



RBB Bancorp Reports Fourth Quarter and Full Year Earnings for 2020

January 25, 2021

Conference Call and Webcast Scheduled for Tuesday, January 26, 2021 at 11:00 a.m. Pacific Time/2:00 p.m. Eastern Time

Fourth Quarter 2020 Highlights

- **Net income of \$11.1 million, or \$ 0.56 diluted earnings per share, increased \$2.6 million, or 30.8%, from the prior quarter and increased \$474,000, or 4.4%, from the fourth quarter of 2019**
- **Total deposits (excluding brokered deposits) increased by \$23.4 million, or 3.6% annualized growth, from the end of the prior quarter**
- **Net interest margin of 3.7% increased by 8 basis points from the prior quarter and increased 20 basis points from the fourth quarter of 2019**

LOS ANGELES--(BUSINESS WIRE)--Jan. 25, 2021-- RBB Bancorp (NASDAQ:RBB) and its subsidiaries, Royal Business Bank ("the Bank") and RBB Asset Management Company ("RAM"), collectively referred to herein as "the Company," announced financial results for the quarter ended December 31, 2020.

The Company reported net income of \$11.1 million, or \$ 0.56 diluted earnings per share, for the three months ended December 31, 2020, compared to net income of \$8.5 million, or \$ 0.43 diluted earnings per share, and \$10.7 million, or \$0.52 diluted earnings per share, for the three months ended September 30, 2020 and December 31, 2019, respectively.

"Royal Business Bank finished 2020 with strong fourth quarter results, concluding a challenging year that demonstrated the resilience of our differentiated business model," said Mr. Alan Thian, Chairman, President and CEO of RBB Bancorp. "Fourth quarter earnings benefitted from an increase in our net interest margin and gains on loan sales. Higher than anticipated loan payoffs resulted in a modest reduction in our loan portfolio following the strong growth we saw in the third quarter. We anticipate returning to loan growth in the first quarter. Our asset quality remains solid and we remain well capitalized with ample access to liquidity. Loans modified under the CARES Act outstanding continue to decrease and now represent 1.8% of gross loans outstanding."

"Our board of directors approved a quarterly dividend of \$0.12 per share, as clarity on our future performance improved," Mr. Thian concluded.

Key Performance Ratios

Net income of \$11.1 million for the fourth quarter of 2020 produced an annualized return on average assets of 1.33%, an annualized return on average tangible common shareholders' equity of 12.58%, and an annualized return on average shareholders' equity of 10.38%. This compares to an annualized return on average assets of 1.05%, an annualized return on average tangible common shareholders' equity of 9.81%, and an annualized return on average shareholders' equity of 8.06% for the third quarter of 2020. The efficiency ratio for the fourth quarter of 2020 was 43.32%, compared to 46.63% for the prior quarter. The improvement in the efficiency ratio was primarily due to improved net interest income and non-interest income.

Net Interest Income and Net Interest Margin

Net interest income, before provision for loan losses, was \$28.9 million for the fourth quarter of 2020, compared to \$27.3 million for the third quarter of 2020. The \$1.6 million increase was primarily attributable to a \$114.1 million increase in average earning assets and a \$21.5 million increase in average noninterest-bearing deposits, partially offset by a \$73.6 million increase in average interest-bearing liabilities. Net interest income was also favorably impacted by an 8 basis point increase in the net interest margin. Accretion of purchase discounts from prior acquisitions contributed \$275,000 to net interest income in the fourth quarter of 2020, compared to \$634,000 in the third quarter of 2020.

Compared to the fourth quarter of 2019, net interest income, before provision for loan losses, increased \$5.8 million from \$23.1 million. The increase was primarily attributable to a \$492.4 million increase in average earning assets and a \$170.9 million increase in average noninterest-bearing deposits, partially offset by a \$331.5 million increase in average interest-bearing liabilities. The increases in average earning assets and total deposits were primarily due to the Pacific Global Bank ("PGB") acquisition, and increased loan and deposit originations.

Net interest margin was 3.67% for the fourth quarter of 2020, an increase of 8 basis points from 3.59% in the third quarter of 2020. The increase was primarily attributable to a 16 basis point decrease in the cost of total deposits and a 13 basis point decrease in the cost of borrowings (FHLB advances, long-term debt and subordinated debentures), partially offset by an 8 basis point decrease in the yield on average earning assets. Loan discount accretion contributed 3 basis points to the net interest margin in the fourth quarter of 2020, compared to 8 basis points in the third quarter of 2020.

Noninterest Income

Noninterest income was \$4.5 million for the fourth quarter of 2020, an increase of \$1.8 million from \$2.7 million in the third quarter of 2020. The increase was driven by an increase in gain on loan sales of \$1.7 million as the Company sold \$30.6 million more loans in the fourth quarter than in the prior quarter generally due to increased market activity following the initial impact of the COVID-19 pandemic.

The Company sold \$24.7 million in FNMA qualified mortgage loans for a net gain of \$645,000 and sold \$24.3 million in qualified and non-qualified mortgage loans to private investors for a gain of \$1.2 million during the fourth quarter of 2020. This compared to \$17.7 million in FNMA qualified

mortgage loans for a net gain of \$536,000 and \$11.8 million in non-qualified mortgage loans to private investors for a gain of \$224,000 during the third quarter of 2020. The Company sold \$11.3 million in SBA loans during the fourth quarter of 2020 for a net gain of \$595,000, compared to no SBA loans sold during the third quarter of 2020.

Compared to the fourth quarter of 2019, noninterest income decreased by \$1.3 million from \$5.8 million. The decrease was primarily attributable to a decrease of \$1.3 million in gain on loan sales and a decrease of \$611,000 in loan servicing fees.

Noninterest Expense

Noninterest expense for the fourth quarter of 2020 was \$14.5 million, compared to \$14.0 million for the third quarter of 2020. The \$475,000 increase was primarily attributable to a \$506,000 increase in compensation and employee benefits expenses, \$164,000 increase in marketing and business promotion expenses, partially offset by a \$188,000 decrease in data processing expenses, and a \$153,000 decrease in insurance and regulatory assessments.

Noninterest expense increased from \$13.5 million in the fourth quarter of 2019. The \$988,000 increase was primarily due to a \$515,000 increase in data processing expense, a \$477,000 increase in legal and professional expense, and a \$284,000 increase in salaries and employee benefits expenses. These were partially offset by a \$226,000 decrease in merger and conversion expenses, and a \$172,000 decrease in OREO expense.

Income Taxes

The effective tax rate was 29.92% for the fourth quarter of 2020, 29.81% for the third quarter of 2020, and 27.99% for the fourth quarter of 2019.

Loan Portfolio

Loans held for investment, net of deferred fees and discounts, totaled \$2.7 billion as of December 31, 2020, a decrease of \$48.4 million from September 30, 2020, and an increase of \$509.8 million from December 31, 2019. The decrease from the prior quarter was primarily due to an increase in loan payoffs. Single-family residential mortgages decreased by \$39.6 million net of payoffs, paydowns and loan sales. Commercial real estate loans increased by \$28.5 million, construction and land development loans increased by \$3.2 million, other loans increased by \$758,000, SBA loans decreased by \$13.4 million, and commercial and industrial loans decreased by \$27.8 million.

During the fourth quarter of 2020, single-family residential mortgage production was \$110.3 million (mortgage loans held for investment and held for sale), payoffs and paydowns were \$74.5 million, and single-family residential mortgage loan sales were \$49.3 million. During the third quarter of 2020, single-family residential mortgage production was \$82.6 million, payoffs and paydowns were \$45.7 million, and loan sales were \$49.0 million.

Mortgage loans held for sale were \$50.0 million as of December 31, 2020, an increase of \$26.1 million from \$23.9 million at September 30, 2020 and a decrease of \$58.2 million from \$108.2 million as of December 31, 2019. The Company originated approximately \$50.0 million in mortgage loans for sale for the fourth quarter of 2020, compared with \$28.7 million during the prior quarter. In the fourth quarter, SBA loan production was \$5.8 million and total loan sales were \$11.1 million.

Deposits

Deposits were \$2.6 billion at December 31, 2020, an increase of \$23.4 million from September 30, 2020, and an increase of \$432.9 million from December 31, 2019, excluding brokered deposits. The increase in total deposits from the prior quarter was primarily attributable to organic deposit growth. Noninterest-bearing deposits decreased by \$25.1 million and interest-bearing non-maturity deposits increased by \$76.7 million. Time deposits decreased by \$28.2 million. As of December 31, 2020, time deposits included \$17.4 million in brokered CDs, as compared to \$17.4 million as of September 30, 2020 and \$67.1 million as of December 31, 2019.

Asset Quality

Nonperforming assets totaled \$19.8 million, or 0.59% of total assets at December 31, 2020, compared to \$18.3 million, or 0.54%, of total assets at September 30, 2020. The increase in nonperforming assets was primarily due to an increase in non-accrual loans. Nonperforming assets consist of OREO, loans modified under troubled debt restructurings ("TDR"), non-accrual loans, and loans past due 90 days or more and still accruing interest.

Loans held-for-investment 30 to 89 days past due decreased by \$12.8 million to \$8.9 million at December 31, 2020 from \$21.7 million at September 30, 2020.

In the fourth quarter of 2020, there were \$305,000 in net charge-offs, up from \$47,000 in the prior quarter.

The Company recorded a provision for credit losses of \$3.0 million for the fourth quarter of 2020, a decrease from \$3.9 million in the prior quarter, primarily attributable to lower loan balances.

The allowance for loan losses totaled \$29.3 million, or 1.08% of loans held for investment at December 31, 2020, compared with \$26.6 million, or 0.97%, of total loans at September 30, 2020.

As of December 31, 2020, borrowers representing 256 loans totaling \$32.9 million, or 1.2% of the Company's total loan portfolio, have funded under the SBA's Paycheck Protection Program due to the COVID-19 pandemic.

We have received 14 requests for payment deferments from our SBA customers. All SBA deferments are three-months, 13 of which started in October 2020. As of January 15, 2021 none of the SBA borrowers have made a payment due to waiting on new SBA payment support program that was part of the recent stimulus bill. The following table details the 14 SBA loan deferments:

| Requested SBA Loan Deferments | | | | | |
|-------------------------------|--------------------------|-------------------------------|---------------------------|-----------------------------|--|
| Number | Principal Amount (\$000) | Principal Amount Average LTV% | Guaranteed Amount (\$000) | Unguaranteed Amount (\$000) | Unguaranteed Amount to Total SBA Loans |
| | | | | | |

| | | | | | | | | | |
|----------------|----|----|--------|-----|----|--------|----|-------|------|
| Hospitality | 7 | \$ | 29,591 | 75% | \$ | 22,193 | \$ | 7,398 | 7.6% |
| General retail | 2 | | 3,195 | 72% | | 2,396 | | 799 | 0.8% |
| Restaurant | 1 | | 1,846 | 75% | | 1,384 | | 461 | 0.5% |
| Transportation | 3 | | 1,042 | 30% | | 782 | | 261 | 0.3% |
| Fitness | 1 | | 101 | 0% | | 86 | | 15 | 0.0% |
| | 14 | \$ | 35,775 | | \$ | 26,841 | \$ | 8,934 | 9.1% |

The following table provides details regarding the Company's COVID-19 loan deferral activity through January 15, 2021.

| | As of June 30, 2020 | | As of October 23, 2020 | | As of January 15, 2021 | |
|---|---------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|
| | Loans Deferred | | Loans Deferred | | Loans Deferred | |
| | Number | Principal Amount (\$000) | Number | Principal Amount (\$000) | Number | Principal Amount (\$000) |
| General retail (excluding SBA) | 34 | \$ 94,251 | 3 | \$ 26,840 | 2 | \$ 3,174 |
| Mixed use commercial | 38 | 58,841 | 4 | 10,547 | 1 | 7,500 |
| Hospitality (excluding SBA) (1) | 5 | 25,343 | 2 | 12,929 | 1 | 6,419 |
| Restaurants (excluding SBA) | 11 | 4,186 | 1 | 12 | — | — |
| Multifamily | 6 | 9,086 | — | — | — | — |
| Commercial, office and other (1) | 6 | 22,983 | 5 | 19,881 | 5 | 18,742 |
| SFR mortgage loans - Western region | 183 | 118,484 | 38 | 29,604 | 14 | 8,770 |
| SFR mortgage loans - Eastern region | 203 | 85,935 | 10 | 4,106 | 11 | 4,925 |
| SFR mortgage loans - Chicago metropolitan | 84 | 14,824 | 4 | 719 | 1 | 249 |
| Total | 570 | \$ 433,933 | 67 | \$ 104,638 | 35 | \$ 49,779 |

(1) Loans with a principal amount of \$23.5 million are principal deferments only. Interest is paid up to date.

The Company does not have any shared national credits or loans, backed by airlines or cruise lines, on deferral as of January 15, 2021.

Properties

In October 2020, we closed the Flushing Financial Center branch and consolidated operations into our Roosevelt branch location.

The Bank opened a new full service banking branch in Edison, New Jersey on December 1, 2020. The branch is located at 561 US-1, in the Wicks Shopping Plaza in Edison. The Bank purchased a property located at 2057 86th Street, Brooklyn, New York, in the Bensonhurst neighborhood, to house a full-service branch. We expect this branch to open in the second half of 2021. The Bank has leased a location on Canal Street in Manhattan to which to move our Bowery Street branch in mid-2021.

Corporate Overview

RBB Bancorp is a community-based financial holding company headquartered in Los Angeles, California. The Company has total assets of \$3.3 billion. Its wholly-owned subsidiary, Royal Business Bank is a full service commercial bank, which provides business banking services to the Chinese-American communities in Los Angeles County, Orange County and Ventura County in California, in Las Vegas, Nevada, in Brooklyn, Queens, and Manhattan in New York, and three branches in the Chicago neighborhoods of Chinatown and Bridgeport, and Edison, New Jersey. Bank services include remote deposit, E-banking, mobile banking, commercial and investor real estate loans, business loans and lines of credit, commercial and industrial loans, SBA 7A and 504 loans, 1-4 single family residential loans, automobile lending, trade finance, a full range of depository account products and wealth management services. The Bank has nine branches in Los Angeles County, two branches in Ventura County, one branch in Irvine, California, one branch in Las Vegas, Nevada, six branches and one loan operation center in Brooklyn, Queens and Manhattan in New York, three branches in Chicago, Illinois and one branch in Edison, New Jersey. The Company's administrative and lending center is located at 1055 Wilshire Blvd., Los Angeles, California 90017, and its finance and operations center is located at 7025 Orangethorpe Avenue, Buena Park, California 90621. The Company's website address is www.royalbusinessbankusa.com.

Conference Call

Management will hold a conference call at 11:00 a.m. Pacific time/2:00 p.m. Eastern time tomorrow, January 26, 2021, to discuss the Company's fourth quarter 2020 financial results.

To listen to the conference call, please dial 1-833-519-1355 or 1-918-922-6505, passcode 5947189. A replay of the call will be made available at 1-800-585-8367 or 1-404-537-3406, passcode 5947189, approximately one hour after the conclusion of the call and will remain available through February 2, 2021.

The conference call will also be simultaneously webcast over the Internet; please visit our Royal Business Bank website at www.royalbusinessbankusa.com and click on the "Investors" tab to access the call from the site. This webcast will be recorded and available for replay on our website approximately two hours after the conclusion of the conference call.

Disclosure

This press release contains certain non-GAAP financial disclosures for tangible common equity and tangible assets and adjusted earnings. The Company uses certain non-GAAP financial measures to provide meaningful supplemental information regarding the Company's operational performance and to enhance investors' overall understanding of such financial performance. Please refer to the tables at the end of this release for a presentation of performance ratios in accordance with GAAP and a reconciliation of the non-GAAP financial measures to the GAAP financial measures.

Safe Harbor

Certain matters set forth herein (including the exhibits hereto) constitute forward-looking statements relating to the Company's current business plans and expectations and our future financial position and operating results. These forward-looking statements are subject to risks and uncertainties that could cause actual results, performance and/or achievements to differ materially from those projected. These risks and uncertainties include, but are not limited to, local, regional, national and international economic and market conditions and events and the impact they may have on us, our customers and our assets and liabilities; our ability to attract deposits and other sources of funding or liquidity; supply and demand for real estate and periodic deterioration in real estate prices and/or values in California or other states where we lend, including both residential and commercial real estate; a prolonged slowdown or decline in real estate construction, sales or leasing activities; changes in the financial performance and/or condition of our borrowers, depositors or key vendors or counterparties; changes in our levels of delinquent loans, nonperforming assets, allowance for loan losses and charge-offs; expectations regarding the impact of the COVID-19 pandemic; the costs or effects of acquisitions or dispositions we may make, including our recent acquisition of PGB Holdings, Inc. and its wholly-owned subsidiary, Pacific Global Bank, and our recently completed acquisition of First American International Corp., whether we are able to obtain any required governmental or shareholder approvals in connection with any such acquisitions or dispositions, and/or our ability to realize the contemplated financial or business benefits associated with any such acquisitions or dispositions; the effect of changes in laws, regulations and applicable judicial decisions (including laws, regulations and judicial decisions concerning financial reforms, taxes, banking capital levels, consumer, commercial or secured lending, securities and securities trading and hedging, compliance, employment, executive compensation, insurance, vendor management and information security) with which we and our subsidiaries must comply or believe we should comply; changes in estimates of future reserve requirements and minimum capital requirements based upon the periodic review thereof under relevant regulatory and accounting requirements, including changes in the Basel Committee framework establishing capital standards for credit, operations and market risk; inflation, interest rate, securities market and monetary fluctuations; changes in government interest rates or monetary policies; changes in the amount and availability of deposit insurance; cyber-security threats, including loss of system functionality or theft or loss of Company or customer data or money; political instability; acts of war or terrorism, or natural disasters, such as earthquakes, drought, or the effects of pandemic diseases; the timely development and acceptance of new banking products and services and the perceived overall value of these products and services by our customers and potential customers; the Company's relationships with and reliance upon vendors with respect to the operation of certain of the Company's key internal and external systems and applications; changes in commercial or consumer spending, borrowing and savings preferences or behaviors; technological changes and the expanding use of technology in banking (including the adoption of mobile banking and funds transfer applications); the ability to retain and increase market share, retain and grow customers and control expenses; changes in the competitive and regulatory environment among financial and bank holding companies, banks and other financial service providers; volatility in the credit and equity markets and its effect on the general economy or local or regional business conditions; fluctuations in the price of the Company's common stock or other securities; and the resulting impact on the Company's ability to raise capital or make acquisitions, the effect of changes in accounting policies and practices, as may be adopted from time-to-time by our regulatory agencies, as well as by the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard-setters, including ASU 2016-13 (Topic 326), "Measurement of Credit Losses on Financial Instruments", commonly referenced as the Current Expected Credit Loss ("CECL") model, which will change how we estimate credit losses and may increase the required level of our allowance for credit losses after adoption; changes in our organization, management, compensation and benefit plans, and our ability to retain or expand our workforce, management team and/or our board of directors; the costs and effects of legal, compliance and regulatory actions, changes and developments, including the initiation and resolution of legal proceedings (such as securities, consumer or employee class action litigation), regulatory or other governmental inquiries or investigations, and/or the results of regulatory examinations or reviews; our ongoing relations with our various federal and state regulators, including the SEC, FDIC, FRB and California DFPI (formerly DBO); our success at managing the risks involved in the foregoing items and all other factors set forth in the Company's public reports, including its Annual Report as filed under Form 10-K for the year ended December 31, 2019, and particularly the discussion of risk factors within that document. The Company does not undertake, and specifically disclaims any obligation, to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements except as required by law. Any statements about future operating results, such as those concerning accretion and dilution to the Company's earnings or shareholders, are for illustrative purposes only, are not forecasts, and actual results may differ.

RBB BANCORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, except for December 31, 2019)
(Dollars in thousands)

| | December 31 2020 | September 30 2020 | June 30 2020 | March 31 2019 | December 31 2019 |
|---|------------------------|-------------------------|------------------|------------------|------------------------|
| Assets | | | | | |
| Cash and due from banks | \$ 137,654 | \$ 121,630 | \$ 94,844 | \$ 250,079 | \$ 114,763 |
| Federal funds sold and other cash equivalents | 57,000 | 57,000 | 57,000 | 57,000 | 67,000 |
| Total cash and cash equivalents | 194,654 | 178,630 | 151,844 | 250,079 | 181,763 |
| Interest-bearing deposits in other financial institutions | 600 | 600 | 600 | 1,196 | 600 |
| Investment securities available for sale | 210,867 | 214,662 | 185,756 | 58,537 | 126,069 |
| Investment securities held to maturity | 7,174 | 7,569 | 7,615 | 9,449 | 8,332 |
| Mortgage loans held for sale | 49,963 | 23,886 | 15,479 | 375,430 | 108,194 |
| Loans held for investment | 2,706,766 | 2,755,153 | 2,594,620 | 2,120,413 | 2,196,934 |
| Allowance for loan losses | (29,337) | (26,634) | (22,820) | (18,236) | (18,816) |
| Net loans held for investment | 2,677,429 | 2,728,519 | 2,571,800 | 2,102,177 | 2,178,118 |
| Premises and equipment, net | 27,103 | 24,237 | 23,965 | 17,342 | 16,813 |
| Federal Home Loan Bank (FHLB) stock | 15,641 | 15,641 | 15,641 | 8,899 | 15,000 |
| Net deferred tax assets | 2,547 | 1,080 | — | 4,389 | 2,326 |
| Cash surrender value of life insurance | 35,121 | 34,930 | 34,736 | 33,769 | 34,353 |
| Goodwill | 69,243 | 69,243 | 69,209 | 58,383 | 58,563 |

| | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Servicing assets | 13,965 | 14,724 | 15,595 | 17,288 | 17,083 |
| Core deposit intangibles | 5,196 | 5,519 | 5,876 | 7,212 | 6,100 |
| Accrued interest and other assets | 40,569 | 40,336 | 38,065 | 33,968 | 35,221 |
| Total assets | \$3,350,072 | \$3,359,576 | \$3,136,181 | \$2,978,118 | \$2,788,535 |
| Liabilities and shareholders' equity | | | | | |
| Deposits: | | | | | |
| Noninterest-bearing demand | \$ 617,206 | \$ 642,332 | \$ 574,553 | \$ 418,953 | \$ 458,763 |
| Savings, NOW and money market accounts | 731,084 | 654,378 | 601,941 | 480,959 | 537,490 |
| Time deposits | 1,286,838 | 1,315,038 | 1,260,026 | 1,284,428 | 1,252,685 |
| Total deposits | 2,635,128 | 2,611,748 | 2,436,520 | 2,184,340 | 2,248,938 |
| FHLB advances | 150,000 | 190,000 | 150,000 | 275,000 | — |
| Long-term debt, net of debt issuance costs | 104,391 | 104,305 | 104,220 | 103,793 | 104,049 |
| Subordinated debentures | 14,283 | 14,229 | 14,174 | 9,548 | 9,673 |
| Accrued interest and other liabilities | 17,782 | 17,878 | 17,242 | 20,634 | 18,185 |
| Total liabilities | 2,921,584 | 2,938,160 | 2,722,156 | 2,593,315 | 2,380,845 |
| Shareholders' equity: | | | | | |
| Shareholder's equity | 427,287 | 420,329 | 412,827 | 385,395 | 407,379 |
| Non-controlling interest | 72 | 72 | 72 | 72 | 72 |
| Accumulated other comprehensive income - Net of tax | 1,129 | 1,015 | 1,126 | (664) | 239 |
| Total shareholders' equity | 428,488 | 421,416 | 414,025 | 384,803 | 407,690 |
| Total liabilities and shareholders' equity | \$3,350,072 | \$3,359,576 | \$3,136,181 | \$2,978,118 | \$2,788,535 |

RBB BANCORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(Dollars in thousands, except per share amounts)

| | For the three months ended | | |
|---|----------------------------|-----------------------|----------------------|
| | December 31, 2020 | September 30, 2020 | December 31, 2019 |
| Interest and dividend income: | | | |
| Interest and fees on loans | \$ 34,832 | \$ 34,153 | \$ 32,178 |
| Interest on interest-bearing deposits | 55 | 61 | 373 |
| Interest on investment securities | 639 | 621 | 676 |
| Dividend income on FHLB stock | 193 | 190 | 264 |
| Interest on federal funds sold and other | 145 | 100 | 416 |
| Total interest income | 35,864 | 35,125 | 33,907 |
| Interest expense: | | | |
| Interest on savings deposits, NOW and money market accounts | 736 | 779 | 1,237 |
| Interest on time deposits | 3,900 | 4,746 | 7,559 |
| Interest on subordinated debentures and long term debt | 1,901 | 1,905 | 1,915 |
| Interest on other borrowed funds | 450 | 444 | 73 |
| Total interest expense | 6,987 | 7,874 | 10,784 |
| Net interest income before provision for loan losses | 28,877 | 27,251 | 23,123 |
| Provision for loan losses | 3,008 | 3,861 | 659 |
| Net interest income after provision for loan losses | 25,869 | 23,390 | 22,464 |
| Noninterest income: | | | |
| Service charges, fees and other | 1,565 | 1,143 | 1,096 |
| Gain on sale of loans | 2,445 | 760 | 3,762 |
| Loan servicing fees, net of amortization | 206 | 546 | 817 |
| Recoveries on loans acquired in business combinations | 5 | 32 | 70 |
| Gain on derivatives | 78 | — | — |
| Increase in cash surrender value of life insurance | 191 | 194 | 195 |
| Gain on sale of securities | — | 52 | — |
| (Loss)/Gain on sale of other real estate owned | — | — | (117) |
| Total noninterest income | 4,490 | 2,727 | 5,823 |
| Noninterest expense: | | | |
| Salaries and employee benefits | 8,105 | 7,599 | 7,821 |
| Occupancy and equipment expenses | 2,400 | 2,360 | 2,390 |
| Data processing | 1,012 | 1,200 | 497 |
| Legal and professional | 794 | 675 | 317 |

| | | | |
|--|------------|------------|------------|
| Office expenses | 295 | 271 | 292 |
| Marketing and business promotion | 295 | 131 | 382 |
| Insurance and regulatory assessments | 210 | 363 | 147 |
| Core deposit premium | 324 | 357 | 344 |
| OREO expenses | 4 | 3 | 176 |
| Merger and conversion expenses | 5 | 62 | 231 |
| Other expenses | 1,009 | 957 | 868 |
| Total noninterest expense | 14,453 | 13,978 | 13,465 |
| Income before income taxes | 15,906 | 12,139 | 14,822 |
| Income tax expense | 4,759 | 3,619 | 4,149 |
| Net income | \$ 11,147 | \$ 8,520 | \$ 10,673 |
| Net income per share | | | |
| Basic | \$ 0.57 | \$ 0.43 | \$ 0.53 |
| Diluted | \$ 0.56 | \$ 0.43 | \$ 0.52 |
| Cash Dividends declared per common share | \$ 0.09 | \$ 0.06 | \$ 0.10 |
| Weighted-average common shares outstanding | | | |
| Basic | 19,655,621 | 19,717,568 | 20,001,916 |
| Diluted | 19,812,401 | 19,804,892 | 20,389,099 |

RBB BANCORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited, except for December 31, 2019)
(Dollars in thousands, except per share amounts)

| | For the twelve months ended | |
|---|-----------------------------|-------------------|
| | December 31, 2020 | December 31, 2019 |
| Interest and dividend income: | | |
| Interest and fees on loans | \$ 133,894 | \$ 135,159 |
| Interest on interest-earning deposits | 641 | 1,785 |
| Interest on investment securities | 2,968 | 2,652 |
| Dividend income on FHLB stock | 572 | 1,079 |
| Interest on federal funds sold and other | 1,045 | 1,050 |
| Total interest income | 139,120 | 141,725 |
| Interest expense: | | |
| Interest on savings deposits, NOW and money market accounts | 3,540 | 4,886 |
| Interest on time deposits | 21,665 | 29,347 |
| Interest on subordinated debentures and long term debt | 7,677 | 7,698 |
| Interest on other borrowed funds | 1,483 | 2,930 |
| Total interest expense | 34,365 | 44,861 |
| Net interest income | 104,755 | 96,864 |
| Provision for loan losses | 11,823 | 2,390 |
| Net interest income after provision for loans losses | 92,932 | 94,474 |
| Noninterest income: | | |
| Service charges, fees and other | 4,852 | 4,072 |
| Gain on sale of loans | 5,997 | 9,893 |
| Loan servicing fees, net of amortization | 2,052 | 3,383 |
| Recoveries on loans acquired in business combinations | 84 | 143 |
| Unrealized gain on equity investments | — | 147 |
| Increase in cash surrender value of life insurance | 767 | 775 |
| Gain on derivatives | 78 | — |
| Gain on sale of securities | 210 | 7 |
| Gain on sale of fixed assets | — | 6 |
| Loss on sale of other real estate owned | — | (106) |
| Total noninterest income | 14,040 | 18,320 |
| Noninterest expense: | | |
| Salaries and employee benefits | 33,312 | 32,909 |
| Occupancy and equipment expenses | 9,691 | 9,750 |
| Data processing | 4,236 | 3,699 |
| Legal and professional | 2,743 | 1,832 |

| | | | |
|--|--|------------------|------------------|
| Office expenses | | 1,226 | 1,257 |
| Marketing and business promotion | | 751 | 1,308 |
| Insurance and regulatory assessments | | 984 | 900 |
| Core deposit premium | | 1,395 | 1,501 |
| OREO expenses | | 35 | 337 |
| Merger expenses | | 746 | 471 |
| Other expenses | | 4,394 | 3,509 |
| Total noninterest expense | | <u>59,513</u> | <u>57,473</u> |
| Income before income taxes | | <u>47,459</u> | <u>55,321</u> |
| Income tax expense | | <u>14,531</u> | <u>16,112</u> |
| Net income | | <u>\$ 32,928</u> | <u>\$ 39,209</u> |
| | | | |
| Net income per share | | | |
| Basic | | \$ 1.66 | \$ 1.96 |
| Diluted | | \$ 1.65 | \$ 1.92 |
| | | | |
| Cash Dividends declared per common share | | | |
| | | \$ 0.33 | \$ 0.40 |
| | | | |
| Weighted-average common shares outstanding | | | |
| Basic | | 19,763,422 | 20,017,306 |
| Diluted | | 19,921,859 | 20,393,424 |

RBB BANCORP AND SUBSIDIARIES
AVERAGE BALANCE SHEET AND NET INTEREST INCOME
(Unaudited)
(Dollars in thousands, except per share amounts)

| | For the three months ended | | | | | | | | |
|--|----------------------------|-------------------|-------------|--------------------|-------------------|-------------|--------------------|-------------------|-------------|
| | December 31, 2020 | | | September 30, 2020 | | | December 31, 2019 | | |
| | Average | Interest | Yield / | Average | Interest | Yield / | Average | Interest | Yield / |
| (tax-equivalent basis, dollars in thousands) | <u>Balance</u> | <u>& Fees</u> | <u>Rate</u> | <u>Balance</u> | <u>& Fees</u> | <u>Rate</u> | <u>Balance</u> | <u>& Fees</u> | <u>Rate</u> |
| Earning assets: | | | | | | | | | |
| Federal funds sold, cash equivalents & other (1) | \$ 188,430 | \$ 393 | 0.83% | \$ 179,521 | \$ 351 | 0.78% | \$ 172,431 | \$ 1,053 | 2.42% |
| Securities | | | | | | | | | |
| Available for sale | 222,762 | 579 | 1.03% | 168,151 | 558 | 1.32% | 94,400 | 605 | 2.54% |
| Held to maturity (2) | 7,383 | 68 | 3.66% | 7,604 | 71 | 3.71% | 8,441 | 80 | 3.76% |
| Mortgage loans held for sale | 41,265 | 325 | 3.13% | 19,848 | 171 | 3.43% | 244,706 | 2,969 | 4.81% |
| Loans held for investment: (3) | | | | | | | | | |
| Real estate | 2,282,937 | 29,705 | 5.18% | 2,266,752 | 29,616 | 5.20% | 1,793,647 | 24,182 | 5.35% |
| Commercial | 390,980 | 4,802 | 4.89% | 377,789 | 4,366 | 4.60% | 327,765 | 5,027 | 6.08% |
| Total loans | <u>2,673,917</u> | <u>34,507</u> | 5.13% | <u>2,644,541</u> | <u>33,982</u> | 5.11% | <u>2,121,412</u> | <u>29,209</u> | 5.46% |
| Total earning assets | 3,133,757 | <u>\$35,872</u> | 4.55% | 3,019,665 | <u>\$35,133</u> | 4.63% | 2,641,390 | <u>\$33,916</u> | 5.09% |
| Noninterest-earning assets | 196,071 | | | 204,638 | | | 165,659 | | |
| Total assets | <u>\$ 3,329,828</u> | | | <u>\$3,224,303</u> | | | <u>\$2,807,049</u> | | |
| | | | | | | | | | |
| Interest-bearing liabilities | | | | | | | | | |
| NOW and money market deposits | \$ 566,695 | \$ 704 | 0.49% | \$ 514,271 | \$ 748 | 0.58% | \$ 416,380 | \$ 1,189 | 1.13% |
| Savings deposits | 128,727 | 32 | 0.10% | 126,635 | 31 | 0.10% | 96,813 | 48 | 0.20% |
| Time deposits | 1,293,070 | 3,900 | 1.20% | 1,284,351 | 4,746 | 1.47% | 1,296,379 | 7,559 | 2.31% |
| Total interest-bearing deposits | 1,988,492 | 4,636 | 0.93% | 1,925,257 | 5,525 | 1.14% | 1,809,572 | 8,796 | 1.93% |
| FHLB advances | 161,957 | 450 | 1.11% | 151,739 | 444 | 1.16% | 14,348 | 73 | 2.02% |
| Long-term debt | 104,335 | 1,748 | 6.67% | 104,252 | 1,748 | 6.67% | 103,997 | 1,748 | 6.67% |
| Subordinated debentures | 14,248 | 153 | 4.27% | 14,195 | 157 | 4.40% | 9,648 | 167 | 6.87% |
| Total interest-bearing liabilities | <u>2,269,032</u> | <u>6,987</u> | 1.23% | <u>2,195,443</u> | <u>7,874</u> | 1.43% | <u>1,937,565</u> | <u>10,784</u> | 2.21% |
| Noninterest-bearing liabilities | | | | | | | | | |
| Noninterest-bearing deposits | 616,803 | | | 595,264 | | | 445,891 | | |
| Other noninterest-bearing liabilities | 16,830 | | | 13,270 | | | 19,851 | | |
| Total noninterest-bearing liabilities | <u>633,633</u> | | | <u>608,534</u> | | | <u>465,742</u> | | |
| Shareholders' equity | 427,163 | | | 420,326 | | | 403,742 | | |
| Total liabilities and shareholders' equity | <u>\$ 3,329,828</u> | | | <u>\$3,224,303</u> | | | <u>\$2,807,049</u> | | |

| | | | | | | |
|---|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| Net interest income / interest rate spreads | <u>\$28,885</u> | 3.32% | <u>\$27,259</u> | 3.20% | <u>\$23,132</u> | 2.88% |
| Net interest margin | | <u>3.67%</u> | | <u>3.59%</u> | | <u>3.47%</u> |

(1) Includes income and average balances for FHLB stock, term federal funds, interest-bearing time deposits and other miscellaneous interest-bearing assets.

(2) Interest income and average rates for tax-exempt loans and securities are presented on a tax-equivalent basis.

(3) Average loan balances include nonaccrual loans and loans held for sale. Interest income on loans includes - amortization of deferred loan fees, net of deferred loan costs.

RBB BANCORP AND SUBSIDIARIES
AVERAGE BALANCE SHEET AND NET INTEREST INCOME
(Unaudited)
(Dollars in thousands, except per share amounts)

| | For the twelve months ended | | | | | |
|---|-----------------------------|--------------------|-----------------|--------------------|--------------------|-----------------|
| | December 31, 2020 | | | December 31, 2019 | | |
| | Average Balance | Interest & Fees | Yield / Rate | Average Balance | Interest & Fees | Yield / Rate |
| (tax-equivalent basis, dollars in thousands) | | | | | | |
| Earning assets: | | | | | | |
| Federal funds sold, cash equivalents & other (1) | \$ 212,594 | \$ 2,257 | 1.06% | \$ 135,133 | \$ 3,914 | 2.90% |
| Securities | | | | | | |
| Available for sale | 175,307 | 2,714 | 1.55% | 85,775 | 2,354 | 2.74% |
| Held to maturity (2) | 7,665 | 289 | 3.77% | 8,978 | 334 | 3.72% |
| Mortgage loans held for sale | 41,019 | 1,779 | 4.34% | 325,039 | 15,754 | 4.85% |
| Loans held for investment: (3) | | | | | | |
| Real estate | 2,176,695 | 113,966 | 5.24% | 1,767,923 | 97,024 | 5.49% |
| Commercial | <u>367,718</u> | <u>18,149</u> | 4.94% | <u>345,010</u> | <u>22,381</u> | 6.49% |
| Total loans | <u>2,544,413</u> | <u>132,115</u> | 5.19% | <u>2,112,933</u> | <u>119,405</u> | 5.65% |
| Total earning assets | 2,980,998 | <u>\$139,154</u> | 4.67% | 2,667,858 | <u>\$141,761</u> | 5.31% |
| Noninterest-earning assets | <u>204,617</u> | | | <u>167,324</u> | | |
| Total assets | <u>\$3,185,615</u> | | | <u>\$2,835,182</u> | | |
| Interest-bearing liabilities | | | | | | |
| NOW and money market deposits | \$ 504,905 | \$ 3,391 | 0.67% | \$ 395,376 | \$ 4,689 | 1.19% |
| Savings deposits | 123,568 | 149 | 0.12% | 97,670 | 197 | 0.20% |
| Time deposits | <u>1,312,443</u> | <u>21,665</u> | 1.65% | <u>1,279,344</u> | <u>29,347</u> | 2.29% |
| Total interest-bearing deposits | 1,940,916 | 25,205 | 1.30% | 1,772,390 | 34,233 | 1.93% |
| FHLB advances | 129,071 | 1,483 | 1.15% | 114,388 | 2,930 | 2.56% |
| Long-term debt | 104,210 | 6,990 | 6.71% | 103,870 | 6,991 | 6.73% |
| Subordinated debentures | <u>14,228</u> | <u>687</u> | 4.83% | <u>9,586</u> | <u>707</u> | 7.38% |
| Total interest-bearing liabilities | <u>2,188,425</u> | <u>\$ 34,365</u> | 1.57% | <u>2,000,234</u> | <u>\$ 44,861</u> | 2.24% |
| Noninterest-bearing liabilities | | | | | | |
| Noninterest-bearing deposits | 564,111 | | | 421,174 | | |
| Other noninterest-bearing liabilities | <u>15,164</u> | | | <u>19,879</u> | | |
| Total noninterest-bearing liabilities | <u>579,275</u> | | | <u>441,053</u> | | |
| Shareholders' equity | <u>417,915</u> | | | <u>393,895</u> | | |
| Total liabilities and shareholders' equity | <u>\$3,185,615</u> | | | <u>\$2,835,182</u> | | |
| Net interest income / interest rate spreads | | <u>\$104,789</u> | 3.10% | | <u>\$ 96,900</u> | 3.07% |
| Net interest margin | | | <u>3.52%</u> | | | <u>3.63%</u> |

(1) Includes income and average balances for FHLB stock, term federal funds, interest-bearing time deposits and other miscellaneous interest-bearing assets.

(2) Interest income and average rates for tax-exempt loans and securities are presented on a tax-equivalent basis.

(3) Average loan balances include nonaccrual loans and loans held for sale. Interest income on loans includes - amortization of deferred loan fees, net of deferred loan costs.

RBB BANCORP AND SUBSIDIARIES
SELECTED FINANCIAL HIGHLIGHTS
(Unaudited)
(Dollars in thousands, except per share amounts)

For the three months ended

| | December 31 | September 30, | December 31 |
|--|--------------------|----------------------|--------------------|
| | 2020 | 2020 | 2019 |
| Per share data (common stock) | | | |
| Earnings | | | |
| Basic | \$ 0.57 | \$ 0.43 | \$ 0.53 |
| Diluted | \$ 0.56 | \$ 0.43 | \$ 0.52 |
| Dividends declared | \$ 0.09 | \$ 0.06 | \$ 0.10 |
| Basic, excluding merger and conversion expense | \$ 0.57 | \$ 0.43 | \$ 0.54 |
| Diluted, excluding merger and conversion expense | \$ 0.56 | \$ 0.43 | \$ 0.53 |
| Book value | \$ 21.90 | \$ 21.35 | \$ 20.35 |
| Tangible book value | \$ 18.10 | \$ 17.56 | \$ 17.12 |
| Weighted average shares outstanding | | | |
| Basic | 19,655,621 | 19,717,568 | 20,001,916 |
| Diluted | 19,812,401 | 19,804,892 | 20,389,099 |
| Shares outstanding at period end | 19,565,921 | 19,739,280 | 20,030,866 |
| Performance ratios | | | |
| Return on average assets, annualized | 1.33% | 1.05% | 1.51% |
| Return on average shareholders' equity, annualized | 10.38% | 8.06% | 10.49% |
| Return on average tangible common equity, annualized | 12.58% | 9.81% | 12.50% |
| Noninterest income to average assets, annualized | 0.54% | 0.34% | 0.82% |
| Noninterest expense to average assets, annualized | 1.73% | 1.72% | 1.90% |
| Yield on average earning assets | 4.55% | 4.63% | 5.09% |
| Cost of average deposits | 0.71% | 0.87% | 1.55% |
| Cost of average interest-bearing deposits | 0.93% | 1.14% | 1.93% |
| Cost of average interest-bearing liabilities | 1.23% | 1.43% | 2.21% |
| Accretion on loans to average earning assets | 0.03% | 0.08% | 0.10% |
| Net interest spread | 3.32% | 3.20% | 2.88% |
| Net interest margin | 3.67% | 3.59% | 3.47% |
| Efficiency ratio | 43.32% | 46.63% | 46.52% |
| Common stock dividend payout ratio | 15.79% | 13.95% | 18.87% |

RBB BANCORP AND SUBSIDIARIES
SELECTED FINANCIAL HIGHLIGHTS
(Unaudited)
(Dollars in thousands, except per share amounts)

For the twelve months ended

| | December 31, | |
|--|---------------------|-------------|
| | 2020 | 2019 |
| Per share data (common stock) | | |
| Earnings | | |
| Basic | \$ 1.66 | \$ 1.96 |
| Diluted | \$ 1.65 | \$ 1.92 |
| Basic, excluding merger expense | \$ 1.69 | \$ 1.99 |
| Diluted, excluding merger expense | \$ 1.68 | \$ 1.94 |
| Dividends declared | \$ 0.33 | \$ 0.40 |
| Book value | \$ 21.90 | \$ 20.35 |
| Tangible book value | \$ 18.10 | \$ 17.12 |
| Weighted average shares outstanding | | |
| Basic | 19,763,422 | 20,017,306 |
| Diluted | 19,921,859 | 20,393,424 |
| Shares outstanding at period end | 19,565,921 | 20,030,866 |
| Performance ratios | | |
| Return on average assets, annualized | 1.03% | 1.38% |
| Return on average shareholders' equity, annualized | 7.88% | 9.95% |
| Return on average tangible common equity, annualized | 9.62% | 11.93% |
| Noninterest income to average assets, annualized | 0.44% | 0.65% |
| Noninterest expense to average assets, annualized | 1.87% | 2.03% |
| Yield on average earning assets | 4.67% | 5.31% |
| Cost of average deposits | 1.01% | 1.56% |
| Cost of average interest-bearing deposits | 1.30% | 1.93% |
| Cost of average interest-bearing liabilities | 1.57% | 2.24% |

| | | |
|--|--------|--------|
| Accretion on loans to average earning assets | 0.08% | 0.11% |
| Net interest spread | 3.10% | 3.07% |
| Net interest margin | 3.52% | 3.63% |
| Efficiency ratio | 50.10% | 49.90% |
| Common stock dividend payout ratio | 19.88% | 20.41% |

RBB BANCORP AND SUBSIDIARIES
SELECTED FINANCIAL HIGHLIGHTS
(Unaudited)
(Dollars in thousands, except per share amounts)

| | As of | | |
|---------------------------------------|----------------------|-----------------------|----------------------|
| | December 31, 2020 | September 30, 2020 | December 31, 2019 |
| Loan to deposit ratio | 102.72% | 105.49% | 97.69% |
| Core deposits / total deposits | 76.65% | 99.34% | 70.46% |
| Net non-core funding dependence ratio | 12.47% | 14.47% | 21.04% |

Credit Quality Data:

| | | | |
|---|-----------|-----------|-----------|
| Loans 30-89 days past due | \$ 8,939 | \$ 21,735 | \$ 4,393 |
| Loans 30-89 days past due to total loans | 0.33% | 0.79% | 0.20% |
| Nonperforming loans | \$ 19,554 | \$ 17,975 | \$ 13,218 |
| Nonperforming loans to total loans | 0.72% | 0.65% | 0.60% |
| Nonperforming assets | \$ 19,847 | \$ 18,268 | \$ 13,511 |
| Nonperforming assets to total assets | 0.59% | 0.54% | 0.48% |
| Allowance for loan losses to total loans | 1.08% | 0.97% | 0.86% |
| Allowance for loan losses to nonperforming loans | 150.03% | 148.17% | 142.35% |
| Net charge-offs to average loans (for the quarter-to-date period) | 0.05% | 0.01% | 0.23% |

Regulatory and other capital ratios—Company

| | | | |
|---|--------|--------|--------|
| Tangible common equity to tangible assets | 10.81% | 10.55% | 12.59% |
| Tier 1 leverage ratio | 11.32% | 11.47% | 12.89% |
| Tier 1 common capital to risk-weighted assets | 14.63% | 14.11% | 17.16% |
| Tier 1 capital to risk-weighted assets | 15.22% | 14.69% | 17.65% |
| Total capital to risk-weighted assets | 20.78% | 20.05% | 23.82% |

Regulatory capital ratios—Bank only

| | | | |
|---|--------|--------|--------|
| Tier 1 leverage ratio | 14.09% | 14.16% | 15.23% |
| Tier 1 common capital to risk-weighted assets | 18.95% | 18.13% | 20.87% |
| Tier 1 capital to risk-weighted assets | 18.95% | 18.13% | 20.87% |
| Total capital to risk-weighted assets | 20.20% | 19.26% | 21.86% |

RBB BANCORP AND SUBSIDIARIES
SELECTED FINANCIAL HIGHLIGHTS
(Unaudited)
(Dollars in thousands, except per share amounts)

| | 4th Quarter 2020 | 3rd Quarter 2020 | 2nd Quarter 2020 | 1st Quarter 2020 | 4th Quarter 2019 |
|--|--|---------------------|---------------------|---------------------|---------------------|
| | Quarterly Consolidated Statements of Earnings | | | | |
| Interest income | | | | | |
| Loans, including fees | \$ 34,832 | \$ 34,153 | \$ 32,633 | \$ 32,276 | \$ 32,178 |
| Investment securities and other | 1,032 | 972 | 1,470 | 1,752 | 1,729 |
| Total interest income | 35,864 | 35,125 | 34,103 | 34,028 | 33,907 |
| Interest expense | | | | | |
| Deposits | 4,636 | 5,525 | 6,715 | 8,329 | 8,796 |
| Interest on subordinated debentures and other | 1,901 | 1,905 | 1,915 | 1,956 | 1,915 |
| Other borrowings | 450 | 444 | 439 | 150 | 73 |
| Total interest expense | 6,987 | 7,874 | 9,069 | 10,435 | 10,784 |
| Net interest income before provision for loan losses | 28,877 | 27,251 | 25,034 | 23,593 | 23,123 |
| Provision for loan losses | 3,008 | 3,861 | 3,009 | 1,945 | 659 |
| Net interest income after provision for loan losses | 25,869 | 23,390 | 22,025 | 21,648 | 22,464 |
| Noninterest income | 4,490 | 2,727 | 2,208 | 4,615 | 5,823 |
| Noninterest expense | 14,453 | 13,978 | 14,819 | 16,263 | 13,465 |

| | | | | | |
|--|------------------|-----------------|-----------------|-----------------|------------------|
| Earnings before income taxes | 15,906 | 12,139 | 9,414 | 10,000 | 14,822 |
| Income taxes | 4,759 | 3,619 | 2,901 | 3,252 | 4,149 |
| Net income | \$ 11,147 | \$ 8,520 | \$ 6,513 | \$ 6,748 | \$ 10,673 |
| Net income per common share - basic | \$ 0.57 | \$ 0.43 | \$ 0.33 | \$ 0.34 | \$ 0.53 |
| Net income per common share - diluted | \$ 0.56 | \$ 0.43 | \$ 0.33 | \$ 0.33 | \$ 0.52 |
| Cash dividends declared per common share | \$ 0.09 | \$ 0.06 | \$ 0.06 | \$ 0.12 | \$ 0.10 |
| Cash dividends declared on common shares | \$ 1,777 | \$ 1,184 | \$ 1,184 | \$ 2,407 | \$ 2,003 |
| Yield on average assets, annualized | 1.33% | 1.05% | 0.83% | 0.90% | 1.51% |
| Yield on average earning assets | 4.55% | 4.63% | 4.60% | 4.86% | 5.09% |
| Cost of average deposits | 0.71% | 0.87% | 1.09% | 1.38% | 1.55% |
| Cost of average interest-bearing deposits | 0.93% | 1.14% | 1.41% | 1.72% | 1.93% |
| Cost of average interest-bearing liabilities | 1.23% | 1.43% | 1.66% | 1.98% | 2.21% |
| Accretion on loans to average earning assets | 0.03% | 0.08% | 0.13% | 0.10% | 0.10% |
| Net interest margin | 3.67% | 3.59% | 3.38% | 3.37% | 3.47% |

RBB BANCORP AND SUBSIDIARIES
SELECTED FINANCIAL HIGHLIGHTS
(Unaudited, except for December 31, 2019)
(Dollars in thousands, except per share amounts)

| Loan Portfolio Detail (dollars in thousands) | As of December 31, 2020 | | As of September 30, 2020 | | As of June 30, 2020 | | As of March 31, 2020 | | As of December 31, 2019 | |
|---|----------------------------|-------|--------------------------------|-------|------------------------|-------|-------------------------|-------|----------------------------|-------|
| | \$ | % | \$ | % | \$ | % | \$ | % | \$ | % |
| Loans: | | | | | | | | | | |
| Commercial and industrial | \$ 290,139 | 10.7 | \$ 317,891 | 11.5 | \$ 267,481 | 10.3 | \$ 275,602 | 11.5 | \$ 274,586 | 12.5 |
| SBA | 97,821 | 3.6 | 111,193 | 4.0 | 104,069 | 4.0 | 77,566 | 3.2 | 74,985 | 3.4 |
| Construction and land development | 186,723 | 6.9 | 183,569 | 6.7 | 145,754 | 5.6 | 120,115 | 5.0 | 96,020 | 4.4 |
| Commercial real estate (1) | 1,003,637 | 37.1 | 975,187 | 35.4 | 900,302 | 34.7 | 854,580 | 35.6 | 793,268 | 36.1 |
| Single-family residential mortgages | 1,124,357 | 41.5 | 1,163,982 | 42.2 | 1,174,927 | 45.3 | 1,070,649 | 44.6 | 957,254 | 43.6 |
| Other loans | 4,089 | 0.2 | 3,331 | 0.2 | 2,087 | 0.1 | 1,470 | 0.1 | 821 | 0.0 |
| Total loans (2) | \$ 2,706,766 | 100.0 | \$ 2,755,153 | 100.0 | \$ 2,594,620 | 100.0 | \$ 2,399,982 | 100.0 | \$ 2,196,934 | 100.0 |
| Allowance for loan losses | (29,337) | | (26,634) | | (22,820) | | (20,130) | | (18,816) | |
| Total loans, net | \$ 2,677,429 | | \$ 2,728,519 | | \$ 2,571,800 | | \$ 2,379,852 | | \$ 2,178,118 | |

(1) Includes non-farm and non-residential loans, multi-family residential loans and non-owner occupied single family residential loans.

(2) Net of discounts and deferred fees and costs.

| Change in Allowance for Loan Losses (dollars in thousands) | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|------------------------------------|-----------|-------------------------------------|-----------|
| | 2020 | 2019 | 2020 | 2019 |
| Beginning balance | \$ 26,634 | \$ 19,386 | \$ 18,816 | \$ 17,577 |
| Additions to the allowance charged to expense | 3,008 | 659 | 11,823 | 2,390 |
| Net charge-offs on loans | (305) | (1,229) | (1,302) | (1,151) |
| Ending balance | \$ 29,337 | \$ 18,816 | \$ 29,337 | \$ 18,816 |

Tangible Book Value Reconciliations (non-GAAP)

The tangible book value per share is a non-GAAP disclosure. The Company uses certain non-GAAP financial measures to provide supplemental information regarding the Company's performance. The following is a reconciliation of tangible book value to the Company shareholders' equity computed in accordance with GAAP, as well as a calculation of tangible book value per share as of December 31, 2020 and 2019.

| (dollars in thousands, except per share data) | December 31, 2020 | September 30, 2020 | December 31, 2019 |
|---|-------------------|--------------------|-------------------|
| Tangible common equity: | | | |
| Total shareholders' equity | \$ 428,488 | \$ 421,416 | \$ 407,567 |
| Adjustments | | | |
| Goodwill | (69,243) | (69,243) | (58,563) |
| Core deposit intangible | (5,196) | (5,519) | (6,100) |
| Tangible common equity | \$ 354,049 | \$ 346,654 | \$ 342,904 |
| Tangible assets: | | | |
| Total assets-GAAP | \$ 3,350,072 | \$ 3,359,576 | \$ 2,788,535 |

| | | | |
|---|---------------------|---------------------|---------------------|
| Adjustments | | | |
| Goodwill | (69,243) | (69,243) | (58,563) |
| Core deposit intangible | (5,196) | (5,519) | (6,100) |
| Tangible assets | <u>\$ 3,275,633</u> | <u>\$ 3,284,814</u> | <u>\$ 2,723,872</u> |
| Common shares outstanding | 19,565,921 | 19,739,280 | 20,030,866 |
| Tangible common equity to tangible assets ratio | 10.81% | 10.55% | 12.59% |
| Book value per share | \$ 21.90 | \$ 21.35 | \$ 20.35 |
| Tangible book value per share | \$ 18.10 | \$ 17.56 | \$ 17.12 |

Earnings Per Share Excluding Merger and Conversion Expense (non-GAAP)

Earnings per share excluding merger and conversion expense is a non-GAAP disclosure. The Company uses certain non-GAAP financial measures to provide supplemental information regarding the Company's performance. The following is a calculation of earnings per share with after-tax net income excluding tax-affected merger and conversion expense. This EPS calculation is presented for the quarters ended December 31, 2020, September 30, 2020 and December 31, 2019, plus for the twelve-month periods ending December 31, 2020 and 2019.

| | For the three months ended | | | For the twelve months ended | |
|--|----------------------------|--------------------|-------------------|-----------------------------|-------------------|
| | December 31, 2020 | September 30, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
| Earnings Per Share Excluding Merger and Conversion Expense (non-GAAP) | | | | | |
| Net income after tax | \$ 11,147 | \$ 8,520 | \$ 10,673 | \$ 32,928 | \$ 39,209 |
| Merger and conversion expense | 5 | 62 | 231 | 746 | 471 |
| Tax on merger and conversion expense | (1) | (18) | (65) | (228) | (137) |
| Net adjustment | <u>4</u> | <u>44</u> | <u>166</u> | <u>518</u> | <u>334</u> |
| Adjusted net income after tax | <u>\$ 11,151</u> | <u>\$ 8,564</u> | <u>\$ 10,839</u> | <u>\$ 33,446</u> | <u>\$ 39,543</u> |
| Weighted average shares outstanding | | | | | |
| Basic | 19,655,621 | 19,717,568 | 20,001,916 | 19,763,422 | 20,017,306 |
| Diluted | 19,812,401 | 19,804,892 | 20,389,099 | 19,921,859 | 20,393,424 |
| Adjusted Earnings Per Share | | | | | |
| Basic, excluding merger and conversion expense | \$ 0.57 | \$ 0.43 | \$ 0.54 | \$ 1.69 | \$ 1.99 |
| Diluted, excluding merger and conversion expense | \$ 0.56 | \$ 0.43 | \$ 0.53 | \$ 1.68 | \$ 1.94 |

Efficiency Ratio (non-GAAP)

The efficiency ratio is a non-GAAP disclosure. The Company uses certain non-GAAP financial measures to provide supplemental information regarding the Company's performance. The efficiency ratio is non-interest expense divided by net interest income plus non-interest income. The efficiency ratio is presented for the quarters ended December 31, 2020, September 30, 2020 and December 31, 2019, plus the twelve-month periods ending December 31, 2020 and 2019.

| | For the three months ended | | | For the twelve months ended | |
|---|----------------------------|--------------------|-------------------|-----------------------------|-------------------|
| | December 31, 2020 | September 30, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
| Efficiency Ratio (non-GAAP) | | | | | |
| Noninterest expense | \$ 14,453 | \$ 13,978 | \$ 13,465 | \$ 59,513 | \$ 57,473 |
| Net interest income | 28,877 | 27,251 | 23,123 | 104,755 | 96,864 |
| Noninterest income | 4,490 | 2,727 | 5,823 | 14,040 | 18,320 |
| Net interest income and non-interest income | <u>\$ 33,367</u> | <u>\$ 29,978</u> | <u>\$ 28,946</u> | <u>\$ 118,795</u> | <u>\$ 115,184</u> |
| Efficiency ratio | <u>43.32%</u> | <u>46.63%</u> | <u>46.52%</u> | <u>50.10%</u> | <u>49.90%</u> |

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