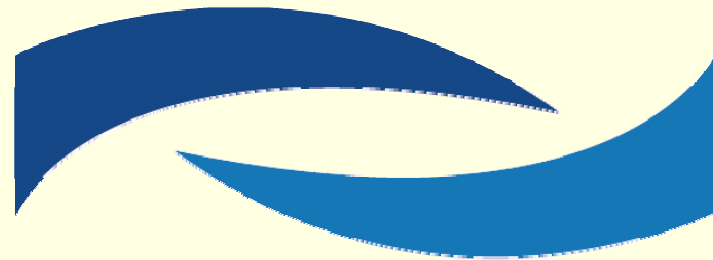
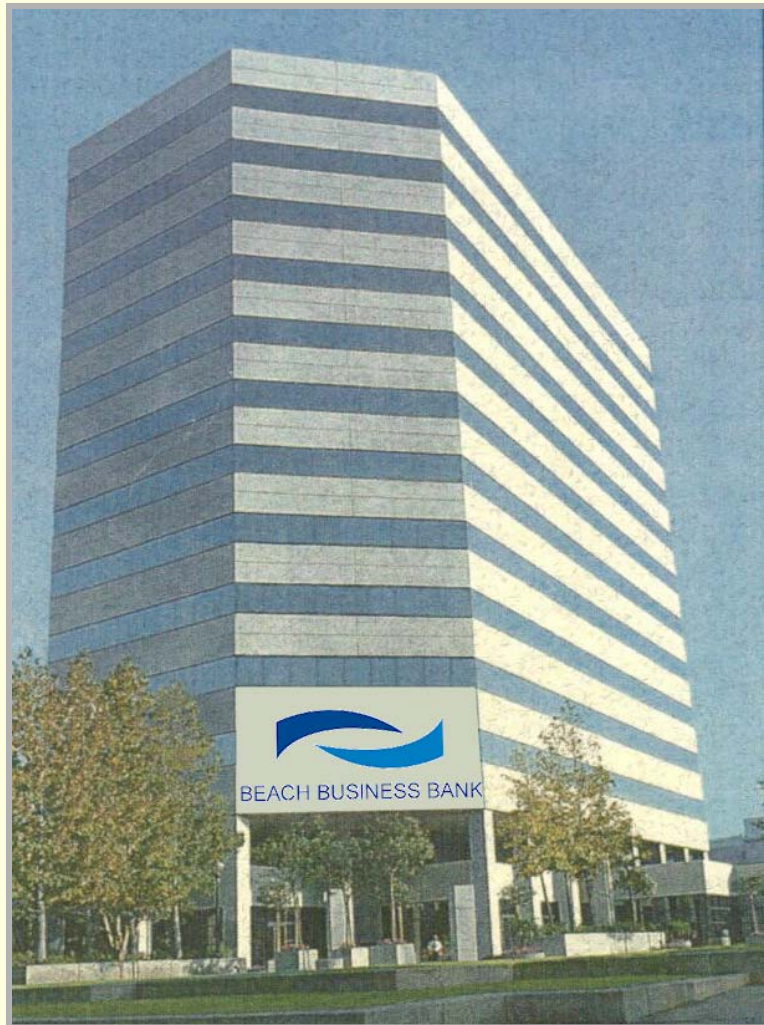




# **Results of Operations - Through December 31, 2006 .....**



**BEACH BUSINESS BANK**



## Locations...

- **Headquarters**  
1230 Rosecrans Avenue  
Manhattan Beach, California
- **Branch**  
180 E. Ocean Boulevard  
Long Beach, California
- **Loan Production Office**  
15300 Ventura Boulevard  
Sherman Oaks, California



# **The Bank's Mission...**

**... to become the leading independent bank operating in the greater South Bay/Long Beach market by providing needed banking services to its professional and small business customers, as well as providing a sound return to its investors.**

**Focusing on the core values of quality personnel, quality customer service, quality cost-effective operations and quality products, and the acquisition of additional personnel who will share these values and enhance the Bank's business.**



# The South Bay & Long Beach are located within Los Angeles County



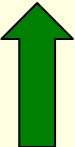

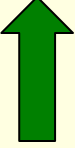


# **The South Bay and Long Beach Area within Los Angeles County**

- **Over 1.2 million people reside in the South Bay and Long Beach area**
- **Greater population than the cities of Dallas, San Francisco, Boston, Seattle, Washington D.C., and Denver**
- **More populous than nine states**
- **Three of America's busiest customs districts – Los Angeles, Long Beach, and LAX**



## In California...

	<u>1994</u>	<u>2004</u>	<u>% Change</u>	
Population	31 million	36 million	16%	
California Banks	404	267	(34%)	
Population/Bank	77,000	135,000	75%	



# Population per Local Bank - 2004

Nation

38,000

California

135,000

*South Bay & Long Beach*

400,000

10.5 X National Level



# Small Business Lending Program

- Team of seasoned SBA lending professionals, with >100 years of lending experience – proven record of success with Imperial Bank, City National Bank, Bank of Commerce and Temecula Valley Bank
- Generated more than \$250 MM in small business loans since inception of Beach Business Bank, including \$138 MM in 2006
- Generated \$1.7 million in non-interest income in 2006



# Doctors as a Target Market

- Initial capitalization provided primarily by Physicians and Dentists
- Bank technology increases the size of the Bank's marketplace
- Beach Business Bank currently has deposits and loans with doctors all over the US. The Bank has been instrumental in the use of the latest remote deposit technology.
- Excellent quality credits – high debt service and collateral coverage



## **The Team..... Board of Directors**

- **Seven directors**
- **Over 100 years of banking experience**
- **Major leaders in Southern California banking community**
- **Four former bank CEOs/Presidents**
- **Two past Presidents of the California Bankers' Association**



## **The Team.....Senior Management**

		<u><b>Years in Banking</b></u>
<b>Robert Franko</b>	<b>President</b>	<b>&gt; 20 Years</b>
<b>Phillip Bond</b>	<b>EVP &amp; Chief Credit Officer</b>	<b>&gt; 20 Years</b>
<b>Girish Bajaj</b>	<b>EVP &amp; Chief Business Development Officer</b>	<b>&gt; 25 Years</b>
<b>Melissa Lanfre</b>	<b>SVP &amp; Chief Financial Officer</b>	<b>&gt; 25 Years</b>
<b>Melissa Rickabaugh</b>	<b>SVP &amp; Senior Operations Officer</b>	<b>&gt; 25 Years</b>



# The Team.....

	<u>Years in Banking</u>
<b>Underwriter Team (2)</b>	<b>&gt; 40 Years</b>
<b>Processing Team (3)</b>	<b>&gt; 45 Years</b>
<b>Finance and IT Team (4)</b>	<b>&gt; 50 Years</b>
<b>Client Services (3)</b>	<b>&gt; 45 Years</b>
<b>Loan Administration (2)</b>	<b>&gt; 75 Years</b>
<b>Operations Staff (4)</b>	<b>&gt; 60 Years</b>



## **As of December 31, 2006.....**

<b>Total Assets:</b>	<b>\$136.7 million</b>
<b>Total Net Loans:</b>	<b>\$111.9 million</b>
<b>Total Deposits:</b>	<b>\$98.9 million</b>
<b>Total Equity:</b>	<b>\$36.4 million</b>



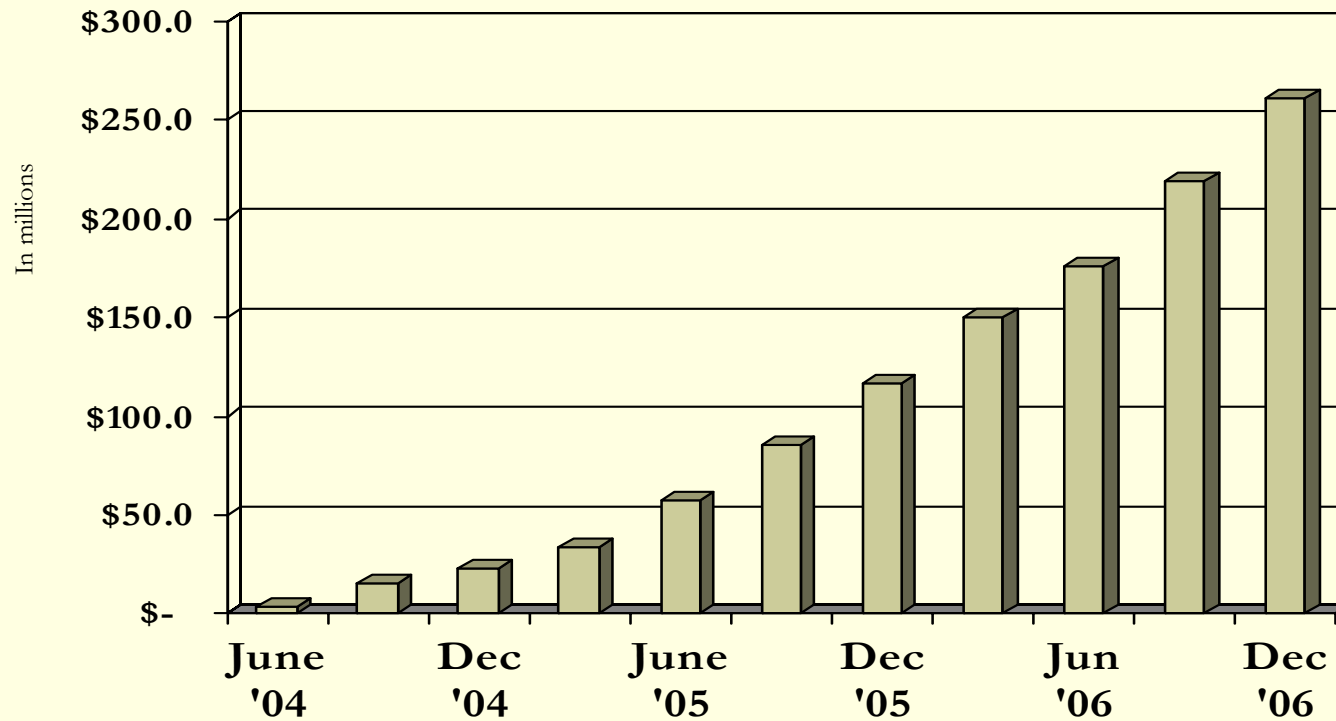
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## YTD as of December 31, 2006.....

Total Interest Income	\$8.2 million
Total Interest Expense	<u>\$2.8 million</u>
Net Interest Income	\$5.4 million
Non-interest Income	\$1.7 million
Non-interest Expense	<u>\$5.3 million</u>
Net Income	
Before Taxes and Provision	\$1.8 million
Provision	<u>\$0.8 million</u>
<u>Net Income</u>	<u>\$1.0 million</u>



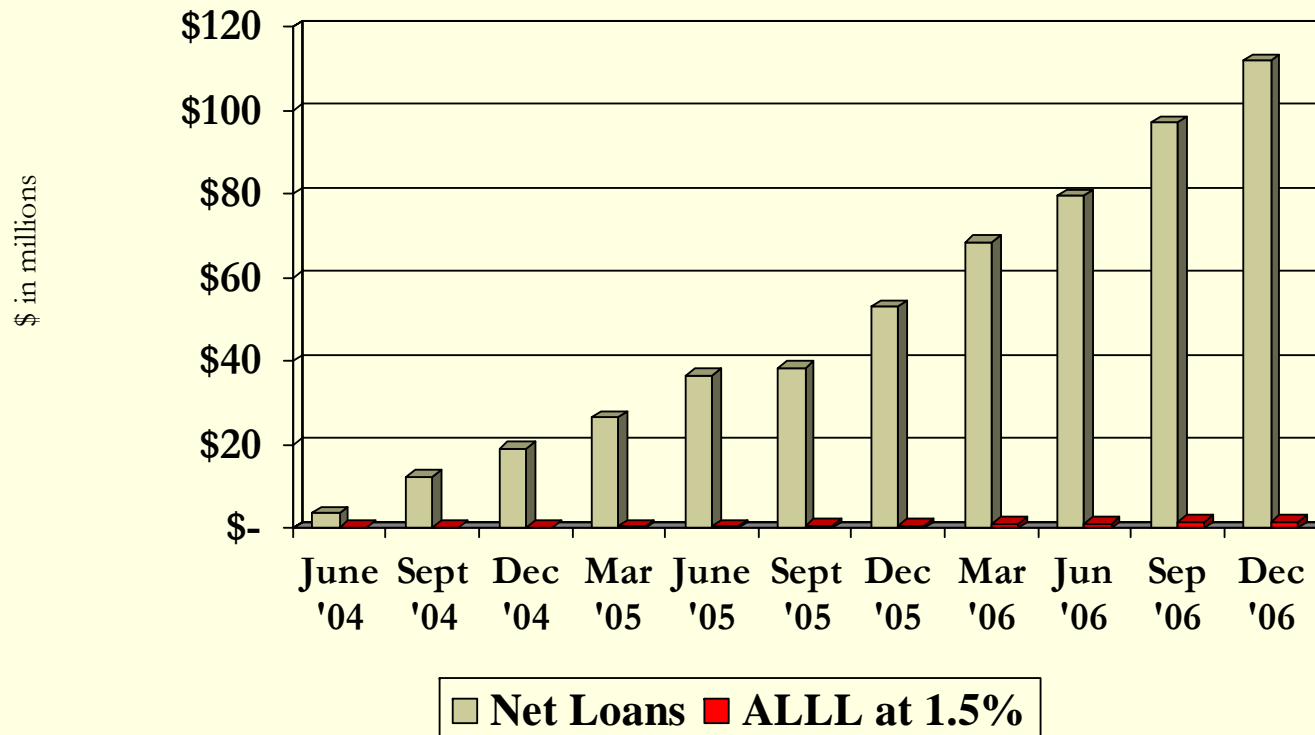
# Loans Originated since June 2004...





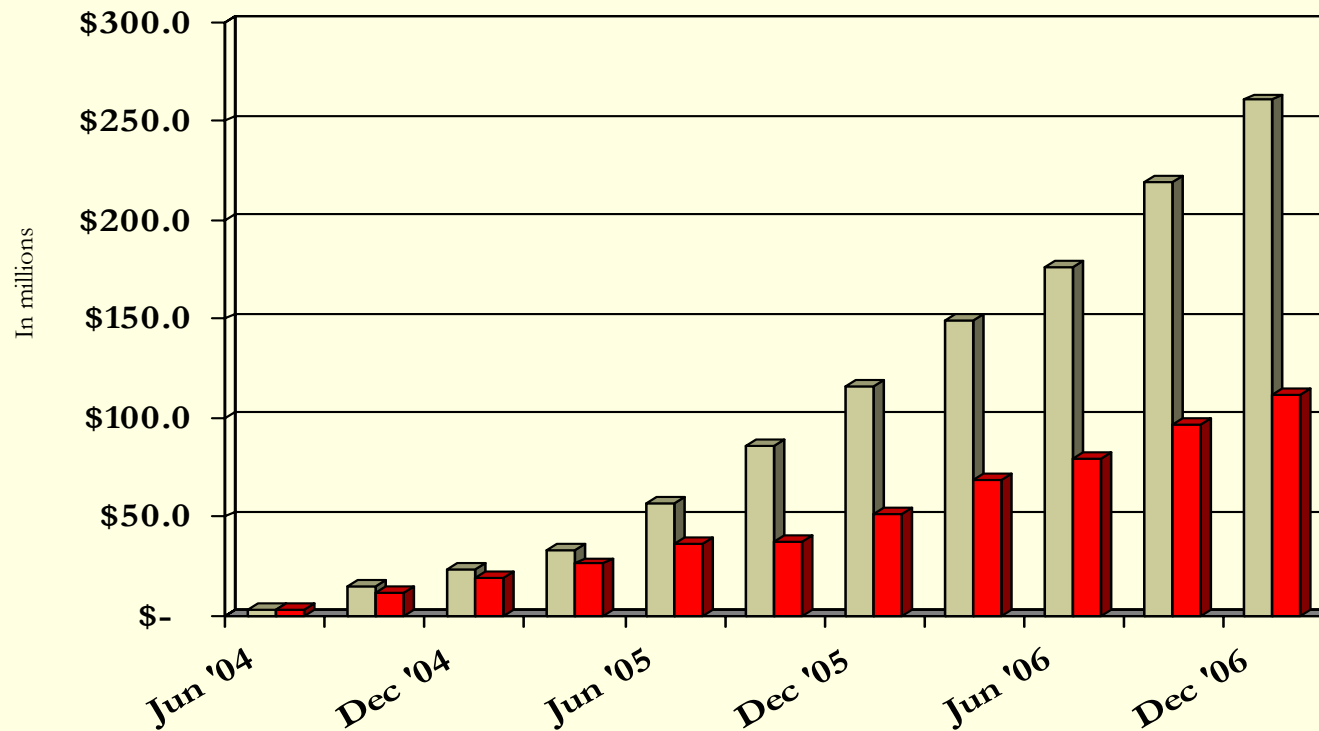
# Through December 31, 2006 .....

## Growth in Portfolio Loans





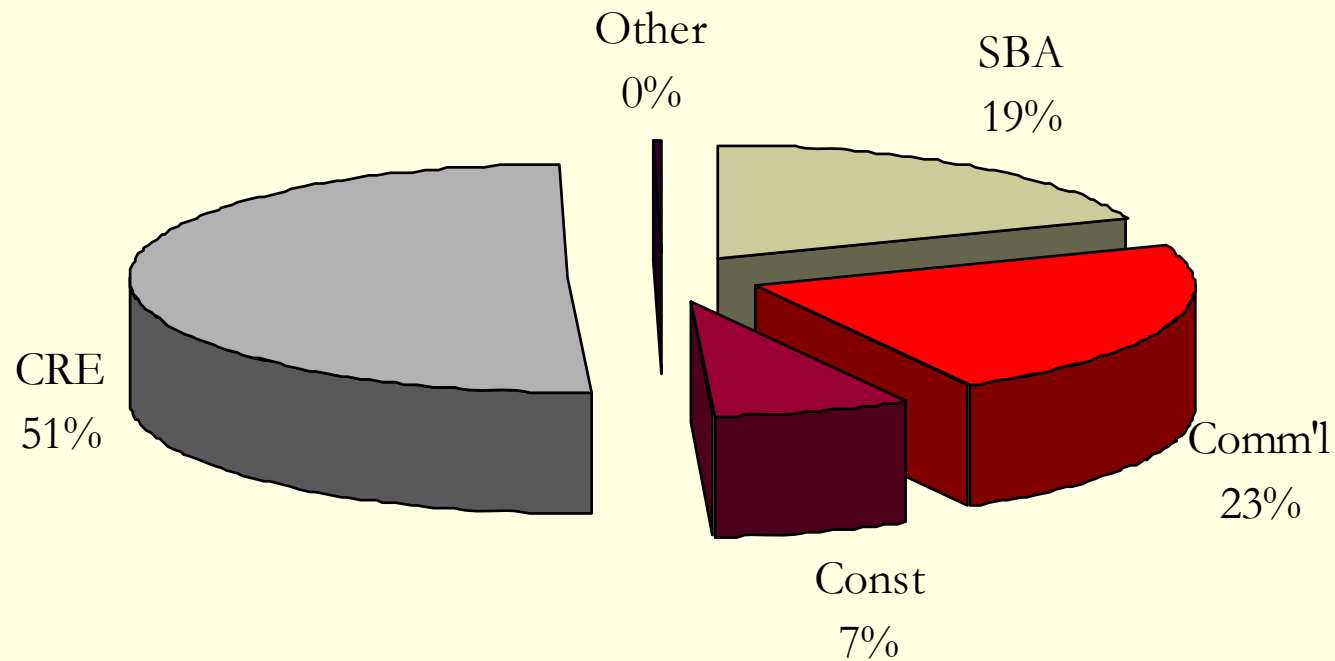
# Loans Originated / Loans in Portfolio





2005.....

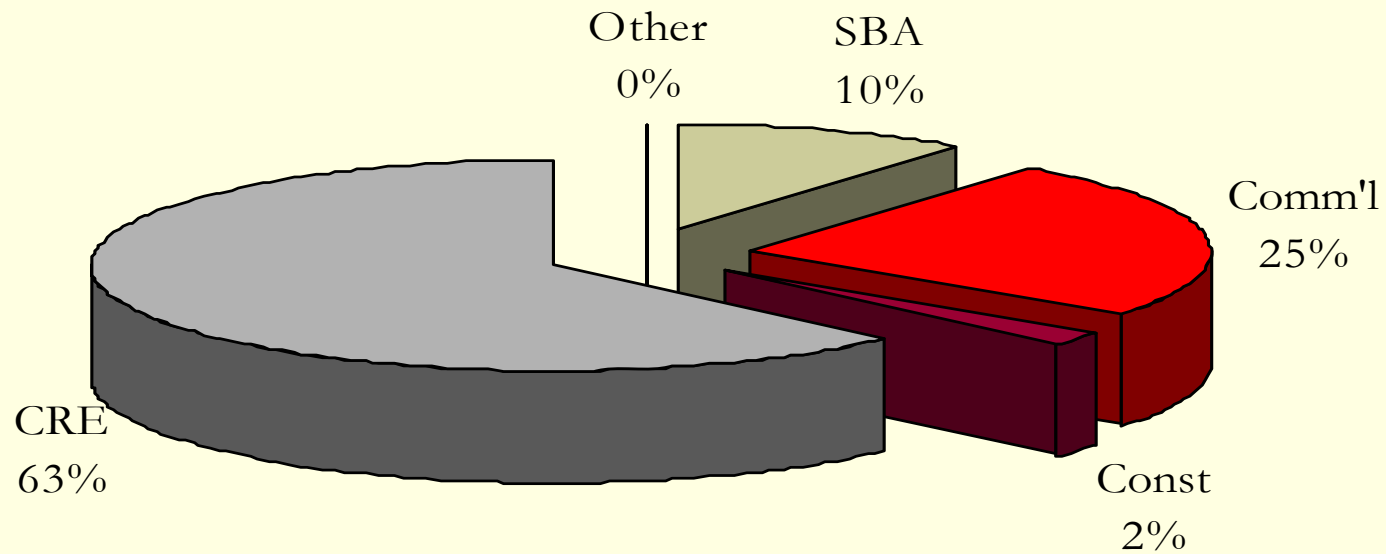
## Loan Mix as of December 31, 2005





2006.....

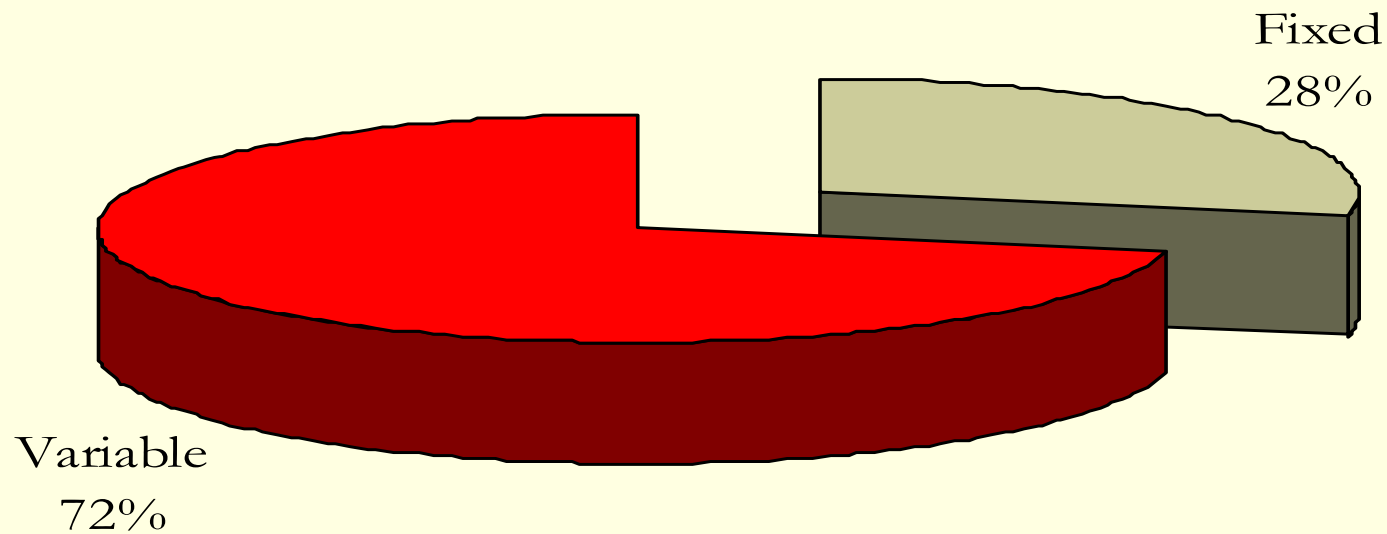
## Loan Mix as of Dec. 31, 2006





**2005.....**

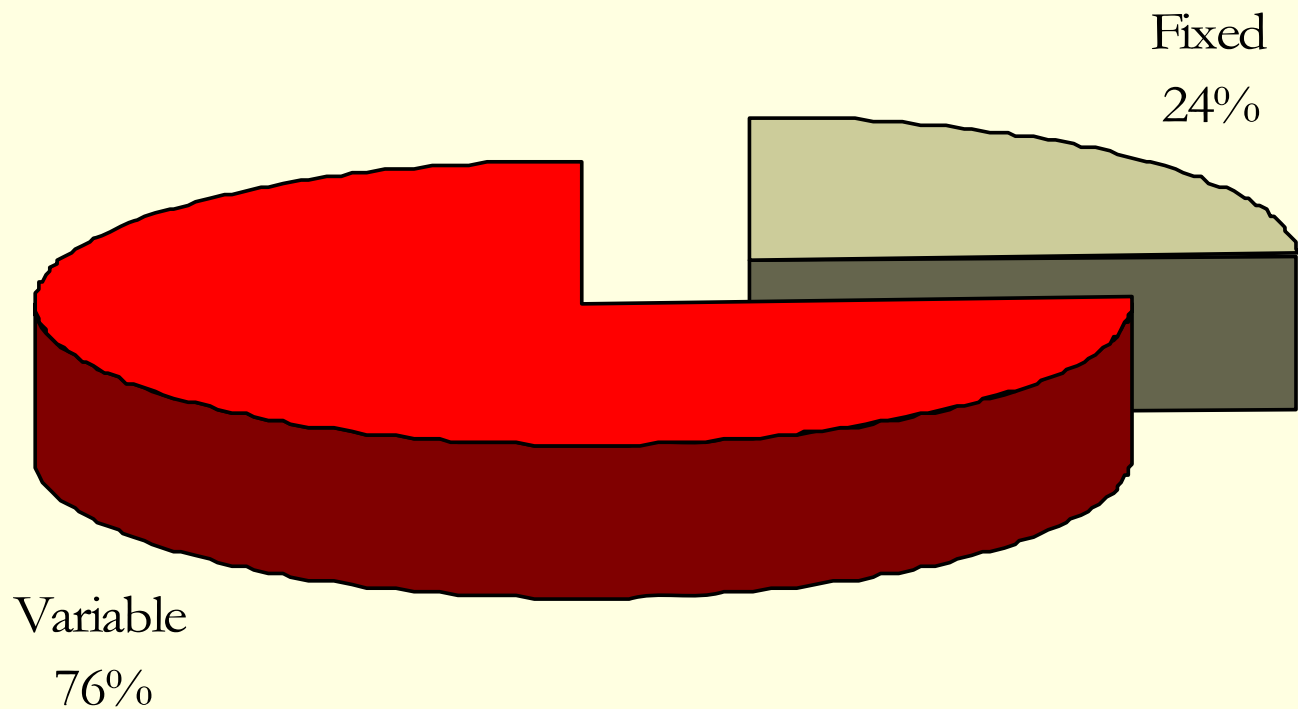
## **Loan Distribution as of December 31, 2005**





**2006.....**

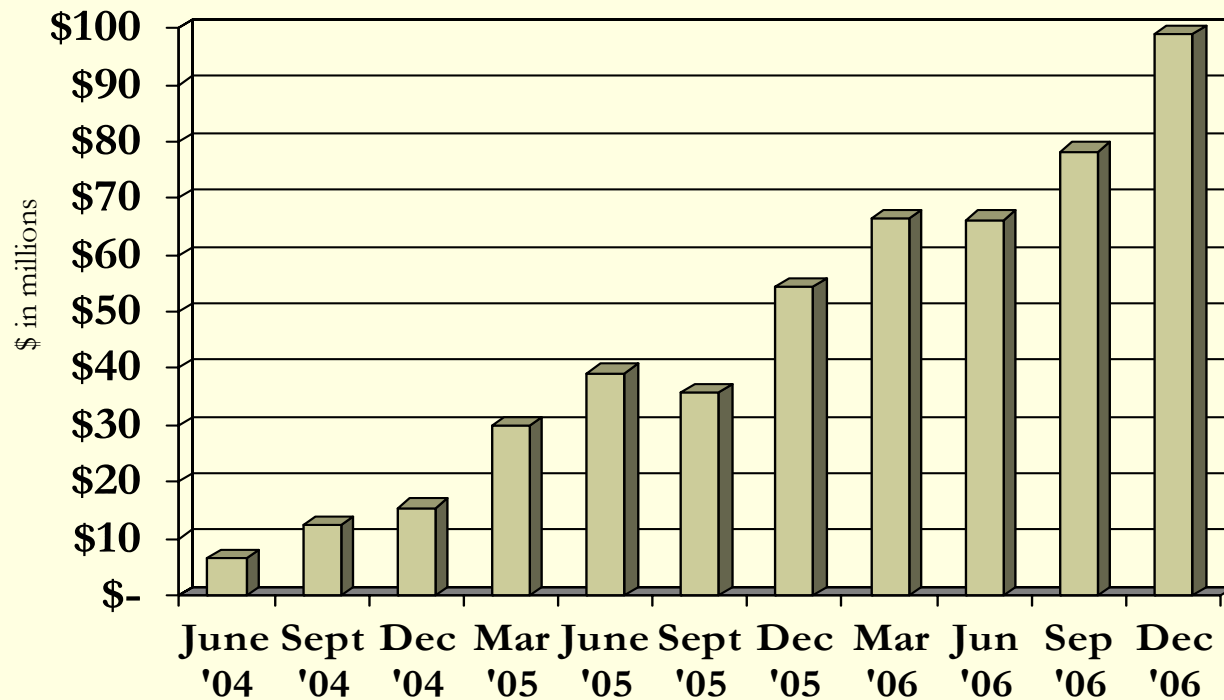
## **Loan Distribution as of Dec. 31, 2006**





# Through December 31, 2006 .....

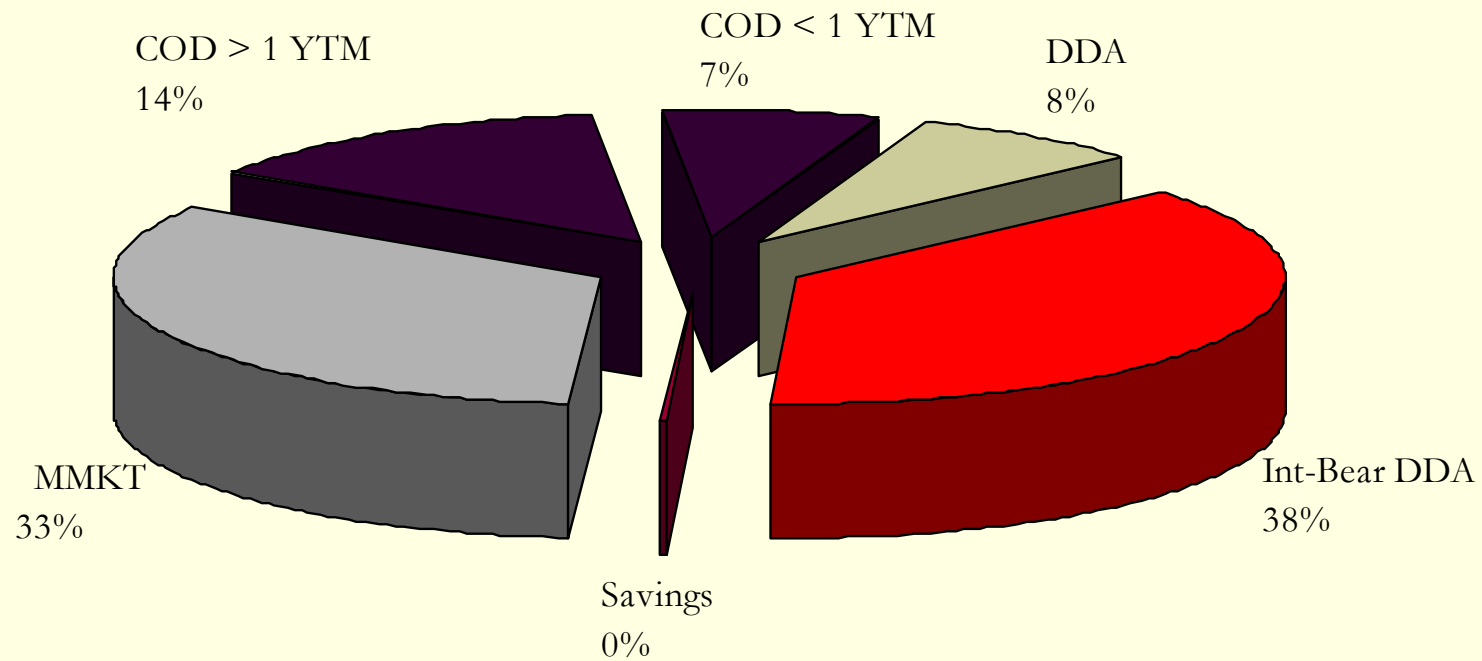
## Growth in Deposits





2005....

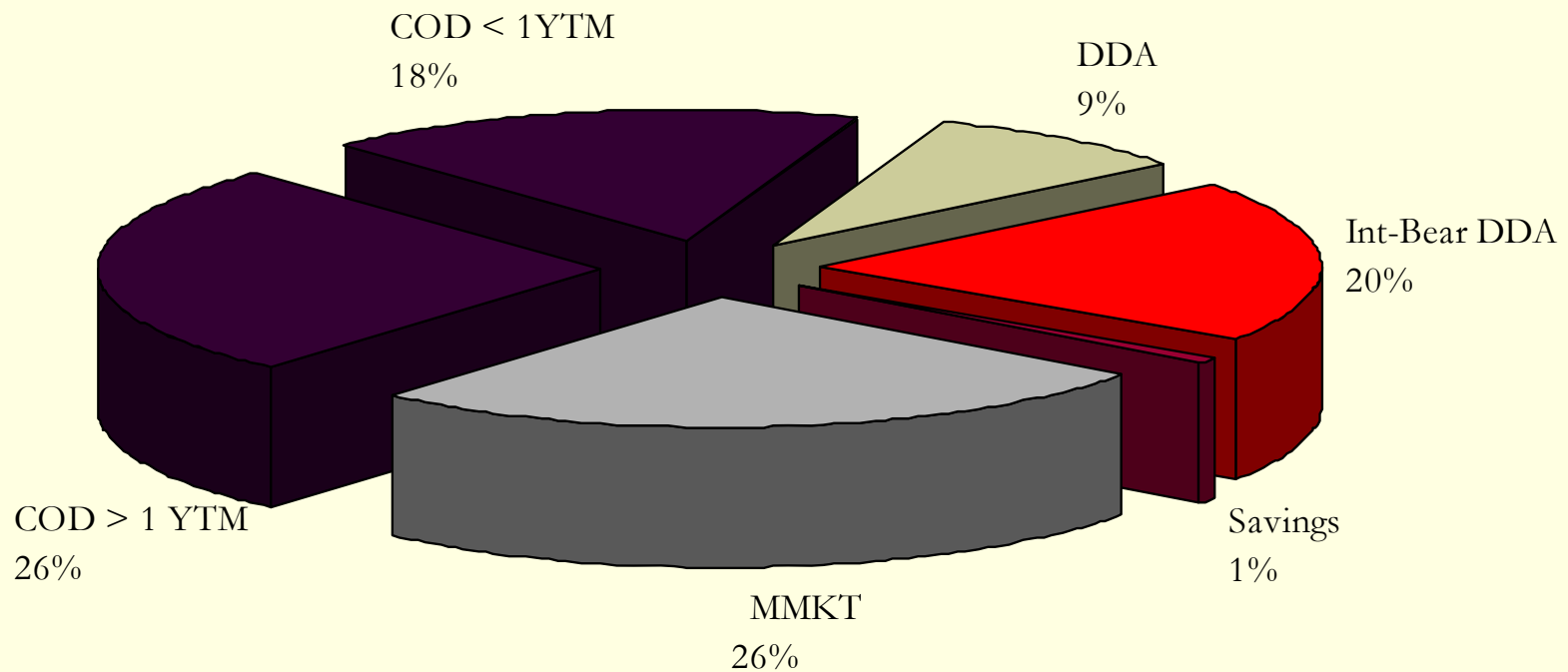
## Deposit Mix as of December 31, 2005





2006....

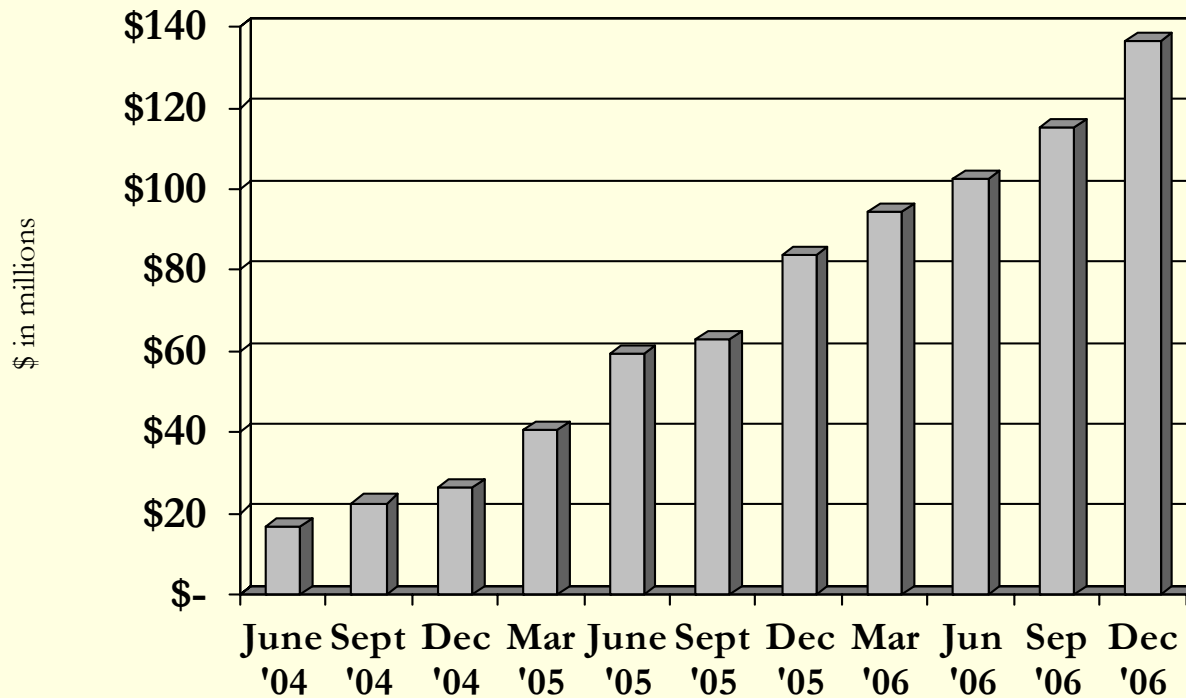
## Deposit Mix as of Dec. 31, 2006





# Through December 31, 2006 .....

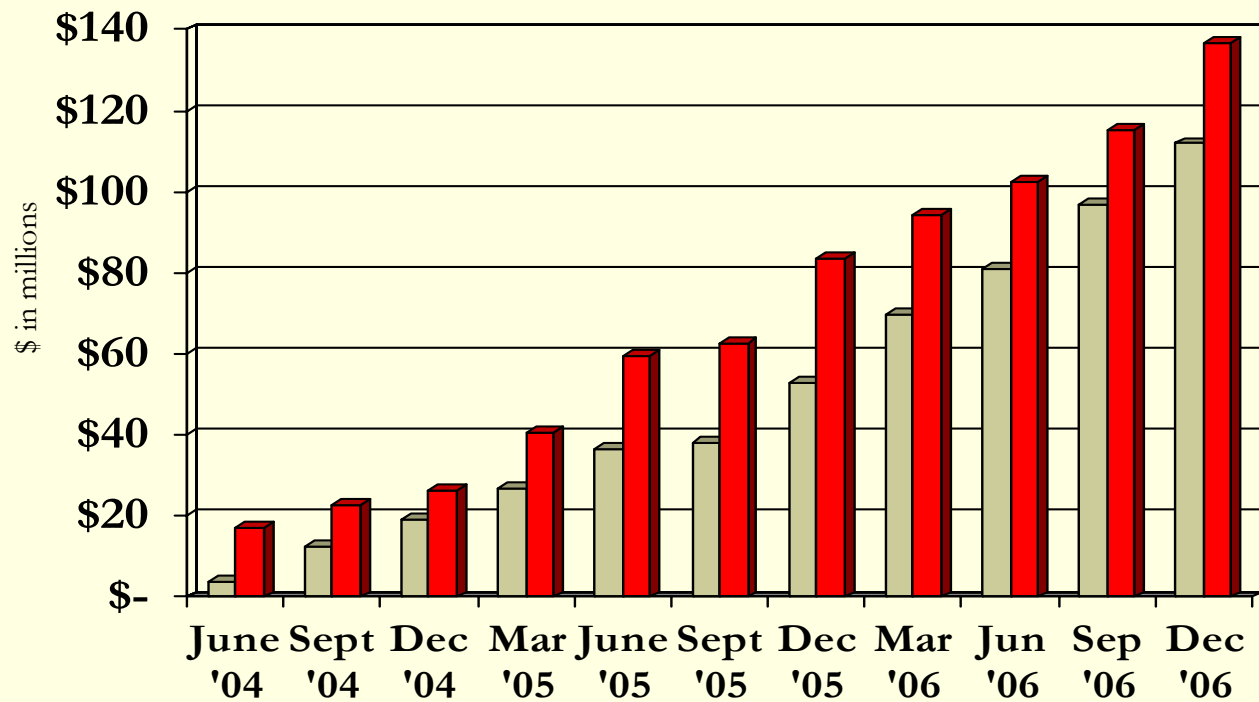
## Growth in Total Assets





# Through December 31, 2006 .....

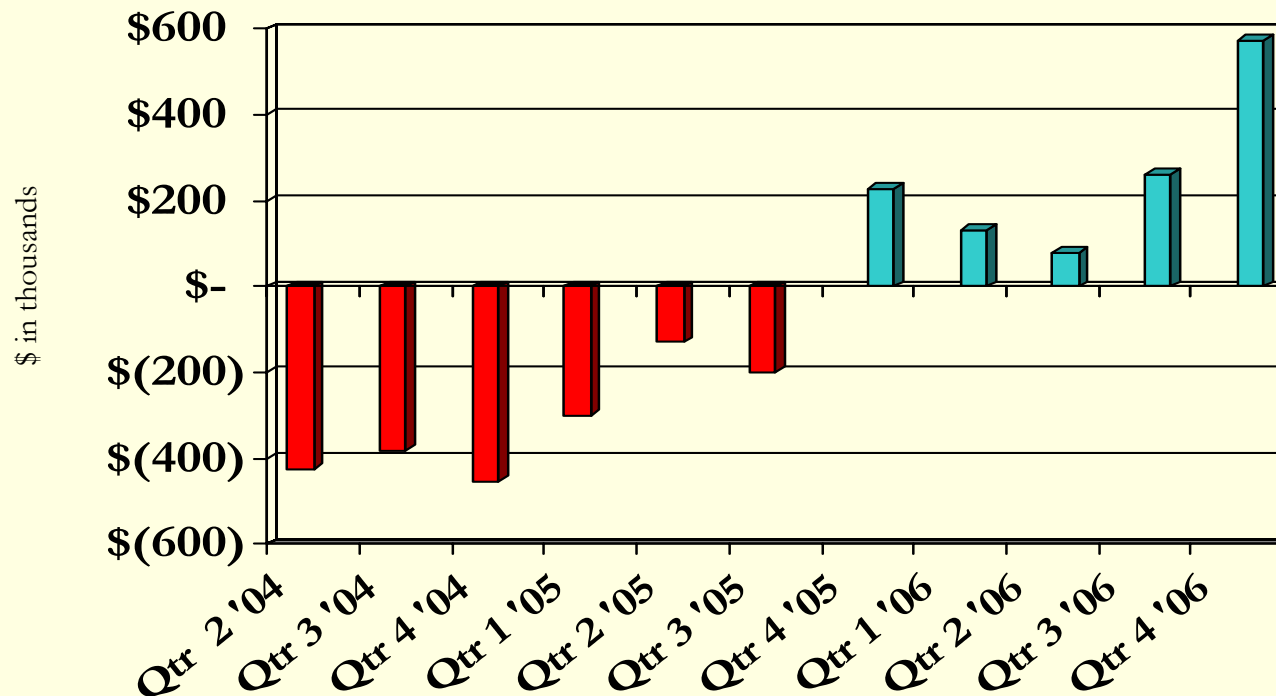
## Growth in **Assets** vs. **Loans**





# Through December 31, 2006 .....

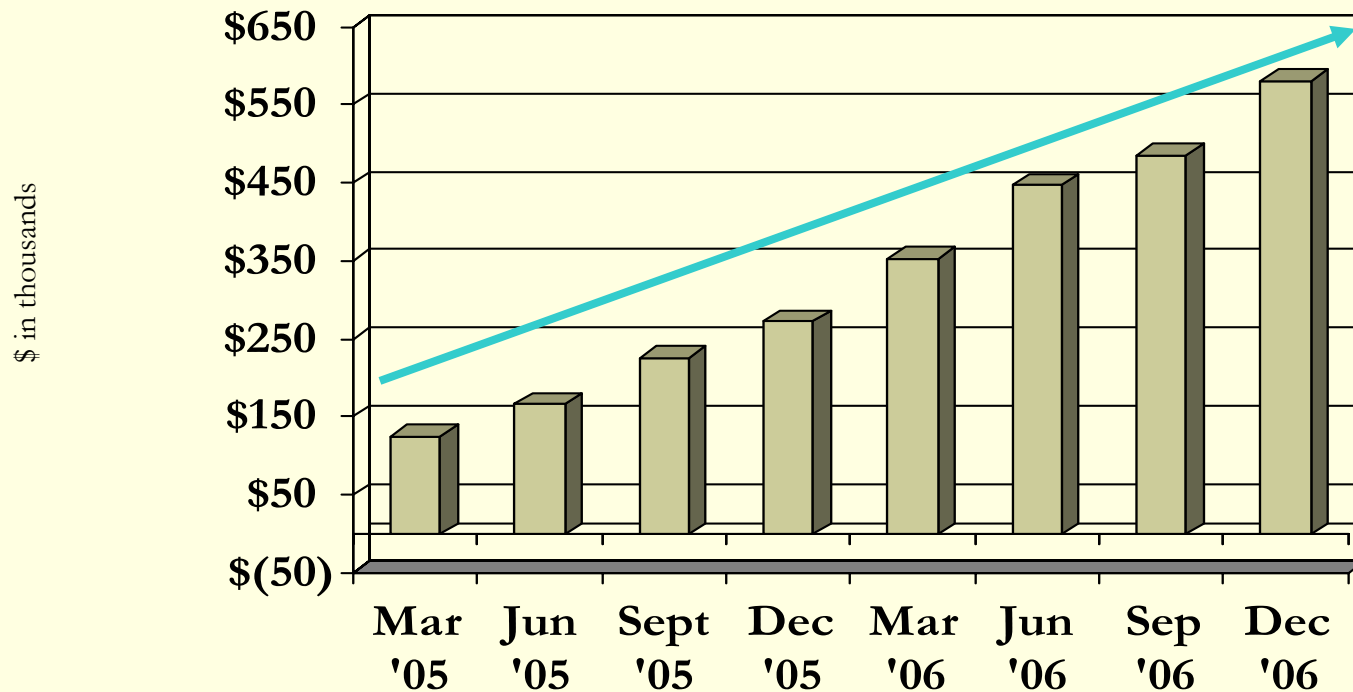
## Quarterly Net Income





# Through December 31, 2006 .....

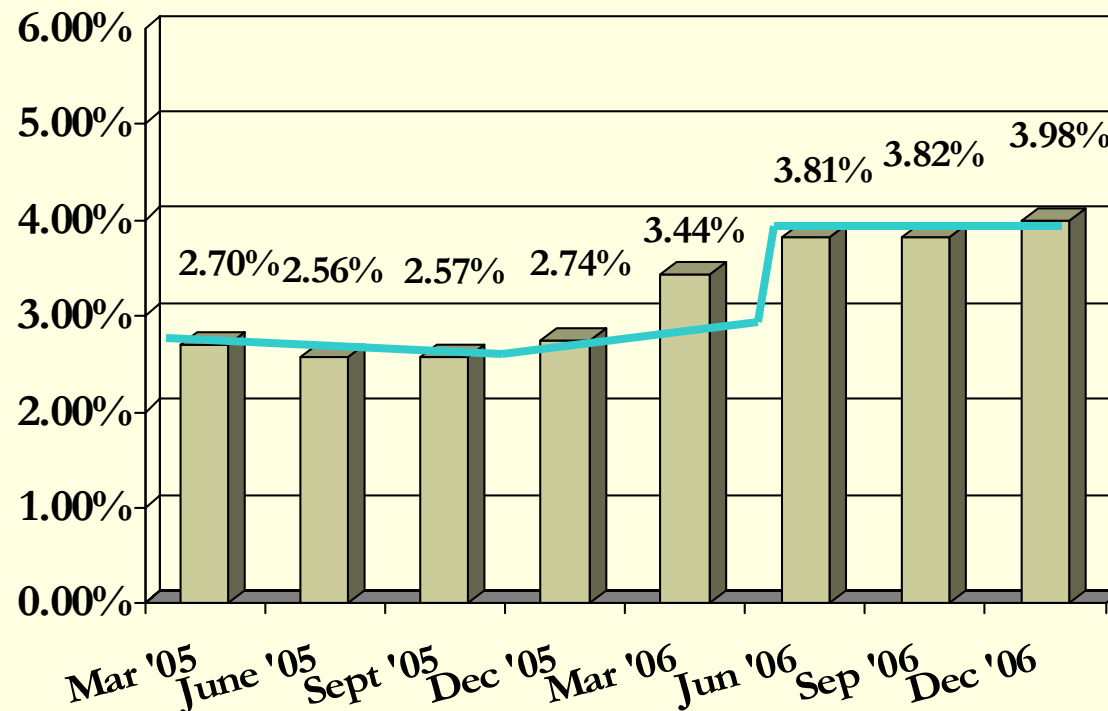
## Growth in Net Interest Income in 2005/2006





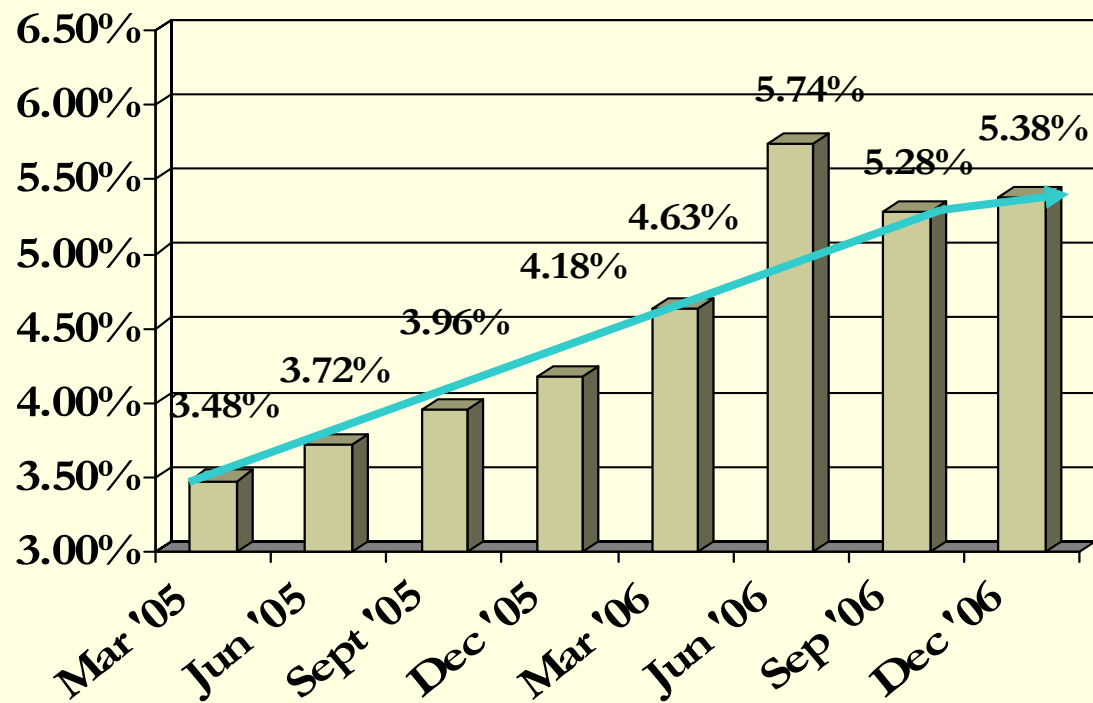
# Through December 31, 2006 .....

## Cost of Funds



# Through December 31, 2006 .....

## Net Interest Margin





# Through December 31, 2006 .....

## Quarterly Fee Income

