

Press Release
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Patriot State Bank

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Patriot State Bank reports its first quarterly profit.

Patriot State Bank, a publicly held company headquartered in Fuquay-Varina, N.C. posted an \$80,966 profit for the first quarter of 2010. The bank was formed in August, 2006 when it raised over \$19,000,000 in capital. The bank currently has 3 branch offices located in Fuquay-Varina, Clayton and Clinton, N.C. In addition to these branch offices the bank maintains a loan production office in Cary, N.C.

Patriot State Bank had \$135 million in assets as of March 31, 2010, up from \$111 million as of March 2009. During this period Gross Loans increased \$24 million from \$89.5 million to \$113.8 million. The bank has increased its "Allowance for Loan Losses" to \$2.79 million or 2.46% of total loans which is well above the industry average. Management believes this conservative approach is appropriate given the current economic environment. The company maintains a strong capital position with Equity of \$16 million and a Total Risk Based Capital ratio of 15.02%.

The bank will open a new "state of the art" branch facility in Clinton, N.C. on June 1st of this year. The bank currently operates a temporary facility in the Clinton market.

Gregg Strickland, President & CEO states that "management is excited about our positive first quarter results especially in light of the historic recessionary period we have operated in during the start up period of the bank. We feel that the conservative approach we have taken with our loan loss reserve will enhance future earnings, and with our strong capital position we are well positioned to continue our growth as the economy recovers".