Letter from the President

Virginia Community Capital (VCC) reached a big milestone in 2010 as we celebrated our 5th anniversary. When we started our Community Development Financial Institution (CDFI) in 2005, our dreams were big and our resources were, well, fairly small. We’re proud of what we’ve accomplished with the help of our partners, supporters and staff. VCC has grown in so many ways, and we continue to adapt responses to a multitude of needs in the Commonwealth.

As a CDFI, VCC’s mission is to support housing and community development ventures, to increase jobs, and to build sustainable communities by offering flexible financial products and advisory services. There are 930 CDFIs in the United States, and they typically consist of loan funds, venture funds, credit unions and banks. At VCC, we operate a CDFI loan fund and a CDFI bank – Community Capital Bank of Virginia. There are approximately 90 CDFI banks in the nation. The CDFI bank is wholly-owned by VCC, thus VCC is also a non-profit bank holding company. Profits from the CDFI bank are recycled to support the mission of the non-profit CDFI loan fund. There are only a dozen similar holding company structures in the nation. As our banking operations become more successful, they will further our overall community development mission.

As the success of our first five years shows, our unique model is working even during one of the worst economic crises since the Great Depression. As an organization, we’re moving out of “start-up” mode and beginning to make inroads, creating positive change and impact throughout Virginia. VCC is well positioned for the future as we continue to expand and accelerate our growth.

Some key strategic benchmarks that VCC achieved in 2010:
- Community Capital Bank, our CDFI bank, became profitable.
- We officially launched our three lines of business – lending, savings and advisory services.
- We revisited the brand and updated our messaging to better fit the growing organization.

As we celebrate our successes, we also realize there is a lot more work to be done. The VCC staff and board have been developing a three-year strategic plan to lay the path for our continued work. As part of that plan, we hope to double in size and expand the level of our services to many more communities in Virginia. These goals will be reached by being resourceful, flexible and open minded as we develop unique solutions with our dedicated partners.

As you read through this report, you’ll find stories about how VCC’s lines of business and partnership resources work together to provide our clients with innovative solutions. We’ve developed symbols for each of our products, services and partnerships. You will see the usage of these symbols vary and create new solutions designed specifically for each client.

In closing, I thank you for your support and continued partnership. We could not achieve all this without you. It is an honor to be of service to our communities, and I thank you for helping us.

Let’s continue to do more together!

Jane N. Henderson, President & CEO

VCC’s 5 Years of Impact

Lending
- $81.5 million in loans
- Leveraging $192 million in private capital with an economic impact of over $274 million

Affordable Housing
- 3,493 total units
- 1,003 new units; 2,490 rehabbed units

Real Estate Development
- 653,000 square feet of new & rehabbed commercial space
- 3,339,324 square feet of new & rehabbed housing

VCC loans helped build
- 3 new community healthcare centers in medically underserved communities

Job Creation
- 733 total jobs
- 571 new jobs; 162 retained jobs

Advisory Services
- Over 2,250 hours of assistance provided

Leveraged Dollars
- On average, every dollar that VCC invests in a community is leveraged with almost $2.40 of additional funding from other sources
The Need for What We Do

At VCC, we feel there is a need to support key areas which have a profound effect on communities as a whole. These areas include affordable housing, community facilities and small business/job creation.

Affordable Housing
Supporting affordable housing across the state is a primary mission for VCC. Even before the recent recession, there was a huge need. Last year, we reported that half of Virginia’s renters spent more than 30% of their incomes on housing. The effects of a long and deep economic downturn have not helped to improve that number.

While some developers continue the creation or rehabilitation of lower-cost housing, their capital sources have diminished. Subsequently, they have reduced their building activity, further reducing housing choices for lower income families. And, the need to preserve and create more affordable rental options accelerates when housing foreclosures rise.

Many of the existing affordable housing contracts and subsidies between the federal government and private owners are expiring or soon to expire, allowing the owner the option to exit the government program and convert the property to a non-affordable use. In Virginia, 30,000 units are at risk.

“Preservation” is when action is taken to ensure the federal subsidy and affordability restrictions remain in place. VCC is bringing new capital to efforts dedicated to preserving affordable rental units in the Commonwealth.

Community Facilities
Even when affordable housing is available, communities will never thrive unless fundamental services are available for residents. Providing people an affordable place to live is a start, but our mission extends to the neighborhood or community where they live. Without access to jobs and essential services such as daycare, medical care and shopping, communities and the people in them will not enjoy a quality life.

VCC has focused special attention on trying to bring medical care to underserved communities in Virginia. Virginia has 110 designated Medically Underserved Areas (MUA). These areas need additional access to primary medical and dental services. VCC is utilizing its $15 million New Markets Tax Credit allocation to help finance new community healthcare centers in some of these areas.

Small Business & Job Creation
Small businesses employ just over half of all private sector employees and have generated 26% of net new jobs over the past 15 years. Often small businesses or microenterprises employ a larger percentage of individuals with a high school degree or less, teens and people age 65 and older, disabled workers, Latinos, and rural residents. Many small businesses have been drastically affected by the economic downturn with severely diminished sales and reduced access to working capital.

Studies have shown that providing loans and technical assistance to these small businesses and microenterprises has had tremendous impacts on the business owners, employees and their community. For example, through lending and technical assistance efforts, the median revenue for business owners increased 60% and the number of paid workers other than the owner more than doubled from 2.1 workers per business to 5.6.*

VCC is committed and focused on job creation through the support and financing of small businesses. We understand that small businesses drive the prosperity of many of the communities we serve. While we have already helped create over 700 jobs, we hope to expand our impact in this focus area in 2011.


VCC’s Work in Action

VCC’s Work in Action
In the pages that follow, you’ll find examples of how we worked in 2010 to create solutions for affordable housing, community facilities and job creation through community development financing and advisory services. We’ve developed symbols for four key areas of our work to help explain our integrated approach to these solutions. These symbols will allow you to see the unique mix of partners and resources VCC utilizes for community projects:

Areas of Focus
VCC’s mission is to support affordable housing and community development ventures, increase jobs and build sustainable communities by offering flexible financial products and advisory services. VCC works only on projects that fall within this scope, and often projects will encompass more than one key component of the mission. Look for these symbols to see our mission at work.

- Housing
- Small Business/Jobs
- Community Facilities
- Mixed-Use Rehab

Three Types of Service
- Lending

VCC offers broader and more flexible loan capital than traditional bank lending in order to have a positive impact in low-to-moderate income communities or in underserved geographies and markets.

Savings
Community Capital Bank of Virginia (CCB), a VCC subsidiary, is a CDFI bank providing deposit services targeted to individuals, institutional and socially-conscious investors, and community banks. The bank also offers savings and financial education programs to consumers. These deposits support community development lending activity.

Advisory Services
VCC offers advisory services to help small businesses, non-profit organizations and government entities operate more effectively. We focus on organizations that create jobs, develop affordable housing, provide access to critical services such as health care, promote asset building and support economic revitalization.

Partnerships
VCC is passionate about doing more through collaboration. Individually, our skills are limited, but as a collective team, our successes are great. In each story, these symbols will give you an idea of our outside partnerships.

Community Groups
Public Sector
Banks

Multiple Areas of Impact
VCC financing has helped communities throughout the Commonwealth of Virginia. The state symbol shown with each story highlights our reach within the regions we serve.

Region

The Housing Equity Fund of Virginia, XII builds on a strong track record of equity investments for affordable housing and historic rehabilitation for the Commonwealth of Virginia. The Fund is sponsored by the Virginia Community Development Corporation (VCDC), an organization that sponsors and manages tax credit equity funds for bank and corporate investors. Since 1993, the equity funds created through VCDC have provided $260 million in equity investments from 35 corporate investors and provided over 3,600 affordable rental units in approximately 100 properties throughout Virginia.

As Housing Equity Fund XII was being finalized, a need arose for a bridge loan to support financing for the capital contributions of five banks. These banks wanted to partner together to fund affordable real estate projects throughout Virginia for receipt of Federal Low Income Housing Tax Credit benefits and Community Reinvestment Act regulatory credit. VCC provided the bridge loan to allow the partner banks to finalize their investments.

The total amount of the completed Housing Equity Fund was over $20 million. In 2011, the money from these funds will be distributed throughout the Commonwealth to provide over 343 units of affordable housing over the next seven years.

Southside Community Development & Housing Corporation (SCDHC) is a non-profit community organization focused on transforming economically distressed neighborhoods into viable communities by providing quality affordable homes and homeownership counseling services. SCDHC first opened its doors in 1988 to serve the Old South District of Richmond. As the organization grew, it broadened its focus to the greater Richmond area. SCDHC came to VCC for funding for the acquisition and construction of 12 to 15 affordable single family homes annually in Richmond’s “Neighborhoods in Bloom” areas. The Neighborhoods in Bloom strategy was adopted in 1999 to help improve market values and lower crime rates in areas that were receiving grant funding for affordable housing. Since then, over 600 homes have been constructed or rehabilitated, and the violent crime rate has been reduced by 37%.

VCC partnered with SCDHC, the City of Richmond and the Richmond Redevelopment Housing Authority to provide financing for rehabilitation projects, with the HOPE VI Program. VCC extended loans to purchase uninhabited or dilapidated homes and rehabilitate them into attractive and affordable single-family residences. SCDHC rehabbed the homes and worked with potential buyers, providing homeownership counseling and helping applicants secure down payment assistance grants. SCDHC is helping people find homes and secure the financing needed to purchase them. Equally important, SCDHC is helping families realize the dream of homeownership and helping neighborhoods return to vibrant, healthy, supportive places to live and work.
The Eastern Shore of Virginia Broadband Authority (ESVBA) was formed to build and operate a high-performance, open-access, high-quality broadband network to serve the businesses and citizens of the Eastern Shore. Due to the geography of the area, the traditional communications companies had deemed it cost prohibitive to invest in laying broadband lines in the area. Only two portions of two communities had access to broadband services. The rest of the Eastern Shore remained unconnected to the educational and communication benefits of the Internet.

The ESVBA was formed by a joint resolution of the Counties of Accomack and Northampton. Both of these counties have beautiful open space, fertile soil, a relaxed neighborly lifestyle and excellent marine activities. However, they have lost population while the rest of the Chesapeake Bay area has exploded with growth. Opportunities for employment in the counties would help change that trend, and quality broadband telecommunications is essential to economic development and job recruitment.

VCC provided a working capital line of credit to help bridge operating needs of the agency for the next several years. Additional significant resources were provided by NASA and the federal and state governments. This project is scheduled to be completed in three phases by 2012. Once implemented, local businesses can expand their markets, residents will have the ability to learn, shop and work from their homes, and communities will begin to prosper from the resulting economic development.

Tri-Area Community Health Center is a non-profit community healthcare association, operating as a family medical practice in three rural markets in Southwest Virginia. For over 25 years, the organization has provided first class affordable primary healthcare, reducing the incidence of preventable illness and improving patient self-management of treatable health conditions.

In June 2010, Tri-Area opened its newest medical center and on-site pharmacy in Floyd, Virginia to provide vital medical services to low-income and underserved residents of Floyd and Patrick counties. The organization approached VCC in need of permanent financing and working capital to support the new location. VCC was able to offer a creative financing solution through the New Markets Tax Credit (NMTC) Program. The NMTC Program provides tax credit incentives to investors for equity investments in certified Community Development Entities (like VCC) who invest in qualified underserved communities. By utilizing the NMTC Program, the organization was able to optimize their cash resources for ongoing operating needs.

The building Tri-Area operates in Floyd is now financed with long-term, fixed rate debt. More importantly, this healthcare center has created 8 new full-time jobs and has served more than 1,500 patients in the first six months of operation. Tri-Area is demonstrating innovative approaches to the effective delivery of vital healthcare services for the residents of Floyd and Patrick counties.
The Better Housing Coalition (BHC) was founded in 1988 as a non-profit community development corporation. Since then, BHC has constructed and rehabilitated more than 1,400 high quality, affordable apartments and 160 single-family homes in the Greater Richmond region. BHC asked VCC for help financing the purchase of North Oak Apartments, as these rental units were in danger of being converted to market rate housing. VCC provided capital to BHC to purchase and rehabilitate North Oak Apartments utilizing the Preservation Acquisition Loan (PAL) Program. PALs are an extension of first and second mortgage loans to both for-profit and non-profit developers, used to acquire aging properties that need stabilization to keep them from being converted to market rate housing. Essentially, Preservation Acquisition Loans allow affordable units to remain a viable housing option for low-to-moderate income individuals.

The Preservation Acquisition Loan fund is a pool of funding from VCC, other banks, other CDFIs, the Department of Housing and Community Development and Virginia Housing and Development Authority. The fund was initially capitalized in 2008 with $30 million. To date, the PAL fund has been utilized to preserve over 500 rental units. In the North Oak Apartments, BHC acquired and renovated two separate apartment complexes with a total of 118,382 square feet. VCC’s investment improved 184 units of affordable housing in the Richmond community.

For over four decades, SERCAP has earned an international reputation in the field of water and wastewater service delivery. The agency’s mission is “to promote the development of affordable water and wastewater facilities, activities and resources to improve the quality of life for low income rural residents.” Their work to bring safe drinking water to rural, poor residents of Virginia’s Roanoke Valley has grown into an agency that offers safe water and sanitary waste disposal facilities to more than 450,000 households in their current seven-state service area. Services and programs are generally provided at no cost and are funded by federal and state grants.

SERCAP had been a client of VCC’s for many years after borrowing for the purchase and initial development of its headquarters in downtown Roanoke, Virginia. In 2010, SERCAP returned to VCC seeking funding to renovate the facility. When completed, the project will transform an aging building into modern space for the agency’s continued growth and additional employees. With this project, SERCAP is helping to promote jobs and downtown revitalization, as well as continuing their important work ensuring the availability of safe, clean drinking water.
The Center for Community Development, Inc. (CCDI) is a non-profit organization with the goal of rehabilitating communities through home ownership, economic development, and exposure to arts and culture. The organization receives funding through a variety of federal, state and local public and private sources.

CCDI focuses its activities in four main areas:

- **Housing.** CCDI provides affordable housing to low-to-moderate income families by providing down payment and closing cost assistance, as well as home-buyer awareness seminars, home-ownership training and credit counseling classes.
- **Micro-loan Program.** CCDI provides small business loans, training and technical assistance to business owners. CCDI also partners with Wal-Mart to operate their Jobs and Opportunities Zones program.
- **Urban Arts Center (UAC).** The UAC is a community-based performance program involving adults and children in a mutual mentoring experience. Participants range in age from six to sixty-five and learn about the technique, culture and history of art forms including dance, steel drum and African drumming.
- **Earthsong Retreat.** The Earthsong Organic Farm & Retreat Center, started in 2003, teaches meditation, yoga and organic farming. It is situated on over 70 acres in the foothills of the Blue Ridge Mountains in Southwest Virginia.

The majority of CCDI’s income comes from its housing related activities. In 2010, CCDI felt the effects of the economic downturn as it held several unsold redeveloped homes. VCC, through Community Capital Bank, provided an amortizing term loan to fund the agency’s need for working capital.

VCC 2010 Annual Report

Focus Areas

- Housing
- Small Business
- Services Offered
- Lending
- Advisory Services

Region

- Hampton Roads

- Lynchburg

Hilltop Homes, LLC

Lynchburg Neighborhood Development Foundation (LNDF) is a private, non-profit Virginia corporation formed to address multiple housing needs in the Lynchburg area. The goals of the Foundation are to attract more and larger financial investments and resources to the region, and to help existing developers of affordable housing increase their capacities.

The Hilltop Homes project sponsored by LNDF is a scattered-site, multi-family rental project with the goal of improving neighborhoods, providing quality affordable housing, and preserving the existing home stock in several downtown neighborhoods. The project consists of 13 adaptively reused or rehabilitated buildings in Lynchburg that will be turned into 24 affordable housing units.

VCC’s Advisory Services team worked with LNDF on the financial structuring and blending of different sources of government housing money and tax credits. VCC then provided a loan for acquisition and construction financing to complete the funding needs of this project. The majority of the housing units will be priced to meet the affordable housing needs of individuals and families at 40 to 50% of Area Median Income.
Savings

One effect of the recent recession has been re-learning that economizing and saving are important values. Recent studies have shown people have a better chance of breaking the paycheck-to-paycheck lifestyle and improving their overall financial health if they have at least $500 in emergency savings.

At Virginia Community Capital, our work in this area begins on an individual level. In 2010, VCC launched our Savings line of business dedicated to helping individuals make putting aside money a top priority.

Under the guidance of Program Manager Teresa Walker, Community Capital Bank of Virginia (CCB), VCC’s subsidiary CDFI bank, is already actively engaged in several partnerships and financial education initiatives:

VA Savers Club Account
This simple account provides a low-cost way to build savings so individuals establish and achieve financial goals. It features no minimum balance requirements, no monthly service charges, competitive interest rates and FDIC insurance.

Individual Development Accounts (IDAs)
IDAs are savings accounts which provide match savings of up to 2:1 when qualified candidates are saving to purchase a home, pursue an education, or start or expand a small business. In 2010, the Virginia Department of Housing and Community Development (VA-DHCD) approved CCB as a partner to open custodial savings accounts for participants in the Virginia Individual Development Accounts (VIDA) program.

Partnerships and Financial Education Workshops
In 2010, VCC engaged funders, partners and employers to help promote financial education to consumers. These opportunities allowed us to attract new sources of grant funding to support our mission. Some examples of key partnerships include:

- Capital One’s commitment to support the financial needs of our Advisory Services programs and SEEDS small business clients.
- The Mary Reynolds Babcock Foundation’s commitment to a two-year grant to support employer-based programs.
- VCC is a sponsor and supporter of Virginia Saves, a consumer awareness campaign, to encourage individuals and businesses to learn more about the need for adequate savings.
- In the New River Valley, VCC partnered with local non-profit organizations to promote savings and key events targeted toward youth savings initiatives during the annual America Saves Week in February.

In the photo, Kayla Perry of Beans and Rice, and Amanda Wagner of VCC, display newly created “piggy banks” to reinforce savings messages for youth at McHarg Elementary After School Program in Radford.

In a 2010 national survey, America Saves and Experian® found that individuals with credit card, payday loan, and other high-cost consumer debt are more likely to have difficulty saving.

VCC believes in and is committed to helping individuals achieve economic prosperity and social justice. We are proud of our accomplishments toward this goal in 2010. However, there is much work still to do. Consider the following:

- A 2010 survey by America Saves and the American Savings Education Council indicates families with less than $50,000 annual income are at particular risk since they do not have adequate savings to pay for unexpected expenses such as car repairs.
- A 2009 survey conducted by the Federal Deposit Insurance Corporation (FDIC) found 7.7% of all American households and 11.3% of households in cities are “unbanked,” meaning no one in the household has a checking or savings account. In addition, 18% of households are considered “underbanked,” meaning although they have a bank account, they still rely on alternative financial services for certain kinds of transactions.
- Over a career, an average full-time worker who does not have a traditional bank account will spend more than $40,000 on financial services (Fellowes and Mabanta 2008).

As Virginia Community Capital looks to 2011 and beyond, we know savings will be a key strategic initiative in helping us achieve our mission. As a community development bank, we accept deposits from individuals, organizations, and institutional investors as well as other banks. All deposits help us to create or preserve living wage jobs, build or rehabilitate affordable and workforce housing, and help to build or revitalize communities in Virginia.

Let VCC help you reach your savings and investing goals.
Advisory Services

In 2010, Virginia Community Capital launched its Advisory Services line of business with the goal of helping small businesses, nonprofits and government entities operate more effectively and achieve their community development goals.

We also worked to build the capacity of the industry by facilitating collaborative leadership and promoting professional development.

Building Stronger Communities

In 2010, we provided 962 hours of one-on-one technical assistance to organizations and communities that are developing affordable housing, planning revitalization projects or undertaking other community development ventures. Our areas of focus included project feasibility and real estate development planning, financial analysis and forecasting, tax credit strategies and packaging loan requests.

Additionally, VCC began work on a new program to address the need for community planning and development assistance in rural, distressed markets in Virginia. The program will be called Pathfinders and will launch in early 2011 with the selection of two pilot communities in rural Virginia.

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Promoting Collaborative Leadership and Education

VCC has long considered it crucial for Virginia’s community development organizations to work collaboratively in maximizing resources and impact. In 2010, VCC convened three roundtable discussions with over 30 leaders from statewide organizations to examine the capacity building needs and opportunities in Virginia.

In response to the identified needs, VCC partnered with a variety of entities to offer learning opportunities, workshops and scholarships for emerging leaders. Events were held in Richmond, Radford, Martinsville and Staunton and featured such topics as “Working in Teams and Collaborations – Partnering for Success” and “Fine-Tuning the Roadmap for Your Organization’s Future.”

Our year of promoting education and collaborative leadership culminated in a “Boundary Spanning Leadership” training for community development organizations. The session, held the morning of our Fifth Annual Luncheon celebration in December, was facilitated by Chris Ernst, a senior enterprise associate in Research, Innovation & Product Development at the Center for Creative Leadership.

Growing Small Businesses

VCC recognizes that small businesses are driving the economic recovery in Virginia, and we are committed to helping them grow and create new jobs.

In 2010, VCC continued its pilot small business initiative, working in-depth with seven firms that were positioned to take advantage of market opportunities and substantially grow their businesses.

With VCC’s assistance, these small business owners were able to increase efficiency and success. On average, the businesses assisted in 2010 increased their revenues by 74% and increased profitability by over 200%.

Collectively, these firms created 72 new jobs, and they anticipate creating 60 additional new jobs in 2011.

VCC applauds these entrepreneurs for their dedication, hard work and commitment to excellence. During one of this country’s worst economic recessions, they have not only survived, but thrived and successfully grown their businesses.

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### Consolidated Balance Sheets

**December 31**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
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<td></td>
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<tr>
<td>Cash &amp; cash equivalents</td>
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<td>Federal funds sold</td>
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<td>Investments</td>
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<td>Operating reserve</td>
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<td>Loans, net of allowance for loan losses of $795,736 in 2010 and $424,148 in 2009</td>
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<td>Fixed assets, net of depreciation</td>
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<td>Grants receivable</td>
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<td>Other assets</td>
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<td><strong>Total Assets</strong></td>
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<tr>
<th></th>
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<tbody>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
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<tr>
<td>Liabilities</td>
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<td>Noninterest-bearing deposits</td>
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<td>Interest-bearing deposits</td>
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<td>Borrowings</td>
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<td>Other liabilities</td>
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<td><strong>Total Liabilities</strong></td>
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<tr>
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</thead>
<tbody>
<tr>
<td><strong>Net Assets</strong></td>
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<tr>
<td>Unrestricted net assets</td>
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<td>Restricted net assets</td>
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<td>Noncontrolling interest in subsidiary</td>
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<td>Accumulated other comprehensive income (loss)</td>
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<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$70,678,301</td>
<td>$44,928,456</td>
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### Consolidated Income Statements

**Years ended December 31**

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<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTEREST INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and fees on loans</td>
<td>$2,063,677</td>
<td>$932,683</td>
</tr>
<tr>
<td>Investment income</td>
<td>479,967</td>
<td>447,275</td>
</tr>
<tr>
<td><strong>Total Interest Income</strong></td>
<td>2,543,644</td>
<td>1,379,958</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTEREST EXPENSE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense - deposits</td>
<td>486,482</td>
<td>148,095</td>
</tr>
<tr>
<td>Interest expense - borrowings</td>
<td>329,726</td>
<td>253,549</td>
</tr>
<tr>
<td><strong>Total Interest Expense</strong></td>
<td>816,208</td>
<td>401,644</td>
</tr>
<tr>
<td><strong>Net Interest Income</strong></td>
<td>1,727,436</td>
<td>978,314</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROVISION FOR LOAN LOSSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Interest Income After Provision for Loan Losses</td>
<td>366,788</td>
<td>(198,711)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,360,648</td>
<td>1,177,025</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NONINTEREST INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant income</td>
<td>1,112,561</td>
<td>410,883</td>
</tr>
<tr>
<td>Other income</td>
<td>150,575</td>
<td>15,030</td>
</tr>
<tr>
<td><strong>Total Noninterest Income</strong></td>
<td>1,263,136</td>
<td>425,913</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NONINTEREST EXPENSE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>1,468,576</td>
<td>1,153,574</td>
</tr>
<tr>
<td>Management and general services</td>
<td>624,134</td>
<td>493,238</td>
</tr>
<tr>
<td>Income tax expense (benefit)</td>
<td>250,718</td>
<td>(256,335)</td>
</tr>
<tr>
<td><strong>Total Noninterest Expense</strong></td>
<td>2,343,428</td>
<td>1,390,477</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Income</strong></td>
<td>$280,356</td>
<td>$212,461</td>
</tr>
<tr>
<td>Change in accumulated other comprehensive income (loss)</td>
<td>($147,787)</td>
<td>($14,599)</td>
</tr>
<tr>
<td>Change in net assets/net income attributable to minority interest</td>
<td>($1,937)</td>
<td>885</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>$130,632</td>
<td>$198,747</td>
</tr>
</tbody>
</table>
### Our Numbers Tell Our Story

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>2005</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>$15.3</td>
<td>$70.0</td>
</tr>
<tr>
<td>Loan Balances</td>
<td>$5.7</td>
<td>$48.6</td>
</tr>
<tr>
<td>Loan Originations</td>
<td>$0.8</td>
<td>$81.5</td>
</tr>
<tr>
<td>Loan Commitments</td>
<td>$0.8</td>
<td>$106.2</td>
</tr>
<tr>
<td>Loan Delinquencies</td>
<td>$0.6</td>
<td>$0.3</td>
</tr>
<tr>
<td>Total dollars &gt; 30 days</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(% of total portfolio)</td>
<td>11%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Deposits</td>
<td>$0</td>
<td>$37.0</td>
</tr>
</tbody>
</table>

### Service Area

**Communities Served by Virginia Community Capital**

Total Activity as of 12/31/2010

Virginia Regions*

- Affordable Housing
- Economic Development
- Advisory Services
- Savings Programs
- VCC Office
- Community Capital Bank of Virginia

- **Central**
- **Eastern**
- **Hampton Roads**
- **Northern**
- **Richmond**
- **Southwest**
- **Valley**
- **Southside**

*According to the Walden Cooper Center for Public Service*