

FOR IMMEDIATE RELEASE

Contact

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

Pacific Valley Bank Announces Continued Growth And Profitability in Third Quarter 2019

Salinas, CA – November 6, 2019 – Pacific Valley Bank (OTC Pink: PVBK) announced its unaudited third quarter 2019 Net Income of \$786 thousand or \$0.20 basic earnings per share. Net Income for the first nine months of 2019 was \$2,007,687 or \$0.50 basic earnings per share, compared to the first nine months of 2018 with a reported \$1,953,304 or \$0.49 basic earnings per share.

Third Quarter 2019 Financial Highlights (annualized)

Return on Average Assets (ROAA): 0.96%
Net Interest Margin (NIM): 3.78%
Efficiency Ratio: 65.49%
Total Assets were at a record high: \$340.3 million

Year to Date 2019 Financial Highlights (annualized)

Return on Average Assets (ROAA): 0.85%
Net Interest Margin (NIM): 3.91%
Efficiency Ratio: 69.85%

“Pacific Valley Bank has seen strong, sustained growth in 2019. Total asset growth equated to 21%, or \$59 million over September 2018. Net interest income increased \$1.0 million over the first nine months of 2018, although the Bank did see some margin compression due to higher rates on deposits, most of which are due to mature/re-price in the last quarter of 2019,” stated Anker Fanoë, President and CEO. “Our team is extremely pleased with the Bank’s financial performance thus far in 2019. I am very pleased to announce that Pacific Valley Bank is recognized as a 5-Star Bank by Bauer Financial.”

Total assets were \$340.3 million, as of September 30, 2019. This equates to a 21% increase over total assets at September 30, 2018. As of September 30, 2019, total loans outstanding were \$252.3 million, exceeding gross loan balances at September 30, 2018 by \$22.1 million, or 10%. Much of the loan growth in 2019 has been in real estate secured commercial properties and commercial and industrial loans. At September 30, 2019, non-performing assets accounted for less than 1% of the Bank’s total loans outstanding. Much of this is due to the Bank’s strong underwriting and review processes. Total deposits increased \$18.1 million for the three months ended at September 30, 2019, landing at \$303.5 million. Since September 30, 2018, total deposits have increased \$56 million, or 23%.

Shareholder Equity was \$35.1 million at September 30, 2019, representing growth of \$2.7 million since September 30, 2018. This increase was the result of strong profitability. The Bank is considered to be well capitalized and its Capital Ratios well exceed regulatory minimums.

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

Leverage Ratio	10.74%
Tier 1 Capital Ratio	13.64%
Total Capital Ratio	14.90%

For the first nine months of 2019, Net Interest Income totaled \$9.0 million, increasing 12% over the same period in 2018. This is explained by income on the aforementioned growth in gross loan balances, as well as the increased deposit balances being swept into overnight investments.

At September 30, 2019, Non-Interest Income was \$430 thousand, increasing by approximately \$150 thousand each quarter in 2019. Year to date in 2019, operating costs were \$6.6 million, a modest increase of 7% compared with 2018 year to date.

Pacific Valley Bank
Selected Financial Data - Unaudited
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Assets	09/30/2019	09/30/2018	Y-O-Y Change
Cash and Due From Banks	\$10,094	\$7,575	\$2,519
Interest Bearing Deposits At Other Banks	72,718	38,569	34,149
Investment Securities	0	0	0
Loans Outstanding	252,347	230,247	22,100
Allowance for Loan Losses	(4,594)	(4,320)	(274)
Other Assets	9,780	9,345	435
Total Assets	\$340,345	\$281,416	\$58,929

Liabilities and Capital	09/30/2019	09/30/2018	Y-O-Y Change
Non-Interest Bearing Deposits	\$106,330	\$83,503	\$22,827
Interest Bearing Deposits	197,191	163,973	33,218
Borrowings	0	0	0
Other Liabilities	1,685	1,485	200
Equity	35,139	32,455	2,684
Total Liabilities and Capital	\$340,345	\$281,416	\$58,929

Three Months Ended

Income Statement	09/30/2019	09/30/2018	Q-O-Q Change
Interest Income	\$3,660	\$3,019	\$641
Interest Expense	550	312	238
Net Interest Income	3,110	2,707	403
Provision (Benefit) for Loan Losses	0	0	0
Non-Interest Income	150	627	(477)
Non-Interest Expense	2,135	2,030	105
Income Tax	339	378	(39)

Net Income	\$786	\$926	(\$140)
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Nine Months Ended

Income Statement	09/30/2019	09/30/2018	Y-O-Y Change
Interest Income	\$10,589	\$8,682	\$1,907
Interest Expense	1,554	648	906
Net Interest Income	9,035	8,034	1,001
Provision (Benefit) for Loan Losses	0	0	0
Non-Interest Income	430	905	(475)
Non-Interest Expense	6,611	6,196	415
Income Tax	846	790	56
Net Income	\$2,008	\$1,953	\$55

Ratios - YTD (Annualized)	09/30/2019	09/30/2018
Leverage Ratio	10.74%	11.56%
Return on Average Assets	0.85%	0.97%
Return on Average Equity	7.86%	8.29%
Earnings Per Share (Basic)	\$0.50	\$0.49
Book Value Per Share	\$8.80	\$8.20
Efficiency Ratio	69.85%	69.31%

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.

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.