

**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) **October 16, 2009**

**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  
October 16, 2009

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

### **MAINSTREET BANK Profitable Through Third Quarter**

Herndon, VA — MainStreet Bank (OTC Bulletin Board: MNSB) reported net income of \$257 thousand for the nine months ended September 30, 2009.

Chairman, President & CEO Jeff W. Dick said “We are having our best year ever. We continue to grow a strong balance sheet and we are starting to branch out into strong Northern Virginia markets.”

The bank’s balance sheet continues on a good growth track, with total assets at \$212 million, which is an increase of 20% over the same period last year. Gross loans are now at \$167 million, which represents an increase of approximately \$31 million in new loans to borrowers in our community. Total deposits are at \$167 million, an increase of 26% over the same time period.

After five years of operations, asset quality remains exceptionally strong. Total non-performing loans as of September 30, 2009 were 0.11% of gross loans, and consist of one loan. Loans past due between 30 - 89 days were 0.79% of gross loans.

MainStreet has received regulatory approval to expand into the McLean and Arlington markets. Plans are to open the McLean branch in the fourth quarter of 2009 and the Arlington branch in the first quarter of 2010.

The Bank is headquartered at 727 Elden Street in Herndon, Virginia and has a full service branch at 4029 Chain Bridge Road in Fairfax, Virginia. MainStreet Bank is 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).

MainStreet Bank also offers business customers the ability to **Put Our Bank in Your Office**<sup>®</sup>. Business customers can accomplish everything in their office that they would normally 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.

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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)

<b>Operations</b>	<b>Quarter Ended (000's except share data)</b>			<b>Year to-Date (000's except share data)</b>		
	<b>9/30/09</b>	<b>9/30/08</b>	<b>% Change</b>	<b>9/30/09</b>	<b>9/30/08</b>	<b>% Change</b>
Interest income	\$ 2,783	\$ 2,623	6.1	\$ 7,913	\$ 7,634	3.7
Interest expense	1,186	1,180	0.5	3,534	3,543	(0.3)
Net interest income	1,597	1,443	10.7	4,379	4,091	7.0
Provision for loan losses	75	105	(28.6)	333	276	20.7
Net interest income after provision for loan losses	1,522	1,338	13.8	4,046	3,815	6.1
Other income	87	116	(25.0)	589	249	136.5
Operating expenses	1,490	1,367	9.0	4,378	4,060	7.8
Income (loss) before income taxes	119	87	36.8	257	4	nm
Income taxes	—	—	—	—	—	—
Net income (loss)	\$ 119	\$ 87	36.8	\$ 257	\$ 4	nm

**Per Share Data**

Earnings (loss) per share (basic and diluted)	\$0.05	\$0.03	66.7	\$0.10	\$0.00	nm
Book value per share, exclusive of nonvested shares	\$8.90	\$8.72	2.1	\$8.90	\$8.72	2.1
Closing stock price	\$6.00	\$6.00	0.0	\$6.00	\$6.00	0.0
Weighted average shares (basic and diluted)	2,567,319	2,429,648		2,564,604	2,425,598	

**Selected Balance Sheet Data**

Investments	\$ 31,442	\$ 24,837	26.6
Gross Loans	\$ 166,803	\$ 136,154	22.5
Total Assets	\$ 212,297	\$ 177,343	19.7
Deposits	\$ 167,436	\$ 132,994	25.9
Federal Funds and Repurchase Agreements	\$ 1,916	\$ 2,031	(5.7)
Borrowings	\$ 20,554	\$ 20,604	(0.2)
Stockholders' Equity	\$ 21,746	\$ 21,158	2.8

**Ratios**

Return (loss) on average assets	0.06%	0.05%	0.13%	0.00%
Return (loss) on average equity	0.54%	0.41%	1.19%	0.02%
Gross loans to deposits	99.62%	102.38%		
Net interest margin	3.25%	3.33%	3.15%	3.36%
Efficiency ratio	88.50%	87.67%	88.12%	93.56%
Allowance for loan losses to total loans	1.17%	1.11%		
Past due loans 30-89 days to total gross loans	0.79%	0.12%		
Past due loans 90 days or more to total gross loans	0.00%	0.00%		
Non-accrual loans to total gross loans	0.11%	0.13%		

**Regulatory Capital Ratios**

Tier 1 risk-based capital ratio	13.07%	15.02%
Total risk-based capital ratio	14.18%	16.03%
Leverage ratio	11.01%	12.94%

**Balance Sheet (averages)**

Investments	\$ 31,464	\$ 28,003	12.4	\$ 31,858	\$ 25,340	25.7
Gross Loans	\$ 160,892	\$ 134,167	19.9	\$ 151,955	\$ 125,390	21.2
Total Assets	\$ 208,256	\$ 174,400	19.4	\$ 203,142	\$ 164,817	23.3
Deposits	\$ 163,329	\$ 129,834	25.8	\$ 158,666	\$ 123,808	28.2
Borrowings	\$ 20,562	\$ 20,612	(0.2)	\$ 20,574	\$ 16,737	22.9
Stockholders' Equity	\$ 21,795	\$ 21,333	2.2	\$ 21,684	\$ 21,292	1.8

Nm = not material