



Lighthouse Bank Announces \$0.09 Quarterly Cash Dividend Payment to Shareholders

Santa Cruz, Calif., October 27, 2017 -Lighthouse Bank (OTC-QB: [LGHT](#)), a top-rated locally owned and operated community bank, today announced that its Board of Directors has declared its second Quarterly Cash Dividend in the amount of \$0.09 per share. The dividend is payable on November 27, 2017 to shareholders of record at the close of business on November 9, 2017. The cash dividend is the result of the Bank's strong ongoing financial performance and significant capital strength.

In August, 2017, the Bank increased its quarterly cash dividend payment to shareholders by 12.5 percent, to \$0.09 per share, following four previous consecutive quarterly cash dividends of \$0.08 per share. Since January 2015, the Bank has paid \$2,560,314 in cash dividends to shareholders.

The Bank recently released its financial results for the quarter-ended September 30, 2017, reporting net income of \$978 thousand, a 88% increase over the same quarter in 2016. Total assets grew to a record \$257 million, an increase of \$47 million, or 23%, from the quarter-ended September 30, 2016.

Lighthouse Bank celebrates its 10th Anniversary on October 29, 2017. Since opening, the Bank has established itself as a consistent elite performer, earning consecutive top rankings based on a variety of categories including asset quality, capital adequacy, return on average assets, return on average equity and operational efficiency.

Recognition and Awards Received:

- 2016 & 2017 consecutive-year ranking as "**Nation's 5th Healthiest Bank**" of 6,000 total banks.
- SNL Financial ranking as "**Nation's 29th Highest Performing Bank**" in 2016 of 5,100 banks of asset size under \$1 billion.
- Financial Management Consulting's "**12th Highest Performing Bank**" out of 171 California banks, based on overall performance.
- 21-consecutive quarters possessing "**Five-Star Superior**" the top rating by Bauer Financial.
- 6 consecutive-year achievement of "**Super Premier Performing Bank**," the highest designation given by Findley Reports, Inc.

Lighthouse Bank stock, ([LGHT](#)) is actively traded via the Bank's market makers and online and full-service brokerage providers. More information on the Bank's stock and historical financial performance may be located on the Bank's website at www.lighthousebank.net or by calling 831-600-4000.

ABOUT LIGHTHOUSE BANK:

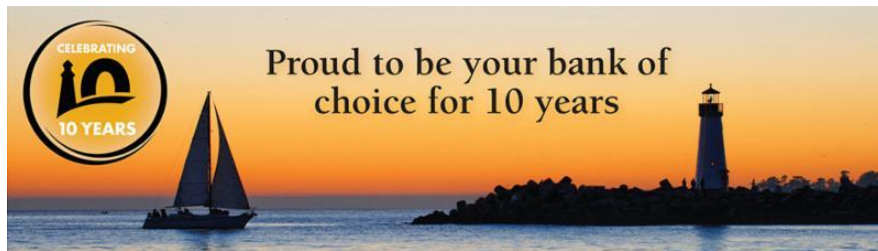
Lighthouse Bank is a highly rated locally owned and operated full-service commercial bank with offices in Santa Cruz and Santa Clara Counties. The Bank's headquarters are located at 2020 North Pacific Avenue in Santa Cruz, CA. The Bank's Silicon Valley office is located at 19240 Stevens Creek Blvd, Cupertino, CA. The Bank offers a full array of banking products and services to businesses, professionals, individuals, developers and commercial property owners. The Bank is dedicated to providing exceptional personalized service and access to decision makers who are close at hand. Lighthouse Bank's unique worldwide ATM fee waiver program and complimentary business courier service expand the Bank's geographical reach throughout Santa Cruz County and the Silicon Valley.

Member FDIC / Equal Housing Lender / SBA Preferred Lender

The attached 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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