

FOR IMMEDIATE RELEASE

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CASHMERE VALLEY BANK ANNOUNCES SPECIAL DIVIDEND OF \$2.00 PER SHARE

CASHMERE, WA, February 18, 2020— Cashmere Valley Bank (OTCQX: CSHX) (“Bank”), announced the Bank’s board of directors approved a special one-time cash dividend of \$2.00 per share. The dividend is payable to shareholders of record on February 28, 2020, to be paid on March 9, 2020.

President & CEO Greg Oakes stated that “The special dividend reflects the Bank’s strong financial position and emphasis on delivering shareholder value. The dividend does not impact our capacity for organic growth or other potential capital strategies. We continue to provide returns to shareholders through special dividends and stock repurchases. In 2018, we returned \$11.1 million to shareholders and \$15.2 million in 2019 through regular dividends and the Bank’s share repurchase.”

The special dividend is in addition to the semi-annual dividend of \$0.70 paid on February 10, 2020.

About Cashmere Valley Bank

Cashmere Valley Bank was established September 24, 1932 and now has 11 retail offices 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 & Schmitt Insurance, investment services, mortgage services, equipment lease financing, auto and marine dealer financing and municipal lending. The success of Cashmere Valley Bank is the result of maintaining a high level of personal service and controlling expenses so our fees and charges offer our customers the best value available. We remain committed to those principles that we feel are best summarized as, “the little Bank with the big circle of friends.”

Forward-Looking Statements

This release may contain certain forward-looking statements that are based on management's current expectations regarding economic, legislative, and regulatory issues that may impact the Bank’s earnings in future periods. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words “believe,” “expect,” “intend,” “anticipate,” “estimate,” “will,” “would,” “should,” “could” or “may.” Factors that could cause future results to vary materially from current management expectations include, but are not limited to, general economic conditions, economic uncertainty in the United States and abroad, changes in interest rates, deposit flows, real estate values, costs or effects of acquisitions, competition, changes in accounting principles, policies or guidelines, legislation or regulation, and other economic, competitive, governmental, regulatory and technological factors affecting the Bank’s operations. The Bank undertakes no obligation to release publicly the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.