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Interviews & News!

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With The Recent Mergers Creating Super Community Banks, Pinnacle Bank Is Filling The Need For A True Full Service Community Bank In Santa Clara, San Benito And Monterey Counties



Financial
Commercial Bank
(PBNK.OB)

Pinnacle Bank

18181 Butterfield Blvd, Suite 135
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Phone: 408-762-7171



David J. Funkhouser
President and CEO

BIO:

Mr. Funkhouser has more than 30 years of commercial banking experience with significant time spent serving southern Santa Clara County. He was the initial organizer and founder of Pinnacle Bank, recognizing early on the need for a locally run and managed business bank in the area. Prior to founding Pinnacle Bank, Mr. Funkhouser was with Heritage Bank South Valley in Morgan Hill, Cupertino National Bank & Trust and Bank of the West in Gilroy.

Company Profile:

Pinnacle Bank is a full-service business bank dedicated to providing quality depository and credit services to businesses, professionals, individuals, developers, and commercial property owners in Santa Clara, San Benito, and Monterey counties. The bank focuses on commercial banking services for small to medium-sized businesses, offering a variety of products and services that combine the best of personal touch with convenient technology-based client service. Unlike other community banks, Pinnacle Bank is locally owned and locally managed. Pinnacle Bank has locations in Morgan Hill and Gilroy.

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

CEOCFO: Mr. Funkhouser, what was your vision when you formed Pinnacle Bank and where are you today?

Mr. Funkhouser: "Our vision was to fill a niche in the community that we felt was missing. We felt that with the mergers and acquisitions of some of the other community banks in the area, there was a need for a full service community bank focusing on business clients. We just celebrated our one-year anniversary on July 17th are on course with our original plan. With our experienced board of directors I envision clients will view Pinnacle Bank as the premier community bank of choice."

CEOCFO: Please tell us about the economy in the area you service.

Mr. Funkhouser: "We serve the Santa Clara, San Benito and Monterey counties

and surrounding regions. We provide a wide variety of loan products in many industries and we have noticed that the real estate markets have softened due to today's economic pressures. We are fortunate to have a diversified client base that is still prospering in the construction market which shows that there is still opportunity out there."

CEOCFO: Your mission is to be superior! How are you superior and how do you continue to be?

Mr. Funkhouser: "I have been in banking for 32 years and the vision that I had when I put this together was to create a team of driven and passionate individuals that were ready to engage the market place and help the businesses in our community. I feel that we are superior because of these people. We live in the communities we service, we understand the market area and we are able to quickly respond to the communities needs."

CEOCFO: Many newer banks are able to take advantage of streamlined technology, which helps in the start up process; are you finding that as well?

Mr. Funkhouser: "Yes. When we were putting the bank together, we had the advantage of selecting a provider with many of the latest products. It is harder for an old bank to add new technology; it is complicated and disruptive. If you are a large bank that has a system that is in place and a new technology comes in that is better and more user friendly, it is hard to make those conversions. We did not have that handicap, so we were able to investigate the new technology and implement it when we opened."

CEO CFO: How do you drive new business?

Mr. Funkhouser: "We have active directors, along with a group of relationship managers with extensive portfolios of their own. That coupled with the directors' referrals, and the weekly marketing that we do in the community is helping to get our name out in the area."

CEO CFO: Are you considering a third branch?

Mr. Funkhouser: "Yes. We just received approval from the regulators to open a branch in the Salinas market."

CEO CFO: What do you like about Salinas?

Mr. Funkhouser: "It goes back to our philosophy when the bank was put together, if we have the right people and they have a niche in a specific market, then it would behoove us to look at that market. Some of the staff members that we have hired have over 19 years of experience in the Salinas market and they have some significant relationships there. With their help we were able to determine that there is a need for a community bank that focused on businesses. Salinas is a growing market and we felt we should be a part of that growth."

CEO CFO: Where do you see the best opportunities?

Mr. Funkhouser: "I think there are always opportunities. As one market area

might soften, it usually leads to opportunities in another market area. Our SBA department is one area where we should always see opportunities for business. Someone is always interested in starting a new venture or taking their current business and making it better. I believe most of our clients have been through various business cycles and know how to adapt to the changes in the marketplace."

CEO CFO: Are there services you would like to add that you are not currently offering?

"I call it the Pinnacle Bank Experience; we take the extra step. The staff that we have will find solutions for an individual either internally or externally. We will sit down and discuss their whole relationship and we add value. Even if we cannot find a current solution at our bank, with our resources and our availability, we can solve an issue for a client. That is important because clients remember that and know we will do what is best for them. Therefore, nine times out of ten they are going to come back to us again." - David J. Funkhouser

Mr. Funkhouser: "All kinds. The banking industry is constantly changing and always trying to find better products for their clients. As we develop and look at those other opportunities in the market, we may be looking at an asset based lending department eventually. But aside from adding additional departments, we are always looking at new banking products so that we can continue to service our clients the best way possible."

CEO CFO: Why should potential investors be interested?

Mr. Funkhouser: "I think the key thing for us is our people and the capacity to react quickly to the communities needs. Community banks in the area have historically prospered nicely and the return on investment for many of those banks were significant. We are in it for the long-term. Since we have key people in our community and with the model we are putting together, we feel we are on the right track, and that it is a good investment. It's obvious that people agree with us. Our original offering raised \$27.5 million, in roughly 6 weeks. That was the most raised by any bank in Santa Clara County at the time."

CEO CFO: What should people remember about Pinnacle Bank?

Mr. Funkhouser: "I call it the Pinnacle Bank Experience; we take the extra step. The staff that we have will find solutions for an individual either internally or externally. We will sit down and discuss their whole relationship and we add value. Even if we cannot find a current solution at our bank, with our resources and our availability, we can solve an issue for a client. That is important because clients remember that and know we will do what is best for them. Therefore, nine times out of ten they are going to come back to us again."

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