

**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) **May 14, 2010**

**MAINSTREET BANK**

(Exact name of registrant as specified in its charter)

**VIRGINIA**  
(State or other jurisdiction  
of incorporation)

**N/A**  
(Commission  
File Number)

**47-0914596**  
(IRS Employer  
Identification No.)

**727 ELDEN STREET**  
**HERNDON, VIRGINIA**  
(Address of principal executive offices)

**20170**  
(Zip Code)

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  
May 14, 2010

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

### **MainStreet Bank Reports Continued Profitability**

Herndon, VA — MainStreet Bank (OTC Bulletin Board: MNSB) reported net income of \$114 thousand for the quarter-ended March 31, 2010.

Chairman, President & CEO Jeff W. Dick said “We completed our eighth quarter of sustained profitability in what will likely be defined as the worst economic period in recent American history. Not only is this a testament to our core banking principles, but also the strength of our exceptional customer base.”

The bank’s balance sheet continues on a good growth track, with total assets at \$252 million, which is an increase of 26% over the first quarter last year. Gross loans are now at \$191 million, which represents an increase of more than \$44 million in new loans to borrowers in our community. Total deposits are at \$212 million, an increase of 37% over the same time period.

After five years of operations, asset quality remains strong. There were no loans past due greater than 30 days. The bank had only three non-performing loans as of March 31, 2010.

MainStreet opened a branch located at 6832 Old Dominion Drive in McLean on December 14, 2009 and a branch located at 1000 North Highland Street in Arlington on April 6, 2010. 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).

# # # #

*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)

	Quarter Ended		%
	(000's except share data)		
<u>Operations</u>	<u>3/31/10</u>	<u>3/31/09</u>	<u>Change</u>
Interest income	\$ 3,122	\$ 2,498	25.0
Interest expense	1,078	1,161	(7.1)
Net interest income	2,044	1,337	52.9
Provision for loan losses	200	213	(6.1)
Net interest income after provision for loan losses	1,844	1,124	64.1
Other income	85	313	(72.8)
Operating expenses	1,815	1,370	32.5
Income (loss) before income taxes	114	67	70.1
Income taxes	—	—	—
Net income (loss)	\$ 114	\$ 67	70.1
<u>Per Share Data</u>			
Earnings (loss) per share (basic and diluted)	\$0.04	\$0.03	33.3
Book value per share, exclusive of nonvested shares	\$9.16	\$8.84	3.6
Closing stock price	\$6.94	\$3.70	87.6
Weighted average shares (basic and diluted)	2,576,257	2,438,530	
<u>Selected Balance Sheet Data</u>			
Investments	\$ 27,729	\$ 32,294	(14.1)
Gross Loans	\$ 190,955	\$ 146,894	30.0
Total Assets	\$ 252,276	\$ 199,882	26.2
Deposits	\$ 212,397	\$ 155,578	36.5
Federal Funds and Repurchase Agreements	\$ 1,200	\$ 1,486	(19.2)
Borrowings	\$ 15,529	\$ 20,579	(24.5)
Stockholders' Equity	\$ 22,593	\$ 21,585	4.7
<u>Ratios</u>			
Return (loss) on average assets	0.18%	0.03%	
Return (loss) on average equity	2.05%	0.31%	
Gross loans to deposits	89.90%	94.42%	
Net interest margin	3.78%	3.04%	
Efficiency ratio	85.24%	97.60%	
Allowance for loan losses to total loans	1.35%	1.23%	
Past due loans 30-89 days to total gross loans	0.00%	0.10%	
Past due loans 90 days or more to total gross loans	0.00%	0.00%	
Non-accrual loans to total gross loans	1.57%	0.47%	
<u>Regulatory Capital Ratios</u>			
Tier 1 risk-based capital ratio	11.23%	14.36%	
Total risk-based capital ratio	12.48%	15.52%	
Leverage ratio	9.00%	11.68%	
<u>Balance Sheet (averages)</u>			
Investments	\$ 28,905	\$ 31,546	(8.4)
Gross Loans	\$ 186,332	\$ 144,256	29.2
Total Assets	\$ 249,151	\$ 194,741	27.9
Deposits	\$ 204,864	\$ 150,520	36.1
Borrowings	\$ 19,426	\$ 20,587	(5.6)
Stockholders' Equity	\$ 22,233	\$ 21,581	3.0

Nm = not material