



Central Valley Community Bancorp

Quarterly Report

Third Quarter 2017 • November 1, 2017

Message From The President And CEO

We are pleased to report the successful completion of our fifth acquisition with the October 1, 2017 closing of Folsom Lake Bank. Our Company is excited about the prospects for our Bank, clients and communities in this growing region.

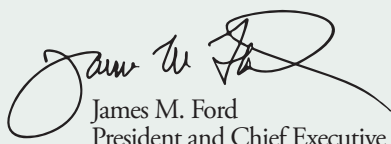
The transition of Folsom Lake Bank to Central Valley Community Bank will progress through February 11, 2018, when the conversion of all financial systems and signage on the buildings is scheduled to be completed.

The Company's third quarter financial results reflect an increase in loans and continued expense management resulting in steady earnings growth for our shareholders. While the economy in our legacy region of the San Joaquin Valley remains sluggish, we are optimistic that there will be improvement in the future. Conversely, our expanded presence with recent mergers in the Greater Sacramento area shows promise in all relationship growth categories, igniting enthusiasm with both new and existing team members.

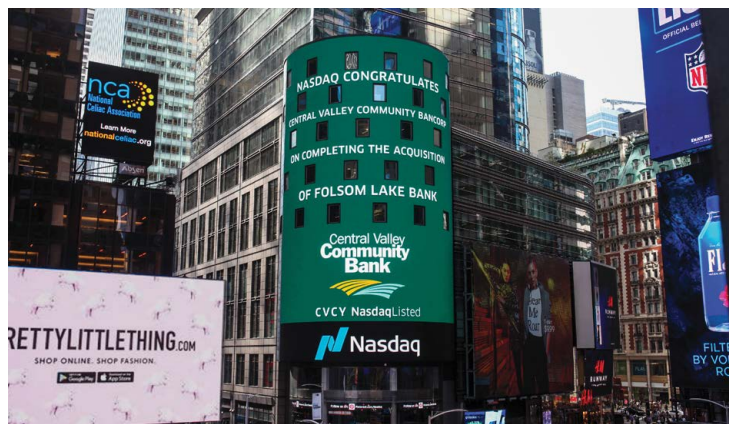
For the quarter ended September 30, 2017, the Company reported unaudited consolidated net income of \$4,494,000 (\$0.36 per diluted share), compared to \$3,114,000 (\$0.28 per diluted share) for the same period in 2016. The increase in net income during the third quarter of 2017 compared to the same period in 2016 was primarily due to an increase in net interest income of \$2,583,000, and an increase in non-interest income of \$419,000, partially offset by an increase in total non-interest expenses of \$739,000, and an increase in the provision for income taxes of \$783,000.

Total average assets for the nine months ended September 30, 2017 was \$1,440,139,000 compared to \$1,276,214,000, for the nine months ended September 30, 2016, an increase of \$163,925,000 (12.84%). Total average loans, which generally yield higher rates than investment securities, increased \$147,271,000, from \$613,381,000 for the nine months ended September 30, 2016 to \$760,652,000 for the nine months ended September 30, 2017. Total average deposits increased \$139,580,000 or 12.65% to \$1,243,335,000 for the nine months ended September 30, 2017, compared to \$1,103,755,000 for the nine months ended September 30, 2016.

It is a privilege to serve our shareholders by leading our nearly four decade old Bank and working alongside a truly outstanding team whose client service standards are among the best in the industry. The remainder of 2017 looks promising for our Company and we encourage you to follow our progress.


James M. Ford
President and Chief Executive Officer

Two Great Banks Even Better Together!



CVCB received a congratulatory message on the seven-story Marketsite Tower in New York City's Times Square!

Soon, Central Valley Community Bank customers in the Greater Sacramento Area will have even more banking accessibility, financing options and added products and services! On October 1, 2017, the Bank's merger with Folsom Lake Bank was finalized, setting the stage for the addition of two full-service banking offices in Folsom and Rancho Cordova on February 11, 2018.

With combined assets of more than \$1.6 billion, the merger gives Central Valley Community Bank customers access to greater lending capability, expanded products and services and a range of additional benefits.

The expanded region is led by Rick Whitsell, Senior Vice President, Commercial Lending, and Karen Smith, Senior Vice President, Community Banking. Rick and Karen make a great team and make the customers' personal and business needs a top priority.

"In less than two years, we have expanded our footprint in the Greater Sacramento Area from one branch focused primarily on commercial lending, to multiple full-service branches," said Jim Ford, Central Valley Community Bank President and CEO. "We look forward to continued growth in this vital region of California."

Like Central Valley Community Bank, Folsom Lake Bank enjoys a solid reputation for personal service, and many of the team members from the Folsom bank will continue to serve our valued customers following the merger. Being able to provide excellent customer service smoothly and seamlessly throughout the transition speaks highly of the blending of these two respected, community-minded institutions.

On behalf of our Board of Directors, Executive Management and the entire Central Valley Community Bank team, we thank you for your business and look forward to continuing to serve you.

Bank Leaders Educate Family Businesses on Cybersecurity



The Institute for Family Business, housed in Fresno State's acclaimed Craig School of Business, is dedicated to the preservation of the family business heritage. As such, The Institute for Family Business regularly holds seminars that family businesses can attend and learn about a variety of subjects.

On October 4, 2017, representatives of Central Valley Community Bank were honored to share a presentation on cybersecurity with the Institute for Family Business. Presenters included: Lydia Shaw, Executive Vice President, Community Banking; Cathy Chatoian, Senior Vice President, Cash Management; and Dan Demmers, Senior Vice President, Director of Information Technology.

This is a timely issue since according to Cybersecurity Ventures' 2017 edition of the Cybercrime Report, damage costs related to cybercrime are projected to rise to \$6 trillion worldwide by 2021. The Bank's presenters explained what to do if business information is hacked, best practices to help prevent cybersecurity breaches and some basic tips on how to keep business and personal information secure. The best thing that you can do for your business is to have best practices written and in place for employees to follow.

For more information on protecting your online security and identity, visit the Identity Protection and Fraud Education pages at www.cvcb.com.

BUSINESS VISA PLATINUM CREDIT CARDS



Borrowing power anytime

With a **Business Visa Platinum Credit Card** or **Business Visa Platinum Rewards Credit Card** from Central Valley Community Bank, you can enjoy buying power with the convenience of making purchases wherever Visa is accepted. Get instant borrowing power at any time, for any reason.

Business Visa Platinum Rewards Credit Card*

Reward yourself! Accumulate points on qualifying purchases, and redeem them on a wide variety of items.

Business Visa Platinum Credit Card

Enjoy convenience and buying power for your business plus discount benefits.

Apply Today!

Visit with a Small Business Lending Officer at one of our convenient locations.

GROW

YOUR SATISFACTION
to yield rewards

Considering an agribusiness loan?

Choose the right bank to help your business grow.

At Central Valley Community Bank, we are the right amount of both big and small – the strong lending power of a big bank together with the values and relationships of a community bank – we're local too. For nearly four decades we've rolled up our sleeves alongside local agribusinesses and understand the business from inside and out. That's why we are able to provide customized solutions for your operation, so you can focus on growing your profits.

Sit down with our expert Ag lenders today and find out why so many of our satisfied customers refer us to friends and colleagues.

Rick Shaeffer

Senior Vice President
Agribusiness Team Leader
(559) 323-3493

Central Valley Community Bank



Investing In Business Relationships.

www.cvcb.com • (800) 298-1775

Consolidated Balance Sheets and Consolidated Statements of Income

Condensed Consolidated Balance Sheets September 30, 2017 and 2016

	(In thousands)	
(Unaudited)	2017	2016
<i>Assets:</i>		
Cash and cash equivalents	\$ 35,689	\$ 45,078
Investment securities	515,077	551,075
Loans	778,726	629,827
Less allowance for credit losses	<u>(8,916)</u>	<u>(9,299)</u>
Net loans	769,810	620,528
Premises and equipment, net	8,920	8,906
Goodwill	40,311	29,917
Accrued interest receivable, intangibles & other assets	<u>53,219</u>	<u>52,271</u>
Total assets	<u>\$ 1,423,026</u>	<u>\$ 1,307,775</u>

Liabilities and Shareholders' Equity:

Deposits:		
Non-interest bearing	\$ 494,364	\$ 423,183
Interest bearing	<u>724,021</u>	<u>704,314</u>
Total deposits	1,218,385	1,127,497
Borrowings	5,155	5,155
Accrued interest payable & other liabilities	<u>18,254</u>	<u>18,801</u>
Total liabilities	<u>1,241,794</u>	<u>1,151,453</u>
Total shareholders' equity	<u>181,232</u>	<u>156,322</u>
Total liabilities and equity	<u>\$ 1,423,026</u>	<u>\$ 1,307,775</u>

Condensed Consolidated Statements of Income For nine months ended September 30, 2017 and 2016

	(In thousands, except per share amounts)	
(Unaudited)	2017	2016
Net interest income	\$ 40,672	\$ 32,806
(Reversal of) Provision for credit losses	<u>(1,150)</u>	<u>(5,850)</u>
Net interest income after provision for credit losses	41,822	38,656
Total non-interest income	8,896	7,353
Total non-interest expense	31,297	28,008
Provision for income taxes	<u>5,730</u>	<u>5,426</u>
Net income	<u>\$ 13,691</u>	<u>\$ 12,575</u>
Basic earnings per common share	<u>\$ 1.12</u>	<u>\$ 1.15</u>
Diluted earnings per common share	<u>\$ 1.11</u>	<u>\$ 1.14</u>
Cash dividends paid per share	<u>\$ 0.18</u>	<u>\$ 0.18</u>

Bank Announces New Agribusiness Team Leader

Join us in welcoming Rick Shaeffer, Central Valley Community Bank's new Senior Vice President, Agribusiness Team Leader. He takes the reins following the recent retirement of Senior Vice President, Terry Crawford, who led the Agribusiness Department for 16 years.



Rick Shaeffer
Senior Vice President
Agribusiness Team Leader
(559) 323-3493

Shaeffer brings over 25 years experience in agribusiness lending, loan and portfolio management, adding a continuation of strength and expertise to a department that has long been one of the Bank's cornerstones.

The Agribusiness Lending team understands the unique challenges of the industry. They are not only financial advocates, but problem solvers. Reach to out to one of our Agribusiness Lending Specialists today and grow your satisfaction with:

- Crop Development & Production Financing
- Equipment Loans
- Agribusiness Real Estate
- Ag Development Financing

News Briefs

Privacy Policy Available

Protecting customer privacy is a top priority for Central Valley Community Bank and its employees. To help customers understand what information the Bank collects and how it is used, the consumer Privacy Policy can be viewed on www.cvcb.com under Privacy & Security.

Now Available: Loan eStatements!

Loan eStatements are now available for your personal and business loan accounts. eStatements allow you to easily and safely access loan statements online without having the hassle of receiving mailed paper statements. Sign up to in your Online Banking platform today!

Stock Prices

The Company's common stock closing price was \$21.13 as of October 25, 2017. Inquiries on Central Valley Community Bancorp stock can be made by calling any licensed stockbroker.

Locations

BUSINESS LENDING

(559) 298-1775
(800) 298-1775

CAMERON PARK

3311 Coach Lane
Cameron Park, CA 95682
(530) 676-3400

CLOVIS

Clovis Main
600 Pollasky Avenue
Clovis, CA 93612
(559) 323-3480

Herndon & Fowler

1795 Herndon Avenue, Suite 101
Clovis, CA 93611
(559) 323-2200

EXETER

300 E. Pine Street
Exeter, CA 93221
(559) 594-9919

FAIR OAKS

10123 Fair Oaks Boulevard
Fair Oaks, CA 95628
(916) 293-4910

FOLSOM

FLB Folsom Sutter*
905 Sutter Street, Suite 100
Folsom, CA 95630
(916) 985-8700

Prairie City

1710 Prairie City Road, Suite 100
Folsom, CA 95630
(916) 850-1500

FRESNO

Corporate Office
7100 N. Financial Drive, Suite 101
Fresno, CA 93720
(559) 298-1775

Fig Garden Village

5180 N. Palm, Suite 105
Fresno, CA 93704
(559) 221-2760

Fresno Downtown

2404 Tulare Street
Fresno, CA 93721
(559) 268-6806

River Park

8375 N. Fresno Street
Fresno, CA 93720
(559) 447-3350

KERMAN

360 S. Madera Avenue
Kerman, CA 93630
(559) 842-2265

LODI

1901 W. Kettleman Lane, Suite 100
Lodi, CA 95242
(209) 333-5000

MADERA

1919 Howard Road
Madera, CA 93637
(559) 673-0395

MERCED

3337 G Street, Suite B
Merced, CA 95340
(209) 725-2820

MODESTO

2020 Standiford Avenue, Suite H
Modesto, CA 95350
(209) 576-1402

OAKHURST

40004 Highway 41, Suite 101
Oakhurst, CA 93644
(559) 642-2265

PRATHER

29430 Auberry Road
Prather, CA 93651
(559) 855-4100

RANCHO CORDOVA

FLB Rancho Cordova*
2865 Sunrise Blvd.
Rancho Cordova Ca. 95742
(916) 235-4588

ROSEVILLE

2999 Douglas Blvd, Suite 160,
Roseville, CA 95661
(916) 859-2550

STOCKTON

2800 W. March Lane, Suite 120
Stockton, CA 95219
(209) 956-7800

TRACY

60 W. 10th Street
Tracy, CA 95376
(209) 830-6995

VISALIA

Caldwell
2245 W. Caldwell Avenue
Visalia, CA 93277
(559) 737-5641

Floral

120 N. Floral Street
Visalia, CA 93291
(559) 625-8733

Mission Oaks Plaza

5412 Avenida de los Robles
Visalia, CA 93291
(559) 730-2851

*Folsom Lake Bank (FLB) branches will convert to Central Valley Community Bank branches effective February 11, 2018.

Board of Directors

Central Valley Community Bancorp and Central Valley Community Bank:

James M. Ford
President & CEO

Daniel J. Doyle
Chairman of the Board

Daniel N. Cunningham
Lead Independent Director

Edwin S. Darden, Jr

F.T. "Tommy" Elliott, IV
Gary D. Gall

Steven D. McDonald

Louis McMurray

William Smittcamp

Sidney B. Cox

Founding Director Emeritus



www.cvcb.com

