



Pacific Coast Bankers' Bancshares Reports Financial Results for 2Q 2017 *(unaudited)*

A Letter from the President & CEO, Steve Brown

Pacific Coast Bankers' Bancshares ("PCBB"), parent company of Pacific Coast Bankers' Bank ("Bank"), reported net income through the second quarter 2017 of \$2.6mm or \$2.17 per share, compared to \$3.4mm or \$2.89 per share for the same period last year. For the six months ended June 30, PCBB delivered a consolidated 10.7% return on tangible common equity for shareholders and paid a common dividend of \$1.25 per common share in June.

Year to date ("YTD") results were characterized by an 11.5% year over year ("YOY") increase in interest income, 10.6% YTD growth in securities and 11.1% YTD growth in loans, which were offset by a 12.7% YTD decline in market-sensitive noninterest income, increased BSA compliance costs and higher spending related to strategic initiatives.

At the Bank level, securities were \$216mm, the loan portfolio was \$309mm and total assets were \$781mm at the end of the quarter. Looking at certain key metrics, the loan to deposit ratio was 56%, the efficiency ratio was 72.9%, the allowance for loan and lease losses was 1.48% and the Texas Ratio was less than 1%. Capital ratios also remained strong, with the leverage ratio at 8.7%, the Tier 1 risk-based capital ratio at 17.2% and the total risk-based capital ratio at 18.3%.



"Market and industry conditions remain challenging and PCBB is doing its part to try and help community banks adapt and thrive. As we navigate these challenges together, PCBB continues to execute on our strategic priorities to position us for ongoing success."

*- Ken Cosgrove
Chairman of PCBB*



Consolidated Financial Highlights

6 Month Period Ended 6/30	2016	2017
Total Assets (000's)	\$872,183	\$781,235
Total Loans (000's)	\$301,435	\$308,723
Net Income (000's)	\$3,389	\$2,566
ROAE (%)	14.7%	10.7%
EPS	\$2.89	\$2.17
Book Value per Share	\$42.56	\$43.14

The PCBB team has been and will be working this year and over the ensuing years to modernize existing business processes, adapt to changing customer demographics and better leverage technology to enable the business strategy. Once completed, this digital transformation will allow PCBB to better deliver products and services, streamline processes, improve alignment with customer expectations and enhance agility.

To find more detailed information on bank capital ratios and other bank information, visit our Investor Relations Center at www.pccb.com/company/investors.html.

Steve Brown
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