

Valley Community Bank Stock Symbol is VCBC

VALLEY COMMUNITY BANK

BALANCE SHEETS

Dollar amounts in thousands, except per share data	Unaudited 9/30/2008	Audited 12/31/2007
ASSETS		
Cash & due from banks	8,764	7,572
Fed funds sold	18,700	15,275
Total Cash and Cash equivalents	27,464	22,847
Time deposits with other financial institutions	1,795	2,693
Securities available-for-sale	4,031	2,749
Securities held-to-maturity	1,962	5,009
Federal Home Loan Bank stock	956	736
Loans	169,089	130,005
Less allowance for loan losses	(1,966)	(1,786)
Net Loans	167,123	128,219
Bank premises and equipment, net	582	655
Cash surrender value of life insurance policies	2,510	2,435
Accrued interest receivable and other assets	4,706	2,322
TOTAL ASSETS	211,129	167,665
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	36,479	35,560
Interest bearing	138,068	105,816
Total Deposits	174,547	141,376
Short Term Borrowings	17,000	6,000
Accrued interest payable and other liabilities	1,255	525
TOTAL LIABILITIES	192,802	147,901
Shareholders' equity		
Capital	16,150	16,084
Additional paid in Capital	329	255
Accumulated other comprehensive loss, net of tax	(11)	(1)
Retained Earnings	1,859	3,426
Total shareholders' equity	18,327	19,764
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	211,129	167,665
Shares outstanding for each period:	1,802,062	1,793,255
Book value per share	\$10.17	\$11.03

VALLEY COMMUNITY BANK
INCOME STATEMENTS

Dollar amounts in thousands, except per share data	Unaudited 3 Mos. Ending 9/30/2008	Unaudited 3 Mos. Ending 9/30/2007	%	Unaudited 9 mos Ending 9/30/2008	Unaudited 9 Mos. Ending 9/30/2007	%
			change			change
Interest Income:						
Interest and fees on loans	2,926	3,232	-9%	8,201	\$ 9,498	-14%
Interest on federal funds sold	8	96	-92%	89	407	-78%
Interest on investment securities	53	109	-51%	177	387	-54%
Interest on deposit in banks	41	37	11%	132	37	257%
Total Interest Income	3,028	3,474	-13%	8,599	10,329	-17%
Interest Expense:						
Interest on deposits	683	1,112	-39%	2,143	3,275	-35%
Interest on short-term borrowings	148	62	139%	307	259	19%
Total Interest Expense	831	1,174	-29%	2,450	3,534	-31%
Net Interest Income Before Provision for Loan Loss	2,197	2,300	-4%	6,149	6,795	-10%
Provision for Loan Loss	240	35	586%	4,595	125	3576%
Net Interest Income After Provision for Loan Losses	1,957	2,265	-14%	1,554	6,670	-77%
Non-interest income:						
Service charges	104	54	93%	249	153	63%
Gain on sale of government guaranteed loans	304	315	-3%	729	566	29%
Loan servicing income	66	28	136%	181	75	141%
Other income	52	39	33%	140	121	16%
Total non-interest income	526	436	21%	1,299	915	42%
Other expenses						
Salaries and employee benefits	1,083	1,119	-3%	3,426	3,254	5%
Occupancy and equipment	249	214	16%	746	598	25%
Other	548	306	79%	1,315	898	46%
Total other expenses	1,880	1,639	15%	5,487	4,750	16%
Income before provision for income taxes	603	1,062	-43%	(2,634)	2,835	-193%
Provision for income taxes	250	436	-43%	(1,067)	1,173	-191%
Net income	353	626	-44%	(1,567)	\$ 1,662	-194%

Earnings Per Basic Share	\$ 0.20	\$ 0.35	\$ (0.87)	\$ 0.93
Earnings Per Diluted Share	\$ 0.19	\$ 0.32	\$ (0.82)	\$ 0.83

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