

PREMIER VALLEY BANK

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)
(In thousands)

	Sep 30, 2010	Dec 31, 2009	Sep 30, 2009
ASSETS			
Cash and due from banks	\$ 8,712	\$ 10,589	\$ 9,586
Federal funds sold and deposits in banks	2,502	104	22,574
Total cash and cash equivalents	11,214	10,693	32,160
Investment securities	69,777	55,811	53,487
Loans, less allowance for loan losses	353,605	366,353	364,183
Premises and equipment	3,223	3,575	3,703
Intangible assets	14,620	14,905	15,021
Other assets	28,100	23,117	18,322
	<u>\$480,539</u>	<u>\$474,454</u>	<u>\$486,876</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits			
Noninterest bearing	\$126,044	\$121,434	\$126,681
Interest bearing	281,510	281,694	293,570
Total deposits	407,554	403,128	420,251
Borrowings	-	5,100	-
Other liabilities	9,304	6,560	7,168
Total liabilities	416,858	414,788	427,419
Common stock	56,248	54,591	54,295
Retained earnings	6,868	5,094	5,037
Other comprehensive income (loss), net	566	(19)	125
Total shareholders' equity	63,682	59,666	59,457
	<u>\$480,539</u>	<u>\$474,454</u>	<u>\$486,876</u>

PREMIER VALLEY BANK

CONSOLIDATED FINANCIAL HIGHLIGHTS

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

	Three Months Ended				
	Sep 30, 2010	Jun 30, 2010	Mar 31, 2010	Dec 31, 2009	Sep 30, 2009
STATEMENT OF INCOME DATA					
Net interest income	\$ 5,053	\$ 5,011	\$ 5,230	\$ 4,854	\$ 4,792
Provision for loan losses	450	1,300	1,351	1,100	1,540
Noninterest income	181	921	871	117	639
Noninterest expenses	3,691	3,513	3,694	3,408	3,471
Income taxes	234	344	317	101	88
Net income	859	775	739	362	332
Pre-tax, pre-provisions/valuation earnings	2,046	2,279	2,503	2,317	2,011
BALANCE SHEET DATA					
Total assets	\$480,539	\$489,368	\$492,650	\$474,454	\$486,876
Loans, net	353,605	358,390	359,169	366,353	364,183
Investment securities	69,777	64,055	53,365	55,811	53,487
Intangible assets	14,620	14,738	14,848	14,905	15,021
Deposits	407,554	414,225	424,189	403,128	420,251
Shareholders' equity	63,682	62,043	60,738	59,666	59,457
SHARE DATA					
Earnings per share:					
Basic	\$ 0.07	\$ 0.06	\$ 0.06	\$ 0.03	\$ 0.03
Diluted	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.03	\$ 0.03
Book value per share*	\$ 4.84	\$ 4.84	\$ 4.78	\$ 4.73	\$ 4.76
Tangible book value per share*	\$ 3.73	\$ 3.69	\$ 3.61	\$ 3.55	\$ 3.56
Average shares outstanding*	12,756	12,636	12,457	12,545	12,429
Shares outstanding end of period*	13,156	12,959	12,830	12,593	12,488
* Adjusted for stock dividends					
SELECTED RATIOS					
Net interest margin	4.54%	4.51%	4.85%	4.34%	4.33%
Return on average assets	0.70%	0.64%	0.62%	0.30%	0.27%
Return on average equity	5.40%	5.06%	4.93%	2.38%	2.22%
Return on average tangible equity	8.00%	7.65%	7.54%	4.16%	4.00%
Efficiency ratio	68%	57%	59%	66%	62%
Loans to deposits	89%	89%	86%	93%	88%
Allowance for loan losses to total loans	2.56%	2.45%	2.05%	1.86%	1.88%
Nonperforming assets to total assets	4.19%	4.28%	2.22%	2.27%	2.35%
Net loan losses to average loans	0.04%	-0.05%	0.22%	1.02%	0.45%
Equity to assets	13.25%	12.68%	12.33%	12.58%	12.21%
Tier one capital to risk-adjusted assets	11.99%	11.58%	11.14%	10.70%	10.88%

PREMIER VALLEY BANK

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended				
	Sep 30, 2010	Jun 30, 2010	Mar 31, 2010	Dec 31, 2009	Sep 30, 2009
INTEREST INCOME					
Loans	\$5,021	\$4,993	\$5,263	\$4,988	\$4,957
Investment securities	710	710	687	673	694
Federal funds sold and deposits in banks	11	8	6	12	16
Total interest income	5,742	5,711	5,956	5,673	5,667
INTEREST EXPENSE					
Deposits	689	698	723	819	875
Borrowings	-	2	3	-	-
Total interest expense	689	700	726	819	875
Net interest income	5,053	5,011	5,230	4,854	4,792
Provision for loan losses	450	1,300	1,351	1,100	1,540
Net interest income after provision for loan losses	4,603	3,711	3,879	3,754	3,252
NONINTEREST INCOME					
Service charges	408	427	431	446	417
Other	(227)	494	440	(329)	222
Total noninterest income	181	921	871	117	639
NONINTEREST EXPENSES					
Salaries and employee benefits	1,846	1,708	1,943	1,516	1,577
Occupancy and equipment	356	455	379	436	355
Other	1,489	1,350	1,372	1,456	1,539
Total noninterest expenses	3,691	3,513	3,694	3,408	3,471
Income before income taxes	1,093	1,119	1,056	463	420
Income taxes	234	344	317	101	88
Net income	\$ 859	\$ 775	\$ 739	\$ 362	\$ 332
Basic earnings per share	\$ 0.07	\$ 0.06	\$ 0.06	\$ 0.03	\$ 0.03
Diluted earnings per share	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.03	\$ 0.03