Suncrest Bank
A new day in banking

Suncrest Agribusiness
A Division of Suncrest Bank

April 18th, 2014

Dear Friends and Shareholders,

With Spring Season well upon us, we hope you have had a prosperous and healthy start to 2014. It has been exactly one year now since we appointed our new President and CEO, and your Board of Directors could not be more pleased with the progress the Bank has made under his leadership.

We are delighted to report that in the last 12 months, the Bank has grown its total assets by over 50%, and as at the end of this quarter we are at $152.4 million. We also posted our 10th consecutive quarter of profitability, making a net income after tax of $43,200. While this is down compared with the same quarter 2013, it was fully expected and planned for, and is due to the addition of significant new capability to the Bank in terms of both personnel and products (see below). Our loan portfolio has however has grown by 15.2 Million versus the prior year's quarter end (19% Increase), and our total deposits grew by $49.4 Million over the same quarter last year (a 57% increase). Overall, we are very pleased with our start to 2014.

As mentioned above, this year will see the Bank making a number of significant investments in both key personnel and improved products and services. We have hired two new Branch Presidents; in Visalia **Mr. Nathan Halls** has joined us from Bank of the West, and in Porterville **Mr. Dustin Della** has joined us from Bank of the Sierra. Nathan and Dustin are two of the brightest and most talented young leaders in our community, and we are delighted to welcome them to the Suncrest family. We have also appointed **Mr. Craig Howells** 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! He is a fantastic addition to our team. We now have a total of five highly experienced loan officers on our team, compared with only two throughout 2013.

The first quarter also saw the launch of our new website together with the Bank's new Mission Statement: "***Helping to Build and Sustain Local Communities***". We firmly believe that this is what our Bank stands for, and the basis upon which we will build our company, and ensure its success into the future.

We will also be adding a range of new products and services throughout 2014, and the projects to launch these are well underway. These products will be instrumental to the implementation of our growth plans. Look out especially for an exciting and unique new deposit account that we are calling the ***"Kasasa"*** account! Please pay a visit to our new website at www.suncrestbank.com, to learn more about the Bank's mission, and our Kasasa account.

While the addition of this new capability costs money in the short term, it gives us tremendously improved firepower to compete with both big banks and small banks alike, in both lending and deposit gathering, and enhances our standing and market credibility in the communities we serve.

In closing, we remain committed to our shareholders, customers and communities, and appreciate all that you do for us. Thank you for your continued support and we look forward to seeing you at our **Annual Shareholders Meeting on Wednesday May 21st at 6pm, 400 West Center Avenue, Visalia**. Should you be unable to attend it would help us a great deal if you would kindly return the Proxy form recently mailed to you, prior to May 21st.

Sincerely,

Bill Benneyan, Chairman

Ciaran McMullan, President & CEO

Balance Sheet
Combined Bank
(Unaudited)

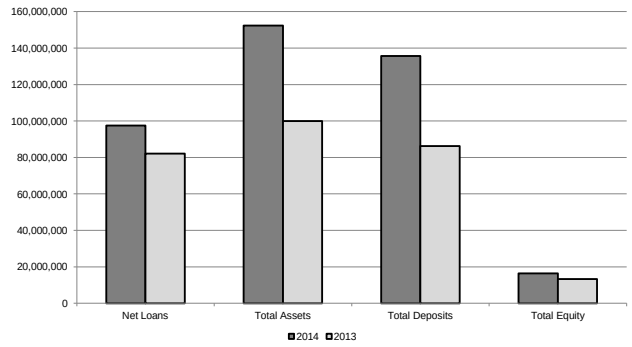
	Actual Mar 2014	Actual Mar 2013	$ Change
Assets			
Cash and due from banks	3,385,438	2,423,397	962,041
Fed funds sold & repos	20,558,000	685,000	19,873,000
Investment Securities	28,384,869	14,398,531	13,986,338
Loans, net of unearned income	97,451,865	82,177,535	15,274,330
Less: Allowance for loan losses	(1,448,381)	(1,390,381)	(58,000)
Premises and equipment, net	728,888	827,481	(98,593)
Accrued interest receivable	464,778	392,795	71,983
Other assets	2,833,886	407,162	2,426,724
Total Assets	**152,359,343**	**99,921,520**	**52,437,823**
Liabilities			
Non-Interest Bearing Deposits	39,754,123	22,602,296	17,151,827
Interest bearing demand deposits	8,111,714	6,251,992	1,859,722
Savings and Money Market Deposits	46,805,278	35,695,999	11,109,279
Time Deposits - Retail	41,002,241	21,705,321	19,296,920
Total Deposits	135,673,356	86,255,608	49,417,748
Federal Funds Purchased	-	-	-
Accrued expenses and other liabilities	277,822	324,666	(46,844)
Total Liabilities	135,951,178	86,580,274	49,370,904
Equity			
Common stock	19,146,645	19,117,770	28,875
Capital surplus	1,552,828	1,483,183	69,645
Retained earnings	(4,247,207)	(7,440,743)	3,193,536
Accumulated other comprehensive income (loss)	(87,300)	12,681	(99,981)
Net Income	43,199	168,355	(125,156)
Total Equity	16,408,165	13,341,246	3,066,919
Total Liabilities & Equity	**152,359,343**	**99,921,520**	**52,437,823**

Income Statement
Combined Bank
(Unaudited)

	YTD Actual Mar 2014	YTD Actual Mar 2013	$ Change
Interest Income			
Interest on Loans	1,256,665	1,115,360	141,305
Fees on Loans	56,871	13,080	43,791
Interest on federal funds sold	12,604	886	11,718
Interest on deposits with banks	10	7	3
Investment Securities - Taxable	70,564	37,338	33,226
Total Interest Income	1,396,714	1,166,671	230,043
Interest Expense			
Interest bearing demand deposits	2,767	2,245	522
Savings and Money Market Deposits	47,791	43,446	4,345
Time Deposits - Retail	64,534	48,181	16,353
Interest on other borrowings	-	71	(71)
Total Interest Expense	115,092	93,943	21,149
Net Interest Income	**1,281,622**	**1,072,728**	**208,894**
Provision for loan losses	31,000	18,000	13,000
Net Int. Inc. After Prov. for Loan Losses	**1,250,622**	**1,054,728**	**195,894**
Non Interest Income			
Service charges and fees	20,032	17,373	2,659
Other noninterest income	79,868	38,849	41,019
Total Non Interest Income	99,900	56,222	43,678
Non Interest Expense			
Salaries and employee benefits	731,392	503,639	227,753
Occupancy	189,440	185,496	3,944
Other noninterest expense	344,690	250,460	94,230
Total Non Interest Expense	1,265,522	939,595	325,927
Income Before Taxes	**85,000**	**171,355**	**(86,355)**
Income taxes	41,800	3,000	38,800
Net Income	**43,200**	**168,355**	**(125,155)**

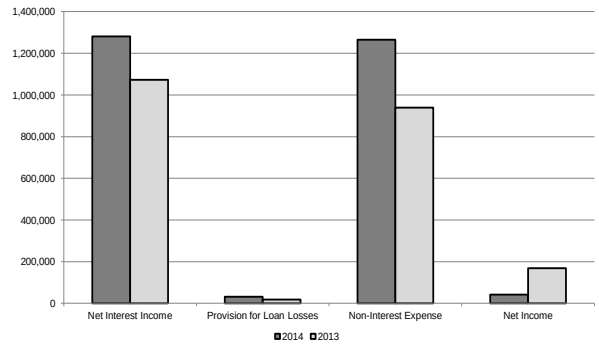
Balance Sheet Comparisons

As of March 31, 2014 (unaudited)



Income Statement Comparisons

Year-to-Date through March 31, 2014 (unaudited)



This letter includes forward-looking information, which is subject to the "safe harbor" created by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act and the Private Securities Litigation Reform Act of 1995. When the Bank uses or incorporates by reference in this letter the words "anticipate," "estimate," "expect," "project," "intend," "commit," "believe" and similar expressions, the Company intends to identify forward-looking statements. Our actual results may differ materially from those projected in any forward-looking statements, as they will depend on many factors about which we are unsure, including many factors which are beyond our control.