



PRESS RELEASE

Bridge Bank Reports Financial Results
For Quarter and Six Months Ended June 30, 2003

Profits Improve 130%

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President & CEO
Bridge Bank, N.A.

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Investor

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The Brenner Group, Inc.

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Costella Kirsch, Inc.

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Pan-Cal Corporation

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Duratek, Inc.

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Investor

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BT Commercial

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Chief Executive Officer

Robert P. Gionfriddo
Executive Vice President
Specialty Markets Division

Thomas A. Sa
Executive Vice President
Chief Financial Officer

Kenneth B. Silveira
Executive Vice President
Chief Technology Officer

Timothy W. Boothe
Executive Vice President
Chief Lending Officer

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Santa Clara, CA – July 17, 2003 – Bridge Bank, N.A. (NASDAQ: BBNK), Santa Clara County’s newest full-service business bank, today announced financial results for the quarter and six months ended June 30, 2003.

The Bank reported net income of \$278,000, or \$0.04 per diluted share, in the three months ended June 30, 2003. The second quarter result was the Bank’s third consecutive profitable quarter since opening in May 2001 and represented an improvement of \$1.2 million compared to a net loss of \$928,000, or (\$0.22) per diluted share, in the same period one year ago, an improvement of 130%.

Return on average assets (ROAA) for the quarter was reported at 0.54%, an increase of 25 basis points, or 86%, from the prior quarter. Return on average equity (ROAE) was reported at 4.14%, an increase of 220 basis points, or 113%, from the prior quarter.

Net income for the six months ended June 30, 2003 was \$407,000, or \$0.07 per diluted share, compared to a net loss of \$2.2 million, or (\$0.55) per diluted share, in the first six months of 2002.

“The second quarter results are evidence of our continued progress in the ongoing effort to build the foundation of Bridge Bank,” said Daniel P. Myers, President and Chief Executive Officer of Bridge Bank. “Our relationship-oriented philosophy of service based banking has been well received in the marketplace.”

At June 30, 2003, Bridge Bank’s total assets were \$226.8 million, compared to \$140.6 million on the same date one year ago, which represented an increase of \$86.2 million or 61%. Growth in total assets was primarily funded by growth in deposits.

The Bank’s total deposits increased \$86.7 million or 78% to \$198.4 million as of June 30, 2003, compared to total deposits of \$111.7 million as of June 30, 2002.

The Bank reported total loans outstanding at June 30, 2003 of \$166.3 million, which represented an increase of \$74.9 million, or 82%, over \$91.3 million for the same date last year.

At June 30, 2003, shareholders’ equity of the Bank was \$27.0 million or virtually unchanged from the same date one year earlier. The resulting leverage ratio, tier one capital divided by average total assets, was 13.2%, substantially above the regulatory standard of 5.0% for “well-capitalized” institutions. On January 27, 2003, the Bank’s common stock began listing on The NASDAQ Stock Market under the trading symbol BBNK.

Net interest income of \$2.4 million for the quarter ended June 30, 2003 represented an increase of approximately \$1.1 million, or 79%, over \$1.3 million reported for the same quarter one year earlier. For the six months ended June 30, 2003, net interest income of \$4.5 million represented growth of \$2.3 million, or 105%, over the first six months of 2002. In addition, the Bank’s net interest margin for the second quarter and six months ended June 30, 2003 improved to 4.92% and 5.0%, respectively, from 4.59% and 4.16%, respectively, in the quarter and six months ended June 30, 2002.

Growth in net interest income and improvement in the net interest margin was attributed to growth in assets together with improvement in balance sheet leverage. The Bank’s loan to deposit ratio, a measure of leverage, averaged 87% during the quarter ended June 30, 2003, which represented improvement over an average of 74% for the same quarter of 2002. For the six months ended June 30, 2003, the Bank’s average loan to deposit ratio was 88% compared to 65% in the first half of 2002.

“We are pleased with the Bank’s net interest margin, especially in light of the low level of short term interest rates which tends to compress already squeezed margins,” said Thomas A. Sa, Executive Vice President and Chief Financial Officer of Bridge Bank. “In part, this reflects growth in our SBA and asset-based loan portfolios as a component of average earning assets. These lines of business represented key investments in 2002.”

The Bank’s non-interest income for the second quarter and six months ended June 30, 2003 was \$516,000 and \$1,110,000, respectively, compared to \$583,000 and \$600,000, respectively, for the three and six months ended June 30, 2002. Non-interest income is primarily comprised of gains realized on sales of SBA loans.

The Bank launched its SBA lending operation in March of 2002 and subsequently was awarded Preferred Lender Partner (“PLP”) accreditation by the U.S. Small Business Administration. This was one of the fastest such PLP awards ever granted and applies to the San Francisco and Sacramento SBA Districts. According to SBA production statistics, for the government’s second fiscal quarter ended March 31, 2003, Bridge Bank ranked in the top 10% of SBA lenders within the San Francisco and the Sacramento SBA Districts.

The Bank provided \$228,000 and \$482,000, respectively, to the allowance for loan losses for the three and six months ended June 30, 2003, compared to \$448,000 and \$819,000, respectively, provided in the same periods one year earlier. At June 30, 2003, the allowance represented 1.40% of gross loans compared to 1.46% on the same date one year earlier. The Bank reported no non-performing assets at June 30, 2003.

Noninterest expenses of \$2.4 million were approximately equal for the quarters ended June 30, 2003 and 2002. For the six months ended June 30, 2003, noninterest expenses of \$4.7 million represented an increase of \$529,000 or 13% compared to \$4.2 million in the first half of 2002. The increase in noninterest expenses year-to-date reflects the impact of expansion of the business in 2002.

**About Bridge Bank, N.A.**

Bridge Bank is Santa Clara County's newest full-service business bank. The Bank is dedicated to meeting the financial needs of small and middle-market businesses in Silicon Valley, Palo Alto, and the Sacramento business communities. Bridge Bank provides clients with a comprehensive package of business banking solutions delivered through experienced, professional bankers. Visit Bridge Bank on the Web at [www.bridgebank.com](http://www.bridgebank.com).

*Forward Looking Statement*

Certain matters discussed in this press release constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and are subject to the safe harbors created by that Act. These forward looking statements relate to the Company's current expectations regarding future operating results and growth in loans, deposits, and assets. These forward looking statements are subject to certain risks and uncertainties that could cause the actual results, performance or achievements to differ materially from those expressed, suggested or implied by the forward looking statements.

These risks and uncertainties include, but are not limited to: (1) the impact of changes in interest rates, a decline in economic conditions and increased competition among financial service providers on the Company's results of operations, (2) the Company's ability to continue its internal growth rate, (3) the Company's ability to build net interest spread, (4) the quality of the Company's earning assets, and (5) government regulations.



BRIDGE BANK

**FINANCIAL RESULTS****Quarter and Six Months Ended June 30, 2003**

(Dollars in Thousands)

OPERATING RESULTS	Three months ended		Six months ended	
	6/30/2003	6/30/2002	6/30/2003	6/30/2002
Interest income	\$ 2,907	\$ 1,618	\$ 5,446	\$ 2,669
Interest expense	525	289	954	489
Net interest income	2,382	1,329	4,492	2,180
Provision for loan losses	228	448	482	819
Noninterest income	516	583	1,110	600
Noninterest expense	2,392	2,392	4,713	4,184
Net income	\$ 278	\$ (928)	\$ 407	\$ (2,223)
Per share:				
Basic	\$ 0.05	\$ (0.22)	\$ 0.07	\$ (0.55)
Diluted	\$ 0.04	\$ (0.22)	\$ 0.07	\$ (0.55)
<b>RATIOS:</b>				
ROAA	0.54%	-2.96%	0.42%	-3.92%
ROAE	4.14%	-22.97%	3.04%	-28.56%
Net interest margin	4.92%	4.58%	5.00%	4.15%
Efficiency	82.54%	125.10%	84.13%	150.50%
ALLL/gross loans	1.40%	1.46%		
NPA/gross loans	0.00%	0.00%		
Leverage capital	13.16%	21.58%		
Average loans/deposits	86.75%	73.73%		
Shares outstanding	6,051,584	6,049,084		
Book value per share	\$ 4.46	\$ 4.47		

**BALANCE SHEET**

End of Period	6/30/2003	6/30/2002	12/31/2002
Assets	\$ 226,756	\$ 140,563	\$ 181,188
Deposits	198,405	111,730	153,359
Gross loans	166,251	91,347	128,703
Allowance for loan losses	2,324	1,330	1,765
Shareholders' equity	26,981	27,064	26,564
<b>Average-quarter</b>			
Assets	\$ 205,045	\$ 125,435	\$ 167,924
Earning assets	194,161	117,615	159,602
Deposits	176,901	108,391	139,973
Gross loans	153,456	79,916	121,380
Allowance for loan losses	2,110	1,053	1,643
Shareholders' equity	26,855	16,157	26,476