



Central Valley Community Bancorp

Quarterly Report

Second Quarter • August 10, 2012

From The **President**

As the economy continues to show signs of hopeful progress, the first half of 2012 has proven to be another successful link in Central Valley Community Bank's long chain of steady growth and consistent earnings. This is further evidence of the Bank's commitment to the strong and secure brand of banking which has earned the trust of customers and shareholders for over 32 years.

The Company reported unaudited consolidated net income of \$1,709,000 or \$0.17 per diluted common share for the quarter ending June 30, 2012. This compares to \$1,773,000, or \$0.18 per diluted common share, for the same period in 2011. The decrease in net income is primarily due to decreases in interest income and non-interest income, partially offset by decreases in interest expense and non-interest expense.

The second quarter of 2012 demonstrates overall earnings consistency with net income for the second quarter of 2012 being flat compared to first quarter 2012, slightly lower than the same quarter of 2011, and slightly higher for the first six months of 2012 compared to the first six months of 2011.

Total average loans were \$410,938,000 for the second quarter of 2012, compared to \$433,216,000 for the same period in 2011, representing a decrease of 5.14%. Asset quality continues to improve with no significant change from first quarter 2012 as the one identified OREO comprising the bulk of totals is in escrow and expected to close during the third quarter of 2012. Loan demand remains a challenge and, combined with low yields on securities, has muted the growth of gross revenue. Total average deposits increased 5.98% to \$700,598,000 for the three months ending June 30, 2012, compared to \$661,041,000 for the same period in 2011.

One positive in the lingering economic landscape, slow but improving trends are being seen in the communities we serve and we are hopeful that these trends will continue to grow throughout California's vital San Joaquin Valley. Our goal has always been to provide our customers with exceptional service and to fulfill their financial needs with customized products and services to make banking easier and more convenient. At Central Valley Community Bank, we never lose sight of the fact that business and personal customers have many choices on where to bank and our team of professional bankers work hard every day to ensure that our customers are confident that they have made the right choice. We are proud to be their bank and we appreciate the trust that has been placed upon us as we fulfill our vision for success today, tomorrow and for the future.

Daniel J. Doyle President and Chief Executive Officer

Supporting Causes That **Support Our Community**



A core part of Central Valley Community Bank's mission is to support organizations devoted to improving our area's quality of life, among them: the Central California chapter of the Leukemia and Lymphoma



Janice Gunlund, 2012 Woman of the Year for the Central California Leukemia Lymphoma Society

Society. Over the past decade, the Bank has regularly donated funds to help the Society support blood cancer patients, while several Bank employees have also personally provided leadership and led fundraising efforts for the organization.

Record-Breaking Year Of Support

Support for the Society also comes from our customers, including Janice Gunlund, who is the Office Manager for the dental office of Harold E. Coulston, D.M.D., a long-time business customer. Gunlund was recently named the 2012 Central California Woman of the Year after raising \$117,000 for the local chapter – an all-time high in fundraising for the Central California region.

Janice was inspired to raise funds for the Society after being diagnosed with multiple myeloma in 2000 and losing her mother to the disease in 2006.

"Being involved in such a wonderful cause has proven to me there is a positive part to my experience with cancer," Gunlund said. "By raising funds, we are able to help improve the survival rate of blood cancer patients, and use the organization's research to treat other forms of cancer and diseases. I truly appreciate everyone who helped the Leukemia and Lymphoma Society this year."

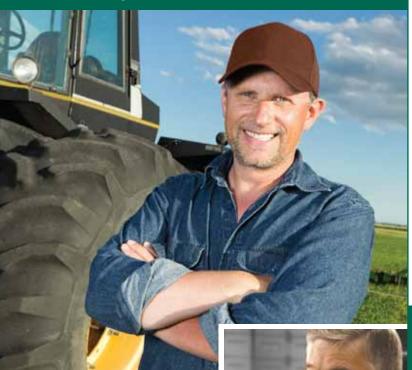
A Bank Legacy Of Community Support

In years past, two Bank employees were also honored by the Leukemia and Lymphoma Society as Woman of the Year: Rona Melkus in 2005, and Carol Worstein in 2006.

The support provided to the Leukemia and Lymphoma Society is just one example of the Bank's commitment to giving back to our communities – a commitment that extends to a wide range of educational, civic, economic development and arts organizations here in our Valley.

We're Lending...

And Ready To Help Your Farm Grow!



It's Time To Move To A Bank You Can Trust!

Whether you need a loan for expanding acreage or for refinancing your existing real estate, put the experience and trusted power of Central Valley Community Bank to work for your business.

For Rates And Terms Call: Robert Elledge

Vice President, Commercial Loan Officer **Ag Financing Includes:**

"Helping your business

succeed is our number

Real Estate Loans

one priority."

Dairy Financing

President & CEO

Crop Production Financing

(559) 323-3438

Emergency Preparedness Resources For Your Business

September is National Preparedness Month, a reminder of the importance for every business owner to prepare their operations, assets and employees in the event



of an emergency. Visit www.cvcb.com and click on "Business Health Club" to find a new set of helpful programs and resources to get you started. Business Health Club also provides other informative articles and tools on a variety of topics to help keep your business in shape. Check it out today!

A Healthy Choice **Health Savings Accounts (HSA)**

A Tax-Advantage* Savings Account For Your Medical Expenses, Now And In The Future!

Central Valley Community Bank Health Savings Accounts (HSAs) are:

- Individual tax-advantage savings accounts set up to pay qualified health expenses, and save for future qualified medical and retiree health expenses
- Similar to Individual Retirement Accounts (IRAs), which are established for the benefit of an individual and owned by that individual

For more information about HSA eligibility, account setup and management, visit one of our Personal Bankers or call (800) 298-1775.

* Consult your tax advisor.

Bank@Work **Banking Benefits For Your Employees**

If your business banks at Central Valley Community Bank, your employees are eligible for a suite of free banking benefits through our Bank@Work program!

When your business participates in Bank@Work, your employees are qualified to receive:

- Free Simplicity Checking Account*
- 1/4% off a new Consumer Loan with automatic payment, including Auto Loans, Personal Loans and **Home Equity Lines of Credit****
- Free Personal Online Banking and Bill Pay through electronic enrollment
- Earn a higher interest rate on a new CD***
- Free Financial Education Seminars****

Plus, all of these benefits are backed by the friendly, reliable, know-you-by-name service we're famous for. For a Bank@Work presentation at your place of business, just call your local branch manager. We would welcome the opportunity to show you how Bank@Work can benefit your entire organization!

*Simplicity Checking account available free of monthly service charge when you enroll in Online Banking and eStatments, otherwise account will incur a monthly service charge of \$5.00. ** Rate reduction offer is for no more than 1/4% off the initial interest rate on a consumer loan with automatic payment. Rate offer applies to consumer loans only, which include Auto Loans, Personal Loans (secured or non-secured), and Home Equity Line of Credit. *** Minimum balances required. Interest rate and annual percentage yield (APY) will be based on the current rate and term of the CD at the time the certificate is established. At maturity the CD will automatically renew at the current rate and APY in effect. Rates and terms subject to change. **** Free Financial Education Seminars are presented by Central Valley Community Bank as a group presentation or private presentation at a business based on group size and availability.



Consolidated Balance Sheets and Consolidated Statements of Income

Condensed Consolidated Balance Sheets June 30, 2012 and 2011

(In thousands)

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Unaudited)	2012	2011
Assets:		
Cash and cash equivalents	\$ 47,484	\$ 93,869
Investment securities	322,931	213,129
Loans	414,343	436,340
Less allowance for credit losses	(10,140)	(11,035)
Net loans	404,203	425,305
Premises and equipment, net	6,287	5,845
Goodwill	23,577	23,577
Accrued interest receivable, intangibles & other assets	31,562	31,204
Total assets	\$ 836,044	\$ 792,929

Liabilities and Shareholders' Equity:

Deposits: Non-interest bearing Interest bearing Total deposits	\$	202,253 500,498 702,751	\$	171,782 497,115 668,897
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Borrowings		9,155		9,155
Accrued interest payable &				
other liabilities	_	10,879	_	11,035
Total liabilities		722,785	_	689,087
Total shareholders' equity		113,259		103,842
Total liabilities and equity	\$	836,044	\$	792,929

Condensed Consolidated Statements of Income For six months ended June 30, 2012 and 2011

(In thousands, except per share amounts)

(Unaudited)	2012			2011
Net interest income	\$	15,176	\$	15,392
Provision for credit losses		500		350
Net interest income after provision for credit losses		14,676		15,042
Total non-interest income		3,129		3,345
Total non-interest expense		13,363		14,220
Provision for income taxes		747	_	806
Net income	<u>\$</u>	3,422	\$	3,361
Basic earnings per common share	<u>\$</u>	0.34	\$	0.33
Diluted earnings per common share	\$	0.34	\$	0.33

Central Valley Community Bancorp

Verified By VISA Offers

Free Added Protection



Verified by VISA

Shopping online can make it difficult to protect your debit and credit card information. Fortunately, there is a free, simple-to-use service available to help protect you: Verified by VISA.

Verified by VISA provides an extra layer of security to help protect our customers when shopping online. The service helps prevent unauthorized online use before it happens by confirming your identity with an additional password. With Verified by VISA, your card cannot be used without your personal password for online purchases at participating retailers.

To enroll, simply click on the Verified by VISA logo at the bottom of any page on www.cvcb.com and activate your card online.

Additionally, we will regularly share alerts we receive from credit and debit card processors to help you protect your identity and assets. If one of these alerts indicates your card is at risk, we may determine that it is necessary to re-issue a card in order to protect your assets.

Your banking security is our top priority. Please contact Customer Service immediately at (800) 298-1775 if you ever see suspicious activity on your Central Valley Community Bank debit or credit cards.

News Briefs

• Business Banking Information Now Available In Spanish

For the convenience of our Spanish-language customers, in addition to our Spanish-speaking team members, Central Valley Community Bank now has a range of business banking information available in Spanish in our branches and online at www.cvcb.com. To view these new resources online, simply click "En Español" at the top of the homepage.

• Federal Benefit Payments Changing to Electronic Payments

The U.S. Department of Treasury now requires everyone currently receiving federal benefit payments by paper check to switch to an electronic payment option before March 1, 2013. You can sign up for direct deposit using the Treasury Department's online enrollment system at www.GoDirect.org or calling their Electronic Payment Solution Center at (800) 333-1795 Monday through Friday, 5 a.m. to 5 p.m.

Central Valley Community Bancorp Stock Prices

The Company's common stock closing price was \$7.25 as of July 19, 2012. Inquiries on Central Valley Community Bancorp stock can be made by calling any licensed stockbroker or by calling: Michael Hedri with Fig Partners, LLC at (212) 899-5217

Troy Norlander with Crowell, Weedon & Co. at (800) 288-2811 John Cavender with Raymond James at (415) 616-8935 Joey Warmenhoven with McAdams Wright Ragen, Inc. at (866) 662-0351

Troy Carlson with Keefe Bruyette & Woods at (212) 887-8901 Richard Levenson with Western Financial Corporation at (800) 488-5990

Lisa Gallo with Wedbush Morgan Securities at (866) 491-7228

Locations

BUSINESS LENDING

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

SBA Lending

(559) 323-3384

Agribusiness Lending

(559) 323-3493

Real Estate Lending

(559) 323-3365

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

FRESNO

Fig Garden Village

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

Financial Drive

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

Fresno Downtown

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

River Park

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

Sunnyside

570 S. Clovis Avenue, Suite 101 Fresno, CA 93727 (559) 323-3400

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

SACRAMENTO

2339 Gold Meadow Way, Suite 100 Gold River, CA 95670 (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

www.cvcb.com

Board of **Directors**

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Edwin S. Darden, Jr.

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