

# FOLSOM LAKE BANK



## FOR IMMEDIATE RELEASE

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## **PRESS RELEASE**

**January 18, 2008**

### **Folsom Lake Bank announces 12/31/2007 Financial Results**

**FOLSOM, CA.** January 18, 2008 - Folsom Lake Bank (OTCBB: FOLB), announced unaudited financial results for its year ending December 31, 2007. The bank commenced operations on April 2, 2007 after raising \$15.9 million in capital and has now completed three quarters of operations. Total assets grew to \$29.5 million, an increase of 94.1% over “opening day” assets, and an increase of 21% over the prior quarter. Total deposits grew to \$15.0 million and total loans grew to \$16.1 million, increases of 53% and 25% respectively over the prior quarter.

In spite of a slowing economy, housing woes and the meltdown in the sub-prime residential lending area, the bank has continued on a rapid growth curve. According to Robert J. Flautt, President and CEO, “We anticipated and planned for a steady and strong increase in both loans and deposits, and that is exactly what we have seen. Continued growth and a focus on keeping expenses in line will head us quickly toward our goal of reaching a profitable operation.”

The bank added \$45,000 to its loan loss provision in the quarter which resulted in a loan loss reserve of \$195,000 or 1.21% of loans. The bank continues to have no delinquent or non-performing loans. The bank has no sub-prime residential mortgage loans and has never had a sub-prime lending program.

“We have been extremely well received in our geographic market areas and are gratified by the support we have received from our clients and shareholders.” commented Flautt. “The bank continues to add quality banking relationships based on providing each and every customer with an extraordinary banking experience. Our entire staff of banking professionals is committed to providing the Best of Banking.”

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, Rotary International and Kiwanis, as well as numerous other local events and organizations. 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.

Folsom Lake Bank is the areas newest community bank. The 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.