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STATEMENT OF FINANCIAL CONDITION
As of September 30, 2009

BOREL PRIVATE BANK & TRUST COMPANY

Member of Boston Private Wealth Management Group



Greetings,

As an employee recently mentioned to me, "We are three-quarters through the year and before we know it, it will be New Years!" which helped me to remember that time passes much too quickly. It is important, particularly in these stressful economic times, to stop and take stock in what is really important - health, one's family, and their well being.



At Borel, our family consists of our clients and employees. We want them to thrive, not just survive in these turbulent times. This has been a good year for the Bank to date, but we realize that this last year has been challenging for many of our clients as the economy has continued to be weak. We encourage our clients to keep us informed as to changes in their financial situation so we can try to help. We believe that open and honest communication is the basis of a strong and enduring relationship.

Borel's third quarter results are impacted by our continued maintenance of prudent loan loss reserves. September closed with \$1.3 billion in total loans—about 7% ahead of last year. Our deposits continue to rise and are up 30% over this time last year, ending the quarter at \$1.4 billion. Our Investment and Trust Department continues strong performance and reached a record high of \$900 million in assets under management. Our net interest margin, the difference between the yield of loans and cost of deposits has been holding steady.

Third quarter net income was \$1.6 million which brings 2009 year-to-date to \$10.2 million, compared with \$12.3 million this time last year. We are pleased with our performance and have every intention of continuing our course of solid financial standing.

Deborah Pappas, SVP and Manager of our Palo Alto Office, had the tremendous honor of receiving the 2009 Athena Award, given to one woman annually by the Palo Alto Chamber of Commerce for their outstanding achievements and contributions to the Palo Alto Community. We have welcomed a number of new employees to Borel this quarter; Roger Shelton joined us as a VP, Commercial Lending Officer, and Ken Millman joined our Investment Department as VP, Investment Officer, both bringing extensive experience to the Bank. In a time when you hear of banks laying off employees, I am pleased to report that year-to-date we have added 11 new employees to support our continued growth and success.

As we reach the end of the year and the holiday season, I wish all of you good health and prosperity in the rapidly approaching New Year. Thank you for your continued support and confidence in Borel Private Bank & Trust Company.

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 September 30,			
	2009	2008	\$ Change	% Change
Assets				
Cash & Short Term Investments	169,829	20,632	149,197	723%
Investment Securities	38,705	24,142	14,563	60%
Total Loans	1,369,387	1,285,699	83,688	7%
Less: Allowance for Loan Losses	22,146	13,745	8,401	61%
Net Loans	1,347,241	1,271,954	75,287	6%
Other Assets	50,249	37,619	12,630	34%
Total Assets	1,606,024	1,354,347	251,677	19%

Liabilities & Shareholders' Equity

Total Deposits	1,427,436	1,100,932	326,504	30%
Other Liabilities	38,427	130,235	-91,808	-70%
Total Liabilities	1,465,863	1,231,167	234,696	19%
Shareholders' Equity	140,161	123,180	16,981	14%
Total Liabilities & Shareholders' Equity	1,606,024	1,354,347	251,677	19%

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

	As of September 30,			
	2009	2008	\$ Change	% Change
Interest Income	64,439	59,988	4,451	7%
Interest Expense	15,727	19,471	-3,744	-19%
Net Interest Income	48,712	40,517	8,195	20%
Provision for Loan Losses	9,021	2,835	6,186	218%
Net Interest Income After Provision	39,691	37,682	2,009	5%
Investment Management Fees	4,539	4,375	164	4%
Banking Fees and Other Income	1,385	974	411	42%
Operating Expenses	27,987	21,783	6,204	28%
Income Before Income Taxes	17,628	21,248	-3,620	-17%
Income Taxes	7,430	8,925	-1,495	-17%
Net Income	10,198	12,323	-2,125	-17%

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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