LIGHTHOUSE BANK POSTS FIFTH CONSECUTIVE QUARTERLY PROFIT

Santa Cruz, CA. October 15, 2010 – Locally owned Lighthouse Bank (OTC Bulletin Board: LGHT.ob) posted a $215 thousand profit for the 3rd quarter ended September 30, 2010, representing the fifth consecutive quarterly profit as well as record quarterly earnings for the three year old Bank. Profit for the 9 months ended September 30, 2010, was $417 thousand with total assets increasing to $106.4 million. Shareholders' equity increased by $272 thousand to $17 million during the quarter. The Bank continued to experience solid growth in loans and deposits which increased by $6.1 million and $5.8 million, respectively, during the period.

In September, the U.S. Small Business Administration awarded Lighthouse Bank Preferred Lender (PLP) status. As a Preferred Lender, the Bank is permitted to make decisions on behalf of the SBA which significantly shortens the loan approval process. The timing of the Bank's Preferred Lender designation is beneficial for both the Bank and the Community in light of recently passed legislation which expands SBA programs.

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 at 2.60% of gross loans which is well above the industry standard. The loan loss reserve increased $105 thousand during the quarter as a result of loan growth. The increase in the reserve was not the result of deterioration in loan quality. Total nonperforming assets of $2.6 million consisted of three pieces of residential real estate owned by the Bank, all of which are currently listed for sale. No future losses are anticipated from the final disposition of these assets.

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.

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Selected Financial Data (unaudited)

	Quarter-Ended 9/30/2010	Quarter-Ended 6/30/2010	Change %	Quarter-ended 9/30/2009	Change %	Year-to-Date Ended 9/30/2010	Year-to-Date Ended 9/30/2009	Change %
Balance Sheet								
Total assets	$ 106,370,537	$ 100,236,780	6%	$ 84,598,070	26%			
Gross loans	67,796,965	61,737,266	10%	54,256,479	25%			
Allowance for loan losses	1,764,000	1,659,000	6%	1,275,000	38%			
Non interest-bearing deposits	15,657,196	14,228,835	10%	10,908,792	44%			
Total deposits	85,982,978	80,140,704	7.3%	63,986,902	34%			
Shareholders' equity	17,023,894	16,751,572	1.6%	16,275,694	4.6%			
Income Statement								
Interest income	1,322,679	1,289,169	3%	1,292,158	2%	3,792,692	3,177,384	19%
Interest expense	171,626	172,316	0%	197,247	-13%	527,808	565,380	-7%
Net interest income	1,151,053	1,116,853	3%	1,094,911	5%	3,264,884	2,612,004	25%
Provision for loan losses	105,000	195,000	-46%	199,000	-47%	380,000	304,000	25%
Non-interest income	144,234	122,413	18%	42,564	239%	307,694	94,547	225%
Non-interest expense	974,913	917,030	6%	885,049	10%	2,775,209	2,637,672	5%
Net income (loss)	$ 215,374	$ 127,236	69%	$ 53,426	303%	$ 417,369	$ (235,121)	278%
Net income (loss) excluding loan loss provisions	$ 320,374	$ 322,236	-1%	$ 252,426		$ 797,369	$ 68,879	1058%
Ratios								
Net interest margin	4.55%	4.65%		5.63%				
Equity capital-to-total assets	16.0%	16.7%		19.2%				