

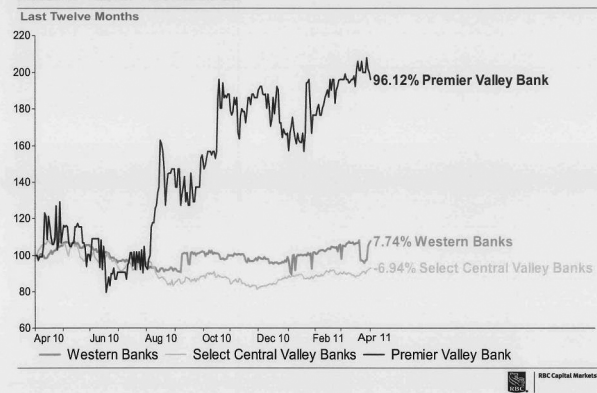
PREMIER VALLEY BANK

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)
(In thousands)

	Mar 31, 2011	Dec 31, 2010	Mar 31, 2010
ASSETS			
Cash and due from banks	\$ 7,886	\$ 10,654	\$ 9,273
Federal funds sold and deposits in banks	<u>41,008</u>	<u>311</u>	<u>29,132</u>
Total cash and cash equivalents	48,894	10,965	38,405
Investment securities	65,794	66,768	53,365
Loans, less allowance for loan losses	331,852	347,743	359,169
Premises and equipment	3,162	3,170	3,500
Intangible assets	14,391	14,502	14,848
Other assets	<u>28,761</u>	<u>28,916</u>	<u>23,363</u>
	<u>\$492,854</u>	<u>\$472,064</u>	<u>\$492,650</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits			
Noninterest bearing	\$133,986	\$126,192	\$128,799
Interest bearing	<u>287,256</u>	<u>273,364</u>	<u>295,390</u>
Total deposits	421,242	399,556	424,189
Borrowings			
	-	-	-
Other liabilities	<u>8,642</u>	<u>9,681</u>	<u>7,723</u>
Total liabilities	429,884	409,237	431,912
Common stock	55,332	55,787	55,103
Retained earnings	7,422	6,846	5,510
Other comprehensive income, net	<u>216</u>	<u>194</u>	<u>125</u>
Total shareholders' equity	<u>62,970</u>	<u>62,827</u>	<u>60,738</u>
	<u>\$492,854</u>	<u>\$472,064</u>	<u>\$492,650</u>

Relative Stock Performance



PREMIER VALLEY BANK

CONSOLIDATED FINANCIAL HIGHLIGHTS

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

	Three Months Ended				
	Mar 31, 2011	Dec 31, 2010	Sep 30, 2010	Jun 30, 2010	Mar 31, 2010
STATEMENT OF INCOME DATA					
Net interest income	\$ 4,783	\$ 4,913	\$ 5,053	\$ 5,011	\$ 5,230
Provision for loan losses	450	319	450	1,300	1,351
Noninterest income	744	312	181	921	871
Noninterest expenses	3,460	4,729 ¹⁾	3,691	3,513	3,694
Income taxes	470	(854)	234	344	317
Net income	1,147	1,031	859	775	739
BALANCE SHEET DATA					
Total assets	\$492,854	\$472,064	\$480,539	\$489,368	\$492,650
Loans, net	331,852	347,743	353,605	358,390	359,169
Investment securities	65,794	66,768	69,777	64,055	53,365
Intangible assets	14,391	14,502	14,620	14,738	14,848
Deposits	421,242	399,556	407,554	414,225	424,189
Shareholders' equity	62,970	62,827	63,682	62,043	60,738
SHARE DATA					
Earnings per share:					
Basic	\$ 0.09	\$ 0.08	\$ 0.07	\$ 0.06	\$ 0.06
Diluted	\$ 0.09	\$ 0.08	\$ 0.06	\$ 0.06	\$ 0.06
Book value per share*	\$ 4.81	\$ 4.82	\$ 4.84	\$ 4.84	\$ 4.78
Tangible book value per share*	\$ 3.71	\$ 3.71	\$ 3.73	\$ 3.69	\$ 3.61
Average shares outstanding*	12,971	12,929	12,756	12,636	12,457
Shares outstanding end of period*	13,112	13,032	13,156	12,959	12,830
* Adjusted for stock dividends					
SELECTED RATIOS					
Net interest margin	4.48%	4.44%	4.54%	4.51%	4.85%
Return on average assets	0.97%	0.84%	0.70%	0.64%	0.62%
Return on average equity	7.32%	6.43%	5.40%	5.06%	4.93%
Return on average tangible equity	10.39%	9.29%	8.00%	7.65%	7.54%
Efficiency ratio	61%	83%	68%	57%	59%
Loans to deposits	81%	89%	89%	89%	86%
Allowance for loan losses to total loans	2.75%	2.60%	2.56%	2.45%	2.05%
Nonperforming assets to total assets	4.08%	4.28%	4.19%	4.28%	2.22%
Net loan losses (recoveries) to average loans	0.10%	0.09%	0.04%	(0.05)%	0.22%
Equity to assets	12.78%	13.31%	13.25%	12.68%	12.33%
Tier one capital to risk-adjusted assets	13.23%	12.61%	11.99%	11.58%	11.14%

1) Includes other-than-temporary impairment charges of \$1,081 for the quarter ended December 31, 2010.

PREMIER VALLEY BANK

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended				
	Mar 31, 2011	Dec 31, 2010	Sep 30, 2010	Jun 30, 2010	Mar 31, 2010
INTEREST INCOME					
Loans	\$4,663	\$4,875	\$5,021	\$4,993	\$5,263
Investment securities	662	675	710	710	687
Federal funds sold and deposits in banks	<u>13</u>	<u>7</u>	<u>11</u>	<u>8</u>	<u>6</u>
Total interest income	5,338	5,557	5,742	5,711	5,956
INTEREST EXPENSE					
Deposits	555	644	689	698	723
Borrowings	-	-	-	<u>2</u>	<u>3</u>
Total interest expense	555	644	689	700	726
Net interest income	4,783	4,913	5,053	5,011	5,230
Provision for loan losses	<u>450</u>	<u>319</u>	<u>450</u>	<u>1,300</u>	<u>1,351</u>
Net interest income after provision for loan losses	4,333	4,594	4,603	3,711	3,879
NONINTEREST INCOME					
Service charges	382	381	408	427	431
Other	<u>362</u>	<u>(69)</u>	<u>227</u>	<u>494</u>	<u>440</u>
Total noninterest income	744	312	181	921	871
NONINTEREST EXPENSES					
Salaries and employee benefits	1,837	1,748	1,846	1,708	1,943
Occupancy and equipment	312	325	356	455	379
Other	<u>1,311</u>	<u>2,656</u> ¹⁾	<u>1,489</u>	<u>1,350</u>	<u>1,372</u>
Total noninterest expenses	<u>3,460</u>	<u>4,729</u>	<u>3,691</u>	<u>3,513</u>	<u>3,694</u>
Income before income taxes	1,617	177	1,093	1,119	1,056
Income taxes (benefit)	<u>470</u>	<u>(854)</u>	<u>234</u>	<u>344</u>	<u>317</u>
Net income	<u>\$1,147</u>	<u>\$1,031</u>	<u>\$859</u>	<u>\$775</u>	<u>\$739</u>
Basic earnings per share	<u>\$0.09</u>	<u>\$0.08</u>	<u>\$0.07</u>	<u>\$0.06</u>	<u>\$0.06</u>
Diluted earnings per share	<u>\$0.09</u>	<u>\$0.08</u>	<u>\$0.06</u>	<u>\$0.06</u>	<u>\$0.06</u>

Net Income/Earnings Per Share

(In Thousands) (Basic)

