



Financial Highlights

Second Quarter 2022

For the second quarter ended June 30, 2022,
compared to the first quarter of 2022:

Unaudited consolidated net income

\$6,542,000 ▲ \$6,086,000

Fully diluted earnings per common share

\$.56 ▲ \$.51

Net loans increased

9.38%
(\$96.6 MILLION)



June 30, 2022
compared to
December 31, 2021



June 30, 2022
compared to
December 31, 2021

Total deposits decreased

0.79%
(\$16.8 MILLION)

Total avg assets increased

9.62%
(\$214.2 MILLION)



Qtr ended June 30, 2022
compared to
Qtr ended June 30, 2021

\$0.12
**PER COMMON SHARE
CASH DIVIDEND**

Payable on
August 20, 2022
to shareholders of
record as of
August 5, 2022

Set Up Your Business

To Successfully Battle Inflation



With inflation at 9.1% - a four-decade high – you’re almost certainly feeling it. According to Bloomberg, the average family is now paying \$400 to \$500 more per month in household expenses compared to a year ago – mostly due to rising energy, food and housing costs.

And the news isn’t any better for business owners. Wholesale prices of goods and services as measured by the Producer Price Index, which measures business inflation, have risen to 11.3% in the last 12 months. In a recent survey, 85% of small business owners expressed concern about inflation, echoing the anxiety of consumers who expressed the highest level of uncertainty over long-term inflation since 1991.

To better understand how to protect your business in today’s inflation-prone environment, it’s good to start by having a handle on the basics.

What is Inflation?

Inflation is simply the rise in prices you pay for goods and services. As prices rise, your purchasing power weakens.

While inflation has a negative connotation, moderate inflation is expected. The Federal Reserve Bank (Fed) targets a modest level of inflation of 2% annually and considers this level normal. Inflation of 9%+ is far from normal.

What causes inflation? Simply put, it’s the result of too many dollars chasing too few goods. In other words, when demand outstrips supply, prices rise.

Ironically, the cure for high prices is high prices. When consumers must spend a greater portion of their income on energy, food, rent and other basics, they refrain from buying discretionary items like autos, appliances, clothes and vacations. These changes in spending habits typically slow the economy and ease inflation.

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Set Up Your Businesses To Successfully Battle Inflation

How long will it last?

The Fed has already taken steps to slow the economy by hiking short-term interest rates. Since March 2022, the federal funds rate has increased four times (up a total of 2.25%) and additional hikes are expected in 2022.

Still, the pain of inflation is stinging employers and employees alike, especially in California where gas prices are the highest in the nation. To ease some of the pain, the governor recently announced that qualifying families will receive one-time inflation relief checks of up to \$1,050.

To what extent the State's payments will aid consumers remains to be seen. As for the Fed's actions, some believe they could over-react by raising rates too quickly or too much, which could spur our economy into a recession in 2022 or 2023.

How do I navigate my business through inflation and a possible recession?

If you run a business, you've been dealing with the nasty one-two punch of inflation and supply chain issues. Most likely, your operating margins are battered and bruised.

Unfortunately, a recession will only make the fight more challenging.

Recessions often coincide with or follow periods of high inflation. Over the past six months, the probability of a recession has risen sharply. That being the case, it's time to make sure your business is prepared by focusing on the following strategies:

- **Build a cash reserve** of 6-12 months, depending on your industry and cash conversion cycle.
- **Reduce unnecessary debt** by examining your balance sheet and selling-off unneeded assets.
- **Improve your cash flow** by reducing your accounts receivable turn days and extending your accounts payable turn days. (Offer customers early payment discounts and ask your creditors for longer payment terms.)
- **Reduce your expenses wisely** by sourcing less expensive materials and supplies, cutting back on nonessential services and reducing production costs.
- **Diversify your customer base** – acquire new clients to grow your revenue, double-down on your sales efforts and examine alternative markets.
- **Maintain your creditworthiness** by making your payments on time and cultivating a strong relationship with CVCB.
- **Obtain a line of credit** from CVCB, whether or not you think you will need one, as a reserve source of cash.

You can count on CVCB

Regardless of what the economic forecast may bring, you can take comfort in making it this far, with the resilience to survive and the determination to thrive. With CVCB as your financial advocate, you have the up-to-date resources and practical information you need to ensure your business is set up for success both today and tomorrow.



Partner with our Business Banking Specialists

For over 42 years, CVCB has been the trusted choice for business banking. And now with rising inflation and a possible recession on the horizon, it's time to put our financial strength, expertise and custom banking solutions to work for you!

Let CVCB's dedicated team of Private Business Banking, Cash Management and Commercial Relationship Managers help you find new opportunities and financial solutions to achieve your short- and long-term financial goals.

Prudent advice, practical tools

- **Lock in an interest rate now.** Businesses with current borrowing needs should evaluate their options. If a new loan is needed, get advice on the best interest rate solution for your situation.
- **Don't wait to apply for a business loan*.** Now is your best bet for securing a low rate, as additional interest rate hikes are expected in 2022.
- **Consider a revolving line of credit.** CVCB offers revolving lines of credit to help with managing working capital, inventory and accounts receivable.

Streamline & protect your business with Cash Management Services*

- Custom-tailored Cash Management Services from CVCB can help you streamline your business processes, increase cash flow and automate everyday tasks to ensure cost-effective management of your cash.
- By activating services like Positive Pay, using remote check deposit and adding fraud alerts to your accounts, you add layers of security to protect yourself from fraudsters who prey on businesses.

For assistance call Customer Service at
**(800) 298-1775 to speak with a
Business Banking Specialist Today!**

*Qualifications and restrictions may apply.



For 2022 Second Quarter Results
» [Click Here](#)

Consolidated Balance Sheets and Consolidated Statements of Income

Second Quarter 2022

Condensed Consolidated Balance Sheets

	(In thousands)	
(Unaudited)	June 30, 2022	Dec. 31, 2021
<i>Assets:</i>		
Cash and cash equivalents	\$ 27,233	\$ 163,467
Investment securities	1,023,215	1,116,624
Loans, net	1,126,091	1,029,511
Premises and equipment, net	8,060	8,380
Goodwill	53,777	53,777
Accrued interest receivable, intangibles & other assets	<u>115,216</u>	<u>78,380</u>
Total assets	<u>\$ 2,353,592</u>	<u>\$ 2,450,139</u>
<i>Liabilities and Shareholders' Equity:</i>		
Deposits:		
Non-interest bearing	\$ 931,157	\$ 963,584
Interest bearing	<u>1,174,840</u>	<u>1,159,213</u>
Total deposits	2,105,997	2,122,797
Subordinated debentures & borrowings	48,850	39,454
Accrued interest payable & other liabilities	<u>28,492</u>	<u>40,043</u>
Total liabilities	<u>2,183,339</u>	<u>2,202,294</u>
Total shareholders' equity	<u>170,253</u>	<u>247,845</u>
Total liabilities and equity	<u>\$ 2,353,592</u>	<u>\$ 2,450,139</u>

Condensed Consolidated Statements of Income

For six months ended June 30, 2022 and 2021

	(In thousands, except per share amounts)	
(Unaudited)	2022	2021
Net interest income	\$ 37,407	\$ 35,636
(Reversal of) Provision for credit losses	<u>—</u>	<u>(3,300)</u>
Net interest income after provision for credit losses	37,407	38,936
Total non-interest income	2,604	4,076
Total non-interest expense	23,528	23,018
Provision for income taxes	<u>3,855</u>	<u>4,952</u>
Net income	<u>\$ 12,628</u>	<u>\$ 15,042</u>
Basic earnings per common share	<u>\$ 1.08</u>	<u>\$ 1.20</u>
Diluted earnings per common share	<u>\$ 1.07</u>	<u>\$ 1.20</u>
Cash dividends paid per share	<u>\$ 0.24</u>	<u>\$ 0.23</u>

Keep You & Your Business Fiscally Fit With Our Financial Health Club



At Central Valley Community Bank, we know how challenging it can be to keep your finances fit and healthy. That's why we offer the Financial Health Club – an online resource center where you can easily find the tips you need to keep your business and personal finances in top shape.



For Small Businesses:

The Financial Health Club offers tools that can help you write a business plan, create profit/loss projection worksheets and more. You'll also find business cash flow management tools from a breakeven analysis to a 12-month sales forecast template. The resources you need to help your business succeed.



Personal Finances:

The Financial Health Club has resources to help guide your path to financial wellness and keep you fiscally healthy down the road. Learn how to establish, boost and check your credit score, create a personal budgeting worksheet, prevent cybercrime, identify ID theft and much more.

Visit our Financial Health Club today at www.cvcb.com/financial-health-club to see how we can help you become – and stay – financially fit!

News Briefs

Bank Earns Top Rating

CVCB recently received Bauer Financial's highest distinction, a 5-Star Superior rating, based on 2022 first quarter financial results, signifying that CVCB is among the nation's strongest financial institutions and is safe, financially sound and operating above its regulatory capital requirements.

Stock Prices

The Company's common stock closing price was \$16.73 as of July 29, 2022. Inquiries on Central Valley Community Bancorp stock can be made by calling any licensed stockbroker.

Proudly Advocating For The Coolest Clients Around!

Together, we've weathered over two years of extraordinary business challenges, and the economic outlook remains mixed. What's consistent, however, is our commitment to your relationship.

Thank you for the trust and support you've given to Central Valley Community Bank through the years.

For standing alongside us as your Bank of Choice. For allowing us the privilege of advocating for you through both good and challenging times.

Banking has changed tremendously since we opened 42 years ago, and CVCB has evolved and succeeded as well – largely because of you! Your referrals have always been the basis of our growth, and we continue to be honored by your trusted recommendations to colleagues and friends.

How are we doing?

Contact us anytime with feedback or suggestions that can make your CVCB experience more rewarding. We are always interested in learning what we're doing right and where we can improve, so your input is welcome. For your convenience, you may provide feedback by filling out the Client Experience Survey feedback form at www.cvcb.com/client-experience-survey.com.

All of us are here for you and your financial success!

Please let us know how we can help you by contacting your: Regional Market Executive, Commercial Relationship Manager, Cash Management Specialist or Banking Center Manager. Or visit www.cvcb.com or Customer Service (800) 298-1775.

REGIONAL MARKET EXECUTIVES



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Locations and Hours

Visit www.cvcb.com for a listing of our Locations and Hours.

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