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STATEMENT OF FINANCIAL CONDITION
As of June 30, 2009

BOREL PRIVATE BANK & TRUST COMPANY

Member of Boston Private Wealth Management Group



Greetings,

The current economy has emphasized more than ever the success of Borel Private Bank & Trust Company's relationship banking philosophy. We continue to work very closely with our customers to create personalized solutions, whether that be restructuring a loan or brainstorming alternatives to address problems.

Nonetheless, the economic crisis has had an impact on Borel's financials for the quarter. This is primarily the result of two actions: 1) our continued maintenance of prudent loan-loss reserves in the face of the deepening recession, and 2) a one-time FDIC assessment paid by all banks to build the FDIC fund.



Our loan portfolio continues to perform well in spite of the challenges many of our clients face. June closed with \$1.387 billion in total loans – about 16% ahead of last year. Our total deposits are up 33% over this time last year, ending the quarter at \$1.319 billion. Our Trust and Investment Department maintains its strong performance and continues to grow. Our Net Interest Margin, the difference between the yield of loans and cost of deposits, is holding extremely well.

Second quarter net income was \$3.8 million, which brings 2009 year-to-date to \$8.6 million – 12% ahead of this time last year. All in all, we continue our solid financial standing, something for which we were again honored by The Findley Report. Borel received its 5-Star, “Super Premier Performance” rating – the highest rating for a financial institution.

Our staff is one of the keys to our continued success, and I am pleased to welcome Gayle Almeida-Hage as Vice President, Deposit Relationship Manager, and Sylvia Rich, as Relationship Banking Officer to our San Mateo Office. I am happy to announce that Wanda Alfaro, SVP and Manager of our San Francisco Office was recognized for the second year in a row as being one of the 100 most influential women in the Bay Area by the San Francisco Business Times. I would also like to thank Diana Landi and Arantxa Machin of our marketing team, for their fine work in coordinating the redesign of our website, www.borel.com. If you have not already visited the site, please do so and learn more about the products and services we offer.

Let me close by acknowledging the economic challenges still ahead and pledging our commitment to continue actively working with you through these difficult times. Please keep us informed of your financial situation. Borel Private Bank & Trust Company is tied to your future success. That's what relationship banking is all about.

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 As of June 30,
CONDENSED BALANCE SHEET
(\$ in Thousands)

	2009	2008	\$ Change	% Change
Assets				
Cash & Short Term Investments	37,033	22,525	14,508	64%
Investment Securities	36,901	25,086	11,815	47%
Total Loans	1,386,932	1,199,168	187,764	16%
Less: Allowance for Loan Losses	17,275	12,442	4,833	39%
Net Loans	1,369,657	1,186,726	182,931	15%
Other Assets	49,328	35,573	13,755	39%
Total Assets	1,492,919	1,269,910	223,009	18%

Liabilities & Shareholders' Equity

Total Deposits	1,318,759	989,435	329,324	33%
Other Liabilities	35,489	167,631	-132,142	-79%
Total Liabilities	1,354,248	1,157,066	197,182	17%
Shareholders' Equity	138,671	112,844	25,827	23%
Total Liabilities & Shareholders' Equity	1,492,919	1,269,910	223,009	18%

Borel Private Bank & Trust Company As of June 30,
CONDENSED STATEMENT OF INCOME
(\$ in Thousands)

	2009	2008	\$ Change	% Change
Interest Income	42,828	38,986	3,842	10%
Interest Expense	10,420	13,380	-2,960	-22%
Net Interest Income	32,408	25,606	6,802	27%
Provision for Loan Losses	4,021	1,535	2,486	162%
Net Interest Income After Provision	28,387	24,071	4,316	18%
Investment Management Fees	2,883	2,846	37	1%
Banking Fees and Other Income	1,220	682	538	79%
Operating Expenses	17,497	14,336	3,161	22%
Income Before Income Taxes	14,993	13,263	1,730	13%
Income Taxes	6,358	5,577	781	14%
Net Income	8,635	7,686	949	12%

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
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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