

BOFR QUARTERLY

MAY 2016 NEWS & UPDATES



BANK OF
FEATHER RIVER

A PUBLICATION FOR FRIENDS
AND SHAREHOLDERS

Save the Date

for these upcoming events!

Friday, May 13th - 11am-2pm
Customer Appreciation BBQ/Shred Day

Wednesday, July 20th - 11am-2pm
Customer Appreciation BBQ

Thursday, September 29th 5:30pm-7:30pm
Oinktoberfest

BANK OF FEATHER RIVER

BANK OF FEATHER RIVER

WEST HORIZON
OFFICE BUILDING



BANK OF
FEATHER RIVER

855 Harter Pkwy #100, Yuba City, CA 95993

Monday – Friday 9:00 AM until 5:00 PM

530.755.3700 | BankOfFeatherRiver.com

MEMBER
FDIC





Dear Friends & Shareholders:

A Note from our President/CEO

Julie Morehead
President/CEO

Spring is here and it is reported that allergy season this year is worse than any other we have had; and although many of us suffer during this time of year, sometimes it is worth it because it is a sign that our beautiful community is in full bloom. This is the time of year we rarely see our farmers in the Bank because they are out in their fields assuring their crops are the best they can be. Did you know our Bank finances Peaches, Prunes, Walnuts, Rice, Almonds, Olives, and Kiwis; the many crops we grow here in the Yuba Sutter area.

In addition to financing agriculture, our staff has done a great job of diversifying our loan portfolio by financing various other local business ventures including some that you see featured from time-to-time in this newsletter; it continues to be our business model to support the growth of our local community.

As of March 31, 2016 we have grown the Bank to \$78,034,000 in total assets, \$64,713,000 in total loans and \$67,511,000 in total deposits. Loans have grown \$8,300,000 since March 2015 and are up an impressive \$6,700,000 since December 31, 2015. Total deposits remain relatively flat over a year ago and over year end. Although from a total deposit standpoint deposits are flat, the Bank was able to replace higher priced non-local deposits with more stable local deposits during the stated time. We remain focused on growing our deposit base and always appreciate business you send our way.

Net income for the first quarter of 2016 was \$231,000 up 18% over March 2015 and up 42% over the fourth quarter of 2015. The first quarter 2016 marked the **26th consecutive quarter of earnings** since our inception in November 2007.

To assist with our local outreach to grow the Bank, I am proud to announce we have hired lifelong resident Reena Davit to our team of professionals. Reena has great connections in our community and understands the agriculture industry; she brings to the Bank 13 years of

experience in the financial industry. Next time you are in the Bank join us in welcoming Reena, our new Business Banking Officer.

It continues to be our mission to support our local community through offering financial products which assist local businesses and individuals to prosper, while donating our time and resources to local organizations and foundations, and employing local experienced people who understand our area.

We are confident that 2016 will be a great year for our Bank as we begin to develop and implement some new strategies that will contribute to our future growth and enhance the return to our shareholders.

By the time you read this letter the blooms will have turned to fruits and nuts, we will begin to hear the sound of Pomp and Circumstance as local schools prepare for graduation, and summer will be upon us. Stay cool, don't forget your sunscreen, and stay hydrated-we always have cold water available for you when you come into our Bank.

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.

Best wishes,

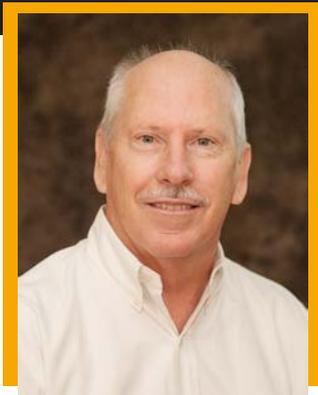

Julie Morehead
President/CEO



A Look Back & Forward with our New Chairman of the Board

Bank of Feather River is delighted to announce the appointment of our new Chairman of the Board, Dennis Hinz. Dennis has practiced as a CPA in Yuba City from 1981 to the present and is a Shareholder in Ten Haken, Hinz & Company Accountancy Corporation. "It is an honor to be appointed to Chairman of the Board for Bank of Feather River. I am following in the footsteps of Brent Hasteley who did an outstanding job as chairman since before I was asked to join the board in 2009," explains Dennis.

Even then as it has continued to be, our directors are chosen and elected based on their strong ties to our community. Dennis has served and participated in various professional associations and civic activities including Member AICPA, Member CSCPA, Member NACVA, Treasurer of Kiwanis Club of Yuba City, former Board Member and past Chairman of the Yuba-Sutter Chamber of Commerce, & Advisory Board for Cambridge Junior College. Dennis is currently the Chairman of the Philanthropy



DENNIS HINZ
Chairman of the Board

Committee of Sutter Medical Foundation.

"Our management team of Julie Morehead, Jeff Cryer, and Liz Gates, along with the rest of the bank team do an incredible job in making BOFR one of the top performing banks in California.", Dennis stated. Recently this performance was validated when Bauer Financial awarded Bank of Feather River five-stars,

the highest rating. In 2015 the CB Top Ten™ report ranked Bank of Feather River 16th in the top ten percent of C-Corp community banks in the United States whose asset size is less than \$100 Million.

"This makes me proud to be associated first as a board member and now as Chairman. It makes it easy for me when I am out in the community to push the virtues of banking with a local community bank. The fact that our bank is locally owned and managed and contributes back to the community by its strong support of so many events and charities sends a powerful message. I look forward to strong growth and many years of prosperity for the bank, its customers and its shareholders," Dennis states.

Dennis earned his degree in Business Administration from California State University, Chico and became a licensed Certified Public Accountant with the State of California in December of 1981 and licensed as a Certified Valuation Analyst in 2000.

BOFR Dream Team Spotlight



REENA DAVIT

Business Banking Officer

★★★★★ customer service

12 years experience

🏆🏆🏆🏆🏆 Cowboys Championships

"I was born and raised in Yuba City. I went away to college in San Luis Obispo following the footsteps of my family. After school, I moved to the bay area for a promotion with my career in retail management. I decided to change my career path and moved home and pursued lending and banking. I have been banking ever since."

What do you like best about our local community?

I love all of the agriculture in our area. I grew up in an agricultural family, and used to help during summertime in the fields, so it holds a special place in my heart.

What are your hobbies & interests?

I enjoy spending time with my family and friends. I enjoy entertaining, and love to relax and laugh while doing so. I love traveling, especially if it involves a beach or a pool. I am always looking online for my next journey. I enjoy reading to unwind, as well as listening to different varieties of music. Love sports too, watching football is definitely my favorite, as well as attending games. Go Cowboys!

Describe what you do here at Bank of Feather River?

I help acquire both deposit and lending relationships to bring aboard to our bank. I help manage a portfolio of personal and business customers. I also assist my clients as the middle person between our lending and banking teams so they have a direct point of contact for their needs or concerns.

One thing I would really like to do this year is...

Attend a game at the Dallas Cowboys stadium.



Dan Silva – A Tribute by Mandy Jones



The first time I really spent much time with Dan Silva was with a pig. Literally, it was a pig cooker getting ready for Oinktoberfest. Dan was always willing to lend a hand or share his expertise and in this case, the customers of Bank of Feather River enjoyed the fruits of his labor which was delicious roasted pork.



Dan passed away March 25, 2016 at the young age of 69. Dan was born in Yuba City and was a 3rd generation farmer.

He served as District 5 Sutter County Supervisor from

2000-2008. Dan was an avid duck hunter, and a recent world traveler.

Many of you remember Dan as the manager of the Yuba City Certified Farmers Market. Dan was also involved in many Committees and Boards, representing the concerns of the community he served.

Executive Vice President and Chief Credit Officer Jeff Cryer recalls, "Dan was always so excited about agriculture in the Yuba Sutter area. He and his son Chris were best friends and

he was so proud of the business they had created together. He was always full of energy and always had a big smile on his face. As a county supervisor for many years, he was the farmer's friend, and those in the farming community could always count on him to support what was in their best interest."

Dan's lasting footprint on our community truly made this a better place and will be hard shoes to fill. The Bank of Feather River family sends our condolences to Dan's family and friends.

Annual BOFR Shareholder Party Held on April 21st



Guests of the Annual Shareholder Party enjoyed pizzas from the wood-fire pizza oven of Dancing Tomato Caffé.



Kevin Katz of Dancing Tomato Caffé making pizzas for Annual Shareholder Party.

Coconut Macadamia Chocolate Chip Cookies



"At our recent Shareholder Party, several of our guests inquired as to who made the delicious cookies. The answer is Dancing Tomato Caffé. I took a chance and asked Shar Katz, owner of Dancing Tomato if she would share her recipe and she was kind enough to do so. Let me just say, these are amazing!"

DIRECTIONS

Preheat oven to 375 degrees. In a small saucepan, melt butter over low heat. Sift flour, salt, and baking soda together in a medium bowl and set aside. Using an electric mixer, blend the sugars and butter until creamy and smooth. In a small bowl, whisk eggs, vanilla, and milk together before adding into the sugar mixture. Mix on medium speed until smooth. Slowly add in flour mixture until well combined. On low speed, stir in chocolate chips, coconut, and nuts. For best results, allow dough to chill in the refrigerator for at least an hour.

Using an ice cream scoop, spoon generous mounds of chilled dough onto parchment lined cookie sheets, 6 cookies per sheet. Bake cookies for 12-14 minutes, checking the cookies after 5 minutes and rotating the tray to ensure even browning. Makes 12-13 cookies.

- 1 cup unsalted butter
- 2 1/4 cups bread flour
- 1 teaspoon kosher salt
- 1 teaspoon baking soda
- 1/4 cup sugar
- 1 1/4 cups packed brown sugar
- 1 egg
- 1 egg yolk
- 2 tablespoons milk
- 1 1/2 teaspoons vanilla extract
- 2 cups semi-sweet chocolate chips
- 1 cup shredded coconut (toasted or plain)
- 1/2 cup macadamia nuts, loosely chopped (you want nice, big chunks)