

PRESS RELEASE



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**Valley Community Bank Enters Regulatory Agreement**

(Pleasanton, CA), (date) - Pleasanton-based Valley Community Bank today announced that it has entered into an agreement with the FDIC.

Customers and daily operations of the \$188 million-asset bank will not be affected by the agreement, which was signed by the Board of Directors on September 23, 2011.

“A deteriorating economy and related challenges in our loan portfolio led to this agreement,” said Valley Community Bank President and CEO Richard Loupe. “We have a good working relationship with the regulators and are moving forward proactively with implementing the agreement. Our customers are continuing to receive the one-on-one service, local decision making and innovative financial solutions that they expect and deserve.”

All Valley Community Bank depositors remain insured up to the \$250,000 by the FDIC , with non-interest bearing accounts presently having unlimited coverage. In addition to its Pleasanton office, the bank has full service offices in Livermore and San Jose, with a loan production office in Santa Cruz.

“Our executive team already has a plan in place to address most of the matters listed in the agreement,” said Chairman of the Board Phillip Boyce. “A special committee of the board will work with management on this plan and other matters addressed in the agreement.”

“We are well capitalized by regulatory standards, and our net interest margin remains very strong”, Loupe continued. “The bank is sound by several other key measures such as core deposit growth and assets per employee. We will execute our plan and move forward, with every intention and expectation of thriving as conditions improve.”

CEO Loupe added that banks nationwide have been impacted by an economy that has been particularly hard on commercial and residential real estate values. Hundreds of banks have been subject to agreements with the OCC, Federal Deposit Insurance Corporation (FDIC) or state banking departments.

About Valley Community Bank

Valley Community Bank is a full-service bank with a unique business model that focuses primarily on providing superior service for small to mid-size businesses and professionals. Local bankers customize the financial solution that is best for each client in a non-traditional bank setting. Experienced local decision-makers handle even the most complex financial situations quickly. Valley Community Bank has an 8 member Board of Directors that includes some of the most reputable names in local business. The bank has approximately 280 shareholders. For more information on Valley Community Bank, visit [www.vcb-ca.com](http://www.vcb-ca.com).