

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): September 6, 2019

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 1.01 Entry into a Material Definitive Agreement

On September 6, 2019 RBB Bancorp issued a press release (Exhibit 99.3) announcing that it entered into a definitive merger agreement with PGB Holdings, Inc. and its wholly-owned subsidiary Pacific Global Bank (collectively referred to herein as “Pacific Global Bank” or “PGB”), whereby RBB will acquire PGB in a cash transaction valued at approximately \$32.5 million.

Under the terms of the definitive agreement, RBB will pay to PGB shareholders approximately \$32.5 million in cash. RBB expects the transaction to be accretive to earnings per share in 2020 in the high single digit range. RBB also expects to incur tangible book value per share dilution of approximately 3.9% upon closing of the transaction, with a tangible book value dilution payback period of approximately 3.3 years. The earnings per share accretion estimates are based on estimated cost savings of approximately 30% of PGB’s non-interest expense, with the cost savings phased in during 2020. The earnings per share accretion estimates do not include any assumption of revenue synergies. The transaction is expected to close in early first quarter of 2020 and is subject to the Company obtaining all of the regulatory approvals as well as other customary closing conditions.

On September 6, 2019 RBB Bancorp made available on its website an investor presentation regarding the definitive merger agreement with PGB (Exhibit 99.2), which will be made in person to various investors and other parties through December 31, 2019.

On September 6, 2019, PGB issued a press release (Exhibit 99.4) to their shareholders announcing the agreement

Item 7.01 Regulation FD Disclosure.

On September 6, 2019 RBB Bancorp made available on its website an updated investor presentation regarding the Company’s second quarter financial results (Exhibit 99.1), which will be made in person to various investors and other parties through September 30, 2019.

The investor presentations, a copy of which is furnished herewith as Exhibit 99.1 and Exhibit 99.2, 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 1.01 and 7.01, and Exhibit 99.1, Exhibit 99.2, Exhibit 99.3 and Exhibit 99.4 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 second quarter 2019 results](#)

99.2 [Investor Presentation regarding acquisition of PGB Holdings](#)

99.3 [Press Release from RBB Bancorp dated September 6, 2019](#)

99.4 [Press Release from PGB Holdings dated September 6, 2019](#)

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)

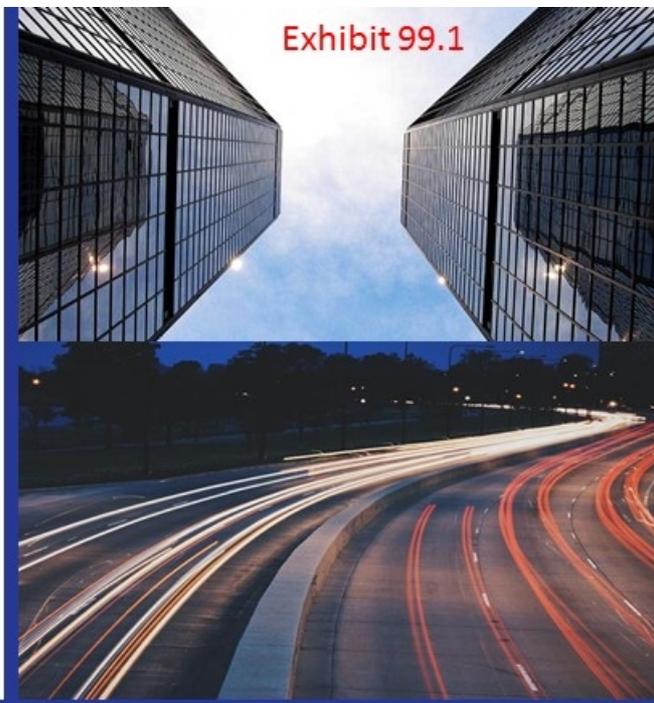
Date: September 6, 2019

By: _____
/s/ David Morris
David Morris
Executive Vice President and
Chief Financial Officer



RBB BANCORP
皇佳商業金控

Exhibit 99.1



Investor Presentation

September 2019

NASDAQ: RBB

Forward-Looking Statements

Certain matters set forth herein (including the exhibits hereto) constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including forward-looking statements relating to RBB Bancorp's ("RBB") current business plans, its future financial position and operating results and RBB's expectations. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "prospects" or "potential," by future conditional verbs such as "will," "would," "should," "could" or "may", or by variations of such words or by similar expressions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties which change over time. Forward-looking statements speak only as of the date they are made and we assume no duty to update forward-looking statements.

These forward-looking statements are subject to risks and uncertainties that could cause actual results, performance and/or achievements to differ materially from those projected. These risks and uncertainties include, but are not limited to, local, regional, national and international economic and market conditions and events and the impact they may have on RBB, on our customers and our assets and liabilities; our ability to attract deposits and other sources of funding or liquidity; supply and demand for real estate and periodic deterioration in real estate prices and/or values in California, New York or other states where RBB lends, including both residential and commercial real estate; a prolonged slowdown or decline in real estate construction, sales or leasing activities; changes in the financial performance and/or condition of our borrowers, depositors or key vendors or counterparties; changes in our levels of delinquent loans, nonperforming assets, allowance for loan losses and charge-offs; the costs or effects of acquisitions or dispositions we may make, whether we are able to obtain any required governmental approvals in connection with any such acquisitions or dispositions, and/or RBB's ability to realize the contemplated financial or business benefits associated with any such acquisitions or dispositions; the effect of changes in laws, regulations and applicable judicial decisions (including laws, regulations and judicial decisions concerning financial reforms, taxes, banking capital levels, consumer, commercial or secured lending, securities and securities trading and hedging, compliance, employment, executive compensation, insurance, vendor management and information security) with which we and our subsidiaries must comply or believe we should comply; changes in estimates of future reserve requirements and minimum capital requirements based upon the periodic review thereof under relevant regulatory and accounting requirements, including changes in the Basel Committee framework establishing capital standards for credit, operations and market risk; inflation, interest rate, securities market and monetary fluctuations; changes in government interest rates or monetary policies; changes in the amount and availability of deposit insurance; cyber-security threats, including loss of system functionality or theft or loss of company or customer data or money; political instability; acts of war or terrorism, or natural disasters, such as earthquakes, drought, or the effects of pandemic diseases; the timely development and acceptance of new banking products and services and the perceived overall value of these products and services by our customers and potential customers; our relationships with and reliance upon vendors with respect to the operation of certain key internal and external systems and applications; changes in commercial or consumer spending, borrowing and savings preferences or behaviors; technological changes and the expanding use of technology in banking (including the adoption of mobile banking and funds transfer applications); the ability to retain and increase market share, retain and grow customers and control expenses; changes in the competitive and regulatory environment among financial and bank holding companies, banks and other financial service providers; volatility in the credit and equity markets and its effect on the general economy or local or regional business conditions; fluctuations in the price of our common stock or other securities; and the resulting impact on our ability to raise capital or RBB's ability to make acquisitions, the effect of changes in accounting policies and practices, as may be adopted from time-to-time by our regulatory agencies, as well as by the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard-setters; changes in our organization, management, compensation and benefit plans, and our ability to retain or expand our workforce, management team and/or our board of directors; the costs and effects of legal, compliance and regulatory actions, changes and developments, including the initiation and resolution of legal proceedings (such as securities, consumer or employee class action litigation), regulatory or other governmental inquiries or investigations, and/or the results of regulatory examinations or reviews; our ongoing relations with our various federal and state regulators; our success at managing the risks involved in the foregoing items and all other factors set forth in RBB's public reports filed with the Securities and Exchange Commission (the "SEC"), including its Annual Report on Form 10-K for the year ended December 31, 2018, and particularly the discussion of risk factors within that document applicable to RBB. Any statements about future operating results, such as those concerning accretion and dilution to RBB's earnings or shareholders, are for illustrative purposes only, are not forecasts, and actual results may differ. RBB 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.

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



Experienced Leadership Team

 Average 32 years of bank management experience in finance, lending, credit, risk, strategy and branch operations

<u>Name / Title</u>	<u>Experience</u>	<u>Background</u>
Yee Phong (Alan) Thian <i>President & Chief Executive Officer</i>	36 years	<ul style="list-style-type: none"> Chairman, President and Chief Executive Officer (“CEO”) since Royal Business Bank (the “Bank”) began operations in 2008 Appointed to the FDIC community bank advisory committee twice Presently on the CFPB community bank advisory committee Formerly served as Executive Vice President (“EVP”) and Regional Director for United Commercial Bank, as well as President and CEO for both First Continental Bank and American International Bank
David Morris <i>Executive Vice President & Chief Financial Officer</i>	32 years (9 years with Alan)	<ul style="list-style-type: none"> Appointed EVP and Chief Financial Officer (“CFO”) of the Bank and Company in 2010 Formerly President and CEO with MetroPacific Bank and EVP, CFO and Chief Operating Officer (“COO”) with San Diego Community Bank
Jeffrey Yeh <i>Executive Vice President & Chief Credit Officer</i>	29 years (16 years with Alan)	<ul style="list-style-type: none"> Joined the Bank as an executive officer in 2008 and promoted to EVP and Chief Credit Officer in January 2014 Formerly Finance Director and Business Control Manager for Universal Science Industrial Co, Ltd. and Lending and Investment Manager for Bank of Overseas Chinese
Larsen Lee <i>Executive Vice President & Director of Residential Mortgage Lending</i>	31 years (4 years with Alan)	<ul style="list-style-type: none"> Joined in 2014 as SVP and Director of Mortgage Lending to start the Bank’s residential mortgage unit, and promoted to EVP in January 2016 Formerly created a wholesale department for Pacific City Bank from 2010 to 2014
I-Ming (Vincent) Liu <i>Executive Vice President & Chief Risk Officer</i>	31 years (23 years with Alan)	<ul style="list-style-type: none"> Joined the Bank as an executive officer in 2008, promoted to COO in January 2011, and promoted to Chief Risk Officer of the Bank in 2011 and of the Company in 2013 Formerly Senior Vice President (“SVP”) and head of southern California branch network for United Commercial Bank

RBB Bancorp – Who We Are

Overview

-  **Established in 2008 and headquartered in Los Angeles, California**
 - \$2.8 billion asset Chinese-American, business-oriented community bank
-  **22 traditional branches**
 - 13 located in Southern California
 - 8 located in New York
 - 1 in Nevada
-  **Four principal business lines:**
 - Commercial Real Estate (“CRE”)
 - Commercial & Industrial (“C&I”)
 - 1-4 Single Family Residential (“SFR”)
 - SBA Lending (“SBA”)
-  **Five successful acquisitions completed since 2010**
-  **Certified Community Development Financial Institution since mid-February 2016**

Financial Highlights

For the Three Months Ended June 30, 2019:

Balance Sheet (Dollars in millions)	
Total Assets	\$2,802
Gross Loans, Including Held for Sale	\$2,342
Total Deposits	\$2,235
Tangible Common Equity ¹	\$329
Tangible Common Equity / Tangible Assets ¹	12.01%
NPAs / Assets ²	0.30%
Profitability	
Return on Average Assets	1.43%
Return on Average Tangible Common Equity	12.51%
FTE Net Interest Margin	3.64%
Efficiency Ratio	50.0%

(1) Non-GAAP reconciliation in Appendix

(2) Nonperforming assets include nonaccrual loans, loans past due 90 days or more and still accruing interest, loans modified under troubled debt restructurings, and other repossessed assets; excludes purchased credit impaired (“PCI”) loans

Investment Highlights

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

- Insider ownership (including family holdings) at 48% 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 conservative credit culture and disciplined underwriting standards
- Interest rate neutral balance sheet

Track record of attractive returns

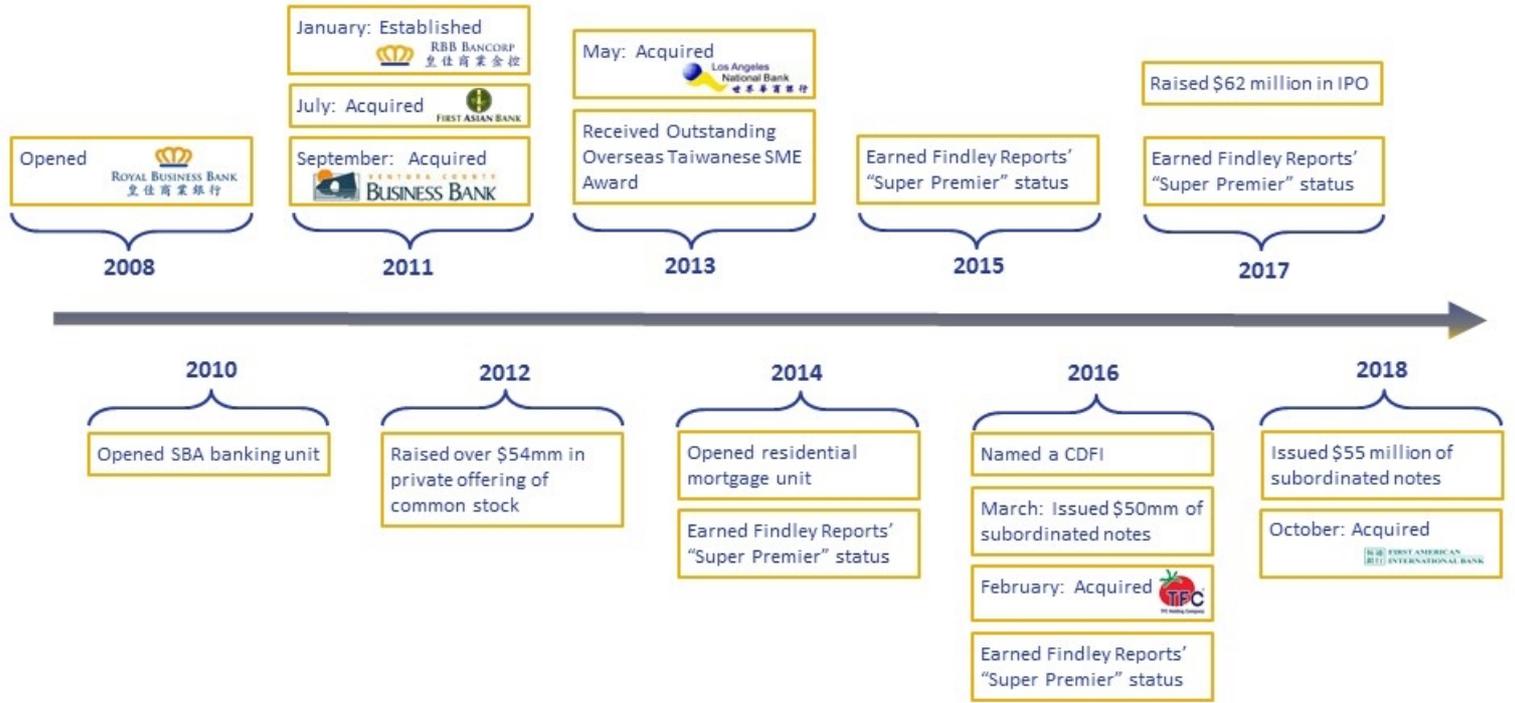
- Diversified revenue with four lending products spread across multiple industries and geographies
- Substantial noninterest income and well-managed noninterest expenses

Exceptional investment opportunity to own a well-managed, highly profitable institution

- Compelling valuation and strong dividend payout ratio

Our History

Historical Progression of Franchise Growth



Our Current Footprint



RBB BANCORP
皇佳商業金控

Los Angeles County, California

- Arcadia
- Cerritos
- Diamond Bar
- Los Angeles (Downtown)
- Los Angeles (Westwood)
- Los Angeles (Silver Lake)
- Monterey Park
- Rowland Heights
- San Gabriel
- Torrance

Orange County, California

- Irvine

Ventura County, California

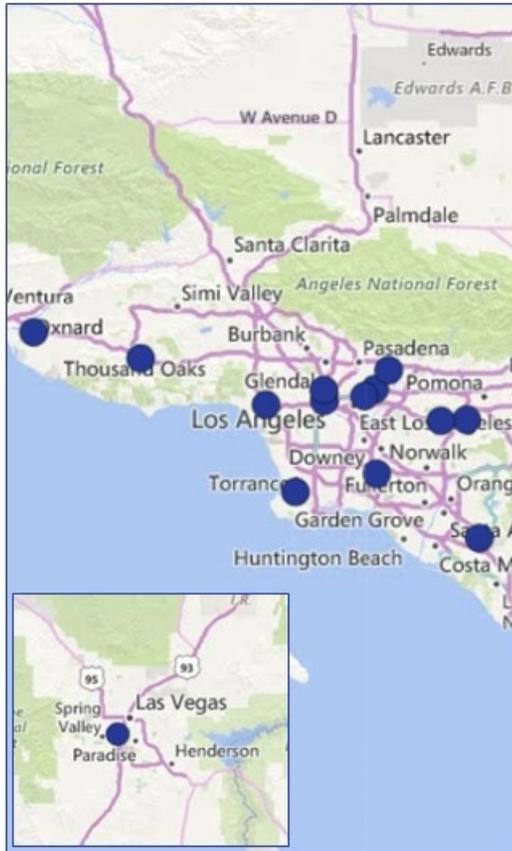
- Oxnard
- Westlake Village

Clark County, Nevada

- Las Vegas

New York, NY

- 2 Brooklyn, NY
- 2 Manhattan, NY
- 4 Queens, NY



● Branches (23)

Transaction Highlights



+



 **Expands the RBB franchise to the Chicago market**

- Gives RBB access to Chicago's Asian-American population of approximately 500,000

 **Enables Pacific Global to benefit from RBB's scale and efficiencies**

- Enhances residential mortgage loan production platform
- Enables RBB to bring its C&I lending platform to the PGB customer base

 **Highly compatible merger partners**

- Shared focus on Asian-American communities
- Complementary business models
- Strong residential mortgage loan production platforms
- Disciplined underwriting standards and commitment to strong asset quality

 **Compelling economics for RBB shareholders**

- Accretive to earnings per share
- Tangible book value dilution earnback of approximately 3 years

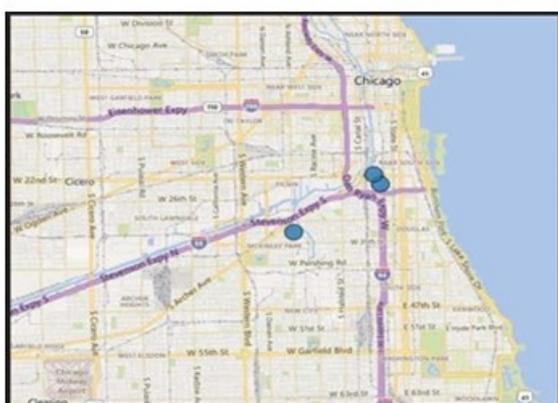
 **Positions RBB for continued profitable growth**

- Sixth acquisition since 2011

Overview of PGB Holdings

Franchise Highlights (as of 6/30/19)

- Founded in 1995
- 3 full service branches principally serving Asian-American communities in Chicago
- Total assets of \$223.8 million
- 1-4 family residential loans comprise 83% of total loans
- 18.3% non-interest bearing deposits



Financial Highlights

In \$000s	For the Twelve Months Ended			Quarter Ended
	12/31/16	12/31/17	12/31/18	6/30/19
Balance Sheet				
Total Assets	\$176,646	\$193,269	\$208,253	\$223,294
Total Loans	\$137,773	\$149,609	\$162,750	\$168,763
Total Deposits	\$156,204	\$172,070	\$183,380	\$196,650
Loans/Deposits	88.20%	86.95%	88.75%	85.82%
Capital				
Common Equity	\$19,384	\$20,607	\$22,965	\$24,483
Tangible Equity	\$19,384	\$20,607	\$22,965	\$24,483
Total Equity/Assets	10.97%	10.66%	11.03%	10.96%
Tang. Common Equity/Tang. Assets	10.97%	10.66%	11.03%	10.96%
Risk Based Capital	22.41%	21.48%	22.72%	22.78%
Tier 1 Capital	21.14%	20.21%	21.46%	21.52%
Leverage Ratio	10.93%	10.82%	11.21%	11.03%
Profitability Measures				
Net Interest Margin	4.18%	4.21%	4.18%	3.80%
Non Interest Income/Average Assets	0.27%	0.52%	0.61%	0.40%
Non Interest Expense/Average Assets	2.74%	2.62%	2.76%	2.44%
Efficiency Ratio	63.03%	57.60%	59.61%	60.19%
ROAA	0.90%	1.15%	1.47%	1.59%
ROAE	7.93%	10.52%	13.30%	12.90%
Net Income	\$1,543	\$2,135	\$2,881	\$878
Asset Quality				
NPAs/Assets	0.82%	0.54%	0.55%	0.20%
NPAs (excl TDRs)/Assets	0.66%	0.54%	0.55%	0.20%
NCOs/Avg Loans	0.50%	-0.01%	0.17%	-0.29%
Reserves/Loans	2.06%	1.91%	1.47%	1.33%
Reserves/NPAs	195.93%	274.40%	209.83%	493.82%

Transaction Overview

- 👑 Acquisition consideration of \$32.5 million, all cash
- 👑 Price / tangible book: 1.70x as of June 30, 2019, and 1.66x estimated at close
- 👑 Transaction includes two owned branches with an estimated fair market value of \$2 million greater than book value
- 👑 Price / EPS (LTM): 10.0x
- 👑 Core deposit premium: 9.1%
- 👑 Closing expected in the first quarter of 2020

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

Chinese-American bank universe comprised of over 35 banks¹:

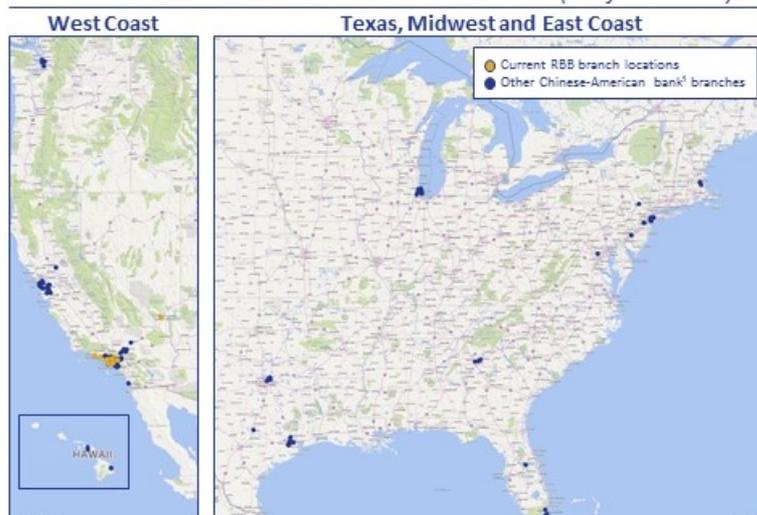
- Publicly-traded
- Locally-owned
- Subsidiaries of Taiwanese or Chinese banks

Other Asian-American banks also represent compelling acquisition opportunities

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

- High concentration of Asian-Americans
- High number of Chinese-American banks² and branches

Chinese-American Bank¹ Locations in the U.S. (as of June 2019)



Specific Target Markets

- Identified expansion markets
- Current markets

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

(1) Chinese-American bank universe as defined by RBB's management team

(2) Count refers to total number of Chinese-American banks that are headquartered in the indicated MSA

Source: SNL Financial, Census Bureau 2018 estimates

Demonstrated Track Record of Balance Sheet and Earnings Growth

Total Loans (\$mm)



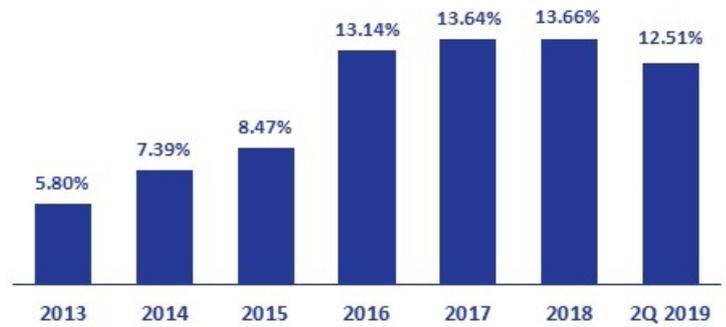
Total Deposits (\$mm)



Net Income (\$mm)



Return on Average Tangible Common Equity¹



(1) Non-GAAP reconciliation in Appendix

Profitability Drivers

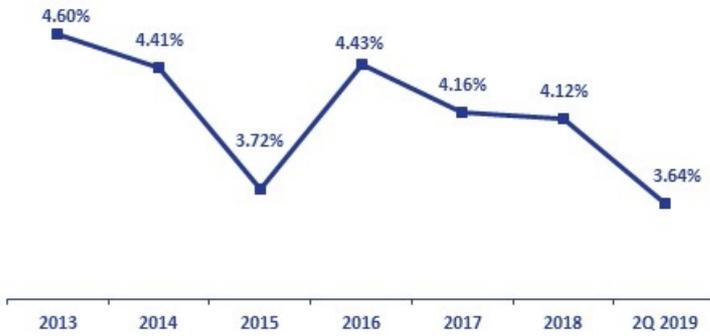
Yield on Average Interest-Earning Assets



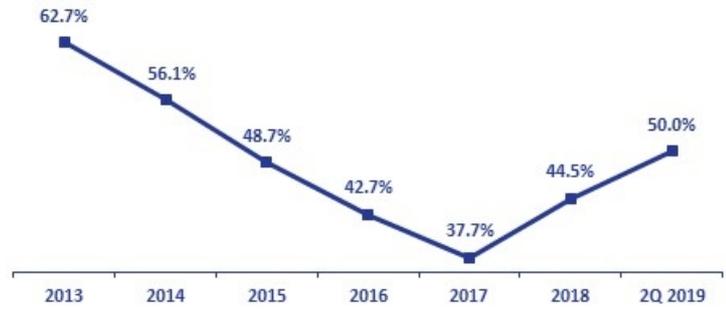
Cost of Average Interest-Bearing Liabilities



Net Interest Margin (FTE)



Efficiency Ratio (FTE)



Diversified Loan Portfolio

Loan Portfolio Composition (June 30, 2019)

👑 \$2.34 billion total loans as of June 30, 2019

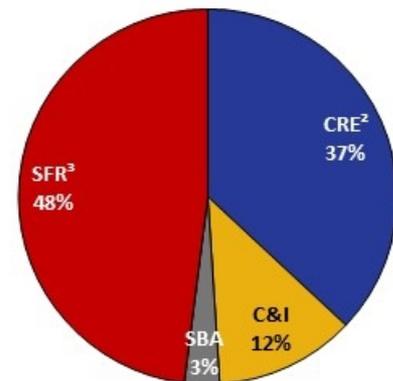
👑 Diversified across industry lines

- Single Family Residential - Mainly non-QM mortgages
- Commercial Real Estate - Owner occupied and Investor owned
- Commercial and Industrial - Majority secured by assets
- SBA - Primarily SBA 7(a) loans for business acquisition or working capital

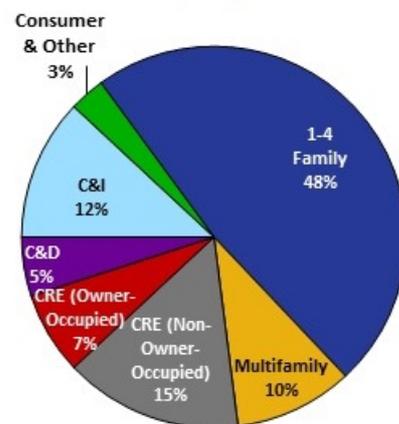
👑 10% Fixed rate⁴ and 90% Variable rate

👑 Average yield on total loans of 5.57% for the second quarter of 2019

By Business Line¹:



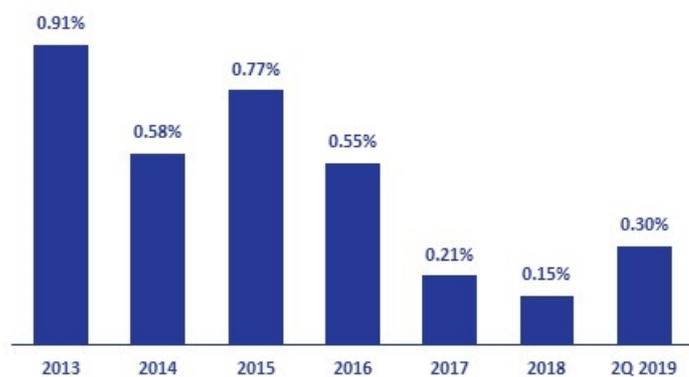
By Collateral Type:



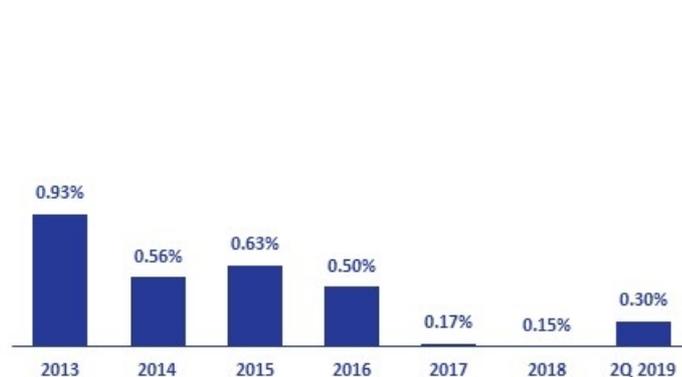
(1) Excludes purchased loan discounts and deferred costs and fees
 (2) Includes construction and land development loans
 (3) Includes Held for Investment and Held for Sale Loans
 (4) Includes loans that have initial fixed rate terms prior to converting to variable rate loans

Disciplined Credit Culture

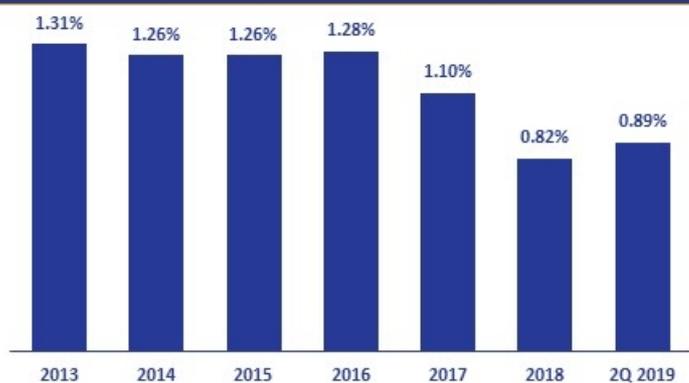
Nonperforming Loans¹ / Total Loans



Nonperforming Assets² / Total Assets



Allowance for Loan Losses / Total Loans



Net Charge-Offs / Average Loans



(1) Nonperforming loans include nonaccrual loans, loans past due 90 days or more and still accruing interest 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 June 30, 2019

👑 Strongest growth coming in DDAs

👑 Top 10 Deposit Relationships = \$331.3 million (14.5% of total deposits)

- 2 of the Top 10 Relationships are with Directors and shareholders of the Company; \$66.0 million, or ~20% of Top 10 total

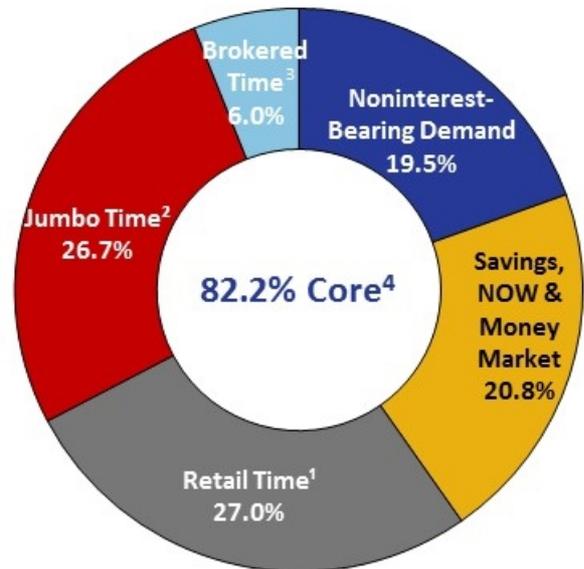
For the Three Months Ended June 30, 2019

	Avg. Balance (\$mm)	Weighted Avg. Rate
Noninterest-Bearing Demand	\$408.2	0.00%
NOW	\$24.0	0.29%
Savings	\$97.6	0.21%
Money Market	\$363.4	1.23%
Retail Time ¹	\$592.2	2.24%
Jumbo Time ²	\$568.8	2.38%
Brokered Time ³	\$117.6	2.53%
Total Deposits	\$2,171.6	1.62%

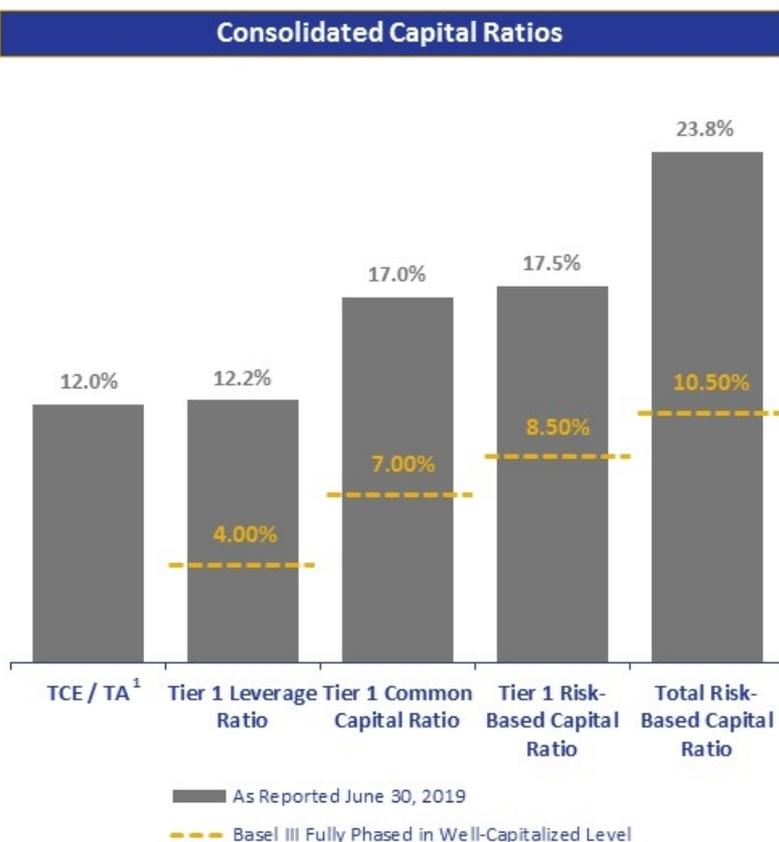
- (1) Retail Time includes time deposits with balances less than \$250,000, excluding brokered time
 (2) Jumbo Time includes time deposits with balances of \$250,000 and greater
 (3) Brokered Time are brokered time deposits, which are all lower than \$100,000
 (4) Reconciliation in Appendix

Deposit Portfolio Composition

Total: \$2.24 billion



Consolidated Capital Ratios



Consolidated Capitalization Table

(Dollars in millions, except per share amounts) As of June 30, 2019

	Actual
Long-Term Debt	
Long-Term Debt	\$103.9
Subordinated Debentures	9.6
Total Long-Term Debt	\$113.5
Shareholders' Equity	
Common Stock	\$289.6
Additional Paid-in Capital	6.1
Retained Earnings	98.2
Accumulated Other Comprehensive Loss	(0.01)
Total Shareholders' Equity	\$393.9
Total Capitalization	\$507.4
Common Shares Outstanding	20,077,524
Book Value Per Share	\$19.61
Tangible Book Value Per Share²	\$16.37
Regulatory Capital	
Tier 1 Common Capital	\$330.3
Tier 1 Risk-Based Capital	\$339.9
Total Risk-Based Capital	\$463.0

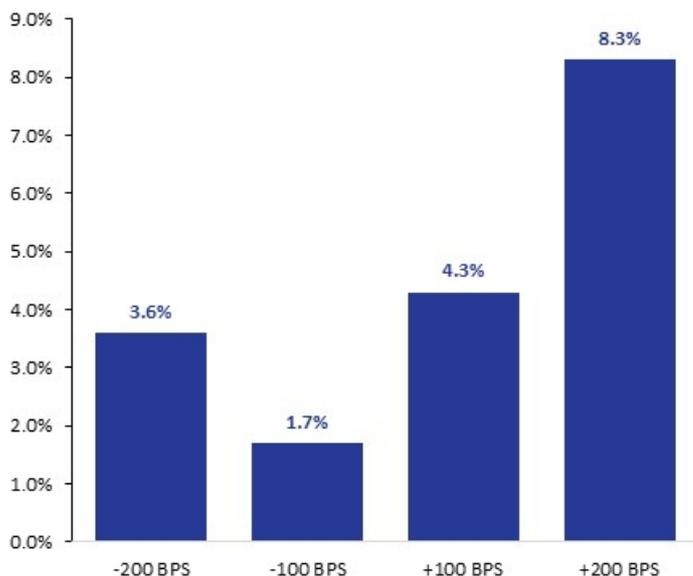
(1) Non-GAAP reconciliation in Appendix

Interest Rate Risk Profile

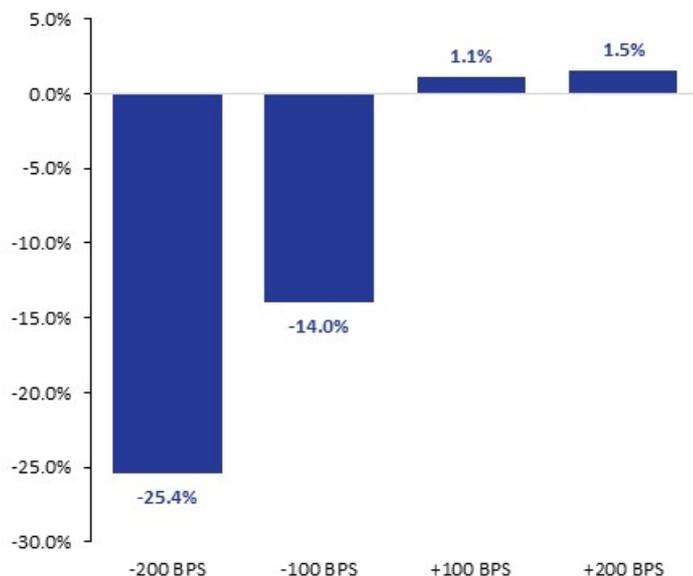
👑 12 month NII sensitivity is neutral to slightly liability sensitive

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

12-Month Net Interest Income Sensitivity
Immediate Change in Rates
 June 30, 2019



Economic Value of Equity Sensitivity
Immediate Change in Rates
 June 30, 2019



Note: Assumes parallel shifts in market interest rates

Appendix

Transaction Assumptions and Pro Forma Impacts

Accretion/Dilution

- 2020 EPS accretion is expected to be in the high single digit range ⁽¹⁾
- TBV Dilution / Share: 3.9%
- TBV Dilution Earnback: 3.3 years⁽²⁾

Pro Forma Capital Ratios

- TCE/TA: 9.69%
- Leverage Ratio: 10.60%
- Total RBC Ratio: 16.24%

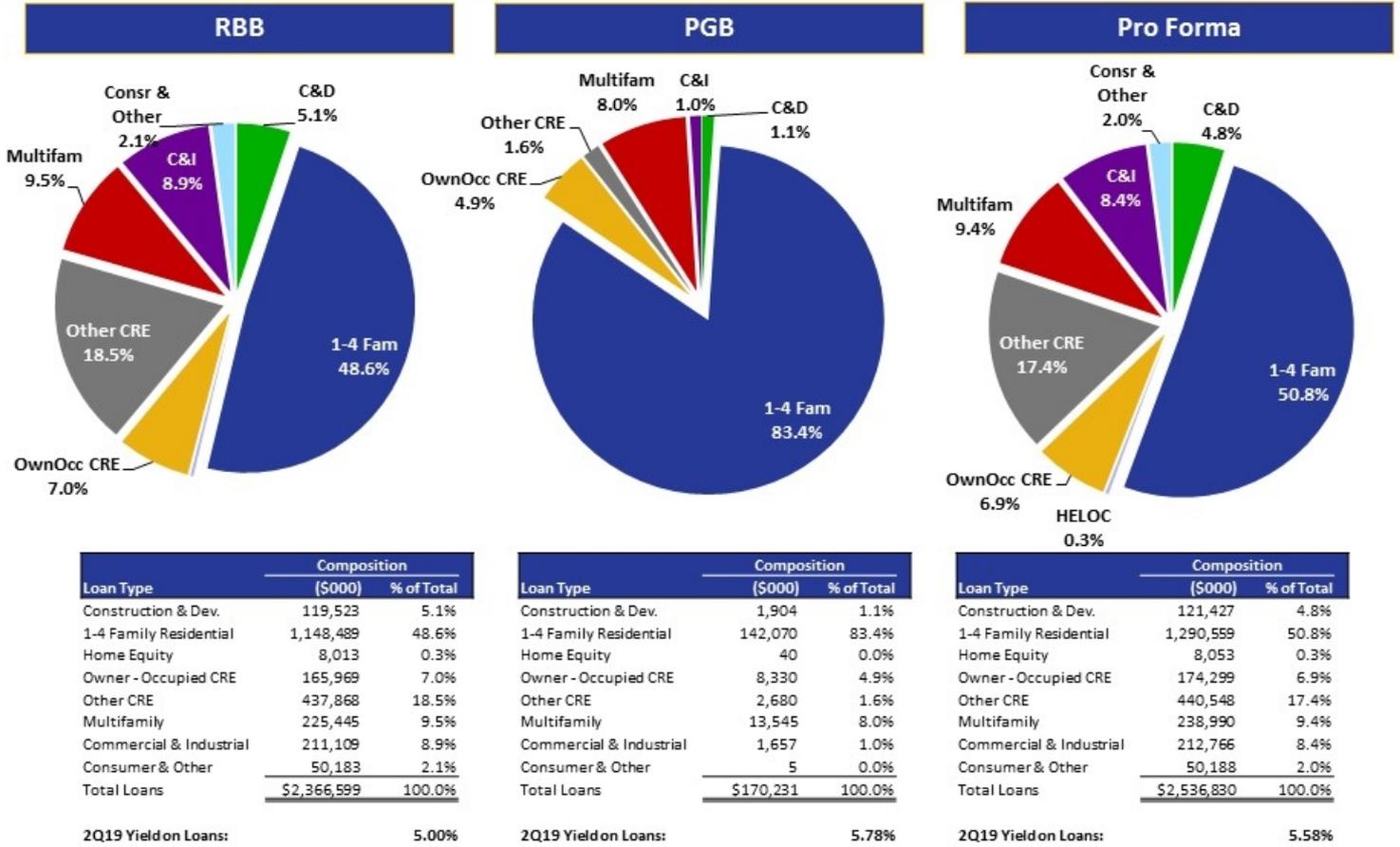
Transaction Assumptions

- Estimated cost savings of 30% of PGB's non-interest expense, phased-in during 2020
- Loan mark of 1.5%, or \$2.6 million
- CDI of approximately 1.25%
- Pre-tax one-time merger-related expenses of approximately \$3.0 million

1) Based on street consensus for 2020

2) Based on the cross-over methodology

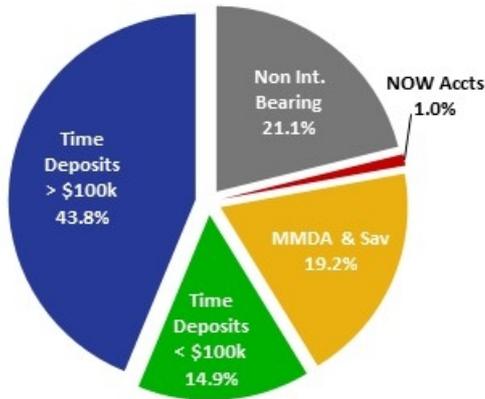
Pro Forma Loan Portfolio (as of June 30, 2019)



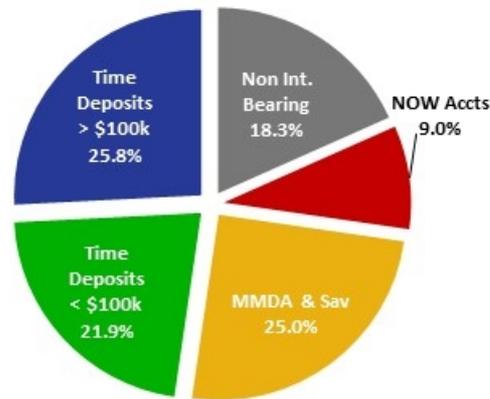
Note: Regulatory data shown, does not include purchase accounting adjustments
 Source: Company estimates, FIG Partners

Pro Forma Deposit Mix (as of June 30, 2019)

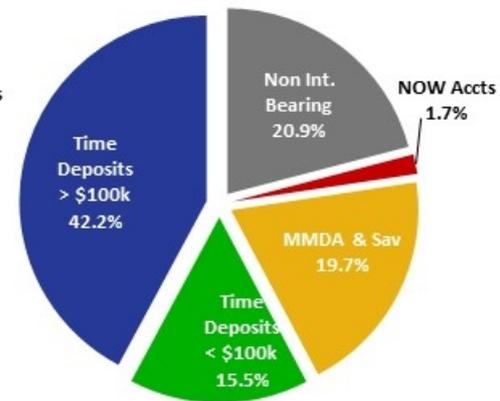
RBB



PGB



Pro Forma



Deposit Type	Composition	
	(\$000)	% of Total
Non Interest Bearing	480,951	21.1%
NOW & Other Transaction	23,495	1.0%
MMDA & Savings	438,952	19.2%
Time Deposits < \$100k	340,655	14.9%
Time Deposits > \$100k	996,602	43.8%
Total Deposits	\$2,280,655	100.0%

2Q19 Cost of Deposits: 1.62%
Loans / Deposits 103.8%

Deposit Type	Composition	
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Total Deposits	\$2,477,305	100.0%

2Q19 Cost of Deposits: 1.61%
Loans / Deposits 102.4%

Note: Regulatory data shown, does not include purchase accounting adjustments
Source: Company estimate, FIG Partners

Business Line Profile: 1-4 Single Family Residential Lending

As of June 30, 2019:

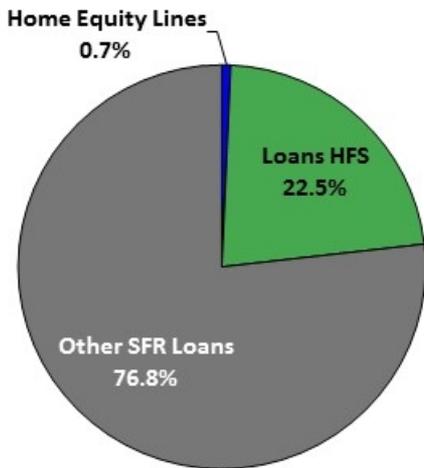
👑 Average: LTV of 53.4%; FICO score of 759; duration of approximately 5.23 years

👑 Average current start rates:

- 5.00% - 5.375%; 0% - 1% in points; reprices between 5 and 7 years to one-year LIBOR plus 2.75% -3.00%

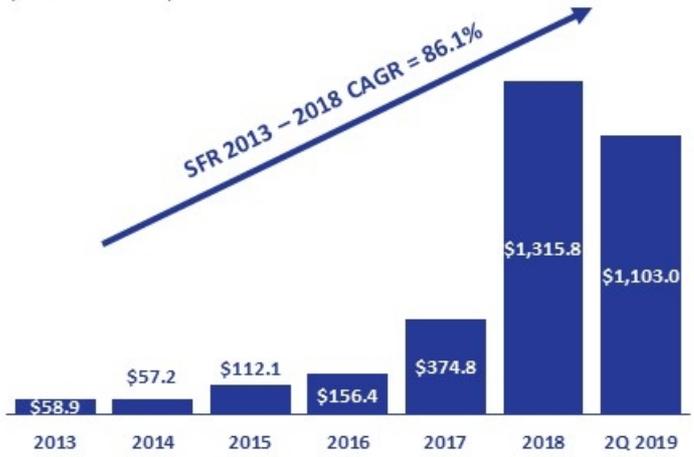
SFR Loans

\$1.1 billion



SFR Portfolio Growth

(Dollars in millions)

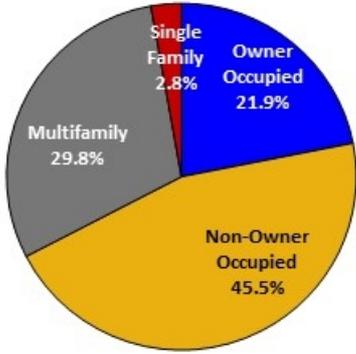


Business Line Profile: CRE Lending | C&D Lending

As of June 30, 2019:

CRE Loans

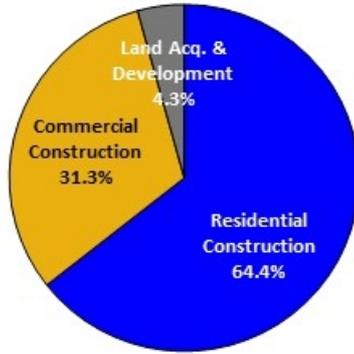
\$756.5 million



👑 ~19.8% fixed rate

C&D Loans

\$118.8 million



CRE and C&D Portfolio Growth

(Dollars in millions)

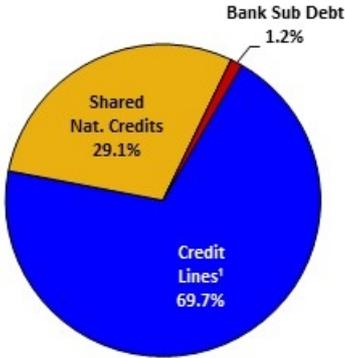


Business Line Profile: C&I Lending | SBA Lending

As of June 30, 2019:

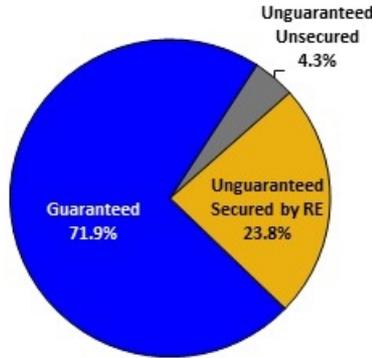
C&I Loans

\$283.9 million



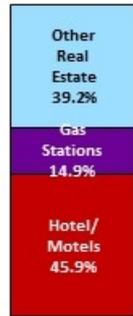
SBA Loans

\$79.5 million

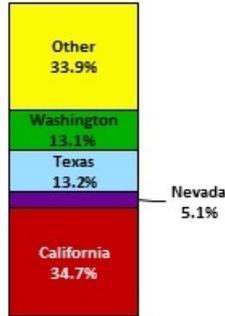


Unguaranteed SBA Loans:

By Business:



By Location:



C&I and SBA Portfolio Growth

(Dollars in millions)



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

Non-GAAP Reconciliation: Tangible Common Equity and Tangible Assets

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

<i>(Dollars in thousands, except per share data)</i>							
	2013	2014	As of and for the period ended		2017	2018	2Q 2019
			2015	2016			
Tangible Common Equity:							
Total Shareholders' Equity	\$137,992	\$151,981	\$163,645	\$181,585	\$265,176	\$374,621	\$393,820
Adjustments							
Goodwill	(4,001)	(4,001)	(4,001)	(29,940)	(29,940)	(58,383)	(58,383)
Core Deposit Intangible	(714)	(582)	(466)	(1,793)	(1,438)	(7,601)	(6,828)
Tangible Common Equity	\$133,277	\$147,398	\$159,178	\$149,852	\$233,798	\$308,637	\$328,609
Tangible Assets:							
Total Assets - GAAP	723,410	925,891	1,023,084	1,395,551	1,691,059	2,974,002	2,801,956
Adjustments							
Goodwill	(4,001)	(4,001)	(4,001)	(29,940)	(29,940)	(58,383)	(58,383)
Core Deposit Intangible	(714)	(582)	(466)	(1,793)	(1,438)	(7,601)	(6,828)
Tangible Assets	\$718,695	\$921,308	\$1,018,617	\$1,363,818	\$1,659,681	\$2,908,018	\$2,736,745
Common Shares Outstanding	12,547,201	12,720,659	12,770,571	12,827,803	15,908,893	20,000,022	20,077,524
Tangible Common Equity to Tangible Assets Ratio	18.54%	16.00%	15.63%	10.99%	14.09%	10.61%	12.01%
Tangible Book Value Per Share	\$10.62	\$11.59	\$12.46	\$11.68	\$14.70	\$15.43	\$16.37
Average Tangible Common Equity:							
Average Shareholders' Equity	\$124,103	\$145,781	\$157,615	\$172,140	\$218,717	\$296,869	\$390,574
Adjustments							
Goodwill	(2,804)	(4,001)	(4,001)	(25,167)	(29,940)	(58,383)	(58,383)
Core Deposit Intangible	(479)	(649)	(526)	(1,779)	(1,620)	(7,601)	(7,067)
Average Tangible Common Equity	\$120,820	\$141,131	\$153,088	\$145,194	\$187,157	\$230,885	\$325,124
Net Income Available to Common Shareholders	\$7,004	\$10,428	\$12,973	\$19,079	\$25,528	\$36,105	\$10,142
Return on Average Tangible Common Equity	5.80%	7.39%	8.47%	13.14%	13.64%	15.64%	12.51%

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)						
	2013	2014	As of the period ended		2018	2Q 2019	
	2015	2016	2017	2018	2019		
Core Deposits ¹	\$422,252	\$507,376	\$567,980	\$781,940	\$990,824	\$1,670,572	\$1,637,627
<u>Adjustments to Core Deposits</u>							
Time Deposits > \$250,000 Considered as Core Deposits ²	118,756	115,572	174,038	325,453	180,751	468,773	435,646
Less: Brokered Deposits Considered Non-Core	-	-	-	-	-	(113,832)	(134,989)
Less: Internet and Other Deposit Originator Deposits < \$250,000 Considered Non-Core ³	-	(44,562)	(21,418)	(30,971)	(29,467)	(18,286)	(17,198)
Less: Other Deposits Not Considered Core ⁴	-	-	(70,759)	(171,800)	(136,943)	(52,002)	(82,916)
Adjusted Core Deposits	\$541,008	\$578,386	\$649,841	\$904,622	\$1,005,165	\$1,955,225	\$1,838,170
Total Deposits	574,079	767,365	853,417	1,152,763	1,337,281	2,144,041	2,235,334
Adjusted Core Deposits to Total Deposits Ratio	94.24%	75.37%	76.15%	78.47%	75.16%	91.19%	82.23%

(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

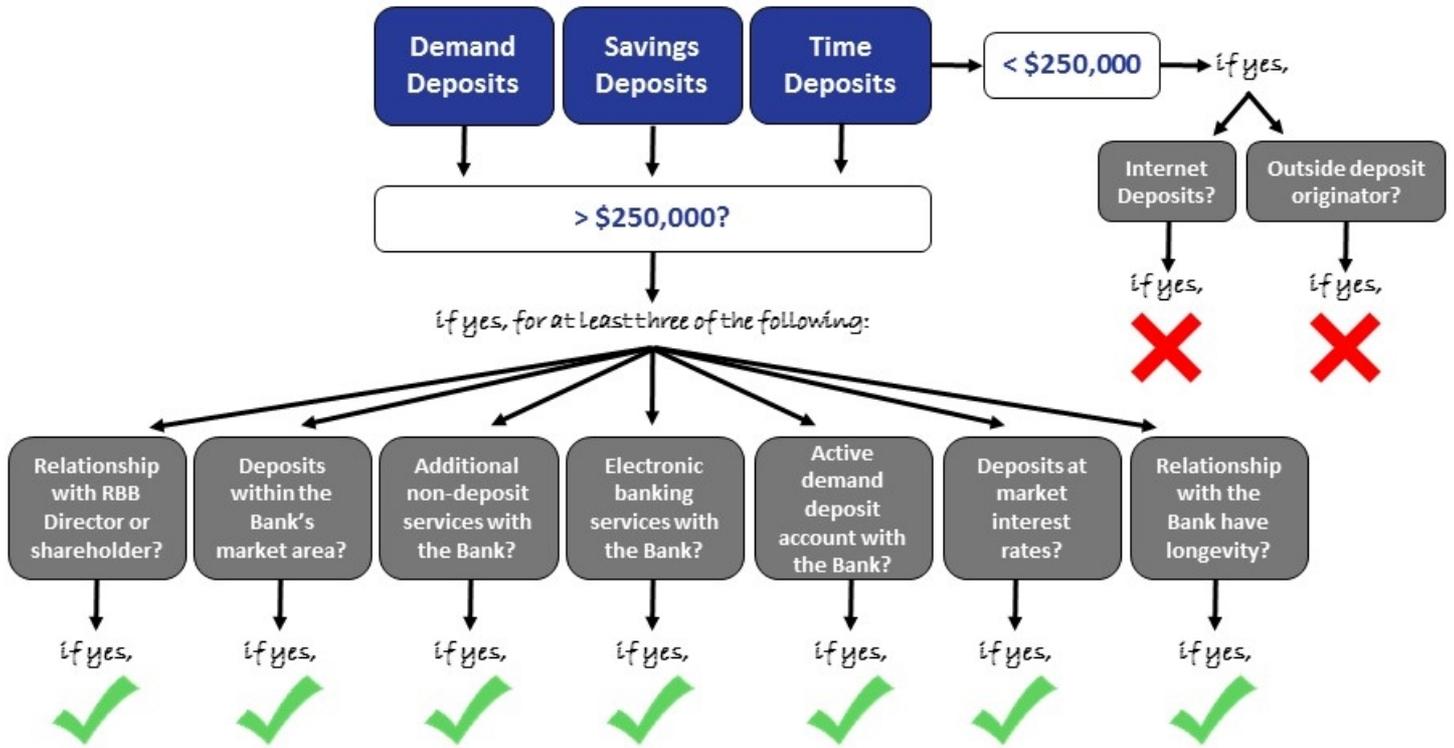
(3) Comprised of internet and outside deposit originator time deposits less than \$250,000 which are not considered to be core deposits

(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

How We Measure Core Deposits

👑 RBB reviews all deposits over \$250K on a quarterly basis

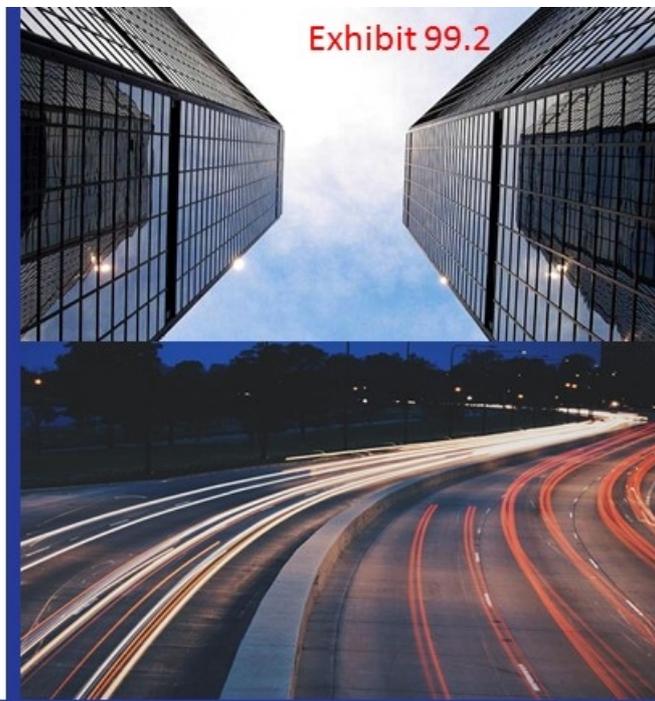
👑 Core deposits are traditionally defined as all deposits less time deposits greater than \$250K →
The Bank measures core deposits as:



Source: "Study on Core Deposits and Brokered Deposits, Submitted to Congress pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, FDIC, July 8, 2011": <https://www.fdic.gov/regulations/reform/coredeposit-study.pdf>



RBB BANCORP
皇佳商業金控



Strategic Acquisition of PGB Holdings, Inc.

September 2019

NASDAQ: RBB

Forward-Looking Statements

Certain matters set forth herein (including the exhibits hereto) constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including forward-looking statements relating to RBB's current business plans, its future financial position and operating results and RBB's expectations. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "prospects" or "potential," by future conditional verbs such as "will," "would," "should," "could" or "may", or by variations of such words or by similar expressions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties which change over time. Forward-looking statements speak only as of the date they are made and we assume no duty to update forward-looking statements.

These forward-looking statements are subject to risks and uncertainties that could cause actual results, performance and/or achievements to differ materially from those projected. These risks and uncertainties include, but are not limited to, local, regional, national and international economic and market conditions and events and the impact they may have on RBB, on our customers and our assets and liabilities; our ability to attract deposits and other sources of funding or liquidity; supply and demand for real estate and periodic deterioration in real estate prices and/or values in California, New York or other states where RBB lends, including both residential and commercial real estate; a prolonged slowdown or decline in real estate construction, sales or leasing activities; changes in the financial performance and/or condition of our borrowers, depositors or key vendors or counterparties; changes in our levels of delinquent loans, nonperforming assets, allowance for loan losses and charge-offs; the costs or effects of acquisitions or dispositions we may make, whether we are able to obtain any required governmental approvals in connection with any such acquisitions or dispositions, and/or RBB's ability to realize the contemplated financial or business benefits associated with any such acquisitions or dispositions; the effect of changes in laws, regulations and applicable judicial decisions (including laws, regulations and judicial decisions concerning financial reforms, taxes, banking capital levels, consumer, commercial or secured lending, securities and securities trading and hedging, compliance, employment, executive compensation, insurance, vendor management and information security) with which we and our subsidiaries must comply or believe we should comply; changes in estimates of future reserve requirements and minimum capital requirements based upon the periodic review thereof under relevant regulatory and accounting requirements, including changes in the Basel Committee framework establishing capital standards for credit, operations and market risk; inflation, interest rate, securities market and monetary fluctuations; changes in government interest rates or monetary policies; changes in the amount and availability of deposit insurance; cyber-security threats, including loss of system functionality or theft or loss of company or customer data or money; political instability; acts of war or terrorism, or natural disasters, such as earthquakes, drought, or the effects of pandemic diseases; the timely development and acceptance of new banking products and services and the perceived overall value of these products and services by our customers and potential customers; our relationships with and reliance upon vendors with respect to the operation of certain key internal and external systems and applications; changes in commercial or consumer spending, borrowing and savings preferences or behaviors; technological changes and the expanding use of technology in banking (including the adoption of mobile banking and funds transfer applications); the ability to retain and increase market share, retain and grow customers and control expenses; changes in the competitive and regulatory environment among financial and bank holding companies, banks and other financial service providers; volatility in the credit and equity markets and its effect on the general economy or local or regional business conditions; fluctuations in the price of the our common stock or other securities; and the resulting impact on our ability to raise capital or RBB's ability to make acquisitions, the effect of changes in accounting policies and practices, as may be adopted from time-to-time by our regulatory agencies, as well as by the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard-setters; changes in our organization, management, compensation and benefit plans, and our ability to retain or expand our workforce, management team and/or our board of directors; the costs and effects of legal, compliance and regulatory actions, changes and developments, including the initiation and resolution of legal proceedings (such as securities, consumer or employee class action litigation), regulatory or other governmental inquiries or investigations, and/or the results of regulatory examinations or reviews; our ongoing relations with our various federal and state regulators; our success at managing the risks involved in the foregoing items and all other factors set forth in RBB Bancorp's public reports filed with the Securities and Exchange Commission (the "SEC"), including its Annual Report on Form 10-K for the year ended December 31, 2018, and particularly the discussion of risk factors within that document applicable to RBB. In addition, the following risks related to the proposed transaction with PGB Holdings, Inc. in particular could cause actual results to differ materially from these forward-looking statements: ability to obtain regulatory approvals and meet other closing conditions to the proposed transaction, on the expected terms and schedule; delay in closing the transaction; difficulties and delays in integrating the RBB and Pacific Global Bank businesses or fully realizing cost savings and other benefits; business disruption following the proposed transaction. Any statements about future operating results, such as those concerning accretion and dilution to RBB's earnings or shareholders, are for illustrative purposes only, are not forecasts, and actual results may differ. RBB does not undertake, and specifically disclaim 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.

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



Transaction Highlights



+



Expands the RBB franchise to the Chicago market

- Gives RBB access to Chicago's Asian-American population of approximately 500,000

Enables Pacific Global to benefit from RBB's scale and efficiencies

- Enhances residential mortgage loan production platform
- Enables RBB to bring its C&I lending platform to the PGB customer base

Highly compatible merger partners

- Shared focus on Asian-American communities
- Complementary business models
- Strong residential mortgage loan production platforms
- Disciplined underwriting standards and commitment to strong asset quality

Compelling economics for RBB shareholders

- Accretive to earnings per share
- Tangible book value dilution earnback of approximately 3 years

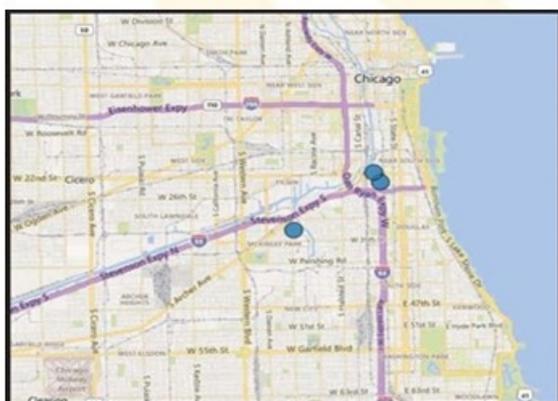
Positions RBB for continued profitable growth

- Sixth acquisition since 2011

Overview of PGB Holdings

Franchise Highlights (as of 6/30/19)

- Founded in 1995
- 3 full service branches principally serving Asian-American communities in Chicago
- Total assets of \$223.8 million
- 1-4 family residential loans comprise 83% of total loans
- 18.3% non-interest bearing deposits



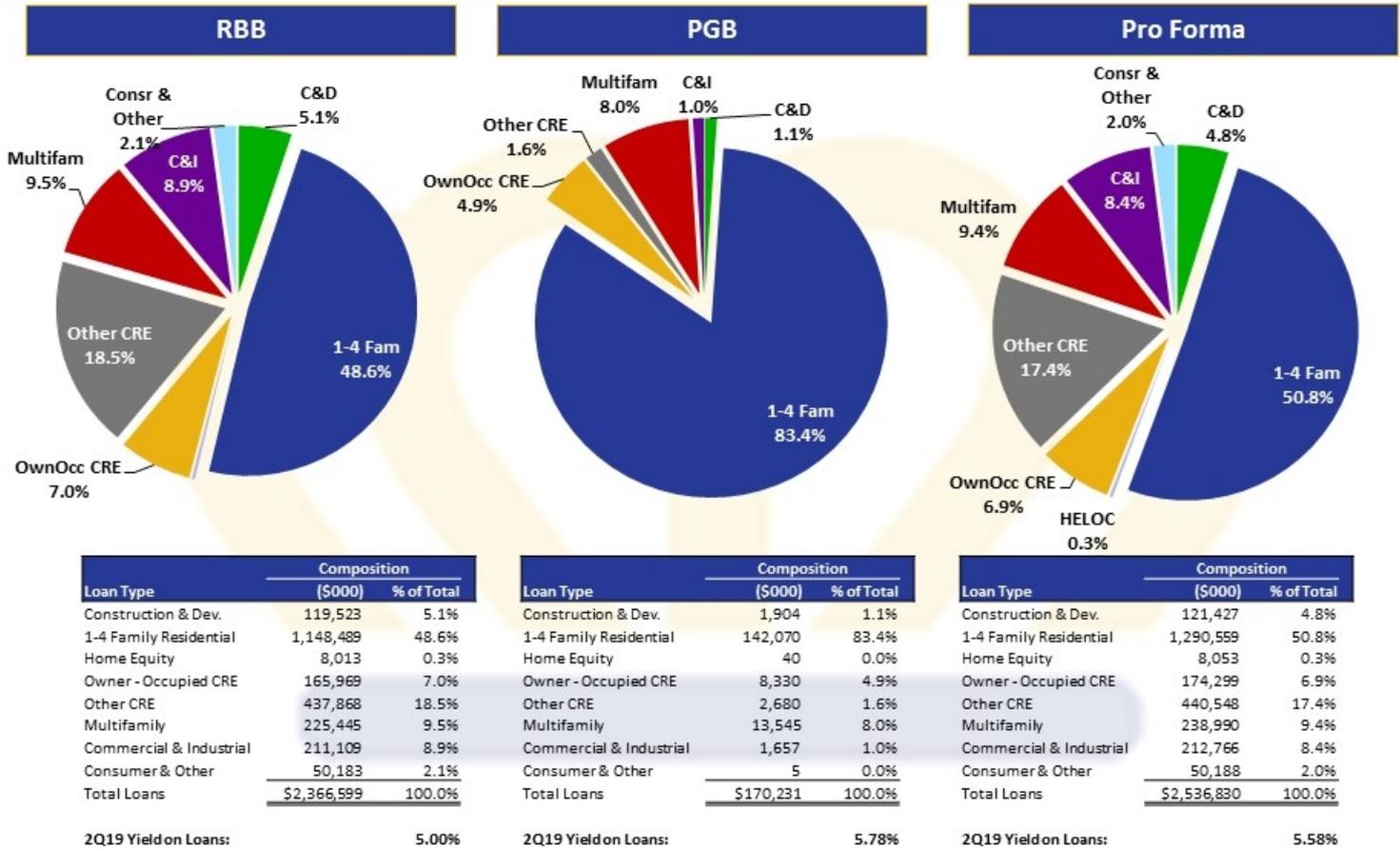
Financial Highlights

In \$000s	For the Twelve Months Ended			Quarter Ended
	12/31/16	12/31/17	12/31/18	6/30/19
Balance Sheet				
Total Assets	\$176,646	\$193,269	\$208,253	\$223,294
Total Loans	\$137,773	\$149,609	\$162,750	\$168,763
Total Deposits	\$156,204	\$172,070	\$183,380	\$196,650
Loans/Deposits	88.20%	86.95%	88.75%	85.82%
Capital				
Common Equity	\$19,384	\$20,607	\$22,965	\$24,483
Tangible Equity	\$19,384	\$20,607	\$22,965	\$24,483
Total Equity/Assets	10.97%	10.66%	11.03%	10.96%
Tang. Common Equity/Tang. Assets	10.97%	10.66%	11.03%	10.96%
Risk Based Capital	22.41%	21.48%	22.72%	22.78%
Tier 1 Capital	21.14%	20.21%	21.46%	21.52%
Leverage Ratio	10.93%	10.82%	11.21%	11.03%
Profitability Measures				
Net Interest Margin	4.18%	4.21%	4.18%	3.80%
Non Interest Income/Average Assets	0.27%	0.52%	0.61%	0.40%
Non Interest Expense/Average Assets	2.74%	2.62%	2.76%	2.44%
Efficiency Ratio	63.03%	57.60%	59.61%	60.19%
ROAA	0.90%	1.15%	1.47%	1.59%
ROAE	7.93%	10.52%	13.30%	12.90%
Net Income	\$1,543	\$2,135	\$2,881	\$878
Asset Quality				
NPAs/Assets	0.82%	0.54%	0.55%	0.20%
NPAs (excl TDRs)/Assets	0.66%	0.54%	0.55%	0.20%
NCOs/Avg Loans	0.50%	-0.01%	0.17%	-0.29%
Reserves/Loans	2.06%	1.91%	1.47%	1.33%
Reserves/NPAs	195.93%	274.40%	209.83%	493.82%

Transaction Overview

- 👑 Acquisition consideration of \$32.5 million, all cash
- 👑 Price / tangible book: 1.70x as of June 30, 2019, and 1.66x estimated at close
- 👑 Transaction includes two owned branches with an estimated fair market value of \$2 million greater than book value
- 👑 Price / EPS (LTM): 10.0x
- 👑 Core deposit premium: 9.1%
- 👑 Closing expected in the first quarter of 2020

Pro Forma Loan Portfolio (as of June 30, 2019)



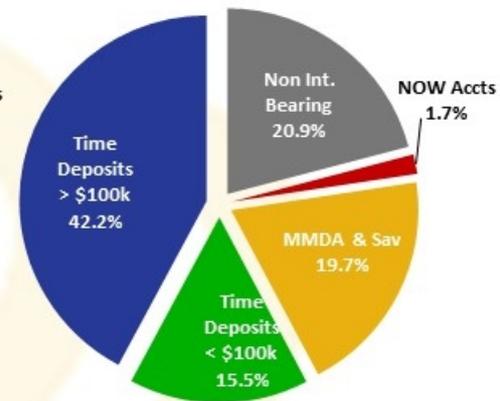
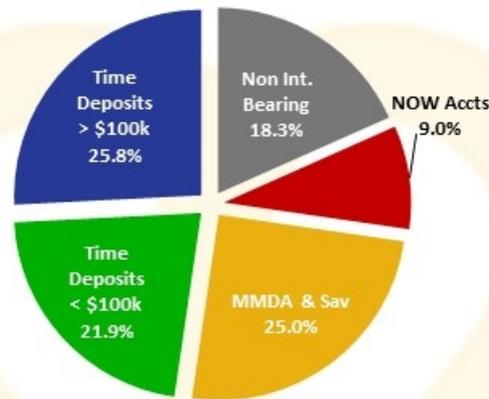
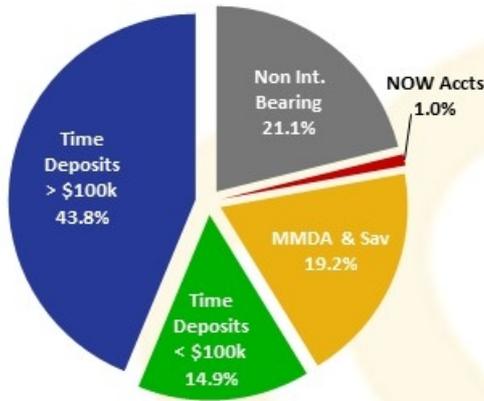
Note: Regulatory data shown, does not include purchase accounting adjustments
 Source: Company estimates, FIG Partners

Pro Forma Deposit Mix (as of June 30, 2019)

RBB

PGB

Pro Forma



Deposit Type	Composition	
	(\$000)	% of Total
Non Interest Bearing	480,951	21.1%
NOW & Other Transaction	23,495	1.0%
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2Q19 Cost of Deposits: 1.61%
Loans / Deposits 102.4%

Note: Regulatory data shown, does not include purchase accounting adjustments
Source: Company estimate, FIG Partners

Transaction Assumptions and Pro Forma Impacts

Accretion/Dilution

- 2020 EPS accretion is expected to be in the high single digit range ⁽¹⁾
- TBV Dilution / Share: 3.9%
- TBV Dilution Earnback: 3.3 years⁽²⁾

Pro Forma Capital Ratios

- TCE/TA: 9.69%
- Leverage Ratio: 10.60%
- Total RBC Ratio: 16.24%

Transaction Assumptions

- Estimated cost savings of 30% of PGB's non-interest expense, phased-in during 2020
- Loan mark of 1.5%, or \$2.6 million
- CDI of approximately 1.25%
- Pre-tax one-time merger-related expenses of approximately \$3.0 million

1) Based on street consensus for 2020

2) Based on the cross-over methodology



Press Release
For Immediate Release

Contacts:
Yee Phong (Alan) Thian
Chairman, President and CEO
(626) 307-7559
David Morris
Executive Vice President and CFO
(714) 670-2488

RBB Bancorp Announces Plan to Acquire Chicago-based Pacific Global Bank
Acquisition Will Mark RBB's Entrance Into the Attractive Chicago Market

Key Highlights of the Proposed Transaction:

- *Provides RBB with an initial foothold in the Chicago market*
- *Accretive to EPS with a short tangible book value dilution payback period*
- *Highly compatible business model and shared credit culture*

Los Angeles, CA, September 6, 2019 – RBB Bancorp (NASDAQ:RBB) and its subsidiaries, Royal Business Bank and RBB Asset Management Company (collectively referred to herein as “RBB” or the “Company”), announced today that it has entered into a definitive merger agreement with PGB Holdings, Inc. and its wholly-owned subsidiary Pacific Global Bank (collectively referred to herein as “Pacific Global Bank” or “PGB”), whereby RBB will acquire PGB in a cash transaction valued at approximately \$32.5 million. PGB owns two of its three branches with an estimated fair market value of approximately \$2 million in excess of book value.

Pacific Global Bank, a commercial bank based in Chicago, IL, had total assets of \$223.3 million, total gross loans of \$168.8 million, and total deposits of \$196.7 million as of June 30, 2019. Principally serving the Chinese-American communities in Chicago, Pacific Global Bank has three branches located in the Chicago neighborhoods of Chinatown and Bridgeport, offering consumer and business banking and loan products and services.

“We are very pleased to announce this transaction with Pacific Global Bank, which enables us to expand the RBB franchise to the attractive Chicago market and serve its large community of Asian-Americans,” said Mr. Alan Thian, Chairman, President and CEO of RBB Bancorp. “Pacific Global is an excellent cultural fit with RBB, as we have complementary business models, strong residential mortgage loan production platforms, and a focus on the Chinese-American market. On a pro forma basis, the addition of Pacific Global will enable RBB to surpass \$3.0 billion in total assets and provide additional scale that we believe will enhance our overall efficiencies and improve our level of profitability.”

Mr. Thian added, “We are excited to be entering the Chicago market and intend to open two new branches in metro Chicago next year. We believe that this transaction will position us well for continued growth of the RBB franchise and the creation of value for our shareholders in the years ahead.”

“We are very excited to be joining the RBB family,” said Ms. Betty Chow, Founder and Chief Executive Officer of PGB. “RBB’s focus on high engagement client service, disciplined underwriting standards, strong asset quality and commitment to employee development aligns well with Pacific Global’s culture and provides me great confidence for the future of the combined organization.”

Transaction Details

Under the terms of the definitive agreement, RBB will pay to PGB shareholders approximately \$32.5 million in cash. RBB expects the transaction to be accretive to earnings per share in 2020 in the high single digit range. RBB also expects to incur tangible book value per share dilution of approximately 3.9% upon closing of the transaction, with a tangible book value dilution payback period of approximately 3.3 years. The earnings per share accretion estimates are based on estimated cost savings of approximately 30% of PGB’s non-interest expense, with the cost savings phased in during 2020. The earnings per share accretion estimates do not include any assumption of revenue synergies. The transaction is expected to close in early first quarter of 2020 and is subject to the Company obtaining all of the regulatory approvals as well as other customary closing conditions.

The Findley Group is serving as financial advisor to RBB and Loren P. Hansen, APC is acting as RBB’s legal counsel. Janney Montgomery Scott LLC is serving as financial advisor to PGB and Barack Ferrazzano Kirschbaum & Nagelberg LLP is acting as PGB’s legal counsel.

About RBB Bancorp

RBB Bancorp is a community-based financial holding company headquartered in Los Angeles, California. The Company has total assets of \$2.8 billion as of June 30, 2019. Its wholly-owned subsidiary, Royal Business Bank, is a full service commercial bank, which provides business banking services to the Chinese-American communities in Los Angeles County, Orange County and Ventura County in California, in Las Vegas, Nevada, and in Brooklyn, Queens, and Manhattan in New York City. 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 ten branches in Los Angeles County, two branches in Ventura County, one branch in Irvine, California, one branch in Las Vegas, Nevada, and nine branches and two loan offices in Brooklyn, Queens and Manhattan in New York. The Company’s administrative and lending center is located at 1055 Wilshire Blvd., Los Angeles, California 90017, and its finance and operations center is located at 7025 Orangethorpe Avenue, Buena Park, California 90621. The Company’s website address is www.royalbusinessbankusa.com.

Forward-Looking Statements

Certain matters set forth herein (including the exhibits hereto) constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including forward-looking statements relating to RBB's current business plans, its future financial position and operating results and RBB's and PGB's expectations. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "prospects" or "potential," by future conditional verbs such as "will," "would," "should," "could" or "may", or by variations of such words or by similar expressions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties which change over time. Forward-looking statements speak only as of the date they are made and we assume no duty to update forward-looking statements.

These forward-looking statements are subject to risks and uncertainties that could cause actual results, performance and/or achievements to differ materially from those projected. These risks and uncertainties include, but are not limited to, local, regional, national and international economic and market conditions and events and the impact they may have on RBB and/or PGB, on our customers and our assets and liabilities; our ability to attract deposits and other sources of funding or liquidity; supply and demand for real estate and periodic deterioration in real estate prices and/or values in California, Illinois or other states where RBB or PGB lends, including both residential and commercial real estate; a prolonged slowdown or decline in real estate construction, sales or leasing activities; changes in the financial performance and/or condition of our borrowers, depositors or key vendors or counterparties; changes in our levels of delinquent loans, nonperforming assets, allowance for loan losses and charge-offs; the costs or effects of acquisitions or dispositions we may make, whether we are able to obtain any required governmental approvals in connection with any such acquisitions or dispositions, and/or RBB's ability to realize the contemplated financial or business benefits associated with any such acquisitions or dispositions; the effect of changes in laws, regulations and applicable judicial decisions (including laws, regulations and judicial decisions concerning financial reforms, taxes, banking capital levels, consumer, commercial or secured lending, securities and securities trading and hedging, compliance, employment, executive compensation, insurance, vendor management and information security) with which we and our subsidiaries must comply or believe we should comply; changes in estimates of future reserve requirements and minimum capital requirements based upon the periodic review thereof under relevant regulatory and accounting requirements, including changes in the Basel Committee framework establishing capital standards for credit, operations and market risk; inflation, interest rate, securities market and monetary fluctuations; changes in government interest rates or monetary policies; changes in the amount and availability of deposit insurance; cyber-security threats, including loss of system functionality or theft or loss of company or customer data or money; political instability; acts of war or terrorism, or natural disasters, such as earthquakes, drought, or the effects of pandemic diseases; the timely development and acceptance of new banking products and services and the perceived overall value of these products and services by our customers and potential customers; our relationships with and reliance upon vendors with respect to the operation of certain key internal and external systems and applications; changes in commercial or consumer spending, borrowing and savings preferences or behaviors; technological changes and the expanding use of technology in banking (including the adoption of mobile banking and funds transfer applications); the ability to retain and increase market share, retain and grow customers and control expenses; changes in the competitive and regulatory environment among financial and bank holding companies, banks and other financial service providers; volatility in the credit and equity markets and its effect on the general economy or local or regional business conditions; fluctuations in the price of the our common stock or other securities; and the resulting impact on our ability to raise capital or RBB's ability to make acquisitions, the effect of changes in accounting policies and practices, as may be adopted from time-to-time by our regulatory agencies, as well as by the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard-setters; changes in our organization, management, compensation and benefit plans, and our ability to retain or expand our

workforce, management team and/or our board of directors; the costs and effects of legal, compliance and regulatory actions, changes and developments, including the initiation and resolution of legal proceedings (such as securities, consumer or employee class action litigation), regulatory or other governmental inquiries or investigations, and/or the results of regulatory examinations or reviews; our ongoing relations with our various federal and state regulators; our success at managing the risks involved in the foregoing items and all other factors set forth in RBB Bancorp's public reports filed with the Securities and Exchange Commission (the "SEC"), including its Annual Report on Form 10-K for the year ended December 31, 2018, and particularly the discussion of risk factors within that document applicable to RBB. In addition, the following risks related to the transaction in particular could cause actual results to differ materially from these forward-looking statements: ability to obtain regulatory approvals and meet other closing conditions to the merger, including approval by PGB shareholders, on the expected terms and schedule; delay in closing the merger; difficulties and delays in integrating the RBB and PGB businesses or fully realizing cost savings and other benefits; business disruption following the proposed transaction. Any statements about future operating results, such as those concerning accretion and dilution to RBB's earnings or shareholders, are for illustrative purposes only, are not forecasts, and actual results may differ. RBB 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.

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



PGB HOLDINGS, INC.

2323 SOUTH WENTWORTH AVENUE
CHICAGO, ILLINOIS 60616

September 6, 2019

Dear Stockholder,

We are pleased to announce that on Thursday, September 5, 2019, we entered into a merger agreement with RBB Bancorp that provides for the acquisition of PGB Holdings, Inc. by RBB, and the merger of Pacific Global Bank into RBB's bank subsidiary, Royal Business Bank. For your reference, enclosed is the press release issued by RBB concerning this transaction.

Pursuant to our agreement with RBB, at the closing of this transaction, our stockholders will receive cash in exchange for their shares of PGB stock, and all of Pacific Global Bank's offices will become full service branches of Royal Business Bank. Although the amount to be paid to our stockholders is subject to possible adjustment, we expect the total purchase price for PGB to be approximately \$32.5 million.

This transaction is the result of several months of negotiation after our board of directors determined that RBB provided the best strategic opportunity for our stockholders. Our reasons for pursuing the merger and a complete description of the proposed merger and its terms will be included in a proxy statement that we expect to mail to stockholders in the fourth quarter of this year.

The transaction with RBB is subject to approval by banking regulators and certain closing conditions, including the approval of our stockholders. We expect these conditions to be satisfied by the end of this year and expect to close this transaction early in the first quarter of 2020.

Please do not hesitate to contact me if you have any questions. Thank you for your continued support.

For the board of directors,

/s/ Betty Chow

Betty Chow
Chief Executive Officer

Enclosure

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