



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

VALLEY COMMUNITY BANK

Person to be contacted regarding this report:	Rebecca Holowich
UST Sequence Number:	254
CPP Funds Received:	5,500,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Jan 9, 2009
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	34689
City:	Pleasanton
State:	California

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	The CPP funds enabled / supported an increase to our overall lending activity in several categories. Overall loan totals increased 2.3% from 175.8MM at December 2008 to 179.9MM as of December 2009.
<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	Commercial loans to local business , Small Business Administration and USDA B&I Loans
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	Over December 2008, securities purchased and held for available sale increased 36% to 11.4MM at 12-31-09. This was also in support of our overall objective to increase balance sheet and available liquidity.

<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input checked="" type="checkbox"/>	Reduce borrowings	Reduced borrowings and reliance on wholesale brokered deposits. As part of our overall objective to increase balance sheet and available liquidity, the CPP funds assisted in reducing borrowed funds (principally FHLB advances) and brokered deposits by 7.5MM or 34%.
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

There were no other actions that our institution was able to avoid because of the infusion of CPP funds.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

There were no other actions that our institution was able to take / make because of the capital infusion of CPP funds.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

There were no other actions that our institution was able to take / make because of the capital infusion of CPP funds.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.