



To our valued customers,

2017 was a year of significant change for Luther Burbank Savings. The devastating North Bay fires will have a lasting impact on our community. In 2018, the Luther Burbank Corporation Foundation will focus on supporting the rebuilding efforts in Sonoma County.

After over 30 years as a successful financial institution, Luther Burbank Corporation, the holding company for Luther Burbank Savings, completed its initial public offering on December 8, 2017. This transaction resulted in \$98 million of new capital to support future growth for Luther Burbank Savings. Many long term customers are now shareholders of Luther Burbank Corporation. We look forward to sharing our success with our new shareholders.

As of December 31, 2017, our Tier 1 leverage capital ratio was 12.54%. This is an increase of over 12% from the December 31, 2016 ratio of 11.16%. Our credit quality remains impeccable. As of December 31, 2017, our non-performing assets ratio of 0.12% and classified assets ratio of 1.93% are among the best in the industry.

In 2018, we plan to continue our organic growth. We remain focused on delivering highly competitive loan and deposit products while providing unparalleled personal service to each of our customers.

Luther Burbank Savings opened for business on October 11, 1983. We were profitable in our second quarter of operations, and we have recorded profits for 136 consecutive quarters.

We thank you for your business. It is truly appreciated.

Victor Trione
Chairman of the Board

John Biggs
President & CEO

STATEMENT OF CONDITION* DECEMBER 31, 2017

ASSETS

Cash & Securities	\$ 590,784,000
Loans Receivable, Net	5,011,235,000
Other Assets	99,780,000
Real Estate Acquired through Foreclosure	<u>0</u>
	<u>\$ 5,701,799,000</u>

LIABILITIES & CAPITAL

Deposits	\$ 3,963,328,000
Borrowings	989,260,000
Other Liabilities	67,185,000
Capital	<u>682,026,000</u>
	<u>\$ 5,701,799,000</u>

*This unaudited statement is prepared in accordance with generally accepted accounting principles.

Luther Burbank Savings is a wholly owned subsidiary of Luther Burbank Corporation, a publicly traded company on the NASDAQ exchange under the symbol, LBC.

