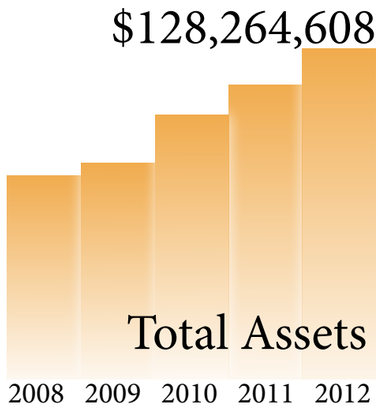
ANNUAL REVIEW 2012

WE ARE ALL IN THIS TOGETHER....

Golden Valley
BANK

ABSOLUTELY OUTSTANDING CUSTOMER SERVICE

GROWING AND BUILDING ON OUR SUCCESS



Message From the President

Fellow Shareholders and Partners,

2012 was a great year for our Bank!

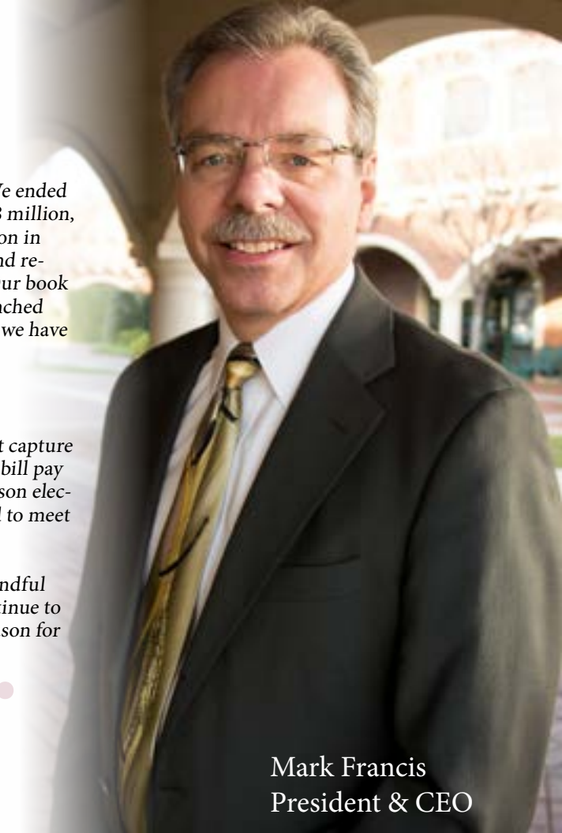
We earned over $1 million in net income with a 47% increase in pre-tax income. We ended the year with $84 million in gross loans, $110 million in deposits and assets of $128 million, all over budget and double digit increases from 2011. We originated over $54 million in new home mortgages and $29 million in other loans. We paid our first dividend and re-purchased 45,822 shares, both providing immediate benefit to our shareholders. Our book value ended at $8.48 and along with the $.10 dividend is up 7% from 2011. We launched e-statements, e-alerts, mobile banking and many other technology upgrades. And we have assembled the best staff we've had since opening the Bank.

It truly was a great year.

In 2013 we expect additional electronic banking upgrades including mobile deposit capture (taking a picture of checks and depositing them using your cell phone) and mobile bill pay as well as a new upgrade to our overall bill pay system that will allow person to person electronic payments. We are determined to do our best to stay up with technology and to meet customer expectations.

While it appears that the economy is on an upswing, we are still concerned and mindful of the depth of the recovery and are preparing and responding cautiously. We continue to recognize that our core group of customers and partners, our Founders, are the reason for our success and we value your continued support.

We are well on our way to being the Best Bank in Town!



Mark Francis
President & CEO

*Because of our personal experiences as a business, we have grown to truly **value** the service we receive at Golden Valley Bank. At Newton Bracewell Funeral Homes, we have had the opportunity of learning the **power and strength** of building relationships in our community. It really is what a Community Bank is all about.*

*My first loan interaction with our Relationship Officer, Kevin Finney, showed us that we were in for an **exceptional experience**. The interaction was not only smooth, it was fun! Kevin kept me informed and knowledgeable on changes throughout the entire process and never left me to wonder if things were moving forward. Upon my next visit to GVB, Kevin remembered my name from our first meeting and to this day comes to find me if he knows I am visiting the Bank. Kevin is a great **friend** and is always there to help me out. If you are tired of dealing with just a business and need a great **relationship**, call Kevin and the team at Golden Valley Bank.*

Bob Bracewell
Newton Bracewell Funeral Homes

Total Loans

Partnering with businesses to grow.

Knowledge. Professional. Power.

Total Deposits

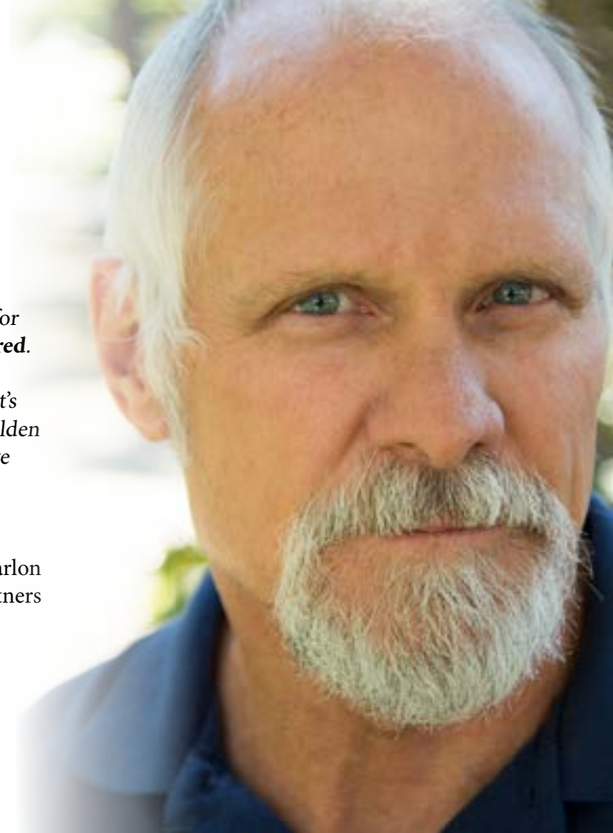
Growing deposits by building relationships.

Unparalleled Community Leadership

*River Partners has had the opportunity to watch the Bank **grow** since it opened in 2006. With the economic changes and the unstable market that banks have been faced with for the last several years, Golden Valley Bank has **never wavered**. They have demonstrated their ability to act decisively and navigate challenging situations. In these changing times, it's important for me to **know the people** I bank with. At Golden Valley Bank decisions are made in house, by individuals we **trust.***

RIVER PARTNERS

Jon Carlon
River Partners



Net Income

Providing value for our Shareholders.

Active and Committed Local Ownership

Over the past two and a half years I have refinanced my home with Marci at Golden Valley Bank five times to take advantage of the increasingly lower interest rates. I cut my loan term in half and dropped the interest rate.*

Working with Marci has been awesome! She has saved my family so much money; it is unbelievable!! My mortgage payment is now lower than it was!!

Refinancing through Golden Valley Bank is simple, straightforward and rewarding! Let the bank that truly cares save you money today!

Kerry Kelly
Teacher

*Loans offered through CBLX

FINANCIAL HIGHLIGHTS

	2012	2011	2010
Selected Performance Ratios			
Return on average assets	**0.89%**	0.85%	0.86%
Return on average equity	**6.32%**	5.71%	5.35%
Net interest margin	**4.37%**	4.58%	4.74%
Loans as a percentage of deposits	**75.97%**	78.38%	78.75%
Average shareholders' equity to average assets	**13.34%**	15.95%	15.13%
Asset Quality Ratios			
Allowance for loan losses to total loans	**1.93%**	2.04%	2.43%
Non-performing loans to total loans	**0.38%**	0.78%	3.42%
Net charge-offs to average loans	**0.13%**	0.67%	0.57%

Detailed Financial Statements at
www.goldenvalleybank.com/InvestorRelations

Board of Directors

Robert Harp

Robert D. Harp
Chairman,
Attorney

W. Howard Isom
Vice Chairman
Matson & Isom, Retired

Donald Hubbard
Secretary
North State Radiology Medical Group

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Guillon Companies

Marilyn Everett
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Oncologist

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Asset Management Group

Audrey Tennis
Rice Farmer

Don Wallrich
Retired Banker

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Stock Listing

Golden Valley Bank common stock is listed on the Over The Counter Bulletin Board System under the symbol "GVYB". Go to www.otcbb.com. To inquire about purchase or sale, please contact your broker or Tracie, above.

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