



Lighthouse Bank Reports First Quarter Profit

SANTA CRUZ, Calif., April 15, 2010 -- Lighthouse Bank (OTC Bulletin Board: LGHT.ob - News) posted a \$74,759 profit for the 1st quarter ended 3-31-10, representing the Bank's third consecutive quarter of profitable operations. Adjusting for non-cash charges related to stock option accounting, earnings for the quarter were \$154,045. Shareholders' equity increased by \$163,355 during the period. The Bank continued to experience solid growth during the 1st quarter of 2010. Total assets have continued to increase consistently since opening in October 2007.

During the quarter the Bank successfully completed the sale of a \$2 million real estate asset owned as the result of a foreclosure in 2009. The Bank experienced no loss in connection with the sale. As a result, the level of the Bank's non-performing assets decreased by 44% during the 1st quarter. As of 3-31-10, the Bank held three foreclosed properties totaling \$2.6 million. There are no losses anticipated from the future disposition of any of these assets. At quarter end, the Bank had no non-performing loans and no loans 30 days or more past due.

Lighthouse Bank has maintained capital that is substantially in excess of the "well capitalized" designation established by financial regulators. The Bank's loan loss reserve is also conservatively maintained. The loan loss reserve was increased by \$80 thousand during the quarter, providing for several new large loan transactions scheduled to close in April. The provision was made to support this anticipated loan growth and was not the result of deterioration in existing loan quality.

Selected Financial Data (unaudited)

	Quarter- ended <u>3/31/10</u>	Quarter- ended <u>12/31/09</u>	Change %	Quarter- ended <u>3/31/09</u>	Change %
Balance Sheet					
Total assets	\$ 98,140,021	\$ 91,154,618	8%	\$ 70,786,478	39%
Gross loans	54,836,575	55,137,090	-1%	49,593,226	11%
Allowance for loan losses	1,464,000	1,384,000	6%	1,046,000	40%
Non interest-bearing deposits	12,366,233	12,454,194	-1%	9,357,602	32%
Total deposits	74,189,211	70,473,764	5%	54,527,643	36%
Shareholders' equity	16,547,365	16,384,010	1%	16,087,459	3%

Income Statement

Interest income	1,180,844	1,147,139	3%	897,123	32%
Interest expense	<u>183,866</u>	<u>202,655</u>	-9%	<u>194,266</u>	-5%
Net interest income	996,978	944,484	6%	702,857	42%
Provision for loan losses	80,000	109,000	-27%	75,000	7%
Non-interest income	41,047	40,757	1%	23,147	77%
Non-interest expense	<u>883,266</u>	<u>837,703</u>	5%	<u>865,533</u>	2%
Net income (loss)	\$ 74,759	\$ 38,538	94%	\$ (214,529)	135%

Ratios

Net interest margin	4.55%	4.56%	4.26%
Equity capital-to-total assets	16.90%	18.00%	22.70%

ABOUT LIGHTHOUSE BANK:

Lighthouse Bank is a locally owned and operated commercial bank located in Santa Cruz County. 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: <http://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.

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