



FOR IMMEDIATE RELEASE

## The Private Bank of California Reports 2008 Net Income and Continued Strong Balance Sheet Growth, Capital and Credit Quality

LOS ANGELES, California – (BUSINESS WIRE) – February 25, 2009. The Private Bank of California (the “Bank”) (OTCBB: PBCA.OB) announced its unaudited financial results for the year and quarter ended December 31, 2008.

Highlights of the Bank’s 2008 financial performance include:

- Net income of \$107,000 or \$.03 per basic share for the year ended December 31, 2008, an improvement in a challenging year for financial institutions from the net loss of \$737,000 or (\$.20) per basic share for the year ended December 31, 2007. For the fourth quarter of 2008, net income was \$133,000 or \$.04 per basic share, up from the reported \$237,000 net loss for the same period in 2007 and \$82,000 net income for the third quarter of 2008.
- The Bank’s total shareholders’ equity was \$36 million and its capital ratios continue to significantly exceed all regulatory guidelines for “well-capitalized” financial institutions at December 31, 2008:

	Actual 12/31/08	“Well- Capitalized” Minimum
Tier 1 leverage ratio	14.26%	5.00%
Tier 1 risk-based capital ratio	18.14%	6.00%
Total risk-based capital ratio	19.40%	10.00%

- Total assets were \$242 million at December 31, 2008, an increase of \$64 million or 36% from \$178 million at December 31, 2007 and no change from September 30, 2008.
- Total deposits were \$185 million at December 31, 2008, an increase of \$42 million or 29% from \$143 million at December 31, 2007 and a \$22 million decrease from September 30, 2008. The noted decline is attributable to a client transaction in the normal course of business.

The Bank has had no deposits from brokers or other wholesale funding sources since its opening in October 2005.

- Total noninterest-bearing deposits were \$46 million at December 31, 2008, an increase of \$22 million or 93% from \$24 million at December 31, 2007 and a \$4 million increase from September 30, 2008. Positively, total noninterest-bearing deposits represented 25% of the Bank's total deposits at December 31, 2008, an improvement from 17% at December 31, 2007.
- Total loans were \$176 million at December 31, 2008, an increase of \$56 million or 47% from \$120 million at December 31, 2007 and a \$12 million increase from September 30, 2008.
- The allowance for credit losses was \$2.8 million or 1.60% of total loans outstanding at December 31, 2008, an increase of \$1 million from \$1.8 million or 1.50% of total loans outstanding at December 31, 2007 and an increase of \$255,000 from September 30, 2008. The noted increases in the allowance for credit losses are primarily attributable to loan growth, taking into account management's assessment of increasing credit risk arising from the current California and national economic environment.
- No nonperforming loans, no loans past due more than thirty days and no subprime mortgage loans or securities backed by subprime loans at December 31, 2008.

Chairman and Interim CEO Steven D. Broidy noted, "We are pleased that the Bank achieved bottom-line profitability this quarter and for all of 2008 while maintaining a strong and well-capitalized balance sheet. Our Board of Directors, management and entire staff remain focused on prudently building the Bank recognizing the very challenging economic environment."

On February 20, 2009, the Bank received a \$5.4 million preferred stock investment from the U.S. Department of Treasury as part of its Capital Purchase Program, which was designed to inject capital directly into healthy financial institutions. The purpose of the program is to improve the flow of credit to consumers and businesses, promote growth and vitality of the U.S. economy and restore confidence in the U.S. financial system.

The Bank has also elected to participate in the Transaction Liquidity Guaranty Program, which provides 100% FDIC deposit insurance on all noninterest-bearing transaction accounts through December 31, 2009.

President Richard A. Smith remarked, "Our participation in the U.S. Department of Treasury's Capital Purchase Program and Transaction Liquidity Guarantee Program only strengthens our ability to provide excellent service to our growing client base in an extremely challenging and crisis-filled economic and financial environment. Our capital strength, solid credit quality and liquidity are invaluable to our clients in these trying times. We are "open for business" and remain focused on fulfilling our commitment to deliver unsurpassed personal service, easy access to senior management, tailored

client solutions and quick decision making to those who choose to do business with The Private Bank of California.”

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About The Private Bank of California: The Bank is a California-chartered commercial bank providing a wide range of financial services, including credit and deposit products and cash management services, from its headquarters office at 10100 Santa Monica Boulevard, Suite 2500, Los Angeles, California 90067. The Bank’s target clients include high net worth and high income individuals, business professionals and their professional service firms, business owners, entertainment service businesses, local businesses, and non-profit organizations. Additional information is available at [www.tpbc.com](http://www.tpbc.com) or by calling 310.286.0710.

Forward-Looking Statements: Certain matters discussed in this press release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to The Private Bank of California’s current expectations regarding deposit and loan growth and operating results. These forward-looking statements are subject to certain risks and uncertainties that could cause the actual results performance or achievements to differ materially from those expressed, suggested or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to: (1) the impact of changes in interest rates, (2) a decline in economic conditions, (3) an increase in competition among financial service providers impacting on the Bank’s operating results and ability to attract deposit and loan customers and the quality of the Bank’s earning assets, and (4) an increase in government regulation. The Bank does not undertake, and specifically disclaims, any obligation to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements.

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	December 31,		September 30,
	2008	2007	2008
<b>AT END OF THE PERIOD:</b>			
Total assets	\$ 241,523,000	\$ 178,099,000	\$ 242,349,000
Securities available-for-sale, at fair value	\$ 57,461,000	\$ 48,207,000	\$ 64,363,000
Total loans	\$ 176,074,000	\$ 119,860,000	\$ 164,324,000
Less allowance for credit losses	(2,825,000)	(1,802,000)	(2,570,000)
Net loans	<u>\$ 173,249,000</u>	<u>\$ 118,058,000</u>	<u>\$ 161,754,000</u>
Transactional deposit accounts	\$ 60,464,000	\$ 30,131,000	\$ 56,246,000
Money market deposit accounts	90,693,000	86,455,000	120,337,000
Other nontransactional deposit accounts	33,592,000	26,264,000	30,249,000
Total deposits	<u>\$ 184,749,000</u>	<u>\$ 142,850,000</u>	<u>\$ 206,832,000</u>
Total shareholders' equity	\$ 35,608,000	\$ 34,094,000	\$ 34,400,000
Allowance for credit losses to total loans ratio	1.60 %	1.50 %	1.56 %
Tier 1 leverage ratio	14.26 %	18.92 %	13.78 %
Tier 1 risk-based capital ratio	18.14 %	23.73 %	18.80 %
Total risk-based capital ratio	19.40 %	24.98 %	20.05 %
<b>FOR THE QUARTER ENDED:</b>			
Net interest income	\$ 2,269,000	\$ 1,839,000	\$ 2,368,000
Provision for credit losses	255,000	349,000	430,000
Noninterest income	20,000	13,000	61,000
Noninterest expense	1,901,000	1,740,000	1,917,000
Income (loss) before income taxes	133,000	(237,000)	82,000
Provision for income taxes	---	---	---
Net income (loss)	<u>\$ 133,000</u>	<u>\$ (237,000)</u>	<u>\$ 82,000</u>
Net income (loss) per common share outstanding-basic	\$ 0.04	\$ (0.06)	\$ 0.02
Average common shares outstanding	3,685,425	3,685,425	3,685,425
<b>YEAR-TO-DATE:</b>			
Net interest income	\$ 8,526,000	\$ 6,354,000	
Provision for credit losses	1,046,000	803,000	
Noninterest income	179,000	211,000	
Noninterest expense	7,551,000	6,498,000	
Income (loss) before income taxes	108,000	(736,000)	
Provision for income taxes	1,000	1,000	
Net income (loss)	<u>\$ 107,000</u>	<u>\$ (737,000)</u>	
Net income (loss) per common share outstanding-basic	\$ 0.03	\$ (0.20)	
Average common shares outstanding	3,685,425	3,684,012	