VALLEY REPUBLIC BANK

5000 California Avenue, Suite 110
Bakersfield, California 93309
(661) 371-2000

March 24, 2015

To Our Shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders of Valley Republic Bank. It will be held at **4:00 p.m. PDT on Tuesday, April 28, 2015, at Stockdale Country Club, 7001 Stockdale Highway, Bakersfield, California 93309,** as stated in the formal notice accompanying this letter. We hope you plan to attend.

At the Annual Meeting, shareholders will be asked to elect directors and to ratify the selection of independent auditors for 2015. We will also review operating results for the past year.

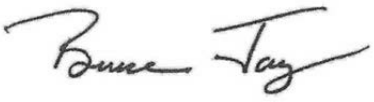
In order to ensure your shares are voted at the Annual Meeting, you can vote through the mail by signing, dating and returning the proxy card in the accompanying postage-paid envelope. You may also vote electronically using a toll-free telephone number or via the Internet. The Proxy Statement explains more about voting. If you attend the Annual Meeting, you may vote in person even though you previously voted your proxy.

Whether or not you plan to attend the Annual Meeting, please take the time to complete and mail your proxy to us. If you do not indicate on your proxy how you want to vote, your proxy will be counted as a vote in favor of the proposals.

We look forward to seeing you at the Annual Meeting.

Sincerely,





Eugene Voiland
Chairman of the Board

Bruce Jay
President and
Chief Executive Officer

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VALLEY REPUBLIC BANK

5000 California Avenue, Suite 110
Bakersfield, California 93309
(661) 371-2000

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Date and Time

Tuesday, April 28, 2015 at 4:00 p.m. PDT

Place

Stockdale Country Club
7001 Stockdale Highway
Bakersfield, California 93309

Items of Business

1. Electing the following 12 directors to serve until the 2016 Annual Meeting of Shareholders:

Greg Bynum	Carlos Sanchez
Annette Davis	Shawn Shambaugh
Bruce Jay	James Shuler
Anthony Leggio	Robert Stine
Angelo Mazzei	Eugene Voiland
Willy Reyneveld	Warner Williams

2. Ratifying the appointment of Vavrinek, Trine, Day & Co., LLP as independent auditors for 2015; and

3. Transacting such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

Who May Vote?

Shareholders of record at the close of business on March 6, 2015 are entitled to notice of and to vote at the Annual Meeting or any postponement or adjournment thereof.

You are entitled to one vote for each share of the Bank's common stock that you owned of record at the close of business on March 6, 2015. The accompanying proxy card indicates the number of shares you are entitled to vote at the Annual Meeting.

Nominations of Directors

The second paragraph of Section 3.2 of the Bank's Bylaws provides for the nomination of directors in the following manner:

> "Nomination for election of members of the Board of Directors may be made by the Board of Directors or by any shareholder of any outstanding class of capital stock of the corporation entitled to vote for the election of directors. Notice of intention to make any nominations shall be made in writing and shall be delivered or mailed to the President of the corporation not less than twenty-one (21) days nor more than sixty (60) days prior to any meeting of shareholders called for the election of directors; provided however, that if

less than twenty-one (21) days' notice of the meeting is given to shareholders, such notice of intention to nominate shall be mailed or delivered to the President of the corporation not later than the close of business on the tenth day following the day on which the notice of meeting was mailed; provided further, that if notice of such meeting is sent by third-class mail as permitted by Section 2.4 of these Bylaws, no notice of intention to make nominations shall be required. Such notification shall contain the following information to the extent known to the notifying shareholder: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the number of shares of capital stock of the corporation owned by each proposed nominee; (d) the name and residence address of the notifying shareholder; (e) the number of shares of capital stock of the corporation owned by the notifying shareholder; and (f) with the written consent of the proposed nominee, a copy of which shall be furnished with the notification, whether the proposed nominee has ever been convicted of or pleaded nolo contendere to any criminal offense involving dishonesty or breach of trust, filed a petition in bankruptcy, or been adjudged bankrupt. Nominations not made in accordance herewith may, in the discretion of the Chairman of the meeting, be disregarded and upon the Chairman's instructions, the inspectors of election shall disregard all votes cast for each such nominee."

Annual Report & Annual Disclosures

Valley Republic Bank's Annual Report to shareholders for the fiscal year ended December 31, 2014 is enclosed. The Annual Report contains financial and other information about the activities of Valley Republic Bank, but does not constitute a part of the proxy soliciting materials. In addition, in compliance with regulations adopted by the Federal Deposit Insurance Corporation, Valley Republic Bank has prepared an Annual Disclosure Statement containing additional information regarding the financial condition of the Bank. Shareholders may request free copies of our Annual Disclosure Statement as well as additional financial materials about the Bank (Annual Reports, quarterly earnings releases, and the Proxy Statement) by written request to: Valley Republic Bank, 5000 California Avenue, Suite 110, Bakersfield, CA 93309, Attention: Corporate Secretary, or by telephone: (661) 371-2000. A link to our financial regulatory reports can also be found on our Internet site: www.valleyrepublicbank.com.

Date of Notice

This Notice, the Proxy Statement, and the Proxy are first being distributed on or about March 24, 2015.

BY ORDER OF THE BOARD OF DIRECTORS



Marcy Unruh
Senior Vice President &
Corporate Secretary

Dated: March 24, 2015

YOUR VOTE IS IMPORTANT
YOU ARE URGED TO VOTE VIA TELEPHONE OR THE INTERNET OR COMPLETE, SIGN, DATE AND PROMPTLY RETURN YOUR PROXY, SO THAT YOUR SHARES MAY BE VOTED IN ACCORDANCE WITH YOUR WISHES.

VALLEY REPUBLIC BANK

5000 California Avenue, Suite 110
Bakersfield, California 93309
(661) 371-2000

PROXY STATEMENT

March 24, 2015

TABLE OF CONTENTS

Page

GENERAL 2
Voting Information 2
Additional Information 4
Stock Ownership 4

PROPOSAL 1 – ELECTION OF DIRECTORS 6
Nominees to the Board of Directors 6
Board of Directors and Committees 8
Compensation of Non-Employee Directors 11
Bank Transactions with Directors and Management 11
Executive Officers 11
Compensation Committee Interlocks and Insider Participation 13

EXECUTIVE COMPENSATION 13
Summary Compensation Table 13
Stock Options 13
Employment Agreements 16
Valley Republic Bank 401(k) Plan 17

PROPOSAL 2 – RATIFICATION OF AUDITORS 18

OTHER INFORMATION 19
Shareholder Communications to Board of Directors 19
Other Matters 19

GENERAL

This Proxy Statement and the accompanying proxy card are being mailed to shareholders of Valley Republic Bank (the "Bank") beginning on or about March 24, 2015. The Bank's Board of Directors is soliciting proxies to be used at the 2015 Annual Meeting of Shareholders (the "Annual Meeting"), which will be held at 4:00 p.m. PDT, Tuesday, April 28, 2015, at Stockdale Country Club, 7001 Stockdale Highway, Bakersfield, California 93309, or at any adjournment or postponement of the Annual Meeting. Proxies are solicited to give all shareholders of record an opportunity to vote on matters to be presented at the Annual Meeting. In the following pages of this Proxy Statement, you will find information on matters to be voted on at the Annual Meeting.

The matters to be considered and voted upon at the Annual Meeting will be:

1. Electing the following 12 directors to serve until the 2016 Annual Meeting of Shareholders:

Greg Bynum	Carlos Sanchez
Annette Davis	Shawn Shambaugh
Bruce Jay	James Shuler
Anthony Leggio	Robert Stine
Angelo Mazzei	Eugene Voiland
Willy Reyneveld	Warner Williams

2. Ratifying the appointment of Vavrinek, Trine, Day & Co., LLP as independent auditors for 2015; and

3. Transacting such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

Voting Information

Who May Vote

You are entitled to vote if you were a shareholder of record of the Bank's common stock as of the close of business on March 6, 2015 (the "Record Date"). Your shares can be voted at the Annual Meeting only if you are present or are represented by a valid proxy.

You are generally entitled to one vote for each share of the Bank's common stock that you owned of record at the close of business on the Record Date, except that in connection with the election of directors, the shares are entitled to be voted cumulatively if a candidate's or candidates' name(s) have been properly placed in nomination prior to the voting and a shareholder has given notice at the Annual Meeting, and prior to the voting, of his or her intention to vote his or her shares cumulatively. If a shareholder has given such notice, all shareholders may cumulate their votes for candidates in nomination. Cumulative voting entitles a shareholder to give one nominee as many votes as is equal to the number of directors to be elected multiplied by the number of shares owned by such shareholder, or to distribute his or her votes on the same principle between two or more nominees as he or she deems appropriate. If cumulative voting is declared at the Annual Meeting, votes represented by proxies delivered pursuant to this Proxy Statement may be cumulated at the discretion of the Proxy Holders in accordance with the recommendation of the Board of Directors. The twelve (12) candidates receiving the highest number of votes will be elected.

The accompanying proxy card indicates the number of shares you are entitled to vote at the Annual Meeting.

Proxy Card

The Board has designated Greg Bynum, Anthony Leggio, and Robert Stine to serve as Proxy Holders for the Annual Meeting. As Proxy Holders, they will vote the shares represented by proxies at the Annual Meeting. If you sign, date and return the proxy card but do not specify how you want your shares to be voted, your shares will be voted by the Proxy Holders in favor of the election of all the director nominees and for ratifying the appointment of independent auditors for 2015. The Proxy Holders will have discretionary authority to vote in accordance with their judgment on any other matter that may properly come before the Annual Meeting.

Quorum and Shares Outstanding

A quorum, which is a majority of the total shares outstanding as of the Record Date, must be present to hold the Annual Meeting. A quorum is calculated on the number of shares represented by shareholders attending in person or by proxy. On the Record Date, 3,503,214 shares of the Bank's common stock were outstanding.

Vote Required for Approval of Proposals

Under California law, directors are elected by a plurality of all the votes cast, so that the twelve (12) nominees for director receiving the greatest number of votes will be elected. If your proxy is marked "Withhold" with regard to the election of any nominee, your shares will be counted toward a quorum but they will not be voted for or against the election of that nominee. The affirmative vote of a majority of shares represented and entitled to vote at the Annual Meeting is required to ratify the selection of independent auditors. Abstentions are deemed "present" for the purpose of obtaining a quorum, but for purposes of determining the outcome of the proposal, abstentions will not be treated as affirmative votes. In other words, abstentions will have the same effect as negative votes. The Inspector(s) of Election appointed for the Annual Meeting will tabulate all votes cast in person or by proxy at the Annual Meeting.

Broker Non-Votes

Broker non-votes will be included as "present" for the purpose of determining the presence of a quorum. A broker non-vote occurs under the stock exchange rules when a broker is not permitted to vote on a matter without instructions from the beneficial owner of the shares and no instruction is given by the beneficial owner on a timely basis. Brokers may vote in their discretion on routine matters, but not on non-routine matters. Applicable rules governing brokers classify the ratification of auditors as routine matters but not the election of directors. As a result, broker non-votes will not affect the outcome of "routine" matters.

How You Can Vote

You may vote by proxy or in person at the Annual Meeting. If you choose to vote by proxy, simply mark your proxy card, date and sign it, and return it in the postage-paid envelope provided. You may also vote electronically using a toll-free telephone number or via the Internet. Please refer to the electronic voting instructions contained on the proxy card. If you choose to vote electronically, you do not need to return your proxy card.

Shares Registered in the Name of a Bank or Brokerage Firm

If your shares of common stock are held by a bank, broker or other nominee in "street name," you will receive voting instructions from the record holder (including instructions, if any, on how to vote by telephone or through the Internet). You must follow these instructions in order to have your shares voted by proxy. To be able to vote in person at the Annual Meeting, you must obtain a proxy, executed in your

favor, from the institution that holds your shares, indicating that you were the beneficial owner of the shares on the record date for voting.

Revocation of Proxy

If you vote by proxy, you may revoke that proxy at any time before it is voted at the Annual Meeting. You may do this by: (a) signing another proxy card with a later date and delivering it to us prior to the Annual Meeting; (b) sending a notice of revocation to the Corporate Secretary of Valley Republic Bank at 5000 California Avenue, Suite 110, Bakersfield, CA 93309; or (c) attending the Annual Meeting in person and casting a ballot.

Solicitation of Proxies

The enclosed proxy is being solicited by the Bank's Board of Directors. The principal method of proxy solicitation for the Annual Meeting will be by mail, although additional solicitation may be made by telephone, telegraph or personal visit by directors, officers and employees of the Bank. The Bank will pay for all costs of soliciting proxies.

Additional Information

Multiple Copies of Annual Reports to Shareholders

If you own Bank stock through a bank, broker, or other holder of record and received more than one copy of the Valley Republic Bank Annual Report at the same address, contact the holder of record to ask them to eliminate duplicate mailings. You should also contact the holder of record if, at a later date, you wish to resume the mailing of an Annual Report. To request additional Annual Reports or Proxy Statements, you can call Valley Republic Bank at (661) 371-2000 or you can send your request in writing to the Corporate Secretary of Valley Republic Bank at 5000 California Avenue, Suite 110, Bakersfield, CA 93309.

At least one account at your address must continue to receive an Annual Report. Mailing of dividends, proxy materials, and special notices will not be affected by your election to discontinue duplicate mailings of the Annual Report.

Stock Ownership

Security Ownership of Certain Beneficial Owners

The Bank is aware of only two shareholders who beneficially own 5% or more of the total number of outstanding shares of the Bank's common stock, Dr. James Shuler and Anthony Leggio. Information regarding their stock ownership is included in the table, below, in the section entitled "Security Ownership of Directors and Management."

Security Ownership of Directors and Management

The following table shows the number of common shares and the percentage of the common shares beneficially owned (as defined below) by each of the nominees for election to the Board of Directors (all of whom are currently directors), including the Chief Executive Officer, by the other three most highly compensated executive officers during 2014, and by all director/nominees and executive officers of the Bank as a group as of the Record Date. For the purposes of the disclosure of ownership of shares by directors and management below, shares are considered to be "beneficially" owned if a person, directly or indirectly, has or shares the power to vote or direct the voting of the shares, the power to dispose of or direct the disposition of the shares, or the right to acquire beneficial ownership, such as through the exercise of a stock option or the vesting of restricted stock awards within 60 days of the Record Date.

Name , Title and Address of Beneficial Owner*	Number of Shares Beneficially Owned[1]	Percentage of Shares Beneficially Owned
Stephen M. Annis [2] , EVP & CFO	40,000	1.13%
Greg Bynum[3], Director/Nominee	79,581	2.26%
Annette Davis[4], Director/Nominee	87,002	2.47%
Bruce Jay[5], Director/Nominee, President & CEO	178,600	4.89%
Anthony Leggio[6], Director/Nominee	186,429	5.29%
Angelo Mazzei[7], Director/Nominee	89,697	2.55%
Philip McLaughlin[8], EVP & Sales Manager	66,000	1.86%
Willy Reyneveld[9], Director/Nominee	105,502	3.00%
Carlos Sanchez[10], Director/Nominee	58,502	1.66%
Shawn Shambaugh[11], Director/Nominee	52,697	1.50%
James Shuler[12], Director/Nominee	236,187	6.71%
John C. Smith, EVP & CCO	500	0.01%
Robert Stine[13], Director/Nominee	55,138	1.56%
Eugene Voiland[14], Chairman of the Board/Nominee	158,016	4.48%
Warner Williams[15], Director/Nominee	93,060	2.64%
All director/nominees and Named Executive Officers as a group (15 persons)[16]	1,486,911	37.73%

* The address of all persons listed is 5000 California Ave., Suite 110, Bakersfield, CA 93309.

(1) Shares subject to outstanding stock options that are currently exercisable or exercisable within 60 days of the Record Date and awards of restricted stock that will vest within 60 days of the Record Date ("Vested") are treated as issued and outstanding for the purpose of computing the percent of the class owned by such person or group of persons but not for the purpose of computing the percent of class owned by any other person.

(2) Includes 40,000 shares underlying options that are Vested.

(3) Includes 18,000 shares underlying options and 298 shares underlying restricted stock awards that are Vested. Includes 61,283 shares held by The Gregory & Mary Bynum Family Trust that Gregory Bynum is deemed to beneficially own as a co-trustee. Mary M. Bynum, Mr. Bynum's wife, is also a co-trustee of The Gregory & Mary Bynum Family Trust.

(4) Includes 17,500 shares underlying options and 282 shares underlying restricted stock awards that are Vested. Includes 68,000 shares held by the Davis Family Trust that Annette Davis is deemed to beneficially own as a co-trustee. H. Arthur Davis, Mrs. Davis' husband, is also a co-trustee of the Davis Family Trust.

(5) Includes 147,600 shares underlying options that are Vested. Includes 20,000 shares held in the Bruce C. Jay Rollover Individual Retirement Account. Includes 11,000 shares held by the Jay Living Trust which Bruce Jay is deemed to beneficially own as the trustee of the Jay Living Trust. 11,000 shares of Bank stock owned by Mr. Jay are pledged as security for an extension of credit from another member of the Bank's Board of Directors.

(6) Includes 19,500 shares underlying options and 323 shares underlying restricted stock awards that are Vested. Includes 26,606 shares held by The Anthony and Dayna Leggio Family Trust that Anthony Leggio is deemed to beneficially own as a co-trustee. Dayna Leggio, Mr. Leggio's wife, is also a co-trustee of The Leggio Family Trust. Includes 50,000 shares held in The Anthony Leggio Separate Property Trust that Anthony Leggio is deemed to beneficially own as the trustee. Includes 5,000 shares held in trust for Jeffrey Andrew Leggio that Anthony Leggio is deemed to beneficially own as the trustee. Includes 5,000 shares held in trust for Ryan Anthony Leggio that Anthony Leggio is deemed to beneficially own as the trustee. Includes 75,000 shares held by Bolthouse Properties, LLC, that Anthony Leggio is deemed to beneficially own as the president of Bolthouse Properties, LLC. Includes 2,000 shares held in the Charles Leggio Separate Property Trust that Anthony Leggio is deemed to beneficially own as the trustee. Includes 2,000 shares held by the Peyton Love Irrevocable Trust that Anthony Leggio is deemed to beneficially own as co-trustee. Includes 1,000 shares held by the Cox Family Trust that Anthony Leggio is deemed to beneficially own as co-trustee.

(7) Includes 16,500 shares underlying options and 234 shares underlying restricted stock awards that are Vested. Includes 64,963 shares held in The Angelo Mazzei and Mary Mazzei Family Trust that Angelo Mazzei is deemed to beneficially own as a co-trustee. Mary Mazzei, Mr. Mazzei's wife, is also a co-trustee of The Angelo Mazzei and Mary Mazzei Family Trust.

(8) Includes 45,000 shares underlying options that are Vested. Includes 4,000 shares held by The Philip McLaughlin and Kristen McLaughlin Family Trust that Philip McLaughlin is deemed to beneficially own as a co-trustee. Kristen McLaughlin, Mr. McLaughlin's wife, is also a co-trustee of The Philip McLaughlin and Kristen McLaughlin Family Trust. Includes 17,000 shares held by Philip McLaughlin in an Individual Retirement Account.

(9) Includes 17,000 shares underlying options and 282 shares underlying restricted stock awards that are Vested. Includes 6,500 shares held in the W/K Reyneveld Family Trust that Willy Reyneveld is deemed to beneficially own as a trustee.

(10) Includes 17,000 shares underlying options and 282 shares underlying restricted stock awards that are Vested. Includes 20,000 shares held in the Carlos G. Sanchez SEP Individual Retirement Account. Includes 1,220 shares held in the Carlos and Juana Sanchez Family Trust that Carlos Sanchez is deemed to beneficially own as a trustee. Mr. Sanchez's wife, Juana Sanchez, is also a trustee of the Carlos and Juana Family Trust.

(11) Includes 16,500 shares underlying options and 234 shares underlying restricted stock awards that are Vested.

(12) Includes 18,500 shares underlying options and 290 shares underlying restricted stock awards that are Vested. Includes 210,397 shares held by The Shuler Family Trust that James Shuler is deemed to beneficially own as a trustee. Includes 4,000 shares held jointly with Mr. Shuler's son, Michael Shuler and 3,000 shares held jointly with Mr. Shuler's daughter, Jennifer Shuler.

(13) Includes 20,000 shares underlying options and 290 shares underlying restricted stock awards that are Vested. Includes 34,653 shares held by The Stine Family Trust that Robert Stine is deemed to beneficially own as a co-trustee. Betty C. Stine, Mr. Stine's wife, is also a co-trustee of The Stine Family Trust.

(14) Includes 24,500 shares underlying options and 403 shares underlying restricted stock awards that are Vested. Includes 131,250 shares held by The Voiland Living Trust that Eugene Voiland is deemed to beneficially own as a co-trustee. Linda Voiland, Mr. Voiland's wife, is also a co-trustee of The Voiland Living Trust.

(15) Includes 16,500 shares underlying options and 274 shares underlying restricted stock awards that are Vested. Includes 76,286 shares held by The Warner M. and Pamela M. Williams Revocable Trust that Warner Williams is deemed to beneficially own as a co-trustee. Pamela Williams, Mr. Williams' wife, is also a co-trustee of The Warner M. and Pamela M. Williams Revocable Trust.

(16) Includes 434,100 options and 3,192 shares underlying restricted stock awards that are Vested.

PROPOSAL 1 – ELECTION OF DIRECTORS

The Bank's Bylaws provide for a range of between nine (9) and fifteen (15) directors and specifies that the exact number of directors shall be fixed at twelve (12) until changed within that range by an amendment to the Bylaws, or by a resolution duly adopted by the Board of Directors or shareholders. The number of directors of the Board to be elected at the Annual Meeting to hold office for the ensuing year and until their successors are elected and have qualified has been set at twelve (12). It is the intention of the Proxy Holders named in the enclosed proxy to vote such proxies (except those containing contrary instructions) for the twelve (12) nominees named below. The Board does not anticipate that any of the nominees will be unable to serve as a director, but if that should occur before the Annual Meeting, the Proxy Holders reserve the right to substitute another person as nominee and vote for such person as directed by the Bank's Board of Directors.

Nominees to the Board of Directors

The twelve (12) nominees for election to the Board of Directors and certain information with respect to these nominees are set forth in the table below. The information has been furnished to the Bank by the respective nominees. All of the nominees have engaged in their indicated principal occupation for more than five years, unless otherwise indicated.

Name	Age	Position
Greg Bynum	64	Director
Annette Davis	62	Director
Bruce Jay	64	Director, President and Chief Executive Officer
Anthony Leggio	62	Director
Angelo Mazzei	71	Director
Willy Reyneveld	53	Director
Carlos Sanchez	49	Director
Shawn Shambaugh	55	Director
James Shuler	54	Director
Robert Stine	68	Director
Eugene Voiland	68	Director, Chairman of the Board
Warner Williams	63	Director

Greg Bynum has served as a member of the Bank's Board of Directors since 2008. Mr. Bynum is the owner and CEO of Gregory D. Bynum and Associates, Inc., a full service real estate development, management, brokerage, and appraisal/analysis firm headquartered in Bakersfield, California. His firm was established in 1981.

Annette Davis has served as a member of the Bank's Board of Directors since 2008. Mrs. Davis is the president of Adavco, Inc., one of the main land development companies in Bakersfield. Mrs. Davis co-founded the company in 1982.

Bruce Jay has served as the Bank's President and Chief Executive Officer and as a member of its Board of Directors since 2008. Mr. Jay is a veteran banker with 23 years executive management experience with Bank of Stockdale and its successor, Valley Independent Bank, as well as three years of *de novo* bank experience at Bank of Santa Clarita. Mr. Jay is a CPA and is a member of the American Institute of CPAs and the Colorado Society of CPAs.

Anthony Leggio has served as a member of the Bank's Board of Directors since 2008. Mr. Leggio is a business attorney. From 1977 to 2001, Mr. Leggio was an attorney with the Bakersfield law

firm of Clifford & Brown, where he served as Principal/Managing Partner. He was instrumental in establishing the firm's business department and currently is "of counsel" to the firm. Mr. Leggio served as Vice President/General Counsel of Wm. Bolthouse Farms from 2001 to 2005. Mr. Leggio currently serves as the president of Bolthouse Properties, LLC, a real estate development and investment management company and as a director of Tejon Ranch Company, a diversified real estate development and agri-business company traded on the New York Stock Exchange under the symbol "TRC."

Angelo Mazzei has served as a member of the Bank's Board of Directors since 2008. Mr. Mazzei is the founder and CEO of Mazzei Injector Corporation, in Bakersfield, California. Founded in 1978, the company manufactures and distributes patented high efficiency venturi injectors and related equipment. The products are distributed worldwide for a variety of uses in agricultural irrigation, recreational waters, industrial and municipal drinking water treatment, and wastewater management.

Willy Reyneveld has served as a member of the Bank's Board of Directors since 2008. Mr. Reyneveld is the President/CEO of W. Reyneveld Construction Inc., which he founded in 1994. The company specializes in super flat concrete floors for warehouses. In addition, Mr. Reyneveld has developed several industrial real estate projects in Bakersfield.

Carlos Sanchez has served as a member of the Bank's Board of Directors since 2008. Mr. Sanchez is a realtor in Kern County with over 20 years of experience in real estate sales. He has worked for Realty World Skyway, RE/MAX Golden Empire, and for the past 19 years has been working for Coldwell Banker Preferred Realtors.

Shawn Shambaugh, M.D. has served as a member of the Bank's Board of Directors since 2008. Dr. Shambaugh has been a physician specializing in oncology for over 20 years. He is also the diagnostic laboratory director with Comprehensive Blood and Cancer Center, the area's premier cancer treatment clinic, and serves as the Medical Director of the Houchin Community Blood Bank. Dr. Shambaugh also serves as a director of another community bank headquartered in Los Angeles County.

James Shuler, M.D. has served as a member of the Bank's Board of Directors since 2008. Dr. Shuler was the founder and president of Empire Eye and Laser Center in Bakersfield from 1998-2007. Dr. Shuler also founded, was a general partner, and was the Medical Director of Empire Surgery Center, a California state certified and Medicare certified ambulatory surgery center specializing in ophthalmic and orthopedic surgery, from 1999-2007. Dr. Shuler retired from eye surgery in 2008 and currently is a consultant for Anthem Blue Cross of California.

Robert Stine has served as a director of the Bank since 2008. He is a director, and the retired President and Chief Executive Officer, of Tejon Ranch Company, a position held since May 1996 until his retirement in 2013. Previously, Mr. Stine was the President and Chief Executive Officer of Collins Development Company, a diversified, privately held real estate development and asset management company in San Diego, California, from June 1986 to March 1995. Mr. Stine was a director of *The Bakersfield Californian*, a privately owned newspaper, from 1999 through 2009, and he currently also serves as a director of PacWest Bancorp, a $16 billion bank holding company headquartered in Los Angeles County that is traded on NASDAQ under the symbol "PACW."

Eugene (Gene) Voiland is the retired President and CEO of Aera Energy LLC. He has a long history in the energy industry, having worked over 28 years for Shell before 10 plus years at Aera. During his career with Shell, he worked as an engineer and manager throughout the US. He also held senior management positions with Shell, having been appointed General Manager of Engineering and General Manager of Corporate Planning. Mr. Voiland is on a number of boards and a management consultant. He is also a board member of Saltchuk Resources, a transportation, energy, and real estate investment and management company. He is Chairman of the Board of the Bank and has served in that capacity since 2008. He is active in state and community affairs, serving on four local non-profit boards, as well as a Leadership Council Member of California Forward. He is also a Board

Member and Past Chairman of the California State Chamber of Commerce. Mr. Voiland is a 1969 graduate of Washington State University with a BS degree in Chemical Engineering. He is a member of the WSU Foundation Board of Governors and the WSU Foundation Investment Committee.

Warner Williams has served as a member of the Bank's Board of Directors since 2008. He is the retired Vice President of Chevron North America Exploration and Production where he managed Chevron's operations in Louisiana and Alabama. He has worked for over 40 years in the energy industry in both domestic and international locations. He holds an MS degree in Petroleum Engineering and serves on the Board of Councilors for the University of Southern California Viterbi School of Engineering.

No family relationships exist between any of the directors or executive officers of the Bank.

THE BOARD RECOMMENDS A VOTE OF "AUTHORITY GIVEN" WITH RESPECT TO THE ELECTION OF THESE TWELVE (12) NOMINEES.

Board of Directors and Committees

Director Independence

The Board of Directors has considered whether any relationships or transactions related to a director were inconsistent with a determination that a director is independent. Based on this review, the Board affirmatively determined that Greg Bynum, Annette Davis, Anthony Leggio, Angelo Mazzei, Willy Reyneveld, Carlos Sanchez, Shawn Shambaugh, James Shuler, Robert Stine, Eugene Voiland and Warner Williams are "independent directors," as that term is defined by the applicable rules of NASDAQ.

Meetings

The Bank expects all Board members to attend all meetings, including the Annual Meeting of Shareholders, except for reasons of health or special circumstances. The Board held a total of 13 meetings during 2014. Every director attended at least 75% of the combination of the Board meetings and the total number of meetings of any Committee of the Board on which that director also served.

Committees of the Board

Asset/Liability Management Committee

Members: James Shuler (Chair), Bruce Jay, Angelo Mazzei, Shawn Shambaugh, Eugene Voiland, and Warner Williams.

Number of Meetings in 2014: 12

Functions: The Asset/Liability Management Committee is responsible for setting and monitoring the Asset/Liability Management policy and the Interest Rate Risk policy, and monitoring and reviewing the overall Asset/Liability Management program of the Bank. This committee also is responsible for establishing and monitoring the investment policy that governs the operation of the Bank's investment activities. These activities are accomplished by monitoring and reviewing all activities undertaken in the Bank's investment portfolio. This committee is also charged with the responsibility for oversight of the Bank's capital management and liquidity management functions.

Audit Committee

Members: Robert Stine (Chair), Annette Davis (Vice-Chair), Bruce Jay, Angelo Mazzei, Shawn Shambaugh, Eugene Voiland, and Warner Williams. The Board of Directors has determined that all members are independent, as that term is defined by applicable rules of NASDAQ.

Number of Meetings in 2014: 7

Functions: The Audit Committee provides independent, objective oversight of the Bank's accounting, internal controls and financial reporting. The Audit Committee selects and retains the independent auditors and reviews the plan and results of the auditing engagement. The Audit Committee acts pursuant to a written charter that has been duly adopted by the Board of Directors. The Compliance Sub-Committee is responsible for monitoring the implementation and effective functioning of a comprehensive compliance program that encompasses the Bank's operations, including compliance with the Bank Secrecy Act and the USA Patriot Act, as well as all consumer compliance laws and regulations.

Compensation Committee

Members: Warner Williams (Chair), Annette Davis, Willy Reyneveld, Robert Stine, and Eugene Voiland. The Board of Directors has determined that all members are "independent," as that term is defined by applicable rules of NASDAQ. All members are also "non-employee directors" as defined by Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and "outside directors" as defined by Section 162(m) of the Internal Revenue Code.

Number of Meetings in 2014: 4

Functions: The Compensation Committee is responsible for the Bank's compensation program relating to performance-driven compensation of executive officers and groups of employees who can have a material impact on the organization. The Committee is responsible for considering, recommending, administering, and implementing the Bank's executive compensation, incentive compensation and equity-based compensation plans. These responsibilities include annually reviewing and approving or recommending to the board for determination, compensation, including salary, bonus and other perquisites and benefits, severance agreements, change of control agreements and any special, supplemental or retirement benefits of executive officers and certain other designated officers. The committee also approves or recommends to the Board for determination, the terms of employment, including compensation, title, reporting relationship, authority, duties and responsibilities, of the executive officers.

Executive Committee

Members: Eugene Voiland (Chair), Greg Bynum, Bruce Jay, Anthony Leggio, James Shuler, and Robert Stine.

Number of Meetings in 2014: 10

Functions: The Executive Committee provides general oversight of all Board functions and is primarily responsible to ensure that appropriate corporate governance procedures and processes are properly established and implemented. The Committee also serves as an *ad hoc* committee to address extraordinary issues that may arise from time to time that require Board attention.

Loan Committee

Members: Anthony Leggio (Chair), Greg Bynum, Annette Davis, Bruce Jay, Willy Reyneveld, Carlos Sanchez, and Eugene Voiland.

Number of Meetings in 2014: 45

Functions: The Loan Committee is responsible for establishing and monitoring the loan policies that govern the operation of the Bank's lending program. The Loan Committee has loan approval authority for all credits of the Bank and delegates certain approval and review authority to the Chief Credit Officer and lending staff. The Loan Committee monitors the overall risk and performance of the loan portfolio and provides independent, objective oversight of the Bank's credit administration.

Nominating Committee

The full Board of Directors performs functions similar to those of a nominating committee. Other than provisions in the Bank's Bylaws (discussed below), the Bank does not have a written charter related to the director nomination process at this time.

Functions: The Board recommends the slate of director nominees to be presented for election by the shareholders and screens and recommends qualified candidates for Board membership. A majority of the members of the full Board are independent, as described under "Director Independence," above. The Board seeks to identify potential candidates for membership on the Bank's Board of Directors through conversations with members of the Board, senior management and other members of the community served by the Bank. No new nominees were selected or considered by the Board of Directors for this year's Annual Meeting. The Board believes that the full Board has functioned effectively as a nominating body this year and that no nominating committee was necessary in connection with this year's Annual Meeting since no new nominees were considered or deemed necessary. The Board will revisit this determination and will also review whether a nomination committee charter or formal nomination policies will be adopted prior to the 2016 Annual Meeting of Shareholders.

The Board of Directors may consider nominees recommended by the Bank's shareholders. The Board of Directors and senior management of the Bank will consider a candidate's qualifications, including the individual's background, skills and abilities, and whether such characteristics are consistent with and fulfill the needs of the Board at that time. Based on this assessment and the input of senior management, the Board will determine whether to recommend a candidate for election to the Board of Directors.

Nominating Directors

Pursuant to the Bylaws, any shareholder may nominate a person for election to the Board of Directors at any meeting of shareholders called for the election of directors. The full text of the Bylaw provision is included in the Notice of Annual Meeting of Shareholders accompanying this Proxy Statement.

Compensation of Non-Employee Directors

The following table sets forth information regarding the compensation received by each of the Bank's directors during 2014.

Name	Fees Earned or Paid in Cash ($)	Stock Awards[17] ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Greg Bynum	0	12,000	0	0	0	0	12,000
Annette Davis	0	10,992	0	0	0	0	10,992
Anthony Leggio	0	14,496	0	0	0	0	14,496
Angelo Mazzei	0	9,008	0	0	0	0	9,008
Willy Reyneveld	0	10,992	0	0	0	0	10,992
Carlos Sanchez	0	10,992	0	0	0	0	10,992
Shawn Shambaugh	0	9,008	0	0	0	0	9,008
James Shuler	0	12,496	0	0	0	0	12,496
Robert Stine	0	12,496	0	0	0	0	12,496
Eugene Voiland	0	17,008	0	0	0	0	17,008
Warner Williams	0	11,504	0	0	0	0	11,504

The President and Chief Executive Officer, Bruce Jay, is compensated as an employee of the Bank and did not receive any directors' fees.

Bank Transactions with Directors and Management

Certain of the directors, executive officers and their associates have had banking transactions with the Bank in the ordinary course of business. All outstanding loans and commitments included in such transactions were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, did not involve more than a normal risk of collectability and did not present other favorable features.

In addition, the Bank has strong policies regarding such loans to ensure that they are made using credit underwriting procedures that are no less stringent than those applicable for comparable transactions with persons outside the Bank. At December 31, 2014, the aggregate indebtedness of all officers, directors and principal shareholders of the Bank, and their associates, stood at approximately $13,598,000, constituting approximately 32.5% of the Bank's shareholders' equity at that date.

Executive Officers

The following table sets forth certain information with respect to the executive officers of the Bank who are not also members of the Board of Directors. For information concerning Bruce Jay, see "Nominees to the Board of Directors."

[17] This column shows the full grant date fair value of restricted stock granted to each of the non-employee directors in 2014.

Name	Age	Position
Stephen M. Annis	67	Executive Vice President and Chief Financial Officer
Phil McLaughlin	58	Executive Vice President and Sales Manager
John C. Smith	63	Executive Vice President and Chief Credit Officer

Stephen M. Annis has served as the Bank's Executive Vice President and Chief Financial Officer since February 2010. Mr. Annis brings 45 years of banking experience to the Bank, primarily in the areas of internal audit, operations management, finance, investment management, and information systems, including 24 years as the chief financial officer for another California community bank. Mr. Annis graduated Magna Cum Laude from Pepperdine University, earning a Bachelor's degree in Administrative Science in 1977 and a Master's degree in Business Administration in 1980. Mr. Annis also holds a California Community College Instructor's Credential in Business and Industrial Management. In June 2001, Mr. Annis was awarded the Certified Risk Professional (CRP) designation conferred by The Bank Administration Institute.

Philip McLaughlin has served as the Bank's Executive Vice President since the Bank's opening in 2009. He has 27 years' experience in community banking, primarily focusing on business development with an emphasis on managing community relationships, at another California community bank. Prior to beginning his career in community banking, Mr. McLaughlin was AVP, Retail Loan Manager, at First Interstate Bancorp. Mr. McLaughlin received his Bachelor of Science degree in Management from California State University, Bakersfield in 1982. He completed the Graduate School of Banking in Boulder, Colorado in 1994.

John C. Smith has served as the Bank's Executive Vice President and Chief Credit Officer since September 2013. Mr. Smith's professional career spans over 40 years. He has extensive banking experience in credit and relationship management of commercial, real estate, and agricultural credit from twenty-five years at Wells Fargo and prior experience at Farm Credit and Bank of America. He received his Bachelor of Science degree in Business Administration from the University of Arizona in 1973.

Code of Ethics

The Board of Directors of the Bank has adopted a Code of Ethics (the "Code") that applies to the Bank's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions and all other executive officers. The Code contains provisions consistent with the SEC's requirements for a code of ethics. The Code supplements the Bank's Code of Business Conduct and Ethics that applies to all Bank directors, officers and employees. The Board believes the Code is reasonably designed to deter wrongdoing and to promote:

(1) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interests between personal and professional relationships;
(2) Compliance with applicable governmental laws, rules and regulations;
(3) The prompt reporting of violations of the Code to an appropriate person or persons identified in the Code; and
(4) Accountability for adherence to the Code.

A copy of the Code is available without charge, upon written request to the Office of the Corporate Secretary, Valley Republic Bank, 5000 California Avenue, Suite 110, Bakersfield, California 93309.

Compensation Committee Interlocks and Insider Participation

None of the executive officers of the Bank has served on the Board of Directors or on the Compensation Committee of any other entity whose officers served on the Bank's Board of Directors.

EXECUTIVE COMPENSATION

The following Summary Compensation Table sets forth the compensation of the Bank's Chief Executive Officer and the three other most highly compensated executive officers (each a "Named Executive Officer") for services in all capacities to the Bank during 2014, 2013, and 2012:

Summary Compensation Table

		Annual Compensation[18]		Long-Term Compensation		
Name and Principal Position	**Year**	**Salary($)**	**Bonus($)[19]**	**Stock Awards (#)**	**Securities Underlying Options (#)**	**All Other Compensation($)[20]**
Bruce Jay	2014	239,375	80,564	0	0	151,723
President, Chief Executive	2013	225,000	68,896	0	0	62,437
Officer and Director	2012	204,000	60,542	0	0	N/A
Stephen Annis	2014	177,187	39,756	0	0	112,144
Executive Vice President,	2013	170,000	34,753	0	0	46,149
Chief Financial Officer	2012	160,000	31,880	0	0	N/A
Philip McLaughlin	2014	191,729	43,019	0	0	69,799
Executive Vice President	2013	185,500	37,968	0	0	28,723
	2012	180,000	35,921	0	0	N/A
John C. Smith[21]	2014	184,313	41,355	0	0	N/A
	2013	45,000	36,888	2,000	0	N/A

Stock Options

Options Granted

The Bank did not grant any stock options to any Named Executive Officers or Directors in 2012, 2013, or 2014.

Total Options Exercised in 2014 and Year-End Option Values

The following table sets forth information relating to outstanding stock options held by the Named Executive Officers as of December 31, 2014. The value of the unexercised "in-the-money"

[18] The Named Executive Officers received perquisites in addition to their annual compensation during the periods presented. The amounts disclosed exclude perquisites and other personal benefits, securities or property, which aggregated to less than the lower of $50,000 or 10% of the total of annual salary and bonus reported for each Named Executive Officer.

[19] The amounts in this column are bonuses earned in the period shown, regardless of when actually paid.

[20] The amounts reported as "All Other Compensation" for Messrs. Jay, Annis and McLaughlin for 2013 and 2014 are the changes in the actuarial value of the Bank's supplemental executive retirement plan for these executive officers.

[21] Mr. Smith's annual salary for 2013 represents a partial year. His annual salary was set at $180,000 in 2013.

options is based on the fair market value of $15.55[22] per share of the Bank's common stock as of December 31, 2014, minus the exercise price, multiplied by the number of "in-the-money" options.

Total Options Exercised in 2014 and Year-End Option Values						
			Number of Securities Underlying Unexercised Options at December 31, 2014(#)		Value of Unexercised In-the-Money Options at December 31, 2014 ($)	
Name	Shares Acquired on Exercise (#)	Value Realized ($)	Exercisable	Unexercisable	Exercisable	Unexercisable
Bruce Jay	0	0	147,600	0	$819,180	$0
Stephen Annis	0	0	40,000	0	$142,000	$0
Philip McLaughlin	0	0	45,000	0	$249,750	$0
John C. Smith	0	0	0	0	$0	$0

Equity Compensation Plan Information

The following table provides information as of December 31, 2014 about the Bank's common stock that may be issued upon the exercise of options under the Bank's 2008 Stock Option Plan that was approved by our shareholders or that may be issued upon the exercise of options granted outside of these equity compensation plans.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)(a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights ($)(b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plan (Excluding Securities Reflected in Column (a)) (#)(c)
Equity compensation plans approved by shareholders	602,600[23]	$10.75	72,462[24]
Equity compensation plans not approved by shareholders	0	0	0
Total	602,600	$10.75	72,462

Equity Compensation Plans

The Bank has one stock option plan pursuant to which options to purchase common stock of the Bank may be granted. The Bank also has one restricted share plan pursuant to which restricted shares of common stock of the Bank may be awarded. The Bank adopted the plans to promote the long-term success of the Bank and to create shareholder value by: (i) encouraging key personnel to focus on critical long-range objectives, (ii) increasing the ability of the Bank to attract and retain key personnel and (iii) linking key personnel directly to shareholder interests through increased stock ownership.

[22] Fair market value is based on the last sale preceding close of business on December 31, 2014.

[23] Represents options granted and outstanding under the 2008 Stock Option Plan to purchase 602,600 shares of the Bank's common stock.

[24] Represents 72,462 shares reserved for issuance under the 2008 Stock Option Plan.

2008 Stock Option Plan

The Bank's Board of Directors adopted the Valley Republic Bank 2008 Stock Option Plan (the "Stock Option Plan") in 2008. The Stock Option Plan was approved by the Bank's shareholders through the execution of written consent forms that were completed in conjunction with the execution of stock subscription agreements signed at the time of the completion of the Bank's initial stock offering. The Stock Option Plan became effective on the date that the Bank opened for business, February 2, 2009. The Stock Option Plan is administered by the Board of Directors. Subject to the terms of the Stock Option Plan, the Board determines the number of options in the award as well as the vesting and all other conditions.

Stock Options granted under the Stock Option Plan may include options which are qualified as incentive stock options under Section 422 of the Internal Revenue Code (the "Code") and nonqualified stock options. Incentive stock options may only be granted to the Bank's officers and employees, while nonqualified options may be granted to the Bank's organizers, directors, officers and employees.

Options will not be exercisable at a price that is less than 100% of the fair market value of the Bank's common stock on the date of grant, or if the optionee holds at least 10% of the voting power of the Bank's common stock, 110% of fair market value. The term of options will generally be ten years, except that incentive stock options granted to 10% shareholders will have a term of no more than five years.

As of the Record Date, non-employee directors have been granted options under the Stock Option Plan to purchase an aggregate of 201,500 shares of the Bank's common stock at a weighted average exercise price of $10.39 per share.

Subject to certain adjustments, the Bank is able to grant options for shares of common stock equal to 30% of the total number of shares sold during the initial stock offering. As of December 31, 2012, a total of 737,937 shares were available for issuance, based upon this calculation. If an option granted under the Stock Option Plan expires, is cancelled, forfeited or terminates without having been fully exercised, the unpurchased shares which were subject to that option again become available for the grant under the Stock Option Plan. As of the Record Date, there were options outstanding under the Stock Option Plan to purchase an aggregate of 602,600 shares of the Bank's common stock at exercise prices ranging between $10.00 and $15.38 per share, or a weighted average exercise price per share of $10.75.

2013 Restricted Share Plan

The Bank's Board of Directors adopted the Valley Republic Bank 2013 Restricted Share Plan (the "Restricted Share Plan") in January, 2013. The Restricted Share Plan provides for the award of restricted shares of the Bank's common stock. The Restricted Share Plan was approved by the Bank's Board of Directors pursuant to a resolution adopted by the Board on January 23, 2013 and became effective upon approval. The Restricted Share Plan is administered by the Board of Directors. Subject to the terms of the Restricted Share Plan, the Board determines the number of shares in the restricted share award as well as the vesting, performance conditions, and all other conditions.

Subject to certain adjustments, the Bank is able to issue a number of restricted share awards equal to 299,542 shares. If an award granted under the Restricted Share Plan expires, is cancelled, forfeited or terminates without having been fully vested, the unpurchased shares which were subject to that award again become available for the award of restricted stock under the Restricted Share Plan. As of the Record Date, an aggregate of 30,079 awards had been issued with 15,009 unvested and outstanding under the Restricted Share Plan.

Employment Agreements

In January 2009 and June 2012, the Bank entered into certain Employment Agreements (each, an "EA") with Bruce Jay and Philip McLaughlin, respectively. Both of those EAs were replaced in February 2015 with updated contracts. In February 2010, the Bank entered into an EA with Stephen M. Annis. In August 2013, the Bank entered into an EA with John C. Smith (together the "Executives"). The EAs are designed to provide employment stability among the executive officers of the Bank, to establish the terms of such employment, and to avoid the loss of key employees in the event of speculation about possible changes of control. Each EA contains a change of control provision. It is generally believed that such protection allows executives to remain focused on the business of a company even if hostile actions are brought against the company. The Bank knows of no plans by any person or entity to attempt a hostile takeover.

Under the terms of each EA, if the Executive's employment is terminated under the provisions of the EA within two years following a change of control, the Bank will pay the Executive liquidated damages equal to one (1) year's annual salary computed with reference to the annual salary in effect immediately preceding the date of termination. The liquidated damages payment to which the Executive is entitled pursuant to the terms of the EA will be paid in a single installment within one (1) month of his or her termination. The Executive will cease to be an employee on the effective date of any notice given under the terms of the EA, and except as provided by applicable law, will cease to be entitled to further compensation or benefits from the Bank.

The EA defines a "change of control" to mean a change of the Bank of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (or in response to any similar item on any similar schedule or form) promulgated under the Exchange Act whether or not the Bank is then subject to such reporting requirement; provided, however, that without limitation, such a change of control shall be deemed to have occurred if:

a. Any person or group (as such terms are used in connection with Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of securities of the Bank representing fifty percent (50%) or more of the combined voting power of the Bank's then outstanding securities, except if such person or group currently is the beneficial owner of ten percent (10%) or more of the combined voting power of the Bank's currently outstanding securities;

b. The Bank is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board of Directors of the Bank in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors of the Bank thereafter; or

c. During any period of twenty-four (24) consecutive months, individuals who at the beginning of such period constituted the Board of Directors of the Bank (including for this purpose any new director whose election or nomination for election by the Bank's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors of the Bank at the beginning of such period) cease for any reason to constitute at least a majority of the Board of Directors.

Pursuant to their respective EAs, if December 31, 2014 were used as the applicable change of control date, Mr. Jay would be entitled to a lump sum payment of $239,374; Mr. McLaughlin would be entitled to a lump sum payment of $191,729; Mr. Annis would be entitled to a lump sum payment of $177,187; and Mr. Smith would be entitled to a lump sum payment of $184,313.

Salary Continuation Agreements

The Bank has entered into Salary Continuation Agreements (a "Continuation Agreement") with each of its Named Executive Officers that provide certain retirement and termination benefits in exchange for their continued service to the Bank. The benefits include: (i) retirement benefits payable over 15 years after the Named Executive Officer reaches a certain retirement age (as set forth in their respective Continuation Agreements) following continuous employment with the Bank (the "Retirement Benefit"); (ii) early termination benefits (other than termination for cause); (iii) disability benefits; (iv) severance benefits for termination within 24 months following a change in control of the Bank (the "Change in Control Benefit"); and (v) death benefits. Under the terms of the Continuation Agreement, the Named Executive Officers would not be entitled to any benefits thereunder if their employment with the Bank is terminated for cause, other than a termination for cause in connection with a change in control of the Bank. The following table summarizes these benefits to the Named Executive Officers under their respective Continuation Agreements:

Salary Continuation Agreement Benefits

Name	Retirement Age	Retirement Benefit per year for 15 years	Early Termination Benefits	Change in Control Benefit	Pre-Retirement Disability Benefit	Death Benefit per year for 15 years[25]
Bruce Jay	69	$100,000 per year for 15 years	Accrued Pension Benefit	$1,111,669	Accrued Pension Benefit	$100,000 for 15 years
Stephen Annis	72	$75,000 for 15 years	Accrued Pension Benefit	$833,752	Accrued Pension Benefit	$75,000 for 15 years
Philip McLaughlin	67	$75,000 for 15 years	Accrued Pension Benefit	$833,752	Accrued Pension Benefit	$75,000 for 15 years
John C. Smith	72	$75,000 for 15 years	Accrued Pension Benefit	$833,752	Accrued Pension Benefit	$75,000 for 15 years

Valley Republic Bank 401(k) Plan

The Bank has in place a contributory retirement plan known as the Valley Republic Bank 401(k) Plan (the "401(k) Plan"), which is designed to be tax deferred in accordance with the provisions of Section 401(k) of the Internal Revenue Code. The 401(k) Plan provides that an employee may elect to enroll on January 1, April 1, July 1, or October 1 of any plan year, provided that the employee has attained age 18 and has been employed by the Bank for at least 3 months. For each plan year, an employee's elective deferrals may not exceed a specific dollar amount determined by the IRS. In 2013 such amount was the lesser of $17,500 or 10% of an employee's annual salary.

To encourage its employees to elect to make salary reduction contributions, the Bank has elected to match such contributions to the extent of fifty percent (50%) of contributions on the first six percent

[25] If the executive dies while receiving benefit payments, but prior to receiving all payments due, the beneficiary will be entitled to receive the same amounts at the same times as the Bank would have paid the executive had the executive survived. However, if the executive dies subsequent to disability, but prior to receiving all payments due, the monthly benefit to which their beneficiary is entitled shall increase as follows: (a) with respect to Mr. Jay, $8,333 for the remaining months; and (ii) with respect to all other executive officers, $6,250 for the remaining months.

(6%) of the employee's pay (a maximum of 3.0% of the employee's compensation). The Bank's matching contributions to the 401(k) Plan in 2014, 2013, and 2012 were $77,000, $71,000, and $65,000, respectively.

PROPOSAL 2 – RATIFICATION OF AUDITORS

The Audit Committee has approved the selection of the firm of Vavrinek, Trine, Day & Co., LLP to serve as independent auditors for 2015 to examine the financial statements of the Bank. Action by the shareholders is not required by law in the appointment of independent auditors, but their appointment is submitted by the Audit Committee and the Board of Directors in order to give the shareholders an opportunity to present their views. If the proposal is approved, the Audit Committee, in its discretion, may direct the appointment of different independent auditors at any time during the year if it determines that such a change would be in the best interests of the Bank and its shareholders. If the proposal to ratify the selection of Vavrinek, Trine, Day & Co., LLP as the Bank's independent auditors is rejected by the shareholders, then the Audit Committee will reconsider its choice of independent auditors.

Audit Fees

The aggregate fees paid to Vavrinek, Trine, Day & Co., LLP with respect to services performed for fiscal 2014 and 2013 are as follows:

	2014	2013
Audit fees [26]	$43,000	$41,000
Audit related fees [27]	0	0
Tax fees [28]	8,000	8,000
Other fees	0	0
	$51,000	$49,000

The Audit Committee's policy is to pre-approve all audit, audit-related, and tax services and fees by the Bank's independent auditors and approve all other audit services and fees. The Audit Committee pre-approved all audit services, audit-related services and tax services performed for the Bank by Vavrinek, Trine, Day & Co., LLP and approved all other audit services and fees during fiscal 2014 and 2013.

The Audit Committee considered whether the provision of the services other than the audit services is compatible with maintaining Vavrinek, Trine, Day & Co., LLP's independence.

Representatives of Vavrinek, Trine, Day & Co., LLP will be present at the Annual Meeting and, therefore, will be afforded the opportunity to make a statement, if they desire to do so, and respond to appropriate questions.

THE BOARD RECOMMENDS A VOTE "FOR" RATIFICATION OF VAVRINEK, TRINE, DAY & CO., LLP AS INDEPENDENT AUDITORS FOR 2014.

[26] Audit fees consisted of fees billed by Vavrinek, Trine, Day & Co., LLP for professional services rendered for the audit of the Bank's consolidated financial statements included in the Annual Report.

[27] Audit related fees would consist of fees for professional services for assurance and related services that are reasonably related to the performance of audits or review of the Bank's financial statements but that are not reported under the heading "Audit Fees."

[28] Tax fees consisted principally of fees billed by Vavrinek, Trine, Day & Co., LLP for assistance relating to tax compliance and reporting, and preparation of tax returns in fiscal years 2014 and 2013.

OTHER INFORMATION

Shareholder Communications to Board of Directors

The Board encourages that written communication from shareholders be sent to: Corporate Secretary, Valley Republic Bank, 5000 California Avenue, Suite 110, Bakersfield, CA 93309. All communication will be reviewed and processed by the Corporate Secretary. Correspondence requesting corporate information or asking questions that can more efficiently be addressed by management will be handled in that manner. However, shareholder communication regarding employee fraud, financial reporting issues, internal control/risk issues, corporate governance/oversight issues or other matters appropriately handled by the Board will be forwarded to the Board, a Committee of the Board, or the appropriate Board member.

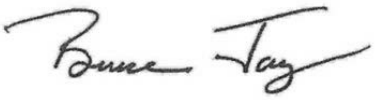
Other Matters

Management and the Board of Directors of the Bank do not know of any matters to be presented at the Annual Meeting other than those specifically referred to herein. If any other matters should properly come before the Annual Meeting or any postponement or adjournment thereof, the persons named in the enclosed proxy intend to vote thereon in accordance with their best business judgment.

The cost of the solicitation of proxies in the accompanying form will be borne by the Bank. The Bank will reimburse banks, brokers and others holding stock in their names or names of nominees or otherwise for reasonable out-of-pocket expenses incurred in sending proxies and proxy materials to the beneficial owners of such stock.

BY ORDER OF THE BOARD OF DIRECTORS





Eugene Voiland
Chairman of the Board

Bruce Jay
President & Chief Executive Officer

Dated: March 24, 2015