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PCBB Announces Results of Community Bank Executive Survey *Community Bank Survey Indicates Industry Optimism*

WALNUT CREEK, CA – May 28, 2014 – PCBB, a leading national correspondent bank, consulting firm and financial services company serving community banks, today announced the results of a peer-to-peer industry analysis survey. The poll, conducted at PCBB's executive management conference, surveyed hundreds of bank attendees on key issues impacting the financial industry and more specifically, community banks.

The survey was conducted as an interactive poll where attendees were asked to weigh in on a series of industry related topics. The results indicate an optimistic outlook by community bankers as a whole, despite ongoing issues related to regulation and competition across the country.

"The data collected from the survey results indicate that while community banks face heavy competition for customers and business model challenges, a slowly recovering economy and easing of regulatory pressure is beginning to improve optimism and the potential for growth opportunities" commented Steve Brown, president and chief executive officer of PCBB. "The positive outlook [revealed by the interactive session] is further evidence that community banks remain dedicated to the communities they serve and are working diligently to continuously support their small business customers."

When asked to identify the single biggest challenge their bank was facing today, 34% of respondents indicated it was loan portfolio growth or runoff, followed by 22% who said earnings, 19% who said a compressing net interest margin and 15% who said regulation. Coming in well behind these at around 3% each were credit quality, fatigue and other.

On the topics of loan growth, branches and regulation, the survey found:

Loan growth has been tough in almost every market with 82% of community bank respondents saying they found competition for loan customers to be either "high" or "extreme". Only 18% said it was "no more competitive than usual". Despite this heavy competition, 63% said they expect their loan portfolio to grow more than 5% this year and 24% expect growth between 3% and 5%.

Branch structures are in flux, as 45% of community bank respondents indicated that over the next 5 years they expect their bank would have more branches than now and 38% expect to have about the same number. Further, by size and staffing, 52% expect branches will be smaller in size and 39% expect branch staffing levels to decrease.

Regulation is beginning to ease somewhat as 45% of those surveyed reported their last regulatory examination was "easier than the prior one", but 46% indicated it was "very difficult", "slightly more difficult" or "about the same" as the prior exam. In addition, 49% of banks reported that Basel III is unlikely to have a material effect on their bank.

For more information about the survey conducted or PCBB, call (888) 399-1930.



About PCBB

PCBB (Pacific Coast Bankers' Bank) was founded in 1997 and is a wholly-owned subsidiary of Pacific Coast Bankers' Bancshares and an affiliate company of PCBB Capital Markets, LLC. PCBB is a state-chartered, FDIC-insured member of the Federal Reserve System, serving the interests of community banks. PCBB products and services include loan participations, international services, cash management, commercial banking, hedging and other high-quality, competitively-priced services for community banks. Securities are offered through PCBB Capital Markets, a member of FINRA/SIPC.

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