

PREMIER VALLEY BANK

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)
(In thousands)

	Sep 30, 2011	Dec 31, 2010	Sep 30, 2010
ASSETS			
Cash and due from banks	\$ 10,270	\$ 10,654	\$ 8,712
Federal funds sold and deposits in banks	15,423	311	2,502
Total cash and cash equivalents	25,693	10,965	11,214
Investment securities	97,046	66,768	69,777
Loans, less allowance for loan losses	346,079	347,743	353,605
Premises and equipment	3,085	3,170	3,223
Intangible assets	14,339	14,502	14,620
Other assets	25,054	28,916	28,100
	<u>\$511,296</u>	<u>\$472,064</u>	<u>\$480,539</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits			
Noninterest bearing	\$139,294	\$126,192	\$126,044
Interest bearing	296,639	273,364	281,510
Total deposits	435,933	399,556	407,554
Borrowings			
	-	-	-
Other liabilities	11,157	9,681	9,304
Total liabilities	447,090	409,237	416,858
Common stock			
	54,400	55,787	56,248
Retained earnings			
	8,642	6,846	6,868
Other comprehensive income, net			
	1,164	194	566
Total shareholders' equity	64,206	62,827	63,682
	<u>\$511,296</u>	<u>\$472,064</u>	<u>\$480,539</u>

Relative Stock Performance

Last Fifteen Months



PREMIER VALLEY BANK

CONSOLIDATED FINANCIAL HIGHLIGHTS

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

	Three Months Ended				
	Sep 30, 2011	Jun 30, 2011	Mar 31, 2011	Dec 31, 2010	Sep 30, 2010
STATEMENT OF INCOME DATA					
Net interest income	\$ 5,118	\$ 4,798	\$ 4,783	\$ 4,913	\$ 5,053
Provision for loan losses	-	-	450	319	450
Noninterest income	141 ²⁾	1,111	744	312	181
Noninterest expenses	3,414	3,553	3,460	4,729 ¹⁾	3,691
Income taxes	666	827	470	(854)	234
Net income	1,179	1,529	1,147	1,031	859
BALANCE SHEET DATA					
Total assets	\$511,296	\$497,258	\$492,854	\$472,064	\$480,539
Loans, net	346,079	335,850	331,852	347,743	353,605
Investment securities	97,046	96,158	65,794	66,768	69,777
Intangible assets	14,339	14,358	14,391	14,502	14,620
Deposits	435,933	424,026	421,242	399,556	407,554
Shareholders' equity	64,206	63,808	62,970	62,827	63,682
SHARE DATA					
Earnings per share:					
Basic	\$ 0.09	\$ 0.12	\$ 0.09	\$ 0.08	\$ 0.07
Diluted	\$ 0.09	\$ 0.11	\$ 0.09	\$ 0.08	\$ 0.06
Book value per share	\$ 4.97	\$ 4.89	\$ 4.81	\$ 4.82	\$ 4.84
Tangible book value per share	\$ 3.86	\$ 3.79	\$ 3.71	\$ 3.71	\$ 3.73
Average shares outstanding	12,810	12,992	12,971	12,929	12,756
Shares outstanding end of period	12,906	13,035	13,112	13,032	13,156
SELECTED RATIOS					
Net interest margin	4.46%	4.39%	4.48%	4.44%	4.54%
Return on average assets	0.94%	1.27%	0.97%	0.84%	0.70%
Return on average equity	7.24%	9.65%	7.32%	6.43%	5.40%
Return on average tangible equity	10.21%	13.37%	10.39%	9.29%	8.00%
Efficiency ratio	63%	59%	61%	83%	68%
Loans to deposits	81%	81%	81%	89%	89%
Allowance for loan losses to total loans	1.97%	2.70%	2.75%	2.60%	2.56%
Nonperforming assets to total assets	3.11%	3.75%	4.08%	4.28%	4.19%
Net loan losses to average loans	0.67%	0.02%	0.10%	0.09%	0.04%
Equity to assets	12.56%	12.83%	12.78%	13.31%	13.25%
Tier one capital to risk-adjusted assets	13.15%	13.25%	13.23%	12.61%	11.99%

1) Includes other-than-temporary impairment charges of \$1,081.

2) Includes OREO valuation adjustment of \$1,072.

PREMIER VALLEY BANK

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended				
	Sep 30, 2011	Jun 30, 2011	Mar 31, 2011	Dec 31, 2010	Sep 30, 2010
INTEREST INCOME					
Loans	\$4,693	\$4,517	\$4,663	\$4,875	\$5,021
Investment securities	778	759	662	675	710
Federal funds sold and deposits in banks	10	14	13	7	11
Total interest income	5,481	5,290	5,338	5,557	5,742
INTEREST EXPENSE					
Deposits	363	492	555	644	689
Borrowings	-	-	-	-	-
Total interest expense	363	492	555	644	689
Net interest income	5,118	4,798	4,783	4,913	5,053
Provision for loan losses	-	-	450	319	450
Net interest income after provision for loan losses	5,118	4,798	4,333	4,594	4,603
NONINTEREST INCOME					
Service charges	356	391	382	381	408
Other	(215) ²⁾	720	362	(69)	227
Total noninterest income	141	1,111	744	312	181
NONINTEREST EXPENSES					
Salaries and employee benefits	1,880	1,808	1,837	1,748	1,846
Occupancy and equipment	295	281	312	325	356
Other	1,239	1,464	1,311	2,656 ¹⁾	1,489
Total noninterest expenses	3,414	3,553	3,460	4,729	3,691
Income before income taxes	1,845	2,356	1,617	177	1,093
Income taxes (benefit)	666	827	470	(854)	234
Net income	\$1,179	\$1,529	\$1,147	\$1,031	\$ 859
Basic earnings per share	\$ 0.09	\$ 0.12	\$ 0.09	\$ 0.08	\$ 0.07
Diluted earnings per share	\$ 0.09	\$ 0.11	\$ 0.09	\$ 0.08	\$ 0.06

Net Income/Earnings Per Share

