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Community Valley Bank Announces Net Profit Increase of 100% for 2013

El Centro, CA (February 4, 2014) Community Valley Bank (CVB) is pleased to report its operating results for 2013 reflected its 13th consecutive quarter of profitability. Fourth quarter profits were \$540,000 resulting in a net profit for 2013 of \$1,240,000, a 100% increase over 2012's annual net profit. As of December 30, 2013, total assets grew by \$9 million over year-end 2012 to \$117 million. Deposits rose to \$98 million, an increase of \$8 million from 2012 year-end.

In 2013, the bank experienced a net reduction in total loans of \$4.2 million ending the year at \$74.9 million. "This was caused in large part by unanticipated payoffs of several large loans during the fourth quarter," explains CVB Chairman, Jon Edney. Total Equity Capital was \$12.3 million while Tier 1 Leverage Capital Ratio was 11.27%. "This is well above the regulatory ratio required to be considered a well-capitalized bank," says Edney. CVB's stock (CMVU) recently traded above \$5.00 per share, up from \$4.51 as of June 30. The book value as of year-end was \$6.10.

The bank expects continued success as the economy continues to show signs of improvement. It will continue to be the business bank of choice in both the Imperial and Coachella Valleys. As an SBA preferred lender, along with a vast array of other financial products, the bank is able to serve the many needs of the business community.

The Allowance for Loan and Lease Losses (ALLL) was \$1.21 million or 1.6% of gross loans as of year-end. CVB Board and Management believe the ALLL is fully funded based on the quarterly analysis. The bank's ratio matches CVB's peer bank average and provides a strong reserve against potential future losses.

CVB is entering its seventh year of serving the financial needs of the Imperial and Coachella Valleys. "We are pleased with the progress we have made in that time and are excited about the future potential of the bank," notes Wayne Gale, CVB President and CEO. "We are optimistic that the recent improvement in the economy will continue to enhance our ability to grow and increase profitability," he adds. Recent news projecting interest rates rising in the next year to 18 months requires CVB to closely monitor the local economies while examining alternative strategies going forward.

CVB's motto "This is Your Valley. This is Your Bank" is how CVB operates, as it focuses on serving the local business communities.

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2013	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Consolidated Financial Condition Data		
Assets		
Loans receivable - net	\$ 73,703,000	\$ 79,195,000
Cash and cash equivalents	35,037,000	21,628,000
Investment Securities	1,466,000	1,003,000
Federal Home Loan Bank Stock	447,000	283,000
Other Assets	6,950,000	6,565,000
Total Assets	\$ <u>117,603,000</u>	\$ <u>108,674,000</u>
Liabilities		
Deposits	98,164,000	90,340,000
Borrowings (FHLB)	6,000,000	6,000,000
Mortgage Indebtedness	684,000	744,000
Other Liabilities	464,000	446,000
Total Liabilities	<u>105,312,000</u>	<u>97,530,000</u>
Preferred Stock	2,400,000	2,400,000
Common Stock	14,298,000	14,271,000
Costs/Dividends	(100,000)	(52,000)
Surplus	537,000	498,000
Total Undivided Profits	<u>(4,727,000)</u>	<u>(5,973,000)</u>
Unrealized Gain/Loss	(117,000)	17,000
Stockholder's Equity - net	12,291,000	11,144,000
Total Liabilities and Shareholder Equity	\$ <u>117,603,000</u>	\$ <u>108,674,000</u>
	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Selected Consolidated Earnings Data		
Total Interest Income/Fees	\$ 5,420,000	\$ 4,665,000
Total Interest Expense	<u>(712,000)</u>	<u>(681,000)</u>
Net Interest Income	4,708,000	3,984,000
Provision For Losses on Loans	<u>(615,000)</u>	<u>(540,000)</u>
Net Interest Income After Provision For Losses on Loans	4,093,000	3,444,000
Total Other Income (Noninterest Income)	910,000	961,000
General Administrative and Other Expenses	(4,163,000)	(3,784,000)
Income Tax (Expense) Benefit	<u>400,000</u>	<u>(5,000)</u>
Net Profit/Loss Year To Date	\$ <u>1,240,000</u>	\$ <u>621,000</u>