



News from the Beach

Updated Newsletter for our Organizers, Investors, Clients, and Friends

Spring 2025

Hello Beach Cities Commercial Bank (BCCB) Family

Exciting times as we have moved into 2025. In our last newsletter we shared how the Bank had dramatically grown through the first three quarters of 2024. In Q4 our growth and momentum continued. We completed our CPA audit and filed our call report. We are delighted to share some of the highlights of 2024 from our February press release:



Continued Growth!

- **Assets 173% Growth** Total assets were \$130.8 million as of December 31, 2024, which increased by \$83.0 million from December 31, 2023
- **Loans 378% Increase** Total loans were \$105.6 million as of December 31, 2024, which increased by \$84.0 million from December 31, 2023
- **Deposits 337% Growth** Total deposits were \$112.9 million as of December 31, 2024, which increased by \$87.0 million from December 31, 2023
- **\$22.1 Million Liquidity** Total liquidity remains high at \$22.1 million, which equates to 16.9% of the Bank's total assets. The Bank also maintains contingent borrowing sources at \$33.2 million which equates to 25.3% of total assets
- **8.05% Loan Portfolio Average Yield** The loan portfolio average yield was 8.05% which contributed to a healthy net interest margin at 4.21% as of December 31, 2024.
- **1.15% Reserve Loss** The Bank maintains a reserve for credit losses of \$1.214 million which equates to 1.15% of total loans. As of December 31, 2024, the Bank had zero dollars in delinquent, and non-performing loans.

These growth figures show how management and staff have been executing our plan and growing the Bank in a safe and sound manner. The Board of Directors has actively supported the BCCB team on committees, with strategic planning, and oversight. This is evidenced by the great relationship that the Bank has with its regulators. We look to continue the positive trends with all facets of our team working together with the goals of growth and profitability in a safe and sound manner.

Journey to Excellence: From Marketing Campaigns to SBA PLP Status

In January we received approval to modify our business plan and create several marketing campaigns to grow deposits, our Small Business Administration (SBA) loan production, our commercial equity line of credit, and commercial real estate portfolio. In addition, our regulators allowed us to expand our assessment area to include Los Angeles, Riverside, and San Bernadino counties. This approval is evidence of the confidence our regulators have in BCCB, our team, and the execution of our plan. We believe that besides highlighting our products and services with the marketing, the increased visibility, and branding will pay long-term dividends.

One of the avenues that we will be advertising will be our ability to take SBA loan application through our new client portal. Within this portal, prospects and customers wishing to apply for a loan will be able to interact directly, with our sales staff, our underwriting, and processing staff in real time and be able to track the status of their loan 24/7. We will expand this to other products and services throughout 2025. After all, we are a technology forward Bank and will continue to refine our platform with cutting-edge technology to create state-of-the-art customer experience, at the same time, we will be there to pick up the phone or meet in person. Just as the “Your Bank. Your Way.” tagline states.



SBA is a big part of our business plan and has been since we first decided to open BCCB. Besides marketing and rolling out our online application platform, we are *immensely* proud to share another milestone we received. The Bank recently received SBA’s delegated authority or as banking industry people call it “Prefer Lender Program” (PLP) status. What this means is that the SBA, through working with our credit team, has developed confidence to allow the Bank to process SBA loans and decision them in-house and only submit file data digitally. This allows BCCB to get approvals from the SBA within minutes rather than weeks. This achievement gives us a competitive advantage in the marketplace. The PLP status is granted only to banks that have demonstrated to the SBA their experience, understanding of SBA’s standard operating procedures, and the capability to effectively service and manage an SBA portfolio at the highest level. We are *enormously* proud of our team and this achievement.

Staying on the SBA front, we have added **Lily Kim** as our **SVP/Specialty Lending Manager**. Lily is an expert in SBA lending and the California State Loan Guarantee program. She has over 22 years of banking and government guaranteed lending experience and most recently was a credit administrator at Banc of California. Her expertise and experience are welcomed and assisted in our ascent to PLP status in the SBA world.

We are also excited to announce two new Senior Financial Services Representatives who have joined our Irvine and San Diego offices. **Kayleigh Moen** joined our Irvine office last quarter and has already proven to be a valuable addition to the team. **Juana Ramirez** has recently joined our San Diego office after spending 25 years at Bank of America. Having spent her entire career in North San Diego County, Juana brings exceptional front-line experience to our San Diego team. *We feel very fortunate to have Lily, Kayleigh and Juana join our BCCB family.*

FRAUD AND CYBERCRIME PREVENTION HIGHLIGHTS

BE AWARE OF FRAUDULENT WIRE TRANSFER REQUESTS

Wire fraud has become a growing concern in today's digital banking landscape. Wire fraud through hacked business email systems can be devastating, but with proactive measures, businesses can reduce their exposure and protect themselves from this growing threat.

One of the most concerning trends in wire fraud today is the rise of **Business Email Compromise (BEC)**, where hackers typically begin by infiltrating a company's email system. Once they gain access to email accounts, they monitor communications between executives, employees, and vendors. The goal is to gather enough information to impersonate trusted parties and initiate fraudulent wire transfers.



How can you reduce your exposure and protect yourselves from this growing threat?

- **Employee Training** Regularly train staff on how to recognize suspicious emails, verify requests for wire transfers, and be cautious about unsolicited changes to payment instructions.
- **Verify Wire Transfer Requests** Always verify payment instructions by calling the requester directly using a verified phone number. Be cautious when you receive a sudden request to change payment details, especially if it comes unexpectedly or without prior notice.
- **Monitor Transactions** Regularly review wire transfers and other financial transactions for any suspicious activity. Implement a system for double-checking high-value transfers.
- **Limit Access to Wire Transfer Capabilities** Restrict wire transfer capabilities to only a few trusted and well-trained employees. Review and restrict access to online banking systems and payment platforms.

Protect Yourself Against Fraud and Cybercrime

Cybercrime is at an all-time high. There are steps you can take today to help protect yourself and your accounts at the bank. Establishing fundamental security on your accounts is a key factor in preventing account fraud and financial loss. Here are 5 steps you can take today:

- **Keep your contact information up to date.** BCCB may need to contact you in the event we notice suspicious activity. You can update your information through online banking or by contacting the bank directly.
- **Create strong passwords.** A strong password is a solid defense against hackers and illicit access to your accounts. Consider a password of at least 10 characters that includes at least one capital letter, numbers, and a special character. You can update this through online banking.
- **Setup push notifications in the mobile app.** Using push notifications increases your awareness of account login activity, certain transactions such as deposits, withdrawal, and wires, and notice of available balance. You can enable this feature in online banking.
- **Keep your computer and mobile devices up to date.** Keeping your phone, tablet, and computer up to date with the latest browsers and operating systems helps protect against vulnerabilities that hackers can exploit. Follow your device manufacturer's recommendations to keep device software up to date.
- **Use biometrics (such as fingerprint and/or facial recognition)** The features increase your security and make it more difficult for others to gain unauthorized access to your accounts. Follow your device manufacturer's guidance to use these features.

2025 is off to a great start. The BCCB team is firing on all cylinders, and we look forward to future updates as the year progresses. Please do not hesitate to contact us with any questions/comments you may have.

Respectfully,

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