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CONTACT:

Robert “Bob” Hahn, Chief Executive Officer

Phone (760) 352-1889

mediarelations@yourcvb.com

Community Valley Bank Announces Profitable Second Quarter Results

(Monday, July 30, 2012 -- El Centro, CA) Robert “Bob” Hahn, President and CEO of Community Valley Bank (OTCBB: CMUV), announced the Bank reported a profitable second quarter ending June 30, 2012. The bank earned \$121,000, with year to date income of \$168,000. Assets increased to \$91.3 million from \$73.0 million for the same period last year.

Community Valley Bank (CVB) deposits grew 25% to \$79.5 million up from \$63.8 million for the quarter ending June 30, 2011. Gross loans were reported at \$62.2 million. CVB has grown in assets, loans, and deposits for eighteen consecutive quarters.

“While our second quarter earnings are modestly up from the previous year’s second quarter earnings, we are pleased to grow profitability during this continuing challenged environment. We remain focused on retaining and growing Valley businesses and jobs”, says Hahn.

CVB retains a tier one leverage capital ratio of 11.74 percent, exceeding the Federal Deposit Insurance Corporation’s (FDIC) regulatory requirement. To be considered well capitalized, a bank must exceed 10 percent. The book value of CVB’s common stock was \$5.13 per share.

About Community Valley Bank

Community Valley Bank (www.yourcvb.com) is the Imperial Valley’s ONLY locally owned and locally headquartered bank. CVB was chartered as a state bank for Imperial Valley businesses on October 1, 2007, and has two locations, 1443 Main Street in El Centro and 310 Main Street in Brawley, California.

Community Valley Bank is a publicly traded company under the symbol CMUV. All investor related inquiries should be directed to Community Valley Bank’s Chief Financial Officer, Toni Umphreyville at (760) 352-1889.

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	<u>June 30, 2011</u>		<u>December 31, 2011</u>		<u>June 30, 2012</u>
Consolidated Financial Condition Data					
Assets					
Loans receivable - net	50,779,155	\$	53,956,000	\$	60,917,043
Cash and cash equivalents	16,824,287		26,194,000		22,653,667
Investments	509,340		509,000		1,908,129
Federal Home Loan Bank Stock	251,700		252,000		283,400
Other Assets	4,648,416		5,654,000		5,499,100
Total Assets	<u>73,012,898</u>	\$	<u>86,565,000</u>	\$	<u>91,261,339</u>
Liabilities					
Deposits	63,769,145		74,888,000		79,486,076
Other Liabilities	1,412,220		1,126,000		1,048,346
Total Liabilities	<u>65,181,365</u>		<u>76,014,000</u>		<u>80,534,422</u>
Preferred Stock			2,400,000		2,400,000
Common Stock	14,267,090		14,267,000		14,267,000
Surplus	491,842		496,000		496,122
Total Undivided Profits	<u>(6,927,398)</u>		<u>(6,625,000)</u>		<u>(6,463,112)</u>
Unrealized Gain/Loss			13,000		23,142
Stockholder's Equity - net	7,831,533		10,551,000		10,726,917
Total Liabilities and Shareholder Equity	<u>73,012,898</u>	\$	<u>86,565,000</u>	\$	<u>91,261,339</u>
Selected Consolidated Earnings Data					
Total interest income and fees	1,777,609	\$	3,720,000	\$	2,126,924
Total interest expense	<u>(265,376)</u>		<u>(586,000)</u>		<u>(328,939)</u>
Net interest income	1,512,233		3,134,000		1,797,985
Provision of losses on loans	<u>(368,000)</u>		<u>(540,000)</u>		<u>(170,000)</u>
Net interest income after provision for losses on loans	1,144,233		2,594,000		1,627,985
Total other income (Noninterest income)	776,488		1,398,000		434,432
General administrative and other expenses	<u>(1,784,100)</u>		<u>(3,513,000)</u>		<u>(1,894,756)</u>
Income tax expense (benefit)	0		0		0
Net Profit/Loss	<u>136,621</u>	\$	<u>479,000</u>	\$	<u>167,661</u>

Please Note: Information is subject to change without notice.

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