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Pacific Valley Bancorp Announces Its Third Quarter 2025 Financial Results

Salinas, CA – October 23, 2025 – Pacific Valley Bancorp (OTC Pink: PVBK) announced its unaudited financial results for the third quarter of 2025. Net income for the quarter ended September 30, 2025, was \$950 thousand, a decrease of 16.5% or \$188 thousand from the quarter ended September 30, 2024, primarily due to higher personnel expense.

FINANCIAL HIGHLIGHTS:

- Net income for the quarter ended September 30, 2025, was \$950 thousand, an increase of 2.9% or \$27 thousand from the quarter ended June 30, 2025. The increase was primarily the result of higher Fed Funds income and lower borrowing expense, partially offset by higher premises expense from the expansion of our facilities. The previous quarter also reflected a \$202 thousand increase in interest income from the restoration of a nonaccrual loan. Basic earnings per share for the quarter was \$0.19, equivalent to \$0.19 per share for the prior quarter.
- Net income for the nine months ended September 30, 2025 was \$2.8 million, a decrease of 16.0% or \$535 thousand from the nine months ended September 30, 2024. The decrease was the result of higher personnel expense and lower Fed Funds interest income, partially offset by higher loan interest income.
- Net interest margin for the quarter ended September 30, 2025 was 3.53%, compared with 3.61% for the quarter ended June 30, 2025. The decrease was the result of higher money market interest expense, partially offset by higher loan interest income. NIM for the previous quarter reflected \$202K of interest income from the restoration of a nonaccrual loan. Net interest margin for the nine months ended September 30, 2025 was 3.51%, compared with 3.39% for the nine months ended September 30, 2024. The increase was due to higher loan interest income.
- Gross loans outstanding grew by 10.2% or \$48.0 million from September 30, 2024 to September 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 September 30, 2025, was 0.05% compared to 0.24% for the quarter ended September 30, 2024.
- The Community Bank Leverage Ratio for the Company's subsidiary, Pacific Valley Bank, has been consistently strong. As of September 30, 2025 the ratio was 13.03%, compared to 13.37% on June 30, 2025, and 13.19% on September 30, 2024. The well capitalized regulatory requirement for this ratio is 9.00%.

“Loans increased \$19 million in the third quarter, our largest quarterly growth since the fourth quarter of 2023. Deposits increased \$25 million, entirely from core deposits. We have been building our infrastructure to drive future growth with the establishment of our loan production office in downtown Salinas, and, in November of this year, we will be opening our branch office in Santa Cruz,” said Anker Fanoë, 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 their efforts had a strong impact on third quarter growth in loans and deposits. These investments will reduce current net income, but we believe they will lead to greater profitability in the long term. I remain 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 11.3% on September 30, 2025, compared to 13.2% for the same month a year ago. As of September 30, 2025, on-balance sheet liquidity totaled \$67 million and contingent liquidity, which includes borrowing capacity with the Federal Home Loan Bank, the Federal Reserve Bank, correspondent banks and brokered deposits, was \$356 million. Our combined on-balance sheet liquidity and contingent liquidity amount to 129% of our uninsured deposits," said Steve Leen, Executive Vice President and CFO.

As of September 30, 2025, total assets were \$596.2 million. Since September 30, 2024, total assets have increased \$45.4 million or 8.2%, primarily as a result of an increase in loans. Since June 30, 2025, total assets have increased by \$23.8 million or 4.2%, also primarily due to an increase in loans.

The investment securities portfolio totaled \$24.9 million as of September 30, 2025, \$25.1 million as of June 30, 2025, and \$27.0 million as of September 30, 2024; the unrealized losses in the portfolio were \$0.2 million, \$0.6 million, and \$0.4 million for the comparable periods, respectively. The securities portfolio made up 4.2% of total assets and the unrealized loss was 0.8% of the investment portfolio as of September 30, 2025.

Total gross loans outstanding were \$518.4 million as of September 30, 2025. Gross loans grew by 10.2% or \$48.0 million from September 30, 2024 to September 30, 2025. The Company’s loan portfolio increased by \$19.1 million or 3.8% during the quarter ended September 30, 2025. Increased agricultural real estate, CRE and C&I loans were the predominant growth components compared to prior year quarter, and increased C&I, Land and CRE loans were the primary components of the increase over prior quarter.

As of September 30, 2025, total deposits were \$515.2 million. Total deposits have increased by \$42.2 million or 8.9% compared to the prior year quarter. The increase resulted from higher money market accounts partially offset by lower certificate of deposit accounts.

Shareholders' equity was \$59.9 million on September 30, 2025, representing growth of \$4.3 million or 7.7% over a year ago, primarily attributable to increased retained earnings from net income. For the Company’s subsidiary, Pacific Valley Bank, equity increased to \$76.2 million on September 30, 2025 compared to \$74.7 million on June 30, 2025. The Bank is classified as well capitalized with a Community Bank Leverage Ratio of 13.03%, significantly above the regulatory minimum of 9.00%.

Net Interest Income was \$5.0 million for the quarter ended September 30, 2025, compared to \$4.4 million for the quarter ended September 30, 2024. Net interest income was affected by increased interest income of \$0.4 million and decreased interest expense of \$0.3 million. Net interest margin for the third quarter of 2025 was 3.53% compared with 3.29% for the same period in 2024. The increase was the result of higher loan interest income and lower certificates of deposit interest expense.

Net interest income was \$14.5 million for the nine months ended September 30, 2025, compared to \$13.0 million for the nine months ended September 30, 2024. Net interest income was impacted by increased interest income of \$1.5 million, partially offset by increased interest expense of \$0.1 million. Net interest margin for the nine months ended 2025 was 3.51% compared with 3.39% 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 nine months ended September 30, 2025 or September 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 1.49% of gross loans as of September 30, 2025. Credit quality remains very strong; non-performing loans to gross loans as of September 30, 2025 was 0.05% compared to 0.24% as of September 30, 2024.

For the quarter ended September 30, 2025, non-interest income was \$383 thousand compared with \$378 thousand for the quarter ended September 30, 2024, and \$396 thousand for the quarter ended June 30, 2025. The decrease from the previous quarter was due to a decline in miscellaneous fee income.

Year to date non-interest expense was \$11.8 million compared with \$9.4 million for the nine months ended September 30, 2024, an increase of \$2.4 million, or 25.7%. The increase was primarily caused by higher personnel expenses. Non-interest expense was \$4.0 million for the third quarter of 2025, an increase of \$891 thousand, or 28.4%, compared to the quarter ended September 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% for the nine months ended September 30, 2025, versus 0.84% for the comparable period of the prior year due to higher personnel expense, partially offset by higher loan interest income. Return on average assets was 0.65% for the three months ended September 30, 2025, versus 0.83% for the comparable period of the prior year due to higher personnel expense, partially offset by higher loan interest income and lower certificate of deposit expense.

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

Assets	September 30, 2025	June 30, 2025	September 30, 2024
Cash and Due From Banks	\$42,471	\$38,086	\$45,491
Investment Securities	24,867	25,122	27,044
Gross Loans Outstanding	518,442	499,335	470,430
Allowance for Credit Losses	(7,703)	(7,672)	(7,576)
Other Assets	18,161	17,562	15,425
Total Assets	\$596,238	\$572,433	\$550,814

Liabilities and Capital	September 30, 2025	June 30, 2025	September 30, 2024
Non-Interest Bearing Deposits	\$160,545	\$160,412	\$156,285
Interest Bearing Deposits	354,615	329,799	316,682
Borrowings	16,921	19,908	16,868
Other Liabilities	4,219	3,746	5,334
Equity	59,938	58,568	55,645
Total Liabilities and Capital	\$596,238	\$572,433	\$550,814

Key Ratios:	September 30, 2025	June 30, 2025	September 30, 2024
Net Loan to Deposits	99.14%	100.30%	97.86%
Allowance for credit losses to gross loans	1.49%	1.54%	1.61%
Non-performing loans to gross loans	0.05%	0.04%	0.24%
Equity to Year-to-Date Average Assets	10.51%	10.43%	10.51%
Book Value per Share	\$12.11	\$11.83	\$11.31

Income Statement, Three Months Ended	September 30, 2025	June 30, 2025	September 30, 2024
Interest Income	\$7,936	\$7,692	\$7,573
Interest Expense	2,939	2,795	3,199
Net Interest Income	4,997	4,897	4,374
Provision for Credit Losses	0	0	0
Non-Interest Income	383	396	378
Non-Interest Expense	4,028	3,981	3,137
Income Tax	402	389	477
Net Income	\$950	\$923	\$1,138

Key Ratios, Three Months Ended:	September 30, 2025	June 30, 2025	September 30, 2024
Earnings per basic share	\$0.19	\$0.19	\$0.23
Net Interest Margin, annualized	3.53%	3.61%	3.29%
Quarter Efficiency Ratio	74.87%	75.21%	66.01%
Return on Average Assets, annualized	0.65%	0.66%	0.83%
Return on Average Equity, annualized	6.32%	6.28%	8.20%

Pacific Valley Bancorp
Selected Financial Data - Unaudited
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Income Statement, Nine Months Ended	September 30, 2025	September 30, 2024
Interest Income	\$22,952	\$21,409
Interest Expense	8,467	8,385
Net Interest Income	<u>14,485</u>	<u>13,024</u>
Provision for Credit Losses	0	0
Non-Interest Income	1,346	1,141
Non-Interest Expense	11,827	9,411
Income Tax	1,185	1,400
Net Income	<u>\$2,819</u>	<u>\$3,354</u>

Key Ratios, Nine Months Ended	September 30, 2025	September 30, 2024
Earnings per basic share	\$0.57	\$0.68
Net Interest Margin, annualized	3.51%	3.39%
Efficiency Ratio	74.71%	66.44%
Return on Average Assets	0.66%	0.84%
Return on Average Equity	6.40%	8.24%

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.