



RBB BANCORP
皇佳商業金控



Investor Presentation

November 2021

NASDAQ: RBB

Disclosure Statement

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements often include the words “believes,” “expects,” “anticipates,” “estimates,” “forecasts,” “intends,” “plans,” “targets,” “potentially,” “probably,” “projects,” “outlook” or similar expressions or future or conditional verbs such as “may,” “will,” “should,” “would” and “could” and the negative of these terms and similar words, although some forward-looking statements may be expressed differently. Forward-looking statements also include, but are not limited to, statements regarding plans, objectives, expectations or consequences of announced transactions, known trends and statements about future performance, operations, products and services of RBB Bancorp (RBB or the Company) and its subsidiaries.

These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or projections. Such risks and uncertainties and other factors include, but are not limited to, adverse developments or conditions related to or arising from: (1) U.S. and international business and economic conditions; (2) possible additional provisions for loan losses and charge-offs; (3) credit risks of lending activities and deterioration in asset or credit quality; (4) extensive laws and regulations and supervision that we are subject to, including potential supervisory action by bank supervisory authorities; (5) increased costs of compliance and other risks associated with changes in regulation, including any amendments to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”); (6) compliance with the Bank Secrecy Act and other money laundering statutes and regulations; (7) potential goodwill impairment; (8) liquidity risk; (9) fluctuations in interest rates; (10) the expected discontinuation of the London Interbank Offering Rate after 2021, and uncertainty regarding potential alternative reference rates, including the Secured Overnight Financing Rate; (11) risks associated with acquisitions and the expansion of our business into new markets; (12) inflation and deflation; (13) real estate market conditions and the value of real estate collateral; (14) environmental liabilities; (15) our ability to compete with larger competitors; (16) our ability to retain key personnel; (17) successful management of reputational risk; (18) severe weather, natural disasters, acts of war or terrorism, public health issues (including novel coronavirus, or COVID-19), or other adverse external events could harm our business; (19) general economic or business conditions in Asia, and other regions where the Bank has operations; (20) failures, interruptions, or security breaches of our information systems; (21) our ability to adapt our systems to the expanding use of technology in banking; (22) risk management processes and strategies; (23) adverse results in legal proceedings; (24) the impact of regulatory enforcement actions, if any; (25) certain provisions in our charter and bylaws that may affect acquisition of RBB; (26) changes in tax laws and regulations; (27) the effect of changes in accounting policies and practices or accounting standards, as may be adopted from time-to-time by bank regulatory agencies, the U.S. Securities and Exchange Commission, the Public Company Accounting Oversight Board, the Financial Accounting Standards Board or other accounting standards setters, including Accounting Standards Update 2016-13 (Topic 326), “Measurement of Credit Losses on Financial Instruments,” commonly referenced as the Current Expected Credit Loss model, which will change how we estimate credit losses and may increase the required level of our allowance for credit losses after adoption on December 31, 2022; (28) market disruption and volatility; (29) fluctuations in the Bancorp’s stock price; (30) restrictions on dividends and other distributions by laws and regulations and by our regulators and our capital structure; (31) issuances of preferred stock; (32) our ability to raise additional capital, if needed, and the potential resulting dilution of interests of holders of our common stock; (33) the soundness of other financial institutions and other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services; and (34) other risks detailed from time to time in our filings with the Securities and Exchange Commission (the “SEC”) including our Quarterly Reports on Form 10-Q and our Annual Reports on Form 10-K, all of which could cause actual results to differ from those set forth in the forward-looking statements.

Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results

There can be no assurance that other factors not currently anticipated by us will not materially and adversely affect our business, financial condition and results of operations. Furthermore, many of these risks and uncertainties are currently amplified by and may continue to be amplified by or may, in the future, be amplified by, the recent outbreak of the COVID-19 pandemic. You are cautioned not to place undue reliance on our forward looking statements, which reflect management’s analysis and expectations only as of the date of such statements. Forward looking statements speak only as of the date they are made, and we do not intend, and undertake no obligation, to publicly revise or update forward looking statements, whether as a result of new information, future events or otherwise, except as required by federal securities law.

RBB Bancorp – Who We Are

Overview

 Established in 2008 and headquartered in Los Angeles, California

- \$3.8 billion asset Chinese-American, business-oriented community bank

 **22 traditional branches³**

- 12 located in Southern California
- 6 located in New York
- 2 located in Chicago
- 1 in Nevada
- 1 in New Jersey

 **Four principal business lines:**

- Commercial Real Estate (“CRE”)⁴
- Commercial & Industrial (“C&I”)
- 1-4 Single Family Residential (“SFR”)
- SBA Lending (“SBA”)

 **Six successful acquisitions completed since 2010**

 **Certified Community Development Financial Institution since mid-February 2016**

(1) Non-GAAP reconciliation in Appendix A

(2) Nonperforming assets include nonaccrual loans, loans modified under troubled debt restructurings, and other repossessed assets; excludes purchased credit impaired (“PCI”) loans acquired in prior acquisitions

(3) Announced purchase of a branch in Honolulu, HI to close in January, and opening of a branch in Bensonhurst, NY to open late first quarter

(4) Includes construction and land development loans

Financial Highlights

For the Three Months Ended September 30, 2021:

Balance Sheet (\$mm)	
Total Assets	\$3,802
Gross Loans, Including Held for Sale	\$2,856
Total Deposits	\$2,968
Tangible Common Equity ¹	\$383
Tangible Common Equity / Tangible Assets ¹	14.95%
NPAs / Assets ²	0.38%
Profitability	
Return on Average Assets, annualized	1.54%
Return on Average Tangible Common Equity ¹	16.17%
FTE Net Interest Margin	3.38%
Efficiency Ratio	38.87%

Investment Highlights

High-performing community bank with defined and proven strategy to grow both organically and through acquisitions

- Insider ownership (including family holdings) at 36% and high deposit balances, aligns interests with public shareholders
- Experienced management team and Board of Directors with demonstrated industry knowledge, regulatory relationships, lending expertise and community involvement
- Niche markets with concentration on Asian-Americans
 - Products structured to address the needs of underserved individuals and businesses within those markets
 - Significant opportunities for future acquisitions across the U.S.

Conservative risk profile with focused and diversified lending strategy

- Solid asset quality from disciplined credit culture and rigorous underwriting standards
- Interest rate neutral to modestly asset sensitive balance sheet

Track record of attractive returns

- Diversified revenue with four lending products spread across multiple industries and geographies
- Substantial noninterest income and well-managed noninterest expenses

Exceptional investment opportunity to hold an interest in a well-managed, highly profitable institution

- Compelling valuation and consistent dividend payout ratio

Experienced Leadership Team

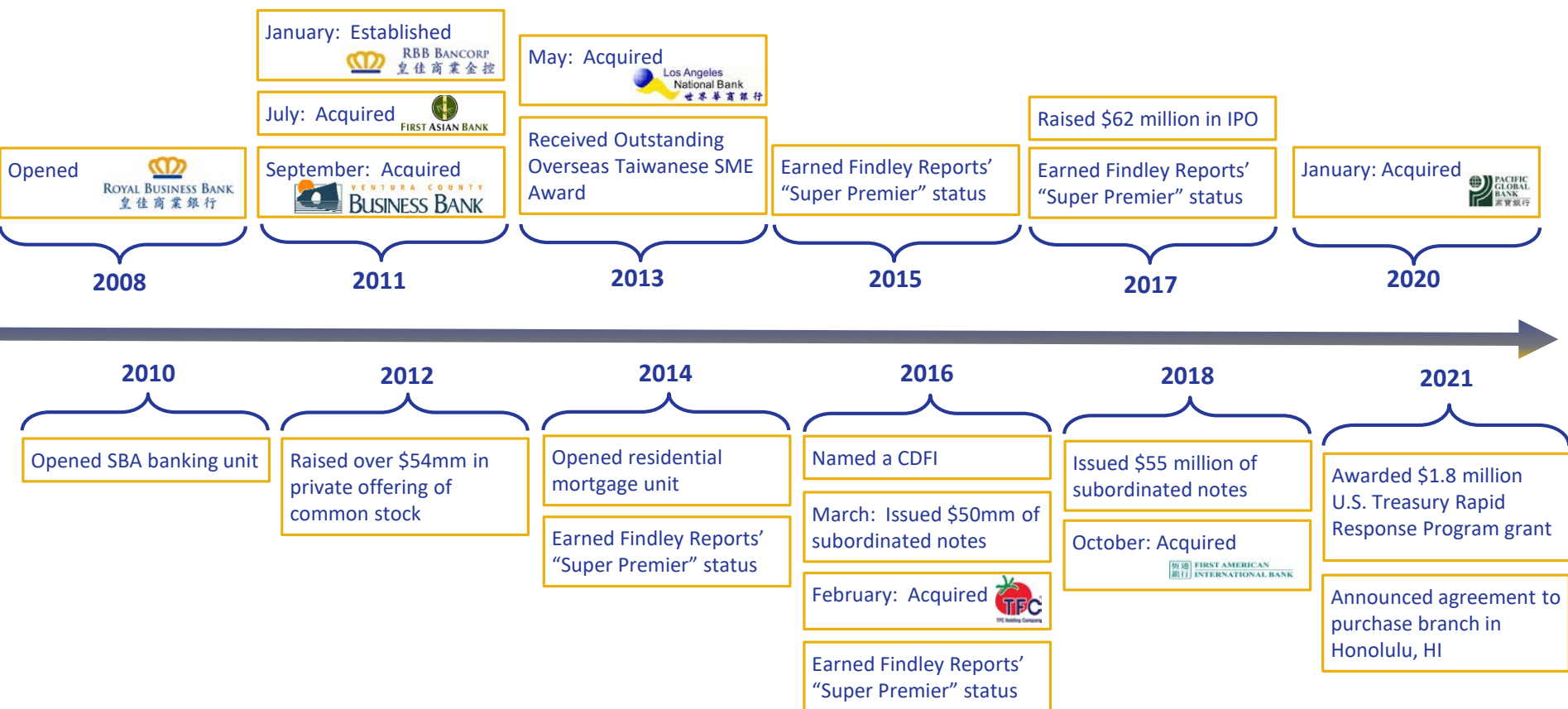
 Average 34 years of bank management experience in finance, lending, credit, risk, strategy and branch operations

Name / Title	Experience	Background
Yee Phong (Alan) Thian President & Chief Executive Officer	38 years	<ul style="list-style-type: none"> • President and Chief Executive Officer (“CEO”) since Royal Business Bank (the “Bank”) began operations in 2008 • Appointed to the FDIC community bank advisory committee twice • Presently on the CFPB community bank advisory committee • Formerly served as Executive Vice President (“EVP”) and Regional Director for United Commercial Bank, as well as President and CEO for both First Continental Bank and American International Bank
David Morris Executive Vice President & Chief Financial Officer	34 years (11 years with Alan)	<ul style="list-style-type: none"> • Appointed EVP and Chief Financial Officer (“CFO”) of the Bank and Company in 2010 • Formerly President and CEO with MetroPacific Bank and EVP, CFO and Chief Operating Officer (“COO”) with San Diego Community Bank
Jeffrey Yeh Executive Vice President & Chief Credit Officer	31 years (18 years with Alan)	<ul style="list-style-type: none"> • Joined the Bank as an executive officer in 2008 and promoted to EVP and Chief Credit Officer in January 2014 • Formerly Finance Director and Business Control Manager for Universal Science Industrial Co, Ltd. and Lending and Investment Manager for Bank of Overseas Chinese
I-Ming (Vincent) Liu Executive Vice President & Chief Risk Officer	33 years (25 years with Alan)	<ul style="list-style-type: none"> • Joined the Bank as an executive officer in 2008, promoted to COO in January 2011, and promoted to Chief Risk Officer of the Bank in 2011 and of the Company in 2013 • Formerly Senior Vice President (“SVP”) and head of southern California branch network for United Commercial Bank
Simon Pang Executive Vice President & Chief Strategy Officer	39 years (23 years with Alan)	<ul style="list-style-type: none"> • Joined the Bank as an executive officer in 2008 as head of commercial lending, promoted to Chief Strategy Officer in May 2012 • Formerly Senior Vice President (“SVP”) and commercial and international banking manager with United Commercial Bank

 CEO Thian owns 4.94% of the stock of the Company, RBB officer and director ownership as a group is approximately 21.5%

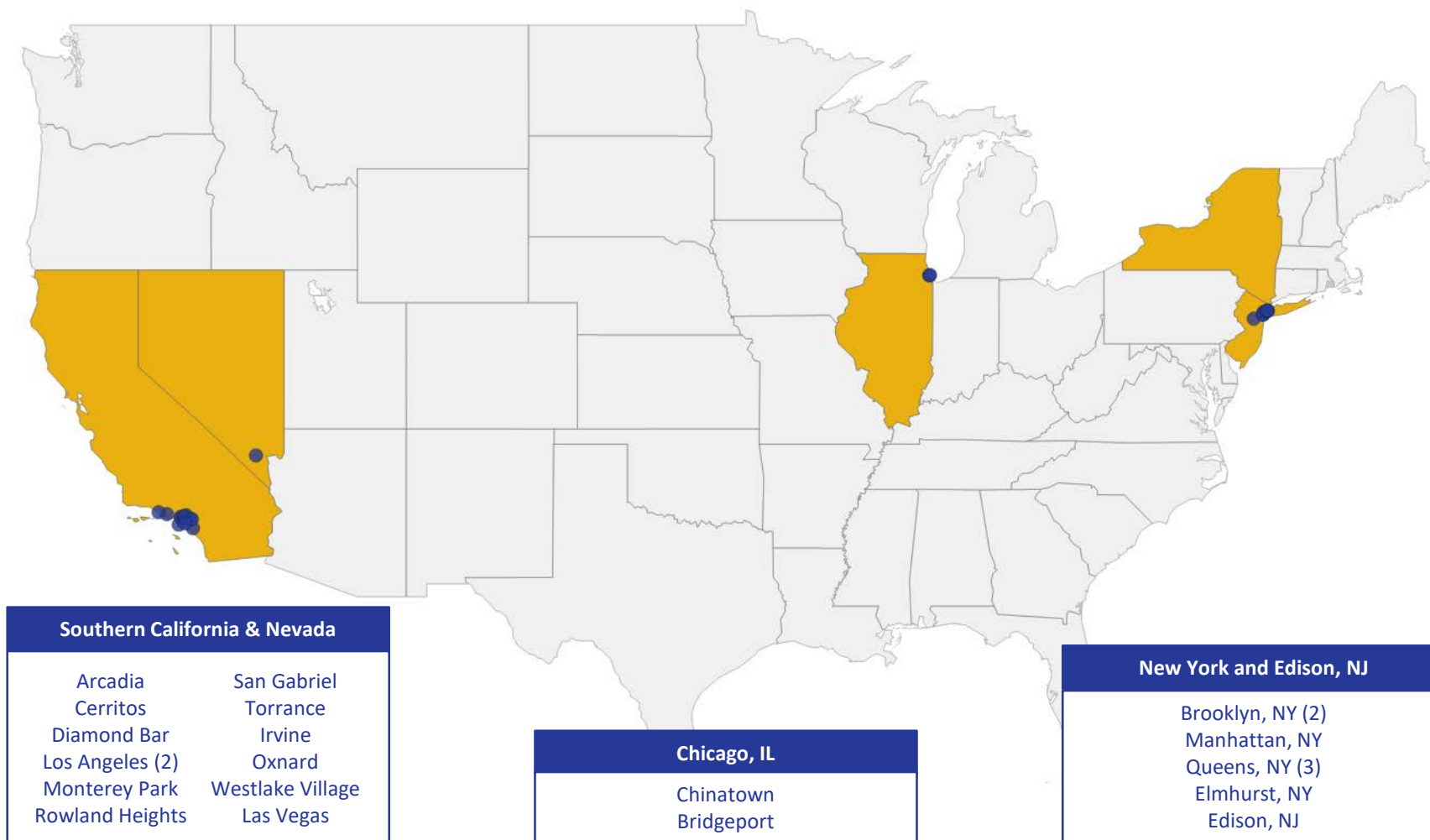
Our History

Historical Progression of Franchise Growth



Our Current Footprint

 Coast-to-Coast footprint of 22 branches provide banking services to the largest Asian-American communities in the nation



Substantial Opportunities for Acquisitions: Chinese-American Banks Across the U.S.

 Chinese-American bank universe comprised of over 37 banks¹:

- Publicly-traded
- Locally-owned
- Subsidiaries of Taiwanese or Chinese banks

 Other Asian-American banks also represent compelling acquisition opportunities

 Target markets include select Metropolitan Statistic Areas (“MSAs”) that fulfill the following conditions:

- High concentration of Asian-Americans
- High number of Chinese-American banks and branches

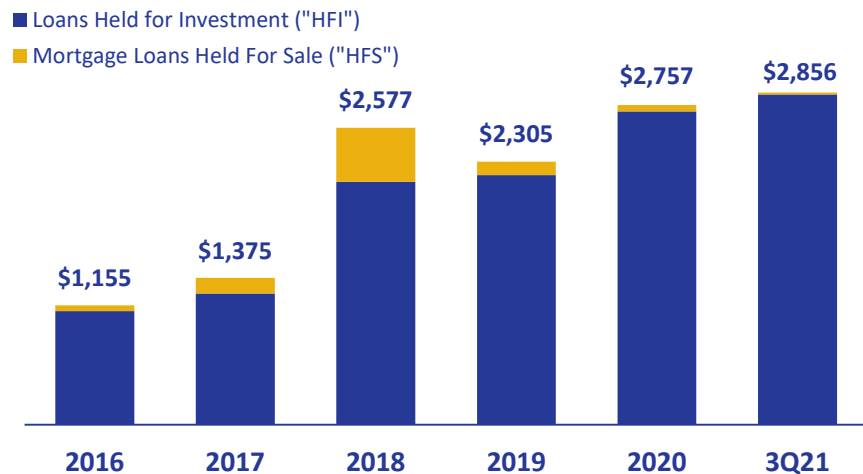
Specific Target Markets			
Location	Total Population (000's)	Asian-American Population	
		(000's)	% of Total
New York-Newark-Jersey City, NY-NJ-PA	19,979	1,978	9.9%
Los Angeles-Long Beach-Anaheim, CA	13,291	1,954	14.7%
San Francisco-Oakland-Hayward, CA	4,729	1,097	23.2%
Chicago-Naperville-Elgin, IL-IN-WI	9,499	532	5.6%
Houston-The Woodlands-Sugar Land, TX	6,997	455	6.5%
Seattle-Tacoma-Bellevue, WA	3,939	449	11.4%
Urban Honolulu, HI	980	429	43.8%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	6,046	302	5.0%
Las Vegas-Henderson-Paradise, NV	2,232	194	8.7%

 Identified expansion markets  Current markets

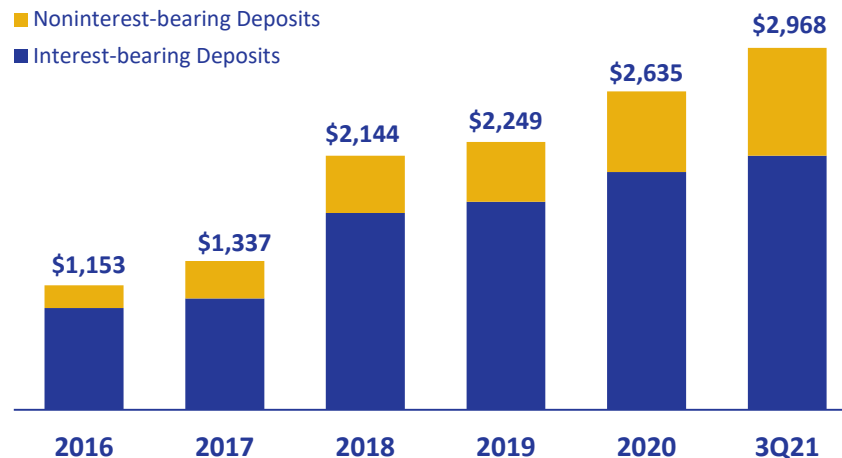
(1) Chinese-American bank universe as defined by RBB's management team
Source: S&P Global Market Intelligence, Census Bureau 2018 estimates

Demonstrated Track Record of Balance Sheet and Earnings Growth

Total Loans (\$mm)



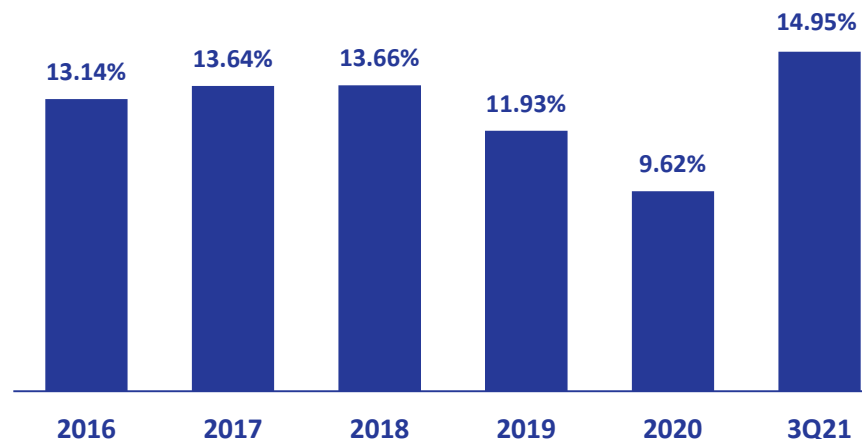
Total Deposits (\$mm)



Net Income (\$mm)



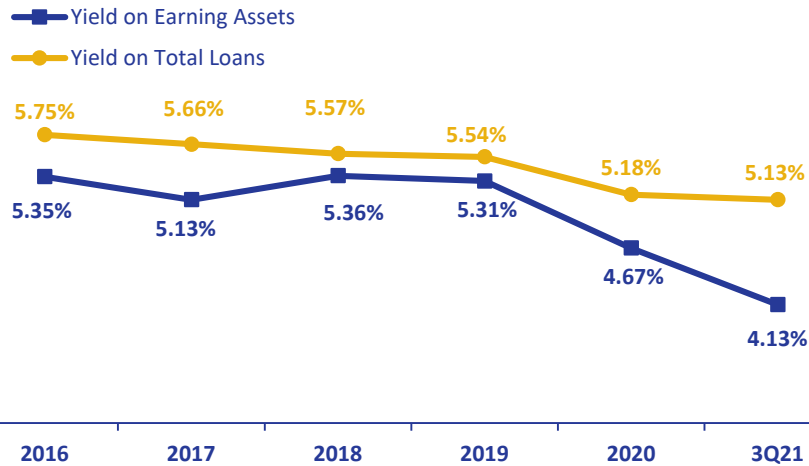
Return on Average Tangible Common Equity¹



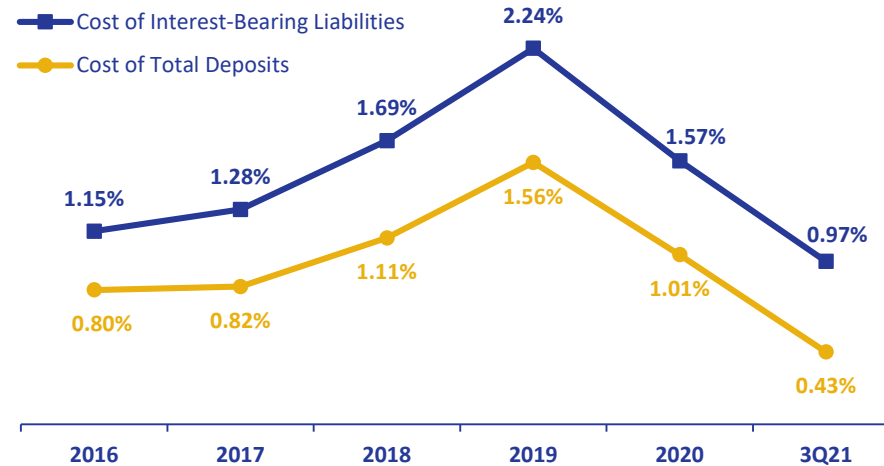
(1) Non-GAAP reconciliation in Appendix A

Profitability Drivers

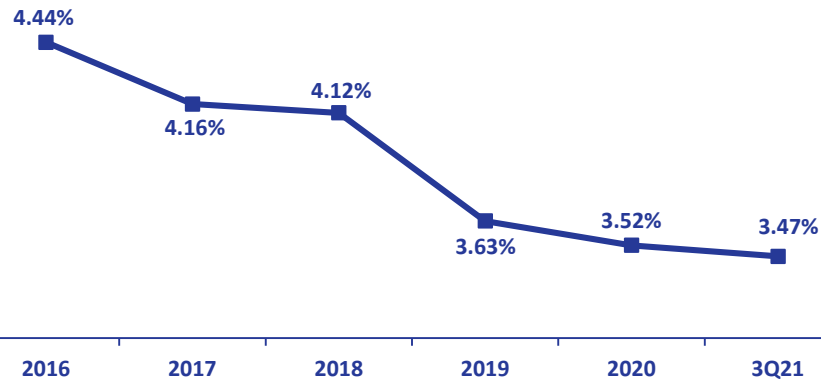
Yield on Average Interest-Earning Assets



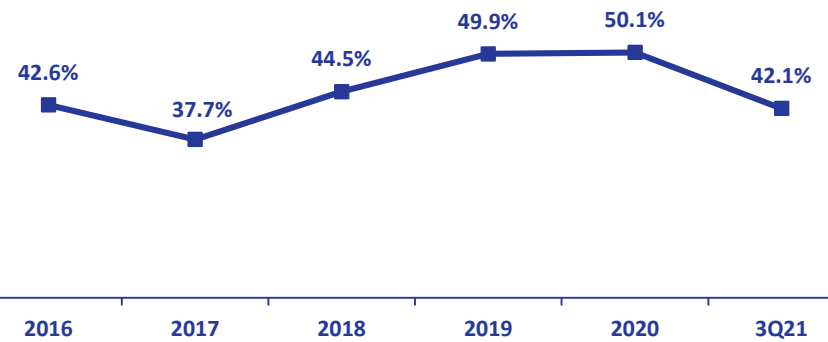
Cost of Average Interest-Bearing Liabilities



Net Interest Margin (FTE)¹



Efficiency Ratio



(1) Fully taxable equivalent

Diversified Loan Portfolio

Loan Portfolio Composition (September 30, 2021)

👑 \$2.84 billion total HFI loans as of September 30, 2021¹

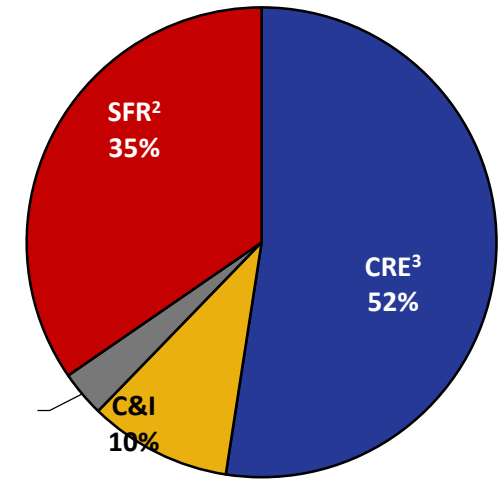
👑 Diversified across industry lines

- SFR - Mainly non-QM mortgages²
- CRE - Owner occupied and Investor owned³
- C&I - Majority secured by assets
- SBA - Primarily SBA 7(a) loans for business acquisition or working capital

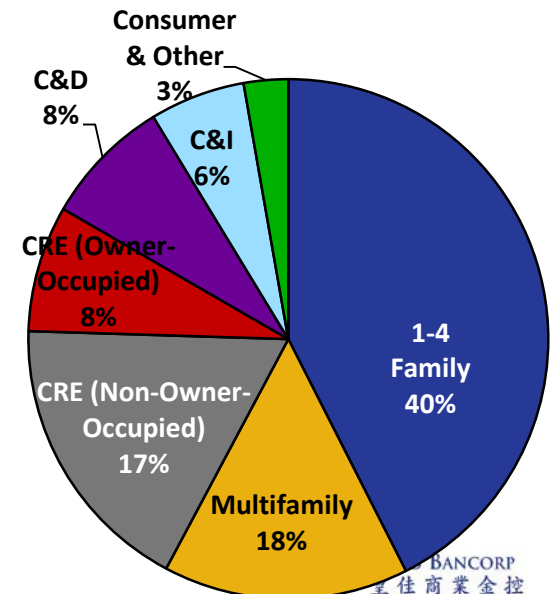
👑 43.1% Fixed rate and 56.9% Variable rate⁴

👑 Average yield on HFI loans of 5.16% for the third quarter of 2021

By
Business
Line¹:



By
Collateral
Type:



(1) Excludes purchased loan discounts and deferred costs and fees

(2) Includes HFI and HFS Loans

(3) Includes construction and land development loans

(4) Fixed rate loans include loans that have initial fixed rate terms prior to converting to variable rate loans

Business Line Profile: SFR Lending

As of September 30, 2021:

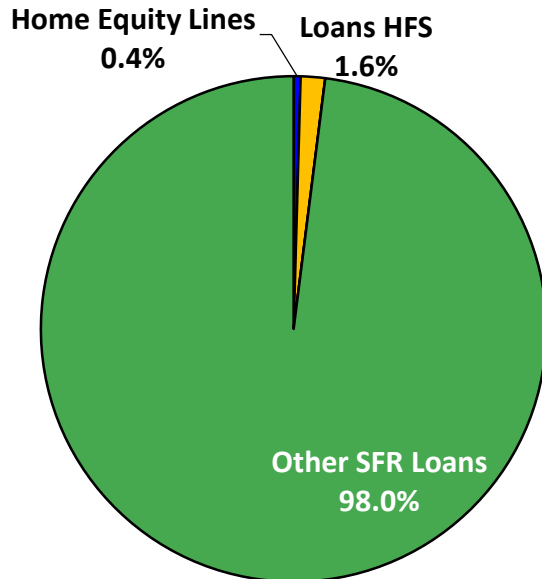
👑 Average: LTV of 56.2%; FICO score of 758; duration of approximately 2.75 years

👑 Average current start rates:

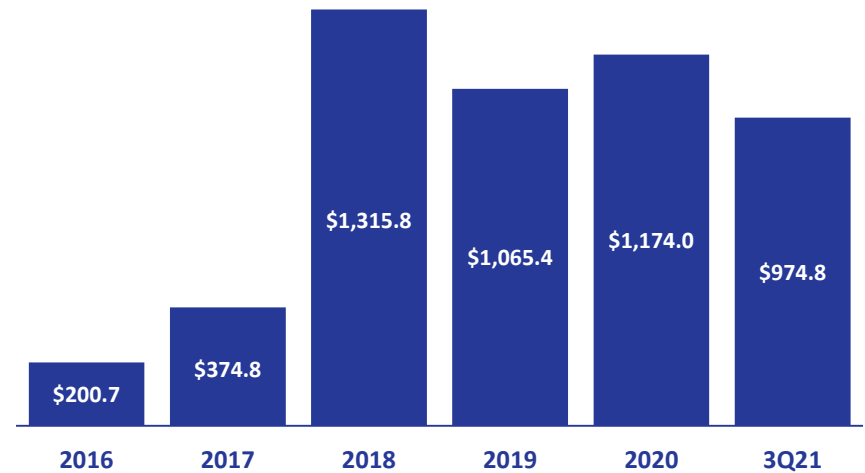
- Our non-qualified SFR loan product is a 7 year hybrid adjustable mortgage, which re-prices at 7 years to the 1 year CMT plus 2.50%, and a 30-year fixed rate mortgage.

SFR Loans

\$974.8 million



SFR Portfolio (\$mm)

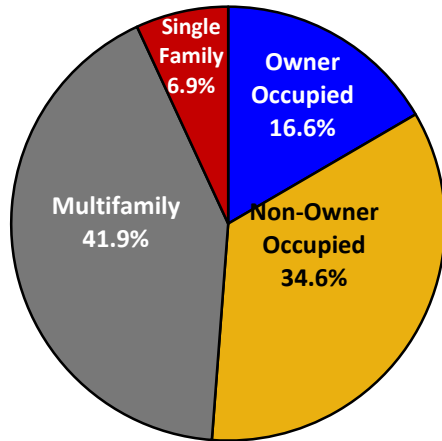


Business Line Profile: CRE Lending | C&D Lending

As of September 30, 2021:

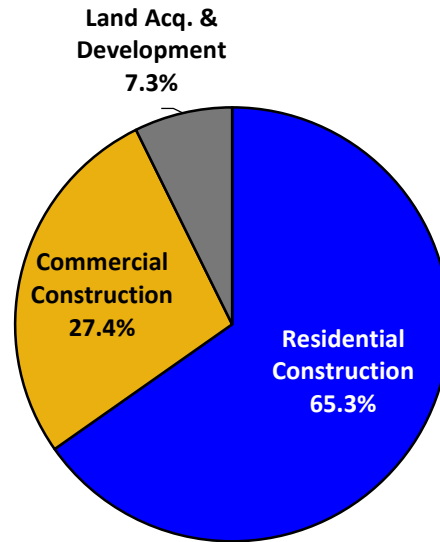
CRE Loans

\$1,206 million

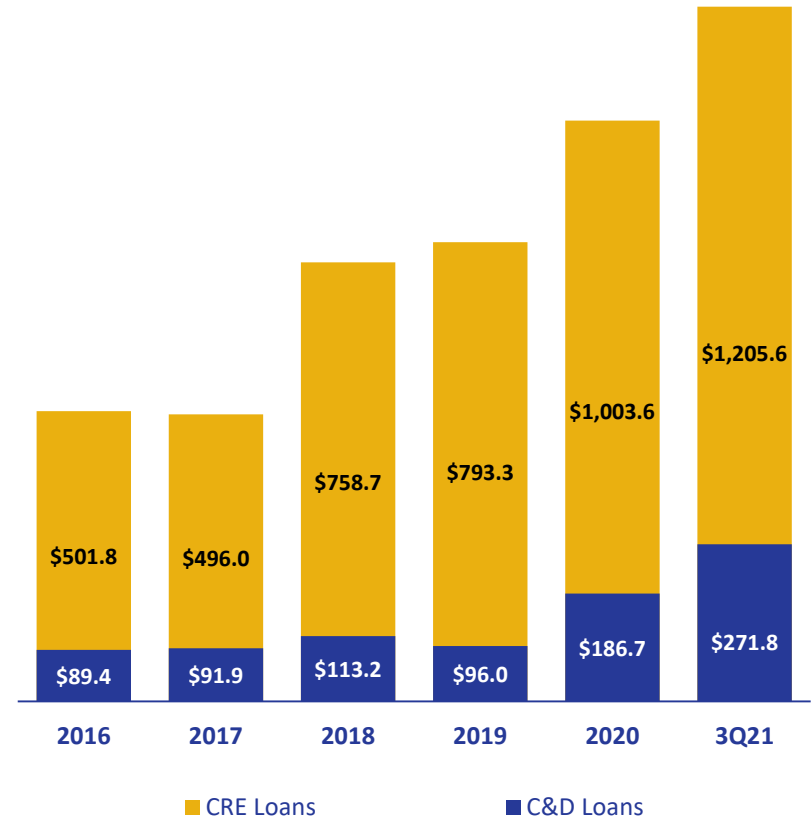


C&D Loans

\$271.8 million



CRE and C&D Portfolio Growth (\$mm)



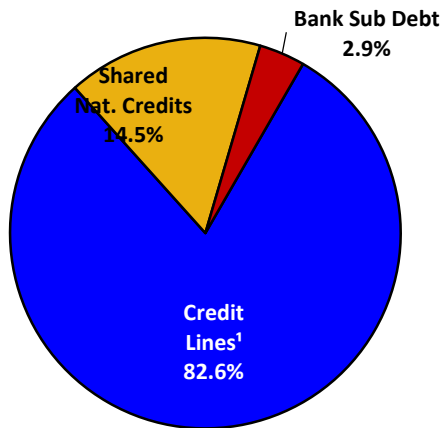
~14.0% of CRE loans are fixed rate or hybrid loans

Business Line Profile: C&I Lending | SBA Lending

As of June 30, 2021:

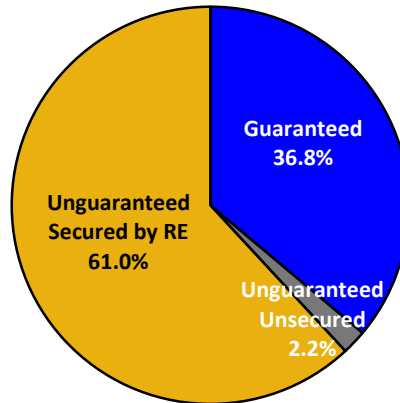
C&I Loans

\$276.4 million



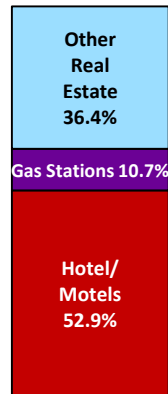
SBA Loans

\$88.8 million

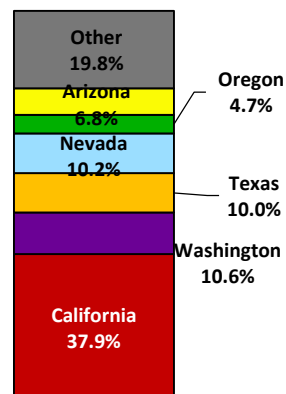


Unguaranteed SBA Loans:

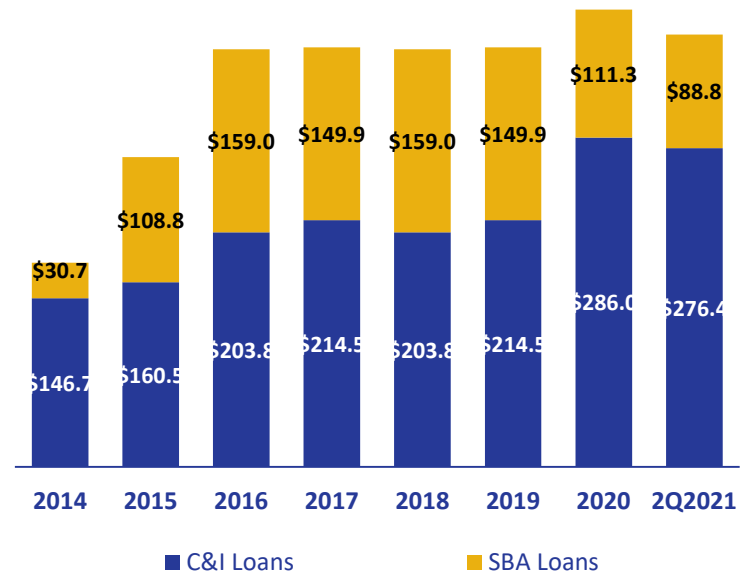
By Business:



By Location:



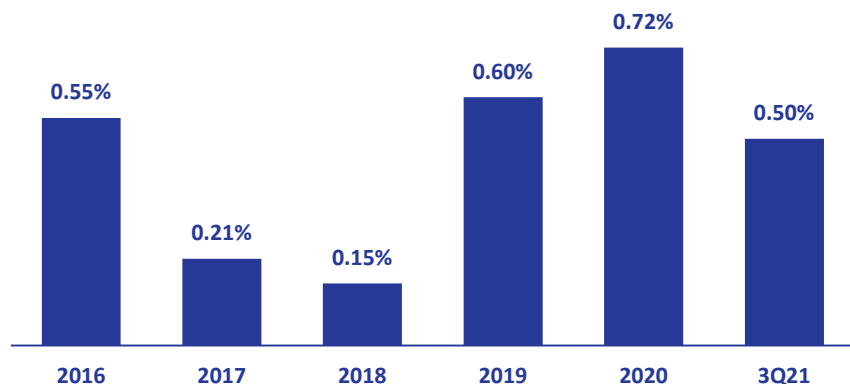
C&I and SBA Portfolio Growth (\$mm)



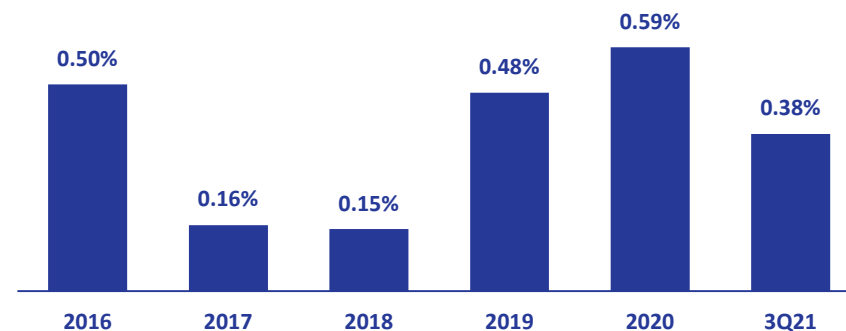
(1) Credit Lines include commercial and industrial lines of credit, term loans, mortgage warehouse lines and international trade discounts

Disciplined Credit Culture

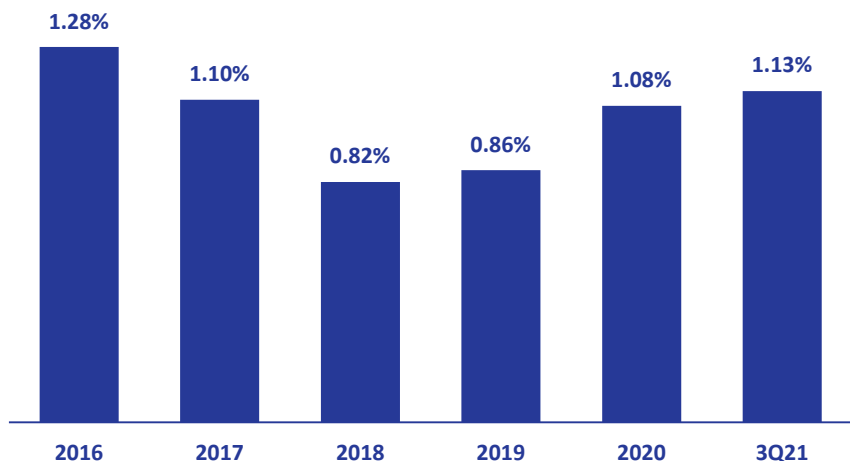
Nonperforming Loans¹ / Total Loans



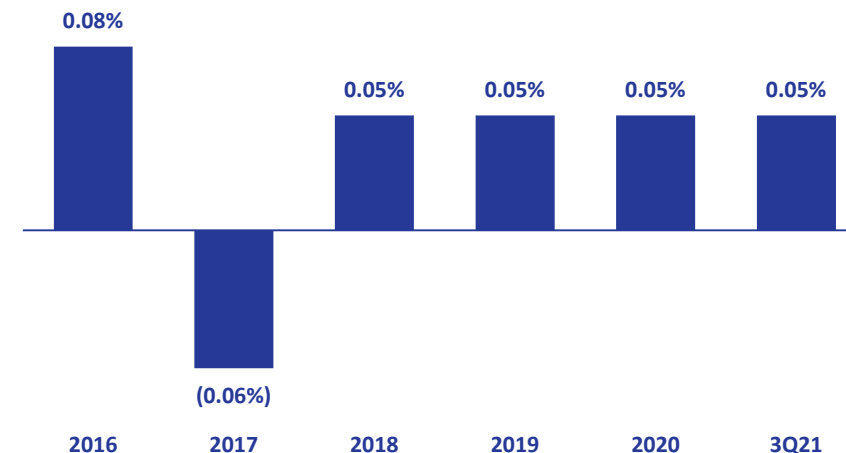
Nonperforming Assets² / Total Assets



Allowance for Loan Losses / Total Loans



Net Charge-Offs (Recoveries) / Average Loans



(1) Nonperforming loans include nonaccrual loans and loans modified under troubled debt restructurings; nonperforming loans exclude PCI loans acquired in prior acquisitions

(2) Nonperforming assets include nonperforming loans (as defined in footnote 1 above) and other repossessed assets

Deposit Portfolio as of September, 2021

👑 Strongest growth coming in MMDAs

👑 Top 10 Deposit Relationships = \$448.9 million (15.1% of total deposits)

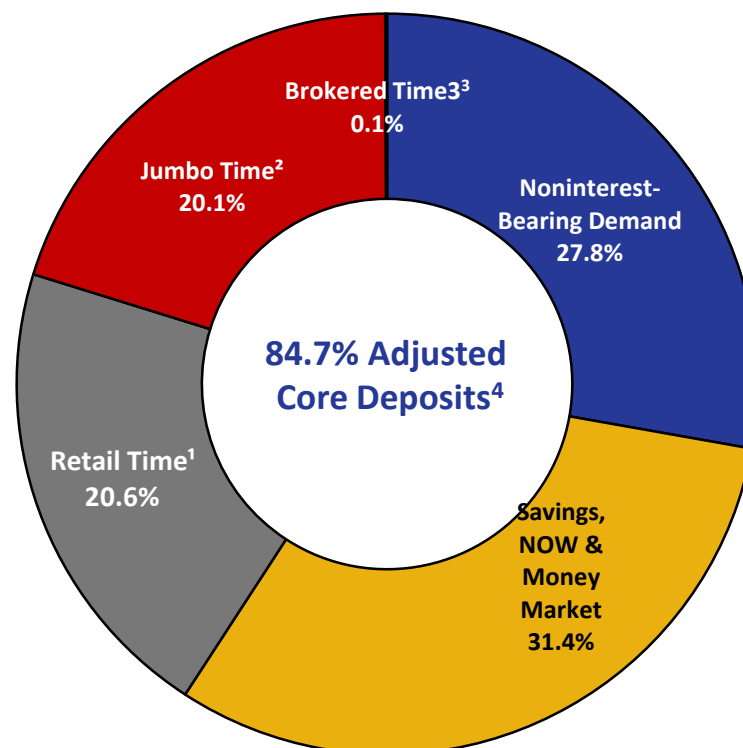
- 1 of the Top 10 Relationships are with directors and shareholders of the Company, \$39.1 million, or ~9% of Top 10 total

For the Three Months Ended September 30, 2021

	Avg. Balance (\$mm)	Weighted Avg. Cost
Noninterest-Bearing Demand	\$1,003.2	0.00%
NOW	71.5	0.27%
Savings	139.6	0.10%
Money Market	660.8	0.37%
Retail Time ¹	626.8	0.60%
Jumbo Time ²	604.4	0.70%
Brokered Time ³	17.2	0.64%
Total Deposits	\$3,123.5	0.35%

Deposit Portfolio Composition

Total: \$2.97 billion



(1) Retail Time includes time deposits with balances less than \$250,000, excluding brokered time

(2) Jumbo Time includes time deposits with balances of \$250,000 and greater

(3) Brokered Time are brokered time deposits, which are all lower than \$100,000

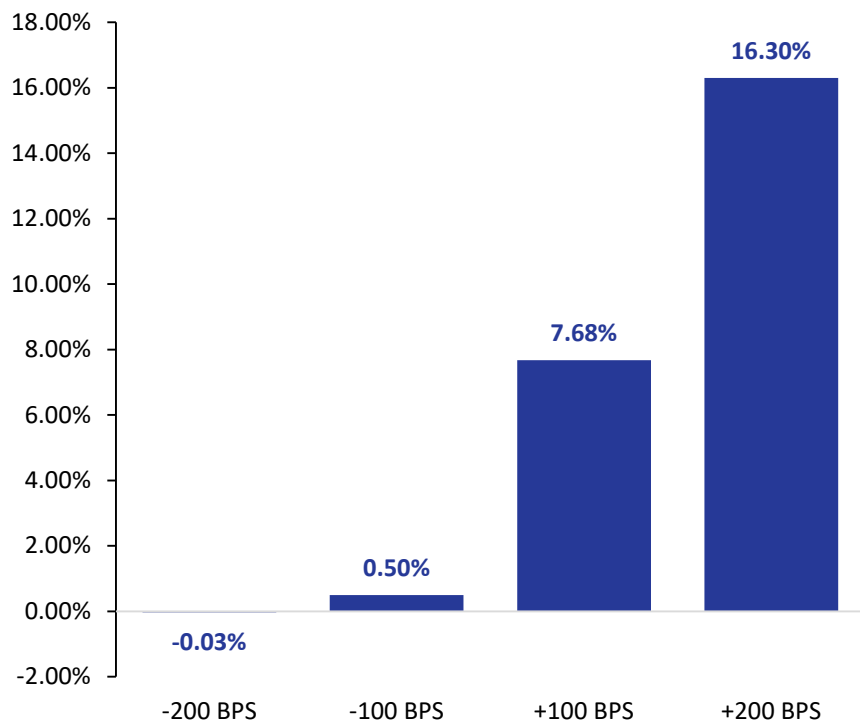
(4) Non-GAAP reconciliation in Appendix A

Interest Rate Risk Profile

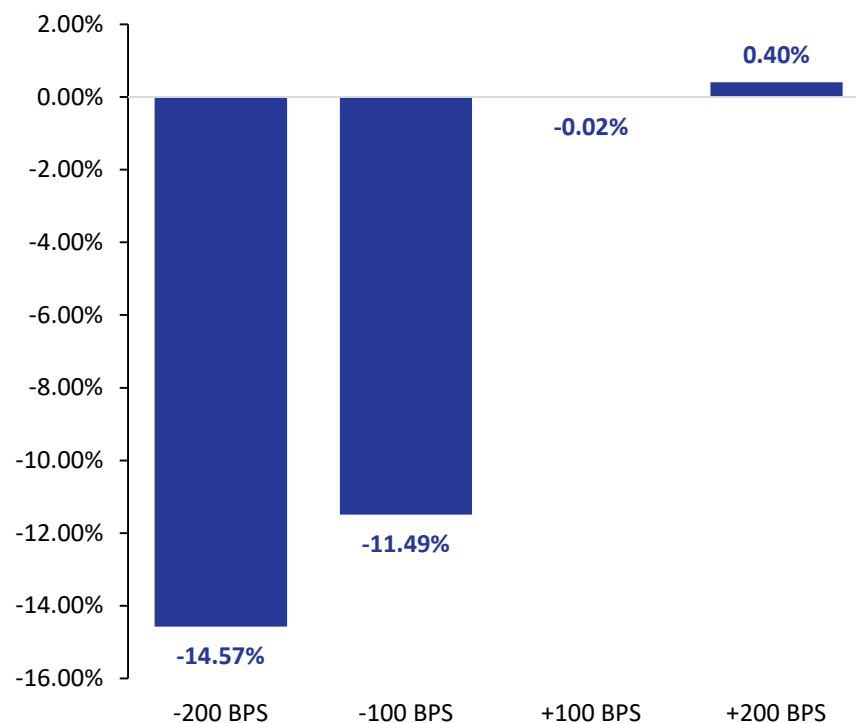
👑 12 month net interest income (“NII”) sensitivity is neutral to slightly asset sensitive

👑 Economic Value of Equity (“EVE”) sensitivity is neutral to slightly liability sensitive in a flat to declining environment

12-Month NII Sensitivity
Immediate Change in Rates
 September 30, 2021



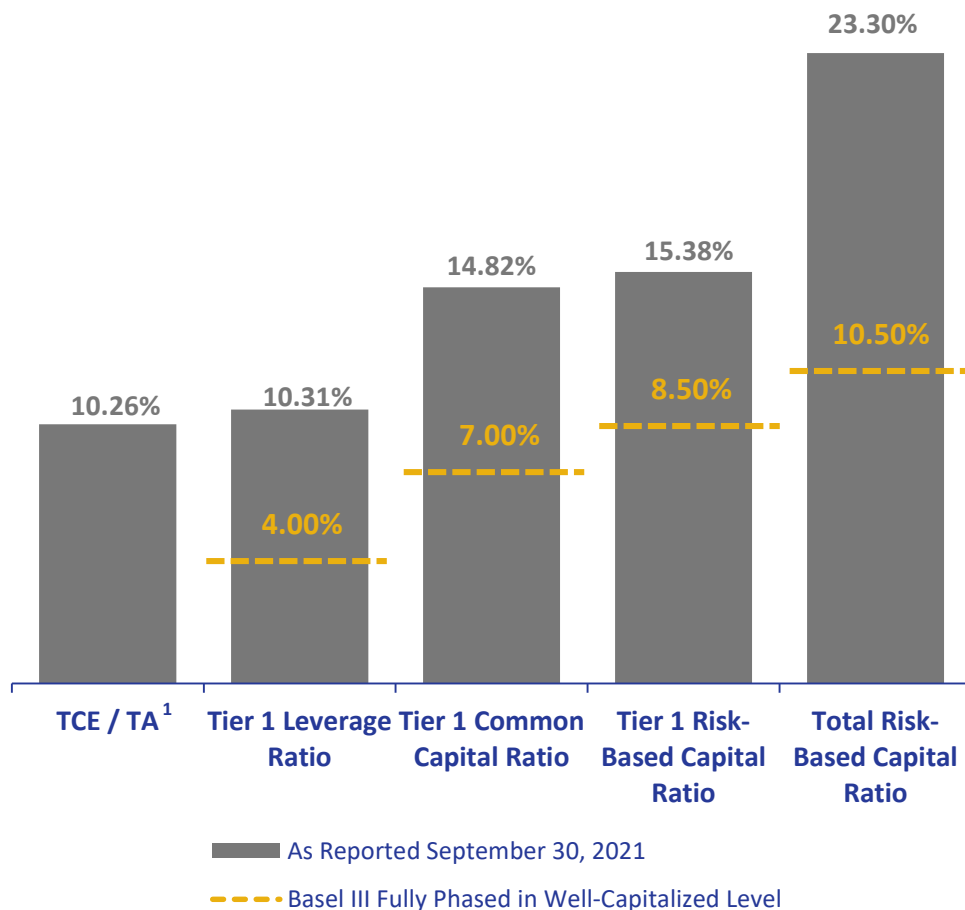
EVE Sensitivity
Immediate Change in Rates
 September 30, 2021



Note: Assumes parallel shifts in market interest rates

Consolidated Capital Ratios

Consolidated Capital Ratios



Consolidated Capitalization Table

<i>(Dollars in millions, except per share amounts)</i>	<i>As of September 30, 2021</i>
	<u>Actual</u>
Long-Term Debt	
Long-Term Debt	\$172.9
Long-term FHLB Advance	150.0
Trust Preferred Securities	14.4
Total Long-Term Debt	\$337.3
Shareholders' Equity	
Common Stock	\$283.2
Additional Paid-in Capital	4.4
Treasury Stock	--
Retained Earnings	169.0
Accumulated Other Comprehensive Income	(0.5)
Total Shareholders' Equity	\$456.1
Total Capitalization	\$793.4
Common Shares Outstanding	19,516,393
Book Value Per Share	\$23.37
Tangible Book Value Per Share ¹	\$19.60
Regulatory Capital	
Tier 1 Common Capital	\$383.7
Tier 1 Risk-Based Capital	\$398.2
Total Risk-Based Capital	\$603.4

(1) Non-GAAP reconciliation in Appendix A

Outlook

Net interest margin expected to remain stable or contract modestly

- Average CD costs will decrease due to rollover of higher cost CDs through 2021
- Loan and deposit rate environment will remain competitive
- Excess liquidity is expected to run off over the next 12 months

Continued Balance Sheet growth should drive further improvement in profitability

Flat expense levels

- Consolidation of offices in all regions will provide modest cost savings offset by higher personnel costs

Projected loan losses:

- Expect \$150,000-\$250,000 in loan losses on pre-COVID hotel loans
- 99% of loans with deferments are paying as agreed

Future Branch Activity:

- Moving the Bowery Street (Manhattan) branch to Canal Street in December 2021
- Expect the Honolulu (Hawaii) branch purchase to close early first quarter 2022
- Bensonhurst, Brooklyn New York Branch – open in late first quarter 2022
- Searching for branch locations in Chicago area and Northern California



Appendix A: Non-GAAP Reconciliations



Non-GAAP Reconciliation: Tangible Common Equity and Tangible Assets

Some of the financial measures included in this presentation are not measures of financial performance recognized by GAAP. These non-GAAP financial measures include “tangible common equity to tangible assets,” “tangible book value per share,” and “return on average tangible common equity.” Our management uses these non-GAAP financial measures in its analysis of our performance and believes these are helpful to investors as an additional tool for further understanding our performance. The following table reconciles shareholders’ equity (on a GAAP basis) to tangible common equity and total assets (on a GAAP basis) to tangible assets, calculates our tangible book value per share, and reconciles return on average tangible common equity to its most comparable GAAP measure:

<i>(Dollars in thousands, except per share data)</i>						
	As of and for the year ended					
	2016	2017	2018	2019	2020	3Q21
Tangible Common Equity:						
Total Shareholders' Equity	\$181,585	\$265,176	\$374,621	\$407,690	\$428,488	\$456,490
<u>Adjustments</u>						
Goodwill	(29,940)	(29,940)	(58,383)	(58,563)	(69,243)	(69,243)
Core Deposit Intangible	(1,793)	(1,438)	(7,601)	(6,100)	(5,196)	(4,327)
Tangible Common Equity	<u>\$149,852</u>	<u>\$233,798</u>	<u>\$308,637</u>	<u>\$343,027</u>	<u>\$354,049</u>	<u>\$382,454</u>
Tangible Assets:						
Total Assets - GAAP	1,395,551	1,691,059	2,974,002	2,788,535	3,350,072	3,801,807
<u>Adjustments</u>						
Goodwill	(29,940)	(29,940)	(58,383)	(58,563)	(69,243)	(69,243)
Core Deposit Intangible	(1,793)	(1,438)	(7,601)	(6,100)	(5,196)	(4,327)
Tangible Assets	<u>\$1,363,818</u>	<u>\$1,659,681</u>	<u>\$2,908,018</u>	<u>\$2,723,872</u>	<u>\$3,275,633</u>	<u>\$3,728,237</u>
Common Shares Outstanding	12,827,803	15,908,893	20,000,022	20,030,866	19,565,921	19,516,393
Tangible Common Equity to Tangible Assets Ratio	<u>10.99%</u>	<u>14.09%</u>	<u>10.61%</u>	<u>12.59%</u>	<u>10.81%</u>	<u>10.26%</u>
Tangible Book Value Per Share	<u>\$11.68</u>	<u>\$14.70</u>	<u>\$15.43</u>	<u>\$17.12</u>	<u>\$18.10</u>	<u>\$19.60</u>
Average Tangible Common Equity:						
Average Shareholders' Equity	\$172,140	\$218,717	\$296,869	\$393,895	\$417,915	\$442,437
<u>Adjustments</u>						
Goodwill	(25,167)	(29,940)	(31,081)	(58,446)	(69,863)	(69,243)
Core Deposit Intangible	(1,779)	(1,620)	(1,483)	(6,873)	(5,806)	(4,797)
Average Tangible Common Equity	<u>\$145,194</u>	<u>\$187,157</u>	<u>\$264,305</u>	<u>\$328,576</u>	<u>\$342,246</u>	<u>\$368,397</u>
Net Income Available to Common Shareholders	\$19,079	\$25,528	\$36,105	\$39,209	\$32,928	\$14,200
Return on Average Tangible Common Equity	<u>13.14%</u>	<u>13.64%</u>	<u>13.66%</u>	<u>11.93%</u>	<u>9.62%</u>	<u>14.95%</u>

Note: Historical financial data is not presented pro forma reflecting the acquisition of FAIT completed on October 15, 2018

Regulatory Reporting to Financial Statements:

Adjusted Core Deposits

Some of the financial measures included in this presentation and in forms 10-Q & 10-K filed with the SEC differ from those reported on the FRB Y-9(c) report. These financial measures include “core deposits to total deposits.” Our management uses this financial measure in its analysis of our performance. The Bank measures core deposits by reviewing all relationships over \$250,000 on a quarterly basis. After discussions with our regulators on the proper way to measure core deposits, we now track all deposit relationships over \$250,000 on a quarterly basis and consider a relationship to be core if there are any three or more of the following: (i) relationships with us (as a director or shareholder); (ii) deposits within our market area; (iii) additional non-deposit services with us; (iv) electronic banking services with us; (v) active demand deposit account with us; (vi) deposits at market interest rates; and (vii) longevity of the relationship with us. We consider all deposit relationships under \$250,000 as a core relationship except for time deposits originated through an internet service. This differs from the traditional definition of core deposits which is demand and savings deposits plus time deposits less than \$250,000. As many of our customers have more than \$250,000 on deposit with us, we believe that using this method reflects a more accurate assessment of our deposit base. The following table reconciles the adjusted core deposit to total deposits:

	As of the year ended					
	2016	2017	2018	2019	2020	3Q21
<i>(Dollars in thousands)</i>						
Core Deposits¹	\$781,940	\$990,824	\$1,670,572	\$1,651,678	\$2,037,164	\$2,370,031
<u>Adjustments to Core Deposits</u>						
Time Deposits > \$250,000 Considered as Core Deposits ²	325,453	180,751	468,773	446,968	448,159	319,183
Less: Brokered Deposits Considered Non-Core	-	-	(113,832)	(67,089)	(17,374)	(2,395)
Less: Internet and Other Deposit Originator Deposits < \$250,000 Considered Non-Core ³	(30,971)	(29,467)	(18,286)	(26,025)	(76,356)	(84,681)
Less: Other Deposits Not Considered Core ⁴	(171,800)	(136,943)	(52,002)	(60,719)	(80,016)	(88,473)
Adjusted Core Deposits	<u>\$904,622</u>	<u>\$1,005,165</u>	<u>\$1,955,225</u>	<u>\$1,944,813</u>	<u>\$2,311,577</u>	<u>\$2,514,067</u>
Total Deposits	\$1,152,763	\$1,337,281	\$2,144,041	\$2,248,938	\$2,635,128	\$2,967,813
Adjusted Core Deposits to Total Deposits Ratio	78.47%	75.16%	91.19%	86.47%	87.72%	84.71%

(1) All demand and savings deposits of any amount plus time deposits less than \$250,000

(2) Time deposits to core customers over \$250,000 as defined in the lead-in to the table above

(3) Comprised of internet and outside deposit originator time deposits less than \$250,000 which are not considered to be core deposits

(4) Comprised of demand and savings deposits in relationships over \$250,000 which are considered non-core deposits because they do not satisfy the definition of core deposits set forth in the lead-in to the table above