



FOR IMMEDIATE RELEASE



PRIVATE BANCORP OF AMERICA, INC. ANNOUNCES SECOND QUARTER 2022 FINANCIAL RESULTS

Second Quarter Highlights

- Net income for the quarter was \$4.4 million, up 2.4% from the same period in the prior year
- Diluted earnings per share of \$0.77, up 2.7% from the same period in the prior year
- Total loans held-for-investment (“HFI”), excluding Paycheck Protection Program (“PPP”) loans, reached \$1.4 billion, an increase of \$322.9 million or 30.6% year-over-year and \$100.8 million or 7.9% over Q1’22
- Non-interest-bearing demand deposits grew \$143.0 million or 23.7% year over year and \$22.5 million from the prior quarter to \$747.0 million, representing 51.9% of total deposits
- Net interest margin (ex-PPP loans) of 4.57% compared to 4.14% for Q1’21 and compared to 4.51% for Q1’22
- Cost of funding sources remained low at 0.20%
- The provision for loan losses for the second quarter of 2022 was \$659 thousand, an increase of \$517 thousand compared to the first quarter of 2022.
- Allowance for Loan Losses was 1.29% of total loans HFI (ex-PPP loans)
- Tangible book value per share of \$22.68, down \$0.12 from Q1’22 related to a mark-to-market adjustment on the securities portfolio
- Private Bancorp of America, Inc. (“PBAM”) well capitalized Tier 1 risk-based capital ratio of 9.51% (preliminary)

La Jolla, Calif. – July 22, 2022 (GLOBE NEWSWIRE) - Private Bancorp of America, Inc. (OTCQX:PBAM), (“Company”) and CalPrivate Bank (“Bank”) announced unaudited financial results for the second quarter ending June 30, 2022. The Company reported net income of \$4.4 million, or \$0.77 per diluted share, for the second quarter of 2022 compared to \$6.5 million, or \$1.13 per diluted share for the first quarter of 2022.

Rick Sowers, President and CEO of the Company and the Bank stated, “CalPrivate’s core franchise continued to organically grow loans and deposits which drove solid growth in net interest income to \$18.0 million – our highest level yet. However, given the volatility of the interest rate and credit markets, we experienced a decline in our SBA 7(a) loan sales and the resulting gain on sale income for the quarter.”

Sowers continued, “While global events and the rapidly changing environment have put pressure on the overall financial markets and on our own financial results, our model of providing a concierge experience through our dedicated Teams and our core mission of providing Relationships, Solutions, and Trust continues to resonate and provide a stabilizing force to our Clients. We have been able to organically grow net loans (ex-PPP loans) more than \$100 million in Q2’22, representing linked-quarter growth of 7.9%.

While the Federal Reserve raised overnight borrowing costs substantially in the second quarter, given our deep Client Relationships and strong referral network, the Bank was able to grow non-interest bearing deposits by \$22.5 million while keeping the overall cost of interest bearing deposits low at 0.25%.”

Domestic events, including high inflation, have unfavorably resulted in increased non-interest expense, including employee compensation and professional services. The decline in SBA gain on sale was both a result of lower 7(a) loan volumes and a softer secondary market, which led to an increased efficiency ratio of 64.9% from 53.6% for Q1’22. While the industry faces significant headwinds, including an increased possibility of a recession, our Bank continues to invest in the infrastructure to become more efficient and to support the growth of our Relationship Teams committed to serving our Clients.

As a continuation of the Company’s investments in innovation to support long-term growth and efficiency, during the second quarter, the Company made additional FinTech investments in BankTech Ventures and the Banktech Consortium Fund, two leading investment management firms focused on providing capital to companies driving innovation in the banking industry and keeping the Company in front of emerging trends.

“The financial earnings power of PBAM remains resilient based on the first half results of 2022. The Company’s ability to organically grow loans attests to the Company’s successful strategy to stay focused on providing a *Distinctly Different* service. Diluted EPS for the first half of 2022 of \$1.91 is up 22.4% from the same period a year ago,” said Selwyn Isakow, Chairman of the Board of the Company and the Bank.

Isakow added, “We are proud of CalPrivate’s achievements and financial performance to date, however, we remain cautious on the overall macro-economy. We must remain vigilant in our credit and risk management practices as we continue to evaluate the possibility of a near-term global recession due to significant geopolitical and economic challenges stemming from high inflation, energy supply constraints, volatile global politics, and the on-going war in Ukraine.”

STATEMENT OF INCOME

Net Interest Income

Net interest income for the second quarter totaled \$18.0 million, representing an increase of \$842 thousand or 4.9% compared to the first quarter of 2022. The increase in net interest income for the second quarter was primarily due to increases in organic non-PPP loan balances and higher rates. PPP interest and fee income was \$224 thousand in Q2’22, compared to \$751 thousand in Q1’22. As of June 30, 2022, only 12 PPP loans with total balances of \$2.7 million remained unforgiven by the SBA. Interest expense on deposits increased \$83 thousand in Q2’22 vs Q1’22 due to higher deposit totals and an increase in the deposit rates paid to Clients.

Net Interest Margin

The net interest margin for Q2’22 was 4.61% compared to 4.65% for the first quarter of 2022. Excluding PPP-loans, the net interest margin for Q2’22 was 4.57% compared to 4.51% for the first quarter of 2022. The 0.04% decrease in the as reported net interest margin for the second quarter was due to lower loan prepayments and higher cost of deposits. Average portfolio loan yields were 5.37% for Q2’22, compared to 5.51% for Q1’22, including loan prepayment fees. The yield on earning assets for the second quarter was 4.80% for Q2’22 compared with 4.82% for Q1’22 and the cost of funds was 0.20% for Q2’22 compared to 0.19% for Q1’22.

Provision for Loan Losses

The provision for loan losses for the second quarter was \$659 thousand, an increase of \$517 thousand compared to the first quarter of 2022. While the economy continued to recover in the second quarter, geopolitical events and high inflation have created uncertainty, and this is reflected in our ALLL to total loans HFI (ex-PPP loans) of 1.29%.

Non-Interest Income

Non-interest income was \$1.4 million for the second quarter, representing a \$1.7 million decrease, compared to the first quarter of 2022. The decrease in non-interest income was primarily due to a decrease in SBA loans sales during second quarter compared to the first quarter of 2022. SBA loan sales for the second quarter were \$9.9 million with a 10.5% average trade premium resulting in a net gain on sale of \$768 thousand, compared with \$26.2 million with a 12.9% average trade premium resulting in a net gain on sale of \$2.5 million in the first quarter of 2022.

Non-Interest Expense

Non-interest expense was \$12.6 million for the second quarter representing a \$1.7 million, or 16.0% increase compared to the first quarter of 2022. Much of the increase was related to the elevated levels of professional services and other expenses given an active and on-going lawsuit for the recovery of the charged-off loan related to the ANI Development, LLC/Gina Champion-Cain fraud case and Chicago Title (parent company, Fidelity National Financial) for their alleged involvement with the fraud scheme.

Additionally, the Company remains committed to making investments in the business, including technology, marketing, and staffing. Historically high inflation and low unemployment has resulted in pressure on wages as well as increased costs related to third party service providers. Related to the strong organic loan growth in the second quarter, the Company also increased its reserve for unfunded commitments by \$214 thousand.

STATEMENT OF FINANCIAL CONDITION

Balance Sheet

At June 30, 2022, the Company reported total assets of \$1.6 billion representing an increase of \$66.6 million or 4.3% compared to the first quarter of 2022. The increase in assets for the second quarter was due to increases in loans supported by growth in core deposits. Total loans HFI increased to \$1.4 billion at June 30, 2022 or \$94.7 million during the quarter, up 7.4%; excluding PPP loans, total loans increased \$100.8 million, up 7.9%. Total deposits were \$1.4 billion representing an increase of \$69.6 million, or 5.1%, compared to the first quarter. Total non-interest-bearing deposits represented 51.9% of total deposits at June 30, 2022. Additionally, during the quarter, the mark-to-market fair value net loss on the securities portfolio, which consisted mainly of US Treasury and Government Agency debt, increased to -\$12.5 million from -\$5.6 million from the prior quarter.

Asset Quality and Loan Deferrals

The Allowance for Loan Losses increased \$659 thousand to \$17.8 million in the quarter with a resulting coverage ratio of 1.29% of total loans HFI, excluding PPP loans. The increase in the Allowance for Loan Losses was primarily due to non-PPP organic loan growth and qualitative loss factors related to the general economic outlook in the markets we serve.

As of June 30, 2022, there were no doubtful credits or charge offs and Classified assets remained at \$11.2 million, compared Q1'22. Total classified assets consisted of 10 loans, of which 6 loans totaling \$7.9 million were secured by real estate with a weighted average LTV of 45.4%. In addition, all loans that were previously granted payment deferrals related to COVID-19 have resumed their contractual payments.

Capital Ratios (1)

The Company and the Bank's capital ratios were in excess of the levels established for "well capitalized" institutions and are as follows:

| | Jun 30, 2022 (1) | Mar 31, 2022 | Dec 31, 2021 |
|-----------------------------------|------------------|--------------|--------------|
| Private Bancorp of America | | | |
| Tier I leverage ratio | 8.61% | 8.85% | 8.42% |
| Tier I risk-based capital ratio | 9.51% | 10.31% | 10.63% |
| Total risk-based capital ratio | 12.01% | 12.94% | 13.38% |
| | | | |
| CalPrivate Bank | | | |
| Tier I leverage ratio | 9.58% | 9.72% | 9.29% |
| Tier I risk-based capital ratio | 10.57% | 11.93% | 11.73% |
| Total risk-based capital ratio | 11.82% | 13.18% | 12.98% |

(1) *June 30, 2022, capital ratios are preliminary*

Stock Repurchase Program

During the second quarter of 2022, PBAM announced that it had completed its stock repurchase program on April 28, 2022 through the repurchase of 60,000 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)

| | June 30, 2022 | March 31, 2022 | Dollar change | Percentage change | June 30, 2021 | Dollar change | Percentage change |
|---|---------------------|---------------------|------------------|----------------------|---------------------|-------------------|----------------------|
| Assets | | | | | | | |
| Cash and due from banks | \$ 15,694 | \$ 17,099 | \$ (1,405) | -8.2% | \$ 12,783 | \$ 2,911 | 22.8% |
| Interest-bearing deposits in other financial institutions | 43,857 | 40,878 | 2,979 | 7.3% | 13,969 | 29,888 | 214.0% |
| Interest-bearing deposits at Federal Reserve Bank | 29,241 | 66,038 | (36,797) | -55.7% | 65,356 | (36,115) | -55.3% |
| Total cash and due from banks | 88,792 | 124,015 | (35,223) | 28.4% | 92,108 | (3,316) | -3.6% |
| Interest-bearing time deposits with other institutions | 6,157 | 5,817 | 340 | 5.8% | 5,760 | 397 | 6.9% |
| Investment securities available for sale | 113,565 | 114,382 | (817) | -0.7% | 88,755 | 24,810 | 28.0% |
| Loan held for sale | 4,460 | 1,999 | 2,461 | 123.1% | 19,625 | (15,165) | -77.3% |
| Total loans held-for-investment | 1,379,519 | 1,284,838 | 94,681 | 7.4% | 1,164,611 | 214,908 | 18.5% |
| Allowance for loan losses | (17,776) | (17,117) | (659) | 3.8% | (15,708) | (2,068) | 13.2% |
| Net loans | 1,361,743 | 1,267,721 | 94,022 | 7.4% | 1,148,903 | 212,840 | 18.5% |
| Federal Home Loan Bank stock, at cost | 7,020 | 4,909 | 2,111 | 43.0% | 4,909 | 2,111 | 43.0% |
| Right of use asset | 3,037 | 3,400 | (363) | -10.7% | 5,185 | (2,148) | -41.4% |
| Premises and equipment, net | 2,640 | 2,813 | (173) | -6.2% | 2,578 | 62 | 2.4% |
| Servicing assets, net | 3,515 | 3,525 | (10) | -0.3% | 2,123 | 1,392 | 65.6% |
| Deferred tax asset | 9,229 | 7,032 | 2,197 | 31.2% | 7,012 | 2,217 | 31.6% |
| Accrued interest receivable | 3,855 | 3,453 | 402 | 11.6% | 3,501 | 354 | 10.1% |
| Other assets | 8,089 | 6,416 | 1,673 | 26.1% | 2,311 | 5,778 | 250.0% |
| Total assets | \$ 1,612,102 | \$ 1,545,482 | \$ 66,620 | 4.3% | \$ 1,382,770 | \$ 229,332 | 16.6% |
| Liabilities and Shareholders' Equity | | | | | | | |
| Liabilities | | | | | | | |
| Noninterest bearing | \$ 747,006 | \$ 724,469 | \$ 22,537 | 3.1% | \$ 603,914 | \$ 143,092 | 23.7% |
| Interest Bearing | 693,646 | 646,545 | 47,101 | 7.3% | 601,530 | 92,116 | 15.3% |
| Total deposits | 1,440,652 | 1,371,014 | 69,638 | 5.1% | 1,205,444 | 235,208 | 19.5% |
| FHLB borrowings | 10,000 | 10,000 | - | 0.0% | 30,000 | (20,000) | -66.7% |
| Other borrowings | 17,950 | 17,948 | 2 | 0.0% | 17,943 | 7 | 0.0% |
| Accrued interest payable and other liabilities | 13,305 | 14,630 | (1,325) | -9.1% | 13,059 | 246 | 1.9% |
| Total liabilities | 1,481,907 | 1,413,592 | 68,315 | 4.8% | 1,266,446 | 215,461 | 17.0% |
| Shareholders' equity | | | | | | | |
| Common stock | 71,516 | 70,899 | 617 | 0.9% | 70,405 | 1,111 | 1.6% |
| Additional paid-in capital | 3,368 | 3,602 | (234) | -6.5% | 3,179 | 189 | 5.9% |
| Retained earnings | 64,036 | 61,424 | 2,612 | 4.3% | 42,810 | 21,226 | 49.6% |
| Accumulated other comprehensive (loss) income | (8,725) | (4,035) | (4,690) | 116.2% | (70) | (8,655) | 12364.3% |
| Total stockholders' equity | 130,195 | 131,890 | (1,695) | -1.3% | 116,324 | 13,871 | 11.9% |
| Total liabilities and stockholders' equity | \$ 1,612,102 | \$ 1,545,482 | \$ 66,620 | 4.3% | \$ 1,382,770 | \$ 229,332 | 16.6% |

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

| | For the three months ended | | | | | | |
|--|----------------------------|-----------------|-------------------|----------------------|-----------------|------------------|----------------------|
| | June 30, 2022 | March 31, 2022 | Dollar change | Percentage change | June 30, 2021 | Dollar change | Percentage change |
| Interest Income | | | | | | | |
| Loans | \$ 17,931 | \$ 17,246 | \$ 685 | 4.0% | \$ 14,637 | \$ 3,294 | 22.5% |
| Investment securities | 571 | 401 | 170 | 42.4% | 351 | 220 | 62.7% |
| Deposits in other financial institutions | 204 | 134 | 70 | 52.2% | 40 | 164 | 410.0% |
| Total interest income | <u>18,706</u> | <u>17,781</u> | <u>925</u> | <u>5.2%</u> | <u>15,028</u> | <u>3,678</u> | <u>24.5%</u> |
| Interest Expense | | | | | | | |
| Deposits | 410 | 327 | 83 | 25.4% | 409 | 1 | 0.2% |
| Borrowings | 313 | 313 | - | 0.0% | 1,020 | (707) | -69.3% |
| Total interest expense | <u>723</u> | <u>640</u> | <u>83</u> | <u>13.0%</u> | <u>1,429</u> | <u>(706)</u> | <u>-49.4%</u> |
| Net interest income | 17,983 | 17,141 | 842 | 4.9% | 13,599 | 4,384 | 32.2% |
| Provision for loan losses | 659 | 142 | 517 | 364.1% | 1,146 | (487) | -42.5% |
| Net interest income after provision for loan losses | <u>17,324</u> | <u>16,999</u> | <u>325</u> | <u>1.9%</u> | <u>12,453</u> | <u>4,871</u> | <u>39.1%</u> |
| Noninterest income: | | | | | | | |
| Service charges on deposit accounts | 299 | 281 | 18 | 6.4% | 224 | 57 | 29.4% |
| Net gain on sale of loans | 768 | 2,471 | (1,703) | -68.9% | 1,476 | 995 | -67.0% |
| Other noninterest income | 375 | 357 | 18 | 5.0% | 171 | 186 | 51.2% |
| Total noninterest income | <u>1,442</u> | <u>3,109</u> | <u>(1,667)</u> | <u>-53.6%</u> | <u>1,871</u> | <u>1,238</u> | <u>-48.6%</u> |
| Noninterest expense: | | | | | | | |
| Salary and employee benefits | 7,374 | 7,313 | 61 | 0.8% | 5,966 | 1,408 | 23.6% |
| Occupancy and equipment | 808 | 723 | 85 | 11.8% | 820 | (12) | -1.5% |
| Data processing | 824 | 653 | 171 | 26.2% | 690 | 134 | 19.4% |
| Professional services | 1,835 | 915 | 920 | 100.5% | 791 | 1,044 | 132.0% |
| Other expenses | 1,759 | 1,255 | 504 | 40.2% | 891 | 868 | 97.4% |
| Total noninterest expense | <u>12,600</u> | <u>10,859</u> | <u>1,741</u> | <u>16.0%</u> | <u>9,158</u> | <u>3,442</u> | <u>37.6%</u> |
| Income before provision for income taxes | 6,166 | 9,249 | (3,083) | -33.3% | 6,100 | 66 | 1.1% |
| Provision for income taxes | 1,769 | 2,747 | (978) | -35.6% | 1,806 | (37) | -2.0% |
| Net income | <u>\$ 4,397</u> | <u>\$ 6,502</u> | <u>\$ (2,105)</u> | <u>-32.4%</u> | <u>\$ 4,294</u> | <u>\$ 103</u> | <u>2.4%</u> |
| Net income available to common shareholders | <u>\$ 4,347</u> | <u>\$ 6,432</u> | <u>\$ (2,085)</u> | <u>-32.4%</u> | <u>\$ 4,231</u> | <u>\$ 116</u> | <u>2.7%</u> |
| Earnings per share | | | | | | | |
| Basic earnings per share | \$ 0.78 | \$ 1.16 | \$ (0.37) | -32.1% | \$ 0.76 | \$ 0.02 | 3.2% |
| Diluted earnings per share | \$ 0.77 | \$ 1.13 | \$ (0.36) | -32.0% | \$ 0.75 | \$ 0.02 | 2.8% |
| Average shares outstanding | 5,543,065 | 5,568,400 | (25,335) | -0.5% | 5,536,111 | 6,954 | 0.1% |
| Diluted average shares outstanding | 5,639,282 | 5,672,701 | (33,419) | -0.6% | 5,622,075 | 17,207 | 0.3% |

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

| | <u>June 30, 2022</u> | <u>June 30, 2021</u> | <u>Dollar change</u> | <u>Percentage change</u> |
|--|----------------------|----------------------|--------------------------|------------------------------|
| Interest Income | | | | |
| Loans | \$ 35,177 | \$ 28,796 | \$ 6,381 | 22.2% |
| Investment securities | 972 | 656 | 316 | 48.2% |
| Deposits in other financial institutions | 339 | 99 | 240 | 242.4% |
| Total interest income | <u>36,488</u> | <u>29,551</u> | <u>6,937</u> | <u>23.5%</u> |
| Interest Expense | | | | |
| Deposits | 737 | 926 | (189) | -20.4% |
| Borrowings | 626 | 2,239 | (1,613) | -72.0% |
| Total interest expense | <u>1,363</u> | <u>3,165</u> | <u>(1,802)</u> | <u>-56.9%</u> |
| Net interest income | 35,125 | 26,386 | 8,739 | 33.1% |
| Provision for loan losses | 802 | 1,446 | (644) | -44.5% |
| Net interest income after provision for loan losses | 34,323 | 24,940 | 9,383 | 37.6% |
| Noninterest income: | | | | |
| Service charges on deposit accounts | 580 | 454 | 126 | 27.8% |
| Net gain on sale of loans | 3,239 | 3,802 | (563) | -14.8% |
| Gain on sale of investment securities | - | - | - | N/A |
| Other noninterest income | 732 | 420 | 312 | 74.3% |
| Total noninterest income | <u>4,551</u> | <u>4,676</u> | <u>(125)</u> | <u>-2.7%</u> |
| Noninterest expense: | | | | |
| Salary and employee benefits | 14,687 | 10,881 | 3,806 | 35.0% |
| Occupancy and equipment | 1,531 | 1,630 | (99) | -6.1% |
| Data processing | 1,476 | 1,326 | 150 | 11.3% |
| Professional services | 2,750 | 1,441 | 1,309 | 90.8% |
| Other expenses | 2,998 | 1,654 | 1,344 | 81.3% |
| Total noninterest expense | <u>23,442</u> | <u>16,932</u> | <u>6,510</u> | <u>38.4%</u> |
| Income before provision for income taxes | 15,432 | 12,684 | 2,748 | 21.7% |
| Provision for income tax | 4,517 | 3,784 | 733 | 19.4% |
| Net income | <u>\$ 10,915</u> | <u>\$ 8,900</u> | <u>\$ 2,015</u> | <u>22.6%</u> |
| Net income available to common shareholders | <u>\$ 10,794</u> | <u>\$ 8,761</u> | <u>\$ 2,033</u> | <u>23.2%</u> |
| Earnings per share | | | | |
| Basic earnings per share | \$ 1.94 | \$ 1.59 | \$ 0.35 | 22.0% |
| Diluted earnings per share | \$ 1.91 | \$ 1.56 | \$ 0.35 | 22.4% |
| Average shares outstanding | 5,555,662 | 5,525,557 | 30,105 | 0.5% |
| Diluted average shares outstanding | 5,652,071 | 5,601,705 | 50,366 | 0.9% |

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

| | For the three months ended | | | | | | | | |
|---|----------------------------|------------------|-----------------------|---------------------|------------------|-----------------------|---------------------|------------------|-----------------------|
| | June 30, 2022 | | | March 31, 2022 | | | June 30, 2021 | | |
| | 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 | \$ 100,017 | \$ 205 | 0.82% | \$ 116,903 | \$ 134 | 0.46% | \$ 137,902 | \$ 40 | 0.12% |
| Investment securities | 125,550 | 571 | 1.82% | 109,252 | 401 | 1.47% | 88,132 | 351 | 1.59% |
| Loans | 1,339,095 | 17,931 | 5.37% | 1,268,695 | 17,246 | 5.51% | 1,125,958 | 14,637 | 5.21% |
| Total interest-earning assets | 1,564,662 | 18,707 | 4.80% | 1,494,850 | 17,781 | 4.82% | 1,351,992 | 15,028 | 4.46% |
| Noninterest-earning assets | 27,614 | | | 21,502 | | | 18,217 | | |
| Total Assets | \$ 1,592,276 | | | \$ 1,516,352 | | | \$ 1,370,209 | | |
| Interest-Bearing Liabilities | | | | | | | | | |
| Interest-bearing transaction accounts | \$ 87,682 | \$ 54 | 0.25% | \$ 78,557 | \$ 16 | 0.08% | \$ 65,283 | \$ 12 | 0.07% |
| Money market | 492,838 | 241 | 0.20% | 498,146 | 192 | 0.16% | 424,371 | 231 | 0.22% |
| Savings deposits | 14,216 | 3 | 0.01% | 13,523 | 3 | 0.09% | 9,229 | 2 | 0.09% |
| Certificates of deposit | 67,184 | 111 | 0.66% | 68,525 | 116 | 0.69% | 75,537 | 164 | 0.87% |
| Total Interest-Bearing Deposits | 661,920 | 409 | 0.25% | 658,751 | 327 | 0.20% | 574,420 | 409 | 0.29% |
| FHLB advances | 10,000 | 42 | 1.64% | 10,000 | 41 | 1.66% | 41,153 | 748 | 7.29% |
| Other borrowings | 17,948 | 272 | 6.06% | 17,948 | 272 | 6.06% | 17,942 | 272 | 6.06% |
| Total Interest-Bearing Liabilities | 27,948 | 314 | 4.49% | 27,948 | 313 | 4.54% | 59,095 | 1,020 | 6.92% |
| Noninterest-bearing deposits | 757,728 | | | 682,880 | | | 609,932 | | |
| Total Funding Sources | 1,447,596 | 723 | 0.20% | 1,369,579 | 640 | 0.19% | 1,243,447 | 1,429 | 0.46% |
| Noninterest-bearing liabilities | 11,891 | | | 14,301 | | | 11,881 | | |
| Shareholders' equity | 132,789 | | | 132,472 | | | 114,881 | | |
| Total Liabilities and Shareholders' Equity | \$ 1,592,276 | | | \$ 1,516,352 | | | \$ 1,370,209 | | |
| Net interest income/spread | | <u>\$ 17,984</u> | 4.60% | | <u>\$ 17,141</u> | 4.63% | | <u>\$ 13,599</u> | 4.00% |
| Net interest margin | | | 4.61% | | | 4.65% | | | 4.03% |

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

| | June 30, 2022 | | | June 30, 2021 | | |
|---|---------------------|------------------|-----------------------|---------------------|------------------|-----------------------|
| | Average Balance | Interest | Average Yield/Rate | Average Balance | Interest | Average Yield/Rate |
| Interest-Earnings Assets: | | | | | | |
| Deposits in other financial institutions | \$ 108,413 | \$ 339 | 0.63% | \$ 187,826 | \$ 99 | 0.11% |
| Investment securities | 117,447 | 972 | 1.67% | 73,759 | 656 | 1.79% |
| Loans | 1,304,089 | 35,177 | 5.44% | 1,085,617 | 28,796 | 5.35% |
| Total interest-earning assets | 1,529,949 | 36,488 | 4.81% | 1,347,202 | 29,551 | 4.42% |
| Noninterest-earning assets | 24,572 | | | 19,368 | | |
| Total Assets | <u>\$ 1,554,521</u> | | | <u>\$ 1,366,570</u> | | |
| Interest-Bearing Liabilities | | | | | | |
| Interest-bearing transaction accounts | \$ 83,145 | \$ 68 | 0.16% | \$ 61,682 | \$ 24 | 0.08% |
| Money market | 495,478 | 433 | 0.18% | 427,877 | 466 | 0.22% |
| Savings deposits | 13,872 | 7 | 0.10% | 8,999 | 5 | 0.11% |
| Certificates of deposit | 67,851 | 227 | 0.67% | 87,960 | 431 | 0.99% |
| Total Interest-Bearing Deposits | 660,346 | 735 | 0.22% | 586,518 | 926 | 0.32% |
| FHLB advances | 10,000 | 83 | 1.67% | 57,017 | 1,696 | 6.00% |
| Other borrowings | 17,949 | 544 | 6.11% | 17,941 | 545 | 6.06% |
| Total Interest-Bearing Liabilities | 27,949 | 627 | 4.52% | 74,958 | 2,239 | 6.03% |
| Noninterest-bearing deposits | 720,504 | | | 578,652 | | |
| Total Funding Sources | 1,408,799 | 1,362 | 0.19% | 1,240,128 | 3,165 | 0.51% |
| Noninterest-bearing liabilities | 13,084 | | | 13,845 | | |
| Shareholders' equity | 132,638 | | | 112,597 | | |
| Total Liabilities and Shareholders' Equity | <u>\$ 1,554,521</u> | | | <u>\$ 1,366,570</u> | | |
| Net interest income/spread | | <u>\$ 35,126</u> | 4.61% | | <u>\$ 26,386</u> | 3.91% |
| Net interest margin | | | 4.63% | | | 3.95% |

PRIVATE BANCORP OF AMERICA, INC.

Condensed Balance Sheets

(Unaudited)

(Dollars in thousands, except per share amounts)

| | Jun 30, 2022 | Mar 31, 2022 | Dec 31, 2021 | Sep 30, 2021 | Jun 30, 2021 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Assets | | | | | |
| Cash and due from banks | \$ 88,792 | \$ 124,015 | \$ 149,085 | \$ 138,553 | \$ 92,108 |
| Interest-bearing time deposits with other institutions | 6,157 | 5,817 | 5,760 | 5,760 | 5,760 |
| Investment securities | 113,565 | 114,382 | 102,065 | 93,099 | 88,755 |
| Loans held for sale | 4,460 | 1,999 | 24,658 | 35,448 | 19,625 |
| Total loans held-for-investment (excluding PPP loans) | 1,376,801 | 1,276,043 | 1,188,634 | 1,117,983 | 1,053,938 |
| SBA PPP loans | 2,718 | 8,795 | 35,524 | 74,152 | 110,673 |
| Allowance for loan losses | (17,776) | (17,117) | (16,975) | (16,141) | (15,708) |
| Net loans | 1,361,743 | 1,267,721 | 1,207,183 | 1,175,994 | 1,148,903 |
| Right of use asset | 3,037 | 3,400 | 3,760 | 4,115 | 5,185 |
| Premises and equipment, net | 2,640 | 2,813 | 2,294 | 2,459 | 2,578 |
| Other assets and interest receivable | 31,708 | 25,335 | 22,279 | 19,254 | 19,856 |
| Total assets | \$ 1,612,102 | \$ 1,545,482 | \$ 1,517,084 | \$ 1,474,682 | \$ 1,382,770 |
| Liabilities and Shareholders' Equity | | | | | |
| Liabilities | | | | | |
| Noninterest Bearing | \$ 747,006 | \$ 724,469 | \$ 682,589 | \$ 646,233 | \$ 603,914 |
| Interest Bearing | 693,646 | 646,545 | 663,074 | 667,012 | 601,530 |
| Total Deposits | 1,440,652 | 1,371,014 | 1,345,663 | 1,313,245 | 1,205,444 |
| Borrowings | 27,950 | 27,948 | 27,947 | 27,945 | 47,943 |
| Accrued interest payable and other liabilities | 13,305 | 14,630 | 15,110 | 11,613 | 13,059 |
| Total liabilities | 1,481,907 | 1,413,592 | 1,388,720 | 1,352,803 | 1,266,446 |
| Shareholders' equity | | | | | |
| Common stock | 71,516 | 70,899 | 70,850 | 70,470 | 70,405 |
| Additional paid-in capital | 3,368 | 3,602 | 3,343 | 3,465 | 3,179 |
| Retained earnings | 64,036 | 61,424 | 54,922 | 47,845 | 42,810 |
| Accumulated other comprehensive (loss) income | (8,725) | (4,035) | (751) | 99 | (70) |
| Total shareholders' equity | 130,195 | 131,890 | 128,364 | 121,879 | 116,324 |
| Total liabilities and shareholders' equity | \$ 1,612,102 | \$ 1,545,482 | \$ 1,517,084 | \$ 1,474,682 | \$ 1,382,770 |
| Book value per common share | \$ 23.31 | \$ 23.42 | \$ 22.81 | \$ 21.70 | \$ 20.71 |
| Tangible book value per common share | \$ 22.68 | \$ 22.80 | \$ 22.26 | \$ 21.27 | \$ 20.33 |
| Shares outstanding | 5,584,465 | 5,630,993 | 5,627,735 | 5,617,273 | 5,617,020 |

Regulatory Capital Ratios (PBAM) ¹

| | Jun 30, 2022 | Mar 31, 2022 | Dec 31, 2021 | Sep 30, 2021 | Jun 30, 2021 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Tier 1 leverage ratio | 8.61% | 8.85% | 8.42% | 8.19% | 8.36% |
| Tier 1 risk-based capital ratio | 9.51% | 10.31% | 10.63% | 10.64% | 10.74% |
| Common equity Tier 1 ratio | 9.51% | 10.31% | 10.63% | 10.64% | 10.74% |
| Total risk-based capital ratio | 12.01% | 12.94% | 13.38% | 13.48% | 13.68% |
| Tangible equity / tangible assets | 8.46% | 8.66% | 8.35% | 8.12% | 8.28% |

¹ Preliminary ratios for June 30, 2022

PRIVATE BANCORP OF AMERICA, INC.

Condensed Statements of Income

(Unaudited)

(Dollars in thousands, except per share amounts)

| | Jun 30, 2022 | Mar 31, 2022 | Dec 31, 2021 | Sep 30, 2021 | Jun 30, 2021 |
|--|--------------|--------------|--------------|--------------|--------------|
| Interest income | \$ 18,706 | \$ 17,781 | \$ 17,356 | \$ 16,458 | \$ 15,028 |
| Interest expense | 723 | 640 | 667 | 741 | 1,429 |
| Net interest income | 17,983 | 17,141 | 16,689 | 15,717 | 13,599 |
| Provision for loan losses | 659 | 142 | 834 | 433 | 1,146 |
| Net interest income after provision for loan losses | 17,324 | 16,999 | 15,855 | 15,284 | 12,453 |
| Noninterest income | 1,442 | 3,109 | 4,265 | 2,389 | 2,805 |
| Salary and employee benefits | 7,374 | 7,313 | 6,492 | 6,595 | 5,966 |
| Occupancy and equipment | 808 | 723 | 741 | 1,484 | 820 |
| Data processing | 824 | 653 | 703 | 799 | 690 |
| Professional services | 1,835 | 915 | 843 | 552 | 791 |
| Other expenses | 1,759 | 1,255 | 1,060 | 1,034 | 891 |
| Total noninterest expense | 12,600 | 10,859 | 9,839 | 10,464 | 9,158 |
| Income before provision for income taxes | 6,166 | 9,249 | 10,281 | 7,209 | 6,100 |
| Income taxes | 1,769 | 2,747 | 2,986 | 2,158 | 1,806 |
| Net income | \$ 4,397 | \$ 6,502 | \$ 7,295 | \$ 5,051 | \$ 4,294 |
| Net income available to common shareholders | \$ 4,347 | \$ 6,432 | \$ 7,204 | \$ 4,984 | \$ 4,231 |
| Earnings per share | | | | | |
| Basic earnings per share | \$ 0.78 | \$ 1.16 | \$ 1.30 | \$ 0.90 | \$ 0.76 |
| Diluted earnings per share | \$ 0.77 | \$ 1.13 | \$ 1.28 | \$ 0.89 | \$ 0.75 |
| Average shares outstanding | 5,543,065 | 5,568,400 | 5,547,422 | 5,543,403 | 5,536,111 |
| Diluted average shares outstanding | 5,639,282 | 5,672,701 | 5,638,186 | 5,629,900 | 5,622,075 |

Performance Ratios

| | Jun 30, 2022 | Mar 31, 2022 | Dec 31, 2021 | Sep 30, 2021 | Jun 30, 2021 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| ROAA | 1.12% | 1.74% | 1.91% | 1.39% | 1.26% |
| ROAE | 13.43% | 19.91% | 22.72% | 16.61% | 14.99% |
| ROTE | 13.62% | 20.20% | 23.07% | 16.88% | 15.25% |
| Net interest margin | 4.61% | 4.65% | 4.44% | 4.39% | 4.03% |
| Net interest spread | 4.60% | 4.63% | 4.43% | 4.38% | 4.00% |
| Efficiency ratio | 64.86% | 53.62% | 46.96% | 57.79% | 55.83% |
| Noninterest expense / average assets | 3.21% | 2.90% | 2.58% | 2.88% | 2.68% |

PRIVATE BANCORP OF AMERICA, INC.

(Unaudited)

Selected Quarterly Average Balances

(Dollars in thousands)

| | Jun 30, 2022 | Mar 31, 2022 | Dec 31, 2021 | Sep 30, 2021 | Jun 30, 2021 |
|--|--------------|--------------|--------------|--------------|--------------|
| Total assets | \$ 1,592,276 | \$ 1,516,352 | \$ 1,514,583 | \$ 1,442,278 | \$ 1,370,209 |
| Earning assets | \$ 1,564,662 | \$ 1,494,850 | \$ 1,490,235 | \$ 1,420,970 | \$ 1,351,992 |
| Total loans, including loans held for sale | \$ 1,339,095 | \$ 1,268,695 | \$ 1,222,234 | \$ 1,185,865 | \$ 1,125,958 |
| Total deposits | \$ 1,419,648 | \$ 1,341,631 | \$ 1,346,777 | \$ 1,276,349 | \$ 1,184,352 |
| Total equity | \$ 132,789 | \$ 132,472 | \$ 127,387 | \$ 120,618 | \$ 114,881 |

Loan Balances by Type

(Dollars in thousands)

| | Jun 30, 2022 | Mar 31, 2022 | Dec 31, 2021 | Sep 30, 2021 | Jun 30, 2021 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| Real estate - investor owned | \$ 390,628 | \$ 350,152 | \$ 324,167 | \$ 307,469 | \$ 293,461 |
| Real estate - owner occupied | 359,270 | 371,840 | 339,081 | 329,985 | 313,579 |
| Real estate - multifamily | 121,693 | 105,964 | 97,285 | 82,460 | 72,790 |
| Real estate - single family | 94,212 | 89,630 | 86,399 | 81,239 | 90,223 |
| Commercial business | 359,692 | 307,421 | 294,944 | 274,708 | 244,493 |
| SBA PPP loans | 2,718 | 8,795 | 35,524 | 74,152 | 110,673 |
| Land and construction | 44,856 | 44,856 | 39,702 | 34,996 | 32,413 |
| Consumer | 6,450 | 6,180 | 7,049 | 7,126 | 6,979 |
| Total loans held for investment | \$ 1,379,519 | \$ 1,284,838 | \$ 1,224,151 | \$ 1,192,135 | \$ 1,164,611 |

Deposits by Type

(Dollars in thousands)

| | Jun 30, 2022 | Mar 31, 2022 | Dec 31, 2021 | Sep 30, 2021 | Jun 30, 2021 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|
| Non interest bearing DDA | \$ 747,006 | \$ 724,469 | \$ 682,589 | \$ 646,233 | \$ 603,914 |
| Interest bearing DDA | 93,405 | 75,904 | 81,788 | 68,056 | 70,320 |
| Savings & MMA | 533,145 | 503,552 | 513,070 | 530,782 | 463,165 |
| Retail CD | 3,387 | 3,384 | 5,281 | 5,633 | 5,827 |
| Jumbo CD | 63,709 | 63,705 | 62,935 | 62,541 | 62,218 |
| Total deposits | \$ 1,440,652 | \$ 1,371,014 | \$ 1,345,663 | \$ 1,313,245 | \$ 1,205,444 |

Asset Quality

(Dollars in thousands)

| | Jun 30, 2022 | Mar 31, 2022 | Dec 31, 2021 | Sep 30, 2021 | Jun 30, 2021 |
|---|--------------|--------------|--------------|--------------|--------------|
| Total loans held-for-investment | \$ 1,379,519 | \$ 1,284,838 | \$ 1,224,151 | \$ 1,192,135 | \$ 1,164,611 |
| 30-89 day past due loans | \$ - | \$ - | \$ - | \$ 200 | \$ - |
| 90+ day past due loans | \$ - | \$ - | \$ - | \$ - | \$ - |
| Nonaccrual loans | \$ 1,453 | \$ 1,453 | \$ 1,510 | \$ 1,494 | \$ 1,540 |
| NPAs / Assets | 0.09% | 0.09% | 0.10% | 0.10% | 0.11% |
| NPLs / Total loans held-for-investment & OREO | 0.11% | 0.11% | 0.12% | 0.12% | 0.13% |
| 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 HFI | 1.29% | 1.33% | 1.39% | 1.35% | 1.35% |
| Allowance for loan losses to nonaccrual loans | 1223.40% | 1178.05% | 1124.11% | 1080.39% | 1020.00% |