



FOR IMMEDIATE RELEASE

Private Bancorp of America, Inc. Announces Strong Net Income and Earnings Per Share for First Quarter 2024

First Quarter 2024 Highlights

- Net income for the first quarter of 2024 of \$7.9 million, compared to \$7.9 million in the prior quarter and \$9.0 million in the first quarter of 2023. Net income for the first quarter of 2024 represents a return on average assets of 1.48% and a return on average tangible common equity of 16.86%
- Diluted earnings per share for the first quarter of 2024 of \$1.36, compared to \$1.36 in the prior quarter and \$1.57 in the first quarter of 2023
- Loans held-for-investment (“HFI”) totaled \$1.91 billion as of March 31, 2024, an increase of \$59.8 million or 3.2% (13.0% annualized) from December 31, 2023. Loans HFI increased 17.5% year over year
- Provision for credit losses for the first quarter of 2024 was \$0.2 million, compared to \$0.5 million for the prior quarter and \$0.1 million for the first quarter of 2023. The allowance for loan losses was 1.29% of loans HFI as of March 31, 2024
- Total deposits were \$1.90 billion as of March 31, 2024, an increase of \$29.3 million or 1.6% (6.3% annualized) from December 31, 2023. Federal Home Loan Bank advances decreased by \$4.0 million as a consequence of deposit growth. Core deposits were \$1.61 billion as of March 31, 2024, an increase of \$22.1 million or 1.4% from December 31, 2023
- Net interest margin was 4.31% for the first quarter of 2024, as compared to 4.33% for the prior quarter and 4.90% for the first quarter of 2023
- Total cost of funding sources was 2.70% for the first quarter of 2024, an increase from 2.53% in the prior quarter and 1.39% in the first quarter of 2023
- Tangible book value per share was \$33.55 as of March 31, 2024, an increase of \$1.47 since December 31, 2023 as a result of strong earnings. Tangible book value per share increased 4.6% quarter-over-quarter and 27.6% year over year.

La Jolla, Calif. – April 19, 2024 (GLOBE NEWSWIRE) - Private Bancorp of America, Inc. (OTCQX: PBAM), (“Company”) and CalPrivate Bank (“Bank”) announced unaudited financial results for the first fiscal quarter ended March 31, 2024. The Company reported net income of \$7.9 million, or \$1.36 per diluted share, for the first quarter of 2024, compared to \$7.9 million, or \$1.36, in the prior quarter, and \$9.0 million, or \$1.57, in the first quarter of 2023.

Rick Sowers, President and CEO of the Company and the Bank stated, “We are pleased with our Team’s ability to continue to grow the balance sheet and bring on new Clients. By putting the Client at the center of what we do, we are able to exceed expectations and earn their Trust. Our Service and Relationship Teams continue to excel in a challenging environment. Our performance is a reflection of our Client focused, profit driven mindset. Our goal continues to be adding value for our Team, our Clients and our Shareholders.”

Sowers added, “We view this as an opportunistic market. We continue to hire great bankers who share our culture and passion for Client service. Disruption in our markets continues to provide opportunities for us to grow and we fully intend to take advantage of those. To support that growth, we continue to forge ahead with infrastructure and technology investments to support our business and private banking clients, both now and into the future.”

“The Company continues to exhibit successful customer acquisition activity despite a challenging interest rate environment. Additionally, the Company is investing in people and infrastructure, including strong risk management, product strategy and innovation needed to support the continued growth of the CalPrivate franchise,” said Selwyn Isakow, Chairman of the Board of the Company and the Bank.

STATEMENT OF INCOME

Net Interest Income

Net interest income for the first quarter of 2024 totaled \$22.8 million, an increase of \$0.6 million or 2.6% from the prior quarter and an increase of \$0.6 million or 2.7% from the first quarter of 2023. The increase from the prior quarter was driven primarily by 4.4% growth in interest-earning assets and a 14 basis point increase in asset yields as interest income increased by \$1.7 million. Partially offsetting this was an increase of \$1.1 million in interest expense, which resulted from a 8.2% increase in average interest bearing-liabilities and a 9 basis point increase in the cost of interest-bearing liabilities.

Net Interest Margin

Net interest margin for the first quarter of 2024 was 4.31%, compared to 4.33% for the prior quarter and 4.90% in the first quarter of 2023. The 2 basis point decrease in net interest margin from the prior quarter was due primarily to higher rates paid on deposits, partially offset by higher rates on new loan originations and variable rate loans and investment securities. The yield on earning assets was 6.78% for the first quarter of 2024 compared to 6.64% for the prior quarter, and the cost of interest-bearing liabilities was 3.77% for the first quarter of 2024 compared to 3.68% in the prior quarter. The cost of total deposits was 2.61% for the first quarter of 2024 compared to 2.41% in the prior quarter. The cost of core deposits, which excludes brokered deposits, was 2.14% in the first quarter of 2024 compared to 1.93% in the prior quarter. The spot rate for total deposits was 2.66% as of March 31, 2024, compared to 2.49% at December 31, 2023.

Provision for Credit Losses

Provision expense for credit losses for the first quarter of 2024 was \$0.2 million, compared to \$0.5 million in the prior quarter and \$0.1 million for the first quarter of 2023. For more details, please refer to the “Asset Quality” section below.

Noninterest Income

Noninterest income was \$1.4 million for the first quarter of 2024, compared to \$1.2 million in the prior quarter and \$1.5 million in the first quarter of 2023. SBA loan sales for the first quarter of 2024 were \$8.9 million with a 10.84% average trade premium resulting in a net gain on sale of \$681 thousand, compared with \$6.7 million with a 9.62% average trade premium resulting in a net gain on sale of \$436 thousand in the prior quarter. Management expects continued softness in the market for SBA 7a loans.

Noninterest Expense

Noninterest expense was \$12.8 million for the first quarter of 2024, compared to \$11.8 million in the prior quarter and \$11.6 million in the first quarter of 2023. Compensation and employee benefits expense increased \$919 thousand compared to the prior quarter driven by seasonal increases to benefit expenses and employer taxes, annual merit increases and adjustments to share-based compensation. The efficiency ratio was 52.84% for the first quarter of 2024 compared to 50.22% in the prior quarter and 48.90% in the first quarter of 2023. The increase in the efficiency ratio from the prior quarter was due primarily to the aforementioned increases in compensation and employee benefits expense.

The Company remains committed to making investments in the business, including technology, marketing, and staffing. Inflationary pressures and low unemployment continue to have an impact on rising wages as well as increased costs related to third party service providers, which we proactively monitor and manage.

Provision for Income Tax Expense

Provision for income tax expense was \$3.3 million for the first quarter of 2024, compared to \$3.3 million for the prior quarter. The effective tax rate for the first quarter of 2024 was 29.5%, compared to 29.9% in the prior quarter and 25.2% in the first quarter of 2023.

STATEMENT OF FINANCIAL CONDITION

As of March 31, 2024, total assets were \$2.19 billion, an increase of \$35.3 million since December 31, 2023. The increase in assets from the prior quarter was primarily due to higher loans receivable and investment securities, partially offset by the decrease in cash balances. Total cash and due from banks was \$141.5 million as of March 31, 2024, a decrease of \$36.6 million or 20.5%, since December 31, 2023, primarily due to the use of funds that were deposited at the end of the prior quarter. Loans HFI totaled \$1.91 billion as of March 31, 2024, an increase of \$59.8 million or 3.2% since December 31, 2023. Investment securities available for sale (“AFS”) were \$114.1 million as of March 31, 2024, an increase of \$11.6 million or 11.3% since December 31, 2023 as a result of new securities

purchased. As of March 31, 2024, the net unrealized loss on the AFS investment securities portfolio, which is comprised mostly of US Treasury and Government Agency debt, was \$12.4 million (pre-tax) compared to a loss of \$12.1 million (pre-tax) as of December 31, 2023. The average duration of the Bank’s AFS portfolio is 3.6 years. The Company has no held-to-maturity securities.

Total deposits were \$1.90 billion as of March 31, 2024, an increase of \$29.3 million since December 31, 2023. During the quarter, core deposits increased by \$22.1 million, which was driven by a \$78.5 million increase in interest-bearing core deposits (including balances in the Intrafi ICS and CDARS programs), partially offset by a \$56.5 million decrease in noninterest-bearing core deposits. Deposit mix has continued to shift while short-term interest rates remain higher. Noninterest-bearing deposits represent 32.1% of total core deposits. Uninsured deposits, net of collateralized and fiduciary deposit accounts, represent 46.3% of total deposits as of March 31, 2024.

As of March 31, 2024, total available liquidity was \$1.6 billion or 181% of uninsured deposits, net of collateralized and fiduciary deposit accounts. Total available liquidity is comprised of \$247 million of on-balance sheet liquidity (cash and investment securities) and \$1.4 billion of unused borrowing capacity.

Asset Quality and Allowance for Credit Losses ("ACL")

As of March 31, 2024, the allowance for loan losses was \$24.7 million or 1.29% of loans HFI, compared to \$24.5 million or 1.33% as of December 31, 2023. The decrease in the coverage ratio from December 31, 2023 primarily reflects improvements in the economic forecasts used for estimating credit losses. The Company continues to have strong credit metrics and its nonperforming assets are 0.21% of total assets as of March 31, 2024. The reserve for unfunded commitments was \$1.7 million as of March 31, 2024, compared to \$1.7 million as of December 31, 2023. Given the credit quality of the loan portfolio, management believes we are sufficiently reserved.

At March 31, 2024 and December 31, 2023, there are no doubtful credits and classified assets were \$10.8 million and \$11.0 million, respectively. Total classified assets consisted of nine loans as of March 31, 2024, which included six loans totaling \$6.9 million secured by real estate with a weighted average LTV of 43.3%. The remaining three loans were commercial and industrial loans, the first of which was an SBA loan with a balance of \$1.0 million, which is 90% guaranteed by the SBA, the second had a balance of \$0.3 million and was secured by a UCC-1 lien and the third was a \$2.5 million nonaccrual loan with a specific reserve of \$1.75 million.

Capital Ratios ⁽²⁾

The Bank’s capital ratios were in excess of the levels established for “well capitalized” institutions and are as follows:

	March 31, 2024 ⁽²⁾	December 31, 2023
CalPrivate Bank		
Tier I leverage ratio	10.08%	10.07%
Tier I risk-based capital ratio	11.20%	11.02%
Total risk-based capital ratio	12.45%	12.27%

(2) *March 31, 2024 capital ratios are preliminary and subject to change.*

About Private Bancorp of America, Inc.

Private Bancorp of America, Inc. (OTCQX: PBAM), is the holding company for CalPrivate Bank. CalPrivate Bank provides a *Distinctly Different* banking experience through unparalleled service and creative funding solutions to high-net-worth individuals, professionals, locally owned businesses, and real estate entrepreneurs. Customers are serviced through offices in Coronado, San Diego, La Jolla, Newport Beach, El Segundo and Beverly Hills as well as efficient electronic banking offerings. The Bank also offers various portfolio and government guaranteed lending programs, including SBA and cross-border Export-Import Bank programs. CalPrivate Bank is an SBA Preferred Lender and a Bauer Financial 5-star rated bank.

CalPrivate Bank’s website is www.calprivate.bank.

Non-GAAP Financial Measures

This press release contains certain non-GAAP financial measures in addition to results presented in accordance with GAAP, including adjusted income before provision for income taxes, adjusted net income, adjusted diluted earnings per share (“Adjusted EPS”), efficiency ratio, adjusted efficiency ratio, pretax pre-provision net revenue, average tangible common equity, adjusted return on average assets, return on average tangible common equity and adjusted return on average tangible common equity. The Company uses certain non-GAAP financial measures to provide meaningful supplemental information regarding the Company’s results of operations and financial condition and to enhance investors’ overall understanding of such results of operations and financial condition, permit investors

to effectively analyze financial trends of our business activities, and enhance comparability with peers across the financial services sector. These non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, financial measures prepared in accordance with GAAP and should be read in conjunction with the Company's GAAP financial information. A reconciliation of the most comparable GAAP financial measures to non-GAAP financial measures is included in the accompanying financial tables.

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Safe Harbor Paragraph

This communication contains expressions of expectations, both implied and explicit, that are "forward-looking statements" within the meaning of such term in the Private Securities Litigation Reform Act of 1995. We caution you that a number of important factors could cause actual results to differ materially from those in the forward-looking statements, especially given the current turmoil in the banking and financial markets. These factors include the effects of depositors withdrawing funds unexpectedly, counterparties being unable to provide liquidity sources that we believe should be available, loan losses, economic conditions and competition in the geographic and business areas in which Private Bancorp of America, Inc. operates, including competition in lending and deposit acquisition, the unpredictability of fee income from participation in SBA loan programs, the effects of bank failures, liquidations and mergers in our markets and nationally, our ability to successfully integrate and develop business through the addition of new personnel, whether our efforts to expand loan, product and service offerings will prove profitable, system failures and data security, whether we can effectively secure and implement new technology solutions, inflation, fluctuations in interest rates, legislation and governmental regulation. You should not place undue reliance on forward-looking statements, and we undertake no obligation to update those statements whether as a result of changes in underlying factors, new information, future events or otherwise. These factors could cause actual results to differ materially from what we anticipate or project. You should not place undue reliance on any such forward-looking statement, which speaks only as of the date on which it was made. Although we in good faith believe the assumptions and bases supporting our forward-looking statements to be reasonable there can be no assurance that those assumptions and bases will prove accurate.

PRIVATE BANCORP OF AMERICA, INC.
CONSOLIDATED BALANCE SHEET
(Unaudited)
(Dollars in thousands)

	Mar 31, 2024	Dec 31, 2023	Mar 31, 2023
Assets			
Cash and due from banks	\$ 13,136	\$ 19,811	\$ 13,347
Interest-bearing deposits in other financial institutions	34,790	39,667	73,420
Interest-bearing deposits at Federal Reserve Bank	93,575	118,622	125,045
Total cash and due from banks	141,501	178,100	211,812
Interest-bearing time deposits with other institutions	4,032	4,000	7,661
Investment debt securities available for sale	114,067	102,499	103,790
Loans held for sale	383	1,233	465
Loans, net of deferred fees and costs and unaccreted discounts	1,906,992	1,847,161	1,623,028
Allowance for loan losses	(24,693)	(24,476)	(21,135)
Loans held-for-investment, net of allowance	1,882,299	1,822,685	1,601,893
Federal Home Loan Bank stock, at cost	8,915	8,915	7,020
Right of use asset	2,765	3,096	2,889
Premises and equipment, net	1,804	1,700	1,744
Servicing assets, net	2,203	2,318	3,057
Accrued interest receivable	7,931	7,499	5,674
Other assets	21,877	20,423	20,623
Total assets	\$ 2,187,777	\$ 2,152,468	\$ 1,966,628
Liabilities and Shareholders' Equity			
Liabilities			
Noninterest bearing	\$ 516,294	\$ 572,755	\$ 639,664
Interest bearing	1,388,381	1,302,615	944,102
Total deposits	1,904,675	1,875,370	1,583,766
FHLB borrowings	53,000	57,000	192,000
Other borrowings	17,963	17,961	17,956
Accrued interest payable and other liabilities	18,107	16,354	20,592
Total liabilities	1,993,745	1,966,685	1,814,314
Shareholders' equity			
Common stock	74,105	74,003	73,254
Additional paid-in capital	4,108	3,679	3,289
Retained earnings	124,464	116,604	84,751
Accumulated other comprehensive (loss) income, net	(8,645)	(8,503)	(8,980)
Total shareholders' equity	194,032	185,783	152,314
Total liabilities and shareholders' equity	\$ 2,187,777	\$ 2,152,468	\$ 1,966,628

PRIVATE BANCORP OF AMERICA, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(Dollars in thousands, except per share amounts)

	For the three months ended		
	Mar 31, 2024	Dec 31, 2023	Mar 31, 2023
Interest Income			
Loans	\$ 33,006	\$ 31,482	\$ 26,228
Investment securities	979	655	580
Deposits in other financial institutions	1,799	1,926	1,150
Total interest income	35,784	34,063	27,958
Interest Expense			
Deposits	12,130	10,874	4,924
Borrowings	886	1,001	866
Total interest expense	13,016	11,875	5,790
Net interest income	22,768	22,188	22,168
Provision (reversal) for credit losses	233	459	73
Net interest income after provision for credit losses	22,535	21,729	22,095
Noninterest income:			
Service charges on deposit accounts	388	373	348
Net gain on sale of loans	681	436	474
Other noninterest income	357	435	643
Total noninterest income	1,426	1,244	1,465
Noninterest expense:			
Compensation and employee benefits	8,861	7,942	8,030
Occupancy and equipment	770	790	806
Data processing	1,058	1,001	944
Professional services	488	410	438
Other expenses	1,606	1,625	1,339
Total noninterest expense	12,783	11,768	11,557
Income before provision for income taxes	11,178	11,205	12,003
Provision for income taxes	3,294	3,346	3,029
Net income	\$ 7,884	\$ 7,859	\$ 8,974
Net income available to common shareholders	\$ 7,832	\$ 7,800	\$ 8,923
Earnings per share			
Basic earnings per share	\$ 1.38	\$ 1.38	\$ 1.59
Diluted earnings per share	\$ 1.36	\$ 1.36	\$ 1.57
Average shares outstanding	5,679,843	5,664,028	5,608,193
Diluted average shares outstanding	5,754,937	5,723,735	5,673,394

PRIVATE BANCORP OF AMERICA, INC.
Consolidated average balance sheet, interest, yield and rates
(Unaudited)
(Dollars in thousands)

	Mar 31, 2024			For the three months ended Dec 31, 2023			Mar 31, 2023		
	Average Balance	Interest	Average Yield/Rate	Average Balance	Interest	Average Yield/Rate	Average Balance	Interest	Average Yield/Rate
Interest-Earnings Assets									
Deposits in other financial institutions	\$ 135,511	\$ 1,799	5.34%	\$ 144,265	\$ 1,926	5.30%	\$ 123,159	\$ 1,150	3.79%
Investment securities	119,690	979	3.27%	101,719	655	2.58%	112,694	580	2.06%
Loans, including LHFS	1,868,308	33,006	7.11%	1,788,572	31,482	6.98%	1,597,236	26,228	6.66%
Total interest-earning assets	2,123,509	35,784	6.78%	2,034,556	34,063	6.64%	1,833,089	27,958	6.19%
Noninterest-earning assets	25,469			27,930			24,905		
Total Assets	\$ 2,148,978			\$ 2,062,486			\$ 1,857,994		
Interest-Bearing Liabilities									
Interest bearing DDA, excluding brokered	109,838	441	1.61%	112,580	503	1.77%	100,640	343	1.38%
Savings & MMA, excluding brokered	765,770	6,421	3.37%	713,754	5,811	3.23%	619,316	2,378	1.56%
Time deposits, excluding brokered	155,703	1,583	4.09%	123,985	1,155	3.70%	83,032	456	2.23%
Total deposits, excluding brokered	1,031,311	8,445	3.29%	950,319	7,469	3.12%	802,988	3,177	1.60%
Total brokered deposits	287,885	3,685	5.15%	256,761	3,405	5.26%	151,993	1,747	4.66%
Total Interest-Bearing Deposits	1,319,196	12,130	3.70%	1,207,080	10,874	3.57%	954,981	4,924	2.09%
FHLB advances	49,935	614	4.95%	56,511	728	5.11%	48,711	594	4.95%
Other borrowings	17,962	272	6.09%	17,960	273	6.03%	17,976	272	6.14%
Total Interest-Bearing Liabilities	1,387,093	13,016	3.77%	1,281,551	11,875	3.68%	1,021,668	5,790	2.30%
Noninterest-bearing deposits	553,541			581,579			669,796		
Total Funding Sources	1,940,634	13,016	2.70%	1,863,130	11,875	2.53%	1,691,464	5,790	1.39%
Noninterest-bearing liabilities	18,018			19,069			19,752		
Shareholders' equity	190,326			180,287			146,778		
Total Liabilities and Shareholders' Equity	\$ 2,148,978			\$ 2,062,486			\$ 1,857,994		
Net interest income/spread		<u>\$ 22,768</u>	4.08%		<u>\$ 22,188</u>	4.11%		<u>\$ 22,168</u>	4.80%
Net interest margin			4.31%			4.33%			4.90%

PRIVATE BANCORP OF AMERICA, INC.
Condensed Balance Sheets
(Unaudited)
(Dollars in thousands, except per share amounts)

	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Assets					
Cash and due from banks	\$ 141,501	\$ 178,100	\$ 198,328	\$ 135,859	\$ 211,812
Interest-bearing time deposits with other institutions	4,032	4,000	1,500	7,661	7,661
Investment securities	114,067	102,499	86,648	94,574	103,790
Loans held for sale	383	1,233	4,071	1,982	465
Total loans held-for-investment	1,906,992	1,847,161	1,764,846	1,717,705	1,623,028
Allowance for loan losses	(24,693)	(24,476)	(23,789)	(22,588)	(21,135)
Loans held-for-investment, net of allowance	1,882,299	1,822,685	1,741,057	1,695,117	1,601,893
Right of use asset	2,765	3,096	2,827	2,525	2,889
Premises and equipment, net	1,804	1,700	1,447	1,539	1,744
Other assets and interest receivable	40,926	39,155	38,341	37,480	36,374
Total assets	\$ 2,187,777	\$ 2,152,468	\$ 2,074,219	\$ 1,976,737	\$ 1,966,628
Liabilities and Shareholders' Equity					
Liabilities					
Noninterest Bearing	\$ 516,294	\$ 572,755	\$ 595,023	\$ 657,980	\$ 639,664
Interest Bearing	1,388,381	1,302,615	1,174,664	1,041,192	944,102
Total Deposits	1,904,675	1,875,370	1,769,687	1,699,172	1,583,766
Borrowings	70,963	74,961	99,959	83,958	209,956
Accrued interest payable and other liabilities	18,107	16,354	29,894	26,396	20,592
Total liabilities	1,993,745	1,966,685	1,899,540	1,809,526	1,814,314
Shareholders' equity					
Common stock	74,105	74,003	73,416	73,379	73,254
Additional paid-in capital	4,108	3,679	3,584	3,405	3,289
Retained earnings	124,464	116,604	108,757	100,281	84,751
Accumulated other comprehensive (loss) income	(8,645)	(8,503)	(11,078)	(9,854)	(8,980)
Total shareholders' equity	194,032	185,783	174,679	167,211	152,314
Total liabilities and shareholders' equity	\$ 2,187,777	\$ 2,152,468	\$ 2,074,219	\$ 1,976,737	\$ 1,966,628
Book value per common share	\$ 33.94	\$ 32.48	\$ 30.63	\$ 29.32	\$ 26.83
Tangible book value per common share ⁽¹⁾	\$ 33.55	\$ 32.08	\$ 30.20	\$ 28.82	\$ 26.30
Shares outstanding	5,717,519	5,719,115	5,703,350	5,702,637	5,676,017

(1) Non-GAAP measure. See GAAP to non-GAAP Reconciliation table.

PRIVATE BANCORP OF AMERICA, INC.
Condensed Statements of Income
(Unaudited)
(Dollars in thousands, except per share amounts)

	For the three months ended				
	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Interest income	\$ 35,784	\$ 34,063	\$ 32,878	\$ 30,763	\$ 27,958
Interest expense	13,016	11,875	9,623	8,055	5,790
Net interest income	22,768	22,188	23,255	22,708	22,168
Provision (reversal) for credit losses	233	459	471	(7,149)	73
Net interest income after provision for credit losses	22,535	21,729	22,784	29,857	22,095
Service charges on deposit accounts	388	373	313	310	348
Net gain on sale of loans	681	436	466	171	474
Other noninterest income	357	435	380	573	643
Total noninterest income	1,426	1,244	1,159	1,054	1,465
Compensation and employee benefits	8,861	7,942	7,512	7,189	8,030
Occupancy and equipment	770	790	781	795	806
Data processing	1,058	1,001	1,064	878	944
Professional services	488	410	564	(836)	438
Other expenses	1,606	1,625	1,922	776	1,339
Total noninterest expense	12,783	11,768	11,843	8,802	11,557
Income before provision for income taxes	11,178	11,205	12,100	22,109	12,003
Income taxes	3,294	3,346	3,611	6,575	3,029
Net income	\$ 7,884	\$ 7,859	\$ 8,489	\$ 15,534	\$ 8,974
Net income available to common shareholders	\$ 7,832	\$ 7,800	\$ 8,422	\$ 15,407	\$ 8,923
Earnings per share					
Basic earnings per share	\$ 1.38	\$ 1.38	\$ 1.49	\$ 2.72	\$ 1.59
Diluted earnings per share	\$ 1.36	\$ 1.36	\$ 1.47	\$ 2.69	\$ 1.57
Average shares outstanding	5,679,843	5,664,028	5,658,340	5,654,435	5,608,193
Diluted average shares outstanding	5,754,937	5,723,735	5,709,994	5,726,522	5,673,394

	Performance Ratios				
	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
ROAA	1.48%	1.51%	1.68%	3.18%	1.96%
ROAE	16.66%	17.29%	19.43%	38.42%	24.80%
ROATCE ⁽¹⁾	16.86%	17.53%	19.74%	39.14%	25.32%
Net interest margin	4.31%	4.33%	4.67%	4.73%	4.90%
Net interest spread	4.08%	4.11%	4.48%	4.58%	4.80%
Efficiency ratio ⁽¹⁾	52.84%	50.22%	48.51%	37.04%	48.90%
Noninterest expense / average assets	2.39%	2.26%	2.34%	1.80%	2.52%

(1) Non-GAAP measure. See GAAP to non-GAAP Reconciliation table.

PRIVATE BANCORP OF AMERICA, INC.
(Unaudited)

Selected Quarterly Average Balances
(Dollars in thousands)

For the three months ended

	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Total assets	\$ 2,148,978	\$ 2,062,486	\$ 2,005,197	\$ 1,959,802	\$ 1,857,994
Earning assets	\$ 2,123,509	\$ 2,034,556	\$ 1,977,009	\$ 1,927,061	\$ 1,833,089
Total loans, including loans held for sale	\$ 1,868,308	\$ 1,788,572	\$ 1,745,113	\$ 1,675,790	\$ 1,597,236
Total deposits	\$ 1,872,737	\$ 1,788,659	\$ 1,698,892	\$ 1,656,540	\$ 1,624,777
Total shareholders' equity	\$ 190,326	\$ 180,287	\$ 173,347	\$ 162,173	\$ 146,778

Loan Balances by Type
(Dollars in thousands)

	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Commercial Real Estate (CRE):					
Investor owned	\$ 573,587	\$ 583,069	\$ 541,088	\$ 527,819	\$ 514,194
Owner occupied	216,123	202,106	185,296	177,177	178,511
Multifamily	175,629	168,324	159,700	158,082	151,262
Secured by single family	157,092	146,370	153,132	148,464	147,813
Land and construction	35,975	33,655	30,253	32,519	26,953
SBA secured by real estate	385,416	349,676	343,576	329,403	272,059
Total CRE	1,543,822	1,483,200	1,413,045	1,373,464	1,290,792
Commercial business:					
Commercial and industrial	352,417	350,879	337,815	332,394	319,154
SBA non-real estate secured	8,657	9,807	11,081	9,121	10,591
Total commercial business	361,074	360,686	348,896	341,515	329,745
Consumer	2,096	3,275	2,905	2,726	2,491
Total loans held for investment	<u>\$ 1,906,992</u>	<u>\$ 1,847,161</u>	<u>\$ 1,764,846</u>	<u>\$ 1,717,705</u>	<u>\$ 1,623,028</u>

Deposits by Type
(Dollars in thousands)

	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Noninterest-bearing DDA	\$ 516,294	\$ 572,755	\$ 595,023	\$ 657,980	\$ 639,664
Interest-bearing DDA, excluding brokered	117,129	121,829	108,508	101,064	99,988
Savings & MMA, excluding brokered	812,841	742,617	696,499	670,195	637,031
Time deposits, excluding brokered	160,605	147,583	122,622	105,757	77,052
Total deposits, excluding brokered	1,606,869	1,584,784	1,522,652	1,534,996	1,453,735
Total brokered deposits	297,806	290,586	247,035	164,176	130,031
Total deposits	<u>\$ 1,904,675</u>	<u>\$ 1,875,370</u>	<u>\$ 1,769,687</u>	<u>\$ 1,699,172</u>	<u>\$ 1,583,766</u>

PRIVATE BANCORP OF AMERICA, INC.
(Unaudited)

Rollforward of Allowance for Credit Losses
(Dollars in thousands)
For the three months ended

	<u>Mar 31, 2024</u>	<u>Dec 31, 2023</u>	<u>Sep 30, 2023</u>	<u>Jun 30, 2023</u>	<u>Mar 31, 2023</u>
Allowance for loan losses:					
Beginning balance	\$ 24,476	\$ 23,789	\$ 22,588	\$ 21,135	\$ 19,152
Impact of CECL adoption	-	-	-	-	1,910
Provision for loan losses	251	687	1,194	(7,149)	73
Net (charge-offs) recoveries	(34)	-	7	8,602	-
Ending balance	24,693	24,476	23,789	22,588	21,135
Reserve for unfunded commitments ⁽¹⁾	1,723	1,741	1,969	2,172	2,802
Total allowance for credit losses	<u>\$ 26,416</u>	<u>\$ 26,217</u>	<u>\$ 25,758</u>	<u>\$ 24,760</u>	<u>\$ 23,937</u>

(1) Includes \$974 thousand related to the impact of CECL adoption on January 1, 2023.

Asset Quality
(Dollars in thousands)

	<u>Mar 31,</u> <u>2024</u>	<u>Dec 31, 2023</u>	<u>Sep 30, 2023</u>	<u>Jun 30, 2023</u>	<u>Mar 31,</u> <u>2023</u>
Total loans held-for-investment	\$1,906,992	\$1,847,161	\$1,764,846	\$1,717,705	\$1,623,028
Allowance for loan losses	\$ (24,693)	\$ (24,476)	\$ (23,789)	\$ (22,588)	\$ (21,135)
30-89 day past due loans	\$ -	\$ 1,470	\$ 2,500	\$ -	\$ -
90+ day past due loans	\$ 3,530	\$ 3,874	\$ 1,374	\$ 3,701	\$ 3,058
Nonaccrual loans	\$ 4,656	\$ 5,053	\$ 5,105	\$ 3,354	\$ 4,384
NPAs / Assets	0.21%	0.23%	0.25%	0.17%	0.22%
NPLs / Total loans held-for-investment & OREO	0.24%	0.27%	0.29%	0.20%	0.27%
Net quarterly charge-offs (recoveries)	\$ 34	\$ -	\$ (7)	\$ (8,602)	\$ -
Net charge-offs (recoveries) /avg loans (annualized)	0.01%	0.00%	0.00%	(2.05)%	0.00%
Allowance for loan losses to loans HFI	1.29%	1.33%	1.35%	1.32%	1.30%
Allowance for loan losses to nonaccrual loans	530.35%	484.39%	465.99%	673.46%	482.09%

PRIVATE BANCORP OF AMERICA, INC.
(Unaudited)

The following tables present a reconciliation of non-GAAP financial measures to GAAP measures for: adjusted income before provision for income taxes, adjusted net income and adjusted EPS. We believe the presentation of certain non-GAAP financial measures provides useful information to assess our consolidated financial condition and consolidated results of operations and to assist investors in evaluating our financial results relative to our peers. These non-GAAP financial measures complement our GAAP reporting and are presented below to provide investors and others with information that we use to manage the business each period. Because not all companies use identical calculations, the presentation of these non-GAAP financial measures may not be comparable to other similarly titled measures used by other companies. These non-GAAP measures should be taken together with the corresponding GAAP measures and should not be considered a substitute of the GAAP measures.

	GAAP to Non-GAAP Reconciliation (Dollars in thousands, except per share amounts)				
	For the three months ended				
	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Adjusted income before provision for income taxes					
Income before provision for income taxes	\$ 11,178	\$ 11,205	\$ 12,100	\$ 22,109	\$ 12,003
ANI recovery ⁽¹⁾	-	-	-	(7,708)	-
Settlement of legal fees related to ANI litigation ⁽²⁾	-	-	-	(1,635)	-
Recovery of principal and interest on a loan acquired with credit deterioration as part of a business combination ⁽³⁾	-	-	-	(986)	-
Adjusted income before provision for income taxes (non-GAAP)	\$ 11,178	\$ 11,205	\$ 12,100	\$ 11,780	\$ 12,003
Adjusted net income					
Net income	\$ 7,884	\$ 7,859	\$ 8,489	\$ 15,534	\$ 8,974
ANI recovery, net of tax ⁽¹⁾⁽⁴⁾	-	-	-	(5,430)	-
Settlement of legal fees related to ANI litigation, net of tax ⁽²⁾⁽⁴⁾	-	-	-	(1,152)	-
Recovery of principal and interest on a loan acquired with credit deterioration as part of a business combination, net of tax ⁽³⁾⁽⁴⁾	-	-	-	(694)	-
Adjusted net income (non-GAAP)	\$ 7,884	\$ 7,859	\$ 8,489	\$ 8,258	\$ 8,974
Adjusted diluted earnings per share ("Adjusted EPS")					
Diluted earnings per share	\$ 1.36	\$ 1.36	\$ 1.47	\$ 2.69	\$ 1.57
ANI recovery, net of tax ⁽¹⁾⁽⁴⁾	-	-	-	(0.94)	-
Settlement of legal fees related to ANI litigation, net of tax ⁽²⁾⁽⁴⁾	-	-	-	(0.20)	-
Recovery of principal and interest on a loan previously acquired with credit deterioration as part of a business combination, net of tax ⁽³⁾⁽⁴⁾	-	-	-	(0.12)	-
Adjusted EPS (non-GAAP)	\$ 1.36	\$ 1.36	\$ 1.47	\$ 1.43	\$ 1.57
Diluted average shares outstanding	5,754,937	5,723,735	5,709,994	5,726,522	5,673,394

(1) In the second quarter of 2023, the Company reached a settlement with the Receiver for ANI Investments and Gina Champion-Cain in which the Company recovered \$7.7 million (or approximately \$0.94 per diluted share after tax) plus certain rights to future recoveries from a guarantor of the charged off loan. This recovery amount represents 80% of the original principal charge-off and is net of the participant bank's share.

(2) In the second quarter of 2023, in conjunction with the resolution of the ANI litigation, the Company was reimbursed \$0.9 million of legal costs by the participant bank. In addition, \$0.7 million of previously invoiced legal fees were waived at settlement of the litigation.

(3) In the second quarter of 2023, the Company received \$1.0 million related to a loan that was originated and written off by San Diego Private Bank ("SDPB") prior to SDPB merging with the Company in 2013. Accordingly, the Company recorded an allowance recovery of \$0.9 million for the amount that would have been written off at the time of the merger under CECL and \$0.1 million of interest income for recovered interest.

(4) Net of tax effect of 29.6%, which is comprised of 21.0% for the statutory Federal tax rate plus 8.6% for state franchise taxes, net of Federal benefits.

PRIVATE BANCORP OF AMERICA, INC.
(Unaudited)

The following tables present a reconciliation of non-GAAP financial measures to GAAP measures for: efficiency ratio, adjusted efficiency ratio, pretax pre-provision net revenue, average tangible common equity, adjusted return on average assets, return on average tangible common equity and adjusted return on average tangible common equity. We believe the presentation of certain non-GAAP financial measures provides useful information to assess our consolidated financial condition and consolidated results of operations and to assist investors in evaluating our financial results relative to our peers. These non-GAAP financial measures complement our GAAP reporting and are presented below to provide investors and others with information that we use to manage the business each period. Because not all companies use identical calculations, the presentation of these non-GAAP financial measures may not be comparable to other similarly titled measures used by other companies. These non-GAAP measures should be taken together with the corresponding GAAP measures and should not be considered a substitute of the GAAP measures.

	GAAP to Non-GAAP Reconciliation (Dollars in thousands)				
	For the three months ended				
	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
<u>Efficiency Ratio</u>					
Noninterest expense	\$ 12,783	\$ 11,768	\$ 11,843	\$ 8,802	\$ 11,557
Net interest income	22,768	22,188	23,255	22,708	22,168
Noninterest income	1,426	1,244	1,159	1,054	1,465
Total net interest income and noninterest income	24,194	23,432	24,414	23,762	23,633
Efficiency ratio (non-GAAP)	52.84%	50.22%	48.51%	37.04%	48.90%
<u>Adjusted Efficiency Ratio</u>					
Noninterest expense	\$ 12,783	\$ 11,768	\$ 11,843	\$ 8,802	\$ 11,557
Settlement of legal fees related to ANI litigation	-	-	-	1,635	-
Adjusted noninterest expense (non-GAAP)	12,783	11,768	11,843	10,437	11,557
Total net interest income and noninterest income	24,194	23,432	24,414	23,762	23,633
Recovery of interest on a loan acquired with credit deterioration as part of a business combination	-	-	-	(84)	-
Adjusted total net interest income and noninterest income (non-GAAP)	24,194	23,432	24,414	23,678	23,633
Adjusted Efficiency ratio (non-GAAP)	52.84%	50.22%	48.51%	44.08%	48.90%
<u>Pretax pre-provision net revenue</u>					
Net interest income	\$ 22,768	\$ 22,188	\$ 23,255	\$ 22,708	\$ 22,168
Noninterest income	1,426	1,244	1,159	1,054	1,465
Total net interest income and noninterest income	24,194	23,432	24,414	23,762	23,633
Less: Noninterest expense	12,783	11,768	11,843	8,802	11,557
Pretax pre-provision net revenue (non-GAAP)	\$ 11,411	\$ 11,664	\$ 12,571	\$ 14,960	\$ 12,076
<u>Return and Adjusted Return on Average Assets, Average Equity, Average Tangible Equity</u>					
Net income	\$ 7,884	\$ 7,859	\$ 8,489	\$ 15,534	\$ 8,974
Adjusted net income (non-GAAP) ⁽¹⁾	7,884	7,859	8,489	8,258	8,974
Average assets	2,148,978	2,062,486	2,005,197	1,959,802	1,857,994
Average shareholders' equity	190,326	180,287	173,347	162,173	146,778
Less: Average intangible assets	2,208	2,451	2,709	2,975	3,026
Average tangible common equity (non-GAAP)	188,118	177,836	170,638	159,198	143,752
Return on average assets	1.48%	1.51%	1.68%	3.18%	1.96%
Adjusted return on average assets (non-GAAP) ⁽¹⁾	1.48%	1.51%	1.68%	1.69%	1.96%
Return on average equity	16.66%	17.29%	19.43%	38.42%	24.80%
Adjusted return on average equity (non-GAAP) ⁽¹⁾	16.66%	17.29%	19.43%	20.42%	24.80%
Return on average tangible common equity (non-GAAP)	16.86%	17.53%	19.74%	39.14%	25.32%
Adjusted return on average tangible common equity (non-GAAP) ⁽¹⁾	16.86%	17.53%	19.74%	20.81%	25.32%
<u>Tangible book value per share</u>					
Total equity	194,032	185,783	174,679	167,211	152,314
Less: Total intangible assets	2,203	2,318	2,449	2,875	3,057
Total tangible equity	191,829	183,465	172,230	164,336	149,257
Shares outstanding	5,717,519	5,719,115	5,703,350	5,702,637	5,676,017
Tangible book value per share (non-GAAP)	\$ 33.55	\$ 32.08	\$ 30.20	\$ 28.82	\$ 26.30

(1) A reconciliation of net income to adjusted net income is provided on page 12.