Pacific Coast Bankers' Bancshares
Reports Financial Results for 2Q 2018 *(unaudited)*

Board of Directors declared a cash dividend of $1.25 per common share to shareholders of record as of July 17, 2018 and paid on July 20, 2018.

Pacific Coast Bankers' Bancshares, parent company of PCBB ("Bank"), reported consolidated quarterly and year-to-date net income of $1.8 million, and $3.1 million, respectively through the second quarter 2018 compared with $1.1 million and $2.6 million, respectively for the same periods in 2017.

This quarter was a good one with many areas of business success. For the month of May, we reported the best consolidated net income in Bank history, in large part due to a strong result from our hedging division, along with the demand for our international services and comprehensive CECL solution. We have received favorable feedback on our CECL Solution from customers and key influencers, such as auditors and regulators. We are also proud to be the only bank offering a CECL solution, and the only vendor of any sort, that we are aware of, that has all 7 methods currently available.

Our customer focus more than doubled the number of new customers acquired in the first half of 2018 over the same period last year.

PCBB CEO Steve Brown stated, "We are pleased to pay our shareholders a dividend in July, as we continue our steadfast vision to serve community financial institutions. We are firmly positioned to remain a vital partner for our customers, as they compete in this dynamic marketplace."

Second quarter ("Q2") performance grew over the same period in the prior year ("YOY"), driven in part by record quarterly revenue from international and hedging business lines. The flat yield curve increased activity by commercial customers of community banks in hedging, while greater overseas business activity amongst community bank customers supported higher international activity. The strong revenue was partially reduced by non-recurring expenses related to ongoing enhancement of BSA and other improvements related to cyber risk management

We understand the value of innovation in this industry and are working on many areas to be more efficient for optimal results. As an example, our newly-streamlined onboarding processes have enhanced the customer experience and expedited the process by 50%.

Loan growth YOY was also higher (3%), as loan balances climbed to $318 million. Credit quality remained strong in Q2, as period end nonperforming assets of $2.4 million represented only 0.3% of assets. This was despite the addition of a single $2.1 million commercial real estate loan to nonaccrual.

Other metrics include: The Texas Ratio was also low at only 3.1%; Quarterly and year-to-date return on common equity ("ROCE") of 16.2% and 13.8%, respectively; the loan to deposit ("LTD") ratio was 57%, the leverage capital ratio was 9.2%, the tier 1 risk based capital ratio was 18.7% and the total risk based capital ratio was 20.0%.

Consolidated Financial Highlights

	1H 2017	1H 2018
Total Assets (mm's)	$781	$760
Total Loans (mm’s)	$309	$318
Net Income (mm's)	$2.6	$3.1
Tangible ROACE (%)	10.7%	13.8%
EPS	$2.17	$2.89
Book Value per Share	$43.14	$42.30

For more information on bank capital ratios and other bank information, visit our Investor Relations Center.