



BSF

BANK OF SAN FRANCISCO

**COMMUNITY
MATTERS STATEMENT**

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Presented by

Victor Vazquez

SVP, Community and Social Responsibility Manager

COMMUNITY MATTERS STATEMENT

2022 was another year of addressing challenges resulting from the COVID-19 pandemic. The Federal Reserve raised interest rates several times in response to concerns about inflation. Other mitigation efforts included tightening monetary policies and stabilizing supply chains. Additionally, many workplaces underwent a transition toward post-pandemic norms, with hybrid work models and remote work becoming more prevalent. At Bank of San Francisco (BSF), we adjusted our interest rates accordingly, and remained flexible with our workplace models.

Throughout the COVID-19 pandemic, we at BSF have prioritized supporting our clients. A notable example throughout 2022 was our assistance in the preparation of our clients' Small Business Administration (SBA) Paycheck Protection Program (PPP) loan forgiveness applications. Recognizing the importance of these submissions for small businesses, we dedicated our time and resources to support our clients through the forgiveness process. We provided valuable information, clarifications, and step-by-step guidance to ensure that business owners understood the requirements and completed the necessary documentation accurately. By offering this support, BSF helped to alleviate the burden on our clients, enabling them to navigate the complexities of the PPP loan forgiveness program with confidence and better focus on their recovery and growth.

At BSF, we believe in the power of community and have always been dedicated to making a positive impact beyond our core banking services. 2022 was no exception. Our commitment to serving the community was reflected in several key areas, which are outlined below. In addition to our unwavering support of our communities, we understand and take seriously our responsibility to uphold a workplace that is diverse, equitable, and inclusive. We are deeply committed to promoting diversity, equity, and inclusion (DEI) in all aspects of our operations. We believe that a diverse and inclusive workplace fosters innovation, creativity, and better decision-making. We strive to create an environment where everyone feels valued, respected, and empowered to contribute their unique perspectives and experiences. We strive to eliminate biases, promote equal opportunities, and provide a safe and inclusive space for all employees to thrive and reach their full potential.

In 2020, our DEI Team was formed to uphold these values. Our DEI Team continues to reflect on, identify, and solidify how we can improve throughout our organization and

industry. 2022's DEI initiatives included:

- Holding regular meetings of the DEI Team to ensure we maintain our ongoing DEI initiatives, with measurable results;
 - The DEI Team's expressed commitment is as follows:

Diversity: The key to our success.

At Bank of San Francisco, diversity has long been at the core of our mission and values. We are proud of our diverse workforce, and empower our employees by fostering a culture that welcomes varying perspectives. We believe diversity, equity, and inclusion in the workplace benefit our team, clients, and the community we serve.

- Diversifying our team and leadership groups;
 - Based on the data provided by employees in our human resources system, as of December 31, 2022: 25% identified as Asian, 8% identified as Black/African American, 23% identified as Hispanic/Latino, and 9% identified as Native Hawaiian/Other Pacific Islander.
 - The average age in our workforce was approximately 48 years old.
 - 63% of our employees identify as female, and 50% of our C-level executives identify as female. Efforts to diversify our Board of Directors are ongoing and will be the highest consideration when a board position becomes available.
- Reviewing the Bank's outreach and product development to help meet the banking needs of our community, diversify our client base, and promote greater involvement with underrepresented businesses and organizations;
 - We continued to feature businesses and organizations owned by or supporting underrepresented individuals in our newsletters, on our website, and in our social media campaigns. We regularly feature cultural heritage months and celebration days, particularly representing the demographic of the Bay Area.
 - We participated in and facilitated government-sponsored lending programs—California's Small Business Loan Guarantee Program, PPP, SBA 7(a), and SBA 504 to help as many small businesses and organizations as possible. We pride ourselves on reviewing government-sponsored lending programs and matching the most appropriate to our clients' business objectives.

- We proudly sponsored a local nonprofit in their successful effort to secure a grant from the Federal Home Loan Bank AHEAD program. By aligning our resources with the nonprofit's mission, we aimed to create lasting change and contribute to the betterment of our community.
 - In 2022, we prioritized reinvestment in our community through our banking products and services. As always, we strive to offer accessible and sustainable financial solutions that meet the diverse needs of individuals, families, and businesses in our community. Our Relationship Managers aim to foster economic growth, promote financial inclusion, and support local businesses, thereby contributing to the overall development and prosperity of the community.
 - We are dedicated to responsible lending and investment practices that support the growth and sustainability of our community. We understand the importance of providing fair and affordable financing solutions to individuals and businesses, particularly those in underserved areas. Our lending commitments focus on empowering entrepreneurs, supporting affordable housing initiatives, and fostering economic development in our community. By ensuring access to capital and responsible financial services, we aim to create opportunities for individuals and businesses to thrive.
- Stepping up the Bank's paid Volunteer Program, with specific emphasis on supporting underrepresented groups;
 - Volunteering is an integral part of our community engagement efforts. We encourage and support our employees in pursuing volunteer initiatives that address social, environmental, and educational challenges. By volunteering our time and skills, we aim to make a meaningful difference in the lives of those in need and create a positive social impact. Whether by organizing community events, leading financial literacy workshops, or mentoring youth, we are dedicated to giving back and strengthening the fabric of our community.
 - Our commitment extends to serving on boards and committees of local organizations and nonprofits. Our staff actively participated in leadership roles in 2022, contributing expertise, insights, and resources to guide the strategic direction and decision-making processes of impactful organizations. This involvement helps shape the initiatives, policies, and programs that address critical community issues, fostering collaboration and driving positive change.

- Focusing the Bank’s Internship Program to benefit college students of diverse backgrounds;
 - We had the privilege of hosting five talented interns in 2022. During their time with the Bank, these individuals were provided with valuable, hands-on experience and exposure to various aspects of banking. They were given the opportunity to work closely with experienced professionals, participate in real-world projects, and gain insights into the industry. We are confident that this experience has equipped them with invaluable skills and knowledge as they embark on their professional journeys.
- Issuing an Annual Community Matters Statement, holding us accountable for the initiatives we have undertaken in support of diversity, equity, and inclusion.

In 2022, BSF continued its commitment to making a positive impact on society through charitable contributions and corporate sponsorships. Our charitable contributions supported organizations and initiatives that address key social and environmental challenges. We partnered with numerous nonprofit organizations in areas such as education, healthcare, poverty alleviation, and environmental conservation. Through these partnerships, we provided financial support, volunteer hours, and expertise to help drive meaningful change. Additionally, our Bank actively engaged in corporate sponsorship of events and initiatives that promote community development, arts and culture, and sports. By investing in these sponsorships, we have fostered local economic growth and contributed to the well-being of the communities we serve. Our commitment to philanthropy and corporate social responsibility remains unwavering as we strive to create a more sustainable and inclusive future for all.

In conclusion:

BSF’s commitment to serving the community is multi-faceted. Through banking product and service reinvestment, volunteering, serving on boards, and responsible lending, we strive to make a lasting and positive impact, contributing to the well-being and prosperity of our community.

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About Bank of San Francisco

Bank of San Francisco is a forward-thinking community bank that reflects the best qualities of San Francisco and the Bay Area. We combine advanced, modern technology with the enduring values of high-touch, personalized financial services, delivered with agility and accountability.

Like the businesses, nonprofits, individuals and families we serve, the Bay Area is our home. We are a local bank, with significant ownership by members of the community. Our team is as diverse as the community we serve, which allows us to understand our clients' unique needs and goals. We invite you to learn more about our Bank, and to join our family of successful, community-minded clients, employees and investors. For more information about Bank of San Francisco, please call us at (415) 744-6700, or visit us at www.bankbsf.com. Bank of San Francisco is a member of the FDIC and is an Equal Housing Lender.

Forward-Looking Statement

This press release contains certain forward-looking statements that involve risks and uncertainties, including statements relating to new products and anticipated growth. Forward-looking statements are those that are not statements of historical fact and may be identifiable by use of the words "believe," "expect," "intend," "anticipate," "plan," "estimate," "project," or similar expressions. These statements are based on current expectations, estimates and projections about Bank of San Francisco's business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties may affect the operations, performance, development, growth, capital needs and results of operations of Bank of San Francisco, and include, but are not limited to, local and national economic conditions; interest rate changes; inflation and monetary policy; changes in the financial performance and/or condition of our loan and deposit clients; changes in the levels of performing and nonperforming assets and charge-offs; timely implementation by Bank of San Francisco of new products and technology enhancements; the impact of competitive products, services and pricing; acts of war, terrorism or civil unrest; the soundness or failure of other financial institutions that may directly or indirectly affect the Bank; potential deposit withdrawals triggered by client concerns following the failures of or risks at other depository institutions; the effect of the COVID-19 pandemic and other infectious illness outbreaks that may arise in the future; natural disasters, such as earthquakes; clients' requirements and preferences; federal, state and local legislation and regulatory developments; the ability to retain or increase market share, retain or grow client relationships and control expenses; changes in regulatory or generally accepted accounting principles and other similar matters. Readers are cautioned not to place

undue reliance on forward-looking statements, which are subject to influence by the foregoing risk factors and unanticipated future events. Actual results, accordingly, may differ materially from management expectations. Bank of San Francisco undertakes no obligation to update such forward-looking statements except as required by law.

Who We Are

We created BSF to match the entrepreneurial energy of the diverse Bay Area, where we live and work. Our ownership is primarily local and our decision-making is entirely local – no big-bank mentality here! We are a forward-thinking community bank that reflects the best qualities of the Bay Area’s rich culture.

We combine advanced, modern technology with the traditional values of high-touch, personalized financial services, delivered with agility and accountability. Like the businesses, nonprofits, individuals and families we serve, the Bay Area is our home. We take our motto, “With You When It Matters” seriously; our bankers are never more than a phone call, text or email away.

We encourage you to contact us to learn more about BSF, and to join our family of community-minded clients, employees and investors.

BSF trades on OTC Markets (OTCQX: BSFO).



With You When It Matters

BANK OF SAN FRANCISCO

345 California Street, Suite 1600, San Francisco, CA 94104 | 415.744.6700 | bankbsf.com | NMLS ID: 403437

