

CORONADO FIRST BANK STRENGTHENS RESERVE POSITION

Coronado, Calif. -- Business Wire – February 4, 2010 --Bruce Ives, President and CEO of Coronado First Bank (the “Bank”) (OTCBB: CDFB) announced today that based on continued analysis of the current and expected economic conditions, the Bank increased its provision for loan losses by \$717,000 in the quarter ended Dec. 31, 2009, resulting in a \$728,000 loss for that period. For the full year 2009, the Bank increased its provision for loan losses by \$1,769,000, so that at year-end the provision for loan losses was 2.27% of total loans. The unaudited financial results for the year, with the increased provision, show a loss of \$1,746,000. These results equate to (\$0.52) and (\$1.25) loss per share, respectively.

Ives said that the Bank continues to monitor its loan portfolio in the context of the economic environment and that increasing the reserve would provide additional protection against the effects of further economic deterioration in the portfolio. Ives added, “While we are not pleased with the year-end loss, we remain committed to the long term success of this organization and we are confident that building up our reserves is necessary to enable long term success.”

Bill Huck, the Bank’s Board Chair, said “The loss for 2009 reflects substantial additions to the Bank’s provision for loan losses, actual write-downs on residential and commercial loans in Coronado and coastal San Diego County and increased operating costs due primarily to higher FDIC insurance premiums. We are committed to completing the hard work necessary to both serve our market and produce the kind of results our shareholders expect from us.”

The Bank’s total revenue for 2009 increased 28% over 2008. The Bank generated a pre-provision operating profit of \$23,000 (income prior to loan loss provisions) for 2009. Total assets grew to \$94 million and total deposits grew to \$84 million, increases of 29% and 46%, respectively over year-end 2008. Total loans grew by 24% to \$74 million over the same time period. It should be noted that the majority of the deposit growth was in the core deposit category. This was one of the Bank’s priorities for 2009. The Bank maintained a Tier 1 leverage capital ratio of 9.62% and a total risk-based capital ratio of 12.85%.

Ives concluded, “As always, we appreciate our shareholders support as we continue to direct the Bank with long term shareholder value as our primary objective.”

Coronado First Bank is publicly traded on the Over-the-Counter Bulletin Board, ticker symbol: “CDFB”. For more information on the Bank please contact:

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This press release includes forward-looking statements that involve inherent risks and uncertainties. Coronado First Bank cautions readers that a number of important factors could cause actual results to differ materially from those in the forward-looking statements. These factors include economic conditions and competition in the geographic and business areas in which Coronado First Bank operates, inflation, fluctuations in interest rates, legislation and governmental regulation. We make no promise to update any forward-looking statement, whether as a result of changes in underlying factors, new information, future events or otherwise.

CORONADO FIRST BANK
CONDENSED BALANCE SHEETS
(In thousands)

	December 31, 2009	December 31, 2008
	<u>Unaudited</u>	<u>Audited</u>
ASSETS		
Cash and due from banks	\$ 1,012	\$ 867
Federal funds sold	-	4,340
Interest-bearing deposits in FRB and other banks	13,420	594
Investment securities	368	5,323
Loans, net	74,126	60,035
Premises and equipment, net	1,044	842
Other Real Estate Owned, net	2,715	-
Accrued interest receivable and other assets	996	452
Total assets	<u>\$ 93,681</u>	<u>\$ 72,453</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Non-interest bearing demand	\$ 11,022	\$ 7,479
Money market	20,099	7,907
Savings and NOW	3,153	1,511
Time	49,766	40,811
Total deposits	<u>84,040</u>	<u>57,708</u>
Other borrowed money	-	3,500
Accrued interest payable and other liabilities	224	209
Total liabilities	<u>84,264</u>	<u>61,417</u>
Common stock - no par value, 1,392,477 shares outstanding at December 31, 2009 and 2008, respectively	14,447	14,300
Retained earnings	(5,030)	(3,283)
Unrealized losses on AFS securities, net	-	19
Total stockholders' equity	<u>9,417</u>	<u>11,036</u>
Total liabilities and stockholders' equity	<u>\$ 93,681</u>	<u>\$ 72,453</u>

CONDENSED STATEMENTS OF OPERATION
(In thousands, except per share amounts)

	Year-Ended December 31, 2009	Year-Ended December 31, 2008	Three Months Ended December 31, 2009	Three Months Ended December 31, 2008
	<u>Unaudited</u>	<u>Audited</u>	<u>Unaudited</u>	<u>Audited</u>
Total interest income	\$ 5,216	\$ 4,055	\$ 1,342	\$ 1,073
Total interest expense	1,573	1,415	376	351
Net interest income	3,643	2,640	966	722
Provision for loan losses	1,769	256	717	115
Net interest income after provision for loan losses	1,874	2,384	249	607
Noninterest income	60	81	11	14
Noninterest expense	3,679	2,998	988	804
Income before income taxes	(1,745)	(533)	(728)	(183)
Income taxes	1	1	-	-
Net loss	<u>\$ (1,746)</u>	<u>\$ (534)</u>	<u>\$ (728)</u>	<u>\$ (183)</u>
Basic and diluted loss per share	<u>\$ (1.25)</u>	<u>\$ (0.38)</u>	<u>\$ (0.52)</u>	<u>\$ (0.13)</u>
Average basic and diluted shares outstanding	1,392	1,392	1,392	1,392