



Bank of Southern California Announces Second Quarter 2018 Financial Results

San Diego, August 13, 2018 – Bank of Southern California, N.A. (OTC Pink: BCAL) announced quarterly net income of \$1,306,150 for the second quarter of 2018, a 26.5% increase compared to \$1,032,230 for the second quarter of 2017. For the six months ended June 30, 2018, net income was \$2,378,453, a 36.5% improvement compared to \$1,742,252 for the six months ended June 30, 2017. Results for the quarter and six months ended June 30, 2018, include approximately \$91 thousand and \$415 thousand in expenses related to the acquisition of Americas United Bank (OTC Pink: AUNB), which was completed on July 31, 2018.

"After raising \$26 million in new capital in the first half of the year and completing our acquisition of Americas United Bank in July, this has already proven to be a transformational period for Bank of Southern California" commented Nathan Rogge, President and CEO of Bank of Southern California. "We are eager to realize the efficiencies of integrating Americas United Bank into Bank of Southern California, as well as recognizing growth opportunities in the Los Angeles market" continued Rogge.

Total assets at June 30, 2018, were \$521 million, up 20.1% from \$434 million at June 30, 2017. Total loans increased to \$415 million at June 30, 2018, compared to \$354 million at June 30, 2017, an increase of \$61 million, while total deposits were \$442 million at June 30, 2018, compared to \$385 million at June 30, 2017, an increase of \$57 million.

Commenting on the recently completed acquisition of Americas United Bank, Rogge said, "I am pleased to welcome Americas United Bank customers and employees to Bank of Southern California. Our long-term goal is to build a financial institution recognized as the *Premier Community Business Bank in Southern California* — one that supports the economic growth of local businesses and delivers an exceptional client experience. "

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 eleven branches in San Diego County, Los Angeles County, and the Coachella Valley in Riverside County, and a production office in Orange County. 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.

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[Quarterly Financial Highlights Table Follows]

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](#)

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Bank of Southern California
Quarterly Financial Highlights
(Unaudited)

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

	Quarterly					6 Months YTD	
	2018 2nd Qtr	2018 1st Qtr	2017 4th Qtr	2017 3rd Qtr	2017 2nd Qtr	2018	2017
EARNINGS							
Net interest income	\$ 5,282	4,851	4,711	4,802	4,319	10,133	8,238
Provision for loan losses	\$ 400	300	0	0	102	700	271
NonInterest income	\$ 602	1,098	799	380	626	1,701	1,030
NonInterest expense	\$ 3,652	4,053	3,245	3,389	3,116	7,705	6,088
Income tax expense	\$ 526	524	1,132	705	695	1,050	1,167
Net income	\$ 1,306	1,072	1,134	1,088	1,032	2,378	1,742
Basic earnings per share	\$ 0.19	0.20	0.22	0.21	0.20	0.39	0.34
Average shares outstanding	6,991,327	5,281,297	5,221,606	5,219,095	5,177,997	6,136,312	5,159,247
Ending shares outstanding	6,998,750	6,953,720	5,223,627	5,221,197	5,215,497	6,998,750	5,215,497
PERFORMANCE RATIOS							
Return on average assets	1.00%	0.90%	0.95%	0.96%	0.97%	0.95%	0.82%
Return on average common equity	6.85%	8.53%	9.08%	8.93%	8.89%	7.52%	7.66%
Yield on loans	5.38%	5.13%	4.94%	5.39%	4.94%	5.26%	4.92%
Yield on earning assets	4.78%	4.78%	4.62%	4.85%	4.60%	4.78%	4.43%
Cost of deposits	0.62%	0.53%	0.47%	0.41%	0.33%	0.58%	0.34%
Net interest margin	4.22%	4.27%	4.17%	4.46%	4.29%	4.25%	4.12%
Efficiency ratio	62.06%	68.13%	58.87%	65.40%	63.01%	65.11%	65.69%
CAPITAL							
Tangible equity to tangible assets	14.54%	14.14%	10.10%	10.12%	10.64%	14.54%	10.64%
Book value (BV) per common share	\$ 11.00	10.79	9.51	9.31	9.10	11.00	9.10
Tangible BV per common share	\$ 10.81	10.59	9.25	9.04	8.83	10.81	8.83
ASSET QUALITY							
Net loan charge-offs (recoveries)	\$ 341	(9)	210	(106)	66	333	12
Allowance for loan losses	\$ 3,443	3,385	3,076	3,286	3,179	3,443	3,179
Allowance for losses to total loans	0.83%	0.83%	0.77%	0.85%	0.90%	0.83%	0.90%
Nonperforming loans	\$ 2,747	1,272	1,362	1,086	2,009	2,747	2,009
Other real estate owned	\$ 0	0	0	0	0	0	0
Nonperforming assets to total assets	0.53%	0.24%	0.28%	0.23%	0.46%	0.53%	0.46%
END OF PERIOD BALANCES							
Total loans	\$ 414,925	409,196	399,402	387,790	353,915	414,925	353,915
Total assets	\$ 521,437	522,118	479,512	467,976	434,088	521,437	434,088
Deposits	\$ 442,046	444,300	407,485	417,519	385,229	442,046	385,229
Loans to deposits	93.86%	92.10%	98.02%	92.88%	91.87%	93.86%	91.87%
Shareholders' equity	\$ 77,006	75,016	49,698	48,619	47,480	77,006	47,480
Full-time equivalent employees	65	73	76	63	61	65	61
AVERAGE BALANCES (QTRLY) (YTD)							
Total loans	\$ 407,779	403,693	394,864	359,961	354,697	405,747	343,564
Earning assets	\$ 501,776	460,636	447,834	426,992	404,017	481,320	403,361
Total assets (net of AFS valuation)	\$ 525,934	484,628	471,271	450,737	427,649	505,395	427,242
Deposits	\$ 446,815	425,641	419,101	401,147	379,580	436,287	379,768
Shareholders' equity	\$ 76,440	50,983	49,548	48,325	46,577	63,782	45,880