

PREMIER VALLEY BANK

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)
(In thousands)

	Jun 30, <u>2010</u>	Dec 31, <u>2009</u>	Jun 30, <u>2009</u>
ASSETS			
Cash and due from banks	\$ 9,409	\$ 10,589	\$ 11,772
Federal funds sold and deposits in banks	<u>10,288</u>	<u>104</u>	<u>17,235</u>
Total cash and cash equivalents	19,697	10,693	29,007
Investment securities	64,055	55,811	58,331
Loans, less allowance for loan losses	358,390	366,353	356,820
Premises and equipment	3,431	3,575	3,807
Intangible assets	14,738	14,905	15,137
Other assets	<u>29,057</u>	<u>23,117</u>	<u>18,794</u>
	<u>\$489,368</u>	<u>\$474,454</u>	<u>\$481,896</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits			
Noninterest bearing	\$127,543	\$121,434	\$122,937
Interest bearing	<u>286,682</u>	<u>281,694</u>	<u>292,839</u>
Total deposits	414,225	403,128	415,776
Borrowings			
	4,425	5,100	-
Other liabilities			
	<u>8,675</u>	<u>6,560</u>	<u>8,132</u>
Total liabilities	422,700	409,188	423,908
Common stock			
	55,758	54,591	53,400
Retained earnings			
	6,010	5,094	5,389
Other comprehensive income (loss), net			
	<u>275</u>	<u>(19)</u>	<u>(801)</u>
Total shareholders' equity	<u>62,043</u>	<u>59,666</u>	<u>57,988</u>
	<u>\$489,368</u>	<u>\$474,454</u>	<u>\$481,896</u>

PREMIER VALLEY BANK

CONSOLIDATED FINANCIAL HIGHLIGHTS

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

	Three Months Ended				
	Jun 30, <u>2010</u>	Mar 31, <u>2010</u>	Dec 31, <u>2009</u>	Sep 30, <u>2009</u>	Jun 30, <u>2009</u>
STATEMENT OF INCOME DATA					
Net interest income	\$ 5,011	\$ 5,230	\$ 4,854	\$ 4,792	\$ 5,017
Provision for loan losses	1,300	1,351	1,100	1,540	1,360
Noninterest income	921	871	117	639	649
Noninterest expenses	3,513	3,694	3,408	3,471	3,572
Income taxes	344	317	101	88	234
Net income	775	739	362	332	500
BALANCE SHEET DATA					
Total assets	\$489,368	\$492,650	\$474,454	\$486,876	\$481,896
Loans, net	358,390	359,169	366,353	364,183	356,820
Investment securities	64,055	53,365	55,811	53,487	58,331
Intangible assets	14,738	14,848	14,905	15,021	15,137
Deposits	414,225	424,189	403,128	420,251	415,776
Shareholders' equity	62,043	60,738	59,666	59,457	57,988
SHARE DATA					
Earnings per share:					
Basic	\$ 0.06	\$ 0.06	\$ 0.03	\$ 0.03	\$ 0.04
Diluted	\$ 0.06	\$ 0.06	\$ 0.03	\$ 0.03	\$ 0.04
Book value per share*	\$ 4.84	\$ 4.78	\$ 4.73	\$ 4.76	\$ 4.66
Tangible book value per share*	\$ 3.69	\$ 3.61	\$ 3.55	\$ 3.56	\$ 3.44
Average shares outstanding*	12,636	12,457	12,545	12,429	12,390
Shares outstanding end of period*	12,959	12,830	12,593	12,488	12,443
* Adjusted for stock dividends					
SELECTED RATIOS					
Net interest margin	4.51%	4.85%	4.34%	4.33%	4.66%
Return on average assets	0.64%	0.62%	0.30%	0.27%	0.42%
Return on average equity	5.06%	4.93%	2.38%	2.22%	3.45%
Return on average tangible equity	7.65%	7.54%	4.16%	4.00%	5.74%
Efficiency ratio	57%	59%	66%	62%	61%
Loans to deposits	89%	86%	93%	88%	88%
Allowance for loan losses to total loans	2.45%	2.05%	1.86%	1.88%	1.94%
Nonperforming assets to total assets	4.28%	2.22%	2.27%	2.35%	2.49%
Net loan losses to average loans	-0.05%	0.22%	1.02%	0.45%	0.11%
Equity to assets	12.68%	12.33%	12.58%	12.21%	12.03%
Tier one capital to risk-adjusted assets	11.58%	11.14%	10.70%	10.88%	10.53%

PREMIER VALLEY BANK

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended				
	Jun 30, <u>2010</u>	Mar 31, <u>2010</u>	Dec 31, <u>2009</u>	Sep 30, <u>2009</u>	Jun 30, <u>2009</u>
INTEREST INCOME					
Loans	\$4,993	\$5,263	\$4,988	\$4,957	\$5,122
Investment securities	710	687	673	694	761
Federal funds sold and deposits in banks	<u>8</u>	<u>6</u>	<u>12</u>	<u>16</u>	<u>34</u>
Total interest income	5,711	5,956	5,673	5,667	5,917
INTEREST EXPENSE					
Deposits	698	723	819	875	900
Borrowings	<u>2</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total interest expense	700	726	819	875	900
Net interest income	5,011	5,230	4,854	4,792	5,017
Provision for loan losses					
	<u>1,300</u>	<u>1,351</u>	<u>1,100</u>	<u>1,540</u>	<u>1,360</u>
Net interest income after provision for loan losses	3,711	3,879	3,754	3,252	3,657
NONINTEREST INCOME					
Service charges	427	431	446	417	375
Other	<u>494</u>	<u>440</u>	<u>(329)</u>	<u>222</u>	<u>274</u>
Total noninterest income	921	871	117	639	649
NONINTEREST EXPENSES					
Salaries and employee benefits	1,708	1,943	1,516	1,577	1,549
Occupancy and equipment	455	379	436	355	347
Other	<u>1,350</u>	<u>1,372</u>	<u>1,456</u>	<u>1,539</u>	<u>1,676</u>
Total noninterest expenses	<u>3,513</u>	<u>3,694</u>	<u>3,408</u>	<u>3,471</u>	<u>3,572</u>
Income before income taxes	1,119	1,056	463	420	734
Income taxes					
	<u>344</u>	<u>317</u>	<u>101</u>	<u>88</u>	<u>234</u>
Net income	<u>\$ 775</u>	<u>\$ 739</u>	<u>\$ 362</u>	<u>\$ 332</u>	<u>\$ 500</u>
Basic earnings per share					
	<u>\$ 0.06</u>	<u>\$ 0.06</u>	<u>\$ 0.03</u>	<u>\$ 0.03</u>	<u>\$ 0.04</u>
Diluted earnings per share					
	<u>\$ 0.06</u>	<u>\$ 0.06</u>	<u>\$ 0.03</u>	<u>\$ 0.03</u>	<u>\$ 0.04</u>