



SOUTHERN CALIFORNIA BANCORP REPORTS STRONG ORGANIC LOAN AND DEPOSIT GROWTH FOR THE SECOND QUARTER OF 2021

San Diego, Calif., July 28, 2021 – Southern California Bancorp (the “Company”) (OTC Pink: BCAL), the holding company for Bank of Southern California, N.A. (the “Bank”) today reported financial results for the second quarter of 2021.

Second Quarter 2021 Highlights

- **Total assets increased** to \$1.8 billion, up \$104.9 million or 6.3% from March 31, 2021, and \$199 million or 12.6% from December 31, 2020
- **Total deposits increased** to \$1.6 billion, up \$108.1 million or 7.4% from March 31, 2021, and \$366.8 million or 30.7% from December 31, 2020
- **Noninterest bearing demand deposits** were 47.9% of total deposits at June 30, 2021
- **Total Non-paycheck protection program (PPP) loans increased** to \$940.1 million, up \$36.9 million, or 4.1% from March 31, 2021, and \$113.0 million or 13.7% from December 31, 2020
- **Forgiveness submitted and payoffs received** for 61% and 57%, respectively, of the entire \$799.1 million PPP portfolio, with a \$346.6 million balance remaining at June 30, 2021
- **Net interest margin** of 3.72% in the second quarter; excluding PPP loans, the net interest margin was 3.73%
- **Nonperforming assets to total assets** of 0.04% at June 30, 2021
- **Announced acquisition** of Bank of Santa Clarita, which will expand footprint into northern Los Angeles County and create commercial bank with approximately \$2.2 billion in pro forma assets
- **Announced sale of three branches** to align footprint to support a commercial banking strategy
- **Continued status as well-capitalized**, the highest regulatory capital category

On June 29, 2021, following the departure of Nathan Rogge, the Southern California Bancorp and Bank of Southern California Boards of Directors appointed David Rainer President and Chief Executive Officer of Southern California Bancorp and Bank of Southern California.

“I’m honored to have our Board’s confidence and excited to be leading the Company as we continue to execute on the strategic growth plan presented to investors during last year’s capital raise,” said David Rainer, Chairman, President and Chief Executive Officer of Southern California Bancorp and Bank of Southern California. “We have made significant progress on that plan, including the opening of three banking offices in West Los Angeles, Encino and Westlake Village, all of which are key locations for commercial banking. In the second quarter we also announced the acquisition of Bank of Santa Clarita, which has a commercial banking business model very complementary to ours and is in the attractive banking community of northern Los Angeles County; we have received regulatory approval and expect that transaction to close in the fourth quarter, pending shareholder approval. Additionally, we have arranged for the sale of three branches that are not in alignment with our commercial business banking focus and that transaction is expected to close in the third quarter. Our execution on all these initiatives places us in an excellent position for continued growth, especially given the recovering economy.

“I’m pleased to report the Bank achieved net organic non-PPP loan growth of \$37 million in the second quarter, despite the headwinds of payoffs and paydowns of \$70 million, and that loan credit quality remains pristine, with the ratio of nonperforming assets to total assets ending the quarter at 0.04%.

“Second quarter net income of \$2.4 million was impacted by nonrecurring compensation expenses but was significantly improved from \$1.4 million in the first quarter. Quarterly net interest income of \$15.4 million, which benefitted from \$3.2 million in fee income related to the accelerated forgiveness on PPP loans, was a major driver of the increase. Net income also benefitted from the \$920,000 gain on sale of a nonaccrual loan.

“Our employees worked diligently through two rounds of PPP loan originations totaling nearly \$800 million to provide timely economic relief to businesses in our local community during the pandemic. These loans were made to both current and new customers, and we have been focused, with much success, on converting those new customers to ongoing banking relationships. Of the total PPP loans originated, at the end of the second quarter we had submitted 61% for forgiveness and received payoffs for 57%, reducing the Bank’s PPP outstanding loan balance to \$347 million at June 30, 2021. The acceleration of PPP loan forgiveness has increased cash on our balance sheet, which will be deployed to fund new loans, and over time make additions to our investment portfolio, with some cash reduction related to the planned sale of three Bank branches later this year.”

Second Quarter Operating Results

Net Income

Net income for the second quarter of 2021 was \$2.4 million or \$0.17 per fully diluted share, compared with net income of \$2.6 million or \$0.27 per fully diluted share for the second quarter of 2020. The decrease in net income from the prior year was largely due to a \$9.0 million increase in total noninterest expenses, primarily related to the acquisition of CalWest and the Company’s recent strategic expansion into Los Angeles County, as well as \$3.1 million in nonrecurring compensation expenses related to a preexisting employment contract. This increase in noninterest expenses was partially offset by a \$4.0 million increase in net interest income, a reduction of \$2.2 million in the provision for loan losses and an increase of \$1.4 million in noninterest income.

Net income for the second quarter of 2021 was \$2.4 million or \$0.17 per fully diluted share, compared with net income of \$1.4 million or \$0.10 per fully diluted share in the first quarter of 2021. The increase in net income in the second quarter of 2021 was largely due to a \$2.8 million increase in net interest income compared with the first quarter of 2021, and nonrecurring gains of \$974,000, partially offset by increased noninterest expenses of \$3.6 million.

The Company’s financial results for the second quarter of 2021 benefitted from the recording of tax benefits associated with the acceleration and vesting of certain restricted share awards and the exercise of certain stock options. The Company’s income tax would have been approximately \$740,000 higher in the second quarter without those benefits.

Net Interest Income and Net Interest Margin

Net interest income for the second quarter of 2021 was \$15.4 million, an increase of \$4.0 million or 35% from the second quarter of 2020. The increase was primarily due to an increase in average earning assets from the acquisition of CalWest, the Company's expansion into Los Angeles County and increased PPP fee income due to the accelerated pace of PPP loan forgiveness. Comparisons to the prior year also benefit from a reduction in interest expense of \$450,000 resulting in cost of funding decreasing to 0.22% from 0.46% in the prior year.

Net interest margin for the second quarter of 2021 was 3.72%, compared with 3.74% in the same quarter of the prior year. Second quarter loan yields and yield on average earning assets were 4.61% and 3.92%, respectively, compared with 4.55% and 4.17%, respectively, in the prior year. Excluding PPP loans, the net interest margin would have been 3.73% in the second quarter of 2021.

Net interest income for the second quarter of 2021 was \$15.4 million, an increase of \$2.8 million from first quarter of 2021. The increase was primarily due to organic loan growth; increased PPP net fee income of \$3.2 million in the second quarter compared with \$2.2 million in the previous quarter, related to the accelerated pace of PPP loan forgiveness; the accretion of fair value discount from a prior acquisition; and, an additional day of interest income in the second quarter.

Interest expense in the second quarter of 2021 was \$867,000 a decrease of \$95,000 or 9.9% from interest expense of \$962,000 in the first quarter of 2021. The decrease was primarily related to a reduction in average borrowings associated with the paying-off of borrowings from the Federal Reserve Bank under the Paycheck Protection Program Liquidity Funding (PPPLF).

Net interest margin for the second quarter of 2021 was 3.72%, compared to 3.38% in the first quarter of 2021. The increase in net interest margin in the second quarter of 2021 was largely due to an increase in the yield on average earning assets to 3.92%, from 3.63% in the prior quarter.

The yield on average loans in the second quarter of 2021, excluding PPP loans, was 5.00%, an increase of 26 basis points from 4.74% in the prior quarter. Average PPP loan yields increased to 3.83% in the second quarter, compared to 2.90% in the prior quarter. The increase in PPP loan yields was primarily due to the increase in fee income due to the accelerated pace of loan forgiveness. The increase in non-PPP loan yields was primarily due to nonrecurring income of \$437,000 related to elevated prepayment penalties and the fair value accretion of an acquired loan.

Cost of funding for the second quarter of 2021 was 0.22%, down from 0.28% in the previous quarter. A detailed comparison of interest income, yields, costs, and net interest income is included in the table below:

	<u>Q2 2021</u>		<u>Q1 2021</u>	
Interest Income on:				
Total Loans	\$15,956,930	4.61%	\$13,314,474	4.08%
Loans excl PPP	11,586,549	5.00%	9,954,156	4.74%
PPP Loans	4,370,381	3.83%	3,360,318	2.90%

Investments	262,758	3.05%	252,345	3.02%
Fed Funds & Int Earning	58,653	0.10%	34,605	0.09%
Total Interest Income	16,278,341	3.92%	13,601,424	3.63%
Int Exp on Deposits	566,579	0.15%	582,931	0.18%
Int Exp on Borrowings	300,692	4.93%	379,181	1.54%
Total Interest Expense	867,271	0.22%	962,112	0.28%
Net Interest Income	\$15,411,070	3.72%	\$12,639,312	3.38%

Noninterest Income

Total noninterest income for the second quarter of 2021 was \$1.8 million, an increase of \$1.4 million compared with \$390,000 in the second quarter of the prior year. The increase in the second quarter of 2021 included a gain on sale of \$920,000 for an acquired loan that had been on nonaccrual, for which there was no corresponding transaction in the second quarter of 2020, as well as a \$221,000 increase in income on bank owned life insurance and a \$172,000 increase in service charges, fees and other income.

Total noninterest income in the second quarter of 2021 increased by \$1.2 million compared with the first quarter of 2021, primarily due to the gain on sale of an acquired loan noted above, and a \$197,000 increase in income on bank owned life insurance.

Balance Sheet

Assets

Total assets at June 30, 2021, were \$1.8 billion, an increase of \$199 million or 12.6% from December 31, 2020. The increase in total assets was primarily related to a \$366.8 million increase in deposits, offset by a \$179.3 million decrease in other borrowings, primarily PPPLF.

Loans

Total loans were \$1.3 billion at June 30, 2021, compared with \$1.4 billion at March 31, 2021, and June 30, 2020. The Company's non-PPP loan portfolio had net organic growth of \$36.9 million or 4.1% in the second quarter of 2021, after payoffs and paydowns of \$70 million, and ended the quarter at \$940.1 million.

Total commercial and industrial loans decreased by \$169.9 million during the second quarter of 2021, of which \$166.2 million was a reduction in total PPP loans. Loans secured by real estate grew by \$40.7 million in the second quarter of 2021 compared with the prior quarter.

From April 2020 to May 2021 the Company originated 5,084 PPP loans for a total of \$799.1 million. At June 30, 2021, the Company had submitted 2,650 PPP loans totaling \$488.3 million for forgiveness, of which 2,544 PPP loans totaling \$452.1 million were paid off. Total remaining PPP loans outstanding at June 30, 2021, was \$347.0 million.

Deposits

Total deposits at June 30, 2021, were \$1.6 billion, an increase of \$108.1 million from the end of the prior quarter and an increase of \$405.1 million from the year-ago period. Noninterest-bearing deposits at June 30, 2021, were \$747.7 million or 47.9% of total deposits, compared to \$703.1 million or 48.4% of total deposits at March 31, 2021, and \$524.0 million or 45.3% of total deposits at June 30, 2020.

Asset Quality

Total non-performing assets were \$0.7 million or 0.04% of total assets at June 30, 2021, compared with \$0.8 million or 0.05% of total assets at March 31, 2021.

During the second quarter of 2021 the Company recorded net recoveries of \$20,000, compared with \$374,000 in net recoveries in the second quarter of 2020 and \$15,000 in net recoveries in the first quarter of 2021.

The Company recorded no loan loss provision in the first and second quarters of 2021, after recording \$4.6 million in provisions for the full year of 2020, and the allowance for loan and lease losses (ALLL) remained at \$10.3 million at the end of the second quarter of 2021. The Company continues to monitor macroeconomic variables related to COVID-19 and believes it is adequately provisioned for the current environment. Management will continue to monitor and manage the loan portfolio to minimize potential future losses.

As the initial onset of economic uncertainty became clearer, many customers who elected a payment deferral have been returned to paying status; a total of \$183 million in loans have reinstated their normal loan payments. The remaining three loans currently on deferral total \$2.9 million and include two health care loans and one real estate loan.

Relevant reserve ratios compared to the prior and year-ago quarter are as follows:

	Q2 2021	Q1 2021	Q2 2020
ALLL to Total Loans	0.80%	0.73%	0.61%
ALLL and Loan Fair Value Credit Marks (LFVCM) to Total Loans	0.99%	1.00%	0.99%
ALLL and LFVCM to Total Loans, excluding PPP Loans	1.36%	1.57%	1.62%

Liquidity and Capital

With 7.4% growth in total deposits in the second quarter, and a strong cash balance from the quick pace of forgiveness of PPP loans, the Bank has ample liquidity resources to meet its customers' needs. Additionally, the Bank has borrowing capacity of \$187 million from the FHLB, with no outstanding borrowings at June 30, 2021.

The significant growth in PPP loans over the past 18 months has been funded through a combination of increased DDA accounts, generally associated directly with the PPP Loans, borrowings under PPPLF, and other sources. At June 30, 2021, the Bank's PPP loan portfolio was entirely funded by Bank deposits.

PPP loans are considered zero risk-weighted assets, and as such have helped maintain the Bank's leverage capital ratio and total risk-based capital ratio at 9.74% and 17.45%, respectively, for the quarter ended June 30, 2021.

ABOUT BANK OF SOUTHERN CALIFORNIA AND SOUTHERN CALIFORNIA BANCORP

A growing commercial bank, established in 2001, Bank of Southern California, N.A., with headquarters in San Diego, CA, offers a range of financial products to individuals, professionals, and small-to-medium sized businesses. The Bank's solution-driven, relationship-based approach to banking provides accessibility to decision makers and enhances value through strong partnerships with its clients. The Bank currently operates branches in San Diego County, Los Angeles County, Orange County, San Bernardino County and Riverside County.

Southern California Bancorp is a registered bank holding company formed for the purpose of acquiring control of the Bank. The Bank became a wholly owned subsidiary of the Company in a reorganization transaction that closed on May 15, 2020.

For more information, please visit banksocal.com or call (844) BNK-SOCAL.

FORWARD-LOOKING STATEMENTS

This news release may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended, and Southern California Bancorp (the "Company") intends for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Future events are difficult to predict, and the expectations described above are necessarily subject to risk and uncertainty that may cause actual results to differ materially and adversely. 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." These 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. 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 effects of the COVID-19 pandemic, or other similar outbreaks, including the effects of the steps being taken to address the pandemic and their impact on the Company's markets, customers and employees; the ability of the Company to successfully execute its business plans and achieve its objectives, including consummating the sale of three branches and consummating the merger with Bank of Santa Clarita, and including achieving the expected revenue synergies and cost savings from the merger with Bank of Santa Clarita; changes in general economic and financial market conditions, either nationally or locally, in areas in which the Company conducts its operations; changes in interest rates; continuing consolidation in the financial services industry; new litigation or changes in existing litigation; increased competitive challenges and expanding product and pricing pressures among financial institutions; legislation or regulatory changes which adversely affect the Company's operations or business; loss of key personnel; and changes in accounting policies or procedures as may be required by

the Financial Accounting Standards Board or other regulatory agencies.

The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

Southern California Bancorp

Balance Sheets

(Unaudited)

	<u>Jun 30, 2021</u>	<u>Mar 31, 2021</u>	<u>Dec 31, 2020</u>	<u>Sept 30, 2020</u>	<u>Jun 30, 2020</u>
ASSETS					
Cash and due from banks	\$15,126,065	\$17,641,725	\$11,950,639	\$16,008,641	\$20,893,528
Fed funds & int-bearing balances	382,300,000	140,615,764	238,866,116	105,543,557	83,029,504
Total cash and cash equivalents	397,426,065	158,257,489	250,816,755	121,552,198	103,923,032
Debt securities (AFS)	21,214,779	24,248,794	24,702,467	24,767,969	26,855,698
FRB, FHLB and other equity stock	11,177,350	10,143,550	8,872,900	8,872,900	8,899,450
<i>Construction & land development</i>	29,559,914	30,459,337	31,375,236	43,101,171	35,241,241
<i>1-4 Family Residential</i>	93,871,005	106,082,307	103,367,391	107,724,352	105,297,275
<i>Multifamily</i>	92,938,965	108,601,017	111,815,776	113,159,342	125,895,257
<i>Other commercial real estate</i>	513,061,625	443,612,515	404,856,966	403,795,137	403,110,978
<i>Commercial & industrial</i>	553,516,111	723,443,758	577,608,374	689,687,091	675,270,756
<i>Other consumer</i>	4,148,740	4,181,084	4,857,563	6,010,280	5,935,683
Total loans	1,287,096,360	1,416,380,018	1,233,881,306	1,363,477,373	1,350,751,190
Allowance for loan losses	(10,289,921)	(10,270,115)	(10,255,005)	(10,295,855)	(8,300,176)
Total loans and leases, net	1,276,806,439	1,406,109,903	1,223,626,301	1,353,181,518	1,342,451,014
Premises, equipment, and ROU, net	17,707,289	17,758,109	15,051,487	13,257,434	13,125,130
Other real estate owned	0	0	0	0	0
Goodwill and core deposit intangible	21,422,121	21,510,561	21,599,001	21,479,639	22,297,992
Bank owned life insurance	17,808,119	18,093,069	17,990,765	17,883,455	17,774,774
Accrued interest and other assets	14,518,617	17,047,915	16,388,640	14,291,215	10,629,800
Total Assets	\$1,778,080,779	\$1,673,169,390	\$1,579,048,316	\$1,575,286,328	\$1,545,956,890
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits:					
Noninterest-bearing demand	\$747,738,727	\$703,061,127	\$533,923,009	\$503,929,563	\$524,041,064
Interest bearing checking	129,392,533	119,366,773	83,566,875	96,527,122	89,429,765
Money market and savings	586,849,245	520,487,029	458,529,872	410,847,164	394,126,519
Time deposits	97,525,691	110,458,582	118,719,534	126,736,990	148,854,654
Total deposits	1,561,506,196	1,453,373,511	1,194,739,290	1,138,040,839	1,156,452,002
Other borrowings	20,345,918	30,314,482	199,648,070	297,357,238	251,086,895
Accrued interest and other liabilities	22,656,173	18,415,653	15,775,916	11,967,887	12,997,372
Total liabilities	1,604,508,287	1,502,103,646	1,410,163,276	1,447,365,964	1,420,536,269
Shareholders' Equity:					
Common stock and APIC	147,727,489	147,690,044	146,895,943	103,932,450	103,595,385
Retained earnings	25,525,772	23,125,833	21,693,933	23,691,383	21,456,064
Accum. other comprehensive income	319,231	249,867	295,164	296,531	369,172
Total shareholders' equity	173,572,492	171,065,744	168,885,040	127,920,364	125,420,621
Total Liabilities and Shareholders' Equity	\$1,778,080,779	\$1,673,169,390	\$1,579,048,316	\$1,575,286,328	\$1,545,956,890

Southern California Bancorp

Income Statements - Quarterly

(Unaudited)

	<u>Jun 30, 2021</u>	<u>Mar 31, 2021</u>	<u>Dec 31, 2020</u>	<u>Sept 30, 2020</u>	<u>Jun 30, 2020</u>
INTEREST INCOME					
Loans, including fees	\$15,956,930	\$13,314,474	\$14,255,623	\$14,772,183	\$12,480,097
Debt securities and equity stock	262,758	252,345	222,737	226,211	195,036
Fed funds & int-bearing balances	58,653	34,605	41,094	26,303	57,300
Total interest income	16,278,341	13,601,424	14,519,454	15,024,697	12,732,433
INTEREST EXPENSE					
Deposits	566,579	582,931	726,717	930,474	869,786
Other borrowings	300,692	379,181	648,616	693,487	447,830
Total interest expense	867,271	962,112	1,375,333	1,623,961	1,317,616
Net interest income	15,411,070	12,639,312	13,144,121	13,400,736	11,414,817
Provision for loan losses	0	0	0	2,000,000	2,252,000
Net interest income after provision	15,411,070	12,639,312	13,144,121	11,400,736	9,162,817
NONINTEREST INCOME					
Service charges, fees and other income	481,151	448,919	421,803	364,797	309,359
Income on bank owned life insurance	299,068	102,304	107,310	108,682	78,125
Gains on loan sales	919,722	0	0	0	0
OREO, investment, other gains (losses)	54,362	(3,522)	(92,856)	250,009	2,149
Total noninterest income	1,754,303	547,701	436,257	723,488	389,633
NONINTEREST EXPENSE					
Salaries and benefits	10,596,884	7,377,063	11,120,598	4,151,278	3,171,772
Occupancy and equipment	1,096,564	1,115,406	1,048,852	1,071,270	854,976
Strategic and other non-operating expense	838,062	664,957	2,369,649	1,610,824	356,742
Other expense	2,284,924	2,019,687	1,894,352	2,135,533	1,441,300
Total noninterest expense	14,816,434	11,177,113	16,433,451	8,968,905	5,824,790
Income before income tax expense	2,348,939	2,009,900	(2,853,073)	3,155,319	3,727,660
Income tax expense (benefit)	(51,000)	578,000	(855,623)	920,000	1,154,377
Net Income (Loss)	\$2,399,939	\$1,431,900	(\$1,997,450)	\$2,235,319	\$2,573,283
Diluted earnings (loss) per share	\$0.17	\$0.10	(\$0.21)	\$0.23	\$0.27
Average shares outstanding	13,289,796	13,272,693	9,661,860	9,429,538	9,422,608
Operating profit (loss) (before non-operating items) ¹	\$2,212,917	\$2,678,379	(\$390,568)	\$6,516,134	\$6,334,253

¹ Op profit (before non-operating items) = Pre-tax, pre-provision earnings, before noninterest income gains (losses) and non-operating expense.

Southern California Bancorp

Income Statements – Year to Date

(Unaudited)

	<u>Jun 30, 2021</u>	<u>Jun 30, 2020</u>	<u>Jun 30, 2019</u>	<u>Jun 30, 2018</u>
INTEREST INCOME				
Loans, including fees	\$29,271,404	\$21,448,976	\$17,481,355	\$10,582,729
Investment securities	515,103	410,514	552,199	426,789
Fed funds & int-bearing balances	93,258	411,327	656,544	395,108
Total interest income	<u>29,879,765</u>	<u>22,270,817</u>	<u>18,690,098</u>	<u>11,404,626</u>
INTEREST EXPENSE				
Deposits	1,149,510	2,222,942	3,045,959	1,252,063
Other borrowings	679,873	647,885	321,322	19,693
Total interest expense	<u>1,829,383</u>	<u>2,870,827</u>	<u>3,367,281</u>	<u>1,271,756</u>
Net interest income	28,050,382	19,399,990	15,322,817	10,132,870
Provision for loan losses	<u>0</u>	<u>2,552,000</u>	<u>500,000</u>	<u>700,000</u>
Net interest income after provision for loan losses	<u>28,050,382</u>	<u>16,847,990</u>	<u>14,822,817</u>	<u>9,432,870</u>
NONINTEREST INCOME				
Service charges, fees and other income	930,070	668,312	744,033	619,656
Income on bank owned life insurance	401,372	144,788	113,053	113,370
Gains on loan sales	919,722	0	93,874	967,270
OREO, investment, other gains (losses)	50,840	323,863	(12,307)	250
Total noninterest income	<u>2,302,004</u>	<u>1,136,963</u>	<u>938,653</u>	<u>1,700,546</u>
NONINTEREST EXPENSE				
Salaries and benefits	17,973,947	6,418,735	6,439,295	4,512,649
Occupancy and equipment	2,211,970	1,664,824	1,511,675	924,457
Strategic and other non-operating expense	1,503,019	637,580	0	414,773
Other expense	4,304,611	2,797,818	2,951,507	1,853,084
Total noninterest expense	<u>25,993,547</u>	<u>11,518,957</u>	<u>10,902,477</u>	<u>7,704,963</u>
Income before income tax expense	4,358,839	6,465,996	4,858,993	3,428,453
Income tax expense	527,000	1,981,377	1,438,000	1,050,000
Net Income	<u><u>\$3,831,839</u></u>	<u><u>\$4,484,619</u></u>	<u><u>\$3,420,993</u></u>	<u><u>\$2,378,453</u></u>
Diluted earnings per share	\$0.28	\$0.47	\$0.40	\$0.37
Average shares outstanding	13,281,244	9,415,774	8,409,897	6,136,312
Operating profit (before non-operating items) ¹	\$4,891,296	\$9,331,713	\$5,277,426	\$3,575,706

¹ Op profit (before non-operating items) = Pre-tax, pre-provision earnings, before noninterest income gains (losses) and non-operating expense.

Southern California Bancorp

Quarterly and YTD Financial Highlights

(Unaudited)

(\$ in thousands except per share data)

	Quarterly					6 Months YTD	
	2021 2nd Qtr	2021 1st Qtr	2020 4th Qtr	2020 3rd Qtr	2020 2nd Qtr	2021	2020
EARNINGS							
Net interest income	\$ 15,411	12,639	13,144	13,401	11,415	28,050	19,400
Provision for loan losses	\$ 0	0	0	2,000	2,252	0	2,552
Noninterest income	\$ 1,754	548	436	723	390	2,302	1,137
Noninterest expense	\$ 14,816	11,177	16,433	8,969	5,825	25,994	11,519
Income tax expense (benefit)	\$ (51)	578	(856)	920	1,154	527	1,981
Net income (loss)	\$ 2,400	1,432	(1,997)	2,235	2,573	3,832	4,485
Basic earnings (loss) per share	\$ 0.18	0.11	(0.21)	0.24	0.27	0.29	0.48
Diluted earnings (loss) per share	\$ 0.17	0.10	(0.21)	0.23	0.27	0.28	0.47
Average shares outstanding	13,289,796	13,272,693	9,661,860	9,429,538	9,422,608	13,281,244	9,415,774
Ending shares outstanding	13,509,081	13,278,005	13,267,380	9,455,065	9,424,565	13,509,081	9,424,565
PERFORMANCE RATIOS							
Return on average assets	0.55%	0.36%	-0.50%	0.57%	0.80%	0.46%	0.84%
Return on average common equity	5.54%	3.41%	-6.06%	7.00%	8.33%	4.49%	7.31%
Yield on loans	4.61%	4.08%	4.36%	4.31%	4.55%	4.36%	4.84%
Yield on earning assets	3.92%	3.63%	3.83%	4.03%	4.17%	3.79%	4.40%
Cost of deposits	0.15%	0.18%	0.25%	0.32%	0.35%	0.16%	0.53%
Cost of funding	0.22%	0.28%	0.38%	0.45%	0.46%	0.25%	0.61%
Net interest margin	3.72%	3.38%	3.47%	3.60%	3.74%	3.55%	3.83%
Efficiency ratio	86.3%	84.8%	121.0%	63.5%	49.3%	85.6%	56.1%
CAPITAL							
Tangible equity to tangible assets	8.66%	9.05%	9.46%	6.85%	6.77%	8.66%	6.77%
Book value (BV) per common share	\$ 12.85	12.88	12.73	13.53	13.31	12.85	13.31
Tangible BV per common share	\$ 11.26	11.26	11.10	11.26	10.94	11.26	10.94
ASSET QUALITY							
Net loan charge-offs (recoveries)	\$ (20)	(15)	41	4	(374)	(35)	(385)
Allowance for loan losses (ALLL)	\$ 10,290	10,270	10,255	10,296	8,300	10,290	8,300
ALLL to total loans	0.80%	0.73%	0.83%	0.76%	0.61%	0.80%	0.61%
Loan fair value credit marks (LFVCM)	\$ 2,510	3,872	4,333	5,205	5,076	2,510	5,076
ALLL & LFVCM to total loans	0.99%	1.00%	1.18%	1.14%	0.99%	0.99%	0.99%
ALLL & LFVCM to total loans (excl PPP)	1.36%	1.57%	1.76%	1.88%	1.62%	1.36%	1.62%
Nonperforming loans	\$ 697	808	896	1,125	1,734	697	1,734
Other real estate owned	\$ 0	0	0	0	0	0	0
Nonperforming assets to total assets	0.04%	0.05%	0.06%	0.07%	0.11%	0.04%	0.11%
END OF PERIOD BALANCES							
Total loans	\$ 1,287,096	1,416,380	1,233,881	1,363,477	1,350,751	1,287,096	1,350,751
Total assets	\$ 1,778,081	1,673,169	1,579,048	1,575,286	1,545,957	1,778,081	1,545,957
Deposits	\$ 1,561,506	1,453,374	1,194,739	1,138,041	1,156,452	1,561,506	1,156,452
Loans to deposits	82.4%	97.5%	103.3%	119.8%	116.8%	82.4%	116.8%
Shareholders' equity	\$ 173,572	171,066	168,885	127,920	125,421	173,572	125,421
Full-time equivalent employees	184	169	147	118	122	184	122
AVERAGE BALANCES (QTRLY) (YTD)							
Total loans	\$ 1,387,131	1,321,964	1,297,794	1,358,291	1,100,180	1,354,728	888,502
Earning assets	\$ 1,663,735	1,518,715	1,503,951	1,477,910	1,225,376	1,591,579	1,014,590
Total assets (net of AFS valuation)	\$ 1,744,886	1,600,686	1,578,118	1,556,364	1,296,741	1,673,184	1,076,069
Deposits	\$ 1,529,016	1,313,485	1,162,979	1,142,686	983,294	1,421,846	839,818
Shareholders' equity	\$ 173,644	170,362	130,818	126,670	123,899	172,003	122,972

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