



Golden Valley

BANK

ANNUAL REPORT

2019

A bank built for **business**. A bank built for **community**. A bank built for **you**.

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Another Great Year For Our Bank!

We currently have the finest group of employees we've had in the 14 year history of the Bank. They come to work every day to be the Best Bank in Town. Nothing less. It's a total team effort! We do this through Absolutely Outstanding Customer Service in every aspect of our business. No compromises. Pitching in to do anything and everything to get the job done, whether in Chico or Redding. They are why we are so successful.

2019 was the beginning of a number of transition and recovery years for our community. Our Bank will be continuing to support recovery efforts. Along with 40 business partners, our Foundation raised over \$13.25 million for Camp Fire relief. Our efforts were recognized by the Independent Community Bankers of America with their National Community Service Award, something we are very proud of.

Our Total Assets grew to \$357 million at the end of the year compared to \$289 million at the end of 2018, a 24% increase. Our Total Loans ended the year at about \$184 million, \$26.5 million, or 17% ahead of last year. Redding's Loans finished ever so close to \$40 million, an increase of \$16 million over last year. Total Deposits ended the year at \$295 million, \$39 million or 15% ahead of 2018. Redding hit their year-end deposit

goal and went over \$12 million, \$8.4 million ahead of last year. We also had a great year with our pre-tax income \$2,157,009 ahead of 2018. We did get a boost from a \$1,333,402 gain on the strategic sale of securities that really wasn't in the ordinary course of business (but it was a nice windfall!). Even without that gain, you can see that we finished far ahead of last year.

We will be saying goodbye to some very familiar faces in 2020. Our Chairman of the Board, Don Hubbard will be leaving us after over 14 years on the Board. Don is an original Director and played a key role in the formation and development of the Bank. We have appreciated his steady leadership! Two of our Founding employees are retiring after long banking careers—Tracie Cvitkovich and Niki Ghiorso. Tracie is our Executive Administrator and handles just about every special project in the Bank, including Shareholder Relations and managing the Board. Niki has been an operations stalwart since the beginning, handling virtually anything operational in the Bank. Way back in 2006 both of these ladies left perfectly good jobs to join me in a startup Bank with no track record. I am forever grateful and am keenly aware that we couldn't have done it without them.

We have a big challenge in front of us. In the Camp Fire we lost 12%–15% of our housing stock in Butte County and that

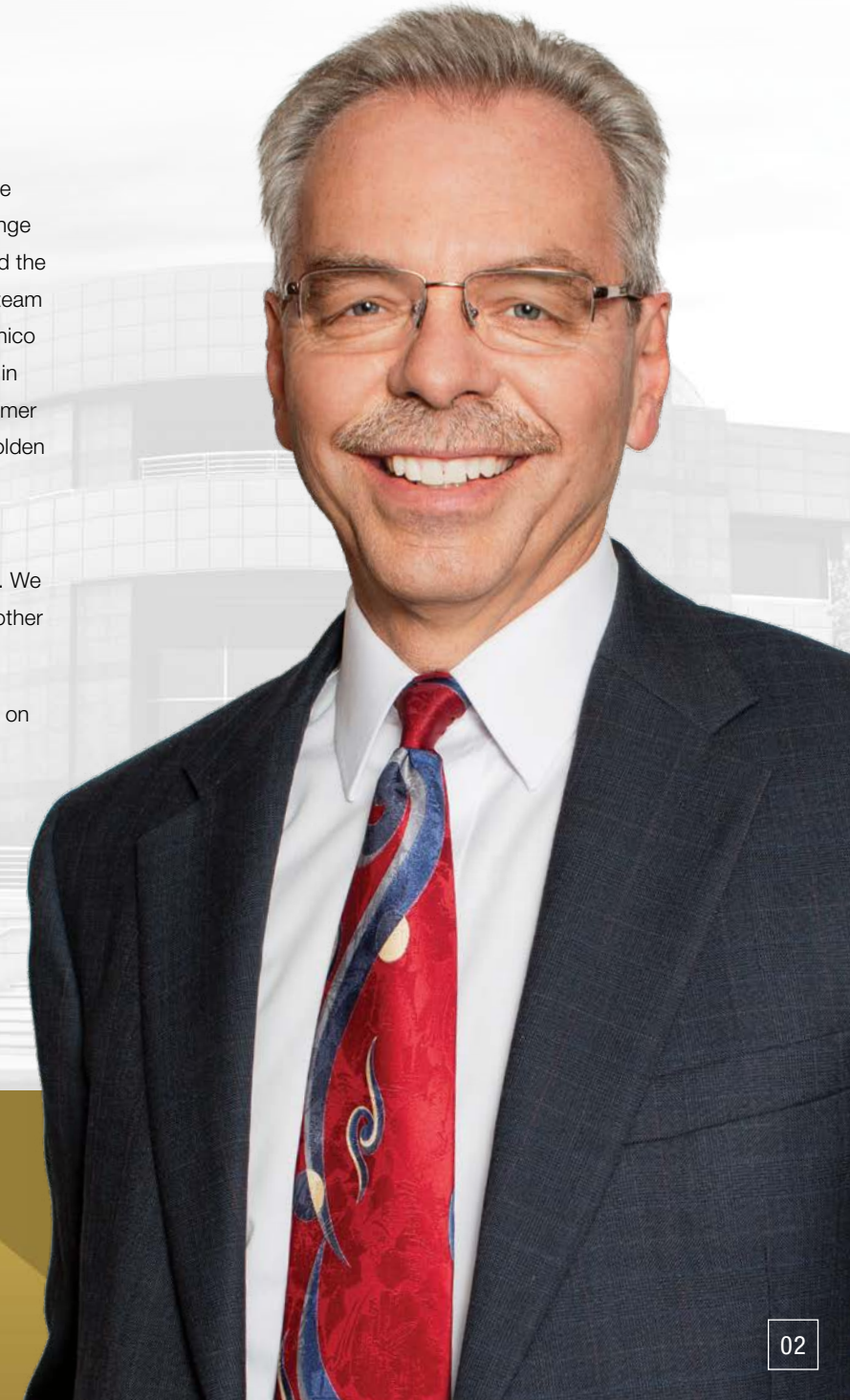
will take years to replace. There will be less people in the region and that, eventually, is going to be a huge challenge to the local area economy. But we can meet and exceed the challenge. We are certainly going to rely heavily on our team in Redding to continue to grow at a high level, and in Chico we have to re-double our efforts—Being the Best Bank in Town and Absolutely, ABSOLUTELY Outstanding Customer Service will have to be even bigger priorities. WE are Golden Valley Bank and WE will make it happen!

Be PROUD. We have a tremendous reputation in the community and it is getting better and better every year. We show up, we participate, we sponsor and support. No other Bank in this community has the reputation that we do.

We are the Best Bank in Town—and looking to improve on that reputation in 2020!



Mark Francis, President & CEO



“ Be PROUD. We have a tremendous reputation in the community and it is getting better and better every year. ”



Bell Ringing for Salvation Army



Art Alley Painting



Memorial Day BBQ

Community Involvement

One of our Core Values as an organization is having **Unparalleled Community Leadership**. Our employees take pride in stepping into leadership positions in community organizations, and it would be hard to find one that a GVB employee isn't somehow involved with.

We strive to be a center of business activity by becoming a community focal point for ideas and strategies benefiting small business and community organizations.

Learn more about our efforts at www.goldenvalley.blog



Kool April Nights



Emergency Medical Kits Donated to CUSD



Chico Run for Food



Redding Turkey Trot



Make a Wish Foundation Radiothon

Keeping You Secure

We are proud to deliver the highest level of security for our online banking customers. We make it a priority to offer a variety of tools and resources to help protect you against fraud.

Visit www.goldenvalley.bank/Security.aspx for our full list of security services, as well as tips to keep yourself protected against identity theft.



CardValet

Access to control your debit card.



Online Banking

Conveniently monitor your financial accounts regularly.



Account eAlerts

Account notifications delivered to you via text or email.



Security Tokens

Log-in experience that ensures your information is secure.



Secure Messaging

Email encryption that protects emails containing sensitive information.



Positive Pay

Monitor your check activity and review your business transactions.



eStatements

Electronic statements that reduce the potential for mail fraud and theft.



A Dream to Build

2019 brought a new building and more opportunities for Brian Bowen and his team at Chico Nissan and Chico Hyundai. Brian came to us with a dream to build a new facility at his location on Cohasset Road. After working with us and many other organizations, the dream became reality. We are proud to partner with him!

“ *Easy, efficient and the best service from Golden Valley throughout the process.* ”

Brian Bowen, Owner of Chico Nissan and Chico Hyundai

2019 Grand National Winner

Community Bank Service Award

The Independent Community Bankers of America (ICBA), a Washington D.C. based trade organization representing all of the country's community banks announced in August that Golden Valley Bank was the 2019 Grand National Winner of the organization's Community Bank Service Award, the highest recognition they award in the nation for community service.

Our efforts made the cover of ICBA's September issue of Independent Banker Magazine. As our President and CEO, Mark Francis, stated in his letter to the community, "I wish the Camp Fire would have never occurred and we wouldn't have had the opportunity to receive this recognition. However, I am very proud of how our team—employees, our Board of Directors, and our Bank's Founders responded to this tragedy."

Thank you for all your support in our efforts.

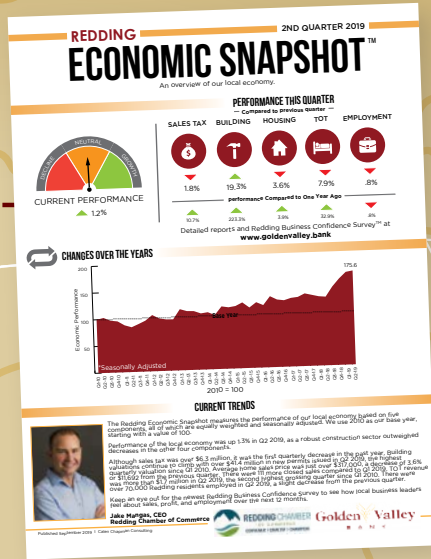
Learn more at www.goldenvalley.blog/camp-fire-relief-efforts



“ I wish the Camp Fire would have never occurred and we wouldn't have had the opportunity to receive this recognition. However, I am very proud of how our team responded to this tragedy. ”

Mark Francis, President & CEO

Redding



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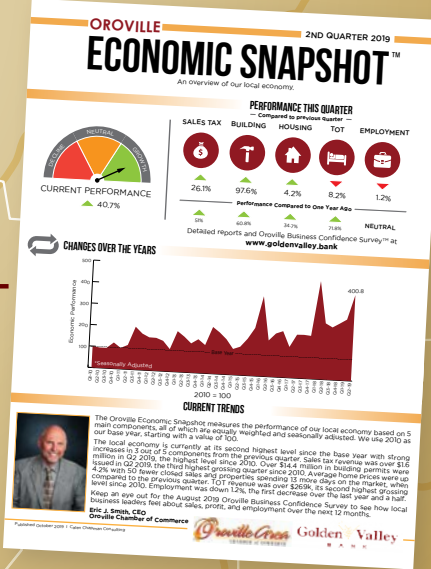
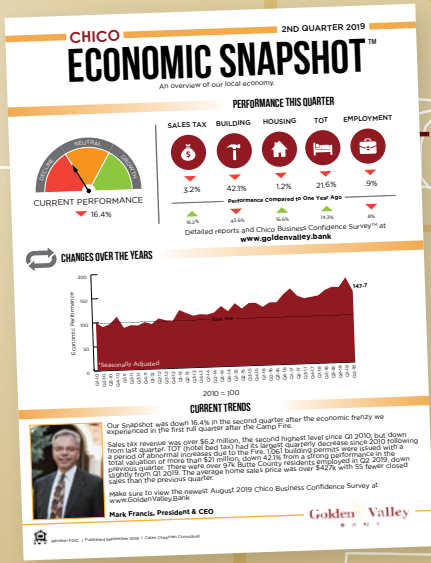
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32

Chico

Oroville

70



Our Growing Economy

We have continued to grow our efforts in offering the Economic Snapshot to our local communities. We have partnered with the Chambers in Chico, Redding and Oroville to provide all 3 markets this detailed information on their economy. Our reports include five components: Sales Tax, Building Permits, Housing, TOT and Employment.

Read our full reports at www.goldenvally.bank/Economic-Snapshot.aspx

Economic Snapshot Partners















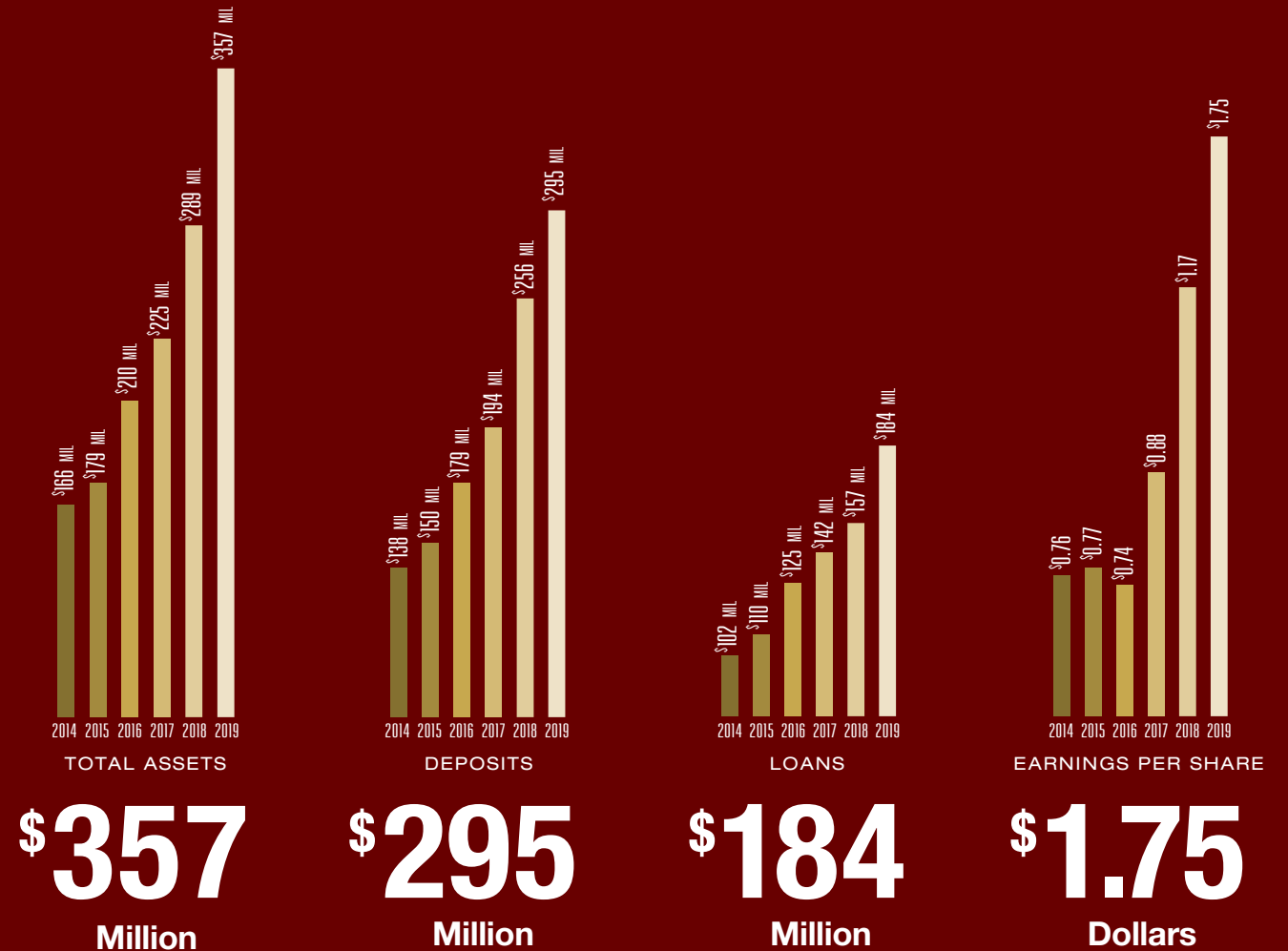
Financial Highlights

2019 was another great year with significant increases in all major financial areas. Our team continues to provide Absolutely Outstanding Customer Service to continue this growth trend.

Find detailed information at www.goldenvalley.bank/InvestorRelations.aspx

Board of Directors

<p>Mark Francis President & CEO Golden Valley Bank</p>  <p>President & CEO</p>	<p>Donald Hubbard Medical Business Solutions (Retired)</p>  <p>Chairman</p>	<p>Tim Tittle Managing Partner Tittle and Co., LLP</p>  <p>Vice Chairman</p>	<p>Syl Lucena Owner Collier Hardware</p>  <p>Secretary</p>	<p>R. Scott Chalmers RSC Associates (Retired)</p> 	<p>Mark Kimmelshue GM/CEO ARMCO</p> 
<p>Gary Katz Private Investor</p> 	<p>Doug Guillon President Guillon Companies</p> 	<p>Marilyn Everett K-Coe Isom (Retired)</p> 	<p>Jim Doss Chief Credit Officer Golden Valley Bank</p> 	<p>Creasia Gale Co-Owner Bidwell Consulting Services</p> 	<p>Matt Gallaway Principal Architect Russell, Gallaway and Associates</p> 



Michael Baird, MD
Oncologist

Bill Bales
Retired, Sierra Nevada Brewing
Company

James Boice, MD
Retired, Pathology Sciences

Lewis Brogan
Retired, Veterinarian

John L. Burghardt
Attorney

Dan Cargile
Retired, Banker

Ken Grossman
Sierra Nevada Brewing Company

Robert Harp
Marshall & Harp Attorneys

Norm Larson
Larson Ranch

Jeff Lobosky, MD
NorthState Neurosurgical
Associates

Frank Sisco
Sisco Enterprises, Inc.

Jack Sterling
Madison Bear Garden/Mom's

Dick Stein
HJ Promotional Products

Brian Sweeney
Asset Management Group

Audrey Tennis
Rice Farmer

Glen Toney
Retired, Aerospace Engineer

Corporate Headquarters

190 Cohasset Road, Chico, CA 95926
(530) 894-1000
www.goldenvalley.bank

Registrar and Transfer Agent

American Stock Transfer Company
6201 15th Avenue, Brooklyn, NY 11219
Shareholder Services: 888-509-4619
www.astfinancial.com

Investor Relations

Investors seeking information about Golden Valley Bank should contact:

Mark Francis, Chief Executive Officer
(530) 894-4920 | mfrancis@goldenvalley.bank

Jessica Shepherd, Administrative Assistant
(530) 894-4923 | jshepherd@goldenvalley.bank

Stock Listing

Golden Valley Bank common stock is listed on the Over The Counter Markets system under the symbol "GVYB". Go to www.otcmarkets.com to gain access. To inquire about purchase or sale, please contact your broker or Jessica (above).

Independent Public Accountant

Moss Adams, LLP
2882 Prospect Park Drive, Suite 300
Rancho Cordova, CA 95670-6019
(916) 503-8100





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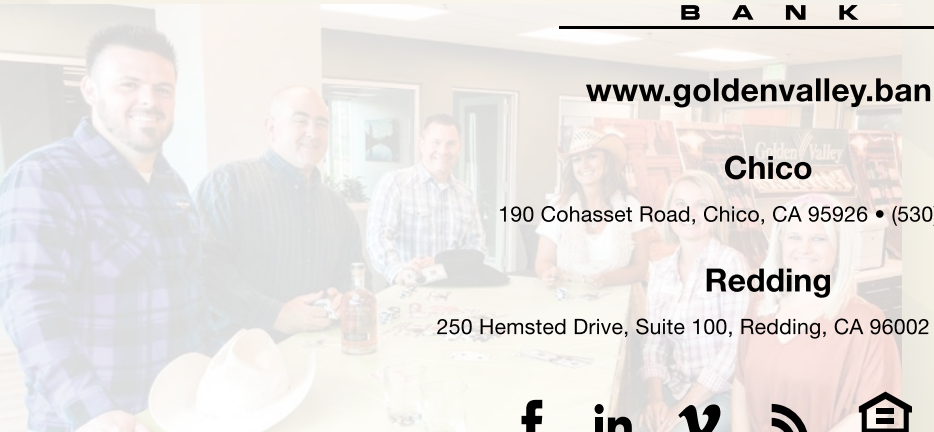
www.goldenvalley.bank

Chico

190 Cohasset Road, Chico, CA 95926 • (530) 894-1000

Redding

250 Hemsted Drive, Suite 100, Redding, CA 96002 • (530) 222-4000



Member
FDIC