

News from the Beach.

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

December 8, 2023

Hello Beach Cities Commercial Bank Family:

Happy holidays to all. It has been a very exciting time at Beach Cities Commercial Bank (BCCB). As we approach the 6-month mark of operating we can now share some data. First, our total assets as of 11-30-23 was over \$41mm in just five months. We have total loan commitments that exceed \$30mm, with over \$12mm in commitments coming in November. The first two months that the Bank was open, we got off to a bit of a slow start; however, as evidenced by a strong fall we are making up ground. Our loan pipeline or prospective borrowers now exceeds \$50mm as we look to December and into 2024.

Our deposits are over \$22mm and growing at an increased pace. We have almost full functionality of BCCB Ultralink, which has allowed businesses to transition their operating account. More on the technology later. We currently are working on a deposit pipeline of over \$30mm of prospective clients. This is very exciting. We are encouraging all investors, organizers, friends, and family of BCCB to open a free founders personal checking account and inquire about business and money market accounts and rates. We are open for business!!!

Our Bank was founded on the relationship banking model. We strive to have personal relationships with all of our clients and are always there to serve and understand the needs of the customers. We also know that technology is ever changing and having state-of-the-art tools has always been part of our vision to help our customers meet their banking needs in the digital marketplace. We are proud to report that we have competed over 75 build projects on our technology platform and the vision BCCB's Ultralink is becoming a reality. When we opened the Bank in the middle of June, we were not even recognized by the Federal Reserve Bank by our routing number. We were not able to acquire cash for another 10 days after we opened. Many client facing projects could not begin until we had our approvals from the DFPI, FDIC or the acknowledgment of the Federal Reserve Bank. Fast forward from July 1st to now, we have full online banking platform available, apps for both apple and android phones, tablets, and computers, all with the exact same functionality regardless of the platform. We have online wires origination, online ACH origination, mobile and desktop remote deposit, full bill pay functionality in both personal and business formats. By month end QuickSwitch will automate the switching of banks by reducing the data entry of payees and direct deposits, external accounts that allow accounts at other banks or entities such as wealth management to come into your dashboard for viewing simplicity and so much more with more on the way. We have a fully functioning Merchant Service and Corporate card platform. There are digital items that are now in place that clients do not see, that are completed. Some of these are fraud protections applications in the Ultralink platform and on the Bank's CORE are our digital underwriting platform in the credit department. We are a technology forward Bank and provide a state-of-the-art digital experience to our customers.

"BREAKING NEWS"

BCCB Bank President, Jeffrey Redeker, was named one of OC 500 Top Bankers by the Orange County Business Journal.



The Irvine Office donated filled suitcases with essentials items to "My Own Case for Kids."

With all this progress comes oversight. We will have our first visit from our bank examiners starting December 11th through December 22nd. We believe we are ready for the visit and welcome that review of our files. Their partnership is critical to the future success of BCCB. We have filed all required quarterly Call Reports with the Government and believe that we have laid the foundation for a great relationship with the Department of Financial Protection and Innovation (DFPI) and the Federal Deposit Insurance Corporation (FDIC). The reports are available to the public and can be accessed through the FDIC website.

We also have our first CPA audit set to start the first week of January. Once completed, we plan to file our application for listing in the OCTQB index, which will provide investors with real time stock quotes. This was a promise made to our investors during our capital raise and recent changes required that we complete our first audit before this happened, so we are moving forward with honoring this promise.

On other news, our Chief Credit Officer (CCO), Joe Simmons, has decided to retire. Joe provided the Bank with several months' notice prior to his departure. Joe noted personal reasons for his retirement. We certainly understand Joe's decision and fully support it. Matt Blackmer was proposed by Joe to succeed him. Matt has over 30 years of banking/credit experience. Matt has run and managed credit underwriting teams at multiple banks and is a founding member of the Bank's senior leadership team. He's a graduate of Central Washington University and Pacific Coast Bankers School. Our regulators, the DFPI and the FDIC, have approved Matt's ascension to the CCO role from the Chief Banking Officer role he held previously. We certainly will miss Joe and wish him well in his retirement, we believe we will not skip a beat with Matt.



The Encinitas Office donated wrapped gifts to "Casa de Amistad".

We have a lot to be thankful for in this past crazy year. 2023 will always be a special year for BCCB. Looking forward to 2024, we look to the full implementation of the plan we shared with organizers and investors. And we are doing just that. There will always be projects and unexpected items that come to pass, but we are building a Bank that will last, that is safe and is focused on what we do and who we do it for. This is Your Bank, Your Way. Happy Holidays.

Respectfully,

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