

## **FOR IMMEDIATE RELEASE**

### **Contact**

Anker Fanoë, Chief Executive Officer (831) 771-4384

### **Pacific Valley Bank Announces 20% Growth of Total Assets since June 30, 2018 and an Increase of 19% in Net Income over the First Half of 2018**

Salinas, CA – July 29, 2019 – Pacific Valley Bank (OTC Pink: PVBK) announced its unaudited second quarter 2019 Net Income of \$674 thousand or \$0.17 basic earnings per share. Net Income increased 21% compared to the same quarter of 2018, when the Bank reported Net Earnings of \$557 thousand or \$0.14 basic earnings per share. Net Income for the first half of 2019 was \$1,222,000 or \$0.31 basic earnings per share, compared to the first half of 2018 with a reported \$1,027,000 or \$0.26 basic earnings per share.

#### **Second Quarter 2019 Financial Highlights (annualized)**

Return on Average Assets (ROAA): 0.85%  
Net Interest Margin (NIM): 3.95%  
Efficiency Ratio: 69.64%  
Total Assets were at a record high \$321.3 million

#### **First Half 2019 Financial Highlights (annualized)**

Return on Average Assets (ROAA): 0.79%  
Net Interest Margin (NIM): 3.97%  
Efficiency Ratio: 72.14%

“We are pleased to announce that the Bank saw improvement of 19% growth in Net Income year over year,” said Anker Fanoë, President and Chief Executive Officer. “The Bank has continued to increase local market share by enhanced focus on specific industries and in creating innovative banking packages to meet customer demand. Our employees have been dedicated to ensuring that we surpass customer expectations.”

As of June 30, 2019, total assets were \$321.3 million, increasing \$53.6 million or 20% over total assets at June 30, 2018. Total loans outstanding at June 30, 2019, were \$243.1 million, surpassing June 30, 2018 balances by \$14.7 million. The Bank has maintained good asset quality over the past two years. Non-performing assets accounted for less than 1% of the Bank’s total loans outstanding. As of June 30, 2019, total deposits were \$285.4 million. This represents 30% growth in total deposits over the balances at June 30, 2018.

At June 30, 2019, Shareholder Equity was \$34.3 million. The Bank is considered to be well capitalized as its Capital Ratios well exceed regulatory minimums. The Bank’s equity has increased \$2.8 million since June 30, 2018, a result of net income.

Capital Ratios as reported in the June 30, 2019 Call Report:

Leverage Ratio	10.85%
Tier 1 Capital Ratio	13.74%
Total Capital Ratio	15.00%

For the first half of 2019, Net Interest Income totaled \$5.9 million, which represented an 11% increase over the same period in 2018. This increase is attributable through the growth of the loan portfolio and increased interest on overnight investments.

At June 30, 2019, Non-Interest Income was \$280 thousand, remaining consistent with the first half of 2018. Operating costs for the first half of 2019 were \$4.5 million, a slight increase of 7% compared with the first six months of 2018.

Pacific Valley Bank  
Selected Financial Data - Unaudited

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Assets	06/30/2019	06/30/2018	Y-O-Y Change
Cash and Due From Banks	\$8,385	\$8,487	(\$102)
Interest Bearing Deposits At Other Banks	64,509	24,951	39,558
Investment Securities	0	4	(4)
Loans Outstanding	243,113	228,383	14,730
Allowance for Loan Losses	(4,587)	(4,313)	(274)
Other Assets	9,905	10,180	(275)
<b>Total Assets</b>	<b>\$321,325</b>	<b>\$267,692</b>	<b>\$53,633</b>

Liabilities and Capital	06/30/2019	06/30/2018	Y-O-Y Change
Non-Interest Bearing Deposits	\$108,397	\$85,624	\$22,773
Interest Bearing Deposits	177,040	134,165	42,875
Borrowings	0	15,000	(15,000)
Other Liabilities	1,558	1,374	184
Equity	34,330	31,529	2,801
<b>Total Liabilities and Capital</b>	<b>\$321,325</b>	<b>\$267,692</b>	<b>\$53,633</b>

Three Months Ended

Income Statement	06/30/2019	06/30/2018	Q-O-Q Change
Interest Income	\$3,517	\$2,905	\$612
Interest Expense	508	191	317
Net Interest Income	3,009	2,714	295
Provision (Benefit) for Loan Losses	0	0	0
Non-Interest Income	150	141	9
Non-Interest Expense	2,200	2,073	127
Income Tax	285	225	60
<b>Net Income</b>	<b>\$674</b>	<b>\$557</b>	<b>\$117</b>

<b>Six Months Ended</b>			
<b>Income Statement</b>	<b>06/30/2019</b>	<b>06/30/2018</b>	<b>Y-O-Y Change</b>
Interest Income	\$6,929	\$5,663	\$1,266
Interest Expense	1,004	336	669
Net Interest Income	<u>5,925</u>	<u>5,327</u>	<u>598</u>
Provision (Benefit) for Loan Losses	0	0	0
Non-Interest Income	280	278	3
Non-Interest Expense	4,476	4,166	310
Income Tax	<u>507</u>	<u>412</u>	<u>95</u>
<b>Net Income</b>	<b><u>\$1,222</u></b>	<b><u>\$1,027</u></b>	<b><u>\$195</u></b>

<b>Ratios - YTD (Annualized)</b>	<b>06/30/2019</b>	<b>06/30/2018</b>
Leverage Ratio	10.85%	11.90%
Return on Average Assets	0.79%	0.78%
Return on Average Equity	7.26%	6.63%
Earnings Per Share (Basic)	\$0.31	\$0.26
Book Value Per Share	\$8.59	\$7.97
Efficiency Ratio	72.14%	74.33%

## **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](http://www.pacificvalleybank.com).*

*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 statements. 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.*

