

Pacific Valley Bank Announces First Quarter 2019 Financial Results And Continued Momentum Over First Quarter 2018 Financial Performance

SALINAS, Calif., May 13, 2019 /PRNewswire/ -- Pacific Valley Bank (OTCQB: PVBK) announced its unaudited first quarter 2019 net income of \$547,536 or \$0.14 basic undiluted earnings per share. Per share calculations have been retroactively adjusted to reflect the effect of the 2018 stock dividend.



First Quarter 2019 Financial Highlights (annualized)

Return on Average Assets (ROAA): 0.72%
 Net Interest Margin (NIM): 4.00%
 Efficiency Ratio: 74.71%
 Leverage Ratio: 11.10%
 Asset Growth Over 1Q 2018: 16%

"Our continued execution of customer-centric strategies continues to yield strong results year over year," stated Anker Fanoie, President and CEO. "The headwinds we are currently facing include strong competition for quality loan and deposit relationships. This is currently a common issue throughout the banking industry." Fanoie added, "In addition, margin compression is a fundamental concern facing financial institutions industry-wide, resulting from an increase in cost of funds." He continued, "Our present emphasis is placed on the augmentation of our client relationships, while concurrently driving results to maximize market expansion."

Total assets were \$308 million as of March 31, 2019. This represents a net growth of \$43 million over the same period last year. Asset quality is strong and as of March 31, 2019, non-performing assets accounted for less than 1% of the Bank's total assets.

Loans Outstanding at March 31, 2019 totaled \$244 million, an increase of \$33 million or 16% over March 31, 2018. Nonaccrual loan balances totaled \$2 million at the end of March. At March 31, 2019 the Bank's Allowance for Loan Losses (ALLL) was \$4.6 million or 1.88% of loans outstanding. There have not been any loans charged off in 2018 or 2019.

As of March 31, 2019, Total Deposits equaled \$273 million, increasing \$60 million since March 31, 2018, representing a 28% increase.

Shareholder's Equity continues to be strong and the Bank's capital ratios well exceed regulatory capital ratio minimums. In accordance with regulatory guidelines, the Bank is considered to be well-capitalized. As of March 31, 2019, Total Capital was \$34 million, an increase of \$3 million or 10% from a year ago. The Bank has the necessary capital to continue the support of the Bank's strategic loan growth.

Capital Ratios, as reported in the March Consolidated Reports of Condition and Income for Pacific Valley Bank:

Leverage Ratio	11.10%
Tier 1 Capital Ratio	13.67%
Total Capital Ratio	14.93%

At March 31, 2019, Net Interest Income was \$2.9 million for the first quarter, increasing 12% year over year. This increase can be attributed to the significant loan growth the Bank has experienced within the past year. In the first quarter of 2019, Non-Interest Income totaled \$129 thousand, slightly underperforming 1Q 2018 by \$7 thousand. Operating Expenses increased \$182 thousand, or 9% over the same period last year.

**PACIFIC VALLEY BANK
 Selected Financial Data - Unaudited
 In 000's (Except for Share Data)**

Assets	3/31/2019	3/31/2018	Y-O-Y Change
Cash and Due From Banks	\$6,989	\$9,752	\$(2,763)
Interest Bearing Deposits At Other Banks	52,557	38,597	13,960
Investment Securities	0	18	(18)
Loans Outstanding	243,762	211,281	32,481
Allowance for Loan Losses	(4,582)	(4,307)	(275)
Other Assets	9,675	9,994	(319)

Total Assets	\$308,401	\$265,335	\$43,066
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Liabilities and Capital	3/31/2019	3/31/2018	Y-O-Y Change
Non-Interest Bearing Deposits	\$89,340	\$87,140	\$2,200
Interest Bearing Deposits	183,954	125,842	58,112
Borrowings	0	20,000	(20,000)
Other Liabilities	1,475	1,381	94
Equity	33,632	30,972	2,660
Total Liabilities and Capital	\$308,401	\$265,335	\$43,066

Three Months Ended			
Income Statement	3/31/2019	3/31/2018	Change
Interest Income	\$3,411	\$2,758	\$654
Interest Expense	497	145	352
Net Interest Income	2,914	2,613	301
Provision (Benefit) for Loan Losses	0	0	0
Non-Interest Income	131	136	(6)
Non-Interest Expense	2,275	2,092	182
Income Tax	222	187	35
Net Income	\$548	\$470	\$77

Earnings Per Share (Basic)	\$0.14	\$0.12
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Ratios - YTD (Annualized)	3/31/2019	3/31/2018
Leverage Ratio	11.10%	11.67%
Return on Average Assets	0.72%	0.72%
Return on Average Equity	6.57%	6.12%
Book Value Per Share	\$8.41	\$7.83
Efficiency Ratio	74.71%	76.10%

ABOUT PACIFIC VALLEY BANK:

Pacific Valley Bank is a full service business bank that commenced operations in September 2004 to provide exceptional service to customers in Monterey County. Pacific Valley Bank operates business at three locations; administrative headquarters and branch offices in Salinas, King City and Monterey, California. The Bank offers a broad range of banking products and services, including credit and deposit services to small and medium sized businesses, agriculture related businesses, non-profit organizations, professional service providers and individuals. For more information, visit www.pacificvalleybank.com.

FORWARD LOOKING STATEMENTS:

This release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that could cause actual results, performance and/or achievements to differ materially from those projected. Accordingly, readers should not place undue reliance on these forward-looking statement. These risks and uncertainties include, but are not limited to, economic conditions in all areas in which the Bank conducts business, including the competitive environment for attracting loans and deposits; supply and demand for real estate and periodic deterioration in real estate prices and/or values in California or other states where we lend; changes in the financial performance and/or condition of our borrowers, depositors, key vendors or counterparties; changes in our levels of delinquent loans, nonperforming assets, allowance for loan losses and charge-offs; the effect of changes in laws and regulations, including accounting practices; changes in estimates of future reserve requirements and minimum capital requirements based upon periodic review thereof under relevant regulatory and accounting requirements; fluctuations in the interest rate and market environment; cyber-security threats, including the loss of system functionality, theft, loss of customer data or money; technological changes and the expanding use of technology in banking; the costs and effects of legal, compliance and regulatory actions; acts of war or terrorism, or natural disasters; and other factors beyond the Bank's control. These forward-looking statements, which reflect management's views, are as of the date of this release. Pacific Valley Bank has no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

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