



Issuer's telephone number

**Not applicable**

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes No

**APPLICABLE ONLY TO CORPORATE ISSUERS**

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 8,091,455 shares of common stock outstanding as of November 10, 2016.



**Oak Valley Bancorp**

**September 30, 2016**

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**PART I – FINANCIAL STATEMENTS****OAK VALLEY BANCORP****CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

(dollars in thousands)	September 30, 2016	December 31, 2015
<b>ASSETS</b>		
Cash and due from banks	\$ 133,243	\$ 174,778
Federal funds sold	14,020	15,825
Cash and cash equivalents	147,263	190,603
Securities available for sale	160,077	131,546
Loans, net of allowance for loan loss of \$7,767 and \$7,356 at September 30, 2016 and December 31, 2015, respectively	592,650	530,394
Bank premises and equipment, net	13,712	14,277
Other real estate owned	1,485	2,066
Interest receivable and other assets	31,831	28,152
	<b>\$ 947,018</b>	<b>\$ 897,038</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits	\$ 859,756	\$ 814,691
Interest payable and other liabilities	4,404	4,084
Total liabilities	864,160	818,775
Shareholders' equity		
Common stock, no par value; 50,000,000 shares authorized, 8,093,555 and 8,078,155 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively	24,682	24,682
Additional paid-in capital	3,412	3,217
Retained earnings	52,198	48,795
Accumulated other comprehensive income, net of tax	2,566	1,569
Total shareholders' equity	82,858	78,263
	<b>\$ 947,018</b>	<b>\$ 897,038</b>

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

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**OAK VALLEY BANCORP****CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**

(dollars in thousands, except per share amounts)	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2016	2015	2016	2015
<b>INTEREST INCOME</b>				
Interest and fees on loans	\$6,807	\$5,515	\$20,484	\$16,293
Interest on securities available for sale	1,045	914	3,038	2,687
Interest on federal funds sold	4	8	18	24
Interest on deposits with banks	169	72	492	212
Total interest income	8,025	6,509	24,032	19,216
<b>INTEREST EXPENSE</b>				
Deposits	196	155	555	461
Total interest expense	196	155	555	461
Net interest income	7,829	6,354	23,477	18,755
Provision for (reversal of) loan losses	90	0	415	(125 )
Net interest income after provision for (reversal of) loan losses	7,739	6,354	23,062	18,880
<b>OTHER INCOME</b>				
Service charges on deposits	341	307	1,011	927
Earnings on cash surrender value of life insurance	102	108	305	322
Mortgage commissions	49	26	144	114
Net gain on sales and calls of securities	10	3	28	186
Other	575	521	1,682	1,599
Total non-interest income	1,077	965	3,170	3,148
<b>OTHER EXPENSES</b>				
Salaries and employee benefits	3,225	2,852	9,950	8,790
Occupancy expenses	819	743	2,470	2,214
Data processing fees	435	366	1,346	1,077
Regulatory assessments (FDIC & DBO)	178	123	505	368
Other operating expenses	1,267	1,215	4,027	3,141
Total non-interest expense	5,924	5,299	18,298	15,590
Net income before provision for income taxes	2,892	2,020	7,934	6,438
PROVISION FOR INCOME TAXES	962	638	2,591	2,020
NET INCOME	\$1,930	\$1,382	\$5,343	\$4,418



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NET INCOME PER COMMON SHARE	\$0.24	\$0.17	\$0.67	\$0.55
NET INCOME PER DILUTED COMMON SHARE	\$0.24	\$0.17	\$0.66	\$0.55

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

**OAK VALLEY BANCORP****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2016	2015	2016	2015
(in thousands)				
Net income	\$1,930	\$1,382	\$5,343	\$4,418
Other comprehensive income (loss):				
Unrealized holding (losses) gains on securities arising during the current period, net of tax effect of (\$108) thousand and \$709 thousand for the three and nine month periods ended September 30, 2016 and 2015, respectively, and \$290 thousand and (\$492) thousand for the comparable 2015 periods	(154 )	415	1,014	(704 )
Reclassification adjustment due to net gains realized on sales and calls of securities, net of tax effect of \$4 thousand and \$11 thousand for the three and nine months ended September 30, 2016, respectively, and \$1 thousand and \$77 thousand for the comparable 2015 periods	(6 )	(2 )	(17 )	(109 )
Other comprehensive income (loss)	(160 )	413	997	(813 )
Comprehensive income	\$1,770	\$1,795	\$6,340	\$3,605

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

**OAK VALLEY BANCORP**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
(UNAUDITED)**

YEAR ENDED DECEMBER  
31, 2015 AND NINE  
MONTHS ENDED  
SEPTEMBER 30, 2016  
Accumulated