



**Investor Presentation**

**Q4 2022**

**NASDAQ: BCML**

# Presentation Disclosure

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There are a number of important factors that could cause future results to differ materially from historical performance and these forward-looking statements. Factors which could cause actual results to differ materially from the results anticipated or implied by our forward-looking statements include, but are not limited to, potential adverse impacts to economic conditions in the Company’s local market areas, other markets where the Company has lending relationships, or other aspects of the Company’s business operations or financial markets, generally, resulting from the COVID-19 pandemic and any governmental or societal responses thereto; expected revenues, cost savings, synergies and other benefits from our recent acquisitions of Pacific Enterprise Bancorp might not be realized within the expected time frames or at all and costs or difficulties relating to integration matters, including but not limited to customer and employee retention, might be greater than expected; future acquisitions by the Company of other depository institutions or lines of business; fluctuations in interest rates; the risks of lending and investing activities, including changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for loan losses; changes in economic conditions in general and in California, Colorado, New Mexico and Washington specifically, including as a result of employment levels and labor shortages, and the effects of inflation, a potential recession or slowed economic growth caused by increasing oil prices and supply chain disruptions; the Company’s ability to access cost-effective funding; fluctuations in real estate values and both residential and commercial real estate market conditions; demand for loans and deposits in the Company’s market area; increased competitive pressures; changes in management’s business strategies; and other factors described in the Company’s latest Annual Report on Form 10-K and Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission (“SEC”) that are available on our website at [www.unitedbusinessbank.com](http://www.unitedbusinessbank.com) and on the SEC’s website at [www.sec.gov](http://www.sec.gov).

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## **Non-GAAP Financial Measures**

This presentation contains certain financial information determined by methods other than in accordance with accounting principles generally accepted in the United States (“GAAP”). These non-GAAP financial measures include “Tangible Book Value Per Share,” and “Tangible Common Equity.” The Company believes that these non-GAAP financial measures are important to many investors who are interested in changes from period to period in book value per common share exclusive of changes in intangible assets. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures. Because not all companies use the same calculation of “Tangible Book Value Per Share,” and “Tangible Common Equity,” this presentation may not be comparable to other similarly titled measures as calculated by other companies.

# BayCom Corp – Who we are

## Overview

- ❑ **BayCom Corp is the bank holding company for United Business Bank, the “Bank”**
  - **Founded in 2004 and headquartered in Walnut Creek, California**
  - **Full service commercially-oriented community bank**
  - **Serves small and mid-sized businesses, professionals and individuals**
- ❑ **34 full-service branches**
  - **8 branches in the San Francisco Bay Area**
  - **5 branches in the Los Angeles Area**
  - **3 branches in California’s Central Valley**
  - **2 branches in Seattle, Washington**
  - **5 branches in New Mexico**
    - **1 in Albuquerque**
    - **4 South of Albuquerque**
  - **11 branches in Colorado**
- ❑ **Ten successful whole bank acquisitions completed since 2010**
- ❑ **Pacific Enterprise Bancorp acquired in February, 2022**

## Financial Highlights

Description	Baycom	Baycom	Baycom
	3 Mo Ended 31-Dec 2022	12 Mo Ended 31-Dec 2022	12 Mo Ended Dec 31, 2021
(Dollars and shares in thousands, except per share data)			
Net Income	\$ 8,053	\$ 26,987	\$ 20,691
Diluted Earnings Per Share	\$ 0.62	\$ 2.06	\$ 1.90
Average Shares Outstanding	12,961	13,124	10,882
Return on Average Assets <sup>1</sup>	1.28%	1.03%	0.89%
Return on Average Equity <sup>1</sup>	10.15%	8.50%	8.06%
Yield on Earning Assets <sup>1</sup>	4.91%	4.31%	3.74%
Cost of Interest-Bearing Liabilities <sup>1</sup>	0.89%	0.70%	0.67%
Net Interest Margin <sup>1</sup>	4.40%	3.90%	3.34%
Efficiency Ratio	58.29%	61.40%	65.57%
Non Performing Loans / Total Loans	0.75%	0.75%	0.41%
Nonperforming Assets / Total Assets <sup>2</sup>	0.61%	0.61%	0.29%

(1) Annualized.

(2) Nonperforming assets consists of non-accruing loans and other real estate owned.

# Company Strengths

- ❑ Seasoned and talented management team who founded and led the Company since 2004
- ❑ Disciplined acquisition strategy and proven track record of integrating banks
  - The Company recorded bargain purchase gains in four of its ten completed acquisitions with the other six having tangible book value pay back periods of 3 years or less
  - Company is well-positioned for future M&A
  - Acquisition focus is on the Western region of the United States
- ❑ Strong core performance metrics creates potential for future shareholder appreciation
- ❑ Efficient and scalable platform with capacity to support growth
- ❑ Attractive metropolitan markets (SF Bay Area, Los Angeles, Seattle, Albuquerque, Denver) with favorable demographics and strong local economies
  - Footprint allows for ample fill-in opportunities
  - Pacific Enterprise Bancorp acquisition increased our Southern California presence
- ❑ Strong asset quality metrics since inception
- ❑ Experience in system and operational integration

# Experienced Leadership Team

Name / Title	Experience	Background
<b>George J. Guarini</b> President & Chief Executive Officer	34 years Founding CEO 18 years with UBB	<ul style="list-style-type: none"> <li>• President and Chief Executive Officer since the Bank began operations in 2004</li> <li>• Held key executive and senior level management positions with national and regional institutions</li> <li>• Successfully resolved significant loan portfolio weakness at two other financial institutions</li> </ul>
<b>Janet L. King</b> Senior Executive Vice President & Chief Operating Officer	33 years Founding COO 18 years with UBB	<ul style="list-style-type: none"> <li>• Senior Executive Vice President and Chief Operating Officer since the Bank's inception in 2004</li> <li>• Formerly Chief Branch Administrator at Circle Bank from 1999 - 2004 where she was responsible for all aspects of operations</li> <li>• Served as Vice President of Operations for Valencia Bank &amp; Trust from 1987 - 1998</li> <li>• Appointed to the Board of Directors in 2022</li> </ul>
<b>Keary L. Colwell</b> Senior Executive Vice President & Chief Financial Officer & Corporate Secretary	32 years Founding CFO 18 years with UBB	<ul style="list-style-type: none"> <li>• Senior Executive Vice President, Chief Administrative Officer, Chief Financial Officer, and Corporate Secretary since inception in 2004</li> <li>• Instrumental in the successful turn-around of a Bay Area bank in the 1990s</li> <li>• Appointed to the Board of Directors in 2022</li> </ul>
<b>Rick Pak</b> Executive Vice President & Chief Lending Officer	34 years 6 years with UBB	<ul style="list-style-type: none"> <li>• Joined the Bank in September, 2016 - promoted to CLO in January, 2019</li> <li>• Previously served in various positions at Wells Fargo, Citibank, and other banks and credit unions</li> <li>• Expertise in SBA, USDA, agricultural and Commercial lending</li> </ul>
<b>Terry Curley</b> Executive Vice President & Chief Credit Officer; and Director Labor Services Division	27 years 5 years with UBB	<ul style="list-style-type: none"> <li>• Joined the Bank in April, 2017 when the Company acquired United Business Bank, FSB</li> <li>• At United Business Bank, FSB she served as EVP/Chief Credit Officer from 2012 to 2017</li> <li>• Executive in-charge of Labor Services Division since 2017</li> <li>• Appointed CCO in 2021</li> </ul>

# Disciplined Acquisition Strategy

- ❑ Strategic consolidation of community banks
  - Provides scale and operating efficiencies
  - Adds experienced and knowledgeable banking talent
  - Opportunity to improve concentration ratios
  - Opportunity to reduce cost of funds
  - Geographic diversification
  - Adds portfolios of seasoned loans
  
- ❑ Maintain disciplined approach
  - Increase low-cost deposits
  - Expand market area served
  - Enhance noninterest income
  
- ❑ Enhance the performance of acquired banks
  - Developed core competency evaluating, structuring, acquiring and integrating target banks
  
- ❑ Target markets – Selected Western States
  - California
  - Colorado
  - Nevada
  - New Mexico
  - Oregon
  - Washington
  
- ❑ Size Criteria
  - Banks with assets between \$100 million and \$1.5 billion
  
- ❑ There are 193 banks within our target markets that meet our size criteria

Headquarters of Potential Acquisition Opportunities



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- Banks \$1B - \$1.5B
- Banks \$500M to \$1B
- Banks \$100M to \$500M

	Total Banks	Median Asset Size
Banks \$100M-\$500M	116	\$261,394
Banks \$500M-\$1B	57	\$665,024
Banks \$1B-\$1.5B	20	\$1,208,693

# Key Highlights of Current Markets:

## Bay Area, California

- Part of the San Francisco-Oakland-Hayward MSA and the San-Jose-Sunnyvale-Santa Clara MSA. Population of 4.7 million and a median household income of \$114,696 versus a national average of \$67,521
- Part of the San Jose-Sunnyvale-Santa Clara MSA. Population of 2 million and a median household income of \$130,865.

## Los Angeles County, California

- Largest MSA in California with over 13 million residents in the MSA; the second largest MSA in the United States
- Greater Los Angeles Market area ranked as 18<sup>th</sup> largest economy in the world with an estimated gross domestic product of about \$1 trillion

## Seattle, Washington

- The Seattle-Tacoma-Bellevue MSA is the largest MSA in Washington, covers approximately 2,100 square miles
- Population of 4.0 million with a median household income of \$94,027
- Strong economic base, with several large employers such as Amazon, Microsoft, Starbucks, and Boeing

## Central Valley, California

- We serve the Sacramento-Roseville-Arden-Arcade MSA through one branch office
  - Population of approximately 2.4 million, is home to the state capital, median household income of \$76,706.
- The Stockton-Lodi MSA in Central California is home to two branches
  - Population of 0.8 million and a median household income of \$68,997
  - The area has a diverse industry mix, including agriculture, e-fulfillment centers, advanced manufacturing, data centers/call centers, and service industries

## Albuquerque, New Mexico

- Albuquerque MSA is the largest MSA in New Mexico. It has a population of 0.6 million and a median household income of \$58,512
- Strong economic base, housing large employers such as Honeywell, SCHOTT Solar, and Intel Corp

## Denver, Colorado

- The Metro Denver-Aurora-Lakewood, CO area has a population of 3.0 million, is home to the state capital, and enjoys a median household income of \$85,641.

# Recent Acquisitions

	Pacific Enterprise Bancorp		Grand Mountain Bancshares
Assets <sup>1</sup>	\$446,135		\$130,593
Deposits <sup>1</sup>	\$376,685		\$117,376
Purchase Price <sup>1</sup>	\$64,415		\$13,886
Consideration	Stock		Cash
Price/LTM EPS <sup>2</sup>	9.6x		45.1x
Price/TBV <sup>3</sup>	104.5%		126.2%
EPS Accretion <sup>3</sup>	6.8%		5.9%
Initial TBV Accretion(Dilution) <sup>2</sup>	0.4%		(2.2%)
TBV Earn-back <sup>4</sup>	Immediate		2.7 Years
Assumed Cost Saves	30%		35%

(1) Computed as of close of merger.

(2) For the first full calendar year after close. Based on BayCom consensus estimates and internal projections for each target.

(3) Using the cross-over method.

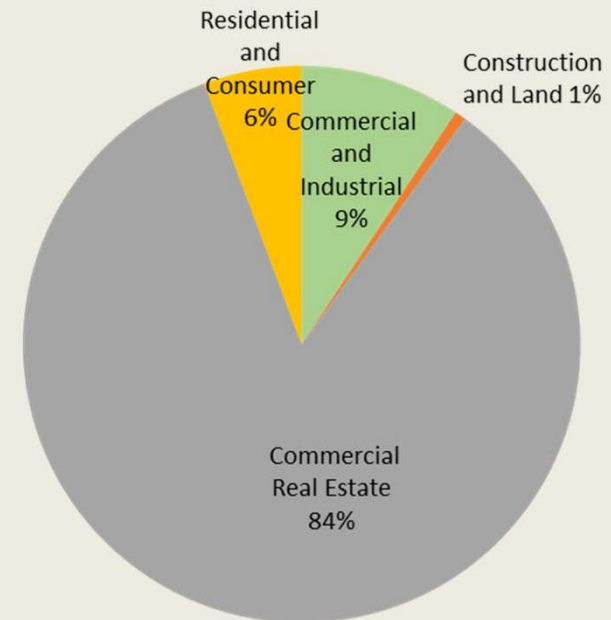
# Loan Portfolio

- ❑ \$2.0 billion total loans (excluding loans held for sale)
- ❑ Approximately 34% of the loan portfolio is from the San Francisco Bay Area
- ❑ Average yield on total loans was 5.12% for Q4 2022
- ❑ SBA Preferred Lender
  - \$34.0 million of SBA loans (guaranteed portion) were sold which generated \$2.7 million of gain on sale of loans during 2022.

Description	As of December 31, 2022	As of December 31, 2021
(Dollars in thousands)		
Loan Type Schedule		
Commercial & Industrial	\$ 188,538	\$ 230,177
Construction and land	13,163	13,371
Commercial Real Estate	1,704,716	1,299,684
1-4 Unit Residential	110,606	118,423
Consumer	<u>4,183</u>	<u>5,138</u>
Total loans	2,021,206	1,666,793
Net deferred loan fees	(82)	(1,903)
Allowance for loan and lease losses	<u>(18,900)</u>	<u>(17,700)</u>
Net Loans	<u>\$ 2,002,224</u>	<u>\$ 1,647,190</u>

Note: Data as of December 31, 2022

**Loan Portfolio By Type as of Dec. 31, 2022**



**Loan Portfolio By Grade**

Description	As of Dec. 31, 2022
(Dollars in thousands)	
Pass	\$ 1,936,916
Special Mention	63,935
Substandard	20,355
Doubtful	-
Total	<u>\$ 2,021,206</u>

# Allowance for Loan and Lease Losses

- ❑ \$18.9 million total allowance for loans and leases
- ❑ 0.61% = Nonperforming assets / total assets
- ❑ 0.75% = Nonperforming loans / total loans
- ❑ \$20.4 million = classified assets
- ❑ 0.94% = Allowance of loan and lease losses / total loans

Description	Commercial and Industrial	Construction and land	Commercial Real Estate	Residential Real Estate	Consumer	Total
(Dollars in thousands)						
Twelve Months Ended Dec. 31, 2022						
Allowance for loan losses						
Beginning balance	\$ 3,261	\$ 175	\$ 12,709	\$ 1,536	\$ 19	\$ 17,700
Charge-offs	(3,643)	-	(1)	(6)	(6)	(3,656)
Recoveries	409	-	-	6	-	415
Provision for loan losses	<u>2,858</u>	<u>(107)</u>	<u>1,477</u>	<u>206</u>	<u>7</u>	<u>4,441</u>
Ending balances	<u>\$ 2,885</u>	<u>\$ 68</u>	<u>\$ 14,185</u>	<u>\$ 1,742</u>	<u>\$ 20</u>	<u>\$ 18,900</u>

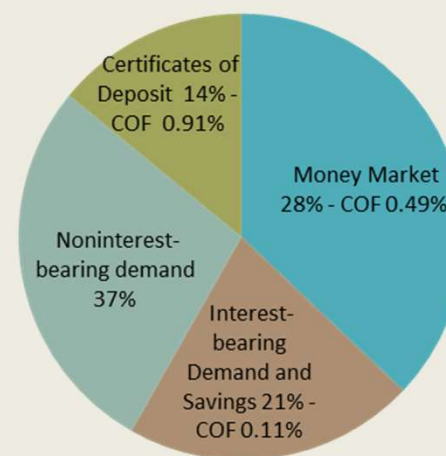
Note: Data is as of or for the twelve months ended December 31, 2022

# Deposit Portfolio Summary

At December 31, 2022:

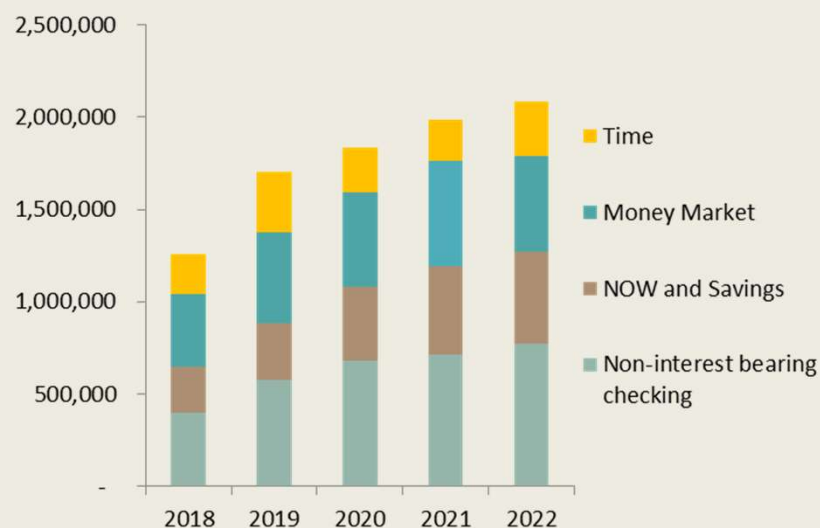
- ❑ \$2.1 billion total deposits
- ❑ Noninterest-bearing demand represents 37% of total deposits
- ❑ Interest bearing demand, savings and money market accounts represent 49% of total deposits
- ❑ Time deposits represent 14% of total deposits

## Deposit Composition as of Dec. 31, 2022



## Deposit Growth

(\$ in thousands)



## Deposits by Type as of Dec. 31, 2022

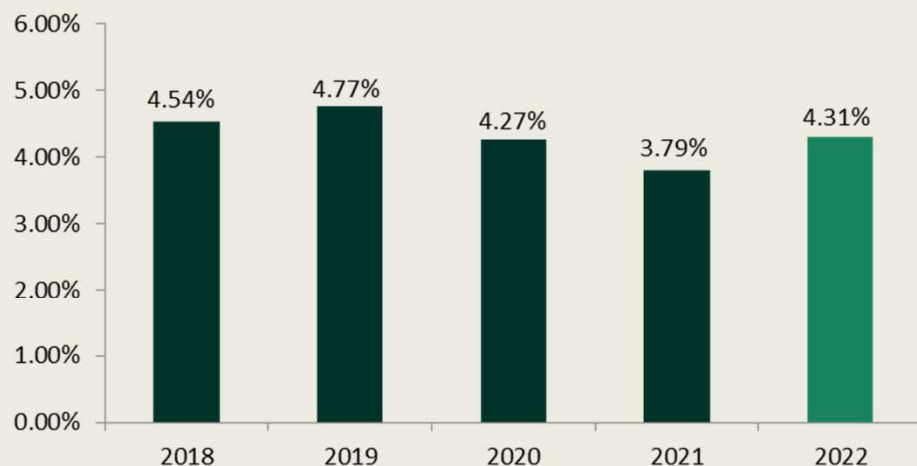
(Dollars in thousands)

Noninterest-bearing demand	\$ 773,274
Interest-bearing Demand and Savings	441,064
Money Market	577,792
Certificates of Deposit	<u>293,349</u>
<b>Total Deposits</b>	<b><u><u>2,085,479</u></u></b>
Cost of Interest Bearing Deposits	0.44%
Net Interest Margin	3.90%
Net Interest Spread - average during the period	3.61%

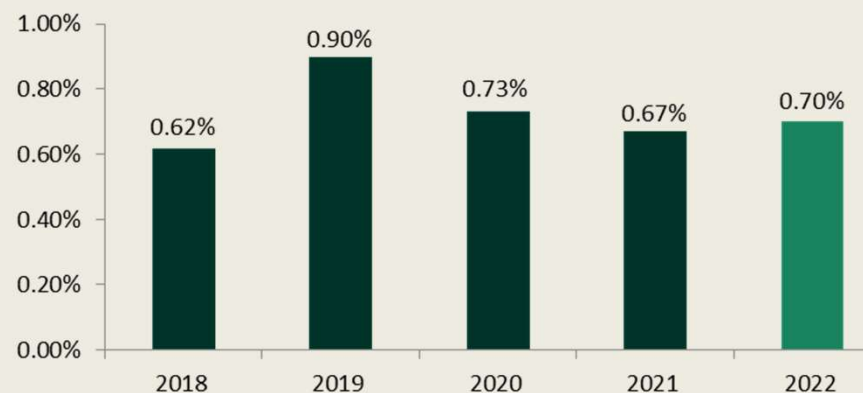
Note: Data is annual data as of or for the year ended December 31 of each respective year.

# Attractive Net Interest Spread

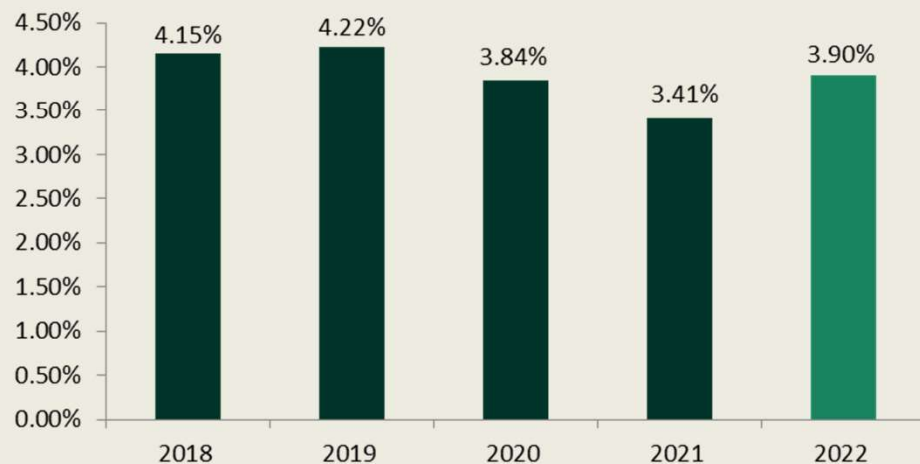
## Yield on Interest Earning Assets



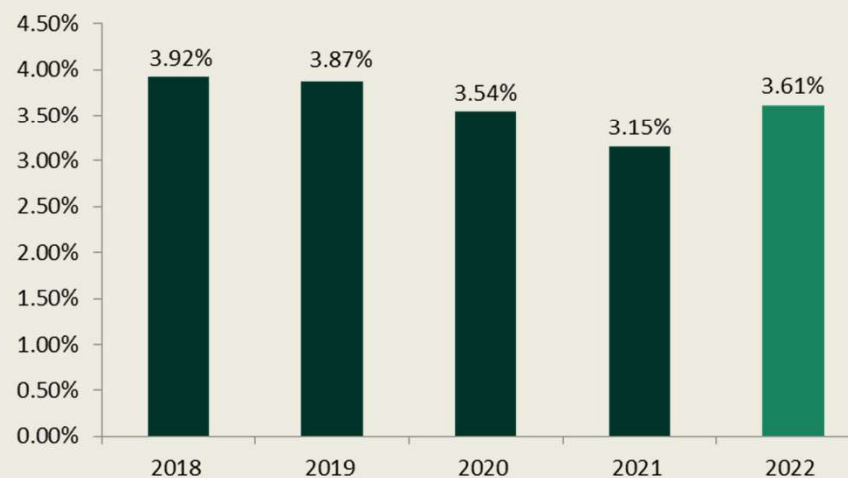
## Cost of Average Interest-Bearing Liabilities



## Net Interest Margin

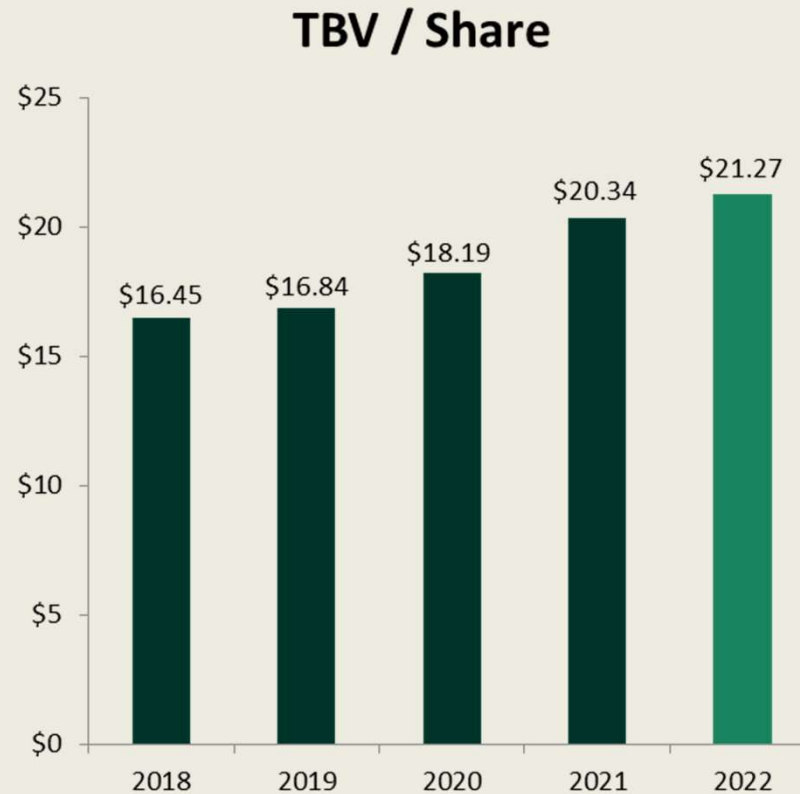


## Net Interest Spread



Note: Data presented is annual data as of or for the year ended December 31 of each respective year.

# Shareholder Tangible Book Value<sup>(1)</sup>



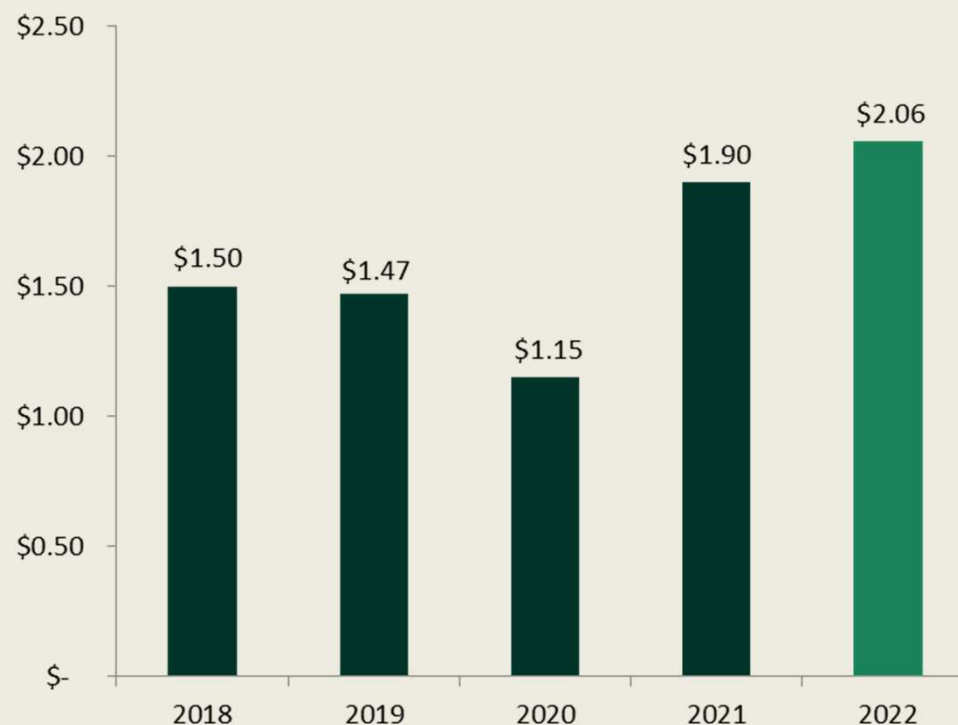
- During 2018, 2019, 2020 and 2022, the Company recorded \$2.3, \$6.6, \$3.0 and \$3.1 million, pre-tax merger expenses related to acquisitions, respectively.

Note: Data is as of or for the year ended December 31 of each respective year.

(1) Tangible Book Value excludes Goodwill and Core Deposit Intangible; see reconciliation of Non-GAAP financial measures at the end of this presentation.

# Shareholder EPS

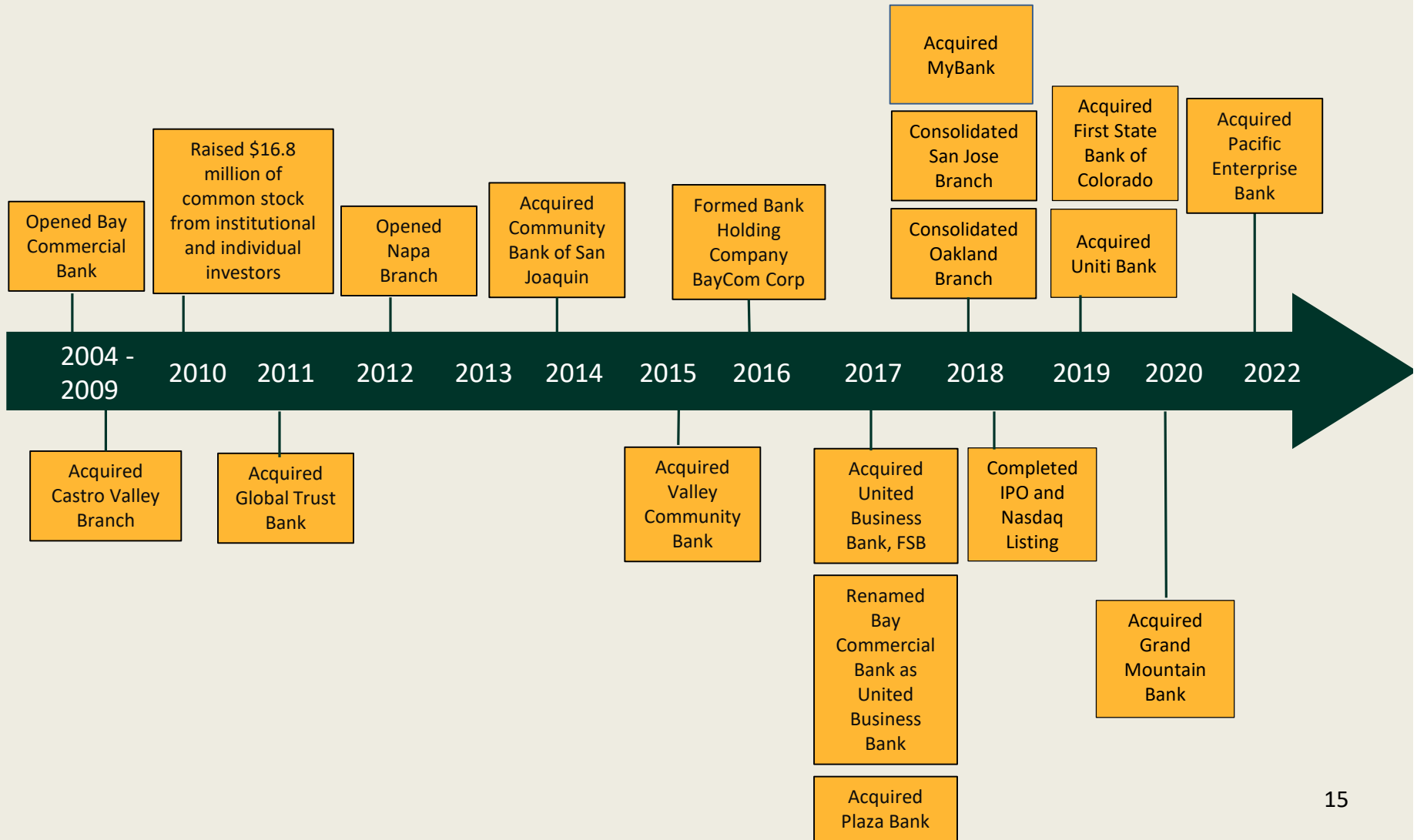
## Diluted EPS



Note: Data is annual data for the year ended December 31 of each respective year. In 2022, there was a bargain purchase gain of \$1.7 million and pretax merger related expenses of \$3.1 million related to the PEB acquisition. In 2020, there was \$3.0 million in pretax merger expenses related to the GMB acquisition. In 2019, there was \$6.6 million in pretax merger expenses related to the Uniti and First State Bank acquisition. In 2018, was \$2.3 million in pretax merger expenses related to the BFC acquisition.

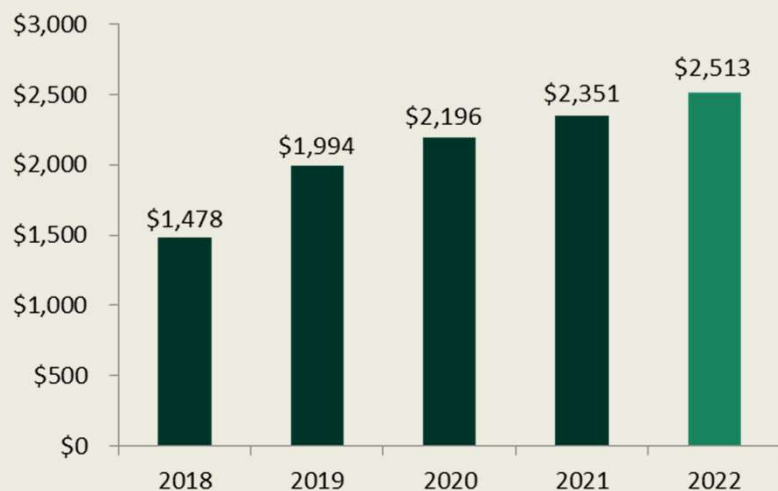
# Corporate History

## Consistent Asset Growth Supplemented By Acquisitions

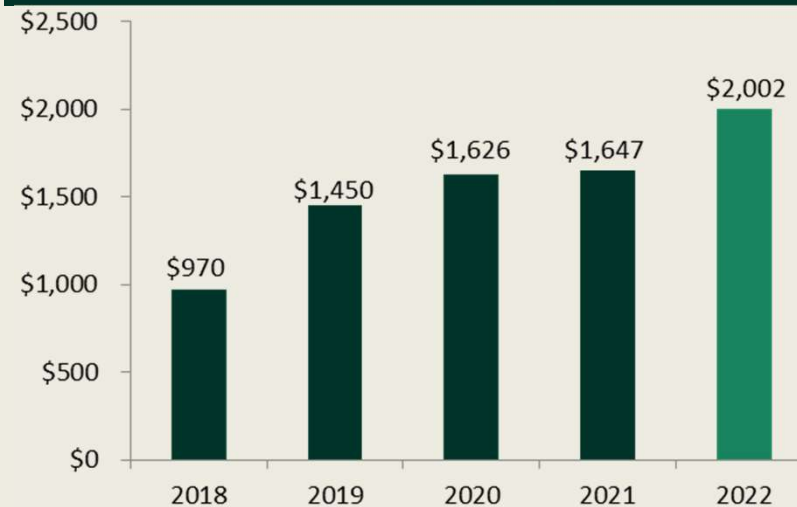


# Demonstrated Track Record of Growth

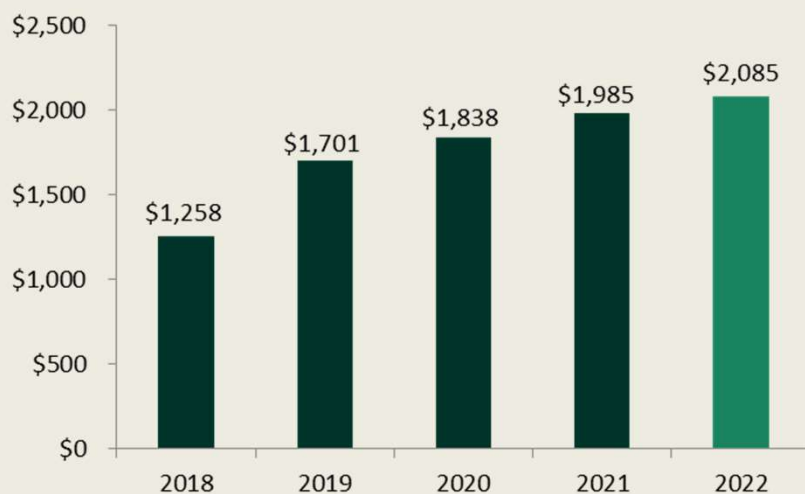
### Total Assets (\$mm)



### Total Net Loans (\$mm)



### Total Deposits (\$mm)



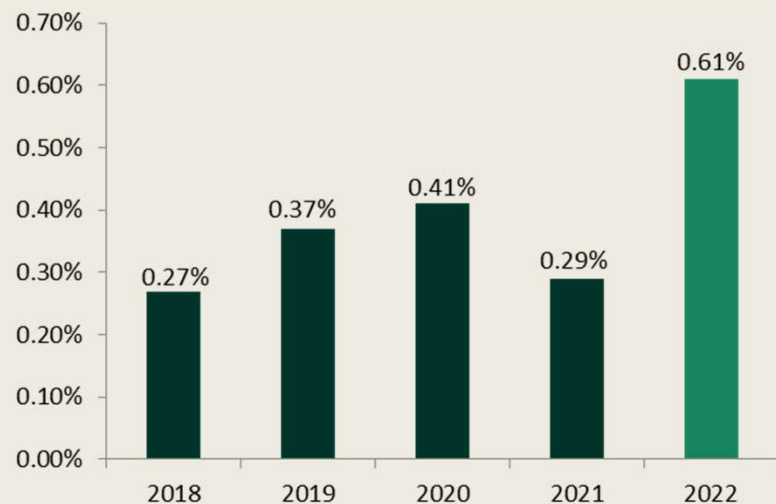
### Net Income (\$000)



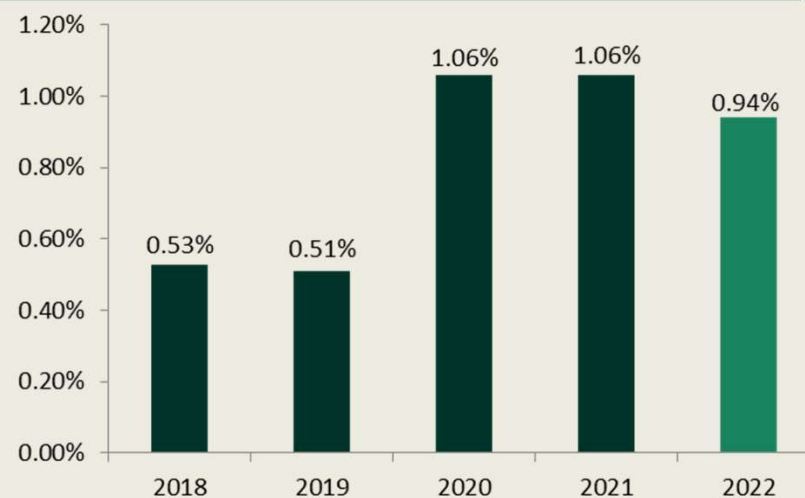
Note: Data is annual data as of or for the year ended December 31 of each respective year.

# Strong Credit Quality

### Nonperforming Assets / Total Assets<sup>1</sup>



### Allowance for Loan Losses / Total Loans



### Net Charge-Offs (Recoveries)



### Net Charge-Offs (Recoveries) / Average Loans



Note: Data is annual data as of or for the year ended December 31 of each respective year.

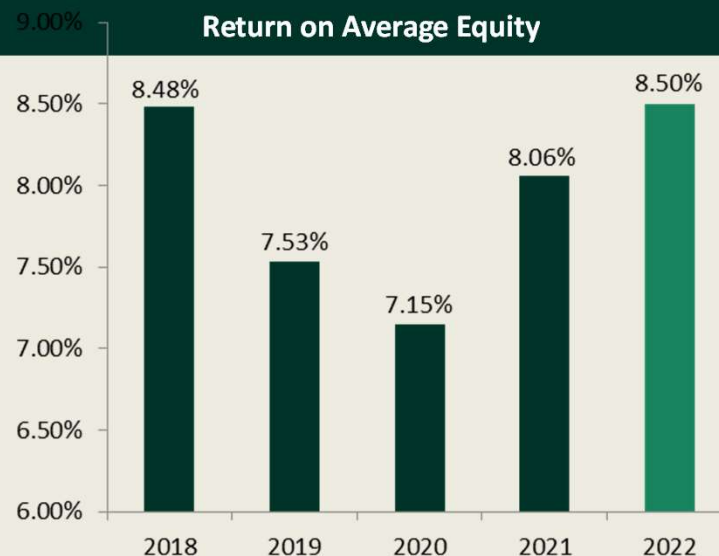
(1) Nonperforming assets consists of non-accruing loans, accruing loans 90 days or more past due, and other real estate owned.

# Financial Performance Summary

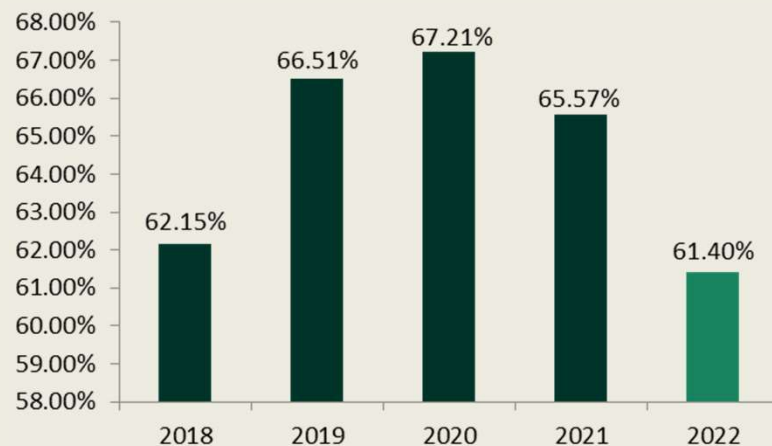
### Return on Average Assets



### Return on Average Equity



### Efficiency Ratio<sup>1</sup>



Note: Data presented is Annual data for the year ended December 31 of each respective year.

(1) Calculated by dividing noninterest expense by the sum of net interest income before provision for loan losses plus noninterest income for the year.

# Appendix

# Non-GAAP Reconciliation

## Tangible Common Equity and Tangible Assets

(Dollars in thousands except per share data)

	2018	2019	2020	2021	2022
<b><u>Tangible Common Equity:</u></b>					
Total Common Shareholders Equity	\$ 200,752	\$ 254,220	\$ 252,591	\$ 262,607	\$ 317,149
<b><u>Adjustments:</u></b>					
Goodwill	(14,594)	(35,466)	(38,838)	(38,838)	(38,838)
Core Deposit Intangible	<u>(7,205)</u>	<u>(9,185)</u>	<u>(8,302)</u>	<u>(6,489)</u>	<u>(5,201)</u>
<b>Tangible Common Equity</b>	<b><u>\$ 178,953</u></b>	<b><u>\$ 209,569</u></b>	<b><u>\$ 205,451</u></b>	<b><u>\$ 217,280</u></b>	<b><u>\$ 273,110</u></b>
<b><u>Tangible Assets:</u></b>					
Total Assets - GAAP	\$ 1,478,395	\$ 1,994,177	\$ 2,195,666	\$ 2,350,697	\$ 2,513,334
<b><u>Adjustments:</u></b>					
Goodwill	(14,594)	(35,466)	(38,838)	(38,838)	(38,838)
Core Deposit Intangible	<u>(7,205)</u>	<u>(9,185)</u>	<u>(8,302)</u>	<u>(6,489)</u>	<u>(5,201)</u>
<b>Tangible Assets</b>	<b><u>\$ 1,456,596</u></b>	<b><u>\$ 1,949,526</u></b>	<b><u>\$ 2,148,526</u></b>	<b><u>\$ 2,305,370</u></b>	<b><u>\$ 2,469,295</u></b>
Common Shares Outstanding	10,869,275	12,444,632	11,295,397	10,680,386	12,838,462
<b>Tangible Common Equity to Tangible Assets Ratio</b>	<b>12.29%</b>	<b>10.75%</b>	<b>9.56%</b>	<b>9.42%</b>	<b>11.06%</b>
<b>Tangible Book Value Per Share</b>	<b>\$ 16.46</b>	<b>\$ 16.84</b>	<b>\$ 18.19</b>	<b>\$ 20.34</b>	<b>\$ 21.27</b>

## Questions ?

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