



July 20, 2010

## **California General Bank and Professional Business Bank Announce Merger**

*Agreement Creates a Strong, Well Capitalized Southern California Bank; Bank to Support the Region's Small Businesses, Spurring Economic Growth*

California General Bank, NA and Professional Business Bank, both commercial banks headquartered in Pasadena, Calif., today announced a definitive merger agreement. Under the terms of the agreement, Professional Business Bank will merge into California General Bank, NA (the "Merger"), forming a banking network with more than \$365 million in assets and six branches across Los Angeles and Orange counties.

The Carpenter Community BancFund, the sole shareholder of CGB Holdings, Inc., the parent company of California General Bank, NA, will invest new capital in CGB Holdings, Inc., in conjunction with the Merger. That investment will be used to fund Merger consideration, improve asset quality, and provide additional capital to the combined bank.

California General Bank, NA Chairman David T. Blankenhorn, who began his forty-year banking career in Pasadena, will maintain his position in the combined bank and Professional Business Bank President and CEO, Mary Lynn Lenz, will serve as President and Chief Executive Officer.

"The union of the two local Pasadena banks will create a stronger commercial bank to support small businesses that drive growth in Pasadena, Glendale, the San Gabriel Valley and the tri-city area," said Blankenhorn. "The combined bank will continue to offer a broad platform of products delivered by an exceptional management team that has the capital backing to address the needs of its customers," he said.

Lenz added, "California General Bank, NA and Professional Business Bank share a focus on community and quality customer service. We expect a seamless transition for our customers, and we believe the result promises to be a truly local and personal banking choice for area businesses."

"We are also very pleased to have the support of a strong capital partner like the Carpenter Community BancFund," Lenz said. "In addition to supplying new capital, the Carpenter Community BancFund will be a valuable partner involved in helping the combined bank successfully implement its mission of supporting our customers."

"The capital provided will be used to strengthen the combined bank's balance sheet, assist in growing the bank's core business and will enable it to expand its small business lending platform to meet a great need in this region," added Lenz.

"We are delighted to further expand our existing commitment to the San Gabriel Valley and adjacent areas through this combination," said Edward Carpenter, Chairman of Carpenter & Company and managing member of the Carpenter Community BancFund.

Following the Merger, the combined bank will consist of six branch locations including Professional Business Bank's Pasadena headquarters location and California General Bank, NA's East Pasadena headquarters location in addition to branches in Montebello, Glendale, Irvine, and Huntington Beach.

The Merger is expected to close in the fourth quarter of 2010, subject to receipt of required regulatory approval.

#### **About Professional Business Bank:**

PBB was founded in 2001 and as of March 31, 2010 had total assets of \$305.1 million, total deposits of \$277.6 million, and total loans of \$244.8 million. PBB is a full-service financial institution for personal and business banking serving Southern California businesses.

#### **About California General Bank, NA:**

CGB was formed in March 2009 and as of March 31, 2010 had total assets of \$58.6 million, total deposits of \$43.7 million, and total loans of \$20.3 million. CGB is a full-service commercial bank dedicated to meeting the financial needs of the small business customers in Pasadena, the greater San Gabriel Valley, and adjacent cities.

#### **About Carpenter & Company**

Carpenter & Company established the Carpenter Community BancFund in 2008. The Carpenter Community BancFund, a bank holding company with \$280 million in committed capital, has a portfolio of invested banks that includes Bridge Bank in San Jose, Plaza Bank in Irvine, Mission Community Bank in San Luis Obispo, California General Bank in Pasadena, and Bank of Manhattan in El Segundo, with ownership interests varying from 35 to more than 90 percent. Based in Irvine, California, Carpenter & Company has provided capital and strategic advice to the banking industry since 1974.

#### **Forward-Looking Statements**

Certain matters discussed in this press release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and are subject to the safe harbors created by that Act. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words "believe," "expect," "anticipate," "intend," "plan," "estimate," or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," or "may." Forward-looking statements describe future plans, strategies and expectations. Forward-looking statements are based on currently available information, expectations, assumptions, projections, and management's judgment about the CGB, PBB or the combined bank, the banking industry and general economic conditions. These forward-looking statements are not guarantees of future performance, nor should they be relied upon as representing management's views as of any subsequent date. Future events are difficult to predict, and the expectations described above are necessarily subject to risk and uncertainty that may cause actual results to differ materially and adversely.

Forward-looking statements involve significant risks and uncertainties and actual results may differ materially from those presented, either expressed or implied, in this press release. Factors that might cause such differences include, but are not limited to: CGB, PBB or the combined bank's ability to successfully execute its business plans and achieve its objectives; changes in general economic, real estate and financial market conditions, either nationally or locally in areas in which CGB, PBB or the combined bank's conducts its operations; changes in interest rates; new litigation or changes in existing litigation; future credit loss experience; increased competitive challenges and expanding product and pricing pressures among financial institutions; legislation or regulatory changes which adversely affect the CGB, PBB or the combined bank's operations or business; loss of key personnel; changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or other regulatory agencies; and the ability to satisfy requirements related to the Sarbanes-Oxley Act and other regulation on internal control.