



News from the Beach

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

December 2024



Hello Beach Cities Commercial Bank (BCCB) Family

Happy Holidays. With Thanksgiving in the rear-view mirror and Hanukkah and Christmas approaching, we wanted to provide an update on BCCB as we head towards 2025. We have experienced astonishing growth. Below are some items shared in our November press release from our 3rd quarter call report:

The Year of Growth and Stability

- **Assets 102% Growth** Total assets were \$97.04 million as of September 30, 2024, which increased by \$49.4 million from December 31, 2023
- **Loan 254% Increase** Total loans were \$78.1 million as of September 30, 2024, which increased by \$56.0 million from December 31, 2023
- **Deposits 193% Growth** Total deposits were \$75.8 million as of September 30, 2024, which increased by \$49.9 million from December 31, 2023
- **\$15.6 Million Liquidity** Total liquidity remains high at \$15.6 million, which equates to 16.1% of the Bank's total assets. The Bank also maintains contingent borrowing sources at \$27 million which equates to 27.8% of total assets
- **8.15% Loan Portfolio Average Yield** The loan portfolio average yield was at 8.15% which is contributing to a healthy net interest margin at 4.28% as of September 30, 2024
- **1.08% Reserve Loss** The Bank maintains a reserve for credit losses of \$796,000 which equates to 1.08% of total loans. As of September 30, 2024, the Bank had Zero dollars in delinquent, and non-performing loans

We are very excited to share our year-end numbers, as our momentum has kept our loan, deposit, and asset sizes within budget variance. The team is hitting the stride we envisioned when we first began to organize the Bank and what we shared with many of you during our capital raise. Look for our finalized year-end numbers in late January or early February once we close our books and post our call report with the regulators.

Technology

Year End Recap

In 2024, our bank successfully completed over 40 technology projects, enhancing both client-facing and internal operations. Key achievements:

- Launch of the Debit and Credit card control platform through our online or mobile platforms
- Real-time mobile payments
- Advanced e-documents,
- Comprehensive suite of cybersecurity solutions

We encourage everyone to [visit our website](#) and check out our growing [video training library](#) to see many great new features being added to our Ultralink platform.

Looking Ahead...

One of our exciting upcoming projects is the online lending portal, set to roll out in January 2025. This initiative is part of our broader vision to increase efficiency and create a best-in-class digital experience for our clients.

Key Features:

- Online loan applications
- Direct data integration into the underwriting platform
- Client interaction with relationship managers, underwriters, and processing team
- Recorded and timestamped interactions in the client's file
- 24/7 access to check loan and renewal status
- Continued acceptance of paper and secure email applications
- Faster closing times and more choices for clients

This project reflects the management team and board of directors' strong belief in the commitment to leveraging technology for enhanced client service and operational efficiency.



Cybersecurity Corner

As the holiday season approaches, stay vigilant about cybersecurity. Cybercriminals often exploit this time with phishing scams, fraudulent offers, and other attacks. Protect yourself with these tips:

- ❑ **Be cautious with emails and links** Verify the sender before clicking on links or opening attachments
- ❑ **Use strong, unique passwords** Consider a password manager to keep track
- ❑ **Enable multi-factor authentication** Add an extra layer of protection
- ❑ **Monitor your bank and credit card statements** Check for unauthorized transactions, especially after holiday purchases
- ❑ **Shop at trusted websites:** Stick to well-known and trusted retailers when shopping online. Ensure the website is secure (look for "https" in the URL) and avoid making transactions on public Wi-Fi networks.

By taking these simple precautions, you can enjoy a safer holiday season and protect yourself from cyber threats.

[Learn More](#)



LA Times Orange County Visionaries

In November, The LA Times reached out and wrote a great article about BCCB and our growth and vision. We were very excited that they shared with us that BCCB is the fastest growing community bank in California. It was really great to see that many business professionals are watching our trajectory. The article notes the decline of new financial institutions and great hurdles to open a new bank. We are humbled they chose us to be the Bank to highlight. The article is on our website for those interested in reading it. [Link to Article](#)

During our recent holiday gathering, I shared with the BCCB Team that while we have performed amazingly and are starting to approach significant financial and technological milestones, our most important assets are our amazing staff. We believe we have the best team in the banking industry. With that, we are very pleased to announce the addition to our San Diego Team, **Luke Nastich**. Luke comes to us with 20 years of banking experience in the San Diego area. He was most recently a Vice President/Relationship Manager at United Business Bank and is joining our San Diego Team in Encinitas as **Vice President/ Business Development**. We are very excited to have him join our sales team and are looking forward to a great 2025 from Luke.

Also, we have promoted **Janelle Hilton** to **Vice President/Relationship Manager**. Janelle has excelled in her role since joining the Bank in February. Congratulation Janelle.

2025 is shaping up to be a great year. The management and board of directors want to take this moment to wish everyone a wonderful holiday season and a very happy new year.

Kent and I are always available for calls and questions and look forward to sharing more great news in the coming months and look forward to seeing you soon.

Respectfully,

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