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Plaza Bank Reports Positive Results for the Quarter Ended December 31, 2009

SEATTLE, Washington – Plaza Bank is pleased to report its first positive quarterly earnings since inception in mid-2006. The Bank reported net income of \$121 thousand for the quarter ending December 31, 2009.

Total assets increased \$35.4 million during the last twelve months to \$124.7 million at December 31, 2009. Net loans increased \$14.2 million to \$87.4 million during the same period reflecting strong demand for commercial lending services among Plaza Bank's target borrowers. Core deposits increased 36.2% or \$12.0 million in 2009.

Net interest income increased to \$3.7 million before provisions for loan losses for the year ended December 31, 2009, an increase from \$2.4 million in 2008. In addition, lower cost of funds contributed to an increase in the net interest margin from 3.15% to 3.82%. Operating expenses remained flat for the 12 months ended December 31, 2009 excluding an extraordinary charge to expenses reflecting a valuation allowance for other real estate owned.

Reflective of current market conditions and the effects on certain borrowers, the management and directors of Plaza Bank considered it prudent to increase loan loss reserves to 4.00% of total loans at December 31, 2009. At December 31, 2009, Plaza reported \$4.9 million in non-accrual loans and a single property in OREO with a carrying value of \$851 thousand. This conservative and cautious approach resulted in the addition of \$4.1 million to loan loss reserves during the year. Excluding these extraordinary additions to reserves, operating earnings improved by \$1.3 million year over year.

These are troubling times for our economy in general and for the banking industry in particular. Asset quality remains an issue for banks nationwide including in the Pacific Northwest. President & CEO Carlos Guangorena states, "we feel adequately reserved for the level of risk in our portfolio. While there have been some loan losses, Plaza Bank is still well-capitalized and the profitable 4th quarter lays the foundation for continued earnings growth in 2010."

Meanwhile, Plaza Bank continues to reach out to minorities:

- Total loans to women and minorities were almost 40 percent of total loan balances outstanding at the end of 2009.

Shareholder Equity at December 31, 2009 stood at \$9.4 million, or \$4.23 per outstanding share. Plaza Bank trades on the over the counter Bulletin Board (OTCBB) under the ticker symbol PZBW.OB.

About Plaza Bank

Plaza Bank, a state chartered commercial bank, is headquartered in Seattle, Washington with a branch office in the Seattle suburb of Kent. The bank was founded in April 2006 with an equity capital base of \$22.0 million, at the time the most capital raised by a Washington de novo bank. Plaza Bank is a commercial bank with an emphasis on the Latino market, the first de novo bank in Washington to target the growing Latino market. Please visit www.plazabankwa.com for additional information.

Forward Looking Statements

This document contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. All forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Those

factors include, but are not limited to: the impact of national and regional economic trends on small business loan demand in the Puget Sound area; loan delinquency rates; the Bank's ability to continue to attract quality commercial business; interest rate movements; changes in the demographic make-up of the Bank's market area; fluctuation in demand for the Bank's products and services; the Bank's ability to attract and retain qualified people, and other factors. These factors should be considered in evaluating the forward-looking statements and undue reliance should not be placed on such statements. The Bank shall not be responsible to update any such forward-looking statements.

UNAUDITED FINANCIAL HIGHLIGHTS
(IN \$000's)

SUMMARY INCOME STATEMENT

	<u>Year Ended December 31, 2009</u>	<u>Year Ended December 31, 2008</u>	<u>Three Months Ended December 31, 2009</u>	<u>Three Months Ended December 31, 2008</u>
Interest Income	\$ 6,056	\$ 5,007	\$ 1,677	\$ 1,287
Interest Expense	2,317	2,589	570	648
Net interest Income Before Provision	3,739	2,418	1,107	639
Provision for Loan Losses	4,100	1,273	0	796
Non-interest Income	208	148	59	40
OREO Valuation Allowance	853	0	0	0
Other Non-interest Expense	4,303	4,262	1,045	1,091
Net Income (Loss)	\$ (5,309)	\$ (2,969)	\$ 121	\$ (1,208)

SUMMARY STATEMENT OF CONDITION

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Total Assets	\$ 124,768	\$ 89,329
Total Loans	91,070	74,585
Total Deposits	112,179	69,046
Allowance for Loan Losses	3,665	1,448
Shareholders' Equity	\$ 9,376	\$ 14,705