

News from the Beach.

Updated Newsletter for our Organizers, Investors, Clients, and Friends

September 1, 2023

Hello, Beach Cities Commercial Bank Family:

Wow, what a summer. After 25 months of organizing, raising capital building infrastructure and so much more, we received approval from Department of Financial Protection and Innovation (DFPI) and the Federal Deposit Insurance Corporation (FDIC) to open the Bank and on June 12, 2023, Beach Cities Commercial Bank (BCCB) opened for business. It was a very soft opening. Many products and services were unable to be put in place or offered. We needed to be open for business before certain projects could be built, and services could be requested. For example, the day we opened the doors, our routing number, which identifies us to other financial institutions and allows us access to cash, perform wires and much more, was still not recognized by some financial institutions. We also did not have a full staff to operate the Bank at full capacity. Well, much has changed since June 12th so let us see if we can get everyone caught up on our progress over the previous two plus months, but first, we want to thank everyone who joined us at our grand opening on July 18th and 20th in Orange County and San Diego County offices respectively. We were overwhelmed by the turnout and thank all the local officials who came out to support BCCB as we begin operating in Southern California. We literally could not have opened the Bank without all the organizers, shareholders and clients supporting our efforts to bring to life our vision of technology forward relationship banking. Thank you.

“BREAKING NEWS”

The Department of Financial Protection and Innovation (DFPI) and the Federal Deposit Insurance Corporation (FDIC) have approved Beach Cities Commercial Bank to begin operations on June 12, 2023.



We now have a fully functional routing number and access to the Federal Reserve. We have access to cash ordering and wiring funds to and from other institutions and can receive Automated Clearing House (ACH) transactions. Both our Orange County Headquarters and San Diego office in Encinitas are running daily transactions and opening all depository accounts. This includes Interest On Lawyers Trust Accounts (IOLTA), which requires approval from the California Bar Associations, which we have received. Over the first 2 months of operation, we opened over 130 accounts. Total deposits as of this newsletter are \$14.7 million and growing. We are tracking to budget. In addition, we are fully staffed at both offices. Our final hire joined us August 20, 2023. We believe our staffing needs will be covered for the foreseeable future and are in line with the budget we created and shared with our regulators, organizers, and investors.

On the lending side of the Bank, we booked our first two loans in July and have an active pipeline of loans and deposits of over \$88 million. We are now tracking to book \$10 million of loans a month starting with September 2023. We budgeted \$18 million by the end of three months and are tracking in that direction for month-end September or start of October 2023 and believe we will continue our momentum and grow our

asset base according to plan. We have received our approvals for both Small Business Administration (SBA) and California State Loan Guarantee programs. This is a big part of our business plan, and we are very excited to have received those authorities and to be actively submitting loans to both entities.



We are a technology forward bank. This has required a tremendous amount of resources to be devoted to bringing to life our vision of BCCB Ultralink. We are excited to share that both consumer and business access to our Ultralink is now available. Online enrollment is underway. If you have not opened an account and begun to access BCCB Ultralink, now is the time. Our mobile and remote deposit feature is completely operational for both business and consumer use. Our app is available in the Apple App Store and soon to be available in the Google App store for Androids. Items coming online in the coming weeks include the initial external transfer functionality, online wires, ACH origination and online check ordering. We

are targeting consumer and business bill pay and “QuickSwitch” before year-end. What is “QuickSwitch”? “QuickSwitch” allows users to move over bill pay payees from other institutions without the data entry usually required. It simply switches over all payees into the BCCB Ultralink effortlessly. This is only one feature that will make it easy to bank with BCCB. Please reach out to us and ask when this and other great services of these great real time features will be available. Our hands-on staff are ready to get you up and running with BCCB.

Other services that we have rolled out since opening are our corporate and personal credit card product and our merchant service platform. This is relatively new and will integrate in our BCCB Ultralink as additional functionality comes online in the coming months. We have three credit cards for business: Business Classic, Business Ultimate, and World Elite Business. Each has different rewards attached to them and controls for business owners over card user’s spend. Our merchant service program deploys the Clover Platform, which is one of the top merchant service platforms available with multiple terminal, virtual and online token options. We will be sharing information on how to sign up for both in the coming weeks but call us to hear more too. Our relationship management team is available to answer questions, help you apply and connect with professionals on the credit card and merchant services platforms.

For our investors, we have been working hard to get our ticker symbol and our listing active on the OCTQB index. In order to request a symbol on the listing index we needed to file our first financial report with the regulators, the DFPI and the FDIC, which we did for the quarter ending 6-30-23. This was submitted by Bank management to the regulators at the end of July. At the start of August, BCCB submitted its application for listing our common stock on the OTCQB stock exchange. Once BCCB is approved, the Bank will have a ticker symbol assigned. Our Shareholders will be able to obtain our market price from any financial website, example Yahoo Finance. Also, BCCB will engage stock market makers for community Bank stocks that will allow our shareholders opportunities to trade their Bank’s common stock. This entire process usually takes 6 to 8 weeks to complete so we believe this will be in place by the middle to end of September. A separate notice will be sent to all shareholders upon completion. Stay tuned for more information.

Many other projects have been started and completed such as phase 1 of our fully integrated loan underwriting, processing, and closing platform with Baker Hill and our CORE digital document warehousing project known as Fiserv Director. The projects are numerous and continuous and will be ongoing for the next several months. Upon completion of each project, we get closer to full functionality, breakeven and profitability. We will strive to keep you updated on a quarterly basis, and in certain cases, immediately upon availability, such as our stock



listing on over-the-counter (OTC) and ticker symbol. We are always available to answer questions and comments as it's you who provides us with some of the best ideas. Thank you for the amazing support for the historic summer of 2023.

Respectfully,

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