

# BANK OF SOUTHERN CALIFORNIA (BCAL)

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# CAUTIONARY STATEMENT

Readers should be aware that this presentation may contain certain “forward-looking statements”, as this term is used under the federal securities laws, concerning our plans and objectives, future events or performance and other information or statements that are other than statements of historical fact. For example, we may describe our expansion plans and opportunities that we see in our market for future growth. These types of forward-looking statements reflect many different assumptions and involve various risks and uncertainties that may affect our future performance or results of operations in ways that we do not anticipate.

## **Forward-Looking Statements:**

Except for the historical information in this presentation, the matters described herein contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are subject to risks and uncertainties that could cause actual results to differ materially. Such risks and uncertainties include: the credit risks of lending activities, including changes in the level and trend of loan delinquencies and charge-offs, results of examinations by our banking regulators, our ability to maintain adequate levels of capital and liquidity, our ability to manage loan delinquency rates, our ability to price deposits to retain existing customers and achieve low-cost deposit growth, manage expenses and lower the efficiency ratio, expand or maintain the net interest margin, mitigate interest rate risk for changes in the interest rate environment, competitive pressures in the banking industry, access to available sources of credit to manage liquidity, the local and national economic environment, and other risks and uncertainties. Accordingly, undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this release. Bank of Southern California undertakes no obligation to update publicly any forward-looking statements to reflect new information, events or circumstances after the date of this release or to reflect the occurrence of unanticipated events. Investors are encouraged to read the Bank of Southern California annual reports which are available on our website.



# OUR VISION

## ■ CORE VALUES

- Make a difference
- Relationship driven – with our customers and staff
- Trustworthiness & Integrity – Always do the right thing
- Demand Excellence – Hold ourselves to higher standards, and expect “Best in Class”
- Responsive – Do whatever it takes to get the job done

## ■ CORE FOCUS

- **Our Purpose & Passion:**  
Making a difference in our client’s business and our employee’s lives
- **Our Niche:**  
Providing “Best in Class” financial solutions for businesses in Southern California

# 3 YEAR GOALS

- **Assets:** \$1.5 Billion
- **ROAE:** 15%
- **3-Year Goals:**
  - We have a presence in all Southern California markets
  - 3 Regional Hubs with deposit portfolios of \$150M or greater
  - 15 Branches with deposit portfolios of \$75M or greater
  - We have a Deposit Rich industry focus
  - Administrative functions have been decentralized into Hubs
  - Developed a reputation of being an Employer of Choice
  - We are built for speed
  - Expanded Call Center hours
  - Marketing is generating new relationships through diverse media channels and campaigns contributing 15% or more of new accounts originated online
  - Our brand is visually recognized

# BCAL OVERVIEW

- Experienced tremendous growth
- Successfully completed the acquisition of Americas United Bank (AUNB)
- Expanded its Business Banking and Branch Banking teams
- Opened a production office in West Los Angeles
- Consolidated the Coachella Valley locations
- Successfully raised a combined \$43.3MM in capital since 2011
- Launched a CX Program
- Announced the signing of a definitive agreement to acquire CalWest Bank (CALW)

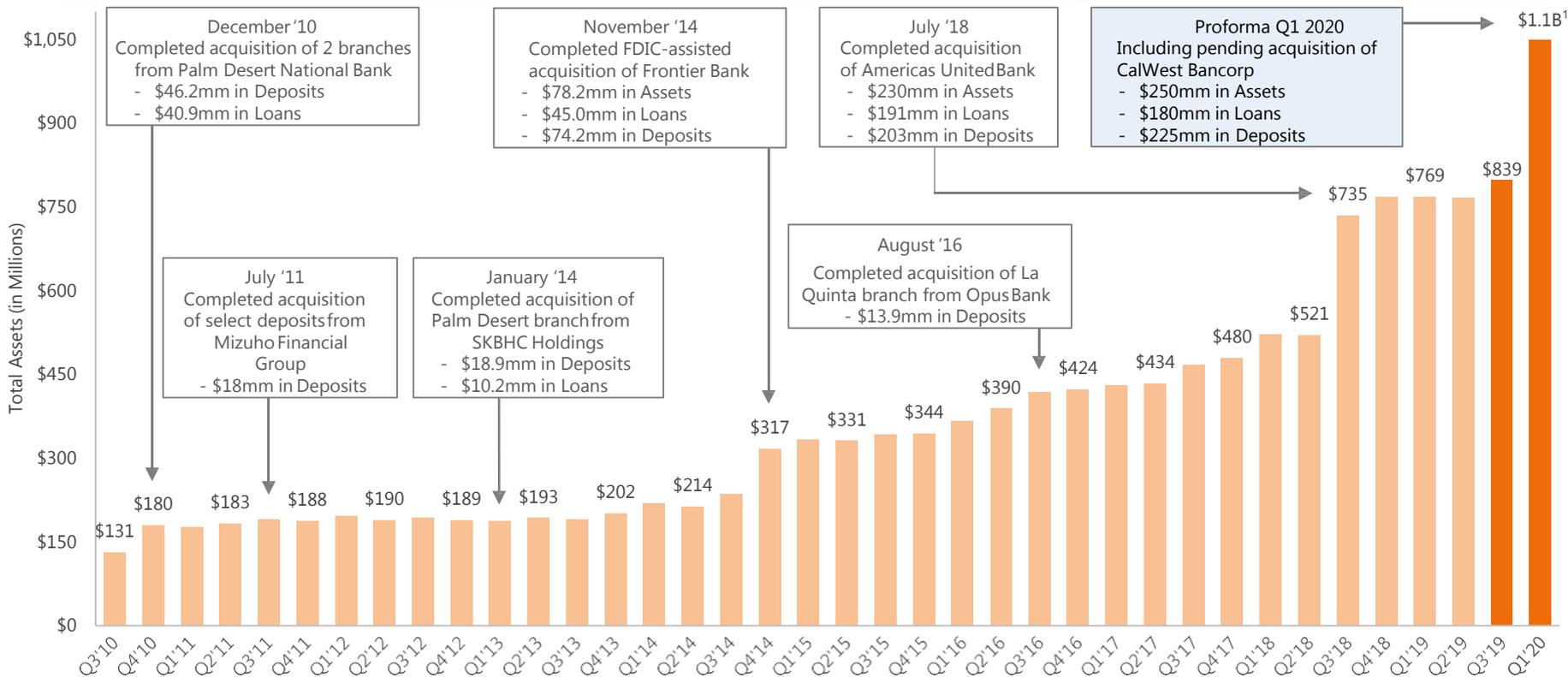
## Received numerous distinctions and awards:

- Super Premier Performing by The Findley Reports
- Five-Star Superior Performance Rating by Bauer Financial
- A+ Health Rating by DepositAccounts by LendingTree
- 4 Star Safe & Sound Rating by Bankrate.com
- Top Lender by loan dollar volume using the State Guarantee Program
- 2018 & 2019 Best Places to Work by the San Diego Business Journal
- Most Admired CEO by the San Diego Business Journal

# TRACK RECORD OF SUCCESSFUL M&A EXECUTION

- Since 2010, BCAL's management team has executed both on an organic and an M&A growth strategy, successfully growing the franchise over the past eight years while maintaining healthy return metrics
- The 2018 acquisition of Americas United Bank marks the sixth successful acquisition for BCAL, following 4 branch acquisitions since December 2010, and the FDIC-Assisted acquisition of Frontier Bank (FSB) in November 2014

## ASSET GROWTH WITH BCAL'S CURRENT MANAGEMENT TEAM



(1) Acquisition of CalWest Bancorp subject to shareholder and regulatory approval. Estimated to close in late Q1 2020.



# BCAL CHARACTERISTICS

## STRENGTHS

- Management Team
- Speed and Flexibility
- Capital and Ownership Structure
- Clean Balance Sheet
- Strong Employee Culture

## WEAKNESSES

- Brand Recognition
- Lending Limits

# THE FUTURE OF BANKING

## CHALLENGES

- Ability to Compete with Larger Banks
- Regulatory Burden
- Economy and Credit Environment
- Interest Rate Environment

## OPPORTUNITIES

- Disruption in the Market (M&A)
- Talent Acquisition
- Lift Out Teams



THANK YOU

