



July 28, 2010

Dear Fellow Shareholder:

You will find enclosed Premier Valley Bank's Letter to Shareholders for the 2nd Quarter of 2010. And, on the heels of our Annual Meeting of Shareholders held on July 26, 2010, we wanted to take this opportunity to share with you some of the good news from that meeting. To reinforce this message, selected slides from the Shareholder presentation are enclosed for your reference. The content of this letter, as well as the enclosed information, should be viewed in the context of the enclosed "Disclaimer" slide which describes and explains forward-looking statements.

THE CASE FOR PREMIER VALLEY BANK

The Letter to Shareholders will tell you that Premier Valley Bank recently reported a 71% increase in first half 2010 earnings. The enclosed slides quote experts as saying that community banks in general were better positioned than their larger competitors as this recession began, and remain so as the recovery unfolds. You will further see that Premier Valley Bank continues to generate strong core earnings and was recently ranked 25th among California's 256 banks in overall performance. Although 22 of the 28 California banks with assets between \$250 million and \$500 million (our peer group) have reported negative or negligible earnings, your Bank has consistently reported quarterly and annual earnings (sustainability). And, the quality of our earnings is getting better and better. While potential loan losses could present an on going challenge, our belief is that this challenge is behind us for the most part.

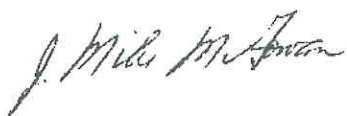
So, you may ask, why the low valuation of Premier Valley Bank stock (OTC Bulletin Board PVLY)? Good question, the answer to which defies logic. A top 10% performing California bank with 1) a significantly improving and sustainable earnings record; 2) a 71% increase in first half earnings; 3) a highly experienced management team; 4) a fully committed Board; and 5) an abundance of capital trading around 46% of book value (61% of tangible book value) makes no sense. Yes, the capital markets have been squeamish and community banks (indeed most financial services companies) are out of favor, but one could turn out the lights and realize more value than currently being assigned by the markets to most community banks, including PVLY. Please refer to the enclosed "Market Capitalization" slide which delineates Premier Valley Bank's book value and tangible book value, including on a per share basis.

Fellow Shareholder
July 28, 2010
Page two

Generally speaking, it is impossible to determine how markets establish value at any given point in time. Perhaps PVLV is being painted with a broad brush across the banking sector, with no differentiation as to our performance or the outlook. Perhaps it is simply a case of the interested sellers outnumbering the interested buyers. Whatever the case, it is often practical to estimate when market determined values have reached a disconnect from reality (the facts). To us, this appears to be such a time.

Conservatively managing our way through these turbulent times, Premier Valley Bank has taken the appropriate steps to fortify its balance sheet, enhance its earnings stream and shore up its capital levels. Although the economic pundits continue to predict a slow recovery from this recession, with daunting challenges ahead for all of us, we believe that Premier Valley Bank has the worst of the effects behind us. We are up to the challenges of the future and look forward to further rewarding your patience as a shareholder. As always, please feel free to contact me should you have any questions.

Yours very truly,



J. Mike McGowan
President and CEO

NOTE: You may obtain a complete copy of the presentation at the 2010 Annual Meeting of Shareholders at www.premiervalleybank.com or by contacting Becky Lingar, Assistant Corporate Secretary, at rlingar@premiervalleybank.com or (559) 256-6414.