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## **Community Valley Bank Celebrates Record Growth and Seeks to Form Bank Holding Company**

**El Centro, CA (October 23, 2015)** Community Valley Bank (CVB) celebrates its 8<sup>th</sup> year anniversary with record numbers in assets, loans and deposits. CVB has seen significant growth in all facets of bank operations. Total assets at the quarter ending 09/30/15 were \$135 million, a 17% increase year over year from 09/30/14. Total net loans grew to \$96 million, a 15% increase year over year, and total deposits grew by 25% year over year, ending the 3<sup>rd</sup> quarter at \$ 115 million. Non-accrual loans dropped from 4.97% at 09/30/14 to 1.0% in 3<sup>rd</sup> quarter 2015. CVB reported an after tax profit of \$.05 per share for the 3<sup>rd</sup> quarter and is forecasting continual strong growth in the remaining quarter of 2015.

We ended the 3<sup>rd</sup> quarter with a Leverage Capital ratio of 10.8% and a Risk-based Capital ratio of 15.41%. This is well above the ratios required to be considered a well capitalized bank. Our Allowance for Loan and Lease Losses ended the quarter at \$1,342,374 or 1.38% of total loans. Board and Management believe the ALLL is fully funded at this time.

Tangible book value of the common stock was \$7.14 per share. The common stock (CMUV) was trading at \$6.75 as of September 30, 2015.

The Board of Directors and management continue to look at strategies to increase both revenue and shareholder value. At its monthly board meeting in October, the Directors voted unanimously to adopt a resolution to form a bank holding company. The formation of a bank holding company will provide enhanced opportunities for CVB as it moves forward. Formation of the bank holding company requires regulatory and shareholder approval.

The Board of Directors has taken action to call a special shareholder meeting for December 3<sup>rd</sup>, 2015. Additional information and proxy materials will be sent out to each shareholder over the next few weeks. If approved, each share of CVB bank stock will be exchanged for one share of CMUV Bancorp stock. There will be no delusion in share value. Your existing stock certificates will remain valid. We expect to complete the formation of the holding company for the beginning of 2016.

	<u>September</u>	<u>December</u>	<u>September</u>
<b>Consolidated Financial Condition Data</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
<b>Assets</b>			
Loans receivable - net	\$ 96,012,000	\$ 90,598,000	\$ 83,176,000
Cash and cash equivalents	27,273,000	21,284,000	21,934,000
Investment Securities	2,710,000	1,240,000	1,270,000
Federal Home Loan Bank Stock	435,000	392,000	392,000
Other Assets	8,841,000	8,269,000	7,196,000
Total Assets	\$ <u>135,271,000</u>	\$ <u>121,783,000</u>	\$ <u>113,968,000</u>
<b>Liabilities</b>			
Deposits	116,200,000	99,645,000	92,796,000
Borrowings (FHLB)	3,000,000	7,515,000	7,500,000
Mortgage Indebtedness	469,000	521,000	538,000
Other Liabilities	250,000	328,000	349,000
Total Liabilities	<u>119,919,000</u>	<u>108,009,000</u>	<u>101,183,000</u>
Preferred Stock	0	1,800,000	1,800,000
Common Stock	16,868,000	14,317,000	14,316,000
Costs/Dividends	166,000	(91,000)	(10,500)
Surplus	558,000	546,000	544,000
Total Undivided Profits	\$ <u>(1,914,000)</u>	\$ <u>(2,791,000)</u>	\$ <u>(3,801,500)</u>
Unrealized Gain/Loss	6,000	(7,000)	(63,000)
Stockholder's Equity - net	15,352,000	13,774,000	12,785,000
Total Liabilities and Shareholder Equity	\$ <u>135,271,000</u>	\$ <u>121,783,000</u>	<u>113,968,000</u>
	<u>September</u>	<u>December</u>	<u>September</u>
<b>Selected Consolidated Earnings Data</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
Total interest income and fees	\$ 4,521,000	\$ 5,529,000	\$ 4,080,000
Total interest expense	<u>(608,000)</u>	<u>(645,000)</u>	<u>(474,000)</u>
Net interest income	3,913,000	4,884,000	3,606,000
Provision of losses on loans	<u>0</u>	<u>(618,000)</u>	<u>(143,000)</u>
Net interest income after provision for losses on loans	3,913,000	4,266,000	3,463,000
Total other income (Noninterest income)	552,000	410,000	355,000
General administrative and other expenses	(3,289,000)	(4,207,000)	(3,084,000)
Income tax expense (benefit)	<u>-368,000</u>	<u>1,500,000</u>	<u>300,000</u>
Net Profit/Loss	\$ <u>808,000</u>	\$ <u>1,969,000</u>	\$ <u>1,034,000</u>