



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

(Holding Company for CalPrivate Bank)



Q2 2023 Investor Update

July 21, 2023

FORWARD LOOKING STATEMENTS

This presentation 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.

NON-GAAP FINANCIAL MEASURES

This presentation 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 financial tables of the press release with the Company's financial results for the quarter.

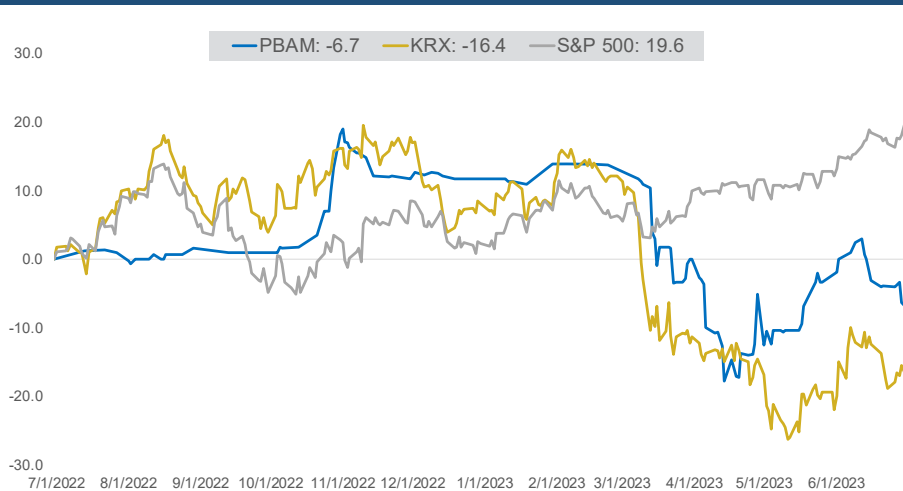
Corporate Overview



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 PPP

PBAM Stock Total Return (vs. KBW Bank Index & S&P 500)



Coastal Southern California Footprint



Q2 2023 Results and Highlights



Financial Highlights

- \$15.5 million Net Income / \$8.3 million Adjusted Net Inc
- \$2.69 Earnings Per Diluted Share / \$1.43 Adjusted EPS
- \$2.0 billion Assets
- \$1.7 billion Loans HFI
- \$1.7 billion Deposits
- \$28.82 Tangible Book Value Per Share (up \$2.52)

Operational & Performance Highlights

- 37.04% Efficiency Ratio / 44.08% Adjusted Efficiency Ratio
- 4.73% Net Interest Margin
- 3.18% Return On Average Assets / 1.69% Adjusted ROAA
- 39.14% Return On Average Tangible Common Equity / 20.81% Adjusted ROTCE
- 12.03% CalPrivate Bank Total Risk Basked Capital Ratio*

* Preliminary

Asset Quality Highlights

- ALLL of \$22.6 million or 1.32% of total loans HFI
- Non-Performing Assets to Total Assets Ratio of 0.17%
- Total Classified Assets of \$11.9 million, of which \$7.3 million is secured by real estate with an average LTV of 58.5%
- No delinquent loans
- No doubtful credits
- \$8.6 million in loan recoveries during Q2'23

Loan & Deposit Highlights

- Total loans HFI grew \$97 million, up 6.0% from Q1'23
- Average Portfolio Loan Yields of 6.77%
- Core deposits increased \$81 million (5.3%) in Q2'23, comprised of a \$18 million increase in noninterest-bearing deposits and \$63 million increase in interest-bearing deposits.
- Non-interest-bearing deposits represent 38.7% of total deposits / 42.9% of core deposits
- Cost of Funds - Deposits: 1.59% All Funding: 1.82%
- Uninsured deposits, net of collateralized and fiduciary deposit accounts, represent 51% of total deposits
- \$1.5 billion total available liquidity at 6/30/23 - representing 174% of uninsured deposits, net of collateralized and fiduciary accounts

Strategic Focus – 2023



Opportunistic 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, legal industry, property management & family office
- 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, Funding and Capital Management

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

Non-Interest Income Opportunities

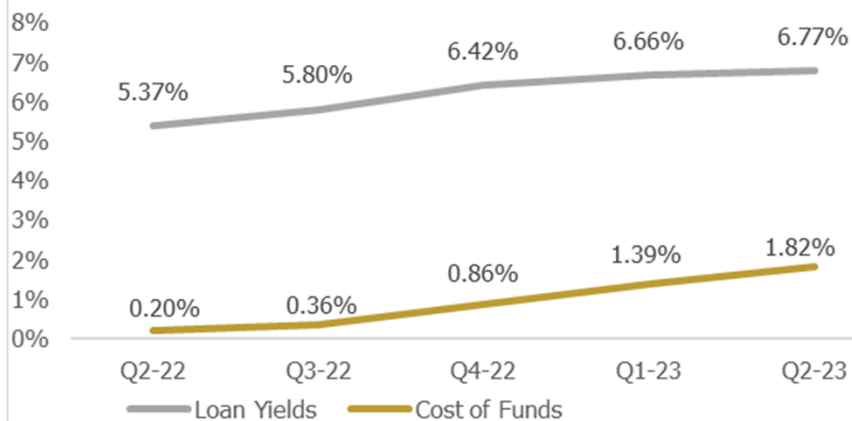
- Treasury Management focus on increasing fee income in existing customer base
- Expansion of merchant and international services to drive new revenue channels
- Exploration of new niche markets that provide fee income and deposits
- Recent hires to focus on strategic product and innovation opportunities

Investments in Innovation to Support Growth

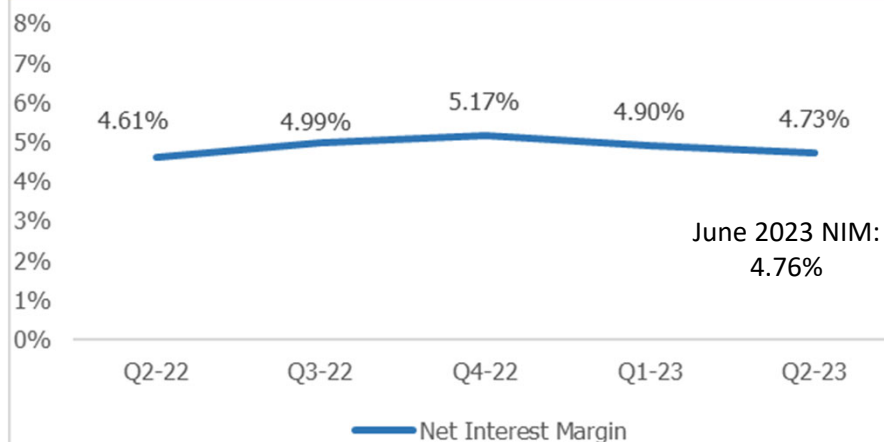
- Utilize nCino loan origination platform to drive efficiency in CRM, lending workflow and approval
- Continue to build technology partnerships to expand service offerings
- Leverage Technology & Innovation Committee to expand FinTech growth initiatives
- Enhance product roadmaps and utilize data to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

Managing NIM in a Volatile Environment

Asset Yields & Cost of Funds



Net Interest Margin



NIM Protection Strategy

Proven Relationship Banking model allows for frequent communication and keen understanding of Client needs

Strong Loan Yields

- Desirable mix of Fixed, Variable and Hybrid loan types
- Fixed Rate Loan Terms generally at 5 years or less
- Relationship model allows us to maintain spread pricing discipline on new originations
- Use of Prepayment Penalties, Floors and other Yield Protecting Loan Structures

Deposit Retention & Growth

- Robust product offering, including Intrafi ICS and CDARS deposit programs
- Exception based deposit pricing
- Opportunistic new account openings with existing and new clients seeking new partnership

Other NIM Performance Contributors

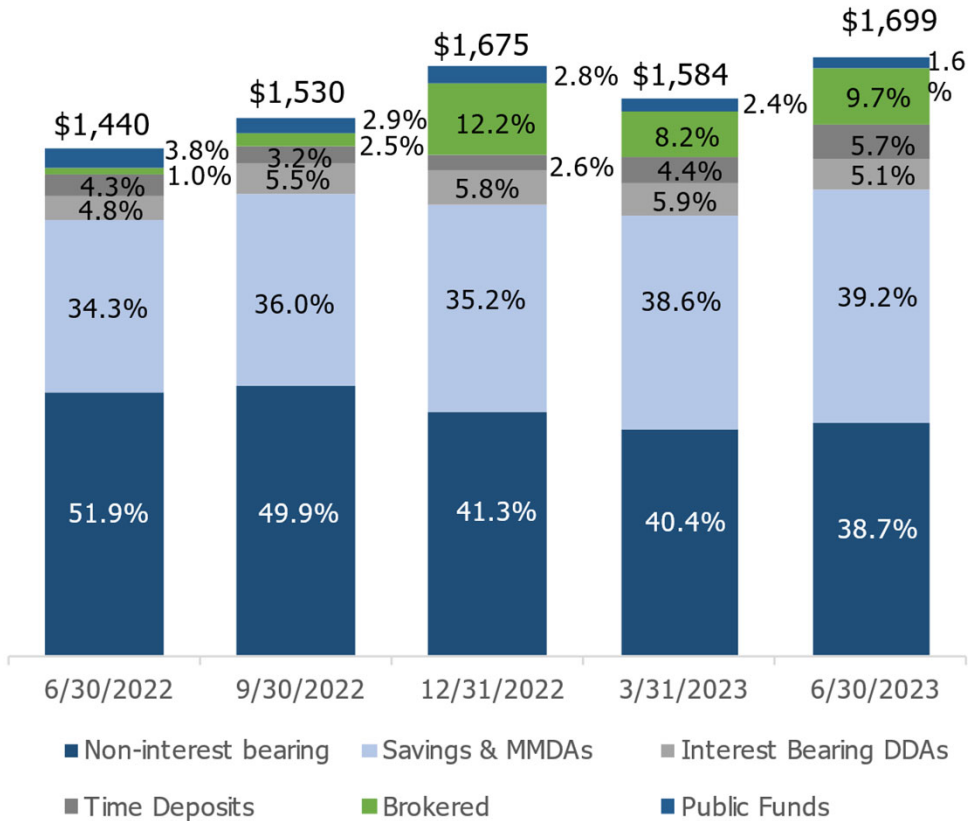
- Strong Yields on Cash and Due From Banks
- Low to Moderate reliance on Alternative Funding Sources and Borrowings
- Emphasis on Margin & Profitability over Balance Sheet growth

Strong Deposit Franchise

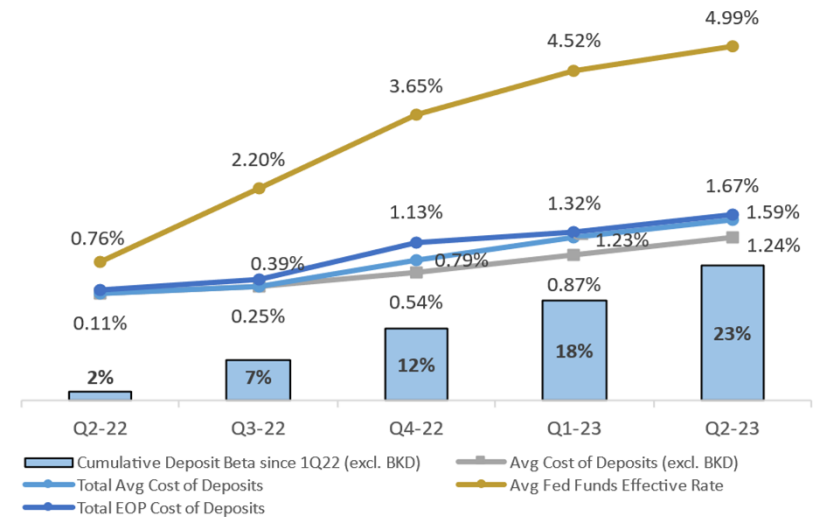


Emphasis on deposit retention in an environment of rising deposit rates and extreme competition. Core deposits for the quarter grew by \$81 million (+6%), of which \$18 million came from growth in noninterest-bearing accounts.

Growing Customer Deposits



Deposit Rate Trends



- Total deposits increased \$115 million during Q2 (+7%), comprised of \$81 million growth from core accounts and \$34 million growth from brokered accounts
- Weighted average end of period (spot) deposit rate of 1.67% at 6/30/23, 1.32% excluding brokered accounts
- \$34 million increase in brokered deposits during Q2 was due to shift of wholesale funding mix from higher costing FHLB advances

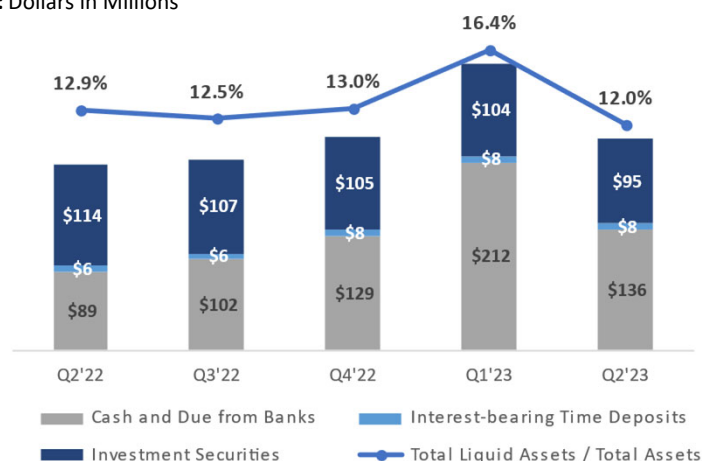
Strong Liquidity & Funding Position



Focus on maintaining strong liquidity position and optimizing funding mix

Liquid Assets

Note: Dollars in Millions



Total Available Liquidity

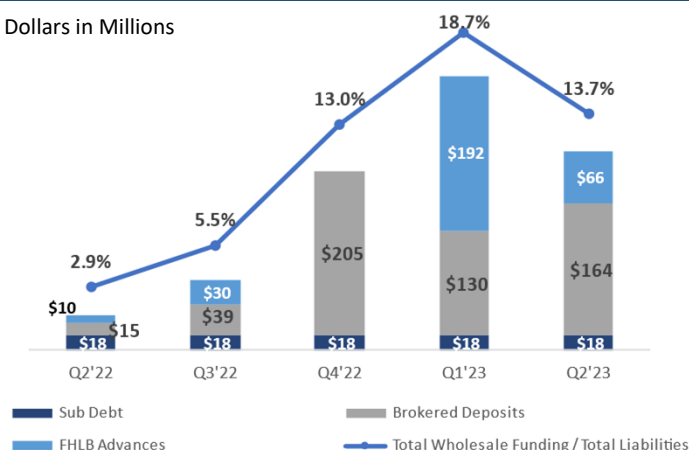
Liquidity Sources	& Unused (000's)	Uninsured Deposits
Cash, unrestricted	135,420	16%
Liquid Securities ¹	89,859	10%
Total Liquidity From Internal Sources	225,279	26%
FHLB	395,362	45%
FRB	460,808	53%
Brokered Deposits	346,252	40%
Other ²	90,000	10%
Total Liquidity From External Sources	1,292,422	148%
Total Liquidity From Internal & External Sources	1,517,701	174%
Uninsured Deposits, net of collateralized & fiduciary accounts	\$871,738	
Uninsured Deposits / Total Deposits	51.3%	

¹ U.S. Treasuries, Agency Debt, Ginnie Mae/Fannie Mae/Freddie Mac MBS & CMO

² Unsecured Fed Funds lines of credit, secured repo facilities

Wholesale Funding

Note: Dollars in Millions



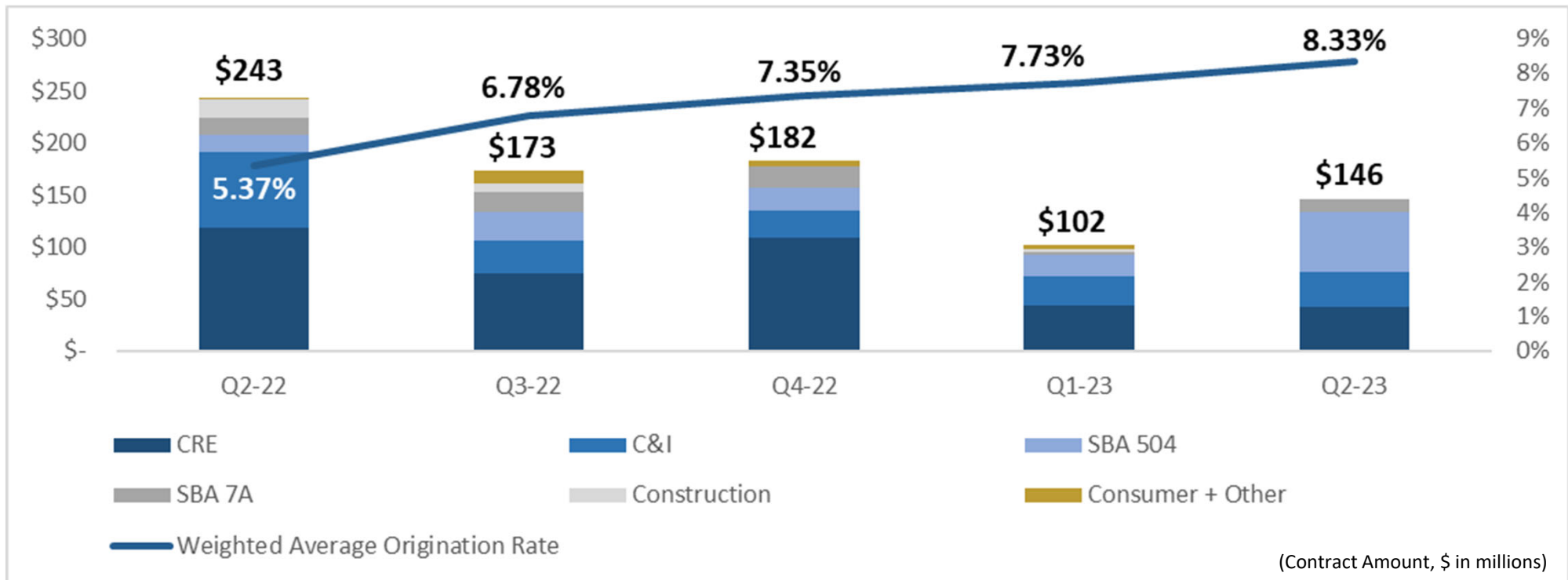
Commentary

- Liquid assets and wholesale funding decreased in Q2 2023 due to less stressful liquidity environment at the end of Q2 compared to end of Q1. Additionally, wholesale funding declined due to growth in core deposit balances.
- Mix of wholesale fundings shifted slightly from FHLB advances to brokered deposits during Q2 due to more attractive brokered deposit funding options
- \$1.5 billion total available liquidity at June 30, 2023 - \$225 million on-balance sheet and \$1.3 billion from external sources. Total liquidity represents 174% of uninsured deposits, net of collateralized and fiduciary accounts

Loan Originations by Quarter



Due to slower loan demand across the industry and with our Clients, we are opportunistically lending across all channels and regions at reasonable rates of return



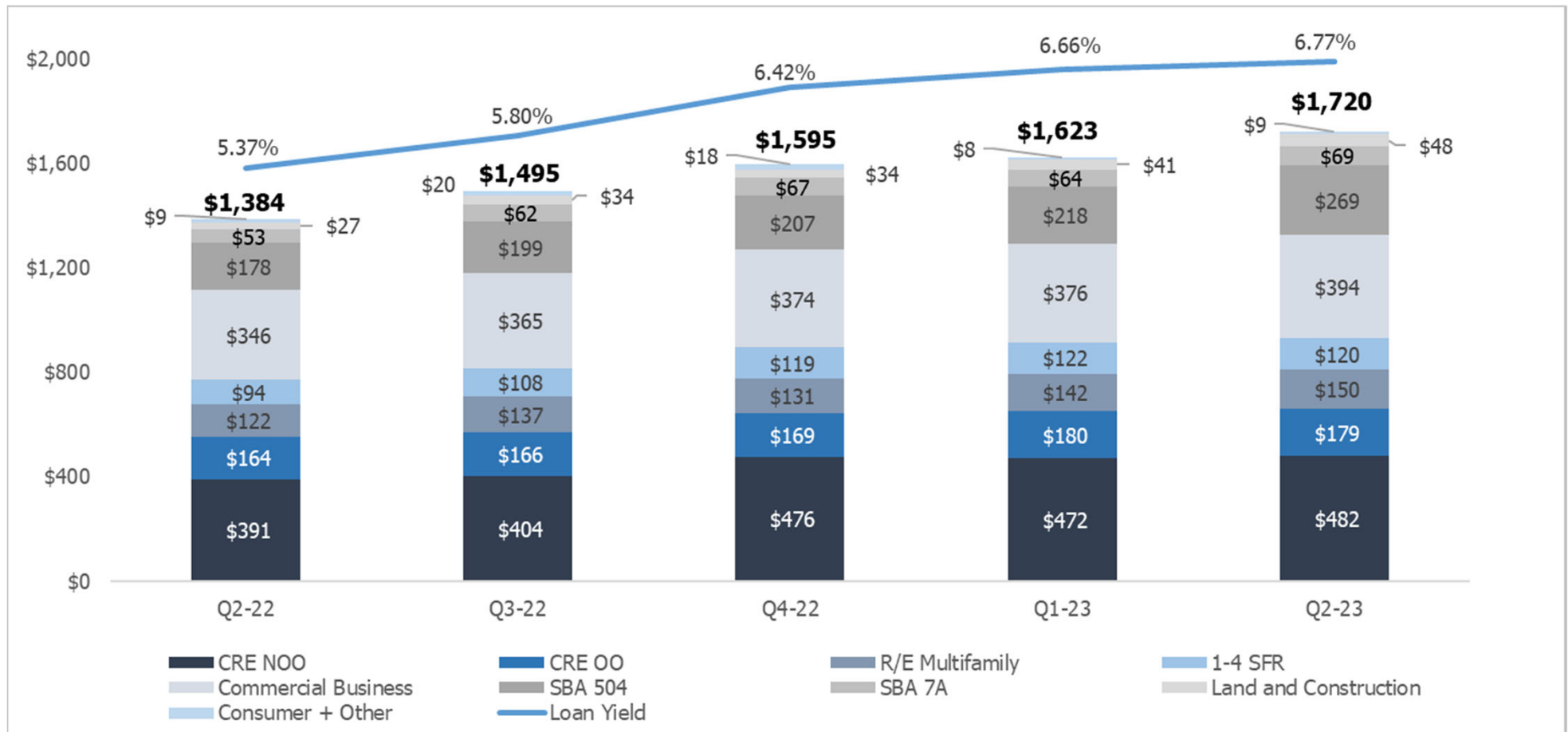
Commentary

- Current lending strategy targets the use of Prepayment Penalties, Floors and other Yield Protection structures with an overall emphasis on Margin and Profitability over Balance Sheet growth
- Quarter over Quarter Change in Origination Volume: +43.1%
- Higher Q2-23 SBA 504 originations contributed to increased Origination Note Rate

Demonstrated Organic Growth in Loans



Relationship-based banking strategy continues to result in strong loan growth (15% YoY) and increasing yields



Note: Dollars in Millions

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 \$	859,515	49.9%
Construction/ Builders & Contractors	64,523	3.7%
Accommodation/Hotels & Food Services	146,234	8.5%
Manufacturing & Productions	93,741	5.4%
Professional/Scientific/Technical Service	58,157	3.4%
Retail Sales & Trades	70,731	4.1%
Health Care and Social Assistance	89,037	5.2%
Wholesale Trade	36,308	2.1%
Finance & Insurance	58,420	3.4%
Transportation & Warehousing	26,340	1.5%
Waste Mgt and Remediation Services	19,316	1.1%
Arts, Entertainment and Recreation	8,468	0.5%
Management of Companies and Enterprises	25,716	1.5%
All other	166,551	9.7%
Total Loans*	\$ 1,723,055	100.0%

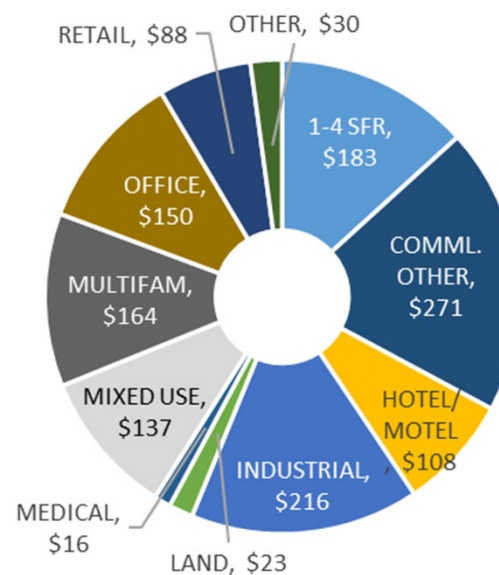
*Amounts do not include premiums, discounts, deferred fees and costs. Includes loans held for sale

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.
- SBA 504 2nd trust deeds represent \$31 million

Loan Secured by Real Estate

\$1,385 Million of Loan Portfolio Secured by Real Estate (80.4%)

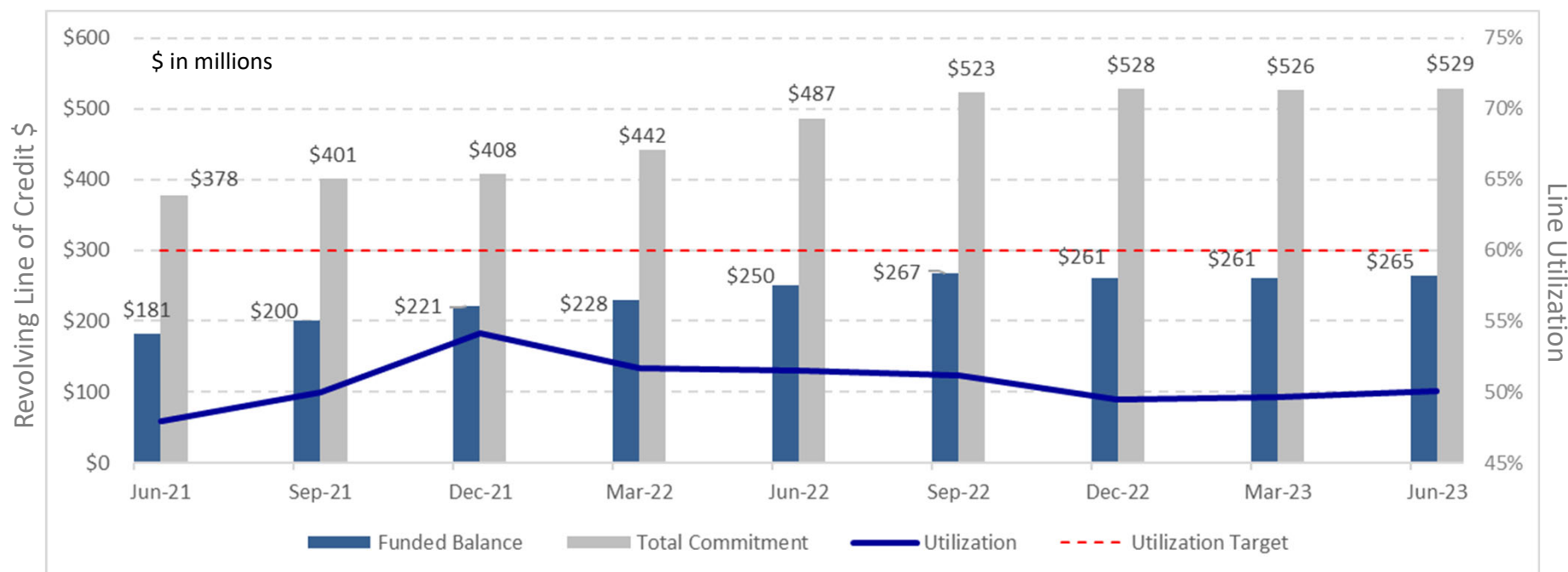


Loans Secured by Real Estate - Specific Portfolio Details

Loan Type	% of Portfolio	WAVG LTV	WAVG DSCR	% Owner Occupied
Office	8.7%	51.9%	3.92	50%
Hotel & Motel	6.3%	53.5%	3.86	N/A
Retail	5.1%	52.6%	3.09	39%

Revolving Lines of Credit

Revolving Lines of Credit



Overview

- 21% 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
- We are targeting a 60% utilization and will use the renewal process to ensure prudent credit exposure and additional income on unused lines

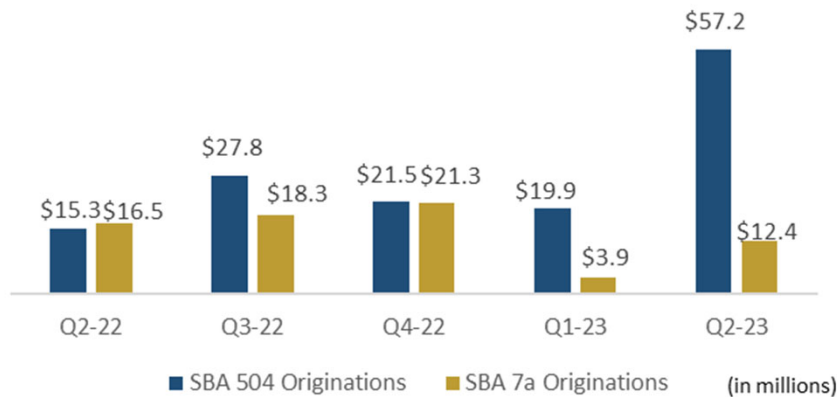
Utilization & Rates

- As rates rise, income will adjust upwards on funded amounts
- Cautiously optimistic on increased future utilizations given economic headwinds (e.g., recession)
- Some paydowns in business lines is expected, putting pressure on DDA growth

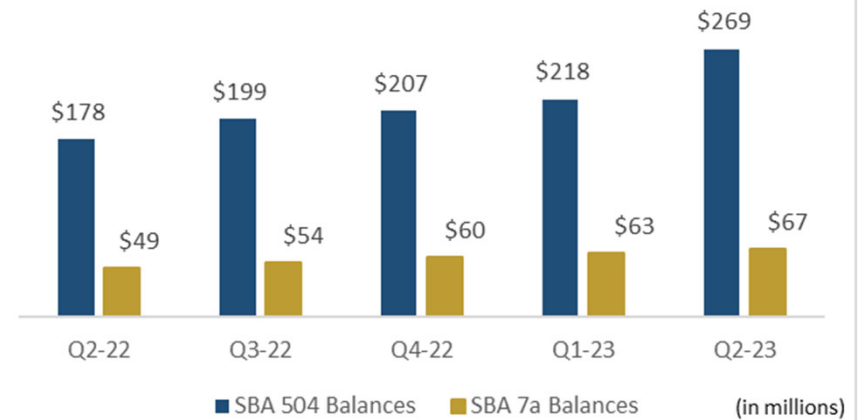
SBA Lending and Shifting Market Dynamics

Shifting loan sales to balance sheet portfolio given softness in market and attractive loan yields, partially offset by higher prepay speeds on the SBA 7a portfolio. Approx 1/3 of 7a balances are guaranteed.

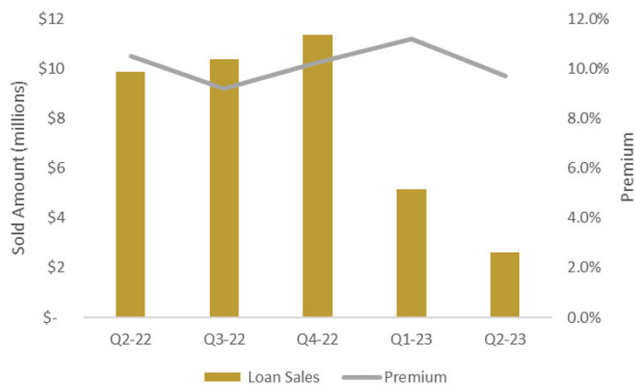
SBA Originations



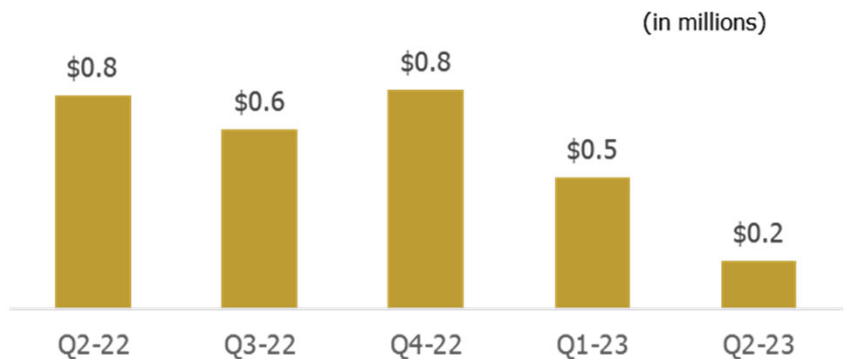
Increasing SBA Loan Balances



SBA 7(a) Loan Sales & Premiums



SBA 7(a) Gain on Sale and Referral Income



Interest Rate Risk Management



Loans Repricing & Maturities

June 30, 2023

Fixed-Rate Loans				Adjustable-Rate Loans (incl. Hybrids)			
Term to Maturity	Balance (in 000's)	Rate	% of Loans	Term to Rate Adjust	Balance (in 000's)	Rate	% of Loans
Within 1 year	\$ 83,796	5.38%	4.9%	Within 1 year	\$ 575,893	8.75%	33.4%
1 to 2 years	77,594	4.81%	4.5%	1 to 2 years	53,532	5.85%	3.1%
2 to 3 years	85,931	4.60%	5.0%	2 to 3 years	133,149	5.40%	7.7%
3 to 4 years	93,275	4.61%	5.4%	3 to 4 years	135,641	5.50%	7.9%
4 to 5 years	107,565	6.07%	6.2%	4 to 5 years	210,993	6.88%	12.2%
Over 5 years	155,172	4.69%	9.0%	Over 5 years	10,515	4.98%	0.6%
	\$ 603,333	5.02%	35.0%		\$ 1,119,722	7.43%	65.0%

Interest Rate Sensitivity

Rate Shock Scenario (in Bps)	Estimated Change from 6/30/23 Baseline forecast	
	1-Yr Net Interest Income	Economic Value of Equity
+200	5.4%	10.3%
+100	3.0%	5.4%
-100	-1.0%	-5.6%
-200	-2.4%	-11.4%

Investments AFS Portfolio

Dollars in thousands

	March 31, 2023				June 30, 2023			
	Fair Value	MTM	Mod Duration	Book Yield	Fair Value	MTM	Mod Duration	Book Yield
U. S. Treasuries	\$ 20,051	(412)	0.85	2.08%	\$ 14,554	(424)	0.88	2.11%
MBS/CMBS	78,741	(11,965)	4.48	1.32%	75,305	(12,919)	4.44	1.35%
SBIC	3,468	(230)	3.71	2.75%	3,317	(381)	3.36	2.74%
Sub Debt	1,529	(221)	6.92	3.89%	1,398	(352)	6.58	3.89%
Total	\$ 103,790	(12,828)	3.85	1.54%	\$ 94,574	(14,076)	3.94	1.55%
Change					-9,216			0.01%

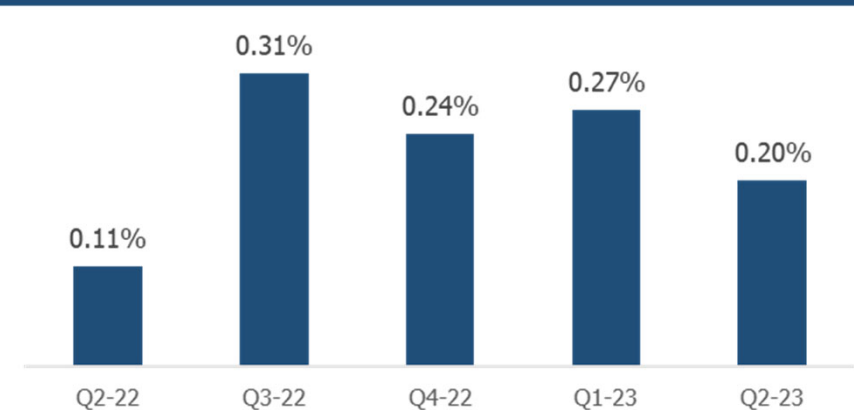
Commentary

- At June 30, 2023, 35% of loans were fixed-rate and 65% were adjustable (43% hybrid and 22% variable-rate)
- 38% of loans to reprice or mature within 1 year while only 10% of loans scheduled to reprice or mature after 5 years
- Low risk and liquid investment portfolio mainly comprised of U.S. Treasury bonds and mortgage-backed securities guaranteed by Government Sponsored Entities (GSE's), with portfolio weighted average duration of just 3.94

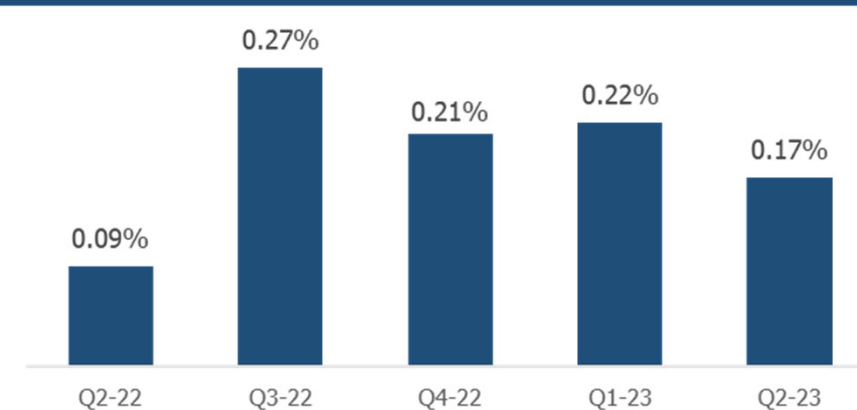
Solid Credit Risk Management Metrics

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

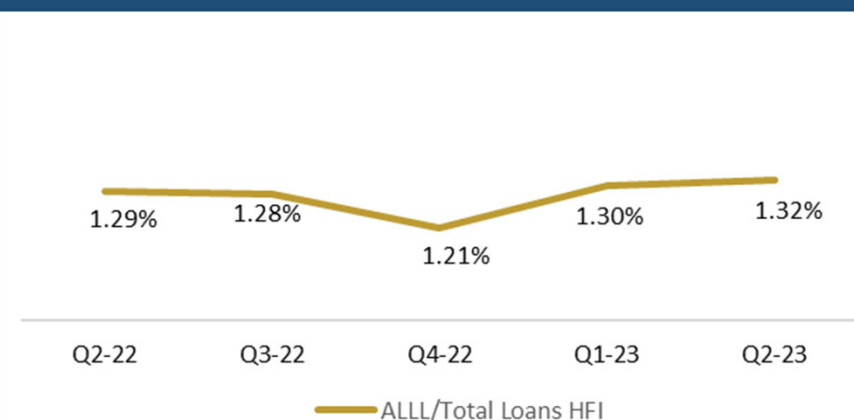
Non-Performing Loans to Total Loans



Non-Performing Assets to Total Assets



Allowance for Loan Losses



Credit Commentary

- Proactive SBA and Loan Portfolio Management
- 4 total non-performing loans (\$3.4 million)
 - 1 CRE Loan with 46% LTV
 - 2 SBA Loans with 75% Guarantees (\$659K Guaranteed)
 - 1 SBA Loan with 90% Guarantee (\$1.0M Guaranteed)

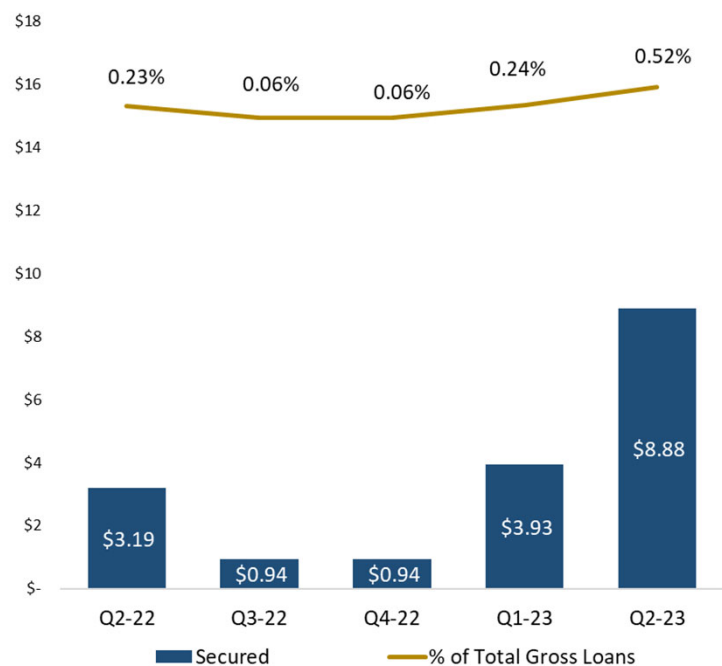
Solid Credit Risk Management Metrics



Proactive credit risk management leading to minimal substandard assets

Criticized Loans

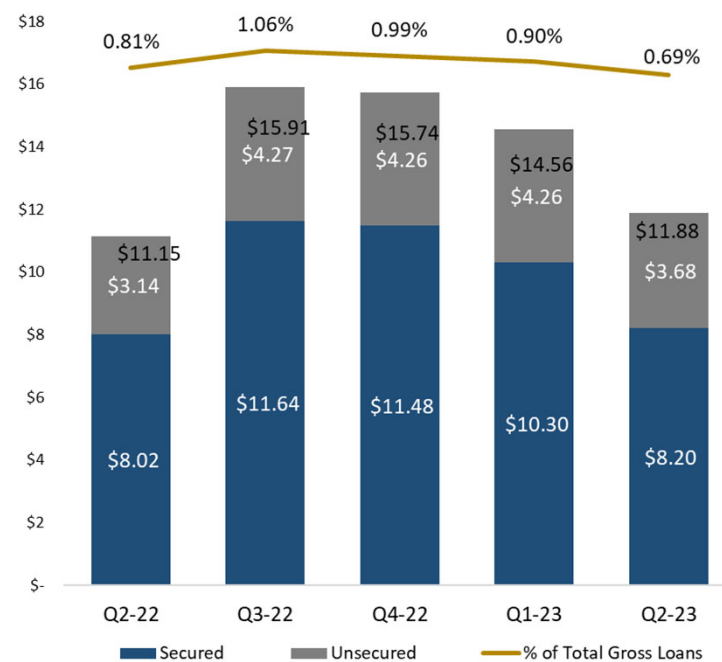
Note: dollars in millions



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

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

Current Expected Credit Loss (“CECL”) Implementation



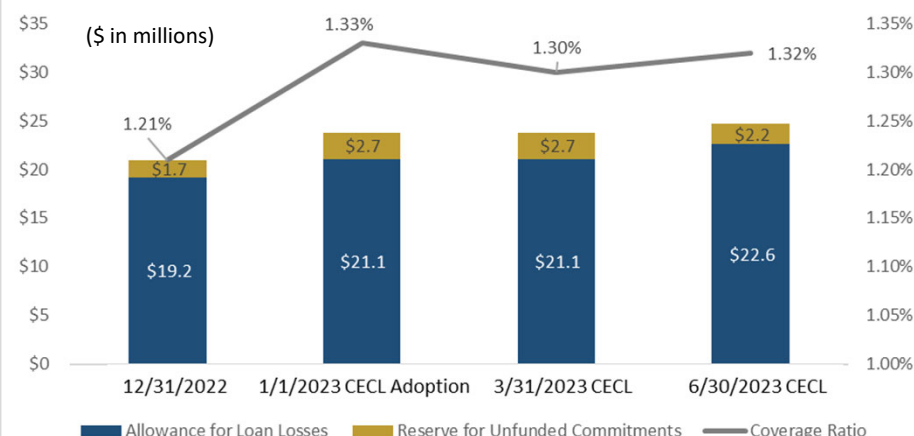
ACL Roll-Forward

<i>\$ in thousands</i>	Dec 31, 2022	CECL Adoption Impact	Jan 1, 2023 CECL	1Q 2023 Change in Reserve	Mar 31, 2023 CECL	2Q 2023 Change in Reserve	Jun 30, 2023 CECL
Allowance for loan losses	19,152	1,910	21,062	73	21,135	1,453	22,588
Reserve for unfunded commitments	1,718	974	2,692	110	2,802	(630)	2,172
Total allowance for credit losses	20,870	2,884	23,754	183	23,937	823	24,760
Total loans held for investment	1,588,248		1,588,248		1,623,028		1,717,705
Allowance for loan losses to loans HFI	1.21%		1.33%		1.30%		1.32%

Impact of Adopting CECL and 2023 Changes

- Adoption impact represented an increase of 13.8% to the overall ACL (10% for loans and 56.7% for unfunded commitments)
- Elected immediate transition for regulatory capital ratios (no delay or multi year transition)
- \$8.6 million recoveries in the ACL for Q2 2023 was offset by a corresponding \$8.6 million reversal of the provision for loan losses
- The overall \$1.5 million increase in allowance for loan losses in Q2 2023 primarily reflects new loan production

Total Allowance for Credit Losses

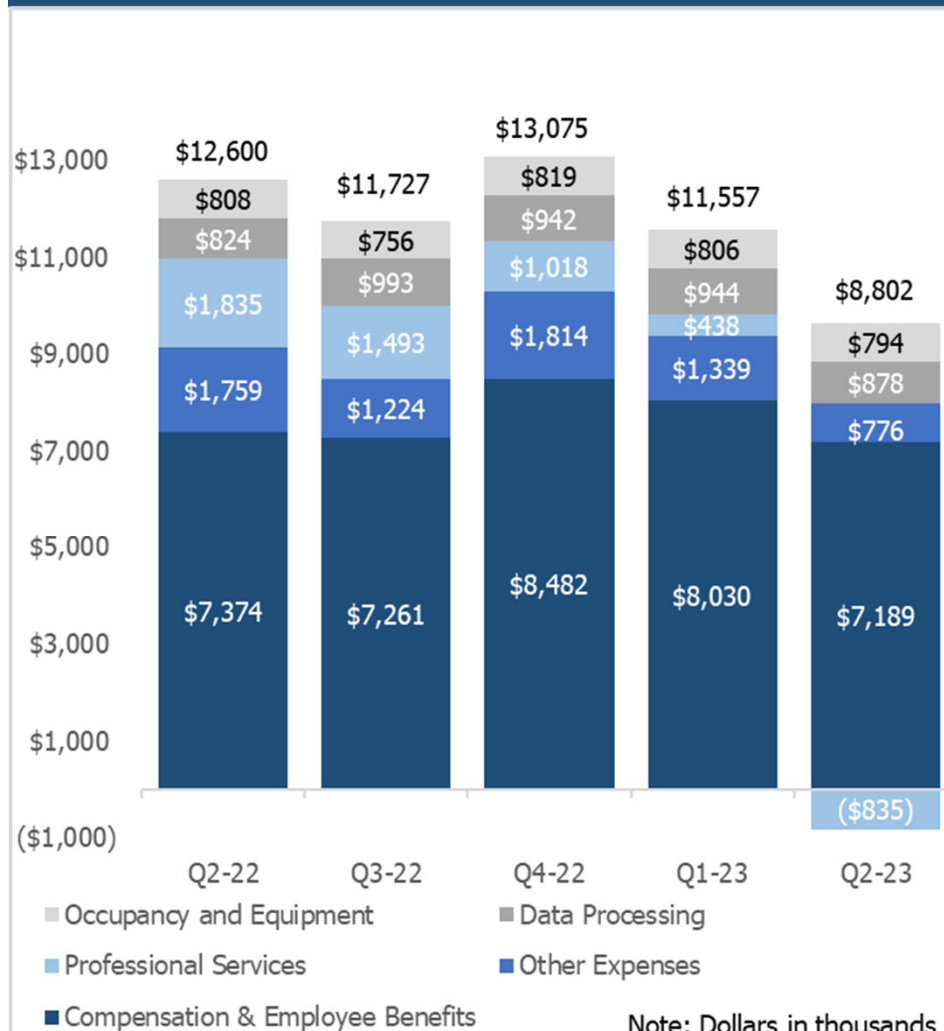


Expenses and Operational Efficiency



Ongoing focus on improving operating leverage through technology and process improvement initiatives while adding talent and improving capabilities and offerings to our Clients

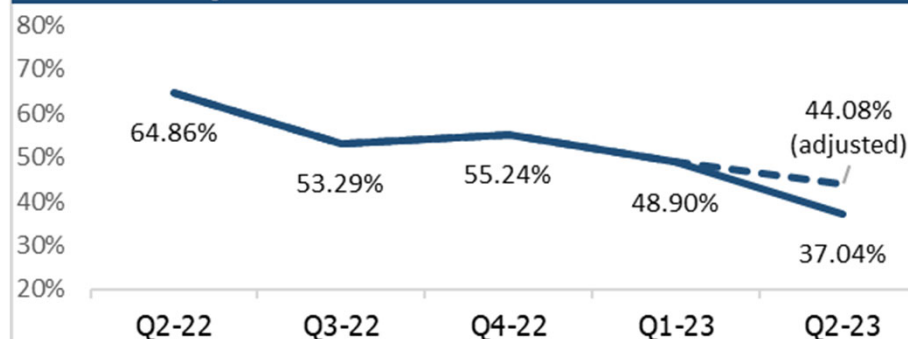
Non-interest Expenses



Non-interest Expense Details

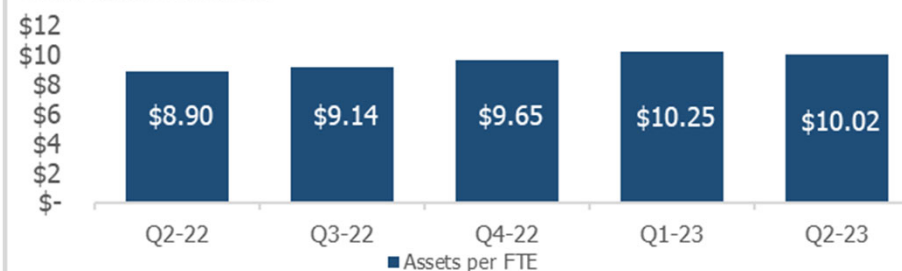
- \$1.6 million credit from legal fees waived/reimbursed (ANI loan recovery) drove reduction of Professional Services
- Accrual adjustments for incentives and commissions led to reduction in Compensation and Employee Benefits
- \$629K reversal of provision for reserve on unfunded commitments

Efficiency Ratio



Assets per FTE

Note: dollars in millions

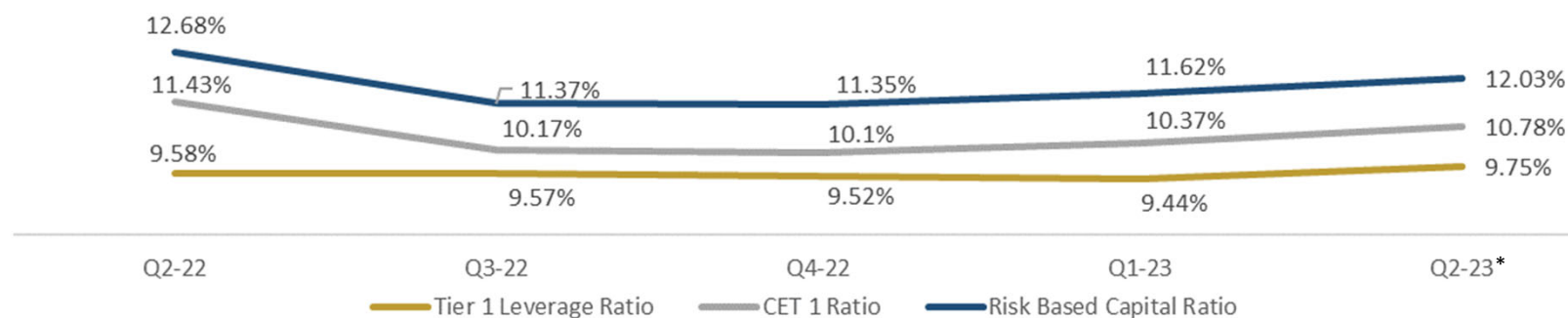


Strong Capital Position

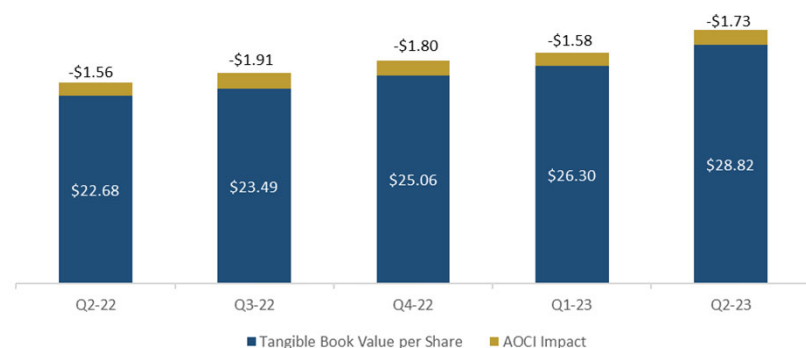


Capital levels remain strong with earnings supporting growth capital needs in near term

Selected CalPrivate Bank Capital Ratios



Tangible Book Value per Share



Capital Strategy

- Manage capital to achieve high levels of Return on Equity
- 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
- Open to strategic investments that enhance shareholder value
- Tangible common equity ratio 8.33% at 2Q 2023 Qtr End

Distinctly Different Service – 2023 NPS Score



CalPrivate Bank service model is a disruptor in the banking sector.

2023 Top Banks and Service Businesses ⁽¹⁾

84	CalPrivate Bank ⁽²⁾
69	USAA
66	Ritz Carlton
71	Apple
48	Bank of America
31	Wells Fargo
21	Citizens Bank
35	U.S. Banking Industry Average

CPB client satisfaction over 2x 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 1/1//23-7/16/23

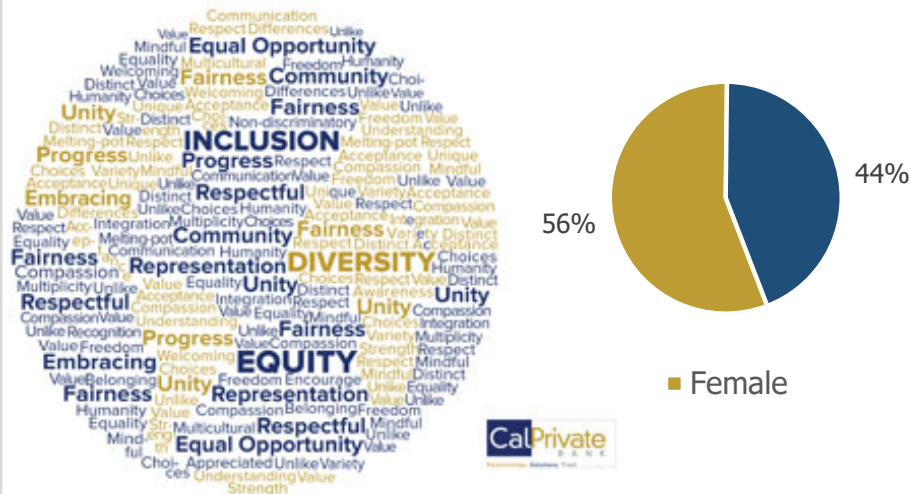
(2) Source: CPB NPS survey responses during the period of June 2023.

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 62% of the workforce consists of members of under-represented communities
- Dedicated DEI Committee with all levels of management and employee engagement

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

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)

