NEWS RELEASE

Bank of Southern California Announces Third Quarter 2019 Results

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Third Quarter 2019 Highlights

- Loan highlights include growth of $10 million in commercial (C&I) loans in Q3 and an additional $9 million growth in undisbursed commitments on C&I loans
- Focus on core deposit origination has resulted in growth in noninterest-bearing demand deposits (DDA) of $15 million during Q3 and $35 million year-to-date

San Diego, October 25, 2019 – Bank of Southern California, N.A. (OTC Pink: BCAL) today reported results for the third quarter ended September 30, 2019. Total assets grew to $839 million at September 30, 2019, a 14% increase compared to the third quarter of 2018. Quarterly net income increased to $1.72 million in Q3 2019 from $1.57 million in Q2 2019; Q3 2018 was $875 thousand, but included $936 thousand in expenses, net of tax, related to the acquisition of Americas United Bank, which closed July 31, 2018. Total loans ended Q3 2019 at $685 million and total deposits were $693 million.

Nathan Rogge, President and CEO of Bank of Southern California said, “Our solid earnings performance for the third quarter included strong commercial loan growth, an increase in noninterest-bearing DDA, and a decrease in time deposits, all driven by our commitment to building long-lasting relationships with our clients. We remain focused on delivering upon this strategy and driving growth for long-term value.”

“The Bank continues to demonstrate its commitment to the Southern California business community and has achieved momentum in the newly expanded markets of Los Angeles and Orange. We look forward to achieving additional growth opportunities as we further our investment in Orange County and expand East into the Inland Empire through our proposed merger with CalWest Bank, previously announced on October 21, 2019.” concluded Rogge.

Bank of Southern California's continued focus on relationship banking has been impactful, leading to an increase in organic noninterest-bearing demand deposit growth of $15.1 million during the quarter, and a $35.4 million increase since December 2018. John Farkash, Chairman of the Board said, "Results for the third quarter were strong and the Bank remains focused on driving long-term growth and delivering greater value to our shareholders."

Additional Financial Highlights

- Total loans increased $61 million during the quarter to $685 million at quarter end. Loan payoffs totaled $9.3 million in the quarter, down from the $62 million pace set in the first six months of the year. In addition to the growth in C&I loans, loan growth during Q3 was centered in commercial real estate loans.
- The Bank has been focused on improving its deposit portfolio mix toward more core deposits. This is not only reflected in the growth in noninterest-bearing demand (DDA), but also in the growth of money market deposits, which increased $23 million in Q3. The Bank will continue to reposition and improve the deposit portfolio with the longer-term goal of managing a strong net interest margin.
- Noninterest expenses in Q3 2019 include $192 thousand related to the proposed merger with CalWest Bank and in Q2 2018 included $1.2 million related to the merger with Americas United Bank.
- Nonperforming assets continue to be very low and were 0.27% of total assets at September 30, 2019, compared to 0.60% at December 31, 2018. The allowance for loan losses (ALLL) was 0.75% of total loans at September 30, 2019, up from 0.69% at December 31, 2018. When including $2.0 million in loan fair value credit marks (LFVCM), the ALLL and LFVCM represent 1.05% of total loans versus 1.10% at December 31, 2018.

[Quarterly Financial Highlights Table Follows]

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.