 2007 Stock Incentive Plan is obtained, but the options granted and still outstanding under the 1998 Stock Option Plan will not be affected.

Another recent development is an initiative aimed at increasing consumer checking account balances, which kicked off in January 2007. This initiative, which involves the formulation of a new deposit account line-up, multiple direct mail campaigns, and extensive training for front-line personnel, could add as much as \$800,000 to the Company's operating expense (primarily marketing costs) in 2007 relative to 2006.



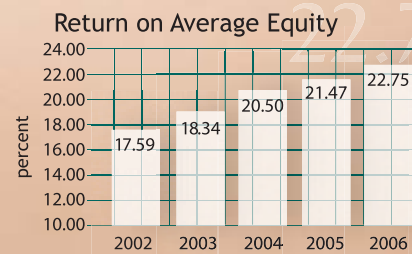
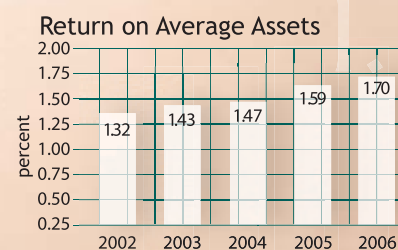
In December 2006, Sierra Capital Trust I, a wholly-owned subsidiary of the Company, redeemed 100% of its \$15 million in TRUPS that were issued in November 2001. The replacement of the TRUPS redeemed in December was "pre-funded" by the issuance of \$15 million in lower-cost TRUPS by a newly formed subsidiary, Sierra Capital Trust III, in June 2006.

In December 2006, the Bank also entered into an agreement with First Data Merchant Service Corporation ("First Data"), whereby electronic payments and services for the Company's merchant customers will be outsourced to First Data commencing in the spring of 2007. This is expected to result in a wider array of products and improved service for our merchant customers, and should ultimately help expand our customer base. The Company also recently converted from Digital Insight to Precision Computer Systems ("PCS") for its internet banking platform. This switch required the payment of an early termination fee to Digital Insight in December 2006, but is expected to result in substantial cost savings going forward.

## Results of Operations\*

The Company achieved record earnings again in 2006, and has now increased net income in 23 of the last 24 years. Net income in 2006 was \$19.2 million, an increase of \$3.0 million, or 19%, over the \$16.2 million in net earnings achieved in 2005. Net income per basic share was \$1.96 for 2006, as compared to \$1.66 during 2005. The Company's Return on Average Assets was 1.70% and Return on Average Equity was 22.75% in 2006, as compared to 1.59% and 21.47%, respectively for 2005.

The Company earns income from two primary sources. The first is net interest income, which is interest



income generated by earning assets less interest expense on interest-bearing liabilities. The second is non-interest income, which primarily consists of customer service charges and fees but also comes from non-customer sources such as bank-owned life insurance. The majority of the Company's non-interest expense consists of operating costs that relate to providing a full range of banking services to our customers.

Solid growth in net interest income was a major contributor to the increase in net income in 2006, with net interest income increasing by \$4.8 million, or 10%, in 2006 relative to 2005. The increase was largely driven by growth in average interest-earning assets, which increased by \$103 million, or 11%, in 2006 compared to 2005. The impact of this growth on net interest income in 2006 was lower than might be expected, because the pause in short-term interest rate hikes in mid-2006 had a negative effect due to the asset-sensitive nature of our balance sheet, and because the growth in 2006 was relatively low-margin growth that was primarily funded by higher-cost wholesale borrow

\*Complete financial information is contained in the Company's Form 10-K included herewith.



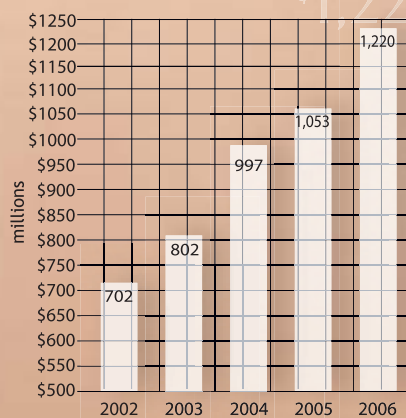
ings rather than core deposits.

The Company's provision for loan and lease losses was \$3.9 million in 2006, an increase from the \$3.2 million provision in 2005 due to robust growth in loans and a higher degree of uncertainty with regard to certain classified loans. The increase in 2006 was exaggerated by the recovery of a large volume of previously charged-off balances in 2005, which enabled a significant reduction in the loan loss provision during that year.

Non-interest income increased by \$2.0 million, or 21%, in 2006 relative to 2005, due in part to the impact of non-recurring items but mainly from strong increases in service charges on deposits, check card interchange fees, and operating lease income. Items of a non-recurring nature that impacted non-interest income in 2006 include a \$100,000 gain from outsourcing merchant services to First Data, as discussed in the "Recent Developments" section, and an \$88,000 gain on a life insurance policy. Non-recurring items in 2005 include a \$523,000 gain on the bulk sale of \$21 million in residential mortgage loans, a \$406,000 loss on the sale of investment securities resulting from a year-end repositioning of the portfolio, gains on the sale of other real estate owned ("OREO") totaling \$127,000, and \$570,000 in charges to write-down our investment in Diversified Holdings, Inc.

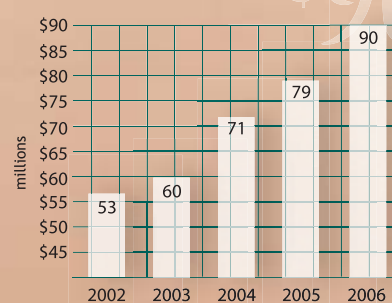
Operating expense increased by \$1.2 million, or 4%, in 2006 over 2005. As with non-interest income, there were several non-recurring items impacting the changes in operating expense, but the net impact was minimal, and after backing those items out the year-over-year increase in 2006 remains 4%. The largest dollar increase for any single category in non-interest expense was in salaries and benefits,

Total Assets



which were not impacted by non-recurring items. In addition to regular annual salary increases, the \$1.1 million, or 7%, increase in salaries and benefits in 2006 includes \$314,000 in stock option expense for which recognition was not required in previous years, and salaries and benefits related to staff additions for our new branches. Another notable change in operating expense is evident in advertising and marketing costs, which declined by \$502,000, or 33%, in 2006 relative to 2005, in large part because of the discontinuation of a direct-mail marketing campaign run during

Total Shareholders' Equity



2005. Management expects total marketing expense to increase by around \$800,000 in 2007 as the result of deposit initiatives currently underway.



### Financial Condition\*

Total assets grew by \$162 million, or 15%, to \$1.22 billion at the end of 2006 from \$1.05 billion at the end of 2005. Gross loan and lease balances increased by \$147 million, or 20%, in 2006, mainly from \$115 million growth in loans secured by real estate. The growth rate for real estate loans was 21%. Also increasing at a higher rate than the aggregate loan portfolio were direct finance leases, which grew by \$10 million, or 99%.

Non-performing assets remained at nominal levels. Non-performing assets were \$689,000, or 0.08% of gross loans plus OREO, at the end of 2006, down slightly from \$842,000, or 0.11% of gross loans plus OREO, at the end of 2005. The Company's last remaining OREO was sold in early 2006, and the OREO balance is currently at zero.

During 2006, total investment security balances declined by \$3 million, or 2%. Cash flows from maturing bonds and prepayments on mortgage-backed securities were, for the most part, either invested in longer-duration municipal securities as a hedge for the possibility of declining rates or used to fund loan growth.

Other assets increased by \$14 million, or 26%, in 2006. This increase is primarily the result of an additional \$6 million investment in Bank-owned life insurance ("BOLI") in December 2006, plus a \$5 million increase in Federal Home Loan Bank (FHLB) Stock necessitated by our increased level of FHLB borrowings.

While total deposits increased by \$53 million, or 6%, during 2006, customer deposits ended the year with an increase of just \$8 million, or 1%. Most of the growth in total deposits came from a \$45 million increase in wholesale-sourced brokered deposits. Non-interest bearing deposits declined by about 1% in 2006, and fell to 32% of total deposits at the end of 2006 from 35% at the end of 2005. NOW and savings accounts also experienced runoff.

Money market deposit accounts increased during the year, capturing some of the demand deposit runoff due to a new higher-interest money market sweep account introduced in 2006, and time deposits under \$100,000 also increased. We currently have initiatives in place to grow both consumer and commercial deposits in 2007, although no assurance can be given that deposits will increase as planned.

Total non-deposit borrowings grew by \$96 million in 2006, increasing to 21% of total liabilities at the end of 2006 from 15% at the end of 2005. Since loan growth was significantly greater than growth in deposits, FHLB borrowings were obtained to make up the difference. Our net loans to total deposits ratio increased to 100.5% at the end of 2006 from 89.5% at the end of 2005 due to this increased reliance on wholesale funding. Despite this development, we still have ample sources of liquidity available to fund expected loan growth even if anticipated retail deposit increases don't materialize as planned.

Total shareholders' equity increased to \$90 million at December 31, 2006 from \$79 million at December 31, 2005, due primarily to the retention of earnings less dividends paid. The Company's total risk-based capital ratio at December 31, 2006 was 12.98%.

\*Complete financial information is contained in the Company's Form 10-K included herewith.



MEMBER FDIC



# Administrative Officers & Offices

## Porterville & Lindsay Service Area

Arthur T. Cardell, Senior Vice President, Area Manager

## Visalia Service Area

Richard Wehmueller, Senior Vice President, Area Manager

## Dinuba & Reedley Service Area

Rachel Uyeda, Senior Vice President, Area Manager

## Exeter & Three Rivers Service Area

Arthur W. Zschau, Senior Vice President, Area Manager

## Bakersfield Service Area

Gordon Jones, Senior Vice President, Area Manager

## Tehachapi & California City Service Area

Bruce Hamlin, Senior Vice President, Area Manager

## Fresno & Clovis Service Area

Keith Pretzer, Senior Vice President, Area Manager

## Tulare Service Area

John Thomas, Senior Vice President, Area Manager

## Hanford Service Area

Philip Smith, Senior Vice President, Area Manager

## Ag Credit Centers

Ronald H. Paternoster, Senior Vice President, Manager

## SBA Loan Center

Janice Castle, Senior Vice President, Manager

## Ag Credit Centers

Porterville 86 N. Main • 559/782-4432

Fresno 636 E. Shaw Ave. • 559/248-2580

## SBA Loan Center

Porterville 86 N. Main • 559/782-4900

## Corporate Office

Porterville 86 N. Main • 559/782-4900

E-mail address [info@bankofthesierra.com](mailto:info@bankofthesierra.com)

Websites [www.bankofthesierra.com](http://www.bankofthesierra.com) • [www.sierrabancorp.com](http://www.sierrabancorp.com)

# Offices

Porterville	90 N. Main • 559/782-4300 1498 W. Olive • 559/782-4500
Bakersfield	5060 California Ave. • 661/325-0101 8500 Ming Ave. • 661/663-3400 4060 Coffee Road • 661/587-2069
California City	8031 California City Blvd. • 760/373-8602
Clovis	1710 Clovis Ave. • 559/297-3391
Dinuba	401 E. Tulare St. • 559/591-6921
Exeter	1103 W. Visalia Rd. • 559/592-4134
Fresno	636 E. Shaw Ave. • 559/248-0112 7029 N. Ingram Ave. • 559/449-8145
Hanford	427 W. Lacey Blvd. • 559/585-6700
Lindsay	142 S. Mirage • 559/562-6311
Reedley	1095 W. Manning St. • 559/638-1602
Tehachapi	224 W. F St. • 661/822-6801 21000 Mission St. • 661/822-9191
Three Rivers	40884 Sierra Drive • 559/561-5910
Tulare	246 E. Tulare Ave. • 559/686-4900
Visalia	2515 S. Mooney Blvd. • 559/636-0100 128 E. Main • 559/740-4200

# Officers

James C. Holly  
Diane Rotondo  
Kevin J. McPhaill  
James F. Gardunio  
Kenneth R. Taylor

President & Chief Executive Officer  
AVP/Corporate Secretary  
Executive V.P. & Chief Banking Officer  
Executive V.P. & Chief Credit Officer  
Executive V.P. & Chief Financial Officer

Hope Attenhofer  
Mona M. Carr  
Rick Davis  
Thomas Y. Yamaguchi  
Jeri L. Eubanks  
Cindy L. Dabney  
Larry J. Mueller  
Donald L. Sowers  
Ronda Day  
Linda S. Hudspeth  
Sherri Jackson  
Kathy Lostetter  
Joe L. Ruiz, Jr.  
Richard H. Schmid  
Judi Singer  
James Stewart  
Frank W. Wittich, Jr.

Senior V.P./Director of Marketing  
Senior V.P./Director of Operations  
Senior V.P./Director of Information Technology  
Senior V.P./Treasurer  
Senior V.P./General Credit Administrator  
Senior V.P./Controller  
Senior V.P./General Credit Administrator  
Senior V.P./Director of Human Resources  
V.P./Director of Compliance  
V.P./Director of Loan Operations  
V.P./Director of Real Estate Operations  
V.P./Director of Training  
V.P./Support Operations Administrator  
V.P./Chief Appraiser  
V.P./Consumer Credit Administrator  
V.P./Manager, Leasing  
V.P./Manager, Special Assets Center



Left to Right:

Kevin J. McPhaill, Executive V.P. & Chief Banking Officer  
James F. Gardunio, Executive V.P. & Chief Credit Officer  
James C. Holly, President & Chief Executive Officer  
Kenneth R. Taylor, Executive V.P. & Chief Financial Officer



# Board of Directors



**James C. Holly**  
President  
President, Bank of the Sierra



**Robert H. Tienken**  
Director  
Retired (formerly Realtor/Farmer)



**Robert L. Fields**  
Director  
Retired, Investor



**Gordon T. Woods**  
Director  
Owner, G.T. Woods Construction



**Morris A. Tharp**  
Chairman  
President & Owner, E.M. Tharp, Inc.



**Albert L. Berra**  
Director  
Orthodontist/Rancher



**Gregory A. Childress**  
Director  
Rancher, CPG Ranch  
Deceased

**Gregory A. Childress**  
Director on the board since 1994.

We recognize Gregory Childress for his service and dedication to the success of the bank.

"Gregory's loyalty and service to the bank will always be remembered."

James Holly  
President, CEO of Bank of the Sierra



**Vince L. Jurkovich**  
Director  
President, Porterville Concrete  
Pipe Company



BSRR vs. S&P 500 INDEX 15-YEAR PERFORMANCE

