



SOUTHERN CALIFORNIA BANCORP REPORTS STRONG ORGANIC LOAN GROWTH FOR THE THIRD QUARTER OF 2021

San Diego, Calif., Oct. 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 third quarter of 2021.

Third Quarter 2021 Highlights

- **Net income available to common shareholders increased** to \$3.5 million, up \$1.1 million, or 45.9% from \$2.4 million in the prior quarter
- **Net organic loans (non-PPP) increased** to \$1.1 billion, up \$110.8 million, or 11.8%, from June 30, 2021, and up \$223.9 million or 27.1% from December 31, 2020
- **PPP loan portfolio balance** of \$181.4 million, down from \$346.6 million at June 30, 2021
- **Total assets of \$1.8 billion**, up \$6.1 million, or 0.3%, from June 30, 2021, and up \$205.1 million, or 13.0%, from December 31, 2020
- **Total deposits of \$1.6 billion**, up \$4.9 million, or 0.3% (after the sale of three branches with combined deposits of \$82.0 million), from June 30, 2021, and up \$371.6 million, or 31.1%, from December 31, 2020
- **Noninterest-bearing demand deposits** were 48.6% of total deposits, up from 47.9% at June 30, 2021
- **Net interest margin** of 3.67% in the third quarter, compared to 3.72% in the prior quarter; average yield on non-PPP loans of 4.60%
- **Nonperforming assets to total assets** ratio remains at 0.04%, the same as the prior quarter
- **Received requisite approvals** from shareholders of Southern California Bancorp and Bank of Santa Clarita, and requisite regulatory approvals, for 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
- **Completed sale of three branches** to align footprint to support a commercial banking strategy
- **Continued status as “well-capitalized,”** the highest regulatory capital category

“I am very pleased to report strong third quarter non-PPP loan growth, which increased \$111 million, or 12%, from the second quarter of 2021, net of payoffs of \$22 million,” said David Rainer, Chairman, CEO and President of Southern California Bancorp and Bank of Southern California, N.A. “As of the end of the third quarter, our net organic year-to-date non-PPP loan growth was \$224 million, or 27%, with much of this growth coming from the new branches we have opened in our expanded Los Angeles County footprint. We believe this strong loan growth is evidence of the traction we are gaining from the execution of our strategic repositioning of the Bank to a relationship-based, commercial banking model with branches in high growth areas.

“Deposits remained steady at \$1.6 billion in the third quarter, even as we completed the sale of three branches with combined deposits of \$82 million in September. Noninterest-bearing deposits of \$760

million at September 30, 2021, represented 48.6% of total deposits and our cost of deposits decreased to 0.11% in the third quarter, down from 0.15% in the second quarter of 2021. Average deposits per branch grew to \$130 million at September 30, 2021, up from \$100 million at December 31, 2020, and on a pro forma basis, combined with Bank of Santa Clarita, are expected to be approximately \$150 million per branch.

“In the third quarter we received approval for the acquisition of Bank of Santa Clarita from the shareholders of Southern California Bancorp and Bank of Santa Clarita, as well as regulatory approval of the transaction, which was closed on October 1, 2021. The integration is progressing smoothly, with both teams excited about the opportunities it presents, and we are very pleased to have former Bank of Santa Clarita Chairman Frank Di Tomaso join our Boards of Directors.

“Additionally, in the third quarter we established a Private Banking Group, with the appointment of Nicole Swain as President. Ms. Swain is well known and widely respected in the Southern California banking industry, and we are very pleased to have her join us.”

Third Quarter Operating Results

Net Income

Net income for the third quarter of 2021 was \$3.5 million or \$0.25 per fully diluted share, compared with net income of \$2.2 million or \$0.23 per fully diluted share for the third quarter of 2020. The increase in net income from the prior year was primarily attributable to a \$2.6 million increase in net interest income and a \$963,000 increase in noninterest income. Noninterest expense increased to \$12.7 million in the third quarter of 2021, compared with \$9.0 million in the prior year, largely related to the Company’s recent strategic expansion into Los Angeles County. The Company took no loan loss provision in the third quarter of 2021, compared with a \$2.0 million loan loss provision in the prior year.

Net income for the third quarter of 2021 was \$3.5 million or \$0.25 per fully diluted share, compared with net income of \$2.4 million or \$0.17 per fully diluted share in the second quarter of 2021. The increase in net income in the third quarter of 2021 was related to a \$616,000 increase in net interest income in the third quarter of 2021 compared with the second quarter of 2021, and a decrease in noninterest expense in the third quarter of 2021 of \$2.1 million compared with the second quarter of 2021, during which quarter the Company had nonrecurring compensation expenses of \$3.1 million, related to a preexisting employment contract.

The Company’s income tax expense was \$1.5 million for the third quarter of 2021, compared with a tax benefit of \$51,000 in the second quarter of 2021, which was related to 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 third quarter of 2021 was \$16.0 million, an increase of \$2.6 million, or 19.6%, from the third quarter of 2020. The increase was primarily due to an increase in average earning assets related to 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 \$872,000 resulting in cost of funding decreasing to 0.18% from 0.45% in the prior year.

Net interest margin for the third quarter of 2021 was 3.67%, compared with 3.60% in the same quarter of the prior year. Third quarter loan yields and yield on average earning assets were 5.29% and 3.84%, respectively, compared with 4.31% and 4.03%, respectively, in the prior year.

Net interest income for the third quarter of 2021 was \$16.0 million, an increase of \$616,000 from the second quarter of 2021. The increase was primarily due to organic loan growth and increased PPP net fee income of \$4.5 million in the third quarter compared with \$3.2 million in the previous quarter, related to the accelerated pace of PPP loan forgiveness and an additional day of interest income in the third quarter.

Interest expense in the third quarter of 2021 was \$752,000, a decrease of \$115,000 or 13.3% from interest expense of \$867,000 in the second quarter of 2021. The decrease in the third quarter was primarily related to a reduction the cost of deposits to 0.11%, down from 0.15% in the second quarter.

Net interest margin for the third quarter of 2021 was 3.67%, compared to 3.72% in the second quarter of 2021. The decrease in net interest margin in the third quarter of 2021 was largely due to the decrease in the yield on average earning assets to 3.84%, from 3.92% in the prior quarter.

The yield on average loans in the third quarter of 2021, excluding PPP loans, was 4.60%, a decrease of 40 basis points from 5.00% in the prior quarter. The decrease 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 in the second quarter of 2021. Average PPP loan yields increased to 7.88% in the third quarter, compared to 3.83% 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.

Cost of funding for the third quarter of 2021 was 0.18%, down from 0.22% in the previous quarter. A detailed comparison of interest income, yields, costs, and net interest income is included in the table below:

	<u>Q3 2021</u>		<u>Q2 2021</u>	
Interest Income on:				
Total Loans	\$16,373,790	5.29%	\$15,956,930	4.61%
Loans excl PPP	11,210,529	4.60%	11,586,549	5.00%
PPP Loans	5,163,261	7.88%	4,370,381	3.83%
Investments	245,527	2.79%	262,758	3.05%
Fed Funds & Int Earning	159,972	0.13%	58,653	0.10%
Total Interest Income	16,779,289	3.84%	16,278,341	3.92%
Int Exp on Deposits	451,181	0.11%	566,579	0.15%
Int Exp on Borrowings	300,705	5.86%	300,692	4.93%
Total Interest Expense	751,886	0.18%	867,271	0.22%
Net Interest Income	16,027,403	3.67%	\$15,411,070	3.72%

Noninterest Income

Total noninterest income for the third quarter of 2021 was \$1.7 million, an increase of \$963,000 compared with \$723,000 in the third quarter of the prior year. The increase in the third quarter of 2021 was largely related to the gain on sale of \$1.0 million for three branches the Company sold on September 24, 2021, for which there was no corresponding transaction in the third quarter of 2020.

Total noninterest income in the third quarter of 2021 decreased by \$63,000 compared with the second quarter of 2021. As noted above, in the third quarter of 2021 the Company sold three branches for \$1.0 million for which there was no corresponding transaction in the second quarter of 2021; however, in the second quarter of 2021 the Company recorded a gain on sale of an acquired loan of \$920,000. In the third quarter of 2021 the Company recorded income on bank owned life insurance of \$165,000, compared to \$300,000 in the second quarter of 2021.

Balance Sheet

Assets

Total assets at September 30, 2021, were \$1.8 billion, an increase of \$205.1 million or 13.0% from December 31, 2020. The increase in total assets was primarily related to a \$371.6 million increase in deposits, offset by a \$179.3 million decrease in other borrowings, primarily PPPLF.

Loans

Total loans were \$1.2 billion at September 30, 2021, compared with \$1.3 billion at June 30, 2021, and \$1.4 billion at September 30, 2020. The Company's non-PPP loan portfolio had net organic growth of \$110.8 million or 11.8% in the third quarter of 2021, after payoffs and paydowns of \$21.6 million, and ended the quarter at \$1.1 billion.

Total commercial and industrial loans decreased by \$139.8 million during the third quarter of 2021, of which \$165.2 million was a reduction in total PPP loans. Loans secured by real estate grew by \$84.9 million in the third quarter of 2021 compared with the prior quarter.

From April 2020 to May 2021 the Company originated a total of \$799.1 million in PPP loans; at September 30, 2021, the remaining PPP loans outstanding balance was \$181.4 million.

Deposits

Total deposits at September 30, 2021, were \$1.6 billion, an increase of \$4.9 million from the end of the prior quarter. On September 24, 2021, the Company sold three branches with combined deposits of \$82.0 million. Total deposits of \$1.6 billion increased \$428.3 million from the third quarter of 2020. Noninterest-bearing deposits at September 30, 2021 were \$760.5 million, or 48.6% of total deposits, compared to \$747.7 million, or 47.9% of total deposits, at June 30, 2021, and \$503.9 million, or 44.3% of total deposits, at September 30, 2020.

Asset Quality

Total non-performing assets were \$0.7 million or 0.04% of total assets at September 30, 2021, the same as the prior quarter.

During the third quarter of 2021, the Company recorded net recoveries of \$75,000, compared with net charge-offs of \$4,000 in third quarter of 2020 and \$20,000 in net recoveries in the second quarter of 2021.

The Company recorded no loan loss provision in the first three quarters of 2021, after recording \$4.6 million in provisions for the full year of 2020. The allowance for loan and lease losses (ALLL) was \$10.4 million at the end of the third quarter of 2021. The Company continues to monitor macroeconomic variables related to COVID-19 and reasonably believes it is adequately provisioned for the current environment. Management will continue to monitor and manage the loan portfolio to minimize potential future losses.

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

	Q3 2021	Q2 2021	Q3 2020
ALLL to Total Loans	0.84%	0.80%	0.76%
ALLL and Loan Fair Value Credit Marks (LFVCM) to Total Loans	1.00%	0.99%	1.14%
ALLL and LFVCM to Total Loans, excluding PPP Loans	1.18%	1.36%	1.88%

Liquidity and Capital

With 31.1% growth in total deposits year-to-date 2021, 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 \$170 million from the FHLB, with no outstanding borrowings at September 30, 2021.

The significant production in PPP loans over the past 18 months was funded through a combination of increased DDA accounts, generally associated directly with the PPP Loans, borrowings under PPPLF, and other sources. At September 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 9.58% and 16.02%, respectively, for the quarter ended September 30, 2021.

ABOUT BANK OF SOUTHERN CALIFORNIA AND SOUTHERN CALIFORNIA BANCORP

Southern California Bancorp (OTC Pink: BCAL) is a registered bank holding company headquartered in San Diego, California. Bank of Southern California, N.A., a national banking association chartered under the laws of the United States and regulated by the Office of Comptroller of the Currency, is a wholly owned subsidiary of Southern California Bancorp. Established in 2001 and headquartered in San Diego,

California, Bank of Southern California, N.A. offers a range of financial products and services to individuals, professionals, and small- to medium-sized businesses through its 12 branch offices serving San Diego, Orange, Los Angeles, and Ventura counties, as well as the Inland Empire. The Bank's solution-driven, relationship-based approach to banking provides accessibility to decision makers and enhances value through strong partnerships with its clients. Additional information is available at www.banksocal.com.

Southern California Bancorp's common stock is traded on the OTC Markets Group Inc. Pink Open Market under the symbol "BCAL." For more information, please visit banksocal.com or call (844) BNK-SOCAL.

FORWARD-LOOKING STATEMENTS

In addition to historical information, certain matters set forth herein constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including forward-looking statements relating to management's beliefs, projections and assumptions concerning future results and events. Forward-looking statements include descriptions of management's plans or objectives for future operations, products or services, and forecasts of Southern California Bancorp's revenues, earnings, or other measures of economic performance. As well, forward-looking statements may relate to future outlook and anticipated events, such as Southern California Bancorp's plans and protocols with regard to managing potential impacts related to the ongoing COVID-19 pandemic. These forward-looking statements involve risks and uncertainties, based on the beliefs and assumptions of management and on the information available to management at the time that such forward-looking statements were made and can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words or phrases such as "aim," "can," "may," "could," "predict," "should," "will," "would," "believe," "anticipate," "estimate," "expect," "hope," "intend," "plan," "potential," "project," "will likely result," "continue," "seek," "shall," "possible," "projection," "optimistic," and "outlook," and variations of these words and similar expressions or the negative version of those words or phrases.

Forward-looking statements involve substantial risks and uncertainties, many of which are difficult to predict and are generally beyond our control. Many factors could cause actual results to differ materially from those contemplated by these forward-looking statements. Except to the extent required by applicable law or regulation, Southern California Bancorp does not undertake, and specifically disclaims any obligation, to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements except as required by law. Any statements about future operating results, such as those concerning accretion and dilution to Southern California Bancorp's earnings or shareholders, are for illustrative purposes only, are not forecasts, and actual results may differ.

Southern California Bancorp

Balance Sheets

(Unaudited)

	<u>Sept 30, 2021</u>	<u>Jun 30, 2021</u>	<u>Mar 31, 2021</u>	<u>Dec 31, 2020</u>	<u>Sept 30, 2020</u>
ASSETS					
Cash and due from banks	\$12,166,356	\$15,126,065	\$17,641,725	\$11,950,639	\$16,008,641
Fed funds & int-bearing balances	435,475,700	382,300,000	140,615,764	238,866,116	105,543,557
Total cash and cash equivalents	447,642,056	397,426,065	158,257,489	250,816,755	121,552,198
Debt securities (AFS)	24,905,267	21,214,779	24,248,794	24,702,467	24,767,969
FRB, FHLB and other equity stock	11,270,350	11,177,350	10,143,550	8,872,900	8,872,900
<i>Construction & land development</i>	34,438,305	29,559,914	30,459,337	31,375,236	43,101,171
<i>1-4 Family Residential</i>	108,632,444	93,871,005	106,082,307	103,367,391	107,724,352
<i>Multifamily</i>	142,220,706	92,938,965	108,601,017	111,815,776	113,159,342
<i>Other commercial real estate</i>	529,062,592	513,061,625	443,612,515	404,856,966	403,795,137
<i>Commercial & industrial</i>	413,758,869	553,516,111	723,443,758	577,608,374	689,687,091
<i>Other consumer</i>	4,528,805	4,148,740	4,181,084	4,857,563	6,010,280
Total loans	1,232,641,721	1,287,096,360	1,416,380,018	1,233,881,306	1,363,477,373
Allowance for loan losses	(10,364,693)	(10,289,921)	(10,270,115)	(10,255,005)	(10,295,855)
Total loans and leases, net	1,222,277,028	1,276,806,439	1,406,109,903	1,223,626,301	1,353,181,518
Premises, equipment, and ROU, net	15,237,117	17,707,289	17,758,109	15,051,487	13,257,434
Other real estate owned	0	0	0	0	0
Goodwill and core deposit intangible	21,334,833	21,422,121	21,510,561	21,599,001	21,479,639
Bank owned life insurance	27,973,099	17,808,119	18,093,069	17,990,765	17,883,455
Accrued interest and other assets	13,546,434	14,518,617	17,047,915	16,388,640	14,291,215
Total Assets	\$1,784,186,184	\$1,778,080,779	\$1,673,169,390	\$1,579,048,316	\$1,575,286,328
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits:					
Noninterest-bearing demand	\$760,492,115	\$747,738,727	\$703,061,127	\$533,923,009	\$503,929,563
Interest bearing checking	136,851,252	129,392,533	119,366,773	83,566,875	96,527,122
Money market and savings	593,255,255	586,849,245	520,487,029	458,529,872	410,847,164
Time deposits	75,761,818	97,525,691	110,458,582	118,719,534	126,736,990
Total deposits	1,566,360,440	1,561,506,196	1,453,373,511	1,194,739,290	1,138,040,839
Other borrowings	20,377,355	20,345,918	30,314,482	199,648,070	297,357,238
Accrued interest and other liabilities	19,812,618	22,656,173	18,415,653	15,775,916	11,967,887
Total liabilities	1,606,550,413	1,604,508,287	1,502,103,646	1,410,163,276	1,447,365,964
Shareholders' Equity:					
Common stock and APIC	148,384,701	147,727,489	147,690,044	146,895,943	103,932,450
Retained earnings	29,027,837	25,525,772	23,125,833	21,693,933	23,691,383
Accum. other comprehensive income	223,233	319,231	249,867	295,164	296,531
Total shareholders' equity	177,635,771	173,572,492	171,065,744	168,885,040	127,920,364
Total Liabilities and Shareholders' Equity	\$1,784,186,184	\$1,778,080,779	\$1,673,169,390	\$1,579,048,316	\$1,575,286,328

Southern California Bancorp

Income Statements - Quarterly

(Unaudited)

	<u>Sept 30, 2021</u>	<u>Jun 30, 2021</u>	<u>Mar 31, 2021</u>	<u>Dec 31, 2020</u>	<u>Sept 30, 2020</u>
INTEREST INCOME					
Loans, including fees	\$16,373,790	\$15,956,930	\$13,314,474	\$14,255,623	\$14,772,183
Debt securities and equity stock	245,527	262,758	252,345	222,737	226,211
Fed funds & int-bearing balances	159,972	58,653	34,605	41,094	26,303
Total interest income	16,779,289	16,278,341	13,601,424	14,519,454	15,024,697
INTEREST EXPENSE					
Deposits	451,181	566,579	582,931	726,717	930,474
Other borrowings	300,705	300,692	379,181	648,616	693,487
Total interest expense	751,886	867,271	962,112	1,375,333	1,623,961
Net interest income	16,027,403	15,411,070	12,639,312	13,144,121	13,400,736
Provision for loan losses	0	0	0	0	2,000,000
Net interest income after provision	16,027,403	15,411,070	12,639,312	13,144,121	11,400,736
NONINTEREST INCOME					
Service charges, fees and other income	503,839	481,151	448,919	421,803	364,797
Income on bank owned life insurance	164,979	299,068	102,304	107,310	108,682
Gains on loan sales	0	919,722	0	0	0
OREO, investment, other gains (losses)	1,017,273	54,362	(3,522)	(92,856)	250,009
Total noninterest income	1,686,091	1,754,303	547,701	436,257	723,488
NONINTEREST EXPENSE					
Salaries and benefits	7,751,397	10,596,884	7,377,063	11,120,598	4,151,278
Occupancy and equipment	1,323,747	1,096,564	1,115,406	1,048,852	1,071,270
Strategic and other non-operating expense	614,695	838,062	664,957	2,369,649	1,610,824
Other expense	2,989,590	2,284,924	2,019,687	1,894,352	2,135,533
Total noninterest expense	12,679,429	14,816,434	11,177,113	16,433,451	8,968,905
Income before income tax expense	5,034,065	2,348,939	2,009,900	(2,853,073)	3,155,319
Income tax expense (benefit)	1,532,000	(51,000)	578,000	(855,623)	920,000
Net Income (Loss)	\$3,502,065	\$2,399,939	\$1,431,900	(\$1,997,450)	\$2,235,319
Diluted earnings (loss) per share	\$0.25	\$0.17	\$0.10	(\$0.21)	\$0.23
Average shares outstanding	13,509,081	13,289,796	13,272,693	9,661,860	9,429,538
Operating profit (loss) (before non-operating items) ¹	\$4,631,487	\$2,212,917	\$2,678,379	(\$390,568)	\$6,516,134

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>Sept 30, 2021</u>	<u>Sept 30, 2020</u>	<u>Sept 30, 2019</u>	<u>Sept 30, 2018</u>
INTEREST INCOME				
Loans, including fees	\$45,645,194	\$36,221,159	\$26,598,782	\$17,797,187
Investment securities	760,630	636,725	781,147	658,439
Fed funds & int-bearing balances	253,230	437,630	896,774	711,919
Total interest income	<u>46,659,054</u>	<u>37,295,514</u>	<u>28,276,703</u>	<u>19,167,545</u>
INTEREST EXPENSE				
Deposits	1,600,691	3,153,416	4,650,872	2,278,661
Other borrowings	980,578	1,341,372	507,768	19,693
Total interest expense	<u>2,581,269</u>	<u>4,494,788</u>	<u>5,158,640</u>	<u>2,298,354</u>
Net interest income	44,077,785	32,800,726	23,118,063	16,869,191
Provision for loan losses	0	4,552,000	800,000	1,150,000
Net interest income after provision for loan losses	<u>44,077,785</u>	<u>28,248,726</u>	<u>22,318,063</u>	<u>15,719,191</u>
NONINTEREST INCOME				
Service charges, fees and other income	1,433,909	1,033,109	1,091,900	1,004,992
Income on bank owned life insurance	566,351	253,470	178,029	170,248
Gains on loan sales	919,722	0	198,422	1,028,284
OREO, investment, other gains (losses)	1,068,113	573,872	165,021	73,631
Total noninterest income	<u>3,988,095</u>	<u>1,860,451</u>	<u>1,633,372</u>	<u>2,277,155</u>
NONINTEREST EXPENSE				
Salaries and benefits	25,725,344	10,570,013	9,817,582	6,965,973
Occupancy and equipment	3,535,717	2,736,094	2,319,835	1,597,263
Strategic and other non-operating expense	2,117,714	2,248,404	191,898	1,646,924
Other expense	7,294,201	4,933,351	4,283,811	3,081,745
Total noninterest expense	<u>38,672,976</u>	<u>20,487,862</u>	<u>16,613,126</u>	<u>13,291,905</u>
Income before income tax expense	9,392,904	9,621,315	7,338,309	4,704,441
Income tax expense	2,059,000	2,901,377	2,201,000	1,451,000
Net Income	<u><u>\$7,333,904</u></u>	<u><u>\$6,719,938</u></u>	<u><u>\$5,137,309</u></u>	<u><u>\$3,253,441</u></u>
Diluted earnings per share	\$0.53	\$0.71	\$0.60	\$0.47
Average shares outstanding	13,357,190	9,420,362	8,410,105	6,654,150
Operating profit (before non-operating items) ¹	\$9,522,783	\$15,847,847	\$7,966,764	\$6,399,450

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

Southern California Bancorp

Quarterly and YTD Financial Highlights
(Unaudited)

(\$\$ in thousands except per share data)

	Quarterly					9 Months YTD	
	2021 3rd Qtr	2021 2nd Qtr	2021 1st Qtr	2020 4th Qtr	2020 3rd Qtr	2021	2020
EARNINGS							
Net interest income	\$ 16,027	15,411	12,639	13,144	13,401	44,078	32,801
Provision for loan losses	\$ 0	0	0	0	2,000	0	4,552
Noninterest income	\$ 1,686	1,754	548	436	723	3,988	1,860
Noninterest expense	\$ 12,679	14,816	11,177	16,433	8,969	38,673	20,488
Income tax expense (benefit)	\$ 1,532	(51)	578	(856)	920	2,059	2,901
Net income (loss)	\$ 3,502	2,400	1,432	(1,997)	2,235	7,334	6,720
Basic earnings (loss) per share	\$ 0.26	0.18	0.11	(0.21)	0.24	0.55	0.71
Diluted earnings (loss) per share	\$ 0.25	0.17	0.10	(0.21)	0.23	0.71	0.60
Average shares outstanding	13,509,081	13,289,796	13,272,693	9,661,860	9,429,538	13,357,190	9,420,362
Ending shares outstanding	13,509,081	13,509,081	13,278,005	13,267,380	9,455,065	13,509,081	9,455,065
PERFORMANCE RATIOS							
Return on average assets	0.76%	0.55%	0.36%	-0.50%	0.57%	0.57%	0.72%
Return on average common equity	7.92%	5.54%	3.41%	-6.06%	7.00%	5.66%	7.21%
Yield on loans	5.29%	4.61%	4.08%	4.36%	4.31%	4.65%	4.61%
Yield on earning assets	3.84%	3.92%	3.63%	3.83%	4.03%	3.80%	4.25%
Cost of deposits	0.11%	0.15%	0.18%	0.25%	0.32%	0.14%	0.45%
Cost of funding	0.18%	0.22%	0.28%	0.38%	0.45%	0.23%	0.55%
Net interest margin	3.67%	3.72%	3.38%	3.47%	3.60%	3.59%	3.73%
Efficiency ratio	71.6%	86.3%	84.8%	121.0%	63.5%	80.5%	59.1%
CAPITAL							
Tangible equity to tangible assets	8.87%	8.66%	9.05%	9.46%	6.85%	8.87%	6.85%
Book value (BV) per common share	\$ 13.15	12.85	12.88	12.73	13.53	13.15	13.53
Tangible BV per common share	\$ 11.57	11.26	11.26	11.10	11.26	11.57	11.26
ASSET QUALITY							
Net loan charge-offs (recoveries)	\$ (75)	(20)	(15)	41	4	(110)	(380)
Allowance for loan losses (ALLL)	\$ 10,365	10,290	10,270	10,255	10,296	10,365	10,296
ALLL to total loans	0.84%	0.80%	0.73%	0.83%	0.76%	0.84%	0.76%
Loan fair value credit marks (LFVCM)	\$ 1,998	2,510	3,872	4,333	5,205	1,998	5,205
ALLL & LFVCM to total loans	1.00%	0.99%	1.00%	1.18%	1.14%	1.00%	1.14%
ALLL & LFVCM to total loans (excl PPP)	1.18%	1.36%	1.57%	1.76%	1.88%	1.88%	1.88%
Nonperforming loans	\$ 666	697	808	896	1,125	666	1,125
Other real estate owned	\$ 0	0	0	0	0	0	0
Nonperforming assets to total assets	0.04%	0.04%	0.05%	0.06%	0.07%	0.04%	0.07%
END OF PERIOD BALANCES							
Total loans	\$ 1,232,642	1,287,096	1,416,380	1,233,881	1,363,477	1,232,642	1,363,477
Total assets	\$ 1,784,186	1,778,081	1,673,169	1,579,048	1,575,286	1,784,186	1,575,286
Deposits	\$ 1,566,360	1,561,506	1,453,374	1,194,739	1,138,041	1,566,360	1,138,041
Loans to deposits	78.7%	82.4%	97.5%	103.3%	119.8%	78.7%	119.8%
Shareholders' equity	\$ 177,636	173,572	171,066	168,885	127,920	177,636	127,920
Full-time equivalent employees	195	184	169	147	118	195	118
AVERAGE BALANCES (QTRLY) (YTD)							
Total loans	\$ 1,226,853	1,387,131	1,321,964	1,297,794	1,358,291	1,311,634	1,046,427
Earning assets	\$ 1,734,397	1,663,735	1,518,715	1,503,951	1,477,910	1,639,677	1,170,342
Total assets (net of AFS valuation)	\$ 1,823,112	1,744,886	1,600,686	1,578,118	1,556,364	1,723,710	1,237,289
Deposits	\$ 1,608,407	1,529,016	1,313,485	1,162,979	1,142,686	1,484,716	939,071
Shareholders' equity	\$ 175,364	173,644	170,362	130,818	126,670	173,124	124,222

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