



FOR IMMEDIATE RELEASE

Bank of San Francisco Reports Third-Quarter 2024 Results

SAN FRANCISCO, CA—(10/31/2024)—Bank of San Francisco (OTCQX: BSFO), a broadly owned, boutique, community bank serving Bay Area businesses, nonprofits, and individuals, announced unaudited results for the third quarter ended September 30, 2024. Net income for the quarter was \$1.9 million, up \$295,000 compared to the preceding quarter, and up 1% from the third quarter of 2023. Diluted earnings per share for the quarter were \$0.89, up \$0.14 compared to the preceding quarter, and flat from \$0.89 diluted earnings per share achieved in the third quarter of 2023.

Wendy Ross, President, noted, “We continue to be very pleased with how our team is working to take advantage of our unique position as the only broadly owned, boutique, community bank headquartered in San Francisco. During the third quarter, Kellie Abreu joined our bank as EVP, Co-Head of Private Banking alongside Margaret Mak, who joined us late last year. Kellie brings to her role more than 40 years of banking experience. Prior to joining our Bank, she spent 23 years at First Republic Bank, where she was most recently Deputy Chief Banking Officer and Regional Managing Director. Please visit our website for more background on Kellie. Both Margaret and Kellie are actively in the market, focused on developing deep client relationships by delivering customized banking solutions to clients’ specific needs.

Also, during the third quarter, we hired a number of extremely talented team members to support our Relationship Managers in providing exceptional service to our clients and to help us streamline some of our internal processes as we position the Bank to take advantage of current market opportunities. David Lichtman decided to step aside from the Bank to attend to some personal family matters. We very much appreciate all David did for the Bank while he was with us, and we wish him the best.”

Jennifer Corr, Chief Financial Officer, noted, “The \$44 million increase in relationship deposits over the second quarter of 2024 continued to allow the Bank to paydown brokered deposits by \$23 million. This resulted in the cost of funds decreasing during the quarter and was one of the main reasons for the increase in the Bank’s net interest margin.”

Third-quarter 2024 results and highlights compared to second-quarter 2024:

- Net income was \$1.9 million, an increase of \$295,000, primarily from the increase in net interest income and the decrease in operating expenses, partially offset by the decrease in non-interest income.
- Net interest income was \$6.4 million, an increase of \$632,000. Interest expense decreased \$299,000 primarily from the decrease in brokered deposits that were replaced by lower-cost relationship deposits. Loan interest income increased by \$398,000. Interest on deposits in banks decreased by \$131,000, reflecting the decrease in average cash

balances and the decrease in the Federal Reserve's federal funds rate. The Bank started an investment portfolio in the current quarter resulting in \$66,000 of interest income.

- Net interest margin increased to 4.09%, from 3.78%.
- Cost of funds decreased to 1.56%, from 1.87%.
- Other non-interest income decreased by \$321,000. The second quarter included gain-on-loan-sale income of \$306,000.
- Operating expenses were \$3.8 million, a decrease of \$167,000. Salary and benefits decreased \$318,000, primarily from employee restructuring costs incurred during the second quarter.
- The efficiency ratio was 58.10%, down from 63.64%.
- Diluted earnings per common share were \$0.89, up from \$0.75.
- Total loans, net of deferred fees, were \$519 million, an increase of \$5 million.
- Investments increased \$19.9 million with the start of an investment portfolio in the current quarter.
- Total deposits were \$555 million, increasing \$21 million. Relationship deposits increased by \$44 million, while brokered deposits decreased by \$23 million.
- Insured relationship deposits and collateralized deposits were 52% of total deposits. In addition to on-balance-sheet liquidity of \$109 million, the Bank had available borrowings of \$209 million for a liquidity capacity of \$318 million, compared to \$250 million in uninsured relationship deposits. There were no borrowings under the Bank's lines of credit with the Federal Reserve Bank and Federal Home Loan Bank of San Francisco.
- Book value per share increased to \$34.58, up from \$33.66 per share.

Third-quarter 2024 results and highlights compared to third-quarter 2023:

- Net income was \$1.9 million, an increase of \$20,000, or 1%. The increase in net income was primarily from an increase in net interest income of \$827,000, or 15%, partially offset by the increase in operating expenses as the Bank continues to position itself to take advantage of the current market and return to its historical growth strategy.
- Net interest income was \$6.5 million, an increase of \$827,000, or 15%. The increase was the result of increased interest income of \$1.0 million, which was partially offset by the \$150,000 increase in interest expense.
- Net interest margin increased to 4.09% from 3.72%, primarily from the increase in the loan portfolio yield. Cost of funds increased to 1.56%, from 1.53%.
- Operating expenses were \$3.8 million, an increase of \$681,000, or 22%. Salary and benefits increased by \$382,000 from new hires, restructuring costs and increased incentive compensation. Occupancy costs increased \$78,000 as the Bank's free expense

period under the San Francisco office lease expired for the common area, taxes and utilities.

- The efficiency ratio was 58.10%, up from 54.46%.
- Diluted earnings per common share remained flat at \$0.89.
- Total loans, net of deferred fees, were \$519 million, increasing by \$14 million, or 3%.
- Total deposits were \$555 million, increasing by \$19 million. Relationship deposits increased by \$61 million, while brokered deposits and public funds decreased by \$42 million.
- Book value per share increased to \$34.58 per share, up from \$31.61 per share.

Asset quality:

- The Allowance for Credit Losses Reserve Ratio was 1.34% as of September 30, 2024, increasing by 0.03% from June 30, 2024. The Bank had no charge offs during the quarter ended September 30, 2024.
- As of September 30, 2024, the Bank had 11 non-accrual loans totaling \$2.7 million, 0.43% of total assets, and 0.52% of total loans, down from \$3.6 million as of June 30, 2024. The non-accrual loans are to eight borrowers: two in transportation, one in media, three in the food industry, one in real estate, and one in retail. Ten of the 11 non-accrual loans are supported by either an 80% guarantee by the State of California or a 75% Small Business Administration guarantee, with \$123,000 exposure to the Bank. The remaining loan is collaterally secured with no specific reserve required.
- Classified loans totaled \$14 million, or 2.7% of the total loan portfolio as of September 30, 2024, down from \$16.4 million in the preceding quarter.

Capital:

- The Bank continues to be well-capitalized, with a Tier 1 Leverage Ratio of 11.46%, Tier 1 Risk-Based Capital and Common Equity Tier 1 Ratios of 17.90%, and a Total Risk-Based Capital Ratio of 19.16% as of September 30, 2024.

Ed Obuchowski, Chief Executive Officer, noted, “In addition to our new team members, we are thrilled to welcome two new directors to our Board. V. Fei Tsen and La Shon A. Walker are brilliant leaders in our communities whose wealth of knowledge, experience, and insights will help to broaden our Board’s expertise and perspective and shape our Bank’s strategic vision. More information about Fei and La Shon can be found in a press release on the Investor Relations page of our website (www.bankbsf.com/resources/investor-relations).”

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About Bank of San Francisco

Bank of San Francisco is a broadly owned, boutique, 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 Statements

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.

Bank of San Francisco
Balance Sheets (Unaudited)

(\$000, except share and per share amounts)

	For the Periods Ended					Year Over Year Change	
	9/30/2024	6/30/2024	3/31/2024	12/31/2023	9/30/2023	\$	%
Assets							
Cash and due from banks	\$ 6,391	\$ 7,965	\$ 7,689	\$ 12,853	\$ 6,107	\$ 284	5%
Interest bearing deposits in banks	83,288	82,544	93,949	88,701	93,850	(10,562)	-11%
Total cash and cash equivalents	89,679	90,509	101,638	101,554	99,957	(10,278)	-10%
Securities available-for-sale, at fair value	19,879	-	-	-	-	19,879	100%
Loans, net of deferred costs/fees	519,131	514,296	503,631	501,941	504,703	14,428	3%
Allowance for credit losses	(6,982)	(6,744)	(6,704)	(6,745)	(7,188)	206	-3%
Loans, net of allowance of credit losses	512,149	507,552	496,927	495,196	497,515	14,634	3%
Premises and equipment, net	1,456	1,516	1,553	1,604	1,662	(206)	-12%
Accrued interest receivable & other assets	13,938	13,969	13,033	13,622	13,056	882	7%
Total Assets	\$ 637,101	\$ 613,546	\$ 613,151	\$ 611,976	\$ 612,190	\$ 24,911	4%
Liabilities							
Non-interest bearing deposits	\$ 215,170	\$ 186,950	\$ 188,681	\$ 190,040	\$ 221,621	\$ (6,451)	-3%
Interest bearing deposits	339,946	346,877	346,532	345,385	314,827	25,119	8%
Total deposits	555,116	533,827	535,213	535,425	536,448	18,668	3%
Accrued interest payable and other liabilities	8,198	8,007	7,980	8,178	9,099	(901)	-10%
Total Liabilities	563,314	541,834	543,193	543,603	545,547	17,767	3%
Shareholders' equity							
Common stock	28,631	28,468	28,289	28,168	28,047	584	2%
Retained earnings	45,115	43,244	41,669	40,205	38,596	6,519	17%
Accumulated other comprehensive income	41	-	-	-	-	-	100%
Total shareholders' equity	73,787	71,712	69,958	68,373	66,643	7,103	11%
Total Liabilities & Shareholders' Equity	\$ 637,101	\$ 613,546	\$ 613,151	\$ 611,976	\$ 612,190	\$ 24,911	4%
Book Value per Common Share	\$ 34.58	\$ 33.66	\$ 32.73	\$ 32.43	\$ 31.61	\$ 2.97	9%
Total Common Shares Outstanding	2,133,822	2,130,201	2,137,138	2,108,162	2,108,162	25,660	1%
Capital Ratios							
Tier 1 Leverage ratio	11.46%	11.36%	11.71%	11.21%	10.78%	0.68%	6%
Tier 1 RBC ratio	17.90%	17.44%	17.61%	17.11%	16.60%	1.30%	8%
Common Equity Tier 1 RBC ratio	17.90%	17.44%	17.61%	17.11%	16.60%	1.30%	8%
Total Risk-Based Capital (RBC) ratio	19.16%	18.70%	18.86%	18.36%	17.86%	1.30%	7%
Other Ratios							
Non-interest bearing to Total Deposits	38.76%	35.02%	35.25%	35.49%	41.31%	-1.65%	-4%
Loan to Deposit ratio	93.52%	96.34%	94.10%	93.75%	94.08%	-0.56%	-1%
Allowance for Credit Losses to Total Loans	1.34%	1.31%	1.33%	1.34%	1.42%	-0.08%	-6%
ACL to Nonperforming Loans	252.35%	186.08%	180.95%	178.87%	181.09%	14.40%	8%
Nonperforming Assets to Total Assets	0.43%	0.59%	0.60%	0.62%	0.65%	-0.11%	-17%

Bank of San Francisco
Statement of Income (Unaudited)

(\$000, except share and per share amounts)

	Three Months Ended					Year Over Year Change	
	9/30/2024	6/30/2024	3/31/2024	12/31/2023	9/30/2023	\$	%
Interest on loans, including fees	\$ 7,167	\$ 6,769	\$ 6,591	\$ 6,360	\$ 6,321	\$ 846	13%
Interest on deposits in banks	1,342	1,473	1,098	1,227	1,287	55	4%
Interest on investment securities	66	-	-	-	-	66	100%
Other interest income	73	73	74	70	63	10	16%
Total interest income	8,648	8,315	7,763	7,657	7,671	977	13%
Deposits interest expense	2,200	2,499	2,304	2,153	2,050	150	7%
Other interest expense	-	-	-	-	-	-	-
Total interest expense	2,200	2,499	2,304	2,153	2,050	150	7%
Net interest income	6,448	5,816	5,459	5,504	5,621	827	15%
Provision for credit losses	100	40	-	290	-	100	100%
Net interest income after provision	6,348	5,776	5,459	5,214	5,621	727	13%
Service charges on deposits	94	89	100	91	96	(2)	-2%
Gains on sale of loans	-	306	-	-	-	-	0%
Other non-interest income	45	65	73	73	60	(15)	-25%
Total non-interest income	139	460	173	164	156	(17)	-11%
Salaries and employee benefits expense	2,413	2,731	2,254	1,961	2,031	382	19%
Occupancy	314	325	297	289	236	78	33%
Information Technology and Equipment	285	291	331	276	282	3	1%
Other operating expense	815	647	669	564	597	218	37%
Total non-interest expense	3,827	3,994	3,551	3,090	3,146	681	22%
Income before income taxes	2,660	2,242	2,081	2,288	2,631	29	1%
Income tax expense	789	666	618	678	780	9	1%
Net income	\$ 1,871	\$ 1,576	\$ 1,463	\$ 1,610	\$ 1,851	\$ 20	1%
Basic Earnings per Share	\$ 0.90	\$ 0.76	\$ 0.70	\$ 0.77	\$ 0.89	\$ 0.01	1%
Average Shares Outstanding	2,085,894	2,084,161	2,083,168	2,083,168	2,075,107	10,787	1%
Diluted Earnings per Share	\$ 0.89	\$ 0.75	\$ 0.70	\$ 0.77	\$ 0.89	\$ -	0%
Average Shares Outstanding	2,095,823	2,088,640	2,095,854	2,092,143	2,075,107	20,716	1%
Annualized Performance Ratios							
Return on Average Assets	1.17%	1.00%	0.98%	1.06%	1.20%	-0.03%	-3%
Return on Average Common Equity	10.29%	8.90%	8.46%	9.54%	11.28%	-0.99%	-9%
Net Interest Margin	4.09%	3.78%	3.74%	3.70%	3.72%	0.37%	10%
Cost of Funds	1.56%	1.87%	1.72%	1.61%	1.53%	0.03%	2%
Efficiency Ratio	58.10%	63.64%	63.05%	54.52%	54.46%	3.64%	7%

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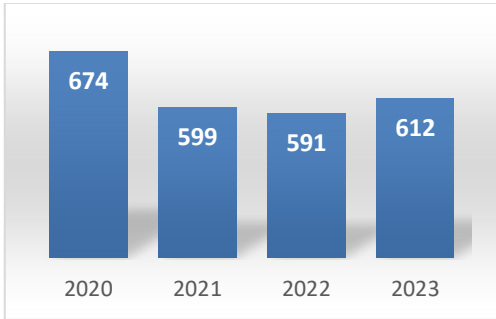
Bank of San Francisco
Statement of Income (Unaudited)
(\$000, except share and per share amounts)

	Nine Months Ended		Year Over Year Change	
	9/30/2024	9/30/2023	\$	%
Interest on loans, including fees	\$ 20,527	\$ 18,675	\$ 1,852	10%
Interest on deposits in banks	3,913	2,805	1,108	40%
Interest on investment securities	66	-	66	100%
Other interest income	220	172	48	28%
Total interest income	24,726	21,652	3,074	14%
Deposits interest expense	7,003	5,418	1,585	29%
Other interest expense	-	4	(4)	n/m
Total interest expense	7,003	5,422	1,581	29%
Net interest income	17,723	16,230	1,493	9%
Provision for credit losses	140	-	140	100%
Net interest income after provision	17,583	16,230	1,353	8%
Service charges on deposits	283	263	20	8%
Gains on sale of loans	306	299	7	2%
Other non-interest income	183	195	(12)	-6%
Total non-interest income	772	757	15	2%
Salaries and employee benefits expense	7,398	6,233	1,165	19%
Occupancy	936	659	277	42%
Information Technology and Equipment	907	836	71	8%
Other operating expense	2,131	1,700	431	25%
Total non-interest expense	11,372	9,428	1,944	21%
Income before income taxes	6,983	7,559	(576)	-8%
Income tax expense	2,073	2,239	(166)	-7%
Net income	\$ 4,910	\$ 5,320	\$ (410)	-8%
Basic Earnings per Share	\$ 2.36	\$ 2.57	\$ (0.21)	-8%
Average Shares Outstanding	2,080,890	2,066,719	14,171	1%
Diluted Earnings per Share	\$ 2.34	\$ 2.57	\$ (0.23)	-9%
Average Shares Outstanding	2,097,406	2,073,281	24,125	1%
Annualized Performance Ratios				
Return on Average Assets	1.05%	1.18%	-0.13%	-11%
Return on Average Common Equity	9.11%	11.01%	-1.90%	-17%
Net Interest Margin	3.87%	3.68%	0.19%	5%
Cost of Funds	1.72%	1.25%	0.47%	38%
Efficiency Ratio	61.49%	55.50%	5.99%	11%

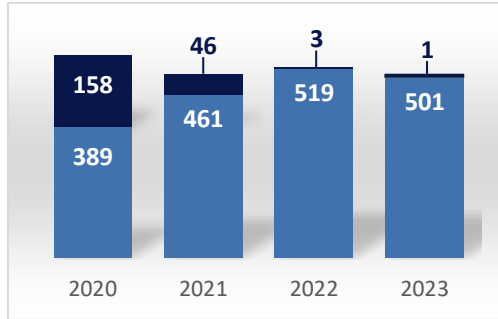
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FINANCIAL HIGHLIGHTS

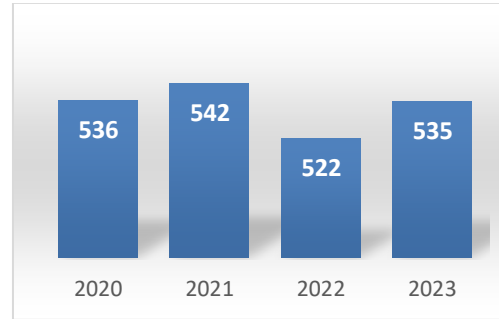
Total Assets (\$ Millions)
As of December 31,



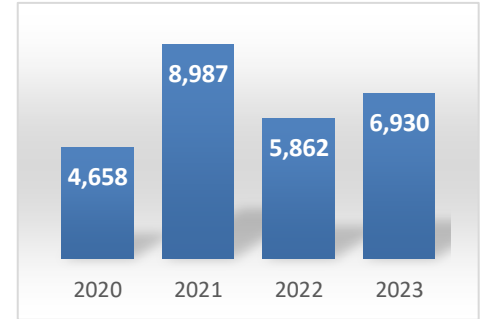
Total Loans (\$ Millions)
As of December 31,



Total Deposits (\$ Millions)
As of December 31,

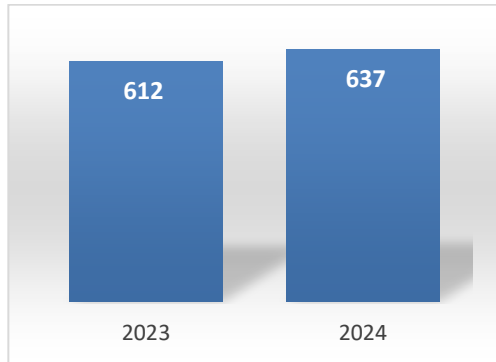


Net Income (\$ Thousands)
Year Ended December 31,

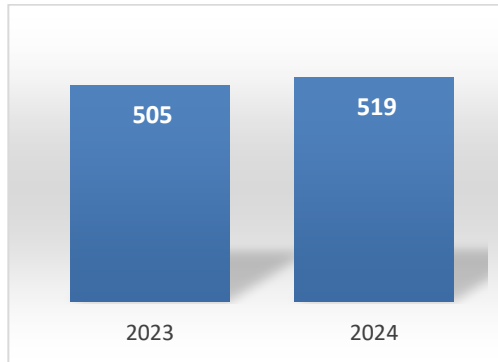


■ = PPP Loans

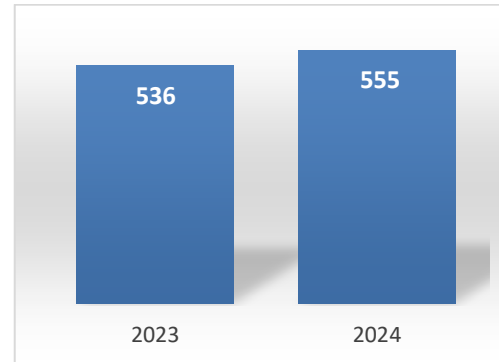
Total Assets (\$ Millions)
As of September 30,



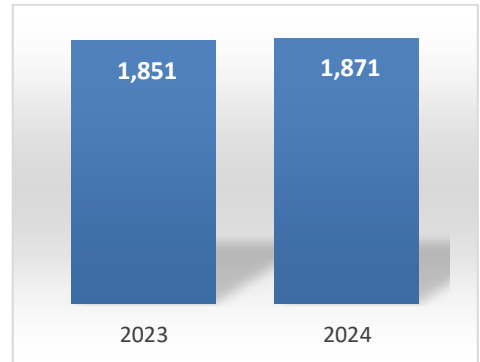
Total Loans (\$ Millions)
As of September 30,



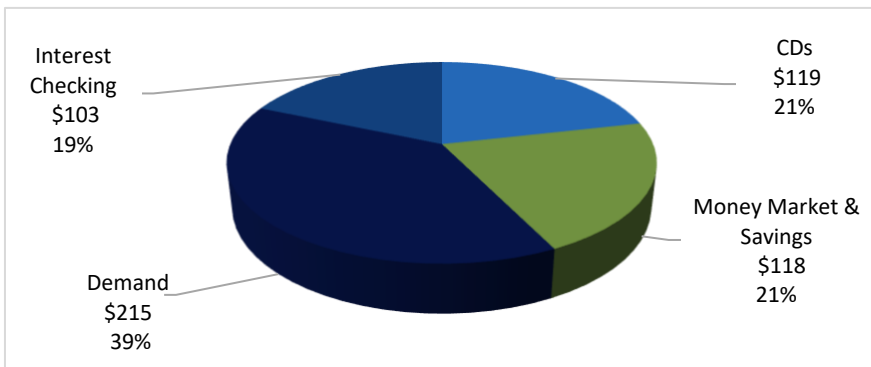
Total Deposits (\$ Millions)
As of September 30,



Net Income (\$ Thousands)
Three Months Ended September 30,



Deposit Composition (\$ Millions)



As of September 30, 2024

Loan Composition (\$ Millions)

