



FOR IMMEDIATE RELEASE

**Cashmere Valley Bank Announces YTD June 30, 2017 Earnings
Mid-Year Dividend
And
Insurance and Branch Expansion**

CASHMERE, WASHINGTON... July 27, 2017... Cashmere Valley Bank (OTC Markets CSHX) today announced earnings for the six months ended June 30, 2017, semi-annual dividend payment, branch expansion and Mitchell Reed & Schmitten Insurance acquisitions in Wenatchee and Yakima.

Earnings for the six months ended June 30, 2017 increased to \$9.6 million from \$9.2 million during the same period of 2016. Earnings per share increased to \$2.33 from \$2.25 for the comparable period.

On July 18, 2017 the Board of Directors declared a \$0.55 per share dividend to shareholders of record on July 28, 2017, payable on August 7, 2017, a 10.0% increase from \$0.50 per share paid to shareholders of record on July 19, 2016.

CEO Greg Oakes commented, "Our earnings continue to improve on all levels both quantitatively and qualitatively. Deposits have continued to grow at an approximately 6% annualized pace and credit quality continues at unprecedentedly strong levels. We are grateful for the loyalty of our customers and are focused on continuing to provide the best service and up-to-date products available in the marketplace."

Mitchell Reed & Schmitten Insurance (MRS), a division of Cashmere Valley Bank, also announces the acquisition of two property and casualty agencies. The two agencies are the Gellatly Agency, Inc., and Elliott Insurance Service, Inc.. Gellatly has been serving the greater Wenatchee Valley for over 100 years. "Elliott Insurance Service, Inc., has been serving the Yakima market for over 60 years; it is one of the oldest and largest Pemco agencies in the State of Washington serving some 3000 households in the Yakima area," stated Brent Schmitten, President of MRS. MRS is also proud to announce that they are now appointed with Pemco to service the greater Wenatchee market as well as Yakima, Ellensburg and Cle Elum. "Pemco enjoys a unique reputation for service levels and value delivered," commented Mr. Schmitten.

"The timing of the Elliott acquisition could not be better..." stated CEO, Greg Oakes. "The Elliott acquisition dovetails perfectly with our planned opening of another bank branch in Yakima. We have received regulatory approval to open our second branch during the 4th quarter of this year at 127 W. Yakima Ave." CEO Greg Oakes went on to say, "The bank is now positioned for growth in Yakima; we will be bringing our unique brand of banking services which has made us the outright leader in providing commercial and retail bank deposit products with a 47% market share in the Wenatchee Valley."

"the little bank with the big circle of friends"

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