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**RBAZ Bancorp, Inc. Announces Unaudited Financial Results  
For the Quarter Ending September 30, 2022**  
Net Interest Income Improves 15% YoY Amidst Rate Pressure

**PHOENIX, ARIZONA, October 26, 2022** – RBAZ Bancorp, Inc. (OTCIQ: RBAZ) (the “Company”), parent company of Republic Bank of Arizona (the “Bank” or “RBAZ”), announced a consolidated net income of \$490,000, or \$0.27 per share, for the quarter ended September 30, 2022 and \$1,270,000, or \$0.70 per share, for the nine months ended September 30, 2022 as compared to a consolidated net income of \$524,000, or \$0.29 per share, for the quarter ended September 30, 2021 and \$1,545,000, or \$0.86 per share, for the nine months ended September 30, 2021. Current year earnings of \$0.70 per share were comprised of \$0.60 per share attributable to core operations and \$0.10 per share due to impacts from the Paycheck Protection Program (“PPP”). Prior year earnings of \$0.86 per share were comprised of \$0.50 per share attributable to core operations and \$0.36 per share due to impacts from the PPP.

President and CEO Brian Ruisinger stated “Our core earnings increased 20% year-over-year as increases in core interest income notably outpaced increases in interest expense. I am pleased that our concentrated efforts to keep topline revenue growing while the PPP loans rolled off has driven this outcome. The current and projected interest rate environment is challenging for financial institutions as liabilities reprice faster than assets creating margin compression. While this will balance over time, in the near term, net interest income will be impacted.”

Mr. Ruisinger continued, “We made an exciting announcement recently that RBAZ is opening its third branch on October 31<sup>st</sup> in Gilbert, AZ. We purchased a bank building in a great location that will allow us to expand our presence into the East Valley of Phoenix that we have targeted for some time. To support our growth and expansion, we have launched a capital raise expected to close by the end of the year. RBAZ remains poised for continued growth in its mission to be the premier Arizona-based community bank, as reflected in our Bauer Five-Star bank rating.”

**September 30, 2022 Company Highlights Include:**

- Total loans of \$142,872,000 increased \$7,476,000, or 5.5%, from December 31, 2021. This increase consisted of \$12,039,000, or 8.9%, in net portfolio loan growth, offset by \$4,563,000 of PPP loan forgiveness received during the year.
- Total deposits of \$201,486,000 were down \$3,917,000, or 1.9%, from December 31, 2021. This decrease consisted of \$17,255,000 in anticipated deposit outflows relating to capital accounts for De Novo institutions that opened for business during 2022, offset by \$13,338,000 in deposit growth through deepening of existing relationships and generation of new banking relationships.

- Total interest income increased \$380,000 to \$2,453,000 for the quarter ended September 30, 2022 outpacing total interest income of \$2,073,000 for the same period of the prior year equating to an increase of 18.3%.
- Cost of funds was increased to 0.89% for the quarter ended September 30, 2022 from 0.52% for the quarter ended September 30, 2021 as the result of upward rate pressure as the Federal Reserve increased interest rates by a full 3.00% year-to-date.
- Total non-interest expense is up \$211,000 to \$1,330,000 for the quarter ended September 30, 2022 compared to \$1,119,000 for the same period of the prior year resulting primarily from several additional full-time employees and investments made in technology and marketing in support of the Company's growth.

**The Bank remains “Well Capitalized” under the Community Bank Leverage Ratio (CBLR) framework as follows:**

	<u>September 30, 2022 (%)</u>	<u>Ratio to be Well Capitalized (%)</u>
CBLR ratio .....	10.67	9.00

**About the Company**

RBAZ Bancorp, Inc. was established on June 10, 2021 as a single-bank holding company for its Arizona state-chartered bank subsidiary, Republic Bank of Arizona. The Company is traded over-the-counter as RBAZ.

**About the Bank**

Republic Bank of Arizona is a locally owned, community bank in Phoenix and Scottsdale, Arizona. RBAZ is a full service, community bank providing deposit and loan products and convenient, online and mobile banking to individuals, businesses and professionals. The Bank was established in April 2007 and is headquartered at 645 E. Missouri Avenue, Suite 108, Phoenix, AZ. Our second location is at 6909 E. Greenway Parkway, Suite 150, Scottsdale, AZ. The Bank is the wholly-owned subsidiary of RBAZ Bancorp, Inc. For further information, please visit our web site: [www.republicbankaz.com](http://www.republicbankaz.com).

**Forward-looking Statements**

This press release may include forward-looking statements about the Company and the Bank (collectively referred to herein as the “Company”), for which the Company claims the protection of safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management’s knowledge and belief as of today and include information concerning the Company’s possible or assumed future financial condition, and its results of operations and business. Forward-looking statements are subject to risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. Those factors include fluctuations in interest rates, government policies and regulations (including monetary and fiscal policies), legislation, economic conditions, borrower capacity to repay, operational factors and competition in the geographic and business areas in which the Company conducts its operations. All forward-looking statements included in this press release are based on information available at the time of the release, and the Company assumes no obligation to update any forward-looking statement.

## Summary Financial Information (unaudited)

	For the three months ended September 30,		For the nine months ended September 30,		Year-End
	2022	2021	2022	2021*	2021*
<i>(dollars in thousands, except per share data)</i>					
<b>Summary Income Data:</b>					
Interest income	\$2,453	\$2,073	\$6,599	\$5,590	\$7,544
Interest expense	468	259	982	689	945
Net interest income	1,985	1,814	5,617	4,901	6,599
Provision for loan losses	66	98	171	124	176
Non-interest income	87	115	121	314	386
Non-interest expense	1,330	1,119	3,805	3,073	4,328
Realized loss on sales of securities	-	-	-	7	7
Income before income taxes	676	712	1,762	2,011	2,474
Provision for income tax	186	188	492	466	556
Net income	\$490	\$524	\$1,270	\$1,545	\$1,918
<b>Per Share Data:</b>					
Shares outstanding end-of-period	1,797	1,805	1,797	1,805	1,805
Earnings per common share	\$0.27	\$0.29	\$0.70	\$0.86	\$1.06
Diluted earnings per common share	\$0.26	\$0.29	\$0.67	\$0.86	\$1.02
Total shareholders' equity	\$17,583	\$18,574	\$17,583	\$18,574	\$18,672
Book value per share	\$9.78	\$10.29	\$9.78	\$10.29	\$10.34
<b>Selected Balance Sheet Data:</b>					
Total assets	\$226,251	\$228,063	\$226,251	\$228,063	\$231,420
Securities available-for-sale, at fair value	42,352	37,384	42,352	37,384	38,041
Securities held-to-maturity	12,177	7,765	12,177	7,765	8,510
Loans	142,872	121,396	142,872	121,396	135,396
Allowance for loan losses	1,692	1,396	1,692	1,396	1,468
Deposits	201,486	202,093	201,486	202,093	205,403
Other borrowings	5,892	5,873	5,892	5,873	5,870
Shareholders' equity	17,583	18,574	17,583	18,574	18,672
<b>Performance Ratios:</b>					
Return on average shareholders' equity (annualized) (%)	11.15	11.28	9.63	11.09	10.27
Net interest margin (%)	3.42	3.14	3.15	3.08	3.09
Average assets	\$236,222	\$232,079	\$243,927	\$217,497	\$220,742
Return on average assets (annualized) (%)	0.83	0.90	0.69	0.95	0.87
Shareholders' equity to assets (%)	7.77	8.14	7.77	8.14	8.07
Efficiency ratio (%)	64.19	58.01	66.31	58.93	61.96
<b>Asset Quality Data:</b>					
Nonaccrual loans	\$65	\$-	\$65	\$-	\$-
Troubled debt restructurings	\$164	\$242	\$164	\$242	\$234
Other real estate	\$-	\$-	\$-	\$-	\$-
Nonperforming loans	\$118	\$-	\$118	\$-	\$82
Nonperforming loans to total assets (%)	0.05	-	0.05	-	0.04
Nonperforming loans to total loans (%)	0.08	-	0.08	-	0.06
Reserve for loan losses to total loans (%)	1.18	1.15	1.18	1.15	1.08
Reserve for loan losses to nonperforming loans (%)	1,433.90	n/a	1,433.90	n/a	1,790.24
Net recoveries for period	\$23	\$19	\$53	\$48	\$68
Average loans	\$134,414	\$113,148	\$135,250	\$114,847	\$117,309
Ratio of net recoveries to average loans (%)	0.02	0.02	0.04	0.04	0.06

\*RBAZ Bancorp, Inc. was formed on June 10, 2021. Data for 2021 periods consist of Bank data beginning January 1, 2021 and Company data beginning June 10, 2021.