

**MainStreet Bank**  
**Balance Sheets**

<b>December 31,</b>	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
Cash and cash equivalents		
Cash and due from banks	\$ 7,170,780	\$ 4,274,948
Federal funds sold	—	207,595
Total cash and cash equivalents	7,170,780	4,482,543
Investment securities available for sale, at fair value	38,642,612	26,076,694
Investment securities held to maturity (fair value of \$14,453,581 and \$8,148,450, respectively)	13,865,984	8,206,740
Restricted equity securities, at cost	1,166,150	1,210,150
Loans, net of allowance for loan losses of \$2,758,716 and \$2,469,778, respectively	269,094,392	223,716,979
Premises and equipment, net	12,902,268	11,520,406
Other real estate owned, net	234,000	234,000
Accrued interest and other receivables	1,143,068	886,130
Other assets	756,605	980,146
<b>Total Assets</b>	<b>\$ 344,975,859</b>	<b>\$ 277,313,788</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Liabilities:</b>		
Non-interest bearing deposits	\$ 51,561,820	\$ 42,763,670
Savings and NOW deposits	34,208,343	33,503,819
Money market deposits	34,740,573	33,043,321
Other time deposits	181,843,810	141,050,482
Total deposits	302,354,546	250,361,292
Securities sold under agreements to repurchase	410,987	114,554
Federal Home Loan Bank advances and other borrowings	1,493,667	1,382,667
Other liabilities	954,000	162,913
<b>Total Liabilities</b>	<b>305,213,200</b>	<b>252,021,426</b>
<b>Stockholders' Equity:</b>		
Common stock, \$4 par value. (Authorized 7,500,000 shares; issued and outstanding 4,213,698 shares (including 115,977 nonvested shares) for December 31, 2014 and 2,689,360 shares (including 121,425 nonvested shares) for December 31, 2013)	16,390,884	10,271,740
Capital surplus	21,625,893	15,389,031
Retained earnings	1,755,340	2,409
Accumulated other comprehensive income (loss)	(9,458)	(370,818)
<b>Total Stockholders' Equity</b>	<b>39,762,659</b>	<b>25,292,362</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 344,975,859</b>	<b>\$ 277,313,788</b>

**MainStreet Bank**  
**Statements of Income**

<b>Years Ended December 31,</b>	<b>2014</b>	<b>2013</b>
<b>INTEREST INCOME:</b>		
Interest and fees on loans	\$ 13,324,710	\$ 11,797,251
Interest on investment securities	891,021	451,209
Interest on federal funds sold	25,540	42,422
Total interest income	14,241,271	12,290,882
<b>INTEREST EXPENSE:</b>		
Interest on savings and NOW deposits	140,044	123,708
Interest on money market deposits	104,575	91,287
Interest on other time deposits	1,807,650	1,774,137
Interest on securities sold under agreements to repurchase	—	—
Interest on Federal Home Loan Bank advances and other borrowings	17,821	25,468
Total interest expense	2,070,090	2,014,600
Net interest income	12,171,181	10,276,282
Provision for loan losses	586,500	224,141
Net interest income after provision for loan losses	11,584,681	10,052,141
<b>OTHER INCOME:</b>		
Deposit account service charges	428,693	400,346
Gain on securities available for sale	104,853	17,512
Mortgage origination fees	205,853	210,488
Other loan fees	193,402	163,871
Other operating income	84,066	65,322
Total other income	1,016,867	857,539
<b>OTHER EXPENSES:</b>		
Salaries and employee benefits	5,678,624	5,177,741
Occupancy expenses	833,625	789,408
Furniture and equipment expenses	1,050,101	1,011,178
Advertising and marketing	174,945	276,865
Outside services	321,029	292,943
Franchise tax	199,606	193,759
FDIC insurance	301,500	366,404
Data processing	433,724	459,620
Other operating expenses	1,103,463	826,750
Total other expenses	10,096,617	9,394,668
INCOME BEFORE INCOME TAXES	2,504,931	1,515,012
Income tax expense	752,000	501,792
NET INCOME	\$ 1,752,931	\$ 1,013,220
Net income per common share, basic and diluted	\$ 0.64	\$ 0.38
Weighted average number of shares, basic and diluted	2,726,316	2,689,013

**MainStreet Bank**  
**Statements of Cash Flows**

<b>Year Ended December 31,</b>	<b>2014</b>	<b>2013</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 1,752,931	\$ 1,013,220
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization, and accretion, net	1,006,414	951,156
Deferred income tax expense (benefit)	(95,594)	1,591
Gain on sale of securities available for sale	(104,853)	(17,512)
Provision for loan losses	586,500	224,141
Stock based compensation expense	234,297	200,881
Changes in assets and liabilities		
(Increase) decrease in accrued interest and other receivables	(256,938)	827,640
Decrease in other assets	169,309	216,396
Increase (decrease) in other liabilities	791,087	(592,823)
<b>Net cash provided by operating activities</b>	<b>4,083,153</b>	<b>2,824,690</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Maturity of investment securities available for sale	42,000,000	32,000,000
Sale of investment securities available for sale	4,755,663	7,945,988
Loss on disposal of fixed assets	43,779	—
Purchase of investment securities available for sale	(61,356,857)	(39,468,279)
Payments on investment securities available for sale	2,462,815	3,366,651
Purchase of investment securities held to maturity	(5,721,267)	(4,603,579)
Net increase in loan portfolio	(45,963,913)	(11,002,753)
Purchase of restricted stock	(32,200)	(524,100)
Redemption of restricted stock	76,200	729,100
Purchase of premises and equipment	(2,181,532)	(226,554)
<b>Net cash used in investing activities</b>	<b>(65,917,312)</b>	<b>(11,783,526)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase in non-interest bearing deposits	8,798,150	1,884,194
Net increase in interest bearing savings and time deposits	43,195,104	7,117,776
Net increase (decrease) in securities sold under agreements to repurchase	296,433	(212,931)
Net proceeds from sale of common stock, net of offering costs	12,121,709	—
Net increase (decrease) in Federal Home Loan Bank advances and other borrowings	111,000	(3,009,000)
<b>Net cash provided by financing activities</b>	<b>64,522,396</b>	<b>5,780,039</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,688,237</b>	<b>(3,178,797)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>4,482,543</b>	<b>7,661,340</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 7,170,780</b>	<b>\$ 4,482,543</b>

**Supplemental Disclosure of Cash Flow Information**

Income taxes paid	\$ 300,000	\$ 825,000
Interest paid	\$ 2,050,131	\$ 2,036,408
Net unrealized gain (loss) on securities available for sale	\$ 511,186	\$ (592,000)
Securities transferred from available for sale to held to maturity	—	\$ 3,919,164
Unrealized loss on securities transferred to held to maturity from available for sale	\$ (254,108)	\$ (290,446)
Amortization of unrealized loss on securities transferred to held to maturity	\$ 36,337	\$ 9,084
Loans transferred to other real estate owned	—	\$ (234,000)