

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 Third Quarter 2008 Operating Results

(CLEARWATER, FL. October 31,) William W. Short, President of Old Harbor Bank, Clearwater, Florida (BULLETIN BOARD: OHBK) announced third quarter 2008 operating results.

Total assets at September 30, 2008, were \$241 million, a \$30 million (14%) increase over the previous year. Total loans were \$189 million, a \$23 million (14%) increase and total deposits were \$199 million, an \$18 million (10%) increase. Nonperforming assets at quarter-end were \$10.7 million, a reduction of \$2.5 million from the end of the prior quarter. The Bank remains well capitalized with \$20.6 million in stockholders' equity at the end of the period.

The net loss for the three months ended September 30 was \$2,004,000 (\$1.01 per share) compared to earnings of \$130,000 (\$.07 per share) for the same period in 2007. The net loss for the nine months ended September 30 was \$2,916,000 (\$1.47 per share) compared to earnings of \$316,000 (\$.16 per share) for the same period in 2007. Earnings realized from profitable core banking operations were countered by the write-down of the bank's largest non-performing loan, as well as smaller specific impairment amounts on other loans within the portfolio. Year to date, the bank has addressed expenses associated with the opening of two offices, declining interest margins from pronounced decreases in the Prime lending interest rate, and workout activities on several large non-performing loans. The bank continues to aggressively address the interest margin, operating expenses, and non-performing assets on an ever improving basis.

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	
	September 30, 2008	September 30, 2007
Total assets	\$ 241,153	211,386
Loans, net	\$ 188,814	165,803
Deposits	\$ 198,526	180,875
Stockholders' equity	\$ 20,587	23,365
Book value per share	\$ 10.35	11.75
Number of common shares outstanding	1,989,224	1,989,224
	<hr/>	
	Three Months Ended 9/30/2008	Three Months Ended 9/30/2007
Interest income	\$ 3,468	3,700
Interest expense	<u>1,802</u>	<u>2,121</u>
Net interest income	1,666	1,579
Provision for loan losses	<u>3,134</u>	<u>144</u>
Net interest income after provision	(1,468)	1,435
Noninterest income	69	72
Noninterest expense	<u>1,809</u>	<u>1,292</u>
(Loss) earnings before income taxes	(3,208)	215
Income tax (benefit) expense	<u>(1,204)</u>	<u>85</u>
Net (loss) earnings	\$ <u>(2,004)</u>	<u>130</u>
Per Share	\$ <u>(1.01)</u>	<u>.07</u>
	<hr/>	
	Nine Months Ended 9/30/2008	Nine Months Ended 9/30/2007
Interest income	\$ 10,186	10,497
Interest expense	<u>5,875</u>	<u>5,975</u>
Net interest income	4,311	4,522
Provision for loan losses	<u>4,102</u>	<u>435</u>
Net interest income after provision	209	4,087
Noninterest income	239	192
Noninterest expense	<u>5,101</u>	<u>3,749</u>
(Loss) earnings before income taxes	(4,653)	530
Income tax (benefit) expense	<u>(1,737)</u>	<u>214</u>
Net (loss) earnings	\$ <u>(2,916)</u>	<u>316</u>
Per Share	\$ <u>(1.47)</u>	<u>.16</u>