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UPDATE

INSIDE JAN 2015

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Jeffrey W. Cryer

Executive Vice President/Chief Credit Officer

Jeff developed his customer relationships working with local businessmen and farmers since 1986 when he began his banking career at the original Feather River State Bank on Bridge Street here in Yuba City. He looks nostalgically at those years while he was a loan officer, a job he often refers to as the “best job in the bank” because of customers you meet and the lasting relationships that are formed by spending time with the borrowers.

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Founded in 1982, ATHENA International

is a non-profit organization that seeks to honor and support women leaders.

The Program inspires women to reach their full potential and strive to create balance in leadership worldwide. It is the focus on mentorship that sets the Athena Award apart from other leadership awards of its kind. 2011 Athena Award recipient, **Julie Morehead**, presented the 2014 Athena Award to **Mandy Jones** at the Yuba-Sutter Chamber of Commerce Annual Gala.

Dear Friends & Shareholders...



As I sit to type this letter and reflect on 2014, I am amazed at how well your Bank performed this past year and the accomplishments we achieved. We owe a great deal of this success to the group of individuals we have assembled to operate our organization. A majority of our staff has worked together for over 10 years, with many working together 15-25 years. Having a highly experienced and seasoned staff that is familiar with our operating territory is key and I want to start off my letter this quarter by thanking each of them. So, "Thank You" Ryan, Amelia, Catrina, Jennifer, Fawn, Christen, Liz, Alisa, Mandy, Jeff, Barbara V, Morgan, Barbara M, Barbara A, Harman and Jag, you are the greatest.

In 2014 we achieved some of our largest growth since the inception of the Bank back in November 2007. Year over year, December 31, 2014 over December 31, 2013, total assets increased \$13 million or 21% to \$75 million. Loans grew an astounding \$9 million during the year to \$56 million and deposits grew a remarkable \$12 million to \$65 million.

The overall growth in our balance sheet and our ability to operate the Bank efficiently contributed to our 21st consecutive quarter of profitability. Net income for the year was \$768,000, with pre-tax net income ending the year at \$1,306,000. This compares to 2013 net income of \$674,000 and pre-tax net income of \$1,020,000.

Shareholder equity stood at \$9,303,000 at December 31, 2014, with Tier 1 leverage capital ratio of 12.35%, well above the 5.00% regulatory minimum for a Well-Capitalized Bank.

We are dedicated to continuing to focus on enhancing our overall shareholder value, and to this end, during 2014 we announced some exciting news to our shareholders. For the first time in the Banks history, on December 18, 2014 the Board of Directors of your Bank declared a 3 for 2 stock

split payable to shareholders on January 30, 2015. By the time you read this letter you should have your new stock certificate pushing the number of shares you own up by 50%, and we always like to remind you to store it in a safe place with your other valuables.

In addition to our stellar financial results, in 2014 we ventured into the world of Facebook, were rated 5-Stars by Bauer Financial, recognizing our Bank as one of the strongest financial institutions in the country, all the while contributing in excess of 50 local fundraising efforts and volunteering for over 25 community outreach programs.

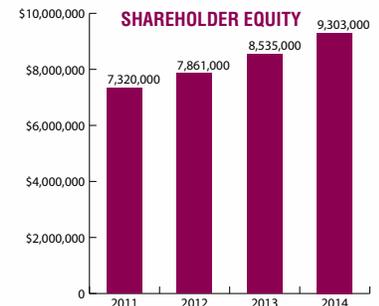
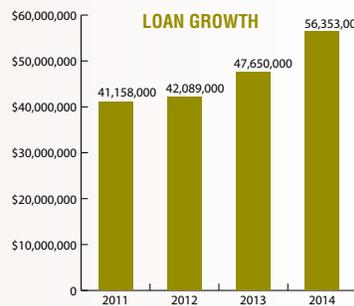
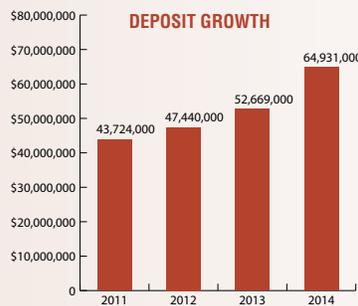
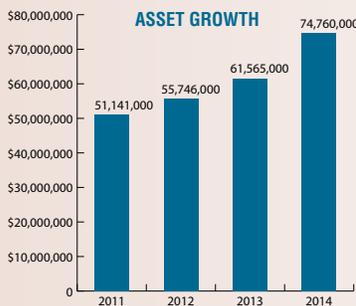
And finally, just last month I was honored to present at the Yuba-Sutter Chamber of Commerce Annual Gala our own Mandy Jones, AVP/Business Development Officer with the prestigious Athena Award for 2014.

Bank of Feather River has built a remarkable team of stakeholders, which includes each of you, and we are dedicated to ensuring we continue to operate a safe, sound, and profitable institution.

If my staff or I can assist you with any of your financial needs, feel free to call on us. And, we always appreciate any business you send our way; so much of our business comes from word of mouth.

Thank you for your investment in our Bank. Wishing you the best in 2015.

Julie Morehead
President/CEO



Our Dream Team...



Guy Harris

Board Member
Bank of Feather River

Tell us about your personal & professional background: I was born here in Sutter County to parents Larry & Min Harris. We moved to Meridian when I was six years old and that is where I still reside with my wife Tammy and our “Grand Dog” Chocolate Lab. We have three children with the youngest being 22 and the oldest 26. I graduated from Sutter High School and then received my degrees in Civil & Mechanical Engineering from UC Davis. I started with Caltrans in 1983 after graduation at UCD. I worked out of the Marysville office until 1991 when I got a promotion, and transferred to Sacramento.

I retired from there in 2010 as the Supervising Transportation Engineer. In addition to my job at Caltrans, I have farmed walnuts since the age of six. Currently I own a consulting business and continue to farm.

Along with Bank of Feather River I serve on several boards including the Reclamation District 70 Board, Tisdale Irrigation and Drainage Company, Meridian Walnut Hulling Association and I’m in my 30th year serving and I’m currently the President of the Central Sacramento Valley Shrine Club.

What do you like most about serving on the Board of Bank of Feather River?

What I like most about being on the board at Bank of Feather River is the people I get to work with, learning new things about the banking business, and the opportunity to help people get started in new businesses and farms.

What do you think sets Bank of Feather River apart from other banks?

Because of Bank of Feather River’s smaller size it is much more personal compared to larger banks. Of course, who doesn’t like banking with a bank that is so successful!

What are your hobbies and interests? My main hobby is restoring and building old cars. My favorite is the 1932 Model A Ford Pickup. I enjoy hunting deer, elk, pheasant & dove.

Another hobby of mine is Barbequing for various organizations.

What do you think makes our community so special? What makes our community so special is that it is still generally based on its agricultural roots, and there are still several old time family owned businesses to work with.

If you are eating at Dickey’s what would you order? I always eat too much, but my favorite is the 2-item meat plate with pulled pork and brisket with barbeque beans and coleslaw. And of course – the ice cream!



Barbara Addington

VP, Compliance
Quality Control Officer

Tell us about your background: I started out making consumer loans back in the days before all the stringent regulations were in place. Over the last 35 years, I have had the opportunity to work in many different areas of lending from making, selling, documenting, and reviewing loans. For about the last 14 years I have focused in the area of compliance and quality control.

What do you like best about our local community? Yuba City has grown over the years but it still has that small town charm. I was born in Live Oak and raised in Loma Rica, so I’m a really small town girl. I like knowing that I can drive in any direction and find open ground in one direction and mountains in another in just a matter of minutes. No matter where I travel, once I see the Sutter Buttes in my view I know I’m home.

What are your hobbies & interests? There is nothing better to me than being around friends and family. I am an avid cook and baker and love to entertain.

Describe what you do here at Bank of Feather River? My job at BOFR is to follow the changes in Federal and State regulations and make sure the employees are trained in them and adhering to them. Quality control is another function that I perform, which is auditing loans after they have closed to verify that the bank has accurately documented and funded the loan. It’s not glamorous and I’m not always everyone’s favorite person, but in a nut shell, my job function is to protect the bank.

What is your favorite thing about working at Bank of Feather River?

Having worked for larger financial institutions, I love that everything we do, from loan approval to policies and procedures is all done within a short period of time. I like knowing that if something needs approved, it can be done immediately without having to travel through a lot of committees and subcommittees.

I also like working at BOFR because of the camaraderie amongst the employees. It not only takes people to run a bank, it takes a team to excel at running a bank.

If you are eating at Dickey’s what would you order? If I were to order Dickey’s BBQ, I would go for the turkey, or the brisket, or the pork ribs, or all three at the same time. It’s a hard decision on which sides to order, the baked potato casserole, barbeque beans and green beans with bacon are all scrumptious.

What Our Customers Have to Say...

As told to Mandy Jones, AVP, Business Development Officer



Dickey's Barbecue Pit of Yuba City

Dr. Thomas Iverson Owner/Operator
Mary Flanery Marketing/Catering Director
Art Oliva Manager

Tell us how an Orthodontist decided to go into the BBQ Business?

TI: While I was in dental school at Baylor College of Dentistry in Dallas I ate at Dickey's BBQ all the time. Dallas is the home of Dickey's BBQ since 1941. I thought Dickey's being a family style restaurant would be a good fit for the Yuba-Sutter area.

What sets your business apart from others in the BBQ business?

MF: Our staff meets every morning before opening. Our standard procedures help make sure we have a consistently great product every time. **AO:** We are open 11-9 every day. On Sundays kids eat free.

How has Bank of Feather River helped your business? **TI:** From the beginning, it was the ease of opening the account. Online banking helps with our accounting. The Personal Bankers and staff are great.

MF & AO: We like the fact that just like we are locally owned, so is Bank of Feather River. Everyone knows who we are and genuinely are interested in us.

Tell us about Dickey's BBQ University? **TI:** It is a 3-week crash course for owners and operators. I worked double shifts for six days with one day off for the entire three weeks. We learn every aspect of the operation of the business. I got to meet the son and the grandson of Mr. Dickey. Roland Dickey, Jr., the grandson, is now the CEO of the business.

What is your favorite food at Dickey's? **AO:** Spicy Cheddar & Chicken Westerner Sandwich with jalapeno beans. **MF:** I hate to say it, but the ham & cheese sandwich. I also love the mac & cheese.

Tell us about your catering business? **MF:** Dickey's can cater anything from ten people to unlimited. We will be catering for an event in April for 300 people. We can do business lunches, weddings, fundraisers, tailgate parties, you name it! We just need 24 hours advance notice.

What's the story with the ice cream? **AO:** Mr. Dickey had a very big sweet tooth and loved ice cream, the only problem was he was lactose intolerant. He looked long and hard and finally found a dairy-free soft serve ice cream. Unlimited Ice Cream is free at Dickey's as long as you make a purchase.

Do you actually smoke the meat at your location? **AO:** Yes, the night before between 6-7 PM we put the pulled pork & brisket in the smoker. We use hickory wood to smoke the meat. All the other meats we smoke the day we serve them.



\$5 OFF XL Family Pack!
Valid at 871 Gray Ave., Yuba City location only.
Expires March 18, 2015.



CONTINUED FROM COVER

Jeff Cryer and Rich Burtleson, Farmer & Real Estate Agent

When you are a community banker the terms "customer" and "friend" are oftentimes interchangeable, and more often than not, anyone who comes into the bank is both a customer and friend of Jeff's. He is always quick to credit these customer/friends with helping him start our bank by purchasing bank stock to provide the initial capital required by regulators in order to form our bank.

Jeff is the Chief Credit Officer of the bank. Every bank is required by bank regulators to have a Chief Credit Officer, or CCO, as they are often referred to. As the CCO, he is tasked with managing the largest asset of your bank, the \$56,000,000 loan portfolio. Not only is it the largest asset of the bank, but it is the income driver of the bank, and also has the potential to do the most damage to the bank in the event of loan problems. Jeff approves every loan that the bank makes, and works closely with the loan officers to properly structure, document, and ultimately collect loans, from simple vehicle loans up to very complex business loans. Loan approvals are just the beginning, because the loan portfolio must be continually monitored, measured, and sliced and diced in order to assure ongoing positive loan quality, loan diversity, and compliance with the various laws and regulations. Banking is a highly regulated industry, and as such Jeff is the point man with the FDIC and other regulatory agencies that often make "friendly" visits to all of their member banks. He is happy to report that the condition of the banks loan portfolio is very good, evidenced by our strong loan ratio's, positive feedback from regulators and the strong profitability of the Bank.

Jeff always points out that while the loan portfolio is the largest asset of the bank, the most important asset of the bank is our employees, and our loyal customers. He is quick to credit the efforts of our excellent loan and note department staff who are all knowledgeable and share the same vision, creating and maintaining your banks largest asset, its loan portfolio.