



LUTHER BURBANK SAVINGS

STATEMENT OF CONDITION

December 31, 2011

To Our Valued Customers:

2011 was another exceptional year for Luther Burbank Savings. With \$3.8 billion in assets, we continue to record positive results that exceed industry standards by a large margin.

In 2011, total branch deposits increased \$295 million, or 10%, to \$3.2 billion. Our new headquarters branch at 500 Third Street in Santa Rosa is under construction and should open in September, and our new San Jose branch at 956 The Alameda is also under construction and will open by June.

Luther Burbank Savings recently received one of the highest rankings in the nation for banking efficiency. By operating in a responsible and conscientious manner, we are able to deliver unmatched value to our customers in the form of higher savings rates, no hidden fees and a dedication to quality customer service.

Our combined capital ratios have never been stronger. At December 31, 2011, our core capital and risk based capital ratios were 10.5% and 17.5%, respectively. This places our capital ratios, which are a very important measure of strength, significantly above the well-capitalized regulatory minimums of 5% and 10%.

In 2011, our non-performing assets ratio declined 33 basis points, or 15%, to 1.83% as of December 31, 2011. This level remains less than half the average of all FDIC insured institutions of 4.22% (as of September 30, 2011).

Although the economy has shown signs of improvement, this recession is not over yet. During times of uncertainty it is important to know - your money is well protected at Luther Burbank Savings.

Thank you for your business. It is genuinely appreciated.

Victor Trione
Chairman of the Board

John Biggs
President & CEO

Assets

Cash & Securities	\$ 436,595,000
Loans Receivable, Net	3,311,719,000
Other Assets	78,261,000
Real Estate Owned	<u>6,045,000</u>
	<u><u>\$ 3,832,620,000</u></u>

Liabilities & Capital

Deposits	\$ 3,153,765,000
Borrowings	238,614,000
Other Liabilities	35,340,000
Capital	<u>404,901,000</u>
	<u><u>\$ 3,832,620,000</u></u>

This unaudited statement is prepared in accordance with generally accepted accounting principles.

Beverly Hills: (888) 407-9904
8401 Wilshire Boulevard
Beverly Hills, CA 90211

Encino: (888) 849-3601
16600 Ventura Boulevard
Encino, CA 91436

Los Altos: (855) 636-7410
4546 El Camino Real
Los Altos, CA 94022

Pasadena: (877) 373-0380
170 South Lake Avenue
Pasadena, CA 91101

San Rafael: (415) 457-6990
1050 Fourth Street
San Rafael, CA 94901

Santa Rosa: (800) 578-9216
804 Fourth Street
Santa Rosa, CA 95404

Toluca Lake: (877) 333-2580
4100 West Alameda Avenue
Burbank, CA 91505

Member FDIC

lutherburbanksavings.com

