



SOUTHERN CALIFORNIA BANCORP REPORTS CONTINUED STRONG LOAN GROWTH FOR THE FIRST QUARTER OF 2022

— *First quarter non-PPP organic loan growth of \$165.8 million, up 11.5% from prior quarter*

San Diego, Calif., April 28, 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 first quarter of 2022.

The comparability of consolidated financial information for the first quarter of 2022 to the same period of 2021 is affected by the acquisition of Bank of Santa Clarita (“BSCA”) which was completed effective October 1, 2021. Accordingly, BSCA’s operating results are included in the Company’s consolidated financial statements for the periods beginning after October 1, 2021.

First Quarter 2022 Highlights

- **Total organic Non-Paycheck Protection Program loans (“non-PPP”) increased** to \$1.61 billion, up \$165.8 million, or 11.5%, from December 31, 2021
- **Tangible book value per common share (“TBV”) of \$11.72** at March 31, 2022, compared with \$11.73 at December 31, 2021
- **Total assets of \$2.30 billion**, up \$38.0 million, or 1.7%, from December 31, 2021
- **Total deposits of \$2.01 billion**, up \$39.8 million, or 2.0%, from December 31, 2021
- **Noninterest-bearing demand deposits** were \$1.03 billion, representing 51.3% of total deposits, up from 50.0% at December 31, 2021
- **Paycheck Protection Program (PPP) loan portfolio balance** of \$15.1 million, down \$43.5 million from December 31, 2021
- **Net income** of \$1.4 million, compared with \$3.4 million in the prior quarter
- **Non-PPP loan interest income** increased \$637,000, or 4.0%, over the prior quarter
- **Pre-tax, pre-provision income** of \$3.8 million, compared with \$6.0 million in the prior quarter, as PPP income decreased by \$3.5 million from the prior quarter
- **Provision for loan losses** of \$1.9 million due to strong loan growth, compared to \$1.2 million in the prior quarter
- **Net interest margin** of 3.40%, compared with 3.74% in the prior quarter; average yield on non-PPP loans of 4.45% compared with 4.58% in the prior quarter
- **Cost of deposits** was 0.08%, down from 0.09% in the prior quarter
- **Nonperforming assets to total assets** ratio of 0.09%, compared to 0.04% at December 31, 2021
- **Continued status as “well-capitalized,”** the highest regulatory capital category

“I am very pleased to report continued strong organic non-PPP loan growth of \$166 million in the first quarter of 2022, net of approximately \$105 million in payoffs, driven by our strategy of expanding our relationship-

based business banking model into Orange, Los Angeles, and Ventura counties, which began just over a year ago and continues to gain traction, as well as continued growth in San Diego County,” said David Rainer, Chairman, CEO and President of Southern California Bancorp and Bank of Southern California, N.A. “Pre-tax, pre-provision income was \$3.8 million, compared with \$6.0 million in the fourth quarter of 2021, with the decrease due to lower net interest income, as interest and fees on PPP loans declined \$3.5 million from the prior quarter and we made a higher provision for loan losses due to strong organic loan growth.

“We have reached an inflection point where income related to PPP loans is ending and is gradually being offset by an increase in interest income generated through continued organic growth in our non-PPP loan portfolio. Interest income from this portfolio increased \$637,000, or 4.0% in the first quarter compared with the prior quarter. Our balance sheet remains very asset sensitive and the recent increase in the Federal Funds rate will positively reflect that sensitivity going forward.

“Net income of \$1.4 million in the first quarter decreased from \$3.4 million in the fourth quarter largely due to the decrease of \$3.5 million in PPP-related income, as well as an increase of \$650,000 in provision for loan losses resulting from our strong loan growth, coupled with the increase in salary and benefit expenses related to the expansion of the SBA lending division, and the seasonal increase in payroll taxes and benefits expense, as well as onetime costs related to the conversion of our core operating system at both the legacy Bank and our recently acquired Santa Clarita office.

“Deposits grew \$39.8 million, or 2% in the first quarter, which was more modest than previous quarters, as we intentionally held off on opening new accounts prior to our core system conversion in early March 2022 to avoid having to repeat the onboarding process for our clients. With our new core system in place at the legacy Bank, deposit account growth has picked up and in late April we successfully converted the core system of our Santa Clarita branch, acquired in the fourth quarter of 2021. We anticipate increased efficiencies from the new core system, especially since all our branches have completed the conversion.

“In addition to deploying our excess liquidity through organic loan originations, as yields increased during the first quarter, we added \$83.9 million of securities to our investment portfolio, growing the portfolio by 151% compared to the fourth quarter of 2021. Our tangible book value declined by \$0.01 in the first quarter compared with the prior quarter, which included a mark-to-market unrealized loss on our securities portfolio of \$2.3 million or \$0.13 per share.”

First Quarter Operating Results

Net Income

Net income for the first quarter of 2022 was \$1.4 million, or \$0.08 per diluted share, compared to net income of \$3.4 million, or \$0.19 per diluted share in the fourth quarter of 2021. Pre-tax, pre-provision income for the first quarter of 2022 was \$3.8 million, compared to pre-tax, pre-provision income of \$6.0 million in the prior quarter. The decrease in net income in the first quarter of 2022 compared with the fourth quarter of 2021 was primarily due to a \$2.5 million decrease in net interest income, a \$650,000 increase in provision for loan losses, and a \$686,000 increase in noninterest expense, partially offset by an \$1.1 million increase in noninterest income and a \$868,000 decrease in income tax expense.

Net income for the first quarter of 2022 was \$1.4 million, or \$0.08 per diluted share, compared to net income of \$1.4 million or \$0.10 per diluted share in the first quarter of 2021. Pre-tax, pre-provision income for the first quarter of 2022 was \$3.8 million, an increase of \$1.8 million, or 91.4% compared to pre-tax, pre-provision income of \$2.0 million for the first quarter of 2021. The increase in net income in the first quarter of 2022 compared with the year-ago quarter was primarily due to a \$5.2 million increase in net interest income, and a \$1.1 million increase in noninterest income, partially offset by an increase in noninterest expense of \$4.4 million and a provision for loan losses of \$1.9 million; in the year-ago quarter, the Company recorded no provision for loan losses.

Net Interest Income and Net Interest Margin

Net interest income for the first quarter of 2022 was \$17.8 million, compared with \$20.3 million in the prior quarter. While first quarter non-PPP loan interest income increased by \$637,000, or 4%, and interest expense decreased by \$91,000, a decrease in income from PPP loans of \$3.5 million resulted in a \$2.5 million decrease in net interest income.

Net interest margin for the first quarter of 2022 was 3.40%, compared with 3.74% in the prior quarter. The decrease was primarily related to lower PPP fee and interest income in the first quarter of 2022. The yield on average loans in the first quarter of 2022 was 4.70%, a decrease of 79 basis points from 5.49% in the prior quarter. The decrease was primarily the result of a decrease in the PPP interest income due to lower accelerated deferred loan fees resulting from SBA PPP loan forgiveness during the first quarter of 2022, coupled with lower accelerated discount accretion from acquired and purchased loans. The yield on average loans in the first quarter of 2022, excluding PPP loans, was 4.45%, a decrease of 13 basis points from 4.58% in the prior quarter. Average PPP loan yields in the first quarter of 2022 decreased to 15.38%, compared to 15.79% in the prior quarter. The yield on total earning assets in the first quarter of 2022 was 3.54%, compared with 3.89% in the prior quarter.

Cost of funds for the first quarter of 2022 was 0.14%, down from 0.15% in the prior quarter, as the Company continues to align funding costs of the legacy Bank of Santa Clarita with those of the Bank of Southern California. Average noninterest-bearing demand deposits decreased \$17.0 million to \$990.2 million and represented 50.2% of total average deposits for the first quarter of 2022, compared with \$1.01 billion and 50.4%, respectively, for the prior quarter. The total cost of deposits in the first quarter of 2022 was 0.08%, down from 0.09% in the prior quarter.

Average total borrowings decreased \$6.6 million to \$20.4 million for the first quarter of 2022. The average cost of borrowings was 6.16%, up from 4.81% in the prior quarter.

Provision for Loan Losses

The Company recorded a loan loss provision of \$1.9 million in the first quarter of 2022, primarily related to strong organic loan growth. In the fourth quarter of 2021, the Company recorded a loan loss provision of \$1.2 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.

Noninterest Income

Total noninterest income in the first quarter of 2022 was \$1.6 million, an increase of \$1.1 million compared with noninterest income of \$526,000 in the fourth quarter of 2021. The increase was due primarily to a \$613,000 increase in bank owned life insurance income. In the first quarter of 2022, income from servicing and related income on loans increased by \$61,000 and other charges and fees increased by \$68,000, compared with the prior quarter. Additionally, in the fourth quarter of 2021 the Company recorded an adjustment of \$291,000 from the gain on branch sale that took place in the third quarter of 2021, for which there was no corresponding transaction in the first quarter of 2022.

Noninterest Expense

Noninterest expense for the first quarter of 2022 increased \$686,000 to \$15.6 million, compared with \$14.9 million in the prior quarter. The increase was primarily due to an increase of \$1.0 million in salaries and benefits related to the increase in new hires, including the expansion of the SBA lending division, and seasonal increases in payroll taxes and benefits expense, partially offset by a decrease of \$445,000 in merger and related expenses.

Income Tax

In the first quarter of 2022, the Company's income tax expense was \$550,000, compared with \$1.4 million in the fourth quarter of 2021. The effective rate was 27.6% for the first quarter of 2022 and 29.6% for the fourth quarter of 2021. The effective tax rate for 2022 is expected to be 27.6%.

Balance Sheet

Assets

Total assets at March 31, 2022, were \$2.30 billion, an increase of \$38.0 million or 1.7% from December 31, 2021. The increase in total assets from the prior quarter was primarily related to a \$125.1 million increase in total loans and an \$83.9 million increase in debt securities, of which \$44.9 million were classified as held-to-maturity securities, partially offset by a \$173.8 million decrease in cash.

Loans

Total loans held for investment were \$1.63 billion at March 31, 2022, compared to \$1.50 billion at December 31, 2021. In the first quarter of 2022, the Company's loans held for investment, excluding PPP loans, had net organic growth of \$165.8 million, or 11.5%, after total loan principal payoffs of approximately \$105 million, and an outstanding organic non-PPP loan balance of \$1.61 billion at March 31, 2022. There were \$2.9 million in loans held for sale on the Company's balance sheet at March 31, 2022, related to the expansion of the SBA lending department, which are expected to be sold in the secondary market in the second quarter of 2022.

During the first quarter of 2022, total commercial and industrial loans decreased by \$32.1 million, as \$43.5 million in PPP loans received forgiveness or pay downs, leaving an outstanding balance of \$15.1 million in PPP loans at March 31, 2022. Total loans secured by real estate increased by \$122.0 million, and construction and land development loans increased by \$32.2 million.

Deposits

Total deposits at March 31, 2022, were \$2.01 billion, an increase of \$39.8 million from December 31, 2021. Noninterest-bearing demand deposits at March 31, 2022 were \$1.03 billion, or 51.3% of total deposits, compared to \$986.9 million, or 50.0% of total deposits at December 31, 2021.

Asset Quality

Total non-performing assets totaled \$2.0 million or 0.09% of total assets at March 31, 2022, compared with \$809,000 or 0.04% at December 31, 2021. The increase in nonperforming loans in the first quarter of 2022 was primarily due to three loans that were downgraded to nonaccrual, partially offset by the payoff of one nonaccrual loan. The Company had one loan with a carrying value of \$208,000 over 90 days past due that was still accruing interest at March 31, 2022. During the first quarter of 2022, the Company recorded net recoveries of \$27,000, compared to net recoveries of \$92,000 in the fourth quarter of 2021.

Loan delinquencies (30-89 days past due) totaled \$491,000 at March 31, 2022, compared to \$1.0 million at December 31, 2021.

The allowance for loan losses (“ALLL”) was \$13.5 million at March 31, 2022, compared to \$11.7 million at December 31, 2021. The ALLL to total loans was 0.83% and 0.77% at March 31, 2022, and December 31, 2021. The ALLL to total loans, excluding PPP loans was 0.84% and 0.81% at March 31, 2022, and December 31, 2021. The net carrying value of acquired loans totaled \$345.5 million and included a remaining net discount of \$2.6 million at March 31, 2022. This discount is available to absorb losses on the acquired loans and represented 0.74% of the net carrying value of acquired loans and 0.16% of total gross loans held for investment.

Liquidity and Capital

At March 31, 2022, total deposits had increased 38.5% over the same period of 2021. As a result of this significant growth in deposits and a strong cash balance due to the quick pace of PPP loan forgiveness, we believe that we currently have sufficient liquidity resources to meet the needs of Bank customers.

Tangible book value per common share at March 31, 2022, was \$11.72, compared with \$11.73 at December 31, 2021. The \$0.01 decrease from December 31, 2021, was primarily related to the \$2.3 million increase in the accumulated other comprehensive loss related to the fair value of debt securities available for sale, compared to \$38,000 at December 31, 2021.

The Bank’s leverage capital ratio and total risk-based capital ratio were 10.08% and 13.70%, respectively, at March 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 solutions-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.

NON-GAAP FINANCIAL MEASURES

This press release contains certain non-GAAP financial measures in addition to results presented in accordance with GAAP. The Company uses certain non-GAAP financial measures to provide meaningful supplemental information regarding the Company's results of operations and financial condition and to enhance investors' overall understanding of such results of operations and financial condition, permit investors to effectively analyze financial trends of our business activities, and enhance comparability with peers across the financial services sector. These non-GAAP financial measures are not a substitute for GAAP measures and should be read in conjunction with the Company's GAAP financial information. A reconciliation of GAAP financial measures to non-GAAP financial measures is included in the accompanying financial tables.

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. 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

Financial Highlights

(Unaudited)

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

EARNINGS

	At or for the Three Months Ended		
	March 31, 2022	Dec 31, 2021	March 31, 2021
Net interest income	\$ 17,795	\$ 20,333	\$ 12,639
Provision for loan losses	\$ 1,850	\$ 1,200	\$ —
Noninterest income	\$ 1,603	\$ 526	\$ 548
Noninterest expense	\$ 15,552	\$ 14,866	\$ 11,178
Income tax expense	\$ 550	\$ 1,418	\$ 578
Net income	\$ 1,446	\$ 3,375	\$ 1,431
Pre-tax pre-provision income ⁽¹⁾	\$ 3,846	\$ 5,993	\$ 2,009
Diluted earnings per share	\$ 0.08	\$ 0.19	\$ 0.10
Ending shares outstanding	17,753,849	17,707,737	13,278,005

PERFORMANCE RATIOS

Return on average assets	0.26 %	0.58 %	0.36 %
Return on average common equity	2.37 %	5.47 %	3.41 %
Yield on loans	4.70 %	5.49 %	4.08 %
Yield on earning assets	3.54 %	3.89 %	3.63 %
Cost of deposits	0.08 %	0.09 %	0.18 %
Cost of funds	0.14 %	0.15 %	0.28 %
Net interest margin	3.40 %	3.74 %	3.37 %
Efficiency ratio ⁽¹⁾	80.2 %	71.3 %	84.8 %

CAPITAL

Tangible equity to tangible assets ⁽¹⁾	9.21 %	9.35 %	9.05 %
Book value (BV) per common share	\$ 13.90	\$ 13.92	\$ 12.88
Tangible BV per common share ⁽¹⁾	\$ 11.72	\$ 11.73	\$ 11.26

ASSET QUALITY

Net loan recoveries	\$ (27)	\$ (92)	\$ (15)
Allowance for loan losses (ALLL)	\$ 13,534	\$ 11,657	\$ 10,270
ALLL to total loans	0.83 %	0.77 %	0.73 %
ALLL to total loans (excl PPP)	0.84 %	0.81 %	1.13 %
Nonperforming loans	\$ 1,978	\$ 809	\$ 808
Other real estate owned	\$ —	\$ —	\$ —
Nonperforming assets to total assets	0.09 %	0.04 %	0.05 %

END OF PERIOD BALANCES

Total loans	\$ 1,629,861	\$ 1,504,748	\$ 1,416,380
Total assets	\$ 2,297,856	\$ 2,259,866	\$ 1,673,169
Deposits	\$ 2,012,918	\$ 1,973,098	\$ 1,453,374
Loans to deposits	81.0 %	76.3 %	97.5 %
Shareholders' equity	\$ 246,761	\$ 246,528	\$ 171,066

(1) Non-GAAP measure. See – GAAP to Non-GAAP reconciliation.

Southern California Bancorp and Subsidiary

Balance Sheets

(Unaudited)

(\$ in thousands)

	<u>March 31, 2022</u>	<u>Dec 31, 2021</u>	<u>March 31, 2021</u>
ASSETS			
Cash and due from banks	\$ 28,733	\$ 22,435	\$ 17,642
Federal funds sold & interest-bearing balances	377,429	557,571	140,616
Total cash and cash equivalents	<u>406,162</u>	<u>580,006</u>	<u>158,258</u>
Debt securities	139,424	55,567	24,249
Loans held for sale	2,857	—	—
<i>Construction & land development</i>	109,843	77,629	30,459
<i>1-4 Family Residential</i>	116,835	133,994	106,082
<i>Multifamily</i>	188,039	175,751	108,601
<i>Other commercial real estate</i>	893,705	766,824	443,613
<i>Commercial & industrial</i>	316,971	349,022	723,444
<i>Other consumer</i>	1,611	1,528	4,181
Total loans held for investment	<u>1,627,004</u>	<u>1,504,748</u>	<u>1,416,380</u>
Allowance for loan losses	<u>(13,534)</u>	<u>(11,657)</u>	<u>(10,270)</u>
Total loans held for investment, net	<u>1,613,470</u>	<u>1,493,091</u>	<u>1,406,110</u>
Restricted stock at cost	14,464	12,493	9,856
Premises and equipment	19,577	19,639	6,768
Right of use asset	8,330	8,069	10,990
Goodwill	36,784	36,784	19,723
Core deposit intangible	1,923	2,022	1,788
Bank owned life insurance	37,471	37,849	18,093
Deferred taxes, net	7,513	5,069	4,224
Accrued interest and other assets	9,881	9,277	13,110
Total Assets	<u>\$ 2,297,856</u>	<u>\$ 2,259,866</u>	<u>\$ 1,673,169</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits:			
Noninterest-bearing demand	\$ 1,032,133	\$ 986,935	\$ 703,061
Interest bearing NOW accounts	195,812	193,525	119,367
Money market and savings accounts	692,948	690,348	520,487
Time deposits	92,025	102,290	110,459
Total deposits	<u>2,012,918</u>	<u>1,973,098</u>	<u>1,453,374</u>
Borrowings	20,440	20,409	30,314
Operating lease liability	9,233	9,002	12,087
Accrued interest and other liabilities	8,504	10,829	6,328
Total liabilities	<u>2,051,095</u>	<u>2,013,338</u>	<u>1,502,103</u>
Total shareholders' equity	<u>246,761</u>	<u>246,528</u>	<u>171,066</u>
Total Liabilities and Shareholders' Equity	<u>\$ 2,297,856</u>	<u>\$ 2,259,866</u>	<u>\$ 1,673,169</u>

Southern California Bancorp and Subsidiary

Income Statements - Quarterly

(Unaudited)

	Three Months Ended		
	<u>March 31, 2022</u>	<u>Dec 31, 2021</u>	<u>March 31, 2021</u>
(\$ in thousands except share and per share data)			
INTEREST AND DIVIDEND INCOME			
Interest and fees on loans	\$ 17,731	\$ 20,568	\$ 13,314
Interest on debt securities	330	139	125
Interest and dividends from other institutions	424	407	162
Total interest and dividend income	<u>18,485</u>	<u>21,114</u>	<u>13,601</u>
INTEREST EXPENSE			
Interest on NOW, savings, and money market accounts	282	320	342
Interest on time deposits	98	133	242
Interest on borrowings	310	328	378
Total interest expense	<u>690</u>	<u>781</u>	<u>962</u>
Net interest income	<u>17,795</u>	<u>20,333</u>	<u>12,639</u>
Provision for loan losses	1,850	1,200	—
Net interest income after provision for loan losses	<u>15,945</u>	<u>19,133</u>	<u>12,639</u>
NONINTEREST INCOME			
Service charges and fees on deposit accounts	487	501	351
Gain on sale of loans	49	—	—
Bank owned life insurance income	832	219	103
Servicing and related income on loans	69	8	33
Gain on sale of debt securities	—	(9)	—
Loss on sale, disposal of fixed assets	—	—	(4)
Gain on branch sale	—	(291)	—
Other charges and fees	166	98	65
Total noninterest income	<u>1,603</u>	<u>526</u>	<u>548</u>
NONINTEREST EXPENSE			
Salaries and employee benefits	10,196	9,158	7,376
Occupancy and equipment expenses	1,410	1,350	1,523
Data processing	1,178	1,027	759
Legal, audit and professional	617	463	371
Regulatory assessments	339	433	124
Director and shareholder expenses	195	183	139
Merger and related expenses	524	969	157
Core deposit intangible amortization	99	100	89
Other expense	994	1,183	640
Total noninterest expense	<u>15,552</u>	<u>14,866</u>	<u>11,178</u>
Income before income tax expense	<u>1,996</u>	<u>4,793</u>	<u>2,009</u>
Income tax expense	550	1,418	578
Net Income	<u>\$ 1,446</u>	<u>\$ 3,375</u>	<u>\$ 1,431</u>
Net income per share - basic	\$ 0.08	\$ 0.19	\$ 0.11
Net income per share - diluted	\$ 0.08	\$ 0.19	\$ 0.10
Pre-tax, pre-provision income ⁽¹⁾	\$ 3,846	\$ 5,993	\$ 2,009

(1) Non-GAAP measure. See – GAAP to Non-GAAP reconciliation.

Southern California Bancorp and Subsidiary

Average Balance Sheets and Yield Analysis

(Unaudited)

Three Months Ended

	March 31, 2022			December 31, 2021		
	Average Balance	Income/Expense	Yield/Cost	Average Balance	Income/Expense	Yield/Cost
Assets						
(\$ in thousands)						
Interest-earning assets:						
Total loans-non-PPP	\$ 1,496,375	\$ 16,409	4.45 %	\$ 1,366,240	\$ 15,772	4.58 %
Total loans-PPP	34,867	1,322	15.38 %	120,481	4,796	15.79 %
Total loans	1,531,242	17,731	4.70 %	1,486,721	20,568	5.49 %
Debt securities	87,472	330	1.53 %	43,192	139	1.28 %
Deposits in other financial institutions	463,977	193	0.17 %	594,957	211	0.14 %
Fed fund sold/resale agreements	23,822	11	0.19 %	17,573	6	0.14 %
Restricted stock investments and other bank stock	14,009	220	6.37 %	12,928	190	5.83 %
Total interest-earning assets	2,120,522	18,485	3.54 %	2,155,371	21,114	3.89 %
Total non-interest-earning assets	139,279			138,006		
Total assets	\$ 2,259,801			\$ 2,293,377		
Liabilities and Shareholders' Equity						
Interest-bearing liabilities:						
Interest-bearing NOW accounts	190,530	81	0.17 %	186,207	100	0.21 %
Money market and savings accounts	694,155	201	0.12 %	694,506	220	0.13 %
Time deposits	97,030	98	0.41 %	109,745	133	0.48 %
Total interest-bearing deposits	981,715	380	0.16 %	990,458	453	0.18 %
Borrowings:						
FHLB advances	—	—	— %	6,652	25	1.49 %
Subordinated debts	17,688	272	6.24 %	17,664	271	6.09 %
TruPS	2,737	38	5.63 %	2,730	32	4.65 %
Total borrowings	20,425	310	6.16 %	27,046	328	4.81 %
Total interest-bearing liabilities	1,002,140	690	0.28 %	1,017,504	781	0.30 %
Non-interest-bearing liabilities:						
Demand deposits	990,185	Avg NIB/Avg TTL Deposits		1,007,192	Avg NIB/Avg TTL Deposits	
Other liabilities	19,746	50.21 %		23,886	50.42 %	
Shareholders' equity	247,730			244,795		
Total Liabilities and Shareholders' Equity	\$ 2,259,801			\$ 2,293,377		
Net interest spread			3.26 %			3.58 %
Net interest income and margin	\$ 17,795		3.40 %	\$ 20,333		3.74 %
Net interest income and margin excluding PPP	\$ 16,473		3.20 %	\$ 15,537		3.03 %
Cost of deposits			0.08 %			0.09 %
Cost of funds			0.14 %			0.15 %

Southern California Bancorp and Subsidiary

GAAP to Non-GAAP Reconciliation

The following tables present a reconciliation of non-GAAP financial measures to GAAP measures for: (1) efficiency ratio, (2) pre-tax pre-provision income, (3) average tangible common equity, (4) return on average tangible common equity, (5) tangible common equity, (6) tangible assets, (7) tangible common equity to tangible asset ratio, and (8) tangible book value per share. We believe the presentation of certain non-GAAP financial measures provides useful information to assess our consolidated financial condition and consolidated results of operations and to assist investors in evaluating our financial results relative to our peers. These non-GAAP financial measures complement our GAAP reporting and are presented below to provide investors and others with information that we use to manage the business each period. Because not all companies use identical calculations, the presentation of these non-GAAP financial measures may not be comparable to other similarly titled measures used by other companies. These non-GAAP measures should be taken together with the corresponding GAAP measures and should not be considered a substitute of the GAAP measures.

	At or for the Three Months Ended		
	March 31, 2022	Dec 31, 2021	March 31, 2021
	<i>(\$ in thousands except share and per share data)</i>		
Efficiency Ratio			
Noninterest expense	\$ 15,552	\$ 14,866	\$ 11,178
Net interest income	17,795	20,333	12,639
Noninterest income	1,603	526	548
Total net interest income and noninterest income	\$ 19,398	\$ 20,859	\$ 13,187
Efficiency ratio ⁽¹⁾	80.2 %	71.3 %	84.8 %
Pre-tax pre-provision income			
Net interest income	\$ 17,795	\$ 20,333	\$ 12,639
Noninterest income	1,603	526	548
Total net interest income and noninterest income	19,398	20,859	13,187
Less: Noninterest expense	15,552	14,866	11,178
Pre-tax pre-provision income ⁽¹⁾	\$ 3,846	\$ 5,993	\$ 2,009
Return on Average Assets, Equity, and Tangible Equity			
Net income	\$ 1,446	\$ 3,375	\$ 1,431
Average assets	2,259,801	2,293,377	1,601,162
Average shareholders' equity	\$ 247,730	\$ 244,795	\$ 170,363
Less: Average intangible assets	38,760	34,475	21,561
Average tangible common equity ⁽¹⁾	\$ 208,970	\$ 210,320	\$ 148,802
Return on average assets	0.26 %	0.58 %	0.36 %
Return on average equity	2.37 %	5.47 %	3.41 %
Return on average tangible common equity ⁽¹⁾	2.81 %	6.37 %	3.90 %
Tangible Common Equity Ratio/Tangible Book Value Per Share			
Shareholders' equity	\$ 246,761	\$ 246,528	\$ 171,066
Less: Intangible assets	38,707	38,806	21,511
Tangible common equity ⁽¹⁾	\$ 208,054	\$ 207,722	\$ 149,555
Total assets	\$ 2,297,856	\$ 2,259,866	\$ 1,673,169
Less: Intangible assets	38,707	38,806	21,511
Tangible assets ⁽¹⁾	\$ 2,259,149	\$ 2,221,060	\$ 1,651,658
Equity to asset ratio	10.74 %	10.91 %	10.22 %
Tangible common equity to tangible asset ratio ⁽¹⁾	9.21 %	9.35 %	9.05 %
Book value per share	\$ 13.90	\$ 13.92	\$ 12.88
Tangible book value per share ⁽¹⁾	\$ 11.72	\$ 11.73	\$ 11.26
Shares outstanding	17,753,849	17,707,737	13,278,005

(1) Non-GAAP measure.

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