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PRIVATE BANCORP OF AMERICA, INC. ANNOUNCES RECORD THIRD QUARTER 2021 FINANCIAL RESULTS

Third Quarter Highlights

- Net income for the quarter was \$5.1 million, compared to \$4.3 million for Q2'21
- Diluted earnings per share of \$0.89, compared to \$0.75 for Q2'21
- Net interest margin of 4.39%, compared to 4.03% for Q2'21
- Cost of funding sources was 0.22%, compared to 0.46% for Q2'21
- Gross loans increased \$43.3 million during the quarter, up 3.7%; excluding PPP loans, gross loans increased \$79.8 million, up 7.4%
- Non-interest bearing demand deposits grew \$42.3 million to \$646.2 million, representing 49.2% of total deposits
- Proactively decreased corporate real estate footprint resulting in a pre-tax impairment charge of \$670 thousand, which will result in future cost savings
- Tangible book value per share of \$21.27, up \$0.94 per share or 4.6% from Q2'21
- Well capitalized Tier 1 risk-based capital ratio of 10.64% (preliminary)

La Jolla, Calif. – October 22, 2021 (GLOBE NEWSWIRE) - Private Bancorp of America, Inc. (OTCQX:PBAM), (“Company”) and CalPrivate Bank (“Bank”) announced unaudited financial results for the third quarter ending September 30, 2021. The Company reported net income of \$5.1 million, or \$0.89 per diluted share, for the third quarter of 2021 compared to \$4.3 million, or \$0.75 per diluted share for the second quarter of 2021. Net income for the nine months ending September 30, 2021, was \$13.9 million, or \$2.45 per diluted share, compared to \$6.5 million or \$1.16 per diluted share for the same period in 2020.

Rick Sowers, President and CEO of the Company and the Bank stated, “Despite the global pandemic that continues to weigh on our Clients and the economy, our third quarter results demonstrate the progress we have made executing on our core business plan while continuing to provide *Distinctly Different* superior levels of service to our Clients. Our Team, including new hires, continues to focus on financial performance and the continued growth of the CalPrivate franchise in our core markets. The third quarter reflected strong organic loan production and continued gain on sale of SBA loans. We are pleased with the financial results and have tremendous confidence in our Team and their ability to execute on behalf of our Clients and Stakeholders.”

Sowers continued, “We continue to make progress in improving our operating leverage while strategically adding resources and technology to scale and grow our market share. We are excited about the implementation of new technologies including the nCino Bank Operating System that we expect will drive efficiencies. We are also funding fintech companies focusing on services and solutions for community banks through our investment in JAM FINTOP Banktech, LP.”

“PBAM’s third quarter of 2021 demonstrated the resilience of our franchise, the continued dedication of our employees, and the tremendous success we have been able to achieve for our Clients and Stakeholders,” said Selwyn Isakow, Chairman of the Board of the Company and the Bank.

Isakow added, “These financial results attest to CalPrivate’s ability to uniquely differentiate itself in the competitive Southern California landscape. The Bank continues to add tangible book value and is well-positioned for sustainable future growth.”

STATEMENT OF INCOME

Net Interest Income

Net interest income for the third quarter totaled \$15.7 million, representing an increase of \$2.1 million or 15.6% compared to the second quarter of 2021. The increase in net interest income for the quarter is due to a \$1.4 million increase in interest income and a \$688 thousand decrease in funding costs. The increase in interest income is due primarily to higher non-PPP loan balances as well as to a \$509 thousand increase in PPP fees received compared to the second quarter. The third quarter decrease in funding costs is due to cost savings related to the second quarter prepayment of high cost FHLB borrowings which included a prepayment penalty of \$535 thousand.

Net interest income for the year-to-date period totaled \$42.1 million representing an increase of \$6.5 million, or 18.1% compared to the same period in 2020. The increase is due to increased average loan balances, increased SBA PPP loan income and lower cost of funds, partially offset by year-to-date prepayment penalties in 2021 totaling \$1.2 million as a result of prepaying higher priced FHLB term advances.

Net Interest Margin

The net interest margin for the third quarter of 2021 was 4.39% (4.27% excluding PPP loans) compared to 4.03% (4.14% excluding PPP loans) for the second quarter and 3.94% (3.88% excluding PPP loans) for the same period in 2020. The 36bps increase in the net interest margin for the quarter was due to increased core loan yields and lower funding costs for the quarter. Average portfolio loan yields were 5.38%, compared to 5.21% for Q2’21. The yield on earning assets for the third quarter was 4.60% compared with 4.46% and 4.37% for the same period in 2020. The yield on loans for the quarter increased to 5.38% (5.32% excluding PPP loans) compared to 5.21% (5.50% excluding PPP loans) in the second quarter and 5.21% (5.27% excluding PPP loans) in the third quarter of 2020. The cost of total funding sources was 0.22% for the quarter compared with 0.46% in the second quarter and 0.47% for the same period in 2020.

The net interest margin for the nine months ending September 30, 2021 was 4.10% (4.05% excluding PPP) compared with 4.01% (4.13% excluding PPP) for the same period in 2020. The increase in the net interest margin is due to lower yields on loans, federal funds and increased borrowing costs partially offset by lower deposits costs. In the first nine months of the year, the Company prepaid FHLB term advances and recorded \$1.2 million in prepayment fees resulting in a negative 13 bp impact on the net interest margin.

Provision for Loan Losses

The provision for loan losses for the third quarter of 2021 was \$433 thousand, a decrease of \$713 thousand compared to \$1.1 million for the second quarter of 2021. The driver for the third quarter provision was organic growth in the loan portfolio. While the economy continued to recover in the third quarter, the COVID-19 Delta variant continues to create uncertainty, and this is reflected in our total loan loss provision to total loans of 1.31% or 1.40% excluding PPP loans.

Non-Interest Income

Non-interest income was \$2.4 million for the third quarter of 2021, representing a \$416 thousand or a 14.8% decrease compared to the second quarter of 2021. The decrease in non-interest income for the quarter was

primarily due to a similar size decrease in SBA loans sales during the quarter. SBA loan sales for the third quarter were \$15.6 million with a 14.5% trade premium compared with \$19.4 million with a 15.2% trade premium in the second quarter of 2021. Due to a change in our SBA loan servicing provider, sales of loans originated slowed during the quarter, resulting in \$35.4 million of loans held for sale at September 30, 2021, up from \$19.6 million at June 30, 2021.

Non-Interest Expense

Non-interest expense was \$10.5 million for the third quarter of 2021 representing a \$1.3 million or 14.3% increase compared to the second quarter of 2021. As a result of CalPrivate's decision to empower its employees by giving them the choice to work remotely, the Bank was able consolidate one of its administrative locations. The increase in occupancy expenses for the quarter was due in part to this decision to vacate, which resulted in an impairment charge of \$662 thousand to the right-of-use asset along with a \$8 thousand fixed asset write off. As a result of the impairment charges and expected cost savings, occupancy expenses for this location are expected to be reduced by approximately \$67 thousand pre-tax per quarter through the second quarter of 2024. Additionally, salaries and benefits increased \$629 thousand in the third quarter due to strategic additions to staff and prior period accrual adjustments.

Professional services and other expenses continue to remain at elevated levels given on-going legal and related expenses associated with the ANI Development, LLC and Gina Champion-Cain fraud recovery cases.

STATEMENT OF FINANCIAL CONDITION

Balance Sheet

At September 30, 2021, the Company reported total assets of \$1.5 billion representing an increase of \$91.9 million or 6.6% compared to the second quarter of 2021. The increase in assets for the quarter was due to increases in loans and customer deposits. Net loans held for investment increased \$43.3 million or 3.7% in the quarter due to a \$79.8 million increase in non-SBA PPP loans offset by a \$36.5 million decrease in SBA-PPP loans. Total deposits were \$1.3 billion representing an increase of \$108 million, or 8.9%, compared to the second quarter of 2021 and an increase of \$284.5 million, or 27.7%, compared to September 30, 2020. Total non-interest-bearing deposits represented 49.2% of total deposits at September 30, 2021. During the quarter, total FHLB advances decreased \$20.0 million due to contractual maturities.

Asset Quality and Loan Deferrals

The Allowance for Loan Losses increased \$433 thousand to \$16.1 million in the quarter with a resulting coverage ratio of 1.31% of total loans outstanding, including PPP loans, compared to \$15.7 million or 1.33% at the second quarter of 2021. The increase in the Allowance for Loan Losses was primarily due to non-PPP organic loan growth and qualitative factors related to the general economic outlook in the markets we serve. The coverage ratio at September 30, 2021, excluding the impact of PPP loans, decreased to 1.40% from 1.46% in the prior quarter.

As of September 30, 2021, two PPP loans totaling \$200 thousand were past due (30-89 days) with no potential loss exposure. Additionally, there were no doubtful credits or charge offs and Classified assets totaled \$10.3 million. Ten classified assets include one 57% LTV real estate loan totaling \$1.5 million that is on non-accrual and the remaining \$8.8 million consisted of nine loans with six of those loans impacted by COVID-19. Five of the ten classified assets are secured by real estate at a favorable leverage position.

At September 30, 2021, no new deferrals related to COVID-19 were granted during the quarter. The loans that were previously granted payment deferrals have resumed their contractual payments.

Capital Ratios

At September 30, 2021, the Company's capital ratios were in excess of the levels established for well capitalized institutions and are as follows:

	September 30, 2021 ⁽¹⁾	June 30, 2021	September 30, 2020
Tier I leverage ratio	8.19%	8.36%	7.92%
Tier I risk-based capital ratio	10.64%	10.74%	11.35%
Total risk-based capital ratio	13.48%	13.68%	14.63%

(1) Preliminary ratios for September 30, 2021

Stock Repurchase Program

Since announcing the stock repurchase program in July 2021, the Company has not repurchased any shares of its common stock. The remaining number of shares authorized to be repurchased under this program at September 30, 2021, was 75,000 shares.

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.

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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)

	September 30, 2021	June 30, 2021	Dollar change	Percentage change	September 30, 2020	Dollar change	Percentage change
Assets							
Cash and due from banks	\$ 12,570	\$ 12,783	\$ (213)	1.7%	\$ 10,985	\$ 1,585	14.4%
Interest-bearing deposits in other financial institutions	2,736	13,969	(11,233)	-80.4%	930	1,806	194.2%
Interest-bearing deposits at Federal Reserve Bank	123,247	65,356	57,891	88.6%	143,431	(20,184)	-14.1%
Total cash and due from banks	138,553	92,108	46,445	50.4%	155,346	(16,793)	-10.8%
Interest-bearing time deposits with other institutions	5,760	5,760	-	0.0%	5,760	-	0.0%
Investment securities available for sale	93,099	88,755	4,344	4.9%	26,525	66,574	251.0%
Loan held for sale	35,448	19,625	15,823	80.6%	8,402	27,046	321.9%
Loans, net of deferred fees and costs	1,192,135	1,164,611	27,524	2.4%	1,034,384	157,751	15.3%
Allowance for loan losses	(16,141)	(15,708)	(433)	2.8%	(12,682)	(3,459)	27.3%
Net loans	1,175,994	1,148,903	27,091	2.4%	1,021,702	154,292	15.1%
Federal Home Loan Bank stock, at cost	4,909	4,909	-	0.0%	4,602	307	6.7%
Right of use asset	4,115	5,185	(1,070)	-20.6%	5,186	(1,071)	-20.7%
Premises and equipment, net	2,459	2,578	(119)	-4.6%	2,859	(400)	-14.0%
Other intangible assets	2,374	2,123	251	11.8%	1,364	1,010	74.0%
Deferred tax asset	6,256	7,012	(756)	-10.8%	4,141	2,115	51.1%
Accrued interest receivable	3,404	3,501	(97)	-2.8%	3,883	(479)	-12.3%
Other assets	2,311	2,311	-	0.0%	4,424	(2,113)	-47.8%
Total assets	\$ 1,474,682	\$ 1,382,770	\$ 91,912	6.6%	\$ 1,244,194	\$ 230,488	18.5%
Liabilities and Shareholders' Equity							
Liabilities							
Noninterest bearing	\$ 646,233	\$ 603,914	\$ 42,319	7.0%	\$ 471,324	\$ 174,909	37.1%
Interest Bearing	667,012	601,530	65,482	10.9%	557,455	109,557	19.7%
Total deposits	1,313,245	1,205,444	107,801	8.9%	1,028,779	284,466	27.7%
FHLB borrowings	10,000	30,000	(20,000)	-66.7%	80,000	(70,000)	-87.5%
Other borrowings	17,945	17,943	2	0.0%	17,938	7	0.0%
Accrued interest payable and other liabilities	11,613	13,059	(1,446)	-11.1%	14,227	(2,614)	-18.4%
Total liabilities	1,352,803	1,266,446	86,357	6.8%	1,140,944	211,859	18.6%
Shareholders' equity							
Common stock	70,470	70,405	65	0.1%	69,540	930	1.3%
Additional paid-in capital	3,465	3,179	286	9.0%	3,230	235	7.3%
Retained earnings	47,845	42,810	5,035	11.8%	29,521	18,324	62.1%
Accumulated other comprehensive (loss) income	99	(70)	169	-241.4%	959	(860)	-89.7%
Total stockholders' equity	121,879	116,324	5,555	4.8%	103,250	18,629	18.0%
Total liabilities and stockholders' equity	\$ 1,474,682	\$ 1,382,770	\$ 91,912	6.6%	\$ 1,244,194	\$ 230,488	18.5%

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

	For the three months ended						
	September 30, 2021	June 30, 2021	Dollar change	Percentage change	September 30, 2020	Dollar change	Percentage change
Interest Income							
Loans	\$ 16,068	\$ 14,637	\$ 1,431	9.8%	\$ 13,578	\$ 2,490	18.3%
Investment securities	330	351	(21)	-6.0%	231	99	42.9%
Deposits in other financial institutions	60	40	20	50.0%	51	9	17.6%
Total interest income	<u>16,458</u>	<u>15,028</u>	<u>1,430</u>	<u>9.5%</u>	<u>13,860</u>	<u>2,598</u>	<u>18.7%</u>
Interest Expense							
Deposits	409	409	-	0.0%	707	(298)	-42.1%
Borrowings	332	1,020	(688)	-67.5%	656	(324)	-49.4%
Total interest expense	<u>741</u>	<u>1,429</u>	<u>(688)</u>	<u>-48.1%</u>	<u>1,363</u>	<u>(622)</u>	<u>-45.6%</u>
Net interest income	15,717	13,599	2,118	15.6%	12,497	3,220	25.8%
Provision for loan losses	433	1,146	(713)	-62.2%	1,582	(1,149)	-72.6%
Net interest income after provision for loan losses	<u>15,284</u>	<u>12,453</u>	<u>2,831</u>	<u>22.7%</u>	<u>10,915</u>	<u>4,369</u>	<u>40.0%</u>
Noninterest income:							
Service charges on deposit accounts	236	231	5	2.2%	141	95	67.4%
Net gain on sale of loans	1,837	2,326	(489)	-21.0%	554	1,283	231.6%
Gain on sale of investment securities	-	-	-	NM	-	-	NM
Other noninterest income	316	248	68	27.4%	241	75	31.1%
Total noninterest income	<u>2,389</u>	<u>2,805</u>	<u>(416)</u>	<u>-14.8%</u>	<u>936</u>	<u>1,453</u>	<u>155.2%</u>
Noninterest expense:							
Salary and employee benefits	6,595	5,966	629	10.5%	5,365	1,230	22.9%
Occupancy and equipment	1,484	820	664	81.0%	864	620	71.8%
Data processing	799	690	109	15.8%	643	156	24.3%
Professional services	552	791	(239)	-30.2%	514	38	7.4%
Other expenses	1,034	891	143	16.0%	846	188	22.2%
Total noninterest expense	<u>10,464</u>	<u>9,158</u>	<u>1,306</u>	<u>14.3%</u>	<u>8,232</u>	<u>2,232</u>	<u>27.1%</u>
Income before provision for income taxes	7,209	6,100	1,109	18.2%	3,619	3,590	99.2%
Provision for income taxes	2,158	1,806	352	19.5%	1,084	1,074	99.1%
Net income	<u>\$ 5,051</u>	<u>\$ 4,294</u>	<u>\$ 757</u>	<u>17.6%</u>	<u>\$ 2,535</u>	<u>\$ 2,516</u>	<u>99.3%</u>
Net income available to common shareholders	<u>\$ 4,984</u>	<u>\$ 4,231</u>	<u>\$ 753</u>	<u>17.8%</u>	<u>\$ 2,499</u>	<u>\$ 2,485</u>	<u>99.4%</u>
Earnings per share							
Basic earnings per share	\$ 0.90	\$ 0.76	\$ 0.14	18.3%	\$ 0.45	\$ 0.45	99.8%
Diluted earnings per share	\$ 0.89	\$ 0.75	\$ 0.14	18.0%	\$ 0.45	\$ 0.44	96.7%
Average shares outstanding	5,543,403	5,536,111	7,292	0.1%	5,499,970	43,433	0.8%
Diluted average shares outstanding	5,629,900	5,622,075	7,825	0.1%	5,516,013	113,887	2.1%

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

	For the nine months ended			
	September 30, 2021	September 30, 2020	Dollar change	Percentage change
Interest Income				
Loans	\$ 44,865	\$ 39,999	\$ 4,866	12.2%
Investment securities	986	883	103	11.7%
Deposits in other financial institutions	158	446	(288)	-64.6%
Total interest income	<u>46,009</u>	<u>41,328</u>	<u>4,681</u>	<u>11.3%</u>
Interest Expense				
Deposits	1,336	3,773	(2,437)	-64.6%
Borrowings	2,571	1,904	667	35.0%
Total interest expense	<u>3,907</u>	<u>5,677</u>	<u>(1,770)</u>	<u>-31.2%</u>
Net interest income	42,102	35,651	6,451	18.1%
Provision for loan losses	<u>1,879</u>	<u>4,091</u>	<u>(2,212)</u>	<u>-54.1%</u>
Net interest income after provision for loan losses	40,223	31,560	8,663	27.4%
Noninterest income:				
Service charges on deposit accounts	691	457	234	51.2%
Net gain on sale of loans	5,639	1,444	4,195	290.2%
Gain on sale of investment securities	-	751	(751)	-100.0%
Other noninterest income	736	808	(72)	-8.9%
Total noninterest income	<u>7,066</u>	<u>3,460</u>	<u>3,606</u>	<u>104.2%</u>
Noninterest expense:				
Salary and employee benefits	17,476	16,707	769	4.6%
Occupancy and equipment	3,114	2,649	465	17.6%
Data processing	2,124	1,721	403	23.4%
Professional services	1,994	2,001	(7)	-0.3%
Other expenses	2,688	2,521	167	6.6%
Total noninterest expense	<u>27,396</u>	<u>25,599</u>	<u>1,797</u>	<u>7.0%</u>
Income before provision for income taxes	19,893	9,421	10,472	111.2%
Provision for income tax	<u>5,942</u>	<u>2,910</u>	<u>3,032</u>	<u>104.2%</u>
Net income	<u>\$ 13,951</u>	<u>\$ 6,511</u>	<u>\$ 7,440</u>	<u>114.3%</u>
Net income available to common shareholders	<u>\$ 13,744</u>	<u>\$ 6,407</u>	<u>\$ 7,337</u>	<u>114.5%</u>
Earnings per share				
Basic earnings per share	\$ 2.48	\$ 1.17	\$ 1.31	112.4%
Diluted earnings per share	\$ 2.45	\$ 1.16	\$ 1.29	111.1%
Average shares outstanding	5,531,590	5,492,123	39,467	0.7%
Diluted average shares outstanding	5,611,616	5,522,929	88,687	1.6%

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

For the three months ended

	September 30, 2021			June 30, 2021			September 30, 2020		
	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	\$ 142,647	\$ 60	0.17%	\$ 137,902	\$ 40	0.12%	\$ 191,912	\$ 51	0.11%
Investment securities	92,458	330	1.43%	88,132	351	1.59%	31,727	231	2.91%
Loans	1,185,865	16,068	5.38%	1,125,958	14,637	5.21%	1,037,195	13,578	5.21%
Total interest-earning assets	1,420,970	16,458	4.60%	1,351,992	15,028	4.46%	1,260,834	13,860	4.37%
Noninterest-earning assets	21,308			18,217			10,529		
Total Assets	<u>\$ 1,442,278</u>			<u>\$ 1,370,209</u>			<u>\$ 1,271,363</u>		
Interest-Bearing Liabilities									
Interest-bearing transaction accounts	\$ 68,618	\$ 14	0.08%	\$ 65,283	\$ 12	0.07%	\$ 59,624	\$ 19	0.13%
Money market	493,289	245	0.20%	424,371	231	0.22%	402,286	349	0.35%
Savings deposits	9,639	3	0.12%	9,229	2	0.09%	9,024	2	0.09%
Certificates of deposit	68,761	147	0.85%	75,537	164	0.87%	97,444	337	1.38%
Total Interest-Bearing Deposits	640,307	409	0.25%	574,420	409	0.29%	568,378	707	0.49%
FHLB advances	14,783	60	1.61%	41,153	748	7.29%	100,924	384	1.51%
Other borrowings	17,944	272	6.06%	17,942	272	6.06%	17,937	272	6.07%
Total Interest-Bearing Liabilities	32,727	332	4.02%	59,095	1,020	6.92%	118,861	656	2.20%
Noninterest-bearing deposits	636,042			609,932			467,845		
Total Funding Sources	1,309,076	741	0.22%	1,243,447	1,429	0.46%	1,155,084	1,363	0.47%
Noninterest-bearing liabilities	12,584			11,881			13,740		
Shareholders' equity	120,618			114,881			102,539		
Total Liabilities and Shareholders' Equity	<u>\$ 1,442,278</u>			<u>\$ 1,370,209</u>			<u>\$ 1,271,363</u>		
Net interest spread			4.38%			4.00%			3.90%
Net interest income		<u>\$ 15,717</u>			<u>\$ 13,599</u>			<u>\$ 12,497</u>	
Net interest margin			4.39%			4.03%			3.94%

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

For the nine months ended

	September 30, 2021			September 30, 2020		
	Average Balance	Interest	Average Yield/Rate	Average Balance	Interest	Average Yield/Rate
Interest-Earnings Assets:						
Deposits in other financial institutions	\$ 172,601	\$ 158	0.12%	\$ 168,735	\$ 446	0.35%
Investment securities	80,061	986	1.65%	41,820	883	2.82%
Loans	1,119,400	44,865	5.36%	975,915	39,999	5.47%
Total interest-earning assets	1,372,062	46,009	4.48%	1,186,470	41,328	4.65%
Noninterest-earning assets	20,023			31,422		
Total Assets	\$ 1,392,085			\$ 1,217,892		
Interest-Bearing Liabilities						
Interest-bearing transaction accounts	\$ 64,020	\$ 36	0.08%	\$ 72,156	\$ 210	0.39%
Money market	449,920	713	0.21%	395,803	1,800	0.61%
Savings deposits	9,215	7	0.10%	9,033	10	0.15%
Certificates of deposit	81,490	579	0.95%	112,839	1,754	2.08%
Total Interest-Bearing Deposits	604,645	1,335	0.30%	589,831	3,774	0.85%
FHLB advances	42,784	1,756	5.49%	88,248	1,088	1.65%
Other borrowings	17,942	815	6.07%	17,967	815	6.05%
Total Interest-Bearing Liabilities	60,726	2,571	5.66%	106,215	1,903	2.39%
Noninterest-bearing deposits	597,992			408,515		
Total Funding Sources	1,263,363	3,906	0.41%	1,104,561	5,677	0.69%
Noninterest-bearing liabilities	13,421			13,244		
Shareholders' equity	115,301			100,087		
Total Liabilities and Shareholders' Equity	\$ 1,392,085			\$ 1,217,892		
Net interest spread			4.07%			3.97%
Net interest income		\$ 42,103			\$ 35,651	
Net interest margin			4.10%			4.01%

PRIVATE BANCORP OF AMERICA, INC.

Condensed Balance Sheets

(Unaudited)

(Dollars in thousands, except per share amounts)

	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020
Assets					
Cash and due from banks	\$ 138,553	\$ 92,108	\$ 164,750	\$ 276,225	\$ 155,346
Interest-bearing time deposits with other institutions	5,760	5,760	5,760	5,760	5,760
Investment securities	93,099	88,755	81,429	26,086	26,525
Loans held for sale	35,448	19,625	12,430	9,687	8,402
Loans (excluding SBA PPP loans)	1,117,983	1,053,938	948,260	936,532	880,174
SBA PPP loans	74,152	110,673	133,740	62,338	154,210
Allowance for loan losses	(16,141)	(15,708)	(14,561)	(14,262)	(12,682)
Net loans	1,175,994	1,148,903	1,067,439	984,608	1,021,702
Right of use asset	4,115	5,185	5,589	5,990	5,186
Premises and equipment, net	2,459	2,578	2,582	2,649	2,859
Other assets and interest receivable	19,254	19,856	19,738	18,735	18,414
Total assets	\$ 1,474,682	\$ 1,382,770	\$ 1,359,717	\$ 1,329,740	\$ 1,244,194
Liabilities and Shareholders' Equity					
Liabilities					
Noninterest Bearing	\$ 646,233	\$ 603,914	\$ 579,318	\$ 531,732	\$ 471,324
Interest Bearing	667,012	601,530	584,341	581,216	557,455
Total Deposits	1,313,245	1,205,444	1,163,659	1,112,948	1,028,779
Borrowings	27,945	47,943	67,941	92,939	97,938
Accrued interest payable and other liabilities	11,613	13,059	16,507	16,100	14,227
Total liabilities	1,352,803	1,266,446	1,248,107	1,221,987	1,140,944
Shareholders' equity					
Common stock	70,470	70,405	70,053	69,557	69,540
Additional paid-in capital	3,465	3,179	3,317	3,496	3,230
Retained earnings	47,845	42,810	38,510	33,904	29,521
Accumulated other comprehensive (loss) income	99	(70)	(270)	796	959
Total shareholders' equity	121,879	116,324	111,610	107,753	103,250
Total liabilities and shareholders' equity	\$ 1,474,682	\$ 1,382,770	\$ 1,359,717	\$ 1,329,740	\$ 1,244,194
Book value per common share	\$ 21.70	\$ 20.71	\$ 19.87	\$ 19.24	\$ 18.50
Tangible book value per common share	\$ 21.27	\$ 20.33	\$ 19.55	\$ 18.95	\$ 18.26
Shares outstanding	5,617,273	5,617,020	5,618,324	5,600,508	5,580,456

Regulatory Capital Ratios (PBAM) ¹

	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020
Tier 1 leverage ratio	8.19%	8.36%	8.07%	8.52%	7.92%
Tier 1 risk-based capital ratio	10.64%	10.74%	11.35%	11.20%	11.35%
Common equity Tier 1 ratio	10.64%	10.74%	11.35%	11.20%	11.35%
Total risk-based capital ratio	13.48%	13.68%	14.46%	14.36%	14.63%
Tangible equity / tangible assets	8.12%	8.28%	8.09%	7.99%	8.20%

¹ Preliminary ratios for September 30, 2021

PRIVATE BANCORP OF AMERICA, INC.

Condensed Statements of Income

(Unaudited)

(Dollars in thousands, except per share amounts)

	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020
Interest income	\$ 16,458	\$ 15,028	\$ 14,523	\$ 15,826	\$ 13,860
Interest expense	741	1,429	1,737	1,209	1,363
Net interest income	15,717	13,599	12,786	14,617	12,497
Provision for loan losses	433	1,146	300	1,579	1,582
Net interest income after provision for loan losses	15,284	12,453	12,486	13,038	10,915
Noninterest income	2,389	2,805	1,871	1,636	936
Salary and employee benefits	6,595	5,966	4,915	5,293	5,365
Occupancy and equipment	1,484	820	810	774	864
Data processing	799	690	635	624	643
Professional services	552	791	650	949	514
Other expenses	1,034	891	763	780	846
Total noninterest expense	10,464	9,158	7,773	8,420	8,232
Income before provision for income taxes	7,209	6,100	6,584	6,254	3,619
Income taxes	2,158	1,806	1,977	1,874	1,084
Net income	\$ 5,051	\$ 4,294	\$ 4,607	\$ 4,380	\$ 2,535
Net income available to common shareholders	\$ 4,984	\$ 4,231	\$ 4,529	\$ 4,307	\$ 2,499
Earnings per share					
Basic earnings per share	\$ 0.90	\$ 0.76	\$ 0.82	\$ 0.78	\$ 0.45
Diluted earnings per share	\$ 0.89	\$ 0.75	\$ 0.81	\$ 0.78	\$ 0.45
Average shares outstanding	5,543,403	5,536,111	5,514,887	5,501,272	5,499,970
Diluted average shares outstanding	5,629,900	5,622,075	5,579,477	5,540,232	5,516,013

Performance Ratios

	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020
ROAA	1.39%	1.26%	1.37%	1.41%	0.79%
ROAE	16.61%	14.99%	16.94%	16.30%	9.84%
ROTE	16.88%	15.25%	17.19%	16.54%	9.96%
Net interest margin	4.39%	4.03%	3.89%	4.74%	3.94%
Net interest spread	4.38%	4.00%	3.85%	4.71%	3.90%
Efficiency ratio	57.79%	55.83%	53.03%	51.81%	61.28%
Noninterest expense / average assets	2.88%	2.68%	2.31%	2.71%	2.58%

PRIVATE BANCORP OF AMERICA, INC.

(Unaudited)

Selected Quarterly Average Balances

(Dollars in thousands)

	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020
Total assets	\$ 1,442,278	\$ 1,370,209	\$ 1,362,887	\$ 1,234,611	\$ 1,271,363
Earning assets	\$ 1,420,970	\$ 1,351,992	\$ 1,331,448	\$ 1,225,806	\$ 1,260,834
Total loans	\$ 1,185,865	\$ 1,125,958	\$ 1,044,828	\$ 1,005,712	\$ 1,037,195
Total deposits	\$ 1,276,349	\$ 1,184,352	\$ 1,145,776	\$ 1,017,389	\$ 1,036,223
Total equity	\$ 120,618	\$ 114,881	\$ 110,284	\$ 106,874	\$ 102,539

Loan Balances by Type

(Dollars in thousands)

	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020
Real estate - investor owned	\$ 307,469	\$ 293,461	\$ 247,928	\$ 243,745	\$ 231,787
Real estate - owner occupied	329,985	313,579	284,494	268,193	259,375
Real estate - multifamily	82,460	72,790	75,361	69,187	64,268
Real estate - single family	81,239	90,223	75,353	67,522	59,994
Commercial business	274,708	244,493	227,635	251,711	228,914
SBA PPP loans	74,152	110,673	133,740	62,338	154,210
Land and construction	34,996	32,413	30,103	29,377	28,277
Consumer	7,126	6,979	7,386	6,797	7,559
Total loans held for investment	1,192,135	1,164,611	1,082,000	998,870	1,034,384
Loans held for sale	35,448	19,625	12,430	9,687	8,402
Total loans, including loans held for sale	1,227,583	1,184,236	1,094,430	1,008,557	1,042,786
Allowance for loan losses	(16,141)	(15,708)	(14,561)	(14,262)	(12,682)
Net loans	\$ 1,211,442	\$ 1,168,528	\$ 1,079,869	\$ 994,295	\$ 1,030,104

Deposits by Type

(Dollars in thousands)

	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020
Non interest bearing DDA	\$ 646,233	\$ 603,914	\$ 579,318	\$ 531,732	\$ 471,324
Interest bearing DDA	68,056	70,320	59,399	60,606	56,837
Savings & MMA	530,782	463,165	423,957	424,540	396,233
Retail CD	5,633	5,827	5,855	7,770	8,401
Jumbo CD	62,541	62,218	95,130	88,300	95,984
Total deposits	\$ 1,313,245	\$ 1,205,444	\$ 1,163,659	\$ 1,112,948	\$ 1,028,779

Asset Quality

(Dollars in thousands)

	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020
Total loans, including loans held for sale	\$ 1,227,583	\$ 1,184,236	\$ 1,094,430	\$ 1,008,557	\$ 1,042,786
30-89 day past due loans	\$ 200	\$ -	\$ -	\$ -	\$ -
90+ day past due loans	\$ -	\$ -	\$ -	\$ -	\$ -
Nonaccrual loans	\$ 1,494	\$ 1,540	\$ 1,609	\$ 1,609	\$ 1,743
NPAs / Assets	0.10%	0.11%	0.12%	0.12%	0.14%
NPLs / loans & OREO	0.12%	0.13%	0.15%	0.16%	0.17%
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	1.31%	1.33%	1.33%	1.41%	1.22%
Allowance for loan losses to nonaccrual loans	1080.39%	1020.00%	904.97%	886.39%	727.60%