

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
<b>ASSETS</b>		
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
<b>TOTAL ASSETS</b>	<b>218,520</b>	<b>209,316</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
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
<b>TOTAL LIABILITIES</b>	<b>193,925</b>	<b>185,088</b>
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
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>218,520</b>	<b>209,316</b>
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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
<b>Interest Income:</b>						
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%
<b>Interest Expense:</b>						
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%
<b>Non-interest income:</b>						
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%
<b>Other expenses</b>						
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	

### Market Makers

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