



Golden Valley
BANK

ANNUAL REVIEW
2021

2021, A Great Year

As these very unique times continue, we have remained focused on our Core Values, Mission, and Vision by positioning the Bank and the Foundation to help our communities achieve financial success, health and well-being. While not only celebrating our 15th Anniversary in 2021, we have also hit record profits, assets, loans, deposits and stock price – the Big Five in the community banking industry.

As you will see, our net profit increased 26% in 2021 to \$5,159,320. Assets were up almost 17% to \$474 million and deposits were up 19% to \$433 million. Our loans were up 14% or \$29 million, net of the SBA Paycheck Protection Program (PPP) loans. We made a total of 772 loans in both rounds totaling over \$130 million – a huge amount for a Bank our size.

We remain a well-capitalized bank far exceeding minimum regulatory requirements. Our loan quality continues to be excellent as we have no loans that could be considered “non-performing.” We have not incurred a loan loss in several years and have built an impressive reserve to protect us from any future losses.

Through our Community Foundation we actively support local causes at a high level of commitment. We continue to assist Camp Fire victims, support efforts to lessen the impacts of the pandemic and contribute to many other great causes in our communities.

In August we purchased a well located building in Oroville, and look forward to it operating as a full service office in mid- 2022. Based on the number and quality of our existing Oroville customers, we recognize it is an underserved market where we can focus efforts on providing financial opportunities for more businesses customers.

We are happy to announce four new members on our Board of Directors – Sierra Grossman, Vice President at Sierra Nevada Brewing Company; Mike Phulps, the CEO of Metal Works; Brent Largent, CEO of Stratti; and Tom Hughes, recently retired from Interwest Insurance Services.

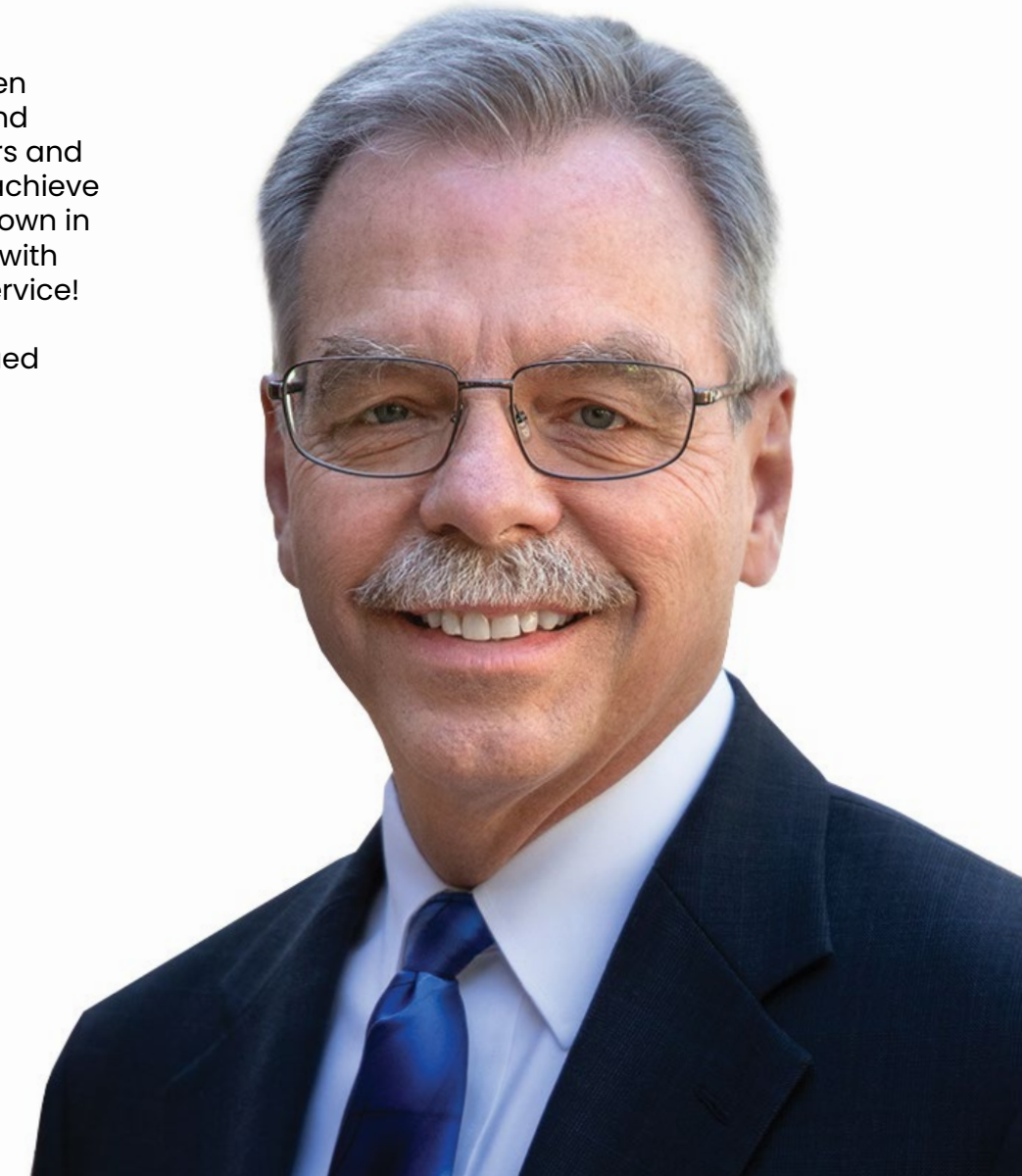
We realize that 2022 could bring some challenges to our economy with inflation, rising interest rates and this lingering pandemic.

We have really great people at Golden Valley Bank – from our employees and Board of Directors to our shareholders and customers. We all work together to achieve our Vision of being the Best Bank in Town in every town we serve and we do that with Absolutely Outstanding Customer Service!

We want to thank you for the continued support!



Mark Francis
President & CEO



Making a Difference



BANK

COMMUNITY FOUNDATION

Golden Valley Bank's commitment to our communities remains steadfast. We've stayed present and actively involved through disasters, the pandemic, and the every day needs of our local non-profits and community organizations.

Major Contributions in 2021

- \$98,088 Camp Fire Long Term Recovery Group/Unmet Needs Roundtable
- \$85,000 Habitat for Humanity
- \$75,000 Enloe Foundation/COVID Vaccine Efforts.
- \$60,000 Boys & Girls Club
- \$50,000 Butte Fire Safe Council
- \$50,000 Valley Contractors Exchange
- \$47,500 CHIP
- \$25,000 North Valley Community Foundation/Hope Plaza Project

The result is \$490,588 distributed from these funds in 2021. This is all over and above our usual Foundation giving.



Supporting Our Communities

Working hand in hand with our community partners provides us with a pulse on how we can assist to make our communities succeed. We placed a strong focus on contributions towards sustainable housing for those affected by the devastating wildfires that occurred over the past few years. Additionally, we supported one of the first vaccination clinics in Butte County in our efforts to help save lives, and remain a thriving community in the midst of the pandemic challenges.



Annual Nonprofit Recipients

During 2021 our Chico employees raised money for The Peg Taylor Center whose operations were drastically changed by the pandemic. With matching funds from our Golden Valley Bank Community Foundation, we presented a check for \$10,000 to The Peg Taylor Center.

Our Redding office employees worked throughout the year and they were able to present a check for \$3,005 to the Wild Horse Sanctuary.



Proud Presenting Sponsor

Golden Valley Bank is proud to be the presenting sponsor of Run for Food. We have been long time supporters of the Run, and we love the community and spirit of giving that this event fosters.

The Run for Food is a Chico tradition that brings families, friends and neighbors out to Bidwell Park on Thanksgiving Day. It's a day to remember those in need and to start the holiday with an expression of gratitude.

Watch the Video:





Coming Soon to Oroville

That's not our Chico office above, it is a rendering of what our new Oroville office will look like when we are done with a remodel! This past summer we purchased a building on Olive Highway directly across from Oroville Hospital. When we first looked at the building shortly after the "For Sale" sign went up, we saw that it already had a bell tower with a bell in it! We knew this was the place for us. Alright, there were a few other reasons for us to buy the building, like the great location on a signalized intersection. Our Oroville customers have been clamoring for us to bring our unique brand of Absolutely Outstanding Customer Service to their community where we will soon become the Best Bank in Town.



Pictured above left:
Laurie Kee, Oroville Mayor Chuck Reynolds & Mark Francis



Pictured above right:
Gentry Power, Jolene Francis & Jim Doss



Pictured on right:
Laurie Kee, SVP Director of Relationship Banking and Oroville team members James Venable, and Victor Jauregui



A Bank Built for Business

As part of our mission to provide Absolutely Outstanding Customer Service to our customers, we pay great attention to the details. Details such as how our documents and advertising materials are printed.

These are the details that Mark Hendry and Creative Composition also value.

For our October 2021 Bank Built for Business Campaign, we teamed up with Creative Composition to print our new direct mail piece. You may have seen our television commercial and matching billboards around town as well.

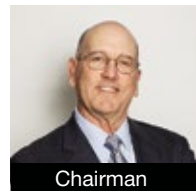
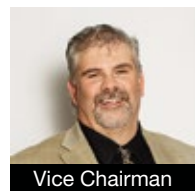
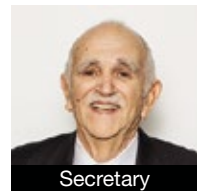

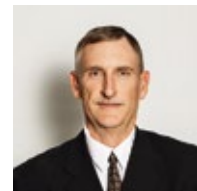




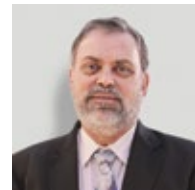


Watch the Commercial:



Financial Highlights

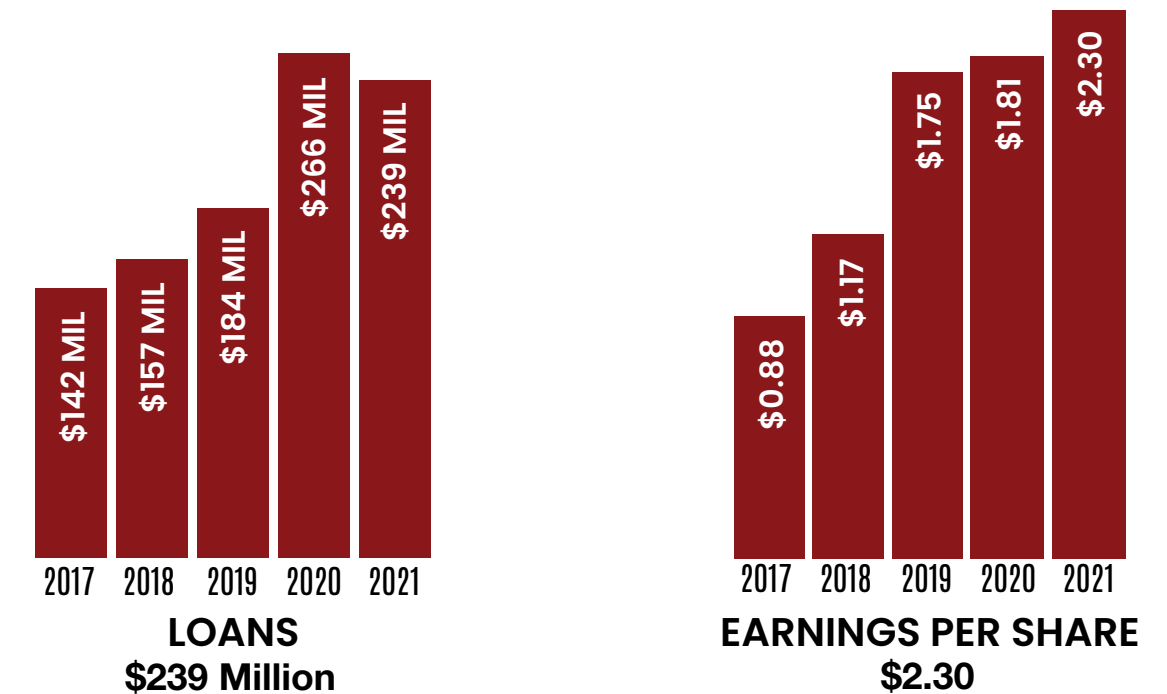
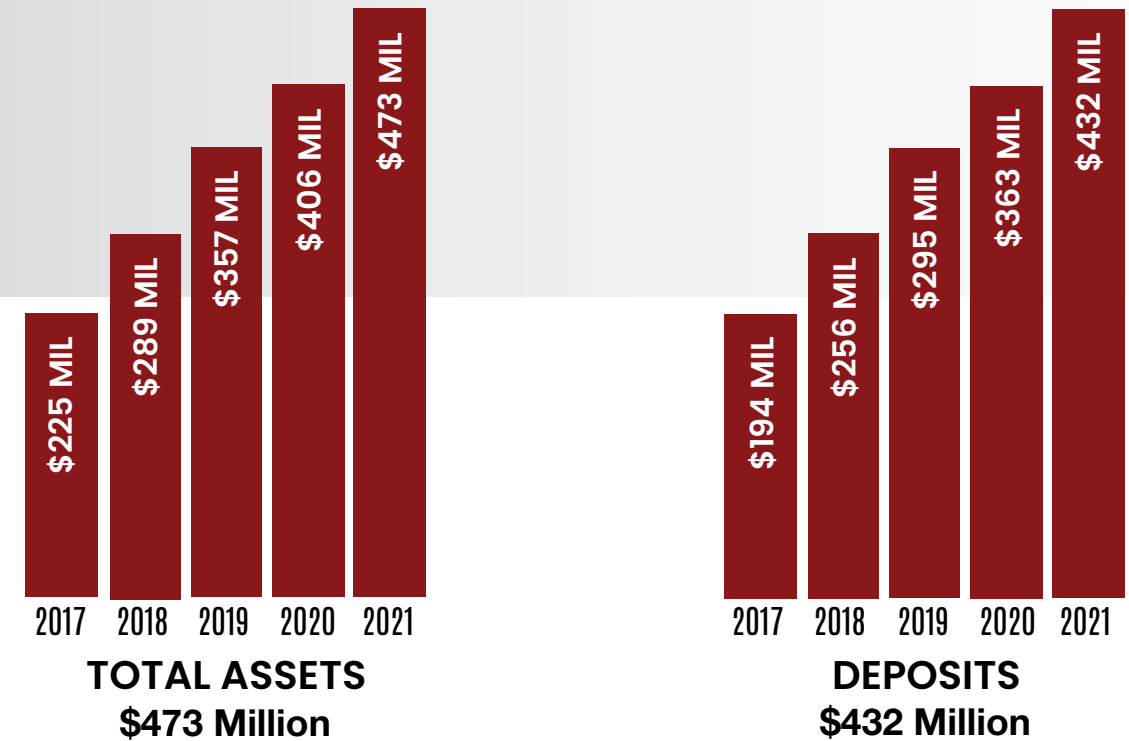
The extraordinary deposit growth and financial statements are the result of the Bank's strong commitment to the success of our business customers and to our communities. We will continue to provide outstanding customer service, loans and digital services to support our growth strategy to achieve optimal results.

BOARD OF DIRECTORS

 Chairman Mark Kimmelshue GM/CEO, ARMCO	 Vice Chairman Matt Gallaway Principal Architect, Russell Gallaway Associates Inc.	 Secretary Syl Lucena Owner Collier Hardware	 Mark Francis President & CEO Golden Valley Bank	 James Doss Chief Credit Officer Golden Valley Bank	 Marilyn Everett Retired, K-Coe Isom Accountancy
 Sierra Grossman Vice President Sierra Nevada Brewing Company	 Tom Hughes Retired, Interwest Insurance Services	 Michael Phulps Partner & CFO Metal Works	 Brent Largent Founder & President Stratti	 Douglas Guillon President Guillon Companies	 Gary Katz Katz Investments

ADVISORS

Bill Bales Retired, Sierra Nevada Brewing Company	James Boice, MD Pathology Sciences	John L. Burghardt Attorney	Dan Cargile Retired Banker
Ken Grossman Sierra Nevada Brewing Company	W. Howard Isom Retired CPA	Norm Larson Larson Ranch	Jeff Lobosky, MD Retired Physician
Frank Sisco Retired Business Owner	Jack Sterling Madison Bear Garden	Dick Stein H J Promotional Products	
Brian Sweeney Asset Management Group	Audrey Tennis Rice Farmer		



For more financial information visit:
<https://goldenvally.bank/investor-relations>



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Shareholder Services: (888) 509-4619
www.astfinancial.com

Stock Listing

Golden Valley Bancshares, Inc. 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 Shepherd.

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Golden Valley Bancshares, Inc. is the parent company of Golden Valley Bank.