



BSF
BANK OF SAN FRANCISCO

COMMUNITY MATTERS STATEMENT

September 21, 2022

Presented by

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COMMUNITY MATTERS STATEMENT

The COVID-19 pandemic continued throughout 2021, and our communities faced economic challenges as a result of closed businesses, difficult decisions surrounding COVID-19 precautions, and the possibility of relocation. We continued to assess the needs of our communities, and adapted to the realities of the ongoing pandemic. In 2021, we developed several workplace options, with roughly 57% of staff working a hybrid remote-office schedule, 16% working in the office full time, and 27% working remotely full time, all while meeting the needs of our clients with little to no interruption.

In early 2021, the U.S. Small Business Administration (SBA) opened another round of Paycheck Protection Program (PPP) funding for eligible businesses and nonprofits. Again, we recognized the importance of utilizing this tool to assist our communities. In 2021, our Bank processed 390 PPP loan applications, effectively deploying more than \$80 million¹ in funds to restaurants, nonprofits, schools, religious entities, law firms and medical service providers, among others, and helping to preserve more than 4,000 jobs. We are especially proud to have advanced approximately 22% of our PPP loans to Bay Area nonprofits.

2021 was another tumultuous year in terms of social justice. We, at Bank of San Francisco, decry all forms of hate and inequity; and diversity, equity and inclusion (DEI) remain at the core of our Bank's values. Our DEI Team continues to reflect on, identify and solidify how we can improve in these areas throughout our organization and industry. The six DEI initiatives that were prioritized in 2021 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

¹The Bank processed a total of 929 PPP loan applications, deploying more than \$259 million in funds, during both rounds of funding, from April 2020 to May 2021.

team, clients and the community we serve.

- The DEI Team met regularly in 2021, and reported to the Board on a quarterly basis.
- Diversifying our team and leadership groups;
 - As highlighted in our 2020 Community Matters Statement, a June 2021 census found that of the 84.4% of our employees who participated in answering the optional questions about ethnicity and race: 18.42% self-identified as Asian, 7.9% self-identified as Black/African American, 21.1% self-identified as Hispanic/Latino, and 10.53% self-identified as Native Hawaiian/Other Pacific Islander.
 - The average age in our workforce was approximately 48 years old.
 - 57.8% of our employees self-identify as female, and 50% of our C-level executives self-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 continue to feature businesses and organizations owned by or supporting underrepresented individuals in our quarterly newsletters, on our website, and in our social media campaigns.
 - We participated in and facilitated government-sponsored lending programs—California's Small Business Loan Guarantee Program, PPP, Main Street Lending Program, SBA 7(a), and SBA 504 in order 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 continued to deliver the majority of our commercial loans—approximately 78% of our overall loan production—within our assessment area, with 37% of those to businesses in low-to-moderate income census tracts. Approximately 31% of our commercial loans were made to small businesses with gross annual revenues of \$1 million or less. While this was a small decline from the 36% in 2020, we remain committed to helping small businesses and look forward to developing a simplified loan process for them.

- Stepping up the Bank’s paid Volunteer Program, with specific emphasis on supporting underrepresented groups;
 - All board members and employees were encouraged to volunteer with local nonprofits. In 2021, members of our Board and team provided 423 volunteer hours to Bay Area organizations. Additionally, our team made an impact by serving on nonprofit boards and advisory panels, and by teaching financial literacy courses at a local community college.

- Focusing the Bank’s Internship Program to benefit college students of diverse and underrepresented backgrounds;
 - Recruiting and training promising internship candidates of diverse and underrepresented backgrounds is one of the ways that we can help to diversify our organization and industry overall. With precautions put in place due to Covid-19, we had two interns in 2021. In 2022, we were pleased to have been able to host five summer interns in our San Francisco headquarters office.

- Issuing an Annual Community Matters Statement, holding us accountable for the initiatives we have undertaken in support of diversity, equity and inclusion.

In keeping with our values of assisting the community, Bank of San Francisco made numerous donations in 2021 to local nonprofits serving several Bay Area counties. Our financial contributions helped organizations serving low-to-moderate-income communities, and people of color, with health services, affordable housing and other social services. Our funding also supported a cultural preservation group, LGBTQ+ advocacy and social services organizations, various faith-based institutions and community benefit districts.

We were also proud to assist a sustainable energy and workforce development organization by sponsoring its application for a Federal Home Loan Bank (FHLB) Access to Housing and Economic Assistance for Development (AHEAD) grant. Per the FHLB, these grants “help to create a brighter, more equitable future for underserved people, neighborhoods, and communities.” As a member of the FHLB, we at Bank of San Francisco have the ability to nominate and promote qualifying organizations to receive FHLB grant funding.

In conclusion:

2021 required that we listen closely to the needs of our communities and deploy resources accordingly. While the availability of COVID-19 vaccines helped some to regain a sense of normalcy, unforeseen impacts brought on by the pandemic, such as

staffing and supply-chain issues, continued to hinder many of our local businesses and nonprofits. Our Relationship Managers and Leadership Team worked hand-in-hand with our clients to make sure they had what they needed to navigate these effects. The PPP loans remained an important tool, to that end. As we look to the future, we will continue to focus on building relationships with local businesses and nonprofits, and becoming an even more diverse, equitable and inclusive employer and financial services provider. We know that only by leading with action can we make a change in our industry. As we stated last year, our commitment must be ongoing and unwavering, if progress is to be sustained, and we are ready.

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About Bank of San Francisco

Bank of San Francisco, headquartered in San Francisco, is a progressive community bank that reflects the best of San Francisco and Bay Area culture – flexible, entrepreneurial, and forward-thinking. We are a local bank, with significant ownership by members of the community, serving Bay Area businesses, nonprofits, individuals, and families. Bank of San Francisco delivers high-touch, personalized service with agility and accountability. 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 Bank of San Francisco and to join our family of successful, community-minded clients. For more information about Bank of San Francisco, please call us at (415) 744-6700, or visit us at www.bankofsf.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 our 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 projections, capital needs and results of Bank of San Francisco's business and include, but are not limited to, local and national economic conditions, interest rate movements, 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 technology enhancements for its products and operating systems, the impact of competitive products, services and pricing, acts of war or terrorism, or 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

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