

Press Release

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FOR IMMEDIATE RELEASE

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Valley Community Bancshares, Inc. Reports a 29% Increase in Earnings for the First Six Months of 2008

PUYALLUP, Washington – July 22, 2008— Valley Community Bancshares, Inc., the parent of Valley Bank (Puyallup WA), (the “Bank”), today reported record operating earnings for the six-month period ended June 30, 2008. For the period, earnings increased 29 percent to \$1,242,000, or \$1.08 per diluted share compared to \$961,000 or \$0.83 per diluted share during the same period a year ago. Assets at June 30, 2008 totaled \$205 million.

“In a turbulent period in banking, we are pleased to report record profits, and continued excellent credit quality,” stated David Brown, President and CEO. “At June 30, 2008 the Bank had no non-performing loans and continues to have a limited exposure to residential real estate construction and land development lending.” Brown further noted, “By all regulatory standards, the Bank remains in a very strong capital position.”

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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