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PRESS RELEASE

**The Private Bank of the Peninsula and Peninsula Bank Holding Co.
Raise Capital, Write Off Loan and Increase Reserves**

Palo Alto, CA – July 18, 2008 – The Private Bank of the Peninsula, subsidiary of Peninsula Bank Holding Company, today announced the unaudited results for the second quarter of 2008. As announced on July 1, 2008 the holding company recently completed a secondary stock offering which raised over \$8.6 million.

“Thanks to our Clients, Shareholders and staff, we have been able to sustain our positive growth record in assets, deposits and loans,” stated Mark D. Mordell, Chairman of the Board. “Unfortunately our planned quarterly profit was negatively impacted by the need to write off a loan made to William “Boots” Del Biaggio. Overall, we are very pleased with our trends, and appreciate the confidence and support of our Shareholders and Clients.”

Financial Results
In thousands (unaudited)

	<u>6/30/08</u>	<u>6/30/07</u>	<u>Increase</u>	<u>12/31/07</u>	<u>Increase</u>
Assets	\$228,053	\$154,436	48 %	\$200,451	14 %
Loans	\$164,793	\$115,046	43 %	\$145,791	13 %
Deposits	\$204,049	\$139,262	47 %	\$184,217	11 %
Shareholders' Equity	\$23,390	\$14,747	59 %	\$15,581	50 %
Outstanding Shares	2,586	1,873	38 %	1,889	37 %

	<u>Quarter Ending 6/30/08</u>	<u>Quarter Ending 6/30/07</u>	<u>Year-to-Date 6/30/08</u>	<u>Year-to-Date 6/30/07</u>
Net Income (Loss)	(\$1,009)	\$248	(\$701)	\$362
Earnings (Loss) Per Share	(\$0.53)	\$0.13	(\$0.37)	\$0.19

“Our high capital level and conservative lending strategy place us in a strong position to respond to the challenges of the current banking environment. The recent loss, resulting from an alleged fraud that has also affected numerous other banks, will not prevent us from achieving sustained, long-term profitability,” stated Steve Leen, the Bank’s Chief Financial Officer.

The Private Bank of the Peninsula is headquartered in Palo Alto, California. The Private Bank focuses on the banking needs of small and medium sized businesses, entrepreneurs and business leaders, not-for-profit organizations and individuals within the communities it serves.

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