INTEL CORP
Form 424B3
July 07, 2006

Filed under Rule 424(b)(3) and (7) of the Securities Act of 1933,
relating to Registration No. 333-132865

Supplement No. 5 to Prospectus Supplement Dated March 31, 2006
and Prospectus Dated March 30, 2006

Intel Corporation

$1,600,000,000

2.95% Junior Subordinated Convertible Debentures due 2035

And

Shares of Common Stock Issuable Upon Conversion of the Debentures

This supplement no. 5 to the prospectus supplement dated March 31, 2006 and the prospectus dated March 30, 2006 relates to the resale by selling securityholders of Intel Corporation s 2.95% Junior Subordinated Convertible Debentures Due 2035 and the shares of Intel common stock issuable upon conversion of the debentures.

You should read this supplement no. 5 in conjunction with the prospectus supplement dated March 31, 2006, the prospectus dated March 30, 2006, and all supplements to the prospectus supplement, which should be delivered in conjunction with this supplement no. 5. This supplement no. 5 is not complete without, and may not be delivered or used except in conjunction with, the prospectus and prospectus supplement, including supplement no. 1, supplement no. 2, supplement no. 3, supplement no. 4 and any other amendments or supplements to them. This supplement no. 5 is qualified by reference to the prospectus supplement and the prospectus, except to the extent that the information provided by this supplement no. 5 supersedes information contained in the prospectus supplement, supplement no. 1, supplement no. 2, supplement no. 3 and supplement no. 4.

Investing in the debentures and the common stock issuable upon conversion of the debentures involves risk. See the discussion entitled Risk Factors beginning on page S-5 of the prospectus supplement dated March 31, 2006.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this supplement no. 5, the prospectus supplement dated March 31, 2006 or the prospectus dated March 30, 2006. Any representation to the contrary is a criminal offense.

The table under the caption Selling Securityholders beginning on page S-54 of the prospectus supplement, as supplemented by supplement no. 1, supplement no. 2, supplement no. 3 and supplement no. 4, is hereby supplemented and amended by updating information as to certain selling securityholders identified in the table below and adding to it certain selling securityholders identified in the table below. We prepared this table based on information supplied to us by the selling securityholders named in the table below on or prior to July 6, 2006. Information about the selling securityholders may change over time. If required, any changed or new information given to us will be set forth in supplements to the prospectus supplement or amendments to the registration statement of which the prospectus, prospectus supplement and the supplements thereto, are a part, if and when necessary.

We have assumed for purposes of the table below that the selling securityholders will sell all of the debentures and all of the common stock issuable upon conversion of the debentures pursuant to this supplement no. 5, the prospectus supplement and the prospectus, and that any other shares of our common stock beneficially owned by the selling securityholders will continue to be beneficially owned.

Except as set forth below, none of the selling securityholders has, or within the past three years has had, any position, office or other material relationship with us or any of our predecessors or affiliates.

The selling securityholders identified below may have sold, transferred or otherwise disposed of, pursuant to transactions exempt from the registration requirements of the Securities Act of 1933, as amended, all or a portion of their debentures since the date on which they provided the information regarding their debentures.

Name of Selling Securityholder (1)	Principal Amount of Debentures Beneficially Owned and Offered (USD)	Percentage of Debentures Outstanding (%)	Number of Shares of Common Stock Issuable that May Be Sold(2)(3)	Number of Shares of Common Stock Beneficially Owned after the Offering(4)	Natural Person(s) with Voting or Investment Power
Cheyne Fund LP	10,615,000	*	336,667	0	David Treadwell
Cheyne Leverage Fund LP	8,816,000	*	279,610	0	David Treadwell
CIP Limited Duration Co	379,000	*	12,020	0	David Treadwell
Citigroup Global Markets Inc. (#)	3,965,000	*	125,754	0	(5)
CMH Strategies Limited	217,000	*	6,882	0	Dermot Desmond
Credit Suisse Securities LLC (#)	7,100,000	*	225,185	0	Jeff Andreski
Fidelity Financial Trust: Fidelity Convertible Securities Fund (+)	10,000,000	*	317,162	(6)	(7)
Government of Singapore Investment Corporation Pte Ltd	3,000,000	*	95,148	20,323,458	Susan E. Osborn
IIU Convertible Arbitrage Fund Limited	618,000	*	19,600	0	

Princeton Medical Mutual Insurance	875,000	*	27,751	0	Dermot Desmond Rob Young, Mike Witte
Siemens Convertibles Global Markets	9,000,000	*	285,445	0	David Treadwell
TCW Group, Inc.	4,930,000	*	156,360	0	Thomas Lyon

* Less than one percent (1%).

\# The selling securityholder is a registered broker-dealer.

\+ The selling securityholder is an affiliate of a registered broker-dealer.

(1) Information concerning other selling securityholders will be set forth in additional supplements to the prospectus supplement from time to time, if required.

(2) Assumes conversion of all of the holder s debentures at a conversion rate of 31.7162 shares of common stock per $1,000 principal amount at maturity of the debentures. This conversion rate is subject to adjustment as described under Description of debentures Conversion rights in the prospectus supplement. As a result, the number of shares of common stock issuable upon conversion of the debentures may increase or decrease in the future. Excludes shares of common stock that may be issued by us upon the repurchase of the debentures as described under Description of debentures Fundamental change permits holders to require us to repurchase debentures and fractional shares. Holders will receive a cash adjustment for any fractional share amount resulting from conversion of the debentures, as described under Description of debentures Conversion rights.

(3) Calculated based on Rule 13d-3(d)(i) of the Exchange Act. The number of shares of common stock beneficially owned by

each holder named above is less than 1% of our outstanding common stock calculated based on 5,883 million shares of common stock outstanding as of January 27, 2006. In calculating this amount for each holder, we treated as outstanding the number of shares of common stock issuable upon conversion of all of that holder s debentures, but we did not assume conversion of any other holder s debentures.

(4) For purposes of computing the number and percentage of debentures and shares of common stock to be held by the selling securityholders after the conclusion of the offering, we have assumed for purposes of the table above that the selling securityholders named above will sell all of the debentures and all of the common stock issuable upon conversion of the debentures offered by this prospectus, and that any other shares of our common stock beneficially owned by these selling securityholders will continue to be beneficially owned.

(5) Citigroup Global Markets Inc. is a subsidiary of a public

company.

(6) The entity is a registered investment fund (the Fund) advised by Fidelity Management & Research Company (FMR Co.), a registered investment adviser under the Investment Advisers Act of 1940, as amended. FMR Co. is the beneficial owner of 71,320,024 shares (including the number of shares issuable upon conversion of the debentures) of the common stock outstanding of Intel Corporation as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940.

(7) The entity is a registered investment fund (the Fund) advised by Fidelity Management & Research Company (FMR Co.), a registered investment adviser under the Investment Advisers Act of 1940, as amended. FMR Co. is a wholly owned subsidiary of FMR Corp. and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940. Edward C. Johnson 3d, FMR Corp., through its control of FMR Co., and the Fund each has sole power to dispose of the securities

owned by the Fund. Neither FMR Corp. nor Edward C. Johnson 3d, Chairman of FMR Corp., has the sole power to vote or direct the voting of the shares owned directly by the Fund, which power resides with the Fund s Board of Trustees.

Only selling securityholders identified above who beneficially own the securities set forth opposite each such selling securityholder s name in the foregoing table may sell such securities under the registration statement. Prior to any use of this prospectus in connection with an offering of the debentures and/or the underlying common stock by any holder not identified above, the prospectus supplement will be supplemented further to set forth the name and other information about the selling securityholder intending to sell such debentures and the underlying common stock.

The date of the supplement no. 5 is July 7, 2006

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SIERRA BANCORP AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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18. RELATED PARTY TRANSACTIONS

During the normal course of business, the Bank enters into loans with related parties, including executive officers and directors. These loans are made with substantially the same terms, including rates and collateral, as loans to unrelated parties. The following is a summary of the aggregate activity involving related party borrowers (dollars in thousands):

	Year Ended December 31,		
	2016	2015	2014
Balance, beginning of year	$2,784	$3,188	$3,742
Disbursements	16,939	5,652	11,850
Amounts repaid	(17,470)	(6,056)	(12,404)
Balance, end of year	$2,253	$2,784	$3,188
Undisbursed commitments to related parties	$2,559	$2,121	$2,272

Deposits from related parties held by the Bank at December 31, 2016 and 2015 amounted to $3,780,000 and $6,464,000, respectively.

SIERRA BANCORP AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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19.FAIR VALUE

Fair value is defined by U.S. GAAP as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

§ Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

§ Level 2: Significant observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

§ Level 3: Significant unobservable inputs that reflect a company’s own assumptions about the factors that market participants would use in pricing an asset or liability.

SIERRA BANCORP AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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19. FAIR VALUE (Continued)

The Company used the following methods and significant assumptions to estimate fair values for each category of financial asset noted below:

Securities: The fair values of securities available for sale are determined by obtaining quoted prices on nationally recognized securities exchanges or by matrix pricing, which is a mathematical technique used widely in the industry to value debt securities by relying on their relationship to other benchmark quoted securities.

Collateral-dependent impaired loans: A specific loss allowance is created for collateral dependent impaired loans, representing the difference between the face value of the loan and its current appraised value less estimated disposition costs.

Foreclosed assets: Repossessed real estate (OREO) and other assets are carried at the lower of cost or fair value. Fair value is the appraised value less expected selling costs for OREO and some other assets such as mobile homes, and for all other assets fair value is represented by the estimated sales proceeds as determined using reasonably available sources. Foreclosed assets for which appraisals can be feasibly obtained are periodically measured for impairment using updated appraisals. Fair values for other foreclosed assets are adjusted as necessary, subsequent to a periodic re-evaluation of expected cash flows and the timing of resolution. If impairment is determined to exist, the book value of a foreclosed asset is immediately written down to its estimated impaired value through the income statement, thus the carrying amount is equal to the fair value and there is no valuation allowance.

SIERRA BANCORP AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

19. FAIR VALUE (Continued)

Assets and liabilities measured at fair value on a recurring basis, including financial liabilities for which the Company has elected the fair value option, are summarized below (dollars in thousands):

	Fair Value Measurements at December 31, 2016, Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Realized Gain/(Loss)
Securities:					
US Government Agencies	$ -	$ 26,468	$ -	$ 26,468	$ -
Mortgage-backed securities	-	387,876	-	387,876	-
State and political subdivisions	-	114,193	-	114,193	-
Equity securities	1,546		-	1,546	-
Total available-for-sale securities	$ 1,546	$ 528,537	$ -	$ 530,083	$ -

	Fair Value Measurements at December 31, 2015, Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Realized Gain/(Loss)
Securities:					
US Government Agencies	$ -	$ 29,042	$ -	$ 29,042	$ -
Mortgage-backed securities	-	375,061	-	375,061	-

State and political subdivisions	-	102,183	-	102,183	-
Equity securities	1,296	-	-	1,296	-
Total available-for-sale securities	$ 1,296	$ 506,286	$ -	$ 507,582	$ -

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SIERRA BANCORP AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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19.FAIR VALUE (Continued)

Assets and liabilities measured at fair market value on a non-recurring basis are summarized below (dollars in thousands):

	Year Ended December 31, 2016			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Collateral dependent impaired loans	$ -	$ 406	$ -	$ 406
Foreclosed assets	$ -	$ 2,225	$ -	$ 2,225

	Year Ended December 31, 2015			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Collateral dependent impaired loans	$ -	$ 3,829	$ -	$ 3,829
Foreclosed assets	$ -	$ 3,193	$ -	$ 3,193

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SIERRA BANCORP AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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20. DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

Disclosures include estimated fair values for financial instruments for which it is practicable to estimate fair value. These estimates are made at a specific point in time based on relevant market data and information about the financial instruments. These estimates do not reflect any premium or discount that could result from offering the Company’s entire holdings of a particular financial instrument for sale at one time, nor do they attempt to estimate the value of anticipated future business related to the instruments. In addition, the tax ramifications related to the realization of unrealized gains and losses can have a significant effect on fair value estimates and have not been considered in any of these estimates.

Because no market exists for a significant portion of the Company’s financial instruments, fair value estimates are based on judgments regarding current economic conditions, risk characteristics of various financial instruments and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the fair values presented. The following methods and assumptions were used by the Company to estimate the fair value of its financial instruments at December 31, 2016 and 2015:

Cash and cash equivalents, and fed funds sold: For cash and cash equivalents and fed funds sold, the carrying amount is estimated to be fair value.

Securities: The fair values of investment securities are determined by obtaining quoted prices on nationally recognized securities exchanges or by matrix pricing, which is a mathematical technique used widely in the industry to value debt securities by relying on their relationship to other benchmark quoted securities when quoted prices for specific securities are not readily available.

Loans and leases: For variable-rate loans and leases that re-price frequently with no significant change in credit risk or interest rate spread, fair values are based on carrying values. Fair values for other loans and leases are estimated by discounting projected cash flows at interest rates being offered at each reporting date for loans and leases with similar terms, to borrowers of comparable creditworthiness.

Loans held for sale: Since loans designated by the Company as available-for-sale are typically sold shortly after making the decision to sell them, realized gains or losses are usually recognized within the same period and fluctuations in fair values are thus not relevant for reporting purposes. If available-for-sale loans stay on our books for an extended period of time, the fair value of those loans is determined using quoted secondary-market prices.

Cash surrender value of life insurance policies: The fair values are based on current cash surrender values at each reporting date provided by the insurers.

Investment in limited partnerships: The fair values of our investments in limited partnerships are estimated using quarterly indications of value provided by the general partner. The fair values of undisbursed capital commitments are assumed to be the same as their book values.

Other investments: Included in other assets are certain long-term investments carried at cost, which approximates estimated fair value, unless an impairment analysis indicates the need for adjustments.

Deposits: Fair values for non-maturity deposits are equal to the amount payable on demand at the reporting date, which is the carrying amount. Fair values for fixed-rate certificates of deposit are estimated using a cash flow analysis, discounted at interest rates being offered at each reporting date by the Bank for certificates with similar remaining maturities.

Short-term borrowings: The carrying amounts approximate fair values for federal funds purchased, overnight FHLB advances, borrowings under repurchase agreements, and other short-term borrowings maturing within ninety days of the reporting dates. Fair values of other short-term borrowings are estimated by discounting projected cash flows at the Company's current incremental borrowing rates for similar types of borrowing arrangements.

SIERRA BANCORP AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

20. DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Long-term borrowings: The fair values of the Company's long-term borrowings are estimated using projected cash flows discounted at the Company's current incremental borrowing rates for similar types of borrowing arrangements.

Subordinated debentures: The fair values of subordinated debentures are determined based on the current market value for like instruments of a similar maturity and structure.

Commitments to extend credit and letters of credit: If funded, the carrying amounts for currently unused commitments would approximate fair values for the newly created financial assets at the funding date. However, because of the high degree of uncertainty with regard to whether or not those commitments will ultimately be funded, fair values for loan commitments and letters of credit in their current undisbursed state cannot reasonably be estimated, and only notional values are disclosed in the table below.

Carrying amount and estimated fair values of financial instruments were as follows (dollars in thousands):

	Year Ended December 31, 2016				
		Estimated Fair Value			
	Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial Assets:					
Cash and cash equivalents	$120,442	$120,442	$ -	$ -	$120,442

Securities available for sale	530,083	1,546	528,537	-	530,083
Loans and leases held for investment	1,255,348	-	1,266,447	-	1,266,447
Collateral dependent impaired loans	406	-	406	-	406
Cash surrender value of life insurance policies	43,706	-	43,706	-	43,706
Other investments	8,506	-	8,506	-	8,506
Investment in qualified affordable housing projects	6,811	-	6,811	-	6,811
Investment in limited partnership	1,264	-	1,264	-	1,264
Accrued interest receivable	6,354	-	6,354	-	6,354
Financial Liabilities:					
Deposits:					
Non-interest-bearing	$524,552	$524,552	$ -	$ -	$524,552
Interest-bearing	1,170,919	-	1,171,188	-	1,171,188
Fed funds purchased and Repurchase agreements	8,094	-	8,094	-	8,094
Short-term borrowings	65,000	-	65,000	-	65,000
Subordinated debentures	34,410	-	22,633	-	22,633
Qualified affordable housing projects capital commitment	1,868	-	1,868	-	1,868
Limited partnership capital commitment	663	-	663	-	663
Accrued interest payable	188	-	188	-	188

	Notional Amount
Off-balance-sheet financial instruments:	
Commitments to extend credit	$463,923
Standby letters of credit	8,582

SIERRA BANCORP AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

20. DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Carrying amount and estimated fair values of financial instruments were as follows (dollars in thousands):

	Year Ended December 31, 2015				
		Estimated Fair Value			
	Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial Assets:					
Cash and cash equivalents	$48,623	$48,623	$-	$-	$48,623
Securities available for sale	507,582	1,296	506,286	-	507,582
Loans and leases held for investment	1,120,773	-	1,136,386	-	1,136,386
Collateral dependent impaired loans	3,829	-	3,829	-	3,829
Cash surrender value of life insurance policies	44,140	-	44,140	-	44,140
Other investments	7,546	-	7,546	-	7,546
Investment in qualified affordable housing projects	4,862	-	4,862	-	4,862
Investment in limited partnership	1,355	-	1,355	-	1,355
Accrued interest receivable	5,808	-	5,808	-	5,808
Financial Liabilities:					

Deposits:					
Noninterest-bearing	$432,251	$432,251	$-	$-	$432,251
Interest-bearing	1,032,377	-	1,032,547	-	1,032,547
Fed funds purchased and Repurchase agreements	9,405	-	9,405	-	9,405
Short-term borrowings	75,300	-	75,300	-	75,300
Long-term borrowings	2,000	-	2,001	-	2,001
Subordinated debentures	30,928	-	7,383	-	7,383
Qualified affordable housing projects capital commitment	-	-	-	-	-
Limited partnership capital commitment	795	-	795	-	795
Accrued Interest Payable	116	-	116	-	116

	Notional Amount
Off-balance-sheet financial instruments:	
Commitments to extend credit	$354,890
Standby letters of credit	16,654

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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21. BUSINESS COMBINATIONS

On July 8, 2016, the Company acquired 100% of the outstanding common shares of Coast National Bancorp (CNB) in exchange for $3,280,000 and 599,226 shares of stock. CNB results of operations were included in the Company's results beginning July 9, 2016. Acquisition related costs of $2,411,000 and $0 are included in other operating expense in the Company's income statement for the years ended December 31, 2016 and 2015.

In accordance with GAAP, the Company recorded $1,360,000 of goodwill and $1,827,000 of core deposit intangibles. Goodwill represents the excess of the consideration transferred (cash) at the acquisition date over the fair values of the identifiable net assets acquired. The core deposit intangible is being amortized using a straight line basis over eight years. For tax purposes goodwill and core deposit intangibles are both non-deductible.

The acquisition has provided the Company an opportunity to expand its market presence further west into the Central California Coast. Synergies and cost savings resulting from the combined operations along with the introduction of the Company's existing products and services into the new region have provided growth opportunities and the potential to increase profitability.

The following table summarizes the consideration paid for CNB and the amounts of the assets acquired and liabilities assumed recognized at the acquisition date (dollars in thousands):

Consideration	
Cash	$3,280
Equity Instruments	10,205
Fair value of total consideration transferred	$13,485

Recognized amounts of identifiable assets acquired and liabilities assumed

Cash and cash equivalents	$18,931
Securities	23,363
Federal Home Loan Bank stock	561
Federal Reserve Bank stock	496
Loans	94,264
Premises and equipment	5,844
Core deposit intangibles	1,827
Other assets	2,504
Total assets acquired	147,790
Deposits	129,038
Trust Preferred Securities	3,422
Other liabilities	3,205
Total liabilities assumed	135,665
Total identifiable net assets	12,125
Goodwill	1,360
	$13,485

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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21. BUSINESS COMBINATIONS (Continued)

On November 14, 2014, the Company acquired 100% of the outstanding common and preferred shares of Santa Clara Valley Bank (SCVB) in exchange for $15,338,000. Under the terms of the acquisition, SCVB common shareholders received $12,300,000 or $6.00 per share and SCVB preferred shareholders received $3,000,000 to retire outstanding preferred stock and associated warrants. Included in the $12,300,000 was $700,000 which the Company paid to cash out existing in-the-money warrants. SCVB results of operations were included in the Company's results beginning November 14, 2014. Acquisition related costs of $0 and $101,000 are included in other operating expense in the Company's income statement for the years ended December 31, 2016 and 2015.

In accordance with GAAP, the Company recorded $1,364,000 of goodwill and $1,075,000 of core deposit intangibles. Goodwill represents the excess of the consideration transferred (cash) at the acquisition date over the fair values of the identifiable net assets acquired. The core deposit intangible is being amortized using a straight line basis over eight years. For tax purposes goodwill and core deposit intangibles are both non-deductible.

The acquisition has provided the Company an opportunity to expand its market presence further south into Ventura County and Santa Clarita. Synergies and cost savings resulting from the combined operations along with the introduction of the Company's existing products and services into the new region have provided growth opportunities and the potential to increase profitability.

The following table summarizes the consideration paid for SCVB and the amounts of the assets acquired and liabilities assumed recognized at the acquisition date (dollars in thousands):

Consideration	
Cash	$15,338
Equity Instruments	-
Fair value of total consideration transferred	$15,338

Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	$15,852
Securities	44,187
Federal Home Loan Bank stock	860
Loans	61,573
Premises and equipment	1,188
Core deposit intangibles	1,075
Other assets	5,719
Total assets acquired	130,454
Deposits	108,272
Federal Home Loan Bank advances	8,000
Other liabilities	208
Total liabilities assumed	116,480
Total identifiable net assets	13,974
Goodwill	1,364
	$15,338

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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21.BUSINESS COMBINATIONS (Continued)

In many cases, the fair values of assets acquired and liabilities assumed were determined by estimating the cash flows expected to result from those assets and liabilities and discounting them at appropriate market rates. The most significant category of assets for which this procedure was used was that of acquired loans. The excess of expected cash flows above the fair value of the majority of loans will be accreted to interest income over the remaining lives of the loans in accordance with FASB Accounting Standards Codification (ASC) 310-20 (formerly SFAS 91). The Company believes that all contractual cash flows related to these loans will be collected. As such, these loans were not considered impaired at the acquisition date and were not subject to the guidance relating to purchased credit impaired loans, which have shown evidence of credit deterioration since origination. Loans acquired from CNB that were not subject to these requirements had a fair value and gross contractual amounts receivable of $91,429,000 and $94,242,097 as of the date of acquisition. Loans acquired from SCVB that were not subject to these requirements had a fair value and gross contractual amounts receivable of $61,435,000 and $71,471,000, as of the date of acquisition.

Certain loans, for which specific credit-related deterioration, since origination, was identified, are recorded at fair value, reflecting the present value of the amounts expected to be collected. Income recognition on these “purchase credit-impaired” loans is based on a reasonable expectation about the timing and amount of cash flows to be collected. Acquired loans deemed impaired and considered collateral dependent, with the timing of the sale of loan collateral indeterminate, remain on non-accrual status and have no accretable yield. These loans are discussed in further detail in Note 4 *Purchased Credit Impaired Loans.*

In accordance with GAAP, there was no carryover of the allowance for loan losses that had been previously recorded by SCVB.

The Company recorded a deferred income tax asset of $219,000 for CNB and $2,300,000 for SCVB. These deferred income tax assets were related to net operating loss carry-forwards, as well as other tax attributes of CNB and SCVB, along with the effects of fair value adjustments resulting from applying the acquisition method of accounting.

The fair value of savings and transaction deposit accounts acquired from CNB and SCVB were assumed to approximate their carry value, as these accounts have no stated maturity and are payable on demand.

The operating results of the Company for the twelve months ending December 31, 2016, 2015 and 2014 include the operating results of CNB and SCVB since their respective acquisition dates. The following table presents the net interest and other income, basic earnings per share and diluted earnings per share as if the acquisition with CNB and SCVB were effective as of January 1, 2016, 2015 and 2014 for the respective year in which each acquisition was closed. The unaudited pro forma information in the following table is intended for informational purposes only and is not necessarily indicative of our future operating results for operating results that would have occurred had the mergers been completed at the beginning of each respective year. No assumptions have been applied to the pro forma results of operations regarding possible revenue enhancements, expense efficiencies or asset dispositions.

Unaudited pro forma net interest income, net income and earnings per share presented below:

	Pro Forma 2016	Pro Forma 2015	Pro Forma 2014
Net interest income	$ 67,877	$ 60,126	$ 56,095
Net income	$ 16,589	$ 18,067	$ 13,792
Basic earnings per share	$ 1.23	$ 1.34	$ 0.99
Diluted earnings per share	$ 1.22	$ 1.33	$ 0.98

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

22. QUALIFIED AFFORDABLE HOUSING PROJECT INVESTMENTS

The Company invests in qualified affordable housing projects. At December 31, 2016 and 2015, the balance of the investment for qualified affordable housing projects totaled $4,943,000 and $4,862,000, respectively. These balances are reflected in the other assets line on the consolidated balance sheet. Unfunded commitments related to these investments in qualified affordable housing projects totaled $1,900,000 and $0 at December 31, 2016 and 2015, respectively.

During the year ended December 31, 2016 and 2015, the Company recognized amortization expense on these investments of $944,000 and $900,000, respectively which was included within pretax income on the consolidated statements of income.

Additionally, during the years ended December 31, 2016 and 2015, the Company recognized tax credits and other benefits from its investment in affordable housing tax credits of $685,000 and $770,000, respectively. The Company had no impairment losses during the years ended December 31, 2016 and 2015.

SIERRA BANCORP AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

23. PARENT ONLY CONDENSED FINANCIAL STATEMENTS

BALANCE SHEETS

Years Ended December 31, 2016 and 2015

(dollars in thousands)

	2016	2015
ASSETS		
Cash and due from banks	$3,886	$2,222
Investments in bank subsidiary	236,059	217,442
Investment in Trust subsidiaries	1,145	928
Investment in other securities	1,480	1,264
Other assets	16	13
	$242,586	$221,869
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Other liabilities	$2,298	$601
Subordinated debentures	34,410	30,928
Total liabilities	36,708	31,529
Shareholders' equity:		
Common stock	75,458	65,093
Retained Earnings	132,180	122,701
Accumulated other comprehensive income, net of taxes	(1,760)	2,546
Total shareholders' equity	205,878	190,340
	$242,586	$221,869

SIERRA BANCORP AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

23. PARENT ONLY CONDENSED FINANCIAL STATEMENTS (Continued)

STATEMENTS OF INCOME

Years Ended December 31, 2016, 2015 and 2014

(dollars in thousands)

	2016	2015	2014
Income:			
Dividend from Subsidiary	$16,500	$12,500	$15,500
Gain on sale of securities	58	506	238
Other operating income	3	19	80
Total Income	16,561	13,025	15,818
Expense			
Salaries and employee benefits	404	365	347
Other expenses	1,857	1,344	1,195
Total expenses	2,261	1,709	1,542
Income before income taxes	14,300	11,316	14,276
Income tax benefit	(926)	(502)	(690)
Income before equity in undistributed income of subsidiary	15,226	11,818	14,966
Equity in undistributed income of subsidiary	2,341	6,249	274
Net income	$17,567	$18,067	$15,240

SIERRA BANCORP AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

23. PARENT ONLY CONDENSED FINANCIAL STATEMENTS (Continued)

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2016, 2015 and 2014

(dollars in thousands)

	2016	2015	2014
Cash flows from operating activities:			
Net Income	$17,567	$18,067	$15,240
Adjustments to reconcile net income to net cash provided by operating activities:			
Undistributed net income of subsidiary	(2,341)	(6,249)	(274)
Gain on sale of securities	(58)	(506)	(238)
Increase (decrease) in other assets	(220)	-	325
Increase (decrease) in other liabilities	20	96	(71)
Tax benefit from equity based compensation	-	-	-
Net cash provided for operating activities	14,968	11,408	14,982
Cash flows from investing activities:			
Purchases of securities	-	-	(37)
Sales of securities	170	1,104	402
Cash paid from acquisitions, net	(2,994)	-	-
Net cash provided by investing activities	(2,824)	1,104	365
Cash flows from financing activities:			
Change in other borrowings	(2,365)	-	-
Stock options exercised	649	526	1,075
Repurchase of common stock	(2,258)	(7,955)	(10,183)
Dividends paid	(6,506)	(5,662)	(4,775)
Net cash used in by financing activities	(10,480)	(13,091)	(13,883)
Net decrease (increase) in cash and cash equivalents	1,664	(579)	1,464

Cash and cash equivalents, beginning of year	2,222	2,801	1,337
Cash and cash equivalents, end of year	$3,886	$2,222	$2,801

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SIERRA BANCORP AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

24. CONDENSED QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The following table sets forth the Company's unaudited results of operations for the four quarters of 2016 and 2015. In management's opinion, the results of operations reflect all adjustments (which include only recurring adjustments) necessary to present fairly the condensed results for such periods (dollars in thousands, except per share data).

	2016 Quarter Ended			
	December 31,	September 30,	June 30,	March 31,
Interest income	$18,745	$ 17,794	$15,934	$ 16,032
Interest expense	980	887	739	717
Net interest income	17,765	16,907	15,195	15,315
Provision for loan and lease losses	-	-	-	-
Non-interest income	5,379	4,991	4,574	4,294
Non-interest expense	14,738	16,121	13,715	13,479
Net income before taxes	8,406	5,777	6,054	6,130
Provision for taxes	2,889	1,848	1,968	2,095
Net income	$5,517	$ 3,929	$4,086	$ 4,035
Diluted earnings per share	$.40	$ .28	$.31	$ .30
Cash dividend per share	$.12	$ .12	$.12	$ .12

	2015 Quarter Ended			
	December 31,	September 30,	June 30,	March 31,
Interest income	$16,163	$ 15,524	$15,669	$ 15,351
Interest expense	650	647	651	633
Net interest income	15,513	14,877	15,018	14,718
Provision for loan and lease losses	-	-	-	-

Non-interest income	4,793	4,261	4,654	4,007
Non-interest expense	12,207	12,285	12,751	13,460
Net income before taxes	8,099	6,853	6,921	5,265
Provision for taxes	2,737	2,443	2,364	1,527
Net income	$5,362	$ 4,410	$4,557	$ 3,738
Diluted earnings per share	$.40	$ .33	$.33	$ .27
Cash dividend per share	$.11	$ .11	$.10	$ .10

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Item 9. Changes in and Disagreements with Accountants on Accounting And Financial Disclosure

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's Chief Executive Officer and its Chief Financial Officer, after evaluating the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13(a)–15(e) as of the end of the period covered by this report (the "Evaluation Date") have concluded that as of the Evaluation Date, the Company's disclosure controls and procedures were adequate and effective to ensure that material information relating to the Company and its consolidated subsidiaries would be made known to them by others within those entities, particularly during the period in which this annual report was being prepared.

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our Management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure, and that such information is recorded, processed, summarized, and reported within the time periods specified by the SEC.

Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for the preparation, integrity, and reliability of the consolidated financial statements and related financial information contained in this annual report. The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America and, as such, include some amounts that are based on judgments and estimates of Management.

Management has established and is responsible for maintaining effective internal control over financial reporting. The Company's internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and directors of the Company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal control can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time. The system contains monitoring mechanisms, and actions are taken to correct deficiencies identified.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2016. This assessment was based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. This assessment included controls over the preparation of regulatory financial statements in accordance with the Federal Financial Institutions Examination Council's Instructions for Preparation of Consolidated Reports of Condition and Income, and in accordance with the Board of Governors of the Federal Reserve System's Instructions for Preparation of Financial Statements for Bank Holding Companies (Consolidated and Parent Company Only). Based on this assessment, Management believes that the Company maintained effective internal control over financial reporting as of December 31, 2016.

Management is responsible for compliance with the federal and state laws and regulations concerning dividend restrictions and federal laws and regulations concerning loans to insiders designated by the FDIC as safety and soundness laws and regulations. Management assessed compliance by the Company’s insured financial institution, Bank of the Sierra, with the designated laws and regulations relating to safety and soundness. Based on this assessment, Management believes that Bank of the Sierra complied, in all significant respects, with the designated laws and regulations related to safety and soundness for the year ended December 31, 2016.

Our assessment of the effectiveness of the Company’s internal control over financial reporting as of December 31, 2016 has been audited by Vavrinek, Trine, Day & Co., LLP, an independent registered public accounting firm, as stated in their report appearing below.

Changes in Internal Control

There were no significant changes in the Company’s internal control over financial reporting or in other factors in the fourth quarter of 2016 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders

Sierra Bancorp and Subsidiary

Porterville, California

We have audited Sierra Bancorp and Subsidiary's (the Company's) internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Because Management's assessment and our audit were conducted to also meet the reporting requirements of Section 112 of the Federal Deposit Insurance Corporation Improvement Act (FDICIA), Management's assessment and our audit of the Company's internal control over financial reporting included controls over the preparation of financial statements in accordance with instructions to the Consolidated Financial Statements for Bank Holding Companies (Form FR Y-9C). A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and the receipts and expenditures of the company are being made only in accordance with authorizations of Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board, the consolidated balance sheets of the Company as of December 31, 2016 and 2015, and the related consolidated statements of income, shareholders' equity and comprehensive income and cash flows for each of the years in the three year period ended December 31, 2016, and our report dated March 13, 2017 expressed an unqualified opinion on those financial statements.

/s/ Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California

March 13, 2017

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ITEM 9B. OTHER INFORMATION.

None.

PART III

Item 10. Directors, Executive Officers AND CORPORATE GOVERNANCE

The information required to be furnished pursuant to this item with respect to Directors and Executive Officers of the Company will be set forth under the caption “Election of Directors” in the Company’s proxy statement for the 2017 Annual Meeting of Shareholders (the “Proxy Statement”), which the Company will file with the SEC within 120 days after the close of the Company’s 2016 fiscal year in accordance with SEC Regulation 14A under the Securities Exchange Act of 1934. Such information is hereby incorporated by reference.

The information required to be furnished pursuant to this item with respect to compliance with Section 16(a) of the Exchange Act will be set forth under the caption “Section 16(a) Beneficial Ownership Reporting Compliance” in the Proxy Statement, and is incorporated herein by reference.

The information required to be furnished pursuant to this item with respect to the Company’s Code of Ethics and corporate governance matters will be set forth under the caption “Corporate Governance” in the Proxy Statement, and is incorporated herein by reference.

Item 11. Executive Compensation

The information required to be furnished pursuant to this item will be set forth under the captions “Executive Officer and Director Compensation” and “Compensation Discussion and Analysis” in the Proxy Statement, and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management AND RELATED SHAREHOLDER MATTERS

Securities Authorized for Issuance under Equity Compensation Plans

The information required by Item 12 with respect to securities authorized for issuance under equity compensation plans is set forth under "Item 5 – Market for Registrant's Common Equity and Issuer Repurchases of Equity Securities" above.

Other Information Concerning Security Ownership of Certain Beneficial Owners and Management

The remainder of the information required by Item 12 will be set forth under the captions "Security Ownership of Certain Beneficial Owners and Management" and "Election of Directors" in the Proxy Statement, and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions AND DIRECTOR INDEPENDENCE

The information required to be furnished pursuant to this item will be set forth under the captions "Related Party Transactions" and "Corporate Governance – Director Independence" in the Proxy Statement, and is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTING FEES and SERVICES

The information required to be furnished pursuant to this item will be set forth under the caption "Ratification of Appointment of Independent Registered Public Accounting Firm – Fees" in the Proxy Statement, and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) **Exhibits**

Exhibit #	Description
2.1	Agreement and Plan of Consolidation by and among Sierra Bancorp, Bank of the Sierra and Santa Clara Valley Bank, N.A., dated as of July 17, 2014 (1)
2.2	Agreement and Plan of Reorganization and Merger, dated as of January 4, 2016 by and between Sierra Bancorp and Coast Bancorp (2)
3.1	Restated Articles of Incorporation of Sierra Bancorp (3)
3.2	Amended and Restated By-laws of Sierra Bancorp (4)
10.1	Salary Continuation Agreement for Kenneth R. Taylor (5)
10.2	Salary Continuation Agreement for James C. Holly (5)
10.3	Salary Continuation Agreement and Split Dollar Agreement for James F. Gardunio (6)
10.4	Split Dollar Agreement for Kenneth R. Taylor (7)
10.5	Split Dollar Agreement and Amendment thereto for James C. Holly (7)
10.6	Director Retirement Agreement and Split dollar Agreement for Vincent Jurkovich (7)
10.7	Director Retirement Agreement and Split dollar Agreement for Robert Fields (7)
10.8	Director Retirement Agreement and Split dollar Agreement for Gordon Woods (7)
10.9	Director Retirement Agreement and Split dollar Agreement for Morris Tharp (7)
10.10	Director Retirement Agreement and Split dollar Agreement for Albert Berra (7)
10.11	401 Plus Non-Qualified Deferred Compensation Plan (7)
10.12	Indenture dated as of March 17, 2004 between U.S. Bank N.A., as Trustee, and Sierra Bancorp, as Issuer (8)
10.13	Amended and Restated Declaration of Trust of Sierra Statutory Trust II, dated as of March 17, 2004 (8)
10.14	Indenture dated as of June 15, 2006 between Wilmington Trust Co., as Trustee, and Sierra Bancorp, as Issuer (9)
10.15	Amended and Restated Declaration of Trust of Sierra Capital Trust III, dated as of June 15, 2006 (9)
10.16	2007 Stock Incentive Plan (10)
10.17	Sample Retirement Agreement Entered into with Each Non-Employee Director Effective January 1, 2007 (11)
10.18	Salary Continuation Agreement for Kevin J. McPhaill (11)
10.19	First Amendment to the Salary Continuation Agreement for Kenneth R. Taylor (11)
10.20	Second Amendment to the Salary Continuation Agreement for Kenneth R. Taylor (12)
10.21	First Amendment to the Salary Continuation Agreement for Kevin J. McPhaill (13)
10.22	Indenture dated as of September 20, 2007 between Wilmington Trust Co., as Trustee, and Coast Bancorp, as Issuer (14)
10.23	Amended and Restated Declaration of Trust of Coast Bancorp Statutory Trust II, dated as of September 20, 2007 (14)
10.24	

	First Supplemental Indenture dated as of July 8, 2016, between Wilmington Trust Co. as Trustee, Sierra Bancorp as the "Successor Company", and Coast Bancorp (14)
11	Statement of Computation of Per Share Earnings (15)
21	Subsidiaries of Sierra Bancorp
23	Consent of Vavrinek, Trine, Day & Co., LLP
31.1	Certification of Chief Executive Officer (Section 302 Certification)
31.2	Certification of Chief Financial Officer (Section 302 Certification)
32	Certification of Periodic Financial Report (Section 906 Certification)
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

(1) Filed as an Exhibit to the Form 8-K filed with the SEC on July 18, 2014 and incorporated herein by reference.
(2) Filed as an Exhibit to the Form 8-K filed with the SEC on January 5, 2016 and incorporated herein by reference.
(3) Filed as Exhibit 3.1 to the Form 10-Q filed with the SEC on August 7, 2009 and incorporated herein by reference.
(4) Filed as an Exhibit to the Form 8-K filed with the SEC on February 21, 2007 and incorporated herein by reference.
(5) Filed as Exhibits 10.5 and 10.7 to the Form 10-Q filed with the SEC on May 15, 2003 and incorporated herein by reference.
(6) Filed as an Exhibit to the Form 8-K filed with the SEC on August 11, 2005 and incorporated herein by reference.
(7) Filed as Exhibits 10.10, 10.12, and 10.15 through 10.20 to the Form 10-K filed with the SEC on March 15, 2006 and incorporated herein by reference.
(8) Filed as Exhibits 10.9 through 10.11 to the Form 10-Q filed with the SEC on May 14, 2004 and incorporated herein by reference.
(9) Filed as Exhibits 10.26 through 10.28 to the Form 10-Q filed with the SEC on August 9, 2006 and incorporated herein by reference.
(10) Filed as Exhibit 10.20 to the Form 10-K filed with the SEC on March 15, 2007 and incorporated herein by reference.
(11) Filed as an Exhibit to the Form 8-K filed with the SEC on January 8, 2007 and incorporated herein by reference.
(12) Filed as Exhibit 10.23 to the Form 10-K filed with the SEC on March 13, 2014 and incorporated herein by reference.
(13) Filed as Exhibit 10.24 to the Form 10-Q filed with the SEC on May 7, 2015 and incorporated herein by reference.
(14) Filed as Exhibits 10.1 through 10.3 to the Form 8-K filed with the SEC on July 11, 2016 and incorporated herein by reference.
(15) Computation of earnings per share is incorporated by reference to Note 6 to the Financial Statements included herein.

(b) **Financial Statement Schedules**

Schedules to the financial statements are omitted because the required information is not applicable or because the required information is presented in the Company's Consolidated Financial Statements or related notes.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 13, 2017 **SIERRA BANCORP,**
a California corporation

By:*/s/ Kevin J. McPhaill*
Kevin J. McPhaill
President &
Chief Executive Officer
(Principal Executive Officer)

By:*/s/ Kenneth R. Taylor*
Kenneth R. Taylor
Executive Vice President &
Chief Financial Officer
(Principal Financial and Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Albert L. Berra Albert L. Berra	Director	March 13, 2017
/s/ Vonn R. Christenson Vonn R. Christenson	Director	March 13, 2017
/s/ Laurence S. Dutto, PhD Laurence S. Dutto, PhD	Director	March 13, 2017
/s/ Robb Evans Robb Evans	Director	March 13, 2017
/s/ Robert L. Fields Robert L. Fields	Director	March 13, 2017

/s/ James C. Holly James C. Holly	Vice Chairman of the Board	March 13, 2017
/s/ Kevin J. McPhaill Kevin J. McPhaill	President, Chief Executive Officer & Director (Principal Executive Officer)	March 13, 2017
/s/ Lynda B. Scearcy Lynda B. Scearcy	Director	March 13, 2017
/s/ Morris A. Tharp Morris A. Tharp	Chairman of the Board	March 13, 2017
/s/ Gordon T. Woods Gordon T. Woods	Director	March 13, 2017
/s/ Kenneth R. Taylor Kenneth R. Taylor	Executive Vice President & Chief Financial Officer (Principal Financial and Principal Accounting Officer)	March 13, 2017