



**Press Release**

Source: Beach Business Bank

## **Beach Business Bank Reports Strong Growth**

MANHATTAN BEACH, Calif.--(BUSINESS WIRE)--April 25, 2006--Beach Business Bank (OTCBB:BBBC) (the "Bank") is pleased to report its results of operations for the first quarter of 2006. During the first quarter of 2006, the Bank recorded after tax earnings of \$132,000 in a quarter which demonstrated 32% growth in net loans over the fourth quarter of 2005 and 160% growth in net loans over the first quarter of 2005. Deposit growth was 17% over the fourth quarter of 2005 and 123% over the first quarter of 2005. Adding to its growth during the quarter, the Bank opened a new full-service branch office in Long Beach, California.

Robert Franko, president and chief executive officer of Beach Business Bank, commented, "We are extremely proud to be able to report this strong growth combined with record first quarter earnings for our Bank. We saw a number of new loans fund during the quarter and our pipeline for additional loan growth is encouraging. Our deposit base in the first quarter also grew, especially core deposits."

When asked about the opening of the new Long Beach branch office, Jim Gray, the co-chairman of the board of directors and the former chief executive officer of a bank in Long Beach for 25 years, commented, "I am excited to be doing business again with so many of my former clients."

For the first quarter, the Bank reported a Net Profit after Provision for Loan Losses of approximately \$132,000. As of March 31, 2006, the Bank's Provision for Loan Losses in the first quarter was \$249,000, so that the Allowance for Loan Losses now stands at \$1,065,000, or 1.53% of total loans. Net loan growth in the first quarter compared to the fourth quarter of 2005 was \$16.5 million and net deposits increased \$9.7 million compared to the fourth quarter of 2005. Compared to the first quarter of 2005, net loans increased \$42.2 million and net deposits increased \$36.6 million. As of March 31, 2006, the Bank had no non-performing assets and no loans 30 days or more past due. Other selected financial data is included in the table below.

The Bank ended the first quarter with Shareholders' Equity of \$27.1 million, with 3,170,211 shares issued and outstanding at the end of the quarter. At the end of the quarter, the Bank had approximately 885,000 warrants outstanding for new shares, all of which must be exercised or will expire on May 31, 2006.

The Bank's audited financial statements for the year ending December 31, 2005 and the Bank's financial statements in the form of the Bank's Call Report, as amended for the period ending December 31, 2005 as filed with the FDIC, are all available on the Bank's website at [www.beachbusinessbank.com](http://www.beachbusinessbank.com).

Beach Business Bank will hold a webcast Thursday, April 27, at 1:30 p.m. Pacific Daylight Time, 4:30 p.m. Eastern Daylight Time, to allow securities analysts and shareholders the opportunity to hear management discuss the company's quarterly



results. The call is being webcast by Vcall and can be accessed at Beach Business Bank's website at [www.beachbusinessbank.com](http://www.beachbusinessbank.com). Investors can also access the webcast at [www.InvestorCalendar.com](http://www.InvestorCalendar.com). Participants may dial in to the conference call Toll-Free at 877-407-9205 or internationally at 201-689-8054. The teleconference will be available for replay through May 31, 2006.

Since opening its doors on June 1, 2004, the Bank has grown from approximately \$10.7 million in total assets to just over \$94.4 million in total assets at the end of March 2006.

Beach Business Bank is headquartered at 1230 Rosecrans Avenue, Lobby Level, in Manhattan Beach, and has a second full-service branch at 180 East Ocean Boulevard, Lobby Level, in Long Beach, CA. The Bank is first and foremost a community business bank serving Los Angeles, Long Beach, and the South Bay area residents and businesses. The Bank also has a division named The Doctors Bank, which serves physicians and dentists nationwide. In addition, Beach Business Bank provides loans to small businesses, focused around the SBA 7(a), 504, and Express lending programs. For more information on the Bank, please visit [www.beachbusinessbank.com](http://www.beachbusinessbank.com) or call 866-862-3878 or 310-536-2260; and in Long Beach, call 562-435-8600.

"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995:

The financial information in this press release is based on our unaudited financial results. Certain statements in this press release, including statements regarding the anticipated development and expansion of the Bank's business, and the intent, belief, and current expectations of the Bank, its directors, or its officers, are "forward-looking" statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). Such forward-looking statements are subject to risks and uncertainties and therefore the Bank's actual results may differ materially from those expressed or implied by such forward-looking statements. The risks and uncertainties that the Bank is subject to include, but are not limited to, risks related to the local and national economy, including fluctuations in interest rates and costs and changes in economic policy; the ability of the Bank to perform in accordance with its plans; competition; regulatory matters; and other risks detailed in its filings with the State of California Department of Financial Institutions and the Federal Deposit Insurance Corporation. The Bank cautions readers not to place undue reliance on any forward-looking statements. The Bank does not undertake, and specifically disclaims any obligation, to revise any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

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*Contact:*

Beach Business Bank  
Robert M. Franko, 310-802-2910  
[rfranko@beachbusinessbank.com](mailto:rfranko@beachbusinessbank.com)  
or  
Melissa Lanfre, 310-802-2919  
[mlanfre@beachbusinessbank.com](mailto:mlanfre@beachbusinessbank.com)



### Selected Financial Data Table

		<u>March 31, 2005</u>		<u>March 31, 2006</u>
<b>Balance Sheet Results (In thousands):</b>				
Total Assets	\$	10,081	\$	94,469
Total Net Loans	\$	26,382	\$	68,615
Allowance for Loan Losses	\$	450	\$	1,065
Total Deposits	\$	29,787	\$	66,428
Non-performing Assets	\$	-	\$	-
Total Shareholders' Equity	\$	10,081	\$	27,147
Net Loans to Deposits		89%		103%
Allowance for Loan Losses to Loans		1.68%		1.53%
Equity to Assets		24.97%		28.74%
Ending Shares outstanding		1,379,950		3,170,211
Ending Book Value per Share	\$	7.31	\$	8.56
<b>Quarterly and Year-to-Date Operating Results (In thousands):</b>				
Net Interest Income	\$	288	\$	955
Non-interest Income	\$	164	\$	614
Non-interest Expense	\$	642	\$	1,188
Income Before Provision & Taxes	\$	(190)	\$	381
Provision for Loan Losses	\$	110	\$	249
Income Tax Expense	\$	-	\$	-
Net Income	\$	(300)	\$	132
Quarterly and YTD Return on Average Assets*		-0.88%		0.15%
Quarterly and YTD Return on Average Equity*		-2.94%		0.50%
Quarterly and YTD Net Interest Margin*		3.48%		4.63%
Quarterly and YTD Efficiency Ratio*		142%		76%

\*Percentages are reported on an annualized basis.

Source: FDIC quarterly Call Reports for Beach Business Bank for the periods indicated.