



FOR IMMEDIATE RELEASE

## Bank of San Francisco Reports First-Quarter 2024 Results

SAN FRANCISCO, CA—(4/30/2024)—Bank of San Francisco (OTCQX: BSFO), a forward-thinking boutique bank serving Bay Area businesses, nonprofits, and individuals, announced unaudited results for the first quarter ended March 31, 2024. Net income for the quarter was \$1,463 thousand, down \$147 thousand compared to the preceding quarter, and down 12% from \$1,660 thousand achieved in the first quarter of 2023. Diluted earnings per share for the quarter were \$0.70, down \$0.07 compared to the preceding quarter, and down 11% from \$0.79 diluted earnings per share achieved in the first quarter of 2023.

Ed Obuchowski, Chief Executive Officer, noted, “We are excited about the opportunity to leverage our position of now being the only broadly owned boutique bank headquartered in San Francisco. While we are incurring additional operating expenses in 2024, we consider these investments critical to seize the unique opportunities in our market. Under the leadership of Margaret Mak, our new Private Banking team is seeing early signs of success. New clients view Bank of San Francisco as the answer to their need for a local bank that provides extraordinary client service. We are pleased to welcome David Lichtman as EVP, Chief Banking Officer. David is a 37-year veteran of First Republic Bank, where he served as EVP, Chief Credit Officer. Both Margaret and David will play instrumental roles as we continue to expand our market share.”

### First-quarter 2024 results compared to first-quarter 2023:

- Net income was \$1,463 thousand, a decrease of \$197 thousand, or 12%. The decrease in net income was primarily from increased operating expenses.
- Net interest income was \$5,459 thousand, an increase of \$162 thousand, or 3%. The increase was the result of increased interest income of \$1,028 thousand, which was partially offset by the \$866 thousand increase in interest expense.
- Cost of funds was 1.72%, an increase of 0.60%.
- Net interest margin increased to 3.74% from 3.72%.
- Nonperforming assets to total assets decreased to 0.60%. The Bank partially charged off one loan in the amount of \$41 thousand.
- The Bank continues the strong capital position with a leverage ratio of 11.71%, an increase of 1.15%.

- Operating expenses were \$3,551 thousand, an increase of \$435 thousand, or 14%. Salary and benefits increased by \$142 thousand from merit increases and a new employee. Other operating expenses increased by \$161 thousand from increased consulting and audit expenses.
- The efficiency ratio was 63%, up from 57%.
- Diluted earnings per common share were \$0.70, down \$0.09, or 11%.
- Total loans, net of deferred fees, were \$504 million, decreasing by \$10 million, or 2%.
- Total deposits were \$535 million, which remained flat. Relationship deposits increased by \$11 million, while brokered deposits decreased by \$11 million.
- Insured relationship deposits and collateralized deposits were 46% of total deposits. In addition to on-balance-sheet liquidity of \$101 million, the Bank had available borrowings of \$198 million for a liquidity capacity of \$299 million, compared to \$213 million in uninsured relationship deposits. There were no borrowings under the Bank's lines of credit at the Federal Reserve Bank and Federal Home Loan Bank of San Francisco.
- Book value per share increased to \$32.73 per share, up from \$29.86 per share.

#### **First-quarter 2024 results compared to fourth-quarter 2023:**

- Net income was \$1,463 thousand, a decrease of \$147 thousand. Salary and benefits increased in the current period from merit increases in March of 2024, increased payroll taxes, and an increased incentive accrual.
- Net interest income was \$5,459 thousand, a decrease of \$45 thousand. Interest expense increased \$151 thousand primarily from the increased industry pressure on deposits. Loan interest income increased by \$231 thousand, and interest on deposits in banks decreased by \$129 thousand.
- Cost of funds increased to 1.72%, from 1.61%.
- Net interest margin increased to 3.74%, from 3.70%.
- Operating expenses were \$3,551 thousand; an increase of \$461 thousand. Salary and benefits increased \$293 thousand from increased incentive compensation accruals, increased taxes, and increased headcount. Other operating expenses increased \$105 thousand from increased consulting and audit fees.
- The efficiency ratio was 63%, up from 55%.
- Diluted earnings per common share were \$0.70, down from \$0.77.
- Total loans, net of deferred fees, were \$504 million, an increase of \$2 million.
- Total deposits were \$535 million and remained flat from the prior quarter, with brokered and relationship deposits remaining flat. The Bank typically sees a seasonal decline in relationship deposits during the first quarter.

- Book value per share increased to \$32.73, up from \$32.43 per share.

#### **Asset quality:**

- The Allowance for Credit Losses Reserve Ratio was 1.33% as of March 31, 2024, decreasing by 0.01% from December 31, 2023. The Bank partially charged off one loan in the amount of \$41 thousand.
- As of March 31, 2024, the Bank had twelve non-accrual loans totaling \$3.7 million, 0.60% of total assets, and 0.73% of total loans, down from \$3.8 million as of December 31, 2023. 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 the import industry. Eleven of the twelve non-accrual loans are supported by either an 80% guarantee by the State of California or a 75% Small Business Administration guarantee, with \$80 thousand exposure to the Bank. The remaining unsecured loan is fully reserved with a specific reserve of \$283 thousand.
- Classified loans totaled \$17 million, or 3.4%, of the total loan portfolio as of March 31, 2024, down from \$17.5 million in the preceding quarter.

#### **Capital:**

- The Bank continues to be well-capitalized, with a Tier 1 Leverage Ratio of 11.71%, Tier 1 Risk-Based Capital and Common Equity Tier 1 Ratios of 17.61%, and a Total Risk-Based Capital Ratio of 18.86% as of March 31, 2024.

Wendy Ross, President, noted, “As I approach my retirement at the end of June, I want to express my gratitude to our clients, team, directors, and investors for your unwavering support throughout our journey in building the Bank over the past 18 years. I am especially excited about the opportunities ahead, given our unique position of now being the only broadly owned boutique bank headquartered in San Francisco, and I look forward to assisting the Bank in its continued growth and success.”

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#### **About Bank of San Francisco**

Bank of San Francisco is a forward-thinking boutique 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](http://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 |           |
|---|-----------------------|-------------------|-------------------|-------------------|-------------------|-----------------------|-----------|
|   | 3/31/2024             | 12/31/2023        | 9/30/2023         | 6/30/2023         | 3/31/2023         | \$                    | %         |
| <b>Assets</b>                                       |                       |                   |                   |                   |                   |                       |           |
| Cash and due from banks                             | \$ 7,689              | \$ 12,853         | \$ 6,107          | \$ 8,397          | \$ 6,826          | \$ 863                | 13%       |
| Interest bearing deposits in banks                  | 93,949                | 88,701            | 93,850            | 86,036            | 77,073            | 16,876                | 22%       |
| Total cash and cash equivalents                     | 101,638               | 101,554           | 99,957            | 94,433            | 83,899            | 17,739                | 21%       |
| Loans, net of deferred costs/fees                   | 503,631               | 501,941           | 504,703           | 510,339           | 513,375           | (9,744)               | -2%       |
| Allowance for credit losses                         | (6,704)               | (6,745)           | (7,188)           | (7,188)           | (7,188)           | 484                   | -7%       |
| Loans, net of allowance of credit losses            | 496,927               | 495,196           | 497,515           | 503,151           | 506,187           | (9,260)               | -2%       |
| Premises and equipment, net                         | 1,553                 | 1,604             | 1,662             | 1,714             | 1,685             | (132)                 | -8%       |
| Accrued interest receivable & other assets          | 13,033                | 13,622            | 13,056            | 13,101            | 13,118            | (85)                  | -1%       |
| <b>Total Assets</b>                                 | <u>\$ 613,151</u>     | <u>\$ 611,976</u> | <u>\$ 612,190</u> | <u>\$ 612,399</u> | <u>\$ 604,889</u> | <u>\$ 8,262</u>       | <u>1%</u> |
| <b>Liabilities</b>                                  |                       |                   |                   |                   |                   |                       |           |
| Non-interest bearing deposits                       | \$ 188,681            | \$ 190,040        | \$ 221,621        | \$ 206,720        | \$ 197,164        | \$ (8,483)            | -4%       |
| Interest bearing deposits                           | 346,532               | 345,385           | 314,827           | 333,077           | 337,200           | 9,332                 | 3%        |
| Total deposits                                      | 535,213               | 535,425           | 536,448           | 539,797           | 534,364           | 849                   | 0%        |
| Accrued interest payable and other liabilities      | 7,980                 | 8,178             | 9,099             | 7,920             | 8,004             | (24)                  | 0%        |
| <b>Total Liabilities</b>                            | 543,193               | 543,603           | 545,547           | 547,717           | 542,368           | 825                   | 0%        |
| <b>Shareholders' equity</b>                         |                       |                   |                   |                   |                   |                       |           |
| Common stock  | 28,289                | 28,168            | 28,047            | 27,938            | 27,821            | 468                   | 2%        |
| Retained earnings                                   | 41,669                | 40,205            | 38,596            | 36,744            | 34,700            | 6,969                 | 20%       |
| <b>Total shareholders' equity</b>                   | 69,958                | 68,373            | 66,643            | 64,682            | 62,521            | 7,437                 | 12%       |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <u>\$ 613,151</u>     | <u>\$ 611,976</u> | <u>\$ 612,190</u> | <u>\$ 612,399</u> | <u>\$ 604,889</u> | <u>\$ 8,262</u>       | <u>1%</u> |
| Book Value per Common Share                         | \$ 32.73              | \$ 32.43          | \$ 31.61          | \$ 30.66          | \$ 29.86          | \$ 2.87               | 10%       |
| Total Common Shares Outstanding                     | 2,137,138             | 2,108,162         | 2,108,162         | 2,109,869         | 2,093,754         | 43,384                | 2%        |
| <b>Capital Ratios</b>                               |                       |                   |                   |                   |                   |                       |           |
| Tier 1 Leverage ratio                               | 11.71%                | 11.21%            | 10.78%            | 10.78%            | 10.56%            | 1.15%                 | 11%       |
| Tier 1 RBC ratio                                    | 17.61%                | 17.11%            | 16.60%            | 15.84%            | 15.35%            | 2.26%                 | 15%       |
| Common Equity Tier 1 RBC ratio                      | 17.61%                | 17.11%            | 16.60%            | 15.84%            | 15.35%            | 2.26%                 | 15%       |
| Total Risk-Based Capital (RBC) ratio                | 18.86%                | 18.36%            | 17.86%            | 17.10%            | 16.61%            | 2.25%                 | 14%       |
| <b>Other Ratios</b>                                 |                       |                   |                   |                   |                   |                       |           |
| Non-interest bearing to Total Deposits              | 35.25%                | 35.49%            | 41.31%            | 38.30%            | 36.90%            | -1.65%                | -4%       |
| Loan to Deposit ratio                               | 94.10%                | 93.75%            | 94.08%            | 94.54%            | 96.07%            | -1.97%                | -2%       |
| Allowance for Credit Losses to Total Loans          | 1.33%                 | 1.34%             | 1.42%             | 1.41%             | 1.40%             | -0.07%                | -5%       |
| ACL to Nonperforming Loans                          | 180.95%               | 178.87%           | 181.09%           | 174.95%           | 166.55%           | 14.40%                | 9%        |
| Nonperforming Assets to Total Assets                | 0.60%                 | 0.62%             | 0.65%             | 0.67%             | 0.71%             | -0.11%                | -15%      |

**Bank of San Francisco**  
**Statement of Income (Unaudited)**

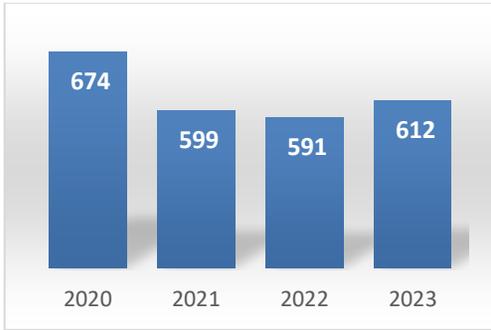
(\$000, except share and per share amounts)

|  | Three Months Ended |                 |                 |                 |                 | Year Over Year Change |             |
|--|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|-------------|
|  | 3/31/2024          | 12/31/2023      | 9/30/2023       | 6/30/2023       | 3/31/2023       | \$                    | %           |
| Interest on loans, including fees          | \$ 6,591           | \$ 6,360        | \$ 6,321        | \$ 6,334        | \$ 6,020        | \$ 571                | 9%          |
| Interest on deposits in banks              | 1,098              | 1,227           | 1,287           | 858             | 660             | 438                   | 66%         |
| Other interest income                      | 74                 | 70              | 63              | 54              | 55              | 19                    | 35%         |
| <b>Total interest income</b>               | <b>7,763</b>       | <b>7,657</b>    | <b>7,671</b>    | <b>7,246</b>    | <b>6,735</b>    | <b>1,028</b>          | <b>15%</b>  |
| Deposits interest expense                  | 2,304              | 2,153           | 2,050           | 1,934           | 1,434           | 870                   | 61%         |
| Other interest expense                     | -                  | -               | -               | -               | 4               | (4)                   | -100%       |
| <b>Total interest expense</b>              | <b>2,304</b>       | <b>2,153</b>    | <b>2,050</b>    | <b>1,934</b>    | <b>1,438</b>    | <b>866</b>            | <b>60%</b>  |
| <b>Net interest income</b>                 | <b>5,459</b>       | <b>5,504</b>    | <b>5,621</b>    | <b>5,312</b>    | <b>5,297</b>    | <b>162</b>            | <b>3%</b>   |
| Provision for credit losses                | -                  | 290             | -               | -               | -               | -                     | -           |
| <b>Net interest income after provision</b> | <b>5,459</b>       | <b>5,214</b>    | <b>5,621</b>    | <b>5,312</b>    | <b>5,297</b>    | <b>162</b>            | <b>3%</b>   |
| Service charges on deposits                | 100                | 91              | 96              | 89              | 78              | 22                    | 28%         |
| Gains on sale of loans                     | -                  | -               | -               | 299             | -               | -                     | -           |
| Other non-interest income                  | 73                 | 73              | 60              | 35              | 100             | (27)                  | -27%        |
| <b>Total non-interest income</b>           | <b>173</b>         | <b>164</b>      | <b>156</b>      | <b>423</b>      | <b>178</b>      | <b>(5)</b>            | <b>-3%</b>  |
| Salaries and employee benefits expense     | 2,254              | 1,961           | 2,031           | 2,090           | 2,112           | 142                   | 7%          |
| Occupancy                                  | 297                | 289             | 236             | 213             | 210             | 87                    | 41%         |
| Information Technology and Equipment       | 331                | 276             | 282             | 268             | 286             | 45                    | 16%         |
| Other operating expense                    | 669                | 564             | 597             | 595             | 508             | 161                   | 32%         |
| <b>Total non-interest expense</b>          | <b>3,551</b>       | <b>3,090</b>    | <b>3,146</b>    | <b>3,166</b>    | <b>3,116</b>    | <b>435</b>            | <b>14%</b>  |
| <b>Income before income taxes</b>          | <b>2,081</b>       | <b>2,288</b>    | <b>2,631</b>    | <b>2,569</b>    | <b>2,359</b>    | <b>(278)</b>          | <b>-12%</b> |
| Income tax expense                         | 618                | 678             | 780             | 760             | 699             | (81)                  | -12%        |
| <b>Net income</b>                          | <b>\$ 1,463</b>    | <b>\$ 1,610</b> | <b>\$ 1,851</b> | <b>\$ 1,809</b> | <b>\$ 1,660</b> | <b>\$ (197)</b>       | <b>-12%</b> |
| Basic Earnings per Share                   | \$ 0.70            | \$ 0.77         | \$ 0.89         | \$ 0.88         | \$ 0.79         | \$ (0.09)             | -11%        |
| Average Shares Outstanding                 | 2,083,168          | 2,083,168       | 2,075,107       | 2,061,964       | 2,055,637       | 27,531                | 1%          |
| Diluted Earnings per Share                 | \$ 0.70            | \$ 0.77         | \$ 0.89         | \$ 0.87         | \$ 0.79         | \$ (0.09)             | -11%        |
| Average Shares Outstanding                 | 2,095,854          | 2,092,143       | 2,075,107       | 2,074,970       | 2,068,169       | 27,685                | 1%          |
| <b>Annualized Performance Ratios</b>       |                    |                 |                 |                 |                 |                       |             |
| Return on Average Assets                   | 0.98%              | 1.06%           | 1.20%           | 1.21%           | 1.14%           | -0.16%                | -14%        |
| Return on Average Common Equity            | 8.46%              | 9.54%           | 11.28%          | 11.38%          | 10.77%          | -2.31%                | -21%        |
| Net Interest Margin                        | 3.74%              | 3.70%           | 3.72%           | 3.62%           | 3.72%           | 0.02%                 | 1%          |
| Cost of Funds                              | 1.72%              | 1.61%           | 1.53%           | 1.44%           | 1.12%           | 0.60%                 | 54%         |
| Efficiency Ratio                           | 63.05%             | 54.52%          | 54.46%          | 55.20%          | 56.91%          | 6.14%                 | 11%         |

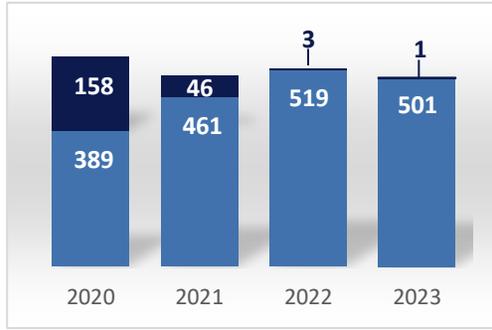
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# FINANCIAL HIGHLIGHTS

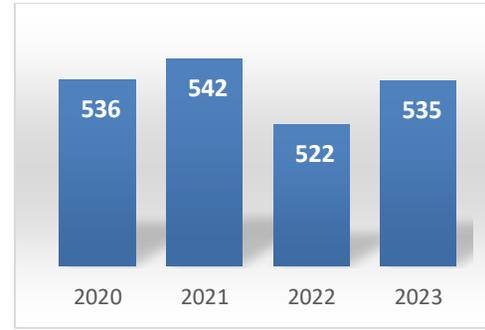
Total Assets (\$ Millions)  
As of December 31,



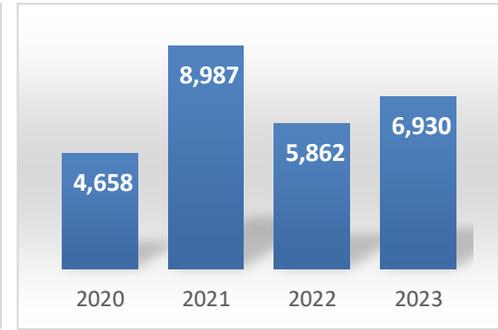
Total Loans (\$ Millions)  
As of December 31,



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

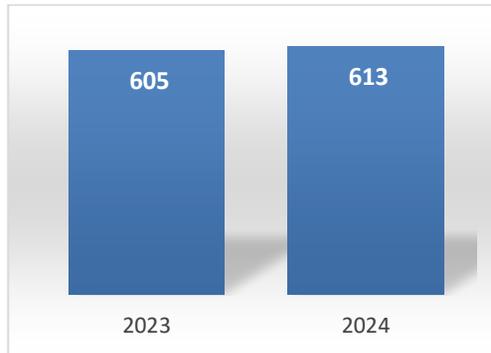


Net Income (\$ Thousands)  
Year Ended December 31,

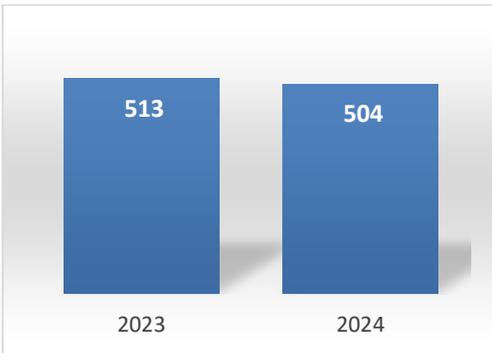


■ = PPP Loans

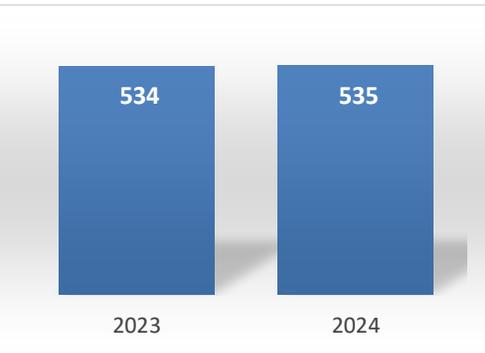
Total Assets (\$ Millions)  
As of March 31,



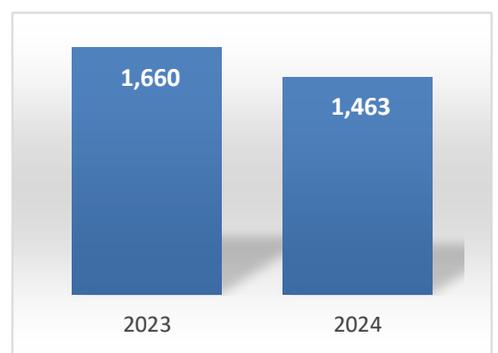
Total Loans (\$ Millions)  
As of March 31,



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



Net Income (\$ Thousands)  
Three Months Ended March 31,



Deposit Composition (\$ Millions)

As of March 31, 2024,

Loan Composition (\$ Millions)

