

CALIFORNIA REPUBLIC BANK

Balance Sheets and Income Statements for the Six Months Ended June 30 2010, and the Year Ended December 31, 2009

Dollars in Thousands

	June 30, 2010 Unaudited	December 31, 2009 (1)
Balance Sheet - At Period End		
Cash and Due From Banks	\$52,056	\$99,675
Due From Banks - Interest Bearing	96,674	30,122
Federal Funds Sold	-	-
Investment Securities	10,003	-
Loans Held for Sale	0	4,411
Loans Held to Maturity	162,210	142,691
Allowance for Loan and Lease Losses	(2,440)	(2,170)
Premises and Fixed Assets	914	1,004
Other Assets	2,245	2,115
Total Assets	321,662	277,848
Non-Interest-Bearing Deposits	77,515	50,999
Interest-Bearing Deposits	195,524	180,332
Other Liabilities	502	600
Shareholders' Equity	48,121	45,917
Total Liabilities & Equity	\$321,662	\$277,848

Income Statement

Interest Income	\$6,534	\$6,433
Interest Expense	861	1,603
Net Interest Income	5,673	4,830
Provision for Loan and Lease Loss	270	1,220
Net Interest Income After Provision	5,403	3,610
Non-Interest Income	97	79
Non-Interest Expense	3,559	7,092
Net Income (Loss)	\$1,941	(\$3,403)

(1) Excerpted from audited financial statements

CALIFORNIA REPUBLIC BANK

Statement of Cash Flows for the Six Months Ended June 30, 2010, and the Year Ended December 31, 2009

Dollars in Thousands

	June 30, 2010 Unaudited	December 31, 2009 (1)
Cash Flows from Operating Activities		
Net Earnings (Loss)	\$1,941	(\$3,403)
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities		
Depreciation and Amortization	125	234
Provision for Loan Losses	270	1,220
Loss on Sale of Securities	0	47
Stock Based Compensation	263	518
Origination of Loans Held for Sale	0	(4,411)
Other Items	54	(490)
Net Cash Provided by Operating Activities	2,653	(6,285)
Cash Flows from Investing Activities		
Net (Increase), Decrease in Interest-Bearing Deposits	(66,552)	5,584
Sale of Held-to-Maturity Securities	0	2,359
Maturities of Held-to-Maturity Securities	0	5,000
Purchase of Held-to-Maturity Securities	(10,003)	-
Net (Increase), Decrease in Loans	(15,108)	(67,045)
Purchase of Federal Home Loan Bank Stock	(282)	(412)
Purchases of Premises and Equipment	(35)	(114)
Net Cash Used in Investing Activities	(91,980)	(54,628)
Cash Flows from Financing Activities		
Net Increase in Demand Deposits	26,516	103,414
Net Increase in Interest-Bearing Deposits	15,192	8,845
Net Cash Provided by Financing Activities	41,708	112,259
Increase (Decrease) in Cash and Equivalents	-47,619	51,346
Cash and Cash Equivalents Beginning of Period	99,675	48,329
Cash and Cash Equivalents, End of Period	\$52,056	\$99,675