

# Press Release

## Founders Community Bank Announces First Quarter 2009 Results

Thursday April 30, 2009

SAN LUIS OBISPO, Calif. – Founders Community Bank, a wholly-owned subsidiary of Founders Bancorp reported the achievement of record levels for assets, loans and deposits as of March 31, 2009. The Bank also reported an after-tax net loss of \$465,000 for the quarter ending March 31, 2009. The first quarter net loss was largely a result of an \$857,000 provision for loan losses.

“Since the current economic downturn began approximately six quarters ago we have been focusing considerable energy on ensuring the continuing safety and soundness of the Bank,” stated Thomas J. Sherman, Chief Executive Officer of Founders Community Bank. “During the first quarter of 2009, we continued to take aggressive steps to make certain that our balance sheet remains strong,” continued Sherman. “This protracted period of economic deterioration may continue to negatively affect all business segments for several more quarters. Our decision to act swiftly and decisively to write down the few non-performing assets on our books and further build our loan loss reserves simply made sense given these uncertain economic times. Following these actions, it is important to note that the Bank remains well-capitalized under regulatory standards.”

### First Quarter 2009 Highlights

- ❖ Record Asset Growth – Total assets increased by \$7.7 million, or 8.1% in the first quarter allowing the Bank to top \$100 million in total assets for the first time in the Bank’s history. At the end of the first quarter, total assets reached \$103.4 million representing growth of \$17.4 million, or 20.2% over the trailing 12 months.
- ❖ Strong Increase in Core Deposits – Total deposits increased by \$8.7 million, or 10.5% during the first quarter, to a record \$91.6 million. The increase in deposits over the last 12 months was \$18.1 million, or 24.7%. More importantly, the Bank experienced growth in non-interest bearing deposits of 12.6% in the first quarter, and 27.4% in the last 12 months. This accelerated growth can be attributed at least in part to the opening in January 2009 of our second branch, located in downtown San Luis Obispo.
- ❖ Loan Portfolio Growth – Gross loans increased by \$1.9 million, or 2.2% for the quarter and by nearly \$11 million, or 14.4% for the trailing 12 months, finishing at almost \$88 million on March 31, 2009.
- ❖ Nonperforming Assets – At quarter-end, nonperforming assets were \$2.7 million or 2.59% of total assets. This represents a decrease in nonperforming assets by \$881 thousand, or a 21.9% reduction from December 31, 2008.
- ❖ Loan to Deposit Ratio – The increase in our total deposits, and in particular our non-interest bearing deposits, is a direct result of a conscious effort to strengthen our on-balance sheet liquidity. As of March 31, 2009, our loan to deposit ratio improved to 94.6%, as compared to 102.1% at December 31, 2008 and 103.3% at March 31, 2008.
- ❖ Capital Strength – The Bank has always been committed to maintaining strong capital levels and has remained well capitalized throughout this economic cycle. As of the end of the first quarter, the Bank significantly exceeds well capitalized minimums under all regulatory guidelines:

	<u>As of March 31, 2009</u>	<u>Well-Capitalized Regulatory Requirement</u>
Leverage Capital Ratio	11.31%	5.0%
Tier 1 Capital Ratio	11.77%	6.0%
Total Risk-Based Capital Ratio	13.02%	10.0%

Founders Community Bank was organized by a group of prominent local community leaders who shared a common vision of what a local bank should be. The Bank opened for business on May 5, 2005. On July 5, 2007 Founders Community Bank became a wholly-owned subsidiary of Founder Bancorp and trades on the NASDAQ Over-the-Counter Bulletin Board under the ticker symbol “FBCP.OB”. The Bank’s main office is located at 237 Higuera Street, San Luis Obispo, CA 93401. A second branch, located at 863 Marsh Street, opened in downtown San Luis Obispo in January 2009.

### **Founders Community Bank - Built on a foundation of success.**

#### **Forward-Looking Statement Disclaimer –**

*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, general economic conditions, and competition within the business areas in which the Bank is conducting operations, 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.*