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Regents Bank Reports Financial Results for Second Quarter 2011

San Diego, California – Regents Bank reported continued solid financial performance during the second quarter of 2011. Capitalization levels are strong and improving, total deposit and asset levels are increasing and problem asset levels are declining. Net income recorded year to date stands at $822,000, a significant improvement from one year ago.

During the quarter, assets grew in excess of five percent to $354,779,000 from $336,672,000. Deposits grew almost seven percent from $294,772,000 to $314,586,000. As demand for business loans remained tepid throughout the county, state and nation, total loans decreased to $216,727,000 from $219,248,000 the previous quarter, a decrease of approximately one percent.

"In the absence of strong loan demand, we have concentrated on growing our client depository relationships, as evidenced by our quarterly numbers," said Dan Yates, President & CEO of Regents Bank. "We have always been focused on long-term relationships, and we know that reliable, high-touch customer service is first and foremost. As our clients' businesses continue to grow and prosper, so will our bank as we continue to provide valuable business advice and services."

Net income has improved significantly and stands at $822,000 for the first six months of 2011, versus a loss of $898,000 during the same timeframe in 2010. Net income for the most recent quarter was $262,000 compared to $560,000 recorded during the first quarter of 2011. Loan loss provisions have declined significantly during the past twelve months, contributing to the bank's improved earnings picture.

Regents Bank substantially exceeds well capitalized standards with a total risk-based capital ratio of 18.3 percent, a Tier 1 leverage ratio of 11.4 percent and a Tier 1 risk-based capital ratio of 17.1 percent as of June 30, 2011. Federal banking agencies define a well-capitalized bank as having a total risk-based capital ratio equal to or greater than 10 percent; Tier 1 leverage capital ratio equal to or greater than five percent; and a Tier 1 risk-based capital ratio equal to or greater than six percent.

Regents Bank's asset quality improved, as evidenced by a drop in non-performing loans, to $3,656,000, a drop of almost 50 percent from $7,146,000 one year prior and down also from $3,875,000 reported at the end of the previous quarter.

The above-mentioned improvement in asset quality translates to an improvement in Regents Bank's Texas ratio to 8.3 percent, down from 8.7 percent the previous quarter. The Texas ratio is a measure of a bank's credit problems, with a higher ratio being an indicator of more severe credit troubles. A Texas ratio of 100 percent or above is the threshold that generally classifies a bank with severe credit problems. According to the Briden Banking Report, Regents Bank's Texas Ratio was in the best performing 95th percentile as compared to its peer banks.

"During the past year our fine employees have delivered top-notch customer service to our clients, all while working on successful initiatives to improve asset quality and earnings as well as develop new business relationships for the bank," said Tom Young, Chairman of Regents Bank. "I'm extremely proud of our staff for their accomplishments and for the significant progress that has been made. Additionally, I'm comforted by our bank's secure balance sheet as evidenced by our substantial levels of capital and liquidity. Finally, I'm very thankful for the support of our loyal clientele."

Founded in 2001, Regents Bank is a locally owned and managed community bank offering a wide range of financial services to its clients. The bank specializes in serving small to mid-size businesses. Regents Bank offers a full line of commercial business loans, SBA 504 real estate loans, investment real estate financing, an array of depository products, corporate cash management and private banking services. Regents Bank operates banking offices in downtown San Diego, La Jolla, Carlsbad and El Cajon, California, as well as in Vancouver, Washington.

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