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Pacific Valley Bancorp Reports Strong Third Quarter Results with Double-Digit Balance Sheet Growth and Improved Profitability Over the Prior Year

Salinas, CA – October 27, 2026 – Pacific Valley Bancorp (OTC Markets: PVBK), parent company of Pacific Valley Bank, today announced its unaudited financial results for the third quarter of 2026. Net income was $1.4 million or $0.24 per share for the third quarter, exceeding the quarter ended September 30, 2025, by 45.2% as higher interest income offset higher interest and non-interest expense. Total assets increased 11.9% over the quarter ended September 30, 2025, to $667 million, total loans increased 13.5% to $589 million, and total deposits increased 11.6% to $575 million.

FINANCIAL HIGHLIGHTS:

- Net income for the quarter ended September 30, 2026, was $1.4 million, a decrease of 1.6% or $23 thousand from the quarter ended June 30, 2026. The decrease was primarily the result of higher deposit interest expense, the recognition of a credit loss provision, and higher operating expenses, partially offset by higher loan interest income. Basic earnings per share for the quarter ended September 30, 2026 was $0.24, compared to $0.19 per share for the quarter ended September 30, 2025.
- Net income for the nine months ended September 30, 2026 was $3.9 million, an increase of 39.8% or $1.1 million from the nine months ended September 30, 2025. The increase was the result of higher loan and overnight funds interest income, partially offset by higher personnel and premises expense.
- Net interest margin for the quarter ended September 30, 2026 was 3.84%, compared with 3.82% for the quarter ended June 30, 2026. The increase was the result of higher loan interest income, partially offset by higher money market interest expense. Net interest margin for the nine months ended September 30, 2026 was 3.80%, compared with 3.51% for the nine months ended September 30, 2025, due to higher loan and overnight funds interest income, partially offset by higher deposit interest expense.
- Gross loans grew by 13.5% or $70 million from September 30, 2025 to September 30, 2026, primarily due to increased non-owner occupied CRE and multifamily loans.
- Non-performing loans to gross loans for the quarter ended September 30, 2026, was 0.04%, compared to 0.05% for the quarter ended September 30, 2025.
- The Community Bank Leverage Ratio for the Company's subsidiary, Pacific Valley Bank, has been consistently strong. As of September 30, 2026, the ratio was 12.14%, compared to 12.60% on June 30, 2026, and 13.03% on September 30, 2025. The well capitalized regulatory requirement for this ratio is 8.00%.

“We are pleased to report a 45% year-over-year improvement in net income to $1.4 million in the third quarter of 2026, as we maintain growth in loans and deposits over the third quarter of 2025. Loans increased $70 million and deposits increased by $60 million from September 30, 2025. Total loans grew 13.5% year-over-year as of September 30, 2026, with 82% of that secured by collateral,” said Anker Fanoe, CEO.

“Our growth strategy has matured to the point that we are achieving economies of scale and improved profitability. This trend should result in improved operational efficiency. We take great pride in the quality of the staff we have assembled and are effectively competing against the banks in our market. I am pleased to see our loans grow by $41 million in the quarter given our very high credit standards. 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 10.07% on September 30, 2026, compared to 11.29% for the same month a year ago. As of September 30, 2026, 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 $361 million. Our combined on-balance sheet liquidity and contingent liquidity amount to 122% of our uninsured deposits," said Steve Leen, Executive Vice President and CFO.

As of September 30, 2026, total assets were $667 million. Since September 30, 2025, total assets have increased $71.2 million or 11.9%, primarily because of an increase in loans. Since June 30, 2026, total assets have increased by $15 million or 2.3%, also due to an increase in loans, partially offset by a decrease in overnight funds.

The investment securities portfolio totaled $22 million as of September 30, 2026, $22 million as of June 30, 2026, and $25 million as of September 30, 2025; the unrealized losses in the portfolio were $0.6 million, $0.3 million, and $0.2 million for the comparable periods, respectively. The securities portfolio made up 3.4% of total assets and the unrealized loss was 2.6% of the investment portfolio as of September 30, 2026.

Total gross loans were $589 million as of September 30, 2026. Gross loans grew by 13.5% or $70 million from September 30, 2025. Increased non-owner occupied CRE and multifamily loans were the main components of the increase over the quarter ended September 30, 2025. The Company’s loan portfolio increased by $41 million or 7.6% during the quarter ended September 30, 2026 compared to the quarter ended June 30, 2026. Increased multifamily and non-owner occupied CRE loans were the main factors for the increase in loans from the quarter ended June 30, 2026.

Total deposits were $575 million as of September 30, 2026. Deposits grew by 11.6% or $60 million from September 30, 2025. Increased money market accounts and certificates of deposit were the main components of the increase over the quarter ended September 30, 2025. The Company’s deposits increased by $15 million or 2.7% during the quarter ended September 30, 2026 compared to the quarter ended June 30, 2026. Increased money market accounts and certificates of deposit were also the main factors for the increase in deposits from the quarter ended June 30, 2026.

Shareholders' equity was $73 million on September 30, 2026, representing growth of $13 million or 21.4% 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 $81 million on September 30, 2026, compared to $79 million on June 30, 2026. The Bank is classified as well capitalized with a Community Bank Leverage Ratio of 12.14%, significantly above the regulatory minimum of 8.00%.

Net Interest Income was $6.2 million for the quarter ended September 30, 2026, compared to $5.0 million for the quarter ended September 30, 2025. The increase resulted from higher interest income of $1.5 million and increased interest expense of only $247 thousand. Net interest margin for the third quarter of 2026 was 3.84% compared with 3.53% for the same period in 2025. The increase was primarily the result of higher loan interest income.

Net interest income was $17.7 million for the nine months ended September 30, 2026, compared to $14.5 million for the nine months ended September 30, 2025. Net interest income was impacted by increased interest income of $3.4 million and increased interest expense of $0.2 million. Net interest margin for the nine months ended September 30, 2026 was 3.80% compared with 3.51% for the same period in 2025. The increase was primarily the result of higher loan interest income.

A provision for credit losses of $149 thousand was recorded in the nine months ended September 30, 2026 while no provision was recorded in the nine months ended September 30, 2025. The credit loss provision resulted from the growth in the loan portfolio. The allowance for credit losses was 1.38% of gross loans as of September 30, 2026. Credit quality remains very strong; non-performing loans to gross loans as of September 30, 2026 was 0.04% compared to 0.05% as of September 30, 2025.

For the quarter ended September 30, 2026, non-interest income was $376 thousand compared to $383 thousand for the quarter ended September 30, 2025, and $378 thousand for the quarter ended June 30, 2026.

Year to date non-interest expense was $13.1 million compared with $11.8 million for the nine months ended September 30, 2025, an increase of $1.3 million, or 10.7%. The increase was primarily caused by higher personnel expenses of $0.5 million and premises expense of $0.3 million. Non-interest expense was $4.5 million for the third quarter of 2026, an increase of $0.5 million, or 11.3%, compared to the quarter ended September 30, 2025, primarily related to higher personnel and premises expense.

Return on average assets was 0.82% for the nine months ended September 30, 2026, versus 0.66% for the comparable period of the prior year due to higher loan interest and overnight funds income, partially offset by higher deposit interest, personnel and premises expense. Return on average assets was 0.83% for the three months ended September 30, 2026, versus 0.89% for the three months ended June 30, 2026, due to the recognition of a credit loss provision, higher deposit interest expense, and higher operating expense, partially offset by higher loan interest income.

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

Assets	September 30, 2026	June 30, 2026	September 30, 2025
Cash and Due From Banks	$44,766	$72,571	$42,471
Investment Securities	22,414	21,596	24,867
Gross Loans Outstanding	588,551	547,202	518,442
Allowance for Credit Losses	(8,118)	(7,937)	(7,703)
Other Assets	19,836	19,186	18,161
Total Assets	**$667,449**	**$652,618**	**$596,238**

Liabilities and Capital	September 30, 2026	June 30, 2026	September 30, 2025
Non-Interest Bearing Deposits	$169,396	$170,953	$160,545
Interest Bearing Deposits	405,709	388,998	354,615
Borrowings	16,974	16,960	16,921
Other Liabilities	2,628	3,180	4,219
Equity	72,742	72,527	59,938
Total Liabilities and Capital	**$667,449**	**$652,618**	**$596,238**

Key Ratios:	September 30, 2026	June 30, 2026	September 30, 2025
Net Loan to Deposits	100.93%	96.31%	99.14%
Allowance for credit losses to gross loans	1.38%	1.45%	1.49%
Non-performing loans to gross loans	0.04%	0.04%	0.05%
Equity to Year-to-Date Average Assets	11.32%	11.51%	10.51%
Book Value per Share	$12.65	$12.43	$12.11

Income Statement, Three Months Ended	September 30, 2026	June 30, 2026	September 30, 2025
Interest Income	$9,407	$8,631	$7,936
Interest Expense	3,186	2,802	2,939
Net Interest Income	6,221	5,829	4,997
Provision for Credit Losses	149	0	0
Non-Interest Income	376	378	383
Non-Interest Expense	4,483	4,211	4,028
Income Tax	586	594	402
Net Income	**$1,379**	**$1,402**	**$950**

Key Ratios, Three Months Ended:	September 30, 2026	June 30, 2026	September 30, 2025
Earnings per basic share	$0.24	$0.24	$0.19
Net Interest Margin, annualized	3.84%	3.82%	3.53%
Quarter Efficiency Ratio	67.96%	67.84%	74.87%
Return on Average Assets, annualized	0.83%	0.89%	0.65%
Return on Average Equity, annualized	7.56%	7.78%	6.32%

Pacific Valley Bancorp
Selected Financial Data - Unaudited
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Income Statement, Nine Months Ended	September 30, 2026	September 30, 2025
Interest Income	$26,375	$22,952
Interest Expense	8,649	8,467
Net Interest Income	17,726	14,485
Provision for Credit Losses	149	0
Non-Interest Income	1,110	1,346
Non-Interest Expense	13,090	11,827
Income Tax	1,657	1,185
Net Income	**$3,940**	**$2,819**

Key Ratios, Nine Months Ended	September 30, 2026	September 30, 2025
Earnings per basic share	$0.69	$0.57
Net Interest Margin, annualized	3.80%	3.51%
Efficiency Ratio	69.49%	74.71%
Return on Average Assets	0.82%	0.66%
Return on Average Equity	7.18%	6.40%

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.