NEWS RELEASE

Bank of Southern California Announces First Quarter 2019 Results and Reports Growth Amidst Expansion

5/7/2019

First Quarter 2019 Financial Highlights

• Total Assets end at $769 million vs. $768 million at December 31, 2018 and $522 million at March 31, 2018, an increase of 47% over the prior year

• Quarterly Net Income of $1.85 million compares to $2.00 million in Q4 2018 and is up 72% compared to $1.07 million in Q1 2018

• Comparisons are affected by the acquisition of Americas United Bank ("AUB") on July 31, 2018

San Diego, May 7, 2019 – Bank of Southern California, N.A. (OTC Pink: BCAL) today reported results for the first quarter ended March 31, 2019. Total assets grew to $769 million for the first quarter of 2019, a 47% increase compared to the first quarter of 2018. Quarterly net income increased 72% to $1.85 million compared to $1.07 million in Q1 of 2018. Total loans ended the quarter at $629 million and total deposits were $636 million.

Nathan Rogge, President and CEO of Bank of Southern California said, "Our first quarter results highlight operating improvements in several key financial areas while we also successfully integrated people, processes, and culture as a result of our recent expansion in the Greater Los Angeles and Orange County regions. As we move forward through 2019, we will remain focused on driving profitable growth as we continue to optimize how we deliver banking services to our customers with an emphasis on speed to market."

"To further support the Bank's growth goals, we have completed an internal restructuring

leading to the promotions of Tony DiVita to Chief Operating Officer and Gaylin Anderson to Chief Banking Officer. Additionally, we hired two seasoned Group Managing Directors to lead our growing Business Banking and Branch Banking business units. We are optimistic about the opportunities that are ahead of us as we continue to build Bank of Southern California as a leading community business bank in Southern California," added Rogge.

John Farkash, Chairman of the Board said, "We are pleased with the Bank's year over year results which are attributed to the growth and the efficiencies realized from the acquisition as well as our continued solid organic growth. Overall, we remain confident that our strategic priorities will deliver greater value to our shareholders as we progress through the year and beyond."

Additional Financial Highlights

• Total Deposits – the Bank has been focused on repositioning its deposit portfolio mix to more lower cost non-time deposits while allowing higher rate time deposits to runoff as they mature. While total deposits increased approximately $8 million since December 31, 2018, non-time deposits grew by $25 million as time deposits decreased by $17 million, including $11 million of CDARs time deposits. The Bank expects to continue to reposition its deposit portfolio focused on organic non-time deposit growth. This will have a temporary effect on asset growth, but a longer-term positive impact on net interest margin.
• Total Loans declined $6 million during the quarter to $628 million at quarter end. While new loan production slowed modestly during the quarter, total loans paid off were over $30 million during Q1 2019, primarily from longer term real estate loans, as competition increased with refi-rates moving lower during the quarter.
• Net interest income for Q1 2019 decreased $333 thousand, or 4.1%, to $7.7 million, from $8.0 million in the prior quarter, despite a 2.0% increase in average earning assets. The accretion of fair value discount on the loan portfolio, which added 16 basis points to net interest margin in Q1 2019, declined $118 thousand compared to the prior quarter. Net interest margin declined to 4.41% in Q1 2019 from 4.59% in Q4 of 2018, partially due to cost of deposits, which increased from 0.84% in Q4 2018 to 0.96% in Q1 2019.
• Nonperforming assets were 0.43% of total assets at March 31, 2019, compared to 0.60% in the prior quarter. The allowance for loan losses (ALLL) was 0.74% of total loans at March 31, 2019, up from 0.69% in the prior quarter. When including $2.5 million in loan fair value credit marks (LFVCM), the ALLL and LFVCM represent 1.14% of total loans, up from 1.10% at December 31, 2018.
• The Bank continues to be "well-capitalized", reporting total risk-based capital of 14.6% as of March 31, 2019.

More details about our quarterly results are available on our website and through the following link to our most recent quarterly results and trends: https://www.banksocal.com/about-us/financials.

Forward-Looking Statements

This news release may contain comments or information that constitute forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) and Bank of Southern California intends for such forward-looking statements to be covered by the safe harbor provisions of that Act.

Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” or words of similar meaning, or future or conditional verbs such as “will,” “would,” “should,” “could,” or “may.” Forward-looking statements are not guarantees of future performance, nor should they be relied upon as representing management’s views as of any subsequent date. Future events are difficult to predict. Forward-looking statements involve significant risks and uncertainties and actual results may differ materially from those presented, either expressed or implied, in this news release. Factors that might cause such differences include, but are not limited to: the ability of the Bank to successfully execute its business plan; changes in interest rates and interest rate relationships; changes in demand for products and services; the degree of competition by traditional and non-traditional competitors; changes in banking legislation or regulation; changes in tax laws; changes in prices, levies and assessments; the impact of technological advances; the outcomes of contingencies; trends in customer behavior as well as their ability to repay loans; and changes in the national and local economy.

Bank of Southern California undertakes no obligation to update or clarify forward-looking statements, whether as a result of new information, future events or otherwise.