



FOR IMMEDIATE RELEASE

PRIVATE BANCORP OF AMERICA, INC. REPORTS 2019 FOURTH QUARTER FINANCIAL RESULTS.

- Total assets increased to \$1.1 billion up 7% for the quarter and 26% year-over-year
- Total loans increased to \$885.6 million up 8% for the quarter and up 28% year-over-year
- Total deposits increased to \$850.3 million up 3% for the quarter and up 22% year-over-year
- Record fourth quarter earnings of \$2.0 million, or \$0.35 per diluted share
- Net interest income for the year increased 43%

La Jolla, Calif. – January 29, 2020 (GLOBE NEWSWIRE) - Private Bancorp of America, Inc. (OTCQX:PBAM), (“Company”) and CalPrivate Bank (“Bank”) announced unaudited financial results for the fourth quarter and year ending December 31, 2019. For the full year 2019, the Company reported a net loss of \$428,000 or \$0.08 per diluted share. The net loss for the year was due to the \$9.5 million pre-tax loan charge-off reported in the third quarter of 2019.

The Company reported net income of \$2.0 million or \$0.35 per diluted share for the quarter ended December 31, 2019 compared with a net loss of \$5.0 million or \$0.89 per diluted share in the third quarter of 2019 and net income of \$1.0 million or \$0.20 per diluted share for the fourth quarter of 2018. Net interest income was \$11.1 million for the fourth quarter of 2019 representing a \$103,000 or 1%, increase compared to the third quarter of 2019 and a \$2.3 million or 26% increase, compared to the same period in 2018. Net interest margin for the fourth quarter was 4.47% compared with 4.67% for the third quarter and 4.52% for the same period in 2018. The yield on earning assets for the quarter was 5.44% compared with 5.63% in the third quarter and 5.33% for the same period in 2018 reflecting the impact of changes in the Federal Funds Rate, and an increase in loan yields year-over-year. The cost of total funding sources was 1.04% for the quarter compared with 1.04% in the third quarter and 0.88% for the same period in 2018. The increase in funding costs compared to the fourth quarter of 2018 was partially attributable to the increased cost from the subordinate debt issued during the second quarter of 2019.

Non-interest income was \$1.0 million for the fourth quarter of 2019 representing a \$437,000 or 75% increase compared to the third quarter of 2019 and a \$460,000 increase, or 82% increase compared to the same period in 2018. The quarterly increase is primarily due to increased gains from SBA loan sales and gain-on-sale of investment securities. The increase compared to the same period in 2018 is due to the increase in SBA loan sales and other non-interest income.

Non-interest expense was \$8.6 million for the fourth quarter of 2019 representing a \$369,000 decrease, or 4%, compared to the third quarter of 2019 and a \$1.6 million, or 23% increase, compared to the same period in 2018. The decrease was caused by downward adjustments to bonus and commission accruals, offset by increases to professional and other expenses related to increased legal costs, regulatory assessments and expenses related to unfunded commitments. The increase compared to 2018 was due to increases in salaries and benefits, data processing costs, professional services and other expenses due to increased headcount, legal fees and expense related to unfunded commitments.

The Company increased total assets to \$1.1 billion at December 31, 2019 representing an increase of \$66 million or 7% compared to the third quarter of 2019 and \$218.8 million or 26% compared to the same period in 2018. Total loans increased \$64.6 million, or 8%, from the third quarter to \$885.6 million at December 31, 2019 and increased \$191 million, or 28%, from the fourth quarter of 2018. The Allowance for Loan Losses increased \$708 thousand to \$8.6 million in the quarter with a resulting coverage ratio of 0.97% compared to \$7.9 million or 0.96% at the third quarter of 2019 and \$6.3 million or 0.90% at the fourth quarter of 2018.

Tom Wornham, President and CEO of the Company and CEO of the Bank said, “Our growth continues to come from all around our Coastal Southern California footprint and across all of our business lines. We are very appreciative of the support of our clients and shareholders; as well as the hard work of our Team Members who are successfully implementing our organic growth strategy. While we are very disappointed we incurred our only significant loan loss since the merger in 2013, we are proud that without this event PBAM would have reported record earnings in 2019.”

Rick Sowers, President of the Bank added, “We are more than half way through our 36-month growth strategy that we communicated to our investors. We have experienced tremendous growth and I am proud of our Team. Our focus remains on continuing to improve our operating leverage, continually providing an exceptional client experience and getting the most out of the investments we have made.”

“The company continued to grow based on prior and current investments in infrastructure, talent and technology. The focus on client experience and corporate culture resulted in the strengthening of the franchise through broader and deeper client relationships and exceptional Team Member engagement,” said Selwyn Isakow, Chairman of PBAM and the Bank. “The company remains well capitalized and reported no past due or delinquent loans at the end of the year. We remain committed to providing our shareholders with solid long-term returns.”

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.

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 loan

losses, 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.
CONSOLIDATED BALANCE SHEET
(Unaudited)
(Dollars in thousands)

| | <u>December 31, 2019</u> | <u>September 30, 2019</u> | <u>Dollar change</u> | <u>Percentage change</u> | <u>December 31, 2018</u> | <u>Dollar change</u> | <u>Percentage change</u> |
|--|----------------------------|---------------------------|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Assets | | | | | | | |
| Cash and due from banks | \$ 34,551 | \$ 29,480 | \$ 5,071 | 17.2% | 24,140 | \$ 10,411 | 43.1% |
| Interest-bearing deposits at Federal Reserve Bank | 74,561 | 58,373 | 16,188 | 27.7% | 18,964 | 55,597 | 293.2% |
| Total cash and due from banks | <u>109,112</u> | <u>87,853</u> | <u>21,259</u> | <u>24.2%</u> | <u>43,104</u> | <u>66,008</u> | <u>153.1%</u> |
| Interest-bearing time deposits with other institutions | 2,256 | 2,255 | 1 | 0.0% | 2,751 | (495) | -18.0% |
| Investment securities available for sale | 51,215 | 73,209 | (21,994) | -30.0% | 98,170 | (46,955) | -47.8% |
| Loans | 885,556 | 820,989 | 64,567 | 7.9% | 694,531 | 191,025 | 27.5% |
| Allowance for loan losses | (8,601) | (7,893) | (708) | 9.0% | (6,252) | (2,349) | 37.6% |
| Net loans | <u>876,955</u> | <u>813,096</u> | <u>63,859</u> | <u>7.9%</u> | <u>688,279</u> | <u>188,676</u> | <u>27.4%</u> |
| Federal Home Loan Bank stock, at cost | 4,060 | 4,060 | 0 | 0.0% | 3,310 | 750 | 22.7% |
| Right of use asset | 6,452 | 6,877 | (425) | -6.2% | 0 | 6,452 | 0.0% |
| Premises and equipment, net | 3,165 | 2,947 | 218 | 7.4% | 2,223 | 942 | 42.4% |
| Other intangible assets | 1,080 | 978 | 102 | 10.5% | 884 | 196 | 22.2% |
| Deferred tax asset | 5,966 | 4,576 | 1,390 | 30.4% | 4,409 | 1,557 | 35.3% |
| Accrued interest receivable | 2,703 | 2,569 | 134 | 5.2% | 2,527 | 176 | 7.0% |
| Other assets | 3,022 | 1,565 | 1,457 | 93.1% | 1,507 | 1,515 | 100.5% |
| Total assets | <u>\$ 1,065,986</u> | <u>\$ 999,985</u> | <u>\$ 66,001</u> | <u>6.6%</u> | <u>\$ 847,164</u> | <u>\$ 218,822</u> | <u>25.8%</u> |
| Liabilities and Shareholders' Equity | | | | | | | |
| Liabilities | | | | | | | |
| Noninterest bearing | \$ 268,116 | \$ 266,205 | \$ 1,911 | 0.7% | \$ 226,119 | \$ 41,997 | 18.6% |
| Interest Bearing | 582,139 | 557,800 | 24,339 | 4.4% | 470,344 | 111,795 | 23.8% |
| Total deposits | <u>850,255</u> | <u>824,005</u> | <u>26,250</u> | <u>3.2%</u> | <u>696,463</u> | <u>153,792</u> | <u>22.1%</u> |
| FHLB borrowings | 90,000 | 55,000 | 35,000 | 63.6% | 55,000 | 35,000 | 63.6% |
| Other borrowings | 17,932 | 17,930 | 2 | 0.0% | 7,909 | 10,023 | 126.7% |
| Accrued interest payable and other liabilities | 12,120 | 9,779 | 2,341 | 23.9% | 4,241 | 7,879 | 185.8% |
| Total liabilities | <u>970,307</u> | <u>906,714</u> | <u>63,593</u> | <u>7.0%</u> | <u>763,613</u> | <u>206,694</u> | <u>27.1%</u> |
| Shareholders' equity | | | | | | | |
| Common stock | 69,159 | 68,804 | 355 | 0.5% | 58,373 | 10,786 | 18.5% |
| Additional paid-in capital | 3,048 | 2,997 | 51 | 1.7% | 3,083 | (35) | -1.1% |
| Retained earnings | 22,904 | 20,917 | 1,987 | 9.5% | 23,363 | (459) | -2.0% |
| Accumulated other comprehensive income | 568 | 553 | 15 | 2.7% | (1,268) | 1,836 | -144.8% |
| Total stockholders' equity | <u>95,679</u> | <u>93,271</u> | <u>2,408</u> | <u>2.6%</u> | <u>83,551</u> | <u>12,128</u> | <u>14.5%</u> |
| Total liabilities and stockholders' equity | <u>\$ 1,065,986</u> | <u>\$ 999,985</u> | <u>\$ 66,001</u> | <u>6.6%</u> | <u>\$ 847,164</u> | <u>\$ 218,822</u> | <u>25.8%</u> |

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

| | For the three months ended | | | | | | |
|--|----------------------------|--------------------|-----------------|-------------------|-------------------|---------------|-------------------|
| | December 31, 2019 | September 30, 2019 | Dollar change | Percentage change | December 31, 2018 | Dollar change | Percentage change |
| Interest Income | | | | | | | |
| Loans | \$ 12,733 | \$ 12,497 | \$ 236 | 1.9% | \$ 9,459 | \$ 3,274 | 34.6% |
| Investment securities | 485 | 544 | (59) | -10.8% | 747 | (262) | -35.1% |
| Deposits in other financial institutions | 254 | 181 | 73 | 40.3% | 127 | 127 | 100.0% |
| Total interest income | <u>13,472</u> | <u>13,222</u> | <u>250</u> | <u>1.9%</u> | <u>10,333</u> | <u>3,139</u> | <u>30.4%</u> |
| Interest Expense | | | | | | | |
| Deposits | 1,825 | 1,605 | 220 | 13.7% | 860 | 965 | 112.2% |
| Borrowings | 575 | 648 | (73) | -11.3% | 710 | (135) | -19.0% |
| Total interest expense | <u>2,400</u> | <u>2,253</u> | <u>147</u> | <u>6.5%</u> | <u>1,570</u> | <u>830</u> | <u>52.9%</u> |
| Net interest income | 11,072 | 10,969 | 103 | 0.9% | 8,763 | 2,309 | 26.3% |
| Provision for credit losses | 708 | 9,737 | (9,029) | -92.7% | 863 | (155) | -18.0% |
| Net interest income after provision for credit losses | 10,364 | 1,232 | 9,132 | 741.2% | 7,900 | 2,464 | 31.2% |
| Noninterest income: | | | | | | | |
| Service charges on deposit accounts | 138 | 137 | 1 | 0.7% | 96 | 42 | 43.8% |
| Net gain on sale of loans | 432 | 163 | 269 | 165.0% | 410 | 22 | 5.4% |
| Gain on sale of investment securities | 190 | 125 | 65 | 52.0% | (13) | 203 | -1561.5% |
| Other noninterest income | 261 | 159 | 102 | 64.2% | 68 | 193 | 283.8% |
| Total noninterest income | <u>1,021</u> | <u>584</u> | <u>437</u> | <u>74.8%</u> | <u>561</u> | <u>460</u> | <u>82.0%</u> |
| Noninterest expense: | | | | | | | |
| Salary and employee benefits | 5,427 | 6,341 | (914) | -14.4% | 4,741 | 686 | 14.5% |
| Occupancy and equipment | 832 | 793 | 39 | 4.9% | 620 | 212 | 34.2% |
| Data processing | 631 | 588 | 43 | 7.3% | 541 | 90 | 16.6% |
| Professional services | 726 | 639 | 87 | 13.6% | 350 | 376 | 107.4% |
| Other expenses | 946 | 570 | 376 | 66.0% | 688 | 258 | 37.5% |
| Total noninterest expense | <u>8,562</u> | <u>8,931</u> | <u>(369)</u> | <u>-4.1%</u> | <u>6,940</u> | <u>1,622</u> | <u>23.4%</u> |
| Income (loss) before provision for income taxes | 2,823 | (7,115) | 9,938 | -139.7% | 1,521 | 1,302 | 85.6% |
| Provision for income taxes | 857 | (2,081) | 2,938 | -141.2% | 474 | 383 | 80.8% |
| Net income (loss) | <u>\$ 1,966</u> | <u>\$ (5,034)</u> | <u>\$ 7,000</u> | <u>-139.1%</u> | <u>\$ 1,047</u> | <u>\$ 919</u> | <u>87.8%</u> |
| Net income available to common shareholders | <u>\$ 1,931</u> | <u>\$ (4,950)</u> | <u>\$ 6,881</u> | <u>-139.0%</u> | <u>1,025</u> | <u>\$ 906</u> | <u>88.4%</u> |
| Earnings per share | | | | | | | |
| Basic earnings (loss) per share | \$ 0.36 | \$ (0.91) | \$ 1.27 | -139.7% | \$ 0.21 | \$ 0.15 | 74.6% |
| Diluted earnings (loss) per share | \$ 0.35 | \$ (0.89) | \$ 1.24 | -139.3% | \$ 0.20 | \$ 0.15 | 75.8% |
| Average shares outstanding | 5,414,056 | 5,465,278 | (51,222) | -0.9% | 4,970,090 | 443,966 | 8.9% |
| Diluted average shares outstanding | 5,492,930 | 5,563,931 | (71,001) | -1.3% | 5,147,858 | 345,072 | 6.7% |

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(Dollars in thousands, except per share amounts)

| | For the twelve months ended | | | |
|--|-----------------------------|-------------------|-------------------|-------------------|
| | December 31, 2019 | December 31, 2018 | Dollar change | Percentage change |
| Interest Income | | | | |
| Loans | \$ 47,182 | 30,219 | \$ 16,963 | 56.1% |
| Investment securities | 2,303 | 2,698 | (395) | -14.6% |
| Deposits in other financial institutions | 695 | 704 | (9) | -1.3% |
| Total interest income | 50,180 | 33,621 | 16,559 | 49.3% |
| Interest Expense | | | | |
| Deposits | 5,977 | 2,405 | 3,572 | 148.5% |
| Borrowings | 2,438 | 1,967 | 471 | 23.9% |
| Total interest expense | 8,415 | 4,372 | 4,043 | 92.5% |
| Net interest income | 41,765 | 29,249 | 12,516 | 42.8% |
| Provision for credit losses | 11,830 | 1,731 | 10,099 | 583.4% |
| Net interest income after provision for credit losses | 29,935 | 27,518 | 2,417 | 8.8% |
| Noninterest income: | | | | |
| Service charges on deposit accounts | 485 | 258 | 227 | 88.0% |
| Net gain on sale of loans | 1,249 | 1,670 | (421) | -25.2% |
| Gain on sale of investment securities | 341 | (4) | 345 | -8625.0% |
| Other noninterest income | 688 | 441 | 247 | 56.0% |
| Total noninterest income | 2,763 | 2,365 | 398 | 16.8% |
| Noninterest expense: | | | | |
| Salary and employee benefits | 22,889 | 15,943 | 6,946 | 43.6% |
| Occupancy and equipment | 2,941 | 2,310 | 631 | 27.3% |
| Data processing | 2,233 | 1,902 | 331 | 17.4% |
| Professional services | 2,121 | 1,248 | 873 | 70.0% |
| Other expenses | 3,099 | 2,632 | 467 | 17.7% |
| Total noninterest expense | 33,283 | 24,035 | 9,248 | 38.5% |
| Income (loss) before provision for income taxes | (585) | 5,848 | (6,433) | -110.0% |
| Provision for income tax | (157) | 1,712 | (1,869) | -109.2% |
| Net income (loss) | \$ (428) | \$ 4,136 | \$ (4,564) | -110.3% |
| Net income available to common shareholders | \$ (420) | \$ 4,073 | \$ (4,493) | -110.3% |
| Earnings per share | | | | |
| Basic earnings (loss) per share | \$ (0.08) | \$ 0.82 | \$ (0.90) | -109.7% |
| Diluted earnings (loss) per share | \$ (0.08) | \$ 0.80 | \$ (0.88) | -110.1% |
| Average shares outstanding | 5,241,325 | 4,959,314 | 282,011 | 5.7% |
| Diluted average shares outstanding | 5,320,200 | 5,136,987 | 183,213 | 3.6% |

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

| | For the three months ended | | | | | | | | |
|---|----------------------------|------------------|-----------------------|--------------------|------------------|-----------------------|--------------------|-----------------|-----------------------|
| | December 31, 2019 | | | September 30, 2019 | | | December 31, 2018 | | |
| | 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 | \$ 66,186 | \$ 254 | 1.52% | \$ 35,658 | \$ 181 | 2.01% | \$ 24,810 | \$ 127 | 2.03% |
| Investment securities | 70,647 | 485 | 2.75% | 79,842 | 544 | 2.73% | 102,746 | 747 | 2.88% |
| Loans | 845,199 | 12,733 | 5.98% | 816,281 | 12,497 | 6.07% | 640,963 | 9,459 | 5.85% |
| Total interest-earning assets | 982,032 | 13,472 | 5.44% | 931,781 | 13,222 | 5.63% | 768,519 | 10,333 | 5.33% |
| Noninterest-earning assets | 36,912 | | | 39,083 | | | 24,752 | | |
| Total Assets | <u>\$ 1,018,944</u> | | | <u>\$ 970,864</u> | | | <u>\$ 793,271</u> | | |
| Interest-Bearing Liabilities | | | | | | | | | |
| Interest-bearing transaction accounts | \$ 56,061 | \$ 130 | 0.92% | \$ 37,644 | \$ 69 | 0.73% | \$ 17,890 | \$ 9 | 0.20% |
| Money market | 389,499 | 1,009 | 1.03% | 372,008 | 959 | 1.02% | 306,361 | 530 | 0.69% |
| Savings deposits | 10,078 | 6 | 0.24% | 7,099 | 5 | 0.28% | 6,385 | 4 | 0.25% |
| Certificates of deposit | 114,699 | 680 | 2.35% | 100,705 | 572 | 2.25% | 70,416 | 317 | 1.79% |
| Total Interest-Bearing Deposits | 570,337 | 1,825 | 1.27% | 517,456 | 1,605 | 1.23% | 401,052 | 860 | 0.85% |
| FHLB advances | 56,814 | 306 | 2.14% | 63,301 | 376 | 2.36% | 97,918 | 605 | 2.45% |
| Other borrowings | 17,931 | 269 | 6.00% | 17,929 | 272 | 6.07% | 7,907 | 105 | 5.27% |
| Total Interest-Bearing Liabilities | 74,745 | 575 | 3.05% | 81,230 | 648 | 3.16% | 105,825 | 710 | 2.66% |
| Noninterest-bearing deposits | 271,892 | | | 261,365 | | | 199,588 | | |
| Total Funding Sources | 916,974 | 2,400 | 1.04% | 860,051 | 2,253 | 1.04% | 706,465 | 1,570 | 0.88% |
| Noninterest-bearing liabilities | 10,506 | | | 12,422 | | | 4,200 | | |
| Shareholders' equity | 91,464 | | | 98,391 | | | 82,606 | | |
| Total Liabilities and Shareholders' Equity | <u>\$ 1,018,944</u> | | | <u>\$ 970,864</u> | | | <u>\$ 793,271</u> | | |
| Net interest spread | | | 4.40% | | | 4.59% | | | 4.45% |
| Net interest income | | <u>\$ 11,072</u> | | | <u>\$ 10,969</u> | | | <u>\$ 8,763</u> | |
| Net interest margin | | | 4.47% | | | 4.67% | | | 4.52% |

| Condensed Balance Sheets | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| (Dollars in thousands, except per share amounts) | | | | | |
| | Dec 31, 2019 | Sep 30, 2019 | Jun 30, 2019 | Mar 31, 2019 | Dec 31, 2018 |
| Assets | | | | | |
| Cash and due from banks | \$ 111,368 | \$ 90,108 | \$ 45,337 | \$ 37,998 | \$ 45,855 |
| Investment securities | 51,215 | 73,209 | 84,752 | 85,852 | 98,170 |
| Loans | 885,556 | 820,989 | 795,345 | 713,408 | 694,531 |
| Allowance for loan losses | (8,601) | (7,893) | (7,637) | (6,641) | (6,252) |
| Net loans | 876,955 | 813,096 | 787,708 | 706,767 | 688,279 |
| Right of use asset | 6,452 | 6,877 | 7,271 | 6,951 | - |
| Premises and equipment, net | 3,165 | 2,947 | 2,669 | 2,416 | 2,223 |
| Other assets and interest receivable | 16,831 | 13,748 | 12,810 | 12,554 | 12,637 |
| Total assets | \$ 1,065,986 | \$ 999,985 | \$ 940,547 | \$ 852,538 | \$ 847,164 |
| Liabilities and Shareholders' Equity | | | | | |
| Liabilities | | | | | |
| Noninterest Bearing | \$ 268,116 | \$ 266,205 | \$ 247,153 | \$ 263,255 | \$ 226,119 |
| Interest Bearing | 582,139 | 557,800 | 485,011 | 443,572 | 470,344 |
| Total Deposits | 850,255 | 824,005 | 732,164 | 706,827 | 696,463 |
| Borrowings | 107,932 | 72,930 | 99,929 | 47,832 | 62,909 |
| Accrued interest payable and other liabilities | 12,120 | 9,779 | 10,599 | 11,777 | 4,240 |
| Total liabilities | 970,307 | 906,714 | 842,692 | 766,436 | 763,612 |
| Shareholders' equity | | | | | |
| Common stock | 69,159 | 68,804 | 68,740 | 58,576 | 58,373 |
| Additional paid-in capital | 3,048 | 2,997 | 2,823 | 3,062 | 3,083 |
| Retained earnings | 22,904 | 20,917 | 25,997 | 24,952 | 23,364 |
| Accumulated other comprehensive income | 568 | 553 | 295 | (488) | (1,268) |
| Total shareholders' equity | 95,679 | 93,271 | 97,855 | 86,102 | 83,552 |
| Total liabilities and shareholders' equity | \$ 1,065,986 | \$ 999,985 | \$ 940,547 | \$ 852,538 | \$ 847,164 |
| Book value per common share | \$ 17.15 | \$ 16.84 | \$ 17.60 | \$ 16.90 | \$ 16.41 |
| Tangible book value per common share | \$ 16.96 | \$ 16.66 | \$ 17.44 | \$ 16.72 | \$ 16.23 |

| Regulatory Capital Ratios (PBAM) ¹ | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Dec 31, 2019 | Sep 30, 2019 | Jun 30, 2019 | Mar 31, 2019 | Dec 31, 2018 |
| Tier 1 leverage ratio | 9.17% | 9.54% | 10.69% | 9.97% | 10.39% |
| Tier 1 risk-based capital ratio | 9.86% | 10.24% | 11.10% | 11.10% | 11.36% |
| Common equity Tier 1 ratio | 9.86% | 10.24% | 11.10% | 11.10% | 11.36% |
| Total risk-based capital ratio | 12.71% | 13.09% | 14.10% | 12.01% | 12.25% |
| Tangible equity / tangible assets | 8.88% | 9.24% | 10.32% | 10.00% | 9.74% |

¹ Preliminary ratios for December 31, 2019

Condensed Statements of Income
(Dollars in thousands, except per share amounts)

| | Dec 31, 2019 | Sep 30, 2019 | Jun 30, 2019 | Mar 31, 2019 | Dec 31, 2018 |
|--|-----------------|-------------------|-----------------|-----------------|-----------------|
| Interest income | \$ 13,472 | \$ 13,222 | \$ 12,169 | \$ 11,317 | \$ 10,333 |
| Interest expense | 2,400 | 2,253 | 2,076 | 1,686 | 1,570 |
| Net interest income | 11,072 | 10,969 | 10,093 | 9,631 | 8,763 |
| Provision for credit losses | 708 | 9,737 | 996 | 389 | 863 |
| Net interest income after provision for credit losses | 10,364 | 1,232 | 9,097 | 9,242 | 7,900 |
| Noninterest income | 1,021 | 584 | 606 | 552 | 561 |
| Salary and employee benefits | 5,427 | 6,341 | 5,892 | 5,229 | 4,741 |
| Occupancy and equipment | 832 | 793 | 641 | 674 | 620 |
| Data processing | 631 | 588 | 490 | 524 | 541 |
| Professional services | 726 | 639 | 364 | 392 | 350 |
| Other expenses | 946 | 570 | 854 | 730 | 688 |
| Total noninterest expense | 8,562 | 8,931 | 8,241 | 7,549 | 6,940 |
| Income before provision for income taxes | 2,823 | (7,115) | 1,462 | 2,245 | 1,521 |
| Income taxes | 857 | (2,081) | 411 | 656 | 474 |
| Net income | \$ 1,966 | \$ (5,034) | \$ 1,051 | \$ 1,589 | \$ 1,047 |
| Net income available to common shareholders | \$ 1,931 | \$ (4,950) | \$ 1,031 | \$ 1,559 | \$ 1,025 |
| Earnings per share | | | | | |
| Basic earnings per share | \$ 0.36 | \$ (0.91) | \$ 0.21 | \$ 0.31 | \$ 0.21 |
| Diluted earnings per share | \$ 0.35 | \$ (0.89) | \$ 0.20 | \$ 0.30 | \$ 0.20 |
| Average shares outstanding | 5,414,056 | 5,465,278 | 5,027,437 | 4,996,811 | 5,042,921 |
| Diluted average shares outstanding | 5,492,930 | 5,563,931 | 5,133,305 | 5,114,096 | 5,160,206 |

Performance Ratios

| | Dec 31, 2019 | Sep 30, 2019 | Jun 30, 2019 | Mar 31, 2019 | Dec 31, 2018 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| ROAA | 0.77% | -2.06% | 0.47% | 0.76% | 0.52% |
| ROAE | 8.53% | -20.30% | 4.85% | 7.60% | 5.03% |
| ROTE | 8.01% | -20.50% | 4.90% | 7.72% | 5.09% |
| Net interest margin | 4.47% | 4.67% | 4.70% | 4.77% | 4.52% |
| Net interest spread | 4.40% | 4.59% | 4.62% | 4.71% | 4.45% |
| Efficiency ratio | 70.80% | 77.30% | 77.03% | 74.13% | 74.43% |
| Noninterest expense / average assets | 3.33% | 3.65% | 3.68% | 3.61% | 3.47% |

Average Balances
(Dollars in thousands)

| | Dec 31, 2019 | Sep 30, 2019 | Jun 30, 2019 | Mar 31, 2019 | Dec 31, 2018 |
|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total assets | \$ 1,018,944 | \$ 970,864 | \$ 897,120 | \$ 847,900 | \$ 793,271 |
| Earning assets | \$ 982,032 | \$ 931,781 | \$ 861,599 | \$ 818,630 | \$ 768,519 |
| Total loans | \$ 845,199 | \$ 816,281 | \$ 748,846 | \$ 701,715 | \$ 640,963 |
| Total deposits | \$ 842,229 | \$ 778,821 | \$ 718,579 | \$ 690,384 | \$ 600,640 |
| Total equity | \$ 91,464 | \$ 98,391 | \$ 86,964 | \$ 84,827 | \$ 82,606 |

Loan Balances by Type
(Dollars in thousands)

| | Dec 31, 2019 | Sep 30, 2019 | Jun 30, 2019 | Mar 31, 2019 | Dec 31, 2018 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Real estate - investor owned | \$ 245,658 | \$ 247,953 | \$ 245,068 | \$ 235,185 | \$ 234,540 |
| Real estate - owner occupied | 225,778 | 192,739 | 175,112 | 136,484 | 122,258 |
| Real estate - multifamily | 68,308 | 68,536 | 67,839 | 69,083 | 62,388 |
| Real estate - single family | 59,487 | 59,782 | 56,783 | 58,334 | 59,685 |
| Commercial business | 243,438 | 204,166 | 201,892 | 173,027 | 180,602 |
| Land and construction | 32,151 | 37,918 | 37,966 | 32,987 | 24,679 |
| Consumer | 6,172 | 5,585 | 7,035 | 5,107 | 5,255 |
| Total loans held for investment | 880,992 | 816,679 | 791,695 | 710,207 | 689,407 |
| Loans held for sale | 4,564 | 4,310 | 3,650 | 3,201 | 5,124 |
| Total loans, including loans held for sale | 885,556 | 820,989 | 795,345 | 713,408 | 694,531 |
| Allowance for loan losses | (8,601) | (7,893) | (7,637) | (6,641) | (6,252) |
| Net loans | <u>\$ 876,955</u> | <u>\$ 813,096</u> | <u>\$ 787,708</u> | <u>\$ 706,767</u> | <u>\$ 688,279</u> |

Deposits by Type
(Dollars in thousands)

| | Dec 31, 2019 | Sep 30, 2019 | Jun 30, 2019 | Mar 31, 2019 | Dec 31, 2018 |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Non interest bearing DDA | \$ 268,116 | \$ 266,205 | \$ 247,153 | \$ 263,255 | \$ 226,119 |
| Interest bearing DDA | 112,397 | 47,805 | 29,583 | 23,195 | 21,079 |
| Savings & MMA | 350,563 | 394,128 | 363,803 | 325,880 | 344,776 |
| Retail CD | 6,989 | 7,132 | 7,025 | 4,135 | 7,651 |
| Jumbo CD | 112,191 | 108,735 | 84,600 | 90,362 | 96,838 |
| Total deposits | <u>\$ 850,255</u> | <u>\$ 824,005</u> | <u>\$ 732,164</u> | <u>\$ 706,827</u> | <u>\$ 696,463</u> |

Asset Quality
(Dollars in thousands)

| | Dec 31, 2019 | Sep 30, 2019 | Jun 30, 2019 | Mar 31, 2019 | Dec 31, 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Loans | \$ 885,556 | \$ 820,989 | \$ 795,345 | \$ 713,408 | \$ 694,531 |
| 30-89 day past due loans | \$ - | \$ - | \$ 155 | \$ - | \$ - |
| 90+ day past due loans | \$ - | \$ - | \$ - | \$ - | \$ - |
| Nonaccrual loans | \$ - | \$ - | \$ - | \$ - | \$ - |
| NPAs / Assets | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| NPLs / loans & OREO | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Net quarterly charge-offs | \$ - | \$ 9,481 | \$ - | \$ - | \$ - |
| Net charge-offs/avg loans (annualized) | 0.00% | 4.65% | 0.00% | 0.00% | 0.00% |
| Allowance for loan losses to loans | 0.97% | 0.96% | 0.96% | 0.93% | 0.90% |
| Allowance for loan losses to nonaccrual loans | NM | NM | NM | NM | NM |