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Pinnacle Bank Announces Q3 2008 Results

Gilroy, CA – October 28, 2008 -PBNK.OB – Pinnacle Bank, headquartered in Gilroy, California, announced today its unaudited results for the nine months ended September 30, 2008. As of September 30, 2008 total assets increased to \$113.6 million, a 67% increase over the \$68.0 million at September 30, 2007. The September 30, 2008 total assets represent a 57% increase over the \$72.3 million in total assets at December 31, 2007.

Loans were \$92.4 million at September 30, 2008 compared to \$43.7 million one year earlier, an increase of 111%. Loans grew \$34.7 million from the December 31, 2007 balance of \$57.7 million, a 60% increase in the first nine months of 2008.

Deposits at September 30, 2008 grew to \$92.0 million, a 110% increase over \$43.9 million at September 30, 2007. During the first nine months of 2008, deposits increased by \$43.3 million, or 89%, from \$48.7 million at December 31, 2007.

“In a very difficult environment, we are pleased by our 2008 progress in building strong relationships with small to medium-sized businesses in our communities. The banking industry and our local communities face on-going challenges due to the slowdowns in the housing sector and the broader economy. While some banks have been severely impacted by sub-prime and other mortgage loans, Pinnacle Bank does not own mortgage-backed securities nor do we make residential mortgage loans. We are 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,” said Susan K. Black, President & CEO.

“Our growth illustrates that the fundamentals of community banking remain strong. We continue to provide credit to local businesses, individuals and nonprofit organizations. The deposits in Pinnacle Bank supply the funds that allow us to reinvest locally by offering loans in our communities.” Ms. Black added, “With our strong capital base, seasoned employees and full array of banking products, we are well positioned to extend our growth into the coming year and to be the community bank of choice in our market.”

About Pinnacle Bank

Pinnacle Bank is a full-service community 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. For more information, visit www.pinnaclebankonline.com.

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