



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. 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	\$	%
Assets							
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%
Total Assets	\$ 613,151	\$ 611,976	\$ 612,190	\$ 612,399	\$ 604,889	\$ 8,262	1%
Liabilities							
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%
Total Liabilities	543,193	543,603	545,547	547,717	542,368	825	0%
Shareholders' equity							
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%
Total shareholders' equity	69,958	68,373	66,643	64,682	62,521	7,437	12%
Total Liabilities & Shareholders' Equity	\$ 613,151	\$ 611,976	\$ 612,190	\$ 612,399	\$ 604,889	\$ 8,262	1%
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%
Capital Ratios							
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%
Other Ratios							
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)

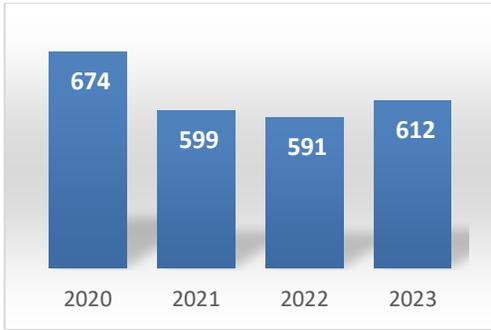
(\$000, except share and per share amounts)

	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%
Total interest income	7,763	7,657	7,671	7,246	6,735	1,028	15%
Deposits interest expense	2,304	2,153	2,050	1,934	1,434	870	61%
Other interest expense	-	-	-	-	4	(4)	-100%
Total interest expense	2,304	2,153	2,050	1,934	1,438	866	60%
Net interest income	5,459	5,504	5,621	5,312	5,297	162	3%
Provision for credit losses	-	290	-	-	-	-	-
Net interest income after provision	5,459	5,214	5,621	5,312	5,297	162	3%
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%
Total non-interest income	173	164	156	423	178	(5)	-3%
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%
Total non-interest expense	3,551	3,090	3,146	3,166	3,116	435	14%
Income before income taxes	2,081	2,288	2,631	2,569	2,359	(278)	-12%
Income tax expense	618	678	780	760	699	(81)	-12%
Net income	\$ 1,463	\$ 1,610	\$ 1,851	\$ 1,809	\$ 1,660	\$ (197)	-12%
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%
Annualized Performance Ratios							
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%

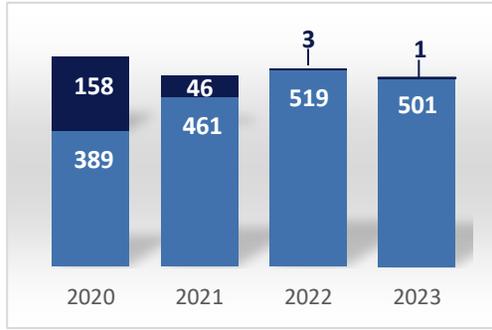
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FINANCIAL HIGHLIGHTS

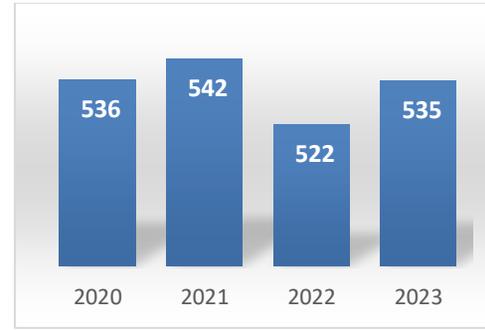
Total Assets (\$ Millions)
As of December 31,



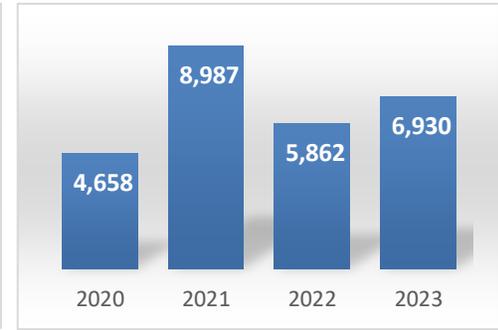
Total Loans (\$ Millions)
As of December 31,



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

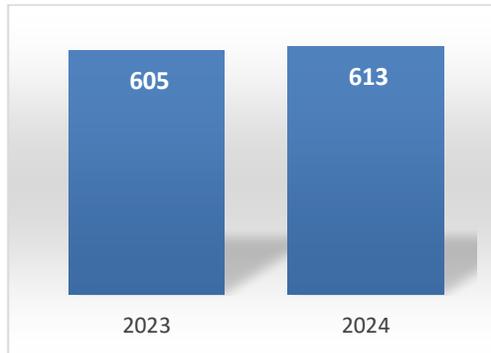


Net Income (\$ Thousands)
Year Ended December 31,

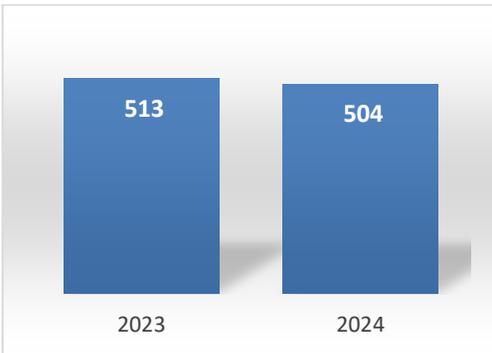


■ = PPP Loans

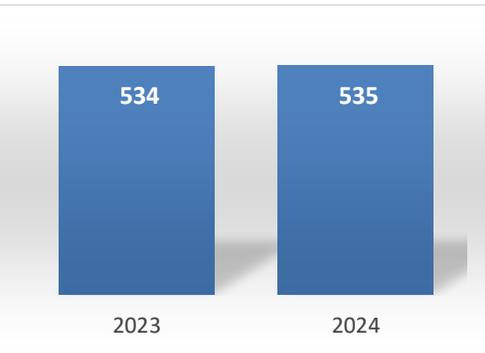
Total Assets (\$ Millions)
As of March 31,



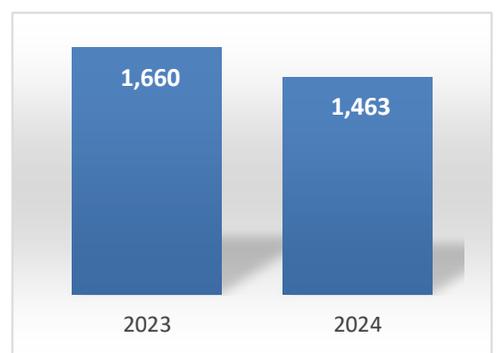
Total Loans (\$ Millions)
As of March 31,



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)

