

## FIRST MOUNTAIN BANCORP ANNOUNCES THIRD QUARTER AND NINE MONTHS 2010 RESULTS

BIG BEAR LAKE, Calif.—October 25, 2010

First Mountain Bancorp (OTCBB:FMBP) and its subsidiary, First Mountain Bank, today reported quarterly consolidated net income of \$56,823, or earnings per basic share of \$0.04 for the quarter ended September 30, 2010, compared to a net loss of \$1,322,396, or loss per basic share of \$ 0.85 for the third quarter of 2009. The Company also reported net income of \$175,627, or \$0.11 earnings per basic share for the nine months ended September 30, 2010, compared to a net loss of \$1,390,087, or \$0.89 loss per basic share for the first nine months of 2009.

“The Company has reported a profit for the third consecutive quarter, noteworthy in the current economic conditions,” stated Jack Briner, Chief Executive Officer. “Delinquencies have stabilized and our year-over-year net income has improved dramatically. We are confident that our local economy and our subsidiary, First Mountain Bank’s financial performance will continue to improve as we work closely with our clients to dig out of the recession.”

Total assets ended the quarter at \$140,610,535 as compared to the December 31, 2009, figure of \$137,772,896. The asset growth in the third quarter resulted from strong deposit growth that came from our local market areas. During the third quarter deposits grew by \$4,340,000. The most recent report by the FDIC also shows the Bank increased its deposit market share in its primary market area by 1.0% to 37.4% at June 30, 2010.

“The Bank is really encouraged by these recent deposit trends, especially in light of the continued economic slump. In fact, the FDIC’s report shows we outpaced all other mountain competitors in market share growth between June 2009 and June 2010,” noted Mr. Briner.

Gross loans outstanding at quarter end totaled \$100,338,051, compared to \$107,629,578 at December 31, 2009, a decrease of \$7,291,527, or 6.8%. The decrease is primarily attributable to the decline in the economy. The Company’s strong loan portfolio yield and core deposit mix continues to provide an interest rate spread well in excess of peers.

The allowance for possible loan losses stood at \$2,950,786 at September 30, 2010, or 2.94% of outstanding loans, compared to a ratio of 3.49% at December 31, 2009. Non-performing loans represented 9.2% of the loan portfolio at quarter end, and continues to be an area of special focus and aggressive effort by the Company.

At September 30, 2010, the Company had total consolidated equity capital of \$15,126,872, which represents a Tier 1 leverage capital ratio of 10.0%, while the Bank’s stand-alone Tier 1 leverage capital ratio was 9.92%. Both ratios are significantly in excess of regulatory guidelines for a “Well Capitalized” designation. The Company also reported book value of \$9.67 per share on 1,564,926 shares outstanding at quarter end.

First Mountain Bancorp is the parent holding company of First Mountain Bank, which is headquartered in Big Bear Lake and has four offices serving the Big Bear and high desert areas of Southern California. For further information contact Jack Briner, CEO, or Dennis Saunders, President/CFO, at (909) 866-5861.

Tables follow

FIRST MOUNTAIN BANCORP

**STATEMENT OF CONDITION - (Consolidated) (Unaudited)**

	<u>September 30, 2010</u>	<u>December 31, 2009</u>
<b>Assets</b>		
Cash and due from banks	\$ 14,113,203	\$ 6,565,413
Fed funds	5,197,094	8,950,773
Investment securities	12,334,606	7,081,000
Gross loans	100,338,051	107,629,578
Less: Allowance for loan losses	<u>(2,950,786)</u>	<u>(3,759,073)</u>
Net loans	97,387,265	103,870,505
Bank premises and equipment	2,261,412	2,257,059
Other assets	<u>9,316,955</u>	<u>9,048,146</u>
<b>Total Assets</b>	<u><u>\$ 140,610,535</u></u>	<u><u>\$ 137,772,896</u></u>
<b>Liabilities</b>		
Noninterest-bearing deposits	\$ 35,637,503	\$ 37,539,472
Interest-bearing deposits	88,898,237	84,560,794
Total deposits	<u>124,535,740</u>	<u>122,100,266</u>
Other liabilities	<u>947,923</u>	<u>805,829</u>
<b>Total Liabilities</b>	<u>125,483,663</u>	<u>122,906,095</u>
<b>Stockholders' Equity</b>		
Common stock	11,985,848	11,935,614
Retained earnings	3,052,142	2,876,516
Accumulated other comprehensive income	<u>88,882</u>	<u>54,671</u>
<b>Total Stockholders' Equity</b>	<u>15,126,872</u>	<u>14,866,801</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u><u>\$ 140,610,535</u></u>	<u><u>\$ 137,772,896</u></u>

**STATEMENT OF INCOME - (Consolidated) (Unaudited)**

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	<u>09/30/10</u>	<u>09/30/09</u>	<u>09/30/10</u>	<u>09/30/09</u>
Interest income	\$ 1,661,110	\$ 1,914,525	\$ 5,010,752	\$ 6,039,063
Interest expense	<u>215,072</u>	<u>280,183</u>	<u>614,015</u>	<u>1,011,850</u>
Net interest income before provision for loan losses	1,446,038	1,634,342	4,396,737	5,027,213
Provision for loan losses	<u>35,000</u>	<u>2,440,000</u>	<u>93,000</u>	<u>3,410,000</u>
Net interest income	1,411,038	(805,658)	4,303,737	1,617,213
Other operating income	315,757	278,437	847,482	825,349
Operating expenses	<u>1,672,972</u>	<u>1,752,175</u>	<u>4,943,592</u>	<u>4,915,649</u>
Income (loss) before income taxes	53,823	(2,279,396)	207,627	(2,473,087)
Provision (benefit) for income taxes	<u>(3,000)</u>	<u>(957,000)</u>	<u>32,000</u>	<u>(1,083,000)</u>
<b>Net Income (Loss)</b>	<u><u>\$ 56,823</u></u>	<u><u>\$ (1,322,396)</u></u>	<u><u>\$ 175,627</u></u>	<u><u>\$ (1,390,087)</u></u>
Earnings (loss) per share - basic	\$ 0.04	\$ (0.85)	\$ 0.11	\$ (0.89)
Earnings (loss) per share - dilutive	\$ 0.04	\$ (0.85)	\$ 0.11	\$ (0.89)

## FIRST MOUNTAIN BANCORP

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	<u>9/30/2010</u>	<u>9/30/2009</u>	<u>9/30/2010</u>	<u>9/30/2009</u>
<b>Performance Ratios:</b>				
Return on Average Assets	0.16%	-3.84%	0.17%	-1.31%
Return on Average Equity	1.51%	-32.77%	1.56%	-11.23%
Average yield on interest-earning assets	5.192%	5.888%	5.340%	6.174%
Average cost of interest-bearing liabilities	0.695%	0.912%	0.682%	1.100%
Net interest spread	4.497%	4.977%	4.658%	5.075%
Net interest margin	4.520%	5.027%	4.685%	5.140%
			<b>As of</b>	<b>As of</b>
			<b><u>9/30/2010</u></b>	<b><u>12/31/2009</u></b>
<b>Capital Ratios (Bank):</b>				
Total Risk-Based Capital Ratio			13.5%	13.2%
Tier 1 Risk-Based Capital Ratio			12.2%	11.9%
Tier 1 Leverage Ratio			9.9%	10.5%
<b>Asset Quality:</b>				
Number of non-performing loans			11	18
Total number of foreclosed properties			5	2
Total non-performing loans			\$ 9,179,841	\$ 7,764,563
Total foreclosed properties (OREO)			\$ 1,865,200	\$ 291,636
Total non-performing assets			<u>\$ 11,045,041</u>	<u>\$ 8,056,199</u>
Ratio of non-performing loans to total loans			9.15%	7.09%
Total non-performing assets to total assets			7.86%	5.85%
Total non-performing assets to equity and loan loss reserves (commonly referred to as Texas Ratio)			61.65%	43.25%
Allowance for Loan Losses:				
Total Balance			\$ 2,950,786	\$ 3,759,073
As a percent of non-performing assets			26.72%	46.66%
As a percent of total loans outstanding			2.94%	3.49%
<b>Stock Information:</b>				
Shares outstanding			1,564,926	1,560,262
Book value per share			\$ 9.67	\$ 9.53