

# Private Bancorp of America, Inc. Reports Continued Strong Year Over Year Growth

LA JOLLA, Calif., July 24, 2017 (GLOBE NEWSWIRE) -- **Private Bancorp of America, Inc.** (OTCQX:PBAM)

Private Bancorp of America, Inc. (the "Company" or "PBAM"), the holding company for San Diego Private Bank (the "Bank" or "SDPB"), announced financial results for the three and six months ended June 30, 2017.

Total assets at June 30, 2017 were a record \$564,901,000, up 17% over total assets June 30, 2016. Net loans at June 30, 2017 were also up 17% over the same date a year ago. Total deposits grew 13% during the same comparative period. "We are pleased with the double digit growth year over year in all areas of our business and it is very rewarding to see the investments we made in 2016 paying off," said Thomas V. Wornham, President and CEO. "We saw our largest growth in Commercial loans, up 28% for the quarter, and the deposit mix continues to reflect the investments we've made in technology and new treasury management products."

PBAM recognized record net interest income of \$10,683,000 for the first six months of 2017. This 15% increase over the first half of 2016 reflects both the increase in loan volume and solid interest margin maintenance. Pre-tax income was \$4,052,000 for the first six months of 2017, an increase of 26% over \$3,197,000 for the same period in 2016.

The Bank began staffing its new office in Beverly Hills in the second quarter. "We are very excited about being able to expand our footprint further up the coastal Southern California market place. Our customer centric, solution based business model is being very well received in West Los Angeles," said Selwyn Isakow, Chairman of PBAM.

As previously reported, PBAM completed a private placement capital raise in April 2017. The proceeds are being used to help fund the Los Angeles expansion as well as the continued organic growth of the Bank. The Bank's Orange County location also relocated to new offices in Newport Beach in May 2017.

Wornham commented that the improved EPS and ROE are somewhat muted by the additional shares issued in the capital raise. He noted the efficiency ratio reflects the startup costs associated with Beverly Hills and the Newport move.

All Capital and leverage ratios remain very strong as does the Bank's credit quality, as reflected by the Texas ratio of 0.16% at June 30, 2017. PBAM's Tangible book value per share increased to \$15.58 at June 30, 2017.

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

Private Bancorp of America, Inc. (OTCQX: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.*

SELECT FINANCIAL DATA AND PERFORMANCE RATIOS (unaudited)	For the three months ended			June 30, 2017 Q-o-Q		June 30, 2017 Y-o-Y	
	June 30, 2017	March 31, 2017	June 30, 2016	change (\$)	change (%)	change (\$)	change (%)
Common shares outstanding at period-end	4,989,211	4,169,450	4,082,381	819,761	20%	906,830	22%
Book value per common share	\$ 15.70	\$ 14.56	\$ 13.73	\$ 1.14	8%	\$ 1.97	14%
Tangible book value per common share	\$ 15.58	\$ 14.24	\$ 13.55	\$ 1.34	9%	\$ 2.03	15%
<b>PERFORMANCE RATIOS (%):</b>							
Return on average assets (annualized)	0.76%	1.00%	0.66%	-0.24%	-24%	0.10%	15%
Return on average equity (annualized)	5.66%	8.99%	5.59%	-3.33%	-37%	0.06%	1%
Return on average tangible common equity (annualized)	6.14%	9.14%	5.74%	-3.00%	-33%	0.40%	7%
Net interest margin	4.20%	4.06%	4.18%	0.13%	3%	0.02%	0%
Net interest spread	4.14%	4.02%	4.14%	0.12%	3%	0.01%	0%
Efficiency ratio	65.64%	59.05%	65.49%	6.59%	11%	0.16%	0%
Noninterest expense / average assets	2.74%	2.46%	2.75%	0.29%	12%	-0.01%	0%
<b>CAPITAL RATIOS (%):</b>							
Tier 1 leverage ratio	14.89%	11.27%	12.32%	3.62%	32%	2.57%	21%
Tier 1 risk-based capital ratio	16.81%	13.99%	13.49%	2.82%	20%	3.32%	25%
Common equity Tier 1 ratio	16.81%	13.99%	13.49%	2.82%	20%	3.32%	25%
Total risk-based capital ratio	17.73%	14.94%	14.39%	2.79%	19%	3.34%	23%
Tangible equity / tangible assets	13.77%	11.05%	11.50%	2.72%	25%	2.27%	20%

CREDIT QUALITY PROFILE AND METRICS:	Quarter ended: June 30, 2017	March 31, 2017	June 30, 2016	June 30, 2017		June 30, 2017	
				Q-o-Q		Y-o-Y	
				change (\$)	change (%)	change (\$)	change (%)
Total Loans (\$000s)	453,207	421,410	387,268	31,797	8%	65,939	17%
30-89 day past due loans (\$000s)	-	-	-	-	NM	-	NM
90+ day past due loans (\$000s)	-	-	-	-	NM	-	NM
Nonaccrual loans (\$000s)	139	137	196	2	1%	(57)	-29%
NPAs / Assets (%)	0.02%	0.03%	0.04%	(0.01)%	-3%	(0.02)%	-40%
NPLs / loans & REO (%)	0.03%	0.03%	0.05%	(0.00)%	-6%	(0.02)%	-39%
Net chargeoffs (\$000s)	-	-	-	-	NM	-	NM
NCOs / avg loans (annualized) (%)	-	-	-	-	NM	-	NM
Reserve ratio (%)	0.93%	0.95%	0.93%	(0.03)%	-3%	0.00%	0%
Reserve coverage ratio (%)	3024%	2933%	1835%	92%	3%	1189%	65%

LOAN PORTFOLIO COMPOSITION (\$000s)	Quarter ended: June 30, 2017	March 31, 2017	June 30, 2016	June 30, 2017		June 30, 2017	
				Q-o-Q		Y-o-Y	
				change (\$)	change (%)	change (\$)	change (%)
Real estate - investor owned	183,936	171,221	138,329	12,715	7%	45,607	33%
Real estate - owner occupied	48,086	47,229	48,195	857	2%	(109)	0%
Real estate - multifamily	49,518	48,423	47,133	1,095	2%	2,385	5%
Real estate - single family	54,559	52,704	52,415	1,855	4%	2,144	4%
Commercial business	89,739	69,965	66,543	19,774	28%	23,196	35%
Land and construction	25,461	29,957	33,389	(4,496)	-15%	(7,928)	-24%
Consumer	258	139	252	119	86%	6	2%
Leases	-	-	-	-	NM	-	NM
Other	-	-	-	-	NM	-	NM
Total loans held for investment	451,557	419,638	386,256	31,919	8%	65,301	17%
Loans held for sale	1,650	1,772	1,012	(122)	-7%	638	63%
Total loans, including loans held for sale	453,207	421,410	387,268	31,797	8%	65,939	17%
Allowance for loan losses	(4,204)	(4,018)	(3,597)	(186)	5%	(607)	17%
Net loans	449,003	417,392	383,671	31,611	8%	65,332	17%

DEPOSIT COMPOSITION (\$000s)	June 30, 2017	March 31, 2017	June 30, 2016	June 30, 2017	June 30, 2017
				Q-o-Q	Y-o-Y
				change (\$)	change (%)
Non interest bearing DDA	120,197	126,486	105,115	(6,289)	-5%
Interest bearing DDA	14,616	14,772	13,090	(156)	-1%
Savings & MMA	193,396	193,965	156,806	(569)	0%
Retail CD	5,703	6,216	6,348	(513)	-8%
Jumbo CD	57,424	74,866	65,150	(17,442)	-23%
Total deposits	391,336	416,305	346,509	(24,969)	-6%

BALANCE SHEET (unaudited - in \$000s)	June 30, 2017	March 31, 2017	June 30, 2016	June 30, 2017 Q-o-Q		June 30, 2017 Y-o-Y	
				change (\$)	change (%)	change (\$)	change (%)
<b>Assets</b>							
Cash and due from banks	12,179	38,273	28,490	(26,094)	-68%	(16,311)	-57%
Interest-bearing deposits at Federal Reserve Bank	57,189	40,419	27,112	16,770	41%	30,077	111%
	<u>69,368</u>	<u>78,692</u>	<u>55,602</u>	<u>(9,324)</u>	-12%	<u>13,766</u>	25%
Interest-bearing time deposits with other institutions	2,997	1,245	996	1,752	141%	2,001	201%
Investment securities available for sale	31,693	29,058	29,774	2,635	9%	1,919	6%
Investment securities held to maturity	-	-	-				
Loans	453,207	421,410	387,268	31,797	8%	65,939	17%
Allowance for loan losses	<u>(4,204)</u>	<u>(4,018)</u>	<u>(3,597)</u>	<u>(186)</u>	5%	<u>(607)</u>	17%
	449,003	417,392	383,671	31,611	8%	65,332	17%
Federal Home Loan Bank stock, at cost	2,295	2,135	2,135	160	7%	160	7%
Premises and equipment, net	1,187	980	927	207	21%	260	28%
Goodwill	-	-	-				
Other intangible assets	609	665	744	(56)	-8%	(135)	-18%
Deferred tax asset/liability	5,532	5,632	5,436	(100)	-2%	96	2%
Accrued interest receivable	1,376	1,273	1,227	103	8%	149	12%
Other assets	<u>841</u>	<u>869</u>	<u>1,204</u>	<u>(28)</u>	-3%	<u>(363)</u>	-30%
	<u>564,901</u>	<u>537,941</u>	<u>481,716</u>	<u>26,960</u>	5%	<u>83,185</u>	17%
<b>Liabilities and Shareholders' Equity</b>							
<b>Liabilities</b>							
Noninterest bearing deposits	120,197	126,486	105,115	(6,289)	-5%	15,082	14%
Interest bearing deposits	<u>271,139</u>	<u>289,818</u>	<u>241,000</u>	<u>(18,679)</u>	-6%	<u>30,139</u>	13%
Total Deposits	391,336	416,304	346,115	(24,968)	-6%	45,221	13%
FHLB Borrowings	85,000	50,000	70,000	35,000	70%	15,000	21%
Other borrowings	7,889	7,886	7,876	3	0%	13	0%
Accrued interest payable and other liabilities	<u>2,339</u>	<u>3,047</u>	<u>1,685</u>	<u>(708)</u>	-23%	<u>654</u>	39%
	486,564	477,237	425,676	9,327	2%	60,888	14%
<b>Shareholders' equity</b>							
Common stock	57,426	41,065	39,812	16,361	40%	17,614	44%
Additional paid-in capital	2,543	2,445	2,531	98	4%	12	0%
Retained earnings	18,184	17,160	13,370	1,024	6%	4,814	36%
Accumulated other comprehensive income	<u>184</u>	<u>34</u>	<u>327</u>	<u>150</u>	441%	<u>(143)</u>	-44%
	<u>78,337</u>	<u>60,704</u>	<u>56,040</u>	<u>17,633</u>	29%	<u>22,297</u>	40%
Total liabilities and shareholders' equity	<u>564,901</u>	<u>537,941</u>	<u>481,716</u>	<u>26,960</u>	5%	<u>83,185</u>	17%

INCOME STATEMENT (unaudited - in \$000s, except per share data)	For the three months ended			June 30, 2017 Q-o-Q		June 30, 2017 Y-o-Y	
	June 30, 2017	March 31, 2017	June 30, 2016	change (\$)	change (%)	change (\$)	change (%)
<b>Interest Income</b>							
Loans	5,697	5,501	4,855	196	4%	842	17%
Investment securities	186	188	191	(2)	-1%	(5)	-3%
Deposits in other financial institutions	138	119	60	19	16%	78	130%
	<u>6,021</u>	<u>5,808</u>	<u>5,106</u>	<u>213</u>	<u>4%</u>	<u>915</u>	<u>18%</u>
<b>Interest Expense</b>							
Deposits	340	375	316	(35)	-9%	24	8%
Borrowings	223	209	185	14	7%	38	21%
	<u>563</u>	<u>584</u>	<u>501</u>	<u>(21)</u>	<u>-4%</u>	<u>62</u>	<u>12%</u>
<b>Net interest income</b>	5,458	5,224	4,605	234	4%	853	19%
Provision for credit losses	186	-	364	186	NM	(178)	-49%
<b>Net interest income after provision for credit losses</b>	<u>5,272</u>	<u>5,224</u>	<u>4,241</u>	<u>48</u>	<u>1%</u>	<u>1,031</u>	<u>24%</u>
<b>Noninterest income:</b>							
Service charges on deposit accounts	82	96	76	(14)	-15%	6	8%
Net gain on sale of loans & leases	91	146	31	(55)	-38%	60	194%
Gain (loss) on sale of investment securities	8	-	-	8	NM	8	NM
Other noninterest income	(4)	153	89	(157)	-103%	(93)	-104%
	<u>177</u>	<u>395</u>	<u>196</u>	<u>(218)</u>	<u>-55%</u>	<u>(19)</u>	<u>-10%</u>
<b>Noninterest expense:</b>							
Salary and employee benefits	2,318	2,226	2,065	92	4%	253	12%
Occupany and equipment	393	318	291	75	24%	102	35%
Data processing	265	289	303	(24)	-8%	(38)	-13%
Professional services	314	168	157	146	87%	157	100%
Other expenses	409	317	328	92	29%	81	25%
	<u>3,699</u>	<u>3,318</u>	<u>3,144</u>	<u>381</u>	<u>11%</u>	<u>555</u>	<u>18%</u>
<b>Income before provision for income tax</b>	1,750	2,301	1,293	(551)	-24%	457	35%
Provision for income tax	725	955	534	(230)	-24%	191	36%
<b>Net income available to common shareholders</b>	<u>1,025</u>	<u>1,346</u>	<u>759</u>	<u>(321)</u>	<u>-24%</u>	<u>266</u>	<u>35%</u>
<b>Earnings per share</b>							
Basic earnings per share	\$ 0.23	\$ 0.33	\$ 0.19	\$ (0.09)	-29%	\$ 0.04	20%
Diluted earnings per share	\$ 0.23	\$ 0.32	\$ 0.18	\$ (0.10)	-30%	\$ 0.05	28%
Average shares outstanding	4,413,085	4,112,967	3,916,623	300,118	7%	496,462	13%
Diluted average shares outstanding	4,545,771	4,187,627	4,301,221	358,144	9%	244,550	6%

RATE AND YIELD TABLE (unaudited - in \$000s)	For the three months ended June 30, 2017			For the three months ended March 31, 2017			For the three months ended June 30, 2016		
	Average	Average	Average	Average	Average	Average	Average	Average	
	Balance	Interest	Yield/Rate	Balance	Interest	Yield/Rate	Balance	Interest	Yield/Rate
<b>Interest-Earnings Assets:</b>									
Deposits in other financial institutions	58,122	138	0.95%	61,198	119	0.79%	51,304	60	0.47%
Investment securities	31,932	186	2.34%	30,340	188	2.51%	32,046	190	2.38%
Loans	431,644	5,697	5.29%	429,768	5,501	5.19%	358,338	4,855	5.43%
Total interest-earning assets	521,698	6,021	4.63%	521,306	5,808	4.52%	441,688	5,106	4.64%
Noninterest-earning assets	19,251			20,725			17,108		
<b>Total Assets</b>	<u>540,949</u>			<u>542,031</u>			<u>458,796</u>		
<b>Interest-Bearing Liabilities</b>									
Interest-bearing transaction accounts	15,170	7	0.19%	13,490	7	0.21%	11,718	6	0.21%
Money market	189,070	198	0.42%	183,483	192	0.42%	151,271	157	0.42%
Savings deposits	5,673	3	0.21%	5,734	3	0.21%	5,048	3	0.24%
Certificates of deposit	63,612	132	0.83%	89,355	173	0.79%	67,024	151	0.90%
<b>Total Interest-Bearing Deposits</b>	273,525	340	0.50%	292,062	375	0.52%	235,061	317	0.54%
FHLB advances	50,385	120	0.96%	50,400	107	0.86%	51,808	81	0.63%
Other borrowings	7,886	103	5.24%	7,885	102	5.25%	7,871	104	5.30%
<b>Total Interest-Bearing Liabilities</b>	58,271	223	1.53%	58,285	209	1.45%	59,679	185	1.24%
Noninterest-bearing deposits	134,087			129,043			107,379		
<b>Total Funding Sources</b>	465,883	563	0.48%	479,390	584	0.49%	402,119	502	0.50%
Noninterest-bearing liabilities	2,385			2,556			2,246		
Shareholders' equity	72,681			60,085			54,431		
<b>Total Liabilities and Shareholders' Equity</b>	<u>540,949</u>			<u>542,031</u>			<u>458,796</u>		
Net interest spread			4.14%			4.02%			4.14%
Net interest income		<u>5,458</u>			<u>5,224</u>			<u>4,604</u>	
Net interest margin			4.20%			4.06%			4.18%