



Growing Strong In Our Communities







2014 ANNUAL REPORT

Suncrest Bank
A new day in banking

Suncrest Leadership Team



Bob Moore
Chief Financial Officer

YEARS SERVED IN INDUSTRY:
30+

RELEVANT WORK EXPERIENCE:

Instrumental in the establishment of Suncrest Bank

•

Previously CFO of 1st Bank Yuma

•

SVP / Investment Officer at Valley Independent Bank

Ciaran McMullan
President & CEO

YEARS SERVED IN INDUSTRY:
22

RELEVANT WORK EXPERIENCE:

Previously CEO of National Australia Bank (NAB) Americas $15B group operating in the US and Brazil

•

Grew NAB Americas from zero assets in 2006 to $6B+ in 2010

•

While CEO of NAB, completed four acquisitions, two international de-novo branches and one major joint venture

•

Previously served as Chairman of Great Western Bancorp (GWB)

Doug Tribble
Chief Operating Officer

YEARS SERVED IN INDUSTRY:
30+

RELEVANT WORK EXPERIENCE:

Previously EVP of Great Western Bank ($8B asset bank in the Midwest)

•

Oversaw growth of GWB from 6 branches and $125M in assets in 1995 to 185 branches and $8B+ assets in 2012

•

Led 15 acquisitions and 9 de-novo branch start ups while at GWB

Peter Nutz
Chief Credit Officer

YEARS SERVED IN INDUSTRY:
22

RELEVANT WORK EXPERIENCE:

Over 20 years of experience in credit risk management specializing in agribusiness

•

Previously EVP / Executive Credit Risk Director with Rabobank Group

•

Prior to Rabobank, Mr Nutz held various senior roles including Finance Director with the Offutt Companies and as a Credit Officer with the Farm Credit System

•

Led the post-acquisition integration of multiple credit divisions

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Board of Directors



Ciaran McMullan, President & CEO

Ciaran is a native of the agricultural north west of Northern Ireland. He held senior roles in banking in Europe and Australia before moving to the U.S., where he served as Chairman of the Great Western Bancorporation, CEO of National Australia Bank Americas based in the Midwest, and as a Managing Director with Capello Capital Corporation in California. His expertise is in agribusiness and small business banking, and in developing and building banking businesses. He is a graduate of Stirling University and Sheffield Hallam University in the UK, and attended Harvard Business School's Executive Education Program in Agribusiness.



William A. Benneyan, Chairman

Bill was born and educated in Fresno, CA, and is a graduate of California State University, Fresno. He has lived in the Visalia, Lindsay and Fresno areas his entire life. Bill is a Certified Public Accountant and owned a CPA practice in Lindsay and Visalia. Bill is also a custom home builder and is currently the President of Benart S&L Custom Homes. Bill is the former Vice-Chairman of Mineral King National Bank, a highly successful community bank in Visalia that sold to Vallicorp in 1994 and served on the Vallicorp Board of Directors until its sale to Westamerica Bank. Bill then served on the Central Valley Advisory Board for Westamerica Bank.



David C. Crinklaw

Dave is a resident of Exeter, with business interests throughout the Central Valley. Dave sold his home construction business in 2000 and now specializes in commercial construction. He also farms grapes in Fresno and Tulare counties and manages a farm services company serving the Central Valley.



Gary E. Esajian

Gary has lived in the Lemoore area most of his life. He farms in Kings, Fresno and Tulare counties and manages real estate development interests here and in San Luis Obispo County. Gary serves on the Board of the Westlands Water District and the San Joaquin Valley Cotton Board, and is active in local farm bureaus and chambers of commerce.



Dale B. Margosian

Born in Dinuba, Dale is a longtime resident of Porterville and a graduate of California State University, Fresno. He has managed a thriving CPA practice in Porterville for over 28 years and participates in many civic organizations.



Florencio "Frank" Paredez

A native of Tulare County, Frank graduated from College of the Sequoias and farms in the Exeter area. He owns a packinghouse and the Hungry Hollow Borrow Pit in Porterville and is active in local and San Francisco-based farmers' markets. Frank has been active on many boards of directors for organizations throughout Tulare County.



Marc R. Schuil

Marc is a co-founder of Schuil & Associates and has partnered with his two brothers, Mike Schuil and Rick Schuil for over 30 years. Marc earned a Bachelor of Science degree from Fresno State University and an MBA in Finance and Marketing from the University of Southern California. In addition to holding his broker's license in the state of California, he is currently an active licensed broker in the states of California, Texas, Oklahoma, Arizona, Iowa, South Dakota, Oregon, Kansas, Colorado, and New Mexico. Marc's strong investment and analytical skills have assisted him in evaluating profit potentials of various agricultural opportunities. Marc has been involved in a variety of civic organizations.



Eric M. Shannon

Eric's family has been farming in the area for more than 100 years and Eric continues that tradition. A graduate of UC Davis, Eric farms and is active in real estate development projects in the Visalia area. He served as president of his Rotary Club and is active in many other organizations.



Michael E. Thurlow

Mike is a native of the Reedley/Kingsburg area, and is a graduate of Reedley High, Reedley College and California Polytechnic University, San Luis Obispo. Mike is an owner/manager of a produce company that stores, packs and ships fruit raised in the South Valley. Mike is active in the community personally and through his business.



Darrell Tunnell

Darrell was born in Porterville and raised in Terra Bella. He moved to Visalia in 1979, where he began working in the aircraft repair and maintenance field. In 1984 Darrell received his airframe and power plant certificate from the Federal Aviation Administration. Darrell has owned Aircraft Mechanical Services, Inc., which is the Visalia Airport fixed base operator (FBO) since 1988. Darrell is active in many sports and is an active contributor to school and civic organizations. He is also a proud supporter of the American Cancer Society and Wounded Warrior Project.

Dear Shareholders and Customers

On behalf of the Suncrest Bank Board of Directors, we are privileged to report our 2014 financial results. This year those results were record breaking, as we experienced strong growth in loans, deposits and pre-tax income. We ended 2014 with total assets of $188.6 million, which surpasses our 2013 year-end of $126.3 million by 49.4%. This sharp increase set a record for Suncrest Bank, placing us in the top 1.5% of all US banks in terms of total asset growth, and making us the fastest growing bank in the Central Valley. Our portfolio grew 32.6% over the prior year, ending the year at $125.2 million, while our total deposits grew by 51.9%, ending the year at $166.4 million. Our Pre-tax earnings for the year are $745,621 which represents a 16.4% increase over 2013, and continues our impressive trend of profitable growth, which now extends to thirteen consecutive quarters.

This year was a "Foundation" year for Suncrest Bank as we established a new mission statement and made important strategic investments in people, products and services. Suncrest Bank's community oriented business philosophy is encapsulated in our new Mission; "Helping to Build and Sustain Local Communities". Our future success as an organization can only be attained if the communities we serve are also successful. The deposit dollars we raise locally are loaned back out to local businesses to help create a circle of success that is maximized when our communities shop local, dine local, do business local and bank local.

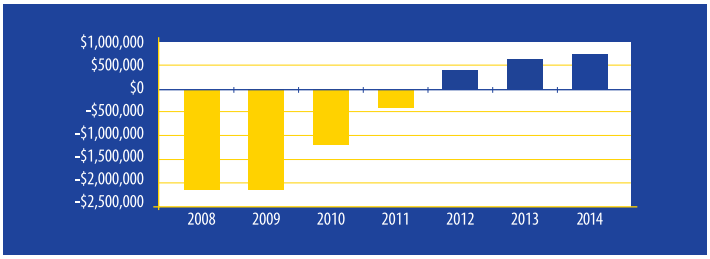
People are the most important ingredient to any successful business and throughout 2014 Suncrest Bank added a number of highly talented leaders to its team. Mr. Peter Nutz was appointed as the bank's new Chief Credit Officer after spending 13 years with Rabobank where he held various senior credit positions both here in the South Valley and overseas. While with Rabobank, Mr. Nutz served as EVP and Head of Ag Credit Risk for California and Senior Ag Credit Officer for the entire US, chairing 12 nationwide regional credit committees based out of Fresno. We are thrilled to have someone with Peter's experience and capabilities join our team. Mr. Nutz commenced employment in January 2015.

This year we also hired two of the most talented young leaders in our communities. In Visalia, Mr. Nathan Halls joined us from Bank of the West as our Visalia Market President, and in Porterville Mr. Dustin Della joined us from Bank of the Sierra as our Porterville Market President. Nathan and Dustin did an outstanding job in 2014, helping us produce the growth results noted above and building a strong customer service culture in each of their markets. Mr. Craig Howells also joined the Suncrest family this year to head up our Government Guaranteed Lending (GGL) Group, specializing in SBA, USDA and a range of government supported loan products. Craig has been the leading GGL lending officer in our region for many years, and in 2010 was the number one USDA B&I individual lender for the entire state of California.

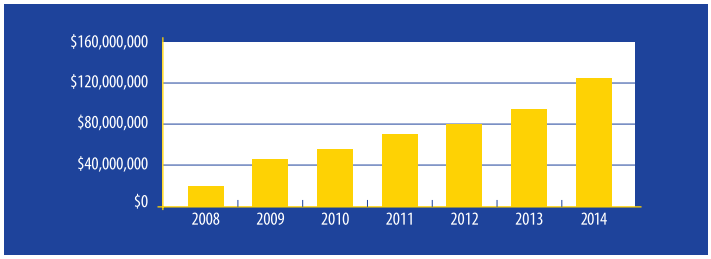
The investment we made in new products and services also contributed to our outstanding growth in 2014. Our new **Online Banking** system was a great enhancement for our customers.

The new features and functionality enabled us to double the number of users during the year. Business customers can now enjoy payroll

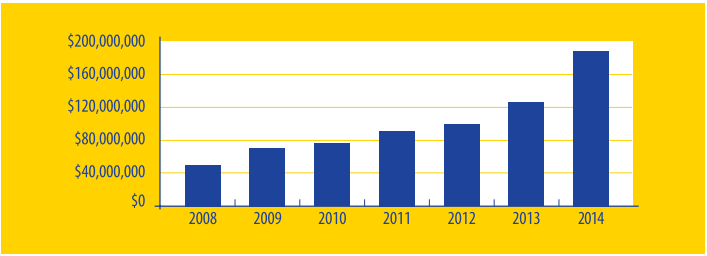
Income Before Taxes



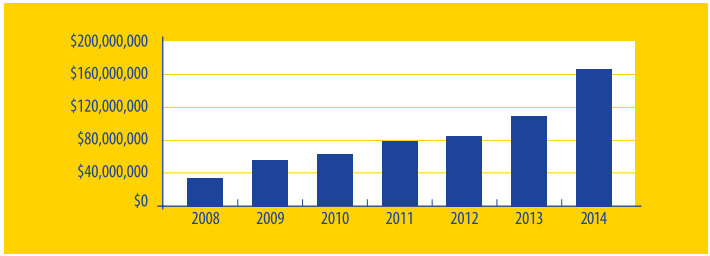
Loan Growth



Asset Growth



Deposit Growth

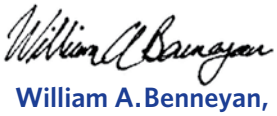


processing, remote deposit capabilities, positive pay, wire transfer and many other outstanding "fingertip" features. We had exceptional response to the launch of our new **Mobile Banking** and **Mobile Deposit** products. Customers are now able to check balances, transfer funds, pay bills, deposit checks and much more from their smartphones.
In 2014 we became the first bank in California to offer the highly successful **Kasasa** checking account, with truly unique customer features and the best interest rates in our markets.
Look for our next innovation, **BaZing!**, in 2015.

We initiated a campaign to raise new investment capital in 2014, in order to support our continued strong growth and plans for the future. Thanks to many of you, this campaign has been a huge success with nearly $12 million either funded or committed to date. In order to help improve the liquidity of our shares, the bank upgraded its stock listing to the OTCQX in March 2015. This marketplace is the top-tier market for over-the-counter stocks operated by OTC Markets. Previously we had been listed on the OTCQB which is primarily for venture stocks. This move represents a significant milestone in the history and evolution of our bank.

In closing, we thank the Board of Directors for their continued support and commitment to the profitable growth of your bank. The foundation we have built in 2014 will provide the platform upon which we can continue our impressive momentum into 2015 and beyond.

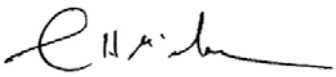
Thank you all for your continued support!





William A. Benneyan,
Chairman
bbenneyan@suncrestbank.com





Ciaran McMullan
President & CEO
cmcmullan@suncrestbank.com

Our people make the difference

Meet Our Staff

All successful businesses have a common characteristic; they have great people working for them. In this regard, Suncrest Bank is no different. What sets us apart from other banks is that every Suncrest employee comes to work every day, not as an employee but as an owner. Every Suncrest employee owns shares in the company and annually shares in the performance based bonus pool, a portion of which is paid in the form of Suncrest Bank stock. As the bank continues to enjoy success and grows, our employee ownership stake will grow along with it.

As company owners, our employees take great pride in providing a high level of service to the Suncrest customer base. It is this High Touch service, together with High Tech products, that forms the framework of our commitment to our customers. As owners, our employees also understand the commitment we must make to our communities to ensure they continue to thrive, grow stronger, and maintain a high quality of life. In 2014 our bank Directors and employees contributed over 2,300 hours of their time and talents to various community organizations and outreach efforts. The tremendous results achieved in 2014 reflect the efforts of our entire staff pulling together as a cohesive team to ensure we make good on these commitment to our communities.

Leadership at the line level of the company was paramount to our success. Leaders like ***Dustin Della, Market President in Porterville: Nathan Halls, Market President in Visalia; Debbie Bombard, SVP Operations; and Lori Carabay, Note Department Supervisor;*** all contributed to a successful 2014.

All of us at Suncrest Bank
look forward to an exciting 2015!



Row 5: Nathan Halls, Ciaran McMullan, Dustin Della, William Benneyan, Frank Paredez, John Gossett, Doug Tribble
Row 4: Lori Buecheler, Vicki Evans, Elia Havner, Ericka Melo, Kimberly Zack, Jennifer Noel, Christine Catalina
Row 3: Cyndy Paulus, Barbra Hood, Kathleen Bernardo, Tracy Cizek, Brooke Reed, Robert Moore, Suzy Blanchard
Row 2: Craig Howells, Karen Snow, Heather Fiori, Debbie Bombard, Lori Carabay
Row 1: Michelle Gletne, Gary Gostanian, Rosemary Leon
Not Pictured: Peter Nutz, Ashton Freeman, Katrina Puerner, Charlie Glenn, Adriana Vidales

Committed to Community

Visalia Rescue Mission
CASA
YEA Program
Farm Bureau
Leadership Visalia
Family Services of Visalia
Success in Recovery
United Way
Porterville Fair
Fraternal Order of Eagles
Rotary Club
Habitat for Humanity
Sequoia Chapter Trex Fraternity
Valley Children's Hospital
Porterville National Junior Basketball
Rotary Cancer Walk
Toys for Tots
Porterville Teach Children to Save Program
Veterans Activities
City of Hope
Kingsburg High School
Campus Crusade for Christ
Visalia Community Rotary Foundation
Imagine U Interactive Children's Museum
Downtown Visalia
Sorotimist International of Visalia
Tulare Kings Hispanic Chamber
Bible Study International
AWANA
Sierra View District Hospital
Visalia Unified School District
Kaweah Delta Health Care District
Visalia Community Church of Christ Women's Ministry
Visalia Chamber After Hours
Octoberfest
Taste of Downtown
Visalia Community Church of Christ Worship Band
Strathmore High School Football Boosters
Porterville Mariachi Academy Foundation
City of Porterville Soccer
Porterville NJB
Porterville Academy of Business
Porterville Lions Club
Porterville Chamber of Commerce
Family Crisis Center
Porterville Area Coordinating Council
Veterans Day 5k
Amvets Post 56 Ladies Auxiliary
Valley SBA Business Development Corporation
Clay School
Hume Lake Christian Camp
Kingsburg Ag Boosters
California Wine Grape Inspection Committee
Visalia Sunset Rotary
Visalia Economic Development Corp
Networking for Women
Reaching Higher
American Youth Soccer Organization
National Association of Guaranteed Govt Lenders



5 in 5 *Growth Strategy*

On course to $500 million in assets

The Suncrest goal of growing to $500 million in assets in five years is well underway. 2014 represented a foundation building year as we raised the necessary capital to support this ambitious growth agenda. We also hired top talent, improved our technology infrastructure and added new and exciting products. Our Executive Management Team has significant experience not only in growing banks, but in building shareholder value in the process. The Team's experience in growing organically, through acquisitions, and de novo start-ups is truly aligned with our Growth Strategy and with the objectives of our Board of Directors.

Successfully Executing New Long-Term Growth Strategy

The Company has established a detailed and highly executable plan for achieving near and long-term growth initiatives

Growth in Current Locations

KEY INITIATIVE:

Grow market share to 8% - 10% by 2018 in both Visalia and Porterville from 4.3% and 5.4%, respectively as of June 2014 FDIC survey.

Open in New Strategically Attractive Locations

KEY INITIATIVE:

Open new strategic locations over the next four years.

Open Businesses not Branches

KEY INITIATIVE:

Local branch president and decision making authority.

Supported by founding group of local business people, investors and community leaders.

Specialize in Critical Sectors

KEY INITIATIVE:

Build expertise in sectors critical to the Central Valley economy.

In particular, SBA, Agribusiness and Hispanic Business.

Seek Out Acquisitions

KEY INITIATIVE:

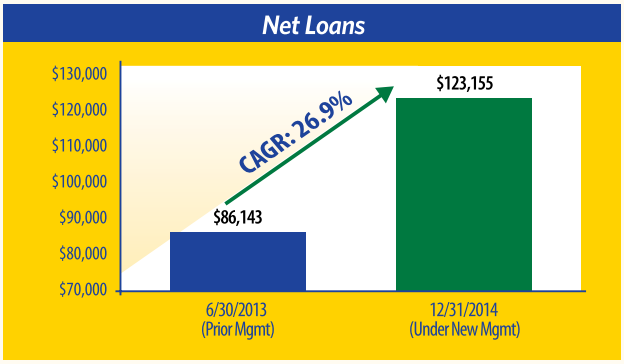
Achieve scale and improve operating efficiencies through M&A.

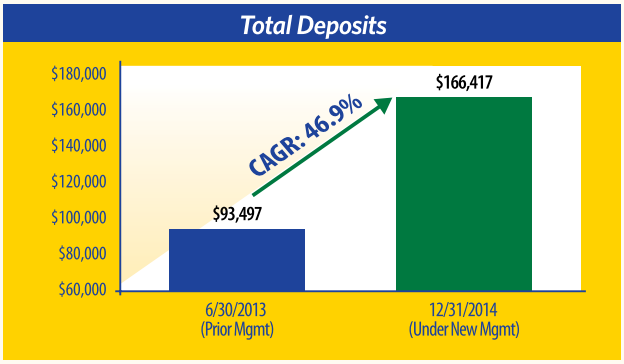
Identify community banks that would be a good fit for an acquisition or a strategic merger.

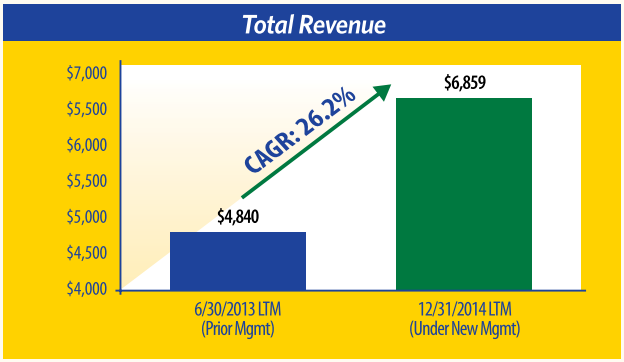
Growing through long-term customer relationships

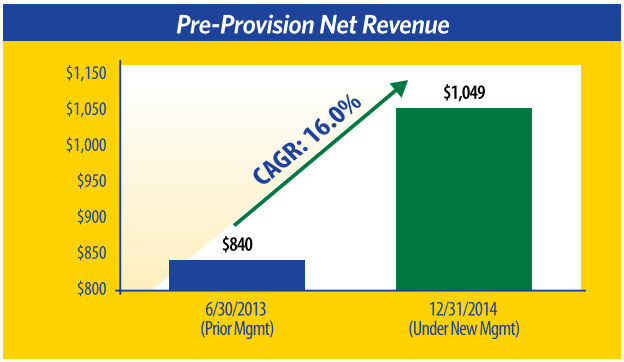
Growth for growth's sake does not create long-term shareholder value. Long Term Profitable Growth is created through a discipline of building strong, primary and long-lasting customer relationships. Those customers are the best advocates for our bank, and because of the value we provide to them, they readily refer us to their friends, neighbors, family and business associates. Through the prudent deployment of our customers' deposits in the local communities we serve, we're able to make a significant contribution to both economic development and quality of life. This philosophy is at the core of the Suncrest Bank community banking values.

New Team and Business Plan Exhibiting Real Progress









($ in thousands)

Source: SNL Financial, Company Management.

5in5 Growth Strategy

Building a strong loan portfolio in our local communities

By prudently putting customer deposits to work in our local communities, Suncrest Bank has enhanced shareholder value over the long term. This has been the case even during some of the most difficult economic times in our history. Our credit risk disciplines have remained strong, while we build a high quality loan portfolio with local small business customers, across multiple industry sectors. With some of the best lenders in Visalia and Porterville, the bank has achieved strong growth in a variety of industries. Our commitment to local businesses has led to our diverse portfolio mix of agricultural production, farm real estate, equipment finance, working capital lines, commercial real estate, SBA and USDA small business loans. The successful completion of our private placement of $15 million of common stock will give us a well capitalized balance sheet and the financial strength to achieve our strategic goals.

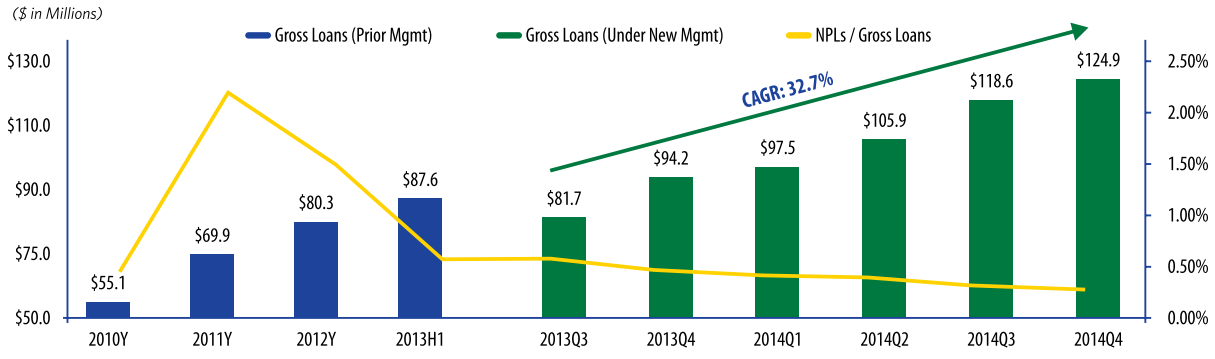
Prudent & Responsible Balance Sheet Growth

- Well capitalized balance sheet will enable Suncrest to pursue both an organic and acquisitive growth strategy
- Loan portfolio grew by over 50% since new management arrived, all during a period of stagnant loan growth nation-wide
- Implemented stringent underwriting requirements to ensure bank maintains excellent credit quality
- Total loan charge-offs since inception <$100k

Well Capitalized Balance Sheet

($ in thousands)	12/31/2014[1]	Offering Adjustments[2]	Pro Forma
Total Equity	$21,878	$9,417	$31,295
TCE / TA	11.60%		15.80%
Tier 1 Leverage Ratio	11.06%		15.43%
Tier 1 RBC Ratio	13.52%		19.59%
Total RBC Ratio	14.68%		20.74%

High Quality Loan Growth has been a Focus for the Management Team



Source: SNL Financial, Company Call Reports, Company Management.

1 Includes $5.1 million closed as of 12/31/2014.

2 Remaining balance of $9.9 million, net of estimated 5% in offering expenses. Assumes $7.00 offering price, and initial 20% risk weighting on proceeds (risk weight of FHLB stock).

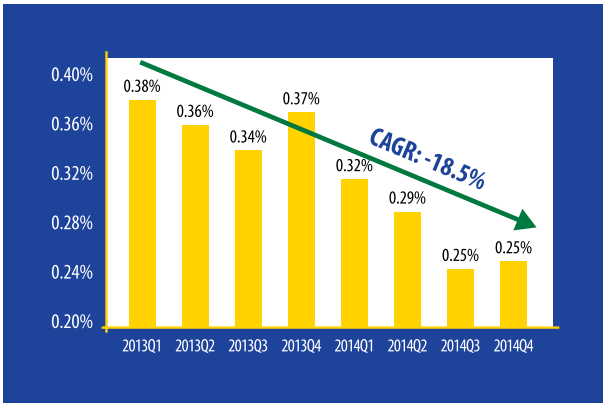
Growing efficiently and productively

The ability to leverage our employees, technology and infrastructure as we grow will continue to create an operating environment that is efficient and productive. This will be a key aspect of our future growth and will enable us to be highly competitive on loans and deposits, invest in new products and systems, add new business lines, and continue to add talented bankers. As always, our consistent expense control measures and continuous process improvement will remain key efficiency drivers.

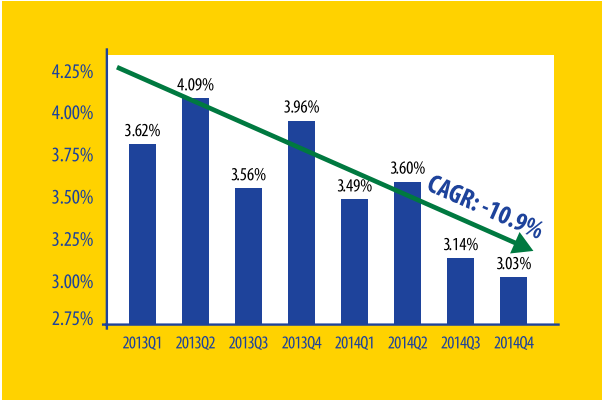
Improving Operating Efficiencies Driving Bottom Line Growth

- Management's emphasis on reducing operating expenses is helping drive bottom line growth
- Suncrest can achieve greater economies of scale through organic growth as well as strategic acquisitions
- Company has been able to keep overhead costs relatively flat, even during a period of rapid growth
- Assets per FTE has increased from $4,000M per at 12-31-2013 to $6,000M at 12-31-2014

Interest Expense / Avg. Assets



Noninterest Expense / Avg. Assets



Source: SNL Financial, Company Management.

Product Innovation

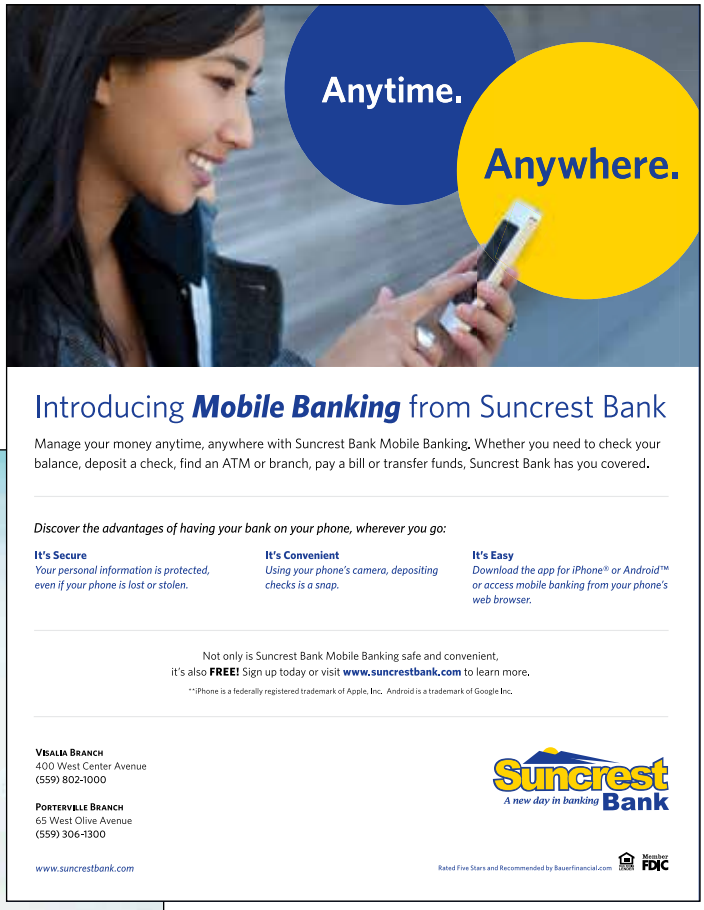
Leading the way with popular new products

In 2014 Suncrest Bank assumed a position of leadership by offering a variety of groundbreaking new products. We are proud to report that we were the first bank in California to offer an exciting checking account called **Kasasa CASH**. Kasasa CASH is a free checking account that also pays the customer the highest interest rate in our markets. In addition, Kasasa CASH offers many free services including Online Banking, Mobile Banking, Mobile Deposit and Mobile Bill Pay. During the first quarter of 2015, Suncrest will become the first bank in California to offer the **BaZing** Checking product. BaZing Checking rewards customers with a wide range of benefits, including a variety of discounts at local and national stores. Watch for more **Value Benefits** for Suncrest customers!

Technology Innovation was an important contributor to the bank's growth in 2014. Our website was significantly enhanced and now includes a convenient feature for customers to open accounts online without having to make a trip to the bank. The Suncrest **Online Banking** system was replaced with a modernized product that is very user friendly for both consumer and business customers. We are happy to report that since implementing the new system we have doubled the number of customers using the Online Banking product.

We're also happy to report that our **Cash Management** products are becoming much more widely used by our business customers. The products, which include **Remote Deposit Capture, ACH Origination, Wire Transfer, Positive Pay, Investment and Loan Sweep accounts and Payroll Processing,** are helping these important customers run their businesses more efficiently. **Mobile Banking and Mobile Deposit** were also added to our product menu during the fourth quarter of 2014 and the customer uptake of these convenient services has been excellent.

Reaching out with effective marketing campaigns



Mobile Banking - Campaign ad



Kasasa CASH - Newspaper ad

***2015** will see even more innovation as we continue to enhance and improve our customers' experience with beneficial products and services that afford greater convenience and satisfaction.*

In 2014 we regularly communicated with our customers and stakeholders, utilizing a variety of media including local newspaper, magazines, Chamber of Commerce publications and direct mail channels. Particularly compelling was our series of business customer profiles. The colorful print ads supported Suncrest's position as the ***local bank***—helping individual business succeed while strengthening the overall local economy.





Customer - Campaign ad



Customer - Campaign ad



Customer - Campaign ad



Bank Local Buy Local - Campaign ad



Bank Local Buy Local - Campaign ad



Rawhide Congratulations - Newspaper ad



Business Solutions - Campaign ad

Table of Financial Statements

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2014

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Shareholders of
Suncrest Bank

Report on Financial Statements

We have audited the accompanying financial statements of Suncrest Bank, which are comprised of the statements of financial condition as of December 31, 2014 and 2013, and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Suncrest Bank as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Vavrinek, Trine, Day & Co., LLP

Laguna Hills, California
February 25, 2015

SUNCREST BANK

STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2014 AND 2013

ASSETS

	2014	2013
Cash and Due from Banks	4,648,094	2,637,057
Federal Funds Sold	15,821,000	11,744,000
TOTAL CASH AND CASH EQUIVALENTS	20,469,094	14,381,057
Investment Securities Available for Sale	40,516,442	14,620,321
Loans:		
Real Estate - Other	93,374,513	69,831,369
Construction and Land Development	3,858,822	2,247,079
Commercial and Industrial	26,469,066	21,167,596
Consumer	1,534,781	1,181,442
TOTAL LOANS	125,237,182	94,427,486
Deferred Loan Fees, Net of Costs	(359,393)	(241,342)
Allowance for Loan Losses	(1,723,391)	(1,417,381)
NET LOANS	123,154,398	92,768,763
Federal Home Loan Bank and Other Bank Stock, at Cost	637,510	591,489
Premises and Equipment	583,396	698,604
Net Deferred Tax Assets	2,217,000	2,601,000
Accrued Interest and Other Assets	1,059,812	616,968
	$ 188,637,652	$ 126,278,202

The accompanying notes are an integral part of these financial statements.

SUNCREST BANK

STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2014 AND 2013

LIABILITIES AND SHAREHOLDERS' EQUITY

	2014	2013
Deposits:		
Noninterest-bearing Demand	$ 55,502,263	$ 34,162,947
Savings, NOW and Money Market Accounts	69,994,695	47,783,592
Time Deposits Under $250,000	19,355,396	25,708,209
Time Deposits $250,000 and Over	21,564,510	1,875,000
TOTAL DEPOSITS	166,416,864	109,529,748
Accrued Interest and Other Liabilities	342,596	397,481
TOTAL LIABILITIES	166,759,460	109,927,229
Commitments and Contingencies - Notes D and J	-	-
Shareholders' Equity:		
Preferred Stock - No par value, 10,000,000 Shares Authorized, None Outstanding	-	-
Common Stock - No par value, 10,000,000 Shares Authorized, Shares Issued and Outstanding, 2,649,634 in 2014 and 1,915,902 in 2013	24,126,478	19,146,645
Additional Paid-in Capital	1,614,538	1,519,254
Accumulated Deficit	(3,851,640)	(4,247,207)
Accumulated Other Comprehensive Income (Loss) - Net Unrealized Gain (Loss) on Securities Available for Sale, Net of Taxes of $(7,772) in 2014 and $(47,059) in 2013	(11,184)	(67,719)
TOTAL SHAREHOLDERS' EQUITY	21,878,192	16,350,973
	$ 188,637,652	$ 126,278,202

The accompanying notes are an integral part of these financial statements.

SUNCREST BANK

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
INTEREST INCOME		
Interest and Fees on Loans	$ 5,988,234	$ 4,965,566
Interest on Investment Securities	415,522	128,804
Interest on Federal Funds Sold and Other	76,308	42,500
TOTAL INTEREST INCOME	6,480,064	5,136,870
INTEREST EXPENSE		
Interest on Savings Deposits, NOW and Money Market Accounts	176,515	193,365
Interest on Time Deposits	272,420	203,029
Interest on Other Borrowings	6	3,929
TOTAL INTEREST EXPENSE	448,941	400,323
NET INTEREST INCOME	6,031,123	4,736,547
Provision for Loan Losses	314,400	36,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	5,716,723	4,700,547
NONINTEREST INCOME		
Service Charges, Fees, and Other Income	133,908	179,354
Gain on Sale of Securities	11,485	-
Gain on Sale of Loans	237,084	36,730
	382,477	216,084
NONINTEREST EXPENSE		
Salaries and Employee Benefits	3,018,770	2,351,011
Occupancy Expenses	641,153	577,022
Equipment Expenses	175,592	171,168
Other Expenses	1,518,064	1,176,894
	5,353,579	4,276,095
INCOME BEFORE INCOME TAXES	745,621	640,536
Income Taxes (Benefit)	350,054	(2,553,000)
NET INCOME	$ 395,567	$ 3,193,536
NET INCOME PER SHARE - BASIC	$ 0.18	$ 1.67
NET INCOME PER SHARE - DILUTED	$ 0.18	$ 1.66

The accompanying notes are an integral part of these financial statements.

SUNCREST BANK

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Net Income	$ 395,567	$ 3,193,536
OTHER COMPREHENSIVE INCOME (LOSS):		
Unrealized Gains and Losses on Securities Available for Sale:		
Change in Net Unrealized Gain (Loss)	107,307	(153,797)
Reclassification of Gain Recognized in Net Income, Net	(11,485)	-
	95,822	(153,797)
Income Taxes (Benefit):		
Change in Net Unrealized Gain (Loss)	43,996	(63,057)
Reclassification of Gain Recognized in Net Income, Net	(4,709)	-
	39,287	(63,057)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	56,535	(90,740)
TOTAL COMPREHENSIVE INCOME	$ 452,102	$ 3,102,796

The accompanying notes are an integral part of these financial statements.

SUNCREST BANK

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Common Stock		Additional		Accumulated Other	
	Number of Shares	Amount	Paid-in Capital	Accumulated Deficit	Comprehensive Income (Loss)	Total
Balance January 1, 2013	1,911,777	$ 19,117,770	$ 1,479,306	$(7,440,743)	$ 23,021	$ 13,179,354
Net Income				3,193,536		3,193,536
Stock-based Compensation			68,823			68,823
Issuance of Stock to Employees in Exchange for Services Rendered	4,125	28,875	(28,875)			-
Other Comprehensive Income, Net of Taxes					(90,740)	(90,740)
Balance at December 31, 2013	1,915,902	19,146,645	1,519,254	(4,247,207)	(67,719)	16,350,973
Net Income				395,567		395,567
Stock-based Compensation			141,382			141,382
Issuance of Stock to Employees in Exchange for Services Rendered	6,980	46,098	(46,098)			-
Issuance of Common Stock, net of Expenses of $153,529	726,752	4,933,735				4,933,735
Other Comprehensive Income, Net of Taxes					56,535	56,535
Balance at December 31, 2014	2,649,634	$ 24,126,478	$ 1,614,538	$(3,851,640)	$(11,184)	$ 21,878,192

The accompanying notes are an integral part of these financial statements.

SUNCREST BANK

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
OPERATING ACTIVITIES		
Net Income	$ 395,567	$ 3,193,536
Adjustments to Reconcile Net Income to Net Cash		
From Operating Activities:		
Depreciation and Amortization	218,299	193,060
Stock-based Compensation	141,382	68,823
Provision for Loan Losses	314,400	36,000
Deferred Tax Expense (Benefit)	345,000	(2,554,000)
Gain on Sale of Securities	(11,485)	-
Gain on Sale of Other Real Estate Owned	-	(19,366)
Gain on Sale of Loans	(237,084)	(36,730)
Loans Originated for Sale	(2,327,174)	(408,750)
Proceeds from Sale of Loans	2,578,580	451,645
Other Items	(433,553)	(67,802)
NET CASH FROM OPERATING ACTIVITIES	983,932	856,416
INVESTING ACTIVITIES		
Purchase of Available-for-Sale Securities	(38,733,211)	(4,475,950)
Maturities of Available-for-Sale Securities	10,934,781	4,416,373
Proceeds from Sale of Available-for-Sale Securities	1,993,315	-
Net Increase in Loans	(30,764,740)	(13,931,119)
Purchase of Federal Home Loan Bank Stock	(43,800)	(28,600)
Proceeds from Sale of Other Real Estate Owned	-	270,910
Purchase of Premises and Equipment	(103,091)	(20,866)
NET CASH FROM INVESTING ACTIVITIES	(56,716,746)	(13,769,252)
FINANCING ACTIVITIES		
Net Increase in Demand Deposits and Savings Accounts	43,550,419	16,616,396
Net Change in Time Deposits	13,336,697	8,130,939
Net Change in Federal Funds Purchased	-	(700,000)
Proceeds from Issuance of Common Stock, Net	4,933,735	-
NET CASH FROM FINANCING ACTIVITIES	61,820,851	24,047,335
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,088,037	11,134,499
Cash and Cash Equivalents at Beginning of Year	14,381,057	3,246,558
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 20,469,094	$ 14,381,057
Supplemental Disclosures of Cash Flow Information:		
Interest Paid	$ 450,025	$ 398,794
Taxes Paid	$ -	$ 15,000

The accompanying notes are an integral part of these financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Bank has been incorporated in the State of California and organized as a single operating segment that operates two full-service branches in Visalia and Porterville, California. The Bank's primary source of revenue is providing loans to customers, who are predominately small and middle-market businesses and individuals located primarily in the Southern Central Valley of California.

Subsequent Events

The Bank has evaluated subsequent events for recognition and disclosure through February 25, 2015, which is the date the financial statements were available to be issued.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash, due from banks and federal funds sold. Generally, federal funds are sold for periods of less than ninety days.

Cash and Due from Banks

Banking regulations require that banks maintain a percentage of their deposits as reserves in cash or on deposit with the Federal Reserve Bank. The Bank was in compliance with its reserve requirements as of December 31, 2014.

The Bank maintains amounts due from banks, which may exceed federally insured limits. The Bank has not experienced any losses in such accounts.

Investment Securities

Bonds, notes, and debentures for which the Bank has the positive intent and ability to hold to maturity are reported at cost, adjusted for premiums and discounts that are recognized in interest income using the interest method over the period of maturity.

Investments not classified as trading securities nor as held-to-maturity securities are classified as available-for-sale securities and recorded at fair value. Unrealized gains or losses on available-for-sale securities are excluded from net income and reported as an amount net of taxes as a separate component of other comprehensive income included in shareholders' equity. Premiums and discounts on held-to-maturity and available-for-sale securities are amortized or accreted into income using the interest method. Realized gains or losses of held-to-maturity or available-for-sale securities are recorded using the specific identification method.

Management evaluates securities for other-than-temporary impairment ("OTTI") on at least a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation. For securities in an unrealized loss position, management considers the extent and duration of the unrealized loss, and the financial condition and near-term prospects of the issuer. Management also assesses whether it intends to sell, or it is more likely than not that it will be required to sell, a security in an unrealized loss position before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the entire difference between amortized cost and fair value is recognized as impairment through earnings. For debt securities that do not meet the aforementioned criteria, the amount of impairment is split into two components as follows; OTTI related to credit loss, which must be recognized in the income statement and; OTTI related to other factors, which is recognized in other comprehensive income. The credit loss is defined as the difference between the present value of the cash flows expected to be collected and the amortized cost basis. For equity securities, the entire amount of impairment is recognized through earnings.

Loans Held for Sale

Government Guaranteed loans originated and intended for sale in the secondary market are carried at the lower of cost or estimated market value in the aggregate. Net unrealized losses are recognized through a valuation allowance by charges to income.

Gains or losses realized on the sales of loans are recognized at the time of sale and are determined by the difference between the net sales proceeds and the carrying value of the loans sold, adjusted for any servicing asset or liability. Gains and losses on sales of loans are included in noninterest income.

Loans

Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding unpaid principal balances

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

reduced by any charge-offs or specific valuation accounts and net of deferred fees or costs on originated loans, or unamortized premiums or discounts on purchased loans. Loan origination fees and certain direct origination costs are capitalized and recognized as an adjustment of the yield of the related loan.

Loans on which the accrual of interest has been discontinued are designated as nonaccrual loans. The accrual of interest on loans is discontinued when principal or interest is past due 90 days based on the contractual terms of the loan or when, in the opinion of management, there is reasonable doubt as to collectability. When loans are placed on nonaccrual status, all interest previously accrued but not collected is reversed against current period interest income. Income on nonaccrual loans is subsequently recognized only to the extent that cash is received and the loan's principal balance is deemed collectible. Interest accruals are resumed on such loans only when they are brought current with respect to interest and principal and when, in the judgment of management, the loans are estimated to be fully collectible as to all principal and interest.

Allowance for Loan Losses

The allowance for loan losses is a valuation allowance for probable incurred credit losses. Loan losses are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance required using past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions, and other factors. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged off. Amounts are charged-off when available information confirms that specific loans or portions thereof, are uncollectible. This methodology for determining charge-offs is consistently applied to each segment.

The Bank determines a separate allowance for each portfolio segment. The allowance consists of specific and general reserves. Specific reserves relate to loans that are individually classified as impaired. A loan is impaired when, based on current information and events, it is probable that the Bank will be unable to collect all amounts due according to the contractual terms of the loan agreement. Factors considered in determining impairment include payment status, collateral value and the probability of collecting all amounts when due. Measurement of impairment is based on the expected future cash flows of an impaired loan, which are to be discounted at the loan's effective interest rate, or measured by reference to an observable market value, if one exists, or the fair value of the collateral for a collateral-dependent loan. The Bank selects the measurement method on a loan-by-loan basis except that collateral-dependent loans for which foreclosure is probable are measured at the fair value of the collateral.

The Bank recognizes interest income on impaired loans based on its existing methods of recognizing interest income on nonaccrual loans. Loans, for which the terms have been modified resulting in a concession, and for which the borrower is experiencing financial difficulties, are considered troubled debt restructurings and classified as impaired with measurement of impairment as described above.

If a loan is impaired, a portion of the allowance is allocated so that the loan is reported, net, at the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral.

General reserves cover non-impaired loans and are based on peer bank historical loss rates for each portfolio segment, adjusted for the effects of qualitative or environmental factors that are likely to cause estimated credit losses as of the evaluation date to differ from the portfolio segment's historical loss experience. Qualitative factors include consideration of the following: changes in lending policies and procedures; changes in economic conditions; changes in the nature and volume of the portfolio; changes in the experience, ability and depth of lending management and other relevant staff; changes in the volume and severity of past due, nonaccrual and other adversely graded loans; changes in the loan review system; changes in the value of the underlying collateral for collateral-dependent loans; concentrations of credit and the effect of other external factors such as competition and legal and regulatory requirements.

Portfolio segments identified by the Bank include real estate – other, construction and land development, commercial and industrial, and consumer loans. Relevant risk characteristics for these portfolio segments generally include debt service coverage, loan-to-value ratios and financial performance on non-consumer loans and credit scores, debt-to income, collateral type and loan-to-value ratios for consumer loans.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Federal Home Loan Bank ("FHLB") Stock

The Bank is a member of the FHLB system. Members are required to own a certain amount of stock based on the level of borrowings and other factors, and may invest in additional amounts. FHLB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on the ultimate recovery of par value. Both cash and stock dividends are reported as income.

Other Real Estate Owned

Real estate acquired by foreclosure or deed in lieu of foreclosure is recorded at fair value at the date of foreclosure, establishing a new cost basis by a charge to the allowance for loan losses, if necessary. Other real estate owned is carried at the lower of cost or fair value, less estimated costs to sell. Fair value is based on current appraisals less estimated selling costs. Any subsequent write-downs are charged against operating expenses. Operating expenses of such properties, net of related income, and gains and losses on their disposition are included in other operating expenses.

Premises and Equipment

Premises and equipment are carried at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives, which ranges from three to ten years for furniture and equipment. Leasehold improvements are amortized using the straight-line method over the estimated useful lives of the improvements or the remaining lease term, whichever is shorter. Expenditures for betterments or major repairs are capitalized and those for ordinary repairs and maintenance are charged to operations as incurred.

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales, when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Bank, the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and the Bank does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Stock-Based Compensation

The Bank recognizes the cost of employee services received in exchange for awards of stock options, or other equity instruments, based on the grant-date fair value of those awards. This cost is recognized over the period which an employee is required to provide services in exchange for the award, generally the vesting period. See Note K for additional information on the Bank's stock option plan.

Advertising Costs

The Bank expenses the costs of advertising in the period incurred.

Income Taxes

Deferred income taxes are computed using the asset and liability method, which recognizes a liability or asset representing the tax effects, based on current tax law, of future deductible or taxable amounts attributable to events that have been recognized in the financial statements. A valuation allowance is established to reduce the deferred tax asset to the level at which it is "more likely than not" that the tax asset or benefits will be realized. Realization of tax benefits of deductible temporary differences and operating loss carryforwards depends on having sufficient taxable income of an appropriate character within the carryforward periods.

The Bank has adopted guidance issued by the Financial Accounting Standards Board ("FASB") that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Interest and penalties related to uncertain tax positions are recorded as part of income tax expense.

Earnings Per Share ("EPS")

Basic EPS excludes dilution and is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity.

Comprehensive Income

Changes in unrealized gains and losses on available-for-sale securities is the only component of accumulated other comprehensive income for the Bank. The amount reclassified

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

out of other accumulated comprehensive income relating to realized gains on sale of securities was $11,485 for 2014. The related tax effect for the reclassification was $4,709 for 2014.

Financial Instruments

In the ordinary course of business, the Bank has entered into off-balance sheet financial instruments consisting of commitments to extend credit, commercial letters of credit, and standby letters of credit as described in Note J. Such financial instruments are recorded in the financial statements when they are funded or related fees are incurred or received.

Fair Value Measurement

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Current accounting guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a Bank's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

See Note M for more information and disclosures relating to the Bank's fair value measurements.

Reclassifications

Certain reclassifications have been made in the 2013 financial statements to conform to the presentation used in 2014. These reclassifications had no impact of the Bank's previously reported financial statements.

Recent Accounting Guidance Not Yet Effective

In January 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-04, Receivables—Troubled Debt Restructurings by Creditors (Subtopic 310-40): Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure, a consensus of the FASB Emerging Issues Task Force. This Update provides clarification as to when an in-substance repossession or foreclosure has occurred, i.e., the creditor is considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan and, therefore, the loan receivable should be derecognized and the real estate property should be recognized. Under ASU No. 2014-04, a creditor has received physical possession of residential real estate property collateralizing a consumer mortgage loan upon either (1) the creditor obtaining legal title to theproperty upon completion of a foreclosure or (2) the borrower conveying all interest in the property to the creditor to satisfy the loan through completion of a deed in lieu of foreclosure or a similar legal agreement. The Update also will require disclosure in annual and interim financial statements of both (1) the amount of foreclosed residential real estate property held by the creditor and (2) the recorded investment in consumer mortgage loans collateralized by residential real estate property that are in the process of foreclosure according to local requirements of the applicable jurisdiction. The amendments in this Update are effective for interim and annual periods beginning after December 15, 2014. Adoption of this Update is not expected to have a material impact on the Bank's financial statements.

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). This Update requires an entity to recognize revenue as performance obligations are met, in order to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration the entity is entitled to receive for those goods or services. The following steps are applied in the updated guidance: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, the entity satisfies a performance obligation. This Update is effective for interim and annual periods beginning after December 15, 2016 for public business entities and after December 15, 2017 for non public business entities. Early adoption of this Update is not permitted. The Bank is currently in the process of evaluating the impact of the adoption of this Update, but does not expect a material impact on the Bank's financial statements.

NOTE B - INVESTMENT SECURITIES - Continued

Debt and equity securities have been classified in the statements of financial condition according to management's intent. The amortized cost of securities and their approximate fair values at December 31 were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2014				
Available-for-Sale Securities:				
U.S. Government and Agency Securities	$ 28,742,398	$ 28,941	$(84,452)	$ 28,686,887
Mortgaged-Backed Securities	11,793,000	41,983	(5,428)	11,829,555
	$ 40,535,398	$ 70,924	$(89,880)	$ 40,516,442
December 31, 2013				
Available-for-Sale Securities:				
U.S. Government and Agency Securities	$ 14,462,690	$ 8,274	$(124,790)	$ 14,346,174
Mortgaged-Backed Securities	272,409	1,738	-	274,147
	$ 14,735,099	$ 10,012	$(124,790)	$ 14,620,321

The amortized cost and estimated fair value of all investment securities as of December 31, 2014 by expected maturities are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Available-for-Sale Securities	
	Amortized Cost	Fair Value
Due within One Year	$ 22,501,381	$ 22,487,565
Due from One Year to Five Years	7,105,035	7,066,947
Due from Five to Ten Years	2,948,333	2,952,074
Due after Ten Years	7,980,649	8,009,856
	40,535,398	40,516,442

Gross realized gains in 2014 on sales of available-for-sale securities were $11,485. No securities were sold in 2013.

The gross unrealized loss and related estimated fair value of investment securities that have been in a continuous loss position for less than twelve months and over twelve months at December 31, 2014 and 2013, are as follows:

	Less than Twelve Months		Over Twelve Months		Total	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
December 31, 2014:						
U.S. Government and Agency Securities	$(40,533)	$ 10,208,813	$(43,919)	$ 4,955,780	$(84,452)	$ 15,164,593
Mortgaged-Backed Securities	(5,428)	2,131,386	-	-	(5,428)	2,131,386
	$(45,961)	$ 12,340,199	$(43,919)	$ 4,955,780	$(89,880)	$ 17,295,979
December 31, 2013:						
U.S. Government and Agency Securities	$(96,891)	$ 9,877,549	$(27,899)	$ 971,700	$(124,790)	$ 10,849,249
	$(96,891)	$ 9,877,549	$(27,899)	$ 971,700	$(124,790)	$ 10,849,249

As of December 31, 2014 the Company has ten U.S. government agency securities that have been in an unrealized loss position over 12 months. Unrealized losses on these investment securities have not been recognized into income as management does not intend to sell, and it is not "more likely than not" that management would be required to sell the securities prior to their anticipated recovery, and the decline in fair value is largely due to change in interest rates. The fair value is expected to recover as the bonds approach maturity.

Securities with a fair value of approximately $17.4 million at December 31, 2014 were pledged to the Federal Home Loan Bank to secure borrowings as discussed in Note F.

NOTE C - LOANS

The Bank's loan portfolio consists primarily of loans to borrowers within the Southern Central Valley of California. Although the Bank seeks to avoid concentrations of loans to a single industry or based upon a single class of collateral, real estate and real estate associated businesses are among the principal industries in the Bank's market area and, as a result, the Bank's loan and collateral portfolios are, to some degree, concentrated in those industries.

A summary of the changes in the allowance for loan losses as of December 31 follows:

	2014	2013
Balance at Beginning of Year	$ 1,417,381	$ 1,371,881
Additions to the Allowance Charged to Expense	314,400	36,000
Recoveries on Loans Charged-Off	-	9,500
	1,731,781	1,417,381
Less Loans Charged-Off	(8,390)	-
	$ 1,723,391	$ 1,417,381

The following table presents the activity in the allowance for loan losses for the year 2014 and 2013 and the recorded investment in loans and impairment method as of December 31, 2014 and 2013 by portfolio segment:

NOTE C - LOANS - Continued

December 31, 2014	Real Estate - Other	Construction and Land Development	Commercial and Industrial	Consumer	Total
Allowance for Loan Losses:					
Beginning of Year	$ 1,094,629	$ 34,659	$ 275,196	$ 12,897	$ 1,417,381
Provisions	72,857	14,017	207,390	20,136	314,400
Charge-offs	-	-	(8,390)	-	(8,390)
Recoveries	-	-	-	-	-
End of Year	$ 1,167,486	$ 48,676	$ 474,196	$ 33,033	$ 1,723,391
Reserves:					
Specific	$ -	$ -	$ 35,100	$ -	$ 35,100
General	1,167,486	48,676	439,096	33,033	1,688,291
	$ 1,167,486	$ 48,676	$ 474,196	$ 33,033	$ 1,723,391
Loans Evaluated for Impairment:					
Individually	$ -	$ 313,322	$ 35,100	$ -	$ 348,422
Collectively	93,374,513	3,545,500	26,433,966	1,534,781	124,888,760
	$ 93,374,513	$ 3,858,822	$ 26,469,066	$ 1,534,781	$ 125,237,182
December 31, 2013					
Allowance for Loan Losses:					
Beginning of Year	$ 1,025,687	$ 84,186	$ 248,992	$ 13,016	$ 1,371,881
Provisions	68,942	(49,527)	16,704	(119)	36,000
Charge-offs	-	-	-	-	-
Recoveries	-	-	9,500	-	9,500
End of Year	$ 1,094,629	$ 34,659	$ 275,196	$ 12,897	$ 1,417,381
Reserves:					
Specific	$ -	$ -	$ -	$ -	$ -
General	1,094,937	34,659	275,273	12,502	1,417,371
	$ 1,094,937	$ 34,659	$ 275,273	$ 12,502	$ 1,417,371
Loans Evaluated for Impairment:					
Individually	$ -	$ 441,114	$ -	$ -	$ 441,114
Collectively	69,831,369	1,805,965	21,167,596	1,181,442	93,986,372
	$ 69,831,369	$ 2,247,079	$ 21,167,596	$ 1,181,442	$ 94,427,486

The Bank categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as current financial information, historical payment experience, collateral adequacy, credit documentation, and current economic trends, among other factors. The Bank analyzes loans individually by classifying the loans as to credit risk. This analysis typically includes larger, non-homogeneous loans such as commercial real estate and commercial and industrial loans. This analysis is performed on an ongoing basis as new information is obtained. The Bank uses the following definitions for risk ratings:

Pass: Loans classified as pass include loans not meeting the risk ratings defined below.

Special Mention: Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard: Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Impaired - A loan is considered impaired, when, based on current information and events, it is probable that the Bank will be unable to collect all amounts due according to the contractual terms of the loan agreement. Additionally, all loans classified as troubled debt restructurings are considered impaired.

The risk category of loans by class of loans was as follows as of December 31, 2014:

December 31, 2014	Pass	Special Mention	Substandard	Impaired	Total
Real Estate Other:					
Commercial	$ 44,602,318	$ 156,158	$ 2,005,088	$ -	$ 46,763,564
Farmland	26,836,159	-	-	-	26,836,159
1-4 Family Residential	14,549,706	-		-	14,549,706
Multifamily Residential	5,225,084	-	-	-	5,225,084
Construction and Land Development	3,545,500	-	-	313,322	3,858,822
Commercial and Industrial	26,423,240	-	10,726	35,100	26,469,066
Consumer	1,534,781	-	-	-	1,534,781
	$ 122,716,788	$ 156,158	$ 2,015,814	$ 348,422	$ 125,237,182

The risk category of loans by class of loans was as follows as of December 31, 2013:

December 31, 2013	Pass	Special Mention	Substandard	Impaired	Total
Real Estate Other:					
Commercial	$ 36,665,202	$ 1,196,402	$ 2,073,267	$ -	$ 39,934,871
Farmland	23,775,360	-	-	-	23,775,360
1-4 Family Residential	3,836,525	-		-	3,836,525
Multifamily Residential	2,284,613	-	-	-	2,284,613
Construction and Land Development	1,805,965	-	-	441,114	2,247,079
Commercial and Industrial	21,110,298	-	57,298	-	21,167,596
Consumer	1,181,442	-	-	-	1,181,442
	$ 90,659,405	$ 1,196,402	$ 2,130,565	$ 441,114	$ 94,427,486

Past due and nonaccrual loans presented by loan class were as follows as of December 31, 2014 and 2013:

December 31, 2014	Still Accruing 30-59 Days Past Due	Still Accruing 60-89 Days Past Due	Still Accruing Over 90 Days Past Due	Nonaccrual
Real Estate Other:				
Commercial	$ -	$ -	$ -	$ -
Farmland		-	-	-
1-4 Family Residential	-	180,000	-	-
Multifamily Residential	-	-	-	-
Construction and Land Development	-	-	-	313,322
Commercial and Industrial	23,947	-	-	35,100
Consumer	-	-	-	-
	$ 23,947	$ 180,000	$ -	$ 348,422
December 31, 2013				
Real Estate Other:				
Commercial	$ 49,544	$ -	$ -	$ -
Farmland		-	-	-
1-4 Family Residential	-	-	-	-
Multifamily Residential	-	-	-	-
Construction and Land Development	-	-	-	441,114
Commercial and Industrial	196,196	250,000	-	-
Consumer	-	-	-	-
	$ 245,740	$ 250,000	$ -	$ 441,114

NOTE C - LOANS - Continued

Information relating to individually impaired loans presented by class of loans was as follows as of December 31, 2014 and 2013:

			Impaired Loans				
December 31, 2014	Unpaid Principal Balance	Recorded Investment	Without Specific Allowance	With Specific Allowance	Related Allowance	Average Recorded Investment	Interest Income Recognized
Real Estate Other:							
Commercial	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Farmland	-	-	-	-	-	-	-
1-4 Family Residential	-	-	-	-	-	-	-
Multifamily Residential	-	-	-	-	-	-	-
Construction and Land Development	486,434	313,322	313,322	-	-	359,000	-
Commercial and Industrial	43,490	35,100	-	35,100	35,100	30,000	-
Consumer	-	-	-	-	-	-	-
	$ 529,924	$ 348,422	$ 313,322	$ 35,100	$ 35,100	$ 389,000	$ -
December 31, 2013							
Real Estate Other:							
Commercial	$ -	$ -	$ -	$ -	$ -	$ 155,000	$ -
Farmland	-	-	-	-	-	-	-
1-4 Family Residential	-	-	-	-	-	-	-
Multifamily Residential	-	-	-	-	-	-	-
Construction and Land Development	574,169	441,114	441,114	-	-	486,000	-
Commercial and Industrial	-	-	-	-	-	-	-
Consumer	-	-	-	-	-	-	-
	$ 574,169	$ 441,114	$ 441,114	$ -	$ -	$ 641,000	$ -

There were no new troubled debt restructurings during 2014 and 2013.

NOTE D - PREMISES AND EQUIPMENT

A summary of premises and equipment as of December 31 follows:

	2014	2013
Leasehold Improvements	1,195,113	1,184,565
Furniture, Fixtures, and Equipment	917,743	825,202
	2,112,856	2,009,767
Less Accumulated Depreciation and Amortization	(1,529,460)	(1,311,163)
	$ 583,396	$ 698,604

The Bank has entered into two leases for its main office and Porterville office, which will expire in January 2017 and July 2018, respectively. The Bank leases its Porterville Office from a Director of the Bank.

These leases include provisions for periodic rent increases as well as payment by the lessee of certain operating expenses. These leases also include provisions for options to extend the lease. The rental expense relating to these leases and other short term rentals was approximately $316,000 and $292,000 for the years ended December 31, 2014 and 2013, respectively.

At December 31, 2014, the future lease rental payable under noncancellable operating lease commitments for the Bank's main office and Porterville office was as follows:

	Related Party	Others
2015	$ 135,254	$ 214,637
2016	140,664	220,681
2017	146,291	18,438
2018	87,295	-
	$ 509,504	$ 453,756

The minimum rental payments shown above are given for the existing lease obligation and are not a forecast of future rental expense.

NOTE E - DEPOSITS

At December 31, 2014, the scheduled maturities of time deposits are as follows:

2015	$ 36,752,546
2016	1,593,298
2017	585,491
2018	708,606
2019	1,279,965
	$ 40,919,906

NOTE F - OTHER BORROWINGS

The Bank may borrow up to $9,400,000 overnight on an unsecured basis from its correspondent banks. As of December 31, 2014, the Bank has no amounts outstanding under these arrangements.

In addition, the Bank is also a member of the Federal Home Loan Bank ("FHLB") and has arranged a secured borrowing line with that institution, secured by the assets of the Bank. Under this line, the Bank may borrow up to approximately $47.2 million subject to providing adequate collateral and continued compliance with the Advances and Security Agreement and other eligibility requirements established by the FHLB. The Bank has pledged $17.4 million of investment securities for this line. As of December 31, 2014 the Bank had no amounts outstanding under this arrangement. The Bank has $16 million of letters of credit that is secured by the FHLB line. The letters of credit mature December 30, 2015.

NOTE G - OTHER EXPENSES

Other expenses as of December 31 are comprised of the following:

	2014	2013
Professional Fees	$ 524,181	$ 340,662
Data Processing	279,750	269,848
Office Expenses	177,370	166,426
Marketing and Business Promotion	174,338	162,018
Insurance	43,416	32,838
Regulatory Assessments	126,283	101,960
OREO Expenses	0	72
Other Expenses	192,726	103,070
	$ 1,518,064	$ 1,176,894

NOTE H - INCOME TAXES

The provision (benefit) for income taxes for the years ended December 31, consists of the following:

	2014	2013
Current:		
Federal	$ -	$ -
State	5,054	1,000
	5,054	1,000
Deferred	345,000	(2,554,000)
	$ 350,054	$ (2,553,000)

Deferred taxes are a result of differences between income tax accounting and generally accepted accounting principles with respect to income and expense recognition. The following is a summary of the components of the net deferred tax asset accounts recognized in the accompanying statement of financial condition at December 31:

	2014	2013
Deferred Tax Assets:		
Pre-Opening Expenses	$ 367,000	$ 411,000
Allowance for Loan Losses Due to Tax Limitations	694,000	568,000
Depreciation Differences	192,000	147,000
Operating Loss Carryforwards	481,000	975,000
Unrealized Loss on Available-for-Sale Securities	8,000	47,000
Stock-Based Compensation	352,000	349,000
Other Assets and Liabilities	233,000	223,000
	2,327,000	2,720,000
Deferred Tax Liabilities:		
Other Assets and Liabilities	(110,000)	(119,000)
	(110,000)	(119,000)
Net Deferred Tax Assets (Liabilities)	$ 2,217,000	$ 2,601,000

Bank has generated taxable income in 2013 and 2012. At December 31, 2013, management believed it was more likely than not that the deferred tax assets would be realized in the future based on its improving profitability, and reversed the valuation allowance. As of December 31, 2014, the Bank has net operating loss carryforwards of approximately $1,169,000 for federal income purposes and $1,166,000 for California franchise tax purposes. Federal and California net operating loss carryforwards, to the extent not used will expire in 2030.

The Bank is subject to federal income tax and franchise tax of the state of California. Income tax returns for the periods ended after December 31, 2010 are open to audit by the federal authorities and income tax returns for the years ended after December 31, 2009 are open to audit by state authorities. The Bank does not expect the total amount of unrecognized tax benefits to significantly increase or decrease within the next twelve months.

A comparison of the federal statutory income tax rates to the Company's effective income tax rates follows:

	2014		2013	
	Amount	Rate	Amount	Rate
Statutory Federal Tax	$ 254,000	34.1%	$ 218,000	34.0%
State Tax, Net of Federal Benefit	59,000	7.9%	46,000	7.2%
Reduction in Valuation Allowance	-	-	(2,829,000)	(441.7%)
Stock-based Compensation	18,000	2.4%	8,000	1.2%
Other Items, Net	19,054	2.6%	4,000	0.6%
Actual Tax Expense (Benefit)	$ 350,054	47.0%	$ (2,553,000)	(398.7%)

NOTE I - RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Bank has granted loans to certain directors and the companies with which they are associated. The total outstanding principal and commitment of these loans at December 31, 2014 and 2013 was approximately $4,707,000 and $4,036,000, respectively.

Also, in the ordinary course of business, certain executive officers, directors and companies with which they are associated have deposits with the Bank. The balances of these deposits at December 31, 2014 and 2013 amounted to approximately $25,547,000 and $16,140,000, respectively.

NOTE J - COMMITMENTS

In the ordinary course of business, the Bank enters into financial commitments to meet the financing needs of its customers. Those instruments involve to varying degrees, elements of credit and interest rate risk not recognized in the Bank's financial statements.

NOTE J - COMMITMENTS - Continued

The Bank's exposure to loan loss in the event of nonperformance on commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Bank uses the same credit policies in making commitments as it does for loans reflected in the financial statements.

As of December 31, 2014 and 2013, the Bank had the following outstanding financial commitments whose contractual amount represents credit risk:

	2014	2013
Commitments to Extend Credit	$ 17,072,000	$ 13,274,000

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Since many of the commitments are expected to expire without being drawn upon, the total amounts do not necessarily represent future cash requirements. The Bank evaluates each client's credit worthiness on a case-by-case basis. The amount of collateral obtained if deemed necessary by the Bank is based on management's credit evaluation of the customer. The majority of the Bank's commitments to extend credit and standby letters of credit are secured by real estate or cash, respectively.

NOTE K – STOCK-BASED COMPENSATION PLANS

The Bank's 2007 Stock Option Plan was approved by its shareholders in July 2008. Under the terms of the 2007 Stock Option Plan, officers and key employees may be granted both nonqualified and incentive stock options and directors and organizers, who are not also an officer or employee, may only be granted nonqualified stock options. This plan was replaced by the 2013 Omnibus Stock Incentive Plan.

The Bank's 2013 Omnibus Stock Incentive Plan ("2013 Plan") was approved by its shareholders in May 2013. Under the terms of the 2013 Plan, officers and key employees may be granted both nonqualified and incentive stock options and directors and other consultants, who are not also an officer or employee, may only be granted nonqualified stock options. The 2013 Plan also permits the grant of stock appreciation rights ("SARs"), restricted shares, deferred shares, performance shares and performance unit awards. The 2013 Plan provides for the total number of awards of common stock that may be issued over the term of the plan not to exceed 573,533 shares, of which a maximum of 400,000 shares may be granted as incentive stock options. The aggregated number of awards that may be granted to an individual participant may not exceed 100,000 shares per year. Stock options and performance share and unit awards are granted at a price not less than 100% of the fair market value of the stock on the date of grant. The 2013 plan provides for accelerated vesting if there is a change of control as defined in the 2013 Plan. Equity awards generally vest over three to five years. Stock options expire no later than ten years from the date of grant.

The Bank recognized stock-based compensation cost of $141,382 and $68,823 for the periods ended December 31, 2014 and 2013. The Bank also recognized income tax benefits related to stock-based compensation of $35,876 in 2014 and $18,466 in 2013.

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option pricing model with the weighted-average assumptions presented below:

	2014	2013
Expected Volatility	42.50%	36.00%
Expected Term	6.06 Years	5.80 Years
Expected Dividends	None	None
Risk Free Rate	1.21%	1.10%
Grant Date Fair Value	$ 2.85	$ 2.42

Since the Bank has a limited amount of historical stock activity the expected volatility is based on the historical volatility of similar banks that have a longer trading history. The expected term represents the estimated average period of time that the options remain outstanding. Since the Bank does not have sufficient historical data on the exercise of stock options, the expected terms is based on the "simplified" method that measures the expected term as the average of the vesting period and the contractual term. The risk free rate of return reflects the grant date interest rate offered for a comparable U.S. Treasury bonds over the expected term of the options.

A summary of the status of the Bank's stock options as of December 31, 2014 and changes during the year ended thereon is presented below:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value in Thousands
Outstanding at Beginning of Year	406,980	$ 9.49		
Granted	8,000	$ 6.72		
Exercised	-	$ -		
Forfeited	(43,000)	$ 8.84		
Outstanding at End of Year	371,980	$ 9.51	4.20 Years	$ -
Options Exercisable	335,280	$ 9.76	3.72 Years	$ -

NOTE K – STOCK-BASED COMPENSATION PLANS - Continued

As of December 31, 2014, there was approximately $66,000 of total unrecognized compensation cost related to the outstanding stock options that will be recognized over a weighted-average period of 1.7 years.

A summary of the status of the Bank's deferred share awards as of December 31, 2014 and changes during the year ended thereon is presented below:

	Shares	Weighted-Average Grant-Date Fair Value
Nonvested at January 1, 2014	34,980	$ 6.92
New Deferred Share Awards	2,444	$ 7.00
Shares Vested and Issued	(6,980)	$ 6.60
Shares Forfeited	(289)	$ 7.00
Nonvested at December 31, 2014	30,155	$ 7.00

As of December 31, 2014 there was approximately $154,000 of unrecognized compensation cost related to the restricted stock grants that will be recognized over a weighted-average period of 1.4 years. The fair value of shares issued in 2014 and 2013 was approximately $51,000 and $29,000, respectively.

NOTE L - EARNINGS PER SHARE ("EPS")

The following is a reconciliation of net income and shares outstanding to the income and number of shares used to compute EPS:

	2014		2013	
	Income	Shares	Income	Shares
Net Income as Reported	$ 395,567		$3,193,536	
Shares Outstanding at Year-End		2,649,634		1,915,902
Impact of Weighting Shares Issued During the Year		(446,025)		(2,045)
Used in Basic EPS	395,567	2,203,609	3,193,536	1,913,857
Dilutive Effect of Outstanding Deferred Shares		4,082		7,359
Used in Dilutive EPS	$ 395,567	2,207,691	$3,193,536	1,921,216

All stock options were excluded from the computation of diluted earnings per share as their inclusion would have been anti-dilutive.

NOTE M - FAIR VALUE MEASUREMENT

The following is a description of valuation methodologies used for assets and liabilities recorded at fair value:

Securities

The fair values of securities available for sale are determined by matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted prices for specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2).

The following table provides the hierarchy and fair value for each major category of assets and liabilities measured at fair value at December 31, 2014:

	Fair Value Measurements Using:			
	Level 1	Level 2	Level 3	Total
December 31, 2014				
Assets measured at fair value on a recurring basis				
Securities Available for Sale	$ -	$ 40,516,442	$ -	$ 40,516,442
December 31, 2013				
Assets measured at fair value on a recurring basis				
Securities Available for Sale	$ -	$ 14,620,321	$ -	$ 14,620,321

NOTE N - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount at which the asset or obligation could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value estimates are made at a specific point in time based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the entire holdings of a particular financial instrument. Because no market value exists for a significant portion of the financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature, involve uncertainties and matters of judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

NOTE N - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

Fair value estimates are based on financial instruments both on and off the balance sheet without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments. Additionally, tax consequences related to the realization of the unrealized gains and losses can have a potential effect on fair value estimates and have not been considered in many of the estimates.

The following methods and assumptions were used to estimate the fair value of significant financial instruments not previously presented:

Cash and Cash Equivalents

The carrying amounts reported in the balance sheet for cash and cash equivalents approximate the fair values of those assets due to the short-term nature of the assets.

Loans

For variable rate loans that re-price frequently and with no significant change in credit risk, fair values are based on carrying amounts. The fair values for all other loans are estimated using discounted cash flow analyses, using interest rates currently being offered for loans with similar terms to borrowers with similar credit quality.

Federal Home Loan Bank Stock and Other Bank Stock

The fair value of Federal Home Loan Bank Stock and other Bank stock is not readily determinable due to the lack of its transferability.

Noninterest-Bearing and Interest Bearing Demand Deposits

The fair values for noninterest-bearing deposits and interest-bearing demand deposits are equal to the amount payable on demand at the reporting date, which is the carrying amount.

Interest-Bearing Time Deposits

The fair values for fixed rate certificates of deposits are estimated using a cash flow analysis, discounted at interest rates being offered at each reporting date by the Bank for certificates with similar remaining maturities.

Off-Balance Sheet Financial Instruments

The fair value of commitments to extend credit and standby letters of credit is estimated using the fees currently charged to enter into similar agreements. The fair value of these financial instruments is not material.

The fair value hierarchy level and estimated fair value of significant financial instruments at December 31, 2014 and 2013 are summarized as follows (dollar amounts in thousands):

		2014		2013	
	Fair Value Hierarchy	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets:					
Cash and Cash Equivalents	Level 1	$ 20,469	$ 20,469	$ 14,381	$ 14,381
Investment Securities	Level 2	40,516	40,516	14,620	14,620
Loans, net	Level 2	123,154	123,019	92,769	92,772
FHLB and Other Bank Stock		638	N/A	591	N/A
Financial Liabilities:					
Noninterest-Bearing and Interest-Bearing Demand Deposits	Level 1	125,497	125,497	81,947	81,947
Interest-Bearing Time Deposits	Level 2	40,920	40,901	27,583	27,603

NOTE O - EMPLOYEE BENEFIT PLAN

The Bank adopted a 401(k) Plan for its employees in 2008. Under the plan, eligible employees may defer a portion of their salaries. The plan also provides for a non-elective discretionary contribution by the Bank. The Bank made no contributions for 2014 or 2013.

NOTE P - REGULATORY MATTERS

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory - and possibly additional discretionary - actions by regulators that, if undertaken, could have a direct material effect on the Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of their assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of total and Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital (as defined) to average assets (as defined). Management believes, as of December 31, 2014 and 2013, that the Bank meets all capital adequacy requirements.

NOTE P - REGULATORY MATTERS - Continued

As of December 31, 2014, the most recent notification from the FDIC categorized the Bank as well capitalized under the regulatory framework for prompt corrective action (there are no conditions or events since that notification that management believes have changed the Bank's category). To be categorized as well capitalized, the Bank must maintain minimum ratios as set forth in the table below.

The following table also sets forth the Bank's actual capital amounts and ratios (dollar amounts in thousands):

	Actual		Amount of Capital Required For Capital Adequacy Purposes		Amount of Capital Required To Be Well-Capitalized Under Prompt Corrective Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2014:						
Total Capital (to Risk-Weighted Assets)	$21,860	14.7%	$11,914	8.0%	$14,893	10.0%
Tier 1 Capital (to Risk-Weighted Assets)	$20,129	13.5%	$5,957	4.0%	$8,936	6.0%
Tier 1 Capital (to Average Assets)	$20,129	11.1%	$7,281	4.0%	$9,101	5.0%
As of December 31, 2013:						
Total Capital (to Risk-Weighted Assets)	$15,335	14.1%	$8,828	8.0%	$11,035	10.0%
Tier 1 Capital (to Risk-Weighted Assets)	$14,158	13.0%	$4,414	4.0%	$6,621	6.0%
Tier 1 Capital (to Average Assets)	$14,158	11.7%	$4,952	4.0%	$6,190	5.0%

The California Financial Code provides that a Bank may not make a cash distribution to its shareholders in excess of the lesser of the Bank's undivided profits or the Bank's net income for its last three fiscal years less the amount of any distribution made to the Bank's shareholders during the same period.





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