

15 QUESTIONS WITH BOB FRANKO



Bob Franko, a former dentist, is now president and CEO of Beach Business Bank in Manhattan Beach, CA.

Bob Franko is not your typical community banker. He has worked in sales and marketing, as a private money manager and CFO of an NYSE-listed company, operated a bank in Gibraltar, and worked as a dentist. He has an MBA in International Finance along with his degree in Dentistry.

His first bank job came on a dare. While complaining to a bank president about the institution's service, the president retorted "if you're so smart why don't you fix it?" The position paid half what Mr. Franko made as a dentist, but he accepted. Since then Mr.

Franko has worked for three banks, sold two, and started one – Beach Business Bank, a two year-old, \$115 million asset bank in Manhattan Beach, CA, where he's president and CEO.

In this interview, Mr. Franko discusses banking doctors, being called a doctor, the reason he dropped quarterly conference calls, how he handles institutional investors, and the decisions he's made at Beach Business Bank.

**1. Question:** When you accepted that first banking job did a light go on?

**Answer:** For sure. I liked business. I liked finance. I even enjoyed accounting. Those are the things I have a passion for. The thing I really liked about banking

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Announced Last Month:

- \* 23 Bank Mergers
- \* 9 Initial Offerings Totaling \$4,174,802,130
- \* 16 Secondary Offerings Totaling \$994,346,182
- \* 16,425,164 Shares Authorized for Repurchase

THE DIFFERENCES BETWEEN DE NOVO BANKS

There is a difference between well-run and not so-well-run banks. We all know that. But, how are they different? Are those differences material?

The public market has its own way of valuing the

differences. The basic theory being a better bank deserves a higher value, all else being equal. But, does that actually happen?

Community Bank Ventures examined the stock price performances of the 55

publicly traded community banks that opened in 2004 and 2005. We measured the operating performance metrics of all these banks to determine whether superior operating statistics correspond with above

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## FRANKO: WE TRY TO BE AS TRANSPARENT AS POSSIBLE

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was that it's right in the middle of the crossroads of commerce. In dentistry I probably could have made a whole lot more, but it's never been about the money. I just love this business. If you call here at 7 or 8 at night, chances are I'll probably be picking up the phone and the reason is I like the business. I knew it was the right thing. No regrets. I never looked back.

**2. Question:** How did the idea of Beach Business Bank come about?

**Answer:** When I was at First National Bank I bumped into a group of doctors and their advisors who had a substantial deposit base at the bank. When John Eggemeyer came in and was going to buy out First National Bank, the doctors approached me and said that they wanted me to start a bank just for doctors. I said, "well, you can't really do that; you have to have a diversified strategy." But I said, "you know, that would be interesting to me." Nobody knew that I had been a dentist for a while and I mentioned that to them. They said, "oh, that's great. You'll really be able to stand us." I said, "I'm not sure you should assume that."

**3. Question:** Is that when you started Beach Business Bank?

**Answer:** No. I had lined up another job, so that I was able to leave a job one day in San Diego (at First National) and go to work the next day in Beverly Hills (at City National Bank). I was not ready for all of the brain damage associated with starting up a new bank and so I said no. The doctors kept in touch with me and after about six months they said, "you know, we really think you ought to set up a bank and we'll do whatever it takes to help make that happen." This time, I said, "to make it work, the doctors can only be one part of the strategy." Because one of the product lines that I learned early on makes great business sense is the SBA business, I pulled together some of the folks I worked with at Imperial Bank. Sure enough 45 days after the prospectus went out, we had \$12.5 million and were oversubscribed. I said, "I guess we're serious about this" and gave my notice at City National.

**4. Question:** Has the focus on doctors worked out?

**Answer:** In terms of how we've executed our business plan, the doctors were always expected to be about a quarter of our total in both loans and deposits. We are close to those numbers, but not because the doctors have not materialized as expected, rather, because the other parts of the business have grown even faster than we anticipated. The doctors are very good deposit clients. When we lend money to doctors, for the most part it's to buy an office building, sometimes to give them a working line of credit and occasionally we finance medical equipment. The thing to do with a doctor is to get all of his or her information once, fill out the forms once, send it to them with a "sign here" sticker and get it back without bothering them much.

**5. Question:** How is that different from dealing with a regular business owner?

**Answer:** For the most part, I guess it's the same. The one difference is a regular business owner sort of doesn't care if you call him Joe or Mr. Smith. Doctors, for the most part, like to be called doctor-so-and-so. They also get annoyed if you send them a letter addressed to Mr. Jones. They are sensitive to those nuances.

**6. Question:** Do you like to be called doctor?

**Answer:** Not at all. The only time I ever use that title is when I'm trying to get a hold of a doctor client and I get grief at the front desk. If I detect that the receptionist is trying to screen out the doctor's call, I'll say, "look, just tell them it's Dr. Franko." That usually works.

**7. Question:** Do the doctors refer business to the bank?

**Answer:** Many doctors refer their friends to us, but we are most successful when we deal through the doctor's financial advisor or, in a large practice, where there is a business manager. When we are dealing with complex business matters, we prefer someone who speaks our language, the banker's language. The doctors can understand it, but they simply do not have the time to go back and forth with the questions that need answering. You really need a financial intermediary in there.

**8. Question:** For a while, Beach Business Bank held regular quarterly conference calls, which is rare for a small bank. What was the goal behind the calls?

**Answer:** We initially tried to take a "big bank" approach. After a year, we stopped that. We had very few people on the calls. After the calls, I would often speak again with those folks who were on the call. We have a reasonable number of institutional holders, and I thought that they would like to hear it, but most of them just call me or our CFO directly. I think it cost us roughly \$1,000 per call and I figured we could deploy that capital better. I'm easily accessible to anyone who has a question.

**9. Question:** Did you view the calls as part of a larger strategy to be more transparent than the next bank?

**Answer:** We try to be as transparent as possible. My whole experience with investor relations as the CFO of a New York Stock Exchange listed company was, if you have bad news get it out fast, and if you have good news, tell it in a way that people can understand it. And, try to be clear in terms of speaking what your objectives are and how well you're moving towards accomplishing them.

**10. Question:** Has there been an instance when the simple strategy didn't work?

**Answer:** Recently, we had a big institutional investor that basically thought we should be growing faster than we were. I said, "we're going to grow as fast as we can within our business model. We are not prepared to grow for growth's sake." Because the investor was not sure that he wanted to stay in the stock, I made a couple phone calls and

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*Q&A with Bob Franko, continued from Page 2*

arranged for them to sell their stock in a big block. I was glad to help get the investor out in an orderly fashion and the new buyers were glad to buy some stock. So it was a win-win situation. I try to visit with the institutions at least once a year. I go out and do a little road show and just tell them again what our business model is and how we try to execute against that.

**11. Question:** When you go to talk to the institutional investors, is it to help them better understand your business model or to build a relationship for future capital offerings?

**Answer:** I think it's both. I don't mind spending time with them. One of the investors who bought stock on this block trade was somebody whom I had talked to when the stock was \$2 lower. When we first met, he said, "I need to see more time on the clock before I will consider buying stock." He had watched us for about 6 months when this block came up. You just never really know who will take action. I try to be honest with them, tell them what to expect and give them my phone number. If they like the story they'll call back and if they don't that's OK too. It's not a story for everybody. It's a story for the folks that understand it.

**12. Question:** What about Beach Business Bank are you most proud of?

**Answer:** Honestly, it is being able to assemble the team we have been able to put together. We really have some top quality people and I think in this type of environment with employment levels as high as they are assembling really experienced, entrepreneurial, hardworking people is difficult and getting them to stay is tougher. Our chief credit officer, chief financial officer, chief technology officer, and senior operations officer have all been with us since we started. We've had very little turnover and the turnover we've had has sort of been the turnover you want.

**13. Question:** How have you kept your retention level so high?

**Answer:** One of the most important things that we do is make them feel confident that they're making a contribution. They're all shareholders. All of our senior people own stock – they actually paid cash for it – and have stock options so that they think

like shareholders. On top of that we try to make sure that they're involved and get to see how their involvement has a direct effect on the financial success of the organization. They can see how the decisions they make impact the bottom line. They can see how the decisions they make are addressed by the board. All of our senior people attend the board meetings. We try to make it a really enriched position that you just wouldn't get at much bigger organizations.

**14. Question:** What decisions do you most regret?

**Answer:** There's always something that you wish you hadn't done, but I try not to dwell on it. When I first got interested in business, I started reading Peter Drucker's books and one of the first things I remember him saying is, "focus on strengths and manage weaknesses." Whether you're talking about your own abilities or your peoples' abilities, focus on the strengths and play to your strengths. If I had to pick a decision I most regret, I'd probably pick one from yesterday or something, but I just can't. Maybe there were a couple of people we hired that didn't work out, but at the time you don't really know that. I'm not trying to duck your question, but I don't dwell much on mistakes. I try to get them resolved and move on and stay focused on our goals.

**15. Question:** Is there something in the de novo or community banking issue you've always wanted to address, but never had the forum?

**Answer:** One of the things that was obvious to me as an area that wasn't addressed and now seems to be getting addressed – in part by Community Bank Ventures – is how to get through the de novo process. If you are a banker trying to charter a new bank for the first time, it's like walking through a maze. It would be good to have a few different folks to call and just be able to ask, "how did you get through that?" I knew folks that had done it and I had done it before myself, so I was able to put together that network. A more formalized networking process like that would be helpful. Even if there was a bank starting up next door to me, I'd be glad to talk to the founders.

## MORE TRUST PREFERRED OFFERINGS EXPECTED IN 2007

U.S. banks completed more trust preferred offerings than any other offering type as the industry raised \$8.2 billion in the third quarter. The total dollar value of offerings was nearly 60% greater than the third quarter of 2005.

More than half of the 71 offerings in the quarter ended Sept. 30 were trust preferred offerings, followed by common and preferred stock offerings, according to SNL Financial, which estimated third quarter trust

preferred offerings raised as much as \$2 billion.

The qualification of trust preferred securities as Tier I capital is a major factor in choice of offering, Thomas Killian, a Sandler O'Neill investment banker, told SNL. With a number of banks' 5-year non-call periods expiring, he expects the trend of trust preferred offerings to continue.

"We're just now starting to get into a period during which the

earlier trust preferred transactions could be called and refinanced," Killian said according to SNL. "... Smaller banks are calling and refinancing their existing trust preferred securities with cost savings of almost 200 basis points."

With the introduction of pooled trust preferred offerings – where a number of banks can collectively issue TIPS and split the fees – community banks have greater access to the market. The

combination of de novo banks in need of secondary capital and trust preferred refiners could compress the costs of joining a pooled offering.

Investment bank Morgan Keegan expects a break-out year in 2007. According to SNL, "the investment bank expects between \$8 billion and \$10 billion in volumes of pooled trust preferred activity over the course of 2007, with half that volume coming from refinancing of 2001 and 2002 security pools."

## CBV: MARKETS REWARD QUICKLY PROFITABLE DE NOVOS

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average stock price gains. The premise being if there are no differences, all community bank investments must be the same and yield the same return.

The banks were ranked by their stock's compounded annual growth rate and then broken into quintiles. The mid-points of the top strata ("top performers") were then compared to those of the bottom strata ("poor performers"). If there were differences, they would be most noticeable here.

The market applies significantly different values to certain banks. The top performers' median growth rate for its stock was 55% compared to -5% for the bottom performers. Moreover, the differences

were statistically significant at the 99% level.

The stock market appears to reward banks that reach profitability first. Of other statistically significant findings (price-to-book-value and price-to-tangible-book-value) only core earnings-per-share was not attached to the market. Top performing banks become profitable, on average, by the sixth quarter of operation. Poor performers rarely reach profitably by 11 quarters.

The yield on interest earning assets for top performers through the fourth quarter of operations is, on average, more than 200 basis points greater per quarter than for poor performers. Although the average spread shrinks through the eighth quarter of operations, it is still material at

124 basis points. Likewise, top performers have lower costs of funds, on average, through the eighth quarter than poor performers by as much as 100 basis points.

Top performers tend to grow deposits faster than poor performers. Through the fourth quarter of operations, top performing banks have deposit growth per quarter that's 150% higher than poor performers. Top performers also grow loans faster — averaging 108% more loans per quarter than poor performers through the fourth quarter.

Top performers also beat poor performers in non-interest income. As a percentage of average assets, top performers tend to book more non-interest income than poor performers by

0.17% through the fourth quarter of operations and 0.24% through the eighth quarter. Also of interest: top performers have higher non-interest expense to average asset ratios than poor performers.

Investors need not crunch numbers to see the market correctly applies different values to different banks. Poor performers tend to have a greater executive and board-room turnover than top performers. Top performers also tend to raise more money in secondary offerings.

*For copies of the full report, contact Community Bank Ventures at [admin@communitybankventures.com](mailto:admin@communitybankventures.com) with subject line "De Novo Differences".*

## CAPITAL ACTIVITY REPORT: NOVEMBER

### MERGERS & ACQUISITIONS

Announced	State	Buyer	State	Seller	Price	Terms	Price/ Book	Price/ LTM EPS
11/1/2006	CA	City National Corp.	NV	Business Bank Corp.	\$167,900,000	Cash and Stock	332.2%	22.0
11/2/2006		Rabobank Nederland	CA	Mid-State Bancshares	\$849,000,000	Cash	297.2%	23.6
11/2/2006	NY	New York Community Bank	PA	PennFed Financial Services Inc.	\$261,900,000	Common Stock	202.7%	22.6
11/2/2006	KS	Blue Valley Ban Corp.	KS	Western National Bank	\$10,200,000	Cash	190.3%	NM
11/3/2006	IL	Heartland Bancorp Inc.	IL	First Federal Bancshares Inc.	\$30,300,000	Cash	132.9%	50.0
11/6/2006	MN	U.S. Bancorp	MT	United Financial Corp.	\$72,700,000	Common Stock	222.7%	16.7
11/7/2006	MO	First Banks Inc.	TX	Royal Oaks Bancshares Inc.	\$38,600,000	Cash	321.6%	35.8
11/8/2006	MN	First National Financial Services Inc.	MN	Maple Lake BanCorp.	na	na	na	na
11/13/2006	FL	TIB Financial Corp.	FL	Bank of Venice	\$17,400,000	Cash and Stock	208.4%	48.9
11/13/2006	NE	Country Bank Shares Inc.	NE	Mid-Nebraska Co. Inc.	na	na	na	na
11/14/2006	MA	Assabet Valley Bancorp	MA	Westborough Financial Services Inc.	\$20,600,000	Cash	199.5%	NM
11/14/2006	FL	CenterState Banks of Florida Inc.	FL	Valrico Bancorp Inc.	\$40,400,000	Cash and Stock	260.9%	19.8
11/15/2006	KS	Columbian Financial Corp.	TX	Bank	\$15,500,000	Cash	271.6%	47.7
11/15/2006	OH	Middlefield Banc Corp.	OH	Emerald Bank	\$7,300,000	Cash and Stock	133.9%	NM
11/17/2006	FL	Sun American Bancorp	FL	Independent Community Bank	\$40,900,000	Cash and Stock	294.1%	20.9
11/20/2006	NC	Bank of America	NY	U.S. Trust Corp	\$3,300,000,000	Cash	257.6%	34.5
11/20/2006	OK	First Fidelity Bancorp Inc.	AZ	Western Security Holding Co. Ltd.	na	na	na	na
11/20/2006	MO	Stifel Financial Corp.	MO	First Service Financial Company	\$37,900,000	Cash	220.0%	27.8
11/21/2006	CT	New England Bancshares Inc.	CT	First Valley Bancorp Inc.	\$25,600,000	Cash and Stock	226.9%	26.5
11/21/2006	CA	Cathay General Bancorp	NJ	United Heritage Bank	\$9,400,000	Cash	188.4%	NM
11/27/2006	MO	Enterprise Financial Services Corp	KS	Great American Bank	\$37,000,000	Cash and Stock	281.4%	25.1
11/27/2006	MA	Danversbank (MHC)	MA	BankMalden	na	na	na	na
11/30/2006	TX	Family Bancorp Inc.	TX	First National Bank of Refugio	na	na	na	na

## CAPITAL ACTIVITY REPORT: NOVEMBER

### INITIAL OFFERINGS

Announced	State	Company	Gross Capital Being Raised	Total Shares Being Issued	Est. Price Per Share	Net Capital Being Raised
11/1/2006	WA	WSB Financial Group Inc.	\$36,800,000	2,300,000	\$16.00	\$36,500,000
11/1/2006	NC	TrustAtlantic Financial Corp.	\$90,000,000	9,000,000	\$10.00	\$84,600,000
11/2/2006	CT	People's United Financial Inc.**	\$3,967,500,000*	198,375,000	\$20.00	\$3,830,000,000
11/7/2006	PA	Polonia Bancorp**	\$14,878,130	1,487,813	\$10.00	na
11/10/2006	GA	First Choice Community Bank	\$20,000,000	na	na	na
11/21/2006	MI	MainStreet Financial Corp.	\$4,324,000	432,400	\$10.00	na
11/24/2006	CA	Commerce Bank of Folsom	\$16,300,000	1,630,000	\$10.00	na
11/24/2006	CA	Focus Business Bank	\$25,000,000	2,500,000	\$10.00	na
11/30/2006	PA	Abington Community Bancorp Inc.**	na	na	na	na

\* Based on upper level or super-maximum of offering estimate.

\*\* Mutual holding company conversion.

### SECONDARY OFFERINGS

Announced	State	Company	Offering Type	Gross Capital Being Raised	Total Shares Being Issued	Est. Price Per Share	Net Capital Being Raised
11/2/2006	CA	Heritage Oaks Bancorp	Trust Preferred	\$8,000,000	NA	NA	NA
11/3/2006	IL	QCR Holdings Inc.	Preferred Stock	\$9,550,000	191	\$50,000.00	na
11/3/2006	VA	Eastern Virginia Bankshares Inc.	Common Stock	\$22,005,000	1,000,000	\$22.01	na
11/6/2006	CT	Bank of New Canaan	Common Stock	\$15,000,012	833,334	\$18.00	na
11/7/2006	MI	Dearborn Bancorp Inc.	Common Stock	\$54,000,000	2,700,000	\$20.00	na
11/9/2006	NM	First State Bancorp.	Common Stock	\$68,612,500	2,750,000	\$24.95	na
11/10/2006	LA	IBERIABANK Corp.	Common Stock	\$30,000,000	576,923	\$52.00	na
11/14/2006	CA	Ramona National Bank	Common Stock	\$18,049,000	1,804,900	\$10.00	na
11/14/2006	MD	Tri-County Financial Corp.	Common Stock	na	3,150	na	na
11/15/2006	OH	KeyCorp	Trust Preferred	\$500,000,000	NA	NA	NA
11/15/2006	UT	Zions Bancorporation	Preferred Stock	\$200,000,000	na	na	na
11/20/2006	VA	CNB Bancorp Inc.	Common Stock	\$4,387,500	650,000	\$6.75	na
11/21/2006	MO	Great Southern Bancorp Inc.	Trust Preferred	\$25,000,000	NA	NA	NA
11/21/2006	CA	Temecula Valley Bancorp Inc.	Common Stock	\$25,392,170	1,336,430	\$19.00	na
11/22/2006	TN	Community First Inc.	Common Stock	\$10,500,000	350,000	\$30.00	\$10,450,000
11/22/2006	IL	QCR Holdings Inc.	Preferred Stock	\$3,850,000	77	\$50,000.00	na

### SHARE REPURCHASES

Announced	State	Company	Shares Repurchased	% of Outstanding	Share Price at Announcement
11/2/2006	OH	Greenville Federal Financial	45,048	2.0%	\$10.30
11/3/2006	VA	C&F Financial Corp.	150,000	4.8%	\$40.50
11/6/2006	WI	Associated Banc-Corp	2,000,000	1.5%	\$32.66
11/13/2006	TN	Security Bancorp Inc.	6,051*	1.5%	\$33.05
11/13/2006	CO	United Western Bancorp	377,829	5.0%	\$19.53
11/14/2006	MI	Comerica Inc.	10,000,000	6.3%	\$59.45
11/14/2006	MA	Benjamin Franklin Bancorp	412,490	5.0%	\$14.27
11/15/2006	MO	Great Southern Bancorp	700,000	5.0%	\$31.85
11/16/2006	NY	Chemung Financial Corp.	180,000	5.0%	\$32.35
11/16/2006	WI	Blackhawk Bancorp Inc.	100,000	4.5%	\$11.00
11/17/2006	MA	United Financial Bancorp	858,000	5.0%	\$14.22
11/17/2006	GA	Charter Financial Corp.	1,000,000	5.1%	\$51.90
11/17/2006	IN	Third Century Bancorp	4,132	5.0%	\$11.50
11/20/2006	WA	Timberland Bancorp Inc.	186,266	5.0%	\$36.05
11/22/2006	NC	Four Oaks Fincorp Inc.	100,000	1.8%	\$26.00
11/22/2006	OH	National Bancshares Corp.	200,000	9.0%	\$23.50
11/28/2006	MI	Pavilion Bancorp Inc.	5,348**	0.7%	\$46.75
11/28/2006	NY	Hudson Valley Holding	100,000	1.2%	\$59.75

\* Based on announced repurchase of \$200,000 of outstanding shares at current market price of \$33.05.

\*\* Based on announced repurchase of \$250,000 of outstanding shares at current market price of \$46.75.

### STOCK SPLITS

Announced	State	Company	Split Factor	Share Price at Announcement
11/8/2006	WA	City Bank	50%	\$53.63
11/15/2006	TN	Cornerstone Bancshares Inc.	100%	\$30.50
11/17/2006	CA	NorCal Community Bancorp	50%	\$28.30
11/20/2006	NC	Little Bank Inc.	25%	\$23.00
11/21/2006	GA	Savannah Bancorp Inc.	25%	\$34.56
11/29/2006	MT	Glacier Bancorp Inc.	50%	\$35.56



**CALIFORNIA COMMUNITY BANK STOCKS**

		Price/														
		Nov. Closing Price (\$)	MTD Change	YTD Change	Avg. Daily Volume	Book (%)	Tang. Book (%)	LTM EPS (\$)	Total Assets (\$000)	ROAE (%)	ROAA (%)	NIM (%)	Loans/Dep. (%)	Rsrvs/Loans (%)	NIB Dep/Tot Dep (%)	Mkt. Cap. (\$M)
<b>Assets: \$300M to \$600M, cont.</b>																
Heritage Oaks Bancorp	HEOP	18.75	4.17%	-8.54%	9,751	246.1	281.5	18.4	532,381	14.54	1.35	6.07	98.35	0.91	36.53	119.2
Summit State Bank	SBSI	13.35	3.01%	NA	6,773	134.4	NA	15.7	303,546	6.69	0.97	3.99	112.25	1.48	4.92	64.5
FCB Bancorp	FCBA	23.25	2.65%	12.32%	2,738	154.1	237.7	16.5	502,551	10.70	1.04	4.71	90.80	0.96	32.52	76.2
Central Valley Community Bancorp	CVCY	15.20	2.56%	1.33%	3,646	191.4	242.4	15.4	469,924	14.27	1.43	5.83	75.33	1.16	33.17	91.4
National Mercantile Bancorp	MBLA	13.56	2.34%	-13.03%	10,717	182.0	200.9	15.6	494,197	17.19	1.44	5.13	94.41	1.30	18.94	75.5
1st Centennial Bancorp	FCEN	33.75	2.27%	55.77%	386	271.1	302.7	16.9	539,712	18.98	1.47	5.97	96.37	1.35	25.64	108.1
Bank of Commerce Holdings	BOCH	11.70	2.18%	15.84%	4,040	237.3	238.3	15.2	585,218	17.50	1.23	4.33	95.16	1.16	18.90	104.4
Greater Sacramento Bancorp	GSCB	23.50	2.17%	24.41%	233	250.0	250.0	17.8	305,703	18.89	1.20	4.58	78.10	1.13	29.42	47.2
Desert Community Bank	DCBK	17.85	1.42%	7.89%	3,164	195.5	195.5	14.5	559,316	13.13	1.29	6.07	78.92	1.14	35.50	104.8
Plumas Bancorp	PLBC	16.00	0.88%	-23.81%	1,039	229.9	239.5	15.8	477,102	16.36	1.18	5.39	83.92	1.11	31.30	80.1
Epic Bancorp	EPIK	14.35	0.78%	-15.43%	3,606	178.1	178.1	14.2	508,847	14.29	0.84	3.60	118.11	1.10	7.45	52.8
American River Bankshares	AMRB	25.11	0.04%	14.29%	5,053	220.3	310.8	15.4	592,099	14.51	1.52	5.05	77.06	1.54	31.32	136.0
Community West Bancshares	CWBC	15.70	0.00%	11.35%	819	199.5	199.5	17.4	498,129	13.26	1.24	4.94	101.00	0.90	11.16	91.1
Mirae Bank*	MAEB	12.50	0.00%	56.25%	0	182.5	182.5	NM	369,463	6.68	0.80	4.16	82.03	1.11	11.36	77.7
Pacific City Bank*	PCFY	31.60	0.00%	24.65%	0	NA	NA	45.1	310,291	6.29	0.73	5.15	86.38	1.18	17.14	82.8
American Business Bank*	AMBB	24.85	-0.60%	-6.81%	196	241.3	241.3	NM	516,420	16.26	1.13	4.35	47.48	1.42	36.85	80.8
Premier Commercial Bancorp	PCBP	21.55	-2.05%	7.75%	152	182.5	182.5	29.9	317,078	4.19	0.31	4.53	86.23	1.22	9.71	57.3
Premier Valley Bank	PVLYE	9.00	-2.70%	-22.86%	6,755	189.1	263.2	20.9	430,266	9.29	1.23	4.92	80.22	1.16	31.69	106.3
Saehan Bancorp	SAEB	16.25	-2.99%	10.89%	635	342.1	342.1	25.4	598,511	13.89	1.19	4.62	90.05	1.07	21.36	173.3
Community Valley Bancorp	CVLL	16.75	-4.29%	17.54%	4,527	266.7	266.7	17.1	531,421	15.10	1.32	6.80	100.09	1.15	6.74	126.4
Oak Valley Community Bank	OYVB	13.90	-5.76%	-11.28%	602	298.3	298.3	27.3	428,670	11.90	0.93	4.44	97.81	1.18	14.41	96.5
FNB Bancorp	FNBG	32.80	-6.29%	-3.53%	668	154.8	162.5	12.3	585,979	9.82	1.00	5.05	83.62	1.23	25.37	98.6
		<b>Average:</b>	<b>0.21%</b>	<b>8.11%</b>	<b>2,962</b>	<b>221.0</b>	<b>244.9</b>	<b>19.2</b>	<b>469,549</b>	<b>13.39</b>	<b>1.16</b>	<b>5.02</b>	<b>89.05</b>	<b>1.17</b>	<b>22.64</b>	<b>92.8</b>
		<b>Median:</b>	<b>0.78%</b>	<b>9.39%</b>	<b>2,616</b>	<b>209.9</b>	<b>241.3</b>	<b>16.9</b>	<b>498,129</b>	<b>14.27</b>	<b>1.20</b>	<b>4.94</b>	<b>90.05</b>	<b>1.16</b>	<b>25.37</b>	<b>91.1</b>
<b>Assets: \$150M to \$300M</b>																
First Commerce Bancorp	FCBC	6.75	17.39%	29.81%	4,826	230.4	230.4	17.8	265,154	14.63	1.40	5.22	86.00	1.24	36.65	59.8
Coast Bancorp	CTBP	36.00	14.29%	20.00%	248	194.6	194.6	17.6	178,303	15.18	1.04	5.92	90.07	0.90	26.61	24.3
Santa Lucia Bancorp	SLBA	27.29	12.54%	4.96%	610	292.8	292.8	17.0	236,195	20.57	1.53	6.52	83.41	0.92	42.74	53.6
NCAL Bancorp*	NCAL	69.00	6.15%	43.75%	361	251.5	NA	NA	275,304	20.79	2.25	7.51	98.75	1.44	54.26	78.7
Orange County Business Bank, N.A.	OCBB	18.50	5.71%	-0.27%	1,955	159.8	159.8	42.0	178,430	0.97	0.28	4.63	59.56	1.41	40.43	78.2
1st Pacific Bank of California	FPBS	15.75	5.00%	23.05%	631	245.3	245.3	21.3	293,530	14.34	1.24	5.66	104.31	1.27	20.55	61.0
Valley Commerce Bancorp	VBCP	22.00	4.76%	15.50%	203	198.9	199.6	17.9	263,002	13.79	1.31	4.98	92.44	0.96	34.11	48.8
Discovery Bancorp	DYBC	19.75	3.95%	29.51%	1,405	151.7	163.2	21.7	194,387	7.37	0.96	6.29	116.73	1.32	14.89	37.4
Granite Community Bank, N.A.	GCBKE	20.00	3.90%	-6.98%	30	172.0	172.0	23.8	155,059	10.62	1.04	4.76	87.25	1.23	23.94	25.5
United American Bank	UABK	16.55	3.44%	3.44%	190	162.4	162.4	18.0	183,312	13.07	1.53	5.53	95.81	1.19	8.81	36.9
Summit Bancshares, Inc.*	SMAL	19.55	2.89%	12.68%	339	198.7	198.7	NM	173,872	22.85	2.11	7.02	75.26	1.72	34.18	32.1
Valley Community Bank	VBCB	19.00	2.70%	-11.33%	1,402	191.0	191.0	17.6	164,943	13.90	1.48	5.86	93.76	1.35	25.42	32.2
Commerce West Bank, N.A.	CWBK	20.00	2.56%	-2.44%	7,481	230.9	230.9	26.0	219,473	11.97	1.63	5.75	69.11	1.33	43.66	62.4
Citizens Bancorp	CZNB	23.75	2.15%	13.35%	600	228.4	228.4	14.0	274,255	15.23	0.99	5.40	106.86	1.30	5.48	41.1
Northern California Bancorp, Inc.	NRLB	11.20	1.82%	NA	83	153.0	153.0	5.9	185,607	25.95	1.67	5.64	94.67	1.02	28.53	22.8

**CALIFORNIA COMMUNITY BANK STOCKS**

		Price/														
		Nov. Closing Price (\$)	MTD Change	YTD Change	Avg. Daily Volume	Book (%)	Tang. Book (%)	ITM EPS (x)	Total Assets (\$000)	ROAE (%)	ROAA (%)	NIM (%)	Loans/Dep. (%)	Rsrvs/Loans (%)	NIB Dep/Tot Dep (%)	Mkt. Cap. (\$M)
<b>Assets: \$150M to \$300M, cont.</b>																
Mission Valley Bancorp*	MVLY	14.50	1.75%	-1.97%	155	182.2	182.2	NA	159,799	8.11	0.80	4.48	90.79	1.33	34.1	28.5
Commerce National Bank	CNBF	16.75	1.52%	-2.90%	5,245	173.8	173.8	NA	152,270	2.11	0.36	4.65	76.11	1.19	19.07	41.9
Commonwealth Business Bank*	CWBBE	23.35	1.08%	1.52%	927	256.6	256.6	NA	159,700	2.41	0.34	3.40	77.25	1.23	10.42	70.2
Mission Oaks Bancorp	MOKB	10.07	0.70%	-21.33%	1,183	247.4	247.4	18.3	168,646	13.38	1.26	5.50	88.14	1.29	31.03	41.0
Sunwest Bancorp	SWBC	3,400.00	0.29%	-2.86%	2	168.3	168.6	28.7	296,657	7.35	0.83	6.23	59.43	1.56	16.66	58.7
NorCal Community Bancorp	NCLC	28.00	0.00%	24.17%	584	252.9	252.9	17.5	251,983	16.55	1.39	5.99	97.61	1.35	28.77	54.1
First Coastal Bancshares	FCST	133.00	0.00%	-19.39%	0	124.1	199.6	23.8	245,922	5.87	0.29	3.65	83.36	0.90	30.61	15.2
Liberty Bancorp*	LIBC	34.00	0.00%	-9.33%	0	175.0	175.0	12.2	162,127	15.16	1.40	6.19	78.90	1.42	21.54	26.3
California United Bank	CUNB	17.01	0.00%	-6.54%	979	192.6	192.6	NM	159,674	-7.51	-1.48	4.17	59.57	1.35	26.91	59.5
First Mountain Bancorp	FMBP	18.45	0.00%	-0.65%	0	179.8	181.8	17.1	152,521	11.93	1.17	5.66	80.51	1.19	NA	26.6
Diablo Valley Bank*	DBVB	19.50	-0.26%	-18.75%	935	296.8	296.8	21.2	221,930	9.23	0.97	4.99	89.64	1.24	19.56	48.6
Canyon Bancorp	CYBA	28.40	-0.35%	13.60%	159	271.0	271.0	15.8	248,040	19.26	1.71	6.50	90.94	1.66	NA	60.3
Uniti Financial Corporation	UIFC	8.00	-1.23%	-32.80%	773	143.6	143.6	21.1	229,789	9.54	0.94	4.72	98.57	1.12	19.87	37.1
Orange Community Bank*	OCBK	18.71	-1.53%	2.52%	144	NA	NA	NA	185,401	14.65	1.34	4.93	61.41	1.24	11.08	32.2
Security Business Bank of San Diego	SBBK	19.50	-2.01%	16.07%	373	188.6	189.5	30.5	152,425	7.22	0.90	5.70	105.57	1.28	35.86	34.3
Service 1st Bancorp	SVCF	20.50	-2.38%	20.59%	418	293.7	293.7	44.6	218,345	6.22	0.49	3.68	59.67	1.22	18.60	49.0
Professional Business Bank*	PBBK	15.65	-5.15%	0.26%	3,922	169.4	169.4	27.5	180,524	2.78	0.29	5.58	89.65	1.21	36.01	30.4
Sonoma Valley Bancorp	SBNK	28.05	-5.71%	31.07%	200	248.7	248.7	16.8	269,007	15.82	1.52	5.46	91.96	1.48	25.48	64.0
Mission Community Bancorp	MISS	25.00	-7.41%	3.09%	267	157.2	157.2	24.5	153,711	5.51	0.43	4.85	95.54	0.94	21.47	16.8
CalWest Bancorp	CALWE	15.75	-10.00%	-3.75%	273	166.1	166.1	32.1	160,720	2.89	0.36	5.19	64.33	1.15	43.50	35.9
1st Century Bank, NA	FCNA	7.75	-12.92%	-20.10%	13,824	139.6	139.6	NM	177,372	0.09	0.03	5.44	105.48	1.28	22.50	75.7
		<b>Average:</b>	<b>1.27%</b>	<b>4.22%</b>	<b>1,409</b>	<b>202.5</b>	<b>203.8</b>	<b>22.6</b>	<b>204,094</b>	<b>10.83</b>	<b>0.99</b>	<b>5.38</b>	<b>86.07</b>	<b>1.26</b>	<b>26.86</b>	<b>44.5</b>
		<b>Median:</b>	<b>0.89%</b>	<b>1.52%</b>	<b>396</b>	<b>191.0</b>	<b>191.8</b>	<b>19.7</b>	<b>184,357</b>	<b>11.95</b>	<b>1.04</b>	<b>5.48</b>	<b>89.65</b>	<b>1.26</b>	<b>26.05</b>	<b>41.0</b>
<b>Assets: \$75M to \$150M</b>																
Pacific Commerce Bank, N.A.	PFCI	12.25	16.67%	53.13%	1,204	198.5	198.5	NA	95,757	-6.67	-1.16	4.12	99.38	1.03	21.56	29.8
Security Bank of California*	SBOCE	19.50	14.71%	-21.21%	190	228.9	228.9	NM	90,253	-5.88	-1.08	4.83	79.24	1.25	22.08	34.3
Mission Bancorp*	MSBC	56.00	8.74%	107.41%	221	399.7	399.7	18.1	132,494	24.36	2.21	6.59	73.36	1.26	45.14	50.3
Premier Service Bank	PSBK	20.00	8.11%	14.29%	255	211.0	211.0	13.0	138,942	17.82	1.49	5.59	74.40	1.11	37.98	24.4
Bank of Santa Clarita	BSCA	16.00	7.38%	-16.23%	595	186.5	186.5	NM	104,002	-2.87	-0.55	3.87	90.63	0.99	23.87	35.2
Delta National Bancorp*	DEBC	76.00	4.11%	23.58%	824	157.4	157.6	18.8	149,460	10.58	1.26	5.79	74.79	1.15	20.78	29.3
Santa Clara Valley Bank, N.A.*	SCVE	14.50	3.57%	-9.38%	439	161.5	161.5	43.9	91,577	1.52	0.14	4.63	67.02	0.93	32.62	13.6
California Oaks State Bank*	COSB	16.75	3.08%	19.64%	2,196	188.8	188.8	17.3	107,511	10.81	1.28	7.28	96.08	1.21	39.61	23.9
Landmark National Bank	LMRK	12.25	2.08%	-3.92%	389	137.8	199.5	21.1	116,628	5.23	0.74	5.39	88.97	1.29	26.44	23.5
Santa Cruz County Bank	SCZC	25.00	2.04%	-13.79%	664	NA	NA	NA	125,142	11.37	1.55	6.16	76.80	1.46	30.76	41.2
Beach Business Bank	BBBC	16.05	1.90%	45.91%	2,298	180.3	180.3	NM	115,143	2.96	0.97	5.28	125.71	1.53	6.53	64.7
Pacific Valley Bank	PVBK	18.00	1.69%	2.56%	799	176.1	176.1	NM	99,857	-5.03	-1.05	3.81	74.33	1.20	15.48	34.3
Bank On It, Inc.*	BKOT	19.00	1.33%	5.56%	146	170.4	170.4	19.4	118,781	10.34	1.22	5.06	76.20	1.63	16.24	24.2
Community Bank of Santa Maria*	CYSM	16.85	1.20%	5.31%	2,279	230.8	230.8	NA	102,846	7.38	1.03	6.04	89.36	0.98	29.61	32.1
California Community Bank	CABK	15.35	0.33%	-0.97%	2,697	144.9	144.9	41.5	130,045	4.48	0.82	4.54	76.04	1.29	17.66	32.1
Legacy Bank, N.A.*	LBKC	12.32	0.16%	21.98%	659	198.1	198.1	NM	81,241	0.99	0.13	6.19	90.12	1.62	31.69	20.6

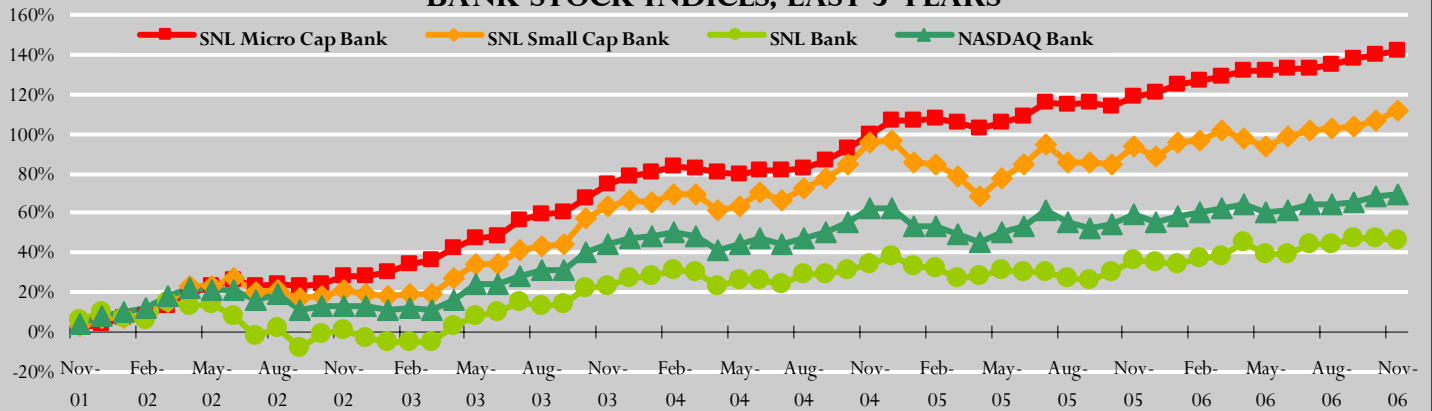
**CALIFORNIA COMMUNITY BANK STOCKS**

Assets: \$75M to \$150M, cont.	Price/					Avg. Daily Volume	Nov. Closing Price (\$)	City	Ticker	Mtd Change	YTD Change	Rsrvs/Loans (%)	Loans/Dep. (%)	NIM (%)	ROAA (%)	ROAE (%)	Total Assets (\$000)	LTM EPS (x)	Mkt. Cap. (\$M)
	Book (%)	Tang. Book (%)	Book (%)	Book (%)	EPS (x)														
America California Bank*	167.7	167.7	167.7	167.7	167.7	0	San Francisco	ACAL	0.00%	NA	0	1.32	4.94	98.67	1.28	140,781	NA	22.1	
ICB Financial*	155.9	155.9	155.9	155.9	155.9	80	Ontario	ICBN	0.00%	7.14%	80	0.15	5.29	69.96	0.69	136,856	37.5	23.7	
MNB Holdings Corporation*	95.0	97.0	95.0	97.0	95.0	0	San Francisco	MNBO	0.00%	38.26%	0	1.52	5.07	92.32	1.08	119,189	NA	9.7	
F&T Financial Services*	175.4	175.4	175.4	175.4	175.4	0	Porterville	FTFS	0.00%	17.65%	0	0.98	13.45	106.94	1.79	117,464	NA	36.3	
Private Bank of California*	146.1	146.1	146.1	146.1	146.1	2,737	Los Angeles	PBCA	0.00%	-10.00%	2,737	-2.07	4.98	73.41	1.50	94,187	NM	49.7	
Chino Commercial Bancorp	213.8	213.8	213.8	213.8	213.8	716	Chino	CCBC	0.00%	2.63%	716	0.97	5.88	65.42	1.20	86,622	NA	15.9	
County Commerce Bank*	NA	NA	NA	NA	NA	0	Ventura	CNYB	0.00%	15.56%	0	1.48	5.75	78.93	1.57	86,010	NA	25.5	
First Standard Bank*	163.4	163.4	163.4	163.4	163.4	967	Los Angeles	FSTA	-0.37%	16.88%	967	-0.98	3.31	70.98	1.23	121,908	NM	30.3	
Private Bank of the Peninsula	208.1	208.1	208.1	208.1	208.1	220	Palo Alto	PBPC	-1.56%	22.09%	220	-0.61	5.02	88.94	1.03	102,588	NM	29.2	
Ventura County Business Bank*	207.0	207.0	207.0	207.0	207.0	429	Oxnard	VCBB	-2.80%	7.21%	429	1.07	5.14	77.47	1.31	92,658	NM	20.5	
Desert Commercial Bank*	213.8	213.8	213.8	213.8	213.8	897	Palm Desert	DCBC	-5.23%	-5.23%	897	-16.02	4.00	55.80	1.50	104,475	NA	46.4	
San Diego Trust Bank*	NA	NA	NA	NA	NA	994	San Diego	SDBK	-6.12%	-20.69%	994	1.68	5.57	82.94	1.34	81,561	NA	45.0	
Golden State Business Bank	132.0	132.0	132.0	132.0	132.0	247	Upland	GSBB	-9.06%	-15.21%	247	0.90	5.60	85.68	1.25	108,111	NA	27.8	
Redwood Capital Bank*	399.2	399.2	399.2	399.2	399.2	334	Eureka	RDWO	-11.11%	50.00%	334	8.68	5.12	81.58	1.25	90,686	NM	33.1	
<b>Average:</b>	<b>194.4</b>	<b>196.8</b>	<b>194.4</b>	<b>196.8</b>	<b>194.4</b>	<b>783</b>			<b>1.36%</b>	<b>12.42%</b>	<b>783</b>	<b>5.04</b>	<b>5.48</b>	<b>82.72</b>	<b>1.27</b>	<b>109,426</b>	<b>25.3</b>	<b>30.9</b>	
<b>Median:</b>	<b>180.3</b>	<b>186.5</b>	<b>180.3</b>	<b>186.5</b>	<b>180.3</b>	<b>517</b>			<b>0.24%</b>	<b>7.14%</b>	<b>517</b>	<b>5.38</b>	<b>5.21</b>	<b>79.09</b>	<b>1.25</b>	<b>105,993</b>	<b>19.4</b>	<b>29.5</b>	
Assets: \$0 to \$75M	Price/					Avg. Daily Volume	Nov. Closing Price (\$)	City	Ticker	Mtd Change	YTD Change	Rsrvs/Loans (%)	Loans/Dep. (%)	NIM (%)	ROAA (%)	ROAE (%)	Total Assets (\$000)	LTM EPS (x)	Mkt. Cap. (\$M)
Book (%)	Tang. Book (%)	Book (%)	Book (%)	EPS (x)															
Bank of Napa**	NA	NA	NA	NA	NA	385	Napa	BNNP	22.00%	NA	385	NA	NA	NA	NA	NA	NA	NA	27.9
Mojave Desert Bank, NA*	173.2	173.2	173.2	173.2	173.2	268	Mojave	MOJA	5.08%	13.95%	268	1.83	6.73	63.56	1.22	73,343	19.7	10.6	
Seacoast Commerce Bank*	198.3	198.3	198.3	198.3	198.3	495	Chula Vista	SCCB	4.09%	40.00%	495	0.62	5.50	97.59	1.23	55,085	NM	13.1	
Tri-Valley Bank*	128.5	128.5	128.5	128.5	128.5	763	San Ramon	TRVB	3.41%	-15.54%	763	-27.35	4.89	82.86	1.50	43,666	NM	18.7	
California Business Bank*	119.2	119.2	119.2	119.2	119.2	265	Los Angeles	CABB	3.77%	NA	265	-12.44	4.09	74.46	1.25	54,179	NM	19.9	
Bay Commercial Bank	135.3	135.3	135.3	135.3	135.3	9,185	Walnut Creek	BCML	2.13%	0.00%	9,185	0.70	5.74	92.16	1.30	69,720	NM	18.5	
First Vietnamese American Bank*	140.3	140.3	140.3	140.3	140.3	1,967	Westminster	FVAB	2.00%	2.00%	1,967	-0.14	3.59	60.61	1.09	35,965	NM	13.7	
Mother Lode Bank*	NA	NA	NA	NA	NA	10	Sonoma	MOLB	1.41%	-2.70%	10	-13.76	4.56	51.21	1.21	62,132	NA	26.7	
Pan Pacific Bank*	112.8	112.8	112.8	112.8	112.8	379	Fremont	PPFC	0.55%	-16.82%	379	0.21	4.51	51.21	1.21	43,516	NM	14.7	
Community Bank of the Bay*	274.3	274.3	274.3	274.3	274.3	265	Oakland	CBYAA	0.00%	10.00%	265	0.03	4.51	64.41	2.78	66,524	NM	20.3	
Founders Community Bank	217.2	217.2	217.2	217.2	217.2	300	San Luis Obispo	FOCB	0.00%	33.33%	300	0.22	5.87	98.88	1.26	59,493	NA	22.2	
Community Business Bank*	157.1	157.1	157.1	157.1	157.1	1,177	West Sacramento	CBBC	0.00%	NA	1,177	-8.83	4.96	115.09	0.95	53,511	NM	30.9	
Ramona National Bank*	140.6	140.6	140.6	140.6	140.6	145	Ramona	RNBKE	0.00%	1.01%	145	-3.46	4.69	70.10	2.07	49,150	NM	26.4	
Pan American Bank*	99.0	99.0	99.0	99.0	99.0	0	Los Angeles	PAMB	0.00%	-9.52%	0	0.42	4.52	73.03	2.20	42,799	NA	5.8	
MetroPacific Bank*	168.0	168.0	168.0	168.0	168.0	600	Irvine	MPBKE	0.00%	0.00%	600	-10.03	5.88	97.51	1.16	42,345	NA	22.7	
Fresno First Bank*	160.7	160.7	160.7	160.7	160.7	711	Fresno	FSNF	-0.33%	NA	711	-13.86	4.88	108.66	1.07	31,488	NA	25.2	
Coronado First Bank*	NA	NA	NA	NA	NA	1,487	Coronado	CDFB	-1.75%	30.23%	1,487	-9.15	4.55	78.77	1.25	25,813	NM	19.4	
Presidio Bank**	NA	NA	NA	NA	NA	1,076	San Francisco	PDOB	-1.92%	NA	1,076	NA	NA	NA	NA	NA	NA	NA	51.0
Plaza Bank*	101.0	101.0	101.0	101.0	101.0	589	Irvine	PLZB	-2.50%	NA	589	-20.57	3.44	73.64	0.91	22,938	NA	12.7	
Sigon National Bank*	156.0	156.0	156.0	156.0	156.0	8,75	Westminster	SAGN	-3.31%	NA	8,75	-10.80	4.08	64.72	1.21	18,311	NM	12.4	
Atlantic Pacific Bank**	NA	NA	NA	NA	NA	1,800	Westminster	APFB	-3.45%	NA	1,800	NA	NA	NA	NA	NA	NA	NA	38.5
Western Commercial Bank*	17.50	17.50	17.50	17.50	17.50	698	Santa Rosa	WCBC	-3.68%	NA	698	-15.87	5.11	NM	1.21	14,986	NA	18.0	
1st Enterprise Bank**	11.25	11.25	11.25	11.25	11.25	330	Woodland Hills	FENB	-4.11%	NA	330	NA	NA	NA	NA	NA	NA	NA	48.2
American Riviera Bank**	167.1	167.1	167.1	167.1	167.1	2,840	Los Angeles	ARBV	-6.25%	NA	2,840	NA	NA	NA	NA	NA	NA	NA	28.2
Charter Oak Bank*	163.7	163.7	163.7	163.7	163.7	1,765	Santa Barbara	CHOB	-6.45%	-15.94%	1,765	-3.04	6.12	150.48	1.08	52,858	NA	27.43	
Pacific Coast National Bancorp	NA	NA	NA	NA	NA	609	Napa	PCST	-11.11%	-2.04%	609	-22.29	5.04	70.33	1.23	53,112	NM	28.0	
Ojai Community Bank*	NA	NA	NA	NA	NA	783	San Clemente	OJCB	-12.73%	3.45%	783	0.68	6.45	86.94	1.31	29,740	NM	16.5	
Community 1st Bank*	156.2	156.3	156.2	156.3	156.2	1,088	Ojai	CFBN	NA	NA	1,088	-5.75	4.33	66.31	1.21	31,655	NA	19.4	
<b>Average:</b>	<b>-0.50%</b>	<b>4.46%</b>	<b>-0.50%</b>	<b>4.46%</b>	<b>-0.50%</b>	<b>1,088</b>			<b>0.00%</b>	<b>0.51%</b>	<b>600</b>	<b>-8.34</b>	<b>4.91</b>	<b>83.06</b>	<b>1.34</b>	<b>44,884</b>	<b>31.0</b>	<b>22.7</b>	
<b>Median:</b>	<b>156.5</b>	<b>156.5</b>	<b>156.5</b>	<b>156.5</b>	<b>156.5</b>	<b>600</b>			<b>0.00%</b>	<b>0.51%</b>	<b>600</b>	<b>-9.24</b>	<b>4.88</b>	<b>76.62</b>	<b>1.22</b>	<b>43,666</b>	<b>31.0</b>	<b>20.1</b>	

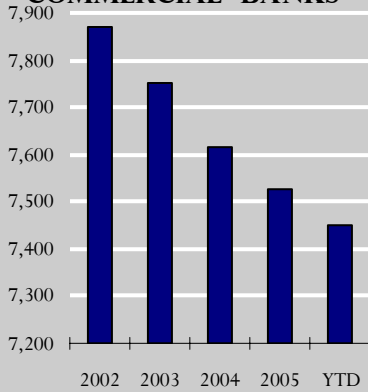
\* Ratios based on results from second quarter, ended June 30, 2006.  
 \*\* No financial information available.

## COMMUNITY BANK INVESTOR'S CORNER

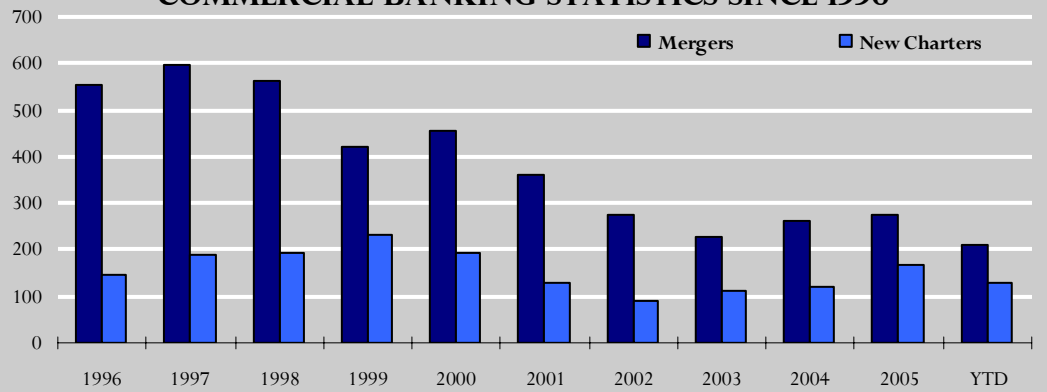
### BANK STOCK INDICES, LAST 5 YEARS



### COMMERCIAL BANKS



### COMMERCIAL BANKING STATISTICS SINCE 1996



Source: FDIC, SNL Financial



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## COMMUNITY BANK VENTURES

**What Community Bank Ventures Does:**

Community Bank Ventures exclusively serves community banks and their stakeholders. From concept, to formation, to growth -- we ensure our clients achieve extraordinary results.

Community Bank Ventures uniquely combines its knowledge, capabilities, and alliances to deliver qualified management, board, business plans, and capital, to communities seeking their own bank. We are committed to the long term success of our clients.

Through our community bank business divisions and partners, we strive to support our client's race to profitability, growth, shareholder return, and overall safety and soundness.

**Our Professional Services:**

- 1. New Bank Formation**
  - Concept Development
  - Officer and Director Placement
  - Application
  - Customer/Investor Identification Program
  - Capital Raise Support
  - Project Management
- 2. Capital Resources**
  - Secondary Offerings
  - Mergers and Acquisitions
- 3. Special Services**
  - Strategic Planning
  - Leadership Development
  - Board Effectiveness
  - Fairness Opinions
  - SEC Filings
  - Restructuring

*For more information on Community Bank Ventures' services, please contact César Rosas, Executive Vice President and Director of Emerging Bank Markets, at crosas@communitybankventures.com.*