

PRESS RELEASE

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Butte Community Bank Announces Success of Fraud Detection System

Chico, CA (1/2/08) – Butte Community Bank, a subsidiary of Community Valley Bancorp, today announced the success of its internal Fraud Detection System. The sophisticated software, which utilizes SQN Banking Systems Sentry Detect, Sentry Exception and Sentry Inspect, has detected many fraudulent high-value checks since being installed in early 2007.

“We have not suffered any significant loss since we installed the SQN fraud prevention software last year,” said Bruce Barnett, senior vice president and chief information officer at Butte Community Bank. “Before the installation, we were manually reviewing a limited number of high dollar checks, so the Sentry systems have enabled us to evaluate more checks in less time and have greatly decreased our loss exposure.”

The Butte Community Bank Fraud Detection System has three components:

1. **Sentry Detect:** An automated system that identifies counterfeit and forged checks by comparing each processed check to the individual account history and examining the check’s specific parameters. The software looks for out of range or duplicate check numbers, invalid routing and transit numbers and amounts that exceed the customer’s spending profile.
2. **Sentry Exception:** Improves workflow by clearly displaying all exception item information. The program interfaces with the various applications needed to make quick and accurate payment decisions, such as Sentry Detect. On one screen, the software displays the check image, the reason for flagging the check, signature comparisons, customer account information and other data.
3. **Sentry Inspect:** Designed to reduce check fraud losses by detecting counterfeit and forged checks. The software automatically reviews the front of targeted on-us check images and compares them to a registered data template in the customer’s profile and the daily MICR information. Sentry Inspect then flags items with discrepancies for further review by bank personnel.

“It is unacceptable that forgery has become the leading source of fraud in the United States,” concluded Barnett. “We are dedicated to providing our customers with powerful solutions that will combat the rise in check fraud.”

About SQN Banking Systems

SQN Banking Systems provides integrated fraud detection and process improvement products for the banking industry, meeting the needs of financial institutions of all sizes. The Sentry suite includes software that streamlines exception item processing, detects check and deposit fraud, compares and displays signatures online and automates safe deposit operations. The solutions run in both PC-based and host applications. More than 500

SQN customers have improved their earnings and reduced check fraud losses by as much as 84 percent with Sentry. For more information, visit SQN's Web site at www.sqnbankingsystems.com.

About Community Valley Bancorp

Community Valley Bancorp (NASDAQ: CVLL) is the parent company of Butte Community Bank, a progressive Northern California bank that combines traditional deposit and lending services with innovative banking solutions, and Butte Community Insurance Agency, LLC, a full-service insurance agency offering all lines of coverage from auto and health to commercial and farm packages.

Founded in December, 1990, Butte Community Bank is state-chartered with 15 branches in 11 cities including Anderson, Chico, Colusa, Corning, Magalia, Marysville, Oroville, Paradise, Red Bluff, Redding and Yuba City. It also operates loan production offices in Citrus Heights and Gridley. Community Valley Bancorp has headquarters in Chico, California.

Forward Looking Statement Disclosure

This news release may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended and Community Valley Bancorp intends for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. These forward-looking statements describe the Company's expectations regarding future events and developments and are subject to risks and uncertainties and include information about possible or assumed future results of operations. Many possible events or factors could affect the Company's future financial results and performance. This could cause results of performance to differ materially from those expressed in the Company's forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in, or implied by, such forward looking statements. All forward-looking statements are representative only on the date hereof.

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