



## **RBB Bancorp Announces Fourth Quarter Financial Results**

Los Angeles, California: February 6, 2017: Mr. Alan Thian, Chairman of the Board of RBB Bancorp, a single bank holding company headquartered in Los Angeles, California, today announced the company's financial results for the fourth quarter 2016.

The Company reported total assets of \$1.4 billion as of December 31, 2016, representing a 36.5% increase compared to December 31, 2015. The Company acquired TFC Holding Company and its banking subsidiary on February 19, 2016 which added \$495.8 million in assets, \$390.6 million in loans and \$405.3 million in deposits. Deposits closed at \$1.2 billion, representing a 35.1% increase, when compared to December 31, 2015. Gross loans were \$1.1 billion as of December 31, 2016, compared to \$833.9 million as of December 31, 2015, a 35.8% increase.

The Company sold \$40.0 million in mortgage loans for a net gain of \$989,000 in the quarter ended December 31, 2016, compared to \$39.5 million loans sold and \$563,000 net gain for the same period last year. For the twelve months ended December 31, 2016, the Company sold \$180.3 million in mortgage loans for a gain of \$3.4 million compared to \$128.1 million loans sold and a \$1.6 million net gain for the same period last year. The Company originated \$280.4 million in mortgage loans during the twelve months ending December 31, 2016 and \$51.3 million for the quarter ended December 31, 2016. For the same periods last year the Company originated \$193.2 million and \$63.4 million, respectively, in mortgage loans.

Likewise, the Company sold \$10.3 million in SBA loans for a net gain of \$723,000 for the quarter ended December 31, 2016 compared to 34.0 million in SBA loans sold and a net gain of \$2.0 million for the same period last year. For the twelve months ending December 31, 2016 the company sold \$37.9 million in SBA loans for a net gain of \$2.4 million compared to \$42.7 million in SBA loans sold and a net gain of \$2.7 million for the same time period in 2015. SBA loan originations for the twelve months ending December 31, 2016 were \$81.4 million compared to \$123.6 million for the same period in 2015. SBA loan originations for the quarter ending December 31, 2016 were \$13.9 million compared to \$28.2 million for the same period in 2015. The decrease in SBA loan originations is due to reducing reliance on SBA brokers to originate loans. The Company's gross loans are net of the mortgage and SBA loans sold during the quarter.

The Company reported net income of \$5.7 million or \$0.44 per share for the quarter ended December 31, 2016, compared to a net income of \$3.7 million or \$0.29 per share for the same time period in 2015. Net income for the twelve months ended December 31, 2016 was \$19.1 million or \$1.49 per share, compared to \$13.0 million or \$1.02 per share for the same period of 2015. Included in the December 31, 2016 year-to-date income is \$2.0 million in conversion and integration expenses associated with the TFC merger.

Loan quality remains good with non-performing assets as a percent of total assets of 0.32% compared to 0.46% as of December 31, 2015. Non-performing assets are Other Real Estate Owned (foreclosed properties) and non-accrual loans. Allowance for loan losses (ALLL) to gross loans has increased from 1.20% as of December 31, 2015, to 1.25% as of December 31, 2016. The Company's ALLL does not include the net discounts on purchased loans.

RBB Bancorp is a Bank Holding Company. It owns Royal Business Bank, which provides business banking services to the Chinese-American communities in Los Angeles County, Orange County, Ventura County and in Las Vegas, including remote deposit, E-banking, mobile banking, commercial and investor real estate loans, business loans and lines of credit, SBA 7A and 504 loans, mortgage loans, trade finance and a full range of depository accounts. It also owns RBB Asset Management Company, which was formed to hold and manage problem assets acquired in business combinations. Its executive office is located at 660 S. Figueroa Street, Suite 1888, Los Angeles, California 90017.



## FORWARD LOOKING STATEMENTS

Statements concerning future performance, developments or events, expectations for growth and income forecasts, and any other guidance on future periods, constitute forward-looking statements that are subject to a number of risks and uncertainties. Actual results may differ materially from stated expectations. Specific factors include, but are not limited to, loan production, balance sheet management, expanded net interest margin, the ability to control costs and expenses, interest rate changes and financial policies of the United States government (including the Small Business Administration), and general economic conditions. The Bank disclaims any obligation to update any such factors or to publicly announce the results of any revisions to any forward-looking statements contained herein to reflect future events or developments.

### Contact:

Alan Tian, President and CEO  
626-307-7588



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**Balance Sheets (unaudited)**

(All amounts in thousands except per share information)

For the periods ending

	December 31, 2016	December 31, 2015
<b>Asset:</b>		
Cash and due from banks	\$ 74,212	\$ 80,391
Investments and Federal Funds sold	112,704	68,056
Loans	1,132,423	833,858
Less allowance for loan losses	(14,162)	(10,023)
Loans, net	1,118,261	823,835
Other real estate owned	833	293
Deferred tax asset	12,270	7,449
Bank premises and equipment	6,585	6,860
Cash Surrender Value of Life Insurance	21,958	21,398
Goodwill	29,940	4,001
Other assets	19,806	10,801
Total assets	<u>\$ 1,396,569</u>	<u>\$ 1,023,084</u>
<b>Liabilities and shareholders' equity:</b>		
Deposits	\$ 1,152,738	\$ 853,417
Other borrowings	52,638	-
Reserve for unfunded commitments	604	320
Other liabilities	9,004	5,702
Total liabilities	1,214,984	859,439
Shareholders' equity	181,585	163,645
Total liabilities and shareholders' equity	<u>\$ 1,396,569</u>	<u>\$ 1,023,084</u>



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**Statements of Operations (unaudited)**

	<i>Three months ended December 31,</i>		<i>Twelve months ended December 31,</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
Interest income	\$ 16,693	\$ 11,319	\$ 67,460	\$ 42,513
Interest expense	3,202	1,882	11,628	6,936
Net interest income	13,491	9,437	55,832	35,577
Provision for loan losses	1,375	1,141	4,974	1,386
Other income	3,254	3,153	9,694	7,862
Other expense	5,610	5,100	27,984	20,084
Income before income taxes	9,760	6,349	32,568	21,969
Income tax expense	4,082	2,647	13,489	8,996
<b>Net income</b>	<b>\$ 5,678</b>	<b>\$ 3,702</b>	<b>\$ 19,079</b>	<b>\$ 12,973</b>
Net income per share - basic	\$ 0.44	\$ 0.29	\$ 1.49	\$ 1.02
Ending common shares outstanding	12,827,803	12,770,571	12,827,803	12,770,571

**Selected Financial Ratios**

	<i>For the periods ending</i>	
	<i>December 31, 2016</i>	<i>December 31, 2015</i>
Net loans to deposits	97.01%	96.53%
Allowance for loan losses to gross loans	1.25%	1.20%
Non-performing assets as a percent of total assets	0.32%	0.46%
Equity to assets	13.00%	16.00%
Ending book value per share - fully diluted	\$13.32	\$12.06
YTD return on average assets, annualized	1.41%	1.29%
YTD return on average equity, annualized	11.08%	8.23%