

Valley Community Bank Stock Symbol is VCBC

**VALLEY COMMUNITY BANK**  
**BALANCE SHEETS**

Dollar amounts in thousands, except per share data	Unaudited 3/31/2010	Unaudited 3/31/2009
<b>ASSETS</b>		
Cash & due from banks	29,963	5,070
Fed funds sold	<u>0</u>	<u>0</u>
Total Cash and Cash equivalents	29,963	5,070
Time Deposits with other financial institutions	0	4,298
Securities available-for-sale	12,197	6,187
Securities held-to-maturity	722	1,625
Federal Home Loan Bank stock	966	966
Loans	177,327	185,669
Less allowance for loan losses	<u>-4,784</u>	<u>-3,203</u>
Net Loans	172,543	182,466
Bank premises and equipment, net	662	503
Cash surrender value of life insurance policies	2,663	2,561
Accrued interest receivable and other assets	5,549	4,857
<b>TOTAL ASSETS</b>	<u><u>225,265</u></u>	<u><u>208,533</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits		
Non-interest bearing	32,218	30,282
Interest bearing	<u>158,739</u>	<u>138,014</u>
Total Deposits	190,957	168,296
Short Term Borrowings	7,000	15,000
Accrued interest payable and other liabilities	2,818	1,360
<b>TOTAL LIABILITIES</b>	<u><u>200,775</u></u>	<u><u>184,656</u></u>
Shareholders' equity		
Preferred Stock series A	5,500	5,500
Preferred Stock series B	69	13
Common Stock - no par value	16,500	16,500
Additional paid in Common Capital	450	370
Accumulated other comprehensive loss, net of tax	8	22
Retained Earnings	<u>1,963</u>	<u>1,472</u>
Total shareholders' equity	<u>24,490</u>	<u>23,877</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u><u>225,265</u></u>	<u><u>208,533</u></u>
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Common shares outstanding for each period:	1,878,886	1,860,654
Book value per common share	10.07	9.87

# VALLEY COMMUNITY BANK

## INCOME STATEMENTS

Dollar amounts in thousands, except per share data	Unaudited 3 Mos. Ending 3/31/2010	Unaudited 3 Mos. Ending 3/31/2009	%	Audited 12 mos Ending 12/31/2009	Audited 12 mos Ending 12/31/2008	%
			change			change
<b>Interest Income:</b>						
Interest and fees on loans	2,853	2,867	0%	11,660	11,229	4%
Interest on federal funds sold	8	3	167%	26	104	-75%
Interest on investment securities	70	58	21%	234	249	-6%
Interest on deposit in banks	12	33	-64%	42	183	-77%
Total Interest Income	2,943	2,961	-1%	11,962	11,765	2%
<b>Interest Expense:</b>						
Interest on deposits	500	696	-28%	2,288	2,960	-23%
Interest on short-term borrowings	22	138	-84%	382	451	-15%
Total Interest Expense	522	834	-37%	2,670	3,411	-22%
Net Interest Income Before Provision for Loan Loss	2,421	2,127	14%	9,292	8,354	11%
Provision for Loan Loss	300	270	11%	3,700	5,785	-36%
Net Interest Income After Provision for Loan Losses	2,121	1,857	14%	5,592	2,569	118%
<b>Non-interest income:</b>						
Service charges	88	81	9%	328	345	-5%
Gain on sale of government guaranteed loans	0	0	0%	1,583	708	124%
Loan servicing income	113	59	92%	366	259	41%
Other income	88	83	6%	463	195	137%
Total non-interest income	289	223	30%	2,740	1,507	82%
<b>Other expenses</b>						
Salaries and employee benefits	1,106	1,172	-6%	4,402	4,636	-5%
Occupancy and equipment	220	225	-2%	907	994	-9%
Other	472	437	8%	1,994	1,843	8%
Total other expenses	1,798	1,834	-2%	7,303	7,473	-2%
Income before provision for income taxes	612	246	149%	1,029	(3,397)	-130%
Provision for income taxes	247	110	125%	503	(1,384)	-136%
Net income	365	136	168%	526	(2,013)	-126%
Dividends and discount accretion on preferred stock	(89)	(89)		(353)	0	
Net Income available to Common shareholders	276	47	487%	173	(2,013)	-109%
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Earnings Per Basic Common Share	\$ 0.15	\$ 0.03		\$ 0.09	\$ (1.06)	
Earnings Per Diluted Common Share	\$ 0.15	\$ 0.03		\$ 0.09	\$ (1.06)	

### Market Makers

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