



Press Release

For Immediate Release

## Golden Valley Bank Reports Strong Earnings, Growth, and Dividend

CHICO, Calif. - Golden Valley Bank (OTCBB: [GVYB](#)), headquartered in Chico, California today reported second quarter 2017 net profit of \$469,712, and year to date net profit of \$833,898. This compares with 2016 second quarter and year to date net profit of \$457,871 and \$824,353 respectively. On a pre-tax basis, earnings were \$726,712 for the quarter ending June 30, 2017 compared to \$561,871 for the same period in 2016, a 29% increase. For the first six months of 2017 pre-tax earnings were \$1,264,898 compared to \$1,119,353 for the same period in 2016, a 13% increase. Tax benefits received in 2016 make the after-tax comparison to 2017 less meaningful. The company also announced a \$.05 per share second quarter cash dividend.

Second Quarter 2017 financial highlights included:

- Assets up \$31.3 million to \$216.7 million, or 17.0% over the second quarter of 2016
- Loans up \$15.1 million to \$131.7 million, or 12.9% over the second quarter of 2016
- Deposits up \$29.7 million to \$185.4 million, or 19.1% over the second quarter of 2016

Asset quality continues to be excellent as less than one-tenth of one percent of total assets are considered to be non-performing. By comparison, the industry average was 0.98% of total assets for the Bank's national peer group, based on data provided as of March 31, 2017 (the most recent data available). The company has set aside \$1.8 million in loan loss reserves to protect it from future economic uncertainties.

Golden Valley continues to be a well capitalized bank and far exceeds minimum regulatory requirements. More complete financial information can be viewed on the Bank's website at [www.goldenvalley.bank](http://www.goldenvalley.bank).

Further, as previously announced, the Bank's Board of Directors declared a cash dividend for the second quarter of \$0.05 per common share for stockholders of record as of July 7, 2017. The payment date for the dividend will be July 20, 2017.

Commenting on the Company's financial results, Mark Francis, President and CEO stated, "Our earnings for the second quarter and first six months of 2017 resulted from several positive trends. Despite intense competition, our bankers continue to expand existing and acquire new client relationships. We continue to experience double-digit loan growth and deposit acquisition, which leads to solid increases in interest income, and healthy increases in low cost deposits. Additionally, management has maintained a strong focus on expense control resulting in continued improvement in our operating leverage."

During the past quarter the bank partnered with the Small Business Administration offering their 7(a) program, the SBA's flagship loan guaranty program which was designed to expand access to capital for small businesses. It helps creditworthy small businesses acquire financing when they cannot otherwise obtain credit at reasonable terms. The program covers business borrowing requests in which the business has sufficient cash flow to repay the loan but may not have the necessary collateral or history required by a bank's lending policy. The 7(a) program is a flexible tool that can be used to finance a variety of business purposes such as the purchase of machinery, fixtures, and supplies; make improvements to land and buildings; finance receivables and augment working capital; acquire and start businesses; and refinance existing debt under certain conditions.

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.goldenvalley.bank](http://www.goldenvalley.bank).

### 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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