

FOLSOM LAKE BANK



NEWS RELEASE

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Folsom Lake Bank Updates 2009 Results

On January 25, 2010 Folsom Lake Bank (OTC Bulletin Board: FOLB) announced unaudited financial results for the quarter and full year ending December 31, 2009. Subsequent to the January 25th announcement, the bank became aware of new financial information regarding one of its commercial real estate loans prompting it to record an additional \$400,000 provision for loan losses and an additional \$400,000 in loan charge-offs effective 12/31/09. As a result, total assets changed from \$103.0 million to \$102.6 million; total loans changed from \$64.4 million to \$64.0 million; the net loss for the year changed from \$1,652,581 to \$2,052,581; and non-accrual assets changed from \$215,715 to \$1,510,767.

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.