



PRIVATE BANCORP OF AMERICA, INC. CONTINUES STRONG GROWTH

La Jolla, Calif. – October 17, 2018 (GLOBE NEWSWIRE) - Private Bancorp of America, Inc. (OTCQX:PBAM)

Private Bancorp of America, Inc. (“PBAM”) announced quarterly earnings today including the financial results of its subsidiary, CalPrivate Bank (“Bank”) for the third quarter and first nine months of 2018. PBAM continues to follow its strategy of organic growth and disciplined expansion in the coastal Southern California markets it serves. Below are some highlights of the quarter and the year to date performance for the period ending September 30, 2018.

- Total Assets were a record \$749,962,000; up 6% over the prior quarter and up 27% year over year.
- Net Loans were a record \$576,903,000; up 9% over the prior quarter and up 29% year over year.
- Total Deposits were \$549,119,000; up 4% over the prior quarter and up 23% year over year.
- Record Net Interest Income of \$20,487,000 for the first nine months of 2018; up 25% year over year.
- Record Quarterly Net Interest Income of \$7,470,000 up 11% from the prior quarter and 30% for the same quarter a year ago.
- Noninterest Income was a record \$916,000 for the quarter and \$1,754,000 year to date, primarily as a result of gain on sale of SBA loans.
- Planned increases in Noninterest Expense resulted in costs of \$6,357,000 for the quarter and \$17,045,000 year to date. The largest increase was in Salaries and Employee Benefits, up 59% for the nine months ended September 30, 2018 compared to the same period of the prior year.
- Net Income for the quarter was \$1,098,000; up 27% from the prior quarter and down 6% year over year, reflecting our previously announced planned hiring and expense increases in Orange County, Los Angeles and SBA and an increase in provision for loan losses of \$124,000, 33% over the prior quarter, reflecting the substantial growth of the loan portfolio.

Thomas V. Wornham, President and CEO of PBAM commented “We are pleased with our team members’ ability to execute on our ‘organic growth’ plan, which, has allowed us to grow to \$750 million in total assets and increase our Net Interest Income, Loans and Deposits to record levels. We continue to focus on the long-term vision of being committed to investing today for tomorrow’s profits. CalPrivate Bank is seeing the return on the additional hires in Beverly Hills and Orange County, as well as the expansion of our SBA Group and our Specialty Lending Division. While the increase in operating expenses reflects the new hires and associated expenses and it generally takes time for them to produce, we could not be more pleased with the additions we have made. The increase in loans has also resulted in a \$665,000 year over year increase in loan loss reserves, which has further reduced net income.”

Rick L. Sowers, President of CalPrivate Bank noted “Our results reflect the positive contribution the team is making and our disciplined approach to growth. We continue to look for opportunities to add great people to our existing talented staff as we execute on our growth plan.”

Selwyn Isakow, Chairman of PBAM commented “We are delighted with the Bank’s growth and excited by our prospects. We continue to take advantage of this unique window of opportunity, caused by the extensive M&A activity which has resulted in employee dislocations, allowing us to hire talented and proven bankers to fuel our organic growth strategy. While this investment may negatively impact our bottom line for a few quarters, we

expect significant returns in future years. We remain focused on increasing long term shareholder value through an experienced dedicated team of professionals committed to providing the best solutions for our clients.”

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 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 a SBA Preferred Lender and a Bauer 5-Star Rated Bank and is rated as one of the Top 200 Safest Banks in America by Deposits.com.

Investor Relations Contact

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Safe Harbor Paragraph

This press release includes 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 and develop business through the addition of new personnel and facilities and merged banks, whether our efforts to expand loan, product and service offerings will prove profitable, the effects of the bank mergers and acquisitions in our markets, system failures and internet security, 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.

PRIVATE BANCORP OF AMERICA, INC.
SELECTED FINANCIAL DATA

SELECT FINANCIAL DATA AND PERFORMANCE RATIOS (unaudited)	For the three months ended			September 30, 2018		September 30, 2018	
	September 30, 2018	June 30, 2018	September 30, 2017	Q-o-Q		Y-o-Y	
				change (\$)	change (%)	change (\$)	change (%)
Common shares outstanding at period-end	5,047,093	5,048,658	4,999,427	(1,565)	0%	47,666	1%
Book value per common share	\$ 16.23	\$ 16.01	\$ 15.94	\$ 0.21	1%	\$ 0.28	2%
Tangible book value per common share	\$ 16.07	\$ 15.92	\$ 15.84	\$ 0.15	1%	\$ 0.23	1%
PERFORMANCE RATIOS (%):							
Return on average assets (annualized)	0.62%	0.53%	0.81%	0.09%	17%	-0.19%	-23%
Return on average equity (annualized)	5.35%	4.30%	5.84%	1.06%	25%	-0.49%	-8%
Return on average tangible common equity (annualized)	5.41%	4.32%	5.87%	1.09%	25%	-0.46%	-8%
Net interest margin	4.35%	4.23%	4.11%	0.12%	3%	0.24%	6%
Net interest spread	4.28%	4.16%	4.05%	0.12%	3%	0.24%	6%
Efficiency ratio	75.80%	78.66%	65.96%	-2.85%	-4%	9.84%	15%
Noninterest expense / average assets	3.57%	3.62%	2.68%	-0.05%	-1%	0.89%	33%
CAPITAL RATIOS (%):							
Tier 1 leverage ratio	11.51%	12.14%	14.31%	-0.63%	-5%	-2.80%	-20%
Tier 1 risk-based capital ratio	13.01%	13.78%	17.08%	-0.77%	-6%	-4.07%	-24%
Common equity Tier 1 ratio	13.01%	13.78%	17.08%	-0.77%	-6%	-4.07%	-24%
Total risk-based capital ratio	13.90%	14.66%	18.00%	-0.76%	-5%	-4.10%	-23%
Tangible equity / tangible assets	10.83%	11.32%	13.43%	-0.49%	-4%	-2.60%	-19%
CREDIT QUALITY PROFILE AND METRICS:							
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018		September 30, 2018	
				Q-o-Q		Y-o-Y	
				change (\$)	change (%)	change (\$)	change (%)
Total Loans (\$000s)	582,292	532,296	450,468	49,996	9%	131,824	29%
30-89 day past due loans (\$000s)	-	-	-	-	NM	-	NM
90+ day past due loans (\$000s)	-	-	-	-	NM	-	NM
nonaccrual loans (\$000s)	-	1,481	1,606	(1,481)	-100%	(1,606)	-100%
NPAs / Assets (%)	0.00%	0.21%	0.27%	(0)	-100%	(0)	-100%
NPLs / loans & REO (%)	0.00%	0.28%	0.36%	(0)	-100%	(0)	-100%
Net chargeoffs (\$000s)	0	0	0	-	NM	-	NM
NCOs / avg loans (annualized) (%)	0%	0%	0%	-	NM	-	NM
Reserve ratio (%)	0.93%	0.92%	0.94%	0.01%	1%	(0)	-1%
Reserve coverage ratio (%)	NM	330%	263%	NM	NM	NM	NM
LOAN PORTFOLIO COMPOSITION (\$000s)							
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018		September 30, 2018	
				Q-o-Q		Y-o-Y	
				change (\$)	change (%)	change (\$)	change (%)
Real estate - investor owned	213,139	202,025	183,587	11,114	6%	29,552	16%
Real estate - owner occupied	86,216	62,839	46,501	23,377	37%	39,715	85%
Real estate - multifamily	62,811	66,024	52,595	(3,213)	-5%	10,216	19%
Real estate - single family	63,906	54,449	51,225	9,457	17%	12,681	25%
Commercial business	124,770	118,296	93,860	6,474	5%	30,910	33%
Land and construction	22,640	22,913	20,585	(273)	-1%	2,055	10%
Consumer	5,967	5,750	318	217	4%	5,649	1776%
Other	-	-	-	-	NM	-	NM
Total loans held for investment	579,449	532,296	448,671	47,153	9%	130,778	29%
Loans held for sale	2,843	-	1,797	2,843	NM	1,046	58%
Total loans, including loans held for sale	582,292	532,296	450,468	49,996	9%	131,824	29%
Allowance for loan losses	(5,389)	(4,893)	(4,221)	(496)	10%	(1,168)	28%
Net loans	576,903	527,403	446,247	49,500	9%	130,656	29%
DEPOSIT COMPOSITION (\$000s)							
Non interest bearing DDA	180,657	165,610	124,055	15,047	9%	56,602	46%
Interest bearing DDA	16,481	17,437	10,963	(956)	-5%	5,518	50%
Savings & MMA	294,600	295,743	258,235	(1,143)	0%	36,365	14%
Retail CD	6,461	7,294	6,793	(833)	-11%	(332)	-5%
Jumbo CD	50,920	42,397	48,064	8,523	20%	2,856	6%
Total deposits	549,119	528,481	448,110	20,638	4%	101,009	23%

PRIVATE BANCORP OF AMERICA, INC.
SELECTED FINANCIAL DATA

BALANCE SHEET (unaudited - in \$000s)	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018		September 30, 2018	
				Q-o-Q		Y-o-Y	
				change (\$)	change (%)	change (\$)	change (%)
Assets							
Cash and due from banks	24,273	22,688	13,363	1,585	7%	10,910	82%
Interest-bearing deposits at Federal Reserve Bank	33,061	36,621	70,336	(3,560)	-10%	(37,275)	-53%
	57,334	59,309	83,699	(1,975)	-3%	(26,365)	-31%
Interest-bearing time deposits with other institutions	2,749	2,749	2,997	-	0%	(248)	-8%
Investment securities available for sale	99,217	101,451	45,512	(2,234)	-2%	53,705	118%
Investment securities held to maturity	-	-	-	-	-	-	-
Loans	582,292	532,296	450,468	49,996	9%	131,824	29%
Allowance for loan losses	(5,389)	(4,893)	(4,221)	(496)	10%	(1,168)	28%
	576,903	527,403	446,247	49,500	9%	130,656	29%
Federal Home Loan Bank stock, at cost	2,889	2,878	2,295	11	0%	594	26%
Premises and equipment, net	2,067	2,202	1,416	(135)	-6%	651	46%
Goodwill	-	-	-	-	NM	-	NM
Other intangible assets	789	443	503	346	78%	286	57%
Deferred tax asset/liability	4,852	4,776	5,553	76	2%	(701)	-13%
Accrued interest receivable	851	851	1,450	-	0%	(599)	-41%
Other assets	2,311	8,574	800	(6,263)	-73%	1,511	189%
	749,962	710,636	590,472	39,326	6%	159,490	27%
Liabilities and Shareholders' Equity							
Liabilities							
Noninterest Bearing	180,657	165,611	124,055	15,046	9%	56,602	46%
Interest Bearing	368,462	362,870	324,055	5,592	2%	44,407	14%
Total Deposits	549,119	528,481	448,110	20,638	4%	101,009	23%
FHLB Borrowings	107,000	90,000	50,000	17,000	19%	57,000	114%
Other borrowings	7,906	7,902	7,892	4	0%	14	0%
Accrued interest payable and other liabilities	4,046	3,415	4,756	631	18%	(710)	-15%
	668,071	629,798	510,758	38,273	6%	157,313	31%
Shareholders' equity							
Common stock	58,242	58,167	57,684	75	0%	558	1%
Additional paid-in capital	2,791	2,715	2,528	76	3%	263	10%
Retained earnings	22,318	21,254	19,350	1,064	5%	2,968	15%
Accumulated other comprehensive income	(1,460)	(1,298)	152	(162)	12%	(1,612)	-1061%
	81,891	80,838	79,714	1,053	1%	2,177	3%
Total liabilities and shareholders' equity	749,962	710,636	590,472	39,326	6%	159,490	27%

PRIVATE BANCORP OF AMERICA, INC.
SELECTED FINANCIAL DATA

INCOME STATEMENT (unaudited - in \$000s, except per share data)	for the nine months ended		September 30, 2018	
	September 30, 2018	September 30, 2017	Y-o-Y change (\$)	Y-o-Y change (%)
Interest Income				
Loans	20,760	17,161	3,599	21%
Investment securities	1,952	601	1,351	225%
Deposits in other financial institutions	577	452	125	28%
	<u>23,289</u>	<u>18,214</u>	<u>5,075</u>	<u>28%</u>
Interest Expense				
Deposits	1,545	1,095	450	41%
Borrowings	1,257	695	562	81%
	<u>2,802</u>	<u>1,790</u>	<u>1,012</u>	<u>57%</u>
Net interest income	20,487	16,424	4,063	25%
Provision for credit losses	868	203	665	328%
Net interest income after provision for credit losses	<u>19,619</u>	<u>16,221</u>	<u>3,398</u>	<u>21%</u>
Noninterest income:				
Service charges on deposit accounts	276	255	21	8%
Net gain on sale of loans & leases	1,261	237	1,024	432%
Gain (loss) on sale of investment securities	-	8	(8)	-100%
Other noninterest income	217	195	22	11%
	<u>1,754</u>	<u>695</u>	<u>1,059</u>	<u>152%</u>
Noninterest expense:				
Salary and employee benefits	11,202	7,035	4,167	59%
Occupancy and equipment	1,690	1,178	512	43%
Data processing	1,361	833	528	63%
Professional services	898	656	242	37%
Other expenses	1,894	1,183	711	60%
	<u>17,045</u>	<u>10,885</u>	<u>6,160</u>	<u>57%</u>
Income before provision for income tax	4,328	6,031	(1,703)	-28%
Provision for income tax	1,238	2,496	(1,258)	-50%
Net income	<u>3,090</u>	<u>3,535</u>	<u>(445)</u>	<u>-13%</u>
Net income available to common shareholders	<u>3,042</u>	<u>3,504</u>	<u>(462)</u>	<u>-13%</u>
Earnings per share				
Basic earnings per share	\$ 0.61	\$ 0.71	\$ (0.10)	-14%
Diluted earnings per share	\$ 0.60	\$ 0.70	\$ (0.10)	-14%
Average shares outstanding	4,955,683	4,949,318	6,365	0%
Diluted average shares outstanding	5,033,425	5,065,320	(31,895)	-1%

PRIVATE BANCORP OF AMERICA, INC.
SELECTED FINANCIAL DATA

INCOME STATEMENT (unaudited - in \$000s, except per share data)	For the three months ended			September 30, 2018		September 30, 2018	
	September 30, 2018	June 30, 2018	September 30, 2017	Q-o-Q change (\$)	Q-o-Q change (%)	Y-o-Y change (\$)	Y-o-Y change (%)
Interest Income							
Loans	7,772	6,771	5,962	1,001	15%	1,810	30%
Investment securities	698	689	227	9	1%	471	207%
Deposits in other financial institutions	174	144	195	30	21%	(21)	-11%
	<u>8,644</u>	<u>7,604</u>	<u>6,384</u>	<u>1,040</u>	<u>14%</u>	<u>2,260</u>	<u>35%</u>
Interest Expense							
Deposits	592	476	379	116	24%	213	56%
Borrowings	582	393	263	189	48%	319	121%
	<u>1,174</u>	<u>869</u>	<u>642</u>	<u>305</u>	<u>35%</u>	<u>532</u>	<u>83%</u>
Net interest income	7,470	6,735	5,742	735	11%	1,728	30%
Provision for credit losses	496	372	17	124	33%	479	2818%
Net interest income after provision for credit losses	<u>6,974</u>	<u>6,363</u>	<u>5,725</u>	<u>611</u>	<u>10%</u>	<u>1,249</u>	<u>22%</u>
Noninterest income:							
Service charges on deposit accounts	90	115	77	(25)	-22%	13	17%
Net gain on sale of loans & leases	749	473	-	276	58%	749	NM
Gain (loss) on sale of investment securities	(6)	7	-	(13)	-186%	(6)	NM
Other noninterest income	83	96	45	(13)	-14%	38	84%
	<u>916</u>	<u>691</u>	<u>122</u>	<u>225</u>	<u>33%</u>	<u>794</u>	<u>651%</u>
Noninterest expense:							
Salary and employee benefits	4,269	3,870	2,492	399	10%	1,777	71%
Occupancy and equipment	610	558	466	52	9%	144	31%
Data processing	487	534	278	(47)	-9%	209	75%
Professional services	288	240	175	48	20%	113	65%
Other expenses	703	639	457	64	10%	246	54%
	<u>6,357</u>	<u>5,841</u>	<u>3,868</u>	<u>516</u>	<u>9%</u>	<u>2,489</u>	<u>64%</u>
Income before provision for income tax	1,533	1,213	1,979	320	26%	(446)	-23%
Provision for income tax	435	350	815	85	24%	(380)	-47%
Net income	<u>1,098</u>	<u>863</u>	<u>1,164</u>	<u>235</u>	<u>27%</u>	<u>(66)</u>	<u>-6%</u>
Net income available to common shareholders	<u>1,081</u>	<u>855</u>	<u>1,154</u>	<u>226</u>	<u>26%</u>	<u>(73)</u>	<u>-6%</u>
Earnings per share							
Basic earnings per share	\$ 0.22	\$ 0.17	\$ 0.23	\$ 0.05	28%	\$ (0.02)	-7%
Diluted earnings per share	\$ 0.21	\$ 0.17	\$ 0.23	\$ 0.05	28%	\$ (0.02)	-7%
Average shares outstanding	4,967,905	4,954,863	4,941,023	13,042	0%	26,882	1%
Diluted average shares outstanding	5,087,829	5,074,321	5,057,025	13,508	0%	30,804	1%

PRIVATE BANCORP OF AMERICA, INC.
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RATE AND YIELD TABLE (unaudited - in \$000s)	For the three months ended September 30, 2018			For the three months ended June 30, 2018			For the three months ended September 30, 2017		
	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	36,585	174	1.89%	34,236	145	1.70%	65,682	195	1.18%
Investment securities	103,618	698	2.67%	106,295	688	2.60%	40,053	227	2.25%
Loans	541,049	7,772	5.70%	497,917	6,771	5.45%	448,915	5,962	5.27%
Total interest-earning assets	681,252	8,644	5.03%	638,448	7,604	4.78%	554,650	6,384	4.57%
Noninterest-earning assets	24,817			16,475			18,041		
Total Assets	706,069			654,923			572,691		
Interest-Bearing Liabilities									
Interest-bearing transaction accounts	15,649	8	0.20%	17,085	9	0.21%	12,376	6	0.19%
Money market	277,216	394	0.56%	267,736	355	0.53%	227,391	242	0.42%
Savings deposits	5,580	4	0.28%	5,585	4	0.29%	5,551	3	0.21%
Certificates of deposit	56,743	186	1.30%	46,544	108	0.93%	56,758	129	0.90%
Total Interest-Bearing Deposits	355,188	592	0.66%	336,950	476	0.57%	302,076	380	0.50%
FHLB advances	83,978	478	2.26%	60,769	290	1.91%	50,761	158	1.23%
Other borrowings	7,904	104	5.22%	7,901	103	5.23%	7,890	104	5.23%
Total Interest-Bearing Liabilities	91,882	582	2.51%	68,670	393	2.30%	58,651	262	1.77%
Noninterest-bearing deposits	173,335			158,079			129,918		
Total Funding Sources	620,405	1,174	0.75%	563,699	869	0.62%	490,645	642	0.52%
Noninterest-bearing liabilities	4,300			10,678			3,021		
Shareholders' equity	81,364			80,546			79,025		
Total Liabilities and Shareholders' Equity	706,069			654,923			572,691		
Net interest spread			4.28%			4.16%			4.05%
Net interest income		7,470			6,735			5,742	
Net interest margin			4.35%			4.23%			4.11%