

# Bank of Southern California N.A. Announces First Quarter 2018 Results

SAN DIEGO, Calif., May 2, 2018 (SEND2PRESS NEWSWIRE) – Bank of Southern California, N.A. (OTC Pink: BCAL / OTCMKTS:BCAL) announced quarterly earnings of \$1,072,303 for the first quarter of 2018, a 51% increase compared to \$710,022 for the first quarter of 2017. Results for the quarter ended March 31, 2018, include approximately \$320 thousand in expenses related to the pending acquisition of Americas United Bank (OTC Pink: AUNB). As previously announced, the Bank also completed a private placement offering of common stock of approximately \$26 million during March 2018.



Send2Press® Newswire

“Building from the successes of 2017, Bank of Southern California had a strong start to 2018. Our loans and deposits grew 17% and 16%, respectively, compared to the first quarter of 2017, while net interest income grew 24%. In the first quarter, the Bank was also recognized as a top SBA 7(a) lender by the San Diego District Office of the Small Business Loan Administration and was awarded a Super Premier Performing Bank status by The Findley Reports,” commented Nathan Rogge, President and CEO of Bank of Southern California.

Total assets at March 31, 2018, were \$522 million, up 9% from \$480 million at December 31, 2017, and up 21% from \$430 million at March 31, 2017. Total

loans increased to \$409 million at March 31, 2018, compared to \$399 million and \$349 million at December 31, 2017, and March 31, 2017, respectively, while total deposits were \$444 million at March 31, 2018, compared to \$407 million at December 31, 2017, and \$383 million at March 31, 2017.

"I am delighted that we continued to organically grow our loan and deposit portfolios in San Diego County, the Coachella Valley, and Orange County in the first quarter, when much of our energy was focused on planning for the acquisition of Americas United Bank (AUNB), as well as successfully completing a \$26 million capital offering," concluded Rogge.

**About Bank of Southern California:**

A growing community bank established in 2001, Bank of Southern California, N.A., with headquarters in San Diego, Calif., is locally owned and managed, and offers a range of financial products and services to individuals, professionals, and small-to-mid sized businesses. The Bank's solution-driven, relationship-based approach to banking provides accessibility to decision makers and enhances value through strong partnerships with its clients. The Bank currently operates seven branches in San Diego and the Coachella Valley in Riverside County, and a production office in Orange, Calif..

For more information, please visit <https://www.banksocal.com/> or call (858) 847-4780.

**Forward-Looking Statements:**

This news release may contain comments or information that constitute forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) and Bank of Southern California intends for such forward-looking statements to be covered by the safe harbor provisions of that Act.

Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words "believe," "expect," "anticipate," "intend," "plan," "estimate," or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," or "may." Forward-looking statements are not guarantees of future performance, nor should they be relied upon as representing management's views as of any subsequent date. Future events are difficult to predict. Forward-looking statements involve significant risks and uncertainties and actual results may differ materially from those presented, either expressed or implied, in this news release. Factors that might cause such differences include, but are not limited to: the ability of the Bank to successfully execute its business plan; changes in interest rates and interest rate relationships; changes in demand for products and services; the degree of competition by traditional and non-traditional competitors; changes in banking legislation or regulation; changes in tax laws; changes in prices, levies and assessments; the impact of technological advances; the outcomes of contingencies; trends in customer behavior as well as their ability to repay loans; and changes in the national and local economy.

Bank of Southern California undertakes no obligation to update or clarify forward-looking statements, whether as a result of new information, future

events or otherwise.

**Media Contact:**

Tony DiVita  
 Bank of Southern California  
 (858) 847-4783  
 tdivita@banksocal.com

Quarterly Financial Highlights Table:

<https://www.banksocal.com/wp-content/uploads/18-0502-BCAL-2018-q1-chart-695x869.png>

For more details about our quarterly results, please visit the “About Us” / “Financials” page of our website and follow the link labeled: Quarterly Results and Trends – <https://www.banksocal.com/about-us/financials/>

## Bank of Southern California

Quarterly Financial Highlights  
 (Unaudited)

|   | Quarterly |           |           |           |           | 1st Qtr Prior Years |           |
|---|-----------|-----------|-----------|-----------|-----------|---------------------|-----------|
| (\$\$ in thousands except per share data) | 2018      | 2017      | 2017      | 2017      | 2017      |                     |           |
|   | 1st Qtr   | 4th Qtr   | 3rd Qtr   | 2nd Qtr   | 1st Qtr   | 2016                | 2015      |
| <b>EARNINGS</b>                           |           |           |           |           |           |                     |           |
| Net interest income                       | \$ 4,851  | 4,711     | 4,802     | 4,319     | 3,919     | 3,526               | 2,848     |
| Provision for loan losses                 | \$ 300    | 0         | 0         | 102       | 169       | 138                 | 0         |
| NonInterest income                        | \$ 1,098  | 799       | 380       | 626       | 404       | 299                 | 275       |
| NonInterest expense                       | \$ 4,053  | 3,245     | 3,389     | 3,116     | 2,972     | 2,830               | 2,790     |
| Income tax expense                        | \$ 524    | 1,132     | 705       | 695       | 472       | 353                 | 180       |
| Net income                                | \$ 1,072  | 1,134     | 1,088     | 1,032     | 710       | 504                 | 152       |
| Basic earnings per share                  | \$ 0.20   | 0.22      | 0.21      | 0.20      | 0.14      | 0.12                | 0.04      |
| Average shares outstanding                | 5,281,297 | 5,221,606 | 5,219,095 | 5,177,997 | 5,140,497 | 4,307,538           | 4,162,608 |
| Ending shares outstanding                 | 6,953,720 | 5,223,627 | 5,221,197 | 5,215,497 | 5,140,497 | 4,307,538           | 4,305,108 |
| <b>PERFORMANCE RATIOS</b>                 |           |           |           |           |           |                     |           |

# Bank of Southern California

Quarterly Financial Highlights  
(Unaudited)

|                                      | Quarterly |        |        |        |        | 1st Qtr Prior Years |        |
|--------------------------------------|-----------|--------|--------|--------|--------|---------------------|--------|
| Return on average assets             | 0.90%     | 0.95%  | 0.96%  | 0.97%  | 0.67%  | 0.59%               | 0.19%  |
| Retn on avg common                   | 8.53%     | 9.08%  | 8.93%  | 8.89%  | 6.37%  | 5.78%               | 1.95%  |
| Yield on loans                       | 5.13%     | 4.94%  | 5.39%  | 4.94%  | 4.89%  | 4.87%               | 5.03%  |
| Yield on earning assets              | 4.78%     | 4.62%  | 4.85%  | 4.60%  | 4.27%  | 4.66%               | 4.05%  |
| Cost of deposits                     | 0.53%     | 0.47%  | 0.41%  | 0.33%  | 0.34%  | 0.28%               | 0.24%  |
| Net interest margin                  | 4.27%     | 4.17%  | 4.46%  | 4.29%  | 3.95%  | 4.40%               | 3.82%  |
| Efficiency ratio                     | 68.13%    | 58.87% | 65.40% | 63.01% | 68.75% | 73.99%              | 89.36% |
| <b>CAPITAL</b>                       |           |        |        |        |        |                     |        |
| Tangible equity to tangible assets   | 14.14%    | 10.10% | 10.12% | 10.64% | 10.24% | 9.90%               | 10.28% |
| Book value (BV) per common share     | \$ 10.79  | 9.51   | 9.31   | 9.10   | 8.83   | 8.13                | 7.60   |
| Tangible BV per common share         | \$ 10.59  | 9.25   | 9.04   | 8.83   | 8.54   | 7.69                | 7.20   |
| <b>ASSET QUALITY</b>                 |           |        |        |        |        |                     |        |
| Net loan charge-offs (recoveries)    | \$ (9)    | 210    | (106)  | 66     | (54)   | (0)                 | (7)    |
| Allowance for loan losses            | \$ 3,385  | 3,076  | 3,286  | 3,179  | 3,143  | 2,565               | 2,398  |
| Allowance for losses to total loans  | 0.83%     | 0.77%  | 0.85%  | 0.90%  | 0.90%  | 0.82%               | 1.01%  |
| Nonperforming loans                  | \$ 1,272  | 1,362  | 1,086  | 2,009  | 2,040  | 2,054               | 4,886  |
| Other real estate owned              | \$ 0      | 0      | 0      | 0      | 146    | 98                  | 0      |
| Nonperforming assets to total assets | 0.24%     | 0.28%  | 0.23%  | 0.46%  | 0.51%  | 0.59%               | 1.47%  |

# Bank of Southern California

Quarterly Financial Highlights  
(Unaudited)

| Quarterly                           |    |         |         |         |         | 1st Qtr Prior Years |         |         |
|-------------------------------------|----|---------|---------|---------|---------|---------------------|---------|---------|
| END OF PERIOD BALANCES              |    |         |         |         |         |                     |         |         |
| Total loans                         | \$ | 409,196 | 399,402 | 387,790 | 353,915 | 349,348             | 313,971 | 238,388 |
| Total assets                        | \$ | 522,118 | 479,512 | 467,976 | 434,088 | 430,334             | 367,122 | 332,827 |
| Deposits                            | \$ | 444,300 | 407,485 | 417,519 | 385,229 | 382,991             | 312,321 | 296,219 |
| Loans to deposits                   |    | 92.10%  | 98.02%  | 92.88%  | 91.87%  | 91.22%              | 100.53% | 80.48%  |
| Shareholders' equity                | \$ | 75,016  | 49,698  | 48,619  | 47,480  | 45,367              | 38,050  | 35,782  |
| Full-time equivalent employees      |    | 73      | 76      | 63      | 61      | 65                  | 64      | 61      |
| AVERAGE BALANCES (QTRLY) (YTD)      |    |         |         |         |         |                     |         |         |
| Total loans                         | \$ | 403,693 | 394,864 | 359,961 | 354,697 | 332,308             | 301,535 | 235,128 |
| Earning assets                      | \$ | 460,636 | 447,834 | 426,992 | 404,017 | 402,698             | 321,752 | 302,149 |
| Total assets (net of AFS valuation) | \$ | 484,628 | 471,271 | 450,737 | 427,649 | 426,831             | 343,841 | 324,379 |
| Deposits                            | \$ | 425,641 | 419,101 | 401,147 | 379,580 | 379,957             | 303,409 | 288,229 |
| Shareholders' equity                | \$ | 50,983  | 49,548  | 48,325  | 46,577  | 45,175              | 37,992  | 34,692  |

Ticker: OTC Pink:BCAL / OTC:BCAL / OTCMKTS:BCAL / OP: BCAL / OTCMKTS:AUNB / OTC:AUNB