



STRENGTH & STABILITY

The ending of 2009 marks one of the most difficult and eventful years in decades. As we look forward to 2010, it is evident the banking landscape will continue to shift. Market forces, government initiatives, high unemployment rates, asset quality, higher loan loss provisions and lower industry earnings all seem destined to be the primary themes community bankers will face.

The good news is that the financial crisis has certainly eased from its peak. As market conditions have improved, liquidity has climbed and credit spreads have contracted.

Despite these tough conditions, the financial viability and strength of Pacific Coast Bankers' Bancshares (PCBB) and our two subsidiaries, Pacific Coast Bankers' Bank and the Banc Investment Group, LLC, remains a pillar of support for community bankers throughout the country.

FORTRESS BALANCE SHEET

Our focus on building a fortress balance sheet continued during the fourth quarter of 2009, as capitalization levels at PCBB were the following at the last reportable period:

Ratio	Minimum "Well Capitalized" Level	6/30/2009	9/30/2009
Tier 1 Leverage	5.00%	9.02%	8.51%
Tier 1 Risk-Based	6.00%	16.84%	20.25%
Total Risk-Based	10.00%	18.12%	21.51%

Through all of the recent industry turmoil and during our 12-year history, PCBB has worked diligently to meet our community bank customer needs as a partner. Our focus remains on delivering products and services that give community bankers an edge in capturing new customers, addressing asset quality issues, analyzing risk and improving profitability. We not only measure our performance based on financial results; but also on increasing our capabilities, delivering innovative product offerings, enhancing our technology and providing world-class service to community bankers.