

Valley Community Bank Stock Symbol is VCBC

VALLEY COMMUNITY BANK
BALANCE SHEETS

Dollar amounts in thousands, except per share data	Audited 12/31/2009	Audited 12/31/2008
ASSETS		
Cash & due from banks	22,735	10,394
Fed funds sold	0	0
Total Cash and Cash equivalents	22,735	10,394
Time deposits with other financial institutions	0	9,097
Securities available-for-sale	11,394	6,351
Securities held-to-maturity	877	1,823
Federal Home Loan Bank stock	966	966
Loans	179,926	175,797
Less allowance for loan losses	(4,141)	(3,132)
Net Loans	175,785	172,665
Bank premises and equipment, net	393	546
Cash surrender value of life insurance policies	2,638	2,536
Accrued interest receivable and other assets	6,312	5,006
TOTAL ASSETS	221,100	209,384
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	36,539	34,811
Interest bearing	151,856	141,093
Total Deposits	188,395	175,904
Short Term Borrowings	7,000	14,000
Accrued interest payable and other liabilities	1,487	1,228
TOTAL LIABILITIES	196,882	191,132
Shareholders' equity		
Preferred Stock	5,555	0
Common Stock	16,602	16,464
Additional paid in Capital	450	346
Accumulated other comprehensive loss, net of tax	26	30
Retained Earnings	1,586	1,412
Total shareholders' equity	24,219	18,252
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	221,101	209,384
Common Shares outstanding for each period:	1,878,886	1,802,062
Book value per Common share	\$9.93	\$10.17

VALLEY COMMUNITY BANK
INCOME STATEMENTS

Dollar amounts in thousands, except per share data	Unaudited 3 Mos. Ending 12/31/2009	Unaudited 3 Mos. Ending 12/31/2008	%	Audited 12 mos Ending 12/31/2009	Audited 12 mos Ending 12/31/2008	%
			change			change
Interest Income:						
Interest and fees on loans	2,896	3,028	-4%	11,660	11,229	4%
Interest on federal funds sold	14	14	-2%	26	104	-75%
Interest on investment securities	58	69	-16%	234	249	-6%
Interest on deposit in banks	0	54	-100%	42	183	-77%
Total Interest Income	2,968	3,165	-6%	11,962	11,765	2%
Interest Expense:						
Interest on deposits	507	817	-38%	2,288	2,960	-23%
Interest on short-term borrowings	43	144	-70%	382	451	-15%
Total Interest Expense	550	961	-43%	2,670	3,411	-22%
Net Interest Income Before Provision for Loan Loss	2,418	2,204	10%	9,292	8,354	11%
Provision for Loan Loss	2,700	1,190	127%	3,700	5,785	-36%
Net Interest Income After Provision for Loan Losses	(282)	1,014	-128%	5,592	2,569	118%
Non-interest income:						
Service charges	81	96	-15%	328	345	-5%
Gain on sale of government guaranteed loans	725	(21)	-3504%	1,583	708	124%
Loan servicing income	114	79	45%	366	259	41%
Other income	281	55	413%	463	195	137%
Total non-interest income	1,201	209	476%	2,740	1,507	82%
Other expenses						
Salaries and employee benefits	1,014	1,210	-16%	4,402	4,636	-5%
Occupancy and equipment	230	249	-8%	907	994	-9%
Other	540	528	2%	1,994	1,843	8%
Total other expenses	1,784	1,987	-10%	7,303	7,473	-2%
Income before provision for income taxes	(865)	(764)	13%	1,029	(3,398)	-130%
Provision for income taxes	(329)	(318)	4%	503	(1,384)	-136%
Net income	(536)	(446)	20%	526	(2,013)	-126%
Dividends and discount accretion on preferred stock	(95)	0	-	(353)	0	-
Net Income available to Common shareholders	(631)	(446)	41%	173	(2,013)	-109%
Earnings Per Basic Share	\$ (0.38)	\$ (0.24)		\$ 0.09	\$ (1.06)	
Earnings Per Diluted Share	\$ (0.38)	\$ (0.24)		\$ 0.09	\$ (1.06)	

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