



SOUTHERN CALIFORNIA BANCORP REPORTS CONTINUED STRONG LOAN GROWTH FOR THE FOURTH QUARTER AND FULL YEAR OF 2021

- *Fourth quarter non-PPP organic loan growth of \$154 million, up 14.7% from prior quarter*
- *2021 full year non-PPP organic loan growth of \$378 million, up 45.7% from prior year*

San Diego, Calif., Jan. 26, 2022 – Southern California Bancorp (“us,” “we,” “our,” or the “Company”) (OTC Pink: BCAL), the holding company for Bank of Southern California, N.A. (the “Bank”) today reported consolidated financial results for the fourth quarter and full year of 2021.

The comparability of consolidated financial information for the fourth quarter and for the full year of 2021 to the same periods of 2020 is affected by the acquisition of Bank of Santa Clarita (“BSCA”) which was completed effective October 1, 2021. Accordingly, BSCA’s operating results for the fourth quarter and for the full year 2021 are included in the Company’s consolidated financial statements for the periods beginning after October 1, 2021.

Fourth Quarter 2021 Highlights

- **Closed the BSCA acquisition on October 1, 2021:** BSCA’s total assets and deposits were \$425.6 million and \$342.3 million, respectively, at the closing date
- **Quarterly net income** of \$3.4 million, compared to \$3.5 million in the prior quarter
- **Pre-tax, pre-provision income increased** to \$6.0 million, up \$960,000, or 19.1%, from the prior quarter
- **Total Non-Paycheck Protection Program (“PPP”) loans (“non-PPP”) increased** to \$1.45 billion, up \$394.8 million, or 37.6%, from September 30, 2021; excluding loans acquired from BSCA, net organic loans were up \$154.3 million, or 14.7%, from September 30, 2021
- **PPP loan portfolio balance** of \$58.7 million, down from \$181.4 million at September 30, 2021
- **Total assets** of \$2.26 billion, up \$475.7 million, or 26.7%, from the prior quarter
- **Total deposits** of \$1.97 billion, up \$406.7 million, or 26.0%, from the prior quarter
- **Noninterest-bearing demand deposits** were 50.0% of total deposits, up from 48.6% at September 30, 2021; cost of deposits was 0.09%, down from 0.11% in the prior quarter
- **Net interest margin** of 3.74% in the fourth quarter compared to 3.67% in the prior quarter; average yield on non-PPP loans of 4.58% compared with 4.60% in the prior quarter
- **Nonperforming assets to total assets** ratio remain at 0.04%, the same as the two prior quarters
- **Continued status as “well-capitalized,”** the highest regulatory capital category

Full Year 2021 Highlights

- **Annual net income increased** to a record \$10.7 million, up \$6.0 million, or 126.8% from \$4.7 million in the prior year
- **Pre-tax, pre-provision income increased** to \$15.4 million, up \$4.1 million, or 35.9% from \$11.3 million in the prior year

- **Total non-PPP loans increased** to \$1.45 billion, up \$618.7 million, or 74.8% from December 31, 2020; excluding loans acquired from BSCA, net organic loans grew \$378.2 million, or 45.7%, from December 31, 2020.
- **PPP loan portfolio balance** of \$58.7 million, down from \$406.5 million at December 31, 2020
- **Total assets** of \$2.26 billion, up \$680.8 million, or 43.1% from December 31, 2020
- **Total deposits** of \$1.97 billion, up \$778.4 million, or 65.1% from December 31, 2020
- **Noninterest-bearing demand deposits** were 50.0% of total deposits, up from 44.7% at December 31, 2020; cost of deposits for 2021 was 0.13%, down from 0.39% in 2020
- **Net interest margin** of 3.64% for 2021, compared with 3.66% in the prior year; average yield on non-PPP loans of 4.71% in 2021, compared with 4.90% in the prior year
- **Completed acquisition** of BSCA, effective October 1, 2021
- **Completed sale** of three branches to align footprint to support a commercial banking strategy, effective September 24, 2021

“I am very pleased to report organic non-PPP loan growth of \$378.2 million or 46% for the full year of 2021, net of approximately \$222.1 million in payoffs, and organic non-PPP loan growth of \$154.3 million or 15% in the fourth quarter, net of approximately \$67.1 million in payoffs,” said David Rainer, Chairman, CEO and President of Southern California Bancorp and Bank of Southern California, N.A. “We credit this tremendous growth to the successful execution of our relationship-based commercial banking model, and the Bank’s expansion into Orange, Los Angeles and Ventura counties in 2021, combined with positive growth in San Diego. The payoffs and paydowns we received in both periods were associated with the Company’s former heavily overweighted transaction-based banking model. Along with our strong loan growth, our ratio of nonperforming assets to total assets has held steady at 0.04% over the last three quarters, which resulted directly from our disciplined loan underwriting standards.

“Our strong organic loan growth in 2021 drove a significant increase in net interest income, with 2021 net interest income growing to \$64.4 million, an \$18.5 million, or 40% increase over the prior year, and fourth quarter net interest income growing to \$20.3 million, a \$4.3 million or 27% increase over the prior quarter. The increase in net interest income resulted in record annual net income of \$10.7 million for 2021 and \$3.4 million for the fourth quarter of 2021. Given the strong loan growth we experienced last year, we recorded a \$1.2 million provision for loan loss in the fourth quarter; our pre-tax, pre-provision income was \$15.4 million and \$6.0 million for the full year and fourth quarter of 2021, respectively.

“Our total assets grew to \$2.3 billion in 2021, an increase of \$680.8 million, or 43%, and included \$426 million from the BSCA acquisition at the closing date. Total deposits grew \$778 million, or 65%, and included \$342 million from the BSCA acquisition, bringing average deposits for all branches to \$152 million per branch. The growth in total deposits was especially strong considering we sold three branches in the third quarter of 2021 with a combined \$82 million in deposits. We are deploying this cash from deposit growth to fund new loans and, over time, make additions to our investment portfolio.

“We are currently in the process of integrating the Bank of Santa Clarita and working to ensure a smooth transition for both customers and employees. We anticipate completing the BSCA system conversion in the second quarter of 2022. After building the foundation and expanding the footprint of our relationship-based commercial banking model in 2021, and with the recent addition of our Private Banking and SBA lending

divisions, we are looking forward to a very productive year in 2022, as we continue providing highly personalized service to all our Southern California customers.”

Fourth Quarter and Full Year Operating Results

Net Income

Net income for the fourth quarter of 2021 was \$3.4 million, or \$0.19 per diluted share, compared to net income of \$3.5 million, or \$0.25 per diluted share in the third quarter of 2021. Pre-tax, pre-provision income for the fourth quarter of 2021 was \$6.0 million, an increase of \$960,000, or 19.1% compared to pre-tax, pre-provision income of \$5.0 million in the prior quarter. The decrease in net income in the fourth quarter of 2021 compared with the third quarter of 2021 was due to a \$4.3 million increase in net interest income, offset by a \$1.2 million increase in the provision for loan losses, a \$1.2 million decrease in noninterest income, and a \$2.2 million increase in noninterest expense.

Net income for the full year of 2021 was \$10.7 million, or \$0.72 per diluted share, compared to net income of \$4.7 million or \$0.49 per diluted share for 2020, an increase of 126.8%. Pre-tax, pre-provision income for 2021 was \$15.4 million, an increase of \$4.1 million, or 35.9% compared to pre-tax, pre-provision income of \$11.3 million for the full year of 2020. The increase in net income in 2021 compared with 2020 was primarily due to an \$18.5 million increase in net interest income, a \$2.2 million increase in noninterest income, and a \$3.4 million decrease in the provision for loan losses, partially offset by a \$16.6 million increase in noninterest expense.

Net Interest Income and Net Interest Margin

Net interest income for the fourth quarter of 2021 was \$20.3 million, an increase of \$4.3 million, or 26.9% from \$16.0 million in the prior quarter. The increase was due to strong organic loan growth, as well as net interest income associated with the BSCA acquisition, which became effective October 1, 2021. Total average loans for the quarter ended December 31, 2021, increased to \$1.5 billion as compared to \$1.2 billion in the prior quarter. Total average loans related to the BSCA acquisition was \$250.1 million. PPP net loan interest income in the fourth quarter of 2021 decreased to \$4.8 million, compared to \$5.2 million in the prior quarter. Interest expense in the fourth quarter of 2021 was \$781,000 compared to \$752,000 in the prior quarter.

Net interest margin for the fourth quarter of 2021 was 3.74%, compared with 3.67% in the prior quarter. The increase was primarily related to loan interest income from payoffs and an improved funding mix in the fourth quarter of 2021. The yield on average loans in the fourth quarter of 2021, excluding PPP loans, was 4.58%, a decrease of two basis points from 4.60% in the prior quarter. Average PPP loan yields in the fourth quarter of 2021 increased to 15.79%, compared to 7.88% in the prior quarter. The increase was due to accelerated unearned fee income related to the SBA’s forgiveness of Round 2 PPP loans, which are typically amortized on a straight-line basis over five years. The yield on total earning assets in the fourth quarter of 2021 was 3.89%, compared with 3.84% in the prior quarter.

Cost of funds for the fourth quarter of 2021 was 0.15%, down from 0.18% in the prior quarter. The decrease was primarily due to an increase in average noninterest-bearing demand deposits. Average noninterest-bearing demand deposits increased \$229.2 million to \$1.01 billion and represented 50.4% of total average deposits for

the fourth quarter of 2021, compared to \$778.0 million, or 48.4% of total average deposits for the prior quarter. The total cost of deposits in the fourth quarter of 2021 was 0.09%, down from 0.11% in the prior quarter.

Net interest income in 2021 totaled \$64.4 million, an increase of \$18.5 million, or 40.2% from the previous year. The increase in net interest income was primarily due to strong organic loan growth, the acceleration of deferred fee income from PPP loan forgiveness, net interest income associated with the BSCA acquisition effective October 1, 2021, and a lower cost of funds. Average loans increased by \$246.0 million due primarily to average organic loan growth of \$219.2 million, and the BSCA acquired loan portfolio. Total average loans for the year ended December 31, 2021, increased to \$1.4 billion, compared with \$1.1 billion at December 31, 2020. Total average loans for 2021 related to the BSCA acquisition was \$63.0 million. Interest income from PPP loans increased to \$17.7 million for the year ended December 31, 2021, compared with \$12.0 million in the prior year. Total interest expense for the full year of 2021 was \$3.4 million, a decrease of \$2.5 million from the full year of 2020. The decrease in interest expense for the full year of 2021 was primarily due to run-off of higher-cost time deposits, the payoff of FHLB advances and PPP Liquidity Facility (“PPPLF”) borrowings, and a decrease in total deposit costs. Interest-bearing deposit expense decreased \$1.8 million, coupled with a \$682,000 decrease in total borrowings expense.

Net interest margin for the full year of 2021 was 3.64%, compared with 3.66% in the prior year. The decrease was primarily related to the yield on non-PPP loans declining to 4.71% in 2021, compared with 4.90% in the prior year. This was partially offset by an increase in the yield on PPP loans to 5.43% in 2021, compared with 3.70% in the prior year, which increase was due to the accelerated deferred fee income from PPP loan forgiveness in 2021. The yield on total interest-earning assets declined to 3.83% in 2021, compared with 4.13% in 2020. The decrease in the other interest earning assets yield was driven by lower market interest rates.

The cost of funds for the full year of 2021 decreased to 0.20% from 0.50% for the full year of 2020. The decrease was primarily due to lower market interest rates, run-off of higher-cost time deposits, payoff of FHLB borrowings, and an increase in average noninterest-bearing demand deposits. Average noninterest-bearing demand deposits increased \$362.4 million to \$783.8 million and represented 48.6% of total average deposits for the full year of 2021, compared to \$421.4 million, or 42.3% of total average deposits for the prior year. The total cost of deposits for the full year of 2021 was 0.13%, down from 0.39% in the prior year.

Average total borrowings decreased \$146.6 million to \$42.7 million for the full year of 2021. The average cost of borrowings was 3.07%, up from 1.05% in the prior year.

Provision for Loan Losses

The Company recorded a loan loss provision of \$1.2 million in the fourth quarter of 2021 and for the full year of 2021, primarily related to strong organic loan growth. In 2020, the Company recorded a loan loss provision of \$4.6 million. The Company’s management continues to monitor macroeconomic variables related to COVID-19 and reasonably believes it is appropriately provisioned for the current environment. Management will continue to monitor and manage the loan portfolio to minimize potential future losses.

Noninterest Income

Total noninterest income in the fourth quarter of 2021 was \$526,000, a decrease of \$1.2 million compared with noninterest income of \$1.7 million in the third quarter of 2021. The decrease was due primarily to the

recognition of a gain on sale of \$726,000 for the sale of three nonstrategic branches in the third quarter of 2021, for which there was no corresponding transaction in the fourth quarter. In the fourth quarter of 2021, income from service charges, fees and other income increased \$94,000, and income from bank-owned life insurance increased \$54,000 over the prior quarter.

Total noninterest income for the full year of 2021 was \$4.5 million, an increase of \$2.2 million compared with \$2.3 million for the full year of 2020. The increase in total noninterest income in 2021 was primarily due to a \$577,000 increase in service charges, fees and other income; a \$425,000 increase in income from bank owned life insurance; a \$920,000 gain on sale of an acquired loan; and a \$726,000 gain on sale from the sale of three nonstrategic branches.

Noninterest Expense

Noninterest expense for the fourth quarter of 2021 increased \$2.2 million to \$14.9 million, compared with \$12.7 million in the prior quarter. The increase was largely due to an increase of \$1.4 million in salaries and benefits, and a \$356,000 increase in strategic and other non-operating expenses primarily related to termination charges for core conversion.

Noninterest expense for the full year of 2021 was \$53.5 million, an increase of \$16.6 million compared with \$36.9 million for the full year of 2020. The increase was largely due to a \$13.2 million increase in salaries and employee benefits related to the Company's strategic expansion into Orange, Los Angeles and Ventura counties, which also included approximately \$3.1 million in compensation expense related to the settlement of a preexisting employment contract and approximately \$500,000 additional salary and benefit expense related to the additional BSCA employees. Occupancy and equipment expense increased by \$1.1 million in 2021, primarily related to the Company's strategic expansion. Other expense increased \$3.9 million in 2021, primarily related to increased expenses for data processing, legal, and the provision for unfunded loan commitments.

Income Tax

In the fourth quarter of 2021, the Company's income tax expense was \$1.4 million, compared with \$1.5 million in the third quarter of 2021. The effective rate was 29.6% for the fourth quarter of 2021 and 30.4% for the third quarter of 2021. For the full year of 2021 the Company's income tax expense was \$3.5 million, compared with \$2.0 million for the full year of 2020. The effective rate was 24.5% for 2021 and 30.2% for 2020. The decrease for the full year of 2021 was primarily attributable to the impact of the vesting and exercise of equity awards combined with changes in the Company's stock price over time.

Balance Sheet

Assets

Total assets at December 31, 2021, were \$2.26 billion, an increase of \$680.8 million or 43.1% from December 31, 2020, and an increase of \$475.7 million, or 26.7% from September 30, 2021. The increase in total assets from the prior year was primarily related to a \$778.4 million increase in deposits. The increase in total assets from the prior quarter included the acquisition of BSCA and its \$425.6 million in assets, including \$342.3 million in deposits at the closing date.

Loans

Total loans were \$1.50 billion at December 31, 2021, including \$244.5 million in loans acquired in the BSCA acquisition, compared to \$1.23 billion at September 30, 2021, and December 31, 2020. In 2021, the Company's non-PPP loan portfolio had net organic growth of \$378.2 million, or 45.7%, after payoffs of approximately \$221.1 million. In the fourth quarter of 2021, organic non-PPP loan growth was \$154.3 million or 14.7%, after payoffs of approximately \$67.1 million, with an outstanding organic non-PPP loan balance of \$1.45 billion at December 31, 2021.

During the fourth quarter of 2021, total commercial and industrial loans, excluding PPP loans, increased by \$58.0 million, of which \$13.5 million was related to the BSCA acquisition. PPP loans decreased by \$122.7 million during the fourth quarter, with an outstanding balance of \$58.7 million at December 31, 2021. Loans secured by real estate increased by \$296.6 million, of which \$223.6 million was related to the BSCA acquisition. Construction and land development loans increased by \$43.2 million, of which \$3.0 million was related to the BSCA acquisition.

Deposits

Total deposits at December 31, 2021, were \$1.97 billion, an increase of \$406.7 million from the end of the prior quarter, and \$778.4 million from December 31, 2020. The increase reflected organic growth, as well as \$319 million in deposits related to the BSCA acquisition in the fourth quarter of 2021. Noninterest-bearing demand deposits at December 31, 2021 were \$986.9 million, or 50.0% of total deposits, compared to \$760.5 million, or 48.6% of total deposits, at September 30, 2021 and \$533.9 million, or 44.7% of total deposits, at December 31, 2020.

Asset Quality

Total non-performing assets totaled \$809,000 or 0.04% of total assets at December 31, 2021, compared with \$666,000 or 0.04% at September 30, 2021, and \$896,000 or 0.06% at December 31, 2020. The increase in nonperforming loans in the fourth quarter of 2021 was primarily due to two loans associated with the acquisition of BSCA on October 1, 2021, offset by the payoff of an impaired loan during the fourth quarter.

During the fourth quarter of 2021, the Company recorded net recoveries of \$92,000, compared to net recoveries of \$75,000 in the third quarter of 2021. For the full year of 2021, the Company recorded net recoveries of \$202,000 compared to net recoveries of \$340,000 for the prior year.

Loan delinquencies (30-89 days past due) totaled \$1.0 million at December 31, 2021, compared to \$2.3 million at December 31, 2020. No loans were 30-89 days past due at September 30, 2021.

The allowance for loan losses ("ALLL") was \$11.7 million at December 31, 2021, compared to \$10.4 million at September 30, 2021 and \$10.3 million at December 31, 2020. The ALLL to total loans was 0.77%, 0.84% and 0.83% at December 31, 2021, September 30, 2021 and December 31, 2020. The ALLL to total loans, excluding PPP loans was 0.81%, 0.99% and 1.24% at December 31, 2021, September 30, 2021 and December 31, 2020. The net carrying value of acquired loans totaled \$383.2 million and included a remaining net discount of \$2.7 million at December 31, 2021. The discount is available to absorb losses on the acquired loans and represented 0.70% of the net carrying value of acquired loans and 0.18% of total gross loans held for investment.

Liquidity and Capital

With 65.1% growth in total deposits for 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.

The significant production in PPP loans in 2020 and 2021 was funded through a combination of increased DDA accounts, generally associated directly with the PPP Loans, borrowings under PPPLF, and other sources. At December 31, 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 preliminary leverage capital ratio and total risk-based capital ratio at 9.95% and 15.03%, respectively, at December 31, 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 13 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.

Southern California Bancorp and Subsidiary

Quarterly and YTD Financial Highlights

(Unaudited)

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

EARNINGS

	At or for the Three Months Ended			At or for the Twelve Months Ended	
	Dec 31, 2021	Sept 30, 2021	Dec 31, 2020	2021	2020
Net interest income	\$ 20,333	16,027	13,144	64,411	45,945
Provision for loan losses	\$ 1,200	0	0	1,200	4,552
Noninterest income	\$ 526	1,686	436	4,514	2,297
Noninterest expense	\$ 14,866	12,679	16,433	53,539	36,921
Income tax expense (benefit)	\$ 1,418	1,532	(856)	3,477	2,046
Net income (loss)	\$ 3,375	3,502	(1,997)	10,709	4,722
Pre-tax pre-provision income	\$ 5,994	5,034	(2,853)	15,387	11,320

Diluted earnings (loss) per share	\$ 0.19	0.25	(0.21)	0.72	0.49
Ending shares outstanding	17,707,737	13,509,081	13,267,380	17,707,737	13,267,380

PERFORMANCE RATIOS

Return on average assets	0.58%	0.76%	-0.50%	0.57%	0.36%
Return on average common equity	5.47%	7.92%	-6.06%	5.61%	3.75%
Yield on loans	5.49%	5.29%	4.36%	4.88%	4.55%
Yield on earning assets	3.89%	3.84%	3.83%	3.83%	4.13%
Cost of deposits	0.09%	0.11%	0.25%	0.13%	0.39%
Cost of funding	0.15%	0.18%	0.38%	0.20%	0.50%
Net interest margin	3.74%	3.67%	3.47%	3.64%	3.66%
Efficiency ratio	71.3%	71.6%	121.0%	77.7%	76.5%

CAPITAL

Tangible equity to tangible assets	9.35%	8.87%	9.46%	9.35%	9.46%
Book value (BV) per common share	\$ 13.92	13.15	12.73	13.92	12.73
Tangible BV per common share	\$ 11.73	11.57	11.10	11.73	11.10

ASSET QUALITY

Net loan (recoveries) charge-offs	\$ (92)	(75)	41	(202)	(340)
Allowance for loan losses (ALLL)	\$ 11,657	10,365	10,255	11,657	10,255
ALLL to total loans	0.77%	0.84%	0.83%	0.77%	0.83%
ALLL to total loans (excl PPP)	0.81%	0.99%	1.24%	0.81%	1.24%
Nonperforming loans	\$ 809	666	896	809	896
Other real estate owned	\$ -	-	-	-	-
Nonperforming assets to total assets	0.04%	0.04%	0.06%	0.04%	0.06%

END OF PERIOD BALANCES

Total loans	\$ 1,504,748	1,232,642	1,233,881	1,504,748	1,233,881
Total assets	\$ 2,259,865	1,784,186	1,579,048	2,259,865	1,579,048
Deposits	\$ 1,973,097	1,566,360	1,194,739	1,973,097	1,194,739
Loans to deposits	76.3%	78.7%	103.3%	76.3%	103.3%
Shareholders' equity	\$ 246,528	177,636	168,885	246,528	168,885

Southern California Bancorp and Subsidiary

Balance Sheets

(Unaudited)

	<u>Dec 31, 2021</u>	<u>Sept 30, 2021</u>	<u>Dec 31, 2020</u>
ASSETS			
Cash and due from banks	\$81,795,089	\$12,166,356	\$11,950,639
Fed funds & int-bearing balances	498,211,021	435,475,700	238,866,116
Total cash and cash equivalents	580,006,110	447,642,056	250,816,755
Debt securities (AFS)	55,566,560	24,905,267	24,702,467
FRB, FHLB and other equity stock	12,842,516	11,270,350	8,872,900
<i>Construction & land development</i>	77,629,461	34,438,305	31,375,236
<i>1-4 Family Residential</i>	133,993,768	108,632,444	103,367,391
<i>Multifamily</i>	175,751,365	142,220,706	111,815,776
<i>Other commercial real estate</i>	766,823,986	529,062,592	404,856,966
<i>Commercial & industrial</i>	349,021,603	413,758,869	577,608,374
<i>Other consumer</i>	1,528,236	4,528,805	4,857,563
Total loans	1,504,748,419	1,232,641,721	1,233,881,306
Allowance for loan losses	(11,657,121)	(10,364,693)	(10,255,005)
Total loans and leases, net	1,493,091,298	1,222,277,028	1,223,626,301
Premises, equipment, and ROU, net	27,707,334	15,237,117	15,051,487
Other real estate owned	-	-	-
Goodwill and core deposit intangible	38,806,311	21,334,833	21,599,001
Bank owned life insurance	37,848,951	27,973,099	17,990,765
Accrued interest and other assets	13,995,682	13,546,434	16,388,640
Total Assets	<u>\$2,259,864,762</u>	<u>\$1,784,186,184</u>	<u>\$1,579,048,316</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits:			
Noninterest-bearing demand	\$986,934,581	\$760,492,115	\$533,923,009
Interest bearing checking	193,524,630	136,851,252	83,566,875
Money market and savings	690,348,061	593,255,255	458,529,872
Time deposits	102,290,095	75,761,818	118,719,534
Total deposits	1,973,097,367	1,566,360,440	1,194,739,290
Other borrowings	20,408,791	20,377,355	199,648,070
Accrued interest and other liabilities	19,831,038	19,812,618	15,775,916
Total liabilities	2,013,337,196	1,606,550,413	1,410,163,276
Shareholders' Equity:			
Common stock and APIC	214,162,682	148,384,701	146,895,943
Retained earnings	32,403,019	29,027,837	21,693,933
Accum. other comprehensive (loss) income	(38,135)	223,233	295,164
Total shareholders' equity	246,527,566	177,635,771	168,885,040
Total Liabilities and Shareholders' Equity	<u>\$2,259,864,762</u>	<u>\$1,784,186,184</u>	<u>\$1,579,048,316</u>

Southern California Bancorp and Subsidiary

Income Statements - Quarterly

(Unaudited)

	<u>Three Months Ended</u>		
	<u>Dec 31, 2021</u>	<u>Sept 30, 2021</u>	<u>Dec 31, 2020</u>
INTEREST INCOME			
Loans, including fees	\$20,568,279	\$16,373,790	\$14,255,623
Debt securities and equity stock	329,327	245,527	222,737
Fed funds & int-bearing balances	216,522	159,972	41,094
Total interest income	<u>21,114,128</u>	<u>16,779,289</u>	<u>14,519,454</u>
INTEREST EXPENSE			
Deposits	452,995	451,181	726,717
Other borrowings	327,791	300,705	648,616
Total interest expense	<u>780,786</u>	<u>751,886</u>	<u>1,375,333</u>
Net interest income	20,333,342	16,027,403	13,144,121
Provision for loan losses	1,200,000	-	-
Net interest income after provision	<u>19,133,342</u>	<u>16,027,403</u>	<u>13,144,121</u>
NONINTEREST INCOME			
Service charges, fees and other income	597,597	503,839	421,803
Income on bank owned life insurance	219,255	164,979	107,310
Gains on loan sales	-	-	-
OREO, investment, other (losses) gains	(290,912)	1,017,273	(92,856)
Total noninterest income	<u>525,940</u>	<u>1,686,091</u>	<u>436,257</u>
NONINTEREST EXPENSE			
Salaries and benefits	9,157,954	7,751,397	11,120,598
Occupancy and equipment	1,348,191	1,323,747	1,048,852
Strategic and other non-operating expense	970,800	614,695	2,369,649
Other expense	3,388,676	2,989,590	1,894,352
Total noninterest expense	<u>14,865,621</u>	<u>12,679,429</u>	<u>16,433,451</u>
Income (loss) before income tax expense (benefit)	4,793,661	5,034,065	(2,853,073)
Income tax expense (benefit)	1,418,478	1,532,000	(855,623)
Net Income (Loss)	<u><u>\$3,375,183</u></u>	<u><u>\$3,502,065</u></u>	<u><u>(\$1,997,450)</u></u>
Diluted earnings (loss) per share	\$0.19	\$0.25	(\$0.21)
Average shares outstanding	16,931,041	13,509,081	9,661,860
Pre-tax, pre-provision income (loss)	\$5,993,660	\$5,034,065	(2,853,073)

Southern California Bancorp and Subsidiary

Income Statements - Year-to-Date (Unaudited)

	Twelve Months Ended	
	<u>Dec 31, 2021</u>	<u>Dec 31, 2020</u>
INTEREST INCOME		
Loans, including fees	\$66,213,473	\$50,476,782
Investment securities	1,089,957	859,462
Fed funds & int-bearing balances	469,752	478,724
Total interest income	<u>67,773,182</u>	<u>51,814,968</u>
INTEREST EXPENSE		
Deposits	2,053,686	3,880,133
Other borrowings	1,308,369	1,989,988
Total interest expense	<u>3,362,055</u>	<u>5,870,121</u>
Net interest income	64,411,127	45,944,847
Provision for loan losses	<u>1,200,000</u>	<u>4,552,000</u>
Net interest income after provision for loan losses	<u>63,211,127</u>	<u>41,392,847</u>
NONINTEREST INCOME		
Service charges, fees and other income	2,031,506	1,454,912
Income on bank owned life insurance	785,606	360,780
Gains on loan sales	919,722	-
OREO, investment, other gains	777,201	481,016
Total noninterest income	<u>4,514,035</u>	<u>2,296,708</u>
NONINTEREST EXPENSE		
Salaries and benefits	34,883,298	21,690,611
Occupancy and equipment	4,883,908	3,784,946
Strategic and other non-operating expense	3,088,514	4,618,053
Other expense	10,682,877	6,827,703
Total noninterest expense	<u>53,538,597</u>	<u>36,921,313</u>
Income before income tax expense	14,186,565	6,768,242
Income tax expense	3,477,478	2,045,754
Net Income	<u>\$10,709,087</u>	<u>\$4,722,488</u>
Diluted earnings per share	\$0.72	\$0.49
Average shares outstanding	14,250,653	9,480,736
Pre-tax, pre-provision income	\$15,386,564	\$11,320,242

**Southern California Bancorp
and Subsidiary**

Average Balance Sheets and Yield Analysis
(Unaudited)

	Three Months Ended					
	December 31, 2021			September 30, 2021		
	Average Balance	Income/ Expense	Yield/ Cost	Average Balance	Income/ Expense	Yield/ Cost
Assets						
<i>Interest-earning assets:</i>						
Total loans-non-PPP	\$ 1,366,239,712	\$ 15,771,875	4.58%	\$ 967,043,748	\$ 11,210,529	4.60%
Total loans-PPP	120,480,607	4,796,404	15.79%	259,808,941	5,163,261	7.88%
Total loans	1,486,720,319	20,568,279	5.49%	1,226,852,689	16,373,790	5.29%
Debt securities	43,192,089	137,149	1.26%	23,610,793	84,908	1.43%
Deposits in other financial institutions	594,957,465	210,588	0.14%	460,391,353	155,497	0.13%
Fed fund sold/resale agreements	17,572,522	5,933	0.13%	12,889,916	4,475	0.14%
Restricted stock investments and other bank stock	12,927,516	192,179	5.90%	11,270,350	160,618	5.65%
Total interest-earning assets	2,155,369,910	21,114,128	3.89%	1,735,015,102	16,779,288	3.84%
Total non-interest-earning assets	138,007,235			88,530,081		
Total assets	\$ 2,293,377,145			\$ 1,823,545,183		
Liabilities and Shareholders' Equity						
<i>Interest-bearing liabilities:</i>						
Interest-bearing NOW accounts	\$ 186,207,318	99,900	0.21%	\$ 131,864,224	32,392	0.10%
Money market and savings accounts	694,506,117	219,684	0.13%	609,193,692	263,782	0.17%
Time deposits	109,745,218	133,411	0.48%	89,376,853	155,008	0.69%
Total interest-bearing deposits	990,458,653	452,995	0.18%	830,434,768	451,181	0.22%
Borrowings:						
FHLB advances	6,652,174	24,879	1.48%	-	-	0.00%
PPPLF	-	-	0.00%	-	-	0.00%
Subordinated debts	17,663,737	271,261	6.09%	17,640,063	271,261	6.10%
TruPS	2,729,792	31,651	4.60%	2,722,144	29,445	4.29%
Total borrowings	27,045,702	327,791	4.81%	20,362,206	300,706	5.86%
Total Interest-bearing liabilities	1,017,504,356	780,786	0.30%	850,796,974	751,886	0.35%
Non-interest-bearing liabilities:						
Demand deposits	1,007,192,235	Avg NIB/Avg TTL Deposits 50.4%		777,972,703	Avg NIB/Avg TTL Deposits 48.4%	
Other liabilities	23,886,118			19,480,875		
Shareholders' equity	244,794,436			175,294,630		
Total Liabilities and Shareholders' Equity	\$ 2,293,377,145			\$ 1,823,545,183		
Net interest spread			3.58%			3.49%
Net interest income and margin		\$ 20,333,342	3.74%		\$ 16,027,402	3.67%
Cost of deposits			0.09%			0.11%
Cost of funds			0.15%			0.18%

Southern California Bancorp and Subsidiary

Average Balance Sheets and Yield Analysis
(Unaudited)

	Twelve Months Ended					
	December 31, 2021			December 31, 2020		
	Average Balance	Income/ Expense	Yield/ Cost	Average Balance	Income/ Expense	Yield/ Cost
Assets						
<i>Interest-earning assets:</i>						
Total loans-non-PPP	\$ 1,029,701,618	\$ 48,523,110	4.71%	\$ 784,700,111	\$ 38,464,077	4.90%
Total loans-PPP	326,063,957	17,690,363	5.43%	325,036,933	12,012,706	3.70%
Total loans	1,355,765,575	66,213,473	4.88%	1,109,737,044	50,476,782	4.55%
Debt securities	28,751,129	454,641	1.58%	21,477,174	421,958	1.96%
Deposits in other financial institutions	358,905,466	452,427	0.13%	88,388,796	334,841	0.38%
Fed fund sold/resale agreements	15,559,390	17,325	0.11%	26,816,485	143,883	0.54%
Restricted stock investments and other bank stock	11,185,576	635,316	5.68%	8,596,857	437,504	5.09%
Total interest-earning assets	1,770,167,136	67,773,182	3.83%	1,255,016,356	51,814,969	4.13%
Total non-interest-earning assets	97,435,768			68,602,952		
Total assets	\$ 1,867,602,904			\$ 1,323,619,307		
Liabilities and Shareholders' Equity						
<i>Interest-bearing liabilities:</i>						
Interest-bearing NOW accounts	\$ 135,765,096	206,655	0.15%	\$ 77,699,989	109,393	0.14%
Money market and savings accounts	589,383,979	1,112,670	0.19%	351,700,863	1,537,042	0.44%
Time deposits	105,101,253	734,361	0.70%	144,697,500	2,233,699	1.54%
Total interest-bearing deposits	830,250,328	2,053,686	0.25%	574,098,352	3,880,133	0.68%
Borrowings:						
FHLB advances	5,169,863	24,879	0.48%	42,825,126	794,350	1.85%
PPPLF	17,149,983	59,834	0.35%	133,530,317	468,646	0.35%
Subordinated debts	17,628,403	1,085,042	6.16%	11,060,730	666,972	6.03%
TruPS	2,718,230	138,613	5.10%	1,843,817	60,020	3.26%
Total borrowings	42,666,479	1,308,369	3.07%	189,259,990	1,989,988	1.05%
Total Interest-bearing liabilities	872,916,807	3,362,055	0.39%	763,358,342	5,870,122	0.77%
Non-interest-bearing liabilities:						
Demand deposits	783,753,552	Avg NIB/Avg TTL Deposits 48.6%		421,387,811	Avg NIB/Avg TTL Deposits 42.3%	
Other liabilities	19,787,736			11,030,772		
Shareholders' equity	191,144,809			127,842,383		
Total liabilities and shareholders' equity	\$ 1,867,602,904			\$ 1,323,619,307		
Net interest spread			3.44%			3.36%
Net interest income and margin		\$ 64,411,127	3.64%		\$ 45,944,847	3.66%
Cost of deposits			0.13%			0.39%
Cost of funds			0.20%			0.50%

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