

FOR IMMEDIATE RELEASE

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### Cashmere Valley Bank Commences Self Tender Offer to Repurchase up to 500,000 of its Common Stock

CASHMERE, WA, October 1, 2019 – Cashmere Valley Bank (OTCQB: CSHX) (the “Bank”), announced today that it has commenced a tender offer to purchase up to 500,000 shares of its common stock at a price per share of \$62.00. The tender offer is expected to expire on November 15, 2019, unless extended. Tenders of shares must be made prior to the expiration of the tender offer and may be withdrawn at any time prior to that time. As of October 1, 2019, the Bank had 4,122,313 shares of Common Stock issued and outstanding of 10,000,000 total shares authorized. The 500,000 Shares represent approximately 12.1% of the total number of Shares issued and outstanding as of October 1, 2019.

The tender offer is not conditioned upon any minimum number of shares being tendered; however, the tender offer is subject to a number of other terms and conditions. The Bank expects to fund the purchase of shares in the tender offer with cash on hand.

None of the Bank or its board of directors is making any recommendations to shareholders as to whether to tender or refrain from tendering their shares into the tender offer. Shareholders must decide how many shares they will tender, if any. The Bank’s directors and executive officers have advised that they do not intend to tender any of their shares in the tender offer.

The Bank believes that the tender offer will significantly enhance shareholder value.

The Offer to Purchase, a letter of transmittal and related documents will be mailed to shareholders of record and also will be made available for distribution to beneficial owners of the Bank’s stock. For questions and information, please call the Bank at (509) 782-5495.

#### **About Cashmere Valley Bank**

Cashmere Valley Bank was established September 24, 1932 and now has 12 retail offices located in Chelan, Douglas, Kittitas and Yakima Counties. The Bank also maintains a municipal lending office in King County. The bank provides business and personal banking, commercial lending, insurance services through its wholly owned subsidiary, Mitchell, Reed & Schmitten insurance, investment services, mortgage services, equipment lease financing, auto and marine dealer financing and municipal lending.

#### **Certain Information Regarding the Tender Offer**

The information in this press release describing the Bank's tender offer is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell shares of the Bank's common stock in the tender offer. The tender offer is being made only pursuant to the Offer to Purchase and the related materials that the Bank is distributing to its shareholders, as they may be amended or supplemented. Shareholders should read such Offer to Purchase and related materials carefully and in their entirety because they contain important information, including the various terms

and conditions of the tender offer. Shareholders or investors who have questions or need assistance or may obtain a copy of these documents, without charge, by calling the Bank at (509) 782-5495. Shareholders are urged to carefully read all of these materials prior to making any decision with respect to the tender offer.

### **Forward Looking Statements**

This press release contains "forward-looking statements". Forward-looking statements contain words such as "anticipate," "believe," "can," "would," "should," "could," "may," "predict," "seek," "potential," "will," "estimate," "target," "plan," "project," "continuing," "ongoing," "expect," "intend" or similar expressions that relate to the Bank's strategy, plans or intentions. Forward-looking statements involve certain important risks, uncertainties and other factors, any of which could cause actual results to differ materially from those in such statements. Such factors include, without limitation, the "Risk Factors" referenced in the Offer to Purchase and the following additional factors: ability to execute our business strategy; business and economic conditions; economic, market, operational, liquidity, credit and interest rate risks associated with the Bank's business; effects of any changes in trade, monetary and fiscal policies and laws; changes imposed by regulatory agencies to increase capital standards; effects of inflation as well as interest rate, securities market and monetary supply fluctuations; changes in consumer spending, borrowings and savings habits; the Bank's ability to identify potential candidates for, consummate, integrate and realize operating efficiencies from, acquisitions; the Bank's ability to achieve organic loan and deposit growth and the composition of such growth; changes in sources and uses of funds; increased competition in the financial services industry; the effect of changes in accounting policies and practices; the share price of the Bank's stock; the Bank's ability to realize deferred tax assets or the need for a valuation allowance; continued consolidation in the financial services industry; ability to maintain or increase market share and control expenses; costs and effects of changes in laws and regulations and of other legal and regulatory developments; technological changes; the timely development and acceptance of new products and services; the Bank's continued ability to attract and maintain qualified personnel; ability to implement and/or improve operational management and other internal risk controls and processes and reporting system and procedures; changes in estimates of future loan reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements; widespread natural and other disasters, dislocations, political instability, acts of war or terrorist activities, cyberattacks or international hostilities; impact of reputational risk; and success at managing the risks involved in the foregoing items. The Bank can give no assurance that any goal or plan or expectation set forth in forward-looking statements can be achieved and readers are cautioned not to place undue reliance on such statements. The forward-looking statements are made as of the date of this press release, and the Bank does not intend, and assumes no obligation, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events or circumstances, except as required by applicable law.

SOURCE: Cashmere Valley Bank