



News from the Beach.

Updated Newsletter for our Organizers, Investors, Clients and Friends

September 4, 2024

Hello Beach Cities Commercial Bank (BCCB) Family:

Summer has come and gone, and it was a remarkable season for BCCB. We finished our first year in business. We surpassed \$90mm in assets. We completed most of our internal audits. We introduced new business and personal accounts with no fees. We continue to have great loan production. We also were awarded Best New Start Up Business for this past year. We also just added a new Board member. It was a strong summer, and as we head into fall and 2025, we look forward to maintaining our momentum.

On June 12, 2023, we opened for business with a very soft opening. At that time, we couldn't access the Federal Reserve for cash or wires. We were not recognized by Visa or Mastercard. Many of the digital systems we touted were not functional. So many things that needed to be accomplished to create the Bank we wanted. Fast forward a year and we are fully operational in all facets. The Bank is growing rapidly, as evidenced by our asset growth to over \$90mm in assets, and we continue to have large pipelines of loans and deposits.

This is great news for the bank and the investors, but equally as important was we began our internal audit regimen. We maintained a comprehensive audit calendar from January through June and continue to bring in oversight to assess our performance and offer insights for improvement. We believe that growing the Bank in a safe and sound way is the only way to grow the Bank. We have had very good internal audit results thanks to our dedicated and knowledgeable staff.

While audits are a routine part of our business, we also phased out the Founders' personal checking account, which was initially set up for the first year of operations. Not to worry, we have rolled out our Ultralink Zero and Ultralink Zero Plus accounts for personal and business accounts, respectively. These accounts are maintenance charge free. Our Ultralink Zero personal checking accounts offer several benefits, including no fees for ATM transactions, incoming wires, and the first three cashier's checks, among other features. For businesses, the Ultralink Zero Plus account not only provides zero maintenance fees but also includes benefits such as no fees for the first three domestic wires each month, AutoBooks (invoicing, payment acceptance, accounting, and more — all inside online and mobile banking), initial check orders, and more. Both of these accounts will be featured in our fall deposit campaign. We encourage everyone to open accounts at BCCB, both business and personal, and experience firsthand BCCB Ultralink and relationship banking that is a hallmark of BCCB.

Loan production continues to be solid. Over \$10mm of commitments were issued in August and over \$-4mm in fundings. We continue into the fall with similar numbers, with some months being larger than other months. One fact that we see in the marketplace is WE ARE LENDING!!!! Many of our peer banks are not lending. We will continue to support businesses and entrepreneurs with their financing needs to help them solidify and grow their ventures, creating new opportunities. If you know of any friends or colleagues seeking banking services, please refer them to us. We are ready and eager to assist.

"BREAKING NEWS"

You can access real-time quotes for our stock using our ticker symbol "BCCB."

Did you know that we are offering **AutoBooks** to our business clients through our ULTRALINK online banking platform?

What is AutoBooks?

AutoBooks is a platform designed to streamline financial management for small businesses. It integrates accounting functions with banking features, making it easier for you to handle your finances without needing extensive accounting knowledge.

Key Features:

- Automated Bookkeeping
- Invoicing and Payments
- Expense Tracking

Another highlight is our increased production on government guaranteed lending. Whether with the California State Loan Guarantee Program or working in partnership with the Small Business Administration (SBA), our volume of lending continues to increase as we indicated in our original business plan. We believe these programs offer opportunities for borrowers that, under certain circumstances, are not available with conventional lending products. We have a unique core competency in these programs that sets us apart from other banks. We are committed to supporting and expanding our portfolio in this area. Amid all the discussion of our activities it's gratifying when others recognize the progress we've made and the impact we've had on the marketplace in just one year. At the recent Celebrate Irvine event, which was celebrating 45 years of work that the Greater Irvine Chamber of Commerce has done, the Chamber recognized BCCB as the Best Start Up Business of the past year. They highlighted that our work with the business community, both in Irvine and beyond, is well-regarded. Our technology-forward, business-focused approach stands out and may be overlooked by other institutions. We humbly accepted the award and are excited about what our second year in business will bring. As always, without the support of our clients, investors, friends and family, this would not be possible.

One of those who has been a supporter since we started is John Campbell. John was one of the first to support the Bank with organizer funds and one of the first to buy stock in the Bank. John is a resident of Laguna Beach and a graduate of Cal State Fullerton. John began his insurance practice in Laguna Beach in 1976, the John L Campbell Insurance Agency. John has recently accepted an invitation to join the

Board of Directors of BCCB. This appointment has been approved by both the FDIC and the DFPI. We believe that John's expertise in risk management will greatly benefit the Board of Directors moving forward.

We finally want to say thank you to Deb Edson, Chief Risk Officer, who assisted us from the very beginning. Deb has retired and we will miss her. We also want to acknowledge other recent departures from our processing and financial services teams and wish them well in their future endeavors. We are very excited to announce the following additions:

- Rosio Romero - VP/ Director of Operations
- Sandy Burns - AVP/Loan Administrator
- Derick Saldana – Loan Administrator
- Neftali Centeno – Sr. Financial Services Representative

This first year marks a significant milestone for BCCB and our team. Year two promises greater achievements. We look forward to sharing the successes in upcoming newsletters. As always, Kent Falk and I are available for any questions you may have. Our contact information is listed below. Thank you again for your support.



Respectfully,

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