

Valley Community Bank Stock Symbol is VCBC

VALLEY COMMUNITY BANK

BALANCE SHEETS

Dollar amounts in thousands, except per share data	Unaudited 9/30/2009	Unaudited 9/30/2008
ASSETS		
Cash & due from banks	20,507	8,764
Fed funds sold	0	18,700
Total Cash and Cash equivalents	20,507	27,464
Time deposits with other financial institutions	0	1,795
Securities available-for-sale	7,880	4,031
Securities held-to-maturity	1,061	1,962
Federal Home Loan Bank stock	966	956
Loans	183,750	169,089
Less allowance for loan losses	(4,021)	(1,966)
Net Loans	179,729	167,123
Bank premises and equipment, net	422	582
Cash surrender value of life insurance policies	2,612	2,510
Accrued interest receivable and other assets	4,253	4,706
TOTAL ASSETS	217,430	211,129
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	37,983	36,479
Interest bearing	146,112	138,068
Total Deposits	184,095	174,547
Short Term Borrowings	7,000	17,000
Accrued interest payable and other liabilities	1,534	1,255
TOTAL LIABILITIES	192,629	192,802
Shareholders' equity		
Preferred Stock	5,282	0
Common Stock	16,602	16,150
Additional paid in Capital	425	329
Accumulated other comprehensive loss, net of tax	18	(11)
Retained Earnings	2,474	1,859
Total shareholders' equity	24,801	18,327
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	217,430	211,129
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Common Shares outstanding for each period:	1,878,866	1,802,062
Book value per Common share	\$10.39	\$10.17

VALLEY COMMUNITY BANK

INCOME STATEMENTS

Dollar amounts in thousands, except per share data	Unaudited 3 Mos. Ending 9/30/2009	Unaudited 3 Mos. Ending 9/30/2008	%	Unaudited 9 mos Ending 9/30/2009	Unaudited 9 mos Ending 9/30/2008	%
			change			change
Interest Income:						
Interest and fees on loans	2,904	2,926	-1%	8,764	8,201	7%
Interest on federal funds sold	7	8	-13%	13	89	-85%
Interest on investment securities	59	53	11%	177	177	0%
Interest on deposit in banks	4	41	-90%	42	132	-68%
Total Interest Income	2,974	3,028	-2%	8,996	8,599	5%
Interest Expense:						
Interest on deposits	523	683	-23%	1,781	2,143	-17%
Interest on short-term borrowings	69	148	-53%	339	307	10%
Total Interest Expense	592	831	-29%	2,120	2,450	-13%
Net interest income before provision for loan loss	2,382	2,197	8%	6,876	6,149	12%
Provision for Loan Loss	300	240	25%	1,000	4,595	-78%
Net interest income after provision for loan loss	2,082	1,957	6%	5,876	1,554	278%
Non-interest income:						
Service charges	85	104	-18%	247	249	-1%
Gain on sale of government guaranteed loans	313	304	3%	868	729	19%
Loan servicing income	113	66	71%	251	181	39%
Other income	61	52	17%	182	140	30%
Total non-interest income	572	526	9%	1,548	1,299	19%
Other expenses						
Salaries and employee benefits	1,071	1,083	-1%	3,388	3,426	-1%
Occupancy and equipment	232	249	-7%	682	746	-9%
Other	458	548	-16%	1,459	1,315	11%
Total other expenses	1,761	1,880	-6%	5,529	5,487	1%
Income before provision for income taxes	893	603	48%	1,895	(2,634)	-172%
Provision for income taxes	389	250	56%	833	(1,067)	-178%
Net income (Loss)	504	353	43%	1,062	(1,567)	-168%
Dividends and discount accretion on preferred stock	(89)	-	N/A	(257)	-	N/A
Net Income available to Common shareholders	415	353	18%	805	(1,567)	-151%
Earnings Per Basic Share	\$ 0.22	\$ 0.20		\$ 0.43	\$ (0.87)	
Earnings Per Diluted Share	\$ 0.22	\$ 0.19		\$ 0.43	\$ (0.82)	

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