



FOR IMMEDIATE RELEASE

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

LOS ANGELES, California – (BUSINESS WIRE) – November 4, 2008. The Private Bank of California (the “Bank”) (OTCBB: PBCA.OB) announced its unaudited financial results for the quarter ended September 30, 2008.

The Bank’s net income for the quarter ended September 30, 2008 was \$82,000 or \$.02 per basic share, representing an improvement of \$182,000 or \$.05 per basic share from the same quarter in 2007. Its current year-to-date September 30, 2008 net loss of \$26,000 or (\$.01) per basic share improved \$474,000 or \$.13 per basic share from its prior year-to-date September 30, 2007 net loss of \$500,000. For the quarter ended September 30, 2008, the Bank’s operating results include a provision for credit losses totaling \$430,000 as well as non-cash expense of \$166,000 for stock options as required by Statement of Financial Accounting Standards No. 123R (“SFAS 123R”). For the quarter ended September 30, 2007, the Bank’s operating results reflected a \$179,000 provision for credit losses and SFAS 123R expense of \$180,000. For year-to-date September 30, 2008 and 2007, respectively, the Bank’s operating results include a provision for credit losses totaling \$791,000 and \$454,000 as well as SFAS 123R expense of \$515,000 and \$502,000, respectively.

Chairman and Interim CEO Steven D. Broidy noted, “We are pleased that we achieved bottom-line profitability this quarter while maintaining a strong balance sheet. The slowing economy reinforces the need for heightened attention to our objective of prudently building the Bank based on our vision of relationship banking.”

At September 30, 2008, the Bank’s total assets were \$242 million, representing a slight decline from total assets of \$248 million at June 30, 2008 and a \$69 million or 40% increase from total assets of \$173 million at September 30, 2007.

Total deposits were \$209 million at September 30, 2008, reflecting a slight decline from total deposits of \$213 million at June 30, 2008 and a \$69 million or 49% increase from September 30, 2007. The Bank has had no deposits from brokers or other wholesale funding sources since its opening in October 2005.

Total loans outstanding were \$164 million at September 30, 2008, an increase of \$22 million or 15% from June 30, 2008 and \$68 million or 70% from September 30, 2007. The allowance for credit losses was \$2,570,000 or 1.56% of total loans outstanding at

September 30, 2008 compared to \$2,140,000 or 1.50% of total loans outstanding at March 31, 2008 and \$1,453,000 or 1.50% of total loans outstanding at September 30, 2007. The Bank had no nonaccrual loans and no subprime mortgage loans or securities backed by subprime loans at September 30, 2008.

At September 30, 2008, the Bank's total shareholders' equity was \$34 million and its capital ratios continue to significantly exceed all regulatory guidelines for "well-capitalized" financial institutions:

	Actual 09/30/08	"Well- Capitalized" Minimum
Tier 1 leverage ratio	13.78%	5.00%
Tier 1 risk-based capital ratio	18.80%	6.00%
Total risk-based capital ratio	20.05%	10.00%

President Richard A. Smith remarked, "We continue to develop our client base and business in our key target markets. We believe that our growth, partnered with solid credit quality, capital strength and liquidity, is remarkable against the background of an extremely challenging economic and financial environment. Our commitment to unsurpassed personal service, easy access to senior management, tailored client solutions and quick decision making, combined with our ability to be a reliable source of credit, is truly invaluable 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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**FINANCIAL HIGHLIGHTS (Unaudited)**

	<u>September 30,</u>		<u>June 30,</u>
	<u>2008</u>	<u>2007</u>	<u>2008</u>
<b><u>AT END OF THE PERIOD:</u></b>			
Total assets	\$ 242,349,000	\$ 173,115,000	\$ 248,314,000
Securities available-for-sale, at fair value	\$ 64,363,000	\$ 60,536,000	\$ 70,280,000
Total loans	\$ 164,324,000	\$ 96,587,000	\$ 142,517,000
Less allowance for credit losses	(2,570,000)	(1,453,000)	(2,140,000)
Net loans	<u>\$ 161,754,000</u>	<u>\$ 95,134,000</u>	<u>\$ 140,377,000</u>
Transactional deposit accounts	\$ 56,246,000	\$ 24,881,000	\$ 51,749,000
Money market deposit accounts	120,337,000	99,073,000	131,029,000
Other nontransactional deposit accounts	30,249,000	14,418,000	30,397,000
Total deposits	<u>\$ 206,832,000</u>	<u>\$ 138,372,000</u>	<u>\$ 213,175,000</u>
Total shareholders' equity	\$ 34,400,000	\$ 33,789,000	\$ 33,970,000
Allowance for credit losses to total loans ratio	1.56 %	1.50 %	1.50 %
Tier 1 leverage ratio	13.78 %	19.97 %	15.53 %
Tier 1 risk-based capital ratio	18.80 %	28.80 %	19.64 %
Total risk-based capital ratio	20.05 %	30.07 %	20.89 %

**FOR THE QUARTER ENDED:**

Net interest income	\$ 2,368,000	\$ 1,682,000	\$ 2,008,000
Provision for credit losses	430,000	179,000	319,000
Noninterest income	61,000	91,000	58,000
Noninterest expense	1,917,000	1,694,000	1,904,000
Income (loss) before income taxes	<u>82,000</u>	<u>(100,000)</u>	<u>(157,000)</u>
Provision for income taxes	---	---	---
Net income (loss)	<u>\$ 82,000</u>	<u>\$ (100,000)</u>	<u>\$ (157,000)</u>
Net income (loss) per common share outstanding-basic	\$ 0.02	\$ (0.03)	\$ (0.04)
Average common shares outstanding	3,685,425	3,685,425	3,685,425

**YEAR-TO-DATE:**

Net interest income	\$ 6,257,000	\$ 4,514,000
Provision for credit losses	791,000	454,000
Noninterest income	159,000	199,000
Noninterest expense	5,650,000	4,758,000
Income (loss) before income taxes	<u>(25,000)</u>	<u>(499,000)</u>
Provision for income taxes	1,000	1,000
Net income (loss)	<u>\$ (26,000)</u>	<u>\$ (500,000)</u>
Net income (loss) per common share outstanding-basic	\$ (0.01)	\$ (0.14)
Average common shares outstanding	3,685,425	3,683,535