

**PREMIER VALLEY BANK**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

(Unaudited)  
(In thousands)

	Sept. 30, 2009	Dec. 31, 2008	Sept. 30, 2008
<b>ASSETS</b>			
Cash and due from banks	\$ 9,586	\$ 13,314	\$ 13,477
Federal funds sold and deposits in banks	22,574	1,743	1,481
Total cash and cash equivalents	32,160	15,057	14,958
Investment securities	53,487	66,478	75,472
Loans, less allowance for loan losses	364,183	369,794	361,461
Premises and equipment	3,703	3,980	4,080
Intangible assets	15,021	15,364	15,473
Other assets	18,322	17,461	15,660
	<u>\$486,876</u>	<u>\$488,134</u>	<u>\$487,104</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits			
Noninterest bearing	\$126,681	\$104,773	\$108,771
Interest bearing	293,570	291,138	301,708
Total deposits	420,251	395,911	410,479
Borrowings	-	25,300	12,000
Other liabilities	7,168	10,781	7,112
Total liabilities	427,419	431,992	429,591
Common stock	54,295	52,552	52,202
Retained earnings	5,037	4,123	6,481
Other comprehensive income (loss), net	125	(533)	(1,170)
Total shareholders' equity	59,457	56,142	57,513
	<u>\$486,876</u>	<u>\$488,134</u>	<u>\$487,104</u>

**PREMIER VALLEY BANK**

**CONSOLIDATED FINANCIAL HIGHLIGHTS**

(Unaudited)  
(In thousands, except per share and ratios data)

	Three Months Ended				
	Sept. 30, 2009	June 30, 2009	Mar. 31, 2009	Dec. 31, 2008	Sept. 30, 2008
<b>STATEMENT OF INCOME DATA</b>					
Net interest income	\$ 4,792	\$ 5,017	\$ 5,042	\$ 5,191	\$ 5,140
Provision for loan losses	1,540	1,360	1,390	3,517	913
Noninterest income	639	649	560	735	743
Noninterest expenses	3,471	3,572	3,305	5,757	3,631
Income taxes (benefit)	88	234	301	(1,600)	473
Net income (loss)	332	500	606	(1,748)	866
<b>BALANCE SHEET DATA</b>					
Total assets	\$486,876	\$481,896	\$474,922	\$488,134	\$487,104
Loans, net	364,183	356,820	362,754	369,794	361,461
Investment securities	53,487	58,331	60,065	66,478	75,472
Intangible assets	15,021	15,137	15,249	15,364	15,473
Deposits	420,251	415,776	409,348	395,911	410,479
Shareholders' equity	59,457	57,988	56,555	56,142	57,513
<b>SHARE DATA</b>					
Earnings (loss) per share					
Basic	\$0.03	\$0.04	\$0.05	(\$0.15)	\$0.08
Diluted	\$0.03	\$0.04	\$0.05	(\$0.15)	\$0.08
Book value per share	\$4.91	\$4.85	\$4.77	\$4.75	\$4.89
Tangible book value per share	\$3.67	\$3.58	\$3.48	\$3.45	\$3.57
Average shares outstanding	12,064	11,905	11,783	11,737	11,697
Shares outstanding end of period	12,120	11,958	11,854	11,815	11,770
<b>SELECTED RATIOS</b>					
Net interest margin	4.33%	4.66%	4.68%	4.70%	4.60%
Return on average assets	0.27%	0.42%	0.51%	(1.45%)	0.71%
Return on average equity	2.22%	3.45%	4.34%	(11.89%)	5.87%
Return on average tangible equity	4.00%	5.74%	7.06%	(14.98%)	9.01%
Efficiency ratio	62%	61%	57%	95%	60%
Loans to deposits	88%	88%	90%	95%	90%
Allowance for loan losses to total loans	1.88%	1.94%	1.66%	1.42%	1.77%
Nonperforming assets to total assets	2.35%	2.49%	2.20%	1.91%	2.34%
Net loan losses to average loans	0.45%	0.11%	0.16%	1.30%	0.04%
Equity to assets	12.21%	12.03%	11.91%	11.50%	11.81%
Tier one capital to risk-adjusted assets	10.88%	10.53%	10.29%	9.81%	10.50%

**PREMIER VALLEY BANK**

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(Unaudited)  
(In thousands, except per share data)

	Three Months Ended				
	Sept. 30, 2009	June 30, 2009	Mar. 31, 2009	Dec. 31, 2008	Sept. 30, 2008
<b>INTEREST INCOME</b>					
Loans	\$4,957	\$5,122	\$5,178	\$5,528	\$5,758
Investment securities	694	761	813	919	939
Federal funds sold and deposits in banks	16	34	19	24	61
Total interest income	5,667	5,917	6,010	6,471	6,758
<b>INTEREST EXPENSE</b>					
Deposits	875	900	958	1,266	1,607
Borrowings	-	-	10	14	11
Total interest expense	875	900	968	1,280	1,618
Net interest income	4,792	5,017	5,042	5,191	5,140
Provision for loan losses	1,540	1,360	1,390	3,517	913
Net interest income after provision for loan losses	3,252	3,657	3,652	1,674	4,227
<b>NONINTEREST INCOME</b>					
Service charges	417	375	362	410	407
Other	222	274	198	325	336
Total noninterest income	639	649	560	735	743
<b>NONINTEREST EXPENSES</b>					
Salaries and employee benefits	1,577	1,549	1,631	1,547	2,000
Occupancy and equipment	355	347	354	381	384
Other	1,539	1,676	1,320	3,829	1,247
Total noninterest expenses	3,471	3,572	3,305	5,757	3,631
Income (loss) before income taxes	420	734	907	(3,348)	1,339
Income taxes (benefit)	88	234	301	(1,600)	473
Net income (loss)	\$ 332	\$ 500	\$ 606	(\$1,748)	\$ 866
Basic earnings (loss) per share	\$ 0.03	\$ 0.04	\$ 0.05	(\$ 0.15)	\$ 0.08
Diluted earnings (loss) per share	\$ 0.03	\$ 0.04	\$ 0.05	(\$ 0.15)	\$ 0.08