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Pacific Valley Bancorp Announces Its Second Quarter 2025 Financial Results

Salinas, CA – July 28, 2025 – Pacific Valley Bancorp (OTC Pink: PVBK) announced its unaudited financial results for the second quarter of 2025. Net income for the quarter ended June 30, 2025, was $923 thousand, a decrease of 9.0% or $91 thousand from the quarter ended June 30, 2024, primarily due to higher personnel expense.

FINANCIAL HIGHLIGHTS:

- Net income for the quarter ended June 30, 2025, was $923 thousand, a decrease of 2.3% or $22 thousand from the quarter ended March 31, 2025. The decrease was primarily the result of higher personnel expense from an increase in staff, partially offset by higher loan interest income. The previous quarter also reflected a $200 thousand gain from a lease termination settlement. Basic earnings per share for the quarter was $0.19 compared to $0.19 per share for the prior quarter.
- Net income for the six months ended June 30, 2025 was $1.9 million, a decrease of 15.7% or $348 thousand from the six months ended June 30, 2024. The decrease was the result of higher personnel expense and higher deposit interest expense, partially offset by higher loan interest income.
- Net interest margin for the quarter ended June 30, 2025 was 3.61%, compared with 3.43% for the quarter ended March 31, 2025. The increase was the result of higher loan interest income and lower certificate of deposit interest expense, partially offset by higher money market interest expense. Net interest margin for the six months ended June 30, 2025 was 3.50%, compared with 3.45% for the six months ended June 30, 2024.
- Gross loans outstanding grew by 9.5% or $43.5 million from June 30, 2024 to June 30, 2025, primarily as a result of increased agricultural real estate, CRE and C&I loans.
- Non-performing loans to gross loans for the quarter ended June 30, 2025, was 0.04% compared to 0.22% as of June 30, 2024.
- The Bank subsidiary's Community Bank Leverage Ratio has been consistently strong. As of June 30, 2025 the ratio was 13.37%, compared to 13.27% on March 31, 2025, and 13.75% on June 30, 2024. The regulatory requirement for this ratio is 9.00%.

"Loans increased $8 million in the second quarter as our pipeline grew to the highest level we've seen since the end of the pandemic. Deposits increased $11 million as we have experienced growth in core deposits. We have been building our infrastructure to drive future growth with the establishment of our loan production office in downtown Salinas, and, later this year, we will be opening a branch office in Santa Cruz," 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 target areas, and they are starting to gain traction. 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 business conditions 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 11.0% on June 30, 2025, compared to 12.9% for the same month a year ago. As of June 30, 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 $362 million. Our combined on-balance sheet liquidity and contingent liquidity amount to 154.1% of our uninsured deposits," said Steve Leen, Executive Vice President and CFO.

As of June 30, 2025, total assets were $572.4 million. Since June 30, 2024, total assets have increased $38.6 million or 7.2%, primarily as a result of an increase in loans. Since March 31, 2025, total assets have increased by $8.5 million or 1.5%, also primarily due to an increase in loans.

The investment securities portfolio totaled $25.1 million as of June 30, 2025, $24.4 million as of March 31, 2025, and $27.0 million as of June 30, 2024; the unrealized losses in the portfolio were $0.6 million, $0.6 million, and $1.1 million for the comparable periods, respectively. The securities portfolio made up 4.4% of total assets and the unrealized loss was 2.3% of the investment portfolio as of June 30, 2025.

Total gross loans outstanding were $499.3 million as of June 30, 2025. Gross loans grew by 9.5% or $43.5 million from June 30, 2024 to June 30, 2025. The Company’s loan portfolio increased by $7.7 million or 1.6% during the quarter ended June 30, 2025. Increased agricultural real estate and CRE loans were the predominant growth components compared to prior year quarter, and increased C&I and CRE loans were the primary components of the increase over prior quarter.

As of June 30, 2025, total deposits were $490.2 million. Total deposits have increased by $30.6 million or 6.7% 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 $58.6 million on June 30, 2025, representing growth of $4.7 million or 8.7% over a year ago, primarily attributable to increased retained earnings from net income. For the Company’s subsidiary, Pacific Valley Bank, equity increased to $74.7 million on June 30, 2025 compared to $73.9 million on March 31, 2025. The Bank is classified as well capitalized with a Community Bank Leverage Ratio of 13.37%, significantly above the regulatory minimum of 9.00%.

Net Interest Income was $4.9 million for the quarter ended June 30, 2025, compared to $4.2 million for the quarter ended June 30, 2024. Net interest income was affected by increased interest income of $0.8 million, partially offset by increased interest expense of $0.1 million. Net interest margin for the second quarter of 2025 was 3.61% compared with 3.32% for the same period in 2024. The increase was the result of higher loan interest income and relatively flat deposit interest expense.

Net interest income was $9.5 million for the six months ended June 30, 2025, compared to $8.7 million for the six months ended June 30, 2024. Net interest income was impacted by increased interest income of $1.2 million, partially offset by increased interest expense of $0.3 million. Net interest margin for the six months ended 2025 was 3.50% compared with 3.45% for the same period in 2024. The increase was the result of higher loan interest income, partially offset by a small increase in deposit interest expense.

No provision for credit losses was recorded in the quarters or six months ended June 30, 2025 or June 30, 2024. The lack of provision in 2025 and 2024 reflects the quality of the Company's loan portfolio. The allowance for credit losses was 1.54% of gross loans as of June 30, 2025. Credit quality remains very strong; non-performing loans to gross loans as of June 30, 2025 was 0.04% compared to 0.22% as of June 30, 2024.

For the quarter ended June 30, 2025, non-interest income was $396 thousand compared with $412 thousand for the quarter ended June 30, 2024, and $567 thousand for the quarter ended March 31, 2025. The decrease from the previous quarter was due to $200 thousand of income recognized in the prior quarter from a lease termination settlement concerning our purchase of a new branch office building in Salinas.

Year to date non-interest expense was $7.8 million compared with $6.3 million for the six months ended June 30, 2024, an increase of $1.5 million, or 24.3%. The increase was primarily caused by higher personnel expenses. Non-interest expense was $4.0 million for the second quarter of 2025, an increase of $848 thousand, or 27.1%, compared to the quarter ended June 30, 2024, also primarily related to higher personnel expense from the increase in loan and deposit production staff.

Return on average assets was 0.66% and 0.67% for the three months and six months ended June 30, 2025, versus 0.78% and 0.85% for the comparable periods of the prior year, due to higher personnel expense, partially offset by higher interest income.

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

Assets	June 30, 2025	March 31, 2025	June 30, 2024
Cash and Due From Banks	$38,086	$38,873	$41,735
Investment Securities	25,122	24,431	26,966
Gross Loans Outstanding	499,335	491,654	455,811
Allowance for Credit Losses	(7,672)	(7,640)	(7,544)
Other Assets	17,562	16,606	16,823
Total Assets	**$572,433**	**$563,924**	**$533,791**

Liabilities and Capital	June 30, 2025	March 31, 2025	June 30, 2024
Non-Interest Bearing Deposits	$160,412	$149,549	$173,783
Interest Bearing Deposits	329,799	329,500	285,856
Borrowings	19,908	23,894	16,855
Other Liabilities	3,746	3,431	3,398
Equity	58,568	57,550	53,899
Total Liabilities and Capital	**$572,433**	**$563,924**	**$533,791**

Key Ratios:	June 30, 2025	March 31, 2025	June 30, 2024
Net Loan to Deposits	100.30%	101.04%	97.53%
Allowance for credit losses to gross loans	1.54%	1.55%	1.66%
Non-performing loans to gross loans	0.04%	0.03%	0.22%
Equity to Year-to-Date Average Assets	10.43%	10.27%	10.37%
Book Value per Share	$11.83	$11.60	$10.95

Income Statement, Three Months Ended	June 30, 2025	March 31, 2025	June 30, 2024
Interest Income	$7,692	$7,324	$6,854
Interest Expense	2,795	2,733	2,699
Net Interest Income	4,897	4,591	4,155
Provision for Credit Losses	0	0	0
Non-Interest Income	396	567	412
Non-Interest Expense	3,981	3,819	3,133
Income Tax	389	394	420
Net Income	**$923**	**$945**	**$1,014**

Key Ratios, Three Months Ended:	June 30, 2025	March 31, 2025	June 30, 2024
Earnings per basic share	$0.19	$0.19	$0.21
Net Interest Margin, annualized	3.61%	3.43%	3.32%
Quarter Efficiency Ratio	75.21%	74.04%	68.60%
Return on Average Assets, annualized	0.66%	0.67%	0.78%
Return on Average Equity, annualized	6.28%	6.62%	7.40%

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Income Statement, Six Months Ended	June 30, 2025	June 30, 2024
Interest Income	$15,016	$13,836
Interest Expense	5,528	5,186
Net Interest Income	9,488	8,650
Provision for Credit Losses	0	0
Non-Interest Income	963	763
Non-Interest Expense	7,800	6,274
Income Tax	783	923
Net Income	**$1,868**	**$2,216**

Key Ratios, Six Months Ended	June 30, 2025	June 30, 2024
Earnings per basic share	$0.38	$0.45
Net Interest Margin, annualized	3.50%	3.45%
Efficiency Ratio	74.63%	66.65%
Return on Average Assets	0.67%	0.85%
Return on Average Equity	6.44%	8.26%

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.