



Press Release

For Immediate Release

Golden Valley Bank Reports Year End Results, Record Assets, Deposits, Loans

CHICO, Calif. - Golden Valley Bank (OTCBB: [GVYB](#)) President and CEO Mark Francis reported today that the company ended 2016 with all-time highs in total assets, deposits and loans.

The Bank's total assets grew to \$209.6 million, or 17.1%, from the 2015 total of \$179.1 million. Deposits were up \$29.3 million (19.5%) to \$179 million from December 31, 2015. Loans ended the year up 12.4% at \$125.7 million compared to a year ago. Asset quality continues to be excellent as only .06% of total assets are considered to be non-performing. By comparison, the average was 1.03% of total assets for the Bank's national peer group, based on data provided as of September 30, 2016 (the most recent data available). Golden Valley continues to be a well-capitalized bank and far exceeds minimum regulatory requirements.

Net income for the year was \$1,521,752 (\$0.74 per share) compared to \$1,539,330 (\$0.77 per share) for the year ended December 31, 2015. The fourth quarter and full year were effected by a one-time after-tax expense of \$225,796 taken in the fourth quarter to voluntarily terminate an executive retirement plan. The Bank expects a future after-tax benefit of approximately \$408,000 as a result of the plan termination. Without the one-time expense the Bank's 2016 net income would have been \$1,747,548, a 13.5% increase over 2015.

Net income for the quarter ended December 31, 2016 was \$218,512 (\$0.11 per share) compared to net income of \$346,346 (\$0.17 per share) for the quarter ended December 31, 2015. Income was similarly affected by the one-time expense. Without that expense, income for the quarter would have been \$444,308, a 28% increase over the same quarter last year.

Further, the Bank's Board of Directors declared a cash dividend for the fourth quarter of \$0.05 per common share for stockholders of record as of January 5, 2017. The payment date for the dividend will be January 19, 2017.

"We had an exceptional year in 2016. It was our best year ever - and for more than just the financial results. As we begin our second decade in business, it is important to reflect on what our team has accomplished, inside and outside the Bank," said Mark Francis, President and CEO. "We have strengthened our position and commitment to our community, expanded our capabilities and continued to improve our already absolutely outstanding customer service. I am more excited than ever about where we are today and what we can accomplish in the future. Our team continues to do great work executing our vision of being the Best Bank in Town and enhancing the way we do business to the benefit of not only our customers, shareholders and employees, but the entire community. I can boldly and confidently say, Chico is a better place because Golden Valley Bank is in it. And that will translate into even better financial results in the years ahead."

Golden Valley Bank is a locally owned and operated commercial bank serving the needs of individuals and businesses in northern California. The Bank has a full service office in Chico, California and a Loan Production Office in Redding, California. For more information regarding the bank please call at (530) 894-1000 or visit www.goldenvalleybank.com.

Forward-Looking Statements

Statements concerning future performance, developments or events, expectations for growth and income forecasts, and any other guidance on future periods, constitute forward-looking statements that are subject to a number of risks and uncertainties. Actual results are pre-fiscal year-end audit and may differ materially from stated expectations. Specific factors include, but are not limited to, loan production, balance sheet management, expanded net interest margin, the ability to control costs and expenses, interest rate changes and financial policies of the United States government and general economic conditions. The Bank disclaims any obligation to update any such factors.

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Contact:

Golden Valley Bank
Mark Francis
530-894-4920, mfrancis@goldenvalleybank.com