



Bank of Southern California Announces Fourth Quarter and Year-End 2017 Results

San Diego, Calif., February 6, 2018 – Bank of Southern California, N.A. (OTC Pink: BCAL) announced quarterly earnings of \$1,134,397 for the fourth quarter of 2017, compared to \$1,088,043 for the third quarter of 2017 and \$902,476 for the fourth quarter of 2016. For the year, net earnings were \$3,964,692 in 2017, a 32% increase compared to \$3,009,251 for 2016. Results for the fourth quarter and year ended December 2017 include a \$200,000 increase in income tax expense due to recent Tax Reform legislation.

“We are very pleased to report our fourth quarter and year-end results. In 2017, we continued to experience strong organic growth in our existing San Diego and Coachella Valley markets, and we expect to see similar results in our recent expansion into Orange County,” commented Nathan Rogge, President and CEO of Bank of Southern California.

Total assets ended the year of 2017 at \$480 million, up from \$468 million at September 30, 2017 and \$424 million at December 31, 2016. Total loans increased to \$399 million at December 31, 2017, compared to \$388 million and \$333 million at September 30, 2017 and December 31, 2016, respectively, while total deposits were \$407 million at December 31, 2017, compared to \$418 million at September 30, 2017 and \$377 million at December 31, 2016.

In addition to the company’s solid financial performance, in 2017, the bank continued to build on its momentum to continue to create an organization that is the bank and employer of choice for Southern California business owners and our employees, with the company executing on two strategic initiatives focused on the customer experience and employee engagement. “We are very grateful for our loyal clients and our experienced team of business banking professionals, who are the reason for our success in 2017,” 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, CA, 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, CA. For more information, please visit 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

<https://www.banksocal.com/>

*Quarterly Financial Highlights Table Follows (PDF).

For more details about our quarterly results, please click on the following link:

<https://www.banksocal.com/wp-content/uploads/December-2017-QTR-End-Results-Web.pdf>

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Bank of Southern California
Quarterly Financial Highlights
(Unaudited)

(\$ in thousands except per share data)

	Quarterly					Annual	
	2017 4th Qtr	2017 3rd Qtr	2017 2nd Qtr	2017 1st Qtr	2016 4th Qtr	2017	2016
EARNINGS							
Net interest income	\$ 4,711	4,802	4,319	3,919	4,052	17,752	15,146
Provision for loan losses	\$ 0	0	102	169	138	271	530
NonInterest income	\$ 799	380	626	404	378	2,209	1,937
NonInterest expense	\$ 3,245	3,389	3,116	2,972	2,802	12,722	11,483
Income tax expense (benefit)	\$ 1,132	705	695	472	588	3,004	2,061
Net income	\$ 1,134	1,088	1,032	710	902	3,965	3,009
Basic earnings per share	\$ 0.22	0.21	0.20	0.14	0.20	0.76	0.69
Average shares outstanding	5,221,606	5,219,095	5,177,997	5,140,497	4,453,694	5,189,799	4,346,702
Ending shares outstanding	5,223,627	5,221,197	5,215,497	5,140,497	5,140,497	5,223,627	5,140,497
PERFORMANCE RATIOS							
Return on average assets	0.95%	0.96%	0.97%	0.67%	0.85%	0.89%	0.78%
Retn on avg common (net of pfd divd)	9.83%	8.93%	8.89%	6.37%	9.32%	8.75%	8.24%
Yield on loans	4.94%	5.39%	4.94%	4.89%	5.02%	5.04%	4.98%
Yield on earning assets	4.62%	4.85%	4.60%	4.27%	4.40%	4.59%	4.50%
Cost of deposits	0.47%	0.41%	0.33%	0.34%	0.34%	0.39%	0.32%
Net interest margin	4.17%	4.46%	4.29%	3.95%	4.07%	4.22%	4.20%
Efficiency ratio	58.87%	65.40%	63.01%	68.75%	63.24%	63.73%	67.22%
CAPITAL							
Tangible equity to tangible assets	10.10%	10.12%	10.64%	10.24%	10.12%	10.10%	10.12%
Book value (BV) per common share	\$ 9.51	9.31	9.10	8.83	8.68	9.51	8.68
Tangible BV per common share	\$ 9.25	9.04	8.83	8.54	8.31	9.25	8.31
ASSET QUALITY							
Net loan charge-offs (recoveries)	\$ 210	(106)	66	(54)	(4)	115	37
Allowance for loan losses	\$ 3,076	3,286	3,179	3,143	2,920	3,076	2,920
Allowance for losses to total loans	0.77%	0.85%	0.90%	0.90%	0.88%	0.77%	0.88%
Nonperforming loans	\$ 1,362	1,086	2,009	2,040	959	1,362	959
Other real estate owned	\$ 0	0	0	146	235	0	235
Nonperforming assets to total assets	0.28%	0.23%	0.46%	0.51%	0.28%	0.28%	0.28%
END OF PERIOD BALANCES							
Total loans	\$ 399,402	387,790	353,915	349,348	333,110	399,402	333,110
Total assets	\$ 479,512	467,976	434,088	430,334	424,081	479,512	424,081
Deposits	\$ 407,485	417,519	385,229	382,991	377,529	407,485	377,529
Loans to deposits	98.02%	92.88%	91.87%	91.22%	88.23%	98.02%	88.23%
Shareholders' equity	\$ 49,698	48,619	47,480	45,367	44,621	49,698	44,621
Full-time equivalent employees	76	63	61	65	66	76	66
AVERAGE BALANCES (QTRLY) (YTD)							
Total loans	\$ 394,864	359,961	354,697	332,308	330,090	360,628	315,751
Earning assets	\$ 447,834	426,992	404,017	402,698	394,907	420,548	360,604
Total assets (net of AFS valuation)	\$ 471,271	450,737	427,649	426,831	420,529	444,262	385,594
Deposits	\$ 419,101	401,147	379,580	379,957	380,783	395,071	344,616
Shareholders' equity	\$ 49,548	47,421	46,577	45,175	38,421	47,421	37,698