

## Valley Community Bank Pleasanton, CA

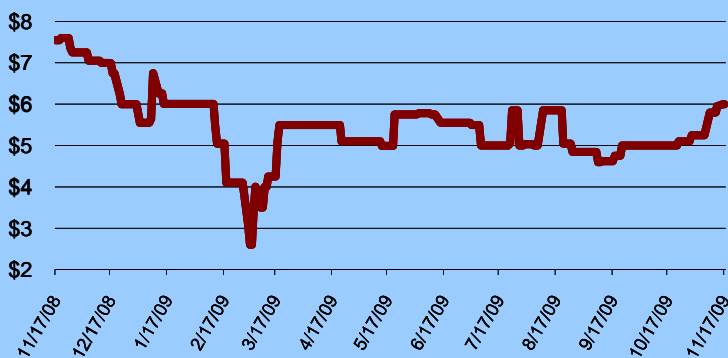
Price: \$6.00 11/17/09

OTCBB VCBC

### Financial Highlights as of September 30, 2009

Total Assets (\$000)	217,430	ROAE (%)	8.22	Current Dividend Yield (%)	0.00
Market Value (\$M)	11.3	ROAA (%)	0.93	Avg Daily Volume (Shares)	2,427
Price/ Tang Book (%)	57.7	Efficiency Ratio (%)	59.18	Common Shares Outstanding	1,878,866
Price/ Book (%)	57.7	Reserves/ Loans (%)	2.19	Total Equity/ Total Assets (%)	11.41
Price/ LTM Earnings (x)	31.6	Total Deposits (\$000)	184,095	Book Value per Share (\$)	10.39

### One Year Stock Price Performance



### Stock Price History:

VCBC	High	Low
Last Month:	\$6.00	\$5.10
3 Months:	\$6.00	\$4.60
YTD:	\$7.49	\$2.50
3 Years:	\$20.00	\$2.50
1 Month Total Return (%):	20.00	
3 Month Total Return (%):	2.56	
YTD Total Return (%):	0.00	
3 Year Total Return (%):	(65.95)	

### The Executive Team

CEO	Richard P. Loupe
CFO	Rebecca I. Holowich
CCO	Greg J. Hickel

### Comparable Deal Analysis\*

Region: West Previous 2 Years	Median	VCBC
Price/Book Value (%)	129.3	57.7
Price/Tang. Book Value (%)	129.3	57.7
Price/LTM EPS (x)	18.7	31.6
Price/Assets (%)	9.6	5.3

\* Based on Asset Size at Announcement

### Company Profile

Valley Community Bank, ticker symbol VCBC, is a 11 year old bank headquartered in Pleasanton, CA that began operations August 10, 1998.

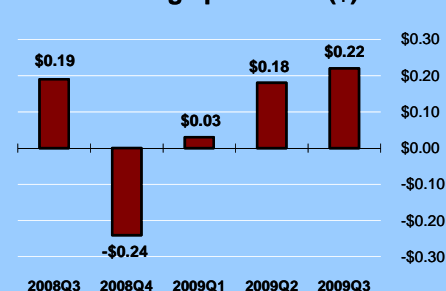
As of September 30, 2009, Valley Community Bank reported assets of \$217 million, up 3% from the third quarter of 2008; net loans of \$180 million, up 8%; and total deposits of \$184 million, up 5%. While the bank's reported loans were dominated by commercial real estate, Valley Community Bank had a strong 17% of total loans in C&I. The bank also reported 21% of total deposits were noninterest bearing.

Valley Community Bank offers a wide range of personal and business banking services for the Bay Area. The bank operates five branches that serve the communities within the counties of Alameda, Santa Clara, Contra Costa and Santa Cruz.

### Growth Rates

*ANNUALIZED	*YTD	LTM
Asset Growth (%)	5.1	3.0
Deposit Growth (%)	6.2	5.5
EPS Growth (%)	NM	NM
Loan Growth (%)	5.5	7.5
Net Income Growth (%)	NM	NM

### Earnings per Share (\$)



### Market Share and Demographic Profile

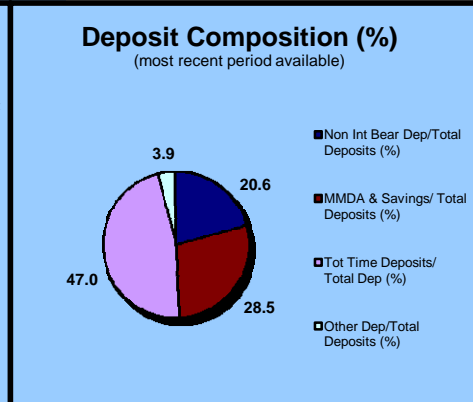
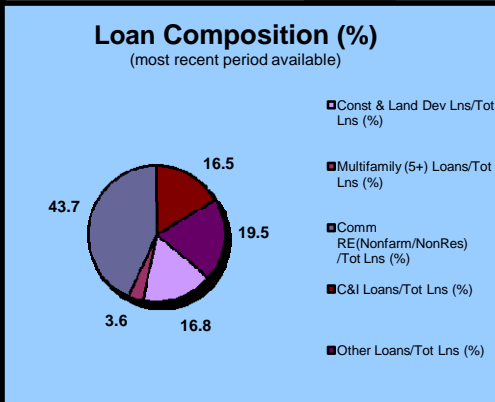
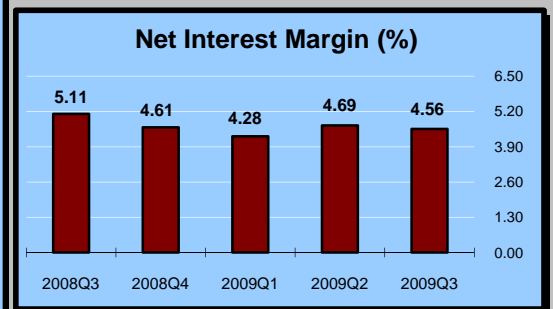
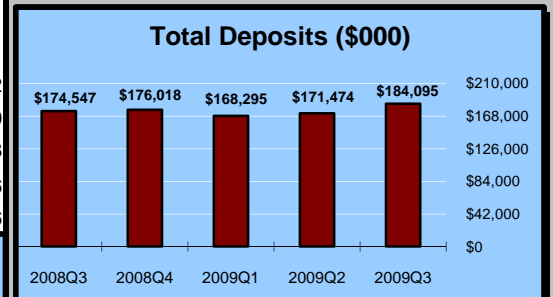
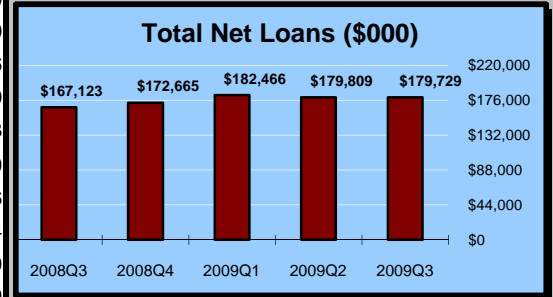
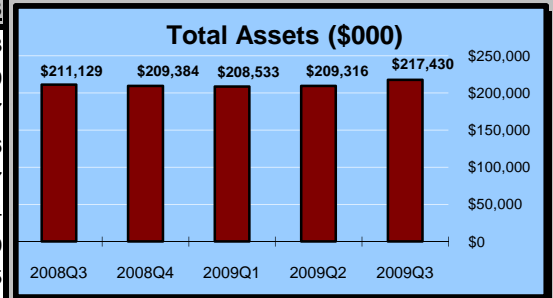
	Deposit	Population	Proj. Pop.	Median	HH Inc.	Pro. HH
	Market Share	Change	Change	HH Inc.	Change	Inc. Change
	2000-2009	2009-2014	2009-2014	2009	2000-2009	2009-2014
	(%)	(%)	(%)	(\$)	(%)	(%)
<b>California (CA)</b>						
Alameda	0.35	5.07	2.46	75,479	34.49	5.28
Santa Clara	0.10	7.03	3.68	100,089	34.49	5.39
Contra Costa	0.06	12.13	5.16	83,372	30.98	6.07
Santa Cruz	0.00	2.30	0.39	72,804	34.77	3.82
<b>Aggregate: Entire State of CA</b>	<b>11.99</b>	<b>5.14</b>	<b>61,614</b>	<b>29.38</b>	<b>4.02</b>	
<b>Aggregate: National</b>	<b>10.06</b>	<b>4.63</b>	<b>54,719</b>	<b>29.78</b>	<b>4.06</b>	





# CB PROFILE™

Financial Trends 09/30/09	2009Q3	2009Q2	2009Q1	2008Q4	2008Q3
Total Net Loans (\$000)	179,729	179,809	182,466	172,665	167,123
Total Assets (\$000)	217,430	209,316	208,533	209,384	211,129
Deposits (\$000)	184,095	171,474	168,295	176,018	174,547
Total Equity (\$000)	24,801	24,228	23,876	18,252	18,326
Tangible Book Value Per Share (\$)	10.39	10.05	9.85	9.84	10.17
Net Interest Income, FTE (\$000)	2,340	2,359	2,176	2,226	2,204
Loan Loss Provision (\$000)	300	430	270	1,190	240
Total Noninterest Income (\$000)	585	764	200	206	525
Gain/ Loss on Sale of Securities (\$000)	0	0	0	0	0
Amortization of Intangibles (\$000)	0	0	0	0	0
Total Noninterest Expense (\$000)	1,731	1,938	1,860	2,006	1,886
Net Nonrecurring Items (\$000)	0	-93	0	0	0
Net Income (\$000)	504	422	136	-447	353
Earnings per Share (\$)	0.22	0.18	0.03	-0.24	0.19
EPS Growth (year over year) (%)	15.8	NM	-80.0	NM	-40.6
Return on Average Assets (%)	0.93	0.80	0.25	-0.85	0.74
Return on Average Equity (%)	8.22	7.02	2.58	-9.78	7.79
Core ROAE %	8.22	8.02	2.58	-9.78	7.79
Net Interest Margin (%)	4.56	4.69	4.28	4.61	5.11
Efficiency Ratio (%)	59.18	62.06	78.28	82.48	69.11
Noninterest Inc/ Operating Rev (%)	19.36	24.77	8.38	12.98	19.32
Tangible Equity/Tangible Assets (%)	10.93	11.16	11.19	8.44	8.40
Nonperf. Assets/ Assets (%)	1.77	0.54	0.42	0.68	0.68
NCOs/ Avg Loans (%)	-0.55	0.35	0.44	0.05	0.56
Reserves/ Loans (%)	2.19	1.89	1.73	1.78	1.16



Peer Group Comparison														
Data as of 9/30/09 unless noted (*).			Total Assets (\$000)	Market Value (\$M)	Price/LTM EPS (x)	Price/Tang Book (%)	Dividend Yield (%)	ROAA (%)	ROAE (%)	Efficiency Ratio (%)	Tang Equity/Tang Assets (%)	NPA/Assets (%)	NCOs/Avg Loans (%)	Reserves/Loans (%)
Ticker	Company Name	State												
HTBK	Heritage Commerce Corp	CA	1,367,610	40.3	NM	45.6	0.00	-0.73	-6.07	80.02	9.58	4.25	2.16	2.63
UABK	United American Bank	CA	420,201	12.1	NM	46.3	0.00	-0.95	-10.33	107.42	8.30	3.96	0.98	2.28
NCLC	NorCal Community Bancorp	CA	267,078	7.1	NM	30.2	0.00	-1.51	-16.34	70.10	8.86	5.58	3.56	2.73
SMAL	Summit Bancshares, Inc. *	CA	172,996	10.4	7.8	64.9	4.69	0.71	7.85	61.90	9.27	2.02	2.40	1.56
BCML	Bay Commercial Bank	CA	154,067	12.7	62.8	81.3	0.00	0.17	1.38	79.67	10.13	1.41	0.00	1.18
TRVB	Tri-Valley Bank	CA	90,304	4.4	NM	47.8	0.00	-3.48	-29.90	112.41	10.19	NA	NA	NA
VCBC	Valley Community Bank	CA	217,430	11.3	31.6	57.7	0.00	0.93	8.22	59.18	11.41	1.77	-0.55	2.19
	Median:		220,037	11.3	35.3	47.1	0.00	-0.84	-8.20	79.85	9.43	3.96	2.16	2.28
	Average:		412,043	14.5	35.3	52.7	0.78	-0.97	-8.90	85.25	9.39	3.44	1.82	2.08

## Bank Contact Information:

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Source: The company, FDIC, SEC, SNL Financial

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