



Focus Business Bank Announces Unaudited Financial Results  
For the Quarter and Nine Months Ended September 30, 2011

October 26, 2011 – San Jose, CA. Focus Business Bank (OTCBB:FCSB) announced unaudited financial results for the quarter and nine-months ended September 30, 2011. Net income, total assets, loans and deposits at September 30, 2011 represent record levels for the Bank. President and Chief Executive Officer Richard L. Conniff stated, “Continued growth in earning assets has helped the Bank complete its sixth consecutive profitable quarter. This earning asset growth, which is concentrated in loans, has been funded by increases in the volume and number of core deposits accounts, particularly non-interest bearing demand deposits. Our asset quality remains excellent and we believe our strong balance sheet creates an excellent platform for continued growth and earnings improvement.”

The Bank reported net income of \$200,000, or \$0.10 per share, for the quarter ended September 30, 2011 compared to net income of \$52,000, or \$0.02 per share, for the quarter ended September 30, 2010. For the nine-months ended September 30, 2011, the Bank reported net income of \$362,000, or \$0.15 per share, compared to a loss of \$224,000, or (\$0.08) per share, for the nine-months ended September 30, 2010.

**Assets and Liabilities**

Total assets increased to \$152.8 million at September 30, 2011, a 16% increase from December 31, 2010 and 24% from September 30, 2010. Total deposits grew to \$129.5 million at September 30, 2011, an 18% increase from December 31, 2010 and 29% from September 30, 2010. Total loans were \$89.0 million at September 30, 2011, a 34% increase from December 31, 2010 and 30% from September 30, 2010.

Non-interest bearing deposits at September 30, 2011 were \$44.0 million as compared to \$32.0 million at December 31, 2010 and \$27.5 million at September 30, 2010. As a result of the 60% growth from September 30, 2010 to September 30, 2011, non-interest bearing deposits represent 34% of total deposits at September 30, 2011, compared to 27% of total deposits at September 30, 2010.

**Net Interest Income**

Net interest income for the quarter and nine-months ended September 30, 2011 was \$1,354,000 and \$3,482,000, respectively, an increase of 34% and 21% respectively, compared to \$1,009,000 and \$2,885,000 for the same periods in 2010. Net interest margin of 3.75% and 3.45% for the quarter and nine-months ended September 30, 2011, respectively, improved compared to 3.33% and 3.38% for the quarter and nine-months ended September 30, 2010. The increase in net interest margin for the quarter ending September 30, 2011 is primarily attributable to growth in loans and a reduction in market rates of interest for deposits. At September 30, 2011, the loan to deposit ratio was 69% as compared to 60% at December 31, 2010 and 68% at September 30, 2010.

**Non-interest Income**

Non-interest income was \$117,000 and \$890,000 for the quarter and nine months ended September 30, 2011, respectively, compared to \$50,000 and \$367,000 for the same periods in 2010. The increase in non-interest income for the nine months ending September 30, 2011 is primarily attributable to gains on the sale of SBA loans.

**Non-Interest Expense**

Non-interest expense was \$1,204,000 and \$3,943,000 for the quarter and nine-months ended September 30, 2011, respectively, compared to \$1,157,000 and \$3,551,000 for the quarter and nine months ended September 30, 2010. The increase in non-interest expense for the periods ending September 30, 2011 compared to the same periods in 2010 is primarily attributable to personnel and related expenses associated with the growth in earning assets.

**Asset Quality**

The Bank made no provision to loan loss reserves in the quarter and nine-months ended September 30, 2011. The allowance for loan losses was 2.85% of total loans at September 30, 2011 as compared to 3.83% at December 31, 2010 and 3.88% at September 30, 2010. There were no loan charge-offs or recoveries in the quarter and nine-months ending September 30, 2011. At September 30, 2011, the Bank had one non-performing loan for \$83,000. The Bank has never had other real estate owned.

**Capital**

Focus Business Bank has capital ratios substantially in excess of regulatory requirements for well capitalized banks. At September 30, 2011, the total risk-based capital ratio was 21.31%.

**About Focus Business Bank**

Focus Business Bank is dedicated to meeting the banking needs of closely-held businesses and professionals 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.

***Forward-Looking Statements***

*This release may contain forward-looking statements, such as, among others, statements about plans, expectations and goals concerning growth and improvement. 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.*

Focus Business Bank  
Summary Financial Statements  
(in, 000's except per share data)

(Unaudited)

<b><u>BALANCE SHEET</u></b>	<b>As of</b>			<b>12 Month % Change</b>
	<b>30-Sep-11</b>	<b>31-Dec-10</b>	<b>30-Sep-10</b>	
<b>ASSETS</b>				
Cash and due from banks	\$ 37,262	\$ 35,777	\$ 27,257	37%
Federal funds sold	505	510	510	(1%)
Investment securities	26,980	30,289	28,169	(4%)
Loans	89,011	66,387	68,390	30%
Net deferred loan costs	102	138	119	(14%)
Allowance for loan losses	(2,541)	(2,541)	(2,656)	(4%)
Net Loans	86,572	63,984	65,853	31%
Other assets	1,442	1,338	1,450	(1%)
<b>TOTAL ASSETS</b>	<b>\$ 152,761</b>	<b>\$ 131,898</b>	<b>\$ 123,239</b>	<b>24%</b>
<b>LIABILITIES</b>				
Deposits				
Non-interest bearing	\$ 44,045	\$ 31,982	\$ 27,506	60%
Interest bearing	85,478	77,824	72,934	17%
Total deposits	129,523	109,806	100,440	29%
Other liabilities	828	601	1,417	(42%)
<b>TOTAL LIABILITIES</b>	<b>130,351</b>	<b>110,407</b>	<b>101,857</b>	
Stockholders' equity	22,410	21,491	21,382	5%
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 152,761</b>	<b>\$ 131,898</b>	<b>\$ 123,239</b>	<b>24%</b>
Book value per share	\$ 8.07	\$ 7.77	\$ 7.73	4%
<b><u>Balance Sheet Ratios</u></b>				
Loan/deposit	69%	60%	68%	
Non-interest/total deposit	34%	29%	27%	
<b><u>Regulatory Capital Ratios</u></b>				
Tier-1 leverage	15.47%	16.53%	17.24%	
Tier-1 risk based capital	20.04%	27.19%	26.61%	
Total risk-based capital	21.31%	28.46%	27.88%	
<b><u>Asset Quality Metrics</u></b>				
Non-performing loans	\$ 83	\$ 86	\$ 88	(6%)
Non-performing loans/total loans	0.09%	0.13%	0.13%	
ALLL/total loans	2.85%	3.83%	3.88%	

(Unaudited)	<u>Quarter Ended</u>		<u>Year-to-Date</u>	
<u>INCOME STATEMENT</u>	<u>30-Sep-11</u>	<u>30-Sep-10</u>	<u>30-Sep-11</u>	<u>30-Sep-10</u>
Interest income	\$ 1,452	\$ 1,143	\$ 3,811	\$ 3,329
Interest expense	98	134	329	444
Net interest income	1,354	1,009	3,482	2,885
Recovery of provision for loan losses	-	(150)	-	(75)
Non-interest income	117	50	890	367
Non-interest expense	1,204	1,157	3,943	3,551
Pre-tax income (loss)	267	52	429	(224)
Income taxes	67	-	67	-
Net income (loss)	\$ 200	\$ 52	\$ 362	\$ (224)
Net income (Loss) per basic share	\$ 0.10	\$ 0.02	\$ 0.15	\$ (0.08)
 <b><u>Performance Metrics</u></b>				
Net interest margin	3.75%	3.33%	3.45%	3.38%
Return on average assets	0.54%	0.17%	0.35%	-0.26%
Return on average equity	3.56%	0.96%	2.21%	-1.41%

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