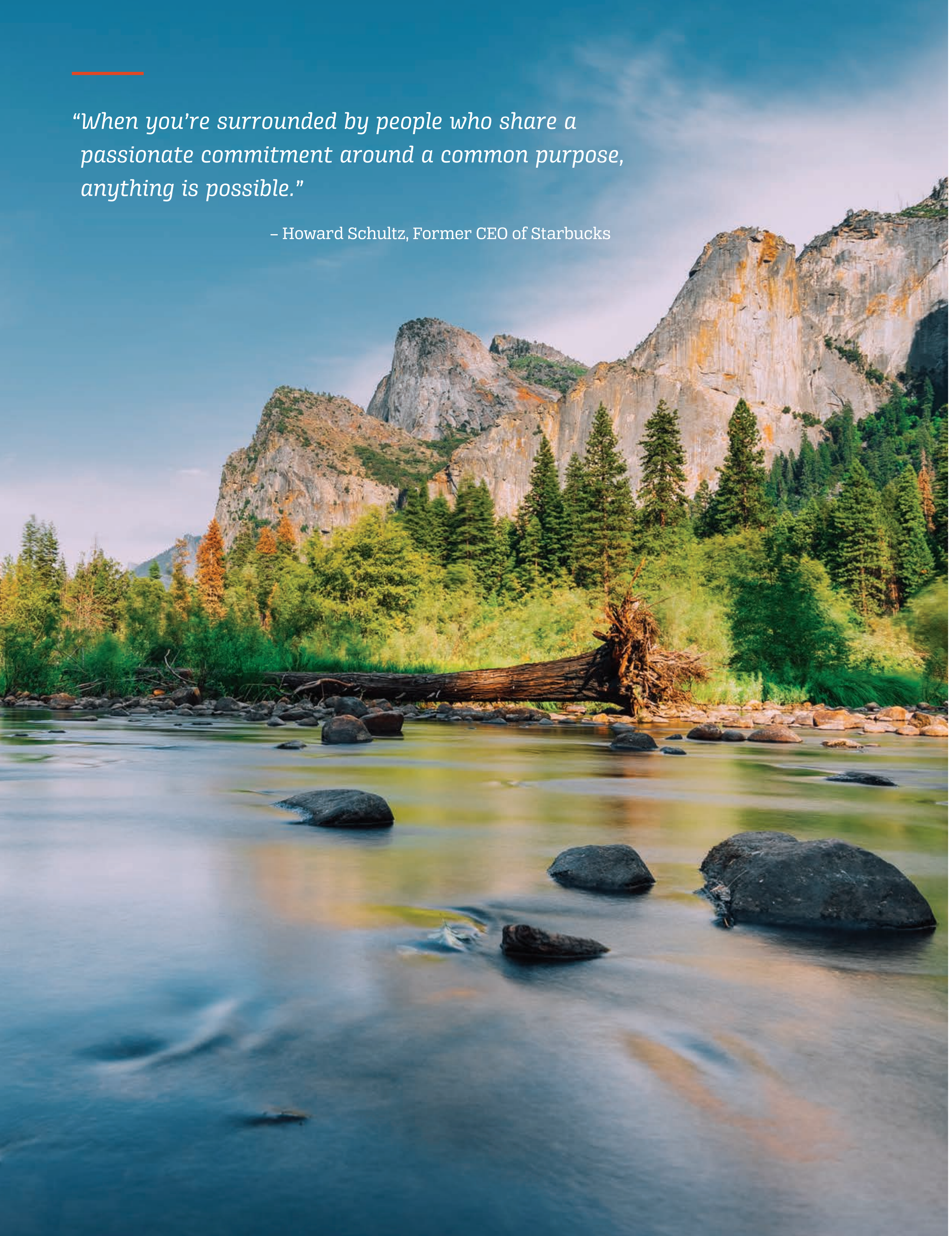
# ANNUAL REPORT 2021

**SIERRA BANCORP**
*Parent Company for Bank of the Sierra*



*“When you’re surrounded by people who share a passionate commitment around a common purpose, anything is possible.”*

– Howard Schultz, Former CEO of Starbucks

# MISSION STATEMENT

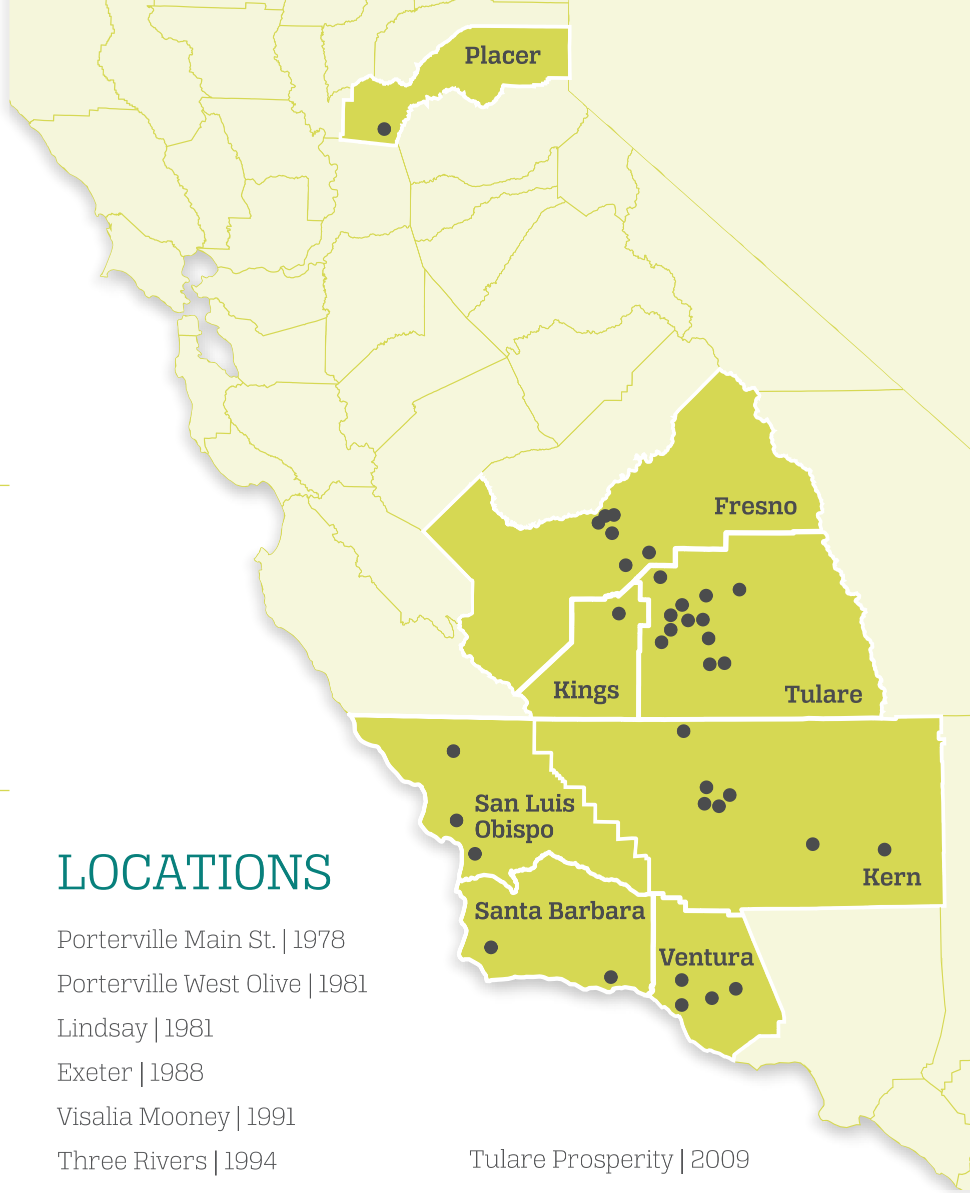
To be responsible stewards for our shareholders by targeting top-quartile financial returns, while promoting a culture of fiscal discipline, ingenuity, and integrity.

# OUR BRAND PROMISE

We will help make every community we're part of better.

# 7 KEY STRATEGIES

1. **KEEP THINKING**
   Anticipate and meet needs with a broad range of solutions.
2. **KEEP SERVING**
   Provide quality service on a timely, competitive basis.
3. **KEEP LEARNING**
   Be passionate about being the right person on the team.
4. **KEEP GROWING**
   Encourage creativity and maximize every opportunity to improve.
5. **KEEP GIVING**
   Serve our communities through involvement and reinvestment.
6. **KEEP STRIVING**
   Be disciplined; aim for excellence.
7. **KEEP SMILING**
   Enjoy the journey and have fun along the way.




# LOCATIONS

Porterville Main St. | 1978
Porterville West Olive | 1981
Lindsay | 1981
Exeter | 1988
Visalia Mooney | 1991
Three Rivers | 1994
Visalia Main St. | 1995
Dinuba | 1997
Tulare | 1998
Hanford | 1998
Fresno Shaw Ave. | 1999
Bakersfield Ming Ave. | 2000
Tehachapi F St. | 2000
California City | 2000
Clovis | 2004
Reedley | 2005
Bakersfield Riverlakes | 2006
Delano | 2007
Bakersfield Mt. Vernon Ave. | 2008
Fresno Sunnyside | 2008
Tulare Prosperity | 2009
Farmersville | 2010
Selma | 2011
Santa Paula | 2014
Fillmore | 2014
San Luis Obispo | 2016
Paso Robles | 2016
Bakersfield California Ave. | 2017
Pismo Beach | 2017
Santa Barbara | 2017
Ventura | 2017
Ojai | 2017
Woodlake | 2017
Fresno Palm | 2018
Lompoc | 2018
Sacramento Regional Office | 2020

# President's Message

**April 15, 2022**

Last year was another record year for Bank of the Sierra, as we recorded the highest level of net income in our company's history! In this challenging environment, our banking team has exhibited unforeseen levels of grit and determination. We are proud of our team and all their efforts!

The past two years have been transformational for the entire world, and our Bank is no exception. Though a tragic situation, the pandemic has enabled us to get work done and to interact with our customers and communities in new ways. While we maintain an on-site presence in our corporate office as well as in our branches, we have embraced the ability to have select teams work hybridly or completely remotely. This allowed us to hire strong talent throughout California and, in some cases, throughout the nation, and we expect to continue these recruiting and hiring practices.

Several senior leaders joined our Bank recently, including our Director of Business Banking and Director of Retail Banking. We also hired several other key people throughout the organization who have worked together to improve and enhance our loan and deposit processes, including treasury management and digital offerings. Great progress has been made so far, and we are excited about our improved service and marketing plans, which we expect will result in continued growth within our commercial and consumer areas.

Additionally, we have expanded our agricultural lending capabilities with a new Agricultural and Commercial Lending President and several new ag team members who are experienced, knowledgeable, and well regarded in the industry. Since California is ranked No. 1 in the United States for agricultural cash receipts, this is a great opportunity for us to expand our ag lending presence. Based on our geography and history in the Central Valley and coastal markets of California, we believe our new ag team will help us grow this segment.

We also hired a new Mortgage Warehouse President. He has a tremendous amount of experience in the mortgage warehouse industry and brings a wealth of knowledge to the role. We have already begun executing on our action plans and adding team members who are expected to grow this channel from both a product and geographic perspective.

These new initiatives, combined with our robust branch network, strong market presidents, dedicated specialty lending groups, and experienced support teams, are intended to place us in a great position to grow and improve. Our customers expect not only exceptional in-branch services, but also the latest technology to make banking easier. We continue to see increases in digital channel adoption, which was only accelerated by the pandemic. We have initiatives in process to improve our digital services, as our goal remains to provide the best experience for our customers, whether on their phone or in person.

From the time our founders formed Bank of the Sierra nearly 45 years ago, we have worked to provide our customers with the best experience possible while remaining true to our community bank legacy. We have a great history and are proud of how far we have come. We remain steadfastly committed to our customer, and our communities as we execute our plans to grow and improve efficiency, and I believe that our best days are ahead of us.

Sincerely,

**Kevin J. McPhaill**
President and Chief Executive Officer

*"CEOs work to generate profits and return value to shareholders, but the best-run companies do more. They put the customer first and invest in their employees and communities. In the end, it's the most promising way to build long-term value."*

– Tricia Griffith,
CEO of Progressive

## EXECUTIVE OFFICERS

**Kevin J. McPhaill**
***President & CEO***

**Hugh F. Boyle**
***Executive V.P., CCO & CRO***

**Jennifer Johnson**
***Executive V.P. & CAO***

**Michael W. Olague**
***Executive V.P. & CBO***

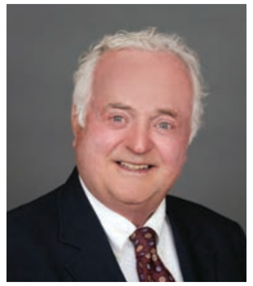
**Christopher G. Treece**
***Executive V.P. & CFO***

## CORPORATE OFFICE

**Alexandra Blazar** | ***Corporate Secretary***
86 North Main Street | Porterville, CA 93257
559.782.4900 | Info@BankoftheSierra.com
BankoftheSierra.com | SierraBancorp.com

# BOARD OF DIRECTORS

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



**James C. Holly**
***Vice Chairman***
Retired Banker / Formerly CEO, Bank of the Sierra and Sierra Bancorp

**Susan M. Abundis**
***Director***
Retired Commercial Banker

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

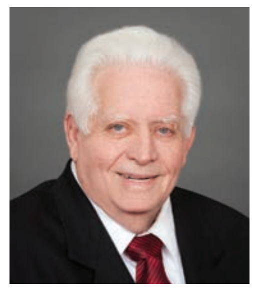
**Julie Castle**
***Director***
Banking Consultant

**Vonn Christenson**
***Director***
Partner, Christenson Law Firm

**Laurence S. Dutto**
***Director***
Retired / Formerly Provost, College of the Sequoias

**Kevin J. McPhaill**
***President & CEO***
Bank of the Sierra and Sierra Bancorp

**Lynda B. Scearcy**
***Director***
Retired Tax Professional / Formerly CPA, McKinley Scearcy Associates



**Gordon T. Woods**
***Director***
Owner & Operator, Gordon T. Woods Construction; CEO, Hydrokleen Systems

**Robert L. Fields**
***Director Emeritus***
Retired Jeweler

*"The sense of being part of something greater than yourself can lead to high levels of engagement, high levels of creativity, and the willingness to partner across functional and product boundaries within a company, which are hugely powerful."*

– Rebecca Henderson, University Professor at Harvard Business School



**SIERRA BANCORP**
*Parent Company for Bank of the Sierra*

A copy of the Company's 2021 Annual Report on Form 10-K, including financial statements but without exhibits filed with the Securities and Exchange Commission, is enclosed herewith. Quarterly financial reports and other news releases may also be obtained by visiting: **SierraBancorp.com.**