

Message From The President And CEO

We are pleased with the fourth quarter and full year 2017 financial metrics. The merger with Folsom Lake Bank was completed on October 1, 2017, which contributed to the Company's historic highs in Loans, Deposits and Pre-Tax earnings. The systems conversion was completed over the weekend of February 9-11, 2018.

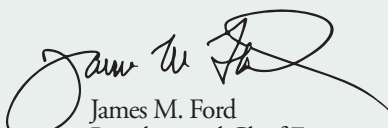
Our expansion in the Greater Sacramento Region has set the stage for continued growth of the Company in 2018 and beyond. Notwithstanding the one-time Deferred Tax Asset write-down as a result of the 2017 tax law changes, the Company's core business continues to expand, benefiting from our nearly four decade community bank relationship model that's consistently delivered throughout our territory.

For the quarter ended December 31, 2017, the Company reported unaudited consolidated net income of \$335,000 (\$0.02 per diluted share), compared to \$2,606,000 (\$0.21 per diluted share) for the same period in 2016. The decrease in net income during the fourth quarter of 2017 compared to the same period in 2016 was primarily due to an increase in the provision for income taxes of \$2,572,000, an increase in total non-interest expenses of \$2,196,000, and a decrease in non-interest income of \$297,000, partially offset by an increase in net interest income of \$2,794,000.

Total average assets for the year ended December 31, 2017 was \$1,491,696,000 compared to \$1,321,007,000, for the year ended December 31, 2016, an increase of \$170,689,000 (12.92%). Total average loans (including nonaccrual), which generally yield higher rates than investment securities, increased \$146,770,000, from \$646,573,000 for the year ended December 31, 2016 to \$793,343,000 for the year ended December 31, 2017. Total average deposits increased \$140,074,000 or 12.24% to \$1,284,305,000 for the year ended December 31, 2017, compared to \$1,144,231,000 for the year ended December 31, 2016.

In an effort to allow the Company's cost structure to further improve and provide opportunity to invest in technology and continued growth initiatives throughout California's San Joaquin Valley and the Greater Sacramento Region, the strategic plan for 2018 includes consolidating two existing offices into branches in the same communities of Visalia and Folsom during the second quarter.

We sincerely thank our employees, customers and shareholders for their support as Central Valley Community Bank continues to build on our nearly four decade foundation of financial advocacy and strong, sound, and secure banking.



James M. Ford
President and Chief Executive Officer



Protecting Your Identity During Tax Season & Beyond

It's tax season again, and if you haven't already filed your return, you're probably busy preparing and organizing your financial records. As you focus on account statements, receipts and deductions, don't ignore one of the most common threats to your financial security: **tax identity theft**.

At Central Valley Community Bank, your security is our top priority. Particularly during tax season, it's important that you take precautions to protect your personal and business information. Below are some important tips to help keep you safe this tax season:

Create Strong Passwords

Change password regularly and use at least 8 characters with a combination of upper/lower case letters, numbers, symbols and special characters.

Use a Secure Internet Connection

If you file electronically, be sure to use a secure internet connection. Using unprotected public Wi-Fi increases the risk of someone accessing your information.

File Your Taxes Early

Tax identity thieves hope to file a tax return with your information before you do, collecting your refund before the IRS detects the duplicate returns.

Watch for phishing emails claiming to be from the IRS

Cyber criminals are very good at mimicking trusted businesses and government entities like the IRS (which never initiates contact with taxpayers via email to request personal or financial information). If you receive an email claiming to be from the IRS asking for such information, do not click on any links or attachments it may contain. Doing so may download malware to your device. Report the email to: **phishing@irs.gov**.

Shredding Documents

Another way to protect your identity is by shredding any documents you no longer need. To assist you with this, every spring Central Valley Community Bank provides free on-site shredding services where you can shred old documents safely and securely.

CVCB Shredding Event Guidelines:

- Maximum of 4 banker boxes per person or business – up to shredding truck capacity
- Boxes to be returned for personal recycling
- Paper documents only. In advance, remove binders, metal binder clips and other items that cannot be shredded.

For more information about protecting your identity and for Central Valley Community Bank Shredding event dates and locations, visit www.cvcb.com.

CVCB Adds New Executive Level Position

The Bank's growth in recent years has prompted the addition of a new executive level position to ensure that our community banking model continues to be managed with the excellence our team and customers have appreciated for nearly four decades. To fill that new role, we are pleased to welcome **James Kim**, Central Valley Community Bank's new Executive Vice President, Chief Administrative Officer.



James Kim
Executive Vice President,
Chief Administrative Officer

James brings over 15 years of bank leadership expertise, having served as controller, chief operations officer, chief financial officer and chief executive officer for financial institutions in the Greater Sacramento region. He began his career working for a Big Six accountancy firm in Sacramento after receiving his MBA and BS in Accountancy from California State University, Sacramento. He brings to Central Valley Community Bank a wealth of experience in strategic planning, financial analysis, regulatory reporting, balance sheet management, human resource management and client service.

Please join us in welcoming James Kim to our banking team!

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.

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

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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.

*Earning points or redemption of points for Business Visa Rewards Credit Card may result in tax liability and restrictions may apply. We reserve the right to modify, suspend or cancel the program at any time without notice and without restriction or penalty. See a Branch Representative for more details.

BENEFIT FROM OUR PARTNERSHIP

choose the business bank that fits

Considering a commercial loan?

Invest in the right banking team.

At Central Valley Community Bank, we're just 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 – and know the marketplace.

Whether you want to expand, start a new product line, modernize or hire new employees, sit down with our expert lenders today and find out why so many of our satisfied customers refer us to friends and colleagues.

Get to know the most trusted, safe and secure business partners in the region.

Central Valley Community Bank



Investing In Business Relationships.

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Consolidated Balance Sheets and Consolidated Statements of Income

Condensed Consolidated Balance Sheets December 31, 2017 and 2016

(In thousands)

| (Unaudited) | 2017 | 2016 |
|--|---------------------|---------------------|
| <i>Assets:</i> | | |
| Cash and cash equivalents | \$ 100,383 | \$ 38,568 |
| Investment securities | 542,704 | 547,749 |
| Loans | 900,679 | 756,628 |
| Less allowance for credit losses | <u>(8,778)</u> | <u>(9,326)</u> |
| Net loans | 891,901 | 747,302 |
| Premises and equipment, net | 9,398 | 9,407 |
| Goodwill | 53,777 | 40,231 |
| Accrued interest receivable, intangibles & other assets | <u>63,492</u> | <u>60,066</u> |
| Total assets | <u>\$ 1,661,655</u> | <u>\$ 1,443,323</u> |

Liabilities and Shareholders' Equity:

Deposits:

| | | |
|---|---------------------|---------------------|
| Non-interest bearing | \$ 585,039 | \$ 495,815 |
| Interest bearing | <u>840,648</u> | <u>760,164</u> |
| Total deposits | 1,425,687 | 1,255,979 |
| Borrowings | 5,155 | 5,555 |
| Accrued interest payable & other liabilities | <u>21,254</u> | <u>17,756</u> |
| Total liabilities | <u>1,452,096</u> | <u>1,279,290</u> |
| Total shareholders' equity | <u>209,559</u> | <u>164,033</u> |
| Total liabilities and equity | <u>\$ 1,661,655</u> | <u>\$ 1,443,323</u> |

Condensed Consolidated Statements of Income For twelve months ended December 31, 2017 and 2016

(In thousands, except per share amounts)

| (Unaudited) | 2017 | 2016 |
|--|------------------|------------------|
| Net interest income | \$ 56,239 | \$ 45,580 |
| (Reversal of) Provision for credit losses | <u>(1,150)</u> | <u>(5,850)</u> |
| Net interest income after provision for credit losses | 57,389 | 51,430 |
| Total non-interest income | 10,836 | 9,591 |
| Total non-interest expense | 44,406 | 38,922 |
| Provision for income taxes | <u>9,793</u> | <u>6,917</u> |
| Net income | <u>\$ 14,026</u> | <u>\$ 15,182</u> |
| Basic earnings per common share | <u>\$ 1.12</u> | <u>\$ 1.34</u> |
| Diluted earnings per common share | <u>\$ 1.10</u> | <u>\$ 1.33</u> |
| Cash dividends paid per share | <u>\$ 0.24</u> | <u>\$ 0.24</u> |

Karen Musson, Robert Flautt Join Board of Directors

Central Valley Community Bancorp welcomed two new members to its Board of Directors in December 2017.

Karen Musson is a Central Valley community leader best known for heading the marketing department of her family business, Gar Tootelian, Inc., and as CEO of the Gar & Esther Tootelian Charitable Foundation. She is actively involved in numerous community and philanthropic organizations, and in 2017 she received the Marjaree Mason Top Ten Professional Women Award, the Habitat for Humanity Agents of Change Award, was named the Community Food Bank Donor of the Year, and was an Institute for Family Business Top 10 finalist.



Karen Musson
Board Member
Central Valley Community Bancorp

Robert “Bob” Flautt is a respected business leader in the Greater Sacramento region who was most recently President, CEO and Board Member of Folsom Lake Bank. Bob gives generously of his time, talent and treasure with civic and community nonprofit organizations. He currently serves as Chairman of the Folsom Tourism and Economic Development Corporation, Chairman of the Folsom Police Foundation, and is a member of the Rotary Club of Folsom plus many more. An advocate of small business, Bob proudly is displayed on the Folsom Chamber of Commerce Wall of Fame.



Robert Flautt
Board Member
Central Valley Community Bancorp

With their combined financial experience, leadership, business advocacy and community stewardship, Karen and Bob complement the strengths and vision of our other Board members, who look forward to their contributions to the Company's growth and success.

News Briefs

Best of Central Valley Business Awards

CVCB was honored for the fourth consecutive year as “Best Business Bank” by The Business Journal’s 2017 Best of Central Valley Business Readers’ Choice Awards, covering Fresno, Madera, Kings and Tulare Counties. The Bank was also second runner up in the “Best Company To Work For” category.

CenCal Business of the Year Award

CVCB received the honor of Cen Cal Business Group’s Bank of the Year award, tying for first place as the number one SBA 504 lender in the Central Valley for 2017.

Stock Prices

The Company’s common stock closing price was \$19.40 as of February 23, 2018. 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

Downtown Folsom (on Sutter Street)
905 Sutter Street, Suite 100
Folsom, CA 95630
(916) 985-8700

Folsom (on Prairie City Road)

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) 576-1400

OAKHURST

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

PRATHER

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

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

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



www.cvcb.com

