



FOR IMMEDIATE RELEASE



## Private Bancorp of America, Inc. Announces Third Quarter 2022 Financial Results

### Third Quarter Highlights

- Net income for the third quarter of 2022 was \$6.4 million, up 44.4% from the prior quarter and 25.7% from the same period in the prior year
- Diluted earnings per share for the third quarter of 2022 was \$1.12, up 45.5% from the prior quarter and 25.8% from the same period in the prior year
- Total loans held-for-investment (“HFI”), excluding Paycheck Protection Program (“PPP”) loans, reached \$1.5 billion at September 30, 2022, an increase of \$108.9 million or 7.9% from the prior quarter and \$367.8 million or 32.9% from the same period in the prior year.
- Non-interest-bearing demand deposits grew \$16.2 million or 2.2% from the prior quarter and \$117.0 million or 18.1% from same period in the prior year, representing 49.9% of total deposits
- Net interest margin (ex-PPP loans) of 4.97% compared to 4.57% for the prior quarter and 4.27% for the same period in the prior year
- Total cost of funding sources increased to 0.36% for the third quarter of 2022 from 0.20% in the prior quarter. Total cost of deposits, including noninterest-bearing demand deposits, remained low at 0.27%
- The provision for loan losses for the third quarter of 2022 was \$1.3 million, an increase of \$657 thousand compared to the prior quarter and was attributed to organic loan growth
- Allowance for loan losses was 1.29% of total loans HFI (ex-PPP loans) at September 30, 2022 compared with 1.29% in the prior quarter
- Tangible book value per share was \$23.49 at September 30, 2022, up \$0.81 from Q2’22 reflecting strong earnings that was partially offset by an increase in unrealized losses on the securities portfolio
- Private Bancorp of America, Inc. (“PBAM”) remains well capitalized with Tier 1 risk-based capital ratio of 9.35% (preliminary)

La Jolla, Calif. – October 21, 2022 (GLOBE NEWSWIRE) - Private Bancorp of America, Inc. (OTCQX:PBAM), (“Company”) and CalPrivate Bank (“Bank”) announced unaudited financial results for the third quarter ended September 30, 2022. The Company reported net income of \$6.4 million, or \$1.12 per diluted share, for the third quarter of 2022 compared to \$4.4 million, or \$0.77 per diluted share for the prior quarter.

Rick Sowers, President and CEO of the Company and the Bank stated, “CalPrivate’s core franchise demonstrated its resiliency by continuing to organically grow loans and deposits which resulted in strong growth in net interest income to \$20.6 million, well ahead of last quarter’s record. Additionally, while increasing our revenue growth, we continued our efforts to monitor and manage our non-interest expenses.”

Sowers continued, “While global events and domestic uncertainty has put pressure on the overall financial markets and on the banking industry in general, our proven model of focusing on Relationships, Solutions, and Trust continues to resonate with our Clients and prospective Clients. Specifically, our ability to

organically grow net loans (ex-PPP loans) by \$108.9 million in Q3'22, which represented linked-quarter growth of 7.9%, attests to the success of our Team.

Additionally, while the Federal Reserve continued on its path to raise rates in the third quarter to combat inflationary pressures, our deep Client Relationships and Distinctively Different Service™, demonstrated by our remarkable net promoter score (NPS™) of 84, more than twice the score for the U.S. Banking Industry average, enabled the Bank to grow noninterest-bearing deposits by \$16.2 million while keeping the overall cost of funding sources low at 0.36%. While we anticipate that funding costs will continue to increase and the potential movement of funds from noninterest-bearing to interest bearing accounts will occur, we are staying very close to our Clients to ensure we are here for them in these uncertain times.”

The rapidly changing economic climate has resulted in volatile interest rates, which has impacted the mark-to-market on the Bank's securities portfolio as well as the Bank's ability to originate and sell SBA 7a loans in the secondary market. Nonetheless, the Bank's vigilant efforts to monitor and manage non-interest expenses resulted in an efficiency ratio of 53.3% from 64.9% in the prior quarter.

While the industry faces significant headwinds, generational high inflation rates and an increased possibility of a recession, the Company continues to invest in the infrastructure needed to drive efficiency and to support the growth of our Relationship Teams committed to serving our Clients.

“The Company continues to exhibit successful customer acquisition as shown by the organic growth in loans and deposits, despite a rising rate environment. Management and staff's ability to stay focused on providing Exceptional Client Service is readily apparent in the Company's impressive financial results,” said Selwyn Isakow, Chairman of the Board of the Company and the Bank.

Isakow added, “We are pleased with CalPrivate's financial performance in the third quarter of 2022, however, we remain cautious on the overall economy. We are confident in Management's ability to react to developing global events that will impact the Bank domestically, including the very real possibility of a global recession due to significant geopolitical and economic challenges stemming from high inflation, increasing interest rates, energy supply constraints, volatile global politics, increased cyber security risks, and the on-going war in Ukraine.”

## STATEMENT OF INCOME

### Net Interest Income

Net interest income for the third quarter totaled \$20.6 million, representing an increase of \$2.6 million or 14.6% compared to the second quarter of 2022. The increase in net interest income for the third quarter of 2022 was primarily due to increases in organic non-PPP average loan balances and higher interest rates. PPP interest and fee income was \$123 thousand in Q3'22, compared to \$224 thousand in Q2'22. As of September 30, 2022, only 4 PPP loans with total balances of \$1.3 million remained unforgiven by the SBA. Interest expense on deposits increased \$601 thousand in the third quarter of 2022 vs. the prior quarter due to higher average interest-bearing deposits and an increase in the deposit rates paid to Clients.

### Net Interest Margin

The net interest margin for Q3'22 was 4.99% compared to 4.61% for the second quarter of 2022. Excluding PPP-loans, the net interest margin for Q3'22 was 4.97% compared to 4.57% for the second quarter of 2022. The 0.38% increase in the as reported net interest margin for the third quarter was due to higher loan balances and higher loan yields. Average portfolio loan yields (ex-PPP) were 5.77% for Q3'22, compared to 5.33% for Q2'22, including loan prepayment fees. The yield on earning assets was 5.32% for Q3'22

compared with 4.80% for Q2'22 and the cost of funding sources was 0.36% for Q3'22 compared to 0.20% for Q2'22.

#### Provision for Loan Losses

The provision for loan losses for the third quarter was \$1.3 million, an increase of \$657 thousand compared to the second quarter of 2022. While the loan portfolio has not experienced any losses, 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%. This level has been consistently in the range of 1.41% to 1.29% since September 2020, reflecting the current solid credit metrics in the portfolio.

#### Non-Interest Income

Non-interest income was \$1.4 million for the third quarter of 2022 and remained flat as compared to the second quarter of 2022. SBA loan sales for the third quarter of 2022 were \$10.4 million with a 9.2% average trade premium resulting in a net gain on sale of \$647 thousand, compared with \$9.9 million with a 10.5% average trade premium resulting in a net gain on sale of \$768 thousand in the second quarter of 2022.

#### Non-Interest Expense

Non-interest expense was \$11.7 million for the third quarter representing a \$873 thousand, or 6.9% decrease compared to the second quarter of 2022. Much of the decrease was related to the increased accruals in the prior quarter for professional services and other expenses given the 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, which we proactively monitor and manage.

### STATEMENT OF FINANCIAL CONDITION

#### Balance Sheet

At September 30, 2022, the Company reported total assets of \$1.7 billion representing an increase of \$114.8 million or 7.1% compared to the second quarter of 2022. The increase in assets for the second quarter was due to increases in loans supported by growth in deposits and wholesale borrowings from the FHLB. Total loans HFI increased to \$1.5 billion at September 30, 2022 or \$107.6 million, up 7.8%; excluding PPP loans, total loans increased \$108.9 million, up 7.9%. Total deposits were \$1.5 billion at September 30, 2022 representing an increase of \$89.9 million, or 6.2%, compared to the second quarter of 2022. Total non-interest-bearing deposits represented 49.9% of total deposits at September 30, 2022. Additionally, during the third quarter of 2022, the mark-to-market fair value net unrealized losses on the securities portfolio, which consisted mainly of US Treasury and Government Agency debt, increased to pre-tax -\$15.2 million from -\$12.5 million from the prior quarter. The average duration of the Bank's securities portfolio is 4.4 years.

#### Asset Quality

The Allowance for Loan Losses increased \$1.3 million to \$19.1 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 September 30, 2022, there were no doubtful credits or charge-offs and classified assets were \$15.9 million, up \$4.8 million compared to Q2'22. Total classified assets consisted of 13 loans, of which 7 loans totaling \$10.1 million were secured by real estate with a weighted average LTV of 42.8%. The remaining 6 loans included 5 SBA loans with a balance of \$3.3 million and were 75% guaranteed by the SBA.

### 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:

	Sep 30, 2022 (1)	Jun 30, 2022	Mar 31, 2022
<b>Private Bancorp of America</b>			
Tier I leverage ratio	8.64%	8.61%	8.85%
Tier I risk-based capital ratio	9.35%	10.29%	10.31%
Total risk-based capital ratio	11.77%	12.99%	12.94%
<b>CalPrivate Bank</b>			
Tier I leverage ratio	9.57%	9.58%	9.72%
Tier I risk-based capital ratio	10.36%	11.44%	11.93%
Total risk-based capital ratio	11.60%	12.79%	13.18%

(1) September 30, 2022, capital ratios are preliminary

### **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.

CalPrivate Bank's website is [www.calprivate.bank](http://www.calprivate.bank).

### **Non-GAAP Financial Measures**

This press release contains certain non-GAAP financial measures in addition to results presented in accordance with GAAP. The Company uses certain non-GAAP financial measures to provide meaningful supplemental information regarding the Company's results of operations and financial condition and to enhance investors' overall understanding of such results of operations and financial condition, permit investors to effectively analyze financial trends of our business activities, and enhance comparability with peers across the financial services sector. These non-GAAP financial measures are not a substitute for GAAP measures and should be read in conjunction with the Company's GAAP financial information. A

reconciliation of GAAP financial measures to non-GAAP financial measures is included in the accompanying financial tables.

### **Investor Relations Contacts**

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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)

	<u>September 30, 2022</u>	<u>June 30, 2022</u>	<u>September 30, 2021</u>
<b>Assets</b>			
Cash and due from banks	\$ 13,506	\$ 15,694	\$ 12,570
Interest-bearing deposits in other financial institutions	44,776	43,857	2,736
Interest-bearing deposits at Federal Reserve Bank	43,891	29,241	123,247
<b>Total cash and due from banks</b>	<b>102,173</b>	<b>88,792</b>	<b>138,553</b>
Interest-bearing time deposits with other institutions	6,157	6,157	5,760
Investment securities available for sale	107,332	113,565	93,099
Loan held for sale	7,789	4,460	35,448
<b>Total loans held-for-investment</b>	<b>1,487,098</b>	<b>1,379,519</b>	<b>1,192,135</b>
Allowance for loan losses	(19,092)	(17,776)	(16,141)
<b>Net loans</b>	<b>1,468,006</b>	<b>1,361,743</b>	<b>1,175,994</b>
Federal Home Loan Bank stock, at cost	7,020	7,020	4,909
Right of use asset	2,669	3,037	4,115
Premises and equipment, net	2,040	2,640	2,459
Servicing assets, net	3,502	3,515	2,374
Deferred tax asset	7,212	9,229	6,256
Accrued interest receivable	4,262	3,855	3,404
Other assets	8,739	8,089	2,311
<b>Total assets</b>	<b>\$ 1,726,901</b>	<b>\$ 1,612,102</b>	<b>\$ 1,474,682</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Liabilities</b>			
Noninterest bearing	\$ 763,227	\$ 747,006	\$ 646,233
Interest Bearing	767,371	693,646	667,012
<b>Total deposits</b>	<b>1,530,598</b>	<b>1,440,652</b>	<b>1,313,245</b>
FHLB borrowings	30,000	10,000	10,000
Other borrowings	17,952	17,950	17,945
Accrued interest payable and other liabilities	13,417	13,305	11,613
<b>Total liabilities</b>	<b>1,591,967</b>	<b>1,481,907</b>	<b>1,352,803</b>
<b>Shareholders' equity</b>			
Common stock	71,671	71,516	70,470
Additional paid-in capital	3,568	3,368	3,465
Retained earnings	70,386	64,036	47,845
Accumulated other comprehensive (loss) income, net	(10,691)	(8,725)	99
<b>Total stockholders' equity</b>	<b>134,934</b>	<b>130,195</b>	<b>121,879</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,726,901</b>	<b>\$ 1,612,102</b>	<b>\$ 1,474,682</b>

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

	For the three months ended			For the nine months ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
<b>Interest Income</b>					
Loans	\$ 21,028	\$ 17,931	\$ 16,068	\$ 56,205	\$ 44,865
Investment securities	578	571	330	1,550	986
Deposits in other financial institutions	372	204	60	711	158
<b>Total interest income</b>	<b>21,978</b>	<b>18,706</b>	<b>16,458</b>	<b>58,466</b>	<b>46,009</b>
<b>Interest Expense</b>					
Deposits	1,011	410	409	1,748	1,336
Borrowings	364	313	332	991	2,571
<b>Total interest expense</b>	<b>1,375</b>	<b>723</b>	<b>741</b>	<b>2,739</b>	<b>3,907</b>
<b>Net interest income</b>	<b>20,603</b>	<b>17,983</b>	<b>15,717</b>	<b>55,727</b>	<b>42,102</b>
Provision for loan losses	1,316	659	433	2,118	1,879
<b>Net interest income after provision for loan losses</b>	<b>19,287</b>	<b>17,324</b>	<b>15,284</b>	<b>53,609</b>	<b>40,223</b>
<b>Noninterest income:</b>					
Service charges on deposit accounts	306	299	236	887	691
Net gain on sale of loans	647	768	1,837	3,886	5,639
Other noninterest income	452	375	316	1,184	736
<b>Total noninterest income</b>	<b>1,405</b>	<b>1,442</b>	<b>2,389</b>	<b>5,957</b>	<b>7,066</b>
<b>Noninterest expense:</b>					
Salary and employee benefits	7,261	7,374	6,595	21,948	17,476
Occupancy and equipment	756	808	1,484	2,287	3,114
Data processing	993	824	799	2,469	2,124
Professional services	1,493	1,835	552	4,243	1,994
Other expenses	1,224	1,759	1,034	4,222	2,688
<b>Total noninterest expense</b>	<b>11,727</b>	<b>12,600</b>	<b>10,464</b>	<b>35,169</b>	<b>27,396</b>
<b>Income before provision for income taxes</b>	<b>8,965</b>	<b>6,166</b>	<b>7,209</b>	<b>24,397</b>	<b>19,893</b>
Provision for income taxes	2,614	1,769	2,158	7,131	5,942
<b>Net income</b>	<b>\$ 6,351</b>	<b>\$ 4,397</b>	<b>\$ 5,051</b>	<b>\$ 17,266</b>	<b>\$ 13,951</b>
<b>Net income available to common shareholders</b>	<b>\$ 6,306</b>	<b>\$ 4,347</b>	<b>\$ 4,984</b>	<b>\$ 17,115</b>	<b>\$ 13,744</b>
<b>Earnings per share</b>					
Basic earnings per share	\$ 1.14	\$ 0.78	\$ 0.90	\$ 3.08	\$ 2.48
Diluted earnings per share	\$ 1.12	\$ 0.77	\$ 0.89	\$ 3.03	\$ 2.45
Average shares outstanding	5,549,480	5,543,065	5,543,403	5,559,122	5,531,590
Diluted average shares outstanding	5,640,841	5,639,282	5,629,900	5,657,117	5,611,616

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

For the three months ended

	September 30, 2022			June 30, 2022			September 30, 2021		
	Average Balance	Interest	Average Yield/Rate	Average Balance	Interest	Average Yield/Rate	Average Balance	Interest	Average Yield/Rate
<b>Interest-Earnings Assets</b>									
Deposits in other financial institutions	\$ 77,353	\$ 372	1.91%	\$ 100,017	\$ 204	0.82%	\$ 142,647	\$ 60	0.17%
Investment securities	122,184	578	1.89%	125,550	571	1.82%	92,458	330	1.43%
Loans, including LHFS	1,438,489	21,028	5.80%	1,339,095	17,931	5.37%	1,185,865	16,068	5.38%
Total interest-earning assets	1,638,026	21,978	5.32%	1,564,662	18,706	4.80%	1,420,970	16,458	4.60%
Noninterest-earning assets	27,465			27,614			21,308		
<b>Total Assets</b>	<b>\$ 1,665,491</b>			<b>\$ 1,592,276</b>			<b>\$ 1,442,278</b>		
<b>Interest-Bearing Liabilities</b>									
Interest-bearing transaction accounts	\$ 92,986	\$ 166	0.71%	\$ 87,682	\$ 54	0.25%	\$ 68,618	\$ 14	0.08%
Money market	535,473	680	0.50%	492,838	241	0.20%	493,289	245	0.20%
Savings deposits	13,437	8	0.24%	14,216	3	0.01%	9,639	3	0.12%
Certificates of deposit	69,676	157	0.89%	67,184	112	0.66%	68,761	147	0.85%
<b>Total Interest-Bearing Deposits</b>	<b>711,572</b>	<b>1,011</b>	<b>0.56%</b>	<b>661,920</b>	<b>410</b>	<b>0.25%</b>	<b>640,307</b>	<b>409</b>	<b>0.25%</b>
FHLB advances	15,299	92	2.39%	10,000	42	1.64%	14,783	60	1.61%
Other borrowings	17,951	272	6.06%	17,948	271	6.06%	17,944	272	6.06%
<b>Total Interest-Bearing Liabilities</b>	<b>33,250</b>	<b>364</b>	<b>4.34%</b>	<b>27,948</b>	<b>313</b>	<b>4.49%</b>	<b>32,727</b>	<b>332</b>	<b>4.02%</b>
Noninterest-bearing deposits	771,167			757,728			636,042		
<b>Total Funding Sources</b>	<b>1,515,989</b>	<b>1,375</b>	<b>0.36%</b>	<b>1,447,596</b>	<b>723</b>	<b>0.20%</b>	<b>1,309,076</b>	<b>741</b>	<b>0.22%</b>
Noninterest-bearing liabilities	4,775			11,891			12,584		
Shareholders' equity	144,727			132,789			120,618		
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 1,665,491</b>			<b>\$ 1,592,276</b>			<b>\$ 1,442,278</b>		
Net interest income/spread		\$ 20,603	4.96%		\$ 17,983	4.60%		\$ 15,717	4.38%
Net interest margin			4.99%			4.61%			4.39%



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

	For the nine months ended					
	September 30, 2022			September 30, 2021		
	Average Balance	Interest	Average Yield/Rate	Average Balance	Interest	Average Yield/Rate
<b>Interest-Earnings Assets:</b>						
Deposits in other financial institutions	\$ 97,946	\$ 711	0.97%	\$ 172,601	\$ 158	0.12%
Investment securities	119,042	1,550	1.74%	80,061	986	1.65%
Loans	1,349,382	56,205	5.57%	1,119,400	44,865	5.36%
Total interest-earning assets	1,566,370	58,466	4.99%	1,372,062	46,009	4.48%
Noninterest-earning assets	25,751			20,023		
<b>Total Assets</b>	<b>\$ 1,592,121</b>			<b>\$ 1,392,085</b>		
<b>Interest-Bearing Liabilities</b>						
Interest-bearing transaction accounts	\$ 86,461	\$ 235	0.36%	\$ 64,020	\$ 36	0.08%
Money market	508,956	1,115	0.29%	449,920	713	0.21%
Savings deposits	13,725	15	0.15%	9,215	7	0.10%
Certificates of deposit	68,466	383	0.75%	81,490	580	0.95%
<b>Total Interest-Bearing Deposits</b>	<b>677,608</b>	<b>1,748</b>	<b>0.34%</b>	<b>604,645</b>	<b>1,336</b>	<b>0.30%</b>
FHLB advances	11,786	175	1.99%	42,784	1,756	5.49%
Other borrowings	17,949	816	6.08%	17,942	815	6.07%
<b>Total Interest-Bearing Liabilities</b>	<b>29,735</b>	<b>991</b>	<b>4.46%</b>	<b>60,726</b>	<b>2,571</b>	<b>5.66%</b>
Noninterest-bearing deposits	737,578			597,992		
<b>Total Funding Sources</b>	<b>1,444,921</b>	<b>2,739</b>	<b>0.25%</b>	<b>1,263,363</b>	<b>3,907</b>	<b>0.41%</b>
Noninterest-bearing liabilities	12,955			13,421		
Shareholders' equity	134,245			115,301		
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 1,592,121</b>			<b>\$ 1,392,085</b>		
Net interest income/spread		\$ 55,727	4.74%		\$ 42,102	4.07%
Net interest margin			4.76%			4.10%

PRIVATE BANCORP OF AMERICA, INC.

Condensed Balance Sheets

(Unaudited)

(Dollars in thousands, except per share amounts)

	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
<b>Assets</b>					
Cash and due from banks	\$ 102,173	\$ 88,792	\$ 124,015	\$ 149,085	\$ 138,553
Interest-bearing time deposits with other institutions	6,157	6,157	5,817	5,760	5,760
Investment securities	107,332	113,565	114,382	102,065	93,099
Loans held for sale	7,789	4,460	1,999	24,658	35,448
Total loans held-for-investment (excluding PPP loans)	1,485,749	1,376,801	1,276,043	1,188,634	1,117,983
SBA PPP loans	1,349	2,718	8,795	35,524	74,152
Allowance for loan losses	(19,092)	(17,776)	(17,117)	(16,975)	(16,141)
Net loans	1,468,006	1,361,743	1,267,721	1,207,183	1,175,994
Right of use asset	2,669	3,037	3,400	3,760	4,115
Premises and equipment, net	2,040	2,640	2,813	2,294	2,459
Other assets and interest receivable	30,735	31,708	25,335	22,279	19,254
<b>Total assets</b>	<b>\$ 1,726,901</b>	<b>\$ 1,612,102</b>	<b>\$ 1,545,482</b>	<b>\$ 1,517,084</b>	<b>\$ 1,474,682</b>
<b>Liabilities and Shareholders' Equity</b>					
<b>Liabilities</b>					
Noninterest Bearing	\$ 763,227	\$ 747,006	\$ 724,469	\$ 682,589	\$ 646,233
Interest Bearing	767,371	693,646	646,545	663,074	667,012
Total Deposits	1,530,598	1,440,652	1,371,014	1,345,663	1,313,245
Borrowings	47,952	27,950	27,948	27,947	27,945
Accrued interest payable and other liabilities	13,417	13,305	14,630	15,110	11,613
<b>Total liabilities</b>	<b>1,591,967</b>	<b>1,481,907</b>	<b>1,413,592</b>	<b>1,388,720</b>	<b>1,352,803</b>
<b>Shareholders' equity</b>					
Common stock	71,671	71,516	70,899	70,850	70,470
Additional paid-in capital	3,568	3,368	3,602	3,343	3,465
Retained earnings	70,386	64,036	61,424	54,922	47,845
Accumulated other comprehensive (loss) income	(10,691)	(8,725)	(4,035)	(751)	99
<b>Total shareholders' equity</b>	<b>134,934</b>	<b>130,195</b>	<b>131,890</b>	<b>128,364</b>	<b>121,879</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,726,901</b>	<b>\$ 1,612,102</b>	<b>\$ 1,545,482</b>	<b>\$ 1,517,084</b>	<b>\$ 1,474,682</b>
Book value per common share	\$ 24.12	\$ 23.31	\$ 23.42	\$ 22.81	\$ 21.70
Tangible book value per common share	\$ 23.49	\$ 22.68	\$ 22.80	\$ 22.26	\$ 21.27
Shares outstanding	5,594,380	5,584,465	5,630,993	5,627,735	5,617,273

Regulatory Capital Ratios (PBAM) <sup>1</sup>

	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
Tier 1 leverage ratio	8.64%	8.61%	8.85%	8.42%	8.19%
Tier 1 risk-based capital ratio	9.35%	10.29%	10.31%	10.63%	10.64%
Common equity Tier 1 ratio	9.35%	10.29%	10.31%	10.63%	10.64%
Total risk-based capital ratio	11.77%	12.99%	12.94%	13.38%	13.48%
Tangible equity / tangible assets	8.20%	8.37%	8.59%	8.36%	8.15%

<sup>1</sup> Preliminary ratios for September 30, 2022

PRIVATE BANCORP OF AMERICA, INC.

Condensed Statements of Income

(Unaudited)

(Dollars in thousands, except per share amounts)

For the three months ended

	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
Interest income	\$ 21,978	\$ 18,706	\$ 17,781	\$ 17,356	\$ 16,458
Interest expense	1,375	723	640	667	741
<b>Net interest income</b>	<b>20,603</b>	<b>17,983</b>	<b>17,141</b>	<b>16,689</b>	<b>15,717</b>
Provision for loan losses	1,316	659	142	834	433
<b>Net interest income after provision for loan losses</b>	<b>19,287</b>	<b>17,324</b>	<b>16,999</b>	<b>15,855</b>	<b>15,284</b>
<b>Noninterest income</b>	<b>1,405</b>	<b>1,442</b>	<b>3,109</b>	<b>4,265</b>	<b>2,389</b>
Salary and employee benefits	7,261	7,374	7,313	6,492	6,595
Occupancy and equipment	756	808	723	741	1,484
Data processing	993	824	653	703	799
Professional services	1,493	1,835	915	843	552
Other expenses	1,224	1,759	1,255	1,060	1,034
<b>Total noninterest expense</b>	<b>11,727</b>	<b>12,600</b>	<b>10,859</b>	<b>9,839</b>	<b>10,464</b>
<b>Income before provision for income taxes</b>	<b>8,965</b>	<b>6,166</b>	<b>9,249</b>	<b>10,281</b>	<b>7,209</b>
Income taxes	2,614	1,769	2,747	2,986	2,158
Net income	\$ 6,351	\$ 4,397	\$ 6,502	\$ 7,295	\$ 5,051
<b>Net income available to common shareholders</b>	<b>\$ 6,306</b>	<b>\$ 4,347</b>	<b>\$ 6,432</b>	<b>\$ 7,204</b>	<b>\$ 4,984</b>
<b>Earnings per share</b>					
Basic earnings per share	\$ 1.14	\$ 0.78	\$ 1.16	\$ 1.30	\$ 0.90
Diluted earnings per share	\$ 1.12	\$ 0.77	\$ 1.13	\$ 1.28	\$ 0.89
Average shares outstanding	5,549,480	5,543,065	5,568,400	5,547,422	5,543,403
Diluted average shares outstanding	5,640,841	5,639,282	5,672,701	5,638,186	5,629,900

Performance Ratios

	Sep 30, 2022	Jun 30, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
ROAA	1.51%	1.11%	1.74%	1.91%	1.39%
ROAE	17.41%	13.28%	19.91%	22.72%	16.61%
ROTE (1)	17.85%	13.64%	20.43%	23.25%	16.94%
Net interest margin	4.99%	4.61%	4.65%	4.44%	4.39%
Net interest spread	4.96%	4.60%	4.63%	4.43%	4.38%
Efficiency ratio (1)	53.29%	64.86%	53.62%	46.96%	57.79%
Noninterest expense / average assets	2.79%	3.21%	2.90%	2.58%	2.88%

(1) Non-GAAP measure. See GAAP to non-GAAP Reconciliation table.

**PRIVATE BANCORP OF AMERICA, INC.**  
(Unaudited)

**Selected Quarterly Average Balances**  
(Dollars in thousands)

For the three months ended

	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
Total assets	\$ 1,665,491	\$ 1,592,276	\$ 1,516,352	\$ 1,514,583	\$ 1,442,278
Earning assets	\$ 1,638,026	\$ 1,564,662	\$ 1,494,850	\$ 1,490,235	\$ 1,420,970
Total loans, including loans held for sale	\$ 1,438,489	\$ 1,339,095	\$ 1,268,695	\$ 1,222,234	\$ 1,185,865
Total deposits	\$ 1,482,740	\$ 1,419,648	\$ 1,341,631	\$ 1,346,777	\$ 1,276,349
Total equity	\$ 144,727	\$ 132,789	\$ 132,472	\$ 127,387	\$ 120,618

**Loan Balances by Type**  
(Dollars in thousands)

	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
Real estate - investor owned	\$ 403,950	\$ 390,628	\$ 350,152	\$ 324,167	\$ 307,469
Real estate - owner occupied	382,689	359,270	371,840	339,081	329,985
Real estate - multifamily	136,841	121,693	105,964	97,285	82,460
Real estate - single family	107,728	94,212	89,630	86,399	81,239
Commercial business	393,020	359,692	307,421	294,944	274,708
SBA PPP loans	1,349	2,718	8,795	35,524	74,152
Land and construction	55,418	44,856	44,856	39,702	34,996
Consumer	6,103	6,450	6,180	7,049	7,126
Total loans held for investment	<u>\$ 1,487,098</u>	<u>\$ 1,379,519</u>	<u>\$ 1,284,838</u>	<u>\$ 1,224,151</u>	<u>\$ 1,192,135</u>

**Deposits by Type**  
(Dollars in thousands)

	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
Non interest bearing DDA	\$ 763,227	\$ 747,006	\$ 724,469	\$ 682,589	\$ 646,233
Interest bearing DDA	95,677	93,405	75,904	81,788	68,056
Savings & MMA	591,408	533,145	503,552	513,070	530,782
Retail CD	3,478	3,387	3,384	5,281	5,633
Jumbo CD	76,808	63,709	63,705	62,935	62,541
Total deposits	<u>\$ 1,530,598</u>	<u>\$ 1,440,652</u>	<u>\$ 1,371,014</u>	<u>\$ 1,345,663</u>	<u>\$ 1,313,245</u>

**Asset Quality**  
(Dollars in thousands)

	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
Total loans held-for-investment	\$ 1,487,098	\$ 1,379,519	\$ 1,284,838	\$ 1,224,151	\$ 1,192,135
Allowance for Loan Losses	\$ (19,092)	\$ (17,776)	\$ (17,117)	\$ (16,975)	\$ (16,141)
30-89 day past due loans	\$ -	\$ -	\$ -	\$ -	\$ 200
90+ day past due loans	\$ -	\$ -	\$ -	\$ -	\$ -
Nonaccrual loans	\$ 4,593	\$ 1,453	\$ 1,453	\$ 1,510	\$ 1,494
NPA's / Assets	0.27%	0.09%	0.09%	0.10%	0.10%
NPLs / Total loans held-for-investment & OREO	0.31%	0.11%	0.11%	0.12%	0.12%
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	1.28%	1.29%	1.33%	1.39%	1.35%
Allowance for loan losses to nonaccrual loans	415.68%	1223.40%	1178.05%	1124.11%	1080.39%

PRIVATE BANCORP OF AMERICA, INC.  
(Unaudited)

The following tables present a reconciliation of non-GAAP financial measures to GAAP measures for: efficiency ratio, pre-tax pre-provision income, average tangible common equity, return on average tangible common equity. We believe the presentation of certain non-GAAP financial measures provides useful information to assess our consolidated financial condition and consolidated results of operations and to assist investors in evaluating our financial results relative to our peers. These non-GAAP financial measures complement our GAAP reporting and are presented below to provide investors and others with information that we use to manage the business each period. Because not all companies use identical calculations, the presentation of these non-GAAP financial measures may not be comparable to other similarly titled measures used by other companies. These non-GAAP measures should be taken together with the corresponding GAAP measures and should not be considered a substitute of the GAAP measures.

**GAAP to Non-GAAP Reconciliation**  
(Dollars in thousands)

	For the three months ended				
	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
<b>Efficiency Ratio</b>					
Noninterest expense	\$ 11,727	\$ 12,600	\$ 10,859	\$ 9,839	\$ 10,464
Net interest income	20,603	17,983	17,141	16,689	15,717
Noninterest income	1,405	1,442	3,109	4,265	2,389
Total net interest income and noninterest income	22,008	19,425	20,250	20,954	18,106
Efficiency ratio (non-GAAP)	53.3%	64.9%	53.6%	47.0%	57.8%
<b>Pre-tax pre-provision income</b>					
Net interest income	\$ 20,603	\$ 17,983	\$ 17,141	\$ 16,689	\$ 15,717
Noninterest income	1,405	1,442	3,109	4,265	2,389
Total net interest income and noninterest income	22,008	19,425	20,250	20,954	18,106
Less: Noninterest expense	11,727	12,600	10,859	9,839	10,464
Pre-tax pre-provision income (non-GAAP)	\$ 10,281	\$ 6,825	\$ 9,391	\$ 11,115	\$ 7,642
<b>Return on Average Assets, Average Equity, Average Tangible Equity</b>					
Net income	\$ 6,351	\$ 4,397	\$ 6,502	\$ 7,295	\$ 5,051
Average assets	1,665,491	1,592,276	1,516,352	1,514,583	1,442,278
Average shareholders' equity	144,727	132,789	132,472	127,387	120,618
Less: Average intangible assets	3,599	3,490	3,379	2,908	2,337
Average tangible common equity (non-GAAP)	141,128	129,299	129,093	124,479	118,281
Return on average assets	1.51%	1.11%	1.74%	1.91%	1.39%
Return on average equity	17.41%	13.28%	19.91%	22.72%	16.61%
Return on average tangible common equity (non-GAAP)	17.85%	13.64%	20.43%	23.25%	16.94%
<b>Tangible book value per share</b>					
Total equity	134,934	130,195	131,890	128,364	121,879
Less: Total intangible assets	3,502	3,525	3,079	2,374	1,789
Total tangible equity	131,432	126,670	128,811	125,990	120,090
Shares outstanding	5,594,380	5,584,465	5,630,993	5,627,735	5,617,273
Tangible book value per share (non-GAAP)	\$ 23.49	\$ 22.68	\$ 22.80	\$ 22.26	\$ 21.27