

FOR IMMEDIATE RELEASE

Contact

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

Pacific Valley Bancorp Announces Its First Quarter 2025 Financial Results

Salinas, CA – April 29, 2025 – Pacific Valley Bancorp (OTC Pink: PVBK) announced its unaudited financial results for the first quarter of 2025. Net income for the quarter ended March 31, 2025, was \$0.9 million, a decrease of 21.4% or \$258 thousand from the quarter ended March 31, 2024, primarily due to higher non-interest expense.

FINANCIAL HIGHLIGHTS:

- Net income for the quarter ended March 31, 2025, was \$0.9 million, a decrease of 11.6% or \$124 thousand from the quarter ended December 31, 2024. The decrease was primarily the result of higher personnel expense from an increase in staff, partially offset by lower certificate of deposit interest expense and higher miscellaneous income. Basic earnings per share for the quarter was \$0.19 compared to \$0.22 per share for the prior quarter.
- Net interest margin for the quarter ended March 31, 2025 was 3.43%, compared with 3.30% for the quarter ended December 31, 2024. The increase was the result of higher loan interest income and lower certificate of deposit interest expense, partially offset by higher borrowing expense.
- Gross loans outstanding grew by 9.4% or \$42.3 million from March 31, 2024 to March 31, 2025, primarily as a result of increased agricultural real estate and CRE loans.
- Non-Performing loans to gross loans for the quarter ended March 31, 2025, was 0.03% compared to 0.11% as of March 31, 2024.
- The Bank subsidiary's Community Bank Leverage Ratio has been consistently strong. As of March 31, 2025 the ratio was 13.27%, compared to 13.33% on December 31, 2024, and 13.48% on March 31, 2024. The regulatory requirement for this ratio is 9.00%.

“Loans increased \$6 million in the first quarter as new business was partially offset by higher payoffs and paydowns of advances. Deposits dramatically decreased from the prior quarter due to a \$107 million agricultural deposit that came in at the end of December and left the Bank in mid-January. Deposits increased \$7 million excluding the short-term deposit. We have been building our infrastructure to drive future growth and, later this year, we will be opening a branch office in Santa Cruz and expanding our presence in downtown Salinas,” said Anker Fanoe, CEO.

“Changes in our market resulting from the acquisitions of competitor banks present opportunities for growth. We have increased loan and deposit production and support personnel to take advantage of these opportunities, and will also be increasing our spending on marketing. We recently brought on an outstanding commercial lending team with deep experience in our markets, including a Regional Executive and two Senior Relationship Managers. These investments will reduce current net income, but we believe they will lead to greater profitability in the long term. I am excited about the Company’s prospects as our markets change,” stated CEO Fanoe.

"Our liquidity position remains strong, as our primary liquidity ratio (cash, deposits held in other banks, and securities as a percentage of total assets) was 11.2% on March 31, 2025, compared to 12.4% for the same month a year ago. As of March 31, 2025, on-balance sheet liquidity totaled \$63 million and contingent liquidity, which includes borrowing capacity with the Federal Home Loan Bank, the Federal Reserve Bank, correspondent banks and brokered deposits, was \$352 million. Our combined on-balance sheet liquidity and contingent liquidity amount to 164% of our uninsured deposits," said Steve Leen, Executive Vice President and CFO.

As of March 31, 2025, total assets were \$563.9 million. Since March 31, 2024, total assets have increased \$40.9 million or 7.8%, primarily as a result of an increase in deposits. Since December 31, 2024, total assets have decreased by \$91.7 million or 14.0%, primarily due to the outflow of a \$107 million, seasonal agricultural deposit.

The investment securities portfolio totaled \$24.4 million as of March 31, 2025, \$24.9 million as of December 31, 2024, and \$26.4 million as of March 31, 2024; the unrealized losses in the portfolio were \$0.6 million, \$0.8 million, and \$1.2 million for the comparable periods, respectively. The securities portfolio made up 4.3% of total assets and the unrealized loss was 2.5% of the investment portfolio as of March 31, 2025.

Total gross loans outstanding were \$491.7 million as of March 31, 2025. Gross loans grew by 9.4% or \$42.3 million from March 31, 2024 to March 31, 2025. The Company’s loan portfolio increased by \$5.7 million or 1.2% during the quarter ended March 31, 2025. Increased agricultural real estate and CRE loans were the predominant growth component compared to prior year quarter, and were also the major growth factors in the current quarter change.

As of March 31, 2025, total deposits were \$479.0 million. Total deposits have increased by \$29.0 million or 6.4% compared to the prior year quarter. The increase resulted from higher money market accounts partially offset by lower demand deposits and certificate of deposit accounts.

Shareholders' equity was \$57.6 million on March 31, 2025, representing growth of \$4.8 million or 9.1% over a year ago, primarily attributable to increased retained earnings from net income. For the Company's subsidiary, Pacific Valley Bank, equity increased to \$73.9 million on March 31, 2025 compared to \$72.6 million on December 31, 2024. The Bank is classified as well capitalized with a Community Bank Leverage Ratio of 13.27%, significantly above the regulatory minimum of 9.00%.

Net Interest Income was \$4.6 million for the quarter ended March 31, 2025, compared to \$4.5 million for the quarter ended March 31, 2024. Net interest income was affected by increased interest income of \$0.3 million, partially offset by increased interest expense of \$0.2 million. Net interest margin for the first quarter of 2025 was 3.43% compared with 3.57% for the same period in 2024. The decrease was the result of higher loan interest income and lower borrowing expense, offset by higher money market expense.

No provision for credit losses was recorded in the quarters ended March 31, 2025 or March 31, 2024. The lack of provision in 2025 and 2024 reflects the quality of the Company's loan portfolio. The allowance for credit losses was 1.55% of gross loans as of March 31, 2025. Credit quality remains very strong; non-performing loans to gross loans as of March 31, 2025 was 0.03% compared to 0.11% as of March 31, 2024.

For the quarter ended March 31, 2025, non-interest income was \$567 thousand compared with \$351 thousand for the quarter ended March 31, 2024, and \$337 thousand for the quarter ended December 31, 2024. The increase in the most recent quarter was due to \$200 thousand of income from a lease termination settlement concerning our purchase of a new branch office building in Salinas.

Non-interest expense was \$3.8 million for the first quarter of 2025, an increase of \$679 thousand, or 21.6%, compared to the quarter ended March 31, 2024, primarily related to higher personnel costs from an increase in loan and deposit production staff.

Return on average assets was 0.67% for the three months ended March 31, 2025, versus 0.92% for the comparable period of the prior year due to higher personnel expense, partially offset by higher non-interest income.

Pacific Valley Bancorp
Selected Financial Data - Unaudited
\$ In thousands, Except per Share Data

Assets	March 31, 2025	December 31, 2024	March 31, 2024
Cash and Due From Banks	\$38,873	\$136,959	\$38,595
Investment Securities	24,431	24,905	26,411
Gross Loans Outstanding	491,654	485,992	449,361
Allowance for Credit Losses	(7,640)	(7,619)	(7,513)
Other Assets	16,606	15,410	16,181
Total Assets	\$563,924	\$655,647	\$523,034

Liabilities and Capital	March 31, 2025	December 31, 2024	March 31, 2024
Non-Interest Bearing Deposits	\$149,549	\$260,062	\$159,509
Interest Bearing Deposits	329,500	319,458	290,578
Borrowings	23,894	16,881	16,841
Other Liabilities	3,431	2,867	3,361
Equity	57,550	56,379	52,745
Total Liabilities and Capital	\$563,924	\$655,647	\$523,034

Key Ratios:	March 31, 2025	December 31, 2024	March 31, 2024
Net Loan to Deposits	101.04%	82.55%	98.17%
Allowance for credit losses to gross loans	1.55%	1.57%	1.67%
Non-performing loans to gross loans	0.03%	0.03%	0.11%
Equity to Year-to-Date Average Assets	10.27%	10.54%	10.12%
Book Value per Share	\$11.60	\$11.43	\$10.71

Income Statement, Three Months Ended	March 31, 2025	December 31, 2024	March 31, 2024
Interest Income	\$7,324	\$7,373	\$6,982
Interest Expense	2,733	2,970	2,487
Net Interest Income	4,591	4,403	4,495
Provision for Credit Losses	0	0	0
Non-Interest Income	567	337	351
Non-Interest Expense	3,819	3,221	3,140
Income Tax	394	450	503
Net Income	\$945	\$1,069	\$1,203

Key Ratios, Three Months Ended:	March 31, 2025	December 31, 2024	March 31, 2024
Earnings per basic share	\$0.19	\$0.22	\$0.24
Net Interest Margin, annualized	3.43%	3.30%	3.57%
Quarter Efficiency Ratio	74.04%	67.95%	64.80%
Return on Average Assets, annualized	0.67%	0.78%	0.92%
Return on Average Equity, annualized	6.62%	7.53%	9.14%

Pacific Valley Bancorp
Selected Financial Data - Unaudited
\$ In thousands, Except per Share Data

ABOUT PACIFIC VALLEY BANCORP:

Pacific Valley Bancorp completed its formation and reorganization as a bank holding company for Pacific Valley Bank on January 4, 2022. The Company is a registered bank holding company with the Federal Reserve Bank, but it has not registered its securities under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, and it therefore does not file periodic reports with the Securities and Exchange Commission.

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 Company 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 Company's control. These forward-looking statements, which reflect management's views, are as of the date of this release. Pacific Valley Bancorp has no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.