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Pacific Valley Bancorp Reports Strong Second Quarter Results with Double-Digit Balance Sheet Growth and Improved Profitability

Salinas, CA – July 27, 2026 – Pacific Valley Bancorp (OTC Markets: PVBK), parent company of Pacific Valley Bank, today announced its unaudited financial results for the second quarter of 2026. Net income was $1.4 million or $0.24 per share for the second quarter, exceeding the quarter ended June 30, 2025, by 52% as higher interest income offset higher non-interest expense. Total assets increased 14.0% over the quarter ended June 30, 2025, to $653 million, total loans increased 9.6% to $547 million, and total deposits increased 14.2% to $560 million.

FINANCIAL HIGHLIGHTS:

- Net income for the quarter ended June 30, 2026, was $1.4 million, an increase of 21% or $243 thousand from the quarter ended March 31, 2026. The increase was primarily the result of higher loan interest income and lower personnel and data processing expenses, partially offset by higher deposit interest expense. Basic earnings per share for the quarter were $0.24, an increase of 20% when compared to $0.20 per share for the prior quarter.
- Net income for the six months ended June 30, 2026 was $2.6 million, an increase of 37.1% or $693 thousand from the six months ended June 30, 2025. The increase was the result of higher loan interest income, overnight funds income and lower borrowing costs, partially offset by higher personnel and premises expense. Personnel expense was elevated due to strategic additions to loan and deposit production personnel.
- Net interest margin for the quarter ended June 30, 2026 was 3.82%, compared with 3.75% for the quarter ended March 31, 2026. The increase was the result of higher loan interest income, partially offset by higher money market interest expense. Net interest margin for the six months ended June 30, 2026 was 3.79%, compared with 3.50% for the six months ended June 30, 2025, due to higher loan and overnight funds interest income.
- Gross loans grew by 9.6% or $48 million from June 30, 2025 to June 30, 2026, primarily due to increased C&I, land, and CRE loans.
- Non-performing loans to gross loans for the quarter ended June 30, 2026, was 0.04%, unchanged when compared to 0.04% for the quarter ended June 30, 2025.
- The Community Bank Leverage Ratio for the Company's subsidiary, Pacific Valley Bank, has been consistently strong. As of June 30, 2026, the ratio was 12.60%, compared to 12.51% on March 31, 2026, and 13.37% on June 30, 2025. The well capitalized regulatory requirement for this ratio is 8.00%.

“We are pleased to report a 52% year-over-year improvement in net income to $1.4 million in the second quarter of 2026 as we maintain growth in loans and deposits over the second quarter of 2025. Loans increased $48 million and deposits increased by $70 million from June 30, 2025. Total deposits grew 17% year-over-year as of June 30, 2026, with 92% of that coming from core deposits,” said Anker Fanoe, CEO.

“We have made a major investment in loan and deposit production personnel in line with our organic growth strategy. There will be ebbs and flows in profitability as the growth materializes, but our goal is to increase long-term, sustainable performance to drive shareholder value. As we grow, our momentum will increase and our efficiency will improve. I am pleased to see our loans grow by $18 million in the quarter, a 13% annualized rate, along with deposit growth of $23 million, a 17% annualized rate. We are making progress,” 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 14.43% on June 30, 2026, compared to 11.04% for the same month a year ago. As of June 30, 2026, on-balance sheet liquidity totaled $94 million and contingent liquidity, which includes borrowing capacity with the Federal Home Loan Bank, the Federal Reserve Bank, correspondent banks and brokered deposits, was $364 million. Our combined on-balance sheet liquidity and contingent liquidity amount to 134% of our uninsured deposits," said Steve Leen, Executive Vice President and CFO.

As of June 30, 2026, total assets were $653 million. Since June 30, 2025, total assets have increased $80.2 million or 14.0%, primarily because of an increase in loans and overnight funds. Since March 31, 2026, total assets have increased by $25 million or 4.0%, also due to an increase in loans and overnight funds.

The investment securities portfolio totaled $22 million as of June 30, 2026, $23 million as of March 31, 2026, and $25 million as of June 30, 2025; the unrealized losses in the portfolio were $0.3 million, $0.2 million, and $0.6 million for the comparable periods, respectively. The securities portfolio made up 3.3% of total assets and the unrealized loss was 1.4% of the investment portfolio as of June 30, 2026.

Total gross loans were $547 million as of June 30, 2026. Gross loans grew by 9.6% or $48 million from June 30, 2025. Increased C&I, land, and CRE loans were the main components of the increase over the quarter ended June 30, 2025. The Company’s loan portfolio increased by $18 million or 3.4% during the quarter ended June 30, 2026 compared to the quarter ended March 31, 2026. Increased CRE, land, and commercial construction loans were the main factors for the increase in loans from the quarter ended March 31, 2026.

Total deposits were $560 million as of June 30, 2026. Deposits grew by 14.2% or $70 million from June 30, 2025. Increased money market accounts were the main component of the increase over the quarter ended June 30, 2025. The Company’s deposits increased by $23 million or 4.4% during the quarter ended June 30, 2026 compared to the quarter ended March 31, 2026. Increased money market accounts and demand deposits were the main factor for the increase in deposits from the quarter ended March 31, 2026.

Shareholders' equity was $73 million on June 30, 2026, representing growth of $14 million or 23.8% over a year ago, primarily attributable to the Taylor Fresh Foods capital raise and increased retained earnings from net income. For the Company's subsidiary, Pacific Valley Bank, equity increased to $79 million on June 30, 2026, compared to $78 million on March 31, 2026. The Bank is classified as well capitalized with a Community Bank Leverage Ratio of 12.60%, significantly above the regulatory minimum of 8.00%.

Net Interest Income was $5.8 million for the quarter ended June 30, 2026, compared to $4.9 million for the quarter ended June 30, 2025. The increase resulted from higher interest income of $0.9 million and increased interest expense of only $7 thousand. Net interest margin for the second quarter of 2026 was 3.82% compared with 3.61% for the same period in 2025. The increase was the result of higher loan interest income, higher income from overnight funds and lower borrowing expenses.

Net interest income was $11.5 million for the six months ended June 30, 2026, compared to $9.5 million for the six months ended June 30, 2025. Net interest income was impacted by increased interest income of $2.0 million and decreased interest expense of $0.1 million. Net interest margin for the six months ended June 30, 2026 was 3.79% compared with 3.50% for the same period in 2025. The increase was primarily the result of higher loan interest income.

No provision for credit losses was recorded in the quarters ended June 30, 2026 or June 30, 2025 or in the six months ended June 30, 2026 and June 30, 2025. The lack of provision in 2026 and 2025 reflects the quality of the Company's loan portfolio. The allowance for credit losses was 1.45% of gross loans as of June 30, 2026. Credit quality remains very strong; non-performing loans to gross loans as of June 30, 2026 was 0.04% compared to 0.04% as of June 30, 2025.

For the quarter ended June 30, 2026, non-interest income was $378 thousand compared to $396 thousand for the quarter ended June 30, 2025, and $356 thousand for the quarter ended March 31, 2026.

Year to date non-interest expense was $8.6 million compared with $7.8 million for the six months ended June 30, 2025, an increase of $0.8 million, or 10.3%. The increase was primarily caused by higher personnel expenses of $0.3 million and premises expense of $0.2 million. Non-interest expense was $4.2 million for the second quarter of 2026, an increase of $0.2 million, or 5.8%, compared to the quarter ended June 30, 2025, primarily related to higher premises expense from our new Santa Cruz branch.

Return on average assets was 0.81% for the six months ended June 30, 2026, versus 0.67% for the comparable period of the prior year due to higher loan interest income and overnight funds income, partially offset by higher personnel and premises expense. Return on average assets was 0.89% for the three months ended June 30, 2026, versus 0.74% for the three months ended March 31, 2026, due to higher loan interest income and lower personnel expense, partially offset by higher money market interest expense.

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

Assets	June 30, 2026	March 31, 2026	June 30, 2025
Cash and Due From Banks	$72,571	$65,150	$38,086
Investment Securities	21,596	22,605	25,122
Gross Loans Outstanding	547,202	529,448	499,335
Allowance for Credit Losses	(7,937)	(7,900)	(7,672)
Other Assets	19,186	18,481	17,562
Total Assets	**$652,618**	**$627,784**	**$572,433**

Liabilities and Capital	June 30, 2026	March 31, 2026	June 30, 2025
Non-Interest Bearing Deposits	$170,953	$163,017	$160,412
Interest Bearing Deposits	388,998	373,549	329,799
Borrowings	16,960	16,947	19,908
Other Liabilities	3,180	3,064	3,746
Equity	72,527	71,207	58,568
Total Liabilities and Capital	**$652,618**	**$627,784**	**$572,433**

Key Ratios:	June 30, 2026	March 31, 2026	June 30, 2025
Net Loan to Deposits	96.31%	97.20%	100.30%
Allowance for credit losses to gross loans	1.45%	1.49%	1.54%
Non-performing loans to gross loans	0.04%	0.04%	0.04%
Equity to Year-to-Date Average Assets	11.51%	11.31%	10.43%
Book Value per Share	$12.43	$12.21	$11.83

Income Statement, Three Months Ended	June 30, 2026	March 31, 2026	June 30, 2025
Interest Income	$8,631	$8,337	$7,692
Interest Expense	2,802	2,661	2,795
Net Interest Income	5,829	5,676	4,897
Provision for Credit Losses	0	0	0
Non-Interest Income	378	356	396
Non-Interest Expense	4,211	4,396	3,981
Income Tax	594	477	389
Net Income	**$1,402**	**$1,159**	**$923**

Key Ratios, Three Months Ended:	June 30, 2026	March 31, 2026	June 30, 2025
Earnings per basic share	$0.24	$0.20	$0.19

Net Interest Margin, annualized	3.82%	3.75%	3.61%
Quarter Efficiency Ratio	67.84%	72.88%	75.21%
Return on Average Assets, annualized	0.89%	0.74%	0.66%
Return on Average Equity, annualized	7.78%	6.21%	6.28%

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Income Statement, Six Months Ended	June 30, 2026	June 30, 2025
Interest Income	$16,968	$15,016
Interest Expense	5,463	5,528
Net Interest Income	11,505	9,488
Provision for Credit Losses	0	0
Non-Interest Income	734	963
Non-Interest Expense	8,607	7,800
Income Tax	1,071	783
Net Income	**$2,561**	**$1,868**

Key Ratios, Six Months Ended	June 30, 2026	June 30, 2025
Earnings per basic share	$0.44	$0.38
Net Interest Margin, annualized	3.79%	3.50%
Efficiency Ratio	70.32%	74.63%
Return on Average Assets	0.81%	0.67%
Return on Average Equity	6.98%	6.44%

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 four locations; administrative headquarters and branch offices in Salinas, King City, Monterey and Santa Cruz, 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.