



March 10, 2010 – San Jose, CA. Focus Business Bank (OTCBB:FCSB) announced unaudited financial results for the quarter and year ended December 31, 2009. The Bank ended the quarter with assets of \$108 million, an increase of 14% over December 31, 2008. The Bank had a loss for the quarter of \$671,000 compared to a loss of \$1,007,000 for the quarter ended September 30, 2009. The loss for the full year ended December 31, 2009 was \$3,641,000 compared to a loss of \$1,690,000 for the prior year. President and Chief Executive Officer Richard L. Conniff said, “The Bank’s performance in 2009 continued to reflect disruption in the economy which caused the residential mortgage market to drop precipitously and unemployment to increase above 12% in Santa Clara County. As a result of difficulties faced by the Bank’s clients, particularly those involved in real estate, provisions for loan losses remained at elevated levels for the entire year. Fortunately, the Bank has continued to benefit from a strong balance sheet and we have been able to meet the needs of our clients and carefully grow even in the face of strong economic headwinds.”

Following is a summary of key balance sheet categories:

<u>(Unaudited, dollars in thousands)</u>	December 31, <u>2009</u>	September 30, <u>2009</u>	December 31, <u>2008 (Audited)</u>
Total assets	\$ 107,912	\$ 106,163	\$ 94,406
Gross loans	71,169	73,722	70,763
Allowance for loan losses	2,417	2,346	1,202
Deposits			
Non-interest bearing	22,080	20,990	18,049
Interest-bearing	<u>64,186</u>	<u>62,751</u>	<u>51,431</u>
Total	86,266	83,741	69,480
Shareholders' equity	21,135	21,770	24,326

The Bank’s balance sheet remains strong and management has maintained high levels of liquidity to assure flexibility in this time of economic volatility and uncertainty. The loan to deposit ratio has declined from 101% at December 31, 2008 to 82% at December 31, 2009. As a result, the Bank’s overnight funds and investment securities increased to over \$35 million at December 31, 2009. In addition, the Bank had no borrowings and no brokered deposits at December 31, 2009.

The provision for loan losses was \$2.2 million for the year ended December 31, 2009 compared to \$820,000 for the year ended December 31, 2008. At December 31, 2009, the Bank’s reserve for loan losses was 3.40% of total loans compared to 1.70% at the end of 2008. The Bank had three non-performing loans at December 31, 2009 totaling \$5.4 million, \$5.0 million of which is well secured by real estate and in the process of collection. As of March 10, 2010, non-performing loans had been reduced by over \$1,200,000 as the result of payments by the borrowers since December 31, 2009.

The Bank’s performance was also impacted by a declining net interest margin which dropped from 3.92% for the year ended December 31, 2008 to 3.01% for the year ended December 31, 2009. The decline in net interest margin was caused by a combination of historically low rates in the capital market, the impact of non-accrual loans and the deleveraging of the balance sheet which resulted in a lower percentage of loans, the highest interest earning asset class, to total interest earning assets class.

A summary of operating results follows:

	Quarter ended		Year ended	
	December 31,	September 30,	December 31,	December 31,
<u>(Unaudited, dollars in thousands except per share data)</u>	<u>2009</u>	<u>2009</u>	<u>2009</u>	<u>2008</u>
Interest income	\$ 953	\$ 990	\$ 3,974	\$ 3,992
Interest expense	<u>196</u>	<u>230</u>	<u>922</u>	<u>945</u>
Net interest income	757	760	3,052	3,047
Provision for loan losses	275	775	2,245	820
Non-interest income	51	158	272	259
Non-interest expense	<u>1,204</u>	<u>1,150</u>	<u>4,720</u>	<u>4,176</u>
Net loss	<u>\$ (671)</u>	<u>\$(1,007)</u>	<u>\$ (3,641)</u>	<u>\$ (1,690)</u>
Loss per share	\$ (0.24)	\$ (0.36)	\$ (1.32)	\$ (0.61)

The Bank's capital ratios remain well above current regulatory guidelines for well capitalized banks. Following are the Bank's capital ratios for December 31, 2009 and December 31, 2008:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>	Minimum required to be well capitalized
Tier 1 leverage ratio	19.4%	26.0%	5.0%*
Tier 1 risk-based capital ratio	26.1%	29.6%	6.0%
Total risk-based capital ratio	27.4%	30.9%	10.0%

* Minimum for the Bank during the de novo period (first three years) is 8.00%

“Focus Business Bank faced many challenges in 2009 and we are pleased to enter 2010 with a strong balance sheet and well positioned for measured growth,” concluded Conniff. “We remain committed to serving the closely held businesses of Santa Clara County and want to remain a strong and trusted resource for these companies as they emerge from the economic challenges of the past three years.”

Focus Business Bank is dedicated to meeting the banking needs of closely held businesses and entrepreneurs in Santa Clara County. The Bank's office is located at 10 Almaden Boulevard in downtown San Jose, California and offers a variety of commercial banking products including loans, deposits, remote deposit capture and other cash management services oriented toward closely held businesses and their owners. The Bank specializes in commercial loans and SBA 7a and 504 loans. The Bank also serves not for profit businesses and condominium homeowner associations by offering expertise, market knowledge and specialized products and services to these customers.

This release may contain forward-looking statements, such as, among others, statements about plans, expectations and goals concerning growth. Forward-looking statements are subject to risks and uncertainties. Such risks and uncertainties may include but are not necessarily limited to fluctuations in interest rates, inflation, government regulations and general economic conditions, including the real estate market in California and other factors beyond the Bank's control. Such risks and uncertainties could cause results for subsequent interim periods or for the entire year to differ materially from those indicated. Readers should not place undue reliance on the forward-looking statements, which reflect management's view only as of the date hereof. The Bank undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

Contact:

Richard L. Conniff, President and Chief Executive Officer
408.200.8701
richard.conniff@focusbusinessbank.com