

FOR IMMEDIATE RELEASE

For More Information Contact:
William W. Short, President
2605 Enterprise Rd. East Ste. 100
Clearwater, FL 33759-1067
727.451.2265
bshort@oldharborbank.com

Old Harbor Bank Announces Second Quarter 2008 Operating Results

(CLEARWATER, FL. July 17,) William W. Short, President of Old Harbor Bank, Clearwater, Florida (BULLETIN BOARD: OHBK) announced second quarter 2008 operating results.

Total assets at June 30, 2008, were \$242 million, a \$44 million (22%) increase over the previous year. Total loans were \$193 million, a \$38 million (25%) increase and total deposits were \$204 million, a \$38 million (23%) increase. Nonperforming assets at quarter-end were \$13.2 million, a reduction of \$1.5 million from the end of the prior quarter. Stockholders Equity remains strong at \$22.4 million at the end of the period.

The net loss for the three months ended June 30 was \$448,000 (\$.23 per share) compared to earnings of \$149,000 (\$.07 per share) for the same period in 2007. The net loss for the six months ended June 30 was \$912,000 (\$.46 per share) compared to earnings of \$186,000 (\$.09 per share) for the same period in 2007. The net loss is attributed to an increased provision against possible loan losses, a narrow net interest margin caused by the rapid decrease in the Prime Rate earlier this year, and operating expenses tied to the opening of the New Port Richey and Clearwater offices. The bank continues to aggressively address improvement to the interest margin, control operating expenses, and work through the non-performing loans.

Old Harbor Bank is a community bank which opened for business in July 2003. The bank provides commercial banking services to Pinellas, southwestern Pasco and northwestern Hillsborough Counties, Florida. Its headquarters office is located at 2605 Enterprise Road, Suite 100, Clearwater, Florida, and its telephone number is (727) 451-2265. Community Offices are located in Belleair Bluffs, Clearwater, Dunedin, New Port Richey, Palm Harbor, and Trinity, Florida.

This press release may contain 'forward-looking statements' that concern future events which are subject to risks and uncertainties. Any such statements are based on certain assumptions and analyses by the Bank and other factors it believes are appropriate in the circumstances. The Bank's actual results, events and developments may differ materially from those contemplated by any forward-looking statement.

OLD HARBOR BANK
Clearwater, Florida

FINANCIAL HIGHLIGHTS

(Dollars in thousands, except per share figures)

	At	
	June 30,	June 30,
	<u>2008</u>	<u>2007</u>
Total assets	\$ 241,560	197,878
Loans, net	\$ 192,615	154,313
Deposits	\$ 203,671	165,759
Stockholders' equity	\$ 22,416	22,970
Book value per share	\$ 11.27	11.55
Number of common shares outstanding	1,989,224	1,989,224
	Three Months	Three Months
	Ended	Ended
	<u>6/30/2008</u>	<u>6/30/2007</u>
Interest income	\$ 3,404	3,508
Interest expense	<u>1,960</u>	<u>1,946</u>
Net interest income	1,444	1,562
Provision for loan losses	<u>494</u>	<u>119</u>
Net interest income after provision	950	1,443
Noninterest income	85	69
Noninterest expense	<u>1,745</u>	<u>1,264</u>
Earnings (loss) before income taxes	(710)	248
Income tax expense (benefit)	<u>(262)</u>	<u>99</u>
Net earnings (loss)	\$ <u>(448)</u>	<u>149</u>
Per Share	\$ <u>(.23)</u>	<u>.07</u>
	Six Months	Six Months
	Ended	Ended
	<u>6/30/2008</u>	<u>6/30/2007</u>
Interest income	\$ 6,718	6,797
Interest expense	<u>4,073</u>	<u>3,854</u>
Net interest income	2,645	2,943
Provision for loan losses	<u>968</u>	<u>291</u>
Net interest income after provision	1,677	2,652
Noninterest income	170	120
Noninterest expense	<u>3,292</u>	<u>2,457</u>
Earnings (loss) before income taxes	(1,445)	315
Income tax expense (benefit)	<u>(533)</u>	<u>129</u>
Net earnings (loss)	\$ <u>(912)</u>	<u>186</u>
Per Share	\$ <u>(.46)</u>	<u>.09</u>