



For Immediate Release

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First Sound Bank Reports Second Quarter 2009 Results

SEATTLE, July 31, 2009 – First Sound Bank (OTCBB: FSWA) today announced its second quarter 2009 financial results. The bank incurred a loss of \$4.5 million for the quarter, primarily due to a \$3.9 million increase in its loan-loss provision. First Sound Bank continues to be well capitalized for regulatory purposes, with a risk-based capital of 10.3 percent – down from 11.7 percent on March 31, 2009.

For the first six months of the year, First Sound has incurred a loss of \$4.6 million after reporting a small loss in the first quarter. During the second quarter, the bank's net interest margin remained robust at 4.18 percent. The bank's assets at quarter-end stood at \$244.4 million, compared to \$245.2 million on March 31, 2009.

At quarter-end, First Sound Bank's reserve for loan and lease losses was \$8.4 million, which represented 4.1 percent of the bank's total loans.

First Sound continues to aggressively pursue and defend litigation relating to its

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acquisition of assets from Puget Sound Leasing Co., Inc. (now Larasco, Inc.) in March 2008.

“The bank has incurred considerable losses relating to the assets acquired from Larasco, and we anticipate this portfolio will continue to incur losses in reduced amounts as the leases run off,” said First Sound Bank Chairman and CEO Don Hirtzel. “We have, however, significantly tightened the underwriting standards in our leasing division, which has resulted in higher quality leases being booked.”

“Commercial and industrial loans – the foundation of the bank’s loan portfolio – remain strong, and these loans are performing well,” said President and COO Steve Shaughnessy, “But, like all banks in the region, First Sound has incurred losses in the construction and land development portion of its real estate portfolio, which represents 17 percent of the bank’s total earning asset base. We have therefore reserved aggressively in anticipation of deterioration in this portion of the loan portfolio.”

For a more detailed financial analysis, contact jgould@firstsoundbank.com

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Certain statements in this press release, including statements regarding the anticipated development and expansion of First Sound Bank’s business, and the intent, belief or current expectations of the company, its directors or its officers, are “forward-looking” statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements.

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Page Three
First Sound Bank Reports Second Quarter 2009 Results

About First Sound Bank

Seattle-based First Sound Bank offers customized banking for small- to medium-sized businesses, organizations, not-for-profits and professionals in the Puget Sound region. Founded by a team of veteran local banking executives, it is committed to delivering personalized service, convenient access and competitive rates to support the needs of the business community. The bank offers online banking at www.firstsoundbank.com plus an expansive banking network in the western U.S., as well as ATM banking throughout the country and abroad. On March 1, 2008, First Sound Bank purchased a majority of the assets of Puget Sound Leasing Company, Inc. – a small ticket, business-to-business leasing company and established Puget Sound Leasing as a division of First Sound Bank.

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