

Valley Community Bank Stock Symbol is VCBC

VALLEY COMMUNITY BANK
BALANCE SHEETS

Dollar amounts in thousands, except per share data	Unaudited 6/30/2010	Unaudited 6/30/2009
ASSETS		
Cash & due from banks	22,812	12,064
Fed funds sold	0	0
Total Cash and Cash equivalents	22,812	12,064
Time deposits with other financial institutions	2,502	200
Securities available-for-sale	14,807	8,394
Securities held-to-maturity	507	1,229
Federal Home Loan Bank stock	934	966
Loans	172,435	183,280
Less allowance for loan losses	-4,903	-3,471
Net Loans	167,532	179,809
Bank premises and equipment, net	641	464
Cash surrender value of life insurance policies	2,690	2,587
Accrued interest receivable and other assets	6,095	3,603
TOTAL ASSETS	218,520	209,316
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	32,088	35,614
Interest bearing	152,529	135,852
Total Deposits	184,617	171,466
Short Term Borrowings	7,000	12,000
Accrued interest payable and other liabilities	2,308	1,622
TOTAL LIABILITIES	193,925	185,088
Shareholders' equity		
Preferred Stock series A	5,500	5,500
Preferred Stock series B	82	14
Common Stock - no par value	16,602	16,500
Additional paid in Common Capital	450	395
Accumulated other comprehensive loss, net of tax	42	-3
Retained Earnings	1,919	1,822
Total shareholders' equity	24,595	24,228
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	218,520	209,316
Common shares outstanding for each period:	1,878,886	1,860,654
Book value per Common share	10.12	10.06

VALLEY COMMUNITY BANK

INCOME STATEMENTS

Dollar amounts in thousands, except per share data	Unaudited 3 Mos. Ending 6/30/2010	Unaudited 3 Mos. Ending 6/30/2009	%	Unaudited 6 Mos. Ending 6/30/2010	Unaudited 6 Mos. Ending 6/30/2009	%
			change			change
Interest Income:						
Interest and fees on loans	2,821	2,967	-5%	5,674	5,859	-3%
Interest on federal funds sold	-	2	-100%	8	6	33%
Interest on investment securities	77	59	31%	147	117	26%
Interest on deposit in banks	15	5	200%	27	38	-29%
Total Interest Income	2,913	3,033	-4%	5,856	6,020	-3%
Interest Expense:						
Interest on deposits	486	562	-14%	986	1,258	-22%
Interest on short-term borrowings	24	132	-82%	46	270	-83%
Total Interest Expense	510	694	-27%	1,032	1,528	-32%
Net Interest Income Before Provision for Loan Loss	2,403	2,339	3%	4,824	4,492	7%
Provision for Loan Loss	600	430	40%	900	700	29%
Net Interest Income After Provision for Loan Losses	1,803	1,909	-6%	3,924	3,792	3%
Non-interest income:						
Service charges	86	81	6%	174	162	7%
Gain on sale of government guaranteed loans	120	545	-78%	120	545	-78%
Loan servicing income	142	80	78%	255	138	85%
Other income	34	64	-47%	122	121	1%
Total non-interest income	382	770	-50%	671	966	-31%
Other expenses						
Salaries and employee benefits	1,156	1,145	1%	2,262	2,317	-2%
Occupancy and equipment	164	220	-25%	384	450	-15%
Other	627	559	12%	1,099	990	11%
Total other expenses	1,947	1,924	1%	3,745	3,757	0%
Income before provision for income taxes	238	755	-68%	850	1,001	-15%
Provision for income taxes	93	333	-72%	340	443	-23%
Net Income (Loss)	145	422	-66%	510	558	-9%
Dividends and discount accretion on preferred stock	(89)	(88)	N/A	(177)	(168)	N/A
Net Income available to Common shareholders	56	334	-83%	333	390	-15%
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Earnings Per Basic Common share	\$0.03	\$0.18		\$0.18	\$0.21	
Earnings Per Diluted Common share	\$0.03	\$0.18		\$0.18	\$0.21	

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