



FOR IMMEDIATE RELEASE

CONTACT:

Richard Hofstetter
 President & CEO
 831-600-4008

LIGHTHOUSE BANK POSTS FOURTH CONSECUTIVE QUARTERLY PROFIT -TOTAL ASSETS REACH \$100 MILLION

Santa Cruz, Ca. July 15, 2010 – Lighthouse Bank (OTCBB: LGHT) announced its financial results for the quarter ended 6-30-10. Net profit for the quarter was \$127 thousand, representing the fourth consecutive quarter of profitable operations for the two and a half year old bank. Profit for the 6 months ended 6-30-10 was \$202 thousand with total assets increasing to over \$100 million. Shareholders’ equity increased by \$204 thousand to \$16.8 million during the quarter. The Bank continued to experience solid growth in loans and deposits, both of which have increased consistently since opening in October 2007.

Lighthouse Bank has maintained capital that is well in excess of the regulatory definition of “well capitalized.” The Bank’s loan loss reserve is also conservatively maintained at 2.69% of gross loans which is well above the industry standard. The loan loss reserve was increased by \$195 thousand during the quarter as a result of loan growth. The increased provision was not due to any deterioration in asset quality. The Bank had no past due loans in excess of 30 days and no nonperforming loans at quarter end. Total nonperforming assets of \$2.7 million consisted of three pieces of residential bank owned property, all of which are currently listed for sale. No losses are anticipated from the final disposition of these assets.

Selected Financial Data (unaudited)

	Quarter-Ended		Change %	Quarter-ended		Change %	Year-to-Date Ended		Change %
	6/30/2010	3/31/2010		6/30/2009	%		6/30/10	6/30/09	
Balance Sheet									
Total assets	\$ 100,236,780	\$ 98,140,021	2%	\$ 74,860,863	34%				
Gross loans	61,737,266	54,836,575	13%	48,213,758	28%				
Allowance for loan losses	1,659,000	1,464,000	13%	1,076,000	54%				
Non interest-bearing deposits	14,228,835	12,366,233	15%	9,592,058	48%				
Total deposits	80,140,704	74,189,211	8.0%	54,379,687	47%				
Shareholders' equity	16,751,572	16,547,365	1.2%	16,110,319	4.0%				
Income Statement									
Interest income	1,289,169	1,180,844	9%	988,103	30%	2,470,013	1,885,226	31%	
Interest expense	172,316	183,866	-6%	173,867	-1%	356,182	368,133	-3%	
Net interest income	1,116,853	996,978	12%	814,236	37%	2,113,831	1,517,093	39%	
Provision for loan losses	195,000	80,000	144%	30,000	550%	275,000	105,000	162%	
Non-interest income	122,413	41,047	198%	28,836	325%	163,460	51,983	214%	
Non-interest expense	917,030	883,266	4%	887,090	3%	1,800,296	1,752,623	3%	
Net income (loss)	\$ 127,236	\$ 74,759	70%	\$ (74,018)	272%	\$ 201,995	\$ (288,547)	170%	
Net income (loss) excluding loan loss provisions	\$ 322,236	\$ 154,759	108%	\$ (44,018)		\$ 476,995	\$ (183,547)	360%	
Ratios									
Net interest margin	4.65%	4.55%		4.70%					
Equity capital-to-total assets	16.7%	16.9%		21.5%					

ABOUT LIGHTHOUSE BANK: Lighthouse Bank is a locally owned and operated commercial bank located in Santa Cruz, CA. The Bank offers a full array of banking products and services to businesses, professionals,

individuals, developers, and commercial property owners. Lighthouse Bank is committed to operating an open, ethical and financially successful company. All decisions are intended to contribute to the long-term success of its owners, clients, employees and the community it serves. The Bank moved into profitable operations without accepting government assistance of any kind, while shouldering the burden of increased FDIC Insurance premiums brought about by the failures within the industry.

Lighthouse Bank is located at 111 Mission Street in Downtown Santa Cruz, Ca. Lighthouse Bank's common stock is listed on the Over-the-Counter (OTC) Bulletin Board under the stock symbol LGHT.OB. More Information on the Bank may be obtained through its website www.lighthousebank.net or by calling 831-600-4000.

This release may contain forward-looking statements that are subject to risks and uncertainties. Such risks and uncertainties may include but are not necessarily limited to fluctuation in interest rates, inflation, government regulations and general economic conditions, and competition within the business areas in which the Bank is conducting its operations, including the real estate market in California and other factors beyond the Bank's control. Such risks and uncertainties could cause results for subsequent interim periods or for the entire year to differ materially from those indicated. Readers should not place undue reliance on the forward looking statements, which reflect management's view only as of the date hereof. The Bank undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

###