

# FOLSOM LAKE BANK



## FOR IMMEDIATE RELEASE

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## **PRESS RELEASE**

**August 1, 2007**

### **Folsom Lake Bank announces Opening Period Results**

**FOLSOM, CA.** August 1, 2007 - Folsom Lake Bank (OTCBB: FOLB), announced unaudited financial results for the quarter ending June 30, 2007, the bank's first quarter of operations since opening for business on April 2, 2007. Total assets at June 30, 2007 were \$19.6 million, an increase of 29.1% over "opening day" total assets. During the initial three months of operations the bank generated \$4.6 million in deposits. The bank had \$7.0 million in loan commitments with \$4.6 million in loan outstandings as of quarter end.

FLB reported an unaudited loss of \$481,598 since opening on April 2, 2007. The loss was expected and is consistent with any start-up bank - as loans and deposits grow the bank will trend toward a profitable operation. The initial quarterly loss was less than expected due to strong non-interest deposits, higher than expected loan volume and expenses lower than anticipated.

The bank added \$75,000 to the loan loss provision during the quarter. This resulted in an allowance for loan losses of 1.62% of total loans. The bank had no delinquent or non-performing loans at June 30, 2007.

"We are very proud of the first quarter results and the addition of a significant number of new client relationships, as well as a significant pipeline of new account relationships in the process of being opened," said Robert J. Flautt, Folsom Lake Bank President and CEO. "Our growth is reflective of the support we have received from the community as well as the extraordinary service being provided by our staff." The bank held its grand VIP opening on May 8<sup>th</sup> and over 500 people attended to show their support for the bank.

Folsom Lake Bank takes a lot of pride in the communities it serves; our employees, officers directors and founding organizers are committed to being involved. Folsom Lake Bank is a proud sponsor of the Folsom Professional Rodeo, the Folsom Historical Society, The Folsom Lake College golf tournament as well as numerous other local events and organizations.

Flautt also announced that the bank had received a stock ticker symbol and will be listed as FOLB or FOLB.OB. Folsom Lake Bank is publicly traded on the Over-the-Counter Bulletin Board. Howe Barnes Hofer & Arnett is the primary market maker. For information on buying or selling stock please contact Steve Didion at 415-538-5720.

Flautt concluded , ÷ I am delighted to see the commitment of both the board and staff to insure that Folsom Lake Bank establishes itself as a strong community supporter and a premier banking institution that has a reputation for superior customer service and long term shareholder value.ö

Folsom Lake Bank is a locally owned and locally operated, full service commercial banking organization focusing on small business owners, professionals and individuals in the communities surrounding Folsom Lake. By providing the personal attention that clients want and delivering banking services that they need, the bank intends to build strong banking relationships across the communities that it serves. For more information please call Robert Flautt at 916-235-4570.

This correspondence may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act. All of the statements contained in this correspondence, other than statements of historical fact, should be considered forward-looking statements, including, but not limited to, those concerning (i) the Bank's strategies, objectives and plans for expansion of its operations, products and services, and growth of its portfolio of loans, investments and deposits, (ii) the Bank's beliefs and expectations regarding actions that may be taken by regulatory authorities having oversight of the operation, (iii) the Bank's beliefs as to the adequacy of its existing and anticipated allowances for loan and real estate losses and (iv) the Bank's beliefs and expectations concerning future operating results. Although the Bank believes the expectations reflected in those forward-looking statements are reasonable, it can give no assurance that those expectations will prove to have been correct. All subsequent written and oral forward-looking statements by or attributable to the Bank or persons acting on its behalf are expressly qualified in their entirety by this qualification. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof and are not intended to give any assurance as to future results. The Bank undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.