

# FOLSOM LAKE BANK



## PRESS RELEASE

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### FOR IMMEDIATE RELEASE

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## Folsom Lake Bank announces Third Quarter Results

**FOLSOM, CA.** (October 25, 2007) - Folsom Lake Bank (OTCBB: FOLB) announced unaudited financial results for the quarter ending September 30, 2007, the bank's second quarter of operations since opening for business on April 2, 2007. Total assets grew to \$24.4 million at September 30, 2007, an increase of 61.0% over "opening day" total assets. Total deposits grew to \$9.8 million. The bank had total loan commitments of \$16.7 with \$12.9 million in loan outstandings as of quarter end.

"After just six months in operation we have seen significant growth in both deposits and loans as a result of our focus on developing strong customer relationships. The support and encouragement we have received from the community has been outstanding," said Robert J. Flautt, Folsom Lake Bank President and CEO. "As we continue to expand our customer base the staff is truly focused on providing an extraordinary banking experience to every client."

The bank added \$75,000 to the loan loss provision during the quarter. This resulted in an allowance for loan losses of \$150,000 or 1.16% of total loans at September 30, 2007. The bank continues to have no delinquent or non-performing loans. The bank has no sub-prime residential mortgage loans in the loan portfolio and, as a commercial bank, does not expect to ever enter that line of business.

During the quarter the bank added to new staff members. Carrie Reginato joined the bank as Senior Vice President and Chief Marketing Officer. In addition to helping with an active business development program, Reginato will focus on marketing, advertising and branding the bank's image in the community. James Pelly also joined the bank as Vice President and Community Relations Officer. Jim's focus will be developing community wide banking relationships. According to Flautt, "Every employee has a sales role at our bank. We are very pleased to be able to bring both Carrie and Jim on to the Folsom Lake Bank team to help us provide additional emphasis in the on sales and marketing."

A key part of the Folsom Lake Bank business strategy has been to look for full customer banking relationship and not just loan or deposit transactions. Flautt said, "Clients are looking for long term banking relationships based on help and assistance with their entire banking relationship. Our goal is to make sure each client gets the best of customer service along with advice and counsel on all of their banking needs,"

Folsom Lake Bank also reported its first sales of stock on the secondary market. Activity can be viewed at [OTCBB.com](http://OTCBB.com) using the stock symbol FOLB. The shares were first sold to the public in March of 2006 at \$10 per share and the latest trade was also at \$10 per share. Folsom Lake Bank is publicly traded on the Over-the-Counter Bulletin Board. Howe Barnes Hoefler & Arnett is the primary market maker. For information on buying or selling stock please contact Steve Didion at 415-538-5720.

Flaunt concluded, "We are very pleased with the progress the bank has made in such a short time as 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."

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 Flaunt at 916-235-4570.

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