

MESSAGE FROM THE PRESIDENT

Strategic Expansion Initiatives Produce Growth in Q109

APRIL 2009



While the economy and financial services industry have navigated through a very turbulent first quarter, we found opportunities to expand the resources, products and services available to our clients that help address their needs both now and while building for the future.

The first of these initiatives was the addition of our Small Business Administration (SBA) Lending Division, which allows the Bank to extend the benefits of SBA loan products to our clients. There has never been a better time to consider SBA financing as we currently have some of the best pricing and terms available in years. The recently enacted American Recovery and Reinvestment Act contains a package of new SBA programs as well as loan fee reductions, tax incentives, and enhancements to current SBA programs that are designed to help the survival and recovery of our small business owners. These improved conditions for SBA borrowers include 25-year fully amortized commercial real estate loans, deferred-payment loans of up to \$35,000, and new conditions for refinancing existing fixed assets, such as equipment and

owner-occupied commercial real estate.



Alden Macabales
Senior Vice President
&
SBA Manager

To direct our new SBA Division, I am pleased to announce the appointment of Alden Macabales to the position of Senior Vice President and SBA Manager. Alden joins Stellar with more than 20 years of commercial and SBA lending experience, along with his established team of experienced SBA loan professionals. Together, this team is working diligently with our customers and the community to make SBA resources available. Our unique personal approach to assisting our customers through the application and approval process simplifies the experience and helps to expedite funding. For more information about current SBA loan programs, please contact us directly at 626.214.1760.

Recruitment of successful bankers, such as Alden and his team, with established reputations for exceeding customers' expectations is critical to our success as a community bank. As such, the second of our initiatives this past quarter was a search for the best talent to compliment the community banking services we currently provide and increase opportunities for future growth. I am pleased to announce the appointment of Kathleen Hatcher as our new Vice President and Community Banking Manager. Kathleen joins our team with 20 years of commercial banking experience in the Covina and surrounding markets. Her expertise includes all aspects of commercial and consumer banking, while ensuring a community-banking service culture for our clients and employees. We believe that our role as a community bank is to provide the personalized care, services and delivery of customized products that distinguishes our company culture from other financial service providers. Kathleen's role is to ensure this delivery both inside our physical branch location and while meeting with our customers and prospects at their place of business.



Kathleen Hatcher
Vice President &
Community Banking
Manager

Please join me in welcoming Alden Macabales and Kathleen Hatcher to the Stellar Business Bank team. They may each be contacted by calling 626.214.1760.

April 9, 2009 marked Stellar Business Bank's 2nd Anniversary. When we began to organize the Bank in 2005, little did I know that today would prove to be the most challenging economic environment I have navigated in my 30-year banking career. By aligning myself with top executive talent and directors committed to broad-based thinking, combined with strategic risk management practices, we draw from our combined past experiences, while giving foremost consideration to our customers' needs. As such, while we are pleased to announce our first profitable quarter, achieved in just under two years of operations, we acknowledge the impact of a one-time gain on sale of securities and the continuing challenge to achieve sustainable, ongoing operational profitability. Nonetheless, we view this milestone as one of achievement, particularly in the light of many financial institutions who have struggled and will likely continue to face concerns for months to come. While we are not focused on managing problematic issues, we are focused on serving our customers, the community, growing strategically and profitably, and making the right decisions for our customers, employees and shareholders.

Thank you for your continued support.



TIMOTHY P. WALBRIDGE
PRESIDENT & CEO



100 N. Azusa Avenue • Covina, CA 91722 626.214.1760
www.stellarbusinessbank.com

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