



## FOR IMMEDIATE RELEASE

### Private Bancorp of America, Inc. Announces Record Net Income and Earnings Per Share for Third Quarter 2024

#### Third Quarter 2024 Highlights

- Record net income for the third quarter of 2024 was \$9.5 million, compared to \$7.8 million in the prior quarter and \$8.5 million in the third quarter of 2023. Net income for the third quarter of 2024 represents a return on average assets of 1.62% and a return on average tangible common equity of 18.18%
- Diluted earnings per share for the third quarter of 2024 was \$1.63, compared to \$1.35 in the prior quarter and \$1.47 in the third quarter of 2023
- Loans held-for-investment (“HFI”) totaled \$2.01 billion as of September 30, 2024, an increase of \$32.7 million or 1.7% from June 30, 2024. Loans HFI increased 14.0% year over year
- Total deposits were \$2.11 billion as of September 30, 2024, an increase of \$105.4 million or 5.3% from June 30, 2024. Total deposits increased 19.1% year over year. Core deposits were \$1.87 billion as of September 30, 2024, an increase of \$129.9 million or 7.4% from June 30, 2024. Core deposits increased 23.0% year over year
- Federal Home Loan Bank advances decreased by \$20.0 million as a result of strong deposit growth
- Total cost of funding sources was 2.71% for the third quarter of 2024, a decrease from 2.78% in the prior quarter and an increase from 2.12% in the third quarter of 2023
- Net interest margin was 4.44% for the third quarter of 2024, compared to 4.48% in the prior quarter and 4.67% in the third quarter of 2023
- Provision for credit losses for the third quarter of 2024 was \$0.3 million, compared to \$2.1 million for the prior quarter and \$0.5 million for the third quarter of 2023. The allowance for loan losses was 1.32% of loans HFI as of September 30, 2024
- Credit metrics remained strong with total criticized and classified loans at \$24.8 million, or 1.23% of total loans, up from \$16.9 million, or 0.85% of total loans, in the prior quarter
- Tangible book value per share was \$36.87 as of September 30, 2024, an increase of \$2.22 since June 30, 2024 primarily as a result of strong earnings. Tangible book value per share increased 6.4% quarter-over-quarter and 22.1% year over year.

La Jolla, Calif. – October 18, 2024 (GLOBE NEWSWIRE) - Private Bancorp of America, Inc. (OTCQX: PBAM), (“Company”) and CalPrivate Bank (“Bank”) announced unaudited financial results for the third fiscal quarter ended September 30, 2024. The Company reported net income of \$9.5 million, or \$1.63 per diluted share, for the third quarter of 2024, compared to \$7.8 million, or \$1.35 per diluted share, in the prior quarter, and \$8.5 million, or \$1.47 per diluted share, in the third quarter of 2023.

Rick Sowers, President and CEO of the Company and the Bank stated, “For the third quarter we produced record net income and net interest income. We continued our strong momentum from the first half of the year and delivered Return on Equity of over 18% while Tangible Book Value is up over 22% year over year. The Company continued its strong growth in core deposits which yielded an increase of 19% year over year. The recent Fed rate cut allowed for an overall reduction in our cost of deposits while loan yields remain strong. We attribute this success to our Team and our Client centric Distinctly Different Service Model.”

Sowers added, “Our Team was proud to be recognized on The Best U.S. Banks 2024” list, sponsored by Crowe. The Bank ranked #1 for both Return on Assets (ROA) and Return on Equity (ROE) among banks with less than \$5 billion in assets. This accolade highlights CalPrivate Bank’s dedication to excellence, innovation, and delivering Client-focused banking solutions. Additionally, our SBA Team was rated the #1 504 Lender in the US for 2024.”

“The Company continues to outperform financially through unparalleled client service. This quarter’s Bank Director’s Magazine, rated PBAM as the 10th Best Bank of any size in the country. The Bank continues to expand its customer base and grow existing client

relationships, despite a challenging interest rate environment. Superior financial results have created the ability to grow the balance sheet, invest in exceptional people, innovation, and technology, including infrastructure, risk management systems, and new products, while still maintaining solid capital ratios. This has enhanced CalPrivate's franchise value," said Selwyn Isakow, Chairman of the Board of the Company and the Bank.

## STATEMENT OF INCOME

### Net Interest Income

Net interest income for the third quarter of 2024 totaled \$25.7 million, an increase of \$1.0 million or 4.2% from the prior quarter and an increase of \$2.5 million or 10.5% from the third quarter of 2023. The increase from the prior quarter was driven primarily by 3.9% growth in interest-earning assets as interest income increased by \$1.4 million, partially offset by an 11 basis point decrease in asset yields. Interest income in the third quarter of 2024 was reduced by \$0.3 million due to the reversal of interest income on a loan placed on nonaccrual status during the quarter, which decreased asset yields by 6 basis points. Additionally, interest income in the prior quarter included \$0.6 million from nonaccrual interest recognized upon the payoff of a loan during that quarter, contributing 11 basis points to asset yields in the prior quarter. Partially offsetting the increase in interest income was an increase of \$0.3 million in interest expense, which resulted from a 2.4% increase in average interest bearing-liabilities, partially offset by a 5 basis point decrease in the cost of interest-bearing liabilities.

### Net Interest Margin

Net interest margin for the third quarter of 2024 was 4.44%, compared to 4.48% for the prior quarter and 4.67% in the third quarter of 2023. The 4 basis point decrease in net interest margin from the prior quarter was primarily due to lower yields on loans, including a 6 basis point impact from the reversal of interest income on a loan placed on nonaccrual status during the quarter. This was partially offset by a lower cost of total deposits. In addition, the prior quarter included 11 basis points from nonaccrual interest recognized upon the payoff of a loan during that quarter. The yield on earning assets was 6.91% for the third quarter of 2024 compared to 7.02% for the prior quarter, and the cost of interest-bearing liabilities was 3.73% for the third quarter of 2024 compared to 3.78% in the prior quarter. The cost of total deposits was 2.62% for the third quarter of 2024 compared to 2.67% in the prior quarter. The cost of core deposits, which excludes brokered deposits, was 2.27% in the third quarter of 2024 compared to 2.28% in the prior quarter. The spot rate for total deposits was 2.42% as of September 30, 2024, compared to 2.61% at June 30, 2024.

### Provision for Credit Losses

Provision expense for credit losses for the third quarter of 2024 was \$0.3 million, compared to \$2.1 million in the prior quarter and \$0.5 million in the third quarter of 2023. The provision expense for the current quarter was primarily driven by a \$32.7 million increase in loans HFI and a \$0.5 million increase in the specific reserve on a nonaccrual loan. These factors were largely offset by lower reserve rates on commercial real estate loans, mainly due to improvements in the real gross domestic product ("GDP") and commercial real estate ("CRE") price index growth forecasts used in our Current Expected Credit Losses ("CECL") model. For more details, please refer to the "Asset Quality" section below.

### Noninterest Income

Noninterest income was \$1.4 million for the third quarter of 2024, compared to \$1.5 million in the prior quarter and \$1.2 million in the third quarter of 2023. SBA loan sales for the third quarter of 2024 were \$9.1 million with a 10.96% average trade premium resulting in a net gain on sale of \$587 thousand, compared with \$8.0 million with a 12.16% average trade premium resulting in a net gain on sale of \$661 thousand in the prior quarter.

### Noninterest Expense

Noninterest expense was \$13.4 million for the third quarter of 2024, compared to \$13.0 million in the prior quarter and \$11.8 million in the third quarter of 2023. The efficiency ratio was 49.46% for the third quarter of 2024 compared to 49.46% in the prior quarter and 48.51% in the third quarter of 2023. The relatively unchanged efficiency ratio from the prior quarter reflects that noninterest expense increased proportionally to the increase in net interest income described above.

The Company remains committed to making investments in the business, including technology, marketing, and staffing. Inflationary pressures 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 \$4.0 million for the third quarter of 2024, compared to \$3.3 million for the prior quarter. The effective tax rate for the third quarter of 2024 was 29.5%, compared to 29.5% in the prior quarter and 29.8% in the third quarter of 2023.

## STATEMENT OF FINANCIAL CONDITION

As of September 30, 2024, total assets were \$2.39 billion, an increase of \$100.7 million since June 30, 2024. The increase in assets from the prior quarter was primarily due to higher cash balances, loans receivable, and investment securities. Total cash and due from banks was \$207.2 million as of September 30, 2024, an increase of \$48.8 million or 30.8%, since June 30, 2024, primarily due to strong core deposit growth. Loans HFI totaled \$2.01 billion as of September 30, 2024, an increase of \$32.7 million or 1.7% since June 30, 2024. Investment securities available-for-sale ("AFS") were \$141.1 million as of September 30, 2024, an increase of \$19.4 million or 15.9% since June 30, 2024, primarily as a result of new securities purchased. As of September 30, 2024, the net unrealized loss on the AFS investment securities portfolio, which is comprised mostly of US Treasury and Government Agency debt, was \$9.1 million (pre-tax) compared to a loss of \$13.0 million (pre-tax) as of June 30, 2024. The average duration of the Bank's AFS portfolio is 3.2 years. The Company has no held-to-maturity securities.

Total deposits were \$2.11 billion as of September 30, 2024, an increase of \$105.4 million since June 30, 2024. During the quarter, core deposits increased by \$129.9 million, which was driven by a \$102.6 million increase in interest-bearing core deposits (including balances in the Intrafi ICS and CDARS programs) and a \$27.2 million increase in noninterest-bearing core deposits. The deposit mix has continued to shift as short-term interest rates, though still elevated, began to decline during the quarter. Noninterest-bearing deposits represent 31.2% of total core deposits. Uninsured deposits, net of collateralized and fiduciary deposit accounts, represent 47.8% of total deposits as of September 30, 2024.

As of September 30, 2024, total available liquidity was \$1.9 billion or 191.2% of uninsured deposits, net of collateralized and fiduciary deposit accounts. Total available liquidity is comprised of \$340 million of on-balance sheet liquidity (cash and investment securities) and \$1.6 billion of unused borrowing capacity.

## Asset Quality and Allowance for Credit Losses ("ACL")

As of September 30, 2024, the allowance for loan losses was \$26.6 million or 1.32% of loans HFI, compared to \$26.6 million or 1.34% of loans HFI as of June 30, 2024. The decrease in the coverage ratio from June 30, 2024 primarily reflects lower reserve rates on commercial real estate loans, mainly due to improvements in the real GDP and CRE price index growth forecasts used in our CECL model. The Company continues to have strong credit metrics and its nonperforming assets are 0.48% of total assets as of September 30, 2024 compared to 0.11% as of June 30, 2024. The increase in nonperforming assets was due to \$9.0 million in commercial real estate loans related to a single borrower relationship that were placed on nonaccrual status during the quarter. These loans are secured by real estate collateral, with the current estimated fair value of collateral exceeding the outstanding loan amounts. Some of the loans also include partial SBA guarantees. The reserve for unfunded commitments was \$2.2 million as of September 30, 2024, compared to \$1.9 million as of June 30, 2024. Given the credit quality of the loan portfolio, management believes we are sufficiently reserved.

At September 30, 2024 and June 30, 2024, there were no doubtful credits and classified assets were \$14.9 million and \$10.1 million, respectively. Total classified assets consisted of eight loans as of September 30, 2024, which included seven loans totaling \$12.4 million secured by real estate with a weighted average LTV of 45.0%. The remaining loan was a \$2.5 million unsecured commercial and industrial loan on nonaccrual status with a specific reserve of \$2.0 million.

## Capital Ratios <sup>(2)</sup>

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

	September 30, 2024 <sup>(2)</sup>	June 30, 2024
<b>CalPrivate Bank</b>		
Tier I leverage ratio	10.05%	10.00%
Tier I risk-based capital ratio	11.46%	11.24%
Total risk-based capital ratio	12.71%	12.49%

(2) *September 30, 2024 capital ratios are preliminary and subject to change.*

## **About Private Bancorp of America, Inc. (OTCQX: PBAM)**

PBAM is the holding company for CalPrivate Bank, which operates offices in Coronado, San Diego, La Jolla, Newport Beach, El Segundo, and Beverly Hills, as well as through efficient digital banking services. CalPrivate Bank is driven by its core values of building client Relationships based on superior funding Solutions, unparalleled Service, and mutual Trust. The Bank caters to high-net-worth individuals, professionals, closely-held businesses, and real estate entrepreneurs, delivering a *Distinctly Different*<sup>™</sup> personalized banking experience while leveraging cutting-edge technology to enhance our clients' evolving needs. CalPrivate Bank is in the top tier of customer service survey ratings in the nation, scoring almost 3x higher than the median domestic bank. The Bank offers comprehensive deposit and treasury services, rapid and creative loan options including various portfolio and government-guaranteed lending programs, cross border banking, and innovative, unique technologies that drive enhanced client performance. CalPrivate Bank has been recognized by Bank Director's RankingBanking® as the 10<sup>th</sup> best bank in the country and the #1 bank in its asset class for both return on assets (ROA) and return on equity (ROE). CalPrivate Bank was also ranked in the top 5% of banks in the U.S. with assets between \$2B and \$10B by American Banker. Additionally, CalPrivate Bank is a Bauer Financial 5-star rated bank, an SBA Preferred Lender, and has been honored as Community Bank 504 Lender of the Year by the NADCO Community Impact Awards, exemplifying excellence in the banking industry. These prestigious rankings highlight the Bank's commitment to delivering exceptional banking services and setting new industry standards.

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

## **Non-GAAP Financial Measures**

This press release contains certain non-GAAP financial measures in addition to results presented in accordance with GAAP, including adjusted income before provision for income taxes, adjusted net income, adjusted diluted earnings per share ("Adjusted EPS"), efficiency ratio, adjusted efficiency ratio, pretax pre-provision net revenue, average tangible common equity, adjusted return on average assets, return on average tangible common equity and adjusted return on average tangible common equity. 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, to permit investors to effectively analyze financial trends of our business activities, and to 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.

## **Investor Relations Contacts**

### **Rick Sowers**

President and Chief Executive Officer  
Private Bancorp of America, Inc., and CalPrivate Bank  
(424) 303-4894

### **Cory Stewart**

Executive Vice President and Chief Financial Officer  
Private Bancorp of America, Inc., and CalPrivate Bank  
(206) 293-3669

## **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 believe in good faith 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)

	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023
<b>Assets</b>			
Cash and due from banks	\$ 29,555	\$ 13,545	\$ 20,013
Interest-bearing deposits in other financial institutions	10,160	12,502	20,508
Interest-bearing deposits at Federal Reserve Bank	167,459	132,330	157,807
Total cash and due from banks	207,174	158,377	198,328
Interest-bearing time deposits with other institutions	4,124	4,097	1,500
Investment debt securities available for sale	141,100	121,725	86,648
Loans held for sale	2,040	-	4,071
Loans, net of deferred fees and costs and unaccreted discounts	2,012,457	1,979,720	1,764,846
Allowance for loan losses	(26,594)	(26,591)	(23,789)
Loans held-for-investment, net of allowance	1,985,863	1,953,129	1,741,057
Federal Home Loan Bank stock, at cost	9,586	9,586	8,915
Right of use asset	4,344	4,719	2,827
Premises and equipment, net	2,345	2,207	1,447
Servicing assets, net	2,006	2,164	2,449
Accrued interest receivable	7,738	7,906	6,877
Other assets	20,053	21,774	20,100
<b>Total assets</b>	<b>\$ 2,386,373</b>	<b>\$ 2,285,684</b>	<b>\$ 2,074,219</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Liabilities</b>			
Noninterest bearing	\$ 584,292	\$ 557,055	\$ 595,023
Interest bearing	1,522,839	1,444,671	1,174,664
Total deposits	2,107,131	2,001,726	1,769,687
FHLB borrowings	28,000	48,000	82,000
Other borrowings	17,967	17,965	17,959
Accrued interest payable and other liabilities	19,062	16,551	29,894
<b>Total liabilities</b>	<b>2,172,160</b>	<b>2,084,242</b>	<b>1,899,540</b>
<b>Shareholders' equity</b>			
Common stock	74,688	74,636	73,416
Additional paid-in capital	4,271	3,717	3,584
Retained earnings	141,623	132,179	108,757
Accumulated other comprehensive (loss) income, net	(6,369)	(9,090)	(11,078)
<b>Total shareholders' equity</b>	<b>214,213</b>	<b>201,442</b>	<b>174,679</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,386,373</b>	<b>\$ 2,285,684</b>	<b>\$ 2,074,219</b>

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

	For the three months ended			Year to Date	
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
<b>Interest Income</b>					
Loans	\$ 36,353	\$ 35,538	\$ 30,568	\$ 104,897	\$ 85,066
Investment securities	1,345	1,090	562	3,414	1,702
Deposits in other financial institutions	2,320	2,034	1,748	6,153	4,831
Total interest income	40,018	38,662	32,878	114,464	91,599
<b>Interest Expense</b>					
Deposits	13,468	13,040	8,210	38,638	19,715
Borrowings	843	952	1,413	2,681	3,753
Total interest expense	14,311	13,992	9,623	41,319	23,468
<b>Net interest income</b>	25,707	24,670	23,255	73,145	68,131
Provision (reversal) for credit losses	304	2,136	471	2,673	(6,605)
<b>Net interest income after provision for credit losses</b>	25,403	22,534	22,784	70,472	74,736
<b>Noninterest income:</b>					
Service charges on deposit accounts	504	430	313	1,322	971
Net gain on sale of loans	587	661	466	1,929	1,111
Other noninterest income	343	447	380	1,147	1,596
Total noninterest income	1,434	1,538	1,159	4,398	3,678
<b>Noninterest expense:</b>					
Compensation and employee benefits	9,422	8,836	7,512	27,119	22,731
Occupancy and equipment	818	822	781	2,410	2,382
Data processing	1,238	1,183	1,064	3,479	2,886
Professional services	252	424	564	1,164	166
Other expenses	1,695	1,697	1,922	4,998	4,037
Total noninterest expense	13,425	12,962	11,843	39,170	32,202
<b>Income before provision for income taxes</b>	13,412	11,110	12,100	35,700	46,212
Provision for income taxes	3,959	3,283	3,611	10,536	13,215
<b>Net income</b>	<u>\$ 9,453</u>	<u>\$ 7,827</u>	<u>\$ 8,489</u>	<u>\$ 25,164</u>	<u>\$ 32,997</u>
<b>Net income available to common shareholders</b>	<u>\$ 9,373</u>	<u>\$ 7,761</u>	<u>\$ 8,422</u>	<u>\$ 24,970</u>	<u>\$ 32,763</u>
<b>Earnings per share</b>					
Basic earnings per share	\$ 1.64	\$ 1.36	\$ 1.49	\$ 4.39	\$ 5.81
Diluted earnings per share	\$ 1.63	\$ 1.35	\$ 1.47	\$ 4.33	\$ 5.75
Average shares outstanding	5,707,723	5,702,938	5,658,340	5,693,972	5,640,764
Diluted average shares outstanding	5,767,401	5,762,616	5,709,994	5,761,087	5,697,911

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

	For the three months ended								
	Sep 30, 2024			Jun 30, 2024			Sep 30, 2023		
	Average Balance	Interest	Average Yield/Rate	Average Balance	Interest	Average Yield/Rate	Average Balance	Interest	Average Yield/Rate
<b>Interest-Earnings Assets</b>									
Deposits in other financial institutions	\$ 171,347	\$ 2,320	5.39%	\$ 152,563	\$ 2,034	5.36%	\$ 130,583	\$ 1,748	5.31%
Investment securities	142,442	1,345	3.78%	123,876	1,090	3.52%	101,313	562	2.22%
Loans, including LHFS	1,989,748	36,353	7.27%	1,939,746	35,538	7.37%	1,745,113	30,568	6.95%
Total interest-earning assets	2,303,537	40,018	6.91%	2,216,185	38,662	7.02%	1,977,009	32,878	6.60%
Noninterest-earning assets	24,862			25,675			28,188		
<b>Total Assets</b>	<b><u>\$2,328,399</u></b>			<b><u>\$2,241,860</u></b>			<b><u>\$2,005,197</u></b>		
<b>Interest-Bearing Liabilities</b>									
Interest bearing DDA, excluding brokered	150,674	616	1.63%	130,361	463	1.43%	99,243	402	1.61%
Savings & MMA, excluding brokered	891,697	7,745	3.46%	845,856	7,354	3.50%	657,453	4,248	2.56%
Time deposits, excluding brokered	171,746	1,857	4.30%	164,714	1,690	4.13%	114,437	933	3.23%
Total deposits, excluding brokered	1,214,117	10,218	3.35%	1,140,931	9,507	3.35%	871,133	5,583	2.54%
Total brokered deposits	258,614	3,250	5.00%	284,290	3,533	5.00%	202,644	2,627	5.14%
<b>Total Interest-Bearing Deposits</b>	<b>1,472,731</b>	<b>13,468</b>	<b>3.64%</b>	<b>1,425,221</b>	<b>13,040</b>	<b>3.68%</b>	<b>1,073,777</b>	<b>8,210</b>	<b>3.03%</b>
FHLB advances	36,142	437	4.81%	47,373	581	4.93%	87,190	1,142	5.20%
Other borrowings	17,966	406	8.99%	17,966	371	8.31%	17,958	271	5.99%
<b>Total Interest-Bearing Liabilities</b>	<b>1,526,839</b>	<b>14,311</b>	<b>3.73%</b>	<b>1,490,560</b>	<b>13,992</b>	<b>3.78%</b>	<b>1,178,925</b>	<b>9,623</b>	<b>3.24%</b>
Noninterest-bearing deposits	574,466			535,878			625,115		
<b>Total Funding Sources</b>	<b>2,101,305</b>	<b>14,311</b>	<b>2.71%</b>	<b>2,026,438</b>	<b>13,992</b>	<b>2.78%</b>	<b>1,804,040</b>	<b>9,623</b>	<b>2.12%</b>
Noninterest-bearing liabilities	18,205			16,334			27,810		
Shareholders' equity	208,889			199,088			173,347		
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>\$2,328,399</u></b>			<b><u>\$2,241,860</u></b>			<b><u>\$2,005,197</u></b>		
Net interest income/spread		<u>\$ 25,707</u>	4.20%		<u>\$ 24,670</u>	4.24%		<u>\$ 23,255</u>	4.48%
Net interest margin			4.44%			4.48%			4.67%



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

	Year to Date					
	Sep 30, 2024			Sep 30, 2023		
	Average Balance	Interest	Average Yield/Rate	Average Balance	Interest	Average Yield/Rate
<b>Interest-Earnings Assets:</b>						
Deposits in other financial institutions	\$ 153,207	\$ 6,153	5.36%	\$ 131,621	\$ 4,831	4.91%
Investment securities	128,720	3,414	3.54%	108,071	1,702	2.10%
Loans	1,932,809	104,897	7.25%	1,673,254	85,066	6.80%
Total interest-earning assets	2,214,736	114,464	6.90%	1,912,946	91,599	6.40%
Noninterest-earning assets	25,334			28,581		
<b>Total Assets</b>	<b>\$ 2,240,070</b>			<b>\$ 1,941,527</b>		
<b>Interest-Bearing Liabilities</b>						
Interest bearing DDA, excluding brokered	130,365	1,520	1.56%	99,734	1,109	1.49%
Savings & MMA, excluding brokered	834,650	21,520	3.44%	640,803	10,196	2.13%
Time deposits, excluding brokered	164,082	5,130	4.18%	99,685	2,108	2.83%
Total deposits, excluding brokered	1,129,097	28,170	3.33%	840,222	13,413	2.13%
Total brokered deposits	276,863	10,468	5.05%	170,256	6,302	4.95%
<b>Total Interest-Bearing Deposits</b>	<b>1,405,960</b>	<b>38,638</b>	<b>3.67%</b>	<b>1,010,478</b>	<b>19,715</b>	<b>2.61%</b>
FHLB advances	44,452	1,632	4.90%	77,651	2,938	5.06%
Other borrowings	17,965	1,049	7.80%	17,969	815	6.06%
<b>Total Interest-Bearing Liabilities</b>	<b>1,468,377</b>	<b>41,319</b>	<b>3.76%</b>	<b>1,106,098</b>	<b>23,468</b>	<b>2.84%</b>
Noninterest-bearing deposits	554,700			649,863		
<b>Total Funding Sources</b>	<b>2,023,077</b>	<b>41,319</b>	<b>2.73%</b>	<b>1,755,961</b>	<b>23,468</b>	<b>1.79%</b>
Noninterest-bearing liabilities	17,522			24,718		
Shareholders' equity	199,471			160,848		
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 2,240,070</b>			<b>\$ 1,941,527</b>		
Net interest income/spread		<u>\$ 73,145</u>	4.17%		<u>\$ 68,131</u>	4.61%
Net interest margin			4.41%			4.76%

**PRIVATE BANCORP OF AMERICA, INC.**  
**Condensed Balance Sheets**  
**(Unaudited)**  
**(Dollars in thousands, except per share amounts)**

	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
<b>Assets</b>					
Cash and due from banks	\$ 207,174	\$ 158,377	\$ 141,501	\$ 178,100	\$ 198,328
Interest-bearing time deposits with other institutions	4,124	4,097	4,032	4,000	1,500
Investment securities	141,100	121,725	114,067	102,499	86,648
Loans held for sale	2,040	-	383	1,233	4,071
Total loans held-for-investment	2,012,457	1,979,720	1,906,992	1,847,161	1,764,846
Allowance for loan losses	(26,594)	(26,591)	(24,693)	(24,476)	(23,789)
Loans held-for-investment, net of allowance	1,985,863	1,953,129	1,882,299	1,822,685	1,741,057
Right of use asset	4,344	4,719	2,765	3,096	2,827
Premises and equipment, net	2,345	2,207	1,804	1,700	1,447
Other assets and interest receivable	39,383	41,430	40,926	39,155	38,341
<b>Total assets</b>	<b>\$ 2,386,373</b>	<b>\$ 2,285,684</b>	<b>\$ 2,187,777</b>	<b>\$ 2,152,468</b>	<b>\$ 2,074,219</b>
<b>Liabilities and Shareholders' Equity</b>					
<b>Liabilities</b>					
Noninterest Bearing	\$ 584,292	\$ 557,055	\$ 516,294	\$ 572,755	\$ 595,023
Interest Bearing	1,522,839	1,444,671	1,388,381	1,302,615	1,174,664
Total Deposits	2,107,131	2,001,726	1,904,675	1,875,370	1,769,687
Borrowings	45,967	65,965	70,963	74,961	99,959
Accrued interest payable and other liabilities	19,062	16,551	18,107	16,354	29,894
<b>Total liabilities</b>	<b>2,172,160</b>	<b>2,084,242</b>	<b>1,993,745</b>	<b>1,966,685</b>	<b>1,899,540</b>
<b>Shareholders' equity</b>					
Common stock	74,688	74,636	74,105	74,003	73,416
Additional paid-in capital	4,271	3,717	4,108	3,679	3,584
Retained earnings	141,623	132,179	124,464	116,604	108,757
Accumulated other comprehensive (loss) income	(6,369)	(9,090)	(8,645)	(8,503)	(11,078)
<b>Total shareholders' equity</b>	<b>214,213</b>	<b>201,442</b>	<b>194,032</b>	<b>185,783</b>	<b>174,679</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,386,373</b>	<b>\$ 2,285,684</b>	<b>\$ 2,187,777</b>	<b>\$ 2,152,468</b>	<b>\$ 2,074,219</b>
Book value per common share	\$ 37.21	\$ 35.03	\$ 33.94	\$ 32.48	\$ 30.63
Tangible book value per common share <sup>(1)</sup>	\$ 36.87	\$ 34.65	\$ 33.55	\$ 32.08	\$ 30.20
Shares outstanding	5,756,207	5,751,143	5,717,519	5,719,115	5,703,350

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

**PRIVATE BANCORP OF AMERICA, INC.**  
**Condensed Statements of Income**  
**(Unaudited)**  
**(Dollars in thousands, except per share amounts)**

	For the three months ended				
	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
Interest income	\$ 40,018	\$ 38,662	\$ 35,784	\$ 34,063	\$ 32,878
Interest expense	14,311	13,992	13,016	11,875	9,623
<b>Net interest income</b>	<b>25,707</b>	<b>24,670</b>	<b>22,768</b>	<b>22,188</b>	<b>23,255</b>
Provision for credit losses	304	2,136	233	459	471
<b>Net interest income after provision for credit losses</b>	<b>25,403</b>	<b>22,534</b>	<b>22,535</b>	<b>21,729</b>	<b>22,784</b>
Service charges on deposit accounts	504	430	388	373	313
Net gain on sale of loans	587	661	681	436	466
Other noninterest income	343	447	357	435	380
<b>Total noninterest income</b>	<b>1,434</b>	<b>1,538</b>	<b>1,426</b>	<b>1,244</b>	<b>1,159</b>
Compensation and employee benefits	9,422	8,836	8,861	7,942	7,512
Occupancy and equipment	818	822	770	790	781
Data processing	1,238	1,183	1,058	1,001	1,064
Professional services	252	424	488	410	564
Other expenses	1,695	1,697	1,606	1,625	1,922
<b>Total noninterest expense</b>	<b>13,425</b>	<b>12,962</b>	<b>12,783</b>	<b>11,768</b>	<b>11,843</b>
<b>Income before provision for income taxes</b>	<b>13,412</b>	<b>11,110</b>	<b>11,178</b>	<b>11,205</b>	<b>12,100</b>
Income taxes	3,959	3,283	3,294	3,346	3,611
Net income	\$ 9,453	\$ 7,827	\$ 7,884	\$ 7,859	\$ 8,489
<b>Net income available to common shareholders</b>	<b>\$ 9,373</b>	<b>\$ 7,761</b>	<b>\$ 7,832</b>	<b>\$ 7,800</b>	<b>\$ 8,422</b>
<b>Earnings per share</b>					
Basic earnings per share	\$ 1.64	\$ 1.36	\$ 1.38	\$ 1.38	\$ 1.49
Diluted earnings per share	\$ 1.63	\$ 1.35	\$ 1.36	\$ 1.36	\$ 1.47
Average shares outstanding	5,707,723	5,702,938	5,679,843	5,664,028	5,658,340
Diluted average shares outstanding	5,767,401	5,762,616	5,754,937	5,723,735	5,709,994

	Performance Ratios				
	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
ROAA	1.62%	1.40%	1.48%	1.51%	1.68%
ROAE	18.00%	15.81%	16.66%	17.29%	19.43%
ROATCE <sup>(1)</sup>	18.18%	15.99%	16.86%	17.53%	19.74%
Net interest margin	4.44%	4.48%	4.31%	4.33%	4.67%
Net interest spread	4.20%	4.24%	4.08%	4.11%	4.48%
Efficiency ratio <sup>(1)</sup>	49.46%	49.46%	52.84%	50.22%	48.51%
Noninterest expense / average assets	2.29%	2.32%	2.39%	2.26%	2.34%

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

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

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

For the three months ended

	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
Total assets	\$ 2,328,399	\$ 2,241,860	\$ 2,148,978	\$ 2,062,486	\$ 2,005,197
Earning assets	\$ 2,303,537	\$ 2,216,185	\$ 2,123,509	\$ 2,034,556	\$ 1,977,009
Total loans, including loans held for sale	\$ 1,989,748	\$ 1,939,746	\$ 1,868,308	\$ 1,788,572	\$ 1,745,113
Total deposits	\$ 2,047,197	\$ 1,961,099	\$ 1,872,737	\$ 1,788,659	\$ 1,698,892
Total shareholders' equity	\$ 208,889	\$ 199,088	\$ 190,326	\$ 180,287	\$ 173,347

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

	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
<b>Commercial Real Estate (CRE):</b>					
Investor owned	\$ 560,481	\$ 566,314	\$ 573,587	\$ 583,069	\$ 541,088
Owner occupied	221,364	216,876	216,123	202,106	185,296
Multifamily	175,387	177,390	175,629	168,324	159,700
Secured by single family	190,738	181,744	157,092	146,370	153,132
Land and construction	68,186	58,109	35,975	33,655	30,253
SBA secured by real estate	395,646	388,271	385,416	349,676	343,576
Total CRE	1,611,802	1,588,704	1,543,822	1,483,200	1,413,045
<b>Commercial business:</b>					
Commercial and industrial	383,874	378,161	352,417	350,879	337,815
SBA non-real estate secured	15,101	10,758	8,657	9,807	11,081
Total commercial business	398,975	388,919	361,074	360,686	348,896
Consumer	1,680	2,097	2,096	3,275	2,905
Total loans held for investment	<u>\$ 2,012,457</u>	<u>\$ 1,979,720</u>	<u>\$ 1,906,992</u>	<u>\$ 1,847,161</u>	<u>\$ 1,764,846</u>

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

	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
Noninterest-bearing DDA	\$ 584,292	\$ 557,055	\$ 516,294	\$ 572,755	\$ 595,023
Interest-bearing DDA, excluding brokered	182,268	156,253	117,129	121,829	108,508
Savings & MMA, excluding brokered	920,219	861,508	812,841	742,617	696,499
Time deposits, excluding brokered	186,583	168,664	160,605	147,583	122,622
Total deposits, excluding brokered	1,873,362	1,743,480	1,606,869	1,584,784	1,522,652
Total brokered deposits	233,769	258,246	297,806	290,586	247,035
Total deposits	<u>\$ 2,107,131</u>	<u>\$ 2,001,726</u>	<u>\$ 1,904,675</u>	<u>\$ 1,875,370</u>	<u>\$ 1,769,687</u>

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

**Rollforward of Allowance for Credit Losses**  
**(Dollars in thousands)**

For the three months ended

	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
Allowance for loan losses:					
Beginning balance	\$ 26,591	\$ 24,693	\$ 24,476	\$ 23,789	\$ 22,588
Provision for loan losses	3	1,994	251	687	1,194
Net (charge-offs) recoveries	-	(96)	(34)	-	7
Ending balance	26,594	26,591	24,693	24,476	23,789
Reserve for unfunded commitments	2,165	1,865	1,723	1,741	1,969
Total allowance for credit losses	<u>\$ 28,759</u>	<u>\$ 28,456</u>	<u>\$ 26,416</u>	<u>\$ 26,217</u>	<u>\$ 25,758</u>

**Asset Quality**  
**(Dollars in thousands)**

	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
Total loans held-for-investment	\$2,012,457	\$1,979,720	\$1,906,992	\$1,847,161	\$1,764,846
Allowance for loan losses	\$ (26,594)	\$ (26,591)	\$ (24,693)	\$ (24,476)	\$ (23,789)
30-89 day past due loans	\$ -	\$ -	\$ -	\$ 1,470	\$ 2,500
90+ day past due loans	\$ 11,512	\$ 2,500	\$ 3,530	\$ 3,874	\$ 1,374
Nonaccrual loans	\$ 11,512	\$ 2,500	\$ 4,656	\$ 5,053	\$ 5,105
NPAs / Assets	0.48%	0.11%	0.21%	0.23%	0.25%
NPLs / Total loans held-for-investment & OREO	0.57%	0.13%	0.24%	0.27%	0.29%
Net quarterly charge-offs (recoveries)	\$ -	\$ 96	\$ 34	\$ -	\$ (7)
Net charge-offs (recoveries) /avg loans (annualized)	0.00%	0.02%	0.01%	0.00%	0.00%
Allowance for loan losses to loans HFI	1.32%	1.34%	1.29%	1.33%	1.35%
Allowance for loan losses to nonaccrual loans	231.01%	1,063.64%	530.35%	484.39%	465.99%

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

The following tables present a reconciliation of non-GAAP financial measures to GAAP measures for: adjusted income before provision for income taxes, adjusted net income and adjusted EPS. 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, except per share amounts)	
	Year to Date	
	Sep 30, 2024	Sep 30, 2023
<b><u>Adjusted income before provision for income taxes</u></b>		
Income before provision for income taxes	\$ 35,700	\$ 46,212
ANI recovery <sup>(1)</sup>	-	(7,708)
Settlement of legal fees related to ANI litigation <sup>(2)</sup>	-	(1,635)
Recovery of principal and interest on a loan acquired with credit deterioration as part of a business combination <sup>(3)</sup>	-	(986)
Adjusted income before provision for income taxes (non-GAAP)	\$ 35,700	\$ 35,883
<b><u>Adjusted net income</u></b>		
Net income	\$ 25,164	\$ 32,997
ANI recovery, net of tax <sup>(1)(4)</sup>	-	(5,430)
Settlement of legal fees related to ANI litigation, net of tax <sup>(2)(4)</sup>	-	(1,152)
Recovery of principal and interest on a loan acquired with credit deterioration as part of a business combination, net of tax <sup>(3)(4)</sup>	-	(694)
Adjusted net income (non-GAAP)	\$ 25,164	\$ 25,721
<b><u>Adjusted diluted earnings per share ("Adjusted EPS")</u></b>		
Diluted earnings per share	\$ 4.33	\$ 5.75
ANI recovery, net of tax <sup>(1)(4)</sup>	-	(0.94)
Settlement of legal fees related to ANI litigation, net of tax <sup>(2)(4)</sup>	-	(0.20)
Recovery of principal and interest on a loan previously acquired with credit deterioration as part of a business combination, net of tax <sup>(3)(4)</sup>	-	(0.12)
Adjusted EPS (non-GAAP)	\$ 4.33	\$ 4.49
Diluted average shares outstanding	5,761,087	5,697,911

(1) In the second quarter of 2023, the Company reached a settlement with the Receiver for ANI Investments and Gina Champion-Cain in which the Company recovered \$7.7 million (or approximately \$0.94 per diluted share after tax) plus certain rights to future recoveries from a guarantor of the charged off loan. This recovery amount represents 80% of the original principal charge-off and is net of the participant bank's share.

(2) In the second quarter of 2023, in conjunction with the resolution of the ANI litigation, the Company was reimbursed \$0.9 million of legal costs by the participant bank. In addition, \$0.7 million of previously invoiced legal fees were waived at settlement of the litigation.

(3) In the second quarter of 2023, the Company received \$1.0 million related to a loan that was originated and written off by San Diego Private Bank ("SDPB") prior to SDPB merging with the Company in 2013. Accordingly, the Company recorded an allowance recovery of \$0.9 million for the amount that would have been written off at the time of the merger under CECL and \$0.1 million of interest income for recovered interest.

(4) Net of tax effect of 29.6%, which is comprised of 21.0% for the statutory Federal tax rate plus 8.6% for state franchise taxes, net of Federal benefits.

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

	GAAP to Non-GAAP Reconciliation (Dollars in thousands)				
	For the three months ended				
	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
<b><u>Efficiency Ratio</u></b>					
Noninterest expense	\$ 13,425	\$ 12,962	\$ 12,783	\$ 11,768	\$ 11,843
Net interest income	25,707	24,670	22,768	22,188	23,255
Noninterest income	1,434	1,538	1,426	1,244	1,159
Total net interest income and noninterest income	27,141	26,208	24,194	23,432	24,414
Efficiency ratio (non-GAAP)	49.46%	49.46%	52.84%	50.22%	48.51%
<b><u>Pretax pre-provision net revenue</u></b>					
Net interest income	\$ 25,707	\$ 24,670	\$ 22,768	\$ 22,188	\$ 23,255
Noninterest income	1,434	1,538	1,426	1,244	1,159
Total net interest income and noninterest income	27,141	26,208	24,194	23,432	24,414
Less: Noninterest expense	13,425	12,962	12,783	11,768	11,843
Pretax pre-provision net revenue (non-GAAP)	\$ 13,716	\$ 13,246	\$ 11,411	\$ 11,664	\$ 12,571
<b><u>Return and Adjusted Return on Average Assets, Average Equity, Average Tangible Equity</u></b>					
Net income	\$ 9,453	\$ 7,827	\$ 7,884	\$ 7,859	\$ 8,489
Average assets	2,328,399	2,241,860	2,148,978	2,062,486	2,005,197
Average shareholders' equity	208,889	199,088	190,326	180,287	173,347
Less: Average intangible assets	2,051	2,163	2,208	2,451	2,709
Average tangible common equity (non-GAAP)	206,838	196,925	188,118	177,836	170,638
Return on average assets	1.62%	1.40%	1.48%	1.51%	1.68%
Return on average equity	18.00%	15.81%	16.66%	17.29%	19.43%
Return on average tangible common equity (non-GAAP)	18.18%	15.99%	16.86%	17.53%	19.74%
<b><u>Tangible book value per share</u></b>					
Total equity	214,213	201,442	194,032	185,783	174,679
Less: Total intangible assets	2,006	2,164	2,203	2,318	2,449
Total tangible equity	212,207	199,278	191,829	183,465	172,230
Shares outstanding	5,756,207	5,751,143	5,717,519	5,719,115	5,703,350
Tangible book value per share (non-GAAP)	\$ 36.87	\$ 34.65	\$ 33.55	\$ 32.08	\$ 30.20

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

The following tables present a reconciliation of non-GAAP financial measures to GAAP measures for: efficiency ratio, adjusted efficiency ratio, pretax pre-provision net revenue, average tangible common equity, adjusted return on average assets, return on average tangible common equity and adjusted 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)	
	Year to Date	
	Sep 30, 2024	Sep 30, 2023
<b><u>Efficiency Ratio</u></b>		
Noninterest expense	\$ 39,170	\$ 32,202
Net interest income	73,145	68,131
Noninterest income	4,398	3,678
Total net interest income and noninterest income	77,543	71,809
Efficiency ratio (non-GAAP)	50.51%	44.84%
<b><u>Adjusted Efficiency Ratio</u></b>		
Noninterest expense	\$ 39,170	\$ 32,202
Settlement of legal fees related to ANI litigation	-	1,635
Adjusted noninterest expense (non-GAAP)	39,170	33,837
Total net interest income and noninterest income	77,543	71,809
Recovery of interest on a loan acquired with credit deterioration as part of a business combination	-	(84)
Adjusted total net interest income and noninterest income (non-GAAP)	77,543	71,725
Adjusted Efficiency ratio (non-GAAP)	50.51%	47.18%
<b><u>Pretax pre-provision net revenue</u></b>		
Net interest income	\$ 73,145	\$ 68,131
Noninterest income	4,398	3,678
Total net interest income and noninterest income	77,543	71,809
Less: Noninterest expense	39,170	32,202
Pretax pre-provision net revenue (non-GAAP)	\$ 38,373	\$ 39,607
<b><u>Return and Adjusted Return on Average Assets, Average Equity, Average Tangible Equity</u></b>		
Net income	\$ 25,164	\$ 32,997
Adjusted net income (non-GAAP) <sup>(1)</sup>	25,164	25,721
Average assets	2,240,070	1,941,527
Average shareholders' equity	199,471	160,848
Less: Average intangible assets	2,140	2,879
Average tangible common equity	197,331	157,969
Return on average assets	1.50%	2.27%
Adjusted return on average assets (non-GAAP) <sup>(1)</sup>	1.50%	1.77%
Return on average equity	16.85%	27.43%
Adjusted return on average equity (non-GAAP) <sup>(1)</sup>	16.85%	21.38%
Return on average tangible common equity (non-GAAP)	17.03%	27.93%
Adjusted return on average tangible common equity (non-GAAP) <sup>(1)</sup>	17.03%	21.77%

(1) A reconciliation of net income to adjusted net income is provided on page 13.