



October 24, 2007

**FOCUS BUSINESS BANK ANNOUNCES FINANCIAL RESULTS FOR THE  
QUARTER ENDED SEPTEMBER 30, 2007**

San Jose, CA. Focus Business Bank (OTCBB: FCSB) announced unaudited financial results for the quarter ended September 30, 2007, the Bank's third quarter since commencing operations on January 16, 2007. President and Chief Executive Officer Richard L. Conniff stated, "The Bank experienced strong growth in both loans and deposits during the third quarter. Although market conditions are challenging, we are proud of our accomplishments to date which are consistent with the goals in our original business plan. We continue to believe that our commitment to serving closely-held businesses in Santa Clara County coupled with discipline in our operations and expense control is a winning formula." The following is a summary of certain key balance sheet items at the end of the second and third quarters of operations:

<u>Unaudited</u> (All dollar amounts in thousands)	As of		<u>Net Change</u>	<u>% Change</u>
	<u>June 30, 2007</u>	<u>September 30, 2007</u>		
Gross Loans	\$ 11,420	\$ 20,078	\$ 8,658	75.8%
Allowance for Loan Loss	130	242	112	86.2%
Deposits	25,557	38,003	12,446	48.7%
Shareholders' Equity	26,115	25,775	(340)	-1.3%
Total Assets	51,872	64,022	12,150	23.4%

The Bank reported a loss of \$421,990 (\$0.15 per basic share) for the quarter ended September 30, 2007, compared to a loss of \$364,344 (\$0.13 per basic share) for the quarter ended June 30, 2007. For the first three quarters of operations commencing with the opening on January 16, 2007 and ending on September 30, 2007, the Bank had a loss of \$2,005,709 (\$0.73 per basic share). CEO Conniff noted, "Operating losses are common in the initial quarters of operations for a de novo bank. Our performance to date compares favorably with our business plan and we are encouraged by our progress."

Summary income information for the quarters ended June 30, 2007 and September 30, 2007 and the three quarters ended September 30, 2007 is as follows:

<u>Unaudited</u> (All dollar amounts in thousands)	Quarter Ended		Three Quarters
	<u>June 30, 2007</u>	<u>September 30, 2007</u>	<u>September 30, 2007</u>
Interest Income	\$ 720	\$ 842	\$ 1,939
Interest Expense	206	261	532
Net Interest Income	514	581	1,407
Provision for Loan Losses	120	112	242
Non-interest Income	93	20	110
Non-interest Expense	853	910	3,281
Net Income	(364)	(421)	(2,006)

The increase in net interest income for the quarter ended September 30, 2007 compared to the quarter ended June 30, 2007 was primarily related to the growth in earning assets partially offset by a reduction in market rates of interest tied to a 50 basis point reduction in the target federal funds rate by the Federal Reserve Board on September 19, 2007. The majority of the Bank's earning assets, including federal funds sold and variable rate loans, reprice immediately when the Federal Reserve Board changes the target federal funds rate. Although many of the Bank's interest bearing liabilities are also variable rate they do not necessarily reprice immediately or by the same amount as variable rate assets. Focus Business Bank, like most de novo banks in California, has more variable rate interest bearing assets than variable interest rate liabilities, which is commonly referred to as being "asset sensitive." Asset sensitive banks tend to experience a reduction in net interest income when market rates of interest fall and an increase in net interest income when those interest rates rise.

For the second and third quarters of 2007, gains on the sale of the guaranteed portion of SBA loans have represented the majority of non interest income for Focus Business Bank. Non interest income dropped from \$93,000 for the quarter ended June 30, 2007 to \$20,000 for the quarter ended September 30, 2007. In the third quarter of 2007, premiums on the sale of the guaranteed portion of SBA loans in the secondary market were somewhat lower than recent prior periods. As a result, the Bank elected to retain in its loan portfolio certain SBA loans originated during the quarter. At September 30, 2007, the Bank had approximately \$556,000 in SBA guaranteed loans which were available for sale in the secondary market.

Focus Business Bank is dedicated to meeting the banking needs of closely-held businesses and entrepreneurs in Santa Clara County. The Bank has one office located in downtown San Jose, California and offers a variety of commercial banking products including loans, deposits, remote 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.

*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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