

PREMIER VALLEY BANK

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)
(In thousands)

	June 30, <u>2009</u>	Dec. 31, <u>2008</u>	June 30, <u>2008</u>
ASSETS			
Cash and due from banks	\$ 11,772	\$ 13,314	\$ 11,699
Federal funds sold and deposits in banks	<u>17,235</u>	<u>1,743</u>	<u>21,043</u>
Total cash and cash equivalents	29,007	15,057	32,742
Investment securities	58,331	66,478	80,362
Loans, less allowance for loan losses	356,820	369,794	344,668
Premises and equipment	3,807	3,980	4,191
Intangible assets	15,137	15,364	15,584
Other assets	<u>18,794</u>	<u>17,461</u>	<u>14,523</u>
	<u>\$481,896</u>	<u>\$488,134</u>	<u>\$492,070</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits			
Noninterest bearing	\$122,937	\$104,773	\$111,887
Interest bearing	<u>292,839</u>	<u>291,138</u>	<u>316,482</u>
Total deposits	415,776	395,911	428,369
Borrowings	-	25,300	-
Other liabilities	<u>8,132</u>	<u>10,781</u>	<u>5,415</u>
Total liabilities	423,908	431,992	433,784
Common stock	53,400	52,552	52,169
Retained earnings	5,389	4,123	6,274
Other comprehensive income (loss), net	<u>(801)</u>	<u>(533)</u>	<u>(157)</u>
Total shareholders' equity	<u>57,988</u>	<u>56,142</u>	<u>58,286</u>
	<u>\$481,896</u>	<u>\$488,134</u>	<u>\$492,070</u>

PREMIER VALLEY BANK

CONSOLIDATED FINANCIAL HIGHLIGHTS

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

	Three Months Ended				
	Jun. 30, <u>2009</u>	Mar. 31, <u>2009</u>	Dec. 31, <u>2008</u>	Sept. 30, <u>2008</u>	Jun. 30, <u>2008</u>
STATEMENT OF INCOME DATA					
Net interest income	\$ 5,017	\$ 5,042	\$ 5,191	\$ 5,140	\$ 5,044
Provision for loan losses	1,360	1,390	3,517	913	675
Noninterest income	649	560	735	743	735
Noninterest expenses	3,572	3,305	5,757	3,631	3,735
Income taxes (benefit)	234	301	-1,600	473	494
Net income (loss)	500	606	-1,748	866	875
BALANCE SHEET DATA					
Total assets	\$481,896	\$474,922	\$488,134	\$487,104	\$492,070
Loans, net	356,820	362,754	369,794	361,461	344,668
Investment securities	58,331	60,065	66,478	75,472	80,362
Intangible assets	15,137	15,249	15,364	15,473	15,584
Deposits	415,776	409,348	395,911	410,479	428,369
Shareholders' equity	57,988	56,555	56,142	57,513	58,286
SHARE DATA					
Earnings (loss) per share					
Basic	\$0.04	\$0.05	(\$0.15)	\$0.08	\$0.07
Diluted	\$0.04	\$0.05	(\$0.15)	\$0.08	\$0.07
Book value per share	\$4.85	\$4.77	\$4.75	\$4.89	\$4.96
Tangible book value per share	\$3.58	\$3.48	\$3.45	\$3.57	\$3.64
Average shares outstanding	11,905	11,783	11,737	11,697	11,710
Shares outstanding end of period	11,958	11,854	11,815	11,770	11,747
SELECTED RATIOS					
Net interest margin	4.66%	4.68%	4.70%	4.60%	4.57%
Return on average assets	0.42%	0.51%	-1.45%	0.71%	0.73%
Return on average equity	3.47%	4.34%	-11.89%	5.87%	5.94%
Return on average tangible equity	5.78%	7.06%	-14.98%	9.01%	9.10%
Efficiency ratio	61%	57%	95%	60%	63%
Loans to deposits	88%	90%	95%	90%	82%
Allowance for loan losses to total loans	1.94%	1.66%	1.42%	1.77%	1.65%
Nonperforming assets to total assets	2.49%	2.20%	1.91%	2.34%	1.78%
Net loan losses to average loans	0.11%	0.16%	1.30%	0.04%	0.03%
Equity to assets	12.03%	11.91%	11.50%	11.81%	11.85%
Tier one capital to risk-adjusted assets	10.53%	10.29%	9.81%	10.50%	10.73%

PREMIER VALLEY BANK

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended				
	June 30, <u>2009</u>	Mar. 31, <u>2009</u>	Dec. 31, <u>2008</u>	Sept. 30, <u>2008</u>	June 30, <u>2008</u>
INTEREST INCOME					
Loans	\$5,122	\$5,178	\$5,528	\$5,758	\$5,670
Investment securities	761	813	919	939	1,081
Federal funds sold and deposits in banks	<u>34</u>	<u>19</u>	<u>24</u>	<u>61</u>	<u>118</u>
Total interest income	5,917	6,010	6,471	6,758	6,869
INTEREST EXPENSE					
Deposits	900	958	1,266	1,607	1,818
Borrowings	-	10	14	11	7
Total interest expense	900	968	1,280	1,618	1,825
Net interest income	5,017	5,042	5,191	5,140	5,044
Provision for loan losses	<u>1,360</u>	<u>1,390</u>	<u>3,517</u>	<u>913</u>	<u>675</u>
Net interest income after provision for loan losses	3,657	3,652	1,674	4,227	4,369
NONINTEREST INCOME					
Service charges	375	362	410	407	380
Other	<u>274</u>	<u>198</u>	<u>325</u>	<u>336</u>	<u>355</u>
Total noninterest income	649	560	735	743	735
NONINTEREST EXPENSES					
Salaries and employee benefits	1,549	1,631	1,547	2,000	2,110
Occupancy and equipment	347	354	381	384	380
Other	<u>1,676</u>	<u>1,320</u>	<u>3,829</u>	<u>1,247</u>	<u>1,245</u>
Total noninterest expenses	<u>3,572</u>	<u>3,305</u>	<u>5,757</u>	<u>3,631</u>	<u>3,735</u>
Income (loss) before income taxes	734	907	(3,348)	1,339	1,369
Income taxes (benefit)	<u>234</u>	<u>301</u>	<u>(1,600)</u>	<u>473</u>	<u>494</u>
Net income (loss)	<u>\$ 500</u>	<u>\$ 606</u>	<u>(\$1,748)</u>	<u>\$ 866</u>	<u>\$ 875</u>
Basic earnings (loss) per share	<u>\$ 0.04</u>	<u>\$ 0.05</u>	<u>(\$ 0.15)</u>	<u>\$ 0.08</u>	<u>\$ 0.07</u>
Diluted earnings (loss) per share	<u>\$ 0.04</u>	<u>\$ 0.05</u>	<u>(\$ 0.15)</u>	<u>\$ 0.08</u>	<u>\$ 0.07</u>