



The Private
BANK *of the* PENINSULA

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FOR IMMEDIATE RELEASE

PRESS RELEASE

The Private Bank of the Peninsula Releases Fourth Quarter Results.

Palo Alto, CA – February 26, 2009 – The Private Bank of the Peninsula, a subsidiary of Peninsula Bank Holding Company, today announced its results for the fourth quarter of 2008.

“We are very pleased that our core business grew approximately 35% in 2008 as we continued to increase our market share. This growth demonstrates that the initiatives we implemented in 2008 are generating results for our Bank,” stated Mark D. Mordell, Chairman of the Board. “Although our core business has grown, the Bank had a net loss in 2008. This loss was due primarily to the substantial charge we incurred in the second quarter due to a fraudulent loan and the decision to increase our loan loss reserves in the fourth quarter because of the overall economic environment we are experiencing,” Mordell added.

Financial Results
In thousands

	<u>12/31/08</u>	<u>12/31/07</u>	<u>Increase</u>
Assets	\$271,507	\$200,451	35 %
Loans	\$201,886	\$145,791	38 %
Deposits	\$247,998	\$184,217	35 %
Shareholders' Equity*	\$22,634	\$15,581	

* The 12/31/08 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 12/31/08</u>	<u>Quarter Ending 12/31/07</u>	<u>Year-to-Date 12/31/08</u>	<u>Year-to-Date 12/31/07</u>
Net Income (Loss)	(\$1,220)	\$260	(\$1,802)	\$839
Earnings (Loss) Per Share	(\$0.47)	\$0.14	(\$0.81)	\$0.45

“Our Bank achieved substantial growth in loans, deposits and total assets in 2008, while at the same time limiting the effect a 400 basis point drop in the prime rate had on our net interest margin. This discipline better prepares us for the challenging times ahead,” said Kenneth D. Brenner, the Bank’s Chief Executive Officer.

About the Bank

The Private Bank of the Peninsula, a subsidiary of Peninsula Bank Holding Company (OTCBB:PBKH), is headquartered in Palo Alto, California. The Private Bank focuses on the banking needs of businesses, entrepreneurs and business leaders, not-for-profit organizations and individuals in the greater San Francisco Bay Area. A true community bank with a team of veteran bankers, The Private Bank offers access to senior level decision-makers who are dedicated to helping clients with all their banking and financing needs. Personalized, responsive, exceptional service is The Private Bank of the Peninsula’s standard.

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