



FOR IMMEDIATE RELEASE

## The Private Bank of California Reports Continued Capital Strength, Solid Credit Quality and Liquidity

LOS ANGELES, California (BUSINESS WIRE) – August 3, 2009. The Private Bank of California (the “Bank”) (OTCBB: PBCA.OB) announced its unaudited financial results for the quarter ended June 30, 2009. Chairman and Interim CEO Steven D. Broidy noted, “We are very pleased with our results for the quarter. We achieved excellent core deposit growth and maintained our well-capitalized, liquid balance sheet. Our operating results generated a small loss for the quarter but this was primarily the result of our decision to maintain our allowance for credit losses at its current level in this challenging economic environment even though the Bank had no non-accrual loans at June 30, 2009 and the expense arising from the Federal Deposit Insurance Corporation special assessment.”

Highlights of the Bank’s June 30, 2009 financial performance include:

- The Bank’s net loss was \$196,000 for the quarter ended June 30, 2009, compared to the net loss of \$157,000 for the same period in 2008 and net income of \$29,000 for the prior quarter ended March 31, 2009:

	QII		QI
	2009	2008	2009
Income before provisions for credit losses and income taxes	\$ 312,000	162,000	333,000
Provision for credit losses	508,000	319,000	303,000
Provision for income taxes	---	---	1,000
Net income (loss)	\$ (196,000)	(157,000)	29,000

The Bank’s operating results for the quarter ended June 30, 2009 include a special, nonrecurring assessment by the Federal Deposit Insurance Corporation to replenish Deposit Insurance Fund reserve levels. This special assessment increased the Bank’s noninterest expense and net loss for the quarter by \$111,000.

The Bank’s net loss available to common shareholders is \$284,000 or \$88,000 higher than the reported net loss for the quarter ended June 30, 2009 due to dividends and adjustments related to preferred stock issued in February 2009 to the U.S. Department of Treasury (“Treasury”). The Bank received a \$5.4 million

preferred stock investment from the Treasury's Capital Purchase Program which was designed to improve the flow of credit to consumers and businesses, promote recovery of the U.S. economy and restore confidence in the U.S. financial system by injecting capital into healthy financial institutions.

The Bank's net loss available to common shareholders for the six months ended June 30, 2009 is \$295,000 or (\$.08) per basic share compared to the \$108,000 or (\$.03) per basic share net loss available to common shareholders for the six months ended June 30, 2008.

- The Bank's total shareholders' equity was \$41 million and its capital ratios continue to significantly exceed all regulatory guidelines for "well-capitalized" financial institutions at June 30, 2009:

	Actual 06/30/09	"Well- Capitalized" Minimum
Tier 1 leverage ratio	14.61%	5.00%
Tier 1 risk-based capital ratio	20.99%	6.00%
Total risk-based capital ratio	22.24%	10.00%

- Total assets were \$261 million at June 30, 2009 and March 31, 2009, an increase of \$13 million or 5% from \$248 million at June 30, 2008.
- Total deposits were \$219 million at June 30, 2009, an increase of \$6 million or 3% from \$213 million at June 30, 2008 and \$22 million or 11% from \$197 million at March 31, 2009.

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

- Total demand deposits were \$56 million at June 30, 2009, an increase of \$14 million or 32% from \$42 million at June 30, 2008 and \$4 million or 6% from \$52 million at March 31, 2009. Positively, demand deposits represented 25% of the Bank's total deposits at June 30, 2009, an improvement from 20% at June 30, 2008 and virtually no change from 26% at March 31, 2009.

The Bank is participating in the Treasury's Transaction Account Guarantee Program which provides 100% FDIC insurance on all eligible "noninterest-bearing" demand and NOW deposit accounts through December 31, 2009.

- Total loans were \$177 million at June 30, 2009, an increase of \$34 million or 24% from \$143 million at June 30, 2008 and a decrease of \$1 million or 1% from \$178 million at March 31, 2009.

The Bank had no nonaccrual loans at June 30, 2009 and June 30, 2008. Nonaccrual loans totaled \$500,000 or .28% of total loans outstanding at

March 31, 2009. Loan charge-offs totaled \$486,000 during the quarter ended June 30, 2009.

The Bank had \$2.8 million of loans past due 30 days or more, including one loan totaling \$2.5 million past due 90 days or more, at June 30, 2009; subsequent to the end of the quarter, the past due status of the \$2.5 million loan was cured due to payments received from the borrower. The Bank had no loans past due 90 days or more at June 30, 2008 and March 31, 2009.

- The allowance for credit losses was \$3.2 million or 1.79% of total loans outstanding at June 30, 2009, an increase of \$1.1 million from \$2.1 million or 1.50% of total loans outstanding at June 30, 2008 and \$.1 million from \$3.1 million or 1.76% of total loans outstanding at March 31, 2009. The noted increases in the allowance for credit losses reflect loan growth as well as management's assessment of increasing credit risk arising from the troubled California and national economies.

President Richard A. Smith remarked, "Our excellent core deposit growth during the quarter evidences continued successful penetration of our key target markets. Our capital strength, solid credit quality and balance sheet liquidity are invaluable to our clients in these trying times. We are 'open for business' and remain very focused on fulfilling our commitment to deliver unsurpassed personal service to those who choose to do business with The Private Bank of California."

\*\*\*\*\*

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 as well as 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.tpboc.com](http://www.tpboc.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.

Contact: Steven D. Broidy, Chairman and Interim CEO  
310.728.1951 (direct)  
sdbroidy@tpboc.com

Joyce N. Kaneda, EVP & Chief Financial Officer  
310.728.1948 (direct)  
jnkaneda@tpboc.com



## FINANCIAL HIGHLIGHTS (Unaudited)

	June 30,		March 31,
	2009	2008	2009
<b>AT END OF THE PERIOD:</b>			
Total assets	\$ 261,280,000	\$ 248,314,000	\$ 261,346,000
Securities available-for-sale, at fair value	\$ 60,817,000	\$ 70,280,000	\$ 57,978,000
Total loans	\$ 177,275,000	\$ 142,517,000	\$ 177,942,000
Less allowance for credit losses	(3,167,000)	(2,140,000)	(3,136,000)
Net loans	<u>\$ 174,108,000</u>	<u>\$ 140,377,000</u>	<u>\$ 174,806,000</u>
Transactional deposit accounts	\$ 76,842,000	\$ 51,749,000	\$ 65,538,000
Money market deposit accounts	103,517,000	131,029,000	94,691,000
Other nontransactional deposit accounts	38,707,000	30,397,000	37,138,000
Total deposits	<u>\$ 219,066,000</u>	<u>\$ 213,175,000</u>	<u>\$ 197,367,000</u>
Total shareholders' equity	\$ 40,692,000	\$ 33,970,000	\$ 41,243,000
Allowance for credit losses to total loans ratio	1.79 %	1.50 %	1.76 %
Tier 1 leverage ratio	14.61 %	15.53 %	15.72 %
Tier 1 risk-based capital ratio	20.99 %	19.64 %	20.71 %
Total risk-based capital ratio	22.24 %	20.89 %	21.96 %
<b>FOR THE QUARTER ENDED:</b>			
Net interest income	\$ 2,453,000	\$ 2,008,000	\$ 2,337,000
Provision for credit losses	508,000	319,000	303,000
Noninterest income	19,000	58,000	26,000
Noninterest expense	2,160,000	1,904,000	2,030,000
Income (loss) before income taxes	(196,000)	(157,000)	30,000
Provision for income taxes	--	--	1,000
Net income (loss)	<u>\$ (196,000)</u>	<u>\$ (157,000)</u>	<u>\$ 29,000</u>
Net income (loss)	\$ (196,000)	\$ (157,000)	\$ 29,000
Less preferred stock dividends and adjustments	(88,000)	--	(40,000)
Net income (loss) available to common shareholders	<u>\$ (284,000)</u>	<u>\$ (157,000)</u>	<u>\$ (11,000)</u>
Net income (loss) per common share outstanding-basic	\$ (0.08)	\$ (0.04)	\$ 0.00
Average common shares outstanding	3,685,425	3,685,425	3,685,425
<b>YEAR-TO-DATE:</b>			
Net interest income	\$ 4,790,000	\$ 3,889,000	
Provision for credit losses	811,000	361,000	
Noninterest income	45,000	98,000	
Noninterest expense	4,190,000	3,733,000	
Income (loss) before income taxes	(166,000)	(107,000)	
Provision for income taxes	1,000	1,000	
Net income (loss)	<u>\$ (167,000)</u>	<u>\$ (108,000)</u>	
Net income (loss)	\$ (167,000)	\$ (108,000)	
Less preferred stock dividends and adjustments	(128,000)	--	
Net income (loss) available to common shareholders	<u>\$ (295,000)</u>	<u>\$ (108,000)</u>	
Net income (loss) per common share outstanding-basic	\$ (0.08)	\$ (0.03)	
Average common shares outstanding	3,685,425	3,685,425	