

# Press Release

## Founders Bancorp Declines U.S. Treasury Offer for TARP Capital of \$2.75 million

Friday January 30, 2009, 9:00 am PT

SAN LUIS OBISPO, Calif. – Founders Bancorp, the parent holding company for Founders Community Bank announced today that it will not participate in the Treasury Department’s Capital Purchase Program (TCPP), and will not accept TARP funds. Founders Bancorp received preliminary approval from the United States Treasury for the purchase of up to \$2.75 million of preferred shares pursuant to the TARP Capital Purchase Program.

The Company’s President and CEO, Thomas J. Sherman, commented: “The Treasury’s Capital Purchase Plan is a positive for our Nation’s banks and we are honored that the Treasury and our regulators approved Founders Bancorp as an institution worthy of participation in the Capital Purchase Program under TARP. After extensive evaluation by our Board of Directors and management, we have elected not to participate in the program. Founders Community Bank is well capitalized under regulatory guidelines, and we believe our existing capital levels are appropriate to support our current business plan.”

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 is located at 237 Higuera Street, San Luis Obispo, CA 93401. A second branch opened in downtown San Luis Obispo at 863 Marsh Street on January 8, 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.*

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