



UPDATE

INSIDE JUL 2015

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Annual Shareholders Meeting...



**Beale Military Liaison Committee Annual Mixer
hosted by Bank of Feather River**



Mark your calendar

**SEP
24th**

@inktoberfest



Dear Friends & Shareholders...



Summer is here and as I write this letter the news broadcaster is reminding us the temperature will reach 108 degrees today. Although most of us dread this time of year when we enter into our first heat wave (classified as 3 days over 100 degrees), our farmers look forward to this opportunity for their crops to get the heat and sunshine they need to fully mature. The early peaches are ready to come off the trees so most of our farmers are in their fields preparing for harvest. This time of year always reminds me of just how lucky we are to live in an area where fresh fruits, vegetables, and nuts are bountiful.

Our farmers truly are a huge part of our local economy, directly and indirectly. Many of our local businesses rely on the farmers to fuel their companies. From the equipment manufacturers, pump and well companies, and packers, to the farm supply companies, auto dealers, and grocery stores and restaurants, our local farmers contribute a great deal to our area. Bank of Feather River is proud to have a large portion of our business with the local ag industry, doing our part to fuel the local economy.

During the second quarter of 2015, we saw improved performance over the second quarter of 2014. Our assets grew \$4,571,000 to \$73,115,000 at June 30, 2015. Loans decreased \$771,000 to \$58,559,000 in the second quarter of 2015 compared to the second quarter of 2014; although on average loans increased \$6,632,000 year over year.

Deposits grew at a steady pace, with deposits increasing 6% or \$3,611,000 to \$62,993,000. 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 \$190,979 compared to \$170,615 at June 30, 2014, marking our **23rd consecutive quarter of profitability**. Our earnings continue to support our high level of growth with shareholder equity increasing

\$852,000 to \$9,690,000 since the second quarter of last year. The Bank's equity ratios continue to be well above the regulatory minimum for a Well-Capitalized Bank.

Recently the Bank was awarded a Five Star Rating by BauerFinancial for our performance during the first quarter of this year and we strive to continue to receive such high accolades.

As I close, it was so nice to see so many of you at our Annual Shareholders event in May; we appreciate your continued support and friendship. As you are out about this summer, don't forget to stop by the Bank and enjoy many of the fruits and vegetables our customers share with us. We truly are blessed to live and work in this great community.

"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.

A handwritten signature in cursive script that reads "Julie Morehead".

Julie Morehead
President/CEO



Mandy Jones, Julie & Joe Morehead and Tom Walther joined others in the Fairway to Health golf tournament

What Our Customers Have to Say...

As told to Mandy Jones, VP, Business Development Officer



Valley Pump & Motor Works

Family Owners, Charlie, Rick, Jerry & John Bartlett

First stop - Sun's Donuts to pick up 2 dozen for the guys and 2 gals who work at Valley Pump & Motor Works. Things are hopping at family owned Valley Pump as their list of customers has expanded since the beginning of one of the worst droughts California has ever experienced. I sit down to visit with Charlie and Jerry Bartlett in Jerry's office; John Bartlett is out supervising outside projects and Rick Bartlett was busy handling day to day operations. While visiting, Jerry's phone is ringing, employees are seeking instructions and yet the Bartlett Family business is able to multitask in order to "supply water to a thirsty world".

With this being your 50th Anniversary in business, tell me a little about your beginning? **Charlie:** My brother Al and I worked for Sutter Pump Works for 8-10 years and we decided to start our own business in 1965. All but one of our customers from Sutter Pump Works followed us to Valley Pump. We had been running things anyway so we decided to start a business for ourselves. After the Linda levee break, my brother and I brought in 20 diesel pumps for pumping out flood waters behind the Peach Tree Mall and Star Bend. We even traveled to Massachusetts to pump out 20 million gallons of water from the flooded Merrimac River.

What was your biggest struggle in 50 years of business? **Charlie:** Our biggest struggle has been to find good, qualified employees. Our business does it all so we employ pump installers, machinists, electricians, well drillers, you name it.

Being in business for 50 years you clearly have been doing something right. What's the secret to your success? **Jerry:** Two things - Honesty and Service. Our warranty is 110%, even if we have to take a loss. We always make things right for the customer.

Charlie: We do it all including municipality, agricultural, domestic and commercial jobs. We work all over the state of California as well as Oregon and Nevada.

Jerry: We service both fresh water and waste water. We just recently opened a satellite office in Los Banos so we can quickly take care of our customers in Southern California.

What is it like to work with your family members?

Charlie & Jerry: We all get along great. Each one has their own area of responsibility and we all do it well. We don't get in each others way and we enjoy being together.

Tell us how the drought has impacted your business.

Jerry: This is not our first drought. We have been through three now and we are very experienced in knowing how to be prepared. We have added five cable drill rigs and for Woodland south we have added five rotary well drills.

Charlie: We keep buying rigs so our customers don't have to wait. Our customers can't afford to wait.

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

Charlie: We started banking with one of the big banks back in 1965. The big banks are no longer what they were back then and after forty years we had become just an account number. We wanted to move to a bank that fit our business. Most of our clientele are farmers and are also clients of Bank of Feather River so it fits our situation perfectly.

Jerry: We have worked with Bank of Feather River VP/Loan Officer Jag Madare and SVP/Loan Officer Harman Gosal for years. All the bankers are friendly, personable and provide excellent service.

How has Bank of Feather River helped your business?

Charlie: We appreciate the quick service and that we can call and talk to people we know.

Jerry: The customer appreciation barbeques and the pig roast that the bank hosts has given us opportunities to network with our clients as well as opportunities to gain some new clients. Our employees have benefitted by being able to cash their payroll checks without being charged a fee.

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

Charlie: My wife Jan and I like to work on projects together. We also like to go to the lake.

Jerry: I have been racing dirt race cars for 39 years. John has two kids and they are big in to go-cart racing.

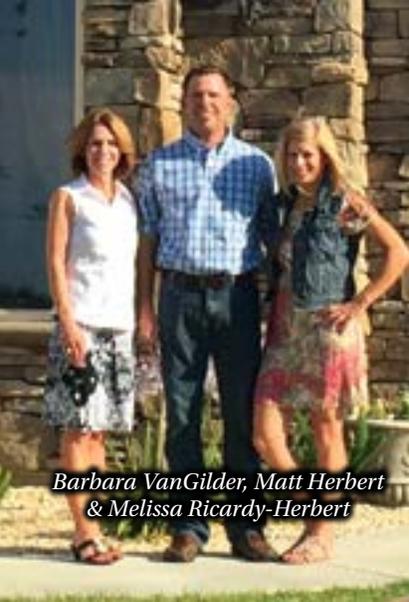
Rick: I like to spend time on my houseboat at the lake. I enjoy cooking and smoking meat on my new smoker.

Valley Pump and Motor Works is located at 470 N. George Washington Blvd in Yuba City. For more information call 530-673-2930.



Pictured from left: Stacy Myers, Jerry Bartlett, Jan Bartlett, Charlie Bartlett, Jessica Bagley, John Bartlett, Andi Bartlett, and Rick Bartlett

VALLEY
PUMP & MOTOR WORKS
SALES AND SERVICE
SUPPLYING WATER TO
A THIRSTY WORLD



Barbara VanGilder, Matt Herbert
& Melissa Ricardy-Herbert

Matt & Melissa Ricardy-Herbert

Home Construction Loan Customers

As a regular viewer of House Hunters on HGTV you can believe I was really excited to visit the home of Matt & Melissa Ricardy-Herbert with Bank of Feather River VP/Loan Officer Barb VanGilder. Try to imagine my reaction when I drove into their driveway and caught my first glimpse of their beautiful home. Matt & Melissa welcomed us into their home and I was even more blown

away when we went inside and saw how tastefully decorated and comfortable their home was designed.

Is this your first home or your first time to construct a home?

MH: Melissa and I both owned homes but this is our first time to construct our own home. I have a construction background and we hired a project manager to help us out.

What was your biggest struggle in the construction process?

MRH: I would say everything went very smooth. Every weekend our project manager would give us a homework assignment. For example, he would ask us to pick out appliances, decide where we thought the electrical outlets should be placed, go and pick out light fixtures, etc. It's hard to imagine all the things that go into building a house.

MH: It took us a while to find the property. We were looking for a five acre tract and those are hard to come by in our price range. We ended up finding this property that belonged to a family that I knew since I was in grammar school. I asked them if they would be interested in selling and they agreed. Our property is 12 acres.

Describe the satisfaction you have after the project was completed and you moved in?

MH: We are very happy with our home. We feel very comfortable here and happy with how everything turned out.

MRH: Some days it's hard to want to leave the house because it is so comfortable. It just makes you want to stay here and enjoy it. Since moving here we have two cats that have adopted us along with the cat we already had.

What made you choose to work with Bank of Feather River for your home construction loan?

MH: I initially went to a big bank and was told that the owner/builder type of loan I was looking for was something that a small, local bank could do better. I started calling around to local banks and after speaking with Barb we immediately knew that Bank of Feather River would be a good fit for us.

How has Bank of Feather River and specifically how has Barb helped make your dream home a reality?

MH: Barb was outstanding. She is an expert at what she does and she made the process extremely smooth. We were so pleased that we are now banking with Bank of Feather River and will continue to do so in the future.

BVG: Barb interjected that Matt & Melissa were a dream to work with. They were extremely prompt and responsive through the entire loan process.

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

MH: I like to hunt and fish.

MRH: We like to go to the lake and go out on the boat. We also like to travel.

For more information on Bank of Feather River's Real Estate Lending please contact Barbara VanGilder at 530-790-2546 or barbara.vangilder@bankoffeatherriver.com.

Our Dream Team...



Amelia
Storm
Personal Banker

Tell us about your background: I have always had a passion for helping people. I began my career in community banking when I was 19 years old with a local bank in Roseville. Prior to that, I worked in various customer service jobs, from retail sales to restaurants. I am currently studying at Yuba Community College to further my education.

What do you like best about our local community? I was born and raised in the Sacramento area and moved to Yuba City about 2 years ago. I love the slower-pace and friendly feel of our community. We have the nicest customers here!

What are your hobbies & interests? I am definitely a homebody. The most exciting place I go is probably the movie theater or grocery store. I spend a lot of my time in the kitchen cooking and baking. If you stop by the bank on any given day you might be lucky enough to try one of my baked goods. I also enjoy working out every day. I have been trying to run more often to prepare for the Walk to End Alzheimer's which will be here in Yuba City this September.

Describe what you do here at Bank of Feather River: As a Personal Banker my primary role is assisting deposit customers with all of their banking needs. I open a variety of accounts, primarily checking accounts, for local businesses and consumers. I also help our customers with teller transactions, online banking, debit card questions, and what ever else they need. Working for a community bank like Bank of Feather River is much different than your typical bank. I'm not just here to open your checking account and cross-sell you on all of our products. I do my best to make each experience at Bank of Feather River memorable. My desk is right in front as you walk in so I am the first face you will see. I will always make sure you are greeted warmly with a smile.