
Nasdaq | GlobeNewswire
BREAKING COMPANY NEWS
Private Bancorp of America, Inc. Reports Record 2015 Financial Results With 95% Increase in Earnings
SAN DIEGO
PRIVATE BANK
LA JOLLA, Calif., Jan. 27, 2016 (GLOBE NEWSWIRE) -- Private Bancorp of America, Inc. (OTCQB:PBAM) ("the Company"), the holding company for San Diego Private Bank ("the Bank"), today announced record financial results for its fourth quarter and fiscal year ended December 31, 2015.



BOARD OF DIRECTORS

Selwyn Isakow, Chairman of the Board

David Ellman
David S. Engelman
Keith B. Jones
Marjory Kaplan
Leon Kassel
Maria P. Kunac
Ernest Rady
Steve Rippe, Chief Credit Officer
Jerry Suppa
Thomas V. Wornham, President/CEO

COMMUNITY ADVISORY BOARD

Gordon T. Frost Jr., Chairman

Mark Abelkop
Whitney Benzian
Alan Binder
Jeffrey Chasan
Scott Darnell
Dan Denison
John Engle
Joel Ewan
Suzi Feldman
Harold Frysh
Ellen Geiger
Maxine Gellens
Joyce A. Glazer
Ronald L. Graham
Howard Greenberg
Bradley R. Hall
Star Hughes
Robert Kolodny
Lawrence Kourie
Sami Ladeki
Isaac Levy
Judge Margo Lewis
Mark Mandell
Herb Meistrich
Todd Mikles
Frank Piani
Lloyd Russell, Sr.
Jonathan Segal
Gary Shekhter
Michael Stoff
Greg Strangman
Rick Vann



SAN DIEGO
PRIVATE BANK

Dear Shareholders:

Your bank formed a new holding company, Private Bancorp of America, Inc. ("Company") in 2015 and now has a new trading symbol (PBAM). Our best in class people remain committed to providing outstanding customer service and creative financial solutions to our discerning customers. As we approach our ten year anniversary, we would like to reflect on 2015. Our San Diego Private Bank ("Bank") subsidiary and its operating divisions Coronado Private Bank, Newport Private Bank and Private Business Capital –SBA, all continue to flourish.

2015: Another Year of Significant Company Achievements
We accomplished a number of financial and strategic initiatives over this past year, including the repurchase of nearly 10% of our common stock while solidifying our position as one of the leading community banks in our market area.

We are especially proud of what the Company achieved financially in 2015.

- We reported a record net income of $4.9 million in 2015, a 95% increase from the previous year.
- On a per share basis, earnings increased to $1.21 from $0.62 in 2014.
- Net interest income rose 37% to a record $18.9 million.
- Our efficiency ratio continues to improve, down to 58% for 2015.
- Total assets increased 7% to a record $454 million in 2015.
- Total deposits rose 11% to $340 million.
- We ended the year with record net loans of $355 million.
- Our commercial and industrial (C&I) loan portfolio grew 38% and now represents 20% of our total loan portfolio – up from 15% in 2014. We believe this adds significant value to our overall loan portfolio, which is exceptional and incurred no charge-offs in 2015.
- San Diego Private Bank maintained very strong capital ratios over the past year, with a Tier 1 Leverage Capital Ratio of 11.85% and a Total Risk Weighted Capital Ratio of 15.48% at December 31, 2015.

Looking Ahead to 2016
We believe our results demonstrate the strength of the Bank and its continued success at each of our locations. Our focus in 2016 will be to continue growing organically while looking at strategic acquisition opportunities. We believe the Company is well-positioned for growth on several fronts. We will continue our significant investment in people and technology.

We will continue to leverage our local market knowledge to improve underwriting and reduce default risks. We believe the growth and quality of our loan portfolio is a clear testament of our success in targeting high net worth individuals, locally-owned businesses and real estate entrepreneurs, across San Diego and Orange County markets. We proudly specialize in business (commercial and industrial) and real estate loans, and offer creative customized financing solutions -- including loans and credit lines -- for business and personal needs. Our team works hard to ensure that our loans, borrowers and collateral all meet the Bank's high underwriting standards. We keep close tabs on local market conditions and believe that we have industry leading insights on changing conditions.

As always, we appreciate the ongoing support and confidence of our shareholders, clients, directors, advisory board members and employees.

Sincerely,

Thomas V. Wornham
President & Chief Executive Officer

Selwyn Isakow
Chairman of the Board

THIS PAGE INTENTIONALLY LEFT BLANK

PRIVATE BANCORP OF AMERICA, INC. AND SUBSIDIARY

FINANCIAL STATEMENTS
WITH
REPORT OF INDEPENDENT REGISTERED ACCOUNTING FIRM

DECEMBER 31, 2015 AND 2014

CONTENTS

REPORT OF INDEPENDENT REGISTERED ACCOUNTING FIRM ON THE FINANCIAL STATEMENTS	**1**
FINANCIAL STATEMENTS	
Consolidated Balance Sheets	**2**
Consolidated Statements of Income	**3**
Consolidated Statements of Comprehensive Income	**4**
Consolidated Statement of Changes in Shareholders' Equity	**5**
Consolidated Statements of Cash Flows	**6**
Notes to Consolidated Financial Statements	**7**

REPORT OF INDEPENDENT REGISTERED ACCOUNTING FIRM

Board of Directors and Shareholders of
Private Bancorp of America, Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of Private Bancorp of America, Inc. and Subsidiary, which are comprised of the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Private Bancorp of America, Inc. and Subsidiary as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Vavrinek, Trine, Day & Co., LLP

Laguna Hills, California
March 29, 2016

25231 Paseo De Alicia, Suite 100 Laguna Hills, CA 92653 Tel: 949.768.0833 Fax: 949.768.8408 www.vtdcpa.com

PRIVATE BANCORP OF AMERICA, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014

	2015	2014
ASSETS		
Cash and due from banks	$ 54,119,374	$ 48,130,635
Interest-bearing deposit at Federal Reserve Bank	660,000	6,610,000
Cash and Cash Equivalents	54,779,374	54,740,635
Interest-bearing deposits with other financial institutions	3,295,654	5,113,989
Investment securities available for sale	29,109,226	17,700,223
Investments securities held to maturity	276,153	525,934
Loans, net of deferred fees and costs	358,307,527	335,882,692
Unaccreted discount on acquired loans	(443,235)	(728,557)
Allowance for loan losses	(3,156,400)	(2,925,000)
Net Loans	354,707,892	332,229,135
Federal Home Loan Bank stock, at cost	2,134,700	3,031,500
Premises and equipment, net	977,267	913,131
Deferred tax asset	5,604,000	6,095,000
Accrued interest receivable and other assets	2,869,246	2,787,619
Total Assets	$ 453,753,512	$ 423,137,166
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Deposits:		
Noninterest bearing deposits	$ 110,975,699	$ 87,907,434
Interest-bearing deposits	229,216,300	217,492,597
Total Deposits	340,191,999	305,400,031
Other borrowings	60,368,889	64,500,000
Accrued interest payable and other liabilities	2,040,559	1,745,906
Total Liabilities	402,601,447	371,645,937
Commitments and Contingencies (Notes D and I)	-	-
Shareholders' Equity		
Common stock, no par value, 20,000,000 shares authorized; 3,816,936 and 4,135,935 shares issued and outstanding for 2015 and 2014, respectively	37,409,573	42,859,845
Additional paid-in-capital	2,172,699	2,034,666
Retained earnings	11,492,607	6,564,124
Net unrealized gains on securities available for sale	77,186	32,594
Total Shareholders' Equity	51,152,065	51,491,229
Total Liabilities and Shareholders' Equity	$ 453,753,512	$ 423,137,166

The accompanying notes are an integral part of these consolidated financial statements.

PRIVATE BANCORP OF AMERICA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
Interest Income		
Interest and fees on loans	$ 19,638,201	$ 14,512,646
Interest-bearing deposits at the Federal Reserve Bank	156,991	89,222
Interest on investment securities	367,695	303,436
Dividends on Federal Home Loan Bank stock	294,869	88,604
Interest on deposits with other financial institutions	13,596	25,677
Total Interest Income	20,471,352	15,019,585
Interest Expense		
Interest expense on deposits	1,214,913	1,075,598
Interest expense on borrowings	339,734	179,774
Total Interest Expense	1,554,647	1,255,372
Net Interest Income	18,916,705	13,764,213
Provision for loan losses	216,400	941,620
Net Interest Income After Provision for Loan Losses	18,700,305	12,822,593
Non-Interest Income		
Service charges on deposit accounts	276,419	215,799
Gain on sale of other real estate owned ("OREO")	-	146,660
Gain on sale of Small Business Administration ("SBA") loans	531,659	421,146
Gain on sale of securities	-	255,950
Other fees and miscellaneous income	513,592	493,748
Total Non-Interest Income	1,321,670	1,533,303
Non-Interest Expenses		
Salaries and other employee benefits	7,535,913	6,209,918
Occupancy and equipment	1,097,254	1,204,716
Data processing	888,081	821,884
Director compensation	309,867	269,394
Professional services	623,830	539,281
Insurance and regulatory assessments	238,747	177,663
Marketing	134,797	107,161
Administrative and other operating	795,070	681,614
Total Non-Interest Expense	11,623,559	10,011,631
Income Before Provision for Income Taxes	8,398,416	4,344,265
Provision for Income Taxes	3,469,933	1,820,671
Net Income	$ 4,928,483	$ 2,523,594
Basic Earnings Per Share	$ 1.21	$ 0.62
Diluted Earnings Per Share	$ 1.17	$ 0.60

The accompanying notes are an integral part of these consolidated financial statements.

PRIVATE BANCORP OF AMERICA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
Net Income	$ 4,928,483	$ 2,523,594
OTHER COMPREHENSIVE INCOME:		
Unrealized gains on securities available for sale:		
Change in unrealized gains	74,320	294,943
Reclassification of gains recognized in net income	-	(255,950)
	74,320	38,993
Related income tax effect:		
Change in unrealized gains	(29,728)	(124,109)
Reclassification of gains recognized in net income	-	102,380
	(29,728)	(21,729)
TOTAL OTHER COMPREHENSIVE INCOME	44,592	17,264
TOTAL COMPREHENSIVE INCOME	$ 4,973,075	$ 2,540,858

The accompanying notes are an integral part of these consolidated financial statements.

PRIVATE BANCORP OF AMERICA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	Common Stock		Additional		Accumulated Other	Total
	Shares Outstanding	Amount	Paid-In Capital	Retained Earnings	Comprehensive Income	Shareholders' Equity
Balance, January 1, 2014	4,085,634	$ 42,739,475	$ 1,815,663	$ 4,040,530	$ 15,330	$ 48,610,998
Net Income				2,523,594		2,523,594
Share-based compensation expense			296,163			296,163
Exercise of stock options	4,001	43,210				43,210
Issuance of restricted shares	42,100					-
Issuance of unrestricted shares	4,200	58,800	(58,800)			-
Vesting of restricted shares		18,360	(18,360)			-
Other comprehensive income					17,264	17,264
Balance, December 31, 2014	4,135,935	42,859,845	2,034,666	6,564,124	32,594	51,491,229
Net Income				4,928,483		4,928,483
Share-based compensation expense			341,081			341,081
Exercise of stock options	73,721	760,773	(14,093)			746,680
Issuance of restricted shares	6,900					-
Vesting of restricted shares		114,225	(114,225)			-
Restricted stock forfeitures	(4,320)					-
Issuance of unrestricted shares	4,700	74,730	(74,730)			-
Stock repurchase	(400,000)	(6,400,000)				(6,400,000)
Other comprehensive income					44,592	44,592
Balance, December 31, 2015	3,816,936	$ 37,409,573	$ 2,172,699	$ 11,492,607	$ 77,186	$ 51,152,065

The accompanying notes are an integral part of these consolidated financial statements.

PRIVATE BANCORP OF AMERICA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
Cash Flows From Operating Activities		
Net income	$ 4,928,483	$ 2,523,594
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	220,621	219,875
Provision for loan losses	216,400	941,620
Net premium amortization on securities	383,073	328,946
Loss on sale of property and equipment	-	132,033
Net gain on sale of loans	(531,659)	(421,146)
Net gain on sale of securities	-	(255,950)
Net gain on sale of OREO	-	(146,660)
Share-based compensation expense	341,081	296,163
Deferred tax expense	462,000	703,000
(Increase) decrease in accrued interest receivable and other assets	(82,356)	(133,963)
Increase (decrease) in accrued interest payable and other liabilities	655,517	245,695
Net Cash Provided by Operating Activities	6,593,160	4,433,207
Cash Flows From Investing Activities		
Increase in deposits with other banks	1,818,335	6,761,597
Purchases of securities available for sale	(13,109,222)	(5,925,657)
Maturities and principal paydowns of securities available for sale	1,641,247	2,386,970
(Purchase) redemption of Federal Home Loan Bank stock	896,800	(1,869,100)
Net increase in loans	(30,394,191)	(109,718,853)
Proceeds from sale of securities	-	255,950
Proceeds from sale of loans	8,230,694	6,698,531
Proceeds from the sale of OREO	-	201,533
Purchases of property and equipment	(284,757)	(305,563)
Net Cash Used in Investing Activities	(31,201,094)	(101,514,592)
Cash Flows From Financing Activities		
Increase in deposits	34,431,104	43,748,604
Increase (decrease) in other borrowings	(4,131,111)	52,656,173
Exercise of stock options	746,680	43,210
Repurchase of stock	(6,400,000)	-
Net Cash Provided by Financing Activities	24,646,673	96,447,987
Net (Decrease) Increase in Cash and Cash Equivalents	38,739	(633,398)
Cash and Cash Equivalents, Beginning of Year	54,740,635	55,374,033
Cash and Cash Equivalents, End of Year	$ 54,779,374	$ 54,740,635
Supplemental Cash Flow Information		
Interest paid	$ 1,563,705	$ 1,262,610
Taxes paid	$ 2,700,000	$ 1,490,000

The accompanying notes are an integral part of these financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Nature of Operations

The accompanying consolidated financial statements include the accounts of Private Bancorp of America, Inc. and its wholly-owned subsidiary San Diego Private Bank ("Bank"), collectively referred to herein as "the Company." All significant intercompany transactions have been eliminated. Private Bancorp of America, Inc. was formed in August 2015 as a one-bank bank holding company.

The Bank is a commercial bank chartered by the State of California and its deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") to the maximum extent allowed. The Bank provides a full range of deposit and loan services. The Bank specializes in making loans on commercial real estate, as well as small to mid-sized business loans.

The Company is headquartered in La Jolla, California with additional California locations in downtown San Diego, Coronado (Coronado Private Bank division), Newport Beach (Newport Private Bank division) and San Marcos (Private Business Capital division).

The accounting and reporting policies of Private Bancorp of America, Inc. ("the Company") are in accordance with the accounting principles generally accepted in the United States of America and conform to practices within the banking industry. A summary of significant accounting policies follows:

Subsequent Events

The Bank has evaluated subsequent events for recognition and disclosure through March 29, 2016, which is the date the financial statements were available to be issued.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the balance sheets, and the reported amounts of revenues and expenses during the reporting periods covered. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses and the valuation of deferred tax assets and liabilities.

Cash and Cash Equivalents

Cash and cash equivalents include cash and due from banks and term federal funds sold and interest-bearing deposits in other financial institutions with original maturities of less than 90 days. Net cash flows are reported for customer loan and deposit transactions and interest-bearing deposits in other financial institutions.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Due From Banks

Banking regulations require that all banks maintain a percentage of their deposits as reserves in cash or on deposit with the Federal Reserve Bank. The Company complied with the reserve requirements as of December 31, 2015 and 2014.

The Company maintains amounts due from banks that exceed federally insured limits. The Company has not experienced any losses in such accounts.

Investment Securities

Investment securities are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity. Securities held-to-maturity are carried at amortized cost. The amortization of premiums and accretion of discounts are recognized in interest income using methods approximating the interest method over the period to maturity.

Investments not classified as trading securities nor as held-to-maturity securities are classified as available-for-sale securities. Available-for-sale securities are carried at fair value with unrealized gains and losses reported in other comprehensive income. Realized gains (losses) on available-for-sale securities are included in other income (expense) and, when applicable, are reported as a reclassification adjustment, net of tax, in other comprehensive income. Gains and losses on sales of securities are determined on the specific identification method.

Management evaluates securities for other-than-temporary impairment ("OTTI") on at least a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation. For securities in an unrealized loss position, management considers the extent and duration of the unrealized loss, and the financial condition and near-term prospects of the issuer. Management also assesses whether it intends to sell, or it is more likely than not that it will be required to sell, a security in an unrealized loss position before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the entire difference between amortized cost and fair value is recognized as impairment through earnings. For debt securities that do not meet the aforementioned criteria, the amount of impairment is split into two components as follows: OTTI related to credit loss, which must be recognized in the income statement and; OTTI related to other factors, which is recognized in other comprehensive income. The credit loss is defined as the difference between the present value of the cash flows expected to be collected and the amortized cost basis. For equity securities, the entire amount of impairment is recognized through earnings.

Loans Held for Sale

Small Business Administration ("SBA") loans originated and intended for sale in the secondary market are carried at the lower of cost or estimated market value in the aggregate. Net unrealized losses are recognized through a valuation allowance by charges to income. Gains or losses realized on the sales of loans are recognized at the time of sale and are determined by the difference between the net sales proceeds and the carrying value of the loans sold, adjusted for any servicing asset or liability. Gains and losses on sales of loans are included in noninterest income.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales, when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Company, the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Servicing Rights

Servicing rights are recognized separately when they are acquired through sale of loans. Servicing rights are initially recorded at fair value with the income statement effect recorded in gain on sale of loans. Fair value is based on a valuation model that calculates the present value of estimated future cash flows from the servicing assets. The valuation model uses assumptions that market participants would use in estimating cash flows from servicing assets, such as the cost to service, discount rates, and prepayment speeds. The Company compares the valuation model inputs and results to published industry data in order to validate the model results and assumptions. All classes of servicing assets are subsequently measured using the amortization method which requires servicing rights to be amortized into non-interest income in proportion to, and over the period of, the estimated future net servicing income of the underlying loans.

Servicing assets are evaluated for impairment based upon the fair value of the rights as compared to the carrying amount. Impairment is determined by stratifying rights into groupings based on predominant risk characteristics, such as interest rate, loan type, and investor type. For purposes of measuring impairment, the Company has identified each servicing asset with the underlying loan being serviced. A valuation allowance is recorded where the fair value is below the carrying amount of the asset.

Servicing fee income, which is reported on the income statement as Other Income, is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal. The amortization of mortgage servicing rights is netted against loan servicing fee income.

SBA loans serviced for others totaled approximately $26.0 million and $28.0 million as of December 31, 2015 and 2014, respectively. The carrying value of servicing assets was approximately $543,000 and $573,000 as of December 31, 2015 and 2014, respectively. The fair value of servicing assets approximates the carrying value.

Loans

The Company grants real estate, commercial, SBA and consumer loans to borrowing customers. A substantial portion of the loan portfolio is represented by real estate loans in the San Diego area. The ability of the Company's borrowers to honor their contracts is dependent upon many factors, including the real estate market and general economic conditions in the Company's area. Loans that management has the intent and ability to hold for the foreseeable future, until maturity or until paid off are generally reported at their outstanding unpaid principal balances. These loans, as reported, have been reduced by unadvanced loan funds, net deferred loan fees, and the allowance for loan losses.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Loans - Continued

Loans on which the accrual of interest has been discounted are designated as nonaccrual loans. The accrual of interest on loans is discontinued when principal or interest is past due 90 days based on the contractual terms of the loan or when, in the opinion of management there is reasonable doubt as to collectibility. When loans are placed on nonaccrual status, all interest previously accrued but not collected is reversed against current period interest income. Income on nonaccrual loans is subsequently recognized only to the extent that cash is received and the loan's principal balance is deemed collectible. Interest accruals are resumed on such loans only when they are brought current with respect to interest and principal and when, in the judgment of management, the loans are estimated to be fully collectible as to all principal and interest.

Loan origination fees and costs are deferred and amortized as an adjustment of the loan's yield over the life of the loan using the interest method for amortizing loans (generally resulting in a constant rate of return), and the straight-line method for interest-only loans.

Certain Acquired Loans

As part of business acquisitions, the Company acquires certain loans that have shown evidence of credit deterioration since origination. These acquired loans are recorded at the allocated fair value, such that there is no carryover of the seller's allowance for loan losses. Such acquired loans are accounted for individually. The Company estimates the amount and timing of expected cash flows for each purchased loan, and the expected cash flows in excess of the allocated fair value is recorded as interest income over the remaining life of the loan (accretable yield). The excess of the loan's contractual principal and interest over expected cash flows is not recorded (non-accretable difference). Over the life of the loan, expected cash flows continue to be estimated. If the present value of expected cash flows is less than the carrying amount, a loss is recorded through the allowance for loan losses. If the present value of expected cash flows is greater than the carrying amount, it is recognized as part of future interest income.

Allowance for Loan Losses

The allowance for loan losses is a valuation allowance for probable incurred credit losses. Loan losses are charged against the allowance when management confirms that the loan balance is not collectible. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance required using past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions, and other factors. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged off. Amounts are charged-off when available information confirms that specific loans or portions thereof, are not collectible. This methodology for determining charge-offs is consistently applied to each segment.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Allowance for Loan Losses - Continued

The allowance consists of specific and general reserves. Specific reserves relate to loans that are individually classified as impaired. A loan is impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. Factors considered in determining impairment include payment status, collateral value and the probability of collecting all amounts when due. Measurement of impairment is based on the expected future cash flows of an impaired loan, which are to be discounted at the loan's effective interest rate, or measured by reference to an observable market value, if one exists, or the fair value of the collateral for a collateral-dependent loan. The Company selects the measurement method on a loan-by-loan basis except that collateral-dependent loans for which foreclosure is probable are measured at the fair value of the collateral.

The Company recognizes interest income on impaired loans based on its existing methods of recognizing interest income on nonaccrual loans. Loans, for which the terms have been modified resulting in a concession, and for which the borrower is experiencing financial difficulties, are considered troubled debt restructurings and classified as impaired with measurement of impairment based on expected future cash flows discounted using the loan's effective rate immediately prior to the restructuring.

If a loan is impaired, a portion of the allowance is allocated so that the loan is reported, net, at the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral. Smaller balance, homogeneous loans are collectively evaluated for impairment.

General reserves cover non-impaired loans and are based on peer group historical loss rates for each portfolio segment, adjusted for the effects of qualitative or environmental factors that are likely to cause estimated credit losses as of the evaluation date to differ from the portfolio segment's historical loss experience. Qualitative factors include consideration of the following: changes in lending policies and procedures; changes in economic conditions; changes in the nature and volume of the portfolio; changes in the experience, ability and depth of lending management and other relevant staff; changes in the volume and severity of past due, nonaccrual and other adversely graded loans; changes in the loan review system; changes in the value of the underlying collateral for collateral-dependent loans; concentrations of credit and the effect of other external factors such as competition and legal and regulatory requirements.

Portfolio segments identified by the Company include construction, single-family residential, multi-family, nonresidential, commercial, SBA and consumer loans. Relevant risk characteristics for these portfolio segments generally include debt service coverage, loan-to-value ratios and financial performance on non-consumer loans and credit scores, debt-to income, collateral type and loan-to-value ratios for consumer loans.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Other Real Estate Owned

Assets acquired through or instead of loan foreclosure are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. If fair value declines subsequent to foreclosure, a valuation allowance is recorded through expense. Operating costs after acquisition are expensed.

Federal Home Loan Bank Stock

As a member of the Federal Home Loan Bank ("FHLB"), the Company is required to maintain a minimum investment in the entity's stock. The minimum FHLB investment is calculated as percentage of aggregate outstanding loans, FHLB advances and other factors. The ownership of the FHLB stock is restricted, lacks a market, and can only be sold at its par value to the issuer. At December 31, 2015 and 2014, FHLB stock totaled $2,134,700 and $3,031,500, respectively.

Premises and Equipment

Bank premises and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed on a straight-line basis over the estimated useful lives of the related asset. The estimated useful lives of furniture, fixtures and equipment are estimated to be three to fifteen years. Leasehold improvements are amortized on a straight-line basis over the estimated useful lives of the improvements or the remaining lease term (including periods covered by renewal options which were reasonably assured at the inception of the lease), whichever is shorter.

Core Deposit Intangible

Core deposit intangible ("CDI") assets arising from whole bank acquisitions are amortized on an accelerated method over their estimated useful lives, which range from 7 to 10 years. Amortization expense was $83,750 and $92,500 in 2015 and 2014, respectively. Expected future CDI amortization expense is as follows:

Year Ending	Amount
2016	$ 68,750
2017	58,500
2018	50,000
2019	42,000
2020	31,000
2021	7,000
Total	$ 257,250

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

Deferred income taxes are recognized for estimated future tax effects attributable to income tax carryforwards as well as temporary differences between financial reporting and income tax purposes. Valuation allowances are established when necessary to reduce the deferred tax asset to the amount expected to be realized. Deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted accordingly through the provision for income taxes.

The Company has adopted guidance issued by the Financial Accounting Standards Board ("FASB") that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Interest and penalties related to uncertain tax positions are recorded as part of income tax expense; however, there was no penalty or interest expense recorded for the years ended December 31, 2015 and 2014.

Financial Instruments

In the ordinary course of business, the Company has entered into off-balance sheet financial instruments consisting of commitments to extend credit, commercial letters of credit, and standby letters of credit as described in Note I. Such financial instruments are recorded in the financial statements when they are funded or related fees are incurred or received.

Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Current accounting guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. That guidance describes three levels of inputs that may be used to measure fair value:

> Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
>
> Level 2: Significant other observable inputs (other than Level 1 prices) such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
>
> Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the factors that market participants would use in pricing an asset or liability.

See Note M for more information and disclosures relating to the Company's fair value measurements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Advertising Costs

The Company expenses the cost of advertising in the period incurred.

Comprehensive Income

The change in unrealized gains and losses on securities available for sale is the only component of accumulated comprehensive income for the Company. The amount reclassified out of other accumulated comprehensive income relating to realized gains on securities available for sale was zero in 2015 and $255,950 in 2014 with a related tax effect of $102,380.

Earnings Per Share ("EPS")

Basic EPS excludes dilution and is computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity. See Note L for additional details of EPS calculations.

Share-Based Compensation

Share-based compensation cost is recognized for stock option and restricted stock awards issued based on the fair value of these awards at the date of grant. A Black-Scholes model is utilized to estimate the fair value of stock options. Compensation cost is recognized over the required service period, generally defined as the vesting period. For awards with graded vesting, compensation cost is recognized on a straight-line basis over the requisite service period for the entire award.

Reclassifications

Certain amounts in the 2014 financial statements have been reclassified to conform to the 2015 presentation.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Recent Accounting Guidance Not Yet Effective

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This Update requires an entity to recognize revenue as performance obligations are met, in order to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration the entity is entitled to receive for those goods or services. The following steps are applied in the updated guidance: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, the entity satisfies a performance obligation. These amendments are effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that period. The Company is currently evaluating the effects of ASU 2014-09 on its financial statements and disclosures, if any.

On January 5, 2016, the FASB issued Accounting Standards Update 2016-01, *Financial Instruments–Overall: Recognition and Measurement of Financial Assets and Financial Liabilities (Subtopic 825-10)*. Changes made to the current measurement model primarily affect the accounting for equity securities with readily determinable fair values, where changes in fair value will impact earnings instead of other comprehensive income. The accounting for other financial instruments, such as loans, investments in debt securities, and financial liabilities is largely unchanged. The Update also changes the presentation and disclosure requirements for financial instruments including a requirement that public business entities use exit price when measuring the fair value of financial instruments measured at amortized cost for disclosure purposes. This Update is generally effective for public business entities in fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company is currently evaluating the effects of ASU 2016-01 on its financial statements and disclosures, if any.

On February 25, 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The most significant change for lessees is the requirement under the new guidance to recognize right-of-use assets and lease liabilities for all leases not considered short-term leases, which is generally defined as a lease term of less than 12 months. This change will result in lessees recognizing right-of-use assets and lease liabilities for most leases currently accounted for as operating leases under current lease accounting guidance. The amendments in this Update are effective for interim and annual periods beginning after December 15, 2018 for public business entities and one year later for all other entities. The Company is currently evaluating the effects of ASU 2016-02 on its financial statements and disclosures.

NOTE B - INVESTMENT SECURITIES

The following table summarizes the amortized cost and fair value of securities available for sale and held to maturity at December 31, 2015 and 2014, and the corresponding amounts of gross unrealized gains and losses:

December 31, 2015	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities Available for Sale:				
Mortgage-backed securities	$ 2,253,276	$ -	$ (14,407)	$ 2,238,869
Corporate debt securities	14,105,580	43,156	(46,941)	14,101,795
Municipal securities - tax exempt	11,398,908	116,561	(461)	11,515,008
Municipal securities - taxable	1,211,904	19,230	-	1,231,134
Marketable equity securities	10,914	11,506	-	22,420
Total	$ 28,980,582	$ 190,453	$ (61,809)	$ 29,109,226
Securities Held to Maturity:				
Municipal securities - taxable	$ 276,153	$ 4,524	$ -	$ 280,677
December 31, 2014				
Securities Available for Sale:				
Mortgage-backed securities	$ 2,678,350	$ 4,170	$ (29,352)	$ 2,653,168
Corporate debt securities	7,968,704	47,978	(29,000)	7,987,682
Municipal securities - tax exempt	5,983,243	48,272	(3,238)	6,028,277
Municipal securities - taxable	1,004,689	9,151	-	1,013,840
Marketable equity securities	10,914	6,342	-	17,256
Total	$ 17,645,900	$ 115,913	$ (61,590)	$ 17,700,223
Securities Held to Maturity:				
Municipal securities - taxable	$ 525,934	$ 17,117	$ -	$ 543,051

The amortized cost and fair value of the investment securities portfolio as of December 31, 2015 are shown by contractual maturity below. Expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Securities not due at a single maturity date are presented separately.

	Available for Sale		Held to Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due within one year	$ -	$ -	$ 276,153	$ 280,677
Due after one year through five years	13,414,558	13,471,131	-	-
Due after five years through ten years	13,301,834	13,376,806	-	-
Mortgage-backed securities	2,253,276	2,238,869	-	-
Total debt securities	28,969,668	29,086,806	276,153	280,677
Marketable equity securities	10,914	22,420	-	-
Total	$ 28,980,582	$ 29,109,226	$ 276,153	$ 280,677

NOTE B - INVESTMENT SECURITIES - Continued

Mortgage-backed debt securities with unrealized losses of $8,281 and Corporate debt securities with unrealized losses of $28,412 as of December 31, 2015 had been in a continuous loss position for more than 12 months. Unrealized losses on debt securities have not been recognized into income because the issuer bonds are of high credit quality, management does not intend to sell and it is likely that management will not be required to sell the securities prior to their anticipated recovery, and the decline in fair value is largely due to changes in interest rates and other market conditions. The fair value is expected to recover as the bonds approach maturity.

The Company had pledged debt securities with a fair value of $2,238,868 and $2,653,168 to the Federal Home Loan Bank of San Francisco to secure borrowing arrangements discussed in Note F, as of December 31, 2015 and 2014, respectively.

The Company had proceeds and gains from the sale of securities of $255,950 in 2014. There were no securities sold in 2015.

NOTE C - LOANS AND ALLOWANCE FOR LOAN LOSSES

The following is a summary of the loans and allowance for loan losses during the year ended December 31:

	2015	2014
Real Estate	$ 280,758,275	$ 279,909,096
Commercial	64,542,243	43,519,043
SBA	13,225,462	12,222,629
Consumer	517,097	848,627
Loans Receivable	359,043,077	336,499,395
Unaccreted discount on acquired loans	(443,235)	(728,557)
Loans Receivable, net of Unaccreted Discount on Acquired Loans	358,599,842	335,770,838
Net deferred loan origination fees and costs	(735,550)	(616,703)
Allowances for loan losses	(3,156,400)	(2,925,000)
Loans Receivable, net	$ 354,707,892	$ 332,229,135

A summary of the changes in the allowance for loan losses follows as of December 31:

	2015	2014
Balance, beginning of year	$ 2,925,000	$ 2,010,000
Provision for credit losses	216,400	941,620
Loan charge-offs	-	(41,620)
Loan recoveries	15,000	15,000
Balance, end of year	$ 3,156,400	$ 2,925,000

NOTE C - LOANS AND ALLOWANCE FOR LOAN LOSSES - Continued

The following table summarizes the allocation of the allowance as well as the activity in the allowance attributed to various segments in the loan portfolio as of and for the years ended December 31, 2015 and 2014:

December 31, 2015	Real Estate	Commercial	SBA	Consumer	Total
Allowance for Loan Losses:					
Beginning of Year	$ 2,037,137	$ 442,612	$ 445,048	$ 203	$ 2,925,000
Provisions	(88,125)	319,463	(18,533)	3,595	216,400
Charge-offs	-	-	-	-	-
Recoveries	-	15,000	-	-	15,000
End of Year	$ 1,949,012	$ 777,075	$ 426,515	$ 3,798	$ 3,156,400
Reserves:					
Specific	$ -	$ -	$ -	$ -	$ -
General	1,949,012	777,075	426,515	3,798	3,156,400
	$ 1,949,012	$ 777,075	$ 426,515	$ 3,798	$ 3,156,400
Loans Evaluated for Impairment:					
Individually	$ -	$ 225,000	$ -	$ -	$ 225,000
Collectively	280,317,633	64,314,650	13,225,462	517,097	358,374,842
	$ 280,317,633	$ 64,539,650	$ 13,225,462	$ 517,097	$ 358,599,842
December 31, 2014					
Allowance for Loan Losses:					
Beginning of Year	$ 1,521,757	$ 240,291	$ 247,622	$ 330	$ 2,010,000
Provisions	515,380	227,098	197,426	1,716	941,620
Charge-offs	-	(39,777)	-	(1,843)	(41,620)
Recoveries	-	15,000	-	-	15,000
End of Year	$ 2,037,137	$ 442,612	$ 445,048	$ 203	$ 2,925,000
Reserves:					
Specific	$ -	$ -	$ -	$ -	$ -
General	2,037,137	442,612	445,048	203	2,925,000
Loans acquired with deteriorated credit quality	-	-	-	-	-
	$ 2,037,137	$ 442,612	$ 445,048	$ 203	$ 2,925,000
Loans Evaluated for Impairment:					
Individually	$ 962,277	$ -	$ -	$ -	$ 962,277
Collectively	276,176,105	43,605,708	12,222,629	848,627	332,853,069
Loans acquired with deteriorated credit quality	1,955,492	-	-	-	1,955,492
	$ 279,093,874	$ 43,605,708	$ 12,222,629	$ 848,627	$ 335,770,838

NOTE C - LOANS AND ALLOWANCE FOR LOAN LOSSES - Continued

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as current financial information, historical payment experience, collateral adequacy, credit documentation, and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. This analysis typically includes larger, non-homogeneous loans such as commercial real estate and commercial and industrial loans. This analysis is performed on an ongoing basis as new information is obtained. The Company uses the following definitions for risk ratings:

Special Mention - Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard - Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Impaired - A loan is considered impaired, when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. Additionally, all loans classified as troubled debt restructurings are considered impaired.

Loans listed as pass include larger non-homogeneous loans not meeting the risk rating definitions above and smaller, homogeneous loans not assessed on an individual basis.

The risk category of loans by class of loans was as follows as of December 31, 2015:

December 31, 2015	Pass	Special Mention	Substandard	Impaired	Total
Real Estate:					
Construction	$ 31,809,906	$ -	$ -	$ -	$ 31,809,906
Residential real estate	51,682,916	-	229,981	-	51,912,897
Multi-family residential	47,157,130	-	-	-	47,157,130
Nonresidential	142,689,802	5,217,000	1,530,898	-	149,437,700
Commercial	64,245,650		69,000	225,000	64,539,650
SBA	12,959,309	266,153	-	-	13,225,462
Consumer	517,097	-	-	-	517,097
	$ 351,061,810	$ 5,483,153	$ 1,829,879	$ 225,000	$ 358,599,842

NOTE C - LOANS AND ALLOWANCE FOR LOAN LOSSES - Continued

The risk category of loans by class of loans was as follows as of December 31, 2014:

December 31, 2014	Pass	Special Mention	Substandard	Impaired	Total
Real Estate:					
Construction	$ 31,091,502	$ -	$ -	$ -	$ 31,091,502
Residential real estate	50,470,985	-	1,224,812	-	51,695,797
Multi-family residential	65,076,562	-	-	-	65,076,562
Nonresidential	123,407,781	330,125	6,529,830	962,277	131,230,013
Commercial	42,909,331	696,377	-	-	43,605,708
SBA	12,204,404	18,225	-	-	12,222,629
Consumer	848,627	-	-	-	848,627
	$ 326,009,192	$ 1,044,727	$ 7,754,642	$ 962,277	$ 335,770,838

Past due and nonaccrual loans presented by loan class were as follows as of December 31, 2015 and 2014:

	Still Accruing		
December 31, 2015	30-89 Days Past Due	Over 90 Days Past Due	Nonaccrual
Commercial	$ -	$ -	$ 225,000
	$ -	$ -	$ 225,000
December 31, 2014			
Non Residential	$ 712,009	$ -	$ 962,277
Residential Real Estate		1,005,452	-
Commercial	471,376	-	-
	$ 1,183,385	$ 1,005,452	$ 962,277

NOTE C - LOANS AND ALLOWANCE FOR LOAN LOSSES - Continued

Information relating to individually impaired loans presented by class of loans was as follows as of December 31, 2015 and 2014:

	Unpaid		Impaired Loans			Average	Interest
	Principal	Recorded	Without Specific	With Specific	Related	Recorded	Income
December 31, 2015	Balance	Investment	Allowance	Allowance	Allowance	Investment	Recognized
Commercial	$ 225,000	$ 225,000	$ 225,000	$ -	$ -	$ 225,000	$ -
December 31, 2014							
Commercial Real Estate:							
Nonresidential	$ 1,286,277	$ 962,277	$ 962,277	$ -	$ -	$ 962,277	$ -

No loans were modified as troubled debt restructurings for the periods ended December 31, 2015 and 2014. The Company has not allocated specific reserves to customers whose loan terms have been modified in troubled debt restructurings as of December 31, 2015 and 2014. The Company has committed to lend no additional amounts to customers with outstanding loans that are classified as troubled debt restructurings as of December 31, 2015 and 2014.

The Company has purchased loans for which there was, at acquisition, evidence of deterioration of credit quality since origination and it was probable, at acquisition, that all contractually required payments would not be collected. The Company had no outstanding balance or carrying amount for these loans at December 31, 2015 and $2,160,209 and $1,955,492 at December 31, 2014, respectively. For these purchased credit-impaired loans, the Company did not increase the allowance for loan losses after the acquisition during 2015 or 2014.

The change in accretable discount on purchased credit-impaired loans during the years 2015 and 2014 was as follows:

	2015	2014
Balance, beginning of year	$ 27,539	$ 161,688
Accretion of income	(204,718)	(134,149)
Reclassification from nonaccretable difference	177,179	-
Disposals	-	-
Balance, end of year	$ -	$ 27,539

NOTE D - PREMISES AND EQUIPMENT

The following is a summary of premises and equipment at December 31:

	2015	2014
Leasehold improvements	$ 531,085	$ 480,075
Furniture, fixtures and equipment	969,044	735,296
	1,500,129	1,215,371
Accumulated depreciation and amortization	(522,862)	(302,240)
	$ 977,267	$ 913,131

Total depreciation expense for the years ended December 31, 2015 and 2014, was $220,621 and $219,875, respectively.

The Company leases its main office in La Jolla and branch facilities in Coronado, San Diego, San Marcos and Newport Beach under noncancellable operating leases that expire on various dates through 2026. The Company is also responsible for common area maintenance, taxes and insurance on these leases. In March 2014, the Company early terminated its India Street branch location in San Diego and entered into a separate lease agreement for a different branch location in San Diego on West C Street. An abandonment loss of approximately $132,000 was recognized in the second quarter of 2014 relating to the early termination of this lease.

Future minimum payments under the above operating leases as of December 31, 2015, including periods covered by renewal options which were reasonably assured at inception of the lease and the impact of the terminated and newly executed leases in 2016 through March 29, 2016, are as follows:

Year Ending	Amount
2016	$ 675,221
2017	655,582
2018	672,489
2019	691,596
2020	710,300
Thereafter	1,896,419
Total	$ 5,301,607

Rental expense was $626,110 and $614,874 in 2015 and 2014, respectively.

NOTE E - DEPOSITS

Interest bearing deposits at December 31 consist of the following:

	2015	2014
Interest bearing checking accounts	$ 11,961,840	$ 9,979,576
Savings and money market	151,284,692	140,359,198
Time certificate of deposit accounts under $250,000	52,096,322	60,237,391
Time certificate of deposit accounts $250,000 and over	13,873,446	6,916,432
	$ 229,216,300	$ 217,492,597

As of December 31, 2015 and 2014, all noninterest-bearing deposits are demand deposits. The maturity of time certificates of deposit is as follows:

	2015	2014
Within one year	$ 39,414,590	$ 30,264,812
One year to three years	25,060,855	36,005,866
Over three years	1,494,323	883,145
	$ 65,969,768	$ 67,153,823

NOTE F - BORROWING ARRANGEMENTS

The Company's other borrowings include advances from the Federal Home Loan Bank (FHLB) of San Francisco.

A summary of FHLB borrowings as of December 31, 2015, is as follows:

Lender	Maturity	Rate of Interest	Amount
Federal Home Loan Bank	May 6, 2016	2.20%	$ 2,500,000
Federal Home Loan Bank	January 23, 2017	0.78%	20,000,000
Federal Home Loan Bank	Open	0.41%	30,000,000
			$ 52,500,000

At December 31, 2015 and 2014, approximately $178.7 million and $183.8 million in loans and $2.1 million and $2.5 in securities were pledged as collateral to the FHLB for the borrowings presented in the table above, respectively. At December 31, 2015 and 2014, the Company had remaining financing availability of approximately $70.5 million and $68.8 million based on the level of pledged loans and securities, respectively, after consideration of the amounts outstanding.

NOTE F - BORROWING ARRANGEMENTS - Continued

As of December 31, 2015 and 2014, approximately $3.3 million and $5.2 million in loans were pledged as collateral to the Federal Reserve Bank on a securitized borrowing arrangement with related borrowing capacity of approximately $1.9 million and $3.5 million, respectively. There was no balance outstanding on this borrowing arrangement at December 31, 2015 and 2014.

The Company has borrowing lines with correspondent banks totaling $13.0 million as of December 31, 2015. There were no balances outstanding on these borrowing lines.

Private Bancorp of America, Inc. entered into an $8.0 million ten-year loan ($7.9 million net of origination costs) that is unsecured, with interest only payable in the first three years. Thereafter the loan will amortize over 25 years for the final seven years. The interest rate is fixed at 4.95% per annum for the first five years with the last five years floating at WSJ Prime +1.70%. There is a 2% or 1% penalty should the loan be pre-paid in years one or two respectively. Principal repayments required over the next five years include none in years 2016 through 2018 and $167,000 and $175,000 in 2019 and 2020, respectively.

NOTE G - INCOME TAXES

The provision for income tax expense for the years ended December 31, 2015 and 2014 consisted of the following:

	2015	2014
Current Taxes:		
Federal	$ 2,195,131	$ 769,128
State	812,802	348,543
	3,007,933	1,117,671
Deferred Taxes:		
Deferred	462,000	703,000
Provision for Income Tax	$ 3,469,933	$ 1,820,671

A comparison of the Federal statutory income tax rates to the Company's effective income tax rate is as follows:

	2015		2014	
	Amount	Rate	Amount	Rate
Statutory Federal Tax	$ 2,855,000	34.0%	$ 1,477,000	34.0%
State Franchise Tax, Net of Federal Benefit	608,000	7.2%	320,000	7.2%
Other Items, Net	6,933	0.1%	23,671	0.5%
Actual Tax Expense	$ 3,469,933	41.3%	$ 1,820,671	41.8%

NOTE G - INCOME TAXES - Continued

Deferred taxes are a result of differences between income tax accounting and generally accepted accounting principles with respect to income and expense recognition.

The following is a summary of the components of the net deferred tax asset accounts recognized in the accompanying balance sheets at December 31:

	2015	2014
Deferred Tax Assets:		
Start-up and organization costs	$ 295,000	$ 341,000
Operating loss carryforwards	3,890,000	4,211,000
Allowance for loan losses due to tax limitations	505,000	415,000
Stock-based compensation	375,000	395,000
Investment other than temporary impairment	-	243,000
Acquisition accounting fair value adjustments	63,000	157,000
Other	805,000	591,000
	5,933,000	6,353,000
Deferred Tax Liabilities:		
Depreciation difference	(104,000)	(67,000)
Cash basis reporting for income tax purposes	-	(26,000)
Deferred costs	(78,000)	(70,000)
Other	(147,000)	(95,000)
	(329,000)	(258,000)
Net Deferred Tax Assets	$ 5,604,000	$ 6,095,000

The Company has total net operating loss carryforwards of approximately $9.4 million for Federal income and approximately $9.7 million for California franchise tax purposes. Net operating loss carryforwards, to the extent not used, will begin to expire in 2026 for Federal and 2016 for California franchise tax purposes.

These NOL carryforwards were acquired as part of the 2011 acquisition of Coronado First Bank and the 2013 acquisition of San Diego Private Bank. They are subject to an annual limitation by Section 382 of the Internal Revenue Code. The amount of the annual limitation for Federal and California Franchise Tax purposes is $332,883 for the 2011 acquisition and $445,559 for the 2013 acquisition. The Company anticipates that these carryforwards will be utilized prior to their expiration and therefore no valuation allowance has been provided.

NOTE G - INCOME TAXES - Continued

The Company's Federal income tax returns for the years ended December 31, 2012 through 2014 have been filed, and are open to audit by the Internal Revenue Service. The Company's California franchise tax returns for the years ended December 31, 2011 through 2014 have been filed, and are open to audit by the State of California.

NOTE H - SHARE-BASED COMPENSATION

The Company has adopted the 2006 Stock Plan (the 2006 Plan). The options under the 2006 Plan are granted to directors, officers, key employees of the Company, and certain consultants. Under the 2006 Plan, both incentive stock options, nonqualified stock options and restricted stock grants may be granted. The 2006 Plan provided for the issuance of up to 600,000 options, which was increased to 800,000 in 2013 pursuant to the merger agreement with San Diego Private Bank. Option prices may not be less than 100 percent of the fair market value of the stock at the date of grant. Stock options expire no later than ten years from the date of grant and vest based on a schedule determined by the Company's Board of Directors. The 2006 Plan provides for accelerated vesting if there is a change of control, as defined in the 2006 Plan.

The Company recognized share-based compensation cost of $341,081 and $296,163 in 2015 and 2014, respectively, related to options and restricted stock grants awarded. Tax benefits associated with share-based compensation amounted to approximately $100,000 and $75,000 in 2015 and 2014, respectively.

The Company granted 35,000 stock options during 2015 with a weighted-average fair value of $3.42. No stock options were granted in 2014. The fair value of the options granted in 2015 was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2015
Dividend yield	0.00%
Expected life	6.5 Years
Expected volatility	20.00%
Risk-free interest rate	1.60%
Weighted-average fair value at grant date	$ 3.42

Since the Company has a limited amount of historical stock activity the expected volatility is based on the historical volatility of similar banks that have a longer trading history. The expected term represents the estimated average period of time that the options remain outstanding. Since the Company does not have sufficient historical data on the exercise of stock options, the expected term is based on the "simplified" method that measures the expected term as the average of the vesting period and the contractual term. The risk free rate of return reflects the grant date interest rate offered for zero coupon U.S. Treasury bonds over the expected term of the options.

NOTE H - SHARE-BASED COMPENSATION - Continued

A summary of the status of the stock options issued under the Company's 2006 Plan as of December 31, 2015 and change during the year then ended follows:

	2015		Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
	Options	Exercise Price		
Balance, beginning of year	611,392	$ 10.32		
Granted	35,000	14.74		
Exercised	(74,853)	10.20		
Forfeited or expired	(20,391)	10.80		
Balance, end of year	551,148	$ 10.60	3.82 Years	$ 3,138,815
Options exercisable	439,359	$ 10.24	2.82 Years	$ 2,661,578

The intrinsic value of option shares exercised in 2015 was approximately $246,000.

As of December 31, 2015, there was $159,005 of total unrecognized compensation cost related to outstanding stock options that will be recognized over a weighted-average period of 1.46 years.

A summary of the status of the restricted stock grants issued under the Company's 2006 Plan as of December 31, 2015 and 2014 and changes during the years then ended follows:

	2015		2014	
	Unvested Shares	Weighted-Average Grant Date Fair Value	Unvested Shares	Weighted-Average Grant Date Fair Value
Balance, beginning of year	47,200	$ 12.27	6,800	$ 10.80
Granted	6,900	14.80	42,100	12.45
Shares Vested	(9,400)	12.15	(1,700)	10.80
Forfeited or expired	(4,320)	12.45	-	-
Balance, end of year	40,380	$ 12.71	47,200	$ 12.27

As of December 31, 2015, there was $452,105 of total unrecognized compensation cost related to restricted stock grants that will be recognized over a weighted-average period of 2.35 years.

NOTE I - COMMITMENTS

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the accompanying balance sheet.

The Company's exposure to credit losses in the event of nonperformance by the other parties for commitments to extend credit and standby letters of credit is represented by the contractual amount of these instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

The following is a summary of contractual or notional amounts of off-balance sheet financial instruments that represent credit risk at December 31, 2015 and 2014.

	2015	2014
Financial instruments whose contract amounts represent credit risks:		
Commitments to extend credit	$ 74,985,000	$ 59,232,000
Standby letters of credit	-	52,000
	$ 74,985,000	$ 59,284,000

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any conditions established in the contract. Commitments generally have fixed expiration dates of not more than 12 months and may require payment of a fee. Since many of the commitments are not expected to be drawn upon, the total commitment amounts may not represent future cash requirements. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Company upon extension of credit, is based on management's credit evaluation. Collateral held varies but may include marketable investment securities, accounts receivable, inventory, property, plant, and equipment, and real properties.

NOTE J - RELATED PARTY TRANSACTIONS

Loans to related parties totaled approximately $743,000 and $761,000 as of December 31, 2015 and 2014, respectively. The following is a summary of changes in related party loans:

	2015
Balance, Beginning of Year	$ 760,534
New Loans and Advances	-
Repayments	(17,863)
Balance, End of Year	$ 742,671

NOTE J - RELATED PARTY TRANSACTIONS - Continued

As of December 31, 2015 and 2014, the Company's balance sheet included deposits from executive officers and directors totaling approximately $19,798,000 and $6,706,000, respectively.

In 2015, the Company entered into a consulting agreement with its Chairman of the Board wherein various services are provided including client development and retention, shareholder development and communications, business model implementation and acquisition strategies. For services provided, the Chairman received annual compensation of $108,000 and reimbursement for expenses. The term of the consulting agreement was for 12 months, expiring on February 29, 2016.

NOTE K - REGULATORY MATTERS

The Bank is subject to various regulatory capital requirements administered by the Federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly, additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance sheet items, as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

In July, 2013, the federal bank regulatory agencies approved the final rules implementing the Basel Committee on Banking Supervision's capital guidelines for U.S. banks. The new rules became effective on January 1, 2015, with certain of the requirements phased-in over a multi-year schedule. Under the rules, minimum requirements increased for both the quantity and quality of capital held by the Bank. The rules include a new common equity Tier 1 ("CET1") capital to risk-weighted assets ratio with minimums for capital adequacy and prompt corrective action purposes of 4.5% and 6.5%, respectively. The minimum Tier 1 capital to risk-weighted assets ratio was raised from 4.0% to 6.0% under the capital adequacy framework and from 6.0% to 8.0% to be well-capitalized under the prompt corrective action framework. In addition, the rules introduced the concept of a "conservation buffer" of 2.5% applicable to the three capital adequacy risk-weighted asset ratios (CET1, Tier 1 and Total). The conservation buffer will be phased-in on a pro rata basis over a four year period beginning in 2016. If the capital adequacy minimum ratios plus the phased-in conservation buffer amount exceed actual risk-weighted capital ratios, then dividends, share buybacks and discretionary bonuses to executives could be limited in amount. Based on the level of actual risk-weighted capital ratios at December 31, 2015, the Bank does not expect to be limited by the provisions of the conservation buffer when it becomes effective in 2016.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios of total, Tier 1, and CET1 capital (primarily common stock and retained earnings less goodwill) to risk-weighted assets, and of Tier 1 capital to average assets. Management believes that the Bank meets all capital adequacy requirements to which it is subject as of December 31, 2015.

As of December 31, 2015, the most recent notification from the FDIC categorized the Bank as "well-capitalized" under the regulatory framework for prompt corrective action. To be categorized as well-capitalized the Bank must maintain minimum total risk-based, Tier 1 risk-based, and Tier 1 leverage ratios as set forth in the table below. There are no conditions or events since the notification that management believes have changed the Bank's category.

NOTE K - REGULATORY MATTERS - Continued

The Bank's actual and required capital amounts and ratios as of December 31, 2015 and 2014, are presented below (dollar amounts in thousands):

	Actual		For Capital Adequacy Purposes		To Be Well-Capitalized Under Prompt Corrective Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2015						
Total capital (to risk-weighted assets)	$ 56,824	15.5%	$ 29,362	8.0%	$ 36,703	10.0%
Tier 1 capital (to risk-weighted assets)	53,542	14.6%	22,022	6.0%	29,362	8.0%
CET1 capital (to risk-weighted assets)	53,542	14.6%	16,516	4.5%	23,857	6.5%
Tier 1 capital (to average assets)	53,542	11.8%	18,076	4.0%	22,595	5.0%
As of December 31, 2014						
Total capital (to risk-weighted assets)	$ 53,556	15.3%	$ 28,078	8.0%	$ 35,098	10.0%
Tier 1 capital (to risk-weighted assets)	50,567	14.4%	14,039	4.0%	21,059	6.0%
Tier 1 capital (to average assets)	50,567	14.0%	14,446	4.0%	18,058	5.0%

The California Financial Code generally acts to prohibit banks from making a cash distribution to its shareholders in excess of the lesser of the bank's undivided profits or the bank's net income for its last three fiscal years less the amount of any distribution made by the bank's shareholders during the same period.

NOTE L - EARNINGS PER SHARE ("EPS")

The following is a reconciliation of net income and shares outstanding to the income and number of shares used to compute EPS.

	2015		2014	
	Net Income	Shares	Net Income	Shares
Net income as reported	$ 4,928,483		$ 2,523,594	
Shares outstanding at year-end		3,816,936		4,135,935
Less unvested restricted shares		(40,380)		(47,200)
Impact of weighting shares issued or retired during the year		308,893		(26,464)
Used in Basic EPS	4,928,483	4,085,449	2,523,594	4,062,271
Dilutive effect of outstanding stock options	-	144,879	-	124,670
Used in Dilutive EPS	$ 4,928,483	4,230,328	$ 2,523,594	4,186,941

There were 35,000 anti-dilutive shares as of December 31, 2015 and none at December 31, 2014.

NOTE M - FAIR VALUE MEASUREMENTS

The following is a description of valuation methodologies used for assets measured at fair value on a recurring basis:

Securities: The fair values of securities available for sale are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1) or matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted prices for specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2).

NOTE M - FAIR VALUE MEASUREMENTS - Continued

The following table provides the hierarchy and fair value for each major category of assets and liabilities measured at fair value at December 31, 2015 and 2014:

	Fair Value Measurements Using:			
December 31, 2015	Level 1	Level 2	Level 3	Total
Assets Measured at Fair Value:				
On a Recurring Basis:				
Securities available for sale	$ -	$ 29,109,226	$ -	$ 29,109,226
December 31, 2014				
Assets Measured at Fair Value:				
On a Recurring Basis:				
Securities available for sale	$ -	$ 17,700,223	$ -	$ 17,700,223

The Company had no assets or liabilities measured at fair value on a non-recurring basis as of December 31, 2015 and 2014.

NOTE N - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount at which the asset or obligation could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value estimates are made at a specific point in time based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the entire holdings of a particular financial instrument. Because no market value exists for a significant portion of the financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature, involve uncertainties and matters of judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value estimates are based on financial instruments both on and off the balance sheet without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments. Additionally, tax consequences related to the realization of the unrealized gains and losses can have a potential effect on fair value estimates and have not been considered in many of the estimates.

NOTE N - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The following methods and assumptions were used to estimate the fair value of significant financial instruments:

Financial Assets

The carrying amounts of cash, short term investments, amount due from customers on acceptances, and bank acceptances outstanding are considered to approximate fair value. Short term investments include federal funds sold, securities purchased under agreements to resell, and interest bearing deposits with banks. The determination of the fair value of investment securities is based on upon estimates provided by a third party pricing service and which reflect various assumptions using indirect unobservable inputs. The fair value of loans is estimated using a combination of techniques, including discounting estimated future cash flows at current market rates of interest.

Financial Liabilities

The carrying amounts of deposit liabilities payable on demand, and other borrowed funds are considered to approximate fair value. For fixed maturity deposits, fair value is estimated by discounting estimated future cash flows using currently offered rates for deposits of similar remaining maturities. The fair value of long term debt is based on rates currently available to the Company for debt with similar terms and remaining maturities.

Off-Balance Sheet Financial Instruments

The fair value of commitments to extend credit and standby letters of credit is estimated using the fees currently charged to enter into similar agreements. The fair value of these financial instruments is not material.

The fair value hierarchy level and estimated fair value of significant financial instruments at December 31, 2015 and 2014 is summarized as follows (dollar amounts in thousands):

		December 31, 2015		December 31, 2014	
	Fair Value Hierarchy	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets					
Cash and due from banks	Level 1	$ 54,119	$ 54,119	$ 48,131	$ 48,131
Interest-bearing deposits at FRB	Level 1	660	660	6,610	6,610
Interest-bearing deposits-other	Level 1	3,296	3,296	5,114	5,114
Investment securities available for sale	Level 2	29,109	29,109	17,700	17,700
Investment securities held to maturity	Level 2	276	281	526	543
Loans, net	Level 3	354,708	370,537	332,229	350,843
Liabilities					
Deposits	Level 2	$ 340,192	$ 340,488	$ 305,400	$ 305,929
Other borrowings	Level 2	60,369	60,354	64,500	64,555

NOTE O - 401K BENEFIT PLAN

The Company maintains a 401K benefit plan that provides for employee contributions up to maximums allowed by law, which are matched up to 4% by the Company. Matching contributions charged to expense amounted to $110,903 and $92,436 in 2015 and 2014, respectively.

NOTE P - LOAN PURCHASE AND ASSUMPTION OF DEPOSITS

On December 26, 2014, the Company acquired approximately $50.0 million in loans and assumed approximately $8.1 million in deposits from First Security Business Bank ("FSBB"). FSBB closed its only office in Orange, California following the transaction and the Company will service the loans and deposits from its existing locations. A premium of $132,000 was paid on the loans, which will be amortized as a yield adjustment over the remaining life of the acquired loans. There was no premium or discount on the deposits assumed.

NOTE Q – PARENT ONLY CONDENSED FINANCIAL STATEMENTS

CONDENSED BALANCE SHEET
December 31, 2015
(dollars in thousands)

	2015
ASSETS	
Cash and cash equivalents	$ 1,006
Due from interest-bearing	397
Investment in bank subsidiary	57,633
Total Assets	$ 59,036
LIABILITIES AND SHAREHOLDERS' EQUITY	
Other borrowings	$ 7,869
Other liabilities	15
Total Liabilities	7,884
Shareholders' Equity:	
Common Stock	37,326
Additional Paid-in Capital	2,256
Retained Earnings	11,493
Accumulated Other Comprehensive Income (Loss)	77
Total Shareholders' Equity	51,152
Total Liabilities and Shareholders' Equity	$ 59,036

CONDENSED STATEMENT OF INCOME AND COMPREHENSIVE INCOME
Year ended December 31, 2015
(dollars in thousands)

	2015
Interest Expense on Borrowings	$ 38
Noninterest Expense	101
Income (Loss) before Equity in Undistributed Income of Subsidiaries	(139)
Equity in Undistributed Income of:	
San Diego Private Bank	5,010
Income before Income Taxes	4,871
Income Tax Benefit	57
Net Income	$ 4,928
Other comprehensive income, net of tax:	
Change in unrealized gains/losses on securites, net of taxes	45
Comprehensive Income	$ 4,973

NOTE Q – PARENT ONLY CONDENSED FINANCIAL STATEMENTS – Continued

CONDENSED STATEMENT OF CASH FLOW
Year ended December 31, 2015
(dollars in thousands)

	2015
Cash Flows from Operating Activities:	
Parent only loss	$ (81)
Increase in other liabilities	14
	(67)
Cash Flows from Investment Activities:	
Increase in interest-bearing deposits	(396)
	(396)
Cash Flows from Financing Activities:	
Increase in other borrowings	7,869
Repurchase of stock	(6,400)
	1,469
Increase in cash and cash equivalents	1,006
Cash and Cash Equivalents Beginning of Year	-
Cash and Cash Equivalents End of Year	$ 1,006

WE ARE TRADED ON THE OVER-THE-COUNTER BULLETIN BOARD.

Our Stock Symbol is: **PBAM**

TRANSFER AGENT
Computershare Trust Company, N.A.
250 Royall Street
Canton, MA 02021
Tel: 800-962-4284

SAN DIEGO PRIVATE BANK

A subsidiary of Private Bancorp of America, Inc.



TO PURCHASE OUR STOCK, PLEASE CALL ONE OF OUR MARKET MAKERS.

Boenning & Scattergood
9922 Brewster Lane
Powell, OH 43065
Toll Free: 866-326-8113
Fax: 614-336-8850
Nicolas Bicking
Tel: 614-408-1223
nbicking@boenninginc.com
Thomas Dooley
Tel: 614-408-1224
tdooley@boenninginc.com

D.A. Davidson and Company
Michael R. Natzic
P.O. Box 1688 (US Mail)
42605 Moonridge Rd. (overnight)
Big Bear Lake, CA 92315-1688
Toll Free. 800-288-2811
Tel: 909-584-4500
Fax: 909-585-7220
mnatzic@dadco.com

FIG Partners
Mike Acampora
Senior Vice President
FIG Partners, LLC
1654 Pearl Street
Jacksonville, Florida 32206
904-354-0441
macampora@figpartners.com

Raymond James & Assoc., Inc.
John Cavender
Jacob Forney
One Embarcadero Center, Suite 650
San Francisco, CA 94111
Phone: 415-616-8935
Fax: 415-616-8949
John.Cavender@raymondjames.com
Jacob.Forney@raymondjames.com

Wedbush Securities
Joey Warmenhoven
One SW Columbia Street, Suite 1000
Portland, OR 97258
Toll Free: 866-662-0351
Direct: 503-922-4888
Fax: 503-471-6795
Joey.warmenhoven@wedbush.com

LOCATIONS:

Coronado Office
801 Orange Avenue, Suite 101
Coronado, CA 92118
619.437.1000

La Jolla Office
9404 Genesee Avenue, Suite 100
La Jolla, CA 92037
858.875.6900

Newport Office
18552 MacArthur Blvd., Suite 220
Irvine, CA 92612
949.345.7600

San Diego Office
550 W. C Street, Suite 110
San Diego, CA 92101
619.230.2800

Private Business Capital - SBA
950 Boardwalk, Suite 105
San Marcos, CA 92078
760.759.1700

PRIVATE BANCORP OF AMERICA, INC. AND ITS SUBSIDIARIES:

SAN DIEGO PRIVATE BANK
A subsidiary of Private Bancorp of America, Inc.

CORONADO PRIVATE BANK
A DIVISION OF SAN DIEGO PRIVATE BANK

NEWPORT PRIVATE BANK
A DIVISION OF SAN DIEGO PRIVATE BANK

PRIVATE BUSINESS CAPITAL
A DIVISION OF SAN DIEGO PRIVATE BANK

➤ ➤ ➤ **sandiegoprivatebank.net**

SAN DIEGO PRIVATE BANK
A subsidiary of Private Bancorp of America, Inc.

Distinctly Different™

EQUAL HOUSING LENDER

Member FDIC