



Focus Business Bank Announces Results for the
Quarter Ended March 31, 2010

April 29, 2010 – San Jose, CA. Focus Business Bank (OTCBB:FCSB) announced unaudited financial results for the quarter ended March 31, 2010. Total assets at March 31, 2010 were \$115.7 million compared to \$107.9 million at December 31, 2009 and \$97.8 million at March 31, 2009, increases of 7% and 18% respectively. The loss for the quarter ended March 31, 2010 was \$307,000 compared to a loss of \$670,000 for the trailing quarter ended December 31, 2009 and \$374,000 for the prior year quarter ended March 31, 2009. President and Chief Executive Officer Richard L. Conniff remarked, “We are pleased with the improved performance of the Bank. Improving credit quality contributed to an increase in net interest income and a reduction in credit costs. Our balance sheet remains strong and we are well positioned to meet the needs of our current clients and expand our portfolio of closely-held businesses.”

Following is a summary of key balance sheet categories:

(Dollars in thousands)	March 31, 2010 (Unaudited)	December 31, 2009 (Audited)	March 31, 2009 (Unaudited)
Total assets	\$ 115,666	107,912	97,804
Gross loans	70,588	71,020	71,132
Allowance for loan losses	2,432	2,417	1,302
Deposits			
Non-interest bearing	27,500	22,080	17,282
Interest-bearing	63,194	64,186	55,886
Total deposits	\$ 90,694	86,266	73,168
Shareholders' equity	\$ 21,015	21,135	24,059

Although there is evidence that the worst of the economic crisis may be behind us, management has elected to maintain high levels of liquidity to deal with continued uncertainty. The loan to deposit ratio, one measure of liquidity, was 97% at March 31, 2009, 82% at December 31, 2009 and 78% at March 31, 2010. Excess liquidity created by lowering the loan to deposit ratio has been deployed in overnight funds and investment securities. At March 31, 2010, the Bank had no brokered deposits. Secured borrowings related to the sale of SBA loans, which are subject to limited recourse provisions, totaled \$3.4 million at March 31, 2010. Subsequent to the recourse period, gains from the sale of those SBA loans will be recognized and the secured borrowing will be reduced.

The allowance for loan and lease losses was 3.44% of loans outstanding at March 31, 2010, compared to 3.40% at December 31, 2009 and 1.83% at March 31, 2009. The Bank had non-performing assets of \$1.6 million, 1.35% of total assets, at March 31, 2010 compared to \$5.4 million, 5.00 % of total assets, at December 31, 2009. There were no non-performing assets at March 31, 2009. The \$3.8 million reduction in non-performing assets in the quarter ended March 31, 2010 represents payments received from borrowers. The Bank had no OREO at March 31, 2010, December 31, 2009 or March 31, 2009. Net charge-offs in the quarters ended March 31, 2010, December 31, 2009 and March 31, 2009 were \$61,000, \$204,000 and \$-0-, respectively.

A summary of operating results follows:

(Dollars in thousands except per share data)	Quarter Ended		
	March 31, 2010 (Unaudited)	December 31, 2009 (Audited)	March 31, 2009 (Unaudited)
Interest income	\$ 1,127	953	1,005
Interest expense	172	196	253
Net interest income	955	757	752
Provision for loan losses	75	275	100
Non-interest income	38	51	44
Non-interest expense	1,224	1,204	1,070
Net loss	\$ (307)	(670)	(374)
Loss per share	\$ (0.11)	(0.24)	(0.14)

While the Bank saw an improvement in net interest income during the first quarter of 2010, approximately \$119,000 of interest income related to a loan which had previously been on non-accrual and was paid in full. The net interest margin for the quarter ended March 31, 2010 was 3.56%, compared to 2.83% for the quarter ended December 31, 2009 and 3.25% for the quarter ended March 31, 2009. The Bank's net interest margin has been impacted by loans on non-accrual, historically low market rates and a decreasing loan to deposit ratio with more assets invested in lower yielding investment securities and overnight funds.

The Bank's capital ratios remain well above current regulatory guidelines for well capitalized banks. Following are the Bank's capital ratios for March 31, 2010 and December 31, 2009:

	<u>March 31, 2010</u>	<u>December 31, 2009</u>	<u>Minimum required to be well capitalized</u>
Tier 1 leverage ratio	18.8%	19.4%	5.0%*
Tier 1 risk-based capital ratio	26.2%	26.1%	6.0%
Total risk-based capital ratio	27.5%	27.4%	10.0%

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

"The Bank's performance in the first quarter of 2010 reflects our strategy of improving asset quality and achieving measured growth while maintaining a strong balance sheet," concluded Conniff. "Focus Business Bank has continued to support its closely-held business clients with loans and other financial services through the most difficult economic period in recent history. We are gratified by the results of our efforts and appreciate the support of our customers and shareholders and the hard work of our team of business bankers."

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.

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