

Q1 2021 FINANCIALS

with a message from our
PRESIDENT & CEO



A message from our PRESIDENT & CEO

Valued Clients and Shareholders,

What a difference a year makes. As we look back on the first quarter of 2021, it is almost hard to believe where we were just 12 months ago—faced with a global pandemic, a recession, and only beginning to navigate what would be the most extraordinary and challenging year for many of us.



With the world beginning to settle into a “new normal,” I am extremely proud of how our team has continued to act with grace and resilience, without losing sight of the most important aspect of our business: providing the highest level of service to our clients. It is with this in mind that we have been able to achieve so much during this difficult time, including participating in the first and second round of the PPP financing. Highlights of some of our key financial achievements in the last 12 months include:

- Total assets increased 35.0% from \$319.3 million to \$430.9 million.
- Deposits increased to \$333.9 million, up \$110.5 million or 49.5%.
- Total loans increased \$101.3 million to \$357.4 million, up 39.5%.
- Net income increased 307.5%, up \$815 thousand.

Our excellent performance in the first quarter and the incredible momentum we are seeing in the financial marketplace have strengthened our position to be the most valuable financial partner to our clients.

We continue to be focused on seizing opportunities to support our current financial position, drive future growth, and advance our digital capabilities in order to better serve our clients. This growth is supported by our continual investments in our people, products and services, and technology. These important investments will continue to position us to grow and prosper in the years to come.

As we look towards the future, we will broaden our solutions and stand by our commitment to deliver excellence in every facet of our business. Our success is founded on our commitment to: finding new and innovative ways to serve our clients; enhancing shareholder value; and giving back to our communities.

Thank you for being a part of this journey. We are honored to have your trust and partnership, and we are thrilled for what is next for Partners Bank of California. Be safe and be healthy.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. Walsh". The signature is fluid and cursive.

J. Chris Walsh
President and Chief Executive Officer

Partners Bank of California
Statements of Financial Condition
(unaudited, dollars in thousands)

	March 31, 2021	March 31, 2020	Variance	
			\$	%
Assets:				
Cash and cash equivalents	\$ 68,951	\$ 57,828	\$ 11,123	19.2%
Investment securities available for sale	2,302	5,275	(2,973)	-56.4%
Loans held for investment	357,385	256,109	101,276	39.5%
Allowance for loan losses	(6,663)	(4,031)	(2,632)	65.3%
Loans, net	350,722	252,078	98,644	39.1%
Other assets	8,920	4,115	4,805	116.8%
Total assets	\$ 430,895	\$ 319,296	\$ 111,599	35.0%
Liabilities:				
Deposits				
Noninterest-bearing deposits	\$ 168,122	\$ 110,924	\$ 57,198	51.6%
Savings, NOW and money market accounts	146,284	90,692	55,592	61.3%
Certificates of deposit	19,480	21,753	(2,273)	-10.4%
Total deposits	333,886	223,369	110,517	49.5%
FHLB advances and other borrowings	57,000	61,325	(4,325)	-7.1%
Other liabilities	3,322	999	2,323	232.5%
Total liabilities	394,208	285,693	108,515	38.0%
Stockholders' Equity:				
Common stock	32,824	32,824	-	0.0%
Additional paid-in capital	2,154	1,818	336	18.5%
Accumulated income (deficit)	1,655	(1,126)	2,781	*nm
	36,633	33,516	3,117	9.3%
Accumulated other comprehensive income	54	87	(33)	-37.9%
Total stockholders' equity	36,687	33,603	3,084	9.2%
Total liabilities and stockholders' equity	\$ 430,895	\$ 319,296	\$ 111,599	35.0%

Partners Bank of California
Statements of Income
(unaudited, dollars in thousands)

	For the Three Months Ended		Variance	
	March 31, 2021	March 31, 2020	\$	%
Interest income	\$ 3,857	\$ 3,322	\$ 535	16.1%
Interest expense	305	503	(198)	-39.4%
Net interest income before provision for loan losses	3,552	2,819	733	26.0%
Provision for loan losses	-	398	(398)	-100.0%
Net interest income after provision for loan losses	3,552	2,421	1,131	46.7%
Noninterest income	82	62	20	32.3%
Noninterest expense	2,454	2,178	276	12.7%
Income before income tax provision	1,180	305	875	286.9%
Income tax provision	365	105	260	247.6%
Net income	\$ 815	\$ 200	\$ 615	307.5%

*nm - not meaningful



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of california

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