



## **PROMÉRICA Bank Finishes First Full Year of Operations Achieving Total Assets of \$56.7 Million**

For Release March 28, 2008

Los Angeles, Calif.--PROMÉRICA Bank (OTCBB:PMRA) today reported results for its first full year of operations that were highlighted by growth of total assets to \$56.7 million, growth of the loan portfolio to \$37.3 million and an increase in deposits to \$32.5 million.

Total assets increased by \$28.1 million to \$56.7 million, a 98% increase for the year ended December 31, 2007. During the fourth quarter 2007, total assets increased by \$5.2 million or 10.1% over the quarter ended September 30, 2007. Strong loan growth of \$35.0 million for 2007 represented a solid increase in the Bank's loan portfolio for the year ended December 31, 2007 Total loans at December 31, 2007 were \$37.3 million compared with \$2.3 million at December 31, 2006 and \$33.6 million at September 30, 2007.

"In 2007, PROMÉRICA Bank experienced significant asset growth and built its infrastructure to a level designed to sustain its future activities," said Eloy U. Ortega, President and CEO. "We continue in our efforts to execute our strategic goal of building the Bank with core deposits and loans generated by relationship banking in our target markets. During the past year, in addition to the challenging economic conditions in Southern California, and an increasingly competitive environment for loans and deposits, we unfortunately lost the services of our Chief Credit Officer to a serious and continuing illness. However, in response to these issues, we have enhanced our infrastructure, and combined with our capital and 4<sup>th</sup> quarter 2007 and 1<sup>st</sup> quarter 2008 momentum, we believe we are prepared for continued growth and improved earnings for 2008 and beyond."

Total capital at year end 2007 was \$23.7 million. The Bank's Tier 1 Leverage Ratio of 44.5% exceeds all regulatory requirements and guidelines to be "well capitalized."

The Bank reported a net loss for the year ended December 31, 2007 of \$2.878 million. Pre-opening organizational expenses of \$853 thousand brought the total comprehensive loss for the period from opening (November 7, 2006) to December 31, 2006 to \$1.212 million. The loss for the year ended December 31, 2007 included the recognition of \$592 thousand of stock based compensation expense as required by SFAS 123R, which required the expensing of the value of stock options granted. This is a non-cash expense and does not have a net impact to the capital of the Bank as the amount expensed increases the Bank's capital accounts. Another material factor was a provision for loan losses for the year of \$444 thousand which was driven by the strong loan growth which required a sufficient loan loss provision to protect the Bank from potential future losses.

The Bank has maintained asset quality, with no non-performing assets, no non-accrual loans and no Other Real Estate Owned at December 31, 2007. In addition, the Bank has had no loan losses since inception. The allowance for loan losses was \$476

thousand at December 31, 2007, up \$444 thousand from December 31, 2006 and up \$117 thousand from \$359 thousand at September 30, 2007. The ratio of the allowance for loan losses to total loans was 1.28% at December 31, 2007 which compared favorably to industry standards.

The loss for the fourth quarter 2007 was \$803 thousand compared to \$641 thousand for the third quarter of 2007 reflecting higher net interest income for the fourth quarter offset by nonrecurring expenses in the fourth quarter. The nonrecurring expenses were primarily due to employee and occupancy costs.

The Bank announced that it has negotiated an agreement with its President and CEO, Eloy U. Ortega, providing for a transition period through August 31, 2008 which will accommodate his desire to relocate back with his family in Santa Barbara while providing the Bank time to identify a successor. The Bank is concurrently engaged in a formal search for a successor for the CEO position as well as the Chief Credit Officer who is presently on long-term disability.

The Bank also announced that the California Department of Financial Institutions and the Federal Deposit Insurance Corporation had recently completed a joint examination of the Bank as of September 30, 2007. The Bank expects to enter into a Memorandum of Understanding (MOU) with its federal and state regulators to address certain financial, management and operations matters. This will include requirements that the Bank: (i) review and evaluate the responsibilities and performance of executive management, staff and the Board and the Board's oversight of management and operations; (ii) implement policies and procedures and contingency plans to address unanticipated management vacancies; (iii) review and revise the Bank's strategic plan and target markets; (iv) strengthen the Bank's credit administration and due diligence and monitoring of loans and borrowers; (v) maintain adequate liquidity; (vi) ensure the comprehensiveness of the Bank's methodology and the adequacy of the allowance for loan losses; and (vii) correct certain compliance deficiencies. The Board is unanimously committed to full and prompt compliance with the MOU. The Bank has already made significant progress in the foregoing areas and will make further changes and improvements necessary to comply with the MOU.

Proxy statements dated March 24, 2008 have been mailed to shareholders for the Bank's annual meeting to be held at its headquarters on April 24, 2008 at 10:00 a.m.

PROMÉRICA Bank provides a full range of financial services, including credit and deposit products, cash management, and internet banking for business and high net worth individuals from its headquarters office at 888 S. Figueroa Street, Los Angeles, CA 90017. Information on products and services may be obtained by calling (213) 613-5000 or visiting the Bank's website at [www.PROMERICAbank.com](http://www.PROMERICAbank.com).

**NOTE:**

This news release contains forward-looking statements about the Bank for which the Bank claims the protection of the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995.

Forward-looking statements are based on management's knowledge and belief as of today and include information concerning the Bank's possible or assumed future financial condition, and its results of operations, business and earnings outlook. These forward-looking statements are subject to risks and uncertainties. A number of factors,

some of which are beyond the Bank's ability to control or predict, could cause future results to differ materially from those contemplated by such forward-looking statements. These factors include (1) changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or regulatory agencies, (2) changes in interest rates, (3) significant changes in banking laws or regulations, (4) increased competition in the Bank's markets, (5) other-than-expected credit losses due to real estate cycles or other economic events, (6) earthquake or other natural disasters affecting the condition of real estate collateral or the business environment. In addition, Management cannot predict at this time the extent of the recent economic downturn, and a slowing or worsening could adversely affect our performance in a number of ways including decreased demand for our products and services and increased credit losses. Likewise, changes in deposit interest rates, among other things, could slow the rate of growth or put pressure on current deposit levels. Forward-looking statements speak only as of the date they are made, and the Bank does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the statements are made.

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## PROMÉRICA BANK BALANCE SHEETS

(Dollars in thousands)

	December 31, 2007	December 31, 2006	September 30, 2007	June 30, 2007
	Audited	Audited	Unaudited	Unaudited
<b>Assets:</b>				
Cash and Due From Banks	\$ 498	\$ 240	\$ 416	\$ 317
Federal Funds Sold	17,365	25,235	15,785	20,440
<b>Total Cash and Cash Equivalents</b>	<b>17,863</b>	<b>25,475</b>	<b>16,201</b>	<b>20,757</b>
Loans Net of Deferred Loan Fees/Costs	37,282	2,252	33,592	16,867
Allowance for Loan Losses	476	32	359	191
<b>Loans Net of Allowance for Loan Losses</b>	<b>36,806</b>	<b>2,220</b>	<b>33,233</b>	<b>16,676</b>
Total Other Assets	2,066	915	2,057	1,751
<b>Total Assets</b>	<b>\$ 56,735</b>	<b>\$ 28,610</b>	<b>\$ 51,491</b>	<b>\$ 39,184</b>
<b>Liabilities:</b>				
Non-Interest-Bearing Demand Deposits	\$ 4,839	\$ 1,256	\$ 3,587	\$ 2,466
Interest-Bearing Demand Deposits (NOW Deposits)	2,569	64	604	614
Money Market Deposits	9,385	537	8,835	6,037
Savings Deposits	22	117	65	21
Certificates of Deposit	15,661	253	13,508	4,756
<b>Total Interest-Bearing Deposits</b>	<b>27,637</b>	<b>971</b>	<b>23,012</b>	<b>11,428</b>
<b>Total Deposits</b>	<b>32,476</b>	<b>2,227</b>	<b>26,599</b>	<b>13,894</b>
Accrued Interest Payable and Other Liabilities	512	350	452	320
<b>Total Liabilities</b>	<b>32,988</b>	<b>2,577</b>	<b>27,051</b>	<b>14,214</b>
<b>Shareholders' Equity:</b>				
Common Stock	27,245	27,245	27,245	27,245
Additional Paid in Capital	592	0	483	372
Accumulated Deficit	(4,090)	(1,212)	(3,288)	(2,647)
<b>Total Shareholders' Equity</b>	<b>23,747</b>	<b>26,033</b>	<b>24,440</b>	<b>24,970</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 56,735</b>	<b>\$ 28,610</b>	<b>\$ 51,491</b>	<b>\$ 39,184</b>

**PROMÉRICA BANK STATEMENT OF OPERATIONS**  
**for the Periods Indicated**

(Dollars in thousands except per share data)

	Year Ended December 31, 2007	November 7, 2006 to December 31, 2006	4th Quarter 2007	3rd Quarter 2007
	Audited	Audited	Unaudited	Unaudited
<b>Interest Income:</b>				
Interest and Fees on Loans	\$ 1,638	\$ 16	\$ 793	\$ 506
Interest on Federal Funds Sold	940	202	168	224
<b>Total Interest Income</b>	<b>2,578</b>	<b>218</b>	<b>961</b>	<b>730</b>
<b>Interest Expense:</b>				
Interest on Deposit Accounts	533	3	266	165
<b>Net Interest Income</b>	<b>2,045</b>	<b>215</b>	<b>695</b>	<b>565</b>
Provision for Loan Losses	444	32	117	167
<b>Net Interest Income After Provision for Loan Losses</b>	<b>1,601</b>	<b>183</b>	<b>578</b>	<b>398</b>
<b>Non-Interest Income:</b>				
Non-Interest Income	66	0	11	16
<b>Non-Interest Expense:</b>				
Salaries and Employee Benefits	2,135	291	701	490
Stock Based Compensation Expense	592	0	111	111
Occupancy Expense	819	105	273	201
Operating Expense	999	145	307	253
<b>Total Non-Interest Expense</b>	<b>4,545</b>	<b>541</b>	<b>1,392</b>	<b>1,055</b>
Net Loss from Bank Operations	(2,878)	(358)	(803)	(641)
<b>Pre-tax Net Loss</b>	<b>(2,878)</b>	<b>(358)</b>	<b>(803)</b>	<b>(641)</b>
Provision for Income Taxes	0	1	0	0
<b>Net Loss</b>	<b>\$ (2,878)</b>	<b>\$ (359)</b>	<b>\$ (803)</b>	<b>\$ (641)</b>
Organizational expenses	0	853	0	0
<b>Total Comprehensive Loss</b>	<b>\$ (2,878)</b>	<b>\$ (1,212)</b>	<b>\$ (803)</b>	<b>\$ (641)</b>
<b>Loss per share - basic and diluted loss per share *</b>	<b>\$ (1.04)</b>	<b>\$ (0.13)</b>	<b>\$ (0.29)</b>	<b>\$ (0.23)</b>

\* Excludes organizational expenses