



December 19, 2009

Dear PCBB Stakeholder:

By now you have undoubtedly heard the news that Independent Bankers' Bank ("IBB") of Springfield, Ill., was closed Friday and placed into receivership under the FDIC. The FDIC has placed IBB in a bridge bank, similar to how Silverton was handled earlier this year. While we are sorry to see this happen, we are encouraged by the fact the FDIC is actively seeking a buyer as they fully support IBB's client banks to ensure there is no disruption in service.

In this time of industry turmoil, it is critically important for financial institutions to provide customers with the necessary information to have confidence. Just as community bankers must communicate effectively with their own customers, PCBB as your correspondent bank, must also provide you with a reminder that we remain fundamentally strong and fully committed to helping bankers play a critical role in rebuilding the U.S. economy.

Since being founded 12 years ago, PCBB has focused exclusively on developing products and services that enable community bankers to serve the needs of their clients, while competing effectively against larger financial institutions. As we look toward a new decade of success, PCBB has the capital strength, management team and resources in place to create new opportunities for bankers. We will continue to improve our lending, cash management, capital markets, payments and consulting services as we help you through these trying times.

You can also feel confident that we will continue to remain laser-focused on our strong credit discipline, sound processes and controls. These are the key reasons PCBB's core profitability (pre-provision) through the first three quarters of 2009 is stable on a year-over-year basis, our Total Risk Based Capital Ratio is 21.51%, our cash and securities to assets is about 60% and we remain committed to strong risk management.

In turbulent times, PCBB remains well-positioned to continue doing what we do best – serve the needs of community bankers across the country.

We want to take this opportunity to not only assure you of our strength, but also to reinforce our commitment to the industry and to thank you for your business. We wish you and your family the happiest of holidays.

Sincerely,

A handwritten signature in black ink, appearing to read "Stan A. H.", with a long horizontal flourish extending to the right.

President & CEO  
Pacific Coast Bankers' Bancshares