

FOLSOM LAKE BANK



FOR IMMEDIATE RELEASE

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PRESS RELEASE

October 16, 2008

Folsom Lake Bank tops \$52 million in Assets with 9/30/2008 Results

FOLSOM, CA. October 16, 2008 - Folsom Lake Bank (OTCBB: FOLB), announced unaudited financial results for the quarter ending September 30, 2008. As of 9/30/08, total assets for the bank reached \$52.0 million, an increase of \$27.6 million or 113% over the September 30, 2007 assets, and an increase of \$7.8 million or 17.6% over the prior quarter. Total deposits grew to \$38.4 million, increasing \$8.4 million or 28.0% for the quarter. Total loans outstanding as of September 30, 2008, were \$35.9 million, up \$6.9 million or 23.8% from the prior quarter. Loans and deposits are up \$23.0 million and \$28.6 million respectively from the 3rd quarter of 2007.

The bank reported a net loss of \$295,409 for the quarter, in line with expectations and normal for a start-up banking operation, and down \$101,959 over the 3rd quarter 2007 loss of \$397,368. Robert J. Flautt, President and CEO commented, "We again had strong growth for the quarter thanks to strong support from the community. Small business owners, professionals and local consumers have all found great value in our unique brand of banking excellence. We have continued a rapid and steady growth in loans and deposits in spite of the worst financial calamity to hit the banking industry in decades. Community banks clearly are enjoying a flight to safety. Just as we know our customers very well, likewise our customers see us a safe, secure and strong alternative to the large financial institutions and their myriad of continuing loan problems."

"Since opening in April of 2007, we have been diligent and watchful to make sure our lending practices were appropriate and conservative", continued Flautt. "The bank has no delinquent loans or any loans on non-accrual. We have never done subprime lending and never will. Our conservative approach to lending is based on strong underwriting, extensive knowledge of our communities and familiarity with each of our loan clients." The bank provisioned \$75,000 to the loan loss reserve to cover the higher than expected loan growth, resulting in an allowance of \$460,000 or 1.26% of loans.

Folsom Lake Bank is the area's newest community bank. The bank is a locally owned and locally operated, full service commercial banking organization focused 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 continues to build strong banking relationships across the communities that it serves. Folsom Lake Bank is publicly traded on the Over-the-Counter Bulletin Board. Howe Barnes Hoefer & Arnett (John Cavender 415-538-5725) is the primary market maker. 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. 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. 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.