



FOR IMMEDIATE RELEASE

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LIGHTHOUSE BANK POSTS 4TH QUARTER PROFIT

SANTA CRUZ, CA - January 22, 2010: Lighthouse Bank posted its 2nd successive quarterly profit for the 4th quarter ended 12-31-09. Profit for the 4th quarter was \$38,538. Adjusting for non-cash charges related to stock option accounting, profit for the quarter was \$127,092 and \$158,674 for the fiscal year ended 12-31-09. Shareholders' equity increased by \$208,482 during 2009.

Lighthouse Bank has continued to grow consistently since opening in October 2007. In spite of the challenging economic environment, the Bank operated profitably during the 2nd half of 2009 in only its 2nd full year of operation. More importantly, shareholders' equity increased beginning early in 2009 and climbed from \$16,175,258 to \$16,384,010 at year end.

Lighthouse Bank has maintained a capital level well in excess of regulatory requirements since inception, with this level being more than adequate to support future growth. The Bank has steadily increased its reserve for loan losses, which at 12-31-09 stood at \$1,384,000 or 2.51% of gross loans. This percentage of reserve exceeds industry standards, although the Bank has not experienced a loan loss since opening.

	Selected Financial Data (unaudited)							
	Quarter-Ended		Change		Year-Ended		Change	
	12/31/2009	9/30/2009	\$	%	12/31/2009	12/31/2008	\$	%
Balance Sheet								
Total assets	\$ 91,154,618	\$ 84,598,070	\$ 6,556,548	8%	\$ 91,154,618	\$ 64,955,652	\$ 26,198,966	40%
Gross loans	55,137,090	54,256,479	880,611	2%	55,137,090	42,239,935	12,897,155	31%
Allowance for loan losses	1,384,000	1,275,000	109,000	9%	1,384,000	971,000	413,000	43%
Non interest-bearing deposits	12,454,194	10,908,792	1,545,402	14%	12,454,194	10,049,217	2,404,977	24%
Total deposits	70,473,764	63,986,902	6,486,862	10%	70,473,764	48,645,722	21,828,042	45%
Shareholders' equity	16,384,010	16,275,694	108,316	1%	16,384,010	16,175,528	208,482	1%
Income Statement								
Interest income	1,147,139	1,292,158	(145,019)	-11%	4,324,523	\$ 2,762,127	1,562,396	57%
Interest expense	202,655	197,247	5,408	3%	768,035	630,879	137,156	22%
Net interest income	944,484	1,094,911	(150,427)	-14%	3,556,488	2,131,248	1,425,240	67%
Provision for loan losses	109,000	199,000	(90,000)	-45%	413,000	891,000	(478,000)	-54%
Non-interest income	40,757	42,564	(1,807)	-4%	135,304	58,921	76,383	130%
Non-interest expense	837,703	885,049	(47,346)	-5%	3,475,375	3,309,593	165,782	5%
Net profit (loss)	\$ 38,538	\$ 53,426	\$ (14,888)	28%	\$ (196,583)	\$ (2,010,424)	\$ 1,813,841	90%
Net profit (loss) excluding loan loss provisions	\$ 147,538	\$ 252,426	\$ (104,888)	42%	\$ 216,417	\$ (1,119,424)	\$ 1,335,841	119%
Ratios								
Net interest margin	4.56%	5.63%						
Equity capital-to-total assets	18.0%	19.2%						

Lighthouse Bank remains focused on its commitment to operate an open, ethical, and financially successful company. All decisions are intended to contribute to the long-term success of our owners, clients, employees, and community. The Bank has moved into profitable operations without accepting government assistance of any kind, while shouldering the burden of increased FDIC insurance premiums brought about by failures within the banking industry as a whole.

As an organization Lighthouse Bank opposed the 2008-2009 banking bailout (TARP Program) that channeled huge

amounts of money to virtually every major financial institution in the country at taxpayer expense. The Bank also opposes numerous industry excesses that continue to this day. Lighthouse Bank operates in a reasonable, rational, and straight forward manner. The Bank provides no lavish compensation packages, owns no vacation properties or country club memberships and furnishes no such perks or benefits to its Board, Management, or Staff. The Bank invests locally and does not engage or participate in any of the exotic financial products that led to the turmoil now present in our economy.

It is the focus, commitment, and intention of Lighthouse Bank that our owners, clients, and community will prosper together.

ABOUT LIGHTHOUSE BANK:

Lighthouse Bank is locally owned and operated 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's common stock is listed on the Over-the-Counter (OTC) Bulletin Board under the stock symbol LGHT.OB. The Bank is located at 111 Mission Street in Downtown Santa Cruz, Ca. 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.

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