

FINANCIAL HIGHLIGHTS Fourth Quarter 2023

For the twelve months ended December 31, 2023,
compared to the twelve months ended 2022:

Unaudited consolidated net income
\$25,536,000 ▼ \$26,645,000

Fully diluted earnings per common share
\$2.17 ▼ \$2.27



Total Assets increased
0.45%
(\$10.9 MILLION)

Net Interest Income increased

6.1%
(\$4.9 MILLION)



Net Loans increased
2.46%
(\$30.7 MILLION)

Book Value Per Share

\$17.52



Payable on
February 16, 2024
to shareholders of
record as of
February 2, 2024

\$0.12
PER COMMON SHARE
CASH DIVIDEND

2023 In Review



The Company's four-decade record of sustained performance, strong capital position and loyal relationships guided Central Valley Community Bank through 2023, fueling franchise growth despite industry challenges, deposit compression and continued inflationary impacts. Additionally, exceptional client service enhanced lending performance, making 2023 a truly eventful year – culminating with our announced merger with Community West Bancshares and Community West Bank.

Below we reflect on 2023's highlights.

2023: A Landmark Year for CVCB

Enhancements and growth characterized our Banking Center franchise in 2023, as the Company unveiled our "branch of the future" by opening innovative, contemporary facilities in Sacramento, Modesto and Visalia, and formally entered the city of Bakersfield. The new Banking Center design elevates the client experience and provides businesses with meeting space and other amenities.

In October 2023, Central Valley Community Bancorp and Bank entered into a definitive merger agreement to acquire Community West Bancshares and Bank. The merger will expand our territory with seven Banking Centers in the Central Coast counties of Santa Barbara, Ventura and San Luis Obispo. Based on financial results as of September 30, 2023, the combined company will be one of the largest community banks headquartered in Central California with approximately \$3.6 billion in total assets, \$3.1 billion in deposits, \$2.2 billion in loans and 27 Banking Centers in 11 counties.

As of February 2024, all required regulatory approvals have been received and shareholders of both companies have approved the merger, which will close on April 1, 2024. Following the close, Central Valley Community Bancorp will

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2023 In Review

assume the name **Community West Bancshares**, and Central Valley Community Bank will assume the name **Community West Bank** to reflect the expanded territory of the combined company. The conversion of all operational systems is expected to be completed in the third quarter of 2024.

2023 Economic Overview

Following the financial sector's turbulence early in 2023, the value of community banks became quite evident as an essential resource for building strong businesses and communities. Also clear was our valued stakeholders' commitment to moving forward, as reflected in Company performance.

Despite the challenging economic environment, the Company was well-positioned to navigate the rising cost of deposits and persistent inflation which impacted interest and operating expenses. With the Federal Reserve's benchmark interest rate at a 22-year high, inflation nationwide reached 3.4% by year-end 2023, still above their goal.

For most investors, 2023 marked a comeback in stock and bond market performance after a difficult 2022. Bolstered by a solid economy, improved corporate earnings and an apparent end to the Federal Reserve's interest rate hikes, stocks rallied 25% in 2023.

Nationally, the unemployment rate stabilized by year-end 2023, while California's unemployment rate increased slightly over the previous year.

Following years of drought, California's wet 2023 winter resulted in devastating flooding, but also produced the deepest Sierra Nevada snowpack in 40 years and even resurrected the Central Valley's Tulare Lake, which had been dry for decades.



2024 Goals

The year 2023 will be remembered as a year of setting the foundation for growth and strength for our Company, and our goal for 2024 is for this geographic and fiscal growth to be matched by relationship growth. We want to be more than your bank; we want to be your partner in every economic environment. To be your financial advocate, earning your trust and fostering a relationship that grows more valuable year after year. To stand alongside you through today's needs and whatever tomorrow may bring.

Through economically good and challenging times alike, we remain deeply grateful for our team who consistently uphold the highest standards of true community bankers, and for our loyal clients, shareholders and communities we are honored to serve.

PHONE SCAMS:

Be Safe by Being Aware of Red Flags



Unscrupulous scammers have devised many different phone schemes to trick you into divulging confidential information that helps them access your money. Here are some red flags to watch for and actions to take if you suspect a phone scam.

Watch for these red flags:

The scammer claims to be calling from your bank

Be skeptical of your caller ID, as scammers can spoof their phone number to look like the official bank number.



The best thing to do in this situation is hang up and initiate the call to your bank directly from your phone using the bank's customer service number – easily found on their website.

The scammer claims fraud on your account

They might claim that your bank account is seeing suspicious activity or unauthorized access, and may ask for your account login credentials – which scammers can use to illegally access your money.



Please know, that CVCB never requests such information over the phone, or by email, social media or third-party websites.

What to do if you suspect fraudulent activity:

Please contact **Customer Service** at **(800) 298-1775** as soon as possible.

More tips to protect your identity:

At Central Valley Community Bank, your financial security is our top priority. Learn more about identity protection at: <https://www.cvcb.com/fraud-education>.



For 2023 Fourth Quarter Results
» [Click Here](#)

Consolidated Balance Sheets and Consolidated Statements of Income

FOURTH QUARTER 2023

Condensed Consolidated Balance Sheets

	(In thousands)	
(Unaudited)	Dec. 31, 2023	Dec. 31, 2022
ASSETS:		
Cash and cash equivalents	\$ 53,728	\$ 31,170
Investment securities, net	906,287	960,490
Loans, net	1,276,144	1,245,456
Premises and equipment, net	14,042	7,987
Goodwill	53,777	53,777
Accrued interest receivable, intangibles & other assets	<u>129,448</u>	<u>123,639</u>
Total assets	<u>\$ 2,433,426</u>	<u>\$ 2,422,519</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Deposits:		
Non-interest bearing	\$ 951,541	1,056,567
Interest bearing	<u>1,090,071</u>	<u>1,043,082</u>
Total deposits	2,041,612	2,099,649
Subordinated debentures & borrowings	149,744	115,599
Accrued interest payable & other liabilities	<u>35,006</u>	<u>32,611</u>
Total liabilities	<u>2,226,362</u>	<u>2,247,859</u>
Total shareholders' equity	<u>207,064</u>	<u>174,660</u>
Total liabilities and equity	<u>\$ 2,433,426</u>	<u>\$ 2,422,519</u>

Condensed Consolidated Statements of Income For twelve months ended December 31, 2023 and 2022

	(In thousands, except per share amounts)	
(Unaudited)	2023	2022
Net interest income	\$ 82,429	\$ 79,566
Provision for credit losses	<u>309</u>	<u>995</u>
Net interest income after provision for credit losses	82,120	78,571
Total non-interest income	7,020	5,054
Total non-interest expense	55,300	48,484
Provision for income taxes	<u>8,304</u>	<u>8,496</u>
Net income	<u>\$ 25,536</u>	<u>\$ 26,645</u>
Basic earnings per common share	<u>\$ 2.17</u>	<u>\$ 2.27</u>
Diluted earnings per common share	<u>\$ 2.17</u>	<u>\$ 2.27</u>
Cash dividends paid per share	<u>\$ 0.48</u>	<u>\$ 0.48</u>



Investing In Relationships.

JAMES KIM

Named CEO of the Year

President and CEO James Kim was presented with *The Business Journal's* inaugural CEO of the Year award on February 20, 2024, at the annual Book of Lists reveal event. *Business Journal* management selected James based on corporate performance, leadership, vision, competitiveness, innovation and community involvement – all measuring favorably compared with CEOs from over 1,200 Central Valley businesses ranked in the Book of Lists.



James J. Kim, President and CEO, Central Valley Community Bancorp and Bank

In articles covering the CEO of the Year announcement, *The Business Journal* noted that in 2021 James took the helm of CVCB, one of California's top community banks headquartered in the Central Valley, and has since grown the Company, successfully steering it through a whirlwind of events. He also navigated the Company through the banking crisis of 2023, at a time when banking confidence was low, helping the Company emerge even stronger for its largest adventure yet: the merger with Community West Bancshares and Community West Bank.

James is widely respected by his team and colleagues, who describe him as motivated, engaged and dedicated to enhancing the Bank's culture of success. He has always possessed a clear vision for the Company's future and is committed to achieving it, yet he is equally committed to his team and community, and the important role the Bank plays in helping them thrive.

Congratulations, James.

News BRIEFS

5-Star Bauer Rating

Central Valley Community Bank earned Bauer Financial's highest distinction: the 5-Star Superior rating, based on 2023 fourth quarter financial results. The 5-Star Superior rating designates CVCB as a dependable and financially-sound bank, performing on par with the nation's strongest financial institutions.

Best Business Bank – A Decade Strong!

For the 10th consecutive year, the Central Valley business community has voted CVCB **Best Business Bank** in *The Business Journal's* Best of Central Valley Business Awards! Thanks to our team, valued clients and communities, CVCB continues to be the reigning – and only – recipient of this award since its inception!

Stock Prices

The Company's common stock closing price was \$19.35 as of March 11, 2024. Inquiries on Central Valley Community Bancorp stock can be made by calling any licensed stockbroker.



At Central Valley Community Bank, helping you find the right loan for your dream home is our privilege!

Whether your goal is to build, purchase or refinance a home, we offer a wide range of lending options. Let our mortgage loan specialists walk you through the loan process to help you choose the right loan to fit your budget!

Talk to an expert lender today!



Mindy Martin
Vice President, Residential
Loan Center Manager
NMLS# 841610
(209) 386-0708



Kathy Stonecipher
Vice President, Residential
Construction Loan Officer
NMLS# 938101
(559) 625-8704

Important Notice: This is not a commitment to lend or extend credit. Restrictions may apply. Information and/or data is subject to change without notice. All loans are subject to credit approval.

LOCATIONS and Hours

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

Board of DIRECTORS

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