

**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): **October 31, 2022**

**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 7.01 Regulation FD Disclosure.**

Beginning on November 2nd, 2022, David Morris, President, Chief Executive Officer and Chief Financial Officer, will make this presentation in person, telephonically and via webcast to various investors and other parties.

The investor presentation, a copy of which is furnished herewith as Exhibit 99.1, is incorporated herein by reference. The investor presentation replaces and supersedes investor presentation materials furnished as an exhibit to the Company's Current Reports on Form 8-K.

The information contained in this Item 7.01, and Exhibit 99.1 attached hereto, shall not be deemed to be "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any filing, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

99.1 [Investor Presentation regarding RBB third quarter 2022 results](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**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: October 31, 2022

By: \_\_\_\_\_ /s/ David Morris  
**David Morris**  
**President and Chief Executive Officer,**  
**Executive Vice President and**  
**Chief Financial Officer**



RBB BANCORP  
皇佳商業金控



## Investor Presentation

October 2022

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; (34) the impact of any change in the FDIC insurance assessment rate or the rules and regulations related to the calculation of the FDIC insurance assessment amount; (35) 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 and (36) 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 or 10-K/A, 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**
  - \$3.9 billion asset Chinese-American, business-oriented community bank
-  **24 traditional branches**
  - 12 located in Southern California
  - 7 located in New York
  - 2 located in Chicago
  - 1 in Nevada
  - 1 in New Jersey
  - 1 in Hawaii
-  **Four principal business lines:**
  - Commercial Real Estate (“CRE”)<sup>3</sup>
  - 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**

## Financial Highlights

*For the Three Months Ended September 30, 2022:*

Balance Sheet (\$mm)	
Total Assets	\$3,905
Gross Loans, Including Held for Sale	\$3,221
Total Deposits	\$2,960
Tangible Common Equity <sup>1</sup>	\$396
Tangible Common Equity / Tangible Assets <sup>1</sup>	10.35%
NPAs / Assets <sup>2</sup>	0.30%
Profitability	
Return on Average Assets, annualized	1.72%
Return on Average Tangible Common Equity <sup>1</sup>	16.58%
FTE Net Interest Margin	4.31%
Efficiency Ratio	40.22%

(1) Non-GAAP reconciliation in Appendix A

(2) Nonperforming assets include nonaccrual loans, loans modified under troubled debt restructurings, and other repossessed assets

(3) Includes construction and land development loans

# Investment Highlights

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

- Insider ownership (including family holdings) at 36.94% 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
- 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 33 years of bank management experience in finance, lending, credit, risk, strategy and branch operations

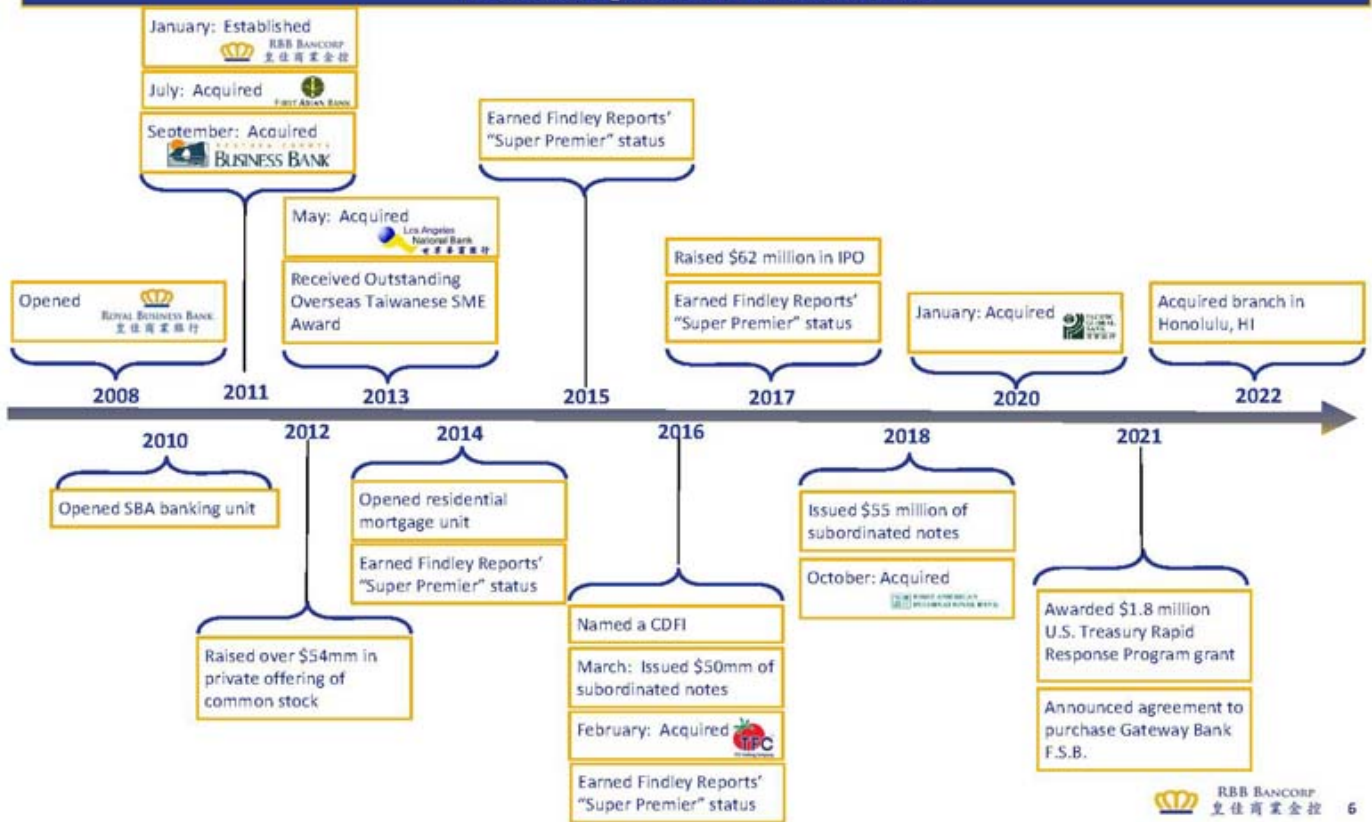
Name / Title	Experience	Background
<b>David Morris</b> President, Chief Executive Officer & Chief Financial Officer	35 years (12 years with RBB)	<ul style="list-style-type: none"> <li>Appointed President and Chief Executive Officer in October 2022.</li> <li>Appointed EVP and Chief Financial Officer of the Bank and Company in 2010.</li> <li>Formerly President and CEO with MetroPacific Bank and EVP, CFO and Chief Operating Officer with San Diego Community Bank.</li> </ul>
<b>Jeffrey Yeh</b> Executive Vice President & Chief Credit Officer	32 years (14 years with RBB)	<ul style="list-style-type: none"> <li>Joined the Bank as an executive officer in 2008 and promoted to EVP and Chief Credit Officer in January 2014.</li> <li>Formerly Finance Director and Business Control Manager for Universal Science Industrial Co, Ltd. and Lending and Investment Manager for Bank of Overseas Chinese.</li> </ul>
<b>I-Ming (Vincent) Liu</b> Executive Vice President & Chief Risk Officer	34 years (14 years with RBB)	<ul style="list-style-type: none"> <li>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.</li> <li>Formerly SVP and head of southern California branch network for United Commercial Bank.</li> </ul>
<b>Simon Pang</b> Executive Vice President & Chief Strategy Officer	40 years (14 years with RBB)	<ul style="list-style-type: none"> <li>Joined the Bank as an executive officer in 2008 as head of commercial lending, promoted to Chief Strategy Officer in May 2012.</li> <li>Formerly SVP and commercial and international banking manager with United Commercial Bank.</li> </ul>
<b>Tsu Te Huang</b> Executive Vice President & Director of Private Banking	35 years (13 years with RBB)	<ul style="list-style-type: none"> <li>Joined the Bank as a SVP and branch regional manager in 2009, and was promoted to branch administrator in 2012, and EVP in 2016. In 2019, he started our private banking unit.</li> <li>Formerly SVP and branch assistant regional manager for United Commercial Bank.</li> </ul>
<b>Ashley Chang</b> Executive Vice President & Branch Administrator	23 Years (13 years with RBB)	<ul style="list-style-type: none"> <li>Joined the Bank as a vice president and branch manager in 2009.</li> <li>Promoted to EVP and branch administrator in 2021</li> <li>Formerly AVP and branch manager for United Commercial Bank.</li> </ul>

Source: 2021 Proxy (DEF 14A)



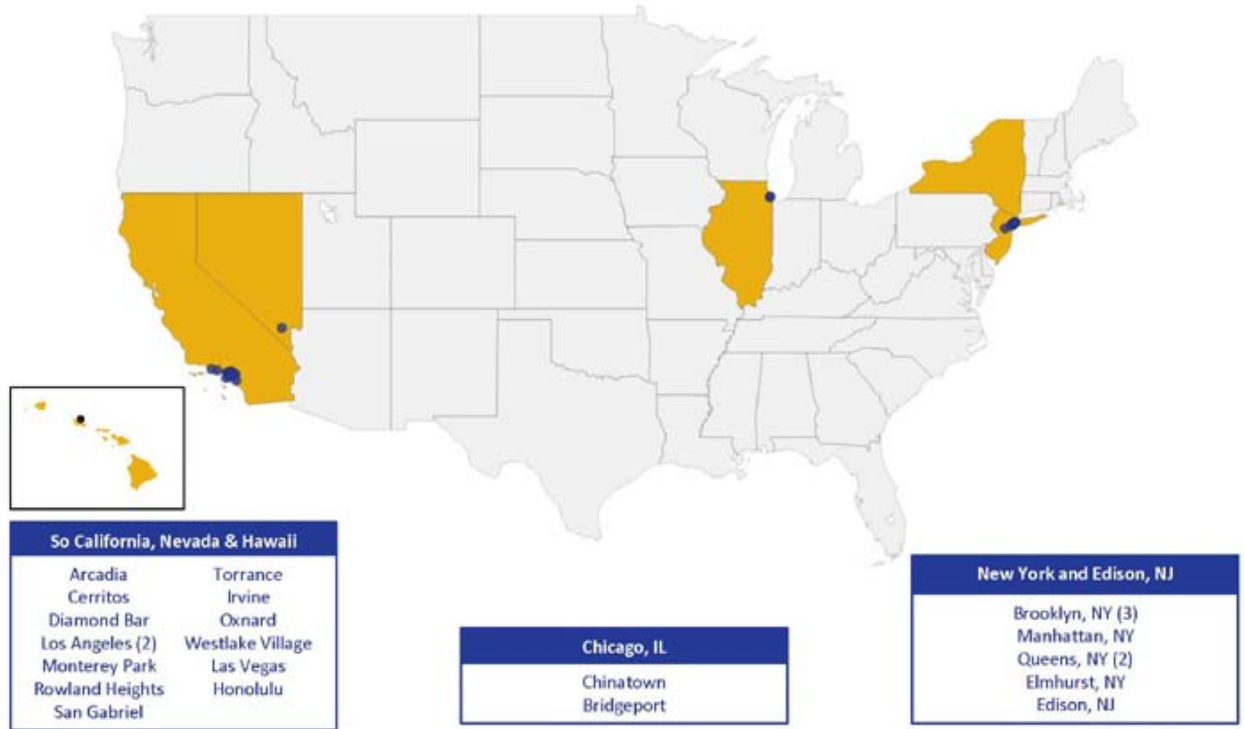
# Our History

## Historical Progression of Franchise Growth



# Our Current Footprint

 Coast-to-Coast footprint of 24 branches provide banking services to the largest Asian-American communities in the nation



Source: S&P Global Market Intelligence

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

- 👑 Chinese-American bank universe comprised of over 23 banks<sup>1</sup>:
  - Publicly-traded
  - Locally-owned
  - Subsidiaries of Taiwanese or Chinese banks
- 👑 Other Asian-American banks also represent compelling acquisition opportunities
- 👑 Target markets include select Metropolitan Statistical 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	19,262	2,207	11.5%
Los Angeles-Long Beach-Anaheim, CA	13,211	2,156	16.3%
San Francisco-Oakland-Hayward, CA	4,709	1,260	26.8%
Chicago-Naperville-Elgin, IL-IN-WI	9,479	642	6.8%
Houston-The Woodlands-Sugar Land, TX	6,980	550	7.9%
Seattle-Tacoma-Bellevue, WA	3,928	558	14.2%
Urban Honolulu, HI	980	417	42.6%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	6,092	370	6.1%
Las Vegas-Henderson-Paradise, NV	2,267	227	10.0%

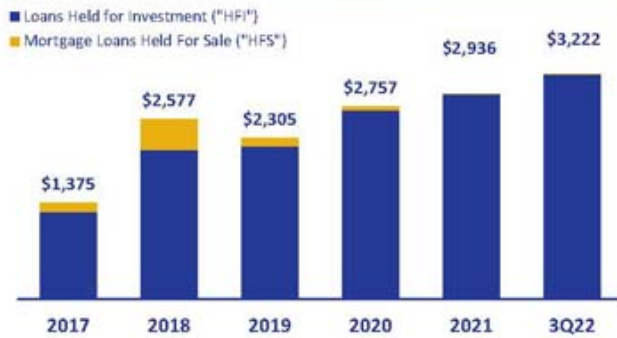
Source: 2020 Census Bureau

Identified expansion markets
  Current markets

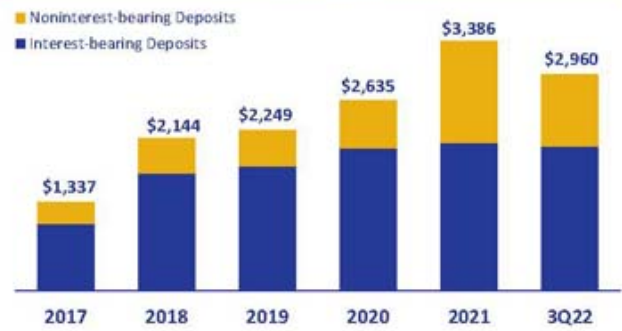
(1) Chinese-American bank universe as defined by RBB's management team  
Source: S&P Global Market Intelligence, Census Bureau 2018 estimates

# Demonstrated Track Record of Balance Sheet and Earnings Growth

## Total Loans (\$mm)



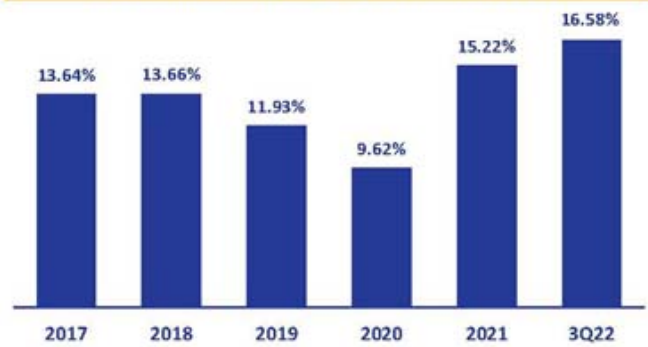
## Total Deposits (\$mm)



## Net Income (\$mm)



## Return on Average Tangible Common Equity<sup>1</sup>



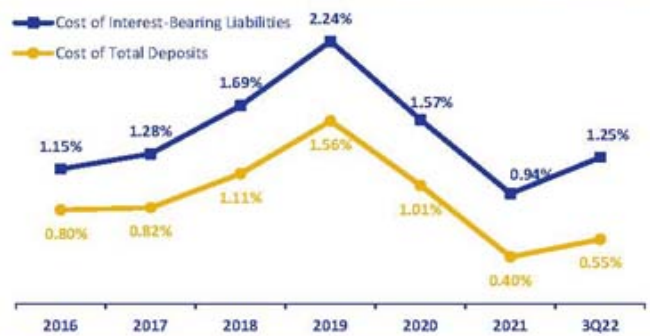
(1) Non-GAAP reconciliation in Appendix A

# Profitability Drivers

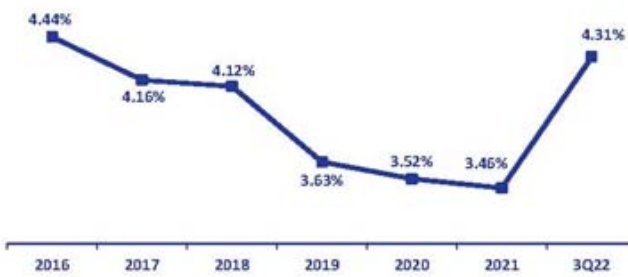
## Yield on Average Interest-Earning Assets



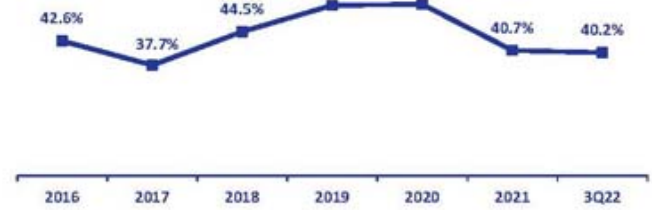
## Cost of Average Interest-Bearing Liabilities



## Net Interest Margin (FTE)<sup>1</sup>



## Efficiency Ratio



(1) Fully taxable equivalent



# Diversified Loan Portfolio

## Loan Portfolio Composition September 30, 2022

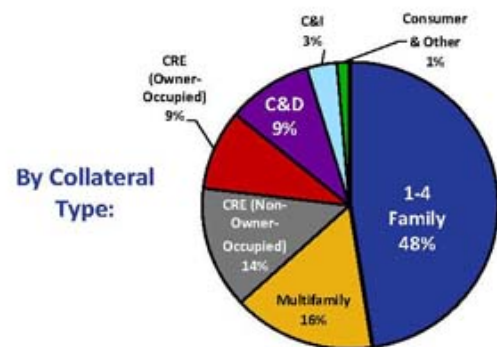
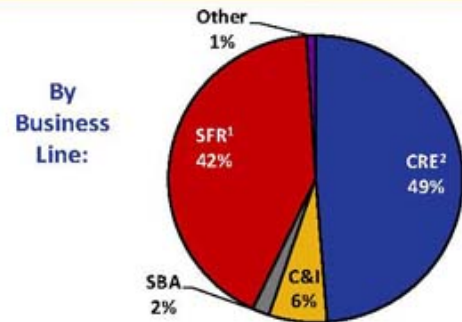
👑 \$3.2 billion total HFI loans as of September 30, 2022<sup>1</sup>

👑 Diversified across industry lines

- SFR - Mainly non-QM mortgages<sup>2</sup>
- CRE - Owner occupied and Investor owned<sup>3</sup>
- C&I - Majority secured by assets
- SBA - Primarily SBA 7(a) loans for business acquisition or working capital

👑 49.5% Fixed rate and 50.5% Variable rate<sup>3</sup>

👑 Average yield on HFI loans of 5.53% for the third quarter of 2022



(1) Excludes HFS 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

# Business Line Profile: SFR Lending

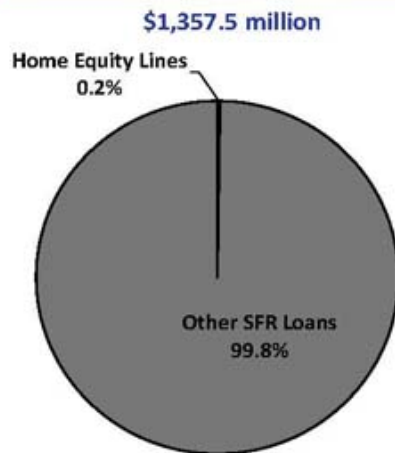
As of September 30, 2022:

👑 Average: LTV of 57.9%; FICO score of 763; duration of approximately 1.8 years

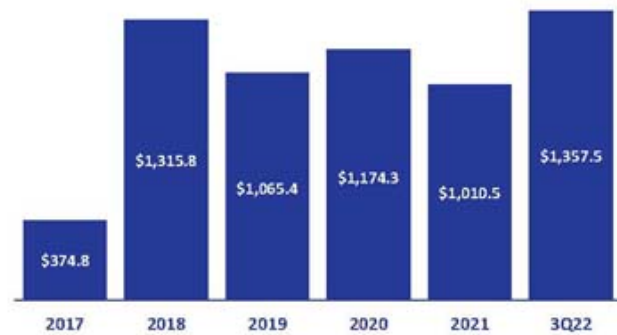
👑 Average current start rates:

- Our non-qualified SFR loan product are 5 year and 7 year hybrid adjustable mortgage, which re-prices to the 1 year CMT plus 3.00% to 3.50%, and a 30-year fixed rate mortgage.

## SFR Loans

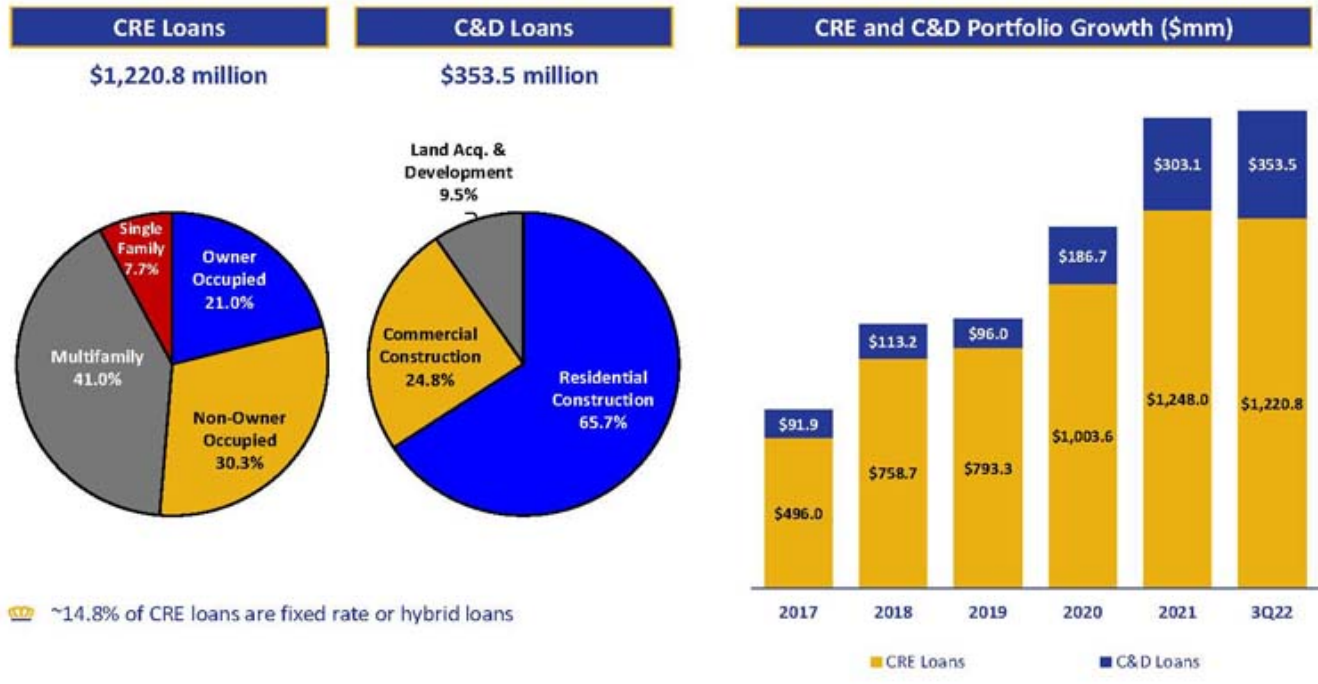


## SFR Portfolio (\$mm)



# Business Line Profile: CRE Lending | C&D Lending

As of September 30, 2022:

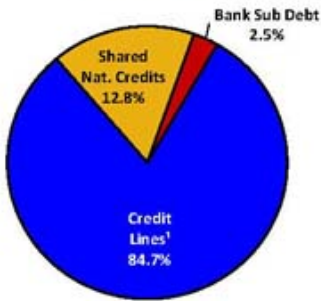


# Business Line Profile: C&I Lending | SBA Lending

As of September 30, 2022:

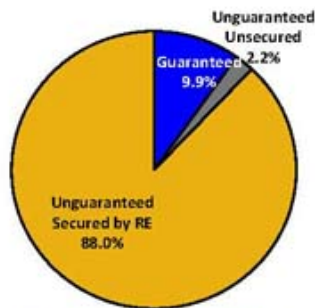
## C&I Loans

\$204.8 million



## SBA Loans

\$61.9 million

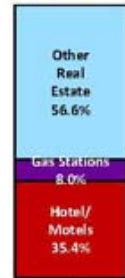


## C&I and SBA Portfolio Growth (\$mm)

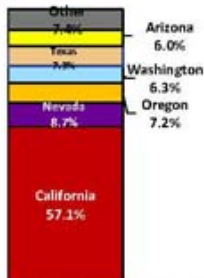


### Unguaranteed SBA Loans:

#### By Business:



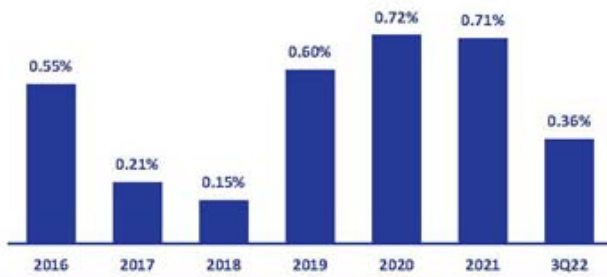
#### By Location:



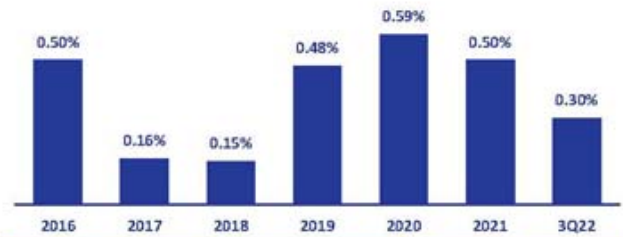
(1) Credit Lines include commercial and industrial lines of credit, term loans, mortgage warehouse lines and international trade discounts

# Disciplined Credit Culture

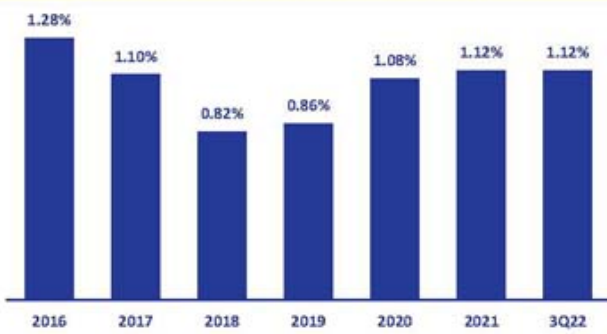
**Nonperforming Loans<sup>1</sup> / Total Loans**



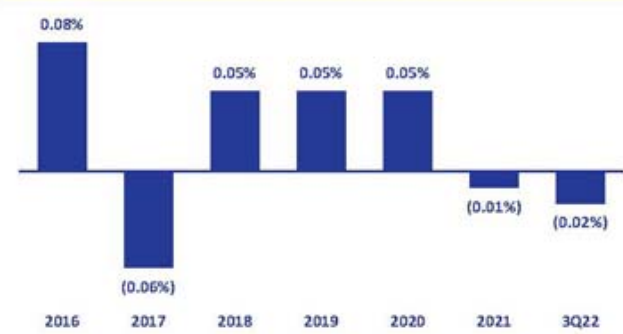
**Nonperforming Assets<sup>2</sup> / Total Assets**



**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 30, 2022

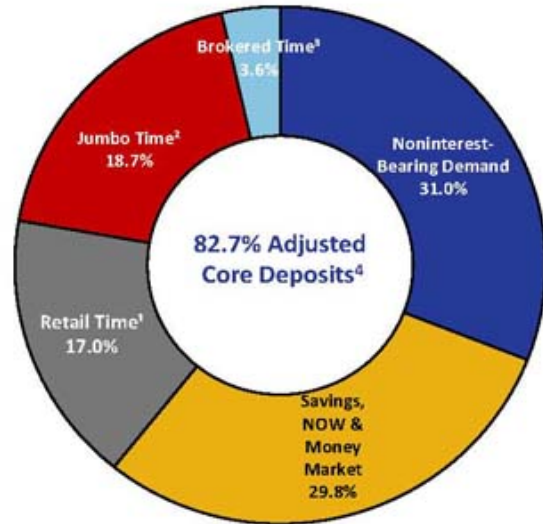
- Top 10 Deposit Relationships = \$539.4 million (18.2% of total deposits)
  - 2 of the Top 10 Relationships are with directors and shareholders of the Company, \$69.0 million, or ~12.8% of Top 10 total

### For the Three Months Ended September 30, 2022

	Avg. Balance (\$mm)	Weighted Avg. Cost
Noninterest-Bearing Demand	\$964.9	0.00%
NOW	74.5	0.48%
Savings	147.3	0.17%
Money Market	612.7	0.89%
Retail Time <sup>1</sup>	510.3	0.73%
Jumbo Time <sup>2</sup>	531.7	0.93%
Brokered Time <sup>3</sup>	56.5	1.97%
<b>Total Deposits</b>	<b>\$2,897.9</b>	<b>0.55%</b>

### Deposit Portfolio Composition

Total: \$2.96 billion



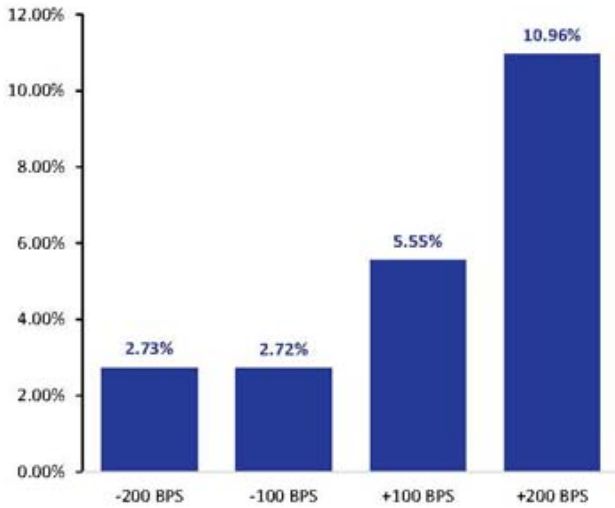
- (1) Retail Time includes time deposits with balances less than \$250,000, excluding brokered time  
 (2) Jumbo Time includes time deposits with balances of \$250,000 and greater  
 (3) Brokered Time are brokered time deposits, which are all lower than \$100,000  
 (4) Non-GAAP reconciliation in Appendix

# Interest Rate Risk Profile

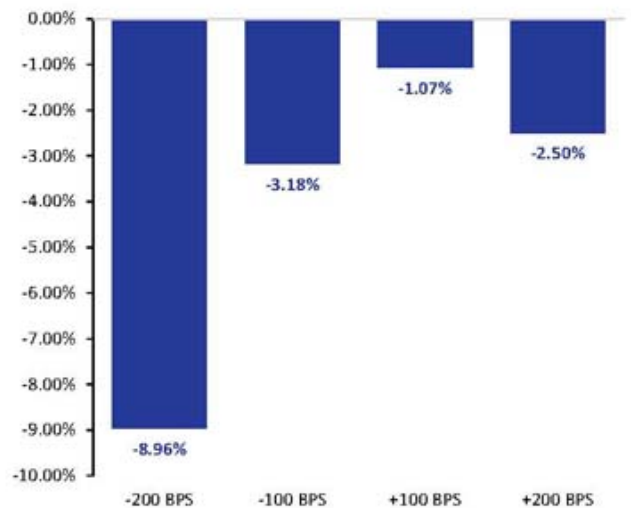
👑 12 month net interest income ("NII") sensitivity is asset sensitive

👑 Economic Value of Equity ("EVE") sensitivity is neutral

**12-Month NII Sensitivity**  
*Immediate Change in Rates*  
 September 30, 2022



**EVE Sensitivity**  
*Immediate Change in Rates*  
 September 30, 2022



Note: Assumes parallel shifts in market interest rates

# Interest Rate Risk Management

Well positioned for higher rates with a One Year Positive Gap Ratio of 6.6%

## Loan and Deposit Mix

### Interest Rate Risk Position (within 12 months)

Rate Sensitive Assets at 43.1% of Total Assets

#### Loan Portfolio

- \* \$1.4 billion matures or resets within 12 months
- \* \$0.7 billion of loans are at or below their floors  
Given a 100 bps market rate increase 14% of loans with floors are eligible to reprice

#### Cash, FFS & Investments

- \* \$156.3 million of securities reprice within 12 months
- \* \$140.3 million in interest bearing cash, including FFS

LESS

### Rate Sensitive Liabilities at 36.5% of Total Assets

- \* \$1.3 billion of CDs mature or reprice within 12 months
- \* \$17.5 million statutory trust reprices within 3 months
- \* \$90 million overnight borrowings, FHLB advances mature within 12 months

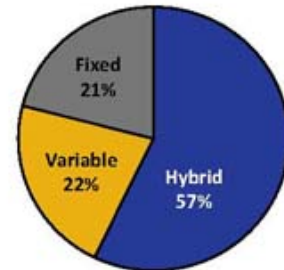


One Year Positive Gap Ratio is 6.6%

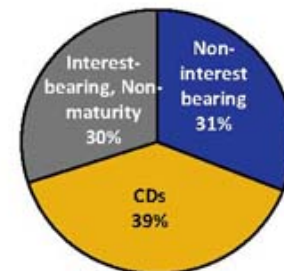
HFI Loans \$3.2 billion

Total Deposits \$3.0 billion

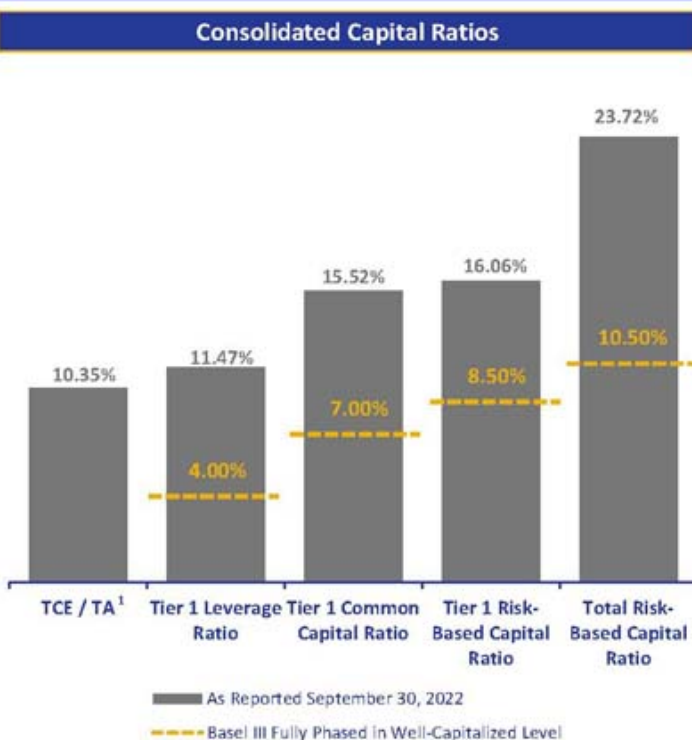
HFI Loans:



Total Deposits:



# Consolidated Capital Ratios



**Consolidated Capitalization Table**

*(Dollars in millions, except per share amounts)* As of September 30, 2022

	Actual
<b>Long-Term Debt</b>	
Long-Term Debt	\$173.4
Long-term FHLB Advance	150.0
Trust Preferred Securities	14.7
<b>Total Long-Term Debt</b>	<b>\$338.1</b>
<b>Shareholders' Equity</b>	
Common Stock	\$277.6
Additional Paid-in Capital	3.2
Treasury Stock	--
Retained Earnings	213.5
Accumulated Other Comprehensive Income (Loss)	(22.5)
<b>Total Shareholders' Equity</b>	<b>\$471.7</b>
<b>Total Capitalization</b>	<b>\$809.8</b>
<b>Common Shares Outstanding</b>	<b>19,011,672</b>
Book Value Per Share	\$24.82
Tangible Book Value Per Share <sup>1</sup>	\$20.85
<b>Regulatory Capital</b>	
Tier 1 Common Capital	\$420.0
Tier 1 Risk-Based Capital	\$434.6
<b>Total Risk-Based Capital</b>	<b>\$642.0</b>

(1) Non-GAAP reconciliation in Appendix A

# Outlook

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## **Net interest margin expected to remain stable or contract modestly**

- Asset sensitive balance sheet and expect increase in margin
- Loan and deposit rate environment will remain competitive
- Expect deposit pricings to increase in the 4th quarter

## **Continued balance sheet growth should drive further improvement in profitability**

- Expect loan growth in CRE to begin to soften in the 4<sup>th</sup> quarter due to recession

## **Non-interest income and expense**

- Gain on sale of loans will be softer than past years due to the rate environment
- Expect and increase in manpower expense of 10% to retain qualified staff

## **Projected loan losses:**

- Expect \$150,000-\$250,000 in loan losses on pre-COVID hotel loans

## **Future Branch Activity:**

- Searching for branch locations in Chicago area, Northern California and Nevada
- Expect Gateway acquisition to close next year





## Appendix: 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:

	(Dollars in thousands, except per share data)					
	As of and for the year ended					
	2017	2018	2019	2020	2021	3Q22
<b>Tangible Common Equity:</b>						
Total Shareholders' Equity	\$265,176	\$374,621	\$407,690	\$428,488	\$466,683	\$471,779
<b>Adjustments</b>						
Goodwill	(29,940)	(58,383)	(58,563)	(69,243)	(69,243)	(71,498)
Core Deposit Intangible	(1,438)	(7,601)	(6,100)	(5,196)	(4,075)	(3,971)
<b>Tangible Common Equity</b>	<b>\$233,798</b>	<b>\$308,637</b>	<b>\$343,027</b>	<b>\$354,049</b>	<b>\$393,365</b>	<b>\$396,330</b>
<b>Tangible Assets:</b>						
Total Assets - GAAP	1,691,059	2,974,002	2,788,535	3,350,072	4,228,194	3,905,229
<b>Adjustments</b>						
Goodwill	(29,940)	(58,383)	(58,563)	(69,243)	(69,243)	(71,498)
Core Deposit Intangible	(1,438)	(7,601)	(6,100)	(5,196)	(4,075)	(3,971)
<b>Tangible Assets</b>	<b>\$1,659,681</b>	<b>\$2,908,018</b>	<b>\$2,723,872</b>	<b>\$3,275,633</b>	<b>\$4,154,867</b>	<b>\$3,829,760</b>
Common Shares Outstanding	15,908,893	20,000,022	20,030,866	19,565,921	19,455,544	19,011,672
<b>Tangible Common Equity to Tangible Assets Ratio</b>	<b>14.09%</b>	<b>10.61%</b>	<b>12.59%</b>	<b>10.81%</b>	<b>9.47%</b>	<b>10.35%</b>
<b>Tangible Book Value Per Share</b>	<b>\$14.70</b>	<b>\$15.43</b>	<b>\$17.12</b>	<b>\$18.10</b>	<b>\$20.22</b>	<b>\$20.85</b>
<b>Average Tangible Common Equity:</b>						
Average Shareholders' Equity	\$218,717	\$296,869	\$393,895	\$417,915	\$447,714	\$474,106
<b>Adjustments</b>						
Goodwill	(29,940)	(31,081)	(58,446)	(69,863)	(69,243)	(71,498)
Core Deposit Intangible	(1,620)	(1,483)	(6,873)	(5,806)	(4,657)	(4,154)
<b>Average Tangible Common Equity</b>	<b>\$187,157</b>	<b>\$264,305</b>	<b>\$328,576</b>	<b>\$342,246</b>	<b>\$373,814</b>	<b>\$398,454</b>
Net Income Available to Common Shareholders	\$25,528	\$36,105	\$39,209	\$32,928	\$56,906	\$16,652
<b>Return on Average Tangible Common Equity</b>	<b>13.64%</b>	<b>13.60%</b>	<b>11.93%</b>	<b>9.62%</b>	<b>15.22%</b>	<b>16.58%</b>

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:

	(Dollars in thousands)					
	As of the year ended					
	2017	2018	2019	2020	2021	3Q22
<b>Core Deposits<sup>1</sup></b>	<b>\$990,824</b>	<b>\$1,670,572</b>	<b>\$1,651,678</b>	<b>\$2,037,164</b>	<b>\$2,807,033</b>	<b>\$2,406,916</b>
<b>Adjustments to Core Deposits</b>						
Time Deposits > \$250,000 Considered as Core Deposits <sup>2</sup>	180,751	468,773	446,968	448,159	317,501	322,167
Less: Brokered Deposits Considered Non-Core	-	(113,832)	(67,089)	(17,374)	(2,398)	(105,514)
Less: Internet and Other Deposit Originator Deposits < \$250,000 Considered Non-Core <sup>3</sup>	(29,467)	(18,286)	(26,025)	(76,356)	(70,303)	(10,352)
Less: Other Deposits Not Considered Core <sup>4</sup>	(136,943)	(52,002)	(60,719)	(80,016)	(90,116)	(166,619)
<b>Adjusted Core Deposits</b>	<b>\$1,005,165</b>	<b>\$1,955,225</b>	<b>\$1,944,813</b>	<b>\$2,311,577</b>	<b>\$2,961,717</b>	<b>\$2,446,598</b>
Total Deposits	\$1,337,281	\$2,144,041	\$2,249,938	\$2,635,128	\$3,385,532	\$2,959,670
Adjusted Core Deposits to Total Deposits Ratio	75.16%	91.19%	86.47%	87.72%	87.48%	82.66%

(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