

Raymond James 2026 U.S. Bank and Banking on Tech Conferences

Sept 9, 2026

Forward Looking Statements

During the course of this presentation, management may make statements regarding events or future financial performance of the Bank. These statements may include comments with respect to our objectives and strategies, and the results of our operations and our business. However, by their nature, these forward-looking statements involve numerous assumptions, uncertainties and opportunities, both general and specific. These statements are based on the beliefs and assumptions of the management of PFBC, and on the information available to management at the time the presentation materials were prepared. The risk exists that these statements may not be fulfilled. We caution readers of this presentation not to place undue reliance on these forward-looking statements as a number of factors could cause future results to differ materially from these statements. Forward-looking statements may be influenced in particular by factors such as fluctuations in interest rates and stock indices, the effects of competition in the areas in which we operate, and changes in economic, political, and regulatory conditions. We caution that the foregoing list is not exhaustive. Additional factors that could cause the Bank's results to differ materially from those described in the forward-looking statements can be found in the Bank's 2025 Annual Report on Form 10-K filed with the Federal Deposit Insurance Corporation. When relying on forward-looking statements to make decisions, investors should carefully consider the aforementioned factors as well as other uncertainties and events.

Franchise Overview: Preferred Bank

- **$7.7 billion commercial bank headquartered in Los Angeles, CA, targeting small/medium businesses and high net worth individuals within footprint lending**
- **Services customers through attractive branch footprint**
  - 14 branches in California, (11 in Southern California and 3 in San Francisco/Silicon Valley)
  - 2 Branches in New York (Manhattan and Queens)
  - 1 Branch in Houston, Texas
- **Significant insider ownership aligned with stakeholders**
  - Directors and Officers collectively own 8.3%
- **Focused on ethnic Chinese (plus other areas of East Asia) and mainstream markets**
  - Ethnic Chinese clients estimated to account for ~[45%] of deposits and ~[20%] of loans
- **Fortress capital, liquidity, and a short duration balance sheet**
- **Operational hallmark is efficiency, both structurally and culturally**

Preferred Bank (NASDAQ: PFBC)

Headquarters	Los Angeles, CA
Founded / IPO	1991 / 2005
Branches	17
Employees	330
Market Cap.[1]	$1.23bb
Assets	$7,731mm
Gross Loans	$6,247mm
Deposits	$6,472mm
Loan / Deposit	96.5%
TCE/TA	10.26%
CET1	11.06%
Total Capital	13.74%
NPAs/ Assets[2]	1.22%
YTD NCOs/Avg. Loans	0.36%
Q2 '26 ROA	1.75%
Q2 '26 ROE	17.05%
Q2 '26 NIM	3.73%
Q2 '26 Efficiency Ratio	32.3%
Q2 '26 Nonint. Inc. / Op. Rev.	4.7%

Note: Financial data as of June 30, 2026

1) Market data as of Sept 1, 2026
2) Nonperforming assets includes nonaccrual loans and repossessed assets

PFBC Stock Profile

Ticker Symbol	NASDAQ: PFBC
Recent Price	$104.06 (9/2/26)
Shares O/S	11.85mm
Market Cap	$1.23bb
Avg Volume (50-day)	112.3m shares

Annual Dividend:	$3.20
Current Yield:	2.88%

Raymond James & Co
Brean Capital
Stephens Co
D.A. Davidson
Piper Sandler

Management Overview and Business Model

Long-Tenured Management Team with Average of [~18] Years in Current Roles

Li Yu
Chairman & CEO

- Founded Preferred Bank in 1991
- **Largest individual shareholder**
- 40 years of banking experience

Wellington Chen
President & COO

- 39 years in banking
- Formerly EVP and Corporate Banking Director at East-West Bank

Edward J Czajka
EVP & CFO

- 20 years with Preferred Bank
- 39 years of banking experience

Nick Pi
EVP & CRO

- 23 years with Preferred Bank
- 34 years of banking experience

Johnny Hsu
EVP & Deputy COO

- 34 years of banking experience, all with Preferred Bank

How We Execute – Business Model

- Ultra high-touch service – our frontline personnel develop long lasting and deep relationships with their clients, fostering loyalty and word of mouth advertising
- We aim to recruit senior level lenders and BD personnel with strong books of business
- 'Branch light' business model allows for high level of automated banking. Average branch operations staff is relatively small even though average branch size is over $400mm in deposits
- Local decision-making, ability to execute and access to senior management
- Efficient back office, and NO Holding Company

Management team averages 37 years of industry experience and average 25 years with Preferred Bank

Branch Map

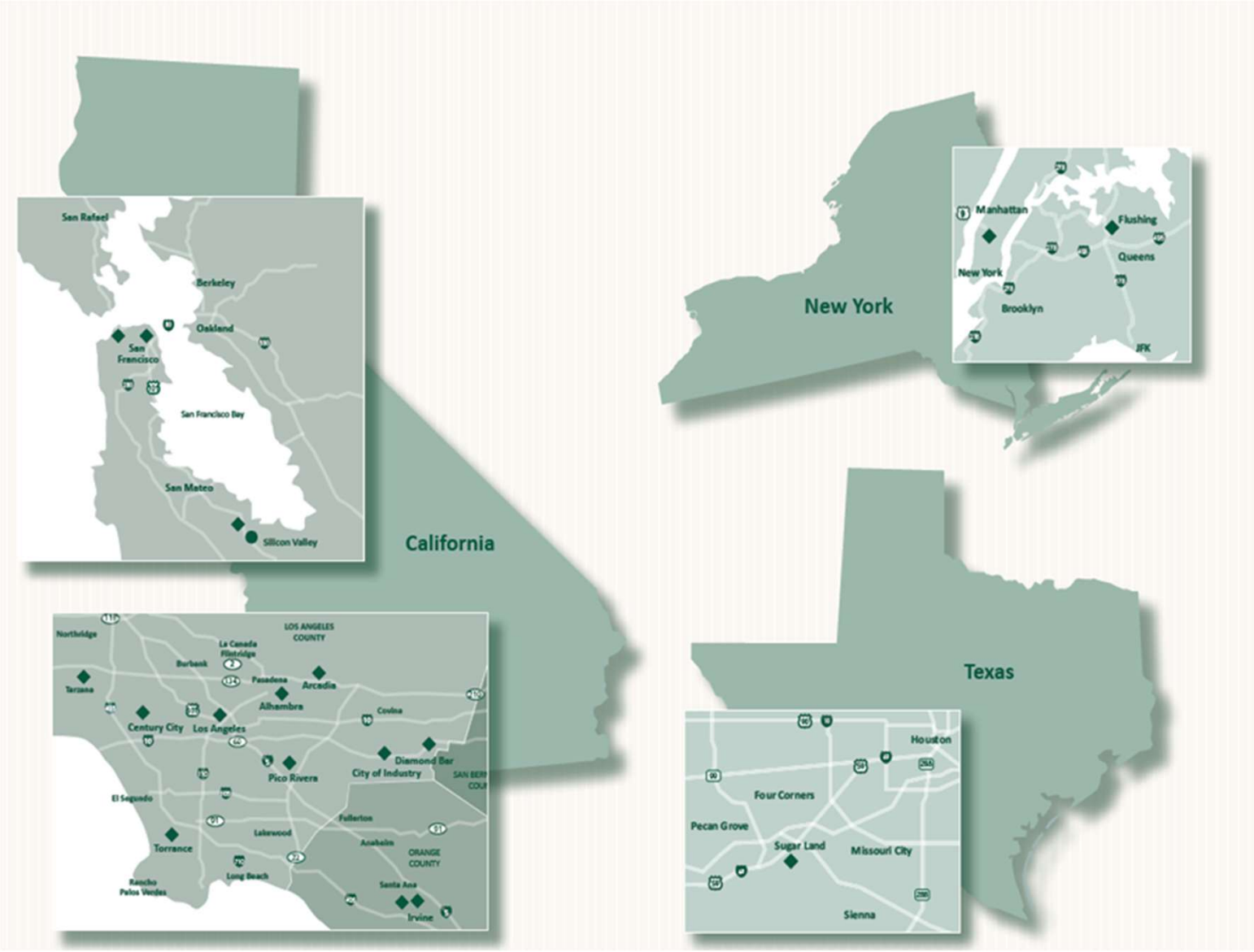
- **Primarily serving ethnic Chinese in:**

  - *San Gabriel Valley area of Southern California (Alhambra, Arcadia, Diamond Bar, City of Industry)*
  - *South Bay (Torrance)*
  - *Irvine (2)*
  - *San Francisco (Business District)*
  - *Flushing, NY*
  - *Manhattan*
  - *Houston, TX*

- **Primarily serving mainstream clientele in:**

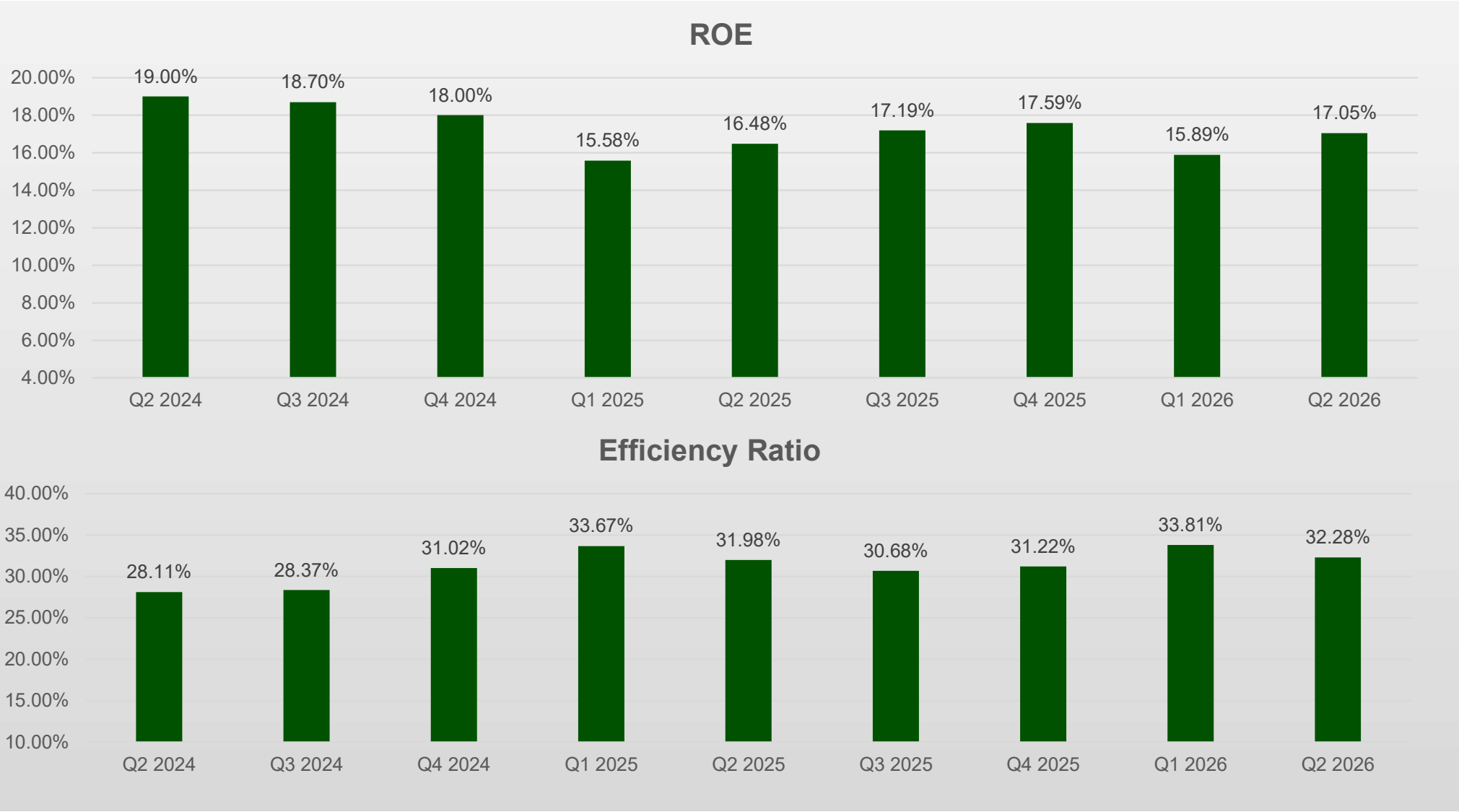
  - *San Fernando Valley (Tarzana)*
  - *Downtown Los Angeles*
  - *Westside (Century City)*
  - *Southern L.A. County (Pico Rivera)*
  - *San Francisco (Outer Sunset)*

Branch light model with average branch size of over $380mm in deposits



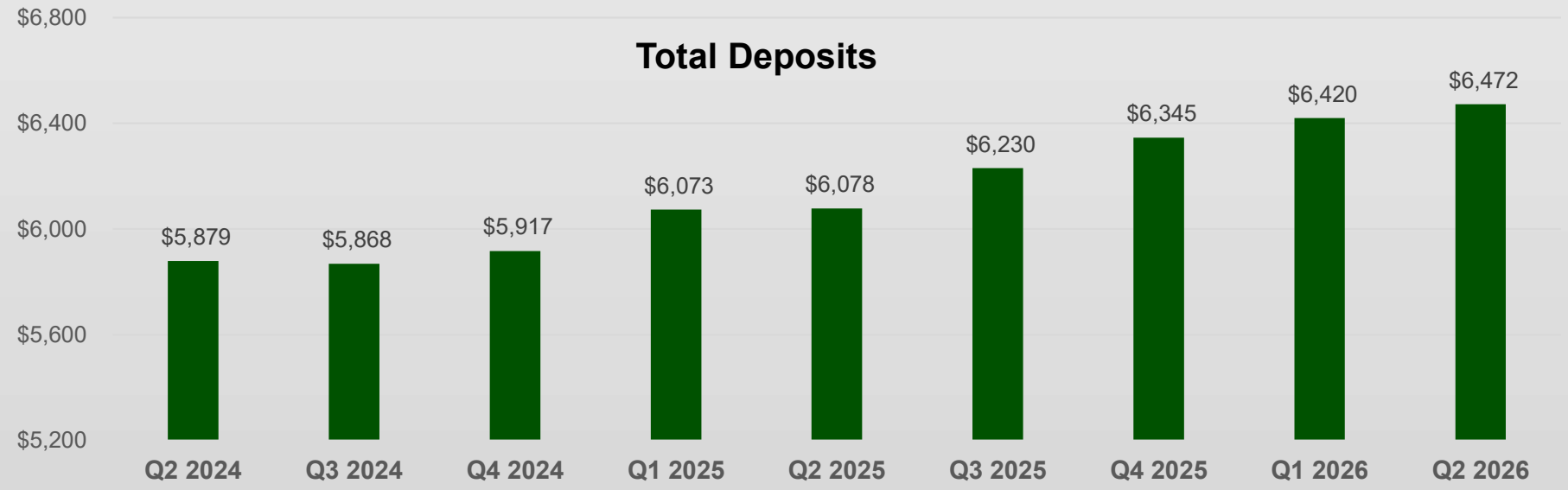
Performance

Superior ROE and Operating Efficiency

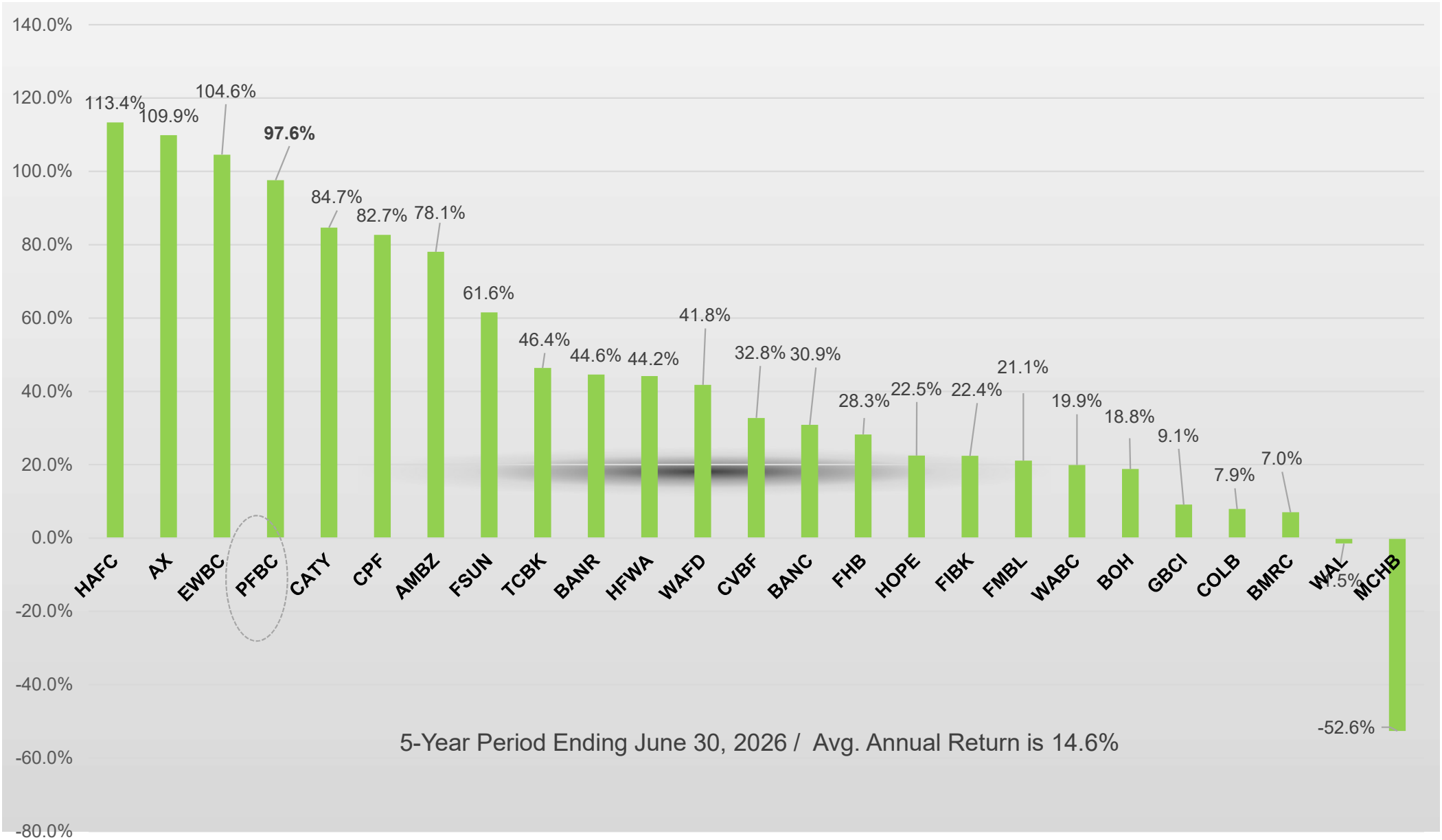


Consistent Loan and Deposit Growth…..



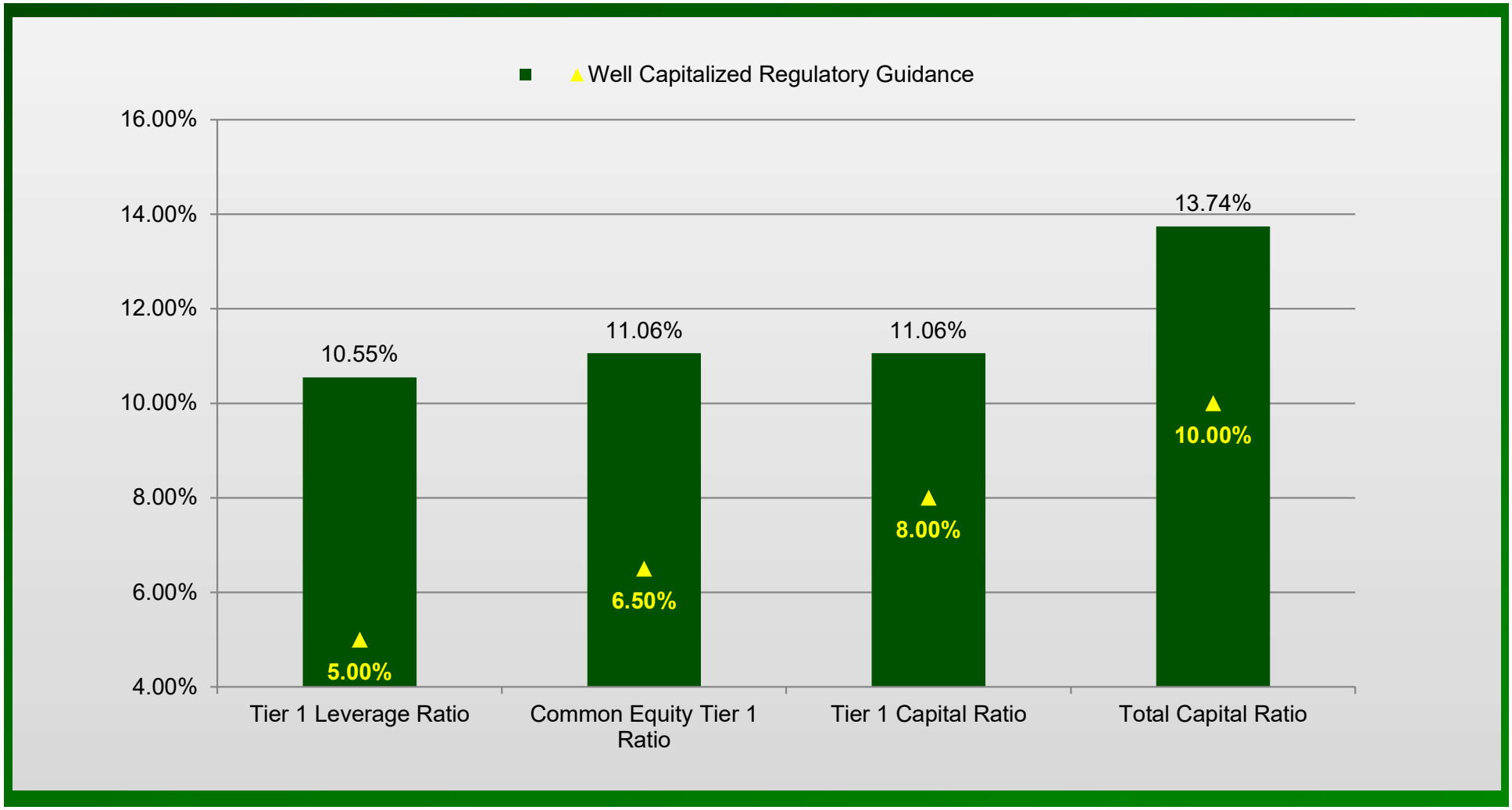


5-Year Total Return vs S&P West Banks > $5bb

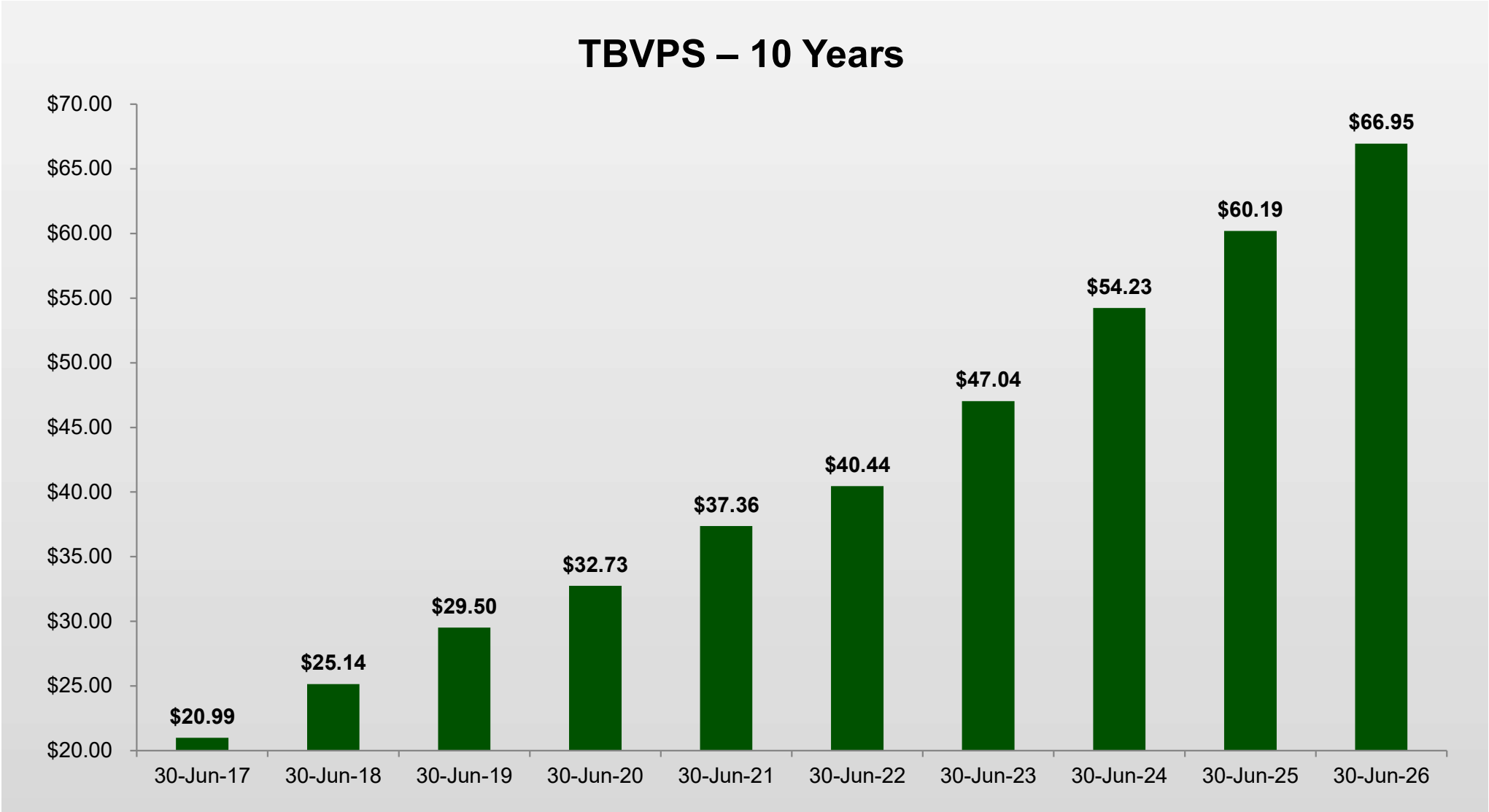


Capital

Capital Ratios – June 30, 2026



Tangible Book Value per Share



CAGR of 12.30% Over the Last 9 Years

Stock Repurchase 2023-2026

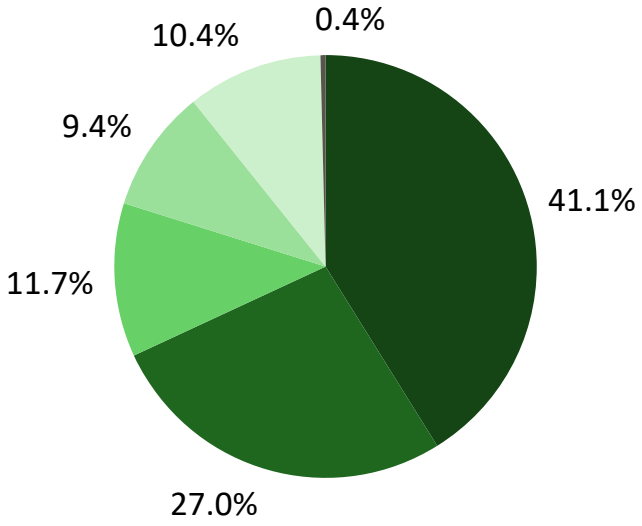
- *As deposit growth has slowed, total asset growth slows concurrently, which leads to outsized capital ratios, even after dividends, due to the Bank's superior profitability metrics. Stock buybacks are a highly efficient way to return money to the shareholders in the form of a higher stock price*
- *On May 16, 2023, shareholders approved a $150 million stock repurchase, $50.7mm of stock was repurchased in 2023, $34.3mm was repurchased in 2024 and $65.7 was repurchased in early 2025*
- *On May 20, 2025, shareholders approved a new, $125mm share repurchase plan. Of that, we have repurchased 660,192 shares for total consideration of $58.7mm*
- *At present, we are not actively repurchasing shares due to the market price*

Credit Overview

Loan Portfolio Composition – June 30, 2026

- Diverse loan portfolio – 27.0% of loans are C & I
  - **High level of diversification among industries**
- Above-average number of Senior Lenders and Business Development staff allow PFBC to look at a high level of deal flow
  - **Drives strong loan yields**

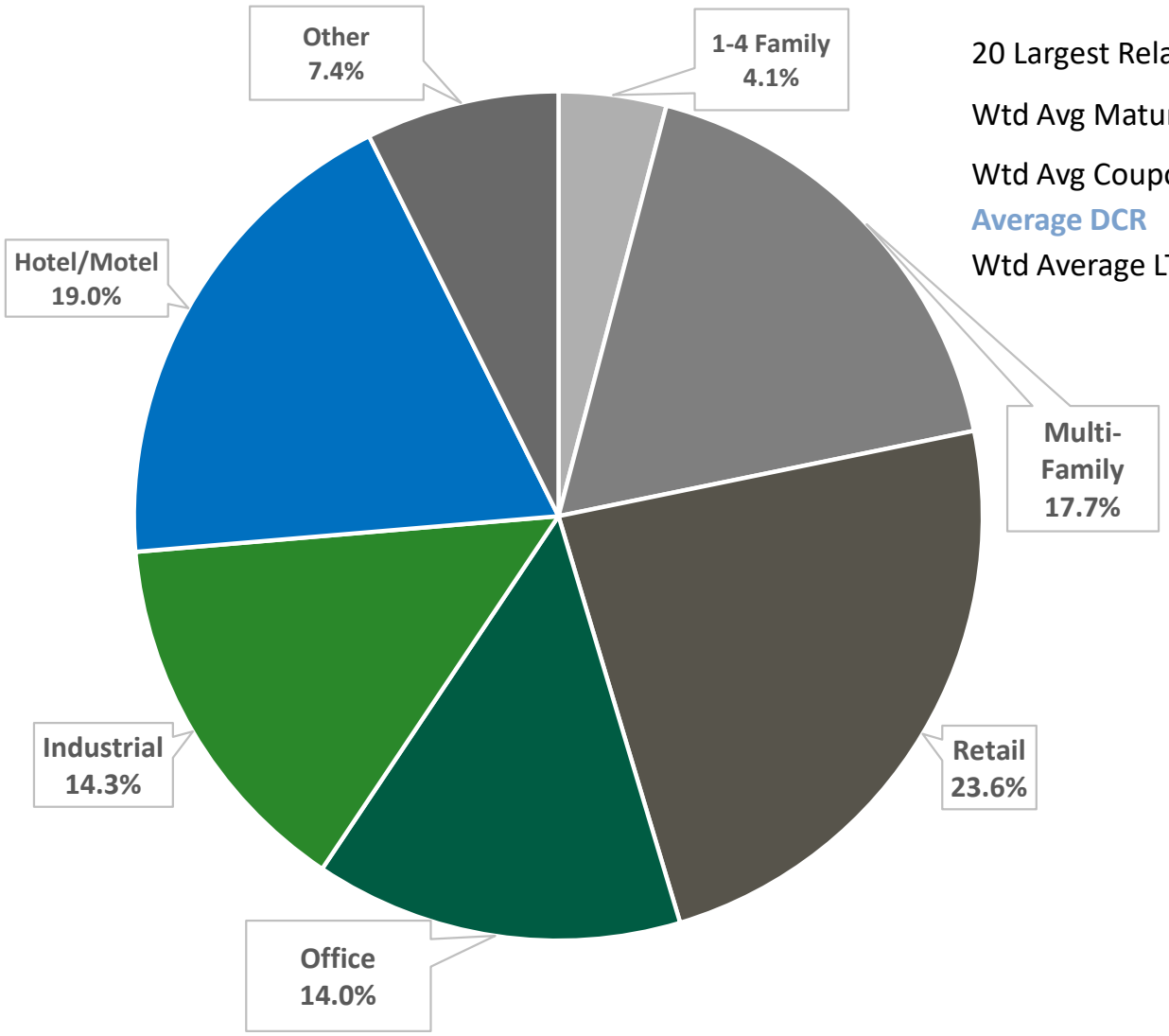
Loan Composition



Commercial Real Estate
Commercial & Industrial
1-4 Family
Multifamily
Construction & Development
Land

Gross Loans & Leases ($mm)	$6,248
Yield on Loans Q2 ’26	7.20%
LQA Growth Q2 ’26	2.0%
% that is floating Rate	75.7%

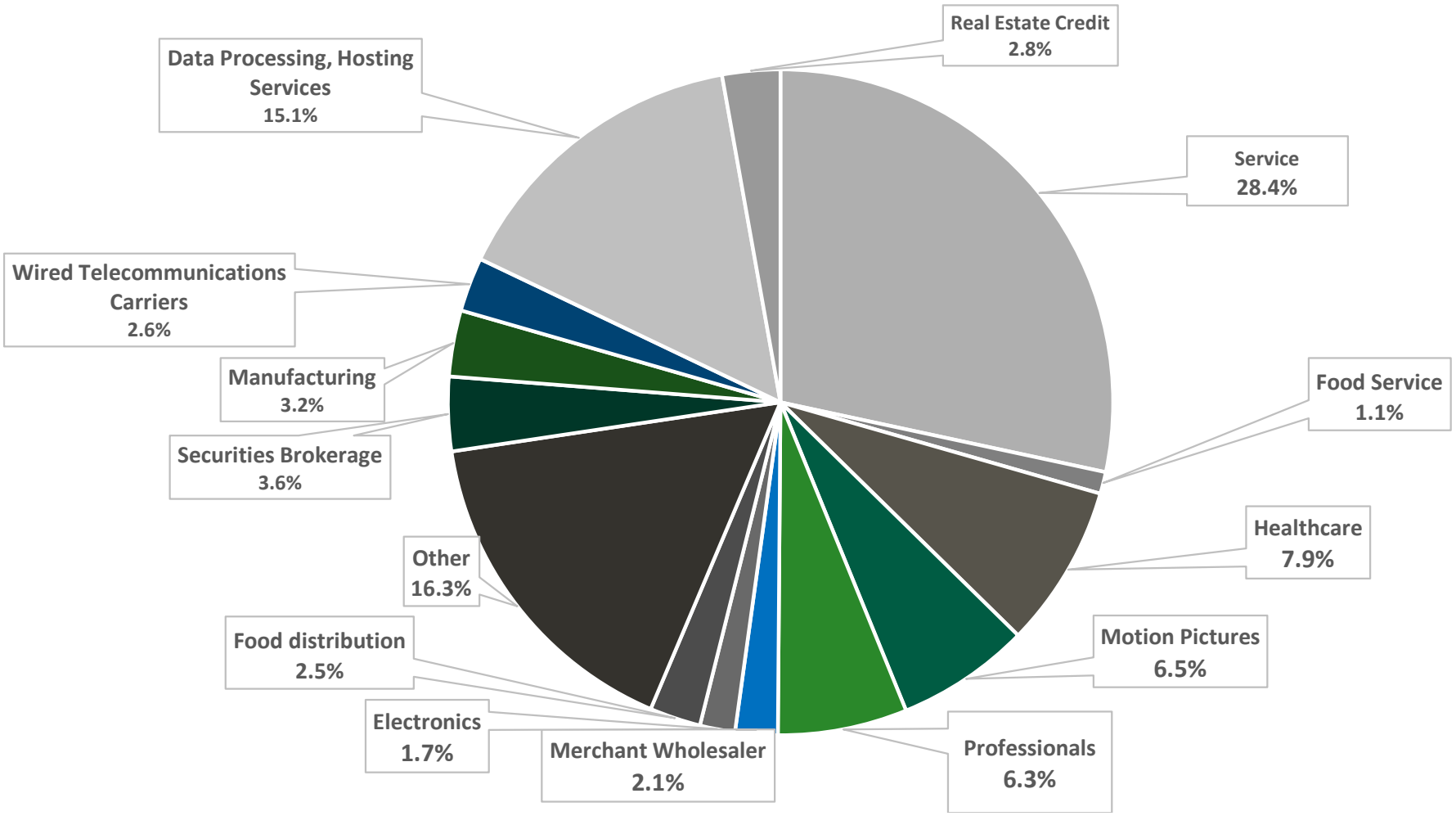
Real Estate Loan Portfolio – June 30, 2026



Portfolio Characteristics

20 Largest Relationships	22.2% of total CRE
Wtd Avg Maturity	2.5 Years
Wtd Avg Coupon	7.04%
Average DCR	**1.65x**
Wtd Average LTV	55.9%

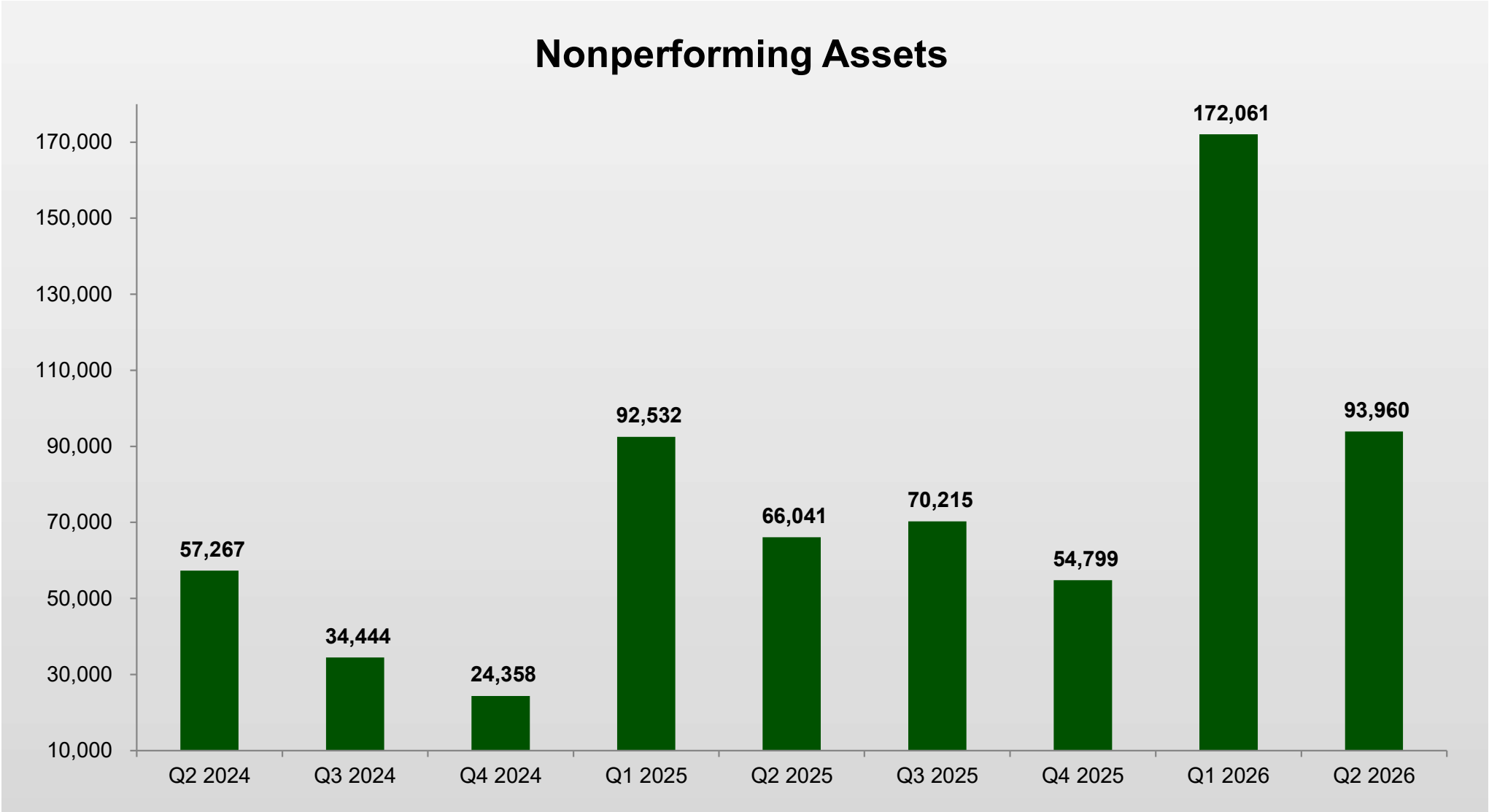
C&I Portfolio Detail – June 30, 2026



Portfolio Characteristics

20 Largest Relationships	35.1% of C&I Loans
Line Usage %	66.4%
Wtd Avg Maturity	2.7 Years
Weighted Average Coupon	6.63%

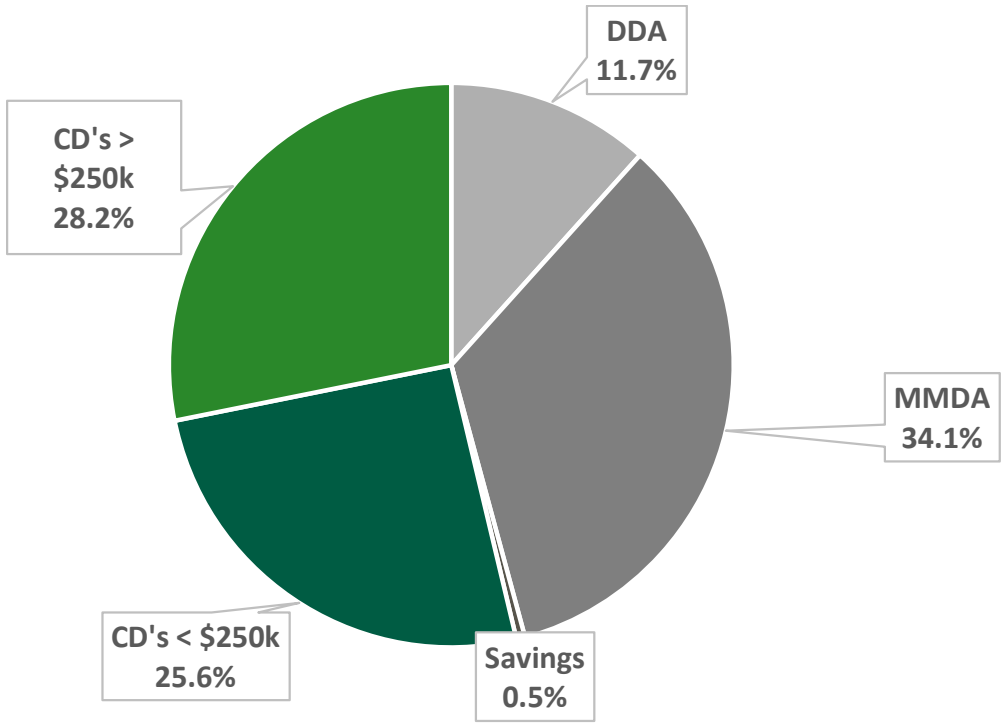
NPA's



$48.5mm in NPA's were sold on April 1, 2026, at par

Deposits

Deposit Composition – June 30, 2026



Characteristics

Percentage DDA	11.7%
MRQ Cost of Deposits	3.07%
LQA Growth Rate	0.8%
Core Deposits / Total Deposits	67.4%

Recent Expansion

- *The Bank has now consolidated its Loan Production Office in Sunnyvale into a new Silicon Valley Branch Office in Cupertino on Stevens Creek Blvd.*
- *The Bank's San Francisco – Richmond branch has moved from Geary Street (Central Richmond District) to the corner of 19th Avenue and Irving Street in the Outer Sunset neighborhood of San Francisco. 19th Avenue is also U.S. Highway 1 so this is an ideal location for this branch.*
- *The Bank continues to seek new Relationship Managers in the markets currently served as the recent increase in M&A in the banking industry creates more dislocation.*

Summary

- *Preferred Bank has a strong capital base with 10.3% tangible common equity*
- *Since June of 2023, the Bank repurchased 2,806,444 shares at an average price of $74.58. This represents 19.4% of total outstanding shares which has significantly increased EPS over this period. The Bank still has a significant level of authorized share repurchases to execute but activity has declined due to the market price of the stock relative to book value*
- *The Bank has reduced its high level of asset sensitivity which benefitted the Bank through 2022 and 2023 and now has a more matched balance sheet which has helped to navigate a declining or sideways rate environment*
- *Even after a recent multiple expansion, stock currently trades at **9.4X 2027 consensus earnings***
- *TSR proves that organic growth and consistent TBV growth equal superior shareholder returns in the banking industry*
- *Important performance metrics (ROA, ROE, efficiency ratio) are well above peer group*