

CALIFORNIA REPUBLIC BANK

Balance Sheets and Income Statements for the Years Ending December 31, 2009 and 2010

Dollars in Thousands

	December 31, 2010 Unaudited	December 31, 2009 (1)
Balance Sheet - At Period End		
Cash and Due From Banks	\$26,241	\$99,675
Due From Banks - Interest Bearing	101,424	30,122
Loans Held for Sale	-	4,411
Loans Held to Maturity	185,293	142,691
Allowance for Loan and Lease Losses	(2,783)	(2,170)
Premises and Fixed Assets	818	1,004
Other Assets	2,267	2,115
Total Assets	313,260	277,848
Non-Interest-Bearing Deposits	89,926	50,999
Interest-Bearing Deposits	173,870	180,332
Other Liabilities	923	600
Shareholders' Equity	\$48,541	\$45,917
Total Liabilities & Equity	\$313,260	\$277,848
Income Statement		
Interest Income	\$11,719	\$6,433
Interest Expense	1,639	1,603
Net Interest Income	10,080	4,830
Provision for Loan and Lease Loss	613	1,220
Net Interest Income After Provision	9,467	3,610
Non-Interest Income	386	79
Non-Interest Expense	7,789	7,092
Net Loss	\$2,064	(\$3,403)

(1) Excerpted from audited financial statements

CALIFORNIA REPUBLIC BANK

Statement of Cash Flows for the Years Ending December 31, 2009 and 2010

Dollars in Thousands

	December 31, 2010 Unaudited	December 31, 2009 (1)
Cash Flows from Operating Activities		
Net Earnings (Loss)	\$2,064	(\$3,403)
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities		
Depreciation and Amortization	250	234
Provision for Loan Losses	613	1,220
Loss on Sale of Securities	-	47
Stock Based Compensation	560	518
Origination of Loans Held for Sale	-	(4,411)
Other Items	452	(490)
Net Cash Provided by Operating Activities	3,939	(6,285)
Cash Flows from Investing Activities		
Net Decrease (Increase) in Interest-Bearing Deposits	(71,302)	5,584
Sale of Held-to-Maturity Securities	-	2,359
Maturities or Call of Held-to-Maturity Securities	10,000	5,000
Purchase of Held-to-Maturity Securities	(10,000)	-
Net Increase in Loans	(38,191)	(67,045)
Purchase of Federal Home Loan Bank Stock	(281)	(412)
Purchases of Premises and Equipment	(64)	(114)
Net Cash Used in Investing Activities	(109,838)	(54,628)
Cash Flows from Financing Activities		
Net Increase in Demand Deposits & Savings Accounts	39,290	103,414
Net Increase (Decrease) in Interest-Bearing Deposits	(6,825)	8,845
Net Cash Provided by Financing Activities	32,465	112,259
Increase (Decrease) in Cash and Equivalents		
	(73,434)	51,346
Cash and Cash Equivalents Beginning of Period	99,675	48,329
Cash and Cash Equivalents, End of Period	\$26,241	\$99,675