

**BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM  
Washington, D.C. 20551**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **January 26, 2010**

**MAINSTREET BANK**

(Exact name of registrant as specified in its charter)

<b>VIRGINIA</b> (State or other jurisdiction of incorporation)	<b>N/A</b> (Commission File Number)	<b>47-0914596</b> (IRS Employer Identification No.)
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<b>727 ELDEN STREET</b> <b>HERNDON, VIRGINIA</b> (Address of principal executive offices)	<b>20170</b> (Zip Code)
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Registrant's telephone number, including area code **(703) 481-4567**

**NOT APPLICABLE**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



## **PRESS RELEASE**

For Immediate Release  
January 26, 2010

Contact: Jeff W. Dick  
(703) 481-4567

### **MainStreet Bank Has Another Profitable Year**

Herndon, VA — MainStreet Bank (OTC Bulletin Board: MNSB) reported net income of \$579 thousand for the year-ended December 31, 2009.

Chairman, President & CEO Jeff W. Dick said “We continue to be profitable, which is a badge of honor on its own, given our current economic climate. We closed the year with total assets at \$236 million, and we are working diligently to build upon a solid balance sheet. Perhaps even more significant, we originated over \$52 million in loans within our community this past year.”

After five years of operations, asset quality remains strong. The bank had two non-performing loans as of December 31, 2009. The bank only had one loan past due between 30 - 89 days.

MainStreet opened a branch located at 6832 Old Dominion Drive in McLean on December 14, 2009 and is in the process of opening another branch located at 1000 North Hyland Street in Arlington. The Bank is headquartered at 727 Elden Street in Herndon and also has a branch at 4029 Chain Bridge Road in Fairfax.

With a robust and easy-to-use online banking technology, MainStreet has “put our bank” in well over 300 businesses in the Metropolitan area and across the United States. The bank is not restricted by a conventional branching system, as it can offer business customers the ability to ***Put Our Bank in Your Office***<sup>®</sup>. Using MainStreet Bank’s secure website, business customers can do everything they can do in a branch, including: managing accounts, paying bills, transferring funds, initiating ACH and wire transfers, sweeping funds, making loan payments, advancing from lines of credit, and depositing cash. The technology interfaces with Intuit<sup>®</sup> and Microsoft<sup>®</sup> accounting software for greater efficiency in accounting and finance operations. For accounts payable, customers can also build in reminders, customize loan payments, and set up regular funds transfers.

MainStreet Bank was the first community bank in the Washington, DC Metropolitan area to offer a full online business banking solution. MainStreet Bank was also the first bank headquartered in the Commonwealth of Virginia to offer CDARS – a solution that provides FDIC insurance on deposits up to \$50 million. Further information on the Bank can be obtained by visiting its website at [www.mstreetbank.com](http://www.mstreetbank.com)

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*This release contains forward-looking statements, including our expectations with respect to future events, that are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from management's projections, forecasts, estimates and expectations include: fluctuation in market rates of interest and loan and deposit pricing, adverse changes in the overall national economy as well as adverse economic conditions in our specific market areas, maintenance and development of well-established and valued client relationships and referral source relationships, and acquisition or loss of key production personnel. Other risks that can affect the Bank are detailed from time to time in our quarterly and annual reports filed with the Board of Governors of the Federal Reserve System. We caution readers that the list of factors above is not exclusive. The forward-looking statements are made as of the date of this release, and we may not undertake steps to update the forward-looking statements to reflect the impact of any circumstances or events that arise after the date the forward-looking statements are made. In addition, our past results of operations are not necessarily indicative of future performance.*

**MainStreet Bank**  
**Financial Highlights (Unaudited)**

**Year-to-Date**  
**(000's except share data)**

<b><u>Operations</u></b>	<b>12/31/09</b>	<b>12/31/08</b>	<b>% Change</b>
Interest income	\$ 10,917	\$ 10,178	7.3
Interest expense	4,623	4,693	(1.5)
Net interest income	6,294	5,485	14.7
Provision for loan losses	758	385	96.9
Net interest income after provision for loan losses	5,536	5,100	8.5
Other income	672	328	104.9
Operating expenses	5,981	5,328	12.3
Income (loss) before income taxes	227	100	127.0
Income taxes (benefit)	(352)	—	—
Net income	<u>\$ 579</u>	<u>\$ 100</u>	<u>479.0</u>

**Per Share Data**

Earnings per share (basic and diluted)	\$0.23	\$0.04	475.0
Book value per share, exclusive of nonvested shares	\$9.17	\$8.82	4.0
Closing stock price	\$5.05	\$5.00	1.0
Weighted average shares (basic and diluted)	2,565,687	2,425,603	

**Selected Balance Sheet Data**

Investments	\$ 29,918	\$ 30,464	(1.8)
Gross Loans	\$ 184,273	\$ 143,298	28.6
Total Assets	\$ 236,124	\$ 186,326	26.7
Deposits	\$ 189,838	\$ 142,458	33.3
Federal Funds and Repurchase Agreements	\$ 2,709	\$ 1,289	110.2
Borrowings	\$ 20,542	\$ 20,592	(0.2)
Stockholders' Equity	\$ 22,399	\$ 21,429	4.5

**Ratios**

Return on average assets	0.28%	0.06%
Return on average equity	2.66%	0.47%
Gross loans to deposits	97.07%	100.59%
Net interest margin	3.37%	3.33%
Efficiency ratio	85.85%	91.65%
Allowance for loan losses to total loans	1.29%	1.13%
Past due loans 30-89 days to total gross loans	0.02%	0.56%
Past due loans 90 days or more to total gross loans	0.00%	0.00%
Non-accrual loans to total gross loans	1.66%	0.28%

**Regulatory Capital Ratios**

Tier 1 risk-based capital ratio	11.46%	15.03%
Total risk-based capital ratio	12.69%	16.11%
Leverage ratio	10.18%	12.49%

**Balance Sheet (averages)**

Investments	\$ 31,638	\$ 26,151	21.0
Gross Loans	\$ 158,267	\$ 128,939	22.7
Total Assets	\$ 207,228	\$ 169,004	22.6
Deposits	\$ 162,452	\$ 127,210	27.7
Borrowings	\$ 20,568	\$ 17,708	16.2
Stockholders' Equity	\$ 21,749	\$ 21,342	1.9