



FOR IMMEDIATE RELEASE

PRIVATE BANCORP OF AMERICA, INC. REPORTS RECORD 2020 FINANCIAL RESULTS

2020 Highlights

- Record net income of \$10.9 million, or \$1.94 per diluted share
- Net interest margin for the year was 4.15% compared with 4.51% in the prior year
- Total loans were \$1.0 billion, up 13.9% for the year-over-year
- Allowance for Loan Losses to total loans increased to 1.41% and 1.51% excluding PPP loans
- No doubtful credits and no delinquent loans at end of year
- Non-performing assets represent 0.12% of total assets
- COVID-19 loan deferrals are \$34.0 million, or 3.4% of total loans
- Total deposits were \$1.1 billion, up 30.9% year-over-year
- Non-interest-bearing deposits increased 98% and represent 48% of total deposits
- Return on Average Assets of 0.89% and Return on Average Equity of 10.70%

Fourth Quarter 2020 Highlights

- Net income of \$4.4 million, or \$0.78 per diluted share
- Net interest margin was 4.74% in the fourth quarter compared with 3.94% in the prior quarter
- Net interest income increased \$2.1 million or 17% to \$14.6 million in the fourth quarter
- Cost of deposits was 0.23% in the fourth quarter, compared with 0.27% in the prior quarter
- Return on Average Assets of 1.41% and Return on Average Equity of 16.30%

La Jolla, Calif. – January 28, 2021 (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, 2020. The Company reported net income of \$4.4 million, or \$0.78 per diluted share, for the fourth quarter of 2020 compared to \$2.5 million, or \$0.45 per diluted share for the third quarter of 2020. Net income for the year 2020 was \$10.9 million, or \$1.94 per diluted share, compared with a net loss of \$428 thousand, or \$0.08 per diluted share in 2019.

Rick Sowers, President and CEO of the Company and the Bank stated, “Over the last year our Team has shown incredible dedication to our Bank, our clients and our communities. They performed exceptionally well in a difficult environment and delivered record earnings for shareholders in 2020. Our Relationship focused business model continues to create long term value. We spent 2020 expanding our Team and our capabilities for our clients and this resulted in substantial loan and deposit growth.”

Sowers continued, “The year provided the Bank with an opportunity to support our Team, clients, and communities in response to unprecedented challenges from COVID-19. The Bank provided 615 PPP loans for a total of \$159.0 million and through the end of the year worked with our clients to submit 548 loans totaling \$144.8 million to the SBA for forgiveness. In the fourth quarter, the Bank received \$2.1 million in fees from the SBA for loans submitted and granted forgiveness. We are participating in the second round of PPP beginning in January 2021 to continue to support our clients and communities.”

Loan Deferrals and Asset Quality

As of December 31, 2020, there were no doubtful credits or charge offs and no past due loans at the end of the quarter and Classified assets totaled \$8.5 million. Classified assets included one loan totaling \$1.6 million on non-accrual and \$6.9 million consisted of seven relationships with four related to the impacts of COVID-19. Classified assets increased \$800 thousand to \$8.5 million at quarter end, of which the largest loan was a well secured \$3.5 million credit.

Additionally, as of December 31, 2020, seven loans totaling \$34.0 million are on COVID-19 related deferrals. During the quarter, two new deferrals totaling \$9.1 million were granted and there are five loans totaling \$24.9 million on their second deferral. Of the loans on deferral, four loans, or \$28.3 million are real estate secured with an average LTV of 50.1% and three loans totaling \$5.7 million are unsecured.

The Allowance for Loan Losses increased \$1.6 million to \$14.3 million in the quarter with a resulting coverage ratio of 1.41% of total loans outstanding, including PPP loans, compared to \$12.7 million or 1.22% at the third quarter of 2020 and \$8.6 million or 0.97% at the fourth quarter of 2019. The increase in the Allowance for Loan Losses was primarily due to qualitative factors related to the general economic outlook in the markets we serve and the potential impact on the loan portfolio resulting from economic uncertainties related to COVID-19. The coverage ratio at December 31, 2020, excluding the impact of PPP loans, increased to 1.51% from 1.43% in the prior quarter.

Net Interest Income

Net interest income for the fourth quarter totaled \$14.6 million representing an increase of \$2.1 million, or 17% compared to the third quarter and a \$3.5 million or 32% increase for the same period in 2019. The increase in net interest income for the quarter is due to a \$2.0 million increase in loan income largely due to a \$1.8 million increase in SBA PPP loan income resulting from loan forgiveness/payoff and \$111 thousand in lower deposit costs resulting from continued repricing of the deposit portfolio. The increase compared to the same period in 2019 is due to increased average loan balances and lower funding costs partially offset by a decrease in income from securities.

Net interest income for the year totaled \$50.3 million representing an increase of \$8.5 million or 20% compared to the same period in 2019. The increase in income is due to increased average loan balances, SBA PPP loan income and lower deposit costs partially offset by less income from securities due to lower average securities balances in 2020.

Net Interest Margin

Net interest margin for the fourth quarter of 2020 was 4.74% compared with 3.94% for the third quarter of 2020 and 4.47% for the same period in 2019. The 80 bp increase in the net interest margin for the quarter was positively impacted by the SBA PPP payoffs that contributed 68 bps to the margin and the 4 bp impact from lower deposit costs as a result of proactive repositioning and repricing of the deposit portfolio. The yield on earning assets for the fourth quarter of 2020 was 5.14% compared with 4.37% in the third quarter and 5.44% for the same period in 2019. The yield on loans for the quarter increased to 6.15% compared to 5.21% in the third quarter of this year and 5.98% in the fourth quarter of 2019. The cost of total funding sources was 0.43% for the quarter compared with 0.47% in the third quarter and 1.04% for the same period in 2019.

The net interest margin for the year was 4.15% compared with 4.51% for the same period in 2019. The decrease in the net interest margin is due to lower yields in the loan portfolio and federal funds partially offset by lower deposit and borrowing costs. Total loan yields in 2020 decreased 41 bps to 5.65% compared with 6.06% for the same period in 2019. The total funding costs improved 39 bps to 0.62% compared with 1.01% for the same period in 2019. The reduced funding costs were the result of repaying higher priced callable wholesale funding and repricing the deposit portfolio.

Non-Interest Income

Non-interest income was \$1.6 million for the fourth quarter of 2020, representing a \$700 thousand or 74.8% increase compared to the third quarter of 2020 and a \$615 thousand or 60.2% increase compared to the same period in 2019. The increase in non-interest income for the quarter is due to \$616 thousand in additional revenue from SBA loans sales recorded in the fourth quarter. The increase in non-interest income compared to a year ago is primarily due to \$738 thousand in additional gains from the sale of SBA loans partially offset by \$190 thousand in securities gains recorded in the fourth quarter of 2019. SBA loan sales for the fourth quarter were \$14.1 million with a 12.3% trade premium compared with \$6.2 million with a 13.8% trade premium in the third quarter of 2020 and \$8.0 million with a 9.8% trade premium in the fourth quarter of 2019.

Non-interest income for the year was \$5.1 million compared with \$2.8 million for the same period in 2019. The increase in non-interest income was largely due to increased revenue from the sale of SBA loans, gain on sale of investment securities and increased other non-interest income.

Non-Interest Expense

Non-interest expense was \$8.4 million for the fourth quarter of 2020 representing a \$188 thousand increase, or 2.3%, compared to the third quarter of 2020 and a \$142 thousand decrease, or 1.7% decrease, compared to the same period in 2019. The increase in fourth quarter expenses was primarily due to an increase in professional fees partially offset by decreases in salaries and benefits and occupancy expense. The decrease compared to the fourth quarter of 2019 was due to decreases in salaries and benefits and other expenses partially offset by an increase in professional services.

Non-interest expense for the year was \$34 million compared with \$33.3 million in 2019. The \$688 thousand increase was primarily due to increases in professional fees and occupancy partially offset by a decrease in salaries and benefits. The increase in professional fees was due to increases in legal and audit fees.

Balance Sheet

At December 31, 2020, the Company reported total assets of \$1.3 billion representing an increase of \$85.5 million or 7% compared to the third quarter of 2020 and an increase of \$263.8 million or 24.7% compared to December 31, 2019. The increase in assets for the quarter was largely due to an increase in cash and due from banks resulting from an increase in customer deposits at the end of the year partially offset by a \$34.2 million, or 3.3%, decrease in total loans from SBA PPP loan payoffs. Total non-SBA PPP loans for the quarter increased \$57.6 million driven by growth in the Commercial Real Estate and Commercial loan portfolios. Total non-SBA PPP loans for the year increased \$60.7 million driven by growth in the Commercial Real Estate and Commercial loan portfolios. Total deposits were \$1.1 billion representing an increase of \$84.2 million, or 8.2%, compared to the third quarter of 2020 and an increase of \$262.7 million, or 31%, compared to December 31, 2019. Total non-interest-bearing deposits represented 48% of total deposits at December 31, 2020 compared with 32% at December 31, 2019.

“The CalPrivate Bank Team performed exceptionally during a year of disruption, uncertainty, work-from-home and a declining interest rate environment. Maintaining superior client relationship service levels, record earnings, amazing growth in deposits and superior loan and non-interest income growth, with reduced operating expense levels, is truly remarkable and a tribute to management leadership”, said Selwyn Isakow Chairman of the Board of the Company and the Bank.

Isakow added, “During the year the Bank added significant talent in the technology, business development, human resources and many other areas, so as to be well-positioned for future expansion. The Bank also made great strides in our Diversity, Inclusion and Equity efforts, including the appointment of Lorraine Segil, SiSi Pouraghabagher and Leda Csanka to the Board of Directors. The Board wishes to thank our clients, our team, our leadership and all our other stakeholders for their trust and individual roles in making 2020 so successful.”

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 and a Bauer Financial 5 star rated bank.

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 the effects of the COVID-19 pandemic and related government actions on the Bank and its customers, 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)

	December 31, 2020	September 30, 2020	Dollar change	Percentage change	December 31, 2019	Dollar change	Percentage change
Assets							
Cash and due from banks	\$ 10,644	\$ 10,985	\$ (341)	-3.1%	\$ 31,051	\$ (20,407)	-65.7%
Interest-bearing deposits in other financial institutions	1,715	930	785	84.4%	1,243	472	38.0%
Interest-bearing deposits at Federal Reserve Bank	263,866	143,431	120,435	84.0%	73,318	190,548	259.9%
Total cash and due from banks	276,225	155,346	120,879	77.8%	105,612	170,613	161.5%
Interest-bearing time deposits with other institutions	5,760	5,760	-	0.0%	5,756	4	0.1%
Investment securities available for sale	26,086	26,525	(439)	-1.7%	51,179	(25,093)	-49.0%
Loans	1,008,557	1,042,786	(34,229)	-3.3%	885,556	123,001	13.9%
Allowance for loan losses	(14,262)	(12,682)	(1,580)	12.5%	(8,601)	(5,661)	65.8%
Net loans	994,295	1,030,104	(35,809)	-3.5%	876,955	117,340	13.4%
Federal Home Loan Bank stock, at cost	4,602	4,602	-	0.0%	4,060	542	13.3%
Right of use asset	5,990	5,186	804	15.5%	6,452	(462)	-7.2%
Premises and equipment, net	2,649	2,859	(210)	-7.3%	3,165	(516)	-16.3%
Other intangible assets	1,602	1,364	238	17.4%	1,080	522	48.3%
Deferred tax asset	4,141	4,141	-	0.0%	4,141	-	0.0%
Accrued interest receivable	3,540	3,883	(343)	-8.8%	2,703	837	31.0%
Other assets	4,850	4,424	426	9.6%	4,884	(34)	-0.7%
Total assets	\$ 1,329,740	\$ 1,244,194	\$ 85,546	6.9%	\$ 1,065,987	\$ 263,753	24.7%
Liabilities and Shareholders' Equity							
Liabilities							
Noninterest bearing	\$ 531,732	\$ 471,324	\$ 60,408	12.8%	\$ 268,116	\$ 263,616	98.3%
Interest Bearing	581,216	557,455	23,761	4.3%	582,139	(923)	-0.2%
Total deposits	1,112,948	1,028,779	84,169	8.2%	850,255	262,693	30.9%
FHLB borrowings	75,000	80,000	(5,000)	-6.3%	90,000	(15,000)	-16.7%
Other borrowings	17,939	17,938	1	0.0%	17,932	7	0.0%
Accrued interest payable and other liabilities	16,100	14,227	1,873	13.2%	12,120	3,980	32.8%
Total liabilities	1,221,987	1,140,944	81,043	7.1%	970,307	251,680	25.9%
Shareholders' equity							
Common stock	69,557	69,540	17	0.0%	69,159	398	0.6%
Additional paid-in capital	3,496	3,230	266	8.2%	3,048	448	14.7%
Retained earnings	33,904	29,521	4,383	14.8%	22,905	10,999	48.0%
Accumulated other comprehensive income	796	959	(163)	-17.0%	568	228	40.1%
Total stockholders' equity	107,753	103,250	4,503	4.4%	95,680	12,073	12.6%
Total liabilities and stockholders' equity	\$ 1,329,740	\$ 1,244,194	\$ 85,546	6.9%	\$ 1,065,987	\$ 263,753	24.7%

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

	For the three months ended						
	December 31, 2020	September 30, 2020	Dollar change	Percentage change	December 31, 2019	Dollar change	Percentage change
Interest Income							
Loans	\$ 15,540	\$ 13,578	\$ 1,962	14.4%	\$ 12,733	\$ 2,807	22.0%
Investment securities	245	231	14	6.1%	485	(240)	-49.5%
Deposits in other financial institutions	41	51	(10)	-19.6%	254	(213)	-83.9%
Total interest income	<u>15,826</u>	<u>13,860</u>	<u>1,966</u>	<u>14.2%</u>	<u>13,472</u>	<u>2,354</u>	<u>17.5%</u>
Interest Expense							
Deposits	596	707	(111)	-15.7%	1,825	(1,229)	-67.3%
Borrowings	613	656	(43)	-6.6%	575	38	6.6%
Total interest expense	<u>1,209</u>	<u>1,363</u>	<u>(154)</u>	<u>-11.3%</u>	<u>2,400</u>	<u>(1,191)</u>	<u>-49.6%</u>
Net interest income	14,617	12,497	2,120	17.0%	11,072	3,545	32.0%
Provision for loan losses	1,579	1,582	(3)	-0.2%	708	871	123.0%
Net interest income after provision for loan losses	<u>13,038</u>	<u>10,915</u>	<u>2,123</u>	<u>19.5%</u>	<u>10,364</u>	<u>2,674</u>	<u>25.8%</u>
Noninterest income:							
Service charges on deposit accounts	196	141	55	39.0%	138	58	42.0%
Net gain on sale of loans	1,170	554	616	111.2%	432	738	170.8%
Gain on sale of investment securities	-	-	-	NM	190	(190)	-100.0%
Other noninterest income	270	241	29	12.0%	261	9	3.4%
Total noninterest income	<u>1,636</u>	<u>936</u>	<u>700</u>	<u>74.8%</u>	<u>1,021</u>	<u>615</u>	<u>60.2%</u>
Noninterest expense:							
Salary and employee benefits	5,293	5,365	(72)	-1.3%	5,427	(134)	-2.5%
Occupancy and equipment	774	864	(90)	-10.4%	832	(58)	-7.0%
Data processing	624	643	(19)	-3.0%	631	(7)	-1.1%
Professional services	949	514	435	84.6%	726	223	30.7%
Other expenses	780	846	(66)	-7.8%	946	(166)	-17.5%
Total noninterest expense	<u>8,420</u>	<u>8,232</u>	<u>188</u>	<u>2.3%</u>	<u>8,562</u>	<u>(142)</u>	<u>-1.7%</u>
Income before provision for income taxes	6,254	3,619	2,635	72.8%	2,823	3,431	121.5%
Provision for income taxes	1,874	1,084	790	72.9%	857	1,017	118.7%
Net income	<u>\$ 4,380</u>	<u>\$ 2,535</u>	<u>\$ 1,845</u>	<u>72.8%</u>	<u>\$ 1,966</u>	<u>\$ 2,414</u>	<u>122.8%</u>
Net income available to common shareholders	<u>\$ 4,307</u>	<u>\$ 2,499</u>	<u>\$ 1,808</u>	<u>72.3%</u>	<u>\$ 1,931</u>	<u>\$ 2,376</u>	<u>123.0%</u>
Earnings per share							
Basic earnings per share	\$ 0.78	\$ 0.45	\$ 0.33	73.3%	\$ 0.36	\$ 0.42	116.7%
Diluted earnings per share	\$ 0.78	\$ 0.45	\$ 0.33	73.3%	\$ 0.35	\$ 0.43	122.9%
Average shares outstanding	5,501,272	5,499,970	1,302	0.0%	5,414,056	87,216	1.6%
Diluted average shares outstanding	5,540,232	5,516,013	24,219	0.4%	5,492,930	47,302	0.9%

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

	For the twelve months ended			
	December 31, 2020	December 31, 2019	Dollar change	Percentage change
Interest Income				
Loans	\$ 55,539	\$ 47,182	\$ 8,357	17.7%
Investment securities	1,128	2,303	(1,175)	-51.0%
Deposits in other financial institutions	487	695	(208)	-29.9%
Total interest income	<u>57,154</u>	<u>50,180</u>	<u>6,974</u>	<u>13.9%</u>
Interest Expense				
Deposits	4,369	5,977	(1,608)	-26.9%
Borrowings	2,517	2,438	79	3.2%
Total interest expense	<u>6,886</u>	<u>8,415</u>	<u>(1,529)</u>	<u>-18.2%</u>
Net interest income	50,268	41,765	8,503	20.4%
Provision for loan losses	<u>5,670</u>	<u>11,830</u>	<u>(6,160)</u>	<u>-52.1%</u>
Net interest income after provision for loan losses	44,598	29,935	14,663	49.0%
Noninterest income:				
Service charges on deposit accounts	654	485	169	34.8%
Net gain on sale of loans	2,614	1,249	1,365	109.3%
Gain on sale of investment securities	751	341	410	120.2%
Other noninterest income	1,078	737	341	46.3%
Total noninterest income	<u>5,097</u>	<u>2,812</u>	<u>2,285</u>	<u>81.3%</u>
Noninterest expense:				
Salary and employee benefits	22,000	22,889	(889)	-3.9%
Occupancy and equipment	3,422	2,941	481	16.4%
Data processing	2,345	2,233	112	5.0%
Professional services	2,951	2,121	830	39.1%
Other expenses	3,302	3,148	154	4.9%
Total noninterest expense	<u>34,020</u>	<u>33,332</u>	<u>688</u>	<u>2.1%</u>
Income (loss) before provision for income taxes	15,675	(585)	16,260	-2779.5%
Provision for income taxes	4,784	(157)	4,941	-3147.1%
Net income (loss)	<u>\$ 10,891</u>	<u>\$ (428)</u>	<u>\$ 11,319</u>	<u>-2644.6%</u>
Net income (loss) available to common shareholders	<u>\$ 10,710</u>	<u>\$ (420)</u>	<u>\$ 11,130</u>	<u>-2650.0%</u>
Earnings (loss) per share				
Basic earnings (loss) per share	\$ 1.95	\$ (0.08)	\$ 2.03	-2537.5%
Diluted earnings (loss) per share	\$ 1.94	\$ (0.08)	\$ 2.02	-2525.0%
Average shares outstanding	5,494,423	5,248,267	246,156	4.7%
Diluted average shares outstanding	5,527,284	5,248,267	279,017	5.3%

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

For the three months ended

	December 31, 2020			September 30, 2020			December 31, 2019		
	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	\$ 189,856	\$ 41	0.09%	\$ 191,912	\$ 51	0.11%	\$ 66,186	\$ 254	1.52%
Investment securities	30,238	245	3.24%	31,727	231	2.91%	70,647	485	2.75%
Loans	1,005,712	15,540	6.15%	1,037,195	13,578	5.21%	845,199	12,733	5.98%
Total interest-earning assets	1,225,806	15,826	5.14%	1,260,834	13,860	4.37%	982,032	13,472	5.44%
Noninterest-earning assets	8,805			10,529			36,912		
Total Assets	<u>\$ 1,234,611</u>			<u>\$ 1,271,363</u>			<u>\$ 1,018,944</u>		
Interest-Bearing Liabilities									
Interest-bearing transaction accounts	\$ 56,867	\$ 17	0.12%	\$ 59,624	\$ 19	0.13%	\$ 56,061	\$ 130	0.92%
Money market	400,764	270	0.27%	402,286	349	0.35%	389,499	1,009	1.03%
Savings deposits	8,617	3	0.14%	9,024	2	0.09%	10,078	6	0.24%
Certificates of deposit	98,225	306	1.24%	97,444	337	1.38%	114,699	680	2.35%
Total Interest-Bearing Deposits	564,473	596	0.42%	568,378	707	0.49%	570,337	1,825	1.27%
FHLB advances	77,348	341	1.75%	100,924	384	1.51%	56,814	306	2.14%
Other borrowings	17,938	272	6.07%	17,937	272	6.07%	17,931	269	6.00%
Total Interest-Bearing Liabilities	95,286	613	2.56%	118,861	656	2.20%	74,745	575	3.05%
Noninterest-bearing deposits	452,916			467,845			271,892		
Total Funding Sources	1,112,675	1,209	0.43%	1,155,084	1,363	0.47%	916,974	2,400	1.04%
Noninterest-bearing liabilities	15,062			13,740			10,506		
Shareholders' equity	106,874			102,539			91,464		
Total Liabilities and Shareholders' Equity	<u>\$ 1,234,611</u>			<u>\$ 1,271,363</u>			<u>\$ 1,018,944</u>		
Net interest spread			4.71%			3.90%			4.40%
Net interest income		\$ 14,617			\$ 12,497			\$ 11,072	
Net interest margin			4.74%			3.94%			4.47%

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

For the twelve months ended

	December 31, 2020			December 31, 2019		
	Average Balance	Interest	Average Yield/Rate	Average Balance	Interest	Average Yield/Rate
Interest-Earnings Assets:						
Deposits in other financial institutions	\$ 188,109	\$ 487	0.26%	\$ 62,784	\$ 695	1.11%
Investment securities	38,978	1,128	2.89%	83,810	2,303	2.75%
Loans	983,405	55,539	5.65%	778,474	47,182	6.06%
Total interest-earning assets	1,210,492	57,154	4.72%	925,068	50,180	5.42%
Noninterest-earning assets	11,602			9,972		
Total Assets	<u>\$ 1,222,094</u>			<u>\$ 935,040</u>		
Interest-Bearing Liabilities						
Interest-bearing transaction accounts	\$ 68,313	\$ 227	0.33%	\$ 36,950	\$ 280	0.76%
Money market	397,050	2,068	0.52%	349,628	3,333	0.95%
Savings deposits	8,928	13	0.15%	7,672	20	0.26%
Certificates of deposit	109,165	2,061	1.89%	104,674	2,344	2.24%
Total Interest-Bearing Deposits	583,456	4,369	0.75%	498,924	5,977	1.20%
FHLB advances	85,532	1,430	1.67%	61,528	1,482	2.41%
Other borrowings	17,936	1,087	6.06%	14,656	956	6.52%
Total Interest-Bearing Liabilities	103,468	2,517	2.43%	76,184	2,438	3.20%
Noninterest-bearing deposits	419,676			258,871		
Total Funding Sources	1,106,600	6,886	0.62%	833,979	8,415	1.01%
Noninterest-bearing liabilities	13,701			9,493		
Shareholders' equity	101,793			91,568		
Total Liabilities and Shareholders' Equity	<u>\$ 1,222,094</u>			<u>\$ 935,040</u>		
Net interest spread			4.10%			4.42%
Net interest income		<u>\$ 50,268</u>			<u>\$ 41,765</u>	
Net interest margin			4.15%			4.51%

PRIVATE BANCORP OF AMERICA, INC.

Condensed Balance Sheets

(Unaudited)

(Dollars in thousands, except per share amounts)

	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Assets					
Cash and due from banks	\$ 276,225	\$ 155,346	\$ 199,246	\$ 221,154	\$ 105,612
Interest-bearing time deposits with other institutions	5,760	5,760	5,758	5,756	5,756
Investment securities	26,086	26,525	27,664	49,327	51,179
Loans (excluding SBA PPP loans)	946,219	888,576	873,012	894,076	885,556
SBA PPP loans	62,338	154,210	153,497	-	-
Allowance for loan losses	(14,262)	(12,682)	(11,100)	(9,598)	(8,601)
Net loans	994,295	1,030,104	1,015,409	884,478	876,955
Right of use asset	5,990	5,186	5,632	6,022	6,452
Premises and equipment, net	2,649	2,859	3,055	3,052	3,165
Other assets and interest receivable	18,735	18,414	17,248	16,092	16,868
Total assets	\$ 1,329,740	\$ 1,244,194	\$ 1,274,012	\$ 1,185,881	\$ 1,065,987
Liabilities and Shareholders' Equity					
Liabilities					
Noninterest Bearing	\$ 531,732	\$ 471,324	\$ 452,155	\$ 355,225	\$ 268,116
Interest Bearing	581,216	557,455	584,451	607,062	582,139
Total Deposits	1,112,948	1,028,779	1,036,606	962,287	850,255
Borrowings	92,939	97,938	122,936	112,934	107,932
Accrued interest payable and other liabilities	16,100	14,227	14,097	12,497	12,120
Total liabilities	1,221,987	1,140,944	1,173,639	1,087,718	970,307
Shareholders' equity					
Common stock	69,557	69,540	69,512	69,165	69,159
Additional paid-in capital	3,496	3,230	3,002	3,254	3,048
Retained earnings	33,904	29,521	26,984	24,839	22,905
Accumulated other comprehensive income	796	959	875	905	568
Total shareholders' equity	107,753	103,250	100,373	98,163	95,680
Total liabilities and shareholders' equity	\$ 1,329,740	\$ 1,244,194	\$ 1,274,012	\$ 1,185,881	\$ 1,065,987
Book value per common share	\$ 19.24	\$ 18.50	\$ 17.99	\$ 17.57	\$ 17.15
Tangible book value per common share	\$ 18.95	\$ 18.26	\$ 17.76	\$ 17.35	\$ 16.96
Shares outstanding	5,600,508	5,580,456	5,578,884	5,586,270	5,577,968

Regulatory Capital Ratios (PBAM) ¹

	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Tier 1 leverage ratio	8.53%	7.92%	7.57%	8.79%	9.17%
Tier 1 risk-based capital ratio	11.53%	11.35%	9.66%	9.20%	9.86%
Common equity Tier 1 ratio	11.53%	11.35%	9.66%	9.20%	9.86%
Total risk-based capital ratio	14.75%	14.63%	12.60%	11.91%	12.71%
Tangible equity / tangible assets	8.00%	8.20%	7.79%	8.18%	8.88%

¹ Preliminary ratios for December 31, 2020

PRIVATE BANCORP OF AMERICA, INC.

Condensed Statements of Income

(Unaudited)

(Dollars in thousands, except per share amounts)

	<u>Dec 31, 2020</u>	<u>Sep 30, 2020</u>	<u>Jun 30, 2020</u>	<u>Mar 31, 2020</u>	<u>Dec 31, 2019</u>
Interest income	\$ 15,826	\$ 13,860	\$ 13,635	\$ 13,834	\$ 13,472
Interest expense	1,209	1,363	2,015	2,299	2,400
Net interest income	14,617	12,497	11,620	11,535	11,072
Provision for loan losses	1,579	1,582	1,511	997	708
Net interest income after provision for loan losses	13,038	10,915	10,109	10,538	10,364
Noninterest income	1,636	936	1,378	1,146	1,021
Salary and employee benefits	5,293	5,365	5,790	5,552	5,427
Occupancy and equipment	774	864	900	884	832
Data processing	624	643	561	518	631
Professional services	949	514	628	859	726
Other expenses	780	846	827	848	946
Total noninterest expense	8,420	8,232	8,706	8,661	8,562
Income before provision for income taxes	6,254	3,619	2,781	3,023	2,823
Income taxes	1,874	1,084	711	1,116	857
Net income	\$ 4,380	\$ 2,535	\$ 2,070	\$ 1,907	\$ 1,966
Net income available to common shareholders	\$ 4,307	\$ 2,499	\$ 2,038	\$ 1,874	\$ 1,931
Earnings per share					
Basic earnings per share	\$ 0.78	\$ 0.45	\$ 0.37	\$ 0.34	\$ 0.36
Diluted earnings per share	\$ 0.78	\$ 0.45	\$ 0.37	\$ 0.34	\$ 0.35
Average shares outstanding	5,501,272	5,499,970	5,435,155	5,488,197	5,414,056
Diluted average shares outstanding	5,540,232	5,516,013	5,453,597	5,555,376	5,492,930

Performance Ratios

	<u>Dec 31, 2020</u>	<u>Sep 30, 2020</u>	<u>Jun 30, 2020</u>	<u>Mar 31, 2020</u>	<u>Dec 31, 2019</u>
ROAA	1.41%	0.79%	0.64%	0.70%	0.77%
ROAE	16.30%	9.84%	8.31%	7.86%	8.53%
ROTE	16.54%	9.96%	8.42%	7.96%	8.01%
Net interest margin	4.74%	3.94%	3.66%	4.46%	4.47%
Net interest spread	4.71%	3.90%	3.60%	4.40%	4.40%
Efficiency ratio	51.81%	61.28%	66.98%	68.30%	70.80%
Noninterest expense / average assets	2.71%	2.58%	2.71%	3.20%	3.33%

PRIVATE BANCORP OF AMERICA, INC.

Average Balances
(Unaudited)

(Dollars in thousands)

	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Total assets	\$ 1,234,611	\$ 1,271,363	\$ 1,293,484	\$ 1,088,242	\$ 1,018,944
Earning assets	\$ 1,225,806	\$ 1,260,834	\$ 1,278,380	\$ 1,040,267	\$ 982,032
Total loans	\$ 1,005,712	\$ 1,037,195	\$ 1,008,220	\$ 881,655	\$ 845,199
Total deposits	\$ 1,017,389	\$ 1,036,223	\$ 1,062,071	\$ 896,327	\$ 842,229
Total equity	\$ 106,874	\$ 102,539	\$ 100,130	\$ 97,566	\$ 91,464

Loan Balances by Type
(Dollars in thousands)

	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Real estate - investor owned	\$ 243,745	\$ 231,787	\$ 234,806	\$ 246,026	\$ 245,658
Real estate - owner occupied	268,193	250,286	240,587	234,771	225,778
Real estate - multifamily	69,187	64,268	66,431	67,550	68,308
Real estate - single family	67,522	59,994	57,521	58,429	59,487
Commercial business	251,711	237,316	231,832	245,610	243,438
SBA PPP loans	62,338	154,210	153,497	-	-
Land and construction	29,377	28,277	26,327	27,044	32,151
Consumer	6,797	7,559	8,046	7,300	6,172
Total loans held for investment	998,870	1,033,697	1,019,047	886,730	880,992
Loans held for sale	9,687	9,089	7,462	7,346	4,564
Total loans, including loans held for sale	1,008,557	1,042,786	1,026,509	894,076	885,556
Allowance for loan losses	(14,262)	(12,682)	(11,100)	(9,598)	(8,601)
Net loans	\$ 994,295	\$ 1,030,104	\$ 1,015,409	\$ 884,478	\$ 876,955

Deposits by Type
(Dollars in thousands)

	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Non interest bearing DDA	\$ 531,732	\$ 471,324	\$ 452,155	\$ 355,225	\$ 268,116
Interest bearing DDA	60,606	56,837	63,805	108,368	112,397
Savings & MMA	424,540	396,233	427,685	366,109	350,563
Retail CD	7,770	8,401	8,493	8,484	6,989
Jumbo CD	88,300	95,984	84,468	124,101	112,190
Total deposits	\$ 1,112,948	\$ 1,028,779	\$ 1,036,606	\$ 962,287	\$ 850,255

Asset Quality
(Dollars in thousands)

	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Total Loans	\$ 1,008,557	\$ 1,042,786	\$ 1,026,509	\$ 894,076	\$ 885,556
30-89 day past due loans	\$ -	\$ -	\$ -	\$ 297	\$ -
90+ day past due loans	\$ -	\$ -	\$ -	\$ -	\$ -
Nonaccrual loans	\$ 1,609	\$ 1,743	\$ -	\$ 663	\$ -
NPAs / Assets	0.12%	0.14%	0.00%	0.06%	0.00%
NPLs / loans & OREO	0.16%	0.17%	0.00%	0.07%	0.00%
Net quarterly charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -
Net charge-offs/avg loans (annualized)	0.00%	0.00%	0.00%	0.00%	0.00%
Allowance for loan losses to loans	1.41%	1.22%	1.08%	1.07%	0.97%
Allowance for loan losses to nonaccrual loans	886.39%	727.60%	NM	1447.66%	NM