



**BANK OF  
SOUTHERN  
CALIFORNIA**

# 2022 COMMUNITY IMPACT REPORT



## A Message from our CEO

I am pleased to share Southern California Bancorp and Bank of Southern California N.A.'s very first Community Impact Report, which shows our commitment in 2022 to making a positive difference for local individuals, families and businesses through engagement with and investments in the communities we serve.

Community support is integral to who we are, how we operate, and our success in each community we bank. We have deep roots in the communities in which we do business, through our donations, our regional Advisory Boards, and our employee involvement in local nonprofits. We support our communities through philanthropic giving to nonprofit organizations, through both new and existing relationships. Our Advisory Boards consist of leaders in the local business communities who offer insights about business conditions and needs, and they serve as diverse voices for the communities in which they live and work. Our employees are encouraged to volunteer their time to help their communities in various capacities, including serving on the board of directors of nonprofit organizations throughout Southern California.

In 2022, we supported our community through our volunteer efforts; donations toward affordable housing and community service activities; economic development lending; employment practices that promote diversity, equity and inclusion; and various conservation initiatives. As a community bank, we embrace the opportunity to partner with both large and small organizations to support our local communities in these ways, and we are grateful for the relationships we are able to build along the way.



David I. Rainer  
Chairman & CEO



# COMMUNITY REINVESTMENT

In 2022, the Bank donated over **\$170 thousand** to **57** non-profit organizations in Southern California, with almost one-third distributed throughout the San Diego area.

## DONATIONS & INVESTMENTS



- **More than two-thirds of our 2022 contributions** were in CRA-qualified donations to nonprofits for affordable housing, economic development and community services targeted toward low-to-moderate income persons
- **\$2 million** investment in a new California-based, low-income housing tax fund which created and sustained affordable housing in areas with low- and moderate-income individuals and families
- **\$245 thousand** investment in a Minority-Owned Depository Institution Certificate of Deposit to boost the institution's liquidity to lend back to the communities it serves

## LENDING



### Community Development Lending

- Strong lending throughout our footprint, with most loans used to create and retain low-to-moderate income jobs

### Small Business Administration ("SBA") Lending

- Experienced team of bankers dedicated to assisting small business owners with obtaining federally backed loans
- Over **\$100 million** in total SBA loans originated during the year, including **30 SBA 7a loans totaling \$45 million** and **58 SBA 504 loans totaling \$56 million**

Our employees volunteered approximately **550** total hours during 2022 for CRA-qualified service activities.

## COMMUNITY SERVICE



- Our employees serve on a **diverse array of nonprofits** throughout our communities, including Community Development Financial Institutions, Economic Development Corporations, and Small Business Development Centers
- Employee participation in multiple regulatory advocacy programs included:
  - **OCC's Project REACH ("Roundtable for Economic Access and Change")**, which brings together industry leaders to help create new economic opportunities for minority communities and the historically underserved in the greater Los Angeles area
  - **FDIC's Alliance for Economic Inclusion in Los Angeles**, which has over 100 participating organizations and fosters economic inclusion among lower-income households and communities, and small and micro businesses
- We taught **financial literacy** to a wide range of age groups in diverse settings throughout the year:
  - We helped teens at an Orange County nonprofit organization learn the basics of budgeting, saving and debt management using the **FDIC's Money Smart financial education curriculum**, which targets enhancing individuals' financial skills and creating positive banking relationships.
  - We participated in a career day event at a local preschool, presenting details about working in banking, even bringing Bank of Southern California piggy banks to give to the students. The children got an early introduction to the world of finance and practiced "saving money" by filling up the piggy banks!





## Walk to End Alzheimer's

In September 2022, the Bank sponsored a team for the annual Walk to End Alzheimer's event in Orange County hosted by the Alzheimer's Association. Our employees helped to raise awareness about the disease, as well as almost \$10,000 toward Alzheimer's care, support and research.

## Paint El Paseo Pink

Paint El Paseo Pink is a beloved community walk that takes place every year in October, on El Paseo in Palm Desert, to help raise awareness for breast cancer and much-needed funds for the Desert Cancer Foundation.



## Families Forward Thanksgiving Food Drive and Holiday Toy Drive

Multiple Bank locations collected canned and dry goods in November 2022 for Families Forward, a nonprofit whose mission is to help families in need achieve and maintain self-sufficiency through housing, food, counseling, and other support services.

In support of the organization during the holiday season, we also collected new toys and other items to be distributed to children and teens from local families in need.





# A RESPONSIBLE COMMUNITY- BASED EMPLOYER

At Bank of Southern California, we believe that  
**great employees drive our success.**

## OUR CULTURE



In 2022, we focused on several key areas to enhance employee empowerment:

- **Transparent talent management**, allowing for a more motivating workplace for our employees
- **A range of virtual training courses** offered through Bank Administration Institute
- **Professional development opportunities** available, including programs offered by Western Bankers Association and Pacific Coast Banking School
- **Work/Life Balance**, including telecommuting and virtual meetings
- **Competitive pay and benefits packages**
- Dedicated resources to **support our employee's voluntary, non-political activities in the community**

## OUR TOTAL BENEFITS PACKAGE



- BCAL offers competitive compensation and benefits packages to employees, including:
  - **Annual bonus opportunities** for all employees
  - **401(k) plan** with employer matching contribution
  - **Health care and insurance benefits**
  - **Health savings account** with annual employer match
  - **Flexible spending accounts** (health and dependent care)
  - **Parental leave eligibility** for all employees

We recognize the importance of cultivating an environment where **all employees feel valued, included, and empowered** to achieve their goals and do their best at work.

## DIVERSITY, EQUITY & INCLUSION



Our actions in 2022 towards creating meaningful, systemic change toward a more equitable environment for all team members included:

- Adopting a **formal Diversity, Equity & Inclusion ("DEI") Policy**
- Providing **DEI training** for our Board of Directors
- Launching ***The Importance and Benefits of Inclusion in the Workplace*** training course to employees
- Establishing **tracking of minority- and women-owned Bank suppliers**

## YEARS OF SERVICE



Our employees are recognized for their milestone years of service with **service awards and a meal with senior executives**



## TRAINING & DEVELOPMENT



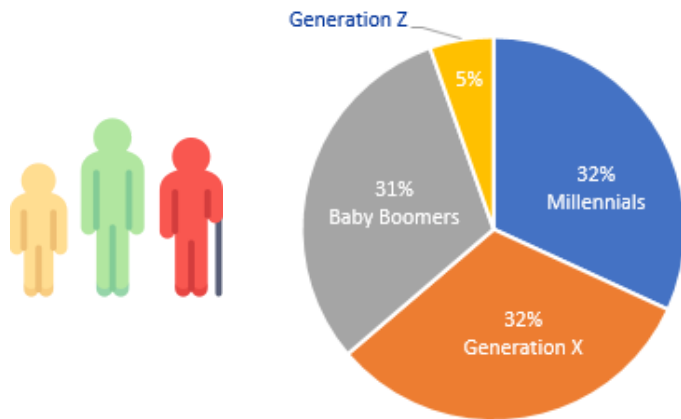
- **On-the-job and external training** offered to all employees
- **Tuition Reimbursement Program** to assist with expenses for approved education courses
- Sponsorships for Bank employees to attend **industry conferences**



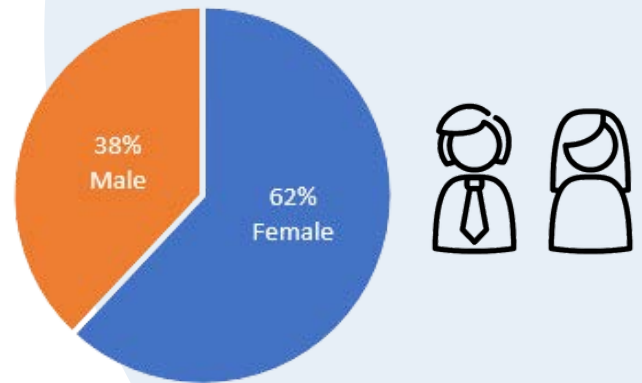
# WORKFORCE STATISTICS

## Additional 2022 Statistics

Age Range:



Gender Identification:



Of the Bank's total workforce, **48%** self-report as Racially and Ethnically Diverse.

Self-reporting for new hires in 2022:

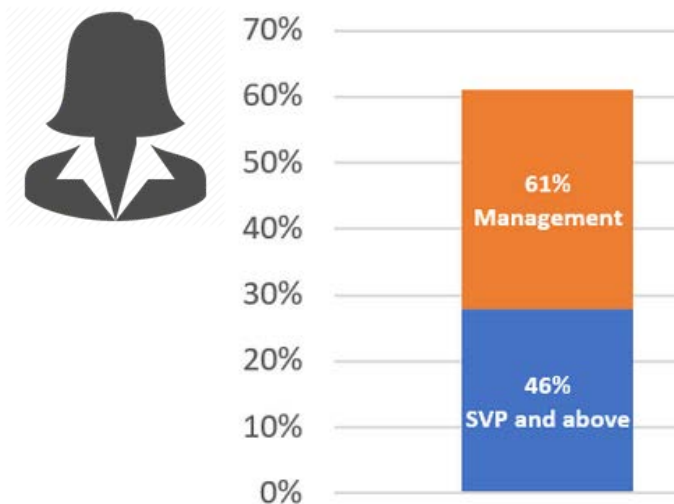
- **61%** Racially and Ethnically Diverse
- **61%** Female



Our Board of Directors:

- **2 of 9** members are **Female**
- **6 of 9** members are **Independent**
- **2 of 9** self-identify as **Racially and/or Ethnically Diverse**
- **1 of 9** self-identifies as **LGBTQIA+**
- **1 of 9** is a **Veteran**

Female Management Classification



Bank of Southern California was named to the **2022 Best Places to Work in Southern California** list published by Best Companies Group (BCG).





# SOUTHERN CALIFORNIA BANCORP

## CORPORATE GOVERNANCE

Our mission is to help business owners grow their companies and achieve their financial goals. Our decisions and actions will consistently meet the **highest ethical and legal standards**. To that end, strong corporate governance is essential to our success.

The Company has adopted the following policies in order to help ensure that appropriate governance and high ethical standards are achieved:

<b>Code of Business Conduct and Ethics</b>	<ul style="list-style-type: none"> <li>Requires that all directors, officer and employees adhere to fundamental ethical principals</li> </ul>	<b>Director Independence</b>	<ul style="list-style-type: none"> <li>Our Board meets the independence requirements established by Nasdaq's listing standards and applicable SEC rules</li> </ul>
<b>Minimum Stock Ownership Guidelines</b>	<ul style="list-style-type: none"> <li>Our Corporate Governance Guidelines require ownership of Company common stock:               <ul style="list-style-type: none"> <li>- Executive Officers- having a value of at least 1 times base salary</li> <li>- Non-employee Directors- having a value of at least two times their annual cash retainer</li> </ul> </li> </ul>	<b>Anti-Hedging Policy</b>	<ul style="list-style-type: none"> <li>Prohibits our directors and executive officers from hedging the economic interest in Company securities that they own and from engaging in short sales or speculative transactions with respect to our stock</li> </ul>
<b>Insider Trading and Tipping</b>	<ul style="list-style-type: none"> <li>Provides guidance on trading restrictions and black-out periods as communicated by our Chief Legal Officer</li> </ul>	<b>Related Party Transaction Policy</b>	<ul style="list-style-type: none"> <li>Restricts transactions with related parties unless they are determined by the Company's Compensation, Nominating, and Governance Committee to be fair and on the same basis as would apply if the transaction did not involve a related party</li> </ul>
<b>Compensation Philosophy</b>	<ul style="list-style-type: none"> <li>Aligns the interests of management and shareholders by:               <ul style="list-style-type: none"> <li>- Paying for Performance</li> <li>- No Single Trigger Change In Control Agreements for Executive Officers</li> <li>- No Dividends on Unvested Shares</li> </ul> </li> </ul>	<b>Clawback Policy</b>	<ul style="list-style-type: none"> <li>Enables recoupment of incentive compensation paid to executive officers or employees as a result of our achievement of financial results in the event of restated financial statements or revised metric results</li> </ul>