

## *Valley Community Bank Performance & Stock Update*

### *Above average profitability in increasingly difficult operating conditions*

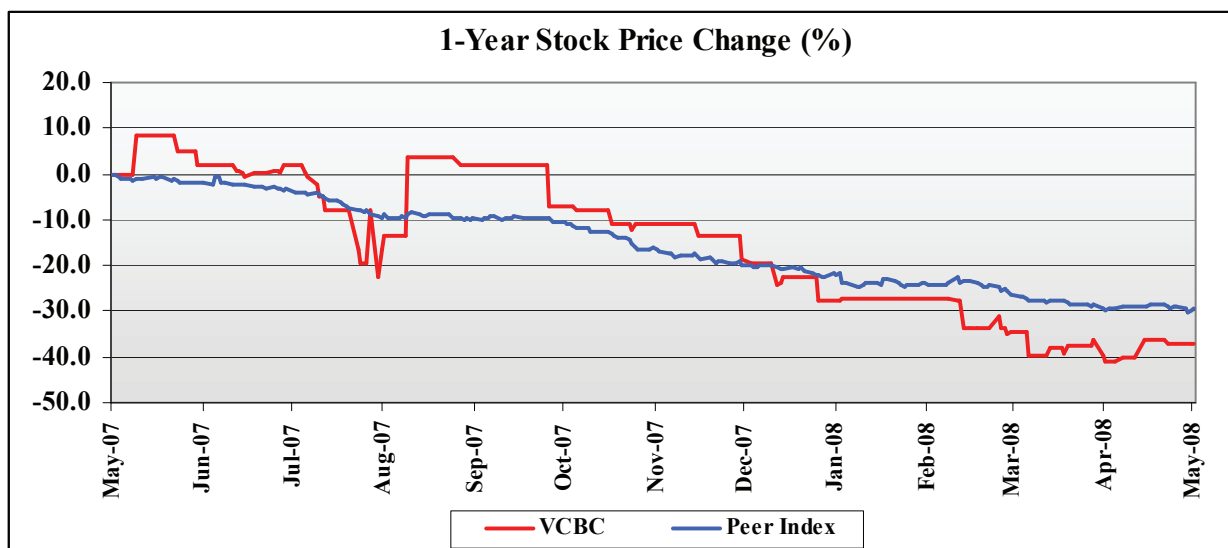
- 84th percentile net interest margins
- 91st percentile efficiency
- 1% earnings growth in 2007 (85th percentile)
- Though ROAA is down to 0.67% for 1Q08, it is still 90th percentile versus peers

### *Excellent asset quality, conservatively reserved for losses*

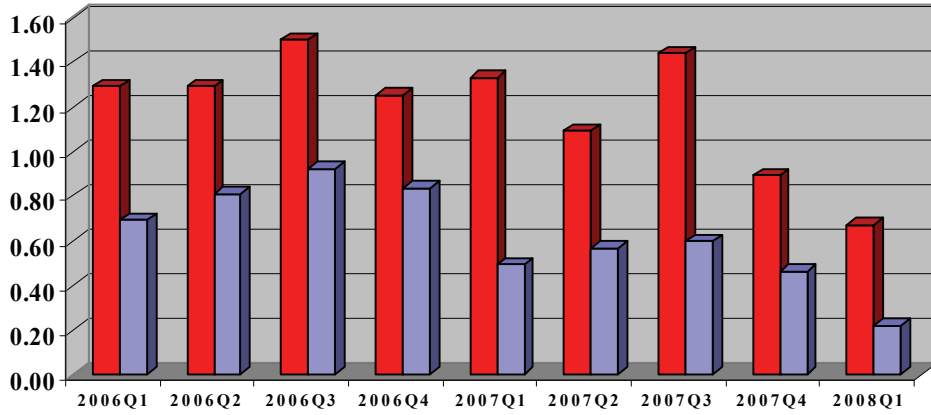
- NPAs still nominal (below 0.20%) as of 1Q08 while peer average has increased to almost 1.00%
- Net charge-offs are nominal and remain below peers
- Loan loss reserve, at >1.30% of loans in 2007, is higher than peer average

### *Stock Price*

- At about \$11 per share, VCBC shares are down about 40% over the last year, versus a decline of about 30% for the stocks of peer banks
- At \$11, VCBC trades for about 12X trailing twelve months earnings and just under 1.0X book value compared to averages of 24X TTM earnings and about 1.2X book for peers
- VCBC shares are undervalued (probably significantly undervalued), based on:
  - Superior financial fundamentals versus peer banks; and
  - Bank stocks in general being grossly oversold



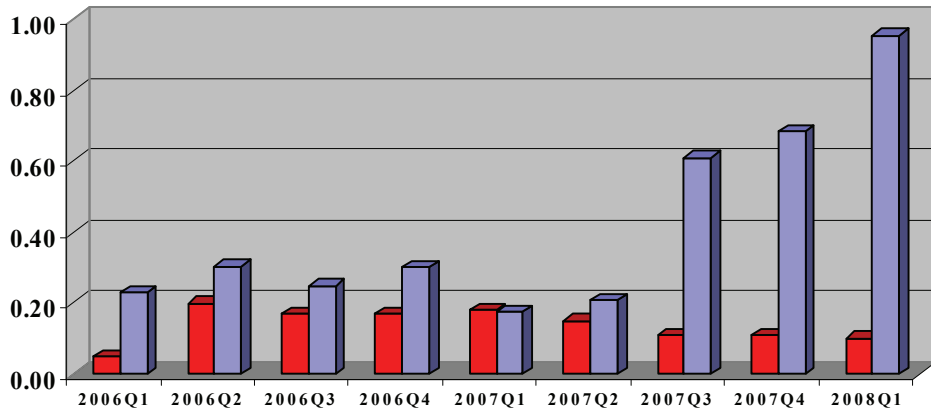
### ROAA (%)\*



\* Peer group includes all publicly traded CA banks between \$100-\$250 million in assets

■ VCBC ■ Peer MEDIAN

### NPA Ratio (%)\*



\* Peer group includes all publicly traded CA banks between \$100-\$250 million in assets

■ VCBC ■ Peer Avg.

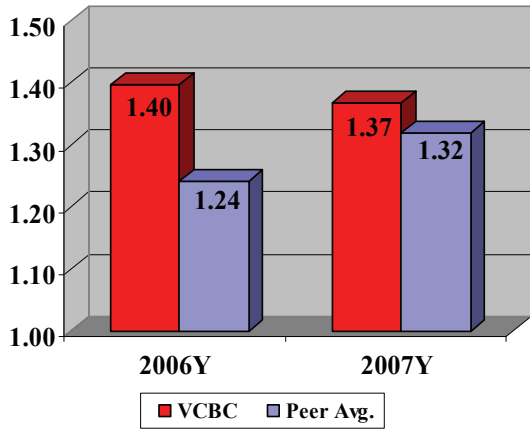
### Net Chargeoff Ratio (%)\*



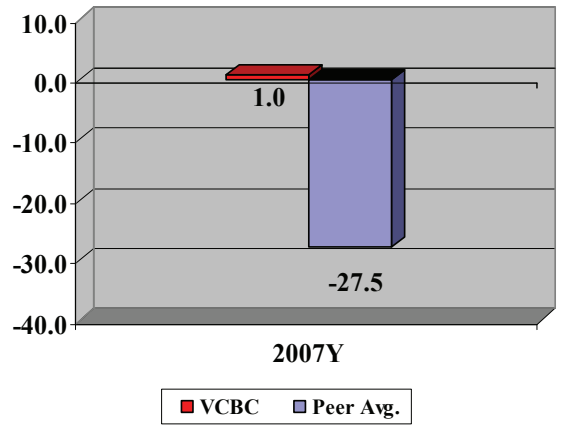
\* Peer group includes all publicly traded CA banks between \$100-\$250 million in assets

● VCBC ■ Peer Avg.

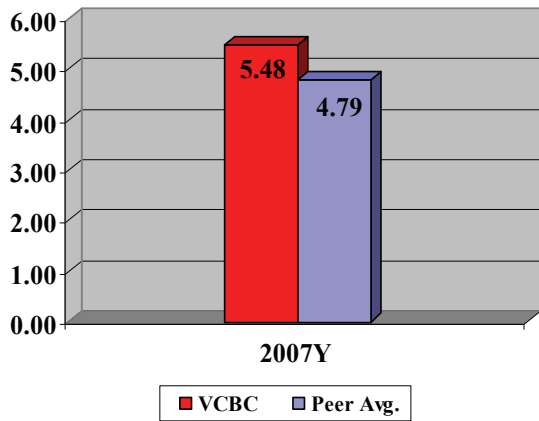
**Reserves / Loans (%)**



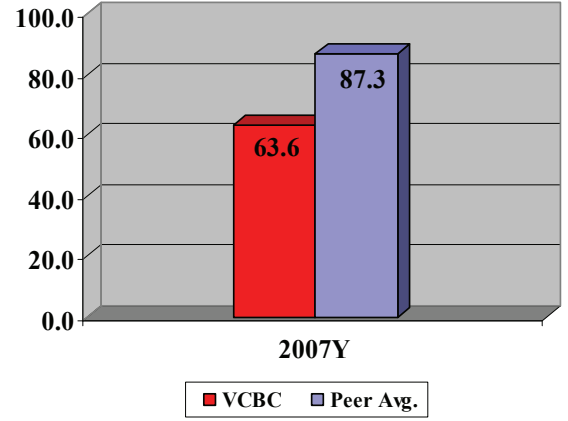
**2007 Earnings Growth (%)**



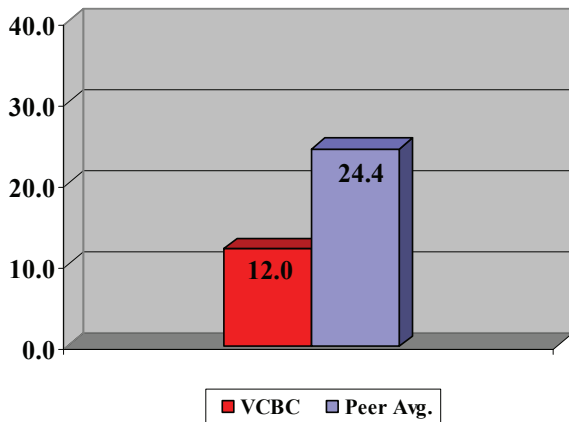
**Net Interest Margin (%)**



**Efficiency Ratio (%)**



**Stock Price / LTM EPS (X)**



**Stock Price / Book Value (%)**

