
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 24, 2023 (July 20, 2023)

RBB BANCORP

(Exact name of Registrant as Specified in Its Charter)

California
(State or Other Jurisdiction
of Incorporation)

001-38149
(Commission
File Number)

27-2776416
(IRS Employer
Identification No.)

1055 Wilshire Blvd., 12th floor,
Los Angeles, California
(Address of Principal Executive Offices)

90017
(Zip Code)

Registrant's Telephone Number, Including Area Code: (213) 627-9888

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12 (b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, No Par Value	RBB	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On July 24, 2023, RBB Bancorp (the “Company”) issued a press release setting forth the financial results for the quarter ended June 30, 2023, and information relating to our quarterly conference call and webcast. A copy of this press release is attached hereto as Exhibit 99.1 and is hereby incorporated by reference.

The information furnished under Item 2.02 and Item 9.01 of this Current Report on Form 8-K (including Exhibit 99.1) shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such Section, nor shall such information be deemed incorporated by reference into any registration statement or other filings of the Company under the Securities Act of 1933, as amended (the “Securities Act”), except as shall be expressly set for by specific reference in such filing.

Item 7.01 Regulation FD Disclosure.

On July 25, 2023, RBB Bancorp will hold a conference call to discuss its financial results for the quarter ended June 30, 2023 and other matters relating to the Company. The Company has also made available on its website, www.royalbusinessbankusa.com, presentation materials containing certain historical and forward-looking information relating to the Company (the “Presentation Materials”). The Presentation Materials are furnished as Exhibit 99.2 hereto and are incorporated by reference herein. All information in Exhibit 99.2 is presented as of the particular date or dates referenced therein, and the Company does not undertake any obligation to, and disclaims any duty to, update any of the information provided.

The information furnished under Item 7.01 and Item 9.01 of this Current report on Form 8-K (including Exhibit 99.2) shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of such Section, nor shall such information be deemed incorporated by reference into any registration statement or other filings of the Company under the Securities Act, except as otherwise expressly stated in such filing.

Item 8.01 Other Events.

On July 20, 2023, RBB Bancorp announced that its Board of Directors declared a cash dividend of \$0.16 per share of its common stock, payable on August 11, 2023, to common shareholders of record as of July 31, 2023. A copy of the press release announcing the cash dividend described in this Item 8.01 is attached as Exhibit 99.3 hereto and incorporated by reference herein. The information contained in Exhibit 99.3 shall not be deemed “filed” for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of such Section, nor shall such information and Exhibit be deemed incorporated by reference into any registration statement or other filings of the Company under the Securities Act, except as shall be expressly set forth by specific reference in such filing.

The Company is cooperating and responding to informal requests from the U.S. Securities and Exchange Commission's Division of Enforcement (the “SEC”) for information regarding, among other things, certain Company policies and procedures, certain Company expenditures, certain former officers and directors, their roles and relationships, and the circumstances relating to and surrounding their departures, including potential violations of laws and/or regulations. The Company is voluntarily responding to the SEC's informal requests and is committed to continued cooperation. The SEC's informal requests do not mean that the SEC has concluded there has been any violation of law or regulation. The Company is, at this time, unable to predict what action, if any, might be taken in the future by the SEC as a result of the matters that are the subjects of its informal requests.

Item 9.01 Financial Statements and Exhibits.

(d)	Exhibits.
99.1	Press Release, dated July 24, 2023, announcing the financial results of RBB Bancorp for the quarter ended June 30, 2023.
99.2	Presentation Materials
99.3	Press Release, dated July 20, 2023, announcing RBB Bancorp declared a quarterly cash dividend of \$0.16 per share.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RBB BANCORP
(Registrant)

Date: July 24, 2023

By: _____ /s/ Alex Ko
Alex Ko
Chief Financial Officer



RBB Bancorp Reports Second Quarter 2023 Earnings

Los Angeles, CA, July 24, 2023 – 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 June 30, 2023.

The Company reported net income of \$10.9 million, or \$0.58 diluted earnings per share, for the quarter ended June 30, 2023, compared to net income of \$11.0 million, or \$0.58 diluted earnings per share, and \$15.5 million, or \$0.80 diluted earnings per share, for the quarter ended March 31, 2023 and June 30, 2022, respectively.

“I’d like to welcome Johnny Lee to the Royal Business Bank team as President and Chief Banking Officer,” said David Morris, CEO of RBB Bancorp. “His hiring is one of the more visible steps we have taken over the past 15 months to strengthen our management team.”

Mr. Morris continued, “We continued to reduce our loan to deposit ratio in the second quarter by increasing deposit balances and allowing out-of-market loans to run off. We are proactively managing our loan portfolio and are confident that our underwriting standards will limit ultimate losses.”

“Over the past several months, the Board has taken important steps to enhance corporate governance and strengthen our Board and, as David noted, our management team,” said Dr. James Kao, Chairman of the Company. “In addition to the two independent directors we added in April, two independent directors were elected to the Board at our annual shareholder meeting in June, bringing the total number of independent directors to nine. We believe our governance and management enhancements, combined with our prudent approach to underwriting, credit risk management, and capital management, position us to continue to navigate the institution through this challenged operating environment.”

Second Quarter 2023 Highlights Compared to First Quarter 2023

- Net income decreased to \$10.9 million, or \$0.58 diluted earnings per share.
- Net interest income decreased to \$31.9 million.
- Noninterest income increased to \$2.5 million and noninterest expense decreased to \$18.5 million.
- Total loans held for investment decreased by \$146.4 million and total deposits increased by \$24.4 million, resulting in a decrease in the net loan to deposit ratio to 99.3% from 104.7% at the end of the prior quarter.
- Return on average assets decreased to 1.08%.
- Return on average tangible common equity decreased to 10.33%. (1)
- Net interest margin decreased to 3.37%.
- The ratio of allowance for credit losses to total loans increased to 1.35% from 1.29% at the end of prior quarter.
- The Company’s capital position remained strong with a ratio of 16.9% tier 1 common equity to risk-weighted assets.

(1) Reconciliations of the non-U.S. generally accepted accounting principles (“GAAP”) measures are set forth at the end of this press release.

Net Interest Income and Net Interest Margin

Net interest income before provision for credit losses was \$31.9 million for the second quarter of 2023, compared to \$34.1 million for the first quarter of 2023. The \$2.2 million decrease was primarily attributable to an increase in interest expense on time deposits, partially offset by increases in yield in loans held for investment and available-for-sale securities. For the second quarter of 2023, average time deposits increased \$256.1 million and the interest rate paid on time deposits increased 74 basis points to 3.98%, from 3.24% in the first quarter of 2023.

Compared to the second quarter of 2022, net interest income before provision for credit losses decreased \$5.2 million from \$37.1 million. The decrease was primarily attributable to an increase in average interest-bearing deposits of \$599.7 million and a 298 basis points increase in the interest rate paid on interest-bearing deposits, partially offset by an increase in average loans of \$282.5 million and an 84 basis points increase from 5.39% in the second quarter of 2022 to 6.23% in the yield earned on loans.

Net interest margin was 3.37% for the second quarter of 2023, a decrease of 33 basis points from 3.70% in the first quarter of 2023 due primarily to a 72 basis point increase in the average cost on interest-bearing deposits from 2.75% in the first quarter of 2023 to 3.47% in the second quarter of 2023. Cost of interest-bearing deposits increased due to increasing market rates and peer bank deposit competition.

Noninterest Income

Noninterest income was \$2.5 million for the second quarter of 2023, an increase of \$131,000 from \$2.4 million in the first quarter of 2023. The increase was primarily driven by a \$128,000 increase in wealth management commissions and an \$89,000 increase in fees on deposit accounts, partially offset by a \$125,000 decrease in loan servicing fees due to loan prepayments during the quarter.

Noninterest income decreased by \$929,000 from \$3.4 million in the second quarter of 2022. The decrease was primarily attributable to a \$757,000 decrease in gain on sale of corporate real estate and a \$326,000 decrease in gain on sale of loans due to interest rate hikes that caused decreases in both loans held for sale and gains on loans sold.

Noninterest Expense

Noninterest expense for the second quarter of 2023 was \$18.5 million, compared to \$18.9 million for the first quarter of 2023. The \$394,000 decrease was primarily attributable to a \$537,000 decrease in salaries and employee benefits expenses and a \$141,000 decrease in legal and other professional fees, partially offset by a \$305,000 increase in insurance and regulatory assessments. The decrease in salaries and employee benefits expenses was due to the decreases in payroll tax and 401K contribution related to employees' bonus distribution in the first quarter of 2023.

Noninterest expense for the three and six months ended June 30, 2023, includes legal expenses related to the Company's voluntary cooperation with the Securities and Exchange Commission's ("SEC") requests for information as disclosed in the Company's Current Report on Form 8-K filed with the SEC on July 24, 2023.

Income Taxes

The effective tax rate was 29.5% for the second quarter of 2023, 29.4% for the first quarter of 2023, and 29.6% for the second quarter of 2022.

Loan and Securities Portfolio

Loans held for investment, net of deferred fees and discounts, totaled \$3.2 billion as of June 30, 2023, a decrease of \$146.4 million from March 31, 2023, and an increase of \$150.0 million from June 30, 2022. The decrease from March 31, 2023 was primarily due to a \$104.8 million decrease in commercial real estate loans, a \$24.6 million decrease in commercial and industrial loans, and a \$24.3 million decrease in construction and land development loans. The increase from June 30, 2022 was primarily due to a \$349.0 million increase in single-family residential mortgages, offset by a \$106.6 million decrease in commercial and industrial loans and a \$99.9 million decrease in construction and land development loans.

As of June 30, 2023, the Bank's total available-for-sale securities amounted to \$391.1 million, including available-for-sale securities maturing in over 12 months of \$242.6 million. As of June 30, 2023, the Bank recorded gross unrealized losses of \$32.3 million on its available-for-sale securities compared to gross unrealized losses of \$28.7 million as of March 31, 2023 with respect to its available-for-sale securities.

Liquidity and Deposits

Total deposits were \$3.2 billion as of June 30, 2023, which reflected an increase of \$24.4 million or 0.8% compared to March 31, 2023. As of June 30, 2023, the Company had \$246.3 million in cash on the balance sheet, which is an increase of \$15.6 million or 6.8% from March 31, 2023. In addition, the Company had \$893.1 million in Federal Home Loan Bank borrowing availability, Fed fund lines of \$92.0 million, \$40.8 million in available funds from the FRB Discount window and \$391.0 million in available-for-sale securities that were unpledged. The Company has \$95.0 million of loans qualified to be pledged to the FRB. The total of these available sources represents \$1.8 billion or 183% of total uninsured deposits or 243% of adjusted uninsured deposits, which excludes ICS and CDARS program deposits and uninsured deposits affiliated with directors and officers of the Company.

Total adjusted uninsured deposits of \$724.3 million represented approximately 23% of total deposits as of June 30, 2023. Since mid-March, we have been diligently working with our larger deposit clients to enroll them in the ICS and CDARS program to ensure that all of their deposits are FDIC insured. ICS and CDARS program deposits increased to \$217.5 million at June 30, 2023 from \$116.2 million at March 31, 2023.

Credit Quality

Nonperforming assets totaled \$42.4 million, or 1.04% of total assets at June 30, 2023, compared to \$27.0 million, or 0.66% of total assets at March 31, 2023. The \$15.4 million increase in nonperforming assets was due to the increase in nonperforming commercial real estate loans of \$10.4 million and nonperforming single-family residential loans of \$10.1 million, partially offset by commercial real estate loan payoffs or paydowns of \$2.0 million and single-family residential loan payoffs or paydowns of \$1.9 million.

Special mention loans totaled \$24.2 million or 0.76% of total loans at June 30, 2023, compared to \$89.0 million, or 2.66% of total loans at March 31, 2023. The decrease is mainly due to upgrade of a large construction loan.

Substandard loans totaled \$74.1 million or 2.32% of total loans at June 30, 2023, compared to \$77.7 million, or 2.32% of total loans at March 31, 2023. The slight decrease is mainly due to loans paid off.

30-89 day delinquent loans, excluding non-accrual loans, decreased \$7.0 million to \$7.2 million as of June 30, 2023 compared to \$14.3 million as of March 31, 2023. The \$7.0 million decrease in past due loans was due to loans that converted to non-accrual status in the aggregate amount of \$11.1 million, loans that migrated back to past due for less than 30 days in the amount of \$618,000, loan payoffs or paydowns of \$595,000, partially offset by new delinquent loans in the aggregate amount of \$5.3 million.

Total net charge-offs were \$580,000 for the second quarter of 2023, as compared to net charge-offs of \$157,000 in the prior quarter and net charge-offs of \$53,000 in the same quarter last year.

The allowance for credit losses totaled \$43.1 million, or 1.35% of loans held for investment at June 30, 2023, compared with \$43.1 million, or 1.29%, of loans held for investment at March 31, 2023.

Dividend Payout and Stock Repurchase

For the second quarter of 2023, the Board of Directors declared a common stock cash dividend of \$0.16 per share, payable on August 11, 2023 to stockholders of record on July 31, 2023.

On June 14, 2022, the Board of Directors authorized the repurchase of up to 500,000 shares of common stock, of which 433,124 shares remain available. The repurchase program permits shares to be repurchased in open market or private transactions, through block trades, and pursuant to any trading plan that may be adopted in accordance with Rules 10b5-1 and 10b-8 of the SEC. The Company did not repurchase any shares during the second quarter of 2023, and has not repurchased any shares since October 24, 2022 pursuant to this authorization.

Contact:
Alex Ko, Chief Financial Officer
(213) 533-7919
Alexko@rbbusa.com

Corporate Overview

RBB Bancorp is a community-based financial holding company headquartered in Los Angeles, California. As of June 30, 2023, the Company had total assets of \$4.1 billion. Its wholly-owned subsidiary, the Bank, is a full service commercial bank, which provides business banking services to the Asian communities in Los Angeles County, Orange County, and Ventura County in California, in Las Vegas, Nevada, in Brooklyn, Queens, and Manhattan in New York, in Edison, New Jersey, in the Chicago neighborhoods of Chinatown and Bridgeport, Illinois, and on Oahu, Hawaii. 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 Orange County, California, one branch in Las Vegas, Nevada, three branches and one loan operation center in Brooklyn, three branches in Queens, one branch in Manhattan in New York, one branch in Edison, New Jersey, two branches in Chicago, Illinois, and one branch in Honolulu, Hawaii. 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 Ave., 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 on Tuesday, July 25, 2023, to discuss the Company's second quarter 2023 financial results.

To listen to the conference call, please dial 1-888-506-0062 or 1-973-528-0011, the Participant ID code is 813494, conference ID RBBQ223. A replay of the call will be made available at 1-877-481-4010 or 1-919-882-2331, the passcode is 48674, approximately one hour after the conclusion of the call and will remain available through August 8, 2023.

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, business and economic conditions generally and in the financial services industry, nationally and within our current and future geographic markets, including the tight labor market, ineffective management of the U.S. federal budget or debt or turbulence or uncertainty in domestic or foreign financial markets; the strength of the United States economy in general and the strength of the local economies in which we conduct operations; our ability to attract and retain deposits and access other sources of liquidity; possible additional provisions for loan losses and charge-offs; credit risks of lending activities and deterioration in asset or credit quality; extensive laws and regulations and supervision that we are subject to, including potential supervisory action by bank supervisory authorities; 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; compliance with the Bank Secrecy Act and other money laundering statutes and regulations; potential goodwill impairment; liquidity risk; fluctuations in interest rates; the transition away from the London Interbank Offering Rate ("LIBOR") and related uncertainty as well as the risks and costs related to our adopted alternative reference rate, including the Secured Overnight Financing Rate ("SOFR"); risks associated with acquisitions and the expansion of our business into new markets; inflation and deflation; real estate market conditions and the value of real estate collateral; environmental liabilities; our ability to compete with larger competitors; our ability to retain key personnel; successful management of reputational risk; severe weather, natural disasters, earthquakes, fires; or other adverse external events could harm our business; geopolitical conditions, including acts or threats of terrorism, actions taken by the United States or other governments in response to acts or threats of terrorism and/or military conflicts, including the war between Russia and Ukraine, which could impact business and economic conditions in the United States and abroad; public health crises and pandemics, including the COVID-19 pandemic, and their effects on the economic and business environments in which we operate, including our credit quality and business operations, as well as the impact on general economic and financial market conditions; general economic or business conditions in Asia, and other regions where the Bank has operations; failures, interruptions, or security breaches of our information systems; climate change, including any enhanced regulatory, compliance, credit and reputational risks and costs; cybersecurity threats and the cost of defending against them; our ability to adapt our systems to the expanding use of technology in banking; risk management processes and strategies; adverse results in legal proceedings; the impact of regulatory enforcement actions, if any; certain provisions in our charter and bylaws that may affect acquisition of the Company; changes in tax laws and regulations; the impact of governmental efforts to restructure the U.S. financial regulatory system; the impact of future or recent changes in the Federal Deposit Insurance Corporation ("FDIC") insurance assessment rate of the rules and regulations related to the calculation of the FDIC insurance assessment amount; 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 SEC, the Public Company Accounting Oversight Board, the Financial Accounting Standards Board ("FASB") or other accounting standards setters, including Accounting Standards Update ("ASU" or "Update") 2016-13 (Topic 326, "Measurement of Current Losses on Financial Instruments, commonly referenced as the Current Expected Credit Losses Model ("CECL"), which changed how we estimate credit losses and may further increase the required level of our allowance for credit losses in future periods; market disruption and volatility; fluctuations in the Bancorp's stock price; restrictions on dividends and other distributions by laws and regulations and by our regulators and our capital structure; issuances of preferred stock; our ability to raise additional capital, if needed, and the potential resulting dilution of interests of holders of our common stock; the soundness of other financial institutions; 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 and Form 10-K/A for the year ended December 31, 2022, 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)
(Dollars in thousands)

	June 30, 2023	March 31, 2023	June 30, 2022
Assets			
Cash and due from banks	\$ 246,325	\$ 230,703	\$ 224,736
Federal funds sold and other cash equivalents	—	—	100,000
Total cash and cash equivalents	246,325	230,703	324,736
Interest-bearing deposits in other financial institutions	600	600	600
Investment securities available for sale	391,116	293,371	358,135
Investment securities held to maturity	5,718	5,722	5,741
Mortgage loans held for sale	555	—	—
Loans held for investment	3,195,995	3,342,416	3,045,946
Allowance for credit losses	(43,092)	(43,071)	(34,154)
Net loans held for investment	3,152,903	3,299,345	3,011,792
Premises and equipment, net	26,600	27,040	27,104
Federal Home Loan Bank (FHLB) stock	15,000	15,000	15,000
Cash surrender value of life insurance	57,989	57,645	56,642
Goodwill	71,498	71,498	71,498
Servicing assets	8,702	9,159	10,456
Core deposit intangibles	3,246	3,481	4,248
Right-of-use assets- operating leases	28,677	29,931	25,931
Accrued interest and other assets	66,689	66,589	57,154
Total assets	\$ 4,075,618	\$ 4,110,084	\$ 3,969,037
Liabilities and shareholders' equity			
Deposits:			
Noninterest-bearing demand	\$ 585,746	\$ 672,177	\$ 1,045,009
Savings, NOW and money market accounts	598,546	617,100	868,307
Time deposits, less than \$250,000	1,275,476	1,122,687	574,050
Time deposits, greater than or equal to \$250,000	715,648	739,098	540,199
Total deposits	3,175,416	3,151,062	3,027,565
FHLB advances	150,000	220,000	250,000
Long-term debt, net of debt issuance costs	173,874	173,730	173,296
Subordinated debentures	14,829	14,774	14,611
Lease liabilities - operating leases	29,915	31,078	26,823
Accrued interest and other liabilities	31,294	24,683	13,035
Total liabilities	3,575,328	3,615,327	3,505,330
Shareholders' equity:			
Shareholders' equity	522,623	514,563	479,382
Non-controlling interest	72	72	72
Accumulated other comprehensive loss, net of tax	(22,405)	(19,878)	(15,747)
Total shareholders' equity	500,290	494,757	463,707
Total liabilities and shareholders' equity	\$ 4,075,618	\$ 4,110,084	\$ 3,969,037

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

	For the Three Months Ended		
	June 30, 2023	March 31, 2023	June 30, 2022
Interest and dividend income:			
Interest and fees on loans	\$ 50,810	\$ 49,942	\$ 40,157
Interest on interest-bearing deposits	2,112	791	111
Interest on investment securities	3,574	2,536	1,419
Dividend income on FHLB stock	259	265	222
Interest on federal funds sold and other	247	217	429
Total interest income	<u>57,002</u>	<u>53,751</u>	<u>42,338</u>
Interest expense:			
Interest on savings deposits, NOW and money market accounts	2,778	2,296	844
Interest on time deposits	19,169	13,406	1,506
Interest on subordinated debentures and long term debt	2,550	2,539	2,379
Interest on other borrowed funds	579	1,409	519
Total interest expense	<u>25,076</u>	<u>19,650</u>	<u>5,248</u>
Net interest income before provision for credit losses	31,926	34,101	37,090
Provision for credit losses	380	2,014	915
Net interest income after provision for credit losses	<u>31,546</u>	<u>32,087</u>	<u>36,175</u>
Noninterest income:			
Service charges, fees and other	1,528	1,257	1,480
Gain on sale of loans	18	29	344
Loan servicing fees, net of amortization	606	731	472
Unrealized (loss)/gain on derivatives	(3)	10	39
Increase in cash surrender value of life insurance	344	335	330
Gain on sale of fixed assets	—	—	757
Total noninterest income	<u>2,493</u>	<u>2,362</u>	<u>3,422</u>
Noninterest expense:			
Salaries and employee benefits	9,327	9,864	9,628
Occupancy and equipment expenses	2,430	2,398	2,174
Data processing	1,356	1,299	1,293
Legal and professional	2,872	3,013	2,254
Office expenses	350	375	358
Marketing and business promotion	252	300	501
Insurance and regulatory assessments	809	504	478
Core deposit premium	235	237	277
Other expenses	886	921	649
Total noninterest expense	<u>18,517</u>	<u>18,911</u>	<u>17,612</u>
Income before income taxes	15,522	15,538	21,985
Income tax expense	4,573	4,568	6,508
Net income	<u>\$ 10,949</u>	<u>\$ 10,970</u>	<u>\$ 15,477</u>
Net income per share			
Basic	\$ 0.58	\$ 0.58	\$ 0.81
Diluted	\$ 0.58	\$ 0.58	\$ 0.80
Cash Dividends declared per common share	\$ 0.16	\$ 0.16	\$ 0.14
Weighted-average common shares outstanding			
Basic	18,993,483	18,985,846	19,066,621
Diluted	18,995,100	19,049,685	19,324,253

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

	For the Six Months Ended	
	June 30, 2023	June 30, 2022
Interest and dividend income:		
Interest and fees on loans	\$ 100,752	\$ 78,043
Interest on interest-earning deposits	2,903	282
Interest on investment securities	6,110	2,426
Dividend income on FHLB stock	524	449
Interest on federal funds sold and other	464	704
Total interest income	110,753	81,904
Interest expense:		
Interest on savings deposits, NOW and money market accounts	5,074	1,562
Interest on time deposits	32,575	3,080
Interest on subordinated debentures and long term debt	5,089	4,727
Interest on other borrowed funds	1,988	954
Total interest expense	44,726	10,323
Net interest income before provision for credit losses	66,027	71,581
Provision for credit losses	2,394	1,281
Net interest income after provision for credit losses	63,633	70,300
Noninterest income:		
Service charges, fees and other	2,784	2,725
Gain on sale of loans	47	1,518
Loan servicing fees, net of amortization	1,337	904
Unrealized gain/(loss) on derivatives	7	(194)
Increase in cash surrender value of life insurance	680	654
Gain on sale of fixed assets	—	757
Total noninterest income	4,855	6,364
Noninterest expense:		
Salaries and employee benefits	19,191	18,997
Occupancy and equipment expenses	4,828	4,380
Data processing	2,655	2,551
Legal and professional	5,885	3,260
Office expenses	725	651
Marketing and business promotion	552	808
Insurance and regulatory assessments	1,313	919
Core deposit premium	472	556
Other expenses	1,807	1,549
Total noninterest expense	37,428	33,671
Income before income taxes	31,060	42,993
Income tax expense	9,141	12,899
Net income	\$ 21,919	\$ 30,094
Net income per share		
Basic	\$ 1.15	\$ 1.56
Diluted	\$ 1.15	\$ 1.54
Cash Dividends declared per common share	\$ 0.32	\$ 0.28
Weighted-average common shares outstanding		
Basic	18,989,686	19,221,155
Diluted	19,022,242	19,560,476

RBB BANCORP AND SUBSIDIARIES
AVERAGE BALANCE SHEET AND NET INTEREST INCOME
(Unaudited)

(tax-equivalent basis, dollars in thousands)	For the Three Months Ended								
	June 30, 2023			March 31, 2023			June 30, 2022		
	Average	Interest	Yield /	Average	Interest	Yield /	Average	Interest	Yield /
	Balance	& Fees	Rate	Balance	& Fees	Rate	Balance	& Fees	Rate
Interest-earning assets:									
Federal funds sold, cash equivalents & other (1)	\$ 179,023	\$ 2,619	5.87%	\$ 110,750	\$ 1,272	4.66%	\$ 249,738	\$ 762	1.22%
Securities									
Available for sale (2)	348,343	3,547	4.08%	277,206	2,510	3.67%	399,321	1,393	1.40%
Held to maturity (2)	5,720	51	3.58%	5,727	51	3.61%	5,744	50	3.49%
Mortgage loans held for sale	52	1	6.65%	88	1	6.45%	892	13	5.85%
Loans held for investment: (3)									
Real estate	3,064,633	46,304	6.06%	3,092,667	44,903	5.89%	2,663,753	35,207	5.30%
Commercial	207,493	4,503	8.70%	249,911	5,038	8.18%	325,861	4,937	6.08%
Total loans held for investment	3,272,126	50,807	6.23%	3,342,578	49,941	6.06%	2,989,614	40,144	5.39%
Total interest-earning assets	3,805,264	<u>\$ 57,025</u>	6.01%	3,736,349	<u>\$ 53,775</u>	5.84%	3,645,309	<u>\$ 42,362</u>	4.66%
Noninterest-earning assets	244,316			239,956			243,279		
Total assets	<u>\$4,049,580</u>			<u>\$3,976,305</u>			<u>\$3,888,588</u>		
Interest-bearing liabilities									
NOW	\$ 59,789	\$ 202	1.36%	\$ 63,401	\$ 108	0.69%	\$ 75,637	\$ 50	0.27%
Money Market	432,384	2,519	2.34%	458,824	2,140	1.89%	631,807	759	0.48%
Saving deposits	111,214	57	0.21%	120,695	49	0.16%	148,400	35	0.09%
Time deposits, less than \$250,000	1,221,760	12,391	4.07%	912,694	7,425	3.30%	553,282	724	0.52%
Time deposits, \$250,000 and over	709,803	6,778	3.83%	762,770	5,981	3.18%	526,164	782	0.60%
Total interest-bearing deposits	2,534,950	21,947	3.47%	2,318,384	15,703	2.75%	1,935,290	2,350	0.49%
FHLB advances	160,220	579	1.45%	229,778	1,409	2.49%	182,749	519	1.14%
Long-term debt	173,780	2,194	5.06%	173,635	2,194	5.12%	173,201	2,195	5.08%
Subordinated debentures	14,793	356	9.65%	14,739	344	9.47%	14,575	184	5.06%
Total interest-bearing liabilities	2,883,743	25,076	3.49%	2,736,536	19,650	2.91%	2,305,815	5,248	0.91%
Noninterest-bearing liabilities									
Noninterest-bearing deposits	606,015			698,351			1,082,793		
Other noninterest-bearing liabilities	59,760			49,118			33,377		
Total noninterest-bearing liabilities	665,775			747,469			1,116,170		
Shareholders' equity	500,062			492,300			466,603		
Total liabilities and shareholders' equity	<u>\$4,049,580</u>			<u>\$3,976,305</u>			<u>\$3,888,588</u>		
Net interest income / interest rate spreads		<u>\$ 31,949</u>	2.52%		<u>\$ 34,125</u>	2.93%		<u>\$ 37,114</u>	3.75%
Net interest margin			<u>3.37%</u>			<u>3.70%</u>			<u>4.08%</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)

(tax-equivalent basis, dollars in thousands)	For the Six Months Ended					
	June 30, 2023			June 30, 2022		
	Average Balance	Interest & Fees	Yield / Rate	Average Balance	Interest & Fees	Yield / Rate
Interest-earning assets:						
Federal funds sold, cash equivalents & other (1)	\$ 145,075	\$ 3,891	5.41%	\$ 438,140	\$ 1,435	0.66%
Securities						
Available for sale (2)	312,971	6,057	3.90%	396,107	2,367	1.21%
Held to maturity (2)	5,724	103	3.63%	5,996	107	3.60%
Mortgage loans held for sale	70	2	6.55%	2,265	56	4.99%
Loans held for investment: (3)						
Real estate	3,078,572	91,208	5.97%	2,633,237	68,302	5.23%
Commercial	228,585	9,541	8.42%	353,267	9,685	5.53%
Total loans held for investment	3,307,157	100,749	6.14%	2,986,504	77,987	5.27%
Total interest-earning assets	3,770,997	<u>\$ 110,802</u>	5.93%	3,829,012	<u>\$ 81,952</u>	4.32%
Noninterest-earning assets	242,148			242,261		
Total assets	<u>\$ 4,013,145</u>			<u>\$ 4,071,273</u>		
Interest-bearing liabilities						
NOW	\$ 61,585	\$ 310	1.02%	\$ 75,519	\$ 94	0.25%
Money Market	445,531	4,659	2.11%	675,758	1,401	0.42%
Saving deposits	115,928	105	0.18%	146,872	67	0.09%
Time deposits, less than \$250,000	1,068,081	19,816	3.74%	576,792	1,478	0.52%
Time deposits, \$250,000 and over	736,140	12,759	3.50%	548,065	1,602	0.59%
Total interest-bearing deposits	2,427,265	37,649	3.13%	2,023,006	4,642	0.46%
FHLB advances	194,807	1,988	2.06%	166,465	954	1.16%
Long-term debt	173,708	4,389	5.10%	173,129	4,388	5.11%
Subordinated debentures	14,766	700	9.56%	14,548	339	4.70%
Total interest-bearing liabilities	2,810,546	44,726	3.21%	2,377,148	10,323	0.88%
Noninterest-bearing liabilities						
Noninterest-bearing deposits	651,928			1,191,540		
Other noninterest-bearing liabilities	54,469			33,846		
Total noninterest-bearing liabilities	706,397			1,225,386		
Shareholders' equity	496,202			468,739		
Total liabilities and shareholders' equity	<u>\$ 4,013,145</u>			<u>\$ 4,071,273</u>		
Net interest income / interest rate spreads		<u>\$ 66,076</u>	2.72%		<u>\$ 71,629</u>	3.44%
Net interest margin			<u>3.53%</u>			<u>3.77%</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)

	For the Three Months Ended		
	June 30, 2023	March 31, 2023	June 30, 2022
Per share data (common stock)			
Book value	\$ 26.34	\$ 26.05	\$ 24.56
Tangible book value (1)	\$ 22.40	\$ 22.10	\$ 20.55
Performance ratios			
Return on average assets, annualized	1.08%	1.12%	1.60%
Return on average shareholders' equity, annualized	8.78%	9.04%	13.30%
Return on average tangible common equity, annualized (1)	10.33%	10.66%	15.89%
Noninterest income to average assets, annualized	0.25%	0.24%	0.35%
Noninterest expense to average assets, annualized	1.83%	1.93%	1.82%
Yield on average earning assets	6.01%	5.84%	4.66%
Cost of average total deposits	2.80%	2.11%	0.31%
Cost of average interest-bearing deposits	3.47%	2.75%	0.49%
Cost of average interest-bearing liabilities	3.49%	2.91%	0.91%
Accretion on loans to average earning assets	0.04%	0.02%	0.01%
Net interest spread	2.52%	2.93%	3.75%
Net interest margin	3.37%	3.70%	4.08%
Efficiency ratio (2)	53.80%	51.86%	43.47%
Common stock dividend payout ratio	27.59%	27.59%	17.28%

(1) Reconciliations of the non-GAAP measures are set forth at the end of this press release.

(2) Ratio calculated by dividing noninterest expense by the sum of net interest income before provision for credit losses and noninterest income.

RBB BANCORP AND SUBSIDIARIES
SELECTED FINANCIAL HIGHLIGHTS
(Unaudited)

	For the Six Months Ended June 30,	
	2023	2022
Per share data (common stock)		
Book value	\$ 26.34	\$ 24.56
Tangible book value (1)	\$ 22.40	\$ 20.55
Performance ratios		
Return on average assets, annualized	1.10%	1.49%
Return on average shareholders' equity, annualized	8.91%	12.95%
Return on average tangible common equity, annualized (1)	10.49%	15.40%
Noninterest income to average assets, annualized	0.24%	0.32%
Noninterest expense to average assets, annualized	1.88%	1.67%
Yield on average earning assets	5.93%	4.32%
Cost of average deposits	2.47%	0.29%
Cost of average interest-bearing deposits	3.13%	0.46%
Cost of average interest-bearing liabilities	3.21%	0.88%
Accretion on loans to average earning assets	0.03%	0.02%
Net interest spread	2.72%	3.44%
Net interest margin	3.53%	3.77%
Efficiency ratio (2)	52.80%	43.20%
Common stock dividend payout ratio	27.83%	17.95%

(1) Reconciliations of the non-GAAP measures are set forth at the end of this press release.

(2) Ratio calculated by dividing noninterest expense by the sum of net interest income before provision for credit losses and noninterest income.

RBB BANCORP AND SUBSIDIARIES
SELECTED FINANCIAL HIGHLIGHTS
(Unaudited)
(Dollars in thousands)

	As of		
	June 30, 2023	March 31, 2023	June 30, 2022
Credit Quality Data:			
Loans 30-89 days past due	\$ 7,242	\$ 14,288	\$ 8,346
Loans 30-89 days past due to total loans	0.23%	0.43%	0.27%
Nonperforming loans	\$ 41,862	\$ 26,436	\$ 13,937
Nonperforming loans to total loans	1.31%	0.79%	0.46%
Nonperforming assets	\$ 42,439	\$ 27,013	\$ 14,230
Nonperforming assets to total assets	1.04%	0.66%	0.36%
Special mention loans	\$ 24,150	\$ 89,029	\$ 23,281
Special mention loans to total loans	0.76%	2.66%	0.76%
Substandard loans	\$ 74,065	\$ 77,688	\$ 48,027
Substandard loans to total loans	2.32%	2.32%	1.58%
Allowance for credit losses to total loans	1.35%	1.29%	1.12%
Allowance for credit losses to nonperforming loans	102.94%	162.93%	245.06%
Net charge-offs	\$ 580	\$ 157	\$ 53
Net charge-offs to average loans (for the quarter-to-date period)	0.07%	0.02%	0.01%
Capital ratios			
Tangible common equity to tangible assets (1)	10.64%	10.40%	9.96%
Tier 1 leverage ratio	11.60%	11.61%	10.95%
Tier 1 common capital to risk-weighted assets	16.91%	16.33%	14.82%
Tier 1 capital to risk-weighted assets	17.46%	16.88%	15.35%
Total capital to risk-weighted assets	25.27%	24.58%	22.94%

(1) Reconciliations of the non-GAAP measures are set forth at the end of this press release.

RBB BANCORP AND SUBSIDIARIES
SELECTED FINANCIAL HIGHLIGHTS
(Unaudited)

Loan Portfolio Detail (dollars in thousands)	As of June 30, 2023		As of March 31, 2023		As of June 30, 2022	
	\$	%	\$	%	\$	%
Loans:						
Commercial and industrial	\$ 131,456	4.1%	\$ 156,023	4.7%	\$ 238,045	7.8%
SBA	53,459	1.7%	58,531	1.7%	59,303	1.9%
Construction and land development	256,916	8.0%	281,203	8.4%	356,772	11.7%
Commercial real estate (1)	1,183,396	37.0%	1,288,188	38.5%	1,160,350	38.1%
Single-family residential mortgages	1,554,713	48.7%	1,539,982	46.1%	1,205,732	39.6%
Other loans	16,055	0.5%	18,489	0.6%	25,744	0.9%
Total loans (2)	\$ 3,195,995	100.0%	\$ 3,342,416	100.0%	\$ 3,045,946	100.0%
Allowance for credit losses	(43,092)		(43,071)		(34,154)	
Total loans, net	\$ 3,152,903		\$ 3,299,345		\$ 3,011,792	

(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.

Non-GAAP Financial Measures

Tangible Book Value Reconciliations

The tangible book value per share is a non-GAAP disclosure. Management measures the tangible book value per share to assess the Company's capital strength and business performance and believes these are helpful to investors as additional tool for further understanding our 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 June 30, 2023, March 31, 2023, and June 30, 2022.

(dollars in thousands, except share and per share data)	June 30, 2023	March 31, 2023	June 30, 2022
Tangible common equity:			
Total shareholders' equity	\$ 500,290	\$ 494,757	\$ 463,707
Adjustments			
Goodwill	(71,498)	(71,498)	(71,498)
Core deposit intangible	(3,246)	(3,481)	(4,248)
Tangible common equity	<u>\$ 425,546</u>	<u>\$ 419,778</u>	<u>\$ 387,961</u>
Tangible assets:			
Total assets-GAAP	\$ 4,075,618	\$ 4,110,084	\$ 3,969,037
Adjustments			
Goodwill	(71,498)	(71,498)	(71,498)
Core deposit intangible	(3,246)	(3,481)	(4,248)
Tangible assets	<u>\$ 4,000,874</u>	<u>\$ 4,035,105</u>	<u>\$ 3,893,291</u>
Common shares outstanding	18,995,303	18,992,903	18,881,829
Tangible common equity to tangible assets ratio	10.64%	10.40%	9.96%
Book value per share	\$ 26.34	\$ 26.05	\$ 24.56
Tangible book value per share	\$ 22.40	\$ 22.10	\$ 20.55

Return on Average Tangible Common Equity

Management measures return on average tangible common equity ("ROATCE") to assess the Company's capital strength and business performance and believes these are helpful to investors as an additional tool for further understanding our performance. Tangible equity excludes goodwill and other intangible assets (excluding mortgage servicing rights), and is reviewed by banking and financial institution regulators when assessing a financial institution's capital adequacy. This non-GAAP financial measure should not be considered a substitute for operating results determined in accordance with GAAP and may not be comparable to other similarly titled measures used by other companies. The following table reconciles ROTCE to its most comparable GAAP measure:

(dollars in thousands)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Net income available to common shareholders	\$ 10,949	\$ 15,477	\$ 21,919	\$ 30,094
Average shareholders' equity	500,062	466,603	496,202	468,739
Adjustments:				
Goodwill	(71,498)	(71,498)	(71,498)	(70,389)
Core deposit intangible	(3,400)	(4,430)	(3,517)	(4,246)
Adjusted average tangible common equity	<u>\$ 425,164</u>	<u>\$ 390,675</u>	<u>\$ 421,187</u>	<u>\$ 394,104</u>
Return on average tangible common equity	10.33%	15.89%	10.49%	15.40%



RBB BANCORP

NASDAQ: RBB

2023 Second Quarter
Earnings Results

July 24, 2023

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) business and economic conditions generally and in the financial services industry, nationally and within our current and future geographic markets, including the tight labor market, ineffective management of the U.S. federal budget or debt or turbulence or uncertainty in domestic or foreign financial markets; (2) the strength of the United States economy in general and the strength of the local economies in which we conduct operations; (3) possible additional provisions for loan losses and charge-offs; (4) credit risks of lending activities and deterioration in asset or credit quality; (5) extensive laws and regulations and supervision that we are subject to, including potential supervisory action by bank supervisory authorities; (6) 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”); (7) compliance with the Bank Secrecy Act and other money laundering statutes and regulations; (8) potential goodwill impairment; (9) liquidity risk; (10) fluctuations in interest rates; (11) the transition away from the London Interbank Offering Rate (“LIBOR”) and related uncertainty as well as the risks and costs related to our adopted alternative reference rate, including the Secured Overnight Financing Rate (“SOFR”); (12) risks associated with acquisitions and the expansion of our business into new markets; (13) inflation and deflation; (14) real estate market conditions and the value of real estate collateral; (15) environmental liabilities; (16) our ability to compete with large competitors; (17) our ability to retain key personnel; (18) successful management of reputational risk; (19) severe weather, natural disasters, earthquakes, fires; or other adverse external events could harm our business; (20) geopolitical conditions, including acts or threats of terrorism, actions taken by the United States or other governments in response to acts or threats of terrorism and/or military conflicts, including the war between Russia and Ukraine, which could impact business and economic conditions in the United States and abroad; (21) public health crises and pandemics, including the COVID-19 pandemic, and their effects on the economic and business environments in which we operate, including our credit quality and business operations, as well as the impact on general economic and financial market conditions; (22) general economic or business conditions in Asia, and other regions where the Bank has operations; (23) failures, interruptions, or security breaches of our information systems; (24) climate change, including any enhanced regulatory, compliance, credit and reputational risks and costs; (25) cybersecurity threats and the cost of defending against them; (26) our ability to adapt our systems to the expanding use of technology in banking; (27) risk management processes and strategies; (28) adverse results in legal proceedings; (29) the impact of regulatory enforcement actions, if any; (30) certain provisions in our charter and bylaws that may affect acquisition of the Company; (31) changes in tax laws and regulations; (32) the impact of governmental efforts to restructure the U.S. financial regulatory system; (33) the impact of future or recent changes in the Federal Deposit Insurance Corporation (“FDIC”) insurance assessment rate of the rules and regulations related to the calculation of the FDIC insurance assessment amount; (34) 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 (“SEC”), the Public Company Accounting Oversight Board, the Financial Accounting Standards Board (“FASB”) or other accounting standards setters, including Accounting Standards Update (“ASU” or “Update”) 2016-13 (Topic 326, “Measurement of Current Losses on Financial Instruments, commonly referenced as the Current Expected Credit Losses Model (“CECL”) model, which changed how we estimate credit losses and may further increase the required level of our allowance for credit losses in future periods; (35) market disruption and volatility; (36) fluctuations in the Bancorp’s stock price; (37) restrictions on dividends and other distributions by laws and regulations and by our regulators and our capital structure; (38) issuances of preferred stock; (39) our ability to raise additional capital, if needed, and the potential resulting dilution of interests of holders of our common stock; (40) the soundness of other financial institutions; and (41) 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. 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.

Non-GAAP Financial Measures

Certain financial information in this presentation has not been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and is presented on a non-GAAP basis. Investors should refer to the reconciliations included in this presentation and should consider the Company’s non-GAAP measures in addition to, not as a substitute for or superior to, measures prepared in accordance with GAAP. These measures may not be comparable to similarly titled measures used by other companies.

Corporate Governance Enhancements

Strengthened Senior Management Bench	Transformed Board of Directors
<ul style="list-style-type: none"> Former senior executives including CEO and CLO resigned in 2022 	<ul style="list-style-type: none"> 9 out of 12 Independent Directors who served prior to the Board-directed internal investigation did not stand for re-election or were not nominated at or prior to the June 2023 Annual Shareholders Meeting
<ul style="list-style-type: none"> October 2022 - Interim to permanent CEO 	<ul style="list-style-type: none"> 6 out of 10 Independent Board of Directors who were elected at the June 2023 Annual Shareholders Meeting are new members who together represent a plethora of knowledge in regulatory, executive leadership, banking, financial services, wealth management and risk management <ul style="list-style-type: none"> Two Independent Directors joined in May 2022
<ul style="list-style-type: none"> December 2022 - New Chief Administrative Officer joined 	<ul style="list-style-type: none"> Two Independent Directors joined in May 2023
<ul style="list-style-type: none"> March 2023 - New CFO joined 	<ul style="list-style-type: none"> Two Independent Directors were elected at the June 2023 Annual Shareholders Meeting
<ul style="list-style-type: none"> June 2023 - New President & Chief Banking Officer joined 	

Enhanced Corporate Governance Policies and Standards	
<ul style="list-style-type: none"> Adopted an enhanced director independence standard per NASDAQ and SEC requirements 	<ul style="list-style-type: none"> Adopted a more stringent Code of Ethics
<ul style="list-style-type: none"> Appointed an independent, non-executive Board Chair 	<ul style="list-style-type: none"> Updated Insider Trading and Whistleblower policies
<ul style="list-style-type: none"> Updated Board Committee Charters 	<ul style="list-style-type: none"> Board Compensation Committee engaged a 3rd party advisory firm to review and advise with respect to executive compensation best practices

(\$ in thousands, except per share data)	4Q22	1Q23	2Q23
Earnings & Profitability			
EPS	\$0.92	\$0.58	\$0.58
Net Income	\$17,581	\$10,970	\$10,949
Pre-Provision Net Revenue*	\$27,189	\$17,552	\$15,902
Net Interest Margin	4.26%	3.70%	3.37%
Efficiency Ratio	34.24%	51.86%	53.80%
ROAA, annualized	1.80%	1.12%	1.08%
ROTCE*, annualized	17.33%	10.66%	10.33%
Balance Sheet & Capital			
Total Gross HFI Loans	\$3,336,449	\$3,342,416	\$3,195,995
Total Deposits	\$2,977,683	\$3,151,062	\$3,175,416
CET1 Ratio	16.03%	16.33%	16.91%
TCE Ratio*	10.65%	10.40%	10.64%
Tangible Book Value per Share*	\$21.58	\$22.10	\$22.40
Asset Quality			
Provision for Credit Losses	\$1,887	\$2,014	\$380
Net Loan Charge-offs	\$85	\$157	\$580
Criticized Loans	\$104,178	\$166,745	\$98,222
Total Loan ACL/Funded HFI Loans	1.23%	1.29%	1.35%
NPA/Total Assets	0.61%	0.66%	1.04%

Highlights	
Net Income	EPS
\$10.9 million	\$0.58
PPNR*	ROTCE*
\$15.9 million	10.3%
Net Loan to Deposit Ratio	NIM
99.3%	\$3.37%
Criticized loans	NPL
\$98.2 million	\$41.9 million

Strategically Well Managed Balance Sheet

(\$ in thousands, except per share data)	12/31/22	3/31/23	6/30/23
Cash and cash equivalents & ST investments	\$ 84,148	\$ 231,303	\$ 246,925
AFS debt securities	256,830	293,371	391,116
HTM debt securities	5,729	5,722	5,718
HFS loans	---	---	555
Total gross HFI loans	3,336,449	3,342,416	3,195,995
Allowance for credit losses	(41,076)	(43,071)	(43,092)
Net HFI loans	3,295,373	3,299,345	3,152,903
Other assets	276,978	280,343	278,401
Total assets	\$ 3,919,058	\$ 4,110,084	\$ 4,075,618
Total deposits	\$ 2,977,683	\$ 3,151,062	\$ 3,175,416
FHLB advances	220,000	220,000	150,000
LT debt and subordinated debentures	188,305	188,504	188,703
Other liabilities	48,507	55,761	61,209
Total liabilities	\$ 3,434,495	\$ 3,615,327	\$ 3,575,328
Total shareholders' equity	\$ 484,563	\$ 494,757	\$ 500,290
Book value per share	\$ 25.55	\$ 26.05	\$ 26.34
Tangible book value per share*	\$ 21.58	\$ 22.10	\$ 22.40
Tangible common equity ratio*	10.7%	10.4%	10.6%
Net loans to deposits ratio	110.7%	104.7%	99.3%



👑 Cash and investment securities increased

👑 Net loans to deposits ratio decreased to 99.3%

👑 Deposits increased while borrowing decreased

Diversified Loan Portfolio

👑 \$3.2 billion total HFI loans as of 6/30/23

👑 Diversified across industry lines

SFR¹ - Mainly non-QM loans

C&I - Majority secured by assets

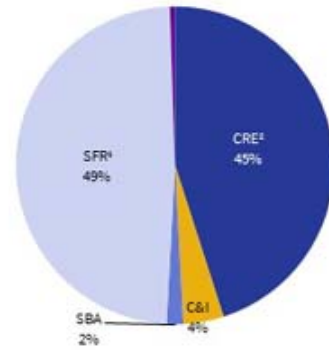
SBA - Primarily SBA 7(a) loans for business acquisition or working capital

👑 55.8% Fixed rate and 44.2% Variable rate³

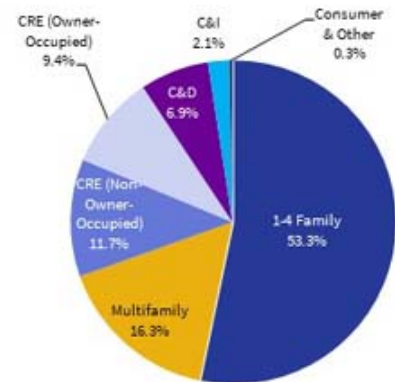
👑 Annualized yield on HFI loans of 6.23% for the second quarter of 2023

Loan Portfolio Composition as of 6/30/23

By Business Line:



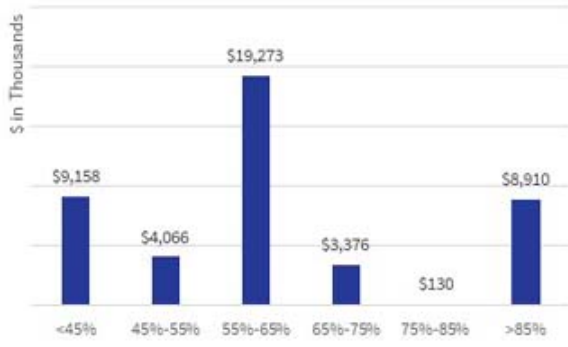
By Collateral Type:



(1) Excludes HFI Loans
 (2) Includes construction and land development loans
 (3) Fixed rate loans include loans that have initial fixed rate terms prior to converting to variable rate loans

Commercial Real Estate : Office Portfolio

LTV Distribution

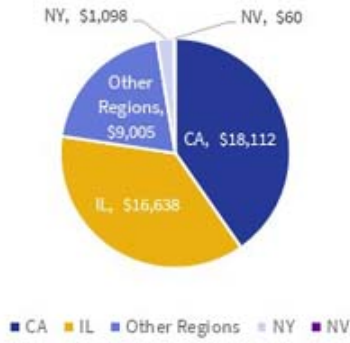


👑 CRE Office exposure is \$45 million : 3.8% of CRE portfolio and 1.4% of total loans

👑 LTV distribution:

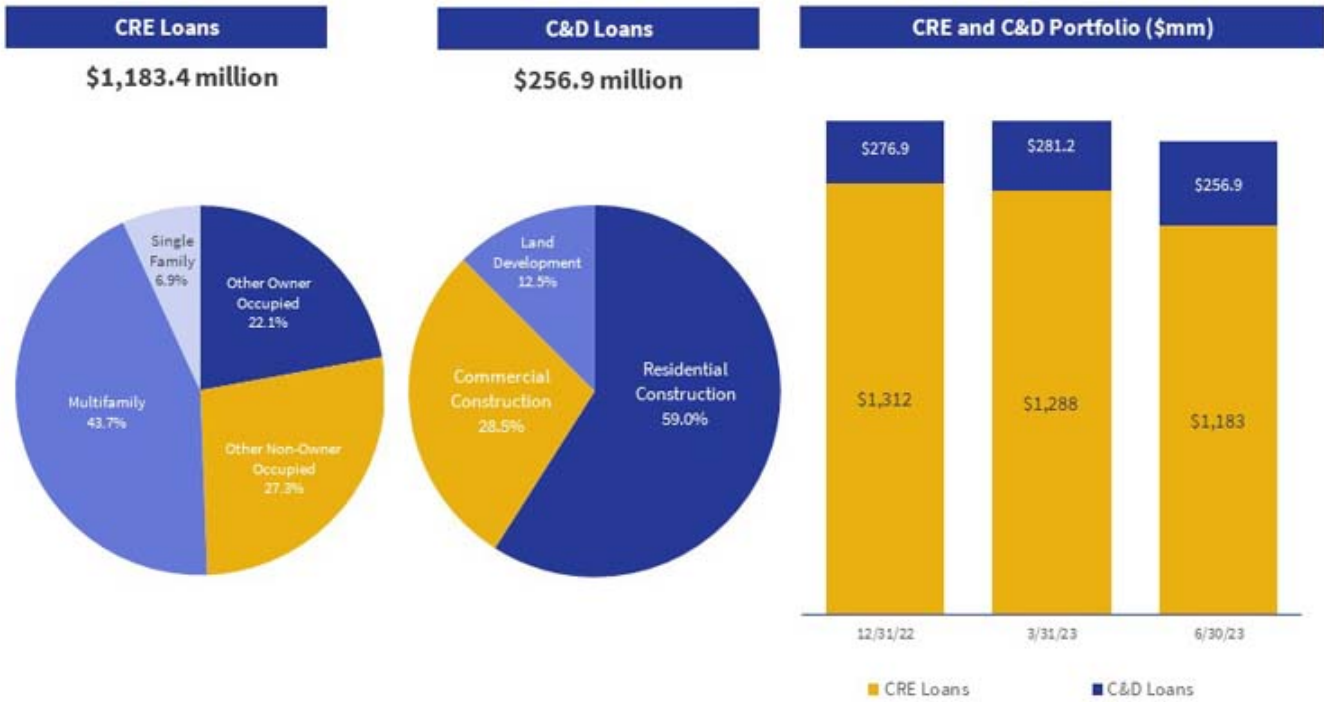
- Average weighted LTV ~57%
- Over 70% of loans with LTV <65%

Region Breakdown



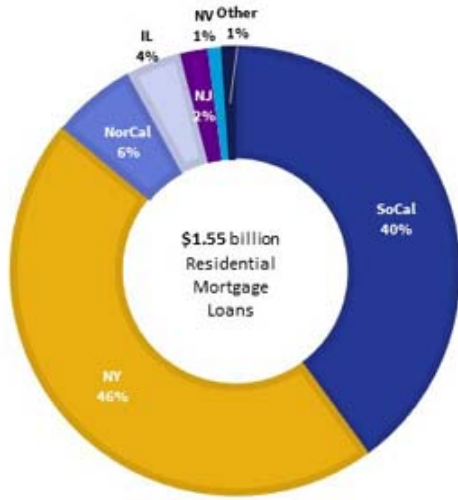
👑 Regional distribution : ~ 80% of properties located within primary service areas

As of 6/30/23



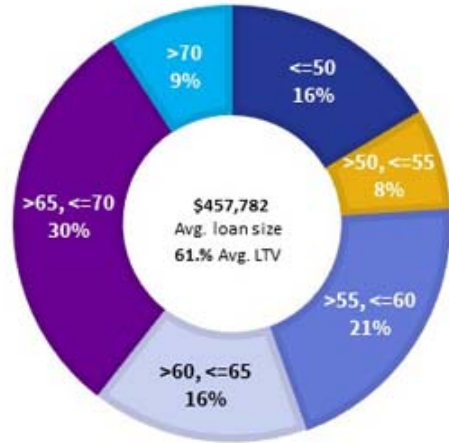
Distribution by Geography

■ SoCal ■ NY ■ NorCal ■ IL ■ NJ ■ NV ■ Other

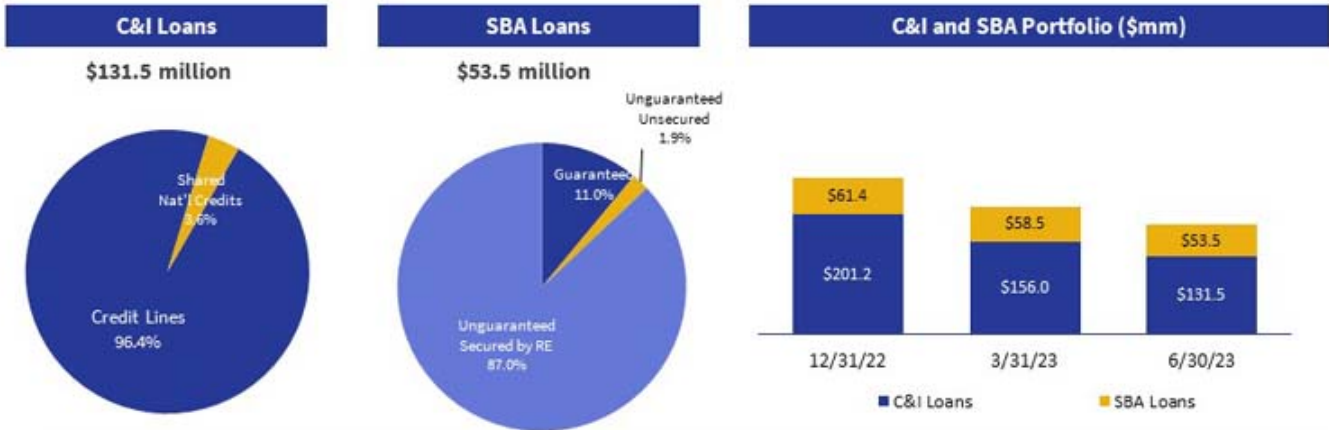


Distribution by LTV

■ ≤50 ■ >50, ≤55 ■ >55, ≤60
 ■ >60, ≤65 ■ >65, ≤70 ■ >70



As of 6/30/23:

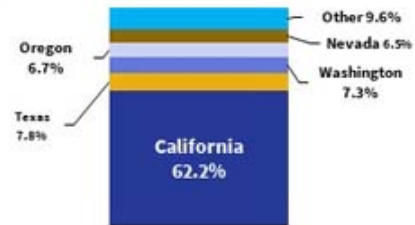


Unguaranteed SBA Loans:

By Business:

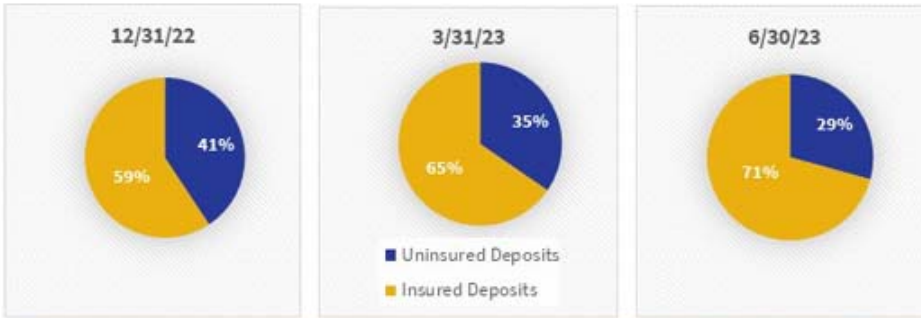


By Location:



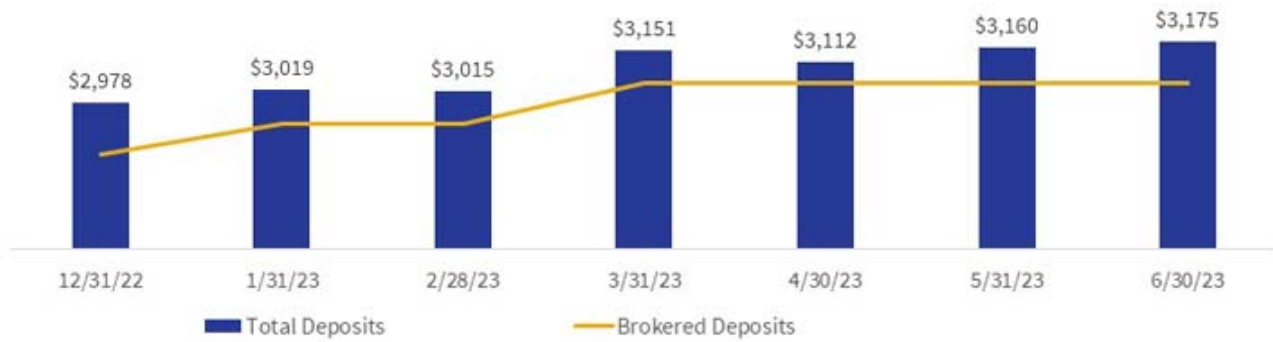
Deposits

Uninsured Deposits

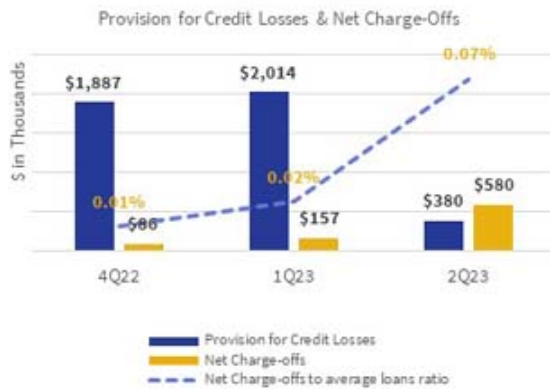
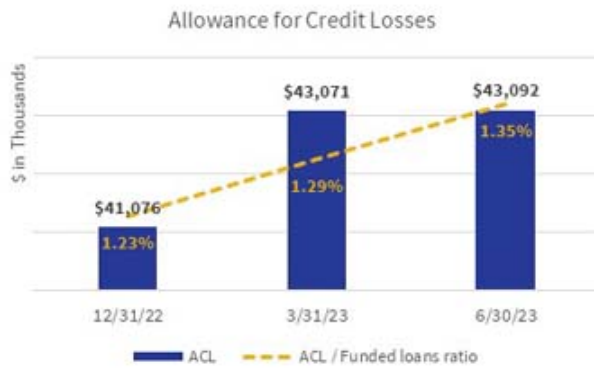


- 👑 Solid organic growth from retail deposit
- 👑 Uninsured deposits decreased to 29% of total deposits as of 6/30/23
- 👑 \$394.7 million or 12.4% of deposit accounts have banking relationships with RBB exceeding 10 years

Historical Monthly Deposit Trends (\$ millions)



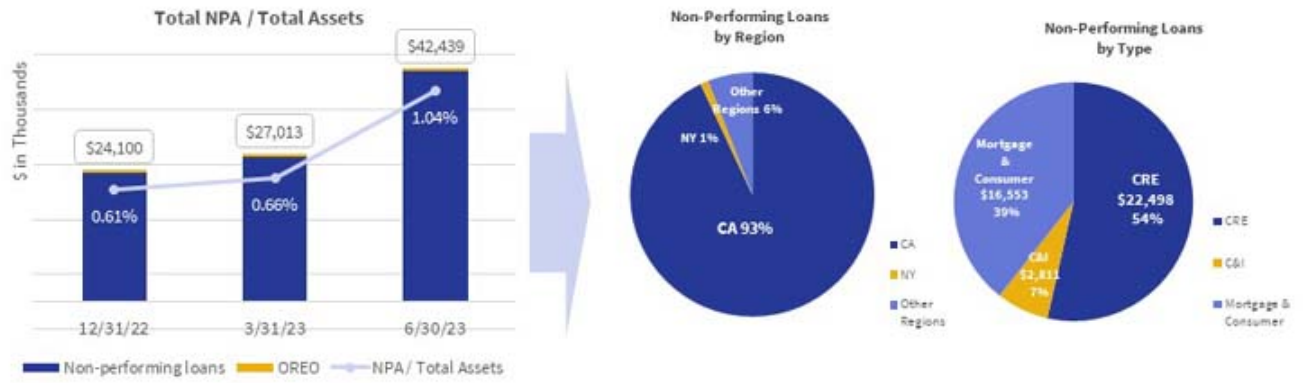
Allowance for Credit Losses & Credit Costs



- Provision for credit losses of \$380 thousand in 2Q23, decreased from \$2 million in 1Q23:
 - ~\$2.1 million decrease resulting mainly from \$146 million decrease in loan portfolio
 - ~ \$220 thousand decrease resulting from decrease in loan commitment
 - ~ \$740 thousand increase of qualitative adjustment
 - ACL / Funded loans ratio increased to 1.35% at 6/30/23 from 1.29% at 3/31/23

- Net charge-offs of \$580 thousand in 2Q23, increased from \$157 thousand in 1Q23

Asset Quality Metrics : Non-Performing Assets

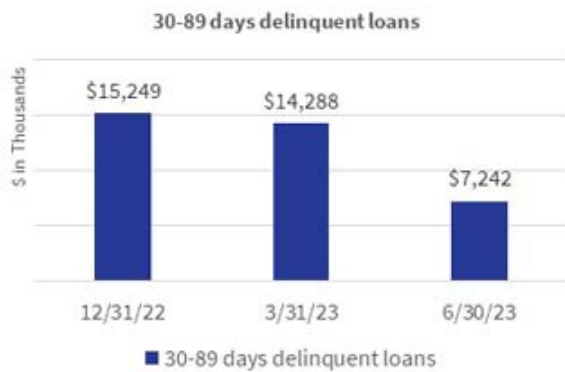


👑 Non-performing assets / Total Assets increased to 1.04% at 6/30/23 from 0.66% at 3/31/23 primarily due to one CRE office loan (~ 9 million) and two residential mortgage loans (total ~ 8 million)

👑 Average weighted LTV of non-performing loans is 69%. Break down by loan type:

- CRE loan 75% LTV
- C&I loan 58% LTV
- Mortgage and consumer loan 63% LTV

Asset Quality Metrics : Loan Classifications and Delinquencies



👑 Special mention loans decreased to \$24.2 million at 6/30/23 from \$89.0 million at 3/31/23, mainly due to upgrade of a large loan (~\$55 million) to pass grade in 2Q23

👑 Substandard loans decreased to \$74.0 million at 6/30/23 from \$77.7 million at 3/31/23, mainly due to loan payoffs in 2Q23

👑 30-89 days delinquent loans decreased to \$7.2 million at 6/30/23 from \$14.3 million at 3/31/23

Noninterest Income Detail



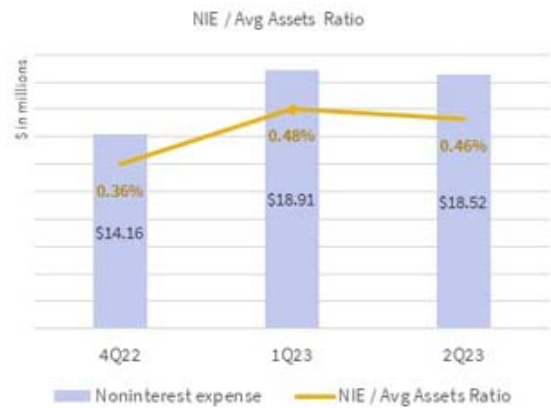
2Q23 noninterest income of \$2.5mm, up from \$2.4mm in 1Q23, mainly due to increase in wealth management commissions and fees on deposit accounts

2Q23 loan servicing fees decreased from 1Q23, mainly due to decrease in loans that bank services

Operating Expense & Efficiency



- 2Q23 noninterest expense of \$18.5mm, decreased from \$18.9mm in 1Q23
- Noninterest expense as of total average asset decreased to 0.46% in 2Q23 from 0.48% in 1Q23
- 2Q23 efficiency ratio was 53.80%, up from 51.86% in 1Q23, mainly due to reduced total revenue
- 2Q23 salary and employee benefit decreased by \$530 thousand from 1Q23



Accumulation of Strong Capital Ratios



- 📈 Accumulation of capital over quarters
- 📈 Remains some of the strongest capital ratios among peer banks
- 📈 No stock buybacks during 2Q23
- 📈 Capital return of quarterly common stock dividend of \$0.16/share, equivalent to \$0.64 per share annualized

Appendix: Non-GAAP Reconciliations

Non-GAAP Reconciliation: Pre-Provision Net Revenue

Some of the financial measures included in this presentation are not measures of financial performance recognized by GAAP. These non-GAAP financial measures include "pre-provision net revenue." 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 provides clarity to financial statement users regarding the ongoing performance of the Company and allow comparability to prior periods:

(\$ in thousands)	4Q22	1Q23	2Q23
Net interest income before provision for credit losses	\$38,993	\$34,101	\$31,926
Total noninterest income	2,352	2,362	2,493
Total revenue	\$41,345	\$36,463	\$34,419
Total noninterest expense	14,156	18,911	18,517
Pre-provision net revenue	\$27,189	\$17,552	\$15,902

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:

(\$ in thousands)	12/31/22	3/31/23	6/30/23
Tangible Common Equity:			
Total Shareholders' Equity	\$484,563	\$494,757	\$500,290
Adjustments			
Goodwill	(71,498)	(71,498)	(71,498)
Core Deposit Intangible	(3,718)	(3,481)	(3,246)
Tangible Common Equity	\$409,347	\$419,778	\$425,546
Tangible Assets:			
Total Assets - GAAP	3,919,058	4,110,084	4,075,618
Adjustments			
Goodwill	(71,498)	(71,498)	(71,498)
Core Deposit Intangible	(3,718)	(3,481)	(3,246)
Tangible Assets	\$3,843,842	\$4,035,105	\$4,000,874
Common Shares Outstanding	18,965,776	18,992,903	18,995,303
Tangible Common Equity to Tangible Assets Ratio	10.65%	10.40%	10.64%
Tangible Book Value Per Share	\$21.58	\$22.10	\$22.40
Average Tangible Common Equity:			
Average Shareholders' Equity	\$477,964	492,300	500,062
Adjustments			
Goodwill	(71,498)	(71,498)	(71,498)
Core Deposit Intangible	(3,882)	(3,636)	(3,400)
Average Tangible Common Equity	\$402,584	\$417,166	\$425,164
Net Income Available to Common Shareholders	\$17,581	10,970	10,949
Return on Average Tangible Common Equity	17.33%	10.66%	10.33%



Contact: Alex Ko
EVP/Chief Financial Officer
(213) 533-7919

RBB Bancorp Declares Quarterly Cash Dividend of \$0.16 Per Share

LOS ANGELES--(BUSINESS WIRE)--July 20, 2023-- 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 that its Board of Directors has declared a quarterly cash dividend of \$0.16 per share. The dividend is payable on August 11, 2023 to common shareholders of record as of July 31, 2023.

Corporate Overview

RBB Bancorp is a bank holding company headquartered in Los Angeles, California. As of March 31, 2023, the Company had total assets of \$4.1 billion. Its wholly-owned subsidiary, the Bank, is a full service commercial bank, which provides business banking services to the Asian communities in Los Angeles County, Orange County, and Ventura County in California, in Las Vegas, Nevada, in Brooklyn, Queens, and Manhattan in New York, in Edison, New Jersey, in the Chicago neighborhoods of Chinatown and Bridgeport, Illinois, and on Oahu, Hawaii. 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 Orange County, California, one branch in Las Vegas, Nevada, three branches and one loan operation center in Brooklyn, three branches in Queens, one branch in Manhattan in New York, one branch in Edison, New Jersey, two branches in Chicago, Illinois, and one branch in Honolulu, Hawaii. 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 Ave., Buena Park, California 90621. The Company's website address is www.royalbusinessbankusa.com.