

*Your City. Our City. River City.*



**RCB** | Financial Corporation

# Welcome to River City Bar

Your City. Our



ank  
r City. River City.



# Meet our Board



Jarrett Shadday



Mike Mathis



Paula Englis



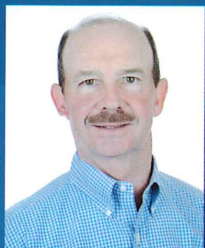
King Askew



Richard Haney



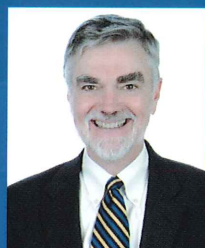
Darrell Lowrey



Keith Winslette



Barritt Gilbert



Buster Wright



Bob Stone



CCO Grant Espy



CEO Roger Smith

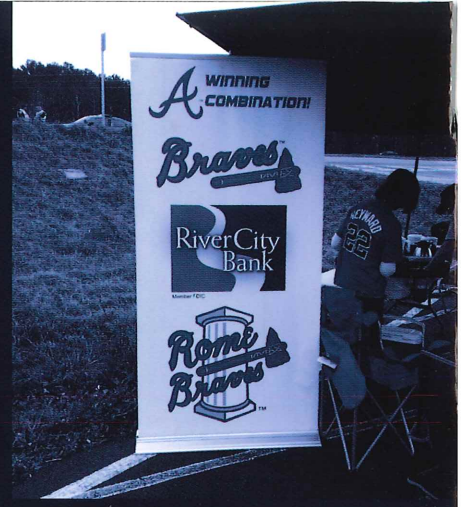


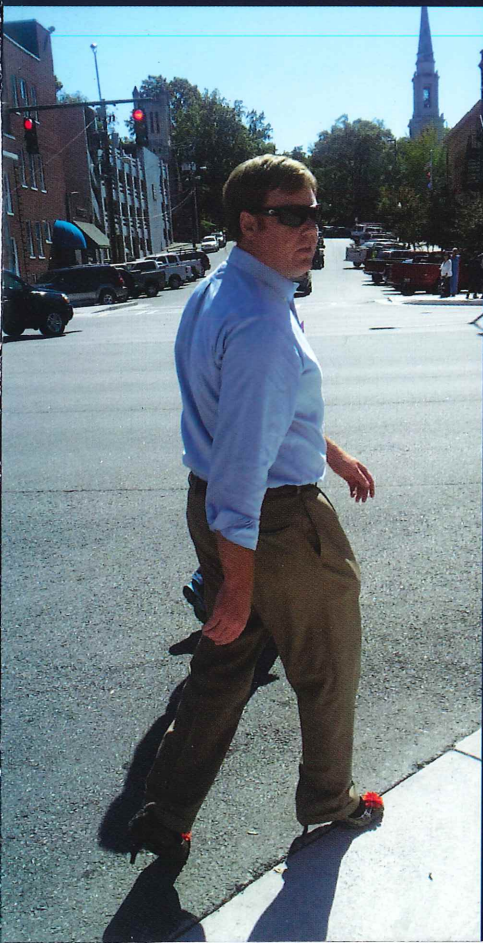
CFO Connie Williams



# Our Staff

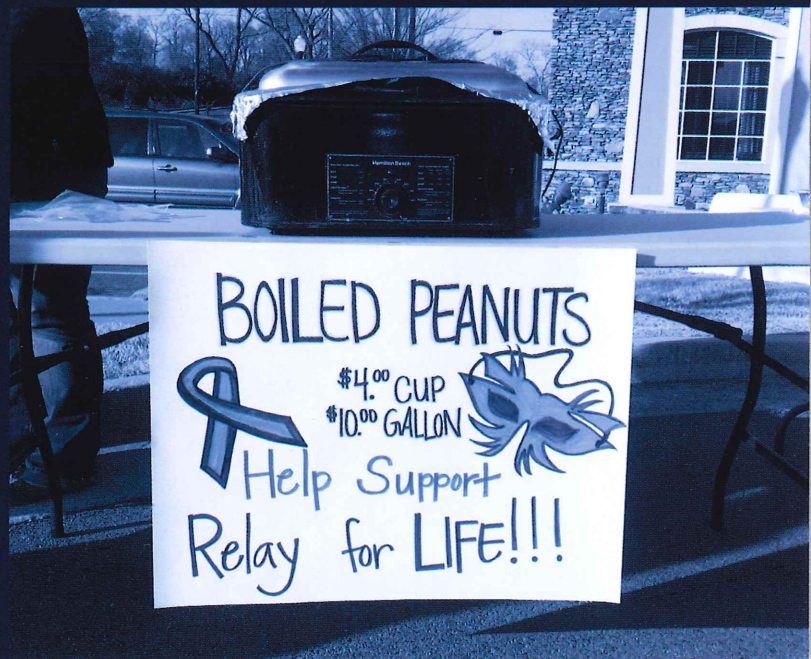
# Reflecting on the year











Member  
FDIC



Red-rover, red-rover,  
swipe deposits on over.

MOBILE BANKING MADE EASY BY RIVER CITY BANK.

Member  
FDIC

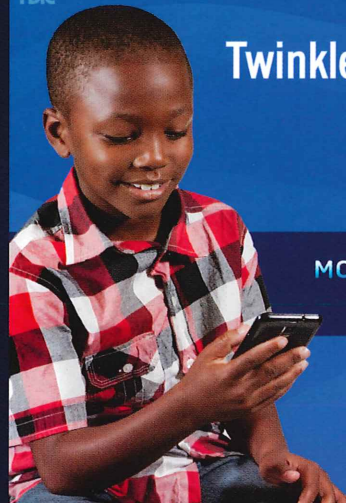


Patty-cake, patty-cake,  
baker's man,  
check your balance as fast as you can.

MOBILE BANKING MADE EASY BY RIVER CITY BANK.



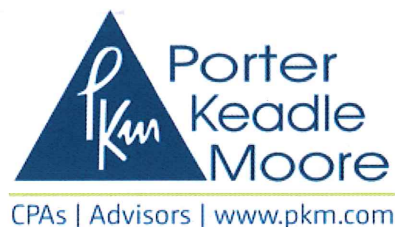
Member  
FDIC



Twinkle twinkle little star,  
transfer money  
wherever you are.

MOBILE BANKING MADE EASY  
BY RIVER CITY BANK





## INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders  
RCB Financial Corporation  
Rome, Georgia

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of RCB Financial Corporation and subsidiary, which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of RCB Financial Corporation and subsidiary as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Atlanta, Georgia  
April 7, 2014

**RCB FINANCIAL CORPORATION AND SUBSIDIARY**

**Consolidated Balance Sheets**

**December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
Cash and due from banks, including reserve requirements of \$561,000 and \$486,000, respectively	\$ 2,950,870	9,475,651
Interest earning deposits in banks	<u>9,588,649</u>	<u>3,775,809</u>
Cash and cash equivalents	12,539,519	13,251,460
Investment securities available-for-sale	38,332,480	37,210,822
Federal Home Loan Bank stock, at cost	331,500	631,400
Loans, net	100,771,459	102,786,752
Premises and equipment, net	6,586,814	6,767,728
Other real estate	1,215,480	2,022,780
Accrued interest receivable and other assets	<u>5,347,220</u>	<u>1,039,127</u>
Total assets	\$ <u>165,124,472</u>	<u>163,710,069</u>
<u>Liabilities and Stockholders' Equity</u>		
Deposits:		
Demand	\$ 19,734,308	16,259,792
Interest-bearing demand	18,768,921	23,008,120
Savings and money market	50,810,027	48,185,699
Time	22,050,342	23,481,693
Time, \$100,000 and over	<u>26,128,889</u>	<u>24,607,345</u>
Total deposits	137,492,487	135,542,649
Securities sold under repurchase agreements	25,000	-
Federal Home Loan Bank advances	3,000,000	6,700,000
Accrued interest payable and other liabilities	<u>1,571,173</u>	<u>1,368,519</u>
Total liabilities	<u>142,088,660</u>	<u>143,611,168</u>
Commitments		
Stockholders' equity:		
Preferred Stock, no par value; 5,000,000 shares authorized, 9,168 shares issued and outstanding	9,139,501	9,078,433
Common stock, \$.01 par value; 25,000,000 shares authorized; 2,132,521 shares issued and outstanding	21,325	21,325
Additional paid-in capital	23,760,913	23,760,913
Accumulated deficit	(9,391,777)	(13,249,518)
Accumulated other comprehensive (loss) income	<u>(494,150)</u>	<u>487,748</u>
Total stockholders' equity	<u>23,035,812</u>	<u>20,098,901</u>
Total liabilities and stockholders' equity	\$ <u>165,124,472</u>	<u>163,710,069</u>

See accompanying notes to consolidated financial statements.

**RCB FINANCIAL CORPORATION AND SUBSIDIARY**

**Consolidated Statements of Operations**

**For the Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Interest income:		
Loans, including fees	\$ 5,283,616	6,340,153
Investment securities	723,124	774,856
Federal funds sold and interest-bearing accounts	<u>7,931</u>	<u>33,975</u>
Total interest income	<u>6,014,671</u>	<u>7,148,984</u>
Interest expense:		
Deposits	554,502	1,118,930
Borrowings	<u>279,259</u>	<u>243,652</u>
Total interest expense	<u>833,761</u>	<u>1,362,582</u>
Net interest income	5,180,910	5,786,402
Provision for loan losses	<u>245,000</u>	<u>1,078,152</u>
Net interest income after provision for loan losses	<u>4,935,910</u>	<u>4,708,250</u>
Non-interest income:		
Service fees	423,306	375,341
Mortgage banking income	147,413	222,406
Trust fees	575,832	479,548
Gain from sales of investment securities available-for-sale	<u>20,213</u>	<u>87,110</u>
Total non-interest income	<u>1,166,764</u>	<u>1,164,405</u>
Non-interest expenses:		
Salaries and employee benefits	2,442,892	2,376,309
Data and item processing	582,013	514,065
Professional fees	322,986	479,062
Occupancy and equipment	559,690	545,326
FDIC insurance	193,850	228,496
Advertising and promotions	137,857	113,732
Other real estate	332,086	183,512
Losses on sale and write down of other real estate	803,056	206,254
Losses on disposal and impairment of premises and equipment	36,073	2,760
Other operating	<u>302,421</u>	<u>791,158</u>
Total non-interest expenses	<u>5,712,924</u>	<u>5,440,674</u>
Earnings before income tax benefit	389,750	431,981
Income tax benefit	<u>4,049,438</u>	<u>20,000</u>
Net income	4,439,188	451,981
Preferred stock dividends and discount accretion on Preferred Stock	<u>(581,447)</u>	<u>(553,125)</u>
Net income (loss) available to common stockholders	\$ <u>3,857,741</u>	\$ <u>(101,144)</u>
Basic and diluted income (loss) per common share	\$ <u>1.81</u>	\$ <u>(0.05)</u>

See accompanying notes to consolidated financial statements.

**RCB FINANCIAL CORPORATION AND SUBSIDIARY**

**Consolidated Statements of Comprehensive Income**

**For the Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Net income	\$ 4,439,188	451,981
Other comprehensive (loss) income, net of tax:		
Unrealized (losses) gains on investment securities available-for-sale arising during the period	(969,366)	237,731
Reclassification for gains included in operations, net of tax of \$7,681	<u>(12,532)</u>	<u>(87,110)</u>
Total other comprehensive (loss) income	<u>(981,898)</u>	<u>150,621</u>
Comprehensive income	\$ <u>3,457,290</u>	<u>602,602</u>

See accompanying notes to consolidated financial statements.

**RCB FINANCIAL CORPORATION  
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD MAY 13, 2014**

RCB Financial Corporation (the "Holding Company"), will hold its annual meeting of shareholders at **Historic Desoto Theater, 530 Broad Street, Rome, Georgia 30161, on Tuesday, May 13, 2014, at 6:00 p.m., local time to vote on:**

- Electing as directors of RCB Financial Corporation the persons listed as nominees in the Proxy Statement dated March 31, 2014, that accompanies this notice;
- Ratifying the appointment of Porter Keadle Moore, LLP, as the Holding Company's independent auditors for fiscal year 2014; and
- Transacting such other and further business as may properly come before the meeting.

Only shareholders of record at the close of business on March 31, 2014 will be entitled to notice of and to vote at the annual meeting or any adjournment or postponement thereof. The holders of shares of the Holding Company's common stock are entitled to one vote per share on all matters to be presented for action by shareholders at the annual meeting.

Enclosed for your review are the Holding Company's proxy statement and proxy sheet for the proposals that shareholders will vote on at the annual meeting.

The Board of Directors of the Holding Company unanimously recommends that shareholders vote FOR each of the nominees for director and FOR ratifying the appointment of Porter Keadle Moore, LLP, as the Holding Company's independent auditors for fiscal year 2014.

**BY ORDER OF THE  
BOARD OF DIRECTORS**

Roger F. Smith  
President and CEO  
RCB Financial Corporation  
Rome, Georgia  
April 22, 2014

**RCB Financial Corporation  
228 North Second Avenue  
Rome, Georgia 30165  
(706) 236-2123**

March 31, 2014

**PROXY STATEMENT  
FOR ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MAY 13, 2014**

This Proxy Statement is being furnished to the shareholders of RCB Financial Corporation (the "Holding Company") in connection with the solicitation of proxies by the Board of Directors of the Holding Company for use at the Annual Meeting of Shareholders of RCB Financial Corporation to be held on Tuesday, May 13, 2014, at 6:00 p.m., local time, and to any adjournment thereof, for the purposes set forth below and in the accompanying Notice of the Annual Meeting of Shareholders. The meeting will be held at the Historic Desoto Theatre, 530 Broad Street, Rome, Georgia 30161.

The shareholders' meeting is being held to consider and vote the following proposals:

- Proposal 1: To elect as Holding Company directors the persons listed as nominees in the Proxy Statement.
- Proposal 2: To ratify the appointment of Porter Keadle Moore, LLP, as the independent auditors of the Holding Company for fiscal year 2014.
- Proposal 3: To transact such other business as may properly come before the meeting and at any and all adjournments thereof.

**Record Date, Solicitation and Revocability of Proxies**

RCB Financial Corporation has fixed March 31, 2014, as the record date for determining the shareholders entitled to notice of and to vote at the meeting. At the close of business on the record date, there were outstanding and entitled to vote 2,132,521 shares of common stock of RCB Financial Corporation, \$0.01 par value per share, held by 453 shareholders of record. A majority of the outstanding shares of common stock represented at the meeting, in person or by proxy, will constitute a quorum.

Shares of RCB Financial Corporation's common stock represented by a properly executed proxy, if such proxy is received prior to the vote at the shareholders meeting and not revoked, will be voted at the shareholders meeting in accordance with the instructions indicated in such proxy. **If a proxy is received and no instructions are indicated, such shares of the common stock will be voted "FOR" the election as Directors of the Holding Company the eleven nominees listed in the Proxy Statement, "FOR ratifying the appointment of Porter Keadle Moore, LLP, as the independent auditors of the Holding Company for fiscal year 2014, and in accordance with the recommendations of the Board of Directors as to any other matter which may properly come before the shareholders' meeting.**



A shareholder who has given a proxy may revoke it at any time prior to its exercise at the shareholders meeting by either (i) giving written notice of the revocation to the Chief Executive Officer of the Holding Company, (ii) properly submitting to the Chief Executive Officer of the Holding Company a duly executed proxy bearing a later date, or (iii) appearing in person at the shareholders' meeting and voting in person. All written notices of revocation or other communications with respect to revocation of proxies should be addressed as follows: RCB Financial Corporation, 228 North Second Avenue, Rome, Georgia 30165, Attention: Roger F. Smith, President and CEO.

Proxies are being solicited by on behalf of the Board of Directors of RCB Financial Corporation. Directors, officers, and employees of the Holding Company may solicit proxies personally or by telephone or facsimile. None of these people will receive any special compensation for solicitation activities.

### **Voting of Shares**

The holders of shares of RCB Financial Corporation's common stock are entitled to one vote per share on all matters presented at the meeting for action by shareholders.

The affirmative vote of a majority of RCB Financial Corporation's outstanding common stock present in person or represented by proxy and entitled to vote at the meeting will be required to elect the eleven directors to serve until the 2015 Annual Shareholder's Meeting.

The affirmative vote of a majority of RCB Financial Corporation's outstanding common stock present in person or represented by proxy and entitled to vote at the meeting will be required to ratify the appointment of Porter Keadle Moore, LLP, as the Holding Company's independent auditors for fiscal year 2014.

All other matters that may properly come before the meeting require the affirmative vote of a majority of shares of common stock present in person or by proxy and entitled to vote on such matters, unless a stricter requirement is imposed by applicable law.

This proxy statement and the accompanying form of proxy were first mailed to the shareholders on or about April 24, 2014.

## PROPOSAL 1: ELECTION OF DIRECTORS

The table below sets forth certain information about the director nominees, including name and principal occupation or employment. Duly elected directors will serve until the next annual meeting of shareholders, or until their respective successors are duly elected and qualified.

<u>Name</u>	<u>Principal Occupation or Employment</u>
C. King Askew	Attorney
Dr. Paula Englis	Educator
W. Barritt Gilbert	Urologist
Richard Haney	Real Estate Investor
Darrell Lowrey	Orthopedic Surgeon
Michael W. Mathis	Owner – Building Supply Business
Jarrett Shadday	Real Estate Investor
Robert Stone	Entrepreneur
Roger F. Smith, CEO	Bank Executive
W. Keith Winslette	Pharmacist
C.B. (Buster) Wright, III	Retired

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE “FOR” THE ELECTION OF THE ELEVEN NOMINEES NAMED ABOVE.

**PROPOSAL 2: RATIFYING THE APPOINTMENT  
OF PORTER KEADLE MOORE, LLP,  
AS INDEPENDENT AUDITORS**

The Audit Committee of the Board of Directors has considered the qualifications and experience of Porter Keadle Moore, LLP, and based upon the recommendation of the Audit Committee, the Board of Directors has appointed Porter Keadle Moore, LLP, as independent auditors for the Holding Company for the current fiscal year which ends December 31, 2014. Although the submission of this matter is not required by law, the Board of Directors desires to obtain the shareholders' ratification of such appointment. A resolution ratifying the appointment will be offered at the Annual Meeting. If the resolution is not adopted, the adverse vote will be referred to the Audit Committee for further review.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" RATIFYING THE  
APPOINTMENT OF PORTER KEADLE MOORE, LLP, AS THE HOLDING COMPANY'S  
INDEPENDENT AUDITORS FOR FISCAL YEAR 2014.**

## DIRECTOR AND MANAGEMENT STOCK OWNERSHIP

The following table presents stock ownership information as of the record date for each of the executive officers and director nominees of RCB Financial Corporation, and all executive officers and director nominees as a group. The table sets forth: (1) each person's name, (2) his/her respective position within the Holding Company, (3) the number of shares of Holding Company common stock he/she directly or indirectly owned, controlled or held with the power to vote as of the record date, (4) the percentage of the outstanding shares of Holding Company common stock he/she owned at the record date, and (5) the number of shares subject to warrants or options.

<u>Name</u>	<u>Position</u>	<u>Number Of Shares</u>	<u>Percentage of Outstanding Shares</u> <sup>(1)</sup>	<u>Shares Subject to Warrants and Options</u> <sup>(2)</sup>
Michael W. Mathis	Director	142,850	6.70%	-
Jarrett Shadday	Director	110,000	5.16%	100,000
Darrell Lowrey	Director	48,700	2.28%	30,000
Richard Haney	Director	43,740	2.05%	-
W. Keith Winslette	Director	35,000	1.64%	35,000
C. King Askew	Director	32,500	1.52%	32,500
W. Barritt Gilbert	Director	25,000	1.17%	25,000
Roger F. Smith	CEO and Director	22,500	1.06%	15,000
C. B. Wright III	Director	19,000	0.89%	-
Robert Stone	Director	8,000	0.38%	-
Connie J. Williams	CFO	3,000	0.14%	10,000
T. Grant Espy	CCO	1,500	0.07%	5,000
Dr. Paula Englis	Director	500	0.02%	-
<b>Executive Officers and Director Nominees as a Group (12)</b>		<b>492,290</b>	<b>23.08%</b>	<b>252,500</b>

(1) The calculation of ownership of each individual and group is based upon 2,132,521 shares outstanding as of the record date, and may change if and when options or warrants are exercised.

(2) All outstanding warrants and options vest over a 3 year period and are now fully vested, and carry an exercise price of \$10.00 per share.

**RESOLUTIONS OF  
THE BOARD OF DIRECTORS OF  
RCB FINANCIAL CORPORATION**

**I. Annual Meeting of Shareholders**

**WHEREAS**, RCB Financial Corporation (the "Company") plans to hold its 2014 annual meeting of shareholders (the "Annual Meeting") and at such meeting to consider (i) a proposal to elect directors to serve a one-year term or until their successors are duly elected and qualified; and (ii) a proposal to ratify the appointment of Porter Keadle Moore, LLP, as the Company's independent auditors for the fiscal year 2014.

**NOW, THEREFORE, BE IT RESOLVED**, that the Annual Meeting date is hereby set for May 13, 2014 at 6:00 p.m. local time, at the Historic Desoto Theatre, 530 Broad Street, Rome, Georgia 30161; and

**RESOLVED FURTHER**, that the record date for shareholders to vote at the Annual Meeting shall be the close of the Company's business on March 31, 2014; and

**RESOLVED FURTHER**, that Connie Williams, CFO, be and is hereby appointed as the Company's inspector of elections at its Annual Meeting, and to perform such duties in connection therewith as required by law; and

**RESOLVED FURTHER**, that the following individuals are hereby nominated for election as directors at the Annual Meeting to serve until the 2015 Annual Meeting or until their successors are duly elected and qualified; and

C. King Askew  
Dr. Paula Englis  
W. Barritt Gilbert  
Richard Haney  
Darrell Lowrey  
Michael W. Mathis  
Jarrett Shadday  
Roger F. Smith, CEO  
Robert Stone  
W. Keith Winslette  
C. B. (Buster) Wright, III

**RESOLVED FURTHER**, that the proper officers of the Company be, and they hereby are, authorized and directed to prepare or cause to be prepared, with the assistance of legal counsel and to distribute proxy materials in connection with the Annual Meeting; and

**RESOLVED FURTHER**, that the Board of Directors hereby appoints C. King Askew and Roger F. Smith to be named in appointments of proxy solicited by the Company as the proxies for shareholders at the Annual Meeting.

**II. Independent Auditors**

**WHEREAS**, the Board of Directors has considered the qualifications and experience of Porter Keadle Moore, LLP, as independent auditors for the Company for the previous fiscal year which ended December 31, 2013.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors hereby appoints Porter Keadle Moore, LLP, as independent auditors for the Company for the current fiscal year which ends December 31, 2014.

Given under hand and seal of RCB Financial Corporation, this 11<sup>th</sup> day of March, 2014.

\_\_\_\_\_  
April Knight, Corporate Secretary

For a copy of River City Bank's Annual Disclosure Statement for 2013, which is available upon request, you may contact Connie Williams, CFO. She can be reached at:

River City Bank  
228 North Second Avenue  
Rome, Georgia 30165  
706-236-2123

