



FOR IMMEDIATE RELEASE

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PRIVATE BANCORP OF AMERICA, INC. REPORTS RECORD GROWTH ENDING 2018 AT \$847,000,000 IN TOTAL ASSETS

- **Total Assets up 26%**
- **Net Loans up 40%**
- **Deposits up 31%**
- **Non-Interest Income up 151%**

La Jolla, Calif. – January 16, 2019 (GLOBE NEWSWIRE) - Private Bancorp of America, Inc. (OTCQX:PBAM) (“PBAM”), parent company of CalPrivate Bank (“Bank”), announced unaudited financial results for the fourth quarter and the fiscal year ending December 31, 2018. Total Assets were \$847,000,000 at December 31, 2018, a 26% increase of \$176,000,000 over Total Assets at December 31, 2017. The asset growth reflects record Loan growth of 40% up \$196,000,000 during 2018 to \$688,000,000 and a 31% increase in Deposits up \$163,000,000 to \$696,000,000 for the year. Credit quality remains outstanding with no loans past due more than 30 days. Non-Interest Income was a record \$2,315,000 for 2018, up 151% and Net Interest Income increased 30% year over year to \$29,250,000. Net interest margin was a healthy 4.52% for the three months ended December 31, 2018.

“2018 was a transformational year for our company” said Thomas V. Wornham, President and CEO of PBAM and CEO of the Bank. “Our team members executed brilliantly on implementing our accelerated organic growth plans. The previously announced strategy involved investing in great people as they became available in the markets we serve. Adding great people to an existing team of great people has proven to be a winning formula for us. We ended the year with 60% more employees than at the beginning of 2018. We appreciate the support of our customers and shareholders who make our continued success possible.”

The increase in loans resulted in a significant increase in Loan Loss Reserve, \$1,731,000, up 244%. The increase in personnel and related support expenses resulted in a 60% increase in Non-interest Expenses for 2018. Together these investments partially offset the significant increase in Net Interest Income resulting in Net Income for 2018 of \$4,706,000, up 21% at the Bank level. These same factors impacted PBAM’s Net Income of \$4,137,000 and fully-diluted EPS of \$0.81.

Rick L Sowers, who joined as President of the Bank in early 2018, said “Our ability to build client relationships based on superior solutions and mutual trust is a factor of attracting and retaining great people. It is our talented team members who drive our growth in quality client relationships through superior client service, producing positive financial results for our shareholders. It’s a privilege to be a part of the leadership of this team.”

“During the year we rebranded as CalPrivate Bank, reflecting our commitment to establish ourselves as the leading concierge bank in coastal Southern California. We hired key senior executives, including Bob Llorens as Chief Lending Officer and Pete Cifelli as Orange County Market President. We also received approval from the FDIC for a new branch in South Bay Los Angeles (El Segundo, CA) which opened on January fourth 2019. In mid-year we added 13 new hires to our SBA team, who closed \$53,000,000 in SBA loans in less than 6 months impressively impacting Non-interest income.” added Mr. Sowers.

Selwyn Isakow, Chairman of PBAM and the Bank noted, “We are very pleased with the growth in 2018 and the successful execution of our organic investment plan. We anticipated that there would be significant initial expenses related to the talented people we hired and that this year’s earnings would also be impacted by increased provisions to our loan loss reserve related to the expanded loan portfolio. Our credit quality and capital ratios remained strong. We are encouraged by the growth across all offices in 2018, the success of the Beverly Hills office started in 2017 and the future potential of the Bank driven by the exceptional team management has assembled.”

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, South Bay LA 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 Financial 5 star rated bank, as well as being in the Top 200 safest Banks as rated 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			December 31, 2018		December 31, 2018	
	December 31, 2018	September 30, 2018	December 31, 2017	Q-o-Q		Y-o-Y	
				change (\$)	change (%)	change (\$)	change (%)
Common shares outstanding at period-end	5,052,793	5,047,093	5,008,627	5,700	0%	44,166	1%
Book value per common share	\$ 16.49	\$ 16.23	\$ 15.88	\$ 0.26	2%	\$ 0.61	4%
Tangible book value per common share	\$ 16.32	\$ 16.07	\$ 15.79	\$ 0.25	2%	\$ 0.53	3%
PERFORMANCE RATIOS (%):							
Return on average assets (annualized)	0.52%	0.62%	-0.07%	-0.09%	-15%	0.59%	-860%
Return on average equity (annualized)	5.03%	5.35%	-0.55%	-0.33%	-6%	5.58%	-1019%
Return on average tangible common equity (annualized)	5.08%	5.41%	-0.55%	-0.32%	-6%	5.64%	-1017%
Net interest margin	4.52%	4.35%	3.92%	0.17%	4%	0.60%	15%
Net interest spread	4.45%	4.28%	3.87%	0.17%	4%	0.58%	15%
Efficiency ratio	74.43%	75.80%	64.98%	-1.37%	-2%	9.45%	15%
Noninterest expense / average assets	3.47%	3.57%	2.54%	-0.10%	-3%	0.93%	36%
CAPITAL RATIOS (%):							
Tier 1 leverage ratio	10.39%	11.51%	12.11%	-1.12%	-10%	-1.72%	-14%
Tier 1 risk-based capital ratio	11.36%	13.01%	14.80%	-1.65%	-13%	-3.44%	-23%
Common equity Tier 1 ratio	11.36%	13.01%	14.80%	-1.65%	-13%	-3.44%	-23%
Total risk-based capital ratio	12.25%	13.90%	15.71%	-1.65%	-12%	-3.46%	-22%
Tangible equity / tangible assets	9.74%	10.83%	11.78%	-1.08%	-10%	-2.04%	-17%
CREDIT QUALITY PROFILE AND METRICS:							
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018		December 31, 2018	
				Q-o-Q		Y-o-Y	
				change (\$)	change (%)	change (\$)	change (%)
Total Loans (\$000s)	694,531	582,292	497,152	112,239	19%	197,379	40%
30-89 day past due loans (\$000s)	-	-	1,424	-	NM	(1,424)	-100%
90+ day past due loans (\$000s)	-	-	-	-	NM	-	NM
nonaccrual loans (\$000s)	-	-	1,586	-	NM	(1,586)	-100%
NPAs / Assets (%)	0.00%	0.00%	0.24%	-	NM	(0)	-100%
NPLs / loans & REO (%)	0.00%	0.00%	0.32%	-	NM	(0)	-100%
Net chargeoffs (\$000s)	0	0	0	-	NM	-	NM
NCOs / avg loans (annualized) (%)	0.00%	0.00%	0.00%	-	NM	-	NM
Reserve ratio (%)	0.90%	0.93%	0.91%	-0.03%	-3%	(0)	-1%
Reserve coverage ratio (%)	NM	NM	285%	NM	NM	NM	NM
LOAN PORTFOLIO COMPOSITION (\$000s)							
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018		December 31, 2018	
				Q-o-Q		Y-o-Y	
				change (\$)	change (%)	change (\$)	change (%)
Real estate - investor owned	270,582	213,139	189,355	57,443	27%	81,227	43%
Real estate - owner occupied	86,216	86,216	62,657	-	0%	23,559	38%
Real estate - multifamily	62,388	62,811	56,500	(423)	-1%	5,888	10%
Real estate - single family	59,685	63,906	48,362	(4,221)	-7%	11,323	23%
Commercial business	180,602	124,770	113,218	55,832	45%	67,384	60%
Land and construction	24,679	22,640	24,679	2,039	9%	-	0%
Consumer	5,255	5,967	1,734	(712)	-12%	3,521	203%
Other	-	-	-	-	NM	-	NM
Total loans held for investment	689,407	579,449	496,505	109,958	19%	192,902	39%
Loans held for sale	5,124	2,843	647	2,281	NM	4,477	692%
Total loans, including loans held for sale	694,531	582,292	497,152	112,239	19%	197,379	40%
Allowance for loan losses	(6,252)	(5,389)	(4,521)	(863)	16%	(1,731)	38%
Net loans	688,279	576,903	492,631	111,376	19%	195,648	40%
DEPOSIT COMPOSITION (\$000s)							
Non interest bearing DDA	226,119	180,657	162,049	45,462	25%	64,070	40%
Interest bearing DDA	21,079	16,481	16,373	4,598	28%	4,706	29%
Savings & MMA	344,776	294,600	295,075	50,176	17%	49,701	17%
Retail CD	7,651	6,461	6,035	1,190	18%	1,616	27%
Jumbo CD	96,838	50,920	53,651	45,918	90%	43,187	80%
Total deposits	696,463	549,119	533,183	147,344	27%	163,280	31%

PRIVATE BANCORP OF AMERICA, INC.
SELECTED FINANCIAL DATA

BALANCE SHEET (unaudited - in \$000s)	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018		December 31, 2018	
				Q-o-Q		Y-o-Y	
				change (\$)	change (%)	change (\$)	change (%)
Assets							
Cash and due from banks	24,120	24,273	15,128	(153)	-1%	8,992	59%
Interest-bearing deposits at Federal Reserve Bank	18,984	33,061	87,401	(14,077)	-43%	(68,417)	-78%
	43,104	57,334	102,529	(14,230)	-25%	(59,425)	-58%
Interest-bearing time deposits with other institutions	2,751	2,749	2,997	2	0%	(246)	-8%
Investment securities available for sale	98,186	99,217	61,568	(1,031)	-1%	36,618	59%
Investment securities held to maturity	-	-	-	-		-	
Loans	694,531	582,292	497,152	112,239	19%	197,379	40%
Allowance for loan losses	(6,252)	(5,389)	(4,521)	(863)	16%	(1,731)	38%
	688,279	576,903	492,631	111,376	19%	195,648	40%
Federal Home Loan Bank stock, at cost	3,310	2,889	2,295	421	15%	1,015	44%
Premises and equipment, net	2,223	2,067	1,530	156	8%	693	45%
Goodwill	-	-	-	-	NM	-	NM
Other intangible assets	884	789	487	95	12%	397	82%
Deferred tax asset/liability	4,767	4,852	4,233	(85)	-2%	534	13%
Accrued interest receivable	2,531	851	1,811	1,680	197%	720	40%
Other assets	1,119	2,311	1,164	(1,192)	-52%	(45)	-4%
	847,154	749,962	671,245	97,192	13%	175,909	26%
Liabilities and Shareholders' Equity							
Liabilities							
Noninterest Bearing	226,119	180,657	162,049	45,462	25%	64,070	40%
Interest Bearing	470,344	368,462	371,134	101,882	28%	99,210	27%
Total Deposits	696,463	549,119	533,183	147,344	27%	163,280	31%
FHLB Borrowings	55,000	107,000	50,000	(52,000)	-49%	5,000	10%
Other borrowings	7,909	7,906	7,896	3	0%	13	0%
Accrued interest payable and other liabilities	4,461	4,046	645	415	10%	3,816	592%
	763,833	668,071	591,724	95,762	14%	172,109	29%
Shareholders' equity							
Common stock	58,373	58,242	57,857	131	0%	516	1%
Additional paid-in capital	2,863	2,791	2,569	72	3%	294	11%
Retained earnings	23,365	22,318	19,265	1,047	5%	4,100	21%
Accumulated other comprehensive income	(1,280)	(1,460)	(170)	180	-12%	(1,110)	653%
	83,321	81,891	79,521	1,430	2%	3,800	5%
Total liabilities and shareholders' equity	847,154	749,962	671,245	97,192	13%	175,909	26%

PRIVATE BANCORP OF AMERICA, INC.
SELECTED FINANCIAL DATA

INCOME STATEMENT	For the year ended		December 31, 2018	
	December 31, 2018	December 31, 2017	Y-o-Y change (\$)	Y-o-Y change (%)
(unaudited - in \$000s, except per share data)				
Interest Income				
Loans	30,219	23,401	6,818	29%
Investment securities	2,699	923	1,776	192%
Deposits in other financial institutions	704	666	38	6%
	<u>33,622</u>	<u>24,990</u>	<u>8,632</u>	<u>35%</u>
Interest Expense				
Deposits	2,405	1,523	882	58%
Borrowings	1,967	962	1,005	104%
	<u>4,372</u>	<u>2,485</u>	<u>1,887</u>	<u>76%</u>
Net interest income	29,250	22,505	6,745	30%
Provision for credit losses	1,731	503	1,228	244%
Net interest income after provision for credit losses	<u>27,519</u>	<u>22,002</u>	<u>5,517</u>	<u>25%</u>
Noninterest income:				
Service charges on deposit accounts	258	249	9	4%
Net gain on sale of loans & leases	1,670	311	1,359	437%
Gain (loss) on sale of investment securities	(13)	8	(21)	-263%
Other noninterest income	400	356	44	12%
	<u>2,315</u>	<u>924</u>	<u>1,391</u>	<u>151%</u>
Noninterest expense:				
Salary and employee benefits	15,943	9,616	6,327	66%
Occupancy and equipment	2,310	1,637	673	41%
Data processing	1,902	1,093	809	74%
Professional services	1,248	873	375	43%
Other expenses	2,582	1,787	795	44%
	<u>23,985</u>	<u>15,006</u>	<u>8,979</u>	<u>60%</u>
Income before provision for income tax	5,849	7,921	(2,072)	-26%
Provision for income tax	1,712	4,496	(2,784)	-62%
Net income	<u>4,137</u>	<u>3,425</u>	<u>712</u>	<u>21%</u>
Net income available to common shareholders	<u>4,073</u>	<u>3,395</u>	<u>678</u>	<u>20%</u>
Earnings per share				
Basic earnings per share	\$ 0.82	\$ 0.72	\$ 0.10	14%
Diluted earnings per share	\$ 0.80	\$ 0.71	\$ 0.09	12%
Average shares outstanding	4,959,314	4,697,526	261,788	6%
Diluted average shares outstanding	5,136,987	4,804,496	332,491	7%

PRIVATE BANCORP OF AMERICA, INC.
SELECTED FINANCIAL DATA

INCOME STATEMENT (unaudited - in \$000s, except per share data)	For the three months ended			December 31, 2018 Q-o-Q		December 31, 2018 Y-o-Y	
	December 31, 2018	September 30, 2018	December 31, 2017	change (\$)	change (%)	change (\$)	change (%)
Interest Income							
Loans	9,459	7,772	6,241	1,687	22%	3,218	52%
Investment securities	747	698	321	49	7%	426	133%
Deposits in other financial institutions	127	174	214	(47)	-27%	(87)	-41%
	<u>10,333</u>	<u>8,644</u>	<u>6,776</u>	<u>1,689</u>	<u>20%</u>	<u>3,557</u>	<u>52%</u>
Interest Expense							
Deposits	860	592	429	268	45%	431	100%
Borrowings	710	582	267	128	22%	443	166%
	<u>1,570</u>	<u>1,174</u>	<u>696</u>	<u>396</u>	<u>34%</u>	<u>874</u>	<u>126%</u>
Net interest income	8,763	7,470	6,080	1,293	17%	2,683	44%
Provision for credit losses	863	496	300	367	74%	563	188%
Net interest income after provision for credit losses	<u>7,900</u>	<u>6,974</u>	<u>5,780</u>	<u>926</u>	<u>13%</u>	<u>2,120</u>	<u>37%</u>
Noninterest income:							
Service charges on deposit accounts	96	90	72	6	7%	24	33%
Net gain on sale of loans & leases	410	749	73	(339)	-45%	337	NM
Gain (loss) on sale of investment securities	(13)	(6)	-	(7)	117%	(13)	NM
Other noninterest income	68	83	26	(15)	-18%	42	162%
	<u>561</u>	<u>916</u>	<u>171</u>	<u>(355)</u>	<u>-39%</u>	<u>390</u>	<u>228%</u>
Noninterest expense:							
Salary and employee benefits	4,741	4,269	2,581	472	11%	2,160	84%
Occupancy and equipment	620	610	458	10	2%	162	35%
Data processing	541	487	260	54	11%	281	108%
Professional services	350	288	217	62	22%	133	61%
Other expenses	688	703	546	(15)	-2%	142	26%
	<u>6,940</u>	<u>6,357</u>	<u>4,062</u>	<u>583</u>	<u>9%</u>	<u>2,878</u>	<u>71%</u>
Income before provision for income tax	1,521	1,533	1,889	(12)	-1%	(368)	-19%
Provision for income tax	474	435	1,999	39	9%	(1,525)	-76%
Net income	<u>1,047</u>	<u>1,098</u>	<u>(110)</u>	<u>(51)</u>	<u>-5%</u>	<u>1,157</u>	<u>-1052%</u>
Net income available to common shareholders	<u>1,025</u>	<u>1,081</u>	<u>(109)</u>	<u>(56)</u>	<u>-5%</u>	<u>1,134</u>	<u>-1040%</u>
Earnings per share							
Basic earnings per share	\$ 0.21	\$ 0.22	\$ (0.02)	\$ (0.01)	-5%	\$ 0.23	-1051%
Diluted earnings per share	\$ 0.20	\$ 0.21	\$ (0.02)	\$ (0.01)	-6%	\$ 0.22	-1096%
Average shares outstanding	4,970,090	4,967,905	4,948,981	2,185	0%	21,109	0%
Diluted average shares outstanding	5,147,858	5,087,829	5,071,375	60,029	1%	76,483	2%

PRIVATE BANCORP OF AMERICA, INC.
SELECTED FINANCIAL DATA

RATE AND YIELD TABLE (unaudited - in \$000s)	For the three months ended December 31, 2018			For the three months ended September 30, 2018			For the three months ended December 31, 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	24,810	127	2.03%	36,585	174	1.89%	78,516	214	1.08%
Investment securities	102,746	747	2.88%	103,618	698	2.67%	54,751	321	2.33%
Loans	640,963	9,459	5.85%	541,049	7,772	5.70%	481,667	6,241	5.14%
Total interest-earning assets	768,519	10,333	5.33%	681,252	8,644	5.03%	614,934	6,776	4.37%
Noninterest-earning assets	24,752			24,817			18,781		
Total Assets	793,271			706,069			633,715		
Interest-Bearing Liabilities									
Interest-bearing transaction accounts	17,890	9	0.20%	15,649	8	0.20%	13,469	7	0.21%
Money market	306,361	530	0.69%	277,216	394	0.56%	279,626	302	0.43%
Savings deposits	6,385	4	0.25%	5,580	4	0.28%	5,230	3	0.23%
Certificates of deposit	70,416	317	1.79%	56,743	186	1.30%	53,685	116	0.86%
Total Interest-Bearing Deposits	401,052	860	0.85%	355,188	592	0.66%	352,010	428	0.48%
FHLB advances	97,918	605	2.45%	83,978	478	2.26%	50,000	163	1.29%
Other borrowings	7,907	105	5.27%	7,904	104	5.22%	7,894	104	5.23%
Total Interest-Bearing Liabilities	105,825	710	2.66%	91,882	582	2.51%	57,894	267	1.83%
Noninterest-bearing deposits	199,588			173,335			140,454		
Total Funding Sources	706,465	1,570	0.88%	620,405	1,174	0.75%	550,358	695	0.50%
Noninterest-bearing liabilities	4,200			4,300			3,623		
Shareholders' equity	82,606			81,364			79,734		
Total Liabilities and Shareholders' Equity	793,271			706,069			633,715		
Net interest spread			4.45%			4.28%			3.87%
Net interest income		8,763			7,470			6,081	
Net interest margin			4.52%			4.35%			3.92%