



FOR IMMEDIATE RELEASE

Private Bancorp of America, Inc. Announces Record Net Income and Earnings Per Share for First Quarter 2023

First Quarter 2023 Highlights

- Record net income for the first quarter of 2023 of \$9.0 million, up 20.6% from the prior quarter and 38.0% from the first quarter of 2022
- Record diluted earnings per share for the first quarter of 2023 of \$1.57, up 20.1% from the prior quarter and 38.7% from the first quarter of 2022
- Loans held-for-investment (“HFI”) totaled \$1.6 billion as of March 31, 2023, an increase of \$35 million or 2.2% from December 31, 2022
- The Company adopted CECL effective as of January 1, 2023 and the “Day 1” impact was an increase of \$1.9 million to the allowance for loan losses, a \$974 thousand increase to the reserve for unfunded commitments and a \$2.0 million decrease to retained earnings
- The allowance for loan losses was 1.30% of loans HFI as of March 31, 2023 compared to 1.21% at December 31, 2022. The increase primarily resulted from the adoption of CECL
- The provision for loan losses for the first quarter of 2023 was \$73 thousand, compared to \$60 thousand for the prior quarter and \$142 thousand for the first quarter of 2022
- Core deposits for the quarter declined by just \$17 million (or 1%) to \$1.5 billion, which was comprised of a \$52 million decrease in noninterest-bearing deposits (40.4% of total deposits) partially offset by a \$35 million increase in interest-bearing deposits, which includes fully insured balances in the Intrafi ICS and CDARS deposit programs. The net decrease in core deposits was impacted by pre-planned and anticipated client transactions (e.g., real estate acquisitions, a significant business acquisition and private placement investments) as well as typical seasonal changes. Furthermore, between March 31, 2023 and April 18, 2023, deposits (excluding brokered deposits and public deposit accounts) increased by \$30 million
- Total deposits were \$1.6 billion as of March 31, 2023, a decrease of \$91 million, primarily due to \$75 million in brokered deposits shifting to lower costing Federal Home Loan Bank advances
- Uninsured deposits, net of collateralized and fiduciary deposit accounts, represent 51% of total deposits
- As of March 31, 2023, total available liquidity of \$1.4 billion (or 173% of uninsured deposits, net of collateralized and fiduciary deposit accounts). Total available liquidity is comprised of \$311 million of on-balance sheet liquidity (cash and investment securities) and \$1.1 billion of unused borrowing capacity
- Net interest margin was 4.90% for the first quarter of 2023, as compared to 5.17% for the prior quarter and 4.65% for the first quarter of 2022
- Total cost of funding sources increased to 1.39% for the first quarter of 2023, an increase from 0.86% in the prior quarter. Total cost of deposits was 1.23% and 0.79% for the respective periods. The spot rate for deposits was 1.32% at March 31, 2023

- Tangible book value per share was \$26.30 as of March 31, 2023, up from \$25.06 at December 31, 2022 as a result of strong earnings, partially offset by the impact of adopting CECL. Tangible book value per share increased 15.4% year-over-year

La Jolla, Calif. – April 21, 2023 (GLOBE NEWSWIRE) - Private Bancorp of America, Inc. (OTCQX:PBAM), (“Company”) and CalPrivate Bank (“Bank”) announced unaudited financial results for the first fiscal quarter ended March 31, 2023. The Company reported record net income of \$9.0 million, or \$1.57 per diluted share, for the first quarter of 2023 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, “Our Team continues to focus on what we believe is our value proposition – exceptional service and quality relationship building. While the economic and banking environment was chaotic for all banks in the first quarter, we worked tirelessly to ensure our Clients were comfortable and aware of the strength of our balance sheet. We are proud of our deposit retention in the quarter and remain focused on providing banking Solutions that are of high value to our Clients. We continue to see shifts in the deposit base to interest bearing deposits, as we were expecting. Loan demand has slowed across the industry so we are opportunistically lending across all channels and regions at what we feel are reasonable rates of return.”

Sowers added, “Return on average equity for the first quarter was a record high of 24.8% and we improved our efficiency ratio to 48.9%. We remain focused on credit quality, enterprise risk management, strong liquidity on and off the balance sheet and enhancing shareholder value through managing expense and net interest margin.”

“The Company continues to exhibit successful customer acquisition activity as shown by the growth in loans despite a rising rate environment. Additionally, the Company continues to invest in people and infrastructure, including strong risk management, needed to support the continued growth of the CalPrivate franchise,” said Selwyn Isakow, Chairman of the Board of the Company and the Bank.

Isakow added, “The Board is pleased with CalPrivate’s financial performance in the quarter, and we remain optimistic about management’s ability to react to and successfully navigate the Company during these uncertain times.”

STATEMENT OF INCOME

Net Interest Income

Net interest income for the first quarter of 2023 totaled \$22.2 million, a decrease of \$428 thousand or 1.9% from the prior quarter and an increase of \$5.0 million or 29.3% from the first quarter of 2022. The decrease from the prior quarter was driven primarily by an increase of \$2.3 million in interest expense, which resulted from higher funding costs as competitive pressure on deposit rates continued and we carried higher levels of cash liquidity during March that were funded by wholesale borrowings. Partially offsetting this was \$1.9 million higher interest income resulting from the increase in average loan balances and higher yield on loans.

Net Interest Margin

The net interest margin for the first quarter of 2023 was 4.90% compared to 5.17% for the prior quarter and 4.65% in the first quarter of 2022. The 27 basis point decrease in net interest margin from the prior quarter

was due to higher rates paid on deposits and wholesale borrowings, partially offset by higher rates on new loan originations and variable rate loans and investment securities. The yield on earning assets was 6.19% for the first quarter of 2023 compared with 5.97% for the prior quarter and the cost of total funding sources was 1.39% for the first quarter of 2023 compared to 0.86% in the prior quarter. The cost of deposits was 1.23% for the first quarter of 2023 compared to 0.79% in the prior quarter.

Provision for Loan Losses

The provision for loan losses for the first quarter of 2023 was \$73 thousand. For more details, please refer to the “Asset Quality” section below.

Noninterest Income

Noninterest income was \$1.5 million for the first quarter of 2023, an increase of \$381 thousand from the prior quarter and compared to \$3.1 million in the first quarter of 2022. The change from the prior quarter was primarily due to higher gain on sale of SBA loans and the prior quarter included a \$304 thousand impairment related to faster prepayments in the SBA portfolio which resulted in accelerated amortization and valuation adjustments to the SBA servicing asset. The decline in noninterest income from the first quarter of 2022 was due to lower gain on sale of SBA loans. SBA loan sales for the first quarter of 2023 were \$5.1 million with a 11.2% average trade premium resulting in a net gain on sale of \$474 thousand, compared with \$11.4 million with a 10.2% average trade premium resulting in a net gain on sale of \$792 thousand in the prior quarter.

Noninterest Expense

Noninterest expense was \$11.6 million for the first quarter of 2023, a decrease of \$1.5 million, or 11.6%, compared to the prior quarter and compared to \$10.9 million in the first quarter of 2022. The decrease from the prior quarter was primarily due to lower variable compensation (accruals for commissions and incentives) related to loan and deposit production as well as a decline in professional services (in particular legal expense) related to the active and on-going lawsuit for the recovery of the charged-off loan for the ANI Development, LLC/Gina Champion-Cain fraud case and Chicago Title (parent company, Fidelity National Financial) for its alleged involvement with the fraud scheme. The efficiency ratio was 48.9% for the first quarter of 2023 compared to 55.2% in the prior quarter and 53.5% in the first quarter of 2022.

The Company remains committed to making investments in the business, including technology, marketing, and staffing. Historically high inflation and low unemployment continue to have an impact on rising wages as well as increased costs related to third party service providers, which we proactively monitor and manage.

Provision for Income Tax Expense

Provision for income tax expense was \$3.0 million for the first quarter of 2023, compared to \$3.1 million for the prior quarter. The effective tax rate for the first quarter of 2023 was 25.2% compared to 29.4% in the prior quarter and 29.7% in the first quarter of 2022. The effective tax rate for the first quarter of 2023 was lower mainly due to discrete tax benefits related to exercised stock options.

STATEMENT OF FINANCIAL CONDITION

The Company reported total assets of \$2.0 billion as of March 31, 2023, representing an increase of \$112 million or 6.0% since December 31, 2022. The increase in assets was primarily due to higher cash balances, which were funded by an increase in wholesale borrowings (Federal Home Loan Bank advances). Loans HFI totaled \$1.6 billion as of March 31, 2023, an increase of \$35 million or 2.2% since December 31, 2022.

Total deposits were \$1.6 billion as of March 31, 2023, a decrease of \$91 million since December 31, 2022. The decrease was primarily due to a \$75 million decline in brokered deposits, which shifted to lower costing Federal Home Loan Bank advances at quarter end. Additionally, core deposits declined by \$17 million, which was comprised of a \$52 million decrease in noninterest-bearing deposits partially offset by \$35 million increase in interest-bearing deposits, which included balances moving into the Intrafi ICS and CDARS programs. As of March 31, 2023, the net unrealized loss on the available-for-sale (“AFS”) investment securities portfolio, which is comprised mostly of US Treasury and Government Agency debt, was \$12.8 million (pre-tax) compared to a loss of \$14.4 million as of December 31, 2022. The average duration of the Bank’s AFS portfolio is 3.9 years. The Company has no held-to-maturity securities.

Adoption of the Current Expected Credit Loss (“CECL”) Accounting Standard and Allowance for Credit Losses (“ACL”)

On January 1, 2023, the Company adopted CECL for determining the allowance for credit losses. Upon adoption, we recognized a Day 1 increase of \$1.9 million to the allowance for loan losses, a \$974 thousand increase to the reserve for unfunded commitments and a \$2.0 million decrease to retained earnings. This represented an increase of 14% to the overall ACL.

Asset Quality

As of March 31, 2023, the allowance for loan losses was \$21.1 million or 1.30% of loans HFI, compared to 1.21% at December 31, 2022. The increase primarily resulted from the adoption of CECL. The Company continues to have strong credit metrics, there were no loan delinquencies as of March 31, 2023 and no net charge-offs (recoveries) during the quarter. The reserve for unfunded commitments was \$2.8 million as of March 31, 2023. Given the credit quality of the loan portfolio, management believes we are sufficiently reserved.

As of March 31, 2023, there are no doubtful credits and classified assets were \$14.6 million, down from \$15.7 million at December 31, 2022. Total classified assets as of March 31, 2023 consisted of 11 loans, of which 5 loans totaling \$8.9 million were secured by real estate with a weighted average LTV of 46.5%. The remaining 6 loans included 5 SBA loans with a balance of \$3.2 million where 3 loans were 75% and 2 loans were 90% guaranteed by the SBA.

Capital Ratios (1)

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

	March 31, 2023 (1)	Dec 31, 2022
CalPrivate Bank		
Tier I leverage ratio	9.82%	9.52%
Tier I risk-based capital ratio	10.21%	10.10%
Total risk-based capital ratio	11.46%	11.35%

(1) *March 31, 2023 capital ratios are preliminary and subject to change.*

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.

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 should be considered in addition to, not as a substitute for or superior to, financial measures prepared in accordance with GAAP and should be read in conjunction with the Company's GAAP financial information. A reconciliation of the most comparable GAAP financial measures to non-GAAP financial measures is included in the accompanying financial tables.

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Safe Harbor Paragraph

This communication contains expressions of expectations, both implied and explicit, that are “forward-looking statements” within the meaning of such term in the Private Securities Litigation Reform Act of 1995. We caution you that a number of important factors could cause actual results to differ materially from those in the forward-looking statements, especially given the current turmoil in the banking and financial markets. These factors include the effects of depositors withdrawing funds unexpectedly, counterparties being unable to provide liquidity sources that we believe should be available, loan losses, economic conditions and competition in the geographic and business areas in which Private Bancorp of America, Inc. operates, including competition in lending and deposit acquisition, the unpredictability of fee income from participation in SBA loan programs, the effects of bank failures, liquidations and mergers in our markets and nationally, 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, system failures and data 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 we anticipate or project. You should not place undue reliance on any such forward-looking statement, which speaks only as of the date on which it was made. Although we in good faith believe the assumptions and bases supporting our forward-looking statements to be reasonable there can be no assurance that those assumptions and bases will prove accurate.

PRIVATE BANCORP OF AMERICA, INC.
CONSOLIDATED BALANCE SHEET
(Unaudited)
(Dollars in thousands)

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Assets			
Cash and due from banks	\$ 13,347	\$ 14,495	\$ 17,099
Interest-bearing deposits in other financial institutions	73,420	30,409	40,878
Interest-bearing deposits at Federal Reserve Bank	125,045	83,738	66,038
Total cash and due from banks	211,812	128,642	124,015
Interest-bearing time deposits with other institutions	7,661	7,923	5,817
Investment securities available for sale	103,790	104,652	114,382
Loan held for sale	465	7,061	1,999
Total loans held-for-investment	1,623,028	1,588,248	1,284,838
Allowance for loan losses	(21,135)	(19,152)	(17,117)
Net loans	1,601,893	1,569,096	1,267,721
Federal Home Loan Bank stock, at cost	7,020	7,020	4,909
Right of use asset	2,889	3,265	3,400
Premises and equipment, net	1,744	1,742	2,813
Servicing assets, net	3,057	3,007	3,525
Accrued interest receivable	5,674	5,291	3,453
Other assets	20,623	17,181	13,448
Total assets	\$ 1,966,628	\$ 1,854,880	\$ 1,545,482
Liabilities and Shareholders' Equity			
Liabilities			
Noninterest bearing	\$ 639,664	\$ 691,392	\$ 724,469
Interest Bearing	944,102	983,730	646,545
Total deposits	1,583,766	1,675,122	1,371,014
FHLB borrowings	192,000	-	10,000
Other borrowings	17,956	17,954	17,948
Accrued interest payable and other liabilities	20,592	18,480	14,630
Total liabilities	1,814,314	1,711,556	1,413,592
Shareholders' equity			
Common stock	73,254	72,221	70,899
Additional paid-in capital	3,289	3,353	3,602
Retained earnings	84,751	77,810	61,424
Accumulated other comprehensive (loss) income, net	(8,980)	(10,060)	(4,035)
Total shareholders' equity	152,314	143,324	131,890
Total liabilities and shareholders' equity	\$ 1,966,628	\$ 1,854,880	\$ 1,545,482

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

	For the three months ended		
	March 31, 2023	December 31, 2022	March 31, 2022
Interest Income			
Loans	\$ 26,228	\$ 24,717	\$ 17,246
Investment securities	580	592	401
Deposits in other financial institutions	1,150	756	134
Total interest income	27,958	26,065	17,781
Interest Expense			
Deposits	4,924	3,149	327
Borrowings	866	320	313
Total interest expense	5,790	3,469	640
Net interest income	22,168	22,596	17,141
Provision for loan losses	73	60	142
Net interest income after provision for loan losses	22,095	22,536	16,999
Noninterest income:			
Service charges on deposit accounts	348	274	281
Net gain on sale of loans	474	792	2,471
Other noninterest income	643	18	357
Total noninterest income	1,465	1,084	3,109
Noninterest expense:			
Compensation and employee benefits	8,030	8,482	7,313
Occupancy and equipment	806	820	723
Data processing	944	942	653
Professional services	438	1,018	915
Other expenses	1,339	1,813	1,255
Total noninterest expense	11,557	13,075	10,859
Income before provision for income taxes	12,003	10,545	9,249
Provision for income taxes	3,029	3,102	2,747
Net income	\$ 8,974	\$ 7,443	\$ 6,502
Net income available to common shareholders	\$ 8,923	\$ 7,394	\$ 6,432
Earnings per share			
Basic earnings per share	\$ 1.59	\$ 1.33	\$ 1.16
Diluted earnings per share	\$ 1.57	\$ 1.31	\$ 1.13
Average shares outstanding	5,608,193	5,551,376	5,568,400
Diluted average shares outstanding	5,673,394	5,645,355	5,672,701

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

For the three months ended

	March 31, 2023			December 31, 2022			March 31, 2022		
	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	\$ 123,159	\$ 1,150	3.79%	\$ 91,324	\$ 756	3.28%	\$ 116,903	\$ 134	0.46%
Investment securities	112,694	580	2.06%	114,390	592	2.07%	109,252	401	1.47%
Loans, including LHFS	1,597,236	26,228	6.66%	1,527,863	24,717	6.42%	1,268,695	17,246	5.51%
Total interest-earning assets	1,833,089	27,958	6.19%	1,733,577	26,065	5.97%	1,494,850	17,781	4.82%
Noninterest-earning assets	24,905			25,627			21,502		
Total Assets	\$ 1,857,994			\$ 1,759,204			\$ 1,516,352		
Interest-Bearing Liabilities									
Interest-bearing transaction accounts	150,708	343	0.92%	141,030	295	0.83%	78,557	16	0.08%
Money market	621,148	2,515	1.64%	597,670	1,674	1.11%	498,146	192	0.16%
Savings deposits	13,912	22	0.64%	13,444	18	0.53%	13,523	3	0.09%
Certificates of deposit	169,213	2,044	4.90%	101,202	1,162	4.56%	68,525	116	0.69%
Total Interest-Bearing Deposits	954,981	4,924	2.09%	853,346	3,149	1.46%	658,751	327	0.20%
FHLB advances	48,711	594	4.95%	12,195	112	3.64%	10,000	41	1.66%
Other borrowings	17,976	272	6.14%	18,063	208	4.57%	17,948	272	6.06%
Total Interest-Bearing Liabilities	66,687	866	5.27%	30,258	320	4.20%	27,948	313	4.54%
Noninterest-bearing deposits	669,796	-		720,656	-		682,880	-	
Total Funding Sources	1,691,464	5,790	1.39%	1,604,260	3,469	0.86%	1,369,579	640	0.19%
Noninterest-bearing liabilities	19,750			13,614			14,301		
Shareholders' equity	146,778			141,330			132,472		
Total Liabilities and Shareholders' Equity	\$ 1,857,992			\$ 1,759,204			\$ 1,516,352		
Net interest income/spread		\$ 22,168	4.80%		\$ 22,596	5.11%		\$ 17,141	4.63%
Net interest margin			4.90%			5.17%			4.65%

PRIVATE BANCORP OF AMERICA, INC.

Condensed Balance Sheets

(Unaudited)

(Dollars in thousands, except per share amounts)

	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Assets					
Cash and due from banks	\$ 211,812	\$ 128,642	\$ 102,173	\$ 88,792	\$ 124,015
Interest-bearing time deposits with other institutions	7,661	7,923	6,157	6,157	5,817
Investment securities	103,790	104,652	107,332	113,565	114,382
Loans held for sale	465	7,061	7,789	4,460	1,999
Total loans held-for-investment	1,623,028	1,588,248	1,487,098	1,379,519	1,284,838
Allowance for loan losses	(21,135)	(19,152)	(19,092)	(17,776)	(17,117)
Net loans	1,601,893	1,569,096	1,468,006	1,361,743	1,267,721
Right of use asset	2,889	3,265	2,669	3,037	3,400
Premises and equipment, net	1,744	1,742	2,040	2,640	2,813
Other assets and interest receivable	36,374	32,499	30,735	31,708	25,335
Total assets	\$ 1,966,628	\$ 1,854,880	\$ 1,726,901	\$ 1,612,102	\$ 1,545,482
Liabilities and Shareholders' Equity					
Liabilities					
Noninterest Bearing	\$ 639,664	\$ 691,392	\$ 763,227	\$ 747,006	\$ 724,469
Interest Bearing	944,102	983,730	767,371	693,646	646,545
Total Deposits	1,583,766	1,675,122	1,530,598	1,440,652	1,371,014
Borrowings	209,956	17,954	47,952	27,950	27,948
Accrued interest payable and other liabilities	20,592	18,480	13,417	13,305	14,630
Total liabilities	1,814,314	1,711,556	1,591,967	1,481,907	1,413,592
Shareholders' equity					
Common stock	73,254	72,221	71,671	71,516	70,899
Additional paid-in capital	3,289	3,353	3,568	3,368	3,602
Retained earnings	84,751	77,810	70,386	64,036	61,424
Accumulated other comprehensive (loss) income	(8,980)	(10,060)	(10,691)	(8,725)	(4,035)
Total shareholders' equity	152,314	143,324	134,934	130,195	131,890
Total liabilities and shareholders' equity	\$ 1,966,628	\$ 1,854,880	\$ 1,726,901	\$ 1,612,102	\$ 1,545,482
Book value per common share	\$ 26.83	\$ 25.60	\$ 24.12	\$ 23.31	\$ 23.42
Tangible book value per common share	\$ 26.30	\$ 25.06	\$ 23.49	\$ 22.68	\$ 22.80
Shares outstanding	5,676,017	5,599,025	5,594,380	5,584,465	5,630,993

PRIVATE BANCORP OF AMERICA, INC.
Condensed Statements of Income
(Unaudited)
(Dollars in thousands, except per share amounts)
For the three months ended

	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Interest income	\$ 27,958	\$ 26,065	\$ 21,978	\$ 18,706	\$ 17,781
Interest expense	5,790	3,469	1,375	723	640
Net interest income	22,168	22,596	20,603	17,983	17,141
Provision for loan losses	73	60	1,316	659	142
Net interest income after provision for loan losses	22,095	22,536	19,287	17,324	16,999
Noninterest income	1,465	1,084	1,405	1,442	3,109
Compensation and employee benefits	8,030	8,482	7,261	7,374	7,313
Occupancy and equipment	806	820	756	808	723
Data processing	944	942	993	824	653
Professional services	438	1,018	1,493	1,835	915
Other expenses	1,339	1,813	1,224	1,759	1,239
Total noninterest expense	11,557	13,075	11,727	12,600	10,843
Income before provision for income taxes	12,003	10,545	8,965	6,166	9,265
Income taxes	3,029	3,102	2,614	1,769	2,747
Net income	<u>\$ 8,974</u>	<u>\$ 7,443</u>	<u>\$ 6,351</u>	<u>\$ 4,397</u>	<u>\$ 6,518</u>
Net income available to common shareholders	<u>\$ 8,923</u>	<u>\$ 7,394</u>	<u>\$ 6,306</u>	<u>\$ 4,347</u>	<u>\$ 6,448</u>
Earnings per share					
Basic earnings per share	\$ 1.59	\$ 1.33	\$ 1.14	\$ 0.78	\$ 1.16
Diluted earnings per share	\$ 1.57	\$ 1.31	\$ 1.12	\$ 0.77	\$ 1.14
Average shares outstanding	5,608,193	5,551,376	5,549,480	5,543,065	5,568,400
Diluted average shares outstanding	5,673,394	5,645,355	5,640,841	5,639,282	5,672,701

	Performance Ratios				
	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
ROAA	1.96%	1.68%	1.51%	1.11%	1.74%
ROAE	24.80%	20.89%	17.41%	13.28%	19.95%
ROATCE ⁽¹⁾	25.32%	21.41%	17.84%	13.64%	20.48%
Net interest margin	4.90%	5.17%	4.99%	4.61%	4.65%
Net interest spread	4.80%	5.11%	4.96%	4.60%	4.63%
Efficiency ratio ⁽¹⁾	48.90%	55.22%	53.29%	64.86%	53.55%
Noninterest expense / average assets	2.52%	2.95%	2.79%	2.95%	2.90%

(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

	<u>Mar 31, 2023</u>	<u>Dec 31, 2022</u>	<u>Sep 30, 2022</u>	<u>Jun 30, 2022</u>	<u>Mar 31, 2022</u>
Total assets	\$ 1,857,994	\$ 1,759,204	\$ 1,665,491	\$ 1,592,276	\$ 1,516,352
Earning assets	\$ 1,833,089	\$ 1,733,577	\$ 1,638,026	\$ 1,564,662	\$ 1,494,850
Total loans, including loans held for sale	\$ 1,597,236	\$ 1,527,863	\$ 1,438,489	\$ 1,339,095	\$ 1,268,695
Total deposits	\$ 1,624,777	\$ 1,574,002	\$ 1,482,739	\$ 1,419,648	\$ 1,341,631
Total shareholders' equity	\$ 146,778	\$ 141,330	\$ 144,727	\$ 132,789	\$ 132,472

Loan Balances by Type
(Dollars in thousands)

	<u>Mar 31, 2023</u>	<u>Dec 31, 2022</u>	<u>Sep 30, 2022</u>	<u>Jun 30, 2022</u>	<u>Mar 31, 2022</u>
Real estate - investor owned	\$ 472,315	\$ 476,404	\$ 403,950	\$ 390,628	\$ 350,152
Real estate - owner occupied	418,788	394,365	382,689	359,270	371,840
Real estate - multifamily	141,783	130,901	136,841	121,693	105,964
Real estate - single family	121,760	118,502	107,728	94,212	89,630
Commercial business	401,277	405,919	394,369	362,410	316,216
Land and construction	64,571	56,153	55,418	44,856	44,856
Consumer	2,534	6,004	6,103	6,450	6,180
Total loans held for investment	<u>\$ 1,623,028</u>	<u>\$ 1,588,248</u>	<u>\$ 1,487,098</u>	<u>\$ 1,379,519</u>	<u>\$ 1,284,838</u>

Deposits by Type
(Dollars in thousands)

	<u>Mar 31, 2023</u>	<u>Dec 31, 2022</u>	<u>Sep 30, 2022</u>	<u>Jun 30, 2022</u>	<u>Mar 31, 2022</u>
Noninterest-bearing DDA	\$ 639,664	\$ 691,392	\$ 763,227	\$ 747,006	\$ 724,469
Interest-bearing DDA, excluding brokered	99,988	109,130	95,677	93,405	75,904
Savings & MMA, excluding brokered	637,031	614,991	576,395	518,139	488,547
Time deposits, excluding brokered	77,052	54,887	56,341	67,096	67,089
Total deposits, excluding brokered	1,453,735	1,470,400	1,491,640	1,425,646	1,356,009
Total brokered deposits	130,031	204,722	38,958	15,006	15,005
Total deposits	<u>\$ 1,583,766</u>	<u>\$ 1,675,122</u>	<u>\$ 1,530,598</u>	<u>\$ 1,440,652</u>	<u>\$ 1,371,014</u>

PRIVATE BANCORP OF AMERICA, INC.
(Unaudited)

Rollforward of Allowance for Credit Losses					
(Dollars in thousands)					
For the three months ended					
	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Allowance for loan losses:					
Beginning balance	\$ 19,152	\$ 19,092	\$ 17,776	\$ 17,117	\$ 16,975
Impact of CECL adoption	1,910	-	-	-	-
Provision for loan losses	73	60	1,316	659	142
Net charge-offs (recoveries)	-	-	-	-	-
Ending balance	21,135	19,152	19,092	17,776	17,117
Reserve for unfunded commitments ⁽¹⁾	2,802	1,718	1,674	1,635	1,421
Total allowance for credit losses	<u>\$ 23,937</u>	<u>\$ 20,870</u>	<u>\$ 20,766</u>	<u>\$ 19,411</u>	<u>\$ 18,538</u>

(1) Includes \$974 thousand related to the impact of CECL adoption on January 1, 2023.

Asset Quality					
(Dollars in thousands)					
	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Total loans held-for-investment	\$ 1,623,028	\$ 1,588,248	\$ 1,487,098	\$ 1,379,519	\$ 1,284,838
Allowance for loan losses	\$ (21,135)	\$ (19,152)	\$ (19,092)	\$ (17,776)	\$ (17,117)
30-89 day past due loans	\$ -	\$ -	\$ -	\$ -	\$ -
90+ day past due loans	\$ -	\$ -	\$ -	\$ -	\$ -
Nonaccrual loans	\$ 4,384	\$ 3,880	\$ 4,593	\$ 1,453	\$ 1,453
NPAs / Assets	0.22%	0.21%	0.27%	0.09%	0.09%
NPLs / Total loans held-for-investment & OREO	0.27%	0.24%	0.31%	0.11%	0.11%
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	1.30%	1.21%	1.28%	1.29%	1.33%
Allowance for loan losses to nonaccrual loans	482.09%	493.61%	415.68%	1223.40%	1,178.05%

PRIVATE BANCORP OF AMERICA, INC.
(Unaudited)

The following tables present a reconciliation of non-GAAP financial measures to GAAP measures for: efficiency ratio, pretax pre-provision net revenue, 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				
	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Efficiency Ratio					
Noninterest expense	\$ 11,557	\$ 13,075	\$ 11,727	\$ 12,600	\$ 10,843
Net interest income	22,168	22,596	20,603	17,983	17,141
Noninterest income	1,465	1,084	1,405	1,442	3,109
Total net interest income and noninterest income	23,633	23,680	22,008	19,425	20,250
Efficiency ratio (non-GAAP)	48.90%	55.22%	53.29%	64.86%	53.55%
Pretax pre-provision net revenue					
Net interest income	\$ 22,168	\$ 22,596	\$ 20,603	\$ 17,983	\$ 17,141
Noninterest income	1,465	1,084	1,405	1,442	3,109
Total net interest income and noninterest income	23,633	23,680	22,008	19,425	20,250
Less: Noninterest expense	11,557	13,075	11,727	12,600	10,843
Pretax pre-provision net revenue (non-GAAP)	\$ 12,076	\$ 10,605	\$ 10,281	\$ 6,825	\$ 9,407
Return on Average Assets, Average Equity, Average Tangible Equity					
Net income	\$ 8,974	\$ 7,443	\$ 6,351	\$ 4,397	\$ 6,518
Average assets	1,857,994	1,759,204	1,665,491	1,592,276	1,516,352
Average shareholders' equity	146,778	141,330	144,727	132,789	132,472
Less: Average intangible assets	3,026	3,385	3,599	3,490	3,379
Average tangible common equity (non-GAAP)	143,752	137,945	141,128	129,299	129,093
Return on average assets	1.96%	1.68%	1.51%	1.11%	1.74%
Return on average equity	24.80%	20.89%	17.41%	13.28%	19.74%
Return on average tangible common equity (non-GAAP)	25.32%	21.41%	17.85%	13.64%	20.25%
Tangible book value per share					
Total equity	152,314	143,324	134,934	130,195	131,890
Less: Total intangible assets	3,057	3,007	3,502	3,515	3,525
Total tangible equity	149,257	140,317	131,432	126,680	128,365
Shares outstanding	5,676,017	5,599,025	5,594,380	5,584,465	5,630,993
Tangible book value per share (non-GAAP)	\$ 26.30	\$ 25.06	\$ 23.49	\$ 22.68	\$ 22.80