

530.755.3700 | BankOfFeatherRiver.com

UPDATE

INSIDE FEB 2016

| | |
|--------------------------------------|---|
| Message from our President/CEO | 1 |
| What Our Customers Have To Say | 2 |
| Our Dream Team | 3 |
| Organizations Supported in 2015..... | 3 |



*Yuba-Sutter Chamber
of Commerce Gala*



MEMBER
FDIC 

Dear Friends & Shareholders...



As I type this letter Payton Manning is on the plane back to Denver to celebrate with his Broncos teammates after winning Super Bowl 50. The game was actually a good game, but what really comes to mind is the massive amount of commercials aired during the game. It amazes me the amount of money the sponsors spend to promote their businesses and products; and more so, the hundreds of thousands of dollars they pay creative marketing firms to come up with crazy ideas. Like many of you, Bank of Feather River is a small business and it is important that we find ways to market our products and services without “breaking the bank”. It has been beneficial to our Bank to advertise in print to some degree; however, it is even more beneficial for us to continue to partake in community events and support the many groups who do so much for so many local people. Further, we always enjoy and benefit from the events we host for you, our customers and shareholders.

What sets our bank apart from the large regional banks is the fact that 100% of the deposits from our local community are lent back in our community; allowing us to assist businesses achieve their goals, including their ability to grow and expand their workforce; creating jobs locally.

This past quarter I was honored to be one of 10 bankers from the western region to be invited to San Francisco to meet with Federal Deposit Insurance Corporation (FDIC) Chairman Martin Gruenberg for a CEO roundtable to discuss the state of our industry. The meeting was very informative and I walked away feeling our Bank is on top of the FDIC’s main focus points. One statement the Chairman made, that I thought would be of interest to you, was he reported that community banks account for 14% of the banking industry and account for 45% of all loans. He stated he believes there is still a strong need for community banks in our country.

I am proud to be a Community Banker, and as we begin 2016 and wrap up all of the paperwork that goes with closing the books for 2015, I thought I would update you on some of the great things that have happened at Bank of Feather River since I wrote to you last quarter.

During the fourth quarter ending December 31, 2015, total assets were \$78,414,000 million, an increase of 7.5% over the prior quarter and 5% over December 31, 2014.

Total loans grew to \$58,032,000 or 5% from last quarter and are up 3% over December 31, 2014. The Bank carried over a large pipeline of loans into 2016 that will fund in the first quarter of this year.

The Bank’s total deposits continue to grow at a nice pace and ended the year at \$67,897,000, a 9% and 5% increase, respectively, over the prior quarter and the prior year end.

From an earnings standpoint, the Bank recognized net income of \$162,000 during the fourth quarter of the year, pushing full year 2015 net income to \$747,000, a slight decrease in net income of \$768,000 recognized during 2014. The minimal decline was primarily due to a slight squeeze in the Bank’s net interest margin due to our desire to compete with lower loan rates offered by our competitors. The fourth quarter 2015 marked **25 consecutive quarters of earnings** since our inception in November 2007.

As we look to 2016, we have developed some exciting plans and will implement initiatives during the year that will allow us to continue to grow our Bank at a nice pace, while remaining focused on the return on shareholders equity and our commitment to contributing to our community.

And unlike the big companies that spend millions on Super Bowl ads to promote their business, the best form of advertising for our Bank comes from word of mouth, and over the past 8 years many of you have promoted our Bank to your friends, business associates and family, and we thank you for that support.

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. We hope 2016 is a great year for you.

A handwritten signature in black ink that reads "Julie Morehead". The signature is fluid and cursive.

Julie Morehead
President/CEO

What Our Customers Have To Say

By Mandy Jones, VP/Business Development Officer

Just a little over a year ago, I was feeling a slight bit nervous just thinking about my first attempt at yoga. Our new customer, Jesi Young, owner of PureJoy Yoga was having a "Pop Up" yoga class in the lobby of our bank to build up excitement for her grand opening. Never having been to a yoga class before, I didn't know what to expect? After that first pop up class I was hooked. Not just me, but several of our staff members are attending the classes as well. I'm very proud to say that Bank of Feather River has been a big part in helping Jesi open her very successful yoga business in Yuba City.

MJ: *Tell us about your background?*

JY: I grew up in a very small town, Mokelumne Hill - population 640 - in Calaveras County. I moved to Los Angeles 10 days after graduating from High School and ten days before turning 18. During this time I went to San Diego State and Santa Monica College. I moved back to NorCal and earned my Associates degree at San Joaquin Delta College, before transferring to Sac State for their Business program, where I earned my B.S. in Business Marketing. In 2010 I graduated college, met my husband and found yoga (talk about a good year!). And in 2013, my husband and I moved to Yuba City, his hometown.

MJ: *How did you get started doing yoga?*

JY: A friend from my college business fraternity, Delta Sigma Pi, invited me to join her for a yoga class at a studio she was helping to promote. I went to my first class and walked out a different person.

MJ: *What was the process of starting your business?*

JY: I sort of went down the rabbit hole with yoga: from taking classes to taking trainings, to volunteering at a yoga studio in Folsom, CA, to managing it. When I landed in Yuba City, I personally recognized the need for a dedicated space to practice yoga. While teaching classes in Yuba City and Marysville, I put together a business plan with the help of Ken Freeman and the Small Business Development Center. Of course, writing a plan, starting a business and actually opening the doors is a process that can be challenging. There are always delays, but Bank of Feather River was there to help me every step of the way!

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

JY: I actually gave my proposal to three different local banks. Two out of the three showed interest and Bank of Feather River just felt right from the very beginning.

MJ: *How has Bank of Feather River helped your business?*

JY: They are continually advocating for my business and looking for opportunities to help my business be successful. Loan Officer, Jag Madare did a SBA loan for us and Business Development Officer, Mandy Jones communicated with us throughout the entire process to keep us apprised of how things were going and how long to expect.

MJ: *What sets your business apart from others?*

JY: Our highest priority is to build a community within our community; a place where people can meet new people and forge new friendships. And of course, a safe, dedicated place for the practice of yoga.

MJ: *What do you think the challenges are for a woman-owned business?*

JY: People expect you to be a lot softer and can be surprised when they encounter a strong business woman. But my advice to women who are starting out, don't soften yourself, stand up for yourself and your vision, and never apologize for something that isn't your fault.

MJ: *For anyone who has never done yoga before, what advice would you give them?*

JY: Everybody has to have a first class, just know that it's okay. There are no expectations for people to be perfect. At Pure Joy, we have classes designed for new students, like yoga basics, gentle yoga, beginner's flow, slow flow and yin yoga. We also offer a free community class every week on Fridays at 9 AM. We have a very accepting space that honors all levels of practice.

MJ: *When you are not working what do you like to do?*

JY: Believe it or not, I like to do yoga. I have been in a 500 hour yoga teacher training for over a year. I am always looking for more knowledge in the science of yoga. I also have a passion for making natural bath and body products, which I sell at the studio. Our natural deodorant is the top seller! Other than that, I love to travel, cook whole foods for my husband, and juice. We live here in Yuba City with our two dogs and three cats.

MJ: *My New Year's resolution is.....doing the 30 Day Yoga Challenge!*



Our Dream Team...



**Catrina
Sheperd**
Personal Banker

Tell us about your background: I'm a proud military spouse with two kids and a wonderful husband currently stationed here at Beale Air Force Base. The military brought us here in 2013 and depending on the assignment; we just might be here until retirement. My 16 year old son Alex is a junior at Wheatland Union High School. He keeps me active with his involvement in football, basketball and baseball, GO PIRATES!! My 20 year old daughter Bree is a junior at Stanford University majoring in Mechanical Engineering, GO TREES!! Her college choice was one of the reasons we moved to California.

What do you like best about our local community: I really love the location and that we are conveniently located to popular cities like San Francisco, Sacramento, Reno and Lake Tahoe. It's nice being able to jump in my car and in no time be in the city or in the mountains enjoying the fresh crisp air. The military support here is AMAZING! You can always count on people or organizations to support Beale AFB when needed or called upon. The size of our community is perfect, not too big and not too small. It offers what we need to stay comfortable.

What are your hobbies & interests: I like anything outdoors, from hiking, the gun range, canoeing, sports and just plain exploring with my family. Getting a map of a local area and visiting areas that offer a variety of outdoor events or activities are something we look forward to during the weekends. Cheering on our favorite college and professional teams, live or on the television is always fun and can consume a lot of our time.

Describe what you do here at Bank of Feather River: I am a Personal Banker. We have the best customers in town. I like to help them with their everyday accounts which includes opening new accounts, taking deposits, withdrawing money and helping them set up their online banking. Customer service is what I like to provide to every person that walks through our door.

My New Year's resolution is... to spend more time at the dinner table with my family. We're always coming and going in every direction so we rarely have dinner together at the table. Of course I also want to start back running and gym time, something that I used to enjoy before moving back to the states from being stationed in Japan.

Bank of Feather River Supported these Organizations in 2015

20/30 Club Brewfest
American Heart Association
Beale Happy Landings
Beale Military Liaison Committee
Beale Operation Warmheart
BMLC Patriotic Golf Tournament
Brian Hale Trench Dawg Scholarship Fund Golf Tournament
Butchies Pool Car Show
Chili's St. Jude's Golf Tournament
Covillaud Elementary School
Dancing with Our Stars
Don Bakken Memorial Golf Tournament
Early Riser's Kiwanis Brews, Blues & BBQ
Friends of the NRA
Hands of Hope Turkey Trot
Iles Academy of Golf for Kids
Live Oak Festival
Live Oak Peach Tea
Marysville Exchange Club Golf Tournament
Marysville Kiwanis Club Italian Night
Marysville Kiwanis Hogs & Hulas
Marysville Peach Festival
Marysville Stampede
Meridian Lions Club Steak Feed
National Crime Victims' Rights Week Lunch
North Valley Hispanic Chamber of Commerce
Pink October Ladies Night Out
Punjabi American Festival
ResQPaws
Rideout Health Foundation Fairway to Health
River Valley High School AVID
River Valley High School Golf Team
Rotary Club of Marysville Sodbusters
Run Drugs Out of Town
Run Plumas Lake
Salvation Army Kettle Bell
Shady Creek Evening in the Forest
Son's In Retirement
Smile for a Lifetime
Sorpptomist of Marysville-Yuba City Merriment & Martini's
SoYouCan
St. Isidore's Catholic School Silver Project
St. Joan of Arc Scholarship Fund
Sutter Buttes Little League
Sutter Buttes Regional Airport Association
Sutter High Alumni Sports Association Tee Up for the Huskies
Sutter High School Meet the Huskies
Sutter Junior Huskies
Sutter Medical Foundation Swing in to Health
Sutter Union High School Grad Night
Sutter-Buttes Land Trust
SYAR Golf Tournament
The Acting Company
Trauma Intervention Program
Walk to End Alzheimer's Disease
Yuba City High School Golf Team
Yuba City Kiwanis Club Lobster Feed
Yuba City Rotary Club Crab Feed
Yuba Feather Sunrise Rotary A Day in the Life
Yuba-Sutter Arts Council
Yuba-Sutter Chamber of Commerce
Yuba-Sutter Chamber of Commerce Taste of Yuba Sutter
Yuba-Sutter Fair Junior Livestock Auction
Yuba-Sutter Fairgrounds Boot Camp
Yuba-Sutter Farm Bureau Spring Fling
Yuba-Sutter Oratorio Society
Yuba-Sutter United Way Celebrity Golf Tournament
Yuba-Sutter United Way Elegant Soiree