



Pacific Coast Bankers' Bancshares Reports Financial Results for 4Q & Full Year 2018 *(unaudited)*

PCBB's Board of Directors declared a cash dividend of \$1.25 per common share to shareholders of record as of January 15, 2019.

Pacific Coast Bankers' Bancshares, parent company of PCBB ("Bank"), reported record quarterly and full year net income of \$2.8 million, and \$8.2 million, respectively. Return on common shareholder equity was 24.8% and 18.2% for the quarter and full year, respectively. Full year interest income was up 8% year-over-year (YOY) to \$20.7 million and non-interest income rose to \$27.9 million, an increase of 45% YOY. Key contributors included revenue growth of 13% as a result of the addition of a high number of new customer banks during the year, as well as continued growth in revenue from existing customers.

KEY HIGHLIGHTS:

- **Record fourth quarter earnings per share of \$2.75**
- **Record full year earnings per share of \$7.85**

The record fourth quarter follows the previous record set in the prior quarter. Consecutive quarterly growth in both revenue and net income in all four quarters of 2018 demonstrates the return on investment in the ongoing business transformation we began in 2017 to serve the changing needs of our customers. The record earnings were accomplished while continuing to make significant ongoing investments in the business, including the areas of technology, marketing, risk management, and business development.

"This past year was a strong one for PCBB, as many new and existing community bank customers used multiple services throughout the year. The team's diligent work to support customers and deliver needed solutions ultimately was reflected in the strength of overall Company performance. The Company continues to make significant ongoing investments focused on digital transformation, as technology enhancements accelerate further."

*- Ken Cosgrove
Chairman of PCBB*

For the fourth quarter, net income was \$2.8 million, compared with net income of \$2.3 million in 3Q 2018. Steve Brown, President and Chief Executive Officer, remarked on the financial results: "2018 was a record year for PCBB and re-affirms the business strategy and investments made in prior years to arrive at this point. We are excited for the opportunities and ready for the challenges faced by community banks and for our expanding role in enabling our customers to thrive. In addition to the record revenue and earnings, 2018 was a year in which we increased our market share, expanded our team, and continued to invest in our core businesses as we enhanced and built out new ones."

Credit quality remained strong, as the Texas Ratio remained below 1%.



Capital ratios and liquidity remained strong with a period end Tier 1 Leverage ratio of 9.4%, Tier 1 Risk Based ratio of 17.9% and a Total Risk Based ratio of 19.0%. Liquidity was also robust, with over 40% of assets in cash and securities and a loan to deposit ratio of 61%.

Book value per share increased to \$47.17, up 9% compared to \$43.27 in the prior year.

The large number of customers that chose to utilize our new and existing offerings in 2018 is a testament to our innovative approach and a focus on meeting the changing needs of community banks. We were pleased with a strong response to our digital Banc Investment Daily, ongoing hedging business line growth, website enhancements, and newer product releases, including our CECL FIT™ solution and check imaging for Canadian cash letters, among others.

Consolidated Financial Highlights

	2018	2017*
Total Assets (mm's)	\$720	\$824
Total Loans (mm's)	\$330	\$320
Net Income (mm's)	\$8.2	\$3.9
Tangible ROAE (%)	18.2%	8.0%
EPS	\$7.85	\$3.54
Book Value per Share	\$47.17	\$43.27

**2017 results include the impact of tax reform*

Mr. Brown continued, “As 2019 begins, we have confidence that PCBB is firmly positioned to build on its success as community banks continue to utilize and leverage re-investments in our core businesses and innovative new offerings. Our single-mindedness remains on delivering long-term value for our shareholders as we continue to serve our community bank customers and meet their needs.”

If your bank is interested in purchasing shares, or for more information on capital ratios, please call us at (888) 399-1930 or visit our [Investor Relations Center](#).