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The Private Bank Of The Peninsula Is Focused As A Community Business Bank In Silicon Valley And The Bay Area, Where Significant Wealth Creation Is Driven By Major Corporations And Technology Companies

**Financial
Regional – Pacific Banks
(PBKH-OTC: BB)**

The Private Bank of the Peninsula

**400 Emerson Street
Palo Alto, CA 94301
Phone: 650-843-2265**



**Kenneth D. Brenner
President and CEO**

BIO:

Mr. Brenner brings 30 years of exceptional relationship banking experience serving businesses and individuals in the Palo Alto Community and the Silicon Valley. Prior to joining The Private Bank, Ken was instrumental in the fast growth of three successful regional business banks, Silicon Valley Bank, Cupertino National Bank and Bridge Bank; he held high level management and business development positions with all three. Ken is currently a member and Past President of

the Palo Alto University Rotary, a member of the San Francisco Business Forum, and a board member of SVASE (Silicon Valley Association of Start-up Entrepreneurs). He is a past board member of the Cantor Arts Center at Stanford and the Association of Corporate Growth, and is a founding director of the Churchill Club.

Company Profile:

The Private Bank of the Peninsula is a locally owned and managed, full service California state chartered commercial bank. We are dedicated to being the best community bank in meeting the diverse financial needs of individuals, businesses and non-profit organizations in the marketplace we serve.

We are focused on the relationships we build with our clients and the communities we serve. Our experienced staff is professional and highly responsive to personal and business banking needs. We are on a first-name basis with our clients and understand their unique requirements. Exceptional service that is flexible, creative and individual is our standard. Decisions are made locally, not at some distant corporate headquarters.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com**

CEOCFO: Mr. Brenner, you have a long history in the banking industry; why are you with The Private Bank of the Peninsula today?

Mr. Brenner: “I was recruited to The Private Bank of the Peninsula two years ago by the current chairman, Mark D. Mordell, who actually was a banking client of mine for twenty years. The fact that the bank was headquartered in Palo Alto

where I have a huge network was very attractive to me and that decisions are made locally in Palo Alto. I felt that this bank had numerous opportunities for growth and creating shareholder value.”

CEOCFO: What is the focus of the company?

Mr. Brenner: “We are focused as a community business bank. We offer construction and commercial real estate loans, commercial working capital lines of credit and equipment loans to companies such as manufacturers, service providers, and professionals. We also bank high net worth individuals that need specialized banking solutions. My background is in providing banking services to small businesses; I have been doing that for twenty-five years and it continues to excite me.”

CEOCFO: What is the economy like in the area that you are serving?

Mr. Brenner: “I am in Palo Alto, which is the heart of Silicon Valley. We have a lot of technology and real estate activity going on in this part of California. I feel the Bay Area, and especially the peninsula, are in the best financial condition in the state. Our market includes San Francisco and San Jose with a focus in Palo Alto, San Mateo and Sunnyvale, which is the Silicon Valley. Considerable wealth has been created over the years by the technology companies including Hewlett Packard, Cisco, Google, Intel and Oracle. With that said, it doesn’t mean that we are not going through tough economic times. Many of our clients have staying power and emerged intact after the 2001 internet bubble.”

CEOCFO: What is the competitive landscape; do you have a lot of competition?

Mr. Brenner: “There are many competitors in our market including Wells Fargo, Silicon Valley Bank and Bridge Bank. There are also other community banks; United American Bank is in San Mateo and Focus Bank in San Jose, so it is very competitive for our business right now. Part of it has to do with delivering client service on a consistent basis. Instead of saying “no”, we try to find alternative solutions through other companies or affiliates. Even though we are a relatively new bank our relationship managers have been banking many of the same clients for over twenty years. They have been loyal clients that have followed us through our banking careers. The Private Bank of the Peninsula has been fortunate that Wells Fargo bought Greater Bay Bank, which was the biggest competitor in the area. The fact that Greater Bay Bank was gobbled up by Wells Fargo, has provided many opportunities for us to hire very talented and experienced bankers, as well as winning over their client base.”

CEOCFO: What do you look for other than experience and client base; what are the intangibles that you want for your bank and your people?

Mr. Brenner: “We are trying to create a client-friendly and service oriented culture. We are trying to hire intelligent employees with a strong work ethic. We are also trying to hire people who are open to learning, and are not set in their ways from past banks. I am also very receptive to people’s ideas. I was raised with a strong work ethic from my parents who grew up in the depression era. Therefore, I am really looking for hardworking people that are team players.”

CEOCFO: Would you give us an example of what a customer might find at your bank that they might not get somewhere else?

Mr. Brenner: “I view our customers as clients, who maintain long standing relationships instead of just performing transactions. What our clients enjoy is a

relationship manager that is readily available to answer their call. They have direct access to the CEO and the Chairman of the Board. What we really try to do is give superior client service. There are many people in this valley that have created wealth and we respect their accomplishments. People prefer to talk to a human being, especially a decision maker, regarding a variety of issues and concerns. If their inquiry has to do with insurance, law, or accounting, we offer referrals to professionals in those fields. I can’t emphasize enough that we are a high-touch bank and people can communicate with us in person and on the phone and not by voice mail.”

“What we have done over the last year is upgrade our online banking and we moved to a new location. We hired five key executives over the last 6 months. We would like to get better at what we are doing now in all areas; delivering better client service, becoming more responsive on both the deposit and loan sides of the business. We want to continually improve our technology, which includes our core processing as well as internet banking. We installed remote deposit capture last year, which allows businesses to become more efficient by making deposits from their locations and saving a trip to the bank. We want to be a 21st century bank.”

- Kenneth D. Brenner

CEOCFO: Are you finding people are coming to you more in the past couple of months?

Mr. Brenner: “It has surprised me a little bit, but many people say they feel as comfortable having their million-dollar deposit in our bank as they do in Bank of America. They feel that at our bank they can talk to a decision maker who understands what’s going on in the community. This is most important when there are issues coming up regarding the bailout of certain banks by the government. We raised \$8.6 million of capital in the 2nd Quarter of this year and our offering was over subscribed, I am very pleased with the support that this bank has received from our community.”

CEOCFO: Do you find people actually coming into the bank much?

Mr. Brenner: “Yes, it is a little like the old days when I was growing up. You would go into the bank and get a cup of coffee or maybe hot chocolate for the kids and have a cookie or a donut and be with people you knew. Many of our client base are friends who do business with each other. They come into the bank and meet and talk in our lobby.”

CEOCFO: Are there services that you would like to add that you are not offering?

Mr. Brenner: “What we have done over the last year is upgrade our online banking and we moved to a new location. We hired five key executives over the last 6 months. We would like to get better at

what we are doing now in all areas; delivering better client service, becoming more responsive on both the deposit and loan sides of the business. We want to continually improve our technology, which includes our core processing as well as internet banking. We installed remote deposit capture last year, which allows businesses to become more efficient by making deposits from their locations and saving a trip to the bank. We want to be a 21st century bank.”

CEOCFO: What about community involvement for your

bank?

Mr. Brenner: “It is very important. We are a member of the local Rotaries, we are involved in the Chamber of Commerce, and we support many non-profit events and companies. Our focus is to be very visible and active in the Palo Alto community.”

CEOCFO: How is business these days?

Mr. Brenner: “I am knocking on wood. We are doing well and we are improving as we speak and we are still going to have a nice growth this year. I just think we have a huge opportunity to be a great community bank in the next two to five years.”

CEOCFO: What are the challenges you perceive and how are you ready to meet them?

Mr. Brenner: “The challenges would be the changing financial services sector especially with the bail-out and what has happened with some banks. This is going to be a constant challenge and the regulators will be intensely focused on bank performance. In the next year, the economy will still be weak, so the challenge will be to find and book quality loans. What ruins banks are bad loans. We don’t have to have staggering growth, but we would still like to have quality growth and profits.”

CEO CFO: In closing, why should investors look at The Private Bank of the Peninsula?

Mr. Brenner: “We are over the counter, so we are a quasi private/ quasi public bank. Our stock is thinly traded, so there are few opportunities to acquire our stock in large blocks. The people who would look at investing in our bank are those who see that the financial sector is getting close to the bottom in terms of valuation. With the government insuring ‘demand-deposits’ and increasing FDIC insurance to the level of \$250,000 it will make people more comfortable investing in banks. The majority of our portfolio

are variable rate loans and eventually prime will start going up instead of down. And our profitability will dramatically improve. The Private Bank of the Peninsula is a good investment because of the quality of our client base and the wealth in Palo Alto, the center of the Silicon Valley. In addition, the Valley is known for its innovation and entrepreneurial spirit and we see that continuing into the future. Just remember we had a huge ten-year run where bank stocks were doing very well, so I think we are just at the bottom again of that value and we there is a great deal of upward mobility. Finally, we are a very well capitalized bank.”



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