

CORONADO FIRST BANK BOOSTS RESERVES

Coronado, Calif. -- Business Wire – October 29, 2009 --Bruce Ives, President and CEO of Coronado First Bank (the “Bank”) (OTCBB: CDFB) announced today that after carefully considering the current and future economic environment, the Bank’s Board and Management have determined that it is prudent to increase its provision for loan loss reserves by \$846,000 for the third quarter ended September 30, 2009. Ives said that the Bank remains well capitalized in all categories as defined by regulatory guidance. The Management team continues to stress test the Bank’s loan portfolio on a regular basis to ensure that there is sufficient protection against further real estate value deterioration. Bill Huck, Chairman of the Board said, “Our Board of Directors has been clear that we will build adequate reserves that enable the Bank to meet all commitments to our shareholders, customers, employees and community.”

Mr. Ives announced unaudited financial results for the third quarter 2009. The Bank had a quarterly loss of \$907,000 or (\$0.65) per share. It should be noted that the Bank generated a quarterly operating profit of \$57,000 (Operating profits are defined as profits prior to additions to loan loss provision and extraordinary items). The loss included \$846,000 in additions to Loan Loss Provisions and extraordinary items of \$118,000 relating primarily to FDIC assessments. Noting that total revenue increased by 29% for the nine months ended September 30, 2009 compared to 2008, Ives added, “Coronado First Bank is committed to long term success, and our proactive approach will enhance our ability to achieve stronger shareholder returns in the future.” The Bank posted a nine month loss of \$1,018,000 or (\$0.73) per share, which includes \$1,052,000 in Loan Loss Provisions.

Total assets grew to \$97 million and total deposits grew to \$87 million, increases of 46% and 64%, respectively over September 30, 2008. Total loans grew by 61% to \$82 million over the same time period. Much of this growth was attributable to the San Diego Office which opened July 1st. It is important to note that 90% of the deposits at the San Diego Office are core checking and savings deposits, which was established as a priority for that office.

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)

	September 30, 2009	September 30, 2008
	<u>Unaudited</u>	<u>Unaudited</u>
ASSETS		
Cash and due from banks	\$ 1,132	\$ 1,612
Federal funds sold	-	1,525
Interest-bearing deposits in FRB and other banks	11,569	1,881
Investment securities	461	9,191
Loans, net	82,172	51,014
Premises and equipment, net	1,091	873
Accrued interest receivable and other assets	529	463
Total assets	<u>\$ 96,954</u>	<u>\$ 66,559</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Non-interest bearing demand	\$ 10,726	\$ 7,942
Money market	17,418	9,244
Savings and NOW	2,808	1,743
Time	55,618	33,753
Total deposits	<u>86,570</u>	<u>52,682</u>
Other borrowed money	-	2,500
Accrued interest payable and other liabilities	271	255
Total liabilities	<u>86,841</u>	<u>55,437</u>
Common stock - no par value, 1,392,477 shares outstanding at September 30, 2009 and 2008, respectively	14,415	14,248
Retained earnings	(4,302)	(3,100)
Unrealized losses on AFS securities, net	-	(26)
Total stockholders' equity	<u>10,113</u>	<u>11,122</u>
Total liabilities and stockholders' equity	<u>\$ 96,954</u>	<u>\$ 66,559</u>

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

	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2008	Three Months Ended September 30, 2009	Three Months Ended June 30, 2009
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Total interest income	\$ 3,874	\$ 2,982	\$ 1,379	\$ 1,327
Total interest expense	1,197	1,064	427	406
Net interest income	2,677	1,918	952	921
Provision for loan losses	1,052	141	846	48
Net interest income after provision for loan losses	1,625	1,777	106	873
Noninterest income	49	67	23	14
Noninterest expense	2,691	2,194	1,036	848
Income before income taxes	(1,017)	(350)	(907)	39
Income taxes	1	1	-	1
Net loss	<u>\$ (1,018)</u>	<u>\$ (351)</u>	<u>\$ (907)</u>	<u>\$ 38</u>
Basic and diluted loss per share	<u>\$ (0.73)</u>	<u>\$ (0.25)</u>	<u>\$ (0.65)</u>	<u>\$ 0.03</u>
Average basic and diluted shares outstanding	1,392	1,392	1,392	1,392