Blue Valley Ban Corp.

February 9, 2015

Dear Stockholder:

Through the fourth quarter of 2014 we continued our progress toward improved operating results and financial condition of the Company. Our consolidated earnings for the quarter-to-date period ending December 31, 2014 were $432,000, compared to a loss of $(157,000) for the comparable quarter ending December 31, 2013. For the year ended December 31, 2014, our consolidated earnings were $12.8 million compared to $1.0 million for the year ended December 31, 2013. Our 2014 earnings were impacted by our recovery of our $11.8 million deferred tax asset ("DTA") valuation allowance during the third quarter. The recovery of the DTA valuation allowance was predicated by an assessment of our future ability to realize our deferred tax asset. Excluding the impact of the recovery of the DTA valuation allowance, our consolidated earnings for the year ended December 31, 2014 was approximately $1.0 million, and earnings per share for the year ended December 31, 2014 were increased by approximately $2.56 as a result of the recovery of the DTA valuation allowance. Improved net interest income and a reduction in non-interest expense were additional key elements of our progress. A copy of Managements' Discussion and Analysis of Operating Results, as well as condensed financial statements of the Company for the period, is enclosed with this letter.

Our progress is further augmented by our recent appointment of new Directors for the Company and Bank of Blue Valley ("the Bank"). Effective January 1, 2015, Thomas A. McDonnell, who was the longtime CEO of DST Systems and former CEO of the Kauffman Foundation, and Anne D. St. Peter, Founder of Global Prairie, joined the Company's Board of Directors. In addition, the Bank elected two new directors to its Board: William "Ryan" Wilkerson IV, President and CEO of Haas & Wilkerson Insurance, and Steven D. Wilkinson, the recently retired President and CEO of Menorah Medical Center. These individuals share and embody our core values of Community, Philanthropy and Entrepreneurship and will be instrumental with regards to the ongoing implementation of our growth initiatives.

During the year and quarter ending December 31, 2014, the Bank's foreclosed assets were reduced by approximately $9.0 million and $1.5 million, respectively. We remain resolute in our diligence to continue progress on reducing the balance of these assets. Additionally, as of December 31, 2014, the ratio of non-accrual loans plus accruing loans greater than 90 days past due to total loans for the Bank, was 1.17%, which was comparable with the most recent Uniform Bank Performance Report peer group ratio of 1.06%.

We recorded no provision to the allowance for loan losses during the quarter ending December 31, 2014 and recorded provisions of $400,000 during the year ended December 31, 2014 to maintain a prudently conservative financial position for the Company.

From an operating perspective, we are pleased that our financial results for the year ended December 31, 2014 reflects an increase in net interest income, compared to the previous year. The Bank improved its total risk-based capital to $75.4 million, resulting in a total risk based capital ratio of 14.98% for the Bank as of December 31, 2014. The Bank has approximately $25.1 million of capital in excess of the regulatory requirement for a well-capitalized institution.

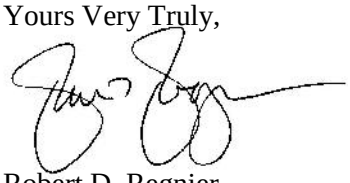
Our financial condition at December 31, 2014 included increases in total loans, including mortgage loans held for sale of $7.1 million to $423.4 million, and increases in deposits of $20.4 million to $468.8 million, compared to $416.2 million and $448.4 million at December 31, 2013, respectively.

The execution of our 2014 initiatives enables us to set forth an aggressive strategic plan for 2015 which includes:

- Refinement of the Company's sales management process with the goal of cultivating new customer relationships, expanding existing customer relationships, prudent asset and deposit growth, and increasing non-interest income.
- Advancing corporate leadership through investment in our employees, our recent enhancement of our Board of Directors and the addition/development of new management/leaders. Enhancement of our market perception by being more aggressive about telling the "Bank of Blue Valley Story" through active communication strategies and through continued support and involvement in civic and community events, which have been at the core of our values from our inception.
- Continued diligent remediation of our remaining OREO properties.

We are focused on our strategic goals for 2015 and we thank you for your continued support of our Company.

Yours Very Truly,



Robert D. Regnier
President

Managements' Discussion and Analysis of Quarterly Operating Results

Net interest income declined to $4.5 million in the fourth quarter of 2014 from $4.8 million compared to the same period in the prior year. The decline is due to a reduction in 2013 interest expense on long-term debt, recorded in the fourth quarter of 2013, upon payment of the deferred interest due for BVBC Capital Trust III due to a change in assumptions in the calculation for interest due on the securities. Excluding this adjustment, our net interest income remained stable in the fourth quarter of 2014 compared to the prior year quarter. A decline in the average rate earned on our loan portfolio was offset by an increase in the average balance of our loan portfolio and a reduction in the average balance and average rate of time deposits, as well as the reduction in the average balance of FHLBank advances, included in long-term debt. Our average balance of total loans held for investment increased by approximately $6.1 million, or 1.5% during the fourth quarter of 2014, compared to the same period in the prior year.

Credit quality and other factors used to determine the level of the Allowance for Loan Losses precipitated no provision for loan loss for the quarter ended December 31, 2014 compared to a $2.7 million provision for the same period in the prior year. Management continues to strive to improve the credit quality of the loan portfolio. The Company's ratio of total reserves to non-accrual loans of 128% as of December 31, 2014.

Non-interest income declined $1.8 million, or 55.7%, to $1.5 million for the quarter ended December 31, 2014, compared to the same period in 2013 due to a decrease in other income. The decrease was primarily the result of a decline of $800,000 in realized gains on the sale of foreclosed assets, and a reduction in interest expense on long-term debt of approximately $1.0 million, for periods prior to 2013, recorded in the fourth quarter of 2013, upon payment of the deferred interest due for BVBC Capital Trust III due to a change in assumptions in the calculation for interest due on the securities, compared to the same period in the prior year.

Non-interest expense declined $595,000, or 10.0%, for the quarter ended December 31, 2014 compared to the same period in the prior year. The decrease in non-interest expense was principally attributed to a decrease in salaries and employee benefits expense of $278,000, or 8.9%, and foreclosed assets expense $389,000 or 61.9% during the quarter ended December 31, 2014 compared to the prior year period. The decrease in foreclosed assets expense was primarily due to decreases in our provision for foreclosed assets of $135,000 and in other real estate owned expense of $243,000 during the fourth quarter of 2014, compared to the prior year quarter.

Total assets, loans held for investment and deposits at December 31, 2014 were $638.4 million, $422.8 million and $468.8 million, respectively, compared to $609.1 million, $414.8 million and $448.4 million at December 31, 2013, respectively. As of December 31, 2014, the Company's subsidiary, Bank of Blue Valley, maintained capital levels in excess of regulatory requirements for a well-capitalized institution.

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Blue Valley Ban Corp.

Condensed Consolidated Balance Sheets

December 31, 2014 and December 31, 2013

(*In thousands, except share data*)

ASSETS

	December 31, 2014	December 31, 2013
	(Unaudited)	
Cash and due from banks	$ 26,575	$ 26,428
Interest-bearing deposits in other financial institutions	42,442	14,071
Cash and cash equivalents	69,017	40,499
Available-for-sale securities	91,372	100,657
Mortgage loans held for sale, fair value	588	1,438
Loans, net of allowance for loan losses of $6,386 and $8,992 in 2014 and 2013, respectively	416,407	405,803
Premises and equipment, net	16,226	15,466
Foreclosed assets held for sale, net	16,758	25,801
Interest receivable	1,603	1,736
Deferred income taxes	13,445	4,205
Prepaid expenses and other assets	7,539	6,195
Federal Home Loan Bank stock, Federal Reserve Bank stock, and other securities	5,490	7,250
Core deposit intangible asset, at amortized cost	–	36
Total assets	$ 638,445	$ 609,086

Blue Valley Ban Corp.

Condensed Consolidated Balance Sheets

December 31, 2014 and December 31, 2013

(*In thousands, except share data*)

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31, 2014	December 31, 2013
	(Unaudited)	
LIABILITIES		
Deposits		
Demand	$ 120,974	$ 100,965
Savings, NOW and money market	248,166	233,335
Time	99,619	114,068
Total deposits	468,759	448,368
Other interest-bearing liabilities	30,780	32,335
Long-term debt	71,528	77,887
Interest payable and other liabilities	8,918	8,268
Total liabilities	579,985	566,858
STOCKHOLDERS' EQUITY		
Capital stock		
Preferred stock, $1 par value, $1,000 liquidation preference; authorized 15,000,000 shares; issued and outstanding 2014 – 21,750 shares; 2013 – 21,750 shares	22	22
Common stock, par value $1 per share; authorized 15,000,000 shares; issued and outstanding 2014 – 4,649,001 shares; 2013 – 4,326,704 shares	4,649	4,327
Additional paid-in capital	45,328	44,010
Retained earnings (accumulated deficit)	9,030	(1,992)
Accumulated other comprehensive income, net of income tax credit of $380 in 2014 and $2,759 in 2013	(569)	(4,139)
Total stockholders' equity	58,460	42,228
Total liabilities and stockholders' equity	$ 638,445	$ 609,086

Blue Valley Ban Corp.

Condensed Consolidated Statements of Operations

Three and Twelve Months Ended December 31, 2014 and 2013

(*In thousands, except share data*)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	
INTEREST INCOME				
Interest and fees on loans	$ 4,985	$ 5,173	$ 20,283	$ 20,800
Federal funds sold and other short-term investments	33	23	97	135
Available-for-sale securities	518	543	2,062	1,683
Dividends on FHLBank and Federal Reserve Stock	90	85	242	239
Total interest income	5,626	5,824	22,684	22,857
INTEREST EXPENSE				
Interest-bearing demand deposits	65	76	269	313
Savings and money market deposit accounts	80	68	305	275
Other time deposits	283	354	1,247	1,661
Federal funds purchased and other interest-bearing liabilities	6	7	25	26
Long-term debt, net	650	485	2,668	3,196
Total interest expense	1,084	990	4,514	5,471
NET INTEREST INCOME	4,542	4,834	18,170	17,386
PROVISION FOR LOAN LOSSES	–	2,650	400	950
NET INTEREST INCOME (LOSS) AFTER PROVISION FOR LOAN LOSSES	4,542	2,184	17,770	16,436
NON-INTEREST INCOME				
Loans held for sale fee income	123	133	628	1,456
Service fees	837	861	3,378	3,446
Realized gains on available-for-sale securities	20	–	36	127
Other income	478	2,299	1,599	3,443
Total non-interest income	1,458	3,293	5,641	8,472
NON-INTEREST EXPENSE				
Salaries and employee benefits	2,840	3,118	10,826	11,079
Net occupancy expense	646	645	2,716	2,620
Foreclosed assets expense	239	628	2,426	3,612
Other operating expense	1,614	1,543	6,238	6,855
Total non-interest expense	5,339	5,934	22,206	24,166
INCOME (LOSS) BEFORE INCOME TAXES	661	(457)	1,205	742
PROVISION (BENEFIT) FOR INCOME TAXES	229	(300)	(11,557)	(300)
NET INCOME (LOSS)	432	(157)	12,762	1,042
DIVIDENDS AND ACCRETION ON PREFERRED STOCK	490	288	1,740	1,104
NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS	$ (58)	$ (445)	$ 11,022	$ (62)
BASIC EARNINGS (LOSS) PER SHARE	$(0.01)	$(0.15)	$2.40	$(0.02)
DILUTED EARNINGS (LOSS) PER SHARE	$(0.01)	$(0.15)	$2.40	$(0.02)