



Private Bancorp of America, Inc.
(QTCQX: PBAM)

(Holding Company for CalPrivate Bank)



Q4 2022 Investor Update

January 30, 2023

FORWARD LOOKING STATEMENTS

When used in this presentation, and in any other oral statements made with the approval of an authorized executive officer, the words or phrases “will,” “shall,” “may,” “could,” “should,” “hope,” “might,” “believe,” “expect,” “plan,” “assume,” “intend,” “estimate,” “anticipate,” “project,” “likely,” or similar expressions are intended to identify “forward-looking statements” within the meaning of such term in the Private Securities Litigation Reform Act of 1995.

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, including competition in lending from other banks and lenders, historically low interest rates, our increased reliance on fee income from participation in SBA loan programs, administration of the Paycheck Protection Program, management of our facilities costs, our ability to successfully integrate and develop business through the addition of new personnel, 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, whether we can effectively secure and implement new technology solutions, 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. These factors could cause actual results to differ materially from what Private Bancorp of America, Inc. has anticipated or projected. These factors should be carefully considered by our shareholders and potential investors. Investors should not place undue reliance on any such forward-looking statement, which speaks only as of the date on which it was made.

Where any such forward-looking statement includes a statement of the assumptions or bases underlying such forward-looking statement, Private Bancorp of America, Inc. cautions that, while its management believes such assumptions or bases are reasonable and are made in good faith, assumed facts or bases can vary from actual results, and the differences between assumed facts or bases and actual results can be material, depending on the circumstances. Where, in any forward-looking statement, an expectation or belief is expressed as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement of expectation or belief will be achieved or accomplished.

Corporate Overview



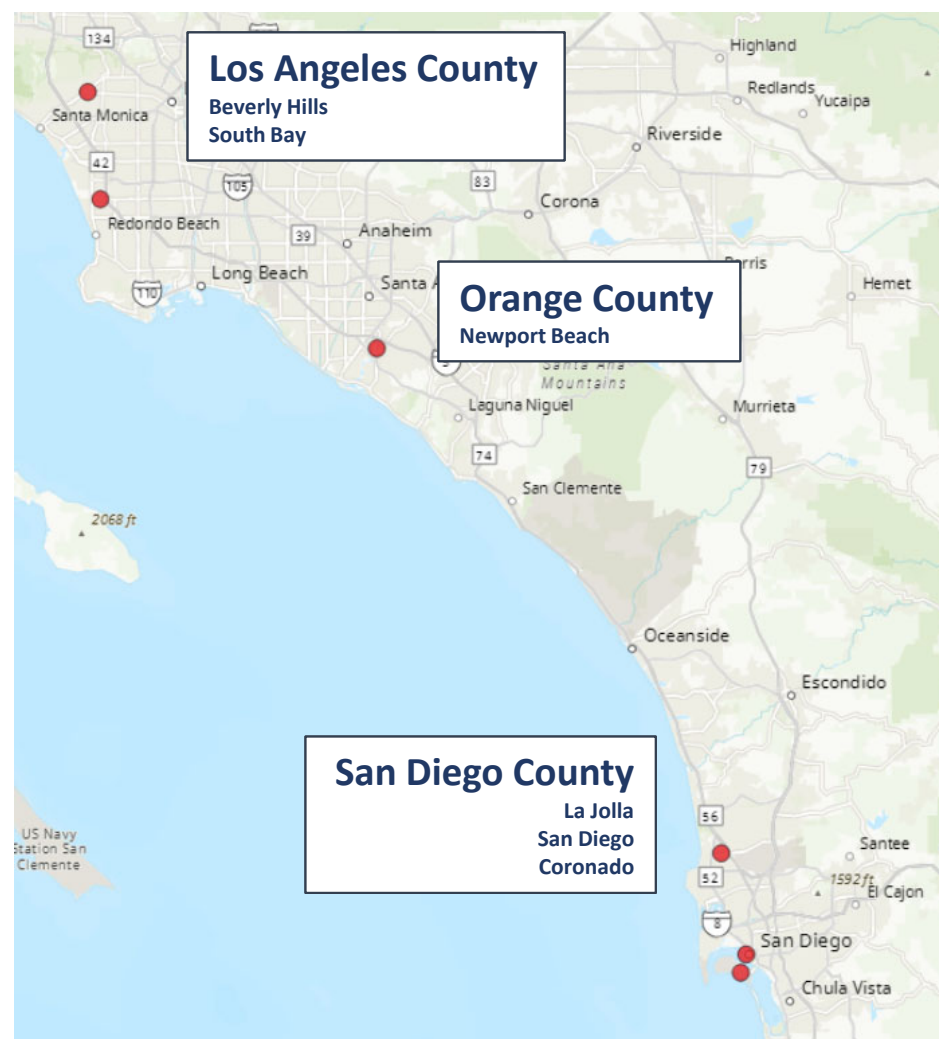
The CalPrivate Bank Franchise

- Founded in 2006 and headquartered in La Jolla, California, Private Bancorp of America, Inc. owns and operates CalPrivate Bank, a dynamic relationship-based commercial bank
- With 6 branch locations in Los Angeles, Orange, and San Diego counties, we provide a ***Distinctively Different*** approach to serving our Clients, which include high net worth individuals and small to medium-sized businesses
- Our branch-light, high-touch relationship-based model places Clients at the center of the relationship resulting in superior outcomes
- We are a preferred SBA lender and participated in the Paycheck Protection Program

Financial Highlights: Q4'22

- | | |
|-----------------------|----------------------------|
| • Net Income: \$7.43M | • Diluted EPS: \$1.31 |
| • \$1.9B Assets | • Efficiency Ratio: 55.24% |
| • \$1.6B Loans HFI | • NPAs / Assets: 0.21% |
| • \$1.7B Deposits | • ALLL / Loans HFI: 1.21% |
| • ROAA: 1.68% | • TBV per Share: \$25.02 |
| • ROATCE: 21.37% | |

Coastal Southern California Footprint



Q4 2022 Results

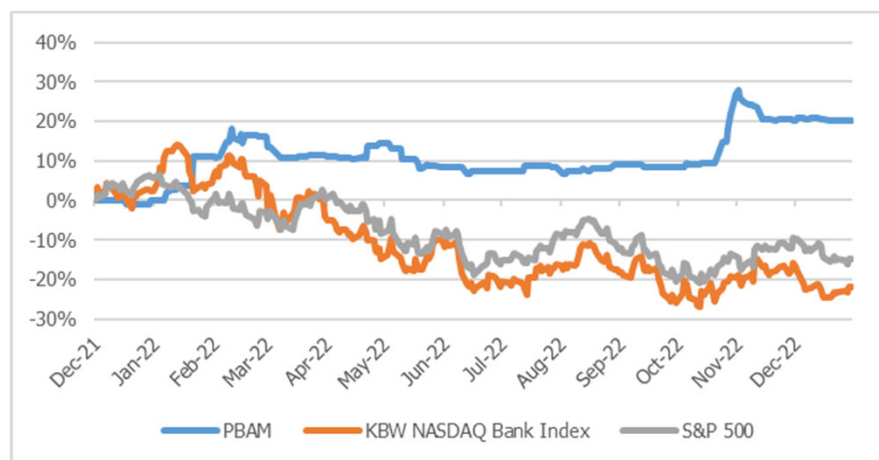


Financial Highlights

- Net income for the quarter was \$7.43 million, or \$1.31 per diluted share
- Average portfolio loan yields of 6.42%
- Cost of funds: Deposits: 0.79% All Funding: 0.86%
- NIM of 5.17%
- TBVPS increase of \$1.51 to \$25.02
- Non-performing assets 21 bps of total assets
- CalPrivate Bank Total Risk-Based Capital Ratio of 11.35%*

*Preliminary

Stock Price (vs. KBW Bank Index & S&P 500)



- 2022 PBAM stock price increase of 20.2% vs KBW Bank Index decrease of 23.7%

Asset Quality Highlights

- ALLL of \$19.2 million or 1.21% of total loans HFI
- Total allowance excluding government guaranteed loans was 1.47%
- Total classified assets were \$15.7 million, of which \$10.0 million were secured by real estate with an average LTV of 46%
- As of December 31, 2022, there were no doubtful credits or charge offs taken during the quarter

Loans & Deposits

- Total loans HFI grew \$100.9 million, up 6.8% from Q3'22
- Total deposits increased \$144.5 million, up 9.4% from Q3'22
- Non-interest-bearing deposits declined \$71.8 million and represent 41.3% of total deposits
- Given the interest rate environment we saw deposit migration which resulted in core MMDA growth of 6.5%

Distinctly Different Service – 2022 NPS Score



Our Net Promoter Score is a testament to our **Distinctly Different** service

2022 Top Service-Focused Brands ⁽¹⁾	
85	CalPrivate Bank ⁽²⁾
80	First Republic Bank ⁽³⁾
75	USAA
31	JP Morgan
18	Bank of America
16	Morgan Stanley
12	Wells Fargo
34	U.S. Banking Industry Average

CPB client satisfaction 2.5x higher than U.S. Banking Industry

- Exceptional service is our key organic growth driver; word-of-mouth referrals from very satisfied clients.
- NPS Measures client loyalty and likelihood to actively “refer”
- Leads to strong growth and very low deposit attrition rates

(1) Source: NICE Satmetrix NPS U.S. Consumer 2021 Net Promoter Benchmarks for brands listed and U.S. Banking Industry Average, excluding CPB. Please note: the brands listed under ‘Top Service-Focused Brands’ are brands selected for comparison purposes.

(2) Source: CPB NPS survey responses during the period of May through December 2022.

(3) Source: Overall NPS for First Republic Bank is from their 4Q 2022 Investor Presentation

Strategic Focus – 2023



Balance Sheet Growth

- Drive organic growth through relationship-based banking, expanding current client relationships and obtaining new ones
- Opportunistic top-tier talent acquisition for new markets and current market expansion
- Broader penetration into High Net Worth, investor R/E, family offices, and SBA 7a
- M&A and / or IPO Readiness

Expand Operating Profit

- Maintain loan pricing discipline through relationship-based model, mix of products, and strategic use of floors and prepayment penalties
- Focus on deposit retention and opportunistic growth niches
- Execute on operating efficiency improvements and scalability initiatives

Risk, Liquidity, and Capital Management

- Maintain disciplined loan underwriting practices and active portfolio management
- Enhanced portfolio monitoring & reporting, stress testing, etc
- Maintain appropriate levels of liquidity, capital and reserves
- Expand on and off balance sheet liquidity

Non-Interest Income Opportunities

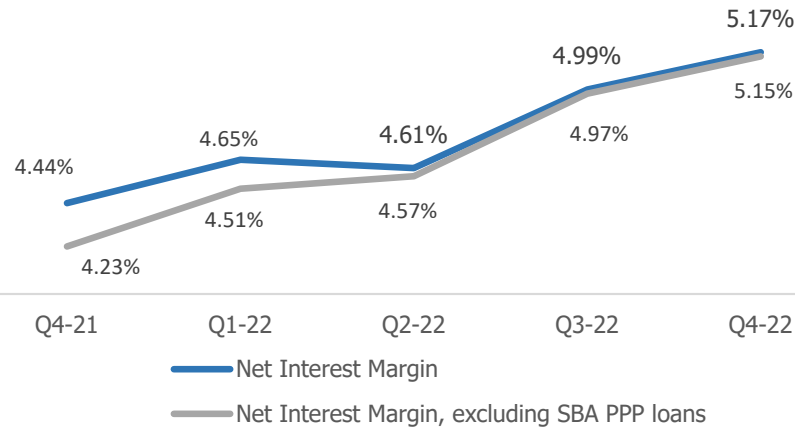
- Treasury Management focus on increasing fee income in existing customer base
- Expansion of merchant and international services to drive new revenue channels
- Exploration of new niche markets that provide fee income and deposits

Investments in Innovation to Support Growth

- Utilize nCino Platform to drive efficiency in CRM, lending workflow and approval
- Continue to build technology partnerships to expand service offerings
- Leverage Technology & Innovation Committee to expand FinTech growth initiatives
- Enhance Product Roadmaps and utilize data to streamline sales cycle and opportunity identification within portfolio

Disciplined Approach to Net Interest Margin

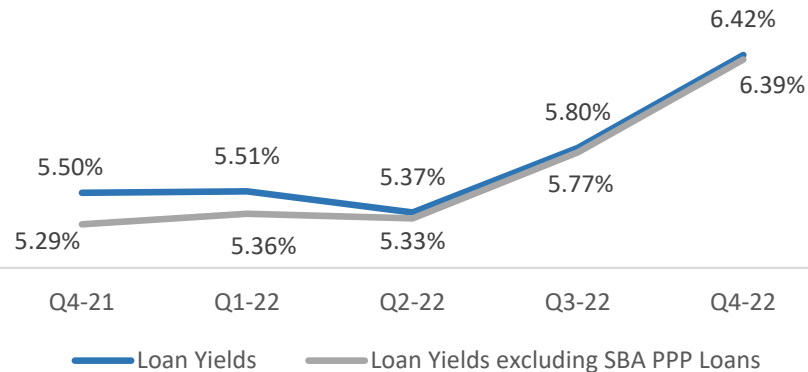
Expanding Net Interest Margin



NIM Protection Strategy

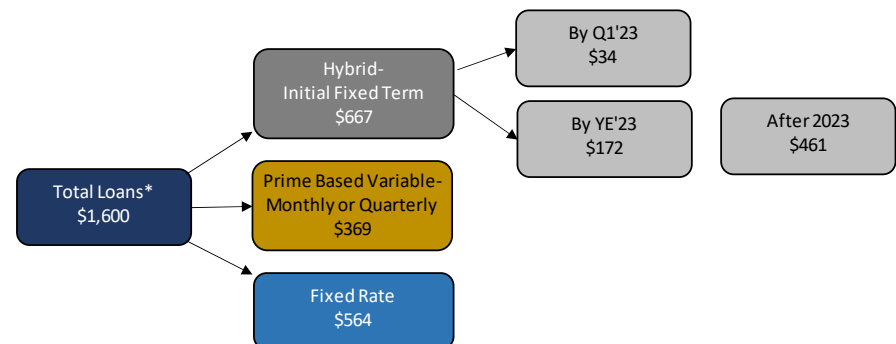
- Relationship model allows us to maintain spread pricing discipline on new originations
- ~36% of loans are variable or hybrid and are subject to one or more rate adjustments over the next 12 months
- Disciplined approach to deploying cash into higher yielding earning assets (loans and cash flowing short duration securities)
- Downward pressure on NIM based on accelerating cost of funding

Portfolio Loan Yields



Loan Repricing Analysis

Note: dollars in millions

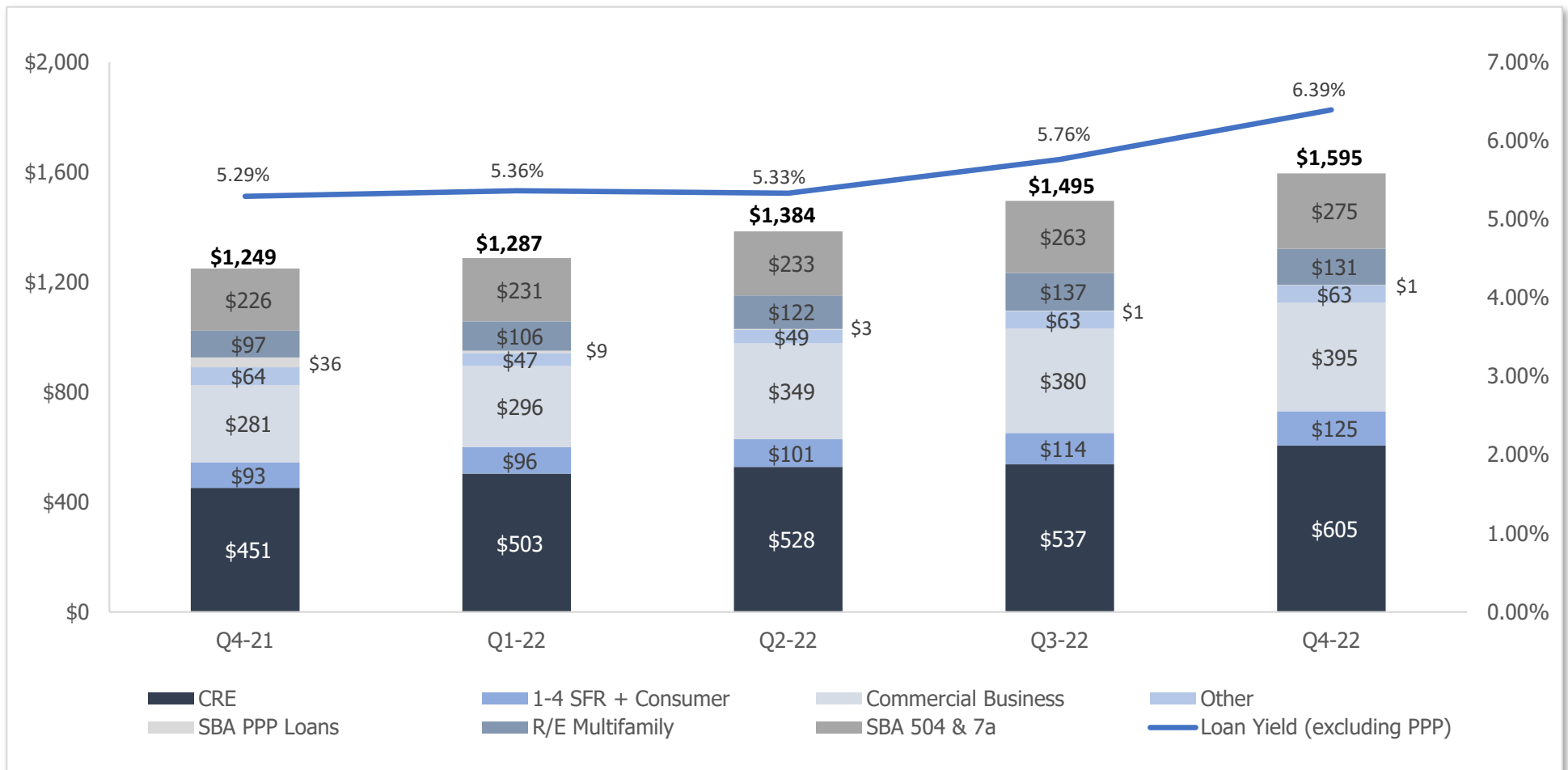


* Amounts do not include Premiums, Discounts, Deferred Fees, and Costs

Demonstrated Organic Growth in Loans



Relationship-based banking strategy continues to result in strong loan growth (31% YoY) and increasing yields

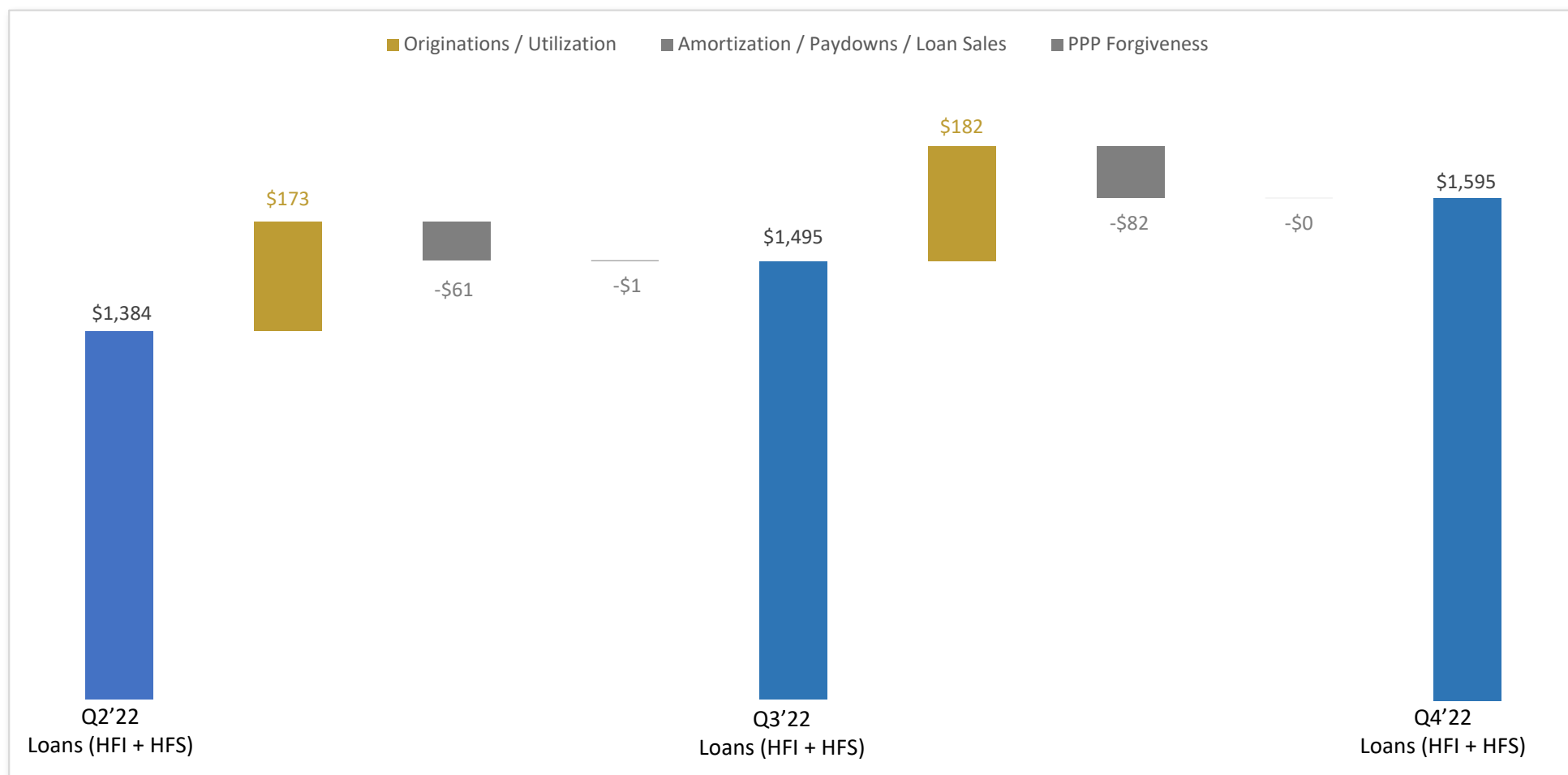


Note: Dollars in Millions

Quarterly Loan Growth Details (Q2–Q4 2022)



Strong quarterly originations (HFI & HFS) were partially offset by paydowns & payoffs during the Quarter, but still resulted in net loan growth of 7% in Q4

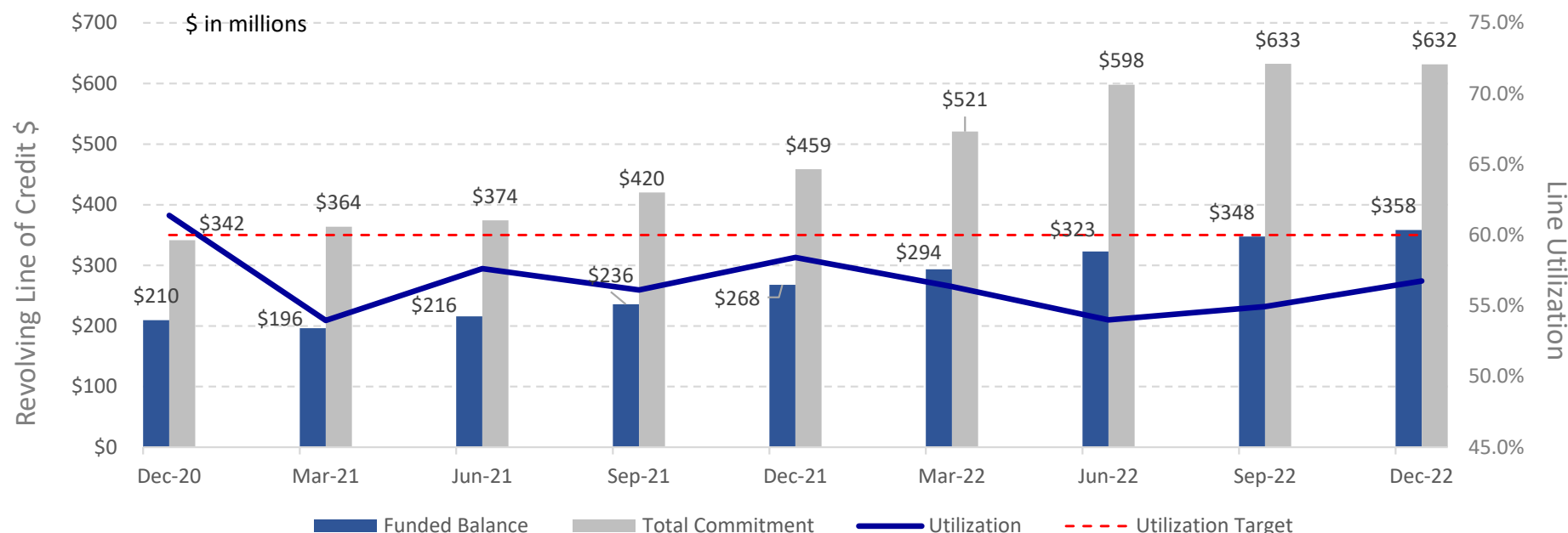


Note: Dollars in Millions

Positioned for Growth: Utilization Trends



Business Revolving Lines of Credit



Overview

- 31% Compound Annual Growth Rate (CAGR) for revolving line amounts over last 8 quarters
- Operating accounts are a focus to drive core deposits and cash management fees
- 35% CAGR for line utilization over last 8 quarters
- We are targeting a 60% utilization and will use the renewal process to ensure prudent credit exposure and additional income on unused lines

Utilization & Rates

- As rates rise, income will adjust upwards on funded amounts
- Cautiously optimistic on increased future utilizations given economic headwinds (e.g., recession)
- Approximately 55% of Q4 fundings in the 7% - 9% coupon range
- Some paydowns in business lines is expected, putting pressure on DDA growth

Loan Portfolio Breakdown

Loan Portfolio by Industry

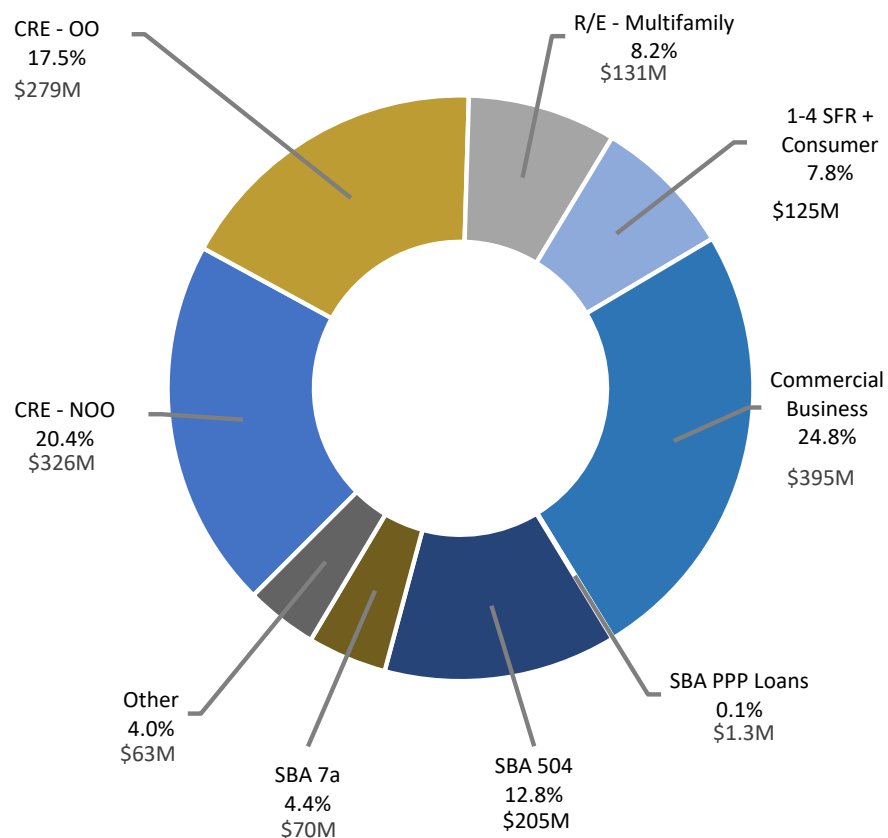
Borrower's Industry (by NAICS sector code)	Total (in 000s)*	% of Total Loans
Real Estate Investment/ Rental & Leasing \$	832,001	52.0%
Construction/ Builders & Contractors	57,873	3.6%
Accommodation/Hotels & Food Services	135,328	8.5%
Manufacturing & Productions	63,556	4.0%
Professional/Scientific/Technical Service	55,785	3.5%
Retail Sales & Trades	76,473	4.8%
Health Care and Social Assistance	84,122	5.3%
Wholesale Trade	31,556	2.0%
Finance & Insurance	60,721	3.8%
Transportation & Warehousing	22,935	1.4%
Waste Mgt and Remediation Services	15,831	1.0%
Arts, Entertainment and Recreation	15,430	1.0%
Management of Companies and Enterprises	27,005	1.7%
All other	121,485	7.6%
Total Loans*	\$ 1,600,100	100.0%

*Amounts do not include premiums, discounts, deferred fees and costs

Loan Concentration

- 80% of the total portfolio collateralized by Real Estate with average LTV of 54%
- Geographically, the Bank lends primarily in the major metropolitan areas of coastal Southern California.
- Los Angeles represents 45%, San Diego represents 23% and Orange County represents 11% of total loans.

Loan Portfolio by Type



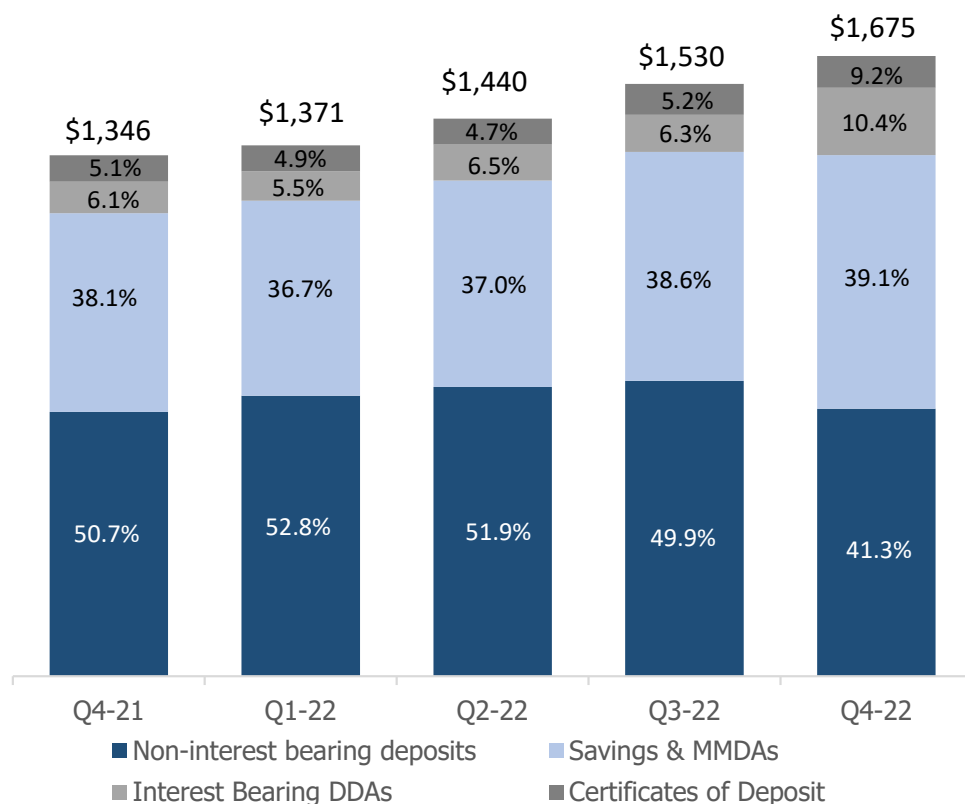
* Other Loan Type Category includes \$7mm of HFS

Sustainable Deposit Franchise

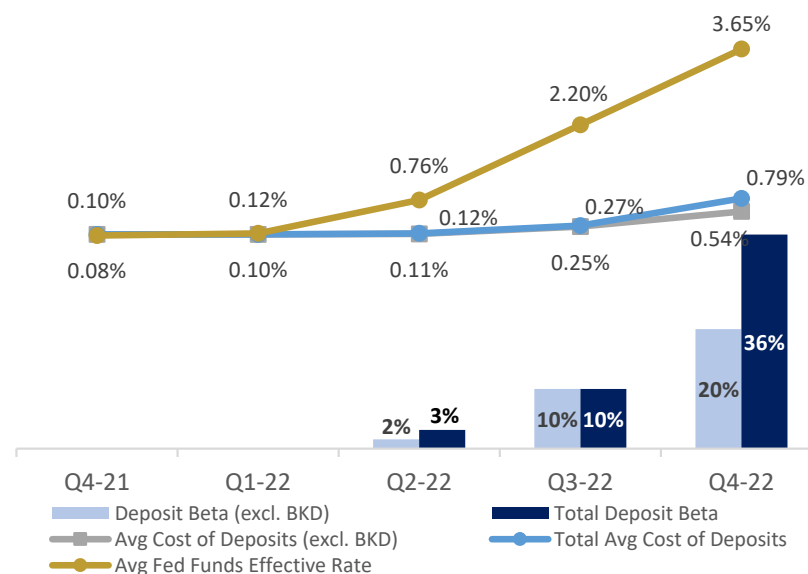


Emphasis on deposit retention in an environment of rising deposit rates and extreme competition. Remix of deposit portfolio to alleviate the market pressures has proven effective and is desired relative to utilizing alternative funding sources.

Growing Customer Deposits



Deposit Rate Trends

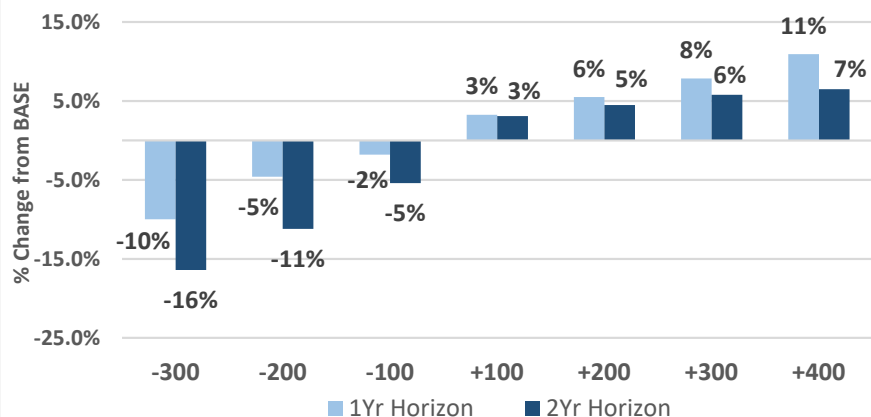


- Weighted average spot deposit rate of 1.13% at 12/31/22
- Liquidity notes:
 - Q4-22 Loans / Deposit ratio of 94.8%, vs 97.2% in Q3-22
 - Q4-22 net non-core funding dependency ratio of 8.3%, up from -1.6% in Q3-22 (CalPrivate Bank, preliminary)
 - Contingent funding available as of 12/31/22: FHLB San Francisco \$214 million; Federal Reserve Bank \$158 million

Interest Rate Sensitivity & Securities Overview



Net Interest Income Sensitivity



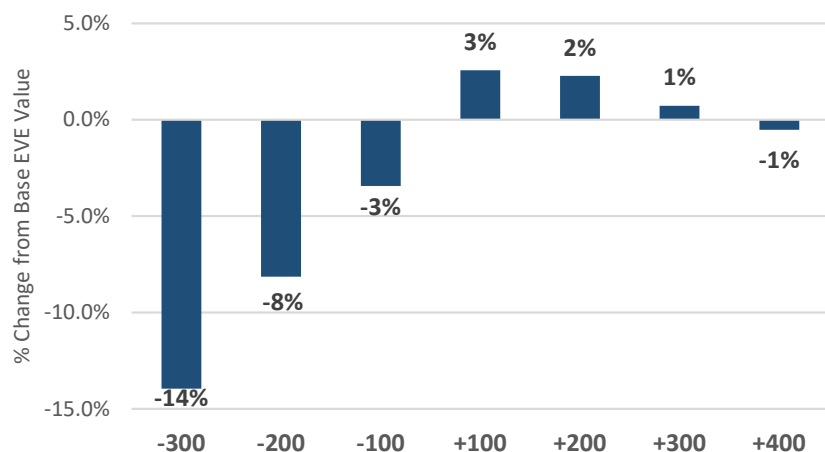
AFS Securities Portfolio Overview

Dollars in millions

	September 30, 2022			December 31, 2022		
	Fair Value	AOCI	Yield	Fair Value	AOCI	Yield
US Treasuries	\$ 19.83	\$ (0.60)	2.09%	\$ 19.88	\$ (0.56)	2.09%
MBS/CMBS	81.37	(14.06)	1.32%	79.66	(13.27)	1.35%
Bank SubDebt	2.07	(0.18)	3.97%	1.55	(0.20)	3.89%
CRA Related (*)	7.07	(0.33)	1.44%	7.05	(0.34)	1.44%
Total	\$ 110.33	\$ (15.17)	1.52%	\$ 108.15	\$ (14.37)	1.53%

(*) Dollars reflect the total committed amounts.

Economic Value of Equity Sensitivity



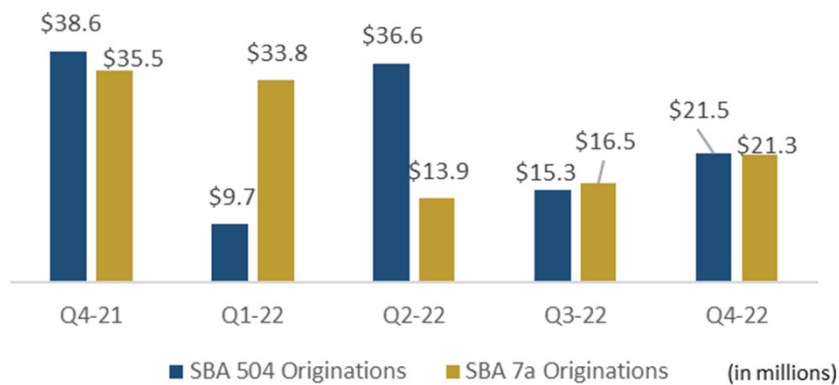
Commentary

- Given the strong growth in the loan portfolio, Management has not added to the investment securities portfolio
- As of December 31, 2022, CalPrivate remained slightly asset sensitive
- Management will continue taking prudent steps to position the balance sheet to optimize for a higher rate environment.

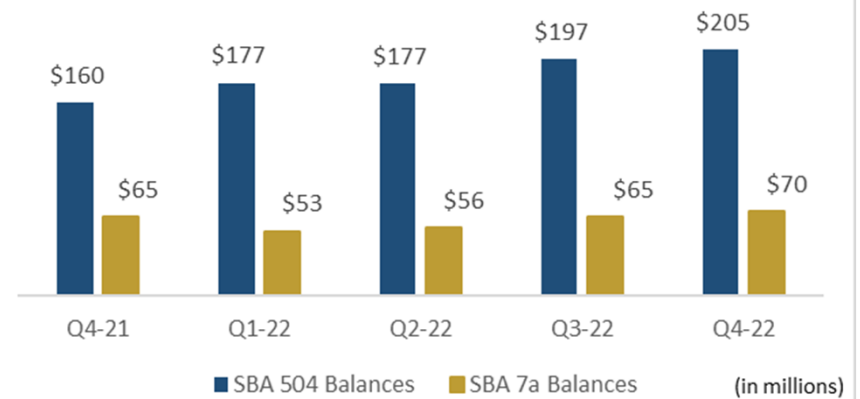
Slower SBA Growth and Shifting Market Dynamics

Shifting loan sales to balance sheet portfolio given softness in market and attractive loan yields

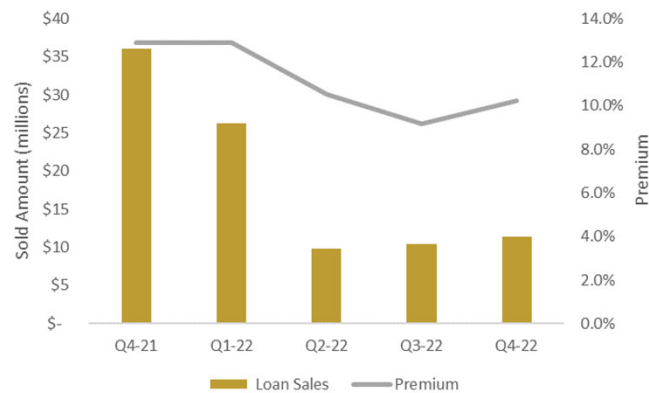
SBA Originations



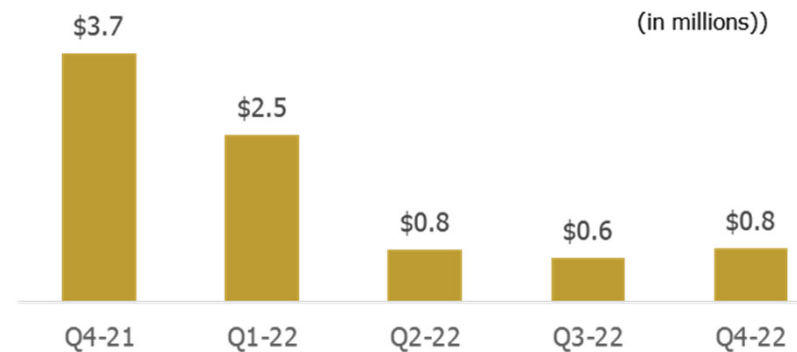
Increasing SBA Loan Balances



SBA 7(a) Loan Sales & Premiums



SBA 7(a) Gain on Sale

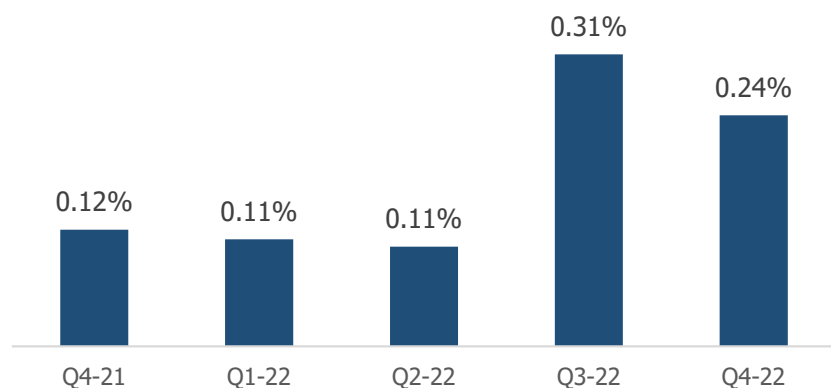


Solid Credit Risk Management Metrics

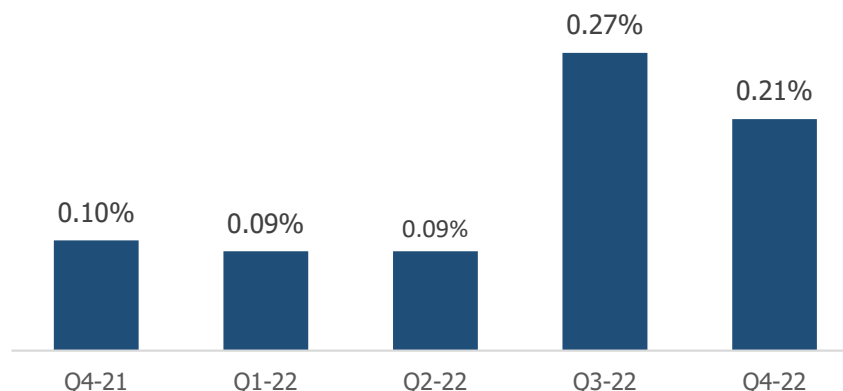


High-touch relationship-based banking model results in superior portfolio performance

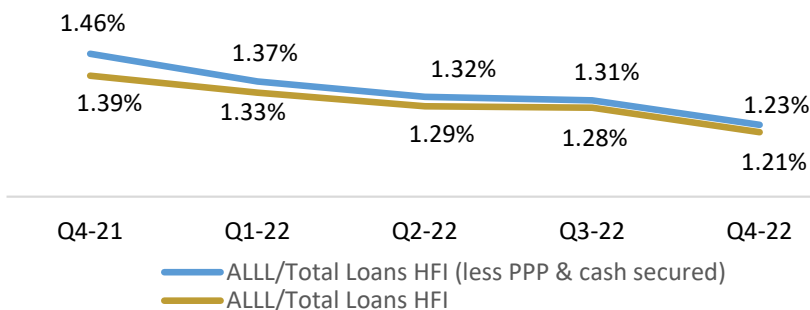
Non-Performing Loans to Total Loans



Non-Performing Assets to Total Assets



Allowance for Loan Losses



Credit Commentary

- 13 consecutive quarters with zero charge offs
- Proactive SBA and Loan Portfolio calling efforts
- 3 total non-performing loans (\$3.9 million)
 - 1 CRE Loan with 48% LTV
 - 1 SBA Loan with 75% Guarantee
 - 1 SBA Loan with 90% Guarantee
- CECL being adopted effective 1/1/23 and impact is not expected to be material to the financial statements

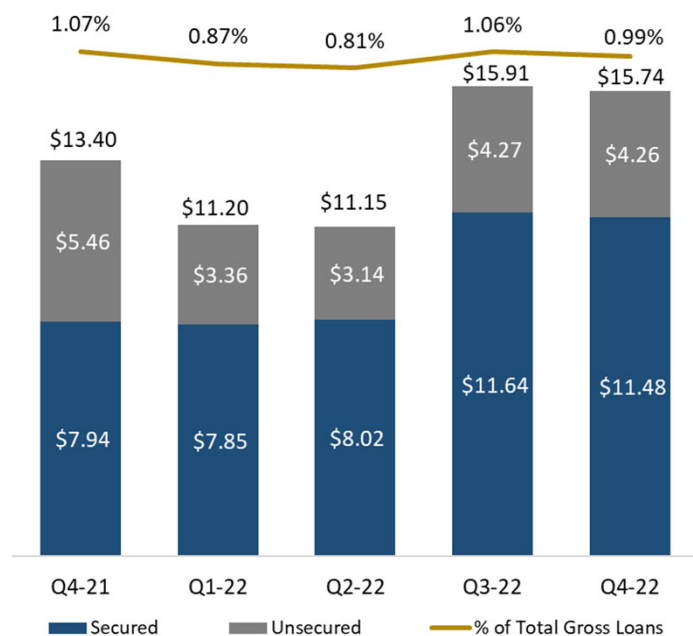
Solid Credit Risk Management Metrics



Proactive credit risk management leading to minimal substandard assets

Classified Loans

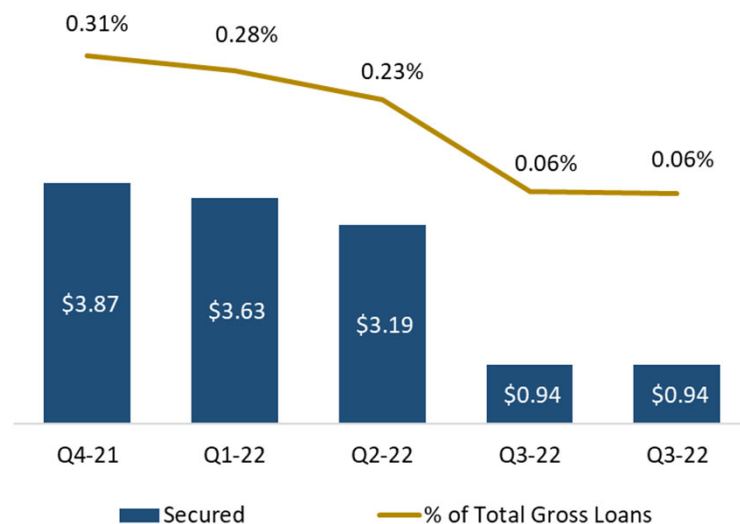
Note: dollars in millions



- Unsecured = any loans that are not secured by a real estate property or cash per regulatory legal lending definition

Criticized Loans

Note: dollars in millions



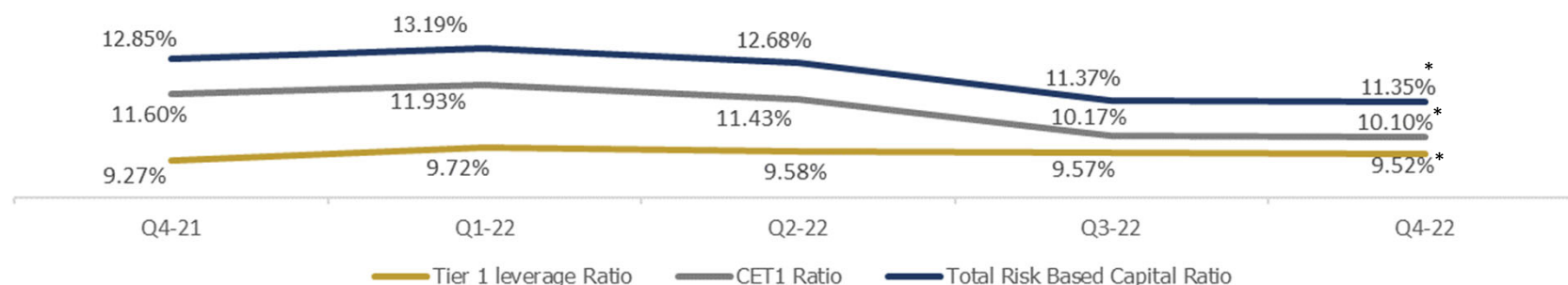
- Total Unsecured Criticized Loans were \$0 for all periods.

Strong Capital



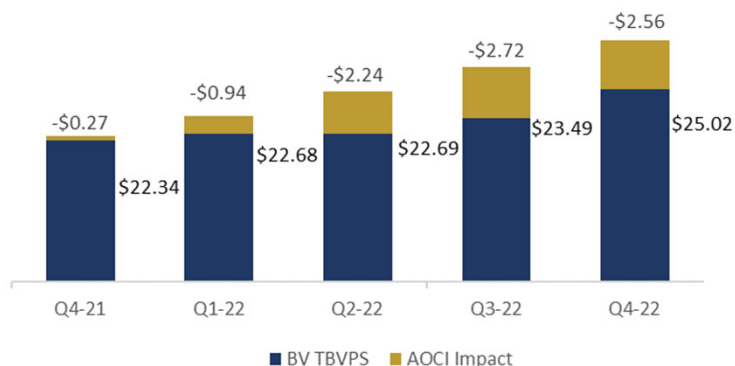
Capital levels remain strong with earnings supporting growth capital needs in near term

Selected CalPrivate Capital Ratios



*Preliminary

Tangible Book Value per Share



Capital Strategy

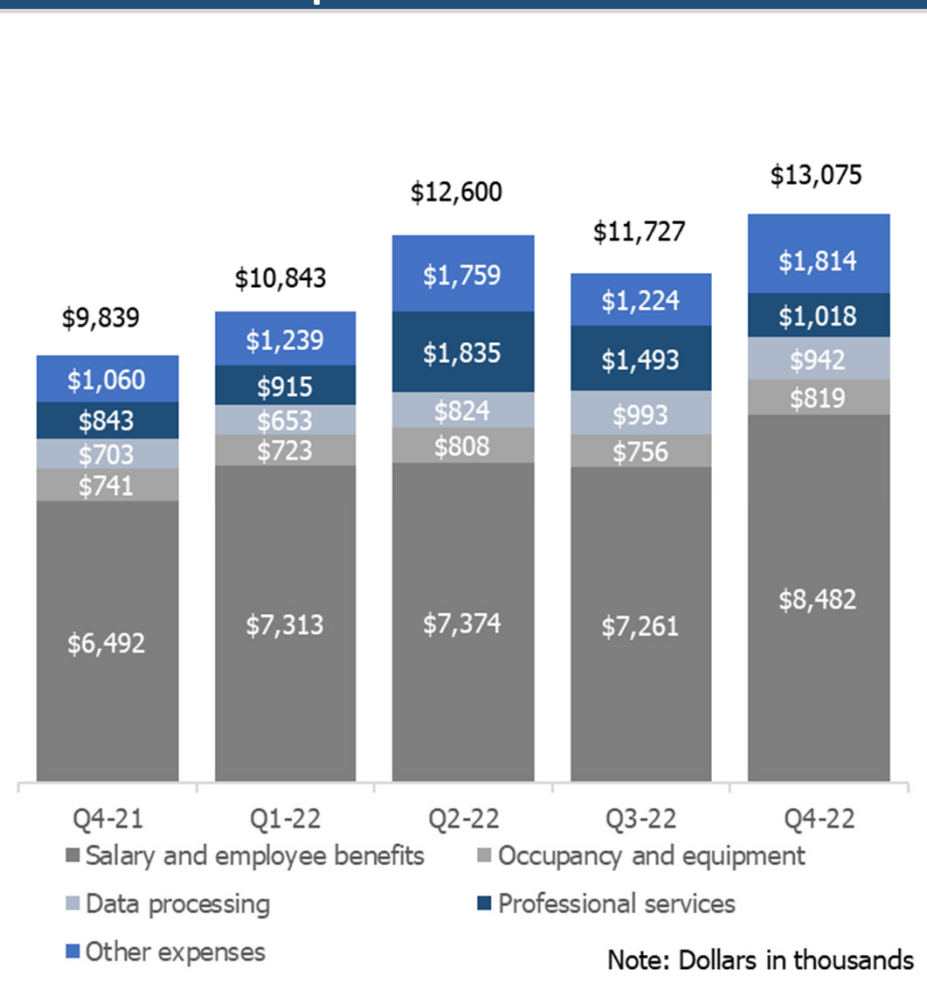
- Maintain optimal levels of capital to ensure high ROC
- Proven ability to add shareholder value by consistently increasing tangible book value
- Investing in areas with high returns on capital, including SBA 7a lending and fee income lines of business
- Deploying capital to opportunistically grow investments and partnerships in FinTech space to provide world class service for Clients

Operational Efficiency



Continued focus on improving operating leverage through technology and process improvement initiatives

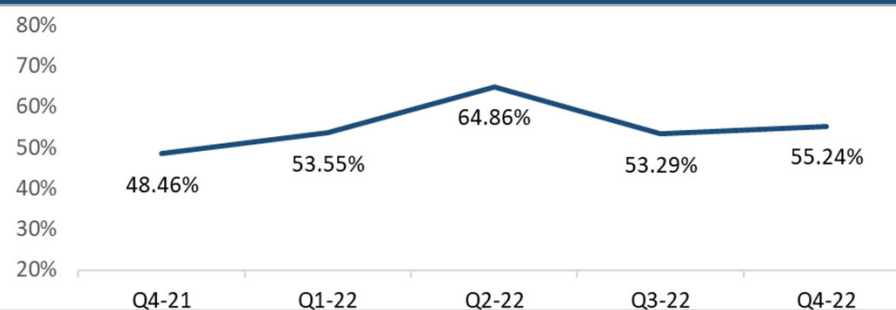
Non-interest Expenses



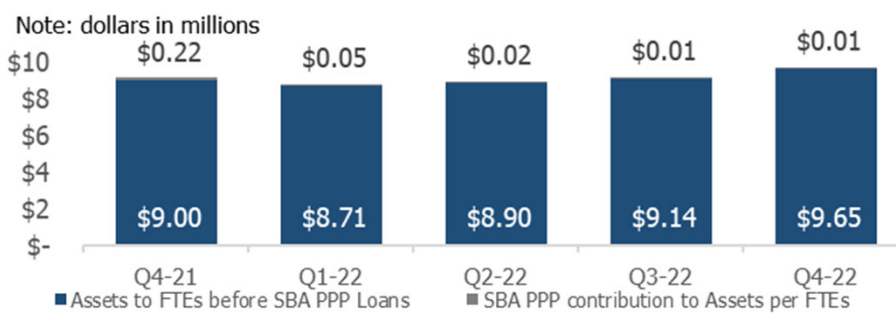
Non-interest Expense Details

- Legal expenses driving increases in Professional Services
- 4Q compensation & benefit increases due to production incentives and performance bonus increases

Efficiency Ratio



Assets per FTE



Technology & Innovation Differentiation



Technology & Innovation Board Committee

- Added Board level expertise in technology, audit and innovation
- Dedicated focus on digital transformation
- Provides oversight on roadmap, governance and budget

Information Technology Management Committee

- Enhancing focus on Cybersecurity and emerging security trends
- Multi-discipline and cross functional membership ensures enterprise adoption

Bank Innovation Team

- External focus on products & services development to enhance client experience
- Internal focus on continuous process and service experience improvement through use of technology and customized tools

Direct Tech Investments

- BankTech Ventures, BankTech Consortium & JAM FINTOP
- Board and Management commitment to finding partnerships through industry leaders that are focused on solving the challenges of community banking

Exploration of Tech Partnerships

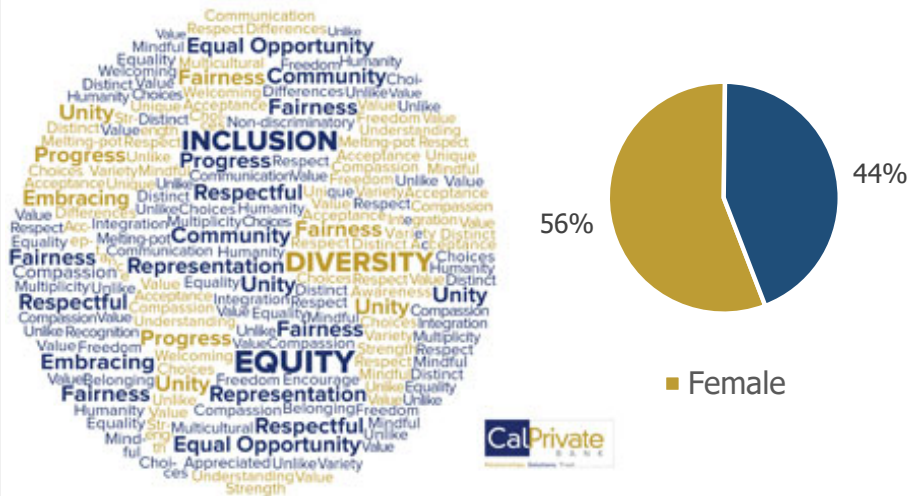
- Exploring partnerships to continue to get closer to our core client's ERP systems and accounting systems
- Partnerships with FinTech companies that help create stronger client relationships by creating new way of adding value

Community Outreach & Diversity



Community Support

- An important aspect to our company culture is community engagement
- CalPrivate donates to non-profit organizations across a wide range of community groups from Los Angeles to San Diego
- Employee contributions are matched
- Team members donate volunteer hours in a meaningful way
- A Community Advisory Board is present in each market, made up of civil and business leaders to provide input to the Board and Management



Diversity, Equity and Inclusion

- At CalPrivate Bank, our uncompromising commitment is for equal and fair treatment and respect for all people, regardless of race, gender identity, sexual orientation, economic status, disability, or religion. This commitment is a core tenet of our mission with respect to our Team as well as the communities that we serve.
- Over 60% of the workforce consists of members of under-represented communities
- Dedicated DEI Committee with all levels of management and employee engagement

Management Contacts



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Q&A



Private Bancorp of America, Inc.
(QT C Q X: P B A M)

(Holding Company for CalPrivate Bank)

