

VALLEY COMMUNITY BANK

News Release

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FOR IMMEDIATE RELEASE

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Valley Community Bank Responds to Media Report

Pleasanton, Calif. – Valley Community Bank today responded to media coverage of its legal actions regarding the Del Biaggio bankruptcy filing.

"As reported in the press, Valley Community Bank made a loan earlier this year to William Del Biaggio," says President and CEO Rick Loupe. "Mr. Del Biaggio has since filed for bankruptcy, on June 6, 2008. A number of other banks and lending institutions are apparently similarly situated with respect to claims against this individual. The Bank is taking all appropriate steps, including engaging counsel, to protect its interests. It will be asserting appropriate claims in the context of the bankruptcy and has filed a separate action against third parties allegedly involved in the Del Biaggio loan. The Bank intends to pursue these remedies aggressively.

"The Bank is well-capitalized with respect to all key regulatory ratios, and as a result, has determined that it is prudent to charge off the loan. The Bank remains well-capitalized after the write-off. Notwithstanding the one-time charge off, and as mentioned above, the Bank will aggressively pursue any remedies against Mr. Del Biaggio and third parties with respect to the loan. "

Valley Community Bank, which is locally owned and operated, will celebrate its tenth anniversary this summer. 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 a fifth in 2007 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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Note to Editor: Valley Community Bank President & CEO Rick Loupe is available for interviews at (925) 621-7200.

Valley Community Bank Stock Symbol is VCBC

VALLEY COMMUNITY BANK
BALANCE SHEETS

Dollar amounts in thousands, except per share data	Unaudited 06/30/2008	Audited 12/31/2007
ASSETS		
Cash & due from banks	8,201	7,572
Fed funds sold	4,200	15,275
Total Cash and Cash equivalents	12,401	22,847
Time deposits with other financial institutions	2,893	2,693
Securities available-for-sale	3,508	2,749
Securities held-to-maturity	2,382	5,009
Federal Home Loan Bank stock	893	736
Loans	151,577	130,005
Less allowance for loan losses	(1,953)	(1,786)
Net Loans	149,624	128,219
Bank premises and equipment, net	631	655
Cash surrender value of life insurance policies	2,485	2,435
Accrued interest receivable and other assets	4,619	2,322
TOTAL ASSETS	179,436	167,665
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	36,415	35,560
Interest bearing	107,097	105,816
Total Deposits	143,512	141,376
Short Term Borrowings	17,000	6,000
Accrued interest payable and other liabilities	989	525
TOTAL LIABILITIES	161,501	147,901
Shareholders' equity		
Capital	16,150	16,084
Additional paid in Capital	304	255
Accumulated other comprehensive loss, net of tax	(25)	(1)
Retained Earnings	1,506	3,426
Total shareholders' equity	17,935	19,764
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	179,436	167,665
Shares outstanding for each period:	1,802,062	1,793,255
Book value per share	\$9.95	\$11.03

VALLEY COMMUNITY BANK

INCOME STATEMENTS

Dollar amounts in thousands, except per share data	Unaudited 3 Mos. Ending 6/30/2008	Unaudited 3 Mos. Ending 6/30/2007	%	Unaudited 6 Mos. Ending 6/30/2008	Unaudited 6 Mos. Ending 6/30/2007	%
			change			change
Interest Income:						
Interest and fees on loans	2,595	3,123	-17%	5,275	6,266	-16%
Interest on federal funds sold	10	140	-93%	81	311	-74%
Interest on investment securities	53	157	-66%	124	276	-55%
Interest on deposit in banks	45	(14)	-421%	91	2	4450%
Total Interest Income	2,703	3,406	-21%	5,571	6,855	-19%
Interest Expense:						
Interest on deposits	606	1,084	-44%	1,460	2,163	-33%
Interest on short-term borrowings	97	100	-3%	159	197	-19%
Total Interest Expense	703	1,184	-41%	1,619	2,360	-31%
Net Interest Income Before Provision for Loan Loss	2,000	2,222	-10%	3,952	4,495	-12%
Provision for Loan Loss	4,320	30	14300%	4,355	90	4739%
Net Interest Income After Provision for Loan Losses	(2,320)	2,192	-206%	(403)	4,405	-109%
Non-interest income:						
Service charges	77	50	54%	145	99	46%
Gain on sale of government guaranteed loans	228	117	95%	425	251	69%
Loan servicing income	64	28	129%	115	47	145%
Other income	38	23	65%	88	82	7%
Total non-interest income	407	218	87%	773	479	61%
Other expenses						
Salaries and employee benefits	1,157	1,106	5%	2,343	2,135	10%
Occupancy and equipment	246	201	22%	497	384	29%
Other	404	292	38%	767	592	30%
Total other expenses	1,807	1,599	13%	3,607	3,111	16%
Income before provision for income taxes	(3,720)	811	-559%	(3,237)	1,773	-283%
Provision for income taxes	(1,518)	340	-546%	(1,317)	737	-279%
Net income	(2,202)	471	-568%	(1,920)	1,036	-285%

Earnings Per Basic Share	(1.22)	0.26	(1.07)	0.58
Earnings Per Diluted Share	(1.15)	0.24	(1.00)	0.51

Market Makers

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