

# Press Release

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FOR IMMEDIATE RELEASE

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## **Valley Community Bancshares, Inc. Reports Record Earnings and an 18% Increase in Cash Dividends for 2007**

**PUYALLUP**, Washington – January 25, 2008— Valley Community Bancshares, Inc., the holding company for Valley Bank (Puyallup WA), today reported record earnings for its fiscal year ended December 31, 2007. Earnings for the twelve months ended December 2007, increased 12 percent to \$2,538,000, or \$2.20 per diluted share compared to \$2,259,000 or \$1.96 per diluted share during the same period a year ago.

Valley Community Bancshares, Inc. also reported an 18 percent increase in its dividend payable to shareholders. The Company reported that the Board of Directors, at the January 2008 board meeting, approved a \$1.00 per share cash dividend to those shareholders of record on December 31, 2007.

Total assets were \$208 million at December 31, 2007 and total loans and deposits ended the year at \$137 million and \$180 million, respectively.

“During 2007, the Bank increased profitability to a record level while maintaining excellent credit quality in the Bank’s loan portfolio,” stated Mr. David Brown, President and CEO. “The Bank has no exposure to sub-prime loans and has limited exposure to real estate construction loans by focusing our marketing efforts to our core business, namely business lending.” Mr. Brown further noted, “As a result, we are pleased to report an 18 percent increase in our cash dividend declared. The dividend represents the thirty-fourth consecutive year of payment.”

Valley Bank serves the South King and Eastern Pierce County region of Washington State with eight full-service banking facilities and a drive-up facility.

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