

## **PRIVATE BANCORP OF AMERICA, INC. REPORTS FINANCIAL RESULTS FOR THE FIRST HALF OF 2016**

La Jolla, Calif. – July 21, 2016 (GLOBE NEWSWIRE) – Private Bancorp of America, Inc. (OTCQB: PBAM) (“the Company”), the holding company for San Diego Private Bank (“the Bank”), today announced financial results for its second quarter and the six months ended June 30, 2016.

### **First Six Month 2016 Highlights:**

- Pre Loan Loss Provision Pre-tax profit rose 3% over the same period in 2015
- Total Assets grew by 9% year-over-year to a record \$481,716,000
- Net loans increased 15% year-over-year from 2015
- Deposits grew by 4% year-over-year from 2015
- Loans were up 19% in Q2 and 42% for the first six months to \$68,484,916
- Completed the successful introduction and integration of the Bank’s new treasury management and electronic banking platforms (Consumer and Business)
- Completed the successful upgrade of the Bank’s operating platforms as well as compliance and technology expansion
- The significant increase in second quarter loan generation resulted in an increase in loan loss provision. This coupled with the investments in products, platforms and compliance, including the launch of ONE, the state of the art Treasury Management suite of products, increased non-interest expense for the quarter, reducing the Bank’s net profit and ROE

Thomas V. Wornham, President and Chief Executive Officer of the Company and the Bank stated, “We are very proud of our team for taking the Bank to a new level. During the last year we have made a number of important investments to provide our customers with unparalleled service and our shareholders with high-quality returns. The first two quarters of 2016 reflect the additional expenses associated with those investments. We look forward to building off of these investments in technology, systems and people in 2016 and beyond.”

### **Company Announces Financial Results for Quarter**

For the quarter ended June 30, 2016, interest income rose to \$5,106,000 from \$5,066,000 in the year-earlier period. Interest income increased as a result of growth in the Bank’s loan portfolio as well as continued strong net interest margin of 4.28%. Net income during the quarter decreased to \$759,000 from \$1,104,000 for the second quarter ended June 30, 2015. The decrease is due to a \$325,000 increase in loan loss reserves related to the 119% increase in new loan originations during the quarter and increased expenses related to the technology, product and compliance expenses announced previously.

### **San Diego Private Bank’s Mid-Year 2016 Results reflect growth and investment**

San Diego Private Bank, the company’s wholly-owned subsidiary, achieved solid six month results. For the six months ended June 30, 2016, net interest income rose 3.1% to \$9,441,000 from \$9,156,000 in the year-earlier period. In the second quarter, interest income increased as a result of growth in the Bank’s loan portfolio as well as an increase in net interest margin.

At June 30, 2016 total assets of the Bank rose to a record \$482 million, an increase of 9% over June 30, 2015. Net loans ended the quarter at \$383 million, up 15%. Total deposits were \$349 million, up 5% over the prior year. Net income for the first six months 2016 was \$2,055,000 (\$2,407,000 in 2015). Bank equity grew to \$60.1 million,

up 10% from the prior year. The Bank maintained very strong capital ratios, with a Tier 1 Leverage Capital Ratio of 12.32% and a Total Capital Ratio of 14.39% at June 30, 2016.

“Growth in loans was evenly spread across our business lines. The diversity of our loan and deposit portfolios has added to our ability to maintain stable interest spreads. Bank credit quality remained excellent and capital ratios remained well above all regulatory well-capitalized measures. We maintained a 5-Star rating for the 30<sup>th</sup> consecutive quarter according to Bauer Financial and were awarded an A+ Health and Stability rating by DepositAccounts.com,” stated Mr. Wornham.

### **About Private Bancorp of America, Inc.**

Private Bancorp of America, Inc. (OTCQB: PBAM), is the holding company for San Diego Private Bank. San Diego Private 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; serviced through offices in Coronado, San Diego, La Jolla and Newport Beach 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. San Diego Private Bank is a SBA Preferred Lender.

### **Investor Relations Contact**

Thomas V. Wornham

President/CEO

Private Bancorp of America, Inc. and San Diego Private Bank

(858) 875.6900

### **Safe Harbor Paragraph**

*This press release may include forward-looking statements that involve inherent risks and uncertainties. Private Bancorp of America, Inc. cautions readers that a number of important factors could cause actual results to differ materially from those in the forward-looking statements. These factors include economic conditions and competition in the geographic and business areas in which Private Bancorp of America, Inc. operates, our ability to successfully integrate the operations of merged banks, 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.*

**[FINANCIAL TABLES FOLLOW]**

Private Bancorp of America, Inc. and Subsidiary  
Statements of Condition  
(Unaudited – in thousands)

	June 30, 2016	December 31, 2015	June 30, 2015
<u>Assets</u>			
Cash and Cash Equivalents	\$56,598	\$58,075	\$71,837
Investments	29,774	29,385	24,339
Loans, Net	383,671	354,708	332,477
Premises, Equipment and Other Assets	<u>11,673</u>	<u>12,787</u>	<u>12,268</u>
Total Assets	<u>481,716</u>	<u>454,955</u>	<u>440,921</u>
<u>Liabilities and Shareholders' Equity</u>			
Demand Deposits	105,115	110,976	108,127
Interest Bearing Deposits	<u>241,000</u>	<u>228,855</u>	<u>223,778</u>
Total Deposits	346,115	339,831	331,905
FHLB Advances / Borrowings	77,876	60,369	52,500
Other Liabilities	1,685	3,603	1,930
Shareholders' Equity	<u>56,040</u>	<u>51,152</u>	<u>54,586</u>
Total Liabilities and Shareholders' Equity	<u>\$481,716</u>	<u>\$454,955</u>	<u>\$440,921</u>
<u>Selected Ratios:</u>			
	June 30, 2016	December 31, 2015	June 30, 2015
Tangible Book Value Per Share	\$13.55	\$13.19	\$12.81
Tier 1 Leverage Ratio (Bank)	12.32%	11.85%	11.27%
Total Capital Ratio (Bank)	14.39%	15.48%	16.11%
<u>Asset Quality</u> (Non-Performing Assets + 90 Days Past Due Accruing) divided by (Equity + Allowance for Loan Losses)	0.31%	0.37%	2.37%

Private Bancorp of America, Inc. and Subsidiary  
Statements of Income  
(Unaudited – in thousands)

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
<u>Interest Income</u>				
Interest Income	\$5,106	\$5,066	\$10,224	\$9,908
Interest Expense	<u>501</u>	<u>382</u>	<u>989</u>	<u>752</u>
Net Interest Income	4,605	4,684	9,235	9,156
Provision for Loan Losses	<u>364</u>	<u>39</u>	<u>415</u>	<u>74</u>
Net Interest Income after Provision for Loan Losses	4,241	4,645	8,820	9,082
Other Income	196	240	545	762
Operating Expenses	<u>3,144</u>	<u>3,002</u>	<u>6,168</u>	<u>5,735</u>
Operating Income	1,293	1,883	3,197	4,109
Income Taxes	<u>534</u>	<u>779</u>	<u>1,320</u>	<u>1,702</u>
Net Earnings	<u>\$759</u>	<u>\$1,104</u>	<u>\$1,877</u>	<u>\$2,407</u>
<u>Selected Ratios:</u>				
Earnings Per Share	\$0.19	\$0.27	\$0.48	\$0.59
Diluted Earnings Per Share	\$0.18	\$0.26	\$0.46	\$0.57