



PRESS RELEASE  
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## **Pinnacle Bank Announces Q4 2008 Results**

Gilroy, CA – February 2, 2009 -PBNK.OB – Pinnacle Bank, headquartered in Gilroy, California, announced today its unaudited results for the twelve months ended December 31, 2008. As of December 31, 2008 total assets increased to \$131 million, an 81% increase over the \$72.3 million at December 31, 2007. The December 31, 2008 total assets represent a 15% increase over the \$113.6 million in total assets at September 30, 2008.

Loans were \$114.4 million at December 31, 2008 compared to \$57.7 million one year earlier, an increase of 98%. Loans grew \$22.0 million from the September 30, 2008 balance of \$92.4 million, a 24% increase in the last three months of 2008.

Deposits at December 31, 2008 grew to \$110.5 million, a 127% increase over \$48.7 million at December 31, 2007. During the last three months of 2008, deposits increased by \$18.5 million, or 20%, from \$92.0 million at September 30, 2008.

“Our 2008 progress came from building strong relationships with small to medium-sized businesses in our communities. The value of relationships with community banks and the importance of community banks to local communities have been highlighted by the challenges hitting the mega size institutions from their participation in high risk lending and derivatives,” 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 into the coming year and to be the community bank of choice in our market.”

Ms. Black added, “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.”

During the fourth quarter of 2008, the bank placed two loans on nonaccrual totaling \$3.9 million. One of the loans, with approximately \$3.8 million outstanding at December 31, 2008, was purchased from another area bank in early 2007 and is a commercial condominium project in the Sacramento area. While the credit quality of the remainder of the portfolio remained relatively consistent with prior quarters, the allowance for loan losses at December 31, 2008 increased to 1.82% of loans, a level near the average of local banks.

### **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](http://www.pinnaclebankonline.com).

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