PREMIER
COMMERCIAL BANCORP

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PREMIER COMMERCIAL BANCORP REPORTS THIRD QUARTER 2017 RESULTS

Hillsboro, OR – Premier Commercial Bancorp (OTC: PRCB), a single bank holding company for Premier Community Bank based in Hillsboro, Oregon, today reported net income of $3.4 million, or $0.58 per diluted share, for the nine months ended September 30, 2017, a 33.4% increase over the net income of $2.5 million, or $0.43 per diluted share, for the same nine month period during 2016. Third quarter 2017 net income was $1.1 million, or $0.18 per diluted share, compared to $1.4 million, or $0.24 per diluted share, for second quarter 2017 during which there were a number of non-recurring items, and $939,000, or $0.16 per diluted share, for first quarter 2017.

Highlights for the period included:

- Non-performing assets decreased $3.6 million, or 48.1%, since year-end 2016.
- Strong loan metrics with no loans on non-accrual status or past due greater than 30 days at end of quarter.
- Loan growth of $23.5 million, or 7.6%, year-over-year.
- Efficiency ratio of 61.0% for first nine months of 2017 and 58.6% for third quarter alone.

- Return on equity and return on assets for the first nine months of 2017 increased to 11.81% and 1.16%, respectively; compared to the first nine months of 2016 at 9.82% and 0.94%.
- Net interest income increased by $1.1 million, or 9.8%, for the first nine months of 2017 compared to the same period of 2016.
- Net interest margin grew five basis points year-over-year to 4.39% for the first nine months of 2017.
- Regulatory capital ratios continue to increase as retained earnings support asset growth.

"Increased core earnings driven from loan growth along with a larger and more efficient balance sheet, as well as maintaining expenses in light of growth, positions the Bank well for opening its sixth location. This new full-service office will be in Portland's Lloyd district and will be our first location on the east side of the Willamette River. This office is expected to open in the first quarter of 2018 and we look forward to continued growth as we expand the Bank's footprint," stated Rick A. Roby, the Company's President and CEO.

Earnings

Net income for the nine month period ended September 30, 2017 was $3.4 million, an increase of $850,000, or 33.4% from the same period a year ago. Driving core earnings growth was improved asset and liability mixes, the reduction of non-performing assets, and decreases in higher cost non-local deposits. Net income of $1.1 million for the third quarter 2017 was lower than net income of $1.4 million during second quarter 2017, as that period included a non-recurring negative loan loss provision of $1.3 million that was partially offset by $763,000 of losses on other real estate owned ("OREO"). Third quarter 2017 net income was also impacted by a non-recurring OREO loss of $100,000, which was comprised of a $68,000 book value adjustment and a loss on the sale of two properties totaling $32,000. The Bank continues to aggressively market its remaining OREO.

Net interest income of $12.0 million for the nine month period ending September 30, 2017 was up $1.1 million, or 9.8%, from the same period last year. The mere $71,000, or 4.8%, increase in interest expense did little to offset the $1.1 million in increased interest on earning assets for this nine month period compared to the same period in the prior year. Net interest income during the third quarter of $4.1 million increased $54,000, or 1.3%, when compared to the prior quarter.

Non-interest income of $625,000 for the nine month period ending September 30, 2017 was an increase of $97,000 or 18.4%, compared to $528,000 for the same period the prior year. Non-interest expense at $7.7 million for the nine month period ended September 30, 2017 was an increase of $108,000 or 1.4%, compared to the same period in the prior year. The increase in non-interest expense this year was due to increases in employee and lease related expenses however these were offset by decreases in problem loan and OREO expenses. The Company's efficiency ratio, which ignores the negative loan loss provision and OREO losses and write-downs, improved to 61.0% for the nine months ended September 30, 2017, compared to 66.2% for the same period last year, and was down to 58.6% for the stand alone third quarter 2017.

Return on equity at 11.81% for the nine months ended September 30, 2017 increased compared to the 9.82% for the same prior year period. Return on assets also increased when comparing the same two periods and was 1.16% and 0.94%, respectively. The second quarter 2017 non-recurring items had a positive effect on net income and these performance ratios when compared to the prior year; however core earnings growth is still driving increases as third quarter 2017 had a return on equity and a return on assets of 10.70% and 1.08%, respectively, despite the negative effects of non-recurring losses experienced.

Assets

The Company's total assets were $391.3 million at September 30, 2017 and grew $16.8 million over the past 12 months when compared to the $374.5 million at September 30, 2016. Total asset growth for the first nine months of 2017 has slowed, with year-to-date growth of $920,000, or 0.2%, as the Company reduced excess cash and non-performing assets (both problem loans and OREO properties). Loans grew $16.3 million or 5.1%, for the first nine months of this year and $23.5 million, or 7.6% over the past twelve months and were $333.9 million as of September 30, 2017. During third quarter the last remaining non-accrual relationship was moved to OREO, and therefore at quarter-end the Bank had no non-accrual loans; nor did it have any loans past due greater than 30 days. "We are well positioned to take advantage of the economic growth in the

Portland metropolitan area which continues to drive increased loan demand. Credit quality continues to improve with the elimination of all non-accrual loans and our team of professional lenders continues to grow the loan portfolio with new relationships that match our credit appetite," stated Fred Johnson, the Company's Chief Credit Officer.

During the first nine months of 2017 loan growth was driven by an increase in commercial real estate loans which increased by $9.1 million or 5.7%, and year-over-year by $13.6 million or 8.8%. While this segment of the loan portfolio was the largest, its percentage of the total loan portfolio remained consistent at 50.6% as of September 30, 2017 when compared to year-end 2016 and period-ended September 30, 2016, at 50.3% and 50.0%, respectively. Commercial and Industrial (C&I) loans of $86.3 million increased $641,000 during the third quarter but were down $1.2 million, or 1.3%, compared to year-end 2016 of $87.5 million due primarily to the payoff of a non-performing loan. C&I loans were up year-over-year by $1.7 million or 2.0%, and this segment of the loan market remains a strong focus of the Bank acknowledging the very competitive market. As of September 30, 2017 C&I loans were 25.9% of the loan portfolio which was down slightly from the year-end 2016 and quarter-end September 30, 2016 amounts of 27.5%, and 27.3%, respectively. Construction loans as of September 30, 2017 were $48.0 million, an increase of $4.6 million or 10.6%, from year-end 2016 and a year-over-year increase of $4.4 million or 10.2%. The Bank continues to monitor its exposure to the construction market and is selective about which opportunities to pursue.

The allowance for loan losses at $4.3 million as of September 30, 2017 decreased by $160,000 from the year-end amount of $4.4 million. This reduction was due to the payoff of the Bank's largest non-performing loan during the second quarter which resulted in a $1.1 million recovery and also released $200,000 of specific allowance which therefore resulted in a $1.3 negative loan loss provision. There was no loan loss provision expense during third quarter or year-to-date 2017. The improved credit metrics of the loan portfolio support the reduced allowance for loan losses to total loans ratio of 1.27% as of September 30, 2017, compared to year-end 2016 of 1.39%, and September 30, 2016 of 1.41%. Non-performing assets at September 30, 2017 were comprised entirely of $3.9 million in OREO, which consisted of five properties ranging in carrying amounts from $147,000 to $1.8 million.

Deposits

Deposits totaled $316.2 million as of September 30, 2017, which increased $14.0 million or 4.6% over the past twelve months when compared to the $302.2 million as of September 30, 2016. However, for the first nine months of 2017 total deposits actually decreased $1.5 million or 0.5%, but this was due to an $8.0 million reduction of higher cost non-local bulletin board time deposits from $16.9 million at year-end 2016 to $8.9 million as of September 30, 2017. Other non-local deposits remained unchanged during these reporting periods and consisted of a $5.0 million brokered time deposit. “The Bank continues to successfully reduce its reliance on non-local deposits by replacing them with deposits obtained from the markets that we serve; and while this has somewhat limited overall deposit growth, this strategy continues to stabilize and reduce the cost of the Bank’s funding,” stated Bob Ekblad, the Company’s Chief Operating Officer. Local deposits grew $6.5 million, or 2.2%, for the first nine months of 2017 and grew $22.8 million, or 8.1%, over the past twelve months.

As of September 30, 2017 non-interest bearing and NOW accounts totaled $135.6 million, or 42.9% of total deposits, and these accounts increased $12.6 million or 10.2%, year-to-date and $26.3 million or 24.1%, during the past 12 months. Money market and savings accounts totaled $119.2 million, or 37.7% of total deposits, while time deposits were $61.4 million or 19.4%, of total deposits as of September 30, 2017.

Borrowings, Equity and Capital

Repurchase account balances of $10,000 as of September 30, 2017 were down significantly from $1.7 million at year-end 2016, and $2.0 million a year ago, as the Bank worked with customers to move almost all these funds into traditional deposit accounts. Other Company borrowings and debt remain unchanged for all reported periods. Federal Home Loan Bank (FHLB) borrowings at $21.6 million have a weighted average cost of 2.68% with rates ranging from 1.08% to 3.28% and maturities ranging from December 2017 to April 2020. Regarding FHLB debt, Jason Wessling, the Company’s Chief Financial Officer stated, “We have $16.0 million of FHLB debt at a blended rate of 3.17% maturing this December which provides the Bank an opportunity to immediately reduce its interest expense as new FHLB debt or other funding alternatives today are at much lower costs.” The remaining $5.6 million of FHLB debt consists of six notes at a weighted average cost of 1.27%. The Company’s junior subordinated debentures totaling $8.2 million have variable rates tied to the three-month LIBOR; one debenture for $3.1 million has a spread of 3.15% and a current rate of 4.48%, while the other debenture for $5.1 million has a spread of 1.90% and a current rate of 3.22%.

Through retaining all its earnings, the Company’s equity grew to $40.0 million as of September 30, 2017. The Bank’s capital continues to grow and is outpacing asset growth as its capital ratio increased to 12.07% as of September 30, 2017 compared to 11.48% at year-end 2016. During 2017 the Bank’s risk-weighted assets have increased from loan growth, but once again retained earnings supported this growth as its total risk-based capital ratio increased to 13.27% as of September 30, 2017, compared to 13.20% as of year-end 2016, and 13.09% at this time last year. The Bank’s capital ratios continued to be above amounts required to be considered “well-capitalized” according to traditional regulatory capital standards.

About Premier Commercial Bancorp:

Information about the Company's stock may be obtained through the over-the-counter marketplace at www.otcmarkets.com. Premier Commercial Bancorp's stock symbol is "PRCB."

Premier Commercial Bancorp was formed in 2002 as a holding company for Premier Community Bank which was opened in 1999 by local business people to deliver loan and deposit product solutions through experienced and professional bankers to businesses, nonprofits, professionals, and individuals. The Bank serves the greater Portland Metropolitan area with four offices in Washington County and also serves Yamhill County with an office in Newberg.

For more information about Premier Commercial Bancorp, or its subsidiary Premier Community Bank, call (503) 693-7500 or visit our website at www.pcboregon.com. Information contained in or linked to our website is not incorporated as a part of this release.

Certain statements in this release may constitute forward-looking statements within the definition of the "safe-harbor" provisions of Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are subject to significant uncertainties, which could cause actual results to differ materially from those set forth in such statements. Forward-looking statements are those that incorporate management's current expectations and plans based on information currently known to them. These statements can sometimes be identified by words such as "believe," "estimate," "anticipate," "expect," "intend," "will," "may," "should," or other similar phrases or words. Readers are cautioned not to place undue reliance on forward-looking statements. In particular, they should not be construed as assurances of a given level of performance or as promises of a given set of management's actions. Some of the factors that could cause management to deviate from its current plans, or could cause the Company's results to differ from current expectations, include the effect of localized or regional economic shifts that may affect the collectability of loans or the value of the collateral underlying those loans; the effects of laws, regulations, policies and government actions upon the Company's assets and operations; sensitivity to the Northwestern Oregon geographic markets and events affecting those markets; and the impacts of new government initiatives upon us and our borrowers. The Company does not intend to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.

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Consolidated Balance Sheets
Unaudited
(amounts in 000s, except per share data and ratios)

	September 30, 2017	September 30, 2016	% Change 2017 vs. 2016	December 31, 2016	% Change Year-to-Date
ASSETS					
Cash & due from banks	$ 13,790	$ 24,550	-43.8%	$ 29,346	-53.0%
Investment securities - available for sale	21,842	19,848	10.0%	23,589	-7.4%
Investments - other	4,879	2,980	63.7%	2,815	73.3%
Gross loans	333,940	310,488	7.6%	317,604	5.1%
Allowance for loan losses	(4,254)	(4,389)	-3.1%	(4,414)	-3.6%
Net loans	329,686	306,099	7.7%	313,190	5.3%
Other real estate owned	3,907	4,042	-3.3%	4,042	-3.3%
Other assets	17,228	17,028	1.2%	17,430	-1.2%
Total Assets	$ 391,332	$ 374,547	4.5%	$ 390,412	0.2%
LIABILITIES					
Deposits	$ 316,227	$ 302,240	4.6%	$ 317,701	-0.5%
Repurchase agreements	10	2,010	-99.5%	1,688	-99.4%
FHLB borrowings	21,550	21,550	0.0%	21,550	0.0%
Junior subordinated debentures	8,248	8,248	0.0%	8,248	0.0%
Other liabilities	5,288	4,737	11.6%	4,713	12.2%
Total Liabilities	351,323	338,785	3.7%	353,900	-0.7%
STOCKHOLDERS' EQUITY	40,009	35,762	11.9%	36,512	9.6%
Total Liabilities and Stockholders' Equity	$ 391,332	$ 374,547	4.5%	$ 390,412	0.2%
Shares outstanding at end-of-period	5,851,487	5,840,609		5,840,609	
Book value per share	$ 6.84	$ 6.12		$ 6.25	
Allowance for loan losses to total loans	1.27%	1.41%		1.39%	
Non-performing assets (non-accrual loans & OREO)	$ 3,907	$ 7,579		$ 7,523	
Bank Tier 1 leverage ratio	12.07%	11.63%		11.48%	
Bank Tier 1 risk-based capital ratio	12.13%	11.84%		11.95%	
Bank Total risk-based capital ratio	13.27%	13.09%		13.20%	

Consolidated Statements of Net Income
Unaudited
(amounts in 000s, except per share data and ratios)

	Three Months Ended			Nine Months Ended		
	9/30/2017	6/30/2017	% Change	9/30/2017	9/30/2016	% Change
INTEREST INCOME						
Loans	$ 4,454	$ 4,400	1.2%	$ 12,987	$ 12,009	8.1%
Investments - available for sale	109	116	-6.0%	344	263	30.8%
Federal funds sold and other	77	64	20.3%	190	115	65.2%
Total interest income	4,640	4,580	1.3%	13,521	12,387	9.2%
INTEREST EXPENSE						
Deposits	303	300	1.0%	900	854	5.4%
Repurchase agreements and federal funds purchased	-	1	-100.0%	2	8	-75.0%
FHLB borrowings	147	146	0.7%	437	438	-0.2%
Junior subordinated debentures	77	74	4.1%	220	188	17.0%
Total interest expense	527	521	1.2%	1,559	1,488	4.8%
NET INTEREST INCOME BEFORE LOAN LOSS PROVISION	4,113	4,059	1.3%	11,962	10,899	9.8%
PROVISION FOR LOAN LOSSES	-	(1,300)	-100.0%	(1,300)	-	N/A
NET INTEREST INCOME AFTER LOAN LOSS PROVISION	4,113	5,359	-23.3%	13,262	10,899	21.7%
NON-INTEREST INCOME	204	207	-1.4%	625	528	18.4%
NON-INTEREST EXPENSE	2,528	2,614	-3.3%	7,672	7,564	1.4%
INVESTMENTS- REALIZED GAINS / (LOSSES)	-	-	N/A	-	-	N/A
OREO VALUATION ADJ. & GAINS/(LOSSES) ON SALES - NET	(100)	(763)	-86.9%	(863)	129	-769.0%
INCOME BEFORE PROVISION FOR INCOME TAXES	1,689	2,189	-22.8%	5,352	3,992	34.1%
PROVISION FOR INCOME TAXES	617	807	-23.5%	1,959	1,449	35.2%
NET INCOME	$ 1,072	$ 1,382	-22.4%	$ 3,393	$ 2,543	33.4%
Earnings per share - Basic	$ 0.18	$ 0.24		$ 0.58	$ 0.43	
Earnings per share - Diluted	$ 0.18	$ 0.24		$ 0.58	$ 0.43	
Return on average equity	10.70%	14.48%		11.81%	9.82%	
Return on average assets	1.08%	1.41%		1.16%	0.94%	
Net interest margin	4.43%	4.44%		4.39%	4.34%	
Efficiency ratio	58.6%	61.3%		61.0%	66.2%	