

PUBLIC DISCLOSURE

October 21, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Oak Valley Community Bank
RSSD # 1864197**

**125 North Third Avenue
Oakdale, California, 95361**

**Federal Reserve Bank of San Francisco
101 Market Street
San Francisco, California 94105**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

Institution's Community Reinvestment Act (CRA) Rating

Oak Valley Community Bank is rated "OUTSTANDING"

The following table shows the performance ratings for the lending and community development tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS	
	LENDING TEST	COMMUNITY DEVELOPMENT TEST
OUTSTANDING		X
SATISFACTORY	X	
NEEDS TO IMPROVE		
SUBSTANTIAL NONCOMPLIANCE		

The major factors supporting the institution's rating include:

- A reasonable loan-to-deposit ratio;
- A substantial majority of loans extended within the bank's assessment areas;
- A reasonable geographic distribution of small business loans;
- A reasonable distribution of small business loans to businesses of different revenue sizes; and
- An excellent responsiveness to the community development needs of the bank's assessment areas through community development loans, qualified investments, and community development services.

INSTITUTION

Description of Institution

Oak Valley Community Bank (Oak Valley), headquartered in Oakdale, California, reported total assets of \$1.09 billion as of December 31, 2018. Oak Valley is the sole subsidiary of Oak Valley Bancorp, an Oakdale, California-based shell bank holding company that was formed on July 3, 2008. On September 4, 2018, the bank converted its Sacramento Loan Production Office into a full-service branch and added Sacramento County as a new assessment area. Oak Valley has a total of 17 banking branches in the following locations: six branches in Stanislaus County; five branches in San Joaquin County; five branches in Tuolumne, Mono, and Inyo Counties; and one branch in Sacramento County. The bank also operates three ATM only locations at Bridgeport, Coleville, and Crowley Lake, California.

Oak Valley primarily focuses on providing commercial banking products and services to professionals and small-to-medium sized businesses. As such, the bank offers commercial loans for the purposes of working capital, operating lines of credit, equipment, and leasehold improvements. The bank also extends agricultural loans and Small Business Administration (SBA) loans. Consumer loans are provided on an accommodation basis to existing business clientele. The bank's deposit products include business checking and savings accounts. Other offerings include merchant bankcard services as well as investment securities and insurance products available through Oak Valley Investments, a bank division. Exhibit 1 below shows the bank's loan portfolio, as disclosed in its December 31, 2018 Consolidated Reports of Condition and Income, demonstrating the bank's commercial lending focus:

EXHIBIT 1		
LOANS AND LEASES AS OF DECEMBER 31, 2018		
Loan Type	\$ ('000s)	%
Commercial/Industrial & Non-Farm Non-Residential Real Estate	484,523	68.1
Farm Land & Agriculture	100,828	14.2
Multi-Family Residential Real Estate	43,381	6.1
Secured by 1-4 Family Residential Real Estate	38,867	5.5
Construction & Land Development	31,216	4.4
All Other	11,614	1.6
Consumer Loans & Credit Cards	1,473	0.2
Total (Gross)	711,902	100.0

Oak Valley did not face any legal or financial impediments during the review period that would have prevented it from helping to meet the credit needs of its assessment areas which is consistent with its business strategy, size, financial capacity, and local economic conditions. The bank received a satisfactory rating at its previous Community Reinvestment Act (CRA) examination, conducted as of September 12, 2016, by the Federal Reserve Bank of San Francisco, using the *Interagency Intermediate Small Institution CRA Examination Procedures*.

Scope of Examination

Oak Valley's CRA performance was evaluated using the *Interagency Intermediate Small Institution CRA Examination Procedures*, which consist of the lending and community development tests. The Stanislaus, San Joaquin, and Tuolumne, Mono, and Inyo assessment areas were subject to full-scope reviews as these are the bank's primary markets. The Sacramento assessment area was reviewed under a limited-scope review as the bank recently expanded into this area and the footprint remains small compared to the bank's primary market areas.

LENDING TEST

The lending portion of the evaluation was based on the following performance criteria:

- Loan volume compared to deposits (Loan-to-Deposit Ratio);
- Lending inside versus outside the assessment areas (Lending in the Assessment Area);
- Dispersion of lending throughout the assessment areas (Lending Distribution by Geography); and
- Lending to businesses of different sizes (Lending Distribution by Business Revenue).

Oak Valley's responsiveness to consumer complaints was not evaluated as the bank did not receive any CRA-related complaints during the review period.

The lending test evaluation was based on a representative sample of small business loans originated from January 1, 2018 through December 31, 2018. A total of 96 small business loans were considered in the evaluation of Lending in the Assessment Area. Of that total, 87 small business loans were extended within the bank's assessment areas and were used in the evaluation of the Lending Distribution by Geography and Lending Distribution by Business Revenue. Home Mortgage Disclosure Act (HMDA) reportable loans were also considered during the review, however these loans did not influence the overall assessment due to limited volume.

COMMUNITY DEVELOPMENT TEST

The community development test portion of the examination included an evaluation of Oak Valley's level and impact of community development activities in relation to local needs, as well as the bank's capacity to participate in such activities within the bank's markets. The evaluation was based on qualified community development loans, investments, and services from September 13, 2016 through October 21, 2019.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Oak Valley's overall performance under the lending test is satisfactory. The lending levels relative to deposits are reasonable, and a substantial majority of loans were extended within the bank's assessment areas. The overall dispersion of loans in low- and moderate-income geographies is reasonable. The distribution of small business loans among businesses of different revenue sizes is also reasonable, and the bank's extension of smaller dollar loans and levels of SBA lending were responsive to small businesses' credit needs.

The bank's performance under the community development test is outstanding. The bank's community development performance demonstrates excellent responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services.

Lending Test

Oak Valley's overall performance under the lending test is satisfactory. Lending levels relative to deposits are reasonable, and a substantial majority of loans were extended within the bank's assessment areas. The overall geographic distribution in all assessment areas is reasonable, and the bank's loans are sufficiently dispersed throughout low- and moderate-income geographies. The distribution of small business loans among businesses of different revenue sizes is also reasonable, and the bank's extension of smaller dollar loans and SBA lending was responsive to the credit needs of small businesses.

LOAN-TO-DEPOSIT RATIO

Oak Valley's loan-to-deposit (LTD) ratio is reasonable. The bank's average LTD ratio over the 12-quarter period starting from the third quarter of 2016 is 69 percent. This ratio has remained relatively stable during this timeframe and compares reasonably with the state and national peer averages of 86 percent and 84 percent, respectively.

LENDING IN ASSESSMENT AREA

As shown in Exhibit 2 on the following page, a substantial majority of small business loans were extended within the bank's assessment areas. This distribution of loans demonstrates that the institution's credit activities are focused within its assessment areas.

EXHIBIT 2 LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREAS JANUARY 1, 2018 TO DECEMBER 31, 2018								
Loan Type	Inside				Outside			
	#	%	\$ ('000s)	%	#	%	\$ ('000s)	%
Small Business	87	90.6	20,066	79.0	9	9.4	5,321	21.0
Total Business Related	87	90.6	20,066	79.0	9	9.4	5,321	21.0
HMDA Home Purchase	4	100.0	1,806	100.0	0	0.0	0	0.0
HMDA Home Improvement	7	100.0	236	100.0	0	0.0	0	0.0
HMDA Refinancing	4	80.0	782	94.0	1	20.0	50	6.0
HMDA Multifamily	4	80.0	5,195	48.6	1	20.0	5,500	51.4
HMDA Other Purpose Closed-End	1	100.0	500	100.0	0	0.0	0	0.0
Total HMDA Related	20	90.9	8,519	60.6	2	9.1	5,550	39.4
Total Loans	107	90.7	28,585	72.4	11	9.3	10,871	27.6

GEOGRAPHIC AND BORROWER DISTRIBUTION

Overall, the geographic distribution and the borrower distribution of small business loans are reasonable. The distribution of loans to small businesses was reasonable across the assessment areas relative to the aggregate market, and the bank's lending was responsive to small businesses' need for smaller dollar loans. Oak Valley's overall lending demonstrated reasonable penetration into low- and moderate-income geographies in the bank's assessment areas. However, the bank did not originate any small business loans in low-income geographies within the Stanislaus assessment area. This was primarily due to fewer lending opportunities for the bank in low-income geographies within this assessment area.

RESPONSE TO COMPLAINTS

Oak Valley did not receive any CRA related complaints during the review period. Accordingly, the bank's performance in responding to complaints was not considered in evaluating its overall CRA performance.

Community Development Test

Oak Valley's performance under the community development test is outstanding. The performance demonstrates excellent responsiveness to the community development needs of its assessment areas through community development loans, qualified community development investments, and community development services. Oak Valley's community development lending totaled \$114.2 million. Of this total amount, eight loans totaling \$27.6 million benefitted a broader statewide area that includes the bank's assessment areas. The bank made over \$21.3 million in community development investments and donations directly within its assessment areas or in broader statewide areas that also benefitted its assessment areas. These consist of \$6.1 million in prior period investments that remain on its books, \$14.8 million in current period investments, and \$296,667 in donations. In addition, the bank had \$3.7 million in unfunded commitments. Oak Valley also invested \$9.2 million that directly impacted the broader statewide area including \$3.7 million prior period investments that remain on its

books and \$5.4 million in current period investments, of which \$520,000 remained in unfunded commitments. Moreover, community development services were responsive to address the need for services for low-income individuals facing poverty. Employees also conducted outreach to provide financial literacy. The bank contributed a total of 1,607 community development service hours of which over 150 hours benefitted the broader statewide area including the bank's assessment areas.

Listed below are examples of loans, investments, and services that benefitted the broader statewide area, including the bank's assessment areas:

- Three participation loans totaling \$11.5 million for affordable housing that helped to provide 3,164 affordable rental units to low- and moderate-income individuals.
- Two loans totaling \$12.5 million to revitalize a low-income area. The loan proceeds will finance construction of a new building in an area that faces high unemployment and high poverty rates. The financing helped to retain 180 jobs.
- Two loans totaling \$1.7 million to support economic development. The bank extended two SBA 504 loans that will finance a purchase of a property and create 12 jobs.

Oak Valley made a broad array of investments, the vast majority of which were in Mortgage-Backed Securities (MBS) that helped low- and moderate-income borrowers obtain mortgage loans. In addition, some funds were invested in a mutual fund that provided community development services, such as affordable housing, home buyer education, and small business lending, to low- and moderate-income individuals. A summary of the investments follows below:

- Three current period investments totaling \$4.1 million in MBS secured by mortgages to low- and moderate-income individuals. The securities are backed by loans extended in the bank's Stanislaus, San Joaquin, Tuolumne, Mono, and Inyo assessment areas.
- An investment for \$1.0 million, of which \$520,000 was in unfunded commitments, in Small Business Investment Companies that promote economic development by financing small businesses. The investment provides capital and resources needed to help small and medium-sized businesses succeed. The businesses are located within the bank's four assessment areas.
- Three prior period MBS with a book value totaling \$3.7 million that assisted 54 low- and moderate-income borrowers in purchasing homes. The properties are located in the bank's assessment areas.
- Sixteen donations totaling \$44,100 helped organizations that provide low-income individuals with services such as affordable housing, healthcare services, and free meals.

The bank provided over 150 hours to eight different organizations. For half of the organizations served, Oak Valley's employees held leadership positions such as board and committee members. These qualified services met a variety of community development needs. The majority of the service hours were for a Certified Development Corporation, which is a non-profit that assists small and medium-sized businesses in securing long-term financing to help small business operations and create jobs. A significant number of service hours targeted non-profits that provided community development services to low- and moderate-income families and children. The following are notable examples of community development services:

- Bank staff dedicated 18 service hours by serving on a board of a non-profit that provides children from low- and moderate-income families with afterschool educational services such as tutoring.
- Bank employees provided over 14 service hours to an organization that supplies low-income individuals with nutritional meals, clothing, and free haircuts.
- An employee partnered with a local Community Development Financial Institution (CDFI) that focuses on underserved individuals and communities, including people of color, women, rural residents, and low-income families.

EXHIBIT 3 COMMUNITY DEVELOPMENT ACTIVITIES								
Assessment Area (s)	Loans		Investments				Services	
			Prior Period		Current Period			
	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	Hours
Stanislaus	24	\$34,241	-	-	104	\$2,954	245	641
San Joaquin	16	\$33,127	3	\$2,361	39	\$5,026	155	327
Tuolumne, Mono, Inyo	14	\$4,560	-	-	28	\$1,756	207	455
Sacramento	4	\$14,717	-	-	7	\$15	5	34
Broader Statewide or Regional Area	8	\$27,582	5	\$3,743	21	\$5,432	85	150
Total	66	\$114,227	8	\$6,104	199	\$15,183	697	1,607

Fair Lending or Other Illegal Practices Review

Concurrent with this CRA evaluation, a review of Oak Valley’s compliance with applicable consumer protection laws and regulations was conducted. The review found no evidence of violations of the substantive provisions of anti-discrimination, fair lending, or credit practices rules, laws or regulations that were inconsistent with helping to meet community credit needs.

FULL-SCOPE ASSESSMENT AREA CONCLUSIONS

For each assessment area where a full-scope review was performed using the examination procedures.

Stanislaus Assessment Area

DESCRIPTION OF OPERATIONS IN STANISLAUS

The Stanislaus assessment area consists of Stanislaus County and comprises the entirety of the Modesto, California Metropolitan Statistical Area. Stanislaus County is in the Central Valley of California and bordered by San Joaquin County to the north, Calaveras and Tuolumne counties to the east, Merced County to the south, and Santa Clara County to the west. As of 2018, the population of the assessment area was 549,815.¹

As of June 30, 2018, the assessment area had 18 Federal Deposit Insurance Corporation (FDIC)-insured commercial institutions operating 86 offices.² Oak Valley operated seven branches in this assessment area and held \$467.5 million in deposits, representing 5.74 percent of the deposit market share.³

Exhibit 4 on the following page, presents key demographic and business information used to help develop a performance context for the assessment area.

¹ U.S. Census Bureau, QuickFacts, Population Estimates, July 1, 2018; available from: www.census.gov/quickfacts/.

² Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2018; available from: <https://www5.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

³ Ibid.

EXHIBIT 4 ASSESSMENT AREA DEMOGRAPHICS STANISLAUS ASSESSMENT AREA 2018 FFIEC CENSUS AND 2018 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	4	4.3	4,362	3.5	1,741	39.9	28,273	22.7
Moderate-income	28	29.8	29,576	23.7	7,838	26.5	21,490	17.2
Middle-income	37	39.4	48,298	38.7	7,279	15.1	23,374	18.7
Upper-income	25	26.6	42,500	34.1	3,224	7.6	51,599	41.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	94	100.0	124,736	100.0	20,082	16.1	124,736	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	6,154	1,742	1.8	28.3	4,039	65.6	373	6.1
Moderate-income	44,492	17,263	18.0	38.8	23,575	53.0	3,654	8.2
Middle-income	69,352	37,364	38.9	53.9	27,769	40.0	4,219	6.1
Upper-income	60,171	39,585	41.3	65.8	17,859	29.7	2,727	4.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	180,169	95,954	100.0	53.3	73,242	40.7	10,973	6.1
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	351	2.0	326	2.0	21	1.6	4	3.4
Moderate-income	4,639	25.9	4,172	25.3	423	32.3	44	37.9
Middle-income	6,336	35.4	5,860	35.6	435	33.3	41	35.3
Upper-income	6,556	36.7	6,100	37.1	429	32.8	27	23.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	17,882	100.0	16,458	100.0	1,308	100.0	116	100.0
% of Total Businesses				92.0		7.3		0.6
2018 Median Family Income ⁴			\$55,611	December 2018 Median Housing Value ⁵			\$309,000	
2018 HUD Adjusted Median Family Income ⁶			\$60,700	2018 Unemployment Rate ⁷			6.4%	

⁴ U.S. Department of Housing and Urban Development, Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il17/index/html>.

⁵ California Association of Realtors, Historical Housing Data, Median Prices of Existing Detached Homes as of December 2018; available from: <https://www.car.org/marketdata/data/housingdata/>.

⁶ U.S. Department of Housing and Urban Development, Adjusted Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il17/index/html>.

⁷ Annual Unemployment Rate, U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <http://data.bls.gov/cgi-bin/dsrv?la>.

Economic Conditions

Economic expansion in Stanislaus County matured during the review period and began to slow down in alignment with other California metro areas.⁸ The area's economic drivers were agriculture and healthcare, as well as transportation and logistics.⁹ Agriculture has recovered from the most recent drought that ended early in the review period in 2016.¹⁰ Increased planting and water-use efficiencies improved production levels, particularly for almonds which were the area's top crop.¹¹ Although food processing and manufacturing was a dominating sector of the economy, employment declined due to rising business costs.¹² Healthcare employment grew and was the largest source of high-wage jobs in the area.¹³ The logistics sector also grew from expansion of distribution centers for e-commerce companies, including Amazon.¹⁴

Similar to trends in California overall, there was a contraction in the labor force that was evident in the county's historic low unemployment rate.¹⁵ This tight labor market pushed average hourly earnings higher.¹⁶ Earnings improved during the review period, income levels remained below-average for the area's low-skilled and low-educational attainment workforce.¹⁷ Despite the area's tight labor market and slowdown in some sectors, the area remained rich in economic assets with the headquarters of multiple billion dollar corporations, California State University, Stanislaus, rail and highway connectivity points, and a gateway to Yosemite National Park.¹⁸

As depicted in Exhibit 5 on the following page, loans to small businesses from banks subject to the CRA spiked in 2016 prior to levelling off in 2017 to a similar rate of lending reported that was reported in 2015. Lending to small businesses played a critical role in the economy given that small businesses accounted for 92 percent of all businesses in the assessment area, as noted in Exhibit 4.

⁸ Moody's Precis Report, Modesto CA, November 2018.

⁹ Ibid.

¹⁰ Moody's Precis Report, Modesto CA, November 2017.

¹¹ Ibid.

¹² Moody's Precis Report, Modesto CA, November 2018.

¹³ Moody's Precis Report, Modesto CA, November 2017.

¹⁴ Moody's Precis Report, Modesto CA, July 2019.

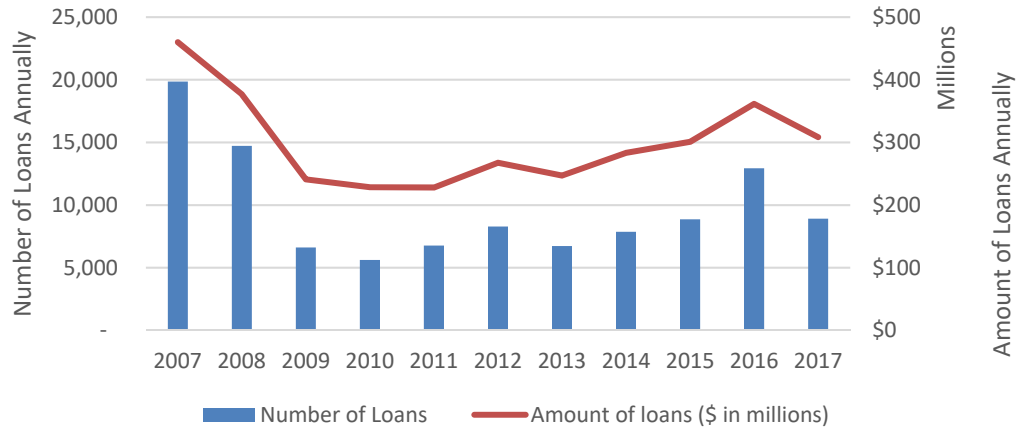
¹⁵ Moody's Precis Report, Modesto CA, November 2018.

¹⁶ Ibid.

¹⁷ Ibid.

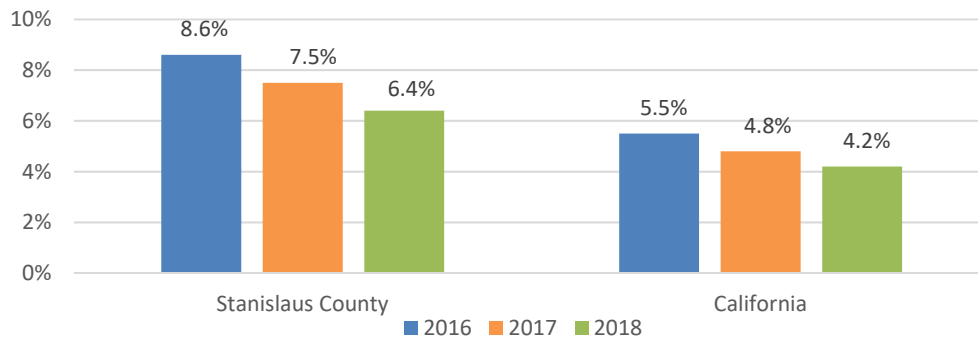
¹⁸ Opportunity Stanislaus, Stanislaus County Asset Map; available from:
<http://opportunitystanislaus.com/StanislausCountyAssetMap>.

Exhibit 5
Loans to Small Businesses in Assessment Area¹⁹
2007-2017



The unemployment rate steadily decreased during the review period, as depicted in Exhibit 6 below. The lower unemployment rate towards the end of the review period supported the evidence of a tight labor market. However, the unemployment rate in Stanislaus County remained over 50 percent higher than the statewide rate during the review period.

Exhibit 6
Unemployment Rate²⁰
2016-2018



As reflected in Exhibit 7 on the following page, there was nominal growth in median home prices in the assessment area during the review period. The area remained relatively more affordable than other areas of California, with median home prices approximately \$250,000 less than statewide median home prices. According to the California Association of Realtors' Traditional Housing Affordability Index,

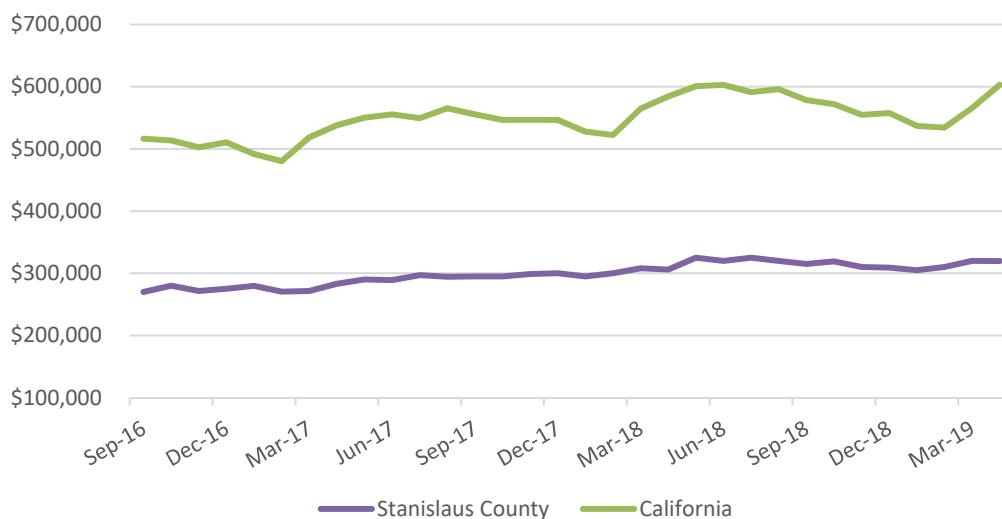
¹⁹ Aggregate CRA Small Business data reports available from: <http://www.ffiec.gov/craadweb/national/asp>.

²⁰ Annual Unemployment Rate, U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <https://data.bls.gov/cgi-bin/dsrv?la>.

47 percent of families in Stanislaus County could afford to purchase the median priced home in the area compared to 32 percent of families in California.²¹

However, rent prices remained a significant financial burden for residents. In order to afford the median rent, households in Stanislaus County must earn more than double the minimum wage rate in California.²² The limited supply of rental units exacerbated higher rent costs. As of early 2019, the county needed an additional 15,000 rental units to meet current demand.²³

Exhibit 7
Median Home Prices²⁴
September 2016 – April 2019



The percentage of people living in poverty in the assessment area and statewide declined during the review period, as depicted in Exhibit 8 on the following page. Stanislaus County had a higher percentage of people living in poverty and receiving cash assistance of food stamp benefits than California overall. Although the level of people receiving cash assistance or food stamp benefits in California had little change in the review period, the percentage of people receiving benefits in Stanislaus County decreased. The relatively higher level of poverty in Stanislaus County is evident in the liquid asset poverty rate that represents the percentage of households without sufficient liquid assets to subsist at the federal poverty level for three months. The percentage of households in Stanislaus County who were liquid asset poor was 46 percent, compared to 38 percent of households in California.²⁵

²¹ California Association of Realtors, Housing Affordability Index-Traditional, 2019 Q1; available from: <https://www.car.org/en/marketdata/data/haitraditional>.

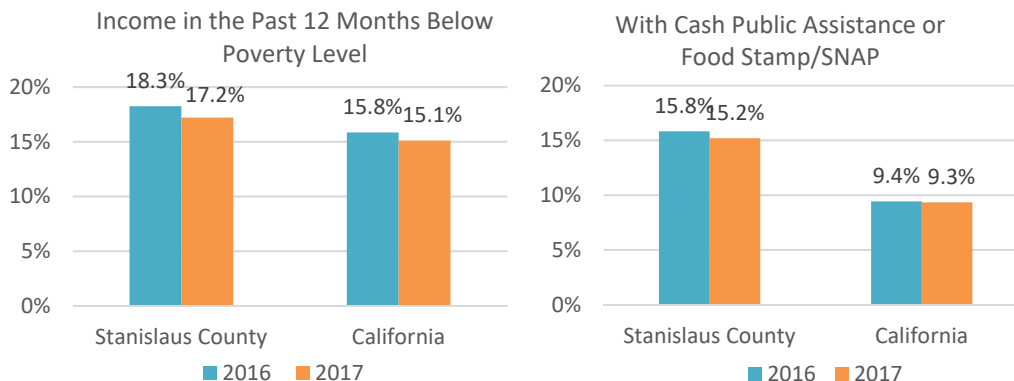
²² California Housing Partnership, Stanislaus County’s Housing Emergency Update, May 2019; available from: <https://chpc.net/resources-library/>.

²³ Ibid.

²⁴ California Association of Realtors, Historical Housing Data, Median Prices of Existing Detached Homes; available from: <https://www.car.org/marketdata/data/housingdata/>.

²⁵ Prosperity Now Scorecard, Stanislaus County, CA; available from: <https://scorecard.prosperitynow.org>.

**Exhibit 8
Poverty and Food Stamp Usage Rates²⁶
2016-2017**



Credit and Community Development Needs

The economic data and feedback from community contacts indicate that small businesses in the assessment area facing challenges in accessing credit. As shown in Exhibit 5 and previously discussed, small business lending levels peaked in 2016 prior to leveling off in 2017, but remained below pre-Great Recession levels. The Small Business Credit Survey found that of the 43 percent of small businesses that applied for financing in the prior 12 month period, only 47 percent received all the credit they needed.²⁷ Most firms applied for less than \$100,000, primarily to expand their business or cover operating expenses.²⁸ More than half of applicants who sought financing in this range did not obtain the amount of financing needed.²⁹ The majority of applicants applied for loans or lines of credit from large banks.³⁰ However, applicants who applied for loans or lines of credit from online lenders grew from 19 percent in 2016 to 32 percent in 2018.³¹ Firms who had financing shortfalls typically had higher credit risk, did not earn a profit, were located in urban areas, or were young start-up firms less than five years old.³² The survey noted that the largest funding gap was most prevalent for businesses who sought between \$100,000 and \$250,000.³³ Furthermore, community contacts noted the need for micro loans in the range of \$10,000 to \$50,000 for small businesses in the area. Small business owners do not receive the funding they need in this range because the amount is too small for many banks to offer. Overall, there are financing gaps for lending to small businesses and opportunities for smaller dollar credit products.

Community contacts indicated that there is an opportunity for banks to conduct more outreach in the community. Through participation in events, such as entrepreneur workshops, bankers could provide

²⁶ Poverty and Food Stamp Usage Rates, U.S. Census Bureau, American Community Survey, 5-Year Estimates; available from: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.

²⁷ Small Business Credit Survey, Report on Employer Firms 2019, available from: <https://www.fedsmallbusiness.org/medialibrary/fedsmallbusiness/files/2019/sbcs-employer-firms-report.pdf>.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Ibid.

³¹ Ibid.

³² Ibid.

³³ Ibid.

credit and financing education for small businesses, as well as an opportunity to build relationships with small business owners. More engagement overall is critical for community organizations to build relationships with banks and better understand the banks’ community investment interests or goals.

There is an also need for more investment and engagement from financial institutions to address poverty, lack of affordable housing, and gaps in small business lending. Banks in the area have an opportunity to address the needs of residents who are most in need. Community development lending, as well as advocacy and service, are the most impactful activities banks could participate in to better serve their communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN STANISLAUS

Lending Test

Overall lending test performance is satisfactory in the Stanislaus assessment area. The bank’s level of small business lending to businesses of different sizes is reasonable, with a good percentage in smaller dollar amounts. The geographic distribution of loans reflects reasonable dispersion in geographies of all income levels. Nevertheless, the bank did not extend any loans in low-income geography primarily due to the low percentage of businesses present in this geography.

Lending Distribution by Geography

The geographic distribution of small business loans is reasonable. As shown in Exhibit 9 below, while Oak Valley effectively penetrated moderate-income census tracts relative to the percentage of businesses and aggregate lending, there was no penetration into low-income geographies. The performance remains reasonable due to the relatively low percentage of businesses within these geographies.

EXHIBIT 9 GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Stanislaus Assessment Area 2018								
Bank Lending	0	0.0	13	24.5	18	34.0	22	41.5
Aggregate Lending	155	1.7	2,201	23.7	3,310	35.7	3,608	38.9
Business Concentration	351	2.0	4,639	25.9	6,336	35.4	6,556	36.7

Lending Distribution by Borrower Income and Business Revenue

The distribution of loans to small businesses is reasonable. As shown in Exhibit 10 on the following page, the bank’s level of lending to small businesses is below that of the aggregate lenders during the review period. However, Oak Valley extended a good percentage of its loans in amounts less than or equal to \$100,000, which was responsive to the articulated for need smaller dollar loans.

EXHIBIT 10 BUSINESS REVENUE DISTRIBUTION OF SMALL BUSINESS LOANS							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2018	53	39.6	92.0	46.0	39.6	32.1	28.3

Community Development Test

Oak Valley’s performance under the community development test is outstanding. The bank demonstrated excellent responsiveness to the needs of its assessment area through community development loans, investments, and services. These activities were particularly responsive to the need for affordable housing, revitalization and stabilization of economically distressed communities, and services to low- and moderate- income individuals.

Community Development Lending

Oak Valley originated a total of 24 community development loans that totaled \$34.2 million within the Stanislaus assessment area. A significant majority of these loans were targeted toward revitalization and stabilization of low- and moderate-income areas, many of which were consistent with local redevelopment plans to reduce unemployment, and promote economic growth. Loans also supported economic development by providing financing to small businesses for the creation or retention of jobs. Significant amounts were also directed toward financing affordable housing, which was identified as a community development need, particularly in the institution’s high rental costs. The bank also extended \$12.3 million to organizations that provide housing, medical services, and food to low- and moderate-income individuals. Notable community development loans include the following:

- Three loans totaling \$12.8 million for working capital purposes. The business is located within a moderate-income census tract and former enterprise zone. Now the area is recognized as a high unemployment and high poverty designated geographic area. The business was able to retain 120 jobs.
- Four loans totaling \$8.2 million to a local hospital to purchase a medical office and provide working capital. The hospital serves patients on government supported healthcare programs. For example, 72 percent of the patients served receive Medi-cal and Medi-care, which are government assisted programs for low-income individuals.
- Two SBA loans totaling \$2.3 million to finance the purchase of an office building and tenant improvements. The business is located within a moderate-income census tract with close proximity to a low-income census tract. This census tract also is part of the California New Employment Credit designated geographic area. The funding will create 12 jobs and retain 34 jobs.
- A loan totaled \$1.1 million to a business located in a moderate-income census tract and is part of the California New Employment Credit designated geographic area. The loan proceeds will allow the business to repair a roof and remain in operation. This business is a major employer within the Stanislaus County and employs 1,875 individuals.

Community Development Investments

Oak Valley made \$2.9 million in community development investments, grants, and donations that directly impacted the assessment area. The bank's investments were allocated in a MBS that provides affordable rental housing for low- and moderate-income individuals, and a municipal bond for a local school district that primarily serves low- and moderate-income students. Oak Valley's donations primarily provided community services to low- and moderate-income individuals. Notable examples include the following:

- A current period investment of \$1.9 million in a MBS that provided 169 affordable rental housing units to low- and moderate-income individuals.
- A municipal bond for \$547,359 that provided funding to build a new middle school to address overcrowding issues and update current school facilities. More than 78 percent of the students in the district are on the free and reduced lunch program.
- A \$250,000 investment into a CDFI that provides financial services to low- and moderate-income individuals, credit to small businesses and nonprofits, and assistance to first time home buyers.
- Four donations totaled \$25,000 to an organization that helps entrepreneurs grow their businesses and provides technical expertise to obtain financing.

Community Development Services

The bank provided a total of 641 community development service hours to organizations involved in providing community services that target low- and moderate-income individuals within the assessment area. Notable services provided include:

- Bank personnel provided over 273 community services hours serving as board members of organizations that provide services, such as housing and food, to low- and moderate-income individuals.
- Bank staff provided over 204 hours of financial expertise, and services provided ranged from teaching senior citizens how to manage money to teaching middle school students budgeting skills. The middle school serves students where 78 percent of the students are on the free and reduced lunch program.
- A bank employee provided 53 hours of technical expertise to an organization that provides grants to low- and moderate-income households. The funds can be applied towards a down payment or closing costs for a home purchase.
- Bank staff provided approximately 41 hours of service as board members of a non-profit that provides mentoring and educational services to at-risk first time parents.

San Joaquin Assessment Area

DESCRIPTION OF OPERATIONS IN SAN JOAQUIN

The San Joaquin assessment area is comprised of San Joaquin County in its entirety. The assessment area is bordered by Sacramento County to the north, Calaveras County to the east, Stanislaus County to the south, and Contra Costa and Alameda counties to the west. As of 2018, the assessment area was home to 752,660 people.³⁴

As of June 30, 2018, the assessment area had 18 FDIC-insured commercial institutions operating 100 offices.³⁵ Oak Valley operates five branches in the assessment area and held \$248.2 million in deposits, representing 2.39 percent of the deposit market share.³⁶

Exhibit 11 on the following page, presents key demographic and business information used to help develop a performance context for the assessment area.

³⁴ U.S. Census Bureau, QuickFacts, Population Estimates, July 1, 2018; available from: www.census.gov/quickfacts/.

³⁵ Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2018; available from: <https://www5.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

³⁶ Ibid.

EXHIBIT 11 ASSESSMENT AREA DEMOGRAPHICS SAN JOAQUIN ASSESSMENT AREA 2018 FFIEC CENSUS AND 2018 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	16	11.5	12,354	7.5	4,981	40.3	38,463	23.5
Moderate-income	36	25.9	34,484	21.0	8,276	24.0	26,864	16.4
Middle-income	50	36.0	56,867	34.7	7,306	12.8	30,425	18.6
Upper-income	37	26.6	60,140	36.7	3,946	6.6	68,093	41.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	139	100.0	163,845	100.0	24,509	15.0	163,845	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	21,105	4,716	3.8	22.3	13,375	63.4	3,014	14.3
Moderate-income	53,114	20,628	16.6	38.8	27,983	52.7	4,503	8.5
Middle-income	81,990	45,041	36.3	54.9	31,127	38.0	5,822	7.1
Upper-income	80,353	53,702	43.3	66.8	22,501	28.0	4,150	5.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	236,562	124,087	100.0	52.5	94,986	40.2	17,489	7.4
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	1,938	8.4	1,672	7.9	239	14.7	27	15.9
Moderate-income	4,386	19.1	4,012	19.0	354	21.8	20	11.8
Middle-income	7,997	34.8	7,377	34.9	555	34.2	65	38.2
Upper-income	8,640	37.6	8,106	38.3	476	29.3	58	34.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	22,961	100.0	21,167	100.0	1,624	100.0	170	100.0
% of Total Businesses				92.2		7.1		0.7
2018 Median Family Income ³⁷			\$59,946	December 2018 Median Housing Value ³⁸			\$365,000	
2018 HUD Adjusted Median Family Income ³⁹			\$63,700	2018 Unemployment Rate ⁴⁰			6.0%	

³⁷ U.S. Department of Housing and Urban Development, Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il17/index/html>.

³⁸ California Association of Realtors, Historical Housing Data, Median Prices of Existing Detached Homes as of December 2018; available from: <https://www.car.org/marketdata/data/housingdata/>.

³⁹ U.S. Department of Housing and Urban Development, Adjusted Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il17/index/html>.

⁴⁰ Annual Unemployment Rate, U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <http://data.bls.gov/cgi-bin/dsrv?la>.

Economic Conditions

San Joaquin County is located in California's agricultural region in the Central Valley. In addition to agriculture, the economy was driven by logistics transportation, and healthcare.⁴¹ The agriculture sector recovered from the drought that ended in 2016 with robust growth in 2017.⁴² Despite the sector's recovery, the food processing industry was stagnant late in the review period from high production costs.⁴³ Although jobs in agriculture and food processing tend to be low-paying, the quantity of jobs puts downward pressure on employment rates.

The area's core economic engine was logistics and transportation, which employed one in seven workers in the metro area.⁴⁴ Growth in the sector was due to infrastructure and port expansion projects.⁴⁵ During the review period, the Port of Stockton grew to be the third largest port by volume in California.⁴⁶ The area's strategic assets, including the port, rail and highway connectivity, proximity to the San Francisco Bay Area and Sacramento, and more affordable property than the San Francisco Bay Area, make the assessment area an attractive option for warehousing and distribution companies.⁴⁷ Healthcare services also grew during the review period and was the most prominent source of income in the private sector.⁴⁸ Demand for healthcare services remained high in conjunction with the increase in the population of retirees and the area's role as a bedroom community for the San Francisco Bay Area.⁴⁹

As depicted in Exhibit 12 on the following page, the volume of loans to small businesses from banks subject to the CRA demonstrated a similar pattern to Stanislaus County where there was an increase in 2016 before a notable decrease in 2017. Lending to small businesses played a critical role in the economy given that small businesses accounted for 92.2 percent of all businesses in the assessment area, as noted in Exhibit 11.

⁴¹ Moody's Precis Report, Stockton-Lodi CA, November 2018.

⁴² Moody's Precis Report, Stockton-Lodi CA, November 2017.

⁴³ Moody's Precis Report, Stockton-Lodi CA, March 2019.

⁴⁴ Ibid.

⁴⁵ Ibid.

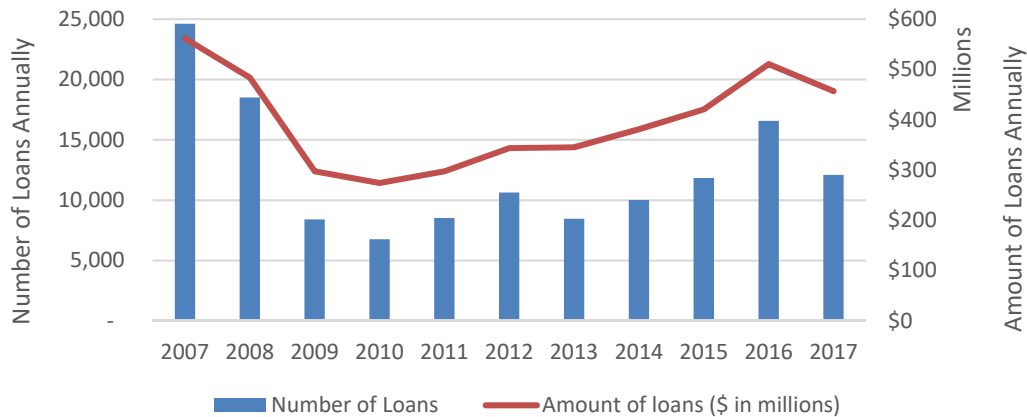
⁴⁶ Ibid.

⁴⁷ Moody's Precis Report, Stockton-Lodi CA, November 2018.

⁴⁸ Ibid.

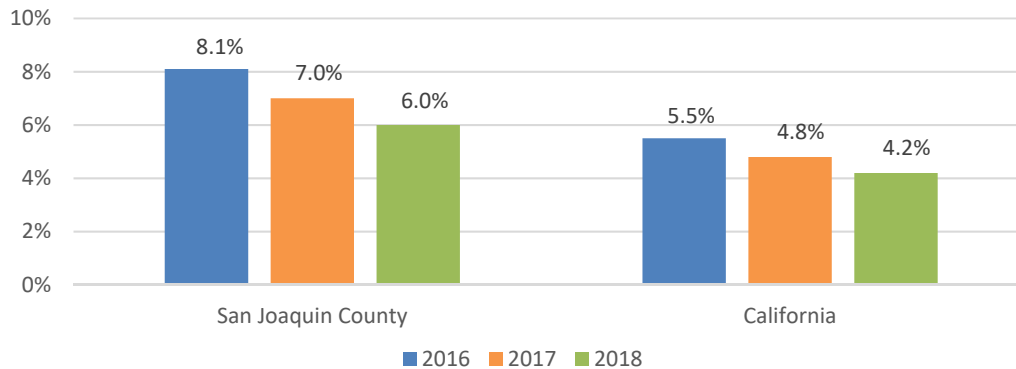
⁴⁹ Ibid.

Exhibit 12
Loans to Small Businesses in Assessment Area⁵⁰
2007-2017



Unemployment rates in the assessment area decreased during the review period, as shown in Exhibit 13. The unemployment rate in San Joaquin County was higher than the statewide average.

Exhibit 13
Unemployment Rate⁵¹
2016-2018



As reflected in Exhibit 14 on the following page, there was nominal growth in median home prices in the assessment area during the review period. Home prices were lower in the assessment area compared to the statewide average. According to the California Association of Realtors' Traditional Housing Affordability Index, 43 percent of families in San Joaquin County could afford to purchase the median priced home in the area compared to 32 percent of families in California.⁵²

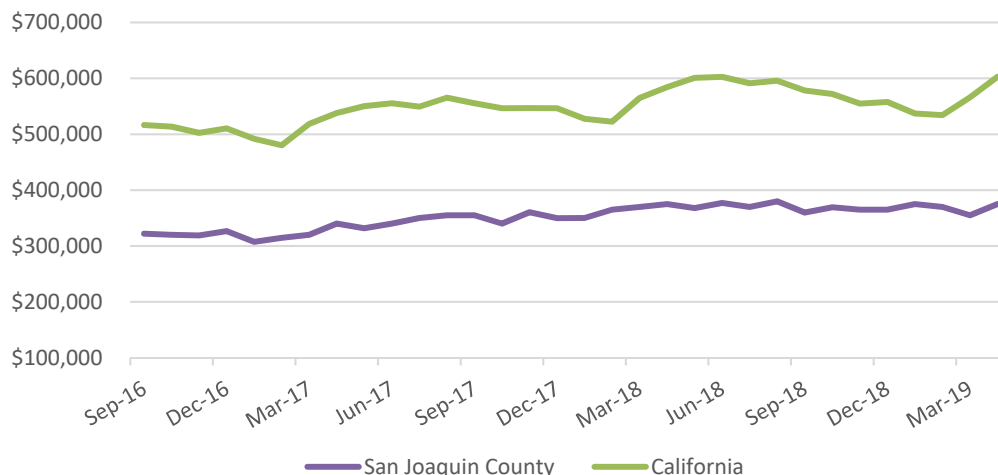
⁵⁰ Aggregate CRA Small Business data reports available from: <http://www.ffiec.gov/craadweb/national/aspx>.

⁵¹ Annual Unemployment Rate, U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <https://data.bls.gov/cgi-bin/dsrv?la>.

⁵² California Association of Realtors, Housing Affordability Index-Traditional, 2019 Q1; available from: <https://www.car.org/en/marketdata/data/haitraditional>.

Rent prices remained a significant financial burden for residents. In order to afford the median rent, households in San Joaquin County must earn two and a half times more than the State minimum wage.⁵³ The limited supply of rental units exacerbated higher rents. As of early 2019, the county needed an additional 25,489 rental units to meet current demand.⁵⁴

Exhibit 14
Median Home Prices⁵⁵
September 2016 – April 2019



As depicted in Exhibit 15 on the following page, the percentage of people living in poverty decreased in both the assessment area and statewide. San Joaquin County had a higher percentage of people living in poverty than in California overall. The percentage of people receiving food stamp benefits stagnated in the review period and only decreased one-tenth of a percentage point. Similar to Stanislaus County, the area’s higher concentration of poverty was evident in the liquid asset poverty rate, which represents the percentage of households without sufficient liquid assets to subsist at the federal poverty level for three months. The percentage of households in San Joaquin County who were liquid asset poor was 45 percent, compared to 38 percent of households in California.⁵⁶

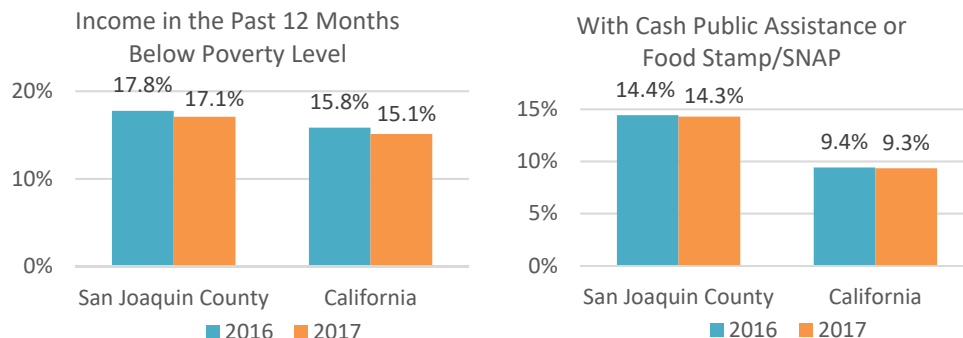
⁵³ California Housing Partnership, San Joaquin County’s Housing Emergency Update, May 2019; available from: <https://chpc.net/resources-library/>.

⁵⁴ Ibid.

⁵⁵ California Association of Realtors, Historical Housing Data, Median Prices of Existing Detached Homes; available from: <https://www.car.org/marketdata/data/housingdata/>.

⁵⁶ Prosperity Now Scorecard, San Joaquin County, CA; available from: <https://scorecard.prosperitynow.org>.

**Exhibit 15
Poverty and Food Stamp Usage Rates⁵⁷
2016-2017**



Credit and Community Development Needs

Small business lending levels showed nominal improvement overall but remained below pre-Great Recession levels, as shown previously in Exhibit 12. Similar to the discussion for the credit needs of the Stanislaus assessment area, the Small Business Credit Survey results indicate that small businesses continued to experience obstacles in obtaining the amount of financing needed and accessing smaller dollar loans.⁵⁸ Discussions with community contacts highlighted the need for banks to invest in more micro-loan lenders in the area. More investment in micro-lenders could help grow the supply of smaller-dollar loan products available to small businesses.

The prevalence of high poverty rates in the area during the review period highlight the importance of community organizations who try to meet the high demand for critical supportive services. This ongoing demand for supportive services leaves community organizations in need of financial donations from banks as well as technical assistance with small business coaching. Overall, the community’s credit needs remain unmet and creating an opportunity for banks to participate in investments for small business lending, and affordable housing, engage in outreach, and sponsor community events.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SAN JOAQUIN

Lending Test

Oak Valley’s performance under the lending test in the San Joaquin assessment area is satisfactory. This assessment is attributable to a reasonable geographic distribution of small business loans. In addition, distribution of small business loans based on business revenue size was also reasonable.

⁵⁷ Poverty and Food Stamp Usage Rates, U.S. Census Bureau, American Community Survey, 5-Year Estimates; available from: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.

⁵⁸ Small Business Credit Survey, Report on Employer Firms 2019, available from: <https://www.fedsmallbusiness.org/medialibrary/fedsmallbusiness/files/2019/sbcs-employer-firms-report.pdf>.

Lending Distribution by Geography

The geographic distribution of small business loans in San Joaquin assessment area is reasonable. The bank effectively penetrated low- and moderate-income geographies as shown in Exhibit 16 below, and its performance is consistent with aggregate lending and business concentration in the assessment area.

EXHIBIT 16 GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
San Joaquin Assessment Area 2018								
Bank Lending	1	6.3	3	18.8	4	25.0	8	50.0
Aggregate Lending	857	6.6	1,916	14.8	4,424	34.1	5,789	44.6
Business Concentration	1,938	8.4	4,386	19.1	7,997	34.8	8,640	37.6

Lending Distribution by Borrower Income and Business Revenue

The distribution of loans to small businesses is reasonable. As shown in Exhibit 17 below, Oak Valley’s overall lending to businesses with gross annual revenues of less than and or equal to \$1.0 million was below that of aggregate lending, however the bank extended over 50 percent of its loans in loan amounts of \$100,000 or less, which was responsive to the need of smaller businesses’ for smaller dollar loans.

EXHIBIT 17 BUSINESS REVENUE DISTRIBUTION OF SMALL BUSINESS LOANS							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2018	16	37.5	92.2	44.7	50.0	12.5	37.5

Community Development Test

Oak Valley’s performance under the community development test is outstanding in the San Joaquin assessment area. The bank’s activities were responsive to community development needs of the assessment area. For instance, community development loans, investments, and services helped to revitalize and stabilize areas facing high unemployment rates and high poverty. The bank invested in a Low Income Housing Tax Credit that helped to support affordable rental housing units, and bank staff provided service hours that were targeted to low- and moderate-income individuals.

Community Development Lending

Oak Valley extended a total of 16 community developments that totaled \$33.1 million within the San Joaquin assessment area. These loans provided financing to small businesses to expand operations and

create and retain jobs, and revitalize and stabilize areas that are economically distressed, and provide lending to organizations that serve low- and moderate-income individuals. Notable community development loans include the following:

- Four loans totaling \$16.1 million provided credit to businesses to purchase equipment and expand operations. Moreover, a majority of these loans were extended to businesses located in low-income census tracts. These census tracts were formerly recognized as enterprise zones and currently identify as high unemployment and high poverty designated geographic area. As such, the financing allowed businesses to create and retain jobs.
- Seven loans totaling \$7.2 million supported economic development. The bank extended SBA 504 loans to finance a purchase and improvement of a warehouse and make tenant improvements. The loan proceeds will help to retain 25 jobs.
- Four loans totaling \$6.1 million extended to organizations that provide affordable child care to low- and moderate-income families. In addition, these organizations serve schools that are located within low-income census tracts where over 58 percent of the population is living below the poverty line and 79.2 percent of the students participate in free and reduced lunch programs.
- A \$3.7 million affordable housing loan that provided below market rental units to low- and moderate-income senior citizens. The non-profit provides affordable housing and assisted living services for over 400 elderly residents.

Community Development Investments

The bank invested a total of \$7.4 million in community development investments, grants, and donations. This total includes \$2.4 million in prior period investments on the bank's books at the end of the review period and \$5.0 million in current period investments of which \$3.2 million remains unfunded. The bank's donations totaled \$26,148. Notable community development investments include the following:

- A current period investment of \$5.0 million in a Low Income Housing Tax Credit with an unfunded commitment of \$3.2 million that helped to support development of 115 affordable rental housing units for low- and moderate-income individuals.
- A prior period municipal bond with a book value of \$1.2 million that provided funding to upgrade and build new schools. More than 50 percent of the students in the school district participate in the free and reduced lunch program.
- The bank donated a total of \$20,728 to organizations that serve low- and moderate-income individuals with basic services such as shelter, and purchase food for the homeless, and free dental care.
- Four donations totaling \$4,860 to organizations that provide subsidize housing for low- and moderate-income families.

Community Development Services

Oak Valley provided a total of 327 community development service hours to organizations that serve low- and moderate-income individuals within the assessment area. Notable services provided include the following:

- Bank personnel provided over 223 community services hours by serving on the board, finance committee, or human resources committee of various local non-profit organizations that provide services to low- and moderate-income individuals.
- An employee provided 82 hours of technical expertise, and services included judging the writing of students for a county wide essay competition. More than 62 percent of the students in this school district participate in the free and reduced lunch program.
- Bank staff provided over eight hours of financial literacy education to 25 low- and moderate-income students. The workshop taught students the basics of banking and budgeting.

Tuolumne, Mono, and Inyo Assessment Area

DESCRIPTION OF OPERATIONS IN TUOLUMNE, MONO, AND INYO

The Tuolumne, Mono, and Inyo assessment area is comprised of Tuolumne, Mono, and Inyo counties in their entireties. This non-metropolitan and rural assessment area is bordered by Calaveras and Alpine counties to the north, the Nevada state line to the east, San Bernardino County to the south, and Tulare, Fresno, Madera, Mariposa, and Stanislaus counties to the west. Mono County is bordered by Tuolumne County to the west and Inyo County to the south. The combined population of the area in 2018 was 86,776 people.⁵⁹

As of June 30, 2018, the assessment area had 13 FDIC-insured commercial institutions operating 24 offices.⁶⁰ Oak Valley operates five branches in the area and held \$255.3 million in deposits, representing 14.30 percent of the deposit market share.⁶¹

Exhibit 18 on the following page, presents key demographic and business information used to help develop a performance context for the assessment area.

⁵⁹ U.S. Census Bureau, QuickFacts, Population Estimates, July 1, 2018; available from: www.census.gov/quickfacts/.

⁶⁰ Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2018; available from: <https://www5.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

⁶¹ Ibid.

EXHIBIT 18 ASSESSMENT AREA DEMOGRAPHICS TUOLUMNE-MONO-INYO ASSESSMENT AREA 2018 FFIEC CENSUS AND 2018 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	4,146	19.1
Moderate-income	2	10.0	1,584	7.3	338	21.3	3,149	14.5
Middle-income	10	50.0	12,418	57.2	1,160	9.3	4,496	20.7
Upper-income	7	35.0	7,722	35.5	314	4.1	9,933	45.7
Unknown-income	1	5.0	0	0.0	0	0.0	0	0.0
Total AA	20	100.0	21,724	100.0	1,812	8.3	21,724	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	4,058	1,377	5.9	33.9	1,869	46.1	812	20.0
Middle-income	28,457	12,873	55.6	45.2	6,456	22.7	9,128	32.1
Upper-income	22,330	8,908	38.5	39.9	3,513	15.7	9,909	44.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	54,845	23,158	100.0	42.2	11,838	21.6	19,849	36.2
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	467	10.7	420	10.6	42	13.3	5	6.9
Middle-income	2,125	48.7	1,916	48.2	159	50.3	50	69.4
Upper-income	1,772	40.6	1,640	41.2	115	36.4	17	23.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	4,364	100.0	3,976	100.0	316	100.0	72	100.0
% of Total Businesses				91.1		7.2		1.6
2018 Median Family Income ⁶²			December 2018 Median Housing Value ⁶³					
Tuolumne County			\$45,058	Tuolumne County			\$258,950	
Mono County			\$45,058	Mono County			N/A ⁶⁴	
Inyo County			\$45,058	Inyo County			N/A ⁶⁵	

⁶² U.S. Department of Housing and Urban Development, Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il17/index/html>.

⁶³ California Association of Realtors, Historical Housing Data, Median Prices of Existing Detached Homes as of December 2018; available from: <https://www.car.org/marketdata/data/housingdata/>.

⁶⁴ Median Home Price for Mono County is not available due to insufficient data.

⁶⁵ Median Home Price for Inyo County is not available due to insufficient data.

2018 HUD Adjusted Median Family Income ⁶⁶		2018 Unemployment Rate ⁶⁷	
Tuolumne County	\$53,100	Tuolumne County	4.6%
Mono County	\$53,100	Mono County	3.8%
Inyo County	\$53,100	Inyo County	3.9%

Economic Conditions

The assessment area is home to the scenic mountains and valleys of the Sierra Nevada. Nearly 80 percent of the land in Tuolumne County is owned by the government including parts of Yosemite National Park and Stanislaus National Forest.⁶⁸ Tourism to these public lands is a cornerstone industry in the area. In addition to the government employment related to the public lands, the Sierra Conservation Center prison was one of the largest employers with over 1,000 employees.⁶⁹ The county also had leisure services, education and healthcare services, and wholesale and retail trade as primary industries.⁷⁰ The county’s economic prosperity was stagnated by a decrease in the population, no net migration, and earnings that were lower than the statewide average.⁷¹

The economy in Mono County was driven by tourism, primarily in the recreation industry.⁷² The leisure and hospitality industry was the county’s largest sector, representing 47 percent of total wage and salary employment.⁷³ The Mammoth Mountain ski resort is the anchor company that attracts year-round visitors.⁷⁴ In 2016, the number of jobs in the county increased by 4.2 percent.⁷⁵ However, the county population decreased due to negative net migration out of the county.⁷⁶

Inyo County is the second largest county in California by land area.⁷⁷ Similar to Tuolumne County, nearly all land, 98 percent, is public land.⁷⁸ The county is rich and diverse in natural features, including Mount Whitney and Death Valley. These attractions accounted for the majority of the tourism industry that

⁶⁶ U.S. Department of Housing and Urban Development, Adjusted Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il17/index/html>.

⁶⁷ Annual Unemployment Rate, U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <http://data.bls.gov/cgi-bin/dsrv?la>.

⁶⁸ California Department of Transportation and The California Economic Forecast, California County-Level Economic Forecast 2017-2050; available from: <https://dot.ca.gov/programs/transportation-planning/economics-data-management/transportation-economics/long-term-socio-economic-forecasts-by-county>.

⁶⁹ Ibid.

⁷⁰ Ibid.

⁷¹ Ibid.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ Ibid.

⁷⁶ Ibid.

⁷⁷ Ibid.

⁷⁸ Ibid.

drove the economy.⁷⁹ Inyo County is also home to the federally managed Alabama Hills, which has been a historically popular location for movie and TV productions.⁸⁰

As depicted in Exhibit 19, loans to small businesses from banks reflected an increase in 2016 prior to decreasing in 2017. Lending to small businesses played a critical role in the economy given that small businesses accounted for 91.1 percent of all businesses in the assessment area, as noted in Exhibit 18.

Exhibit 19
Loans to Small Businesses in Assessment Area⁸¹
2007-2017



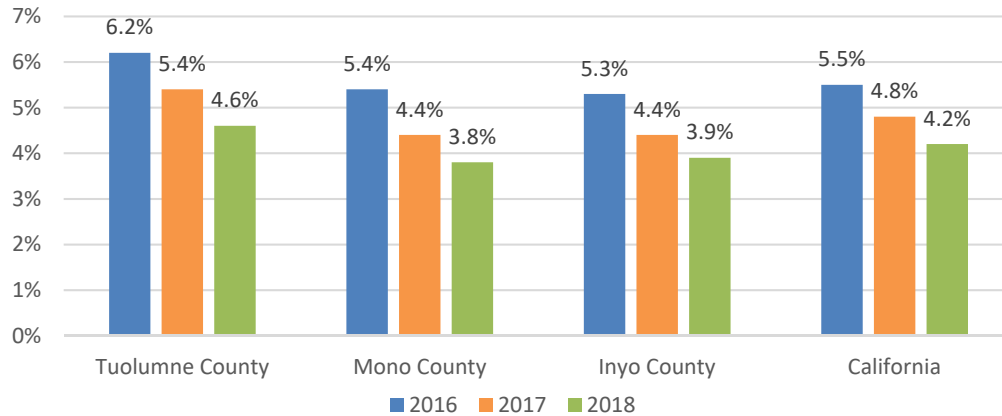
The unemployment rate in the assessment area steadily decreased at a similar rate as the statewide averages, as depicted in Exhibit 20 on the following page. Unemployment rates in Tuolumne County were slightly higher than in Mono and Inyo counties as well as the statewide levels.

⁷⁹ California Department of Transportation and The California Economic Forecast, California County-Level Economic Forecast 2017-2050; available from: <https://dot.ca.gov/programs/transportation-planning/economics-data-management/transportation-economics/long-term-socio-economic-forecasts-by-county>.

⁸⁰ Inyo County Film Commission, The Museum of Western Film History; available from: <https://www.museumofwesternfilmhistory.org/about-the-museum/the-museum-s-history>.

⁸¹ Aggregate CRA Small Business data reports available from: <http://www.ffiec.gov/craadweb/national/asp>.

Exhibit 20
Unemployment Rate⁸²
2016-2018



Each county in the area had unique housing markets. Data for Mono and Inyo counties was not available and is not included in Exhibit 21 on the following page. Median home prices in Tuolumne County had nominal growth in the review period that paralleled the statewide trend. Prices in Tuolumne County were relatively lower than Mono County and other areas in California. However, lower median prices were not a clear indication of more affordable homeownership opportunities. According to the California Association of Realtors' Traditional Housing Affordability Index, 45 percent of families in Tuolumne County could afford to purchase the median priced home in the area.⁸³ Although no median home price data was available for Mono County, affordability in the county remained extremely low with only 10.5 percent of families able to afford the median priced home in the region.⁸⁴ The high number of second-home residences was a factor in the housing market that decreased the supply of housing for permanent residents and increased home prices.⁸⁵ The limited housing supply is particularly strained for the workforce and affordable housing sectors.⁸⁶

⁸² Annual Unemployment Rate, U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <https://data.bls.gov/cgi-bin/dsrv?la>.

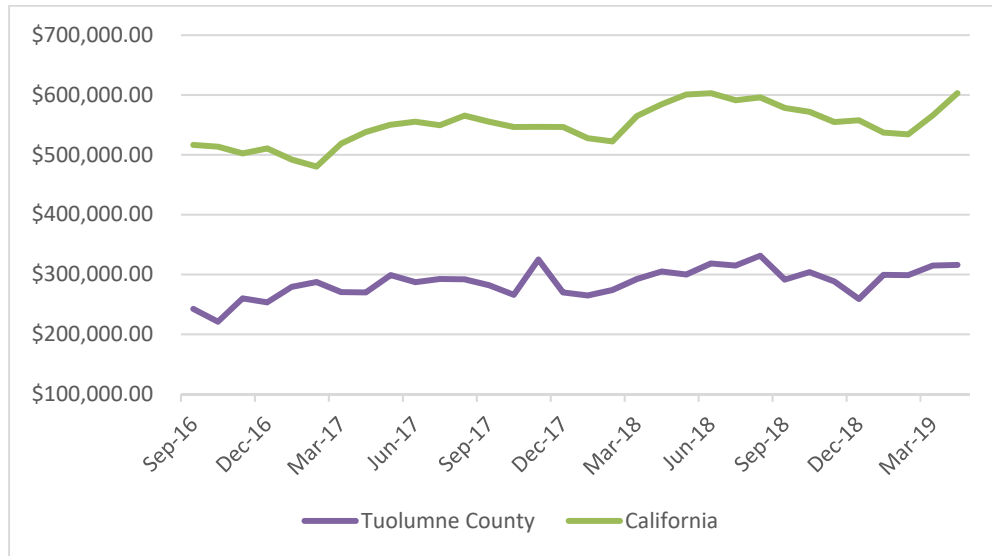
⁸³ California Association of Realtors, Housing Affordability Index-Traditional, 2019 Q1; available from: <https://www.car.org/en/marketdata/data/haitraditional>.

⁸⁴ Ibid.

⁸⁵ Mono County Housing Authority; available from: <https://monocounty.ca.gov/housing-authority>.

⁸⁶ Ibid.

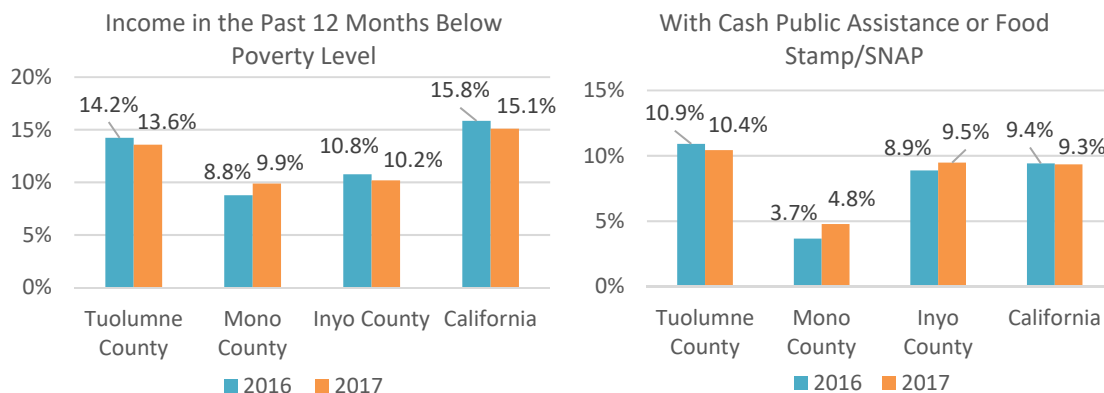
Exhibit 21
Median Home Prices⁸⁷
September 2016 – April 2019



As depicted in Exhibit 22 on the following page, the percentage of people with incomes below the federal poverty level in the area was lower than the statewide average. Tuolumne County had a higher portion of people with incomes below the poverty level than Mono and Inyo counties. During the review period, the rate of people with incomes below the poverty level increased in Mono County, but decreased in the other counties and in California overall. The changes in the rate of people receiving public assistance or food stamp benefits were not consistent in the review period for each county in the assessment area. In Tuolumne County, the rate of people receiving public assistance or food stamp benefits decreased between 2016 and 2017. However, Mono and Inyo counties both experienced an increase in the percentage of people receiving assistance or food stamp benefits.

⁸⁷ California Association of Realtors, Historical Housing Data, Median Prices of Existing Detached Homes; available from: <https://www.car.org/marketdata/data/housingdata/>.

Exhibit 22
Poverty and Food Stamp Usage Rates⁸⁸
2016-2017



Credit and Community Development Needs

Small business lending levels showed nominal improvement but remained below pre-Great Recession levels, as shown previously in Exhibit 19. Similar to the prior discussion on the credit needs of the Stanislaus and San Joaquin assessment areas, the Small Business Credit Survey results indicate that small businesses continued to experience obstacles in obtaining the amount of financing needed and accessing smaller dollar loans.⁸⁹

Discussions with community contacts highlighted credit insecurity in Mono County. One of the biggest impediments for households who are looking to buy a home is a lack of, or poor, credit history. Furthermore, there are limited financial products offered in the area, such as a secured credit card, that offers the opportunity for residents to build or improve their credit. Residents are also limited in access to credit for business opportunities or in times of emergencies such as covering the cost of healthcare services. A recent report by the Federal Reserve Bank of New York found Mono County to be at the most severe level of credit insecurity, as defined as a population that is constrained from obtaining credit at their choice to manage emergencies or invest in opportunities.⁹⁰ Additionally, the report noted that a credit insecure county was in a weaker position than the nation to improve its economic outcome, even amid the economic expansion during the review period.⁹¹ Based on information collected from community contacts and the data discussed, access to credit remains an unmet need in the community.

⁸⁸ Poverty and Food Stamp Usage Rates, U.S. Census Bureau, American Community Survey, 5-Year Estimates; available from: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.

⁸⁹ Small Business Credit Survey, Report on Employer Firms 2019, available from: <https://www.fedsmallbusiness.org/medialibrary/fedsmallbusiness/files/2019/sbcs-employer-firms-report.pdf>.

⁹⁰ Federal Reserve Bank of New York, Unequal Access to Credit: The Hidden Impact of Credit Constraints; available from: <https://www.newyorkfed.org/outreach-and-education/community-development/unequal-access-to-credit-hidden-impact-credit-constraints>.

⁹¹ Ibid.

There has been a general decrease in the number of banks in the area in recent years from mergers as well as a trend in branch closures. This trend has impacted the assessment area, especially for non-English speaking residents who prefer in-person banking and are left without critical financial services. One community contact described the challenge for residents who are enrolled in first-time homebuyer programs that are required to produce months of bank statements for their loan or grant application. The only option for the applicants to visit the closest bank branch to retrieve statements or documentation is to drive to another county. More in-person banking options are needed in the community.

The community's isolation was also problematic for community organizations who noted that they often do not have a banking partner, nor any contacts at any financial institution. Community contacts indicated that there is an opportunity for banks to partner with community development organizations and engage in outreach activities. Specific activities that banks could perform that would be the most impactful in the community include serving on community organization boards of directors or advisory groups, as well as attending more community events such as first-time homebuyer workshops. Engagement in the community would contribute to building a relationship with residents and representatives of community groups.

Overall, there is a need for more investment and engagement from financial institutions to address the gaps in small business lending, the lack of access to credit, and financing needs of community organizations. Some of the most impactful activities banks could participate in to serve the residents most in need in their communities include investments in community organizations, service or advocacy, and more small business lending.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TUOLUMNE, MONO, AND INYO

Lending Test

Oak Valley's performance in the Tuolumne, Mono, and Inyo assessment area is satisfactory. The bank was responsive to the credit needs within the assessment area, there was a reasonable geographic distribution of small business loans, and a reasonable distribution of small business loans among businesses of different revenues.

Lending Distribution by Geography

The geographic distribution of small business loans is reasonable. As shown in Exhibit 23 on the following page, there are no low-income census tracts in this assessment area. There are two moderate-income census tracts, and the bank's lending slightly surpassed the aggregate lending and business concentration in these geographies. Furthermore, two of the bank's branches and approximately nine percent of the bank's loans were extended to businesses located in federally designated underserved, non-metropolitan middle-income geographies. As a result, the bank helped support the credit needs of small businesses in these critically underserved areas.

EXHIBIT 23 GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Tuolumne-Mono-Inyo Assessment Area 2018								
Bank Lending	0	0.0	2	11.1	5	27.8	11	61.1
Aggregate Lending	0	0.0	163	9.0	846	46.5	810	44.5
Business Concentration	0	0.0	467	10.7	2,125	48.7	1,772	40.6

Lending Distribution by Borrower Income and Business Revenue

The distribution of loans to small businesses is reasonable. As shown below in Exhibit 24, Oak Valley’s level of lending reasonably compares to the concentration of small businesses and the aggregate lending levels within the assessment area. Half of the bank’s loans were originated in amounts of \$100,000 or less, which is considered highly responsive in meeting the needs of small businesses which usually need small-dollar loans.

EXHIBIT 24 BUSINESS REVENUE DISTRIBUTION OF SMALL BUSINESS LOANS							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2018	18	44.4	91.1	42.8	50.0	22.2	27.8

Community Development Test

Oak Valley’s performance under the community development test is outstanding. The bank extended community development loans, investments, and services that were responsive to meeting the needs of the community.

Community Development Lending

The bank extended 14 community development loans that totaled \$4.6 million that provided funding to small businesses to create and retain jobs, helped to develop affordable housing for low- and moderate-income families, and organizations that provided services such as job training to individuals with disabilities. Notable community development loans include the following:

- Seven loans totaling \$1.9 million for affordable housing. The non-profit builds affordable homes for low- and moderate-income families and is dedicated to eliminating substandard housing in the community of Tuolumne County. The organization has built 14 homes, providing housing for 17 adults and 20 children. Six additional homes are being constructed.

- A \$1.2 million loan to finance construction of a business. The business is located in a moderate-income census tract and is part of the California New Employment Credit designated area. This loan will create 15 full-time and 25 part-time jobs.
- Three loans totaling \$600,525 to an agency that provides services to adults with development disabilities. The programs include job preparation, job development, and placement services.

Community Development Investments

The bank invested \$1.7 million in a municipal bond that primarily serves low- and moderate-income students. In addition, Oak Valley donated \$49,320 to organizations that build affordable homes for low-income families, provide educational services, and free health care for low- and moderate-income individuals.

Community Development Services

The bank provided a total of 455 community development service hours to organizations involved in providing community services that target low- and moderate-income individuals within the assessment area. Notable services provided include the following:

- Bank personnel provided over 226 hours of financial expertise by serving on the board of organizations that provide affordable housing for low-income families. In addition, bank employees also provided financial literacy to 11 new homeowners.
- Bank employees provided over 106 hours of technical assistance to an organization that provides grants to low-income first-time homebuyers. The funds can be applied to downpayment and closing costs.
- Bank staff provided over 84 hours serving on a committee that oversees the finances including fundraising for an organization that provides home delivered meals to low- and moderate-income seniors.

LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS

For each assessment area where a limited-scope review was performed using the examination procedures.

Oak Valley’s performance in the Sacramento assessment area is below compared to the performance of the Stanislaus, San Joaquin, and Tuolumne, Inyo, and Mono assessment areas. The bank had limited loan and deposit activity in the Sacramento assessment area. In addition, the bank’s Sacramento assessment area received less weight given the length of time Sacramento branch has been open. The performance in this assessment area did not materially impact the bank’s overall rating. Facts and data reviewed, including performance and demographic information, can be found in the tables accompanying this report.

EXHIBIT 25 LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS		
ASSESSMENT AREA	LENDING TEST	COMMUNITY DEVELOPMENT TEST
Sacramento	Below	Below

The bank’s community development performance in the Sacramento assessment area was below the performance of the full scope review of the Stanislaus, San Joaquin, and Tuolumne, Inyo, and Mono assessment areas. During the limited time the bank has been operation in this area, the bank extended four community development loans that revitalized and stabilize areas within low-income census tracts and areas that faced high unemployment and high poverty rates. Community development investments, grants, and donations totaled \$14,570 within this assessment area. Donations targeted organization that provided services such as affordable housing, job training, and education service to entrepreneurs. In addition, bank employees provided 34 hours of financial literacy instruction to 121 elementary students on money management skills, and 65 percent of the students from these schools participate in the free and reduced lunch program.

APPENDIX A

GLOSSARY OF TERMS

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is

further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-scope review: Performance under the lending and community development tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the lending and community development tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

APPENDIX B

LIMITED-SCOPE ASSESSMENT AREA MARKET PROFILE

Sacramento Assessment Area

The Sacramento assessment area consists of Sacramento County in its entirety, which forms the Sacramento-Roseville-Folsom, CA Metropolitan Statistical Area. The assessment area is bordered by Sutter and Placer counties to the north, El Dorado and Amador counties to the east, San Joaquin County to the south, and Solano and Yolo counties to the west. As of 2018, the population of the assessment area was 1.5 million people.¹

As of June 30, 2018, the assessment area had 32 FDIC-insured depository institutions operating 215 offices with total deposits of \$35.1 billion.² The bank opened its sole branch in the assessment area after the most recent deposit market share data was available. Therefore, no data on the bank's deposit market share was available. Deposits were primarily concentrated in three nationwide financial institutions that collectively held 63.2 percent of the market share.³ In 2018, there were 113 small business lenders operating within the assessment area that were subject to the reporting requirements of the CRA. These lenders extended 33,243 small business loans totaling \$981.1 million. Reporting institutions represent only a portion of all institutions competing for small business lending in the assessment area.

The exhibits on the following pages present key demographic and business information used to develop performance context for the Sacramento assessment area, including Exhibit 28 which reflects Oak Valley Community Bank's small business lending activity.

¹ U.S. Census Bureau, QuickFacts, Population Estimates, July 1, 2018; available from <http://www.census.gov/quickfacts/>.

² Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2018; available from: <https://www5.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

³ Ibid.

EXHIBIT 26 ASSESSMENT AREA DEMOGRAPHICS SACRAMENTO ASSESSMENT AREA 2018 FFIEC CENSUS AND 2018 DUN AND BRADSTREET DATA									
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	42	13.2	40,741	11.9	13,946	34.2	91,759	26.7	
Moderate-income	94	29.7	94,782	27.6	17,455	18.4	59,254	17.3	
Middle-income	103	32.5	117,572	34.3	11,747	10.0	63,858	18.6	
Upper-income	77	24.3	89,856	26.2	3,810	4.2	128,338	37.4	
Unknown-income	1	0.3	258	0.1	91	35.3	0	0.0	
Total AA	317	100.0	343,209	100.0	47,049	13.7	343,209	100.0	
Income Categories	Housing Units by Tract	Housing Types by Tract							
		Owner-Occupied			Rental		Vacant		
		#	%	%	#	%	#	%	
Low-income	70,180	20,114	6.9	28.7	43,376	61.8	6,690	9.5	
Moderate-income	159,284	70,538	24.4	44.3	77,347	48.6	11,399	7.2	
Middle-income	193,250	104,165	36.0	53.9	76,753	39.7	12,332	6.4	
Upper-income	135,494	94,601	32.7	69.8	34,102	25.2	6,791	5.0	
Unknown-income	2,063	188	0.1	9.1	1,412	68.4	463	22.4	
Total AA	560,271	289,606	100.0	51.7	232,990	41.6	37,675	6.7	
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size							
		Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%	#	%
Low-income	7,788	11.9	6,846	11.2	872	21.5	70	13.3	
Moderate-income	17,067	26.0	15,814	25.9	1,109	27.4	144	27.4	
Middle-income	20,423	31.2	19,499	32.0	815	20.1	109	20.7	
Upper-income	18,596	28.4	17,468	28.7	1,021	25.2	107	20.3	
Unknown-income	1,651	2.5	1,321	2.2	234	5.8	96	18.3	
Total AA	65,525	100.0	60,948	100.0	4,051	100.0	526	100.0	
% of Total Businesses				93.0		6.2		0.8	
2018 Median Family Income ⁴			\$71,829		December 2018 Median Housing Value ⁵			\$364,500	
2018 HUD Adjusted Median Family Income ⁶			\$80,400		2018 Unemployment Rate ⁷			3.8%	

⁴ U.S. Department of Housing and Urban Development, Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il17/index.html>.

⁵ California Association of Realtors, Historical Housing Data, Median Prices of Existing Detached homes; available from: <https://www.car.org/marketdata/data/housingdata>.

⁶ U.S. Department of Housing and Urban Development, Adjusted Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il17/index.html>.

⁷ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <http://data.bls.gov/cgi-bin/dsrv?la>.

Geographic and Borrower Distribution

EXHIBIT 27 GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Sacramento Assessment Area 2018								
Aggregate Lending	3,824	11.7	8,249	25.2	9,827	30.1	10,775	33.0
Business Concentration	7,788	12.2	17,067	26.7	20,423	32.0	18,596	29.1

EXHIBIT 28 BUSINESS REVENUE DISTRIBUTION OF SMALL BUSINESS LOANS							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2018	0	0.0	93.0	47.1	0.0	0.0	0.0

EXHIBIT 29 GEOGRAPHIC DISTRIBUTION OF HOME PURCHASE LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Sacramento Assessment Area 2016								
Aggregate Lending	1,878	6.9	6,652	24.4	11,470	42.1	7,275	26.7
Owner Occupied Housing	17,400	5.8	72,666	24.0	118,826	39.3	93,537	30.9
Sacramento Assessment Area 2017								
Aggregate Lending	2,850	10.4	7,019	25.7	9,922	36.3	7,513	27.5
Owner Occupied Housing	20,114	6.9	70,538	24.4	104,165	36.0	94,601	32.7
Sacramento Assessment Area 2018								
Aggregate Lending	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Owner Occupied Housing	20,114	6.9	70,538	24.4	104,165	36.0	94,601	32.7

EXHIBIT 30 GEOGRAPHIC DISTRIBUTION OF HOME IMPROVEMENT LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Sacramento Assessment Area 2016								
Aggregate Lending	150	4.7	668	20.8	1,322	41.1	1,078	33.5
Owner Occupied Housing	17,400	5.8	72,666	24.0	118,826	39.3	93,537	30.9
Sacramento Assessment Area 2017								
Aggregate Lending	231	6.8	796	23.3	1,317	38.6	1,072	31.4
Owner Occupied Housing	20,114	6.9	70,538	24.4	104,165	36.0	94,601	32.7
Sacramento Assessment Area 2018								
Aggregate Lending	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Owner Occupied Housing	20,114	6.9	70,538	24.4	104,165	36.0	94,601	32.7

EXHIBIT 31 GEOGRAPHIC DISTRIBUTION OF HOME REFINANCE LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Sacramento Assessment Area 2016								
Bank Lending	0	0.0	1	100.0	0	0.0	0	0.0
Aggregate Lending	1,605	4.2	6,960	18.2	15,850	41.5	13,804	36.1
Owner Occupied Housing	17,400	5.8	72,666	24.0	118,826	39.3	93,537	30.9
Sacramento Assessment Area 2017								
Aggregate Lending	1,590	6.4	5,950	24.0	9,626	38.8	7,647	30.8
Owner Occupied Housing	20,114	6.9	70,538	24.4	104,165	36.0	94,601	32.7
Sacramento Assessment Area 2018								
Aggregate Lending	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Owner Occupied Housing	20,114	6.9	70,538	24.4	104,165	36.0	94,601	32.7

EXHIBIT 32 GEOGRAPHIC DISTRIBUTION OF MULTIFAMILY LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Sacramento Assessment Area 2016								
Aggregate Lending	36	14.6	123	49.8	64	25.9	24	9.7
Owner Occupied Housing	17,400	5.8	72,666	24.0	118,826	39.3	93,537	30.9
Sacramento Assessment Area 2017								
Aggregate Lending	65	29.0	72	32.1	64	28.6	23	10.3
Owner Occupied Housing	20,114	6.9	70,538	24.4	104,165	36.0	94,601	32.7
Sacramento Assessment Area 2018								
Bank Lending	0	0.0	0	0.0	0	0.0	1	100.0
Aggregate Lending	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Owner Occupied Housing	20,114	6.9	70,538	24.4	104,165	36.0	94,601	32.7

EXHIBIT 33 BORROWER DISTRIBUTION OF HOME PURCHASE LOANS								
Borrower Income	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Sacramento Assessment Area 2016								
Aggregate Lending	713	3.1	4,326	18.5	6,819	29.2	11,471	49.2
Families	83,888	25.2	59,504	17.9	67,823	20.4	121,804	36.6
Sacramento Assessment Area 2017								
Aggregate Lending	713	3.0	4,688	19.8	6,947	29.3	11,328	47.8
Families	91,759	26.7	59,254	17.3	63,858	18.6	128,338	37.4
Sacramento Assessment Area 2018								
Aggregate Lending	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Families	91,759	26.7	59,254	17.3	63,858	18.6	128,338	37.4

EXHIBIT 34								
BORROWER DISTRIBUTION OF HOME IMPROVEMENT LOANS								
Borrower Income	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Sacramento Assessment Area 2016								
Aggregate Lending	112	3.6	524	16.9	854	27.6	1,609	51.9
Families	83,888	25.2	59,504	17.9	67,823	20.4	121,804	36.6
Sacramento Assessment Area 2017								
Aggregate Lending	214	6.5	607	18.4	923	28.0	1,554	47.1
Families	91,759	26.7	59,254	17.3	63,858	18.6	128,338	37.4
Sacramento Assessment Area 2018								
Aggregate Lending	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Families	91,759	26.7	59,254	17.3	63,858	18.6	128,338	37.4

EXHIBIT 35								
BORROWER DISTRIBUTION OF HOME REFINANCE LOANS								
Borrower Income	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Sacramento Assessment Area 2016								
Aggregate Lending	1,304	4.3	4,525	14.9	7,728	25.5	16,798	55.3
Families	83,888	25.2	59,504	17.9	67,823	20.4	121,804	36.6
Sacramento Assessment Area 2017								
Aggregate Lending	1,340	6.3	4,286	20.2	5,840	27.5	9,770	46.0
Families	91,759	26.7	59,254	17.3	63,858	18.6	128,338	37.4
Sacramento Assessment Area 2018								
Aggregate Lending	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Families	91,759	26.7	59,254	17.3	63,858	18.6	128,338	37.4