

PRESS RELEASE

Date: Monday 5 January 2009
Release: Immediately
Pages: 1

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Community Valley Bancorp Suspends Quarterly Cash Dividend

Chico, CA (1/5/09) - Community Valley Bancorp, the holding company for Butte Community Bank has announced the temporary suspension of its quarterly dividend.

Our Board of Directors remains committed to capital preservation during these times of challenging industry conditions so the decision to suspend dividends was not taken lightly, especially given the history of continuous quarterly dividend payments for the past eight years. However, we believe maintaining a strong capital position is a priority at this time and eliminating our dividend will improve our capital position by conserving approximately \$268,000 of capital per quarter. While this decision is difficult, we believe it is in the best interest of our shareholders over the long term. Our Board of Directors and Executive Management, who collectively own approximately 26% of the outstanding shares, are firmly committed to grow long-term shareholder value and we expect to resume paying dividends as soon as conditions permit.

The Company and Bank continue to be "Well Capitalized," the highest regulatory capital level.

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 1990, Butte Community Bank is California state-chartered with 15 branches in eleven cities including Anderson, Chico, Colusa, Corning, Magalia, Oroville, Paradise, Red Bluff, Redding, Yuba City and Marysville. 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 contains 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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