

**VALLEY COMMUNITY BANK**  
**BALANCE SHEETS**

Dollar amounts in thousands, except per share data	Unaudited 6/30/2009	Unaudited 6/30/2008
<b>ASSETS</b>		
Cash & due from banks	12,064	8,201
Fed funds sold	0	4,200
Total Cash and Cash equivalents	12,064	12,401
Time deposits with other financial institutions	200	2,893
Securities available-for-sale	8,394	3,508
Securities held-to-maturity	1,229	2,382
Federal Home Loan Bank stock	966	893
Loans	183,280	151,577
Less allowance for loan losses	-3,471	-1,953
Net Loans	179,809	149,624
Bank premises and equipment, net	464	631
Cash surrender value of life insurance policies	2,587	2,485
Accrued interest receivable and other assets	3,603	4,619
<b>TOTAL ASSETS</b>	<b>209,316</b>	<b>179,436</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits		
Non-interest bearing	35,614	36,415
Interest bearing	135,852	107,097
Total Deposits	171,466	143,512
Short Term Borrowings	12,000	17,000
Accrued interest payable and other liabilities	1,622	989
<b>TOTAL LIABILITIES</b>	<b>185,088</b>	<b>161,501</b>
Shareholders' equity		
Preferred Stock	5,366	0
Common Stock - no par value	16,500	16,150
Additional paid in Common Capital	395	304
Accumulated other comprehensive loss, net of tax	-3	-25
Retained Earnings	1,970	1,506
Total shareholders' equity	24,228	17,935
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>209,316</b>	<b>179,436</b>
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Common shares outstanding for each period:	1,860,654	1,802,062
Book value per Common share	10.05	9.95

# VALLEY COMMUNITY BANK

## INCOME STATEMENTS

Dollar amounts in thousands, except per share data	Unaudited 3 Mos. Ending 6/30/2009	Unaudited 3 Mos. Ending 6/30/2008	%	Unaudited 6 Mos. Ending 6/30/2009	Unaudited 6 Mos. Ending 6/30/2008	%
			change			change
<b>Interest Income:</b>						
Interest and fees on loans	2,967	2,595	14%	5,859	5,275	11%
Interest on federal funds sold	2	10	-80%	6	81	-93%
Interest on investment securities	59	53	11%	117	124	-6%
Interest on deposit in banks	5	45	-89%	38	91	-58%
Total Interest Income	3,033	2,703	12%	6,020	5,571	8%
<b>Interest Expense:</b>						
Interest on deposits	562	606	-7%	1,258	1,460	-14%
Interest on short-term borrowings	132	97	36%	270	159	70%
Total Interest Expense	694	703	-1%	1,528	1,619	-6%
Net Interest Income Before Provision for Loan Loss	2,339	2,000	17%	4,492	3,952	14%
Provision for Loan Loss	430	4,320	-90%	700	4,355	-84%
Net Interest Income After Provision for Loan Losses	1,909	(2,320)	-182%	3,792	(403)	-1041%
<b>Non-interest income:</b>						
Service charges	81	77	5%	162	145	12%
Gain on sale of government guaranteed loans	545	228	139%	545	425	28%
Loan servicing income	80	64	25%	138	115	20%
Other income	64	38	68%	121	88	38%
Total non-interest income	770	407	89%	966	773	25%
<b>Other expenses</b>						
Salaries and employee benefits	1,145	1,157	-1%	2,317	2,343	-1%
Occupancy and equipment	220	246	-11%	450	497	-9%
Other	559	404	38%	990	767	29%
Total other expenses	1,924	1,807	6%	3,757	3,607	4%
Income before provision for income taxes	755	(3,720)	-120%	1,001	(3,237)	-131%
Provision for income taxes	333	(1,518)	-122%	443	(1,317)	-134%
Net Income (Loss )	422	(2,202)	-119%	558	(1,920)	-129%
Dividends and discount accretion on preferred stock	(88)	-	N/A	(168)	-	N/A
Net Income available to Common shareholders	334	(2,202)	-115%	390	(1,920)	-120%
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Earnings Per Basic Common share	\$0.18	(\$1.22)		\$0.21	(\$1.07)	
Earnings Per Diluted Common share	\$0.18	(\$1.15)		\$0.21	(\$1.00)	

### Market Makers

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