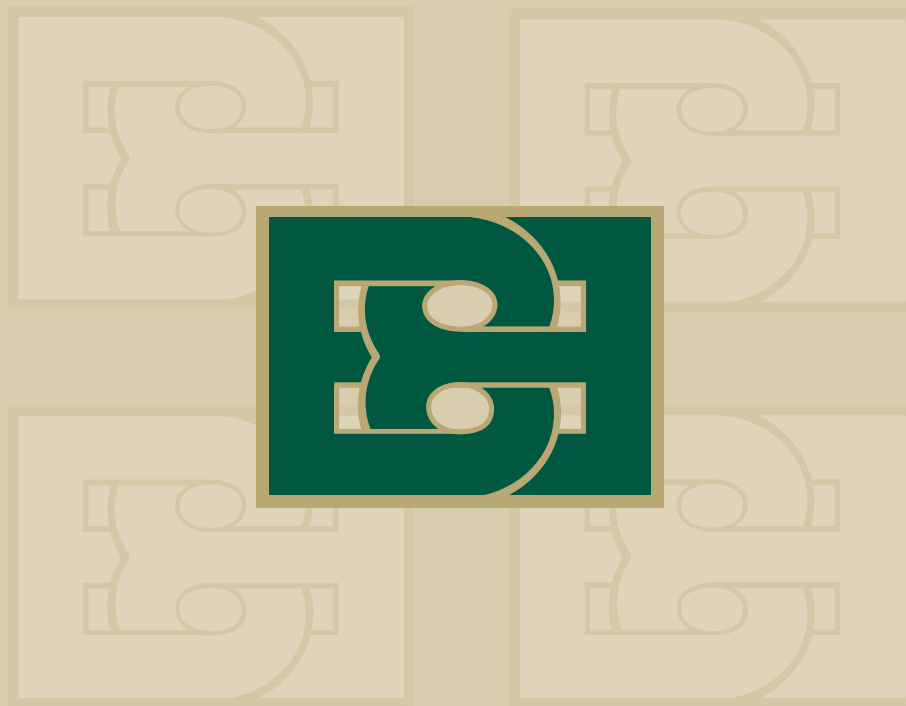


BOREL PRIVATE BANK & TRUST COMPANY



STATEMENT OF FINANCIAL CONDITION

As of September 30, 2008

Greetings,

I think all would agree that the past three months have been a roller coaster ride full of unwelcome news and financial turmoil, especially regarding the health of banks both here and abroad. Yet, in spite of the problems experienced by many financial institutions, I am pleased to report that Borel Private Bank & Trust Company is having the best financial year in its 28-year history.



“Banking” is not rocket science; it is about using sound judgment and knowing your client. It is about paying a fair rate of return on deposit accounts and making loans to financially qualified individuals and businesses at an equally fair rate. Borel continues to achieve these excellent results through our unwavering commitment to our clients and community. In return, we are rewarded by our clients’ loyalty. We also benefit from one of the highest compliments we can receive, the continued referrals of our clients’ good friends and associates.

Our 2008 financial performance continues strong. Through September, net income amounts to \$12.3 million, up 9.6% over 2007. Loan demand remains strong in our markets allowing us to grow to \$1.285 billion or 31% above last year. Most importantly, we had virtually no past due loans or delinquencies to report through September 30, 2008, a statistic few banks can report. Deposits are over \$1 billion, or 18.9% above last year. Our Trust Department continues its excellent performance, reporting year-over-year growth in trust revenue of 20%.

I have recently been honored by being recognized as one of the “Most Admired CEOs” in the San Francisco Bay Area by the San Francisco Business Times. I am truly humbled by this recognition, as quite frankly, I feel it is a privilege to work with the excellent staff of Borel and with its clients. I think Borel is that rare mix of staff with a passion for service combined with clients who truly value their banking relationship.

We appreciate your business and willingness to refer Borel Private Bank to your friends and associates. We believe that banking is all about relationships. Please contact me with any questions you may have.

Sincerely,



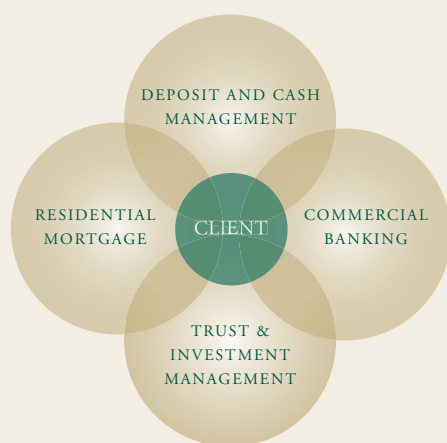
John A. Conover
President and CEO

Who we are

Borel Private Bank & Trust Company offers private banking, trust and investment services to successful individuals, their families and their businesses.

What we offer

Our reputation for high client satisfaction is the direct result of our small platform approach and service excellence across four key offerings:



Our Commitment

We have earned the trust of our devoted clients by providing exceptional service, ongoing access to key decision-makers, customized financial solutions, responsiveness and expertise.

Borel Private Bank & Trust Company CONDENSED BALANCE SHEET (\$ In Thousands)

	As of September 30,		\$ Change	% Change
	2008	2007		
Assets				
Cash & Short Term Investments	20,632	69,558	-48,926	-70%
Investment Securities	24,142	24,478	-336	-1%
Total Loans	1,284,369	979,417	304,952	31%
Less: Allowance for Loan Losses	13,745	10,203	3,542	35%
Net Loans	1,270,624	969,214	301,410	31%
Other Assets	37,619	30,806	6,813	22%
Total Assets	1,354,347	1,094,056	260,291	24%
Liabilities & Shareholder's Equity				
Demand Deposits	188,675	175,595	13,080	7%
Interest Bearing Accounts	912,257	750,095	162,162	22%
Total Deposits	1,100,932	925,690	175,242	19%
Other Liabilities	130,235	66,061	64,174	97%
Total Liabilities	1,231,167	991,751	239,416	24%
Shareholders Equity	123,180	102,305	20,875	20%
Total Liabilities & Shareholders Equities	1,354,347	1,094,056	260,291	24%

Borel Private Bank & Trust Company CONDENSED STATEMENT OF INCOME (\$ in Thousands)

	As of September 30,		\$ Change	% Change
	2008	2007		
Interest Income	59,988	54,786	5,202	9%
Interest Expense	19,471	20,487	-1,016	-5%
Net Interest Income	40,517	34,299	6,218	18%
Provision for Loan Losses	2,835	427	2,408	564%
Net Interest Income After Provision	37,682	33,872	3,810	11%
Investment Management Fees	4,375	3,624	751	21%
Banking Fees and Other Income	974	828	146	18%
Operating Expenses	21,783	19,829	1,954	10%
Income Before Income Taxes	21,248	18,495	2,753	15%
Income Taxes	8,925	7,250	1,675	23%
Net Income	12,323	11,245	1,078	10%

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
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

Burlingame Office
Manager: John Delaney, SVP
*1440 Chapin Avenue, Suite 101
Burlingame, CA 94010*
Los Altos Office
Manager: Steve Fick, SVP
*345 So. San Antonio Road
Los Altos, CA 94022*
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*
San Mateo Office
*160 Bovet Road
San Mateo, CA 94402*



Member FDIC



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