

**VALLEY FINANCIAL CORPORATION**

|   | CPP Disbursement Date<br>12/12/2008 | RSSD (Holding Company)<br>2314327 | Number of Insured<br>Depository Institutions<br>1 |             |
|---|-------------------------------------|-----------------------------------|---|-------------|
| <b>Selected balance and off-balance sheet items</b>   | <b>2009</b><br>\$ millions          | <b>2010</b><br>\$ millions        | %chg from prev                                    |             |
| <b>Assets</b>   | \$711                               | \$765                             | 7.7%  |             |
| Loans   | \$566                               | \$543                             | -4.0%   |             |
| <i>Construction &amp; development</i>   | \$79                                | \$56                              | -28.6%  |             |
| <i>Closed-end 1-4 family residential</i>  | \$106                               | \$96                              | -9.1%   |             |
| <i>Home equity</i>  | \$31                                | \$30                              | -1.0%   |             |
| <i>Credit card</i>  | \$1                                 | \$1                               | 18.5%   |             |
| <i>Other consumer</i>   | \$3                                 | \$3                               | -5.2%   |             |
| <i>Commercial &amp; Industrial</i>  | \$89                                | \$92                              | 3.4%  |             |
| <i>Commercial real estate</i>   | \$232                               | \$247                             | 6.4%  |             |
| Unused commitments  | \$136                               | \$112                             | -17.2%  |             |
| Securitization outstanding principal  | \$0                                 | \$0                               |   |             |
| Mortgage-backed securities (GSE and private issue)  | \$56                                | \$95                              | 69.4%   |             |
| Asset-backed securities   | \$0                                 | \$0                               |   |             |
| Other securities  | \$27                                | \$59                              | 121.3%  |             |
| Cash & balances due   | \$33                                | \$24                              | -26.5%  |             |
| <b>Residential mortgage originations</b>  |                                     |                                   |   |             |
| <i>Closed-end mortgage originated for sale (quarter)</i>                                    | \$0                                 | \$0                               |   |             |
| <i>Open-end HELOC originated for sale (quarter)</i>   | \$0                                 | \$0                               |   |             |
| <i>Closed-end mortgage originations sold (quarter)</i>                                      | \$0                                 | \$0                               |   |             |
| <i>Open-end HELOC originations sold (quarter)</i>   | \$0                                 | \$0                               |   |             |
| <b>Liabilities</b>  | \$650                               | \$702                             | 7.9%  |             |
| Deposits  | \$556                               | \$632                             | 13.7%   |             |
| Total other borrowings  | \$89                                | \$65                              | -26.9%  |             |
| FHLB advances   | \$68                                | \$48                              | -29.4%  |             |
| <b>Equity</b>   |                                     |                                   |   |             |
| Equity capital at quarter end   | \$61                                | \$64                              | 4.6%  |             |
| Stock sales and transactions with parent holding company (cumulative through calendar year) | \$15                                | \$0                               | NA  |             |
| <b>Performance Ratios</b>   |                                     |                                   |   |             |
| Tier 1 leverage ratio   | 8.5%                                | 8.3%                              | --  |             |
| Tier 1 risk based capital ratio   | 10.6%                               | 11.1%                             | --  |             |
| Total risk based capital ratio  | 11.9%                               | 12.3%                             | --  |             |
| Return on equity <sup>1</sup>   | -17.0%                              | 2.7%                              | --  |             |
| Return on assets <sup>1</sup>   | -1.5%                               | 0.2%                              | --  |             |
| Net interest margin <sup>1</sup>  | 3.2%                                | 3.3%                              | --  |             |
| Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)                                 | 54.6%                               | 84.4%                             | --  |             |
| Loss provision to net charge-offs (qtr)   | 132.7%                              | 148.5%                            | --  |             |
| Net charge-offs to average loans and leases <sup>1</sup>                                    | 2.8%                                | 0.5%                              | --  |             |
| <sup>1</sup> Quarterly, annualized.   |                                     |                                   |   |             |
|   | <b>Noncurrent Loans</b>             |                                   | <b>Gross Charge-Offs</b>                          |             |
| <b>Asset Quality (% of Total Loan Type)</b>   | <b>2009</b>                         | <b>2010</b>                       | <b>2009</b>                                       | <b>2010</b> |
| <i>Construction &amp; development</i>   | 19.6%                               | 11.3%                             | 2.5%  | 1.2%        |
| <i>Closed-end 1-4 family residential</i>  | 2.7%                                | 3.2%                              | 0.9%  | 0.1%        |
| <i>Home equity</i>  | 0.2%                                | 1.8%                              | 0.6%  | 0.0%        |
| <i>Credit card</i>  | 0.0%                                | 0.2%                              | 0.0%  | 0.4%        |
| <i>Other consumer</i>   | 0.7%                                | 0.0%                              | 1.1%  | 0.9%        |
| <i>Commercial &amp; Industrial</i>  | 3.8%                                | 1.5%                              | 0.3%  | 0.0%        |
| <i>Commercial real estate</i>   | 0.5%                                | 0.6%                              | 0.3%  | 0.0%        |
| <i>Total loans</i>  | 4.1%                                | 2.4%                              | 0.7%  | 0.2%        |