FOR IMMEDIATE RELEASE: April 26, 2018

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PREMIER COMMERCIAL BANCORP REPORTS FIRST QUARTER 2018 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 $1.1 million, or $0.18 per diluted share, for the three months ended March 31, 2018 which was a 13.3% increase over the net income of $939,000, or $0.16 per diluted share, for the same three month period during 2017.

"We had two very significant events during the first quarter of 2018. The first was our announced merger with Heritage Financial Corporation and its subsidiary Heritage Bank, which is expected to close in the third quarter of 2018 after shareholder and regulatory approvals are obtained. Premier Community Bank's integration with Heritage Bank will create additional opportunities by offering an enhanced selection of products and services while still retaining all our branches and frontline staff which is important to our clients and the communities we serve. The second significant event for the quarter was opening the Bank's sixth office which is our first east side location in Portland's Lloyd District. We opened this full-service location in February 2018 and it has been warmly welcomed by the local business community," stated Rick A. Roby, the Company's President and CEO.

Highlights for the period included:

- Net income of $1.1 million increased $125,000 or 13.3%, compared to $939,000 for first quarter 2017, despite $346,000 of merger related expenses for first quarter 2018.
- Net interest margin continues to rise due to rising interest rates and an improved balance sheet mix; it increased to 4.71% for first quarter 2018 compared to 4.53% and 4.30% for fourth quarter and first quarter 2017, respectively.
- As a result of tax reform passed at the end of 2017 and despite consistent pre-tax earnings, tax expenses for first quarter 2018 of $358,000 decreased $177,000 or 33.1% when compared to $535,000 for first quarter 2017.
- Return on equity and return on assets for first quarter 2018 increased to 10.62% and 1.07%, respectively; compared to first quarter 2017 returns of 10.25% and 0.99%.
- Non-performing assets at $3.1 million as of March 31, 2018 decreased by $4.3 million, or 58.4%, over the past year and were down to 0.76% of total assets.
- Regulatory capital ratios continue to increase as retained earnings support asset growth.

Earnings

The Company had net income of $1.1 million, or $0.18 per diluted share, for the first quarter of 2018 compared to $939,000, or $0.16 per diluted share, for the same period the prior year which was an increase of 13.3%. While pre-tax income of $1.4 million for the first quarter of 2018 was consistent with first quarter 2017, the Company's provision for income taxes decreased $177,000 or 33.1% to $358,000 compared to $535,000 for the first quarter 2017 due to the Tax Cuts and Jobs Act which was enacted in December 2017. "As the economic environment in which we operate continues to be strong and our clients continue to prosper, so does the financial performance of the Company. These results were enhanced by the effects of tax reform and rising interest rates. Although, the change in tax code caused a $1.0 million additional tax expense in the fourth quarter of 2017, the Company was able to benefit from the reduced Federal tax rate during the first quarter of 2018. Rising interest rates also contributed to the Company's financial performance as net interest margins continue to increase quarter-over-quarter," said Jason Wessling, the Company's Chief Financial Officer.

Interest income on earning assets for the first quarter of 2018 was up $590,000 or 13.7%, to $4.9 million, when compared to the first quarter of 2017 at $4.3 million and increased $100,000, or 2.1%, from the prior quarter amount of $4.8 million. Interest expense at $496,000 for first quarter 2018 was generally consistent with prior reported quarters as reductions in interest expenses for Federal Home Loan Bank (FHLB) borrowings were offset by increased interest expenses on the Bank's growing deposit base. Net interest margin at 4.71% for the first quarter of 2018 continued its steady increase when compared to first quarter 2017 of 4.30% and the fourth quarter 2017 of 4.53%.

Excluding merger related expenses, non-interest expense for the first quarter of 2018 increased by $326,000 or 12.9%, to $2.9 million when compared to the same period for the prior year of $2.5 million. This increase was caused by increased employee expense throughout the organization as well as additional employee and lease expenses related to the Bank's new Lloyd office. Additionally and separately reported, there was $346,000 of first quarter 2018 non-interest expense related to the merger with Heritage Financial Corporation which were some initial expenses for legal, investment banker, and other professionals. The reported efficiency ratio of 69.5% for first quarter 2018 includes these merger related expenses and Bob Ekblad, the Company's Chief Operating Officer, stated "And if you exclude merger related expenses, our first quarter 2018 efficiency ratio would have been 62.0% and was consistent with or better than prior periods which is pretty impressive given the opening of a new office this quarter."

The Company's return on equity and return on assets increased for the first quarter of 2018 to 10.62% and 1.07%, respectively, when compared to the same period in the prior year of 10.25% and 0.99%, respectively. Fourth quarter 2017 return on equity and return on assets ratios were affected by the change in the tax code and were reported as -0.25% and -0.03%, respectively; however, before the impact of tax reform, the adjusted ratios were 9.94% and 1.01%, respectively.

Assets

Total assets grew $17.7 million or 4.6% to $404.8 million as of March 31, 2018, when compared to $387.1 million as of March 31, 2017. For the first quarter of 2018, total assets grew $4.3 million, or 1.1%, compared to $400.5 million as of year-end 2017.

Total loans at first quarter-end 2018 totaled $339.6 million, a $16.2 million or 5.0% increase from first quarter-end 2017 of $323.4 million. The owner-occupied commercial real estate loan segment grew the most year-over-year up $9.5 million or 9.9%, to $105.4 million or 31.0% of total loans at the end of first quarter 2018, compared to $95.9 or 29.7% of total loans at the end of first quarter 2017. Non-owner occupied commercial real estate loan segment also grew year-over-year up $6.3 million or 9.5%, to $72.5 million or 21.3% of total loans at the end of first quarter 2018, compared to $66.2 or 20.5% of total loans at the end of first quarter 2017. The construction loan segment of the loan portfolio increased slightly year-over-year up $1.5 million or 3.5%, to $46.1 million or 13.6% of total loans at the end of first quarter 2018, compared to $44.6 or 13.8% of total loans as of first quarter-end 2017. During the first quarter of 2018, loans decreased $4.0 million or 1.2% to $339.6 million compared to $343.6 million as of year-end 2017. The decrease in loans for first quarter 2018 was driven primarily by a $2.9 million or 6.0%, decrease in construction loans to $46.1 million at quarter-end. “Lending opportunities continue to be ample in the Portland Metro region, but due to cyclical payoffs and strategic limitation of the Bank’s construction portfolio this segment drove a decrease in total loans during the first quarter,” said Fred Johnson, the Bank’s Chief Credit Officer.

For first quarter 2018, the Bank took no loan loss provision and had net charge-offs of $65,000. The allowance for loan losses of 1.24% to total loans as of March 31, 2018 was consistent with year-end 2017 as the credit metrics of the loan portfolio remained strong. As of March 31, 2018 the Bank had one loan for $235,000 past due between 30-90 days and no loans over 90 days past due and still accruing interest. Non-performing assets decreased $4.3 million, or 58.4%, year-over-year and totaled $3.1 million at the end of first quarter 2018 and consisted of one non-accrual loan for $172,000 and $2.9 million in other real estate owned (OREO). OREO was comprised of four properties ranging in carrying amounts from $41,000 to $1.8 million.

Deposits

Total deposits of $328.0 million as of March 31, 2018 increased $15.2 million, or 4.9%, year-over-year when compared to the $312.8 million as of March 31, 2017. However, during the first quarter 2018 total deposits decreased $2.6 million, or 0.8%, but this overall reduction was due solely to a $9.3 million reduction in time deposits of which $3.0 million was from non-local bulletin-board time deposits maturing and not being renewed. For first quarter 2018, transaction accounts increased $6.7 million and over the past twelve months transaction accounts increased by $25.1 million, or 10.2%. The Bank continued to reduce its exposure to non-local (both brokered and bulletin-board) deposits which decreased to $15.9 million or 4.8% of total deposits as of March 31, 2018 compared to $18.9 million or 5.7% of total deposits as of year-end 2017.

As of March 31, 2018, non-interest and interest-bearing checking accounts were of $137.5 million or 41.9% of total deposits, money market and savings accounts were $134.4 million or 41.0% of total deposits, and $56.1 million, or 17.1% of total deposits, were time deposits.

Borrowings, Equity and Capital

As of March 31, 2018 the Company had $21.0 million in Federal Home Loan Bank (FHLB) borrowings compared to $16.0 million as of year-end 2017; the increase was related to one short term advance of 90 days for $5.0 million to cover funding needs created primarily by a $9.3 million reduction in time deposits over the quarter. FHLB borrowings consisted of 8 notes which have a weighted average cost of 2.04% as of March 31, 2018, with rates from 1.50% to 2.25%, and maturities ranging from June 2018 to November 2022. The Company has two separate junior subordinated debentures, both with 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 5.44% while the other debenture for $5.1 million has a spread of 1.90% and a current rate of 4.02%. Repurchase account balances as of March 31, 2018 totaled $1.1 million and were up $575,000, or 104.9%, from the year-end 2017 total of $548,000.

As a result of retained earnings for the quarter, equity grew $808,000 or 2.0% during the quarter to $40.8 million compared to $40.0 million as of year-end 2017 and over the past 12 months equity grew by $3.3 million or 8.8%, compared to $37.5 million as of first quarter-end 2017. At the Bank, the leverage ratio increased when comparing first quarter-end 2018 and first quarter-end 2017 to 12.11% from 11.73%, and the risk-based capital ratio also increased to 13.42% from 13.00%. While both ratios increased due to growth in equity, the risk-based capital ratio also increased due to changes in asset mix. These capital ratios continue to be above the amounts required for the Bank to be considered "well-capitalized" according to traditional regulatory 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, one office in Multnomah County at Portland's Lloyd District and an additional office in Yamhill County serving 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.*

PREMIER
COMMERCIAL BANCORP

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

	March 31, 2018	March 31, 2017	% Change 2018 vs. 2017	December 31, 2017	% Change Quarter
ASSETS					
Cash & due from banks	$ 25,602	$ 21,063	21.5%	$ 16,602	54.2%
Investment securities - available for sale	19,521	22,615	-13.7%	20,597	-5.2%
Investments - other	4,828	2,857	69.0%	4,634	4.2%
Gross loans	339,585	323,358	5.0%	343,605	-1.2%
Allowance for loan losses	(4,199)	(4,428)	-5.2%	(4,264)	-1.5%
Net loans	335,386	318,930	5.2%	339,341	-1.2%
Other real estate owned	2,919	4,042	-27.8%	2,968	-1.7%
Other assets	16,585	17,590	-5.7%	16,400	1.1%
Total Assets	$ 404,841	$ 387,097	4.6%	$ 400,542	1.1%
LIABILITIES					
Deposits	$ 327,980	$ 312,750	4.9%	$ 330,623	-0.8%
Repurchase agreements	1,123	2,326	-51.7%	548	104.9%
FHLB borrowings	21,000	21,550	-2.6%	16,000	31.3%
Junior subordinated debentures	8,248	8,248	0.0%	8,248	0.0%
Other liabilities	5,732	4,773	20.1%	5,173	10.8%
Total Liabilities	364,083	349,647	4.1%	360,592	1.0%
STOCKHOLDERS' EQUITY	40,758	37,450	8.8%	39,950	2.0%
Total Liabilities and Stockholders' Equity	$ 404,841	$ 387,097	4.6%	$ 400,542	1.1%
Shares outstanding at end-of-period	5,857,806	5,851,487		5,849,966	
Book value per share	$ 6.96	$ 6.40		$ 6.83	
Allowance for loan losses to total loans	1.24%	1.37%		1.24%	
Non-performing assets (non-accrual loans & OREO)	$ 3,091	$ 7,439		$ 2,968	
Bank Tier 1 leverage ratio	12.11%	11.73%		11.85%	
Bank Tier 1 risk-based capital ratio	12.30%	11.78%		11.87%	
Bank Total risk-based capital ratio	13.42%	13.00%		13.00%	

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

	Three Months Ended			Three Months Ended	
	3/31/2018	3/31/2017	% Change	12/31/2017	% Change
INTEREST INCOME					
Loans	$ 4,692	$ 4,133	13.5%	$ 4,613	1.7%
Investments - available for sale	126	119	5.9%	101	24.8%
Federal funds sold and other	73	49	49.0%	77	-5.2%
Total interest income	4,891	4,301	13.7%	4,791	2.1%
INTEREST EXPENSE					
Deposits	322	297	8.4%	313	2.9%
Repurchase agreements and federal funds purchased	1	1	0.0%	-	N/A
FHLB borrowings	91	144	-36.8%	127	-28.3%
Junior subordinated debentures	82	69	18.8%	77	6.5%
Total interest expense	496	511	-2.9%	517	-4.1%
NET INTEREST INCOME BEFORE LOAN LOSS PROVISION	4,395	3,790	16.0%	4,274	2.8%
PROVISION FOR LOAN LOSSES	-	-	N/A	-	N/A
NET INTEREST INCOME AFTER LOAN LOSS PROVISION	4,395	3,790	16.0%	4,274	2.8%
NON-INTEREST INCOME	211	214	-1.4%	208	1.4%
NON-INTEREST EXPENSE	2,856	2,530	12.9%	2,776	2.9%
MERGER RELATED EXPENSES	346	-	N/A	-	N/A
INVESTMENTS- REALIZED GAINS / (LOSSES)	-	-	N/A	(164)	-100.0%
OREO VALUATION ADJ. & GAINS/(LOSSES) ON SALES - NET	18	-	N/A	54	-66.7%
INCOME BEFORE PROVISION FOR INCOME TAXES	1,422	1,474	-3.5%	1,596	-10.9%
PROVISION FOR INCOME TAXES	358	535	-33.1%	576	-37.8%
INCOME BEFORE IMPACT OF TAX REFORM	$ 1,064	$ 939	13.3%	$ 1,020	4.3%
IMPACT OF TAX REFORM	-	-	N/A	1,046	-100.0%
NET INCOME	$ 1,064	$ 939	13.3%	$ (26)	4192.3%
Earnings per share - Basic	$ 0.18	$ 0.16		$ 0.00	
Earnings per share - Diluted	$ 0.18	$ 0.16		$ 0.00	
Return on average equity	10.62%	10.25%		-0.25%	
Return on average assets	1.07%	0.99%		-0.03%	
Net interest margin	4.71%	4.30%		4.53%	
Efficiency ratio	69.5%	63.2%		61.9%	
NON- GAAP RATIOS - EXCLUDE IMPACT OF TAX REFORM					
Earnings per share - Basic				$ 0.18	
Earnings per share - Diluted				$ 0.17	
Return on average equity				9.94%	
Return on average assets				1.01%	