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UPDATE

INSIDE APRIL 2015

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Dennis Hinz, Board Member

Charity Efforts - Bike Around the Buttes

The total distance of the ride was 102 miles. The monies are raised to support the Yuba-Sutter Children's Type 1 Diabetes Support Group.



EVP/CCO Jeff Cryer and AVP/Executive Assistant Alisa Carter are warming up our new BBQ Grill for our Customer Appreciation Events.

Save the Dates!

- **Annual Shareholder Meeting & Cocktail Party**
May 21 from 5:30 to 7:30 p.m.
- **Customer Appreciation BBQ**
June 19 from 11 to 2 pm
- **Oink-toberfest**
September 24th



Dear Friends & Shareholders...



Spring is here and it is hard to believe that as I type this letter we are already 112 days into 2015, completing the first quarter of the year; it seems just yesterday that I was reporting on our operating results for 2014.

Everywhere we turn we can't help but read about the drought conditions in California and it is on the top of our minds as we manage our business here at the Bank. About 60% of our Bank's loan portfolio is related to ag production, ag equipment and agriculture land. With the extremely dry weather we have been experiencing, and the forecast for more to come, the uncertainty of future water allotments could further impact our growers. Management believes that an ongoing lack of water for the local Ag industry could create a hardship on the overall local economy; although we understand water cutbacks can affect many other businesses directly. To date, we have not experienced any issues with our borrowers due to drought conditions; although we diligently stay on top of water conditions and availability.

During the first quarter of 2015, we saw improved performance over the first quarter of 2014. Our assets grew \$14,457,000 to \$77,355,000 at March 31, 2015. Loans and deposits both grew at all-time highs, with loans growing \$6,981,000 to \$56,452,000 and deposits increasing an astounding 25% or \$13,666,000 to \$67,590,000. This growth is reflective of our commitment to provide competitive products with a dedication to outstanding service.

From an earnings standpoint, net income for the first quarter of 2015 was \$196,000 compared to \$132,000 at March 31, 2014, marking our **22nd consecutive quarter of profitability**. Our earnings continue to support our high level of growth with shareholder equity increasing \$832,000 to \$9,499,000 since the first quarter of last year. The Bank's equity ratios continue to be well above the regulatory minimum for a Well-Capitalized bank.

During the first quarter of this year, our Banks solid performance was recognized for the fourth year in a row by The Findley Reports. The Bank received the highest ranking of "2014 Super Premier Performing Bank". The Findley Reports, a company who has been reporting on the financial industry for 30 years, ranks banks based upon prior full year overall operating results.

Only 64 banks achieved Super Premier Performance status out of approximately 220 banks in California. Bank of Feather River was one of only six banks from Sacramento to the northern border and is the only bank headquartered in the Yuba-Sutter region to receive this highest level of performance rating. We are honored for being recognized for our hard work.

"Also in this first quarter the bank hosted the first of a series of breakfasts called "Women & Conversations." Special guest, Paula Hyatt-McIntire, a local estate planning attorney gave information to thirty women on how to make sure their estates were in order. The bank will be hosting two more of these breakfasts this year with topics of Women's Health and Caring for our Aging Parents. This is just another way Bank of Feather River is making a difference in the lives of our community members."

In closing, like our farmers our Board and staff continually plant seeds and water them with care in order to foster new relationships for our Bank. We understand it takes a lot of effort for someone to change banks; but our staff has designed a program that allows for an easy transition.

If my staff or I can assist you with any of your financial needs or if you know someone you would like to introduce to our Bank, feel free to call on us. We always appreciate any business you send our way.

Thank you for your investment in our Bank and for supporting our efforts.

Wishing you the Best.

Julie Morehead
President/CEO

Our Dream Team...



Fawn
Dulai

VP, Operations Compliance
Manager/BSA Officer

Tell us about your background: I was born in Yuba City and have lived and worked in our community almost my whole life! My husband, Suk Dulai and I have 13 year old twins that keep us very busy. For the past 20 years of my banking career I worked at two other local community banks in the Yuba-Sutter area. In 2013, I started working at Bank of Feather River as the Vice President/Operations Compliance Manager/BSA Officer. Over the years, I have been involved as a member of the Gridley Area Chamber of Commerce, National Exchange Club and Rotary Club. I have also served as the President for my Children's School Parent Teacher Association and most recently was the President for the past 3 years of a local Little League association.

What do you like best about our local community? Our community diversity is what I like best. The definition of diversity is the condition of having or being composed of differing elements. I like that our community is compromised of different cultures and we are able to learn more about each other's culture.

What are your hobbies & interests? My hobbies and interests typically revolve around volunteering for community service organizations and volunteering for anything to do with my children. Whether it is a community service based association or Little League, I enjoy spending time to help our community be a better place for all of our children.

Describe what you do here at Bank of Feather River: My position at the Bank is to follow and make sure that the Bank is adhering to federal and state regulations that pertain to the operations of the Bank. I also conduct staff training on many different topics from compliance to business development.

Please tell me what you like best about our customer appreciation events: I love that at our customer appreciation events we get to truly show our customers how much we appreciate them. Our Bank staff is able to mingle with our customers and get to know them better to serve them better. Our Bank is built by our customers and without them we would not be in business. So thank you to our customers for allowing us to be their Bank!



Morgan
Scotten

Loan Servicing Specialist

Tell us about your background: I have lived in Yuba City my entire life. I grew up riding horses and bike riding in the Buttes. I attended Faith Christian and River Valley High School, earning my Medical Assisting Certification in ROP. While attending Sierra College with a major in biology. I started working at a local bank as a teller. After the first year I was promoted to a full time Customer Service Representative which is where I first started working with loan origination. I immediately realized that I loved banking and needed to change my major. I continued at Yuba College with a Business Administration major. I have been here at Bank of Feather River for a little over two years now, and I couldn't be happier. This last August I married my high school sweetheart, Dietrich Scotten, who currently works at the driveline shop at Hust Brothers. As we were both born and raised here, we are looking forward to growing our family in this wonderful town.

What do you like best about our local community? I like that we are a growing community, and yet still have small town country roots with family and friends I've known my whole life.

What are your hobbies & interests? I like to hangout with my friends and play games in the backyard or just relax in my hammock, drink tea, and read a good book.

Describe what you do here at Bank of Feather River: I work in the Note Department assisting in all loan operational duties. I have a variety of jobs including building files, drawing docs, working with title, getting the loan on the system, tracking insurance and processing payments and advances.

Please tell me what you like best about our customer appreciation events: Working in the back of the bank, I only get to meet customers during loan signings or other loan interactions. I love being able to meet new people that make such a difference in our bank and community. Without each and every customer, we wouldn't be where we are today.

What Our Customers Have to Say...

As told to Mandy Jones, VP, Business Development Officer



Ron & Norma Giovannetti

Rice, Walnut & Prune Farmers
Owners, N & R Trailer Leasing

AVP/Executive Assistant, Alisa Carter and I drove to Robbins to pay a visit with Ron & Norma Giovannetti at their business, N & R Trailer Leasing. It was a beautiful afternoon and we enjoyed the drive through the orchards and rice fields that were being prepared to be planted. When we arrived at our location both of us commented that this is not what we expected at all. The trailers were all parked in perfectly straight lines and each one was clean as a whistle. Ron & Norma were there to greet us and proud to show us around their business.

Tell us about your background:

RG: Norma is from Merced and I'm from Woodland. We moved to Yuba City in 1972 to farm. We currently farm 850 acres of prunes, 1,000 acres of walnuts and 200 acres of rice.

Tell me about N & R Trailer Leasing:

RG: We opened in 2011 with 8 trailers. We currently lease to 10 farmers.

NG: We have 58 trailers that haul rice and walnuts.

RG: We're hoping to buy 10 more trailers this year.

How much will the trailers hold?

RG: We can haul almost 29 tons of rice in the low tops and 38 ½ tons of walnuts in the high top trailers.

What sets your business apart from others?

RG: Our trailers are top quality. They are welded by PT Welding in Woodland which is the best. The Highway Patrol really like our trailers because they are welded so well.

NG: We don't have to advertise. Our customers recommend us to others. Our trailers leave the yard clean and we require that they bring them back in the same condition as when they picked them up.

What made you choose to have your banking relationship with Bank of Feather River?

RG: We started out talking to Julie, Jeff and Barb VanGilder. We needed money to start our business and Bank of Feather River welcomed us with open arms.

How has Bank of Feather River helped your business?

NG: Bank of Feather River has been extremely easy to work with. Barbara VanGilder, Jeff Cryer and the rest of the team do a great job.

You have a great reputation of philanthropic work in the Yuba-Sutter area. What are some of the causes you support and why?

NG: We support the Rideout Health Foundation, the Highway Patrol Golf Tournament, Toys for Tots, and local schools.

RG: Anything having to do with Children.

When you are not working, what do you like to do?

RG: We like to get away to Carmel.

NG: We get some R&R from our busy schedules and enjoy having dinner with friends.

