

STATEMENT OF FINANCIAL CONDITION  
*As of March 31, 2009*

BOREL PRIVATE BANK & TRUST COMPANY

*Member of Boston Private Wealth Management Group*



Greetings,

April 2nd marked Borel Private Bank & Trust Company's 29th anniversary, and we have a lot to celebrate!

While others are cutting back, Borel is hiring new employees, continuing to lend to families and businesses, increasing our community donations and welcoming a significant number of new clients. We credit our continued success to our clients and to our tenured employees, some of whom have been with us for more than two decades. This longevity allows our people to truly know our clients and thus customize Borel's full-range of personal and business banking and wealth management services to meet their individual needs. We have been especially inspired of late by the entrepreneurial spirit of our business clients, who are seizing opportunities only possible in economic times like these, and thrilled to be collaborating with them to achieve their goals.



At the core of Borel Private Bank & Trust Company's success is our commitment to and involvement in the communities we serve. We continue to support more than 100 nonprofit organizations – not just through monetary donations but through our staff's willingness to commit personal time to volunteer and serve. By being "out there," our staff knows our clients and this Bay Area region in a special way. In this vein, Borel was especially pleased to share in honoring Deborah Pappas, SVP, Palo Alto Office Manager, in being recognized as one of the **2009 Women of Influence in the Silicon Valley** by the San Jose Business Journal. Additionally, to be named in the San Francisco Business Times as one of the **100 Best Places to Work in the Bay Area** for the sixth year in a row was equally an honor. We are also pleased to welcome our three new Deposit Relationship Managers: Tommy Fehrenbach in Palo Alto and Angela Singh and George Rogers in San Mateo.

Our focus on clients and the community has favorably influenced our financial results. We closed March with loans amounting to \$1.377 billion – up \$37 million from December and up over \$270 million, or 25% since March 2008. Total deposits also show solid growth. We ended March at \$1.216 billion – up \$48 million from December and up over \$210 million, or 21% since March 2008.

The quality business reflected in our solid growth helped deliver Q1 net income of \$4.8 million – up almost \$1 million, or 26% over Q1 2008. While we are not immune to the general economic trends, we do monitor closely our loan portfolio and economic environments impacting our clients in San Francisco, San Mateo and Santa Clara counties.

We deeply appreciate your business and willingness to refer Borel Private Bank & Trust Company to your friends and associates. We believe banking is about relationships and consider your referrals to be the biggest compliment you can give us. Please stop by and visit with me at our San Mateo Office, as I consider meeting with clients the most important and enjoyable aspects of my job.

Sincerely,

A handwritten signature in black ink, appearing to read "JAC", written over a light-colored background.

John A. Conover  
President and CEO

## Experience the Borel Difference:

### Continuity of Personnel

The average tenure of our officers is eleven years, so you will enjoy long-term relationships with the people who know you and understand your long-term and short-term financial goals and objectives.

### Access to Top-Level Decision-Makers

You'll have access to our most senior professionals, who are capable of providing the advice and decisions you need to manage your finances and serve all your banking needs.

### Customized Solutions

Unlike some institutions that offer only "cookie-cutter" products, we provide flexible accounts and services tailored to meet your individual needs:

- deposit and cash management
- residential mortgages
- commercial lending
- investment management
- trust services

### Convenience

We provide easy, anytime, anywhere access to your personal and business accounts online, by telephone, or via ATMs.

### Our Commitment:



Borel Private Bank & Trust Company CONDENSED BALANCE SHEET (\$ in Thousands)	As of March 31,		\$ Change	% Change
	2009	2008		
<b>Assets</b>				
Cash & Short Term Investments	16,216	14,016	2,200	16%
Investment Securities	36,307	24,364	11,943	49%
Total Loans	1,376,880	1,104,343	272,537	25%
Less: Allowance for Loan Losses	16,191	11,568	4,623	40%
Net Loans	1,360,689	1,092,775	267,914	25%
Other Assets	43,500	32,056	11,444	36%
<b>Total Assets</b>	<b>1,456,712</b>	<b>1,163,211</b>	<b>293,501</b>	<b>25%</b>

<b>Liabilities &amp; Shareholders' Equity</b>				
Total Deposits	1,215,870	1,003,152	212,718	21%
Other Liabilities	105,928	51,064	54,864	107%
Total Liabilities	1,321,798	1,054,216	267,582	25%
Shareholders' Equity	134,914	108,995	25,919	24%
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>1,456,712</b>	<b>1,163,211</b>	<b>293,501</b>	<b>25%</b>

Borel Private Bank & Trust Company CONDENSED STATEMENT OF INCOME (\$ in Thousands)	As of March 31,		\$ Change	% Change
	2009	2008		
Interest Income	21,421	19,629	1,792	9%
Interest Expense	5,296	7,477	-2,181	-29%
Net Interest Income	16,125	12,152	3,973	33%
Provision for Loan Losses	1,721	660	1,061	161%
Net Interest Income After Provision	14,404	11,492	2,912	25%
Investment Management Fees	1,365	1,370	-5	0%
Banking Fees and Other Income	615	380	235	62%
Operating Expenses	8,099	6,988	1,111	16%
Income Before Income Taxes	8,285	6,254	2,031	32%
Income Taxes	3,491	2,445	1,046	43%
<b>Net Income</b>	<b>4,794</b>	<b>3,809</b>	<b>985</b>	<b>26%</b>

## BOARD OF DIRECTORS

Julia M. Baigent  
Dede Barsotti  
Betsy Bechtel  
Stephen K. Cassidy  
John A. Conover  
James D. Dawson  
Richard M. DeLuna  
Sherie S. Dodsworth  
Harold A. Fick  
Ronald G. Fick  
Susan P. Haney  
Lynn Thompson Hoffman  
Roy E. Lave  
Oscar E. Lopez-Guerra  
Larry Nibbi  
Kirk Charles Syme  
Timothy L. Vaill  
Thomas H. Vocker

## EXECUTIVE OFFICERS

John A. Conover  
*President & CEO*

Barbara L. Evers  
*Executive Vice President  
Marketing Director*

Bruce K. Farrell  
*Executive Vice President  
Chief Credit Officer*

Nancy E. Johnson  
*Executive Vice President  
Senior Trust Officer*

Constance Katsaros  
*Executive Vice President  
HR Strategic Development*

Carol J. Olson  
*Executive Vice President  
Senior Operations Officer*

Stephen A. Rossi  
*Executive Vice President  
Chief Financial Officer  
Corporate Secretary*

## OFFICE LOCATIONS

San Mateo Office  
Corporate Headquarters  
*160 Bovet Road  
San Mateo, CA 94402*

Palo Alto Office  
Manager: Deborah Pappas, SVP  
*245 Lytton Avenue, Suite 175  
Palo Alto, CA 94301*

San Francisco Office  
Manager: Wanda Alfaro, SVP  
*433 California Street  
San Francisco, CA 94104*

Los Altos Office  
Manager: Steve Fick, SVP  
*345 S. San Antonio Road  
Los Altos, CA 94022*

Burlingame Office  
Manager: John Delaney, SVP  
*1440 Chapin Avenue, Suite 101  
Burlingame, CA 94010*



Member FDIC



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