

## **Pacific Commerce Bank and ProAmérica Bank Announce Agreement to Merge**

### **Second Transaction Announced by Pacific Commerce Bank in a Year**

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LOS ANGELES--(BUSINESS WIRE)--Pacific Commerce Bank, a wholly owned subsidiary of Pacific Commerce Bancorp, (OTC: "PCBC"), and ProAmérica Bank (OTC: "PMRA"), today announced that they have entered into a definitive agreement to merge the two banks into Pacific Commerce Bank. The combined institution will have total assets of approximately \$560 million upon the close and five offices from Downtown Los Angeles to south San Diego County. Subject to regulatory and shareholder approval, the merger is expected to close early in the second quarter of 2016. Under the terms of the agreement, Pacific Commerce Bank will operate ProAmérica's single branch office as ProAmérica Bank, a division of Pacific Commerce Bank.

"This transaction represents the culmination of a partnership that we have been developing for a number of years," said Tom Iino, Chairman of Pacific Commerce Bancorp and Bank. "We believe the combination of our two banks is a win-win for shareholders and will enable us to better serve each of our core constituencies and the community at large," he added.

Maria Salinas, Chairwoman of ProAmérica Bank, said, "We are pleased to be joining Pacific Commerce Bank, a respected organization that places great value on ProAmérica Bank's brand. This partnership brings value to the shareholders of both banks and demonstrates continued commitment to the Latino marketplace. The combined organization will have significantly higher lending limits, more product offerings and a branch network that will stretch all the way to the Mexican border."

Under the terms of the definitive agreement, two ProAmérica Bank directors will join the Pacific Commerce boards upon the close of the transaction. Frank Mercardante, Chief Executive Officer of both Pacific Commerce Bank and Bancorp said, "The combination of the two banks will provide us with better economies of scale and enable us to offer our loyal clients a broader array of banking services. Shareholders of the respective banks will benefit from greater efficiencies and a larger shareholder base, which should result in higher trading volumes. ProAmérica's historic client focus will be expanded geographically, encompassing a much broader market," he added.

ProAmérica Bank's shareholders will receive \$10.50 per PMRA common share in either cash or PCBC common stock. It is expected that up to 50% of the total consideration will be paid in cash and the balance in PCBC's common stock based on an exchange rate computed on the volume weighted average of the last reported sales price of PCBC's common stock on the Over-The-Counter Bulletin Board during the twenty (20) trading days ending on and including the fifth trading date before the close. The number of shares to be issued shall become fixed should the price of PCBC's common stock rise or fall more than 15% from \$6.35 per share.

Sal Varela, ProAmérica Bank founding director and interim President & CEO said, "Partnering with Pacific Commerce Bank provides us with a robust platform to expand community banking services to our existing clients and to grow in a broader marketplace. Our combined commitment to small business lending will bring a unique expertise to customers."

The price of \$10.50 represents 119% of PMRA's unaudited tangible book value per share at September 30, 2015 and is anticipated to be immediately accretive to PCBC's earnings in 2016. PCBC and PMRA's board of directors have approved the merger agreement, and Directors and executive officers of PMRA have entered into agreements whereby they have

committed to vote their shares in favor of the transaction. The closing of the merger is subject to satisfaction of customary closing conditions, including regulatory approvals and approval of both PCBC and PMRA shareholders.

Pacific Commerce Bank was advised and received a fairness opinion for the transaction from FIG Partners, LLC, and Stuart | Moore served as legal counsel.

ProAmérica Bank was advised by and received a fairness opinion for the transaction from Keefe, Bruyette & Woods, A Stifel Company and Manatt, Phelps and Phillips, LLP served as legal counsel.

ProAmérica Bank has one branch office located in Los Angeles, and had total assets of \$211.1 million, total deposits of \$181.2 million, and total loans of \$133.7 million as of September 30, 2015. Pacific Commerce Bank has four branch offices in Los Angeles, West Los Angeles, Chula Vista and San Diego and had total assets of \$349.5 million, total deposits of \$276.7 million and total loans of \$290.0 million as of September 30, 2015.

### **About Pacific Commerce Bancorp**

Pacific Commerce Bancorp is the parent company for Pacific Commerce Bank. Pacific Commerce Bank provides complete deposit and loan banking solutions to small businesses, professionals and high net worth individuals from Los Angeles to the Mexican border. The Bank is a **Preferred SBA Lender** and operates offices in Downtown Los Angeles, West Los Angeles, San Diego and Chula Vista. Pacific Commerce Bancorp's common stock is publically traded on the Over The Counter Market under the ticker symbol "PCBC". For more information please visit our website at [www.pacificcommercebank.com](http://www.pacificcommercebank.com).

### **About ProAmérica Bank**

ProAmérica Bank provides a full range of financial services, including credit and deposit products, SBA loan products, cash management, and internet banking for businesses, professionals, nonprofits and high net worth individuals from its headquarters office at 888 West Sixth Street, Second Floor, Los Angeles, CA 90017-2728. Information on products and services may be obtained by calling (213) 613-5000 or visiting the Bank's website at [www.PROAMERICABANK.com](http://www.PROAMERICABANK.com).

### **Forward-Looking Statements**

Statements made in this release, other than those concerning historical financial information, may be considered forward-looking statements, which speak only as of the date of this release and are based on current expectations and involve a number of assumptions. These include statements as to the anticipated benefits of the merger, including future financial and operating results, cost savings and enhanced revenues that may be realized from the merger as well as other statements of expectations regarding the merger and any other statements regarding future results or expectations. Each of PCBC and PMRA intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and is including this statement for purposes of these safe harbor provisions. The companies' respective abilities to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material effect on the operations and future prospects of each of PCBC and PMRA and the resulting company, include but are not limited to: the businesses of PCBC and/or PMRA may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; expected revenue synergies and cost savings from the merger may not be fully realized or realized within the expected time frame; revenues following the merger may be lower than expected; customer and employee relationships and business operations may be disrupted by the merger; the ability to obtain required regulatory and shareholder approvals, and the ability to complete the merger on the expected timeframe may be more difficult, time-consuming or costly than expected; changes in interest rates, general economic conditions, legislative/regulatory changes, monetary and fiscal policies of the U.S. government, including policies of the U.S. Treasury and the Board of Governors of the Federal Reserve; the quality and composition of the loan and securities portfolios; demand for loan products; deposit flows; competition; demand for financial services in the companies' respective market areas; their implementation of new technologies; their ability to develop and maintain secure and reliable electronic systems; and accounting principles, policies, and guidelines, and other risk factors detailed from time to time. PCBC and PMRA undertake no obligation to update or clarify these forward-looking statements, whether as a result of new information, future events or otherwise.

### **Additional Information about the Proposed Transaction and Where to Find It**

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. In connection with the proposed transaction, Pacific Commerce Bancorp expects to prepare and file with the California Department of Business Oversight certain applications containing, among other things, a joint proxy statement/prospectus and other documents with respect to the proposed Merger. INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) AND OTHER RELEVANT DOCUMENTS PROVIDED BY PACIFIC COMMERCE BANCORP, PACIFIC COMMERCE BANK, AND PROAMERICA BANK IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.

Investors may obtain free copies of the joint proxy statement/prospectus and other relevant documents prepared by Pacific Commerce Bancorp and ProAmérica Bank (if and when they become available) free of charge by contacting Pacific Commerce Bancorp at [www.pacificcommercebank.com](http://www.pacificcommercebank.com) or ProAmérica Bank at [www.PROAMERICABANK.com](http://www.PROAMERICABANK.com).

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