



****FOR IMMEDIATE RELEASE****

CONTACT:

Richard Hofstetter
 President & CEO
 831-600-4008

Lighthouse Bank Completes First Full Year of Operations, Announces Fourth Quarter Results

SANTA CRUZ, CA: January 16, 2009 – Lighthouse Bank (OTCBB: LGHT.OB) today announced financial results for the quarter-ended December 31, 2008. At the completion of its first full year of operations, total assets were \$65 million, with deposits of \$48.6 million, and loans of \$42.2 million. “Even in the face of the current economic climate and troubles within the financial services industry, the Bank’s results continue to be in line with projections established prior to opening in 2007,” said Richard Hofstetter, President and CEO. “We look forward to the upcoming year and expect to positively benefit from recent trends in the local financial market, including industry consolidation and the decreased product offerings of many providers.” Lighthouse Bank has not requested or accepted any funds under the US Treasury Troubled Asset Relief Program “TARP”, therefore maintaining its character of local ownership and operation. The Bank’s capital position also continues to exceed all regulatory requirements. Lighthouse Bank offers a full array of loan and deposit services to clients throughout Santa Cruz County.

Selected Financial Data (unaudited)

	Quarter-ended 12/31/08	Quarter-ended 9/30/08	Change %	Period-ended 12/31/07 *	Change %	Year-to-date 12/31/08
Balance Sheet						
Total assets	\$ 64,955,652	\$ 64,998,199	0%	\$ 26,794,081	142%	
Gross loans	42,239,935	36,996,023	14%	6,391,813	561%	
Allowance for loan losses	971,000	884,000	10%	80,000	1114%	
Non interest-bearing deposits	10,049,217	10,607,448	-5%	2,547,352	294%	
Total deposits	48,645,722	48,595,669	0%	8,977,260	442%	
Shareholders' equity	16,175,528	16,284,997	-1%	17,768,667	-9%	
Income Statement						
Interest income	850,159	\$ 786,510	8%	\$ 211,785	301%	\$ 2,762,127
Interest expense	200,805	203,982	-2%	27,168	639%	630,879
Net interest income	649,354	582,528	11%	184,617	252%	2,131,248
Provision for loan losses	87,000	468,000	-81%	80,000	9%	891,000
Non-interest income	21,917	21,008	4%	2,025	982%	58,921
Non-interest expense	835,994	834,959	0%	643,681	30%	3,309,593
Net loss	\$ (251,723)	\$ (699,423)	64%	\$ (537,039)	53%	\$ (2,010,424)
Net loss excluding loan loss provisions	\$ (164,723)	\$ (231,423)	-29%	\$ (457,039)		\$ (1,119,424)
Ratios						
Net interest margin	4.06%	4.04%		4.43%		4.33%
Equity capital-to-total assets	24.9%	25.1%		66.3%		

* from 10/29/07 inception date through 12/31/07

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'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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