



## **PROMÉRICA BANK Reports 2008 Second Quarter Results**

For Release August 13, 2008

Los Angeles, CA.--PROMÉRICA BANK (OTCBB: PMRA) today reported results for its 2008 second quarter of operations that were highlighted by growth of total assets to \$71.9 million, growth of the loan portfolio to \$51.3 million and an increase in deposits to \$48.7 million.

At June 30, 2008, total assets were \$71.9 million, an increase of \$32.7 million, or 83% from June 30, 2007. Deposits grew \$34.8 million, or 250% from June 30, 2007. Loan growth of \$34.4 million, or 204% over the year ago balance represented a solid increase in the Bank's loan portfolio.

"In the second quarter of 2008, PROMÉRICA BANK experienced strong loan growth and continued to build its deposit portfolio," said Eloy U. Ortega, President and CEO. "We are continuing to see challenging economic conditions in southern California and an increasingly competitive environment for loans and deposits; however, in response to these issues, we have enhanced our infrastructure, and combined with our capital and second quarter 2008 momentum, we believe we are prepared for continued growth and improved results for 2008 and beyond. I am pleased to report that PROMÉRICA BANK is financially sound. PROMÉRICA BANK has significantly stronger capital ratios than most banks and we have a much higher percentage of liquidity than most banks. We have not invested in the types of loans or securities that are the root cause of problems in banking you have seen in the news".

Total capital at the end of March 31, 2008 was \$22.6 million. The Bank's Tier 1 Leverage Ratio of 31% exceeds all regulatory requirements and guidelines to be "well capitalized."

The loss for the second quarter of 2008 was \$661,000, or \$0.24 per share, compared to \$871,000, or \$0.32 for the second quarter of 2007 reflecting higher net interest income partly offset by a higher loan loss provision and higher operating expenses. The loss for the six-month period ended June 30, 2008 was \$1,322,000 or \$0.48 per share compared with a loss of \$1,435,000, or \$0.52 per share for the six-months ended June 30, 2007.

The allowance for loan losses was \$603,000 at June 30, 2008. The ratio of the allowance for loan losses to total loans was 1.17% at June 30, 2008, which compared favorably to industry standards. The Bank continued to have sound asset quality with nonperforming loans to total loans of 0.28%.

PROMÉRICA BANK provides a full range of financial services, including credit and deposit products, cash management, and internet banking for businesses 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.

<b>Contact:</b>	<b>PROMÉRICA Bank</b>	
	Maria Contreras-Sweet, Chairwoman	213.787.2802
	Eloy U. Ortega, CEO / President	213.787.2803
	Frank E. Smith, CFO	213.787.2804

###

## PROMÉRICA BANK BALANCE SHEETS

(Dollars in thousands)

	<u>June 30, 2008</u>	<u>March 31, 2008</u>	<u>December 31, 2007</u>	<u>June 30, 2007</u>
	Unaudited	Unaudited	Audited	Unaudited
<b>Assets:</b>				
Cash and Due From Banks	\$ 1,444	\$ 869	\$ 498	\$ 317
Federal Funds Sold	11,995	24,420	17,365	20,440
Int-Bearing Balances at Other Financial Institutions	5,675	2,133	0	0
<b>Total Cash and Cash Equivalents</b>	<b>19,114</b>	<b>27,422</b>	<b>17,863</b>	<b>20,757</b>
Loans Net of Deferred Loan Fees/Costs	51,336	40,879	37,282	16,867
Allowance for Loan Losses	603	523	476	191
<b>Loans Net of Allowance for Loan Losses</b>	<b>50,733</b>	<b>40,356</b>	<b>36,806</b>	<b>16,676</b>
Total Other Assets	2,068	1,975	2,066	1,751
<b>Total Assets</b>	<b>\$ 71,915</b>	<b>\$ 69,753</b>	<b>\$ 56,735</b>	<b>\$ 39,184</b>
<b>Liabilities:</b>				
Non-Interest-Bearing Demand Deposits	\$ 7,186	\$ 5,829	\$ 4,839	\$ 2,466
Interest-Bearing Demand Deposits (NOW Deposits)	3,555	2,921	2,569	614
Money Market Deposits	11,684	13,019	9,385	6,037
Savings Deposits	37	14	22	21
Certificates of Deposit	26,256	24,279	15,661	4,756
<b>Total Interest-Bearing Deposits</b>	<b>41,532</b>	<b>40,233</b>	<b>27,637</b>	<b>11,428</b>
<b>Total Deposits</b>	<b>48,718</b>	<b>46,062</b>	<b>32,476</b>	<b>13,894</b>
Accrued Interest Payable and Other Liabilities	552	495	512	321
<b>Total Liabilities</b>	<b>49,270</b>	<b>46,557</b>	<b>32,988</b>	<b>14,215</b>
<b>Shareholders' Equity:</b>				
Common Stock	27,245	27,245	27,245	27,245
Additional Paid in Capital	813	702	592	372
Accumulated Deficit	(5,413)	(4,751)	(4,090)	(2,648)
<b>Total Shareholders' Equity</b>	<b>22,645</b>	<b>23,196</b>	<b>23,747</b>	<b>24,969</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 71,915</b>	<b>\$ 69,753</b>	<b>\$ 56,735</b>	<b>\$ 39,184</b>

**PROMÉRICA BANK STATEMENT OF OPERATIONS**  
**for the Quarters Indicated**  
(Dollars in thousands except per share data)

	<u>June 30, 2008</u>	<u>March 31, 2008</u>	<u>December 31, 2007</u>	<u>June 30, 2007</u>
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Interest Income:</b>				
Interest and Fees on Loans	\$ 912	\$ 757	\$ 793	\$ 247
Interest on Federal Funds Sold	95	185	168	236
Interest on Balances at Other Financial Institutions	19	1	0	0
Dividends on FHLB Stock	6	0	0	0
<b>Total Interest Income</b>	<b>1,032</b>	<b>943</b>	<b>961</b>	<b>483</b>
<b>Interest Expense:</b>				
Interest on Deposit Accounts	257	317	266	74
<b>Net Interest Income</b>	<b>775</b>	<b>626</b>	<b>695</b>	<b>409</b>
Provision for Loan Losses	130	46	117	100
<b>Net Interest Income After Provision for Loan Losses</b>	<b>645</b>	<b>580</b>	<b>578</b>	<b>309</b>
<b>Non-Interest Income:</b>				
Non-Interest Income	24	21	11	5
<b>Non-Interest Expense:</b>				
Salaries and Employee Benefits	684	662	701	471
Stock Based Compensation Expense	110	110	111	142
Occupancy Expense	216	230	273	192
Operating Expense	319	259	307	380
<b>Total Non-Interest Expense</b>	<b>1,329</b>	<b>1,261</b>	<b>1,392</b>	<b>1,185</b>
Net Loss from Bank Operations	(660)	(660)	(803)	(871)
<b>Pre-tax Net Loss</b>	<b>(660)</b>	<b>(660)</b>	<b>(803)</b>	<b>(871)</b>
Provision for Income Taxes	1	1	0	0
<b>Net Loss</b>	<b>\$ (661)</b>	<b>\$ (661)</b>	<b>\$ (803)</b>	<b>\$ (871)</b>
<b>Loss per share - basic and diluted loss per share</b>	<b>\$ (0.24)</b>	<b>\$ (0.24)</b>	<b>\$ (0.29)</b>	<b>\$ (0.32)</b>

**PROMÉRICA BANK STATEMENT OF OPERATIONS**  
**for the Six-month Periods Indicated**  
(Dollars in thousands except per share data)

	<b>June 30, 2008</b>	<b>June 30, 2007</b>
	<u>Unaudited</u>	<u>Unaudited</u>
<b>Interest Income:</b>		
Interest and Fees on Loans	\$ 1,668	\$ 358
Interest on Federal Funds Sold	20	549
Interest on Balances at Other Financial Institutions	281	0
Dividends on FHLB Stock	6	0
<b>Total Interest Income</b>	<b><u>1,975</u></b>	<b><u>907</u></b>
<b>Interest Expense:</b>		
Interest on Deposit Accounts	<u>574</u>	<u>102</u>
<b>Net Interest Income</b>	<b>1,401</b>	<b>805</b>
Provision for Loan Losses	<u>176</u>	<u>160</u>
<b>Net Interest Income After Provision for Loan Losses</b>	<b>1,225</b>	<b>645</b>
<b>Non-Interest Income:</b>		
Non-Interest Income	45	19
<b>Non-Interest Expense:</b>		
Salaries and Employee Benefits	1,345	943
Stock Based Compensation Expense	220	220
Occupancy Expense	446	345
Operating Expense	579	591
<b>Total Non-Interest Expense</b>	<b><u>2,590</u></b>	<b><u>2,099</u></b>
Net Loss from Bank Operations	(1,320)	(1,435)
<b>Pre-tax Net Loss</b>	<b><u>(1,320)</u></b>	<b><u>(1,435)</u></b>
Provision for Income Taxes	2	0
<b>Net Loss</b>	<b><u>\$ (1,322)</u></b>	<b><u>\$ (1,435)</u></b>
<b>Loss per share - basic and diluted loss per share</b>	<b><u>\$ (0.48)</u></b>	<b><u>\$ (0.52)</u></b>