



*The Private*  
**BANK of the PENINSULA**

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FOR IMMEDIATE RELEASE

PRESS RELEASE

**The Private Bank of the Peninsula Releases Third Quarter Results.**

Palo Alto, CA – October 23, 2008 – The Private Bank of the Peninsula, a subsidiary of Peninsula Bank Holding Company, today announced its unaudited results for the third quarter of 2008.

“We are pleased that we continue to meet our objectives of increasing our market share by growing deposits, loans and assets in a highly turbulent market,” stated Mark D. Mordell, Chairman of the Board. “Ken Brenner and his team have done an excellent job in managing our net interest margin given the number and the magnitude of interest rate cuts thus far in 2008,” Mordell added.

Financial Results  
 In thousands (unaudited)

	<u>9/30/08</u>	<u>9/30/07</u>	<u>Increase</u>	<u>12/31/07</u>	<u>Increase</u>
Assets	\$229,367	\$173,817	32 %	\$200,451	14 %
Loans	\$187,206	\$129,586	44 %	\$145,791	28 %
Deposits	\$204,913	\$158,169	30 %	\$184,217	11 %
Shareholders' Equity*	\$23,688	\$15,074		\$15,581	

\* The 9/30/08 Shareholders' Equity balance includes the impact of the secondary stock offering concluded on 6/30/08 in which 690,800 shares were issued and \$8.6 million of capital was raised.

	<u>Quarter Ending</u> <u>9/30/08</u>	<u>Quarter Ending</u> <u>9/30/07</u>	<u>Year-to-Date</u> <u>9/30/08</u>	<u>Year-to-Date</u> <u>9/30/07</u>
Net Income (Loss)	\$119	\$217	(\$582)	\$579
Earnings (Loss) Per Share	\$0.05	\$0.12	(\$0.27)	\$0.31

“Our Bank had a profitable third quarter at a time when many financial institutions are experiencing difficulties,” said Steve Leen, the Bank’s Chief Financial Officer. “We achieved this while investing in infrastructure to enable us to make the most of our future opportunities.”

*The Private Bank of the Peninsula is headquartered in Palo Alto, California. The Private Bank focuses on the banking needs of small and medium sized businesses, entrepreneurs and business leaders, not-for-profit organizations and individuals within the communities it serves.*

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