

FOR IMMEDIATE RELEASE



Preferred Bank Announces Termination of Consent Order

Los Angeles, May 31, 2012 – Preferred Bank (Nasdaq GSM: PFBC) today announced the termination of the Consent Order, dated March 22, 2010, between Preferred Bank (the Bank), the California Department of Financial Institutions (DFI) and the Federal Deposit Insurance Corporation (FDIC). In conjunction with the termination of the Consent Order, the Bank has signed a Memorandum of Understanding (MOU) with both the DFI and the FDIC. The MOU is an informal agreement which calls for, among other things, the Bank to maintain a Tier 1 leverage ratio of at least 10% and requires the Bank to continue to reduce its adversely classified assets.

“We are very happy that the accomplishments which our team has worked hard to achieve which have been acknowledged by our shareholders have now been recognized by our regulators. Although this is a significant event for us, we will still continue to reduce our adversely classified and nonperforming assets so that we can return to achieving our earnings and growth potential,” stated Li Yu, Chairman, President and CEO of Preferred Bank.

About Preferred Bank

Preferred Bank is one of the largest independent commercial banks in California focusing on the Chinese-American market. The bank is chartered by the State of California, and its deposits are insured by the Federal Deposit Insurance Corporation, or FDIC, to the maximum extent permitted by law. The Company conducts its banking business from its main office in Los Angeles, California, and through nine full-service branch banking offices in Alhambra, Century City, City of Industry, Torrance, Arcadia, Irvine, Diamond Bar, Anaheim and Pico Rivera, California. Preferred Bank offers a broad range of deposit and loan products and services to both commercial and consumer customers. The bank provides personalized deposit services as well as real estate finance, commercial loans and trade finance to small and mid-sized businesses, entrepreneurs, real estate developers, professionals and high net worth individuals. Preferred Bank continues to benefit from the significant migration to Southern California of ethnic Chinese

from China and other areas of East Asia. While its business is not solely dependent on the Chinese-American market, it represents an important element of the bank's operating strategy, especially for its branch network and deposit products and services. Preferred Bank believes it is well positioned to compete effectively with the smaller Chinese-American community banks, the larger commercial banks and other major banks operating in Southern California by offering a high degree of personal service and responsiveness, experienced multi-lingual staff and substantial lending limits.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about the Bank's future financial and operating results, the Bank's plans, objectives, expectations and intentions and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of the Bank's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: changes in economic conditions; changes in the California real estate market; the loss of senior management and other employees; natural disasters or recurring energy

shortage; changes in interest rates; competition from other financial services companies; ineffective underwriting practices; inadequate allowance for loan and lease losses to cover actual losses; risks inherent in construction lending; adverse economic conditions in Asia; downturn in international trade; inability to attract deposits; inability to raise additional capital when needed or on favorable terms; inability to manage growth; inadequate communications, information, operating and financial control systems, technology from fourth party service providers; the U.S. government's monetary policies; government regulation; environmental liability with respect to properties to which the bank takes title; and the threat of terrorism. Additional factors that could cause the Bank's results to differ materially from those described in the forward-looking statements can be found in the Bank's 2011 Annual Report on Form 10-K filed with the Federal Deposit Insurance Corporation which can be found on Preferred Bank's website. The forward-looking statements in this press release speak only as of the date of the press release, and the Bank assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those contained in the forward-looking statements. For additional information about Preferred Bank, please visit the Bank's website at www.preferredbank.com.

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