

VALLEY COMMUNITY BANK

News Release

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For Immediate Release

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Valley Community Bank Announces Receipt of TARP Funds

Pleasanton, Calif. – Valley Community Bank (VCBC.OB), announced today that it has received \$5.5 million as an approved participant in the U.S. Treasury Department's TARP Capital Purchase Program. The Bank issued 5,500 shares of Series A preferred stock and a related warrant for 275 shares of Series B preferred stock, which represents 5% of the Series A preferred stock amount or \$275,000, to the U.S. Treasury.

The TARP Capital Purchase Program, created by the U.S. Treasury, is a voluntary program in which selected, healthy financial institutions were encouraged to participate. Such participation is intended to support the economic development of the community and thereby restore the health of the local and national economy.

Richard P. Loupe, President and Chief Executive Officer of Valley Community Bank, said, “We are pleased that the Treasury has chosen to invest in our bank. The additional capital will enhance our ability to continue lending to our local communities.”

Before receiving the TARP funds, Valley Community Bank was well-capitalized as measured by all regulatory guidelines. On September 30, 2008, the Company's Tier 1 Leverage Capital Ratio was 9.67%, and its Total Risk-Based Capital Ratio was 11.04%. Based on the September 30, 2008 financial statements, the addition of new capital through the Treasury's Capital Purchase Program will increase the Bank's Tier 1 Leverage Capital Ratio to approximately 12.57% and Total Risk-Based Capital Ratio to approximately 14.02%.

The Series A preferred stock issued by the Bank will pay a 5% dividend for the first 5 years, after which the rate will increase to 9% if the Bank does not redeem the preferred shares. The Series B preferred stock issued by the Bank will pay a 9% dividend. These preferred shares do not carry voting rights, except in certain limited circumstances. The Bank issued the preferred shares and warrants only to the U. S. Treasury, not to any other third parties. Terms and conditions of the transaction and the preferred stock will conform to those provided by the U.S. Treasury. A summary of the Capital Purchase Program can be found at the Treasury's web site: www.ustreas.gov/initiatives/eesa.

Valley Community Bank, which is locally owned and operated, celebrated its tenth anniversary in 2008. The bank opened for business on August 10, 1998 in the historic Johnston Building at 465 Main Street in Pleasanton. A second location opened in 2000 at 1986 Second Street in Livermore, a third in 2003 at 2355 San Ramon Valley Boulevard, Suite 101 in San Ramon, a fourth in 2005 at 1150 So. Bascom Avenue, Suite 29 in San Jose and at 540 Front Street, Suite 310, Santa Cruz. The Bank's directors, all with strong local interests and contacts, are committed to community banking with expert local staffing and personalized service.

In addition to its signature face-to-face service, the bank offers walk-up ATM service, online banking, e Deposit and courier service to customers throughout the East Bay, San Jose and Santa Cruz. The bank may be reached at (925) 484-5400 in Pleasanton, at (925) 243-9600 in Livermore, at (925) 855-3800 in San Ramon, at (408) 275-7150 in San Jose, and at (831) 421-0236 in Santa Cruz or at www.vcb-ca.com.

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Forward-Looking Statements

Statements concerning future performance, developments or events, expectations for growth and income forecasts, and any other guidance on future periods, constitute forward-looking statements that are subject to a number of risks and uncertainties. Actual results may differ materially from stated expectations. Specific factors include, but are not limited to, loan production, competitive pressure in the banking industry, balance sheet management, net interest margin variations, the ability to control costs and expenses, changes in the interest rate environment and financial policies of the United States government and general economic conditions. The Bank disclaims any obligation to update any such factors.