

PREFERRED BANK

**THE SUBSCRIPTION RIGHTS WILL EXPIRE IF NOT EXERCISED ON OR BEFORE 5:00 P.M.,
EASTERN TIME, ON AUGUST 24, 2009, UNLESS EXTENDED BY PREFERRED BANK**

PREFERRED BANK
**NON-TRANSFERABLE SUBSCRIPTION RIGHTS CERTIFICATE EVIDENCING SUBSCRIPTION RIGHTS TO
PURCHASE SHARES OF COMMON STOCK OF PREFERRED BANK**

RIGHTS CERTIFICATE #:

NUMBER OF RIGHTS:

The terms and conditions of the rights offering are set forth in Preferred Bank's offering circular, dated July 22, 2009 (the "Offering Circular") and are incorporated herein by reference. Subscription Price: \$2.88 per Share.

THIS CERTIFIES THAT the registered owner whose name is inscribed above is the owner of the number of subscription rights ("**Rights**") set forth above. Each whole Right entitles the holder thereof to subscribe for and purchase 0.35 shares of common stock, no par value per share ("**Common Stock**"), of Preferred Bank, a California state-chartered bank, at a subscription price of \$2.88 per share (the "**Basic Subscription Right**"), pursuant to a rights offering (the "**Rights Offering**"), on the terms and subject to the conditions set forth in the Offering Circular. Holders who fully exercise their Basic Subscription Right are entitled to subscribe for additional shares of Common Stock that remain unsubscribed for as a result of any unexercised Basic Subscription Right, pursuant to the terms and conditions of the Rights Offering, subject to proration, as described in the Offering Circular (the "**Over-Subscription Right**"). The Rights represented by this Subscription Rights Certificate may be exercised by completing Form 1 and any other appropriate forms on the reverse side hereof and by returning the full payment of the subscription price for each share of Common Stock.

For instructions on the use of Preferred Bank Subscription Rights Certificates or to request copies of the Offering Circular, consult Georgeson, at (866) 828-4315.

DELIVERY OPTIONS FOR SUBSCRIPTION RIGHTS CERTIFICATE

Delivery other than in the manner or to the addresses listed below will not constitute valid delivery.

If delivering by Mail:

Computershare Trust Company, N.A.
Attention: Voluntary Corporate Actions
P.O. Box 43011
Providence, RI 02940-3011

If delivery by Overnight Courier:

Computershare Trust Company, N.A.
Attention: Voluntary Corporate Actions
250 Royall Street Suite V
Canton, MA 02021

PLEASE PRINT ALL INFORMATION CLEARLY AND LEGIBLY

FORM 1-EXERCISE OF SUBSCRIPTION RIGHTS

To subscribe for shares pursuant to your Basic Subscription Right only, please complete Lines (a) and (c) and sign under Form 2 below. To subscribe for shares pursuant to your Over-Subscription Right, please also complete line (b) and sign under Form 2 below. To the extent you subscribe for more shares than you are entitled under the Basic Subscription Right, you will be deemed to have elected to purchase the maximum number of shares for which you are entitled to subscribe under the Basic Subscription Right.

(a) EXERCISE OF BASIC SUBSCRIPTION RIGHT:

I apply for _____ shares x \$ 2.88 = \$
(no. of new shares) (subscription price) (amount enclosed)

(b) EXERCISE OF OVER-SUBSCRIPTION RIGHT

If you have exercised your Basic Subscription Right in full and wish to subscribe for additional shares for which you are otherwise entitled to subscribe pursuant to your Over-Subscription Right, complete the following:

I apply for _____ shares x \$ 2.88 = \$
(no. of new shares) (subscription price) (amount enclosed)

(c) Total Amount of Payment Enclosed = \$

METHOD OF PAYMENT (CHECK ONE)

- Certified Check to Computershare drawn on a United States bank;
- Personal Check to Computershare drawn on a United States bank; or
- Postal or express money order payable to Computershare drawn on a United States bank.

FORM 2 -SIGNATURE

TO SUBSCRIBE: I acknowledge that I have received the Offering Circular for this Rights Offering and I hereby irrevocably subscribe for the number of shares of Common Stock indicated above on the terms and conditions specified in the Offering Circular.

Signature(s): _____

Telephone number (including area code): _____

IMPORTANT: The signature(s) must correspond with the name(s) as printed on the reverse of this Subscription Rights Certificate in every particular, without alteration or enlargement, or any other change whatsoever.

FORM 3-DELIVERY TO DIFFERENT ADDRESS

If you wish for the Common Stock underlying your subscription rights, a certificate representing unexercised subscription rights or the proceeds of any sale of subscription rights to be delivered to an address different from that shown on the face of this Subscription Rights Certificate, please enter the alternate address below and have your signature guaranteed under Form 4.

FORM 4-SIGNATURE GUARANTEE

This form must be completed if you have completed Form 3.

Signature Guaranteed: _____

(Name of Bank or Firm)

By: _____

(Signature of Officer)

IMPORTANT: The signature(s) should be guaranteed by an eligible guarantor institution (bank, stock broker, savings & loan association or credit union) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15.