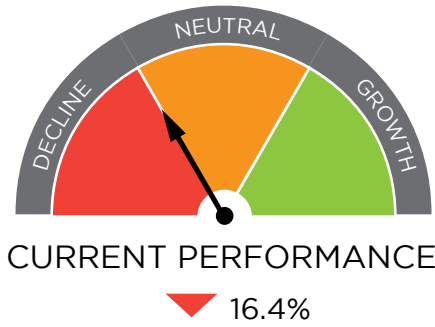


ECONOMIC SNAPSHOT™

An overview of our local economy.

PERFORMANCE THIS QUARTER

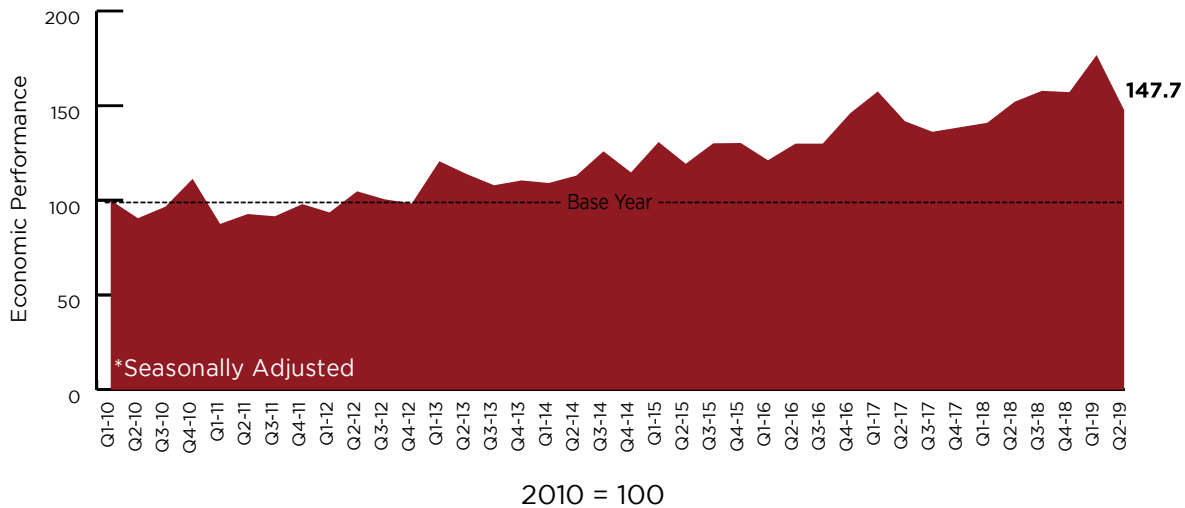


SALES TAX	BUILDING	HOUSING	TOT	EMPLOYMENT
3.2%	42.1%	1.2%	21.6%	.9%
Performance Compared to One Year Ago				
▲ 16.2%	▼ 43.6%	▲ 16.6%	▲ 14.3%	▼ .8%

Detailed reports and Chico Business Confidence Survey™ at www.goldenvalley.bank



CHANGES OVER THE YEARS



CURRENT TRENDS



Our Snapshot was down 16.4% in the second quarter after the economic frenzy we experienced in the first full quarter after the Camp Fire.

Sales tax revenue was over \$6.2 million, the second highest level since Q1 2010, but down from last quarter. TOT (hotel bed tax) had its largest quarterly decrease since 2010 following a period of abnormal increases due to the Fire. 1,061 building permits were issued with a total valuation of more than \$21 million, down 42.1% from a strong performance in the previous quarter. There were over 97k Butte County residents employed in Q2 2019, down slightly from Q1 2019. The average home sales price was over \$427k with 55 fewer closed sales than the previous quarter.

Make sure to view the newest August 2019 Chico Business Confidence Survey at www.GoldenValley.Bank

Mark Francis, President & CEO

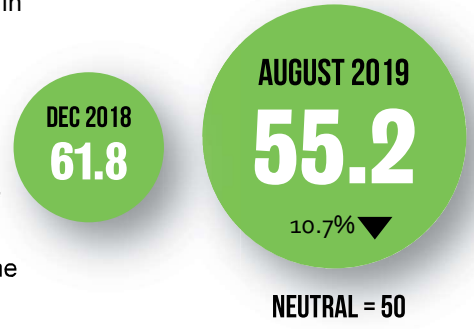


BUSINESS CONFIDENCE SURVEY

Confidence among local business leaders has decreased 10.7% since the previous survey in December 2018.

Most of the change in optimism was noticed in the outlook of local employment levels and the general outlook of the local and national economies over the next 12 months. With employment, many respondents shifted from expecting employment to increase back in December 2018 to now expecting employment to remain the same.

The general outlook of the local Chico / Butte County economy showed many leaders have pulled back from expecting better conditions in the previous survey and are now expecting conditions to remain the same over the next 12 months. As for the outlook on the national economy, many responses shifted to leaders now expecting conditions to get worse over the next year.

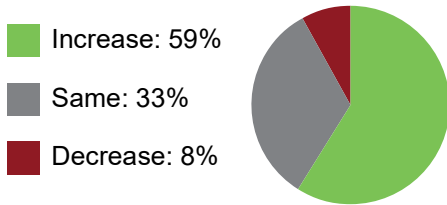


WHAT LOCAL BUSINESS LEADERS ARE SAYING

What are expectations for the next 12 months?

SALES

How are top line sales expected to change in the next 12 months?



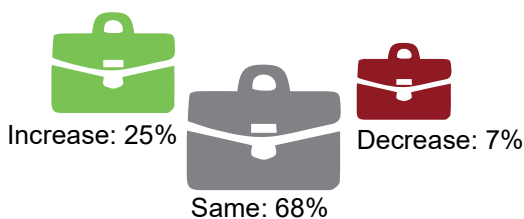
PROFITS

How is profit expected to change in the next 12 months?



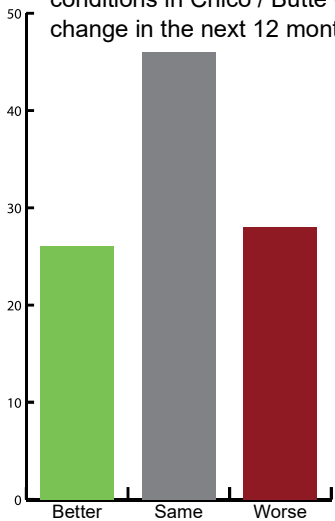
EMPLOYMENT

How is the level of employment expected to change in the next 12 months?



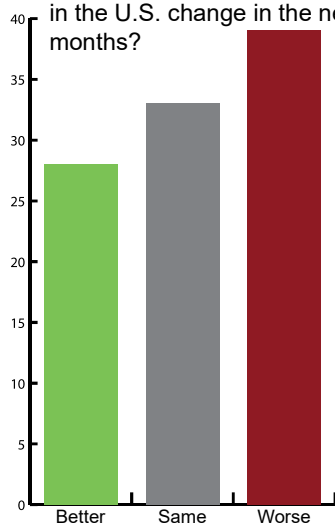
LOCAL BUSINESS CONDITIONS

How will general business conditions in Chico / Butte County change in the next 12 months?



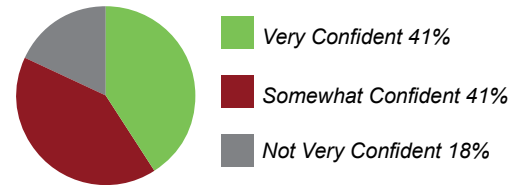
US BUSINESS CONDITIONS

How will general business conditions in the U.S. change in the next 12 months?



HOT TOPIC!

How confident are you that our local economy can recover from the Camp Fire?



Want to participate in our next survey?
Email mfrancis@goldenvally.bank for more information!

ECONOMIC SNAPSHOT

An overview of our local economy.



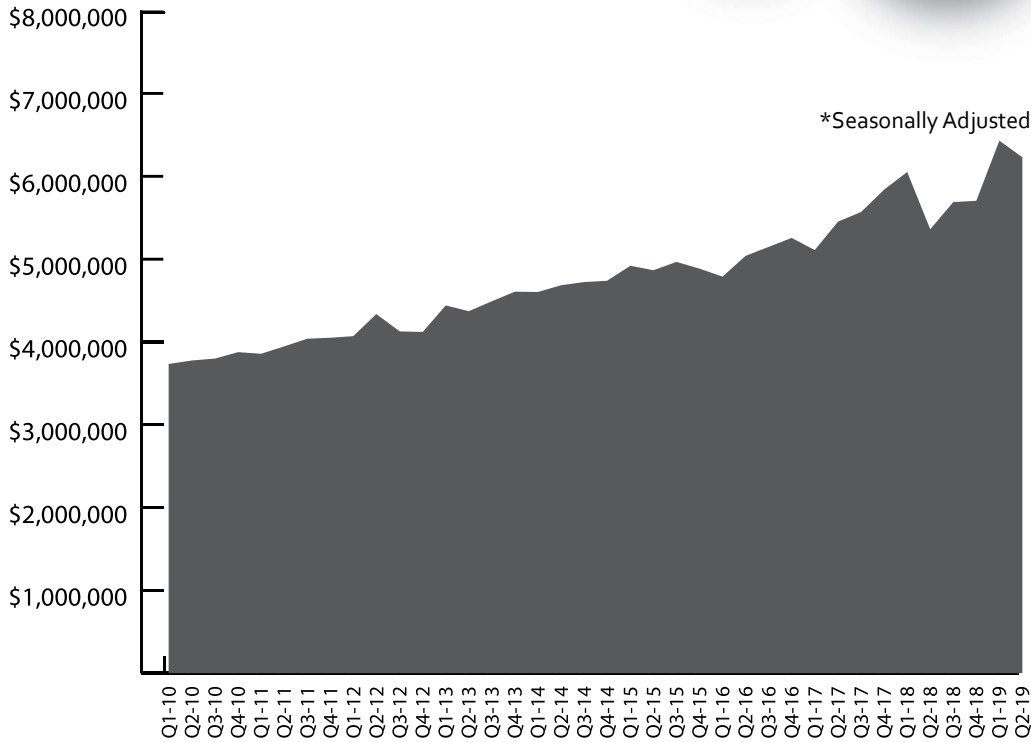
SALES TAX
2010=100

3.2%

Q1 2019
172.3

Q2 2019
166.8

SALES TAX AT A GLANCE...



Sales Tax revenue was \$6,228,539 in Q2 2019, down 3.2% from the previous quarter.

Current revenue is up 16.2% from one year ago and up 14.3% from two years ago.

Sales tax revenue has increased 66.8% or nearly \$2.5 million since Q1 2010.

Sales tax is the second most recovered component of the Snapshot.

2ND QUARTER TREND

Sales tax revenue was over \$6.2 million in Q2 2019, the second highest grossing level since Q1 2010. This was the first quarterly decrease following a strong growth trend over the past year.

Local sales tax revenue has continued to be a strong component of the Snapshot and is currently the second most recovered when compared back to the base year of Q1 2010. Since that time, revenue has continued to show strong growth and is currently up 66.8% or nearly \$2.5 million.

The August 2019 Chico business Confidence Survey shows 59% of local business leaders are expecting their sales to increase over the next 12 months while 33% expect their sales to remain the same. Make sure to view the full report at www.GoldenValley.Bank

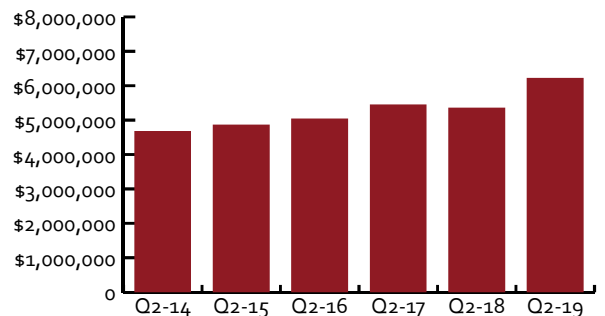
Mark Francis
President and CEO | Golden Valley Bank

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Q2 SALES TAX PERFORMANCE



Total increase of 33%



ECONOMIC SNAPSHOT

An overview of our local economy.



BUILDING PERMITS

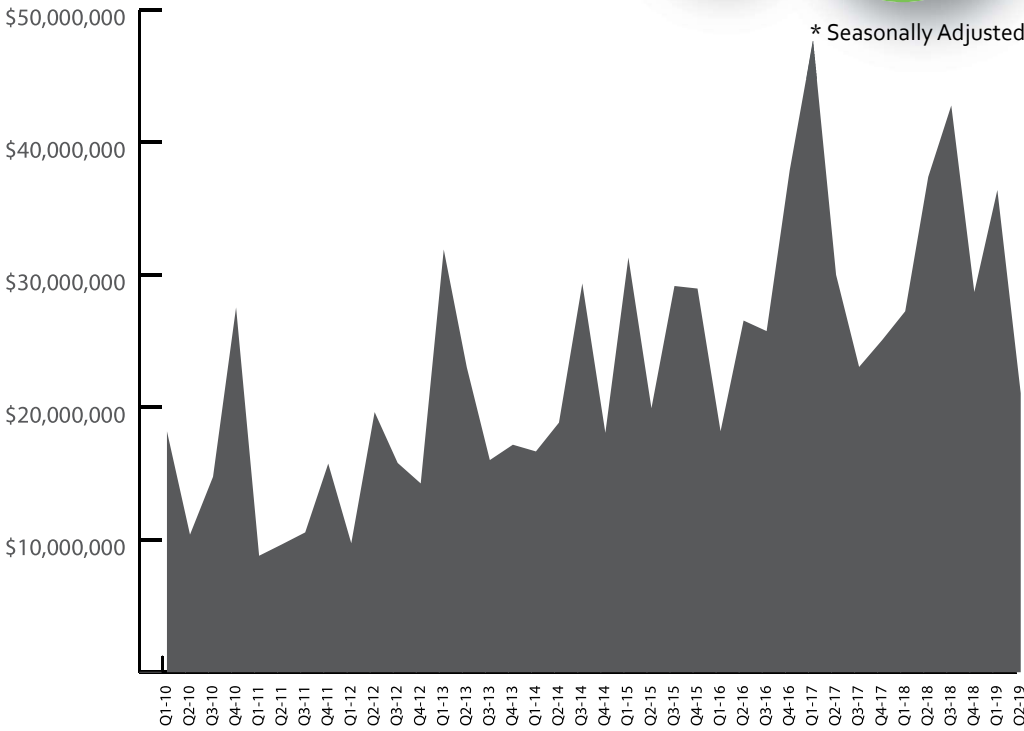
2010=100

42.1%

Q1 2019
200.2

Q2 2019
115.9

BUILDING PERMITS AT A GLANCE...



Total value of permits issued was over \$21 million in Q2 19, down 42.1% from the previous quarter.

Current valuation is down 43.6% from a year ago and down 29.8% from two years ago.

Total valuation was 15.9% beyond a full recovery when compared to the base year of Q1 2010.

New residential permits increased to 77% of all permits issued in Q2 19, up from 67% in the previous quarter.

2ND QUARTER TREND

There were 1,061 permits issued in Q2 2019 with a total valuation of more than \$21 million. This was down 42.1% following a strong performance in the previous quarter.

In Q2 2019, new residential permits were valued at nearly \$15 million, down from more than \$29 million in the previous quarter. New commercial permits were valued just over \$1 million, down from more than \$10.6 million in the previous quarter.

The total number of projects, project size, and timing all have a large impact on total valuation, which can cause variations between quarters.

Overall, the local building industry has continued to remain a strong component of the Snapshot.

Mark Francis
President and CEO | Golden Valley Bank

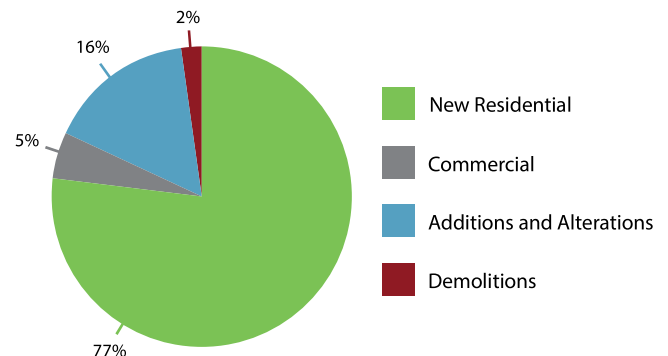
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PERCENTAGE OF PERMITS

-Percentage of total valuation this quarter-



ECONOMIC SNAPSHOT

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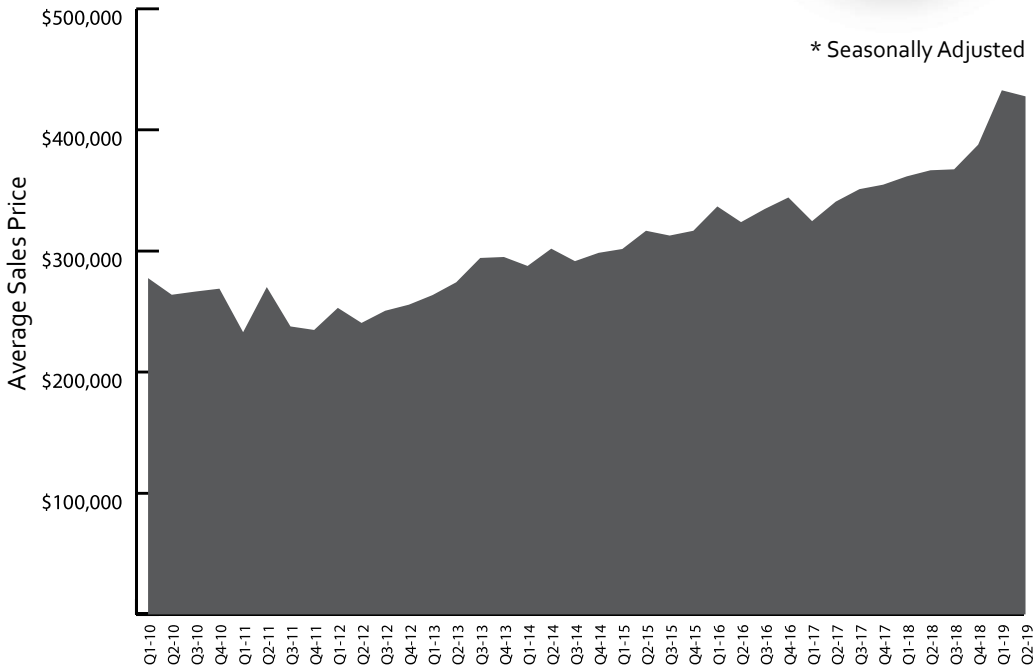


HOUSING
2010=100

1.2%

Q1 2019
155.9

Q2 2019
154.1



HOUSING MARKET AT A GLANCE...

- Average home sales price was \$427,667 in Q2 19, down 1.2% from the previous quarter.
- Current prices are up 16.6% from a year ago and up 25.6% from two years ago.
- There were 423 closed sales in Q2 19, down from 478 closed sales in Q1 19.
- Residential properties stayed on the market an average of 26 days, down from 31 in the previous quarter.

2ND QUARTER TREND

Average home sales prices in Q2 2019 were at their second highest level since Q1 2010.

The average sales price was over \$427k, with 55 fewer closed sales when compared to the previous quarter. Properties are still selling quickly, staying on the market an average of 26 days in Q2 2019, down 5 days from the previous quarter.

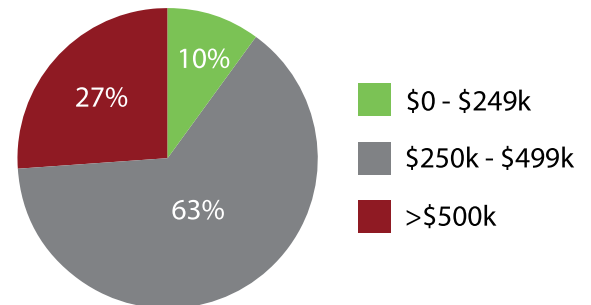
When compared to a year ago, the market continues to show a strong performance. Compared to a year ago, there were 7 more closed sales and properties spent 7 fewer days on the market.

With interest rates remaining low and demand remaining strong, the current performance is expected to continue.

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President and CEO | Golden Valley Bank

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PERCENTAGE OF SALES



ECONOMIC SNAPSHOT

An overview of our local economy.



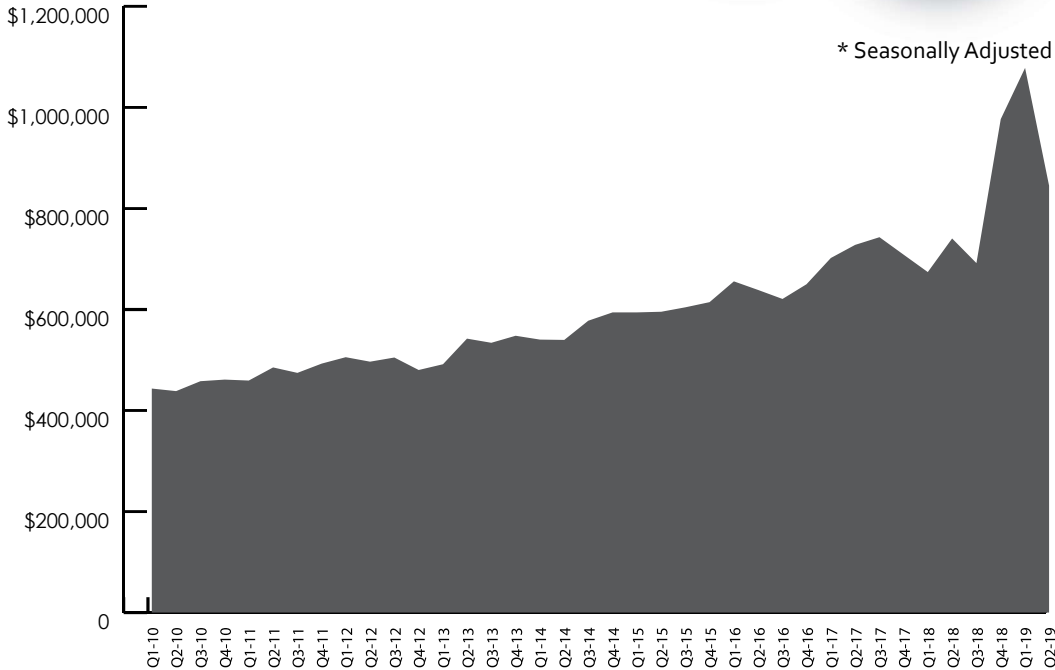
TOT
TRANSIENT OCCUPANCY TAX
2010=100

21.6%

Q1 2019
243.2

Q2 2019
190.6

TOT AT A GLANCE...



TOT revenue was \$845,137 in Q2 19, down 21.6% from the previous quarter.

Revenue was up 14.3% from a year ago and up 16.1% from two years ago.

TOT revenue has increased over \$401k or 90.6% since Q1 2010.

Transient Occupancy Tax revenue is the most recovered component of the Snapshot.

2ND QUARTER TREND

Total TOT revenue was over \$845k in Q2 2019, a decrease of 21.6% from the previous quarter, which was likely to happen following a period of abnormal growth.

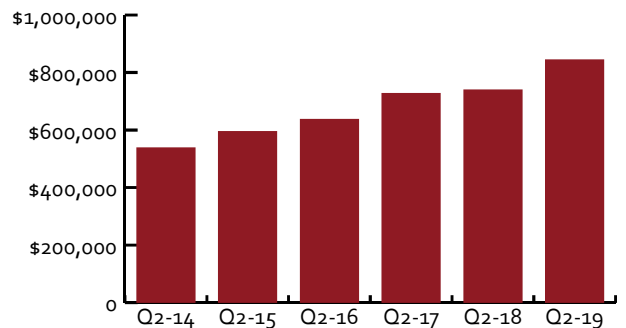
Part of the reason for the decrease could be that displaced Camp Fire survivors are now finding new homes. The other reason can be attributed to the TOT exemption, which states once an individual stays over 30 days in a hotel they are not considered transient and their stay is not subject to taxation. During the aftermath of the Camp Fire, it was left to the hotels to document the exemptions. The City states audits have been arranged for in the coming months, so there may be some adjustments in the future.

Transient Occupancy Tax revenue remains the most recovered component of the Snapshot when compared to Q1 2010.

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President and CEO | Golden Valley Bank

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Q2 TOT PERFORMANCE



Total increase of 56.6%



ECONOMIC SNAPSHOT

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EMPLOYMENT

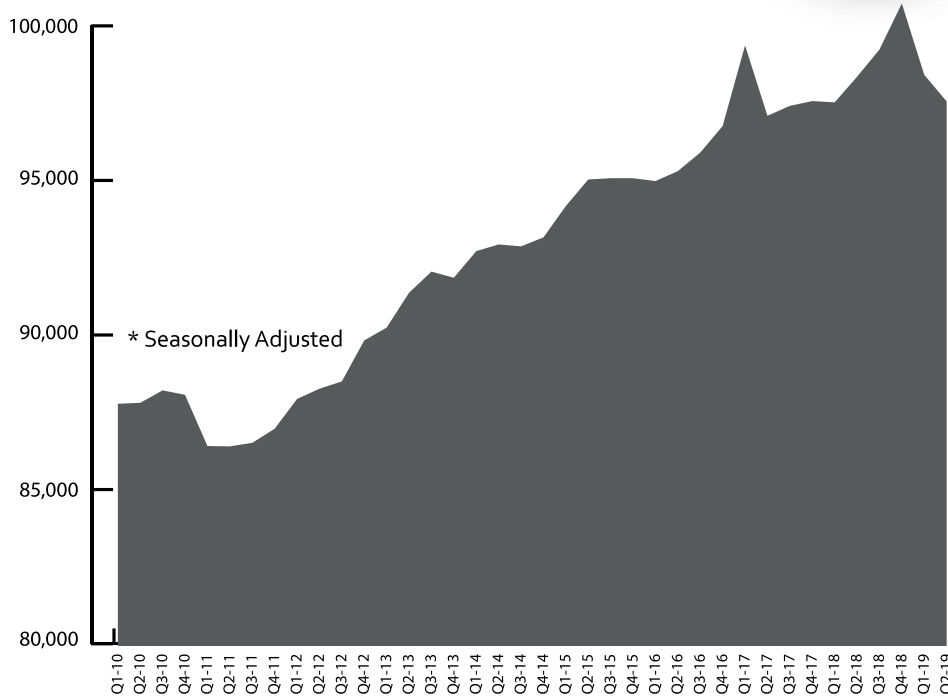
2010=100

0.9%

Q1 2019
112.1

Q2 2019
111.1

EMPLOYMENT AT A GLANCE...



There were 97,630 Butte County residents employed in Q2 19, down .9% from the previous quarter.

Employment is down .8% compared to one year ago and up .5% compared to two years ago.

Employment is up 11,052 jobs or 12.7% since the low of Q3 2011.

Goods Producing employment increased 1% while Service Providing employment decreased 1%.

2ND QUARTER TREND

There were 97,630 Butte County residents employed in Q2 19, a decrease of 0.9% from the previous quarter. This was the second quarterly decrease following the most recent highest employment level in Q4 2018.

Q2 19 employment still continues to have strong numbers despite the decrease from the previous two quarters. Employment has continued to show a strong upward trend since the beginning of the base year in Q1 2010 and is currently up 11.1% since that time.

The newest Chico Business Confidence Survey from August 2019 shows 25% of local business leaders expect to increase their employment level over the next 12 months. View the full results of the survey at www.goldenvalley.bank

Mark Francis

Mark Francis
President and CEO | Golden Valley Bank

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INDUSTRY BREAKDOWN

