

CALIFORNIA REPUBLIC BANK

Balance Sheets and Income Statements for the Years Ended December 31, 2008 and 2009

Dollars in Thousands

	December 31, 2009 (1)	December 31, 2008 (1)
Balance Sheet - At Period End		
Cash and Due From Banks	\$99,675	\$1,669
Due From Banks - Interest Bearing	30,122	35,706
Federal Funds Sold	-	46,660
Investment Securities	-	7,406
Loans Held for Sale	4,411	-
Loans Held to Maturity	142,691	75,654
Allowance for Loan and Lease Losses	(2,170)	(950)
Premises and Fixed Assets	1,004	1,124
Other Assets	2,115	882
Total Assets	277,848	168,151
Non-Interest-Bearing Deposits	50,999	24,034
Interest-Bearing Deposits	180,332	95,037
Other Liabilities	600	278
Shareholders' Equity	\$45,917	48,802
Total Liabilities & Equity	\$277,848	\$168,151

Income Statement

Interest Income	\$6,433	\$3,885
Interest Expense	1,603	1,158
Net Interest Income	4,830	2,727
Provision for Loan and Lease Loss	1,220	950
Net Interest Income After Provision	3,610	1,777
Non-Interest Income	79	33
Non-Interest Expense	7,092	4,680
Net Loss	(\$3,403)	(\$2,870)

(1) Excerpted from audited financial statements

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Statement of Cash Flows for the Years Ending December 31, 2008 and 2009

Dollars in Thousands

	December 31, 2009 Unaudited	December 31, 2008 (1)
Cash Flows from Operating Activities		
Net Earnings (Loss)	(\$3,403)	(\$2,870)
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities		
Depreciation and Amortization	234	159
Provision for Loan Losses	1,220	950
Loss on Sale of Securities	47	-
Stock Based Compensation	518	553
Origination of Loans Held for Sale	(4,411)	-
Other Items	(490)	(541)
Net Cash Provided by Operating Activities	(6,285)	(1,749)
Cash Flows from Investing Activities		
Net Increase in Insterest-Bearing Deposits	5,584	(35,706)
Sale of Held-to-Maturity Secruities	2,359	-
Maturities of Held-to-Maturity Securities	5,000	-
Purchase of Held-to-Maturity Securities	-	(7,410)
Net Incesase in Loans	(67,045)	(75,654)
Purchase of Federal Home Loan Bank Stock	(412)	-
Purchases of Premises and Equipment	(114)	(686)
Net Cash Used in Investing Activities	(54,628)	(119,456)
Cash Flows from Financing Activities		
Net Increase in Demand Deposits	103,414	103,937
Net Increase in Interest-Bearing Deposits	8,845	1,115
Net Cash Provided by Financing Activities	112,259	105,052
Increase (Decrease) in Cash and Equivalents	51,346	(16,153)
Cash and Cash Equivalents Beginning of Period	48,329	64,482
Cash and Cash Equivalents, End of Period	\$99,675	\$48,329