



## **FOR IMMEDIATE RELEASE**

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### **FRESNO FIRST BANK REPORTS EARNINGS RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2009**

FRESNO, CALIFORNIA... October 7, 2009... Fresno First Bank ("Bank") (OTC Bulletin Board FSNF) reported today unaudited net income before tax of \$239,000 for the quarter ended September 30, 2009, compared to a loss before tax of \$561,000 for the same period in 2008. For the nine months ended September 30, 2009 the Bank recorded net income before tax of \$175,000 compared to a net loss before tax of \$1.45 million for the first nine months of 2008. "We are very pleased with our earnings year-to-date and in the third quarter. Over the last year we have worked hard to grow the bank in our local community and those efforts are paying off," stated Rick Whitsell, President and CEO of Fresno First Bank.

At September 30, 2009, total assets stood at \$122.5 million, compared to \$103.5 million at December 31, 2008 and \$96.3 million at September 30, 2008. As of September 30, 2009, deposits totaled \$107.1 million compared to \$91.0 million at December 31, 2008 and \$83.4 million at September 30, 2008, while net loans outstanding were \$74.6 million, compared to \$63.6 million at December 31, 2008 and \$54.2 million at September 30, 2008. Shareholders' equity at September 30, 2009 was approximately \$13.9 million, reflecting a very strong capital ratio of 11.4% of total assets. "Over the last year we have seen continued strong deposit and loan growth. Deposits this past year have increased \$23.7 million or 28.4% while loans outstanding have increased \$20.5 million, or 37.8%," added Whitsell.

Net interest income for the nine months ended September 30, 2009 was \$3,641,000, compared to \$2,220,000 for the same period in 2008, an increase of \$1,421,000 or 64.0%. The increase in net interest income was primarily the result of a combination of growth and lower costs associated with interest bearing liabilities. The Bank's annualized net interest margin was 4.37% for the nine months ended September 30, 2009, compared to 4.25% for the same period in 2008.

During the first nine months of 2009, the Bank recorded \$532,000 in net loan charge offs, compared to \$171,000 for the same period in 2008. The increase in 2009 loan charge offs was primarily due to challenges in the loan portfolio due to the economic environment in California. During the nine months ended September 30, 2009, the Bank recorded a provision for credit losses of \$456,000, compared to \$462,000 for the same period in 2008. The provision in 2009 is primarily a result of maintaining an adequate allowance for credit losses during the current economic downturn affecting borrowers in our market area as well as an increase in the level of outstanding loans. The allowance for credit losses as a percentage of total loans was 1.78% at September 30, 2009, 2.19% at December 31, 2008, and 1.86% at September 30, 2008.

Total non-performing assets were \$180,000 as of September 30, 2009, consisting of \$180,000 in non-accrual loans with no OREO property. Non-accrual loans were .24% of total loans at

September 30, 2009. This compares to non-accrual loans of \$1,598,000 or 2.45% of total loans at December 31, 2008 with no OREO. The Bank had no non-accrual loans at September 30, 2008 but did have \$120,000 in OREO. The Bank believes the allowance for credit losses at September 30, 2009 is adequate to provide for probable losses inherent within the loan portfolio.

“For several quarters we have been working diligently with several borrowers that have been adversely impacted by the slowing economy. Two of the larger situations were resolved in the most recent quarter however not without loss, all of which we had previously reserved for”, explained Whitsell. “Although our charge off total just went up, the amount of non-performing assets on our books has dropped substantially”.

On January 23, 2009, the Bank entered into a Letter Agreement with the United States Department of the Treasury (U.S. Treasury) under the Capital Purchase Program, and issued and sold 1,968 shares of the Bank’s Series A Fixed Rate Non-Cumulative Perpetual Preferred Stock (Preferred Stock) and a warrant to purchase 98 shares of the Bank’s Series B Fixed Rate Non-Cumulative Perpetual Preferred Stock for an aggregate purchase price of \$1,968,000 in cash. The Bank accrued preferred stock dividends to the U.S. Treasury and accretion of the warrants in the amount of \$48,600 during the nine months ended September 30, 2009.

Fresno First Bank stock trades on NASDAQ’s Over the Counter Bulletin Board under the symbol FSNF. The Bank is headquartered in Fresno, California and was founded in December 2005. Additional information about Fresno First Bank is available from the Bank’s website at [www.fresnofirstbank.com](http://www.fresnofirstbank.com).

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**FORWARD-LOOKING STATEMENTS:** In addition to historical information, this release includes forward-looking statements, which reflect management's current expectations for Fresno First Bank’s future financial results, business prospects and business developments. Management's expectations for Fresno First Bank’s future necessarily involve assumptions, estimates and the evaluation of risks and uncertainties. Various factors could cause actual events or results to differ materially from those expectations. The forward-looking statements contained herein represent management's expectations as of the date of this release. Fresno First Bank undertakes no obligation to release publicly the results of any revisions to the forward-looking statements included herein to reflect events or circumstances after today, or to reflect the occurrence of unanticipated events. For those statements, the Bank claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.