

Folsom Lake Bank (OTC PINK:FOLB, Folsom, CA) has agreed to merge with Central Valley Community Bancorp (NASDAQ:CVCY, Fresno, CA)

Deal Value: Approximately \$33.6 Million

Sandler O'Neill acted as exclusive financial advisor and rendered a fairness opinion to Folsom Lake Bank in this transaction. This transaction represents Sandler O'Neill's 119th bank or thrift transaction nationwide since January 1, 2015 representing \$38 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

Sandler O'Neill has advised on 26 transactions in the Western Region since January 1, 2014 representing \$9.9 billion in aggregate transaction value, more transactions and transaction value than any other investment bank during that time period.¹

FRESNO and SACRAMENTO, CALIFORNIA...April 27, 2017... Central Valley Community Bancorp (Company), together with its wholly owned subsidiary, Central Valley Community Bank (Bank) (NASDAQ: CVCY), a bank holding company headquartered in Fresno, California, and Folsom Lake Bank (OTCQB: FOLB), headquartered in Folsom, California, jointly announced today that a definitive merger agreement has been signed by both parties. The Central Valley Community Bancorp and Folsom Lake Bank Boards of Directors have unanimously approved the transaction, which is expected to close in the fourth quarter of 2017.

Central Valley Community Bancorp will acquire Folsom Lake Bank in a stock merger in which the Folsom Lake Bank shareholders will be entitled to receive 0.80 shares of Central Valley Community Bancorp stock per Folsom Lake Bank share. Central Valley Community Bancorp will assume the stock option plan and outstanding stock options of Folsom Lake Bank as part of the transaction. Based on the closing price of Central Valley Community Bancorp on April 26, 2017, the fully diluted transaction consideration is \$33.6 million, or \$18.74 per Folsom Lake Bank common share. Central Valley Community Bancorp expects the transaction will be 1.8% dilutive to tangible book value per share initially resulting in tangible book value earnback of less than 2.5 years, 3% accretive to earnings per share in 2018 and an IRR greater than 15%.

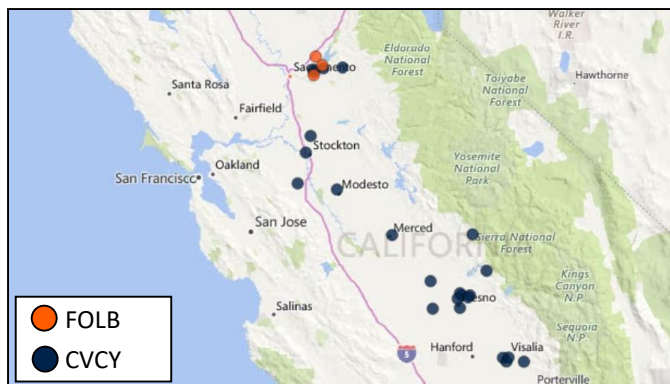
As of March 31, 2017, on a pro forma consolidated basis with Folsom Lake Bank, Central Valley Community Bancorp would have had approximately \$1.7 billion in total assets. Existing Central Valley Community Bancorp shareholders will own approximately 90.5% of the outstanding shares following the merger and Folsom Lake Bank shareholders are expected to own approximately 9.5%.

Financial Highlights (\$ millions)

	<u>CVCY</u>	<u>FOLB</u>
Total Assets	\$1,460	\$203
Net Loans	\$755	\$119
Deposits	\$1,267	\$168
Equity	\$170	\$17
LTM ROAA	1.17%	0.55%
TCE / TA	9.06%	8.60%

Notes:
¹Source: SNL Financial. Excludes terminated transactions and self-advisory roles.
 Financial data as of March 31, 2017

Pro Forma Branch Network



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