

PREMIER COMMERCIAL BANK

February 4, 2009

To the Shareholders of Premier Commercial Bank:

This letter inaugurates our effort to give you important information, as well as our thoughts and views, about Premier Commercial's growth and development. Our goal is to let you know, on a regular basis, how we see the bank's performance and results in the context of its future—that is, where it is going and how we intend to get it there.

We like where we are today. We said it at the outset of the first Annual Shareholders' Meeting in September 2008, and our view has not changed. Plenty of other things have changed since then (more on that later), but our fundamental view of where we are, and the unique opportunity before us, has not.

The bank is in strong, healthy financial condition with favorable prospects. Capital and liquidity are in good shape. Loan growth is strong, and we continue to progress on the lending front with caution and patience. The bank's core deposits are growing nicely in tandem with loans. Success in both areas is important to the future of the bank. We ended 2008 with just over \$30 million in total assets, including approximately \$13 million in loans. Deposits at year-end stood at \$11.5 million.

Customers are at the center of Premier Commercial's business model. The bank's ideal customers are businesses, professional or other organizations—and their owners and executives—who value a bank that works to understand their business and their credit needs and, then, reliably offers solutions tailored to them. We are building momentum in attracting and winning the business of just that type of customer. Our success will stem from carefully targeting prospective customers for their solid match with our strategy of offering a higher level of service and consultation than is provided by their current banks. We are very pleased with the quality of our growing customer base.

We are also working to be sure we understand what our customers value most in *how* their banking relationship works and to make sure it happens. We have carefully analyzed our markets, our competition, our strengths, and our customers' needs with an eye toward crafting an experience our clients will value when they deal with our bank. Being able to deliver a superior banking experience and relationship consistently is what will distinguish Premier Commercial from the competition.

Our plan for achieving long-term success and becoming a great financial institution serving the communities of the Triad revolves around four key strategic themes:

- Grow a high-quality asset base, while preserving the bank's capital
- Develop a properly-structured funding base
- Develop a loyal base of "ideal clients"
- Create a high-performance culture throughout all areas of the bank

In everything we do, we are grounded in, and guided by, these four strategies. These strategies will not only guide the bank through the current environment, but they will also ensure that Premier Commercial is well-positioned when the change in the economy comes.

Two major developments in the current economy affect our plans and our operations:

- 1.) The environment for raising capital has deteriorated. Today, it is not strategically wise for a bank to grow and leverage its capital as rapidly as was viable in recent years. Even the prudent growth rate we originally projected for Premier Commercial will be moderated to reflect the current capital-markets situation. It is all the more important to avoid short-term actions for purely short-term gains on the income statement, which might risk impairing our credit quality. We will deploy our capital carefully.
- 2.) The interest-rate environment for banks has deteriorated rapidly in the last six months. The most recent Federal Reserve interest-rate cuts put the Fed Funds target rate at near zero percent (0%), which is an historic low. These moves have significantly compressed net interest margins for all banks. Eventually, that will change as and when rates move upward.

Notwithstanding these conditions, we are still on our strategic path to be successful *over the long term*. In the short-term, as we grow, these conditions will deepen and prolong the bank's operating deficits, which is to be expected. We see that result as manageable. When conditions change, as we successfully implement our strategies, Premier will emerge in a stronger position to serve Triad customers. We are growing intelligently and at an increasing rate. Throughout 2009, we expect to make progress on asset and deposit growth despite economic conditions.

In the end, all we do is measured by the extent to which we build shareholder value. We remain enthusiastic and confident in our ability to succeed on that score over time. For now, it is worth noting that Premier Commercial shares have traded several times at the initial offering price of \$11.00. All trades, dates and prices are posted on the bank's website (www.premierbanknc.com). If you are interested in acquiring additional shares, or if you know someone who would like to acquire some, then please contact Frank Gavigan. We include with this mailing a report on Premier Commercial Bank by Equity Research Services.

Look for our 2008 annual report and proxy statement toward the end of April, in advance of the next Annual Shareholders' Meeting. It will be held during the latter half of May and we will get that information to you as soon as it becomes available.

Sincerely,



Frank Gavigan
President and CEO



R. Sterling Kelly III
Chairman