

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

<b>Part I Reporting Issuer</b>			
1 Issuer's name Pacific Valley Bancorp		2 Issuer's employer identification number (EIN) 87-1986632	
3 Name of contact for additional information Charlotte Radmilovic EVP & CFO	4 Telephone No. of contact 831-771-4320	5 Email address of contact charlotte.radmilovic@pacificvalleybank.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 422 Main Street		7 City, town, or post office, state, and ZIP code of contact Salinas, CA 93901	
8 Date of action January 20, 2023		9 Classification and description Stock Dividend	
10 CUSIP number 39503P101	11 Serial number(s) N/A	12 Ticker symbol PVBK	13 Account number(s) N/A

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Pacific Valley Bancorp paid a distribution in the form of additional shares, also known as a stock dividend. The distribution will be paid on January 20, 2023, to all shareholders of record as of December 30, 2022. The stock dividend was declared by the Board of Directors on November 21, 2022.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ On January 20, 2023, Pacific Valley Bancorp shareholders will receive 1 additional share of common stock for each 10 shares of common stock owned. Each shareholders existing tax basis of their shares must now be spread over 11 shares (10 original shares of common stock, plus the additional 1 share from the stock dividend), or 10% of the existing tax basis per share prior to the stock dividend. Only whole shares will be issued. Fractional shares will be paid out in cash in lieu of fractional shares.

Some shareholders will receive cash for fractional shares, which is treated as a redemption for United States Federal Income tax purposes. Please contact your tax advisor if you have questions about the tax implications of cash paid for fractional shares.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ For example: Pre-split 10 shares x \$10 per share = \$100 total basis.  
 Post-split 11 shares with \$100 total basis = \$9.0909 per share basis.

**Part II** Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The stock dividend is a non-taxable event to the shareholder pursuant to Internal Revenue Code Section 305(a) which states that distributions of a corporation's own stock made with respect to its stock are not taxable to the shareholder. However, pursuant to the Internal Revenue Code Section 307(a) the shareholder must compute the basis for the dividend received by allocating the basis for the old stock between the old and new stock. For cash received in-lieu of fractional shares, refer to # 18 below.

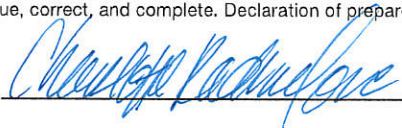
18 Can any resulting loss be recognized? ▶ No.

Shareholders who received cash in-lieu of fractional shares as a result of the stock split will be treated as having received fractional shares as a result of the stock split and then as having exchanged those fractional shares for cash.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ For taxpayers filing on a calendar year basis, the reportable year is 2023.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ 

Date ▶ 1/10/2023

Print your name ▶ Charlotte Radmilovic

Title ▶ EVP & CFO

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶		Phone no.	
Firm's address ▶				