



**FOCUS BUSINESS BANK ANNOUNCES FINANCIAL RESULTS FOR THE  
QUARTER ENDED MARCH 31, 2009**

April 28, 2009 - San Jose, CA Focus Business Bank (OTCBB: FCSB) announced unaudited financial results for the quarter ended March 31, 2009. Richard L. Conniff, the Bank's President and Chief Executive Officer stated, "Despite a difficult economy, Focus Business Bank continued its growth in the first quarter of 2009 from both December 31, 2008 and March 31, 2008. We attribute our growth to our continuing commitment to be the premier bank for closely held businesses in Santa Clara County. Focus is more than a name; it precisely describes our single-minded approach to business banking." Following is a summary of key balance sheet categories as of March 31, 2008, December 31, 2008 and March 31, 2009:

(All dollars in thousands)	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>	<u>March 31,</u> <u>2008</u>	<u>Change from March 31,</u> <u>2008 to March 31, 2009</u>	
				\$	%
Gross loans	\$ 71,310	\$ 70,778	\$ 40,664	\$30,646	75%
Allowance for loan loss	1,302	1,202	490	812	166%
Deposits					
Non-interest bearing	17,282	18,049	11,367	5,915	52%
Interest-bearing	<u>55,886</u>	<u>51,431</u>	<u>31,394</u>	<u>24,492</u>	78%
Total	73,168	69,480	42,761	30,407	71%
Shareholders' equity	24,059	24,431	25,528	(1,469)	-6%
Total assets	97,804	94,406	68,633	29,171	43%

Total assets, loans and deposits at March 31, 2009 all showed increases from December 31, 2008 and March 31, 2008. Non-interest bearing deposits were approximately 24% of total deposits at March 31, 2009 compared to 26% at December 31, 2008 and 27% at March 31, 2008. The Bank had approximately \$2.8 million in brokered deposits at the end of the first quarter which represented less than 4% of total deposits and had no other borrowings outstanding. Given the current volatility of credit markets, at March 31, 2009 the Bank maintained a strong liquidity position with \$17.9 million in overnight fed funds sold and marketable securities of \$8.8 million.

The Bank continued to increase the allowance for loan and lease losses during the first quarter of 2009 through a provision of \$100,000, bringing the total to \$1.3 million. Although credit quality metrics remained strong with no non-performing loans and no charge offs during the quarter, management recognized deterioration in local markets evidenced by increased unemployment and declines in the value of both residential and

commercial real estate. At March 31, 2009, the allowance for loan and lease losses was 1.83% of total loans, compared to 1.70% at December 31, 2008 and 1.20% at March 31, 2008.

A summary of key operating results follows:

	<u>Quarter Ending</u>			<u>Change from March 31, 2008</u>	
	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>	<u>March 31,</u> <u>2008</u>	<u>to March 31, 2008</u>	<u>to March 31, 2009</u>
(All dollars in thousands except loss per share)				\$	%
Interest income	\$ 1,005	\$ 1,101	\$ 953	\$52	5%
Interest expense	253	263	230	23	10%
Net interest income	752	838	723	29	4%
Provision for loan losses	100	345	90	10	11%
Non-interest income	44	44	82	(38)	-46%
Non-interest expense	<u>1,070</u>	<u>1,046</u>	<u>1,004</u>	<u>66</u>	<u>7%</u>
Net income (loss)	<u>(374)</u>	<u>(509)</u>	<u>(289)</u>	<u>(85)</u>	<u>29%</u>
				\$	
(Loss) per basic share	\$ (0.14)	\$ (0.19)	\$ (0.11)	(0.03)	24%

The Bank's primary source of revenue is net interest income. Although earning assets have continued to grow, market rates of interest declined from March 31, 2008 to December 31, 2008 and continued to decline during the first quarter of 2009. The majority of the Bank's earning assets are loans, most of which are tied to the prime rate. In periods of declining interest rates, prime often declines sooner and in a greater amount than other interest rates including those paid on deposits. These declines are reflective of the overall declining interest rate environment in response to the Federal Reserve Bank reducing interest rates by 500 basis points since September 2007. Primarily as a result of changes in the market rates of interest, the Bank's net interest margin for the first quarter of 2009 was 3.24%, as compared to 3.68% for the quarter ended December 31, 2008 and 4.29% in the quarter ending March 31, 2008.

The Bank also generates non-interest income, primarily from service charges on deposit accounts and gains on the sale of the guaranteed portion of SBA loans. The market for SBA loans has been disrupted by events in the capital markets resulting in lower activity and relatively low gains on sale. As a result, the Bank has elected to retain recently originated SBA loans in its own portfolio. At March 31, 2009, the Bank had \$2.0 million in SBA loans available for sale. As part of the Economic Stabilization Act of 2008, the Federal Reserve Bank created The Asset-Backed Securities Loan Facility (TALF), whose purpose is to provide liquidity for the asset based securities market, including the secondary market for SBA loans. TALF is being implemented in the second quarter of 2009 and may result in an improved market for SBA loans in the future although there is no way to tell with any certainty when and how the market will change. There were no

gains on the sale of SBA loans in the quarters ending March 31, 2009 or December 31, 2008. Gains on sale for the quarter ending March 31, 2008 were \$75,000.

Expense control remains a key management concern. While non-interest expense was 7% higher in the quarter ended March 31, 2009 compared to the quarter ended March 31, 2008, over the same period loans and deposits each increased over 70%. While effective cost control is fundamental to building a successful bank, management also recognizes that investments must be made in infrastructure and internal controls to serve our customers and maintain long term safety and soundness in its operations. In addition, opportunities can arise from a troubled economy and the Bank remains committed to making the appropriate long term strategic moves, such as the hiring of Executive Vice President Teresa Powell in April 2009, that support its long term goals .

The Bank's capital ratios remain substantially above regulatory guidelines for well capitalized banks. At December 31, 2008, the Bank's regulatory capital ratios were:

		<u>Minimum required to be well capitalized</u>
Tier 1 leverage ratio	24.94%	5.00%*
Tier 1 risk-based ratio	28.48%	6.00%
Total risk-based capital ratio	29.74%	10.00%

\*Minimum for de novo bank is 8.00%

Mr. Conniff concluded his comments by noting, "Although the current economic environment is much different than what we contemplated in the original planning for the Bank, we are pleased with our progress to date. Being conservative in creating our original plan and continuing that conservative approach in adapting it to a much stormier business climate has positioned the Bank to continue its growth. As a result, we have strong credit quality metrics, strong liquidity and strong capital. We remain confident that our business plan is sound, our banking team is solid and our capital provides the foundation we need to be successful."

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, SBA 7a and 504 loans and interim construction loans. The Bank also specializes in serving not for profit businesses and condominium homeowner associations by offering expertise and market knowledge, specialized products and services to these industries.

*This release may contain forward-looking statements that 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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