

PUBLIC DISCLOSURE

December 1, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Farmers & Merchants Bank of Central California
Certificate Number: 1331

121 West Pine Street
Lodi, California 95240

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
San Francisco Regional Office

25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105

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 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.

TABLE OF CONTENTS

INSTITUTION RATING	1
DESCRIPTION OF INSTITUTION.....	2
DESCRIPTION OF ASSESSMENT AREAS.....	3
SCOPE OF EVALUATION.....	4
CONCLUSIONS ON PERFORMANCE CRITERIA	6
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	14
CENTRAL VALLEY ASSESSMENT AREA – Full-Scope Review.....	14
DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE CENTRAL VALLEY ASSESSMENT AREA.....	15
CONCLUSIONS ON PERFORMANCE CRITERIA IN ASSESSMENT AREA	18
SACRAMENTO ASSESSMENT AREAS – Limited-Scope Review.....	30
APPENDICES.....	33
LARGE BANK PERFORMANCE CRITERIA	33
SCOPE OF EVALUATION	35
DESCRIPTION OF LIMITED-SCOPEASSESSMENT AREA.....	36
GLOSSARY.....	41

INSTITUTION RATING

INSTITUTION’S COMMUNITY REINVESTMENT ACT (CRA) RATING: This institution is rated **Outstanding**.

An institution in this group has an outstanding record of helping to meet the credit needs of its assessment area (AA), including low- and moderate-income (LMI) neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory	-	-	-
Low Satisfactory	-	-	-
Needs to Improve	-	-	-
Substantial Noncompliance	-	-	-
<i>* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.</i>			

The Lending Test is rated Outstanding.

- Lending levels reflect excellent responsiveness to AA credit needs.
- A substantial majority of loans are made in the institution’s AAs.
- The geographic distribution of loans reflects adequate penetration throughout the AAs.
- The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among businesses and farms of different sizes and retail customers of different income levels.
- The institution exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its AAs, low-income individuals, and very small businesses, consistent with safe and sound banking practices.
- The institution uses innovative and/or flexible lending practices in order to serve AA credit needs.
- The institution is a leader in making community development (CD) loans.

The Investment Test is rated Outstanding.

- The institution has an excellent level of qualified CD investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors.
- The institution exhibits excellent responsiveness to credit and CD needs.
- The institution makes significant use of innovative and/or complex investments to support CD initiatives.

The Service Test is rated Outstanding.

- Delivery systems are reasonably accessible to essentially all portions of the institution's AAs.
- To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals.
- Services, including business hours, do not vary in a way that inconveniences certain portions of the AAs, particularly LMI and/or individuals.
- The institution is a leader in providing CD services.

DESCRIPTION OF INSTITUTION

Farmers & Merchants Bank of Central California (F&MB) is a state-chartered community bank headquartered in Lodi, California. The bank is wholly-owned by Farmers & Merchants Bancorp, a one-bank holding company that is also headquartered in Lodi. F&MB does not have any lending-related affiliates or subsidiaries; therefore, all activity included in this evaluation was provided directly by the institution. F&MB received an overall CRA Rating of Outstanding at the prior FDIC performance evaluation, dated August 15, 2022, using Interagency Large Institution Examination Procedures. The bank has not engaged in any merger or acquisition activity since the prior evaluation.

F&MB is a full-service, traditional retail bank that operates 30 branches throughout California's Central Valley and East Bay. Over the evaluation period, the bank opened one branch and did not close any branches. Refer to the bank wide Service Test narrative for additional information.

Historically, the institution is primarily a commercial lender, and offers a range of commercial, agricultural, residential, and consumer loan products. Deposit products include personal and business checking, savings, individual retirement, and money market accounts, as well as certificates of deposit. According to the Consolidated Reports of Condition and Income (Call Report) dated September 30, 2025, F&MB reported \$5.6 billion in total assets, including \$3.6 billion in loans and leases and \$1.6 billion in securities. The bank also reported \$4.9 billion in total deposits. This represents a 5.7 percent increase in total assets, an 11.0 percent increase in total loans and leases, a 46.7 percent increase in total securities, and a 2.8 percent increase in total deposits since the prior evaluation.

As shown in the following table, commercial loans, including commercial real estate and commercial and industrial loans are composed of the largest portion of the bank's outstanding loan

portfolio at 49.2 percent. Followed by agricultural loans, including loans secured by farmland and agricultural production loans, represent 26.7 percent of the loan portfolio. Residential real estate loans, including loans secured by 1-4 family and multifamily residential properties, and consumer loans represent 15.0 and 0.1 percent of the total loan portfolio, respectively.

Loan Portfolio Distribution as of 9/30/2025		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	170,681	4.7
Secured by Farmland	706,909	19.6
Secured by 1-4 Family Residential Properties	427,622	11.9
Secured by Multifamily (5 or more) Residential Properties	111,374	3.1
Secured by Commercial Real Estate	1,286,804	35.7
Total Real Estate Loans	2,703,390	74.9
Commercial and Industrial Loans	487,015	13.5
Agricultural Production and Other Loans to Farmers	256,694	7.1
Consumer Loans	4,068	0.1
Obligations of State and Political Subdivisions in the U.S.	453	0.0
Other Loans	5,208	0.1
Lease Financing Receivable (net of unearned income)	165,754	4.6
Less: Unearned Income	(14,236)	0.4
Total Loans	3,608,346	100.0
<i>Source: Call Report</i>		

Examiners did not identify any financial, legal, or other impediments that affected the institution’s ability to meet AA credit and CD needs over the evaluation period.

DESCRIPTION OF AAs

F&MB delineated two AAs within the Central Valley. The AAs are comprised of the following counties: San Joaquin, Stanislaus, Merced, Alameda, Contra Costa, and Napa, as well as the two Census Tracts (CTs) in Solano County that constitute the City of Rio Vista. The counties in the Central Valley AA are all part of Metropolitan Statistical Areas (MSA) or Metropolitan Divisions (MD) that represent part of the San Jose-San Francisco-Oakland Combined Statistical Area #488. The Sacramento AA is made up of Sacramento County. The bank’s AA delineation has not changed since the prior evaluation.

Description of AAs			
AA	MSA or MD	Counties in AA	# of CTs
Central Valley	Merced MSA #32900	Merced	63
	Modesto MSA #33700	Stanislaus	112
	Napa MSA #34900	Napa	40
	Oakland-Fremont-Berkeley MD #36084	Alameda, Contra Costa	621
	Stockton-Lodi MSA #44700	San Joaquin	174
	Vallejo MSA #46700	Solano (Partial)	2
Sacramento	Sacramento-Roseville-Folsom MSA #40900	Sacramento	363

Source: Bank Data

The AAs complied with the technical requirements of the CRA regulation by containing whole geographies, did not arbitrarily excluding any LMI areas, and did not extend beyond a MSA boundary. Refer to the individual AA sections for details regarding demographic and economic information.

SCOPE OF EVALUATION

General Information

Examiners used the Interagency Large Institution Examination Procedures to evaluate F&MB's CRA performance. This evaluation covers the period from the prior evaluation dated August 15, 2022, to the current evaluation dated December 1, 2025. Based on the distribution of branches, deposits, and reported loans, F&MB's performance in the Central Valley AA was evaluated using full-scope procedures and contributed the greatest weight to overall conclusions. Since examiners at the prior examination conduct a full-scope review of the Sacramento AA, examiners used limited-scope procedures to evaluate the performance for this examination.

AA Breakdown of Loans, Deposits, and Branches						
AA	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Central Valley	511,390	89.8	4,052,383	85.1	24	80.0
Sacramento	58,252	10.2	712,316	14.9	6	20.0
Total	569,642	100.0	4,764,699	100.0	30	100.0

Source: 2022-2024 Reported HMDA & CRA Data; FDIC Summary of Deposits (6/30/2025); Bank Data

Activities Reviewed

Considering F&MB's business strategy, loan portfolio composition, and lending activity since the prior evaluation, examiners determined that the bank's primary product lines are small business, small farm, and home mortgage loans. The bank did not request inclusion of consumer loans for

review and not considered a major product. Therefore, consumer loans are excluded from this analysis.

For the Lending Test, examiners evaluated the universe of small business, small farm, and home mortgage loans originated from January 1, 2022 to December 31, 2024, as reported in the CRA Loan Register and the Home Mortgage Disclosure (HMDA) Loan Application Register as detailed in the table below. Based on loan volume by product, the bank’s small business lending contributed the greatest weight in determining performance conclusions, followed by small farm lending, then home mortgage lending. F&MB’s performance was generally consistent over the evaluation period. Examiners review noted that the bank’s lending performance was relatively similar between 2022 and 2023; however, it noted variance in the 2024 performance. Therefore, examiners decided to present the 2023 and 2024 data for the lending activity, geographic distribution, and borrower profile section of the Lending Test. The two-year data is representative of the bank’s performance for the review period. AA Concentration criterion presents all three years of data.

Loan Products Reviewed						
AA	Universe		Reviewed		Presented	
	#	\$(000s)	#	\$(000s)	#	\$(000s)
Small Business	1,069	404,960	1,069	404,960	543	194,924
Small Farm	795	88,236	795	88,236	479	48,291
Home Mortgage	530	261,270	530	261,270	291	71,715
<i>Source: 2022-2024 Reported CRA & HMDA Data</i>						

Examiners compared F&MB’s lending performance to the aggregate performance of other CRA and HMDA reporting lenders operating within each AA, as well as applicable demographic data. Demographic comparisons for the bank’s small business and small farm lending are based on annual D&B survey data, and demographic comparisons for home mortgage lending performance are based on 2020 Census data. Greater consideration is given to comparison of lending performance to aggregate data than demographic data, as aggregate data is a better indicator of actual credit demand each year. Additionally, while examiners analyzed lending by number and dollar amount of loans, greater emphasis is placed on lending by number, which is a better representation of the number of businesses, farms, and individuals served.

The evaluation of CD loans, investments, donations, and service hours includes all qualified activities provided from the previous evaluation, dated August 15, 2022, through December 1, 2025. Examiners evaluated F&MB’s CD activities quantitatively based on the institution’s financial capacity, as well as qualitatively based on the impact of those activities on the bank’s AAs.

The Investment Test includes new qualified investments and prior period investments with outstanding balances as of this evaluation date. The Service Test includes an analysis of delivery systems for providing retail banking services, including full-service branches, ATMs, and alternative banking service delivery systems available over the evaluation period; the impact of branch openings and closings since the prior evaluation; retail banking services targeted to LMI

individuals; and services targeted to AA needs. Refer to the appendices for a description of all criteria under the Lending, Investment, and Service Tests.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

F&MB's Lending Test performance is rated Outstanding. This conclusion is consistent with the bank's performance in the Central Valley AA, while performance in the Sacramento AA was below the overall performance conclusion.

Lending Activity

F&MB's lending levels reflect excellent responsiveness to AA credit needs. Lending trends for the products reviewed were consistent across the AAs. Home mortgage lending decreased annually from 2022 through 2024, and the total number of home mortgage loans originated over the evaluation period was significantly lower than the prior evaluation due to changes in the interest rate environment. Interest rates were near zero during the prior review period, and the Federal Reserve started raising interest rates in March 2022.

Annual small business and small farm lending volumes were generally consistent over the review period; however, the total number of small business and small farm loans originated decreased from the prior evaluation. Total small business lending decreased significantly while small farm lending decreased slightly, in part because of high interest rate environment during the review period, but primarily due to the discontinuation of the Small Business Administration's (SBA) Paycheck Protection Program (PPP), which was only offered in 2020 and 2021; refer to the Innovative or Flexible Lending Practices section for additional information. Despite a rising interest rate environment, the lending performance between 2022 and 2023 remained relatively stable. Nevertheless, the institution continued to maintain an excellent level of small business lending year-over-year. Refer to each AA for details on lending volumes and a market share analysis for the products reviewed.

AA Concentration

A substantial majority of loans are made in the institution's AAs. As shown in the following table, F&MB made a very high percentage of small business, small farm, and home mortgage loans within its AAs by number over the review period.

Lending Inside and Outside of the AA										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000s)	%	\$(000s)	%	
Small Business										
2022	388	88.2	52	11.8	440	143,228	84.6	25,974	15.4	169,202
2023	268	84.8	48	15.2	316	99,309	83.0	20,391	17.0	119,700
2024	275	87.9	38	12.1	313	95,615	82.4	20,443	17.6	116,058
Subtotal	931	87.1	138	12.9	1,069	338,152	83.5	66,808	16.5	404,960
Small Farm										
2022	279	94.3	17	5.7	296	35,479	95.7	1,584	4.3	37,063
2023	221	95.7	10	4.3	231	24,555	93.5	1,707	6.5	26,262
2024	258	96.3	10	3.7	268	23,736	95.3	1,175	4.7	24,911
Subtotal	758	95.3	37	4.7	795	83,770	94.9	4,466	5.1	88,236
Home Mortgage										
2022	197	92.5	16	7.5	213	76,005	47.2	85,190	52.8	161,195
2023	168	91.3	16	8.7	184	41,120	66.1	21,120	33.9	62,240
2024	123	92.5	10	7.5	133	30,595	80.9	7,240	19.1	37,835
Subtotal	488	92.1	42	7.9	530	147,720	56.5	113,550	43.5	261,270
Total	2,177	90.9	247	9.1	2,394	569,642	75.5	184,824	24.5	754,466
<i>Source: 2022-2024 Reported HMDA & CRA Data; Due to rounding, totals may not equal 100.0%.</i>										

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the AAs. F&MB's performance was consistent with this conclusion in both AAs.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among businesses and farms of different sizes and retail customers of different income levels. F&MB's performance was consistent with this conclusion in both AAs.

Innovative or Flexible Lending Practices

The institution uses innovative and/or flexible lending practices in order to serve AA credit needs. As shown in the following table, F&MB participated in 681 innovative or flexible loans totaling \$258.7 million over the evaluation period. This performance reflects a significant decrease from the prior evaluation, where the bank provided 3,056 innovative or flexible loans totaling \$598.4 million; however, the decline is due to the bank's significant participation in the SBA PPP at the prior evaluation, where F&MB received credit for 2,678 SBA PPP loans totaling \$496 million. F&MB's volume of innovative or flexible lending practices as compared to that of similarly-situated institutions support good performance.

Innovative or Flexible Lending Programs										
Type of Program	2022		2023		2024		2025		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Farm Service Agency Youth Loans	34	67	146	208	179	280	131	224	490	779
Commercial Leases	20	37,345	50	70,700	45	76,007	30	40,021	145	224,073
California Capital Loan Guarantees	4	1,692	14	6,025	8	10,943	8	8,750	34	27,410
SBA 504	1	480	1	1,760	2	1,990	1	1,520	5	5,750
Mortgage Debt Restructure Program	1	99	2	201	1	100	1	100	5	500
Habitat for Humanity of Stanislaus County	1	120	1	95	-	-	-	-	2	215
Totals	61	39,803	214	78,989	235	89,320	171	50,615	681	258,727
<i>Source: Bank Data</i>										

Innovative and/or flexible lending programs are offered bank wide; therefore, this Lending Test component is not discussed at the AA level. The following are notable examples of innovative or flexible lending practices employed during the review period:

- **Farm Service Agency Youth Loans** – Through the United States Department of Agriculture’s Farm Service Agency, the bank makes small operating loans to eligible youths ages 10 to 20 participating in 4-H clubs, the Future Farmers of America, and similar agricultural-affiliated groups. Loan terms are flexible, underwriting is streamlined, and the program provides young men and women the opportunity to establish a credit history and gain practical experience in agriculture-related skills.
- **Commercial Leases** – The bank supports businesses by offering flexible open- and closed-end leases of personal property equipment for commercial use through its leasing division, F&M Capital. Lease products include capital, finance, first amendment, tax, solar, sale and lease back, terminal rental adjustment clause, and lease lines of credit.
- **California Capital Loan Guarantees** – Offered through the California Capital Financial Development Corporation, this loan program increases economic opportunities for underserved entrepreneurs by helping to secure financing for small businesses that face challenges accessing traditional financing.

CD Loans

F&MB is a leader in making CD loans, considering the institution’s size, financial capacity, and available lending opportunities in the AAs. This conclusion is consistent with the bank’s performance in the Central Valley AA, while performance in the Sacramento AA is below the overall conclusion.

The institution made 151 qualified CD loans totaling \$389.2 million over the evaluation period: 18 loans totaling \$92.3 million in 2022, 40 loans totaling \$81.0 million in 2023, 47 loans totaling \$131.5 million in 2024, and 46 loans totaling \$84.4 million in year-to-date (YTD) 2025. This level of activity represents 7.2 percent of average total assets and 10.9 percent of average total loans. At the prior evaluation, the bank provided 293 CD loans totaling \$412.3 million, which represented 9.2 percent of average total assets and 13.8 percent of average total loans. While the bank’s CD lending metrics have declined, the prior evaluation’s CD loans included 119 qualified SBA PPP loans totaling \$81.7 million. The bank’s performance as compared to similarly-situated institutions supports excellent performance.

CD Lending by AA										
AA	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Central Valley	16	22,816	41	75,800	31	57,360	17	76,777	105	232,753
Sacramento	1	20,000	3	1,030	4	2,608	17	55,218	25	78,856
Statewide Activities	3	10,125	-	-	9	27,649	9	39,822	21	77,596
Total	20	52,941	44	76,830	44	87,617	43	171,817	151	389,205

Source: Bank Data

As shown in the table above, the bank originated 21 CD loans totaling \$77.6 million that benefited both AAs and/or the broader statewide area. Notable examples of these statewide activities include:

- In 2022, the bank supported economic development by originating a \$10.7 million loan that supported the creation and retention of jobs in LMI areas and/or for LMI individuals.
- In 2023, F&MB refinanced a \$9.3 million loan for a retail shopping center in a moderate-income census tract, helping to revitalize and stabilize the area by attracting new and retaining existing businesses.
- The bank provided a \$3.4 million loan to construct 8-units multifamily residential property targeted to LMI individuals.

INVESTMENT TEST

F&MB’s Investment Test performance is rated Outstanding. The institution’s performance in the Central Valley AA is consistent with the overall performance conclusion, while performance in the Sacramento AA is below the overall conclusion.

Investment and Grant Activity

F&MB has an excellent level of qualified CD investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors. All new and prior period investments, grants, and donations, totaled approximately \$111.4 million. The new qualified investments totaled \$10.2 million in 2022, \$10.1 million in 2023, \$18.1 million in 2024, and \$19.7

million in YTD 2025. F&MB also has a total of \$51.5 million in outstanding prior period investments. This volume of activity represents an increase in number and dollar volume from the prior evaluation, where the bank received credit for 126 new and prior period investments totaling \$98.3 million and 790 donations and grants totaling \$1.2 million. The following table details qualified investments and grants by AA and CD purpose.

Qualified Investments by AA										
AA	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Central Valley	89	75,823	7	1,732	2	2,235	-	-	98	79,790
Sacramento	19	18,743	2	1,988	-	-	-	-	21	20,731
Statewide Activities	55	4,727	-	-	4	4,413	-	-	59	9,140
Subtotal	163	99,293	9	3,720	6	6,648	-	-	178	109,661
Qualified Grants & Donations	25	52	1,003	1,330	75	143	61	176	1,164	1,701
Total	188	99,345	1,012	5,050	81	6,791	61	176	1,342	111,362

Source: Bank Data

The total qualified investments and grants represent 2.1 percent of average total assets and 9.9 percent of average total securities since the prior evaluation. While the qualified investment and donation totals increased by number and dollar volumes in the current review period, the other performance metrics decreased slightly from the prior evaluation, where qualified investments represented 2.2 percent of average total assets and 12.7 percent of average total securities. While these ratios decreased slightly, the decrease by percentage of average total securities is partially due to F&MB's consistent upward trend in total securities throughout the current review period, which experienced a 21.4 percent spike in the most recent quarter of 2025. While two similarly-situated institutions have similar performance in terms of average total asset and average total securities ratios, F&MB compares favorably to all identified similarly-situated institutions by dollar volume of qualified investment activity in the current review period, exemplifying the bank's status as a leader in its AAs.

F&MB purchased Low Income Housing Tax Credits (LIHTCs), equity investments in small business investment companies and CDFIs, bonds for non-profit and government services, and mortgage-backed securities (MBS) consisting of mortgages to LMI borrowers. While MBSs are routinely provided by other institutions, the other investment vehicles utilized by F&MB are not. The overwhelming majority of the new investments as well as the overall volume of qualified investment activity benefited affordable housing initiatives, which was identified as a primary CD need in the AAs. By dollar volume, a majority of the bank's new investment activity occurred in the Central Valley AA, which is consistent with the bank's branching distribution. The institution has a significant level of qualified investment activity in the Sacramento AA.

The following are notable examples of F&MB's statewide CD investment efforts over the evaluation period:

- In 2024, the bank invested \$2.5 million in a SBIC Program benefiting small businesses throughout the State of California. Such programs, established by the SBA, support economic development by facilitating small business access to private equity and venture capital.
- In 2024, F&MB invested \$3.0 million to support the long-term affordability of multifamily rental housing serving LMI households. The funds will be used to protect affordable housing that are at risk of market-rate conversion by providing long-term equity capital to mission-driven developers and nonprofits to purchase limited partner interest in affordable housing properties in both AAs.
- In 2025, the bank invested approximately \$743,000 in a fund to support economic development nationwide. The fund's primary goal is to promote permanent job creation, retention and improvement in LMI areas or for LMI persons who are employed by small businesses by creating greater financial liquidity and a lower cost of capital within the SBA loan secondary market.

Responsiveness to Credit and CD Needs

The institution exhibits excellent responsiveness to credit and CD needs. The overwhelming majority of F&MB's new investment activity benefited affordable housing initiatives, which was identified as a primary credit and CD need in the AA. A reasonable volume of investments and grant activities supported economic development and community services, which were also identified as essential CD needs. Refer to the full-scope AA narrative for details.

CD Initiatives

The institution makes significant use of innovative and/or complex investments to support CD initiatives. Furthermore, F&MB retained a variety of impactful investments to support CD initiatives in the bank's AAs. The bank made 106 qualified investments totaling \$68.3 million featuring innovativeness and/or complexity and that are not routinely provided by other institutions serving the AAs. This volume comprises approximately 62.3 percent of the overall qualified investment portfolio, which is significant. The following are descriptions of notable innovative or complex investment vehicles that F&MB used, benefiting both AAs and/or the broader statewide area during the review period.

- **LIHTCs** – LIHTCs provide tax incentives to encourage individual and corporate investors to invest in the development, acquisition, and rehabilitation of affordable rental housing. To qualify for the credit, a project must meet strict requirements to qualify as a low-income project. During the evaluation period, F&MB participated in 12 new LIHTC projects totaling \$27.5 million, benefiting both AAs. The bank also continued to hold 14 prior period LIHTC investments benefiting both AAs totaling approximately \$16.1 million. Affordable housing is an identified critical CD need throughout the bank's AAs and LIHTCs are considered both highly qualitative and very responsive to this need.

- **California Community Reinvestment Corporation (CCRC)** – CCRC is a multi-family affordable housing lender. CCRC’s lending products provide term financing for multifamily rental housing throughout the state through a taxable mortgage pool and by committing to purchase tax-exempt bonds. The investments are responsive and qualitative in that CCRC’s mission is focused on the state’s low-income populations. During the evaluation period, F&MB participated in 44 new CCRC projects totaling approximately \$1.4 million. F&MB also continued to hold 17 prior period CCRC investments totaling approximately \$500,000. The majority of these CCRC investments benefit the broader statewide area which includes the bank’s AAs; however, 7 of the 61 directly benefit the Central Valley AA.
- **Equity Fund** – Equity funds are different and innovative investments typically in the form of a grant or below-market financing to offer community benefits by providing strengthened capital structures. Investments like this are beneficial to targeted communities by providing favorable cost of capital and a more responsive financing product. These benefits result in increased lending and investing in typically economically disadvantaged communities. F&MB invested \$3.0 million in an equity fund that will be used to address affordable housing throughout the State of California.

SERVICE TEST

F&MB’s Service Test performance is rated Outstanding. The bank’s performance in each AA is consistent with the overall conclusion.

Accessibility of Delivery Systems

F&MB’s delivery systems are reasonably accessible to essentially all portions of the AAs. The institution operates 30 full-service branches with 44 ATMs across its AAs. The institution’s branch and ATM distribution vary somewhat in each AA; refer to each for specific details, including the extent that these delivery systems benefit LMI individuals and geographies. Alternative systems for delivering retail banking services include online, mobile, and telephone banking. These alternative delivery systems are equally accessible across each AA and generally improve the accessibility of retail banking services, particularly to LMI geographies and individuals where access to a full-service branch location is not readily available. The following table details the bank’s branch and ATM structure by census tract income level.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	122	8.9	522,792	8.4	-	-	-	-
Moderate	344	25.0	1,521,215	24.6	8	26.7	9	20.5
Middle	501	36.4	2,282,645	36.8	12	40.0	20	45.5
Upper	386	28.1	1,815,004	29.3	9	30.0	14	31.8
NA	22	1.6	53,975	0.9	1	3.3	1	2.2
Total	1,375	100.0	6,195,631	100.0	30	100.0	44	100.0

Source: 2020 Census Data; Bank Data

Changes in Branch Locations

To the extent changes have been made, the institution’s record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. During the evaluation period, the institution opened one full-service branch with an ATM in an upper-income tract in the Central Valley AA. This did not significantly impact the accessibility of delivery systems in LMI geographies and/or to LMI individuals in this AA. No branches were closed since the prior evaluation.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and/or individuals. F&MB’s branches have standard operating hours from 9:00 a.m. to 5:00 p.m. Monday through Thursday. The institution provides extended hours until 6:00 p.m. on Fridays and Saturday hours at 17 locations. Product offerings and services are generally consistent among the branch locations. Of the 30 full-service branches, 26 have dedicated mortgage lenders and 15 have dedicated commercial lenders. Refer to each individual AA analysis for details.

F&MB also offers certain products that may be advantageous to LMI individuals. These products are available throughout the institution’s AAs and include the following:

- **Worry Free Checking** – This product has no monthly service charges, a minimum opening deposit of \$50, and unlimited check writing. There are no minimum balance requirements and no point-of-sale fees. As with the bank’s other deposit products, online, mobile banking, and bill pay services are available at no cost.
- **Teen Checking** – This product is offered to individuals under the age of 18. It features a low minimum opening deposit of \$25 and no monthly service charge. In addition to the bank’s standard online banking services, the account offers financial education resources.

- **Junior Savers** – This product is available to individuals under the age of 18 and offers a low minimum opening deposit of \$10. It is designed to encourage the development of young depositors’ saving habits and has no monthly maintenance charge regardless of balance.
- **Interest on Lawyers Trust Accounts (IOLTA)** – These accounts allow attorneys licensed by the California State Bar Association to deposit clients’ funds in IOLTAs. Interest earned on these accounts is sent to the California State Bar Association to fund legal services for LMI individuals. F&MB currently has 74 IOLTAs.

CD Services

F&MB is a leader in providing CD services. Bank officers and employees provided 1,994 service hours in 2022; 4,088 service hours in 2023; 4,596 service hours in 2024; and 1,892 service hours in YTD 2025. The current level of service hours equates to 32.9 hours per full-time employee. Qualified service hours increased from the 11,316 hours provided by F&MB employees at the previous evaluation, which equated to 31 hours per full-time employee. F&MB’s level of service hours is above those provided by similarly-situated institutions. The following table shows most service hours consisting of community service activities targeted to LMI individuals and families, demonstrating responsiveness to an identified CD need in the AAs. Refer to the full-scope analysis for the Central Valley AA for further details.

CD Services by AAs					
AA	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Central Valley	1,056	9,551	342	263	11,212
Sacramento	123	744	424	68	1,359
Total	1,179	10,295	766	331	12,571
<i>Source: Bank Data</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

F&MB’s compliance with laws relating to discrimination and other illegal practices was reviewed, including the Fair Housing Act and Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

CENTRAL VALLEY AA – Full-Scope Review

The Central Valley AA is composed of the following contiguous areas: San Joaquin, Stanislaus, Merced, Alameda, Contra Costa, and Napa Counties, as well as the two census tracts in Solano County that constitute the City of Rio Vista. The AA is located in California’s Central Valley, east of the Bay Area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CENTRAL VALLEY AA

F&MB operates 24 branches in the Central Valley AA: 10 in San Joaquin County, 6 in Stanislaus County, 2 in Merced County, 1 in Alameda County, 3 in Contra Costa County, 1 in Napa County, and 1 in the portion of Solano County included in the bank's AA.

Economic and Demographic Data

Based on the 2020 Census, the AA includes 1,012 census tracts: 81 low-, 236 moderate-, 378 middle-, and 299 upper-income, as well as 18 census tracts without income designations. Deposit market share, aggregate lending, and unemployment data are not available by census tract; therefore, this information is presented at the county level. The following table details select demographic information for the AA.

Demographic Information of the AA - Central Valley AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	1,012	8.0	23.3	37.4	29.6	1.8
Population by Geography	4,610,576	7.6	22.9	37.4	31.1	0.9
Housing Units by Geography	1,595,614	7.2	22.6	38.1	31.3	0.8
Owner-Occupied Units by Geography	887,271	3.6	17.7	38.6	39.8	0.3
Occupied Rental Units by Geography	624,794	12.0	29.4	37.3	19.9	1.5
Vacant Units by Geography	83,549	9.8	23.5	39.2	26.0	1.5
Businesses by Geography	402,673	7.0	21.6	34.9	35.6	1.0
Farms by Geography	7,090	2.4	14.2	40.8	41.0	1.6
Family Distribution by Income Level	1,068,363	22.6	16.9	19.3	41.1	0.0
Household Distribution by Income Level	1,512,065	24.7	15.5	17.9	41.8	0.0
Median Family Income MSA - 32900 Merced, CA MSA		\$61,162	Median Housing Value			\$ 622,592
Median Family Income MSA - 33700 Modesto, CA MSA		\$69,654	Median Gross Rent			\$ 1,703
Median Family Income MSA - 34900 Napa, CA MSA		\$107,995				
Median Family Income MD - 36084 Oakland-Fremont-Berkeley, CA MD		\$123,312				
Median Family Income MSA - 44700 Stockton-Lodi, CA MSA		\$76,536				
Median Family Income MSA - 46700 Vallejo, CA MSA		\$95,438				
			Families Below Poverty Level			7.7%
<i>Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.</i>						

During the evaluation period, the Federal Emergency Management Agency issued the following major disaster declarations that affected the AA:

- DR-4683-CA was declared on January 14, 2023, due to severe winter storms, flooding, landslides, and mudslides. Impacted areas include Alameda, Contra Costa, Merced, Sacramento, and San Joaquin Counties.
- DR-4699-CA was declared on April 3, 2023, due to severe winter storms, straight-line winds, flooding, landslides, and mudslides. Impacted areas include Alameda, Merced, Napa, Sacramento, San Joaquin, Solano, and Stanislaus Counties.

The following information was all taken from Moody's Analytics reports as of July 2025.

Merced MSA (Merced County) – Economic strengths within the area include strong population trends, a favorable age structure, and the presence of the University of California, Merced, which anchors the important public sector industry in the area. Economic weaknesses include low per capita income, a high poverty rate, and many jobs in low-skilled and low-paying industries, including agriculture and food manufacturing. The top employers in the MSA are Mercy Medical Center Merced; Foster Farms; and the University of California, Merced.

Modesto MSA (Stanislaus County) – Economic strengths of the MSA include an established manufacturing infrastructure and lower living and business costs than many other parts of California. However, recent trade and production challenges will likely increase downward pressure on the agriculture and food processing industries. Additionally, there is a relatively low number of high-wage jobs outside of manufacturing and healthcare. Economic weaknesses of the MSA include below-average per capita income and generally low educational attainment of the workforce. Top employers in the area include E & J Gallo Winery, Doctors Medical Center, and Save Mart Supermarkets.

Napa MSA (Napa County) – Despite high per capita income within the MSA, one of the area's economic strengths, severe housing affordability issues remain. The wine and tourism industries form the backbone of the local economy. While overall wine consumption has decreased nationwide, Napa area vineyards tend to specialize in premium wines, which continue to gain market share. However, the high reliance on the wine and tourism industries also leaves the MSA exposed to high employment volatility. Another economic weakness of the area is the high cost of living. The top employers in the MSA are Napa State Hospital, Veterans Home, and Adventist Health.

Oakland-Fremont-Berkeley MD (Alameda and Contra Costa Counties) – Economic strengths in the MD include world-class universities and laboratories, proximity to the world's tech capital, and industrial and office space for tech firms wanting to avoid the higher-cost in Silicon Valley area. While tech continues to be important, there have been workforce reductions in the industry after a period of significant hiring post-pandemic. High cost of living may be contributing to the area's weakening migration trends. Top employers in the area are the University of California, Western Digital Corporation, and Chevron.

Stockton-Lodi MSA (San Joaquin County) – While the MSA has a comparative advantage in logistics, trade pressures will likely keep the industry from being an economic driver in the area. These pressures will also impact the area’s agriculture industry, which is also facing labor shortages. An economic strength is the healthcare industry, which has drawn a large commuter workforce to the area. Economic weaknesses include high living and business costs, low incomes, and a low-skilled workforce. Top employers in the area are St. Joseph’s Medical Center, Amazon, and Safeway.

Vallejo MSA (Solano County) – The MSA is highly dependent on the public sector due to the presence of Travis Air Force Base. While there have been federal funding cuts, defense allocations have not been as impacted, which will have positive effects on the economy. In addition to exposure to federal defense spending, economic strengths of the MSA include a strong manufacturing industry and proximity to large metro areas. Economic weaknesses include below-average per capita income, few high-wage jobs, and a lack of diversity in economic drivers. The top employers in the area are Travis Air Force Base, Kaiser Permanente, and Six Flags.

As shown in the following table, unemployment rates have trended upward over the evaluation period, though varied by county. For example, Merced, Stanislaus, and San Joaquin Counties had unemployment rates exceeding the state and national averages, while Napa County had below-average unemployment rates.

Unemployment Rates – Central Valley AA				
Area	2022	2023	2024	September 2025
	%	%	%	%
Merced County	7.9	9.0	9.8	8.5
Stanislaus County	5.5	6.3	6.9	6.6
Napa County	3.3	3.4	3.9	4.1
Alameda County	3.2	3.8	4.5	4.9
Contra Costa County	3.4	3.9	4.5	5.0
San Joaquin County	5.2	6.0	6.5	6.5
Solano County	4.1	4.4	5.0	5.6
State of California	4.3	4.7	5.3	5.6
National Average	3.6	3.6	4.0	4.6

Source: Bureau of Labor Statistics

Competition

The AA is highly competitive for financial services. According to the June 30, 2025 FDIC Deposit Market Share Report, 51 FDIC-insured financial institutions share \$159.1 billion in total deposits within the AA. Of this group, F&MB ranks 9th with 2.6 percent of the deposit market share. The top five ranked institutions are all large, national banks with significantly more branch locations in the AA: Wells Fargo, Chase, Bank of America, BMO, and Citibank.

Community Contacts

Examiners reviewed a recent community contact conducted with an organization that supports small businesses in the AA through training and mentorship. According to the contact, local financial institutions generally meet small business credit needs in the area, especially for established businesses. However, there is still a need and opportunity for flexible credit for startups and very small businesses that may not qualify for traditional business loans. The contact also noted that housing values remain extremely high, especially in high-tourist areas such as Napa County.

Examiners reviewed another recent community contact with a CDFI that provides funding, coaching, and technical support to small businesses and farms throughout the Central Valley. The contact discussed the difficulties businesses and farms have faced over the evaluation period. Business costs remain higher than pre-pandemic levels, which have particularly affected small and mid-sized businesses. Droughts, high input costs, labor shortages, and trade pressure have negatively affected the agriculture industry. The contact identified a credit need for equipment financing and business operating credit. The contact also noted a need for affordable housing, particularly workforce housing, as well as financial education programs for consumers and small businesses.

Credit and CD Needs and Opportunities

Based on demographic and economic information, discussions with bank management, and the community contact interviews, the primary credit needs in the AA are small business and small farm loans, with an additional need for home mortgage loans, particularly for LMI borrowers.

The primary CD needs in the AA are affordable housing, economic development, and community services targeted to LMI individuals. Moody's data, the community contacts, and the high median housing value relative to the median family incomes in the AA speaks to limited housing affordability, especially for LMI individuals. The identified need for financial and technical assistance for small and startup businesses supports economic development opportunities within the AA. The high poverty rate, high cost of living, and low per capita income in a majority of the MSAs and MDs in the AA supports a need for community services. While affordable housing, economic development, and community services are the most essential CD needs, the major disaster declarations impacting the AA indicate that there is also an opportunity for revitalization and stabilization activities.

CONCLUSIONS ON PERFORMANCE CRITERIA IN CENTRAL VALLEY

AA

LENDING TEST

Lending levels within the Central Valley AA reflect excellent responsiveness to AA credit needs. The geographic distribution of loans reflects adequate penetration throughout the AA. The distribution of borrowers reflects good penetration among businesses and farms of different sizes and retail customers of different income levels. The bank is a leader in making CD loans in the AA.

Lending Activity

F&MB's lending levels reflect excellent responsiveness to AA credit needs. During the evaluation period, the bank originated 820 small business loans totaling \$303.7 million in the AA. This lending volume is a decrease from the prior evaluation, where the bank reported 2,916 small business loans totaling \$576.1 million. According to aggregate CRA data, in 2023, the bank ranked 34th out of 181 lenders that reported 134,810 small business loans and captured 0.2 percent of the market share by number and 2.7 percent by dollar. In 2024, F&MB ranked 37th out of 172 lenders that originated or purchased 150,713 small business loans in the AA and captured 0.2 percent of the market share by number and 2.5 percent by dollar.

Additionally, F&MB reported 643 small farm loans totaling \$73.6 million in the AA over the review period. Total small farm lending decreased from the prior evaluation, where the bank originated 800 small farm loans totaling \$406.1 million. According to aggregate CRA data, in 2023, the bank ranked 3rd out of 26 lenders that originated or purchased 1,591 small farm loans in the AA and represented 11.7 percent of the market share by number and 24.0 percent by dollar. In 2024, the bank ranked 3rd out of 33 lenders that reported 1,696 small farm loans in the area and held 12.6 percent of the market share by number and 22.7 percent by dollar.

Finally, the bank originated 445 home mortgage loans totaling \$134.1 million in the AA, which is a decrease from the 768 home mortgage loans totaling \$297.3 million reported in the area at the prior evaluation. According to aggregate HMDA data, in 2023, the bank ranked 81st out of 648 lenders that reported 74,940 home mortgage loans with 0.2 percent of the market share by number and 0.1 percent by dollar. In 2024, the bank ranked 115th out of 641 lenders with 0.2 percent of the market share by number and 0.1 percent by dollar amount.

F&MB's market share ranking by number of loans originated was very high over the evaluation period for all three products. The bank's position as a leader in small farm lending is particularly notable, as it exceeds the performance of national institutions and institutions that specialize in agricultural lending. Small farm lending is a primary credit need in the AA, which supports the bank's excellent performance under this criterion.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the AA. This conclusion is supported by good small business lending performance and adequate small farm and home mortgage performance.

Small Business Loans

As shown in the following table, F&MB's distribution of small business loans to low-income census tracts by number exceeded aggregate data in 2023. Performance decreased in 2024, and the bank's distribution fell below aggregate data. The bank's rate of lending to moderate-income

geographies outpaced aggregate data over the entire evaluation period. Overall, F&MB’s geographic distribution of small business loans reflects good penetration throughout the AA.

Geographic Distribution of Small Business Loans - Central Valley AA						
Tract Income Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	6.7	5.3	14	6.0	4,849	5.6
2024	7.0	4.9	8	3.3	3,375	3.9
Moderate						
2023	21.0	18.5	61	26.2	24,093	27.7
2024	21.6	18.2	55	22.8	24,347	28.3
Middle						
2023	34.9	35.3	87	37.3	32,118	36.9
2024	34.9	35.2	98	40.7	30,328	35.3
Upper						
2023	36.3	40.0	71	30.5	25,931	29.8
2024	35.6	40.8	80	33.2	27,923	32.5
NA						
2023	1.1	1.0	0	0.0	0	0.0
2024	1.0	0.8	0	0.0	0	0.0
Total						
2023	100.0	100.0	233	100.0	86,991	100.0
2024	100.0	100.0	241	100.0	85,973	100.0

Source: 2023 & 2024 D&B Data; Bank Data; 2023 & 2024 CRA Aggregate Data; Due to rounding, totals may not equal 100.0%.

Small Farm Loans

While F&MB made no small farm loans in low-income census tracts in 2023, aggregate data indicates that credit demand in those areas is relatively limited. Additionally, the rate of lending to low-income geographies was in line with aggregate data in 2024. The bank’s distribution of small farm loans to moderate-income census tracts trailed aggregate performance in 2023 and 2024, but not to an unreasonable degree. Overall, F&MB’s geographic distribution of small farm loans reflects adequate penetration throughout the AA.

Geographic Distribution of Small Farm Loans - Central Valley AA						
Tract Income Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	2.5	1.3	0	0.0	0	0.0
2024	2.4	0.8	1	0.5	1	0.0
Moderate						
2023	14.1	14.3	23	12.4	3,783	16.9
2024	14.2	12.2	25	11.7	3,214	15.7
Middle						
2023	40.5	41.9	81	43.5	9,051	40.5
2024	40.8	43.6	85	39.7	8,786	42.8
Upper						
2023	41.2	40.9	80	43.0	9,025	40.4
2024	41.0	41.7	102	47.7	8,273	40.3
NA						
2023	1.7	1.6	2	1.1	502	2.2
2024	1.6	1.7	1	0.5	242	1.2
Total						
2023	100.0	100.0	186	100.0	22,361	100.0
2024	100.0	100.0	214	100.0	20,516	100.0
<i>Source: 2023 & 2024 D&B Data; Bank Data; 2023 & 2024 CRA Aggregate Data; Due to rounding, totals may not equal 100.0%.</i>						

Home Mortgage Loans

F&MB's distribution of home mortgage loans to low-income census tracts fell below aggregate data in 2023 and 2024. However, the rate of lending to moderate-income census tracts was only slightly below peer lenders in 2023, and performance increased in 2024, exceeding aggregate data. Particularly considering the bank's performance in moderate-income geographies, where there is greater credit opportunity and demand in the AA, F&MB's geographic distribution of home mortgage loans overall reflects adequate penetration.

Geographic Distribution of Home Mortgage Loans - Central Valley AA						
Tract Income Level	% of Owner-Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	3.6	4.3	3	2.0	165	0.4
2024	3.6	3.6	2	1.8	370	1.4
Moderate						
2023	17.7	17.8	26	17.2	5,490	14.6
2024	17.7	18.3	21	19.1	3,775	14.0
Middle						
2023	38.6	37.7	76	50.3	22,590	60.2
2024	38.6	39.5	48	43.6	10,590	39.2
Upper						
2023	39.8	40.1	46	30.5	9,260	24.7
2024	39.8	38.5	38	34.6	11,610	43.0
NA						
2023	0.3	0.3	0	0.0	0	0.0
2024	0.3	0.2	1	0.9	665	2.5
Total						
2023	100.0	100.0	151	100.0	37,505	100.0
2024	100.0	100.0	110	100.0	27,010	100.0
<i>Source: 2020 Census; Bank Data; 2023 & 2024 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%.</i>						

Borrower Profile

The distribution of borrowers reflects good penetration among businesses and farms of different sizes and retail customers of different income levels. While F&MB's small business loan borrower profile performance is poor, this is sufficiently offset by the bank's excellent small farm loan performance and good home mortgage loan performance to reflect good performance overall.

Small Business Loans

F&MB's distribution of loans to businesses with gross annual revenues of \$1 million or less reflects poor performance. As shown in the following table, the bank's penetration to small businesses in the AA fell 33.3 percentage points below other CRA-reporting lenders in 2023 and 34.6 percentage points below aggregate data in 2024.

Distribution of Small Business Loans by Gross Annual Revenue Category - Central Valley AA						
Gross Revenue Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000						
2023	90.5	57.3	56	24.0	11,555	13.3
2024	90.7	56.6	53	22.0	12,924	15.0
> \$1,000,000						
2023	3.1	--	172	73.8	73,790	84.8
2024	2.7	--	186	77.2	72,724	84.6
Revenue Not Available						
2023	6.4	--	5	2.1	1,646	1.9
2024	6.7	--	2	0.8	325	0.4
Total						
2023	100.0	100.0	233	100.0	86,991	100.0
2024	100.0	100.0	241	100.0	85,973	100.0
<i>Source: 2023 & 2024 D&B Data; Bank Data; 2023 & 2024 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Small Farm Loans

As shown in the following table, F&MB’s rate of lending to farms with gross annual revenues of \$1 million or less far exceeded that of other CRA-reporting lenders in 2023. The bank’s performance trended upward in 2024 despite slightly lower credit demand, as indicated by aggregate data. Overall, the borrower profile of small farm loans reflects excellent penetration among farms of different sizes.

Distribution of Small Farm Loans by Gross Annual Revenue Category - Central Valley AA						
Gross Revenue Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000						
2023	93.2	52.5	150	80.6	9,557	42.7
2024	93.3	51.6	181	84.6	10,126	49.4
> \$1,000,000						
2023	5.1	--	36	19.4	12,804	57.3
2024	4.8	--	32	15.0	9,990	48.7
Revenue Not Available						
2023	1.7	--	0	0.0	0	0.0
2024	1.9	--	1	0.5	400	1.9
Total						
2023	100.0	100.0	186	100.0	22,361	100.0
2024	100.0	100.0	214	100.0	20,516	100.0
<i>Source: 2023 & 2024 D&B Data; Bank Data; 2023 & 2024 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Home Mortgage Loans

The borrower profile of home mortgage loans reflects good performance. F&MB's distribution of home mortgage loans to low-income borrowers outpaced aggregate data in 2023 and 2024. The bank's penetration to moderate-income borrowers far exceeded aggregate data in 2023 and modestly surpassed aggregate in 2024.

Distribution of Home Mortgage Loans by Borrower Income Level - Central Valley AA						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	22.6	3.3	10	6.6	850	2.3
2024	22.6	4.5	8	7.3	560	2.1
Moderate						
2023	16.9	9.0	25	16.6	2,615	7.0
2024	16.9	10.3	13	11.8	1,025	3.8
Middle						
2023	19.3	17.3	34	22.5	4,450	11.9
2024	19.3	19.7	26	23.6	3,600	13.3
Upper						
2023	41.1	40.4	80	53.0	27,080	72.2
2024	41.1	48.6	62	56.4	21,510	79.6
NA						
2023	0.0	30.0	2	1.3	2,510	6.7
2024	0.0	17.0	1	0.9	315	1.2
Total						
2023	100.0	100.0	151	100.0	37,505	100.0
2024	100.0	100.0	110	100.0	27,010	100.0
<i>Source: 2020 Census; Bank Data; 2023 & 2024 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%.</i>						

CD Loans

F&MB is a leader in making CD loans in the AA. CD lending decreased by number and dollar from the prior evaluation, where the bank made 236 CD loans totaling \$306.8 million; however, this included 100 qualified PPP loans totaling \$70.4 million. The bank's volume of CD lending surpasses that of other institutions operating in the AA, reflecting excellent performance. Loans over the evaluation period supported all four CD purposes. The significant volume of loans supporting community services and economic development demonstrates the bank's responsiveness to critical CD needs in the AA.

CD Lending – Central Valley AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2022	-	-	9	33,355	-	-	3	6,915	12	40,270
2023	5	6,541	9	10,300	8	15,680	4	16,183	26	48,704
2024	5	3,610	13	26,050	10	22,525	5	29,525	33	81,710
YTD 2025	6	12,665	10	6,095	13	19,155	5	24,154	34	62,069
Total	16	22,816	41	75,800	31	57,360	17	76,777	105	232,753
<i>Source: Bank Data</i>										

Notable examples of CD loans made in the AA include:

- In 2022 and 2024, F&MB made 2 loans totaling \$30.0 million to an organization that provides diagnostic, assessment, and ongoing support services for children and adults with developmental disabilities. A significant majority of the organization’s clients are LMI, demonstrating the bank’s support for community services targeted to such individuals.
- In 2024, the bank provided \$12.7 million in financing to install solar panels primarily in LMI geographies in the AA. The loan supports revitalization and stabilization efforts by improving energy efficiency and reducing utility costs, helping to attract new and retain existing residents in these areas.
- In 2025, the bank originated a \$5 million loan to an organization that provides affordable housing and rental assistance to LMI individuals in the AA.

INVESTMENT TEST

F&MB has an excellent level of qualified CD investments and grants in the Central Valley AA. The institution exhibits excellent responsiveness to credit and CD needs. The institution makes significant use of innovative and/or complex investments to support CD initiatives.

Investment and Grant Activity

F&MB has an excellent level of qualified CD investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors. As shown in the following table, the bank made and retained 98 investments totaling \$79.8 million and provided 988 grants or donations totaling \$1.5 million. This represents an overall increase in number and dollar volume of activity from the prior evaluation, where the bank made and retained 101 investments totaling \$76.4 million and provided 652 grants or donations totaling \$1.0 million. The bank’s current volume of activity compares favorably to similarly-situated institutions operating in the AA, exemplifying the F&MB’s status as a leader in the provision of CD investments and grants.

Qualified Investments – Central Valley AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	62	40,475	5	1,069	-	-	-	-	67	41,544
2022	6	6,280	1	382	-	-	-	-	7	6,662
2023	6	7,700	1	280	-	-	-	-	7	7,980
2024	3	12,000	-	-	-	-	-	-	3	12,000
YTD 2025	12	9,368	-	-	2	2,235	-	-	14	11,603
Subtotal	89	75,823	7	1,731	2	2,235	-	-	98	79,789
Qualified Grants & Donations	22	45	871	1,162	45	103	50	167	988	1,477
Total	111	75,868	878	2,893	47	2,338	50	167	1,086	81,266
<i>Source: Bank Data</i>										

The following are notable examples of the bank’s CD investment, grant, and donation efforts in the AA.

- In 2024 and 2025, F&MB invested approximately \$5.3 million in LIHTCs that supported an affordable housing project in Stockton. The apartment complex will create 38 units of housing specifically designated for LMI individuals, including those with special needs.
- In 2024, F&MB invested \$3.0 million in a LIHTC that provided needed affordable housing in Modesto. The funding benefited 4 different affordable housing projects in Modesto, 1 of which created 75 units of affordable housing.
- Over the evaluation period, F&MB invested a total of \$2.3 million in an instrument secured by qualified SBA loans located in the Central Valley AA. The investment supports economic development by creating greater financial liquidity and a lower cost of capital for the SBA as a financial intermediary to support small businesses, particularly to create new and retain existing jobs in LMI areas or for LMI individuals.

Responsiveness to Credit and CD Needs

The institution exhibits excellent responsiveness to credit and CD needs. The majority of activity by dollar amount supported affordable housing initiatives, which was identified as a primary CD need in the AA. The institution also supported community services and economic development, both of which were also identified as critical needs.

CD Initiatives

The institution makes significant use of innovative and/or complex investments to support CD initiatives. In total, F&MB made 38 qualified investments totaling approximately \$47.6 million featuring innovative and/or complex qualities, including those that are not routinely provided by other institutions. This volume comprises approximately 59.6 percent of the overall qualified

investment portfolio, which is significant. In addition to the innovative and/or complex instruments described at the institution level, the bank invested approximately \$900,000 in a complex bond that will help address the housing crisis by funding affordable rentals; down payment assistance programs; and supportive housing for vulnerable residents in the AA.

SERVICE TEST

Delivery systems are reasonably accessible to essentially all portions of the Central Valley AA. To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. Services, including business hours, do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and/or individuals. F&MB is a leader in providing CD services in the AA.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the AA. As shown in the following table, F&MB’s does not operate any branches in low-income tracts, which is below demographic data and the 7.2 percent of branches operated by other institutions in these geographies. However, the bank’s branch structure within moderate-income geographies is generally aligned with both census tract and population indicators, and slightly below the 23.1 percent of branches operated by other financial institutions. Of the 24 full-service branches in the AA, 14 have drive-up service, 2 of which are in moderate-income tracts.

Branch and ATM Distribution by Geography Income Level – Central Valley AA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	81	8.0	351,187	7.6	-	-	-	-
Moderate	236	23.3	1,055,934	22.9	5	20.8	5	14.3
Middle	378	37.4	1,726,235	37.4	10	41.7	16	45.7
Upper	299	29.6	1,435,441	31.1	9	37.5	14	40.0
NA	18	1.8	41,779	0.9	-	-	-	-
Total	1,012	100.0	4,610,576	100.0	24	100.0	35	100.0

Source: 2020 Census Data; Bank Data

Mapping of branch locations did not indicate arbitrary exclusion of any LMI areas and showed that five of the branches in middle-income tracts and two branches located in upper-income tracts are located immediately adjacent to LMI geographies. These locations offer additional accessibility to retail banking services in those areas.

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or

to LMI individuals. During the evaluation period, F&MB opened one full-service branch with an ATM in an upper-income tract in the City of Danville. This did not significantly impact the accessibility of delivery systems in LMI geographies and/or to LMI individuals in the AA. The institution did not close any branches since the prior evaluation.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and/or individuals. In addition to the standard hours of operations, 13 locations in the AA provide Saturday hours. F&MB has 22 branches with mortgage lenders and 13 branches with commercial lenders located throughout the Central Valley AA. This is consistent with the discussion at the bank-wide level.

CD Services

F&MB is a leader in providing CD services in the Central Valley AA. The institution’s service hours increased from the prior evaluation, where F&MB employees provided 9,904 hours in the AA. The institution continues to focus on providing community services for LMI individuals and families, which demonstrates responsiveness to a primary need in the AA. The following table details the bank’s CD services targeted to the AA by year and CD purpose.

CD Services – Central Valley AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2022	75	1,444	75	44	1,638
2023	354	3,117	72	96	3,639
2024	529	3,488	90	64	4,171
YTD 2025	98	1,502	105	59	1,764
Total	1,056	9,551	342	263	11,212
<i>Source: Bank Data</i>					

The following are notable examples of the bank’s provision of CD services.

- In 2023, an employee provided 108 hours serving on the Board of an organization that provides shelter for LMI women and children. In addition, the organization provides food, advocacy and counseling services.
- In 2024, bank employees provided 212 hours of financial education to LMI individuals through various organizations, including schools with a majority of students that are eligible for free and reduced-price lunch benefits and for shelters for victims of domestic violence experiencing homelessness.

- In 2025, an employee provided 90 hours of Board service to an organization that offers services to LMI individuals. Services include free access to computers and resources for resume writing and job applications.

SACRAMENTO AA – Limited-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SACRAMENTO AA

F&MB operates six branches in the Sacramento AA, which consists of Sacramento County in the East Bay. Based on the 2020 Census, the AA includes 363 census tracts: 41 low-, 108 moderate-, 123 middle-, and 87 upper-income, as well as 4 census tracts without income designations. The following table details select demographic information for the AA.

Demographic Information of the AA - Sacramento AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	363	11.3	29.8	33.9	24.0	1.1
Population by Geography	1,585,055	10.8	29.4	35.1	24.0	0.8
Housing Units by Geography	572,916	10.3	28.9	36.3	24.0	0.5
Owner-Occupied Units by Geography	314,234	5.3	23.9	39.6	31.0	0.2
Occupied Rental Units by Geography	233,285	16.7	35.0	32.3	15.2	0.8
Vacant Units by Geography	25,397	13.7	34.3	32.4	18.9	0.8
Businesses by Geography	214,199	8.1	44.5	27.3	19.3	0.8
Farms by Geography	1,538	4.6	35.1	32.7	26.4	1.3
Family Distribution by Income Level	363,107	26.2	18.1	19.2	36.6	0.0
Household Distribution by Income Level	547,519	26.1	17.1	17.6	39.1	0.0
Median Family Income MSA - 40900 Sacramento-Roseville-Folsom, CA MSA	\$90,500					\$ 376,012
						\$1,346
						10.1%
<i>Source: 2020 Census and 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.</i>						

Sacramento-Roseville-Arden Arcade MSA (Sacramento County) – The MSA is struggling and contracting slightly year-over-year. Budget deficit led to more severe cuts than expected, driving public sector layoffs. However, the area is economically stable due to a strong healthcare hub and schools such as UC Davis and Sacramento State University. The area is attractive because of lower living and business costs compared to the Bay Area. Weaknesses include a per capita income below the state average and elevated employment volatility. Moreover, the area is overly reliant on state government jobs. Top employers in the area are Kaiser Permanente Riverside Medical Center, Sutter Health, and UC Davis Health.

As shown in the following table, unemployment rates have trended upward over the evaluation period. Additionally, these percentages align with the state averages.

Unemployment Rates – Sacramento AA				
Area	2022	2023	2024	September 2025
	%	%	%	%
Sacramento County	3.6	4.4	4.6	5.3
<i>Source: Bureau of Labor Statistics</i>				

As of the June 30, 2025 FDIC Deposit Market Share Report, 31 FDIC-insured financial institutions shared \$72.1 billion in total deposits within the AA. Of these institutions, F&MB ranks 9th with 1.0 percent of the area’s deposits.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE SACRAMENTO AA

LENDING TEST

F&MB’s Lending Test performance in the Sacramento AA is below the bank’s performance in the full-scope AA. While performance was considered, it does not change conclusions for the bank overall.

Over the evaluation period, the bank originated 111 small business loans totaling \$34.5 million, 115 small farm loans totaling \$10.1 million, and 43 home mortgage loans totaling \$13.6 million in the AA. According to aggregate CRA data, in 2024, F&MB ranked 45th out of 137 lenders that reported 48,253 small business loans in the AA, with 0.1 percent of the market share by number and 0.8 percent by dollar. In the same year, F&MB ranked 2nd out of 14 lenders that reported 219 small farm loans in the AA, with 20.1 percent of the market share by number and 34.7 percent by dollar amount. Finally, according to 2024 HMDA data, the bank ranked 194th out of 516 lenders that reported 31,701 home mortgage loans in the AA, with less than 0.1 percent of the market share by both number and dollar amount. Refer to the appendices for tables demonstrating the bank’s geographic distribution and borrower profile performance in the AA.

The bank provides a relatively high level of CD loans in the AA. Over the evaluation period, F&MB originated 25 qualified CD loans totaling \$78.9 million.

INVESTMENT TEST

F&MB’s performance in the AA is below the bank’s performance in the full-scope AA. While performance was considered, it does not change conclusions for the bank overall. During the review period, F&MB purchased 10 qualified investments totaling \$12.2 million, retained 11 prior period investments with an outstanding balance of \$8.5 million, and made 161 donations totaling \$207,000.

SERVICE TEST

F&MB's performance in the AA is consistent with the bank's performance in the full-scope AA. There are no differences in loan and deposit products or alternative delivery systems offered, and no material differences in business hours and services at the branches located in the Sacramento AA as compared to the Central Valley AA. Delivery systems are reasonably accessible to essentially all portions of the institution's AA. The bank operates six branches in the AA: three in moderate-income tracts, two in middle-income tracts, and one in a tract with no income designation. F&MB does not operate any branches in low-income tracts, but half of the institution's branches are in moderate-income geographies, which compares favorably to demographic information. F&MB's branch presence in moderate-income tracts is also well above 22.5 percent of locations operated by other institutions. The bank did not open or close any branches in the AA since the prior evaluation. F&MB employees provided 1,359 hours of CD service hours targeted to the AA.

APPENDICES

LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

Farmers & Merchants Bank of Central California	
Scope of Examination: Full scope reviews were performed on the following assessment areas within the noted rated areas: State of California: Central Valley AA Sacramento AA	
Time Period Reviewed:	8/15/22 to 12/1/25
Products Reviewed: Small Business Loans: (1/1/2022 - 12/31/2024) Small Farm Loans: (1/1/2022 - 12/31/2024) Home Mortgage Loans: (1/1/2022 - 12/31/2024)	

List of AAs and Type of Evaluation			
AA	Type of Evaluation	Branches Visited	Other Information
Central Valley	Full-scope	Main Office	None
Sacramento	Limited-scope	None	None

GEOGRAPHIC DISTRIBUTION AND BORROWER PROFILE TABLES FOR THE LIMITED-SCOPE AA

Geographic Distribution of Small Business Loans - Sacramento AA						
Tract Income Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	9.2	8.9	2	5.7	2,000	16.2
2024	8.1	8.7	2	5.9	1,864	19.3
Moderate						
2023	38.3	27.5	10	28.6	3,689	29.9
2024	44.5	27.8	9	26.5	2,615	27.1
Middle						
2023	29.5	31.3	14	40.0	4,950	40.2
2024	27.3	30.4	15	44.1	3,034	31.5
Upper						
2023	22.0	31.2	9	25.7	1,679	13.6
2024	19.3	31.9	6	17.6	1,729	17.9
NA						
2023	1.1	1.2	0	0.0	0	0.0
2024	0.8	1.1	2	5.9	400	4.1
Total						
2023	100.0	100.0	35	100.0	12,318	100.0
2024	100.0	100.0	34	100.0	9,642	100.0
<i>Source: 2023 & 2024 D&B Data; Bank Data; 2023 & 2024 CRA Aggregate Data; Due to rounding, totals may not equal 100.0%.</i>						

Geographic Distribution of Small Farm Loans - Sacramento AA						
Tract Income Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	5.7	0.5	0	0.0	0	0.0
2024	4.6	2.3	1	2.3	1	0.0
Moderate						
2023	32.0	23.7	7	20.0	1,407	64.1
2024	35.1	24.7	13	29.5	1,704	52.9
Middle						
2023	33.1	40.2	11	31.4	265	12.1
2024	32.7	39.5	17	38.6	532	16.5
Upper						
2023	27.7	35.6	17	48.6	522	23.8
2024	26.4	33.0	12	27.3	683	21.2
NA						
2023	1.6	--	0	0.0	0	0.0
2024	1.3	0.5	1	2.3	300	9.3
Total						
2023	100.0	100.0	35	100.0	2,194	100.0
2024	100.0	100.0	44	100.0	3,220	100.0
<i>Source: 2023 & 2024 D&B Data; Bank Data; 2023 & 2024 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Geographic Distribution of Home Mortgage Loans – Sacramento AA						
Tract Income Level	% of Owner-Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	5.3	6.3	0	0.0	0	0.0
2024	5.3	5.9	1	7.7	185	5.2
Moderate						
2023	23.9	24.4	5	29.4	1,035	28.6
2024	23.9	25.2	5	38.5	2,045	57.0
Middle						
2023	39.6	34.4	7	41.2	1,835	50.8
2024	39.6	32.4	5	38.5	1,065	29.7
Upper						
2023	31.0	34.6	5	29.4	745	20.6
2024	31.0	36.3	2	15.4	290	8.1
NA						
2023	0.2	0.4	0	0.0	0	0.0
2024	0.2	0.2	0	0.0	0	0.0
Total						
2023	100.0	100.0	17	100.0	3,615	100.0
2024	100.0	100.0	13	100.0	3,585	100.0
<i>Source: 2020 Census; Bank Data; 2023 & 2023 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category - Sacramento AA						
Gross Revenue Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000						
2023	93.1	58.5	7	20.0	494	4.0
2024	93.7	57.7	10	29.4	2,091	21.7
> \$1,000,000						
2023	1.8	--	27	77.1	11,584	94.0
2024	1.4	--	23	67.6	7,423	77.0
Revenue Not Available						
2023	5.0	--	1	2.9	240	1.9
2024	4.9	--	1	2.9	128	1.3
Total						
2023	100.0	100.0	35	100.0	12,318	100.0
2024	100.0	100.0	34	100.0	9,642	100.0
<i>Source: 2023 & 2024 D&B Data; Bank Data; 2023 & 2024 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Distribution of Small Farm Loans by Gross Annual Revenue Category - Sacramento AA						
Gross Revenue Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000						
2023	97.8	71.1	34	97.1	1,944	88.6
2024	98.2	65.1	41	93.2	1,920	59.6
> \$1,000,000						
2023	1.3	--	1	2.9	250	11.4
2024	1.0	--	3	6.8	1,300	40.4
Revenue Not Available						
2023	0.9	--	0	0.0	0	0.0
2024	0.9	--	0	0.0	0	0.0
Total						
2023	100.0	100.0	35	100.0	2,194	100.0
2024	100.0	100.0	44	100.0	3,220	100.0
<i>Source: 2023 & 2024 D&B Data; Bank Data; 2023 & 2024 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Distribution of Home Mortgage Loans by Borrower Income Level - Sacramento AA						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	26.2	4.9	0	0.0	0	0.0
2024	26.2	4.5	0	0.0	0	0.0
Moderate						
2023	18.1	16.2	3	17.7	225	6.2
2024	18.1	13.4	4	30.8	520	14.5
Middle						
2023	19.2	24.8	6	35.3	1,640	45.4
2024	19.2	22.9	2	15.4	480	13.4
Upper						
2023	36.6	36.7	8	47.1	1,750	48.4
2024	36.6	39.6	7	53.9	2,585	72.1
NA						
2023	0.0	17.4	0	0.0	0	0.0
2024	0.0	19.7	0	0.0	0	0.0
Total						
2023	100.0	100.0	17	100.0	3,615	100.0
2024	100.0	100.0	13	100.0	3,585	100.0
<i>Source: 2020 Census; Bank Data; 2023 & 2024 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%.</i>						

GLOSSARY

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.