



FOR IMMEDIATE RELEASE
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Pinnacle Bank Announces Q1 2009 Results

Gilroy, CA – May 8, 2009 -PBNK.OB – Pinnacle Bank, headquartered in Gilroy, California, announced today its unaudited results for the three months ended March 31, 2009. As of March 31, 2009 total assets increased to \$134.1 million, a 62% increase over the \$82.6 million at March 31, 2008. The March 31, 2009 total assets represent a 2% increase over the \$131.0 million in total assets at December 31, 2008.

Loans were \$121.2 million at March 31, 2009 compared to \$67.3 million one year earlier, an increase of 80%. Loans grew \$6.8 million from the December 31, 2008 balance of \$114.4 million, a 6% increase in the first three months of 2009.

Deposits at March 31, 2009 grew to \$111.7 million, a 87% increase over \$59.7 million at March 31, 2008. During the first three months of 2009, deposits increased by \$1.2 million, or 1%, from \$110.5 million at December 31, 2008.

“Our focus remains on building strong relationships with small to medium-sized businesses in our communities and we are pleased by the new relationships added in 2009. The on going economic challenges and stress on mega size financial institutions reinforces the value of relationships with community banks and the importance of community banks to local communities,” said Susan K. Black, President & CEO. Ms. Black continued “We continue to provide credit to local businesses, individuals and nonprofit organizations. With our strong capital base, seasoned employees and full array of banking products, we are well positioned to extend our growth and to be the community bank of choice in our market.”

Ms. Black added, “We remain steadfast in our commitment to building a bank that provides value to our shareholders by uniquely responding to the banking needs of our communities within the framework of soundness, safety and controlled growth. The on-going support of our organizers, shareholders and clients is a key factor in our success.”

During the first quarter of 2009, the bank charged off \$1.2 million of the \$3.8 million balance on a nonaccrual loan for a commercial condominium project in the Sacramento area originated by another bank. As real estate market conditions in the bank’s market area have deteriorated to some degree, the credit quality of loans has been maintained at levels relatively consistent with prior quarters through proactive management such as obtaining paydowns or additional collateral. The allowance for loan losses at March 31, 2009 decreased to 1.28% of loans as a result of the charge off even as the overall credit quality of the loan portfolio remained approximately consistent with prior quarters.

Our capital position remains substantially above regulatory guidelines for well capitalized banks. At March 31, 2009, we had a total risk based capital ratio of 15.4%.

About Pinnacle Bank

Pinnacle Bank is a full-service business bank dedicated to providing quality depository and credit services in Santa Clara, San Benito and Monterey counties. The bank focuses on commercial banking services for small to medium-sized businesses, offering a variety of products and services that combine the best of personal touch with convenient technology-based client service. Pinnacle Bank has locations in Morgan Hill, Gilroy and Salinas.

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