



Private Bancorp of America,
Inc.(OTCQX: PBAM)
(Holding Company for CalPrivate Bank)



Q4 2023 Investor Update

January 19, 2024

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.

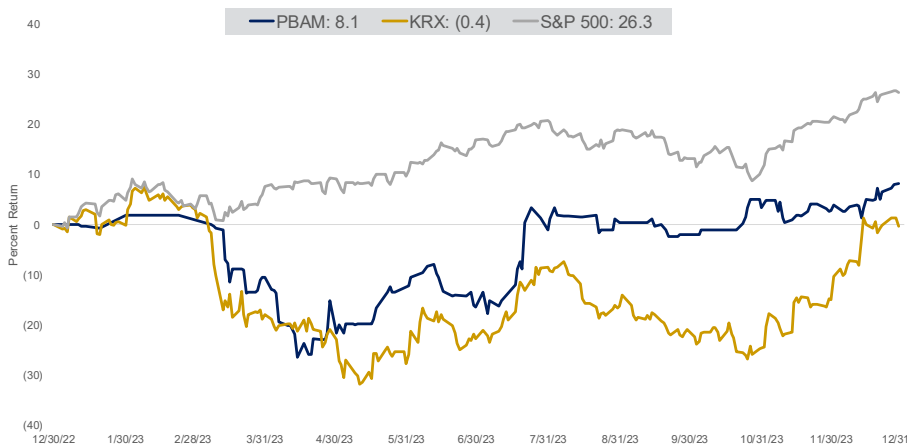
Corporate Overview



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 focus resulting in superior outcomes
- We are a preferred SBA lender and participated in PPP

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



Coastal Southern California Footprint



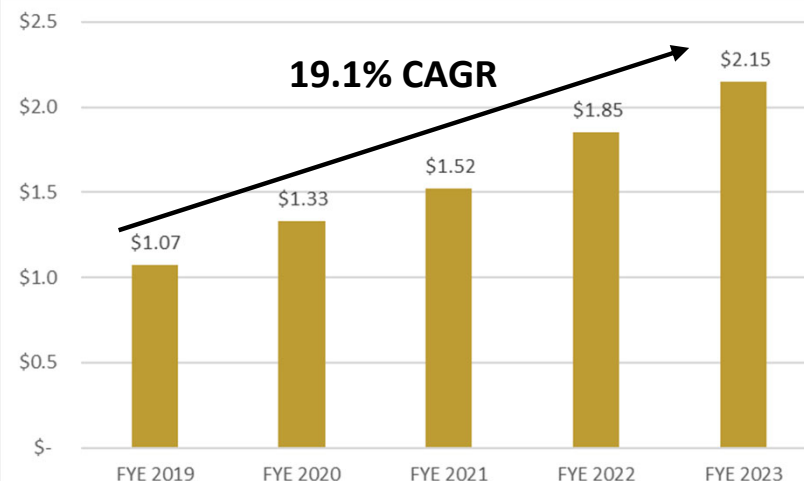
Consistent Focus on Shareholder Value Creation



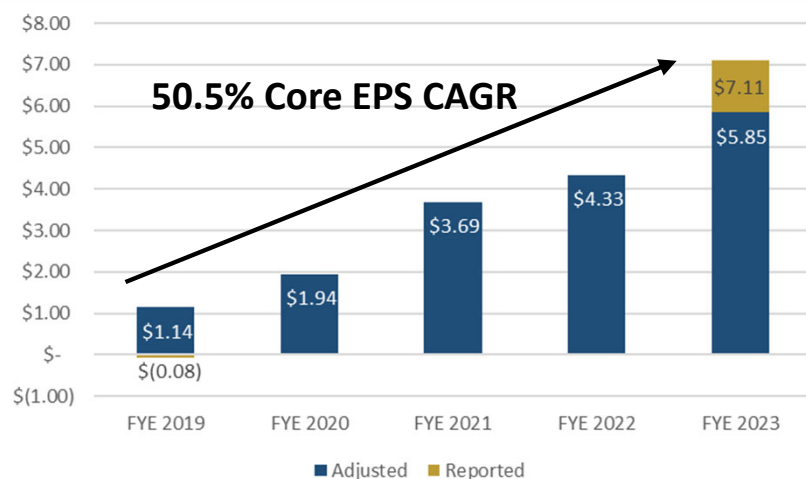
Growth Oriented Strategy

- Culture of excellence in all aspects of serving Clients
- Growth oriented Sales and Service Teams
- Consistent growth of earning assets at strong yields
- Core EPS growth above 50% CAGR over the last 5 years
- Adding shareholder value through disciplined capital deployment and strong tangible book value growth

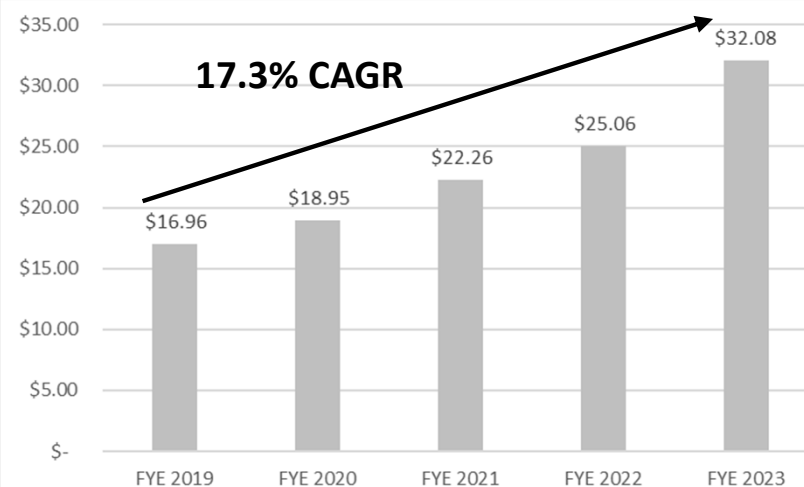
\$ Total Assets (in Billions)



\$ Annual EPS



\$ Tangible Book Value per Share



Q4 2023 Results and Highlights



Financial Highlights

- \$7.9 million in Net Income
- \$1.36 Earnings Per Diluted Share
- \$2.15 billion in Assets
- \$1.85 billion in Loans HFI
- \$1.88 billion in Deposits
- \$32.08 Tangible Book Value Per Share (up \$1.88 from 9/30/2023)

Operational & Performance Highlights

- 50.22% Efficiency Ratio
- 4.33% Net Interest Margin
- 1.51% Return On Average Assets
- 17.53% Return On Average Tangible Common Equity
- 12.27% CalPrivate Bank Total Risk Based Capital Ratio*

* Preliminary

Asset Quality Highlights

- ALLL of \$24.5 million or 1.33% of total loans HFI
- Non-Performing Assets to Total Assets Ratio of 0.23%
- Total Classified Assets of \$11.0 million, of which \$7.1 million is secured by real estate with an average LTV of 58.5%
- No doubtful credits

Loan & Deposit Highlights

- Total loans HFI grew \$82 million, up 4.7% from Q3'23
- Average Portfolio Loan Yields of 6.98%, up from 6.95% in Q3'23
- Core deposits increased \$62 million (4.1%) in Q4'23. Year to date core deposit growth of \$114 million (7.8%)
- Non-interest-bearing deposits represent 30.5% of total deposits (36.1% of core deposits)
- Cost of Funds - Deposits: 2.41% All Funding: 2.53%
- Uninsured deposits, net of collateralized and fiduciary deposit accounts, represent 48% of total deposits
- \$1.6 billion total available liquidity at 12/31/23 - representing 172% of uninsured deposits, net of collateralized and fiduciary accounts

Strategic Focus – 2024



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

Leverage Operating Model

- 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 through technology investments

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
- Optimize 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

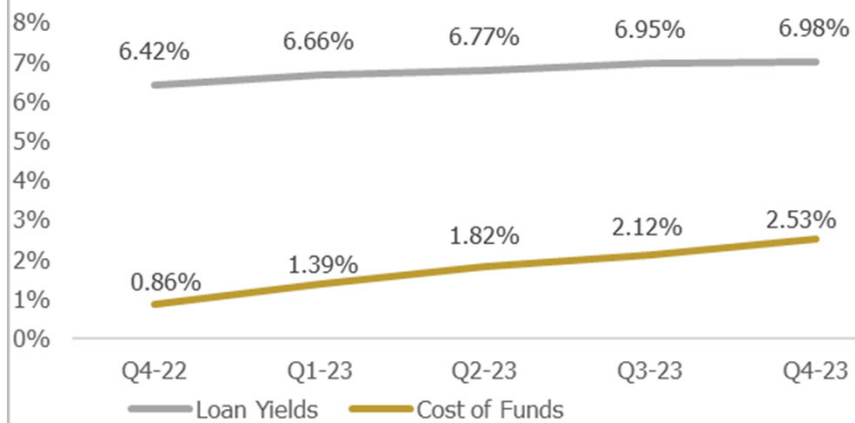
Investments in Innovation to Support Growth

- 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

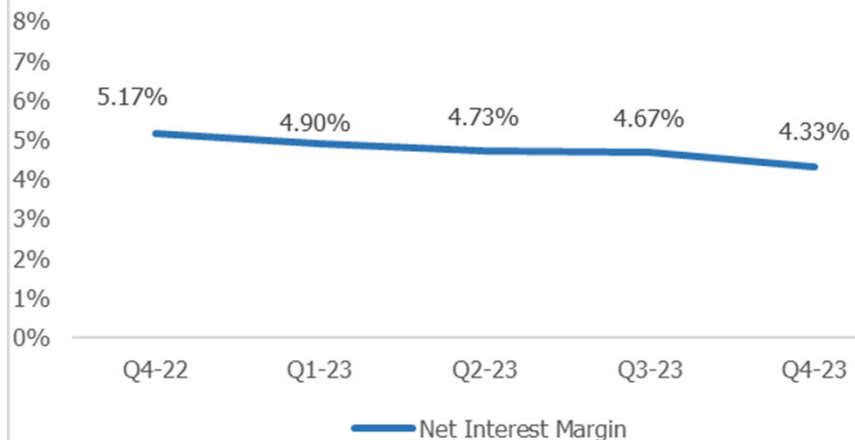
Managing NIM in a Volatile Environment



Asset Yields & Cost of Funds



Net Interest Margin



NIM Protection Strategy

Proven Relationship Banking model allows for keen understanding of Clients and providing them with value

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 & CDARS programs
- Exception based deposit pricing which can be adjusted with changes in treasury rates
- Recent expansion of legal vertical with new hires

Other NIM Performance Contributors

- Strong Yields on Cash and Due From Banks
- Alternative Funding Sources and Borrowings used to fund transactional, higher yielding assets
- Opportunistically seeking growth in securities book to increase overall portfolio yield

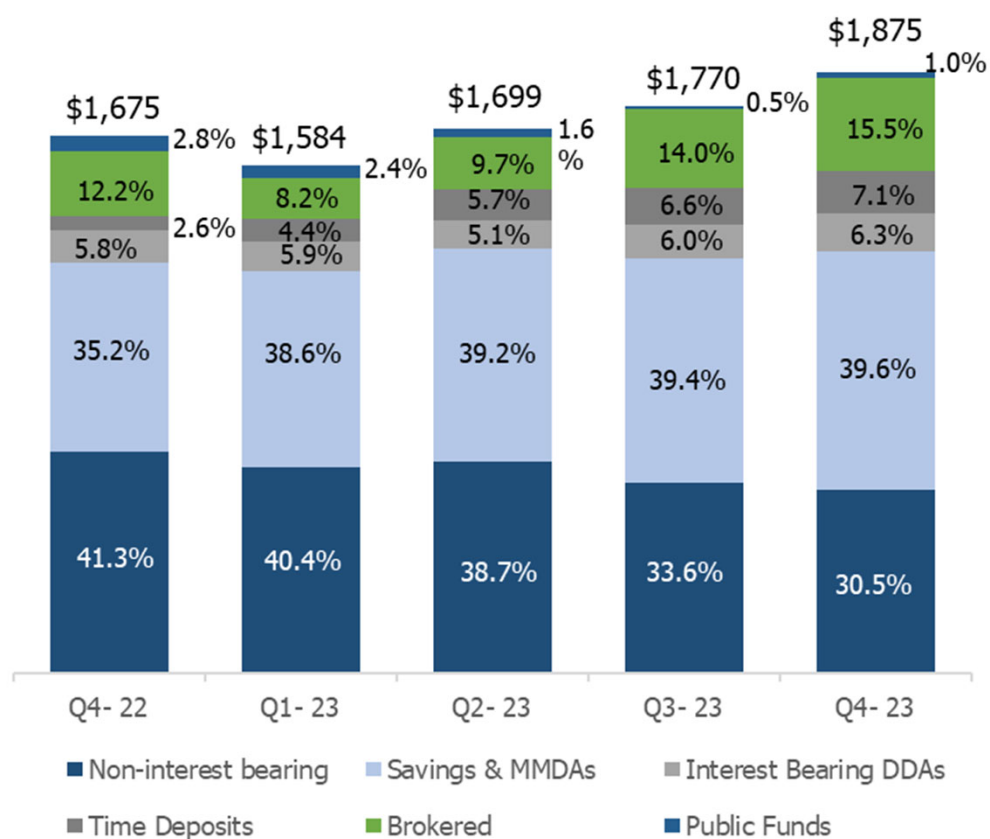
*CalPrivate Bank; per Uniform Bank Performance Report

Strong Deposit Franchise

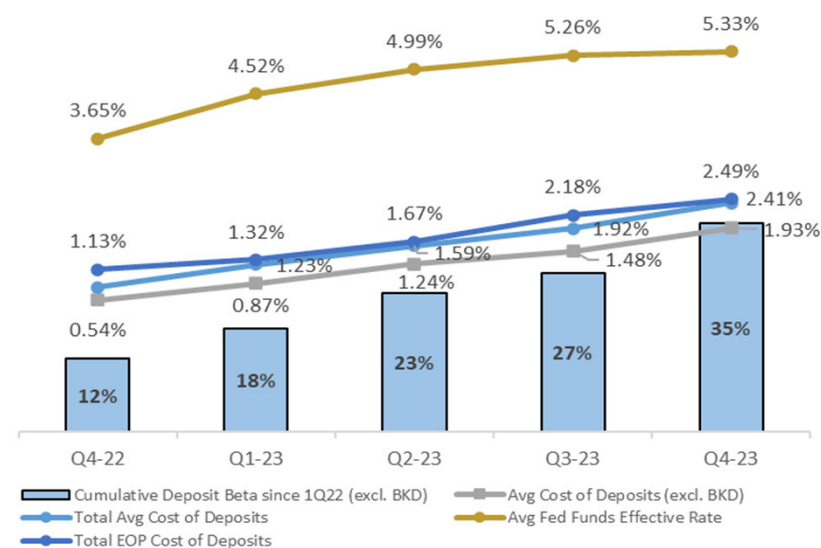


Emphasis on deposit retention in an environment of higher rates and extreme competition. Focus on proactive management of exception priced deposits with an eye on the Fed and client yield alternatives

Growing Customer Deposits



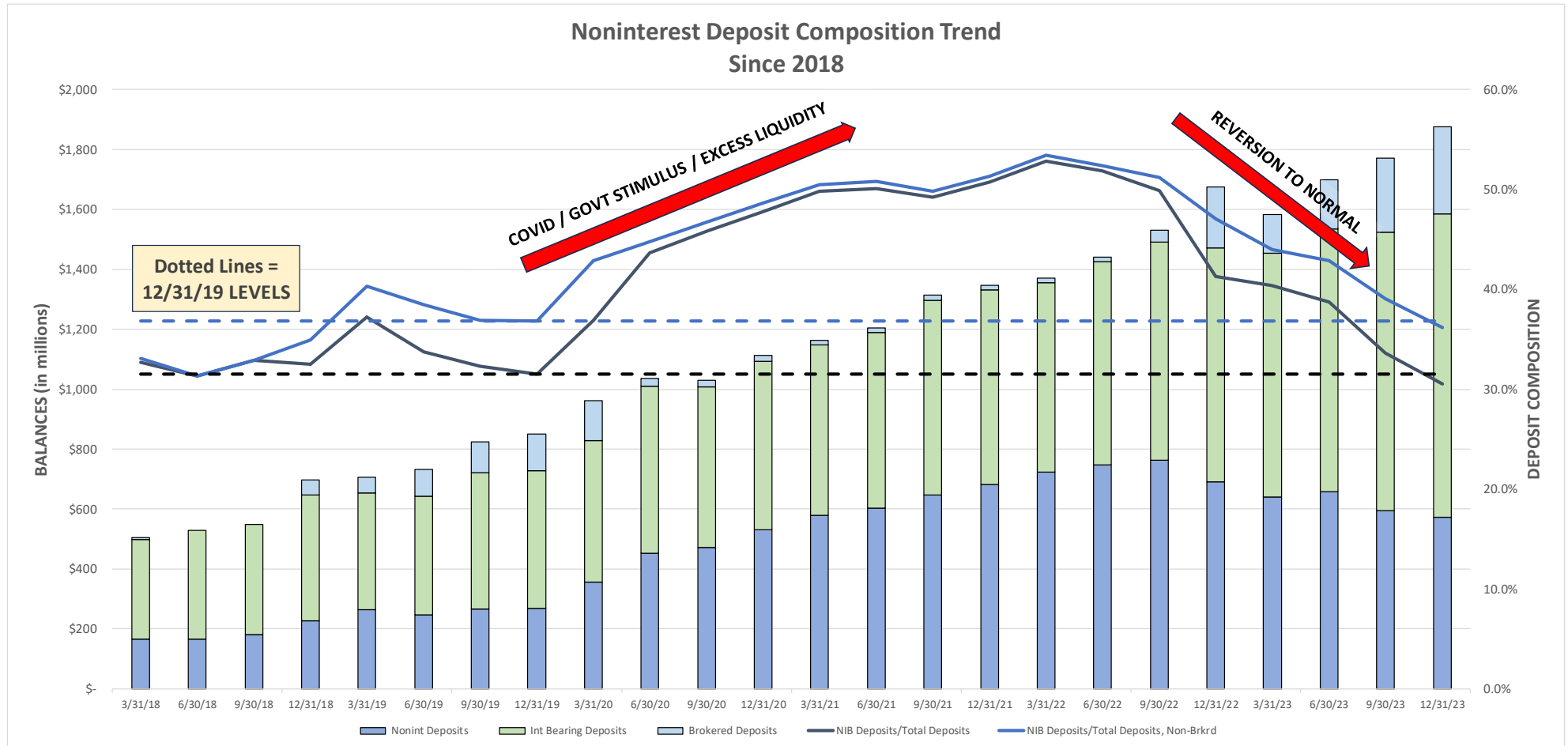
Deposit Rate Trends



- Total deposits increased \$106 million during Q4'23 (6.0%), comprised of \$62 million growth from core deposit accounts and \$44 million from brokered deposits. Core growth included some seasonal balances
- Year to date core deposit growth of \$114 million
- Weighted average end of period (spot) deposit rate of 2.49% at 12/31/23, 2.03% excluding brokered accounts

Noninterest Deposit Trends

Our Teams focus on full Relationships and operating accounts. Non-interest bearing DDA balance growth resulting from extended low rate environment and unprecedented government stimulus is returning to historical levels



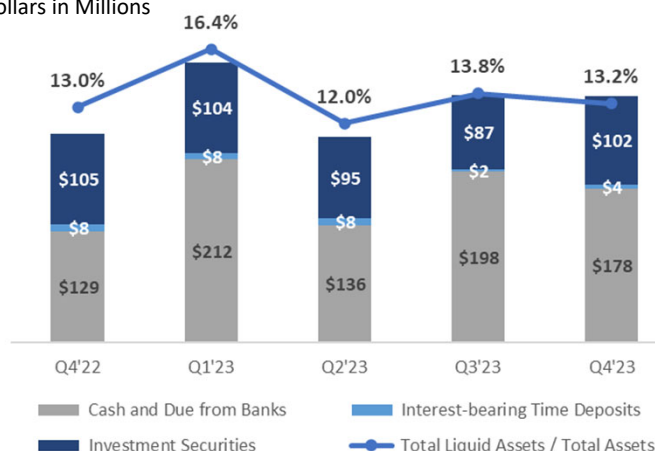
Strong Liquidity & Funding Position



Focus on maintaining strong liquidity position and optimizing funding mix

Liquid Assets

Note: Dollars in Millions



Total Available Liquidity

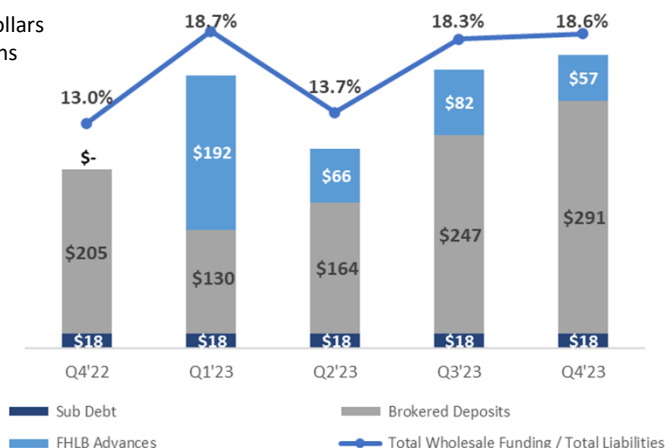
Liquidity Sources	& Unused (000's)	Uninsured Deposits
Cash, unrestricted	173,882	19%
Liquid Securities ¹	97,885	11%
Total Liquidity From Internal Sources	271,767	30%
FHLB	423,002	47%
FRB	484,281	54%
Brokered Deposits	272,879	30%
Other ²	100,000	11%
Total Liquidity From External Sources	1,280,162	142%
Total Liquidity From Internal & External Sources	1,551,929	172%
Uninsured Deposits, net of collateralized & fiduciary accounts	\$900,474	
Uninsured Deposits / Total Deposits	48.0%	

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

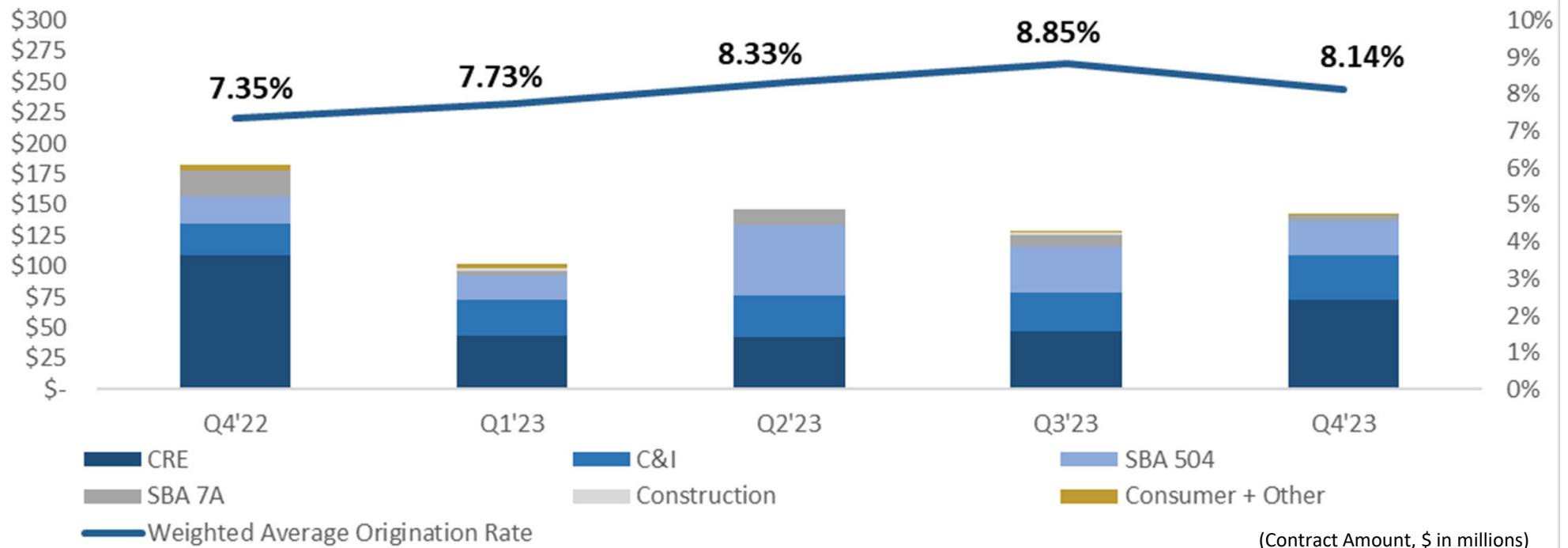
- Q4'23 liquid assets and wholesale funding remained relatively consistent with Q3'23 on percentage of assets and liabilities basis.
- Opportunistic use of term advances and brokered deposits in Q4 to help ease NIM compression
- \$1.6 billion total available liquidity at 12/31/23 - \$272 million on-balance sheet and \$1.3 billion from external sources. Total liquidity represents 172% 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 rates of return to drive higher Net Interest Income and support NIM

Loan Originations



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
- Year to date originations of \$518 million

Key Origination Rates

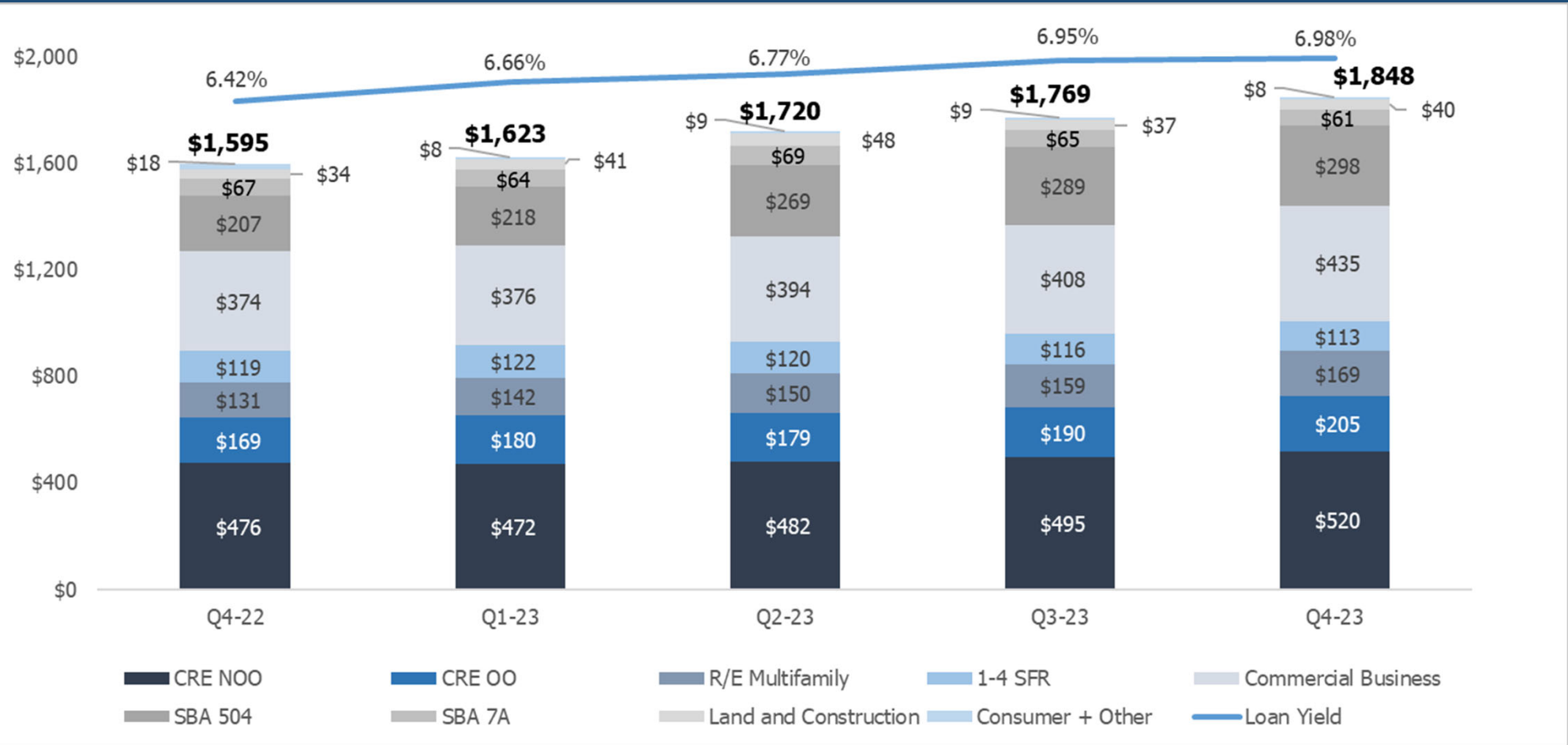
	3Q'23	4Q'23
• CRE	8.29%	7.53%
• C&I	8.10%	8.07%
• SBA 504	9.56%	9.34%
• SBA 7A	11.20%	11.23%

Demonstrated Organic Growth in Loans



Taking advantage of market opportunities and restricted lending by others produced increases in loan balances by 16% YoY with strong yields

Loan Balances



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 \$	963,900	52.1%
Construction/ Builders & Contractors	76,010	4.1%
Accommodation/Hotels & Food Services	156,154	8.4%
Manufacturing & Productions	84,353	4.6%
Professional/Scientific/Technical Service	62,197	3.4%
Retail Sales & Trades	83,037	4.5%
Health Care and Social Assistance	97,384	5.3%
Wholesale Trade	36,172	2.0%
Finance & Insurance	52,483	2.8%
Transportation & Warehousing	29,797	1.6%
Waste Mgt and Remediation Services	20,284	1.1%
Arts, Entertainment and Recreation	12,436	0.7%
Management of Companies and Enterprises	22,723	1.2%
All other	152,614	8.3%
Total Loans*	\$ 1,849,545	100.0%

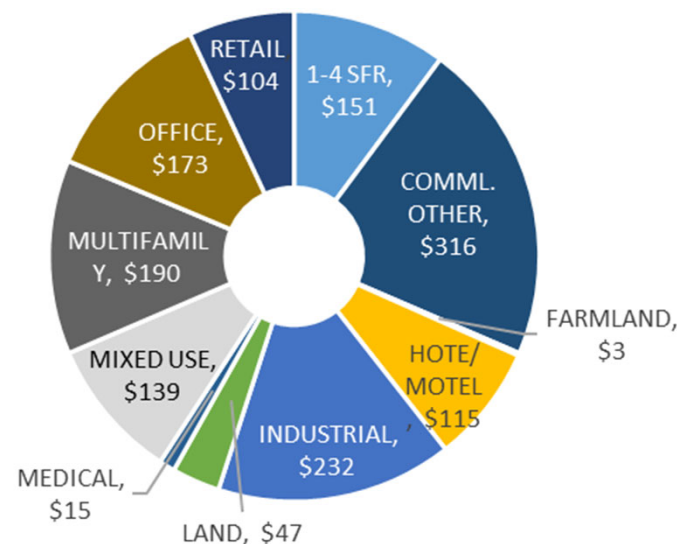
*Amounts do not include premiums, discounts, deferred fees and costs. Includes loans held for sale

Loan Concentration

- 80% of the total portfolio collateralized by Real Estate with average LTV of 52%
- Geographically, the Bank lends primarily in the major metropolitan areas of coastal Southern California
- Los Angeles represents 40%, San Diego represents 25% and Orange County represents 9% of total loans
- SBA 504 2nd trust deeds represent \$18 million
- Current competitive conditions allow for market share increase of loans in certain industries

Loan Secured by Real Estate

\$1,485 Million of Loan Portfolio Secured by Real Estate (80%)

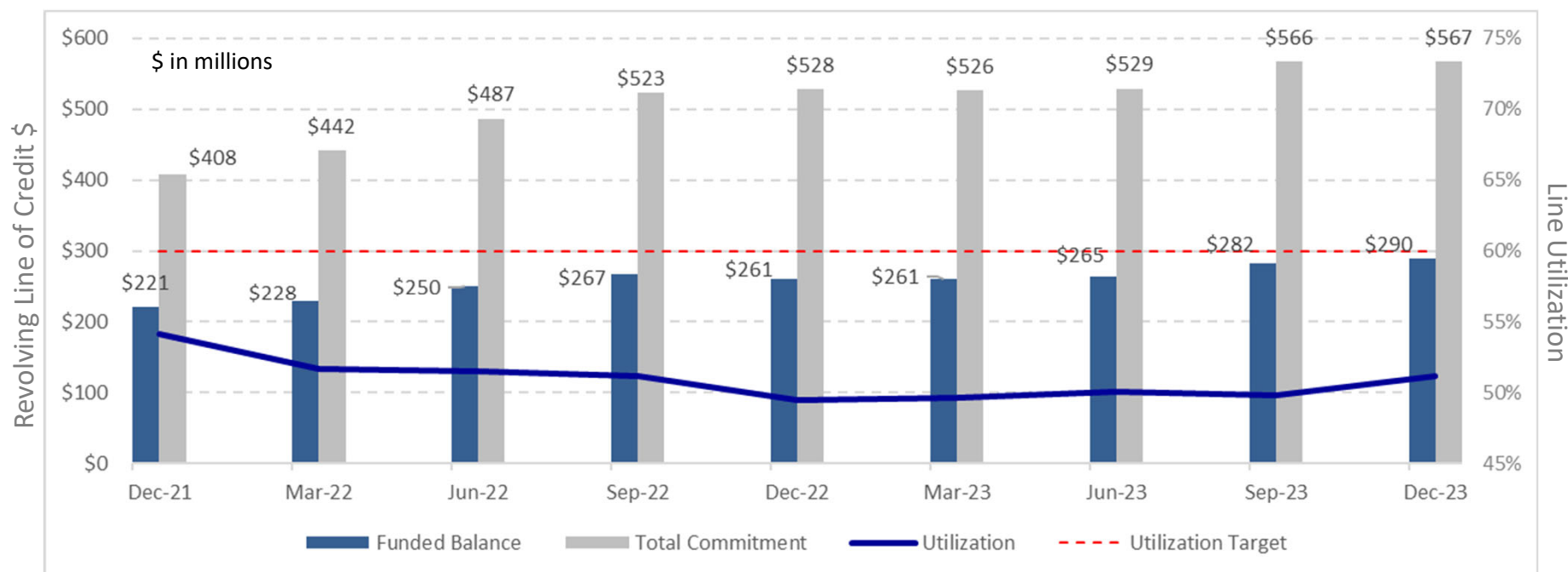


Loans Secured by Real Estate - Specific Portfolio Details

Loan Type	% of Portfolio	WAVG LTV	WAVG DSCR	% Owner Occupied
Office	11.7%	51.6%	3.36	50%
Hotel & Motel	7.8%	52.4%	3.71	N/A
Retail	7.0%	55.0%	2.48	36%
Multifamily	12.8%	60.3%	4.25	N/A

Total Revolving Lines of Credit

Total Revolving Lines of Credit



Overview

- 18% 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

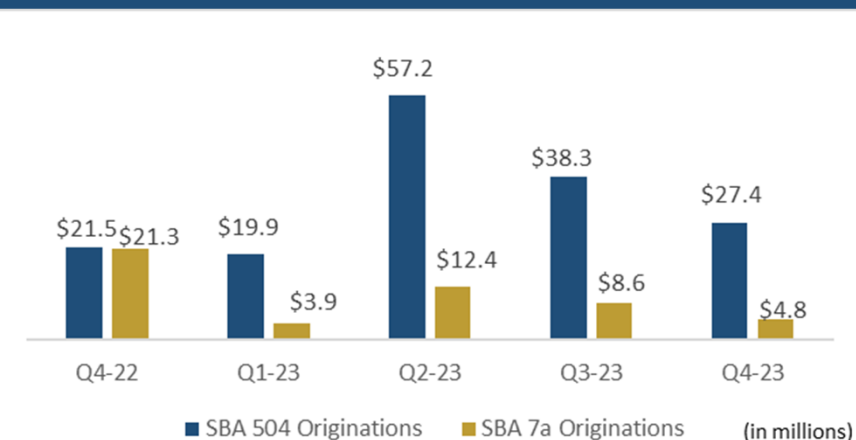
Utilization & Rates

- Use of floors on variable lines to mitigate NIM compression
- Cautiously optimistic on increased future utilizations given economic headwinds (e.g., recession)
- Some paydowns in business lines is expected, putting pressure on DDA growth

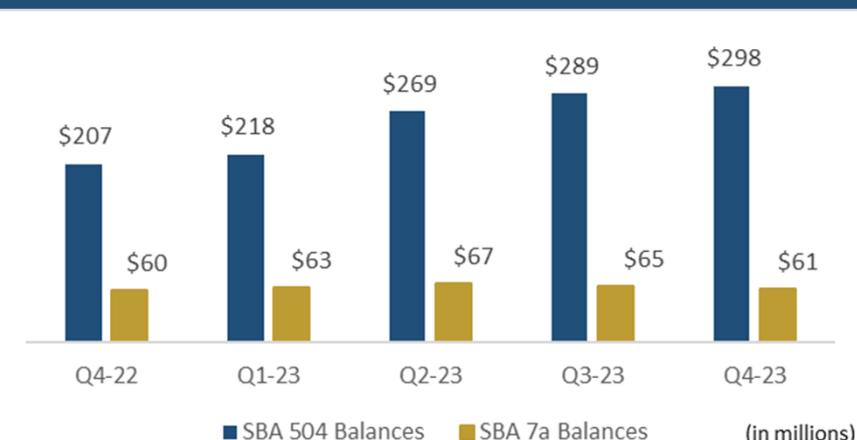
SBA Lending and Shifting Market Dynamics

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 SBA 7a balances are guaranteed.

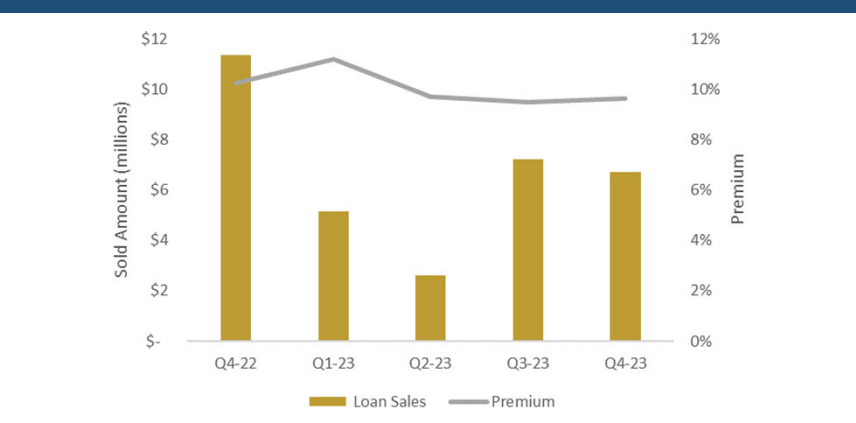
SBA Originations



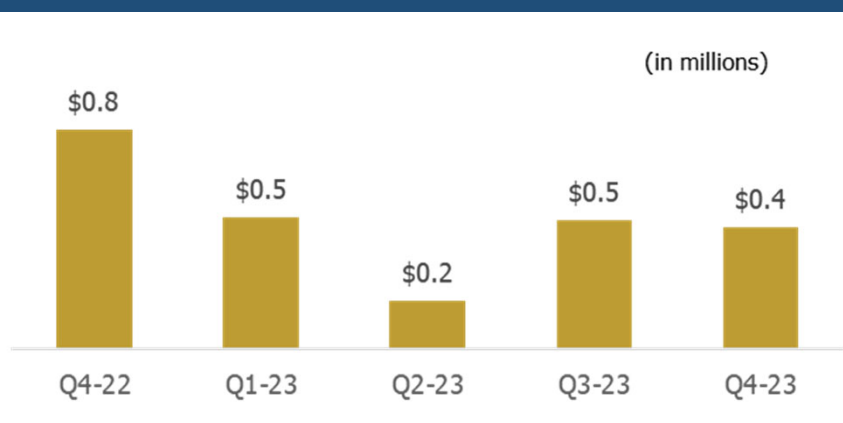
Increasing SBA Loan Balances



SBA 7(a) Loan Sales & Premiums



SBA 7(a) Gain on Sale and Referral Income



Interest Rate Risk Management



Loans Repricing & Maturities

December 31, 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	\$ 83,946	5.53%	4.5%	Within 1 year	\$ 550,126	9.03%	29.7%
1 to 2 years	126,575	5.54%	6.8%	1 to 2 years	79,949	6.21%	4.3%
2 to 3 years	99,340	5.15%	5.4%	2 to 3 years	161,247	5.68%	8.7%
3 to 4 years	128,763	5.32%	7.0%	3 to 4 years	192,176	5.78%	10.4%
4 to 5 years	81,602	5.40%	4.4%	4 to 5 years	221,676	7.52%	12.0%
Over 5 years	123,476	5.32%	6.7%	Over 5 years	668	7.89%	0.0%
	\$ 643,703	5.37%	34.8%		\$ 1,205,843	7.60%	65.2%

Interest Rate Sensitivity

Rate Shock Scenario (in Bps)	Estimated Change from 12/31/23 Baseline forecast	
	1-Yr Net Interest Income	Economic Value of Equity
+200	0.6%	7.5%
+100	0.4%	3.9%
-100	0.7%	-3.8%
-200	1.5%	-7.3%

Investments AFS Portfolio

Dollars in thousands

	September 30, 2023				December 31, 2023			
	Fair Value	MTM	Mod Duration	Book Yield	Fair Value	MTM	Mod Duration	Book Yield
U. S. Treasuries	\$ 11,141	(343)	0.89	2.06%	\$ 11,277	(213)	0.65	2.05%
MBS/CMO/CMB	71,074	(14,634)	4.31	1.34%	86,608	(11,266)	3.93	2.07%
SBIC	3,089	(443)	3.11	2.77%	3,236	(296)	2.93	2.76%
Sub Debt	1,344	(406)	6.35	3.89%	1,378	(372)	6.19	3.89%
Total	\$ 86,648	(15,826)	3.92	1.52%	\$ 102,499	(12,147)	3.61	2.12%
Change					15,851			0.60%

Commentary

- At 12/31/23, 35% of loans were fixed-rate and 65% were adjustable (44% hybrid and 21% variable-rate)
- 34% of loans to reprice or mature within 1 year while only 7% of loans scheduled to reprice or mature after 5 years
- Even though slightly asset-sensitive risk profile, our discipline of maintaining interest rate floors on new loan originations and renewals mitigates interest rate risk in declining-rate environments

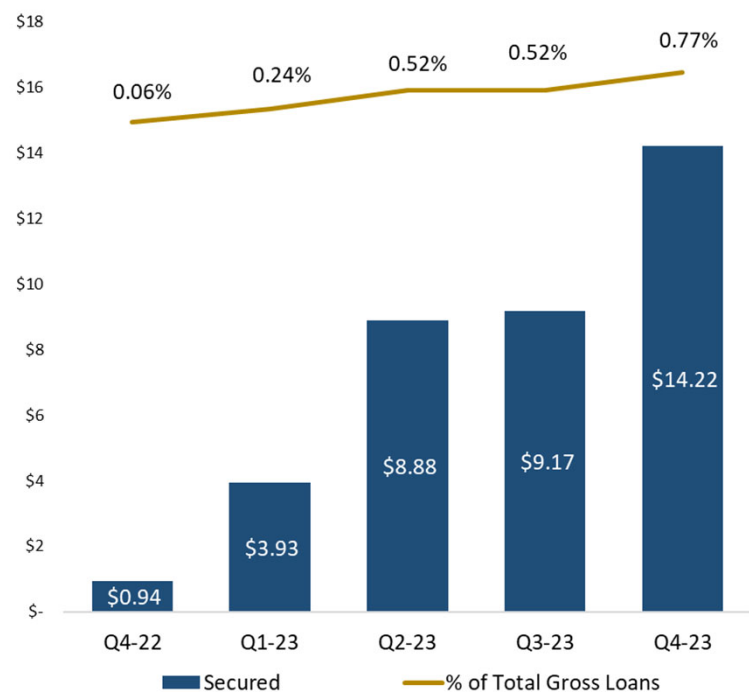
Solid Credit Risk Management Metrics



Proactive credit risk and loan portfolio management leading to minimal substandard assets

Criticized Loans

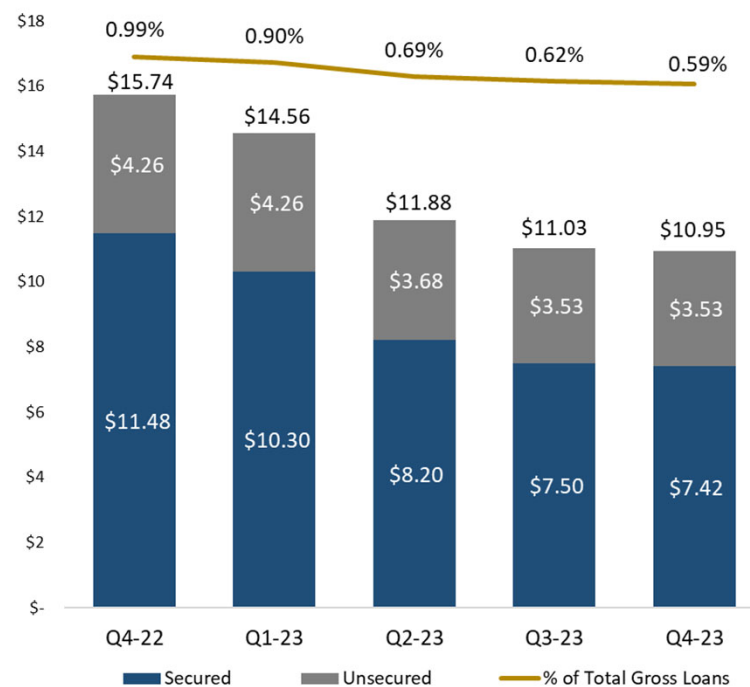
Note: dollars in millions



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

Classified Loans

Note: dollars in millions

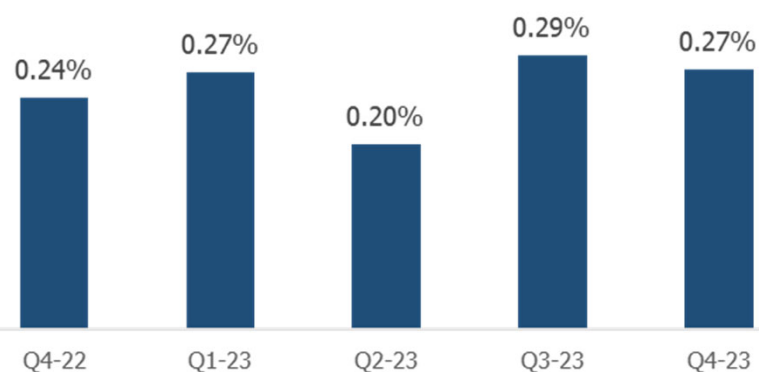


- Unsecured = any loans that are not secured by a real estate property or cash per regulatory legal lending definition

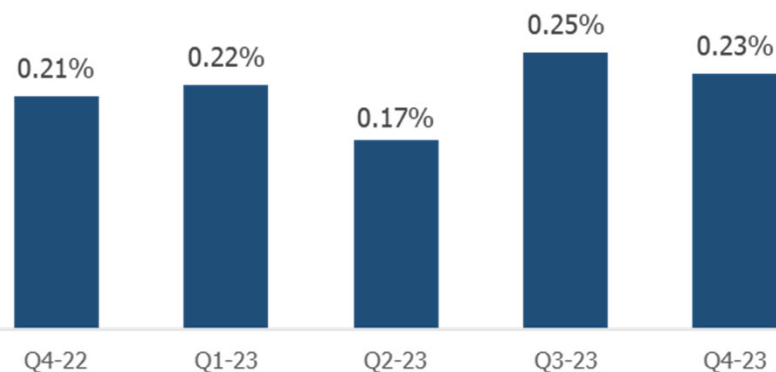
Solid Credit Risk Management Metrics

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

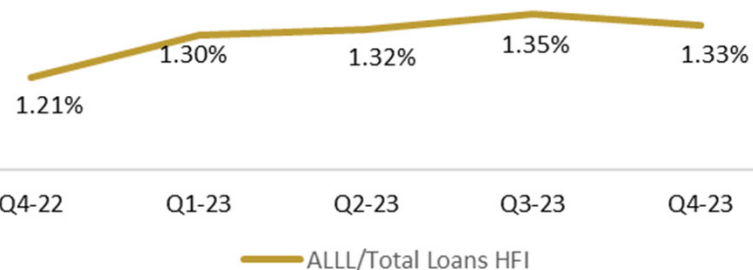
Non-Performing Loans to Total Loans



Non-Performing Assets to Total Assets



Allowance for Loan Losses



Credit Commentary

- Proactive SBA and Loan Portfolio Management
- 4 total non-performing loans (\$5.1 million)
 - 1 CRE Loan with 46% LTV
 - 1 SBA Loan with 75% Guarantee (\$285K Guaranteed)
 - 1 SBA Loan with 90% Guarantee (\$927K Guaranteed)
 - 1 unsecured C&I loan (\$1.25 million ACL reserve)

Current Expected Credit Loss (“CECL”) Implementation



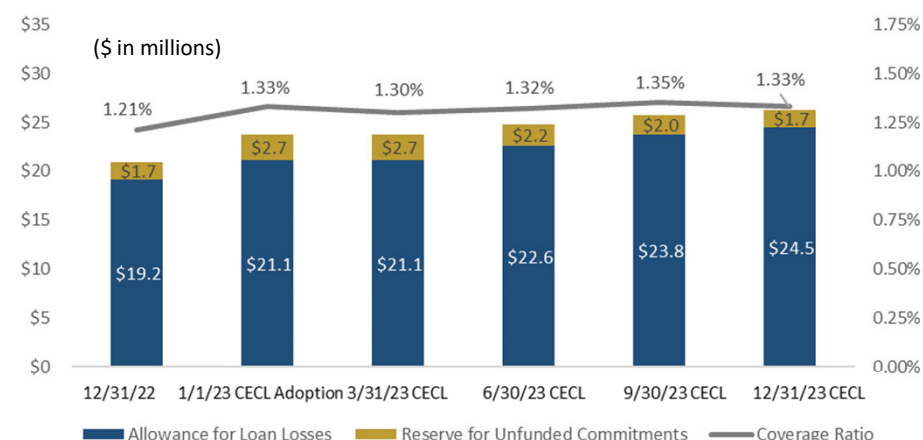
ACL Roll-Forward

<i>\$ in thousands</i>	Dec 31, 2022	CECL Adoption Impact	Jan 1, 2023 CECL	1Q'23 Change in Reserve	Mar 31, 2023 CECL	2Q'23 Change in Reserve	Jun 30, 2023 CECL	3Q'23 Change in Reserve	Sep 30, 2023 CECL	4Q'23 Change in Reserve	Dec 31, 2023 CECL
Allowance for loan losses	19,152	1,910	21,062	73	21,135	1,453	22,588	1,201	23,789	687	24,476
Reserve for unfunded commitments	1,718	974	2,692	110	2,802	(630)	2,172	(203)	1,969	(228)	1,741
Total allowance for credit losses	20,870	2,884	23,754	183	23,937	823	24,760	998	25,758	459	26,217
Total loans held for investment	1,588,248		1,588,248		1,623,028		1,717,705		1,764,846		1,847,161
Allowance for loan losses to loans HFI	1.21%		1.33%		1.30%		1.32%		1.35%		1.33%

Impact of Adopting CECL and 2023 Changes

- Adoption impact of 13.8% increase 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)
- Overall, \$3.4 million increase in allowance for loan losses in 2023 primarily reflects new production and a \$1.25 million specific reserve for a loan placed on nonaccrual status in Q3'23
- Overall, \$1.0 million decrease in the reserve for unfunded commitments in 2023 primarily reflects a decrease in loan commitments during the year

Total Allowance for Credit Losses

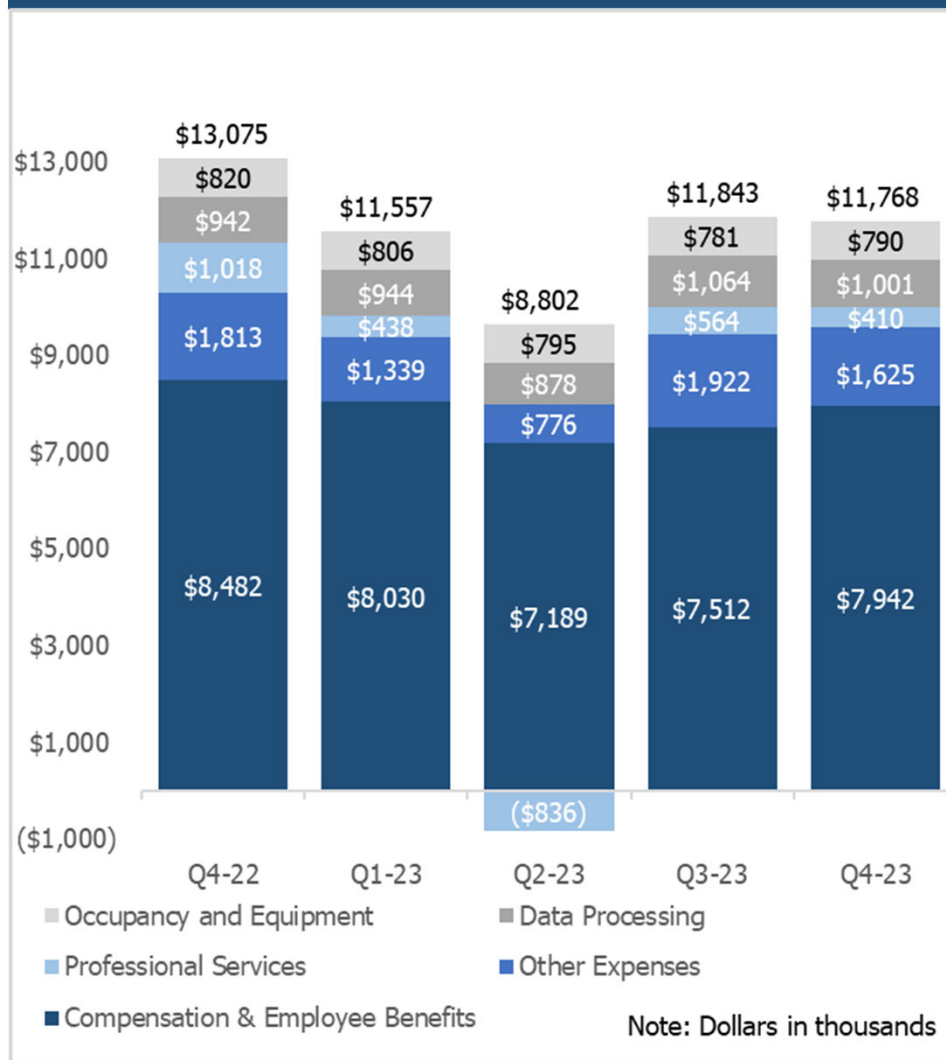


Expenses and Operational Efficiency



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

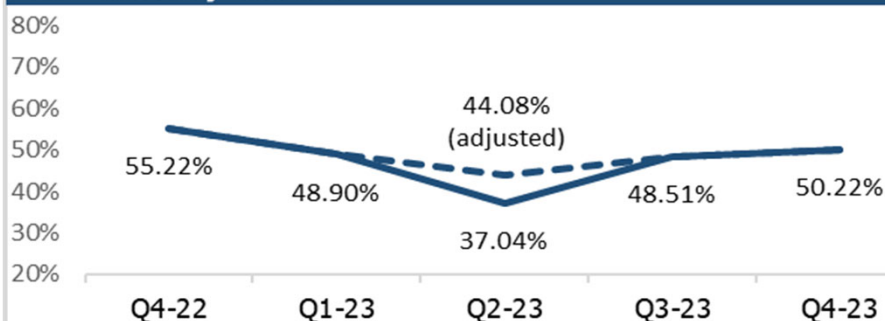
Non-interest Expenses



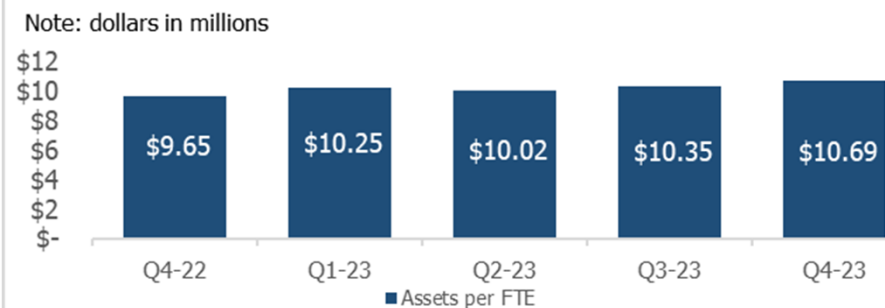
Non-interest Expense Details

- Increase of \$430K in Compensation & Employee Benefits related to increased headcount and adjustments to share based compensation
- Decreases to other expenses of \$297K due primarily to 3Q'23 reclassification of the reserve for unfunded commitments to the provision line of the Income Statement

Efficiency Ratio



Assets per FTE

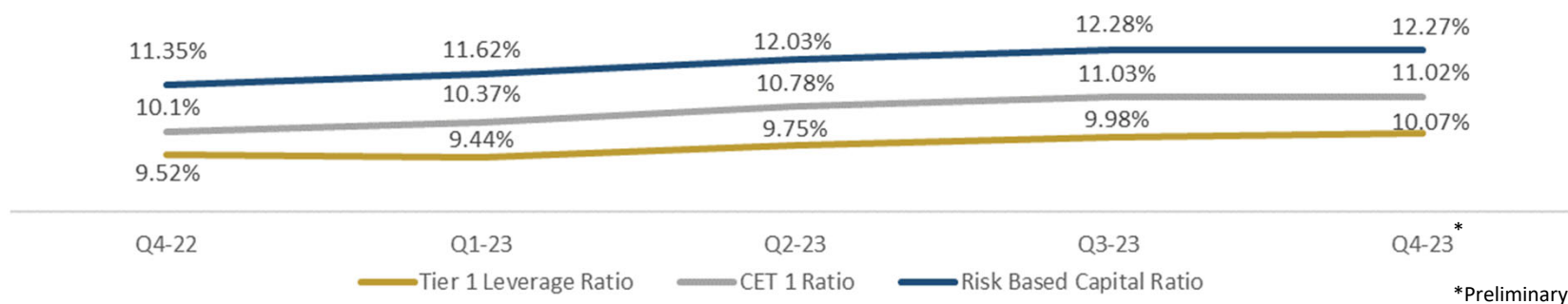


Strong Capital Position



Strong build of capital ratios in 2023, even with 16% balance sheet growth, with no planned dividends

Selected CalPrivate Bank Capital Ratios



Tangible Book Value per Share



Capital Strategy

- Manage capital to achieve strong levels of Return on Equity
- Proven ability to add shareholder value by consistently increasing tangible book value
- Investing in areas with strong 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 8.53% at 12/31/23

Distinctly Different Service – 2023 NPS Score



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

2023 Top Banks and Service Businesses ⁽¹⁾

82	CalPrivate Bank
69	USAA (top ranked Bank)
65	Ritz Carlton (top ranked Hotel)
53	Alaska Airlines (top ranked Airline)
38	Chase
36	Bank of America
21	Wells Fargo
33	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: Satmetrix Systems Inc. 3/11//21-11/24/23

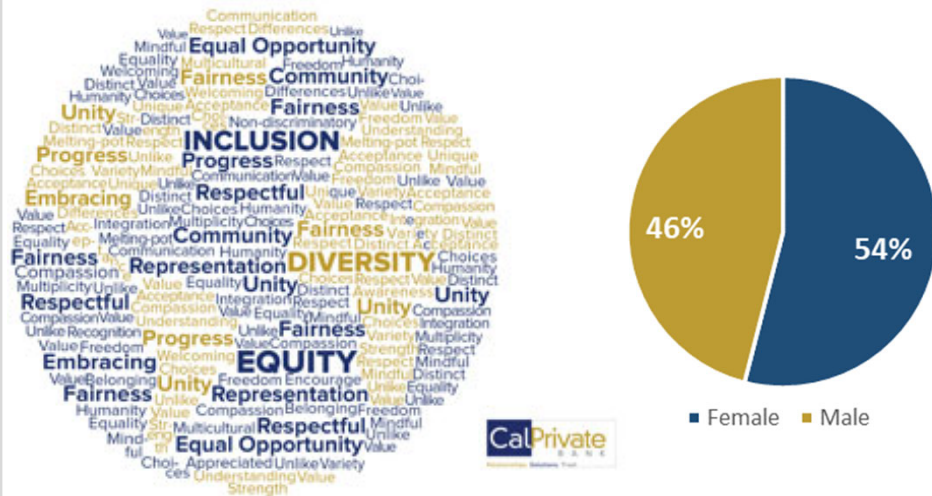
Community Outreach & Diversity



Community Support

- An important aspect to our company culture is community engagement
- CalPrivate Bank 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 61% 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

- Focus on products & services development to enhance client experience
- Hired new Product Strategy & Innovation team reflecting the Bank's commitment to evolving payments space & digitization
- 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.
(OTCQX: P B A M)

(Holding Company for CalPrivate Bank)

