



West Coast Community Bancorp Reports Record Deposits and Announces Earnings and Dividend for the Third Quarter of 2025

SANTA CRUZ, Calif. – October 21, 2025: West Coast Community Bancorp (“Bancorp,” OTCQX: WCCB), the parent company of West Coast Community Bank (the “Bank”), announced unaudited earnings for the quarter ended September 30, 2025 of \$12.1 million, compared to \$12.9 million in the prior quarter and an increase of \$3.9 million, or 47%, from \$8.2 million reported for the quarter ended September 30, 2024. Year-to-date earnings for the nine-month period ended September 30, 2025 were \$36.7 million, an increase of \$10.9 million, or 42%, from \$25.7 million reported for the same period in 2024.

Basic and diluted earnings per share (“EPS”) for the quarter ended September 30, 2025, were \$1.15 and \$1.14, respectively, compared to \$1.23 and \$1.22 in the second quarter of 2025. Basic and diluted EPS increased \$0.17 and \$0.18, or 17% and 19%, respectively, from the same quarter last year. Basic and diluted EPS of \$3.49 and \$3.45 for the nine-month period ended September 30, 2025, respectively, increased \$0.42 and \$0.41, or 14%, from the same corresponding period in 2024.

On October 16, 2025, the Bancorp Board of Directors declared a quarterly cash dividend of \$0.22 per common share, payable on November 10, 2025, to shareholders of record at the close of business on November 4, 2025.

“Our third-quarter results reflect how we have successfully integrated our merger partner, expanded our deposit base and delivered strong earnings while maintaining net interest margin and efficiency ratios in the top decile of peer banks,” said Krista Snelling, Chairman and Chief Executive Officer of West Coast Community Bancorp. “We remain focused on disciplined growth and upholding our prudent credit culture despite an increased provision this quarter related primarily to one problem loan.”

“Strategic decisions made over the past year have translated into returns for our shareholders and continued support for our clients and communities,” added Snelling. “Increasing the quarterly dividend reflects our belief in both the franchise value of this bank and the earnings power to sustain the dividend.”

Financial Highlights

Performance highlights as of and for the three and nine-month periods ended September 30, 2025, include the following:

- Total deposits were \$2.4 billion at September 30, 2025, which increased \$176.0 million, or 8%, from June 30, 2025, and increased \$909.1 million, or 60%, from September 30, 2024. The increase in deposits in the third quarter of 2025 is attributed to the seasonal inflows of deposits from large depositors in the agricultural sector, strong deposit growth among public agencies and nonprofit organizations and deposit growth from newly established relationships. The increase from September 30, 2024, was mainly due to the merger with 1st Capital Bancorp on October 1, 2024, (“the Merger”), in addition to the \$88.3 million in new relationships gained since the Merger.
- Net income for the quarter ended September 30, 2025, decreased \$857 thousand, or 7%, from the second quarter of 2025 due to a \$2.9 million increase in the provision for credit losses (primarily attributable to provisions for individually evaluated loans), offset by an increase in interest income of \$2.1 million. The increase of \$3.9 million over the quarter ended September 30, 2024, was mainly due to the Merger as well as organic growth, partially offset by higher provision for credit losses in 2025.

- Total assets were \$2.8 billion at September 30, 2025, an increase from \$2.7 billion at June 30, 2025, and \$1.8 billion at September 30, 2024. The increase of \$187.7 million, or 7%, over June 30, 2025, was primarily due to increases in excess liquidity driven by strong deposit growth: cash and cash equivalents increased \$103.4 million and available-for-sale (“AFS”) debt securities increased \$69.0 million. In addition, loans increased \$17.3 million during the quarter. The increase of \$1.0 billion, or 58%, over September 30, 2024, was largely the result of the Merger, which added \$994.3 million in assets including \$14.3 million of goodwill and \$27.7 million of core deposit intangible assets on October 1, 2024.
- Primary liquidity ratio, defined as cash and cash equivalents, deposits held in other banks and unpledged AFS securities as a percentage of total assets was 16.5%, 11.7% and 14.5% at September 30, 2025, June 30, 2025, and September 30, 2024, respectively.
- Taxable equivalent net interest margin was 5.28%, 5.30% and 4.93% for the quarters ended September 30, 2025, June 30, 2025, and September 30, 2024, respectively. Taxable equivalent net interest margin for the nine-month periods ended September 30, 2025, and 2024 was 5.29% and 4.93%, respectively. Net interest margin excluding the purchase discount accretion on the acquired loan portfolio and accelerated accretion on discount of partially redeemed subordinated debt (non-GAAP¹) for the quarters ended September 30, 2025, and June 30, 2025, was 4.93% and 4.91%, respectively, and 4.90% and 4.93% for the nine-month periods ended September 30, 2025, and 2024, respectively.
- The cost of funds was 1.37% in the third quarter of 2025 compared to 1.41% in the prior quarter and 1.50% in the third quarter of 2024. The cost of funds for the nine-month periods ended September 30, 2025, and 2024 was 1.37% and 1.49%, respectively. The decrease is primarily related to the accelerated recognition of \$160 thousand in interest expense from early redemption of \$1 million in par value of Bancorp’s subordinated debentures in the second quarter of 2025, combined with an increase in the composition of noninterest-bearing deposits. Noninterest-bearing deposits as a percentage of total deposits improved from 41.2% at September 30, 2024, to 42.5% at June 30, 2025 and reached 43.5% at September 30, 2025.
- For the quarters ended September 30, 2025, June 30, 2025, and September 30, 2024, return on average assets (“ROAA”) was 1.73%, 1.95% and 1.87%, respectively, return on average equity (“ROAE”) was 13.16%, 14.71% and 12.95%, respectively, and return on average tangible equity (“ROATE”) was 16.05%, 18.14% and 14.52%, respectively. Excluding merger-related items for the quarters ended September 30, 2025, June 30, 2025, and September 30, 2024, adjusted ROAA (non-GAAP¹) was 1.74%, 1.98% and 1.98%, respectively, adjusted ROAE (non-GAAP¹) was 13.27%, 14.93% and 13.66%, respectively, and adjusted ROATE (non-GAAP¹) was 16.19%, 18.41% and 15.32%, respectively.
- For the nine-month periods ended September 30, 2025, and September 30, 2024, return on average assets (“ROAA”) was 1.82% and 1.98%, respectively, return on average equity (“ROAE”) was 13.89% and 14.15%, respectively, and return on average tangible equity (“ROATE”) was 17.12% and 15.94%, respectively. Excluding merger-related items for the nine-month periods ended September 30, 2025, and 2024, adjusted ROAA (non-GAAP¹) was 1.85% and 2.03%, respectively, adjusted ROAE (non-GAAP¹) was 14.14% and 14.48%, respectively, and adjusted ROATE (non-GAAP¹) was 17.43% and 16.32%, respectively.
- The efficiency ratio was 43.13% for the third quarter of 2025 compared to 45.16% in the prior quarter and 45.76% in the third quarter of 2024. The efficiency ratio for the nine-month periods ended September 30, 2025 and 2024 was 44.88% and 44.62%, respectively. Excluding merger-related items, the adjusted efficiency ratio (non-GAAP¹) was 42.71% for the third quarter of 2025, 44.64% for the second quarter of 2025 and 43.65% for the third quarter of 2024. The adjusted efficiency ratio (non-GAAP¹) was 44.21% and 43.42% for the nine-month periods ended September 30, 2025, and 2024, respectively.
- All capital ratios were above regulatory requirements for a well-capitalized institution with a total risk-based capital ratio of 14.65%, 14.46% and 16.62% at September 30, 2025, June 30, 2025, and September 30, 2024, respectively. Tangible common equity to tangible asset ratio was 10.95%, 11.26% and 12.94% at September 30, 2025, June 30, 2025, and September 30, 2024, respectively.

- Tangible book value per share was \$28.81 at September 30, 2025, compared to \$27.51 at June 30, 2025, and \$27.20 at September 30, 2024. The increase in the third quarter of 2025 was driven by net income of \$12.1 million combined with a decrease in the unrealized losses on the AFS debt securities portfolio.

Merger with 1st Capital Bancorp

The merger between West Coast Community Bancorp and 1st Capital Bancorp closed on October 1, 2024, with the core system conversion completed in December 2024. At the effective time of the closing, each share of 1st Capital Bancorp common stock was converted into the right to receive 0.36 shares of common stock of Bancorp. As a result, 2,071,483 Bancorp shares were issued as of October 1, 2024. The merger added total assets of \$994 million, which included \$258 million in investments and \$603.1 million in loans, net of fair value adjustment, as well as \$27.7 million in core deposit intangibles and \$14.3 million in goodwill. Additionally, the merger added deposits of \$893 million and subordinated debt of \$11.5 million, net of fair value adjustments.

Interest Income, Interest Expense and Net Interest Margin

Net interest income of \$34.6 million for the quarter ended September 30, 2025, increased \$1.8 million, or 6%, from \$32.8 million for the quarter ended June 30, 2025, and increased \$14.1 million, or 69%, from \$20.5 million for the quarter ended September 30, 2024. The quarter-over-quarter increase in 2025 was largely the result of growth in earning assets, particularly investments and interest-earning due from other banks, in addition to one more interest-earning day compared to the prior quarter. Net interest income for the nine-month periods ended September 30, 2025, and 2024 was \$99.8 million and \$61.1 million, respectively. The increase of \$38.7 million, or 63%, from the nine-month period ended September 30, 2024, was primarily due to the Merger, which increased investments and loans, combined, by 54%, in addition to the effect from the organic growth.

The cost of funds decreased four basis points from 1.41% in the second quarter of 2025 to 1.37% in the third quarter of 2025. During the second quarter of 2025, \$1 million in par value of Bancorp's subordinated debentures assumed in the Merger were redeemed early, resulting in \$160 thousand additional interest expense from accelerated accretion of the fair value discount. The impact of the second quarter's accelerated discount accretion related to the subordinated debenture redemption accounted for the majority of the quarter-over-quarter decline in the cost of funds, with the remaining decrease related to an improvement in the mix of funding base as the Bank benefited from funding base migration from overnight borrowings in the second quarter to noninterest-bearing deposits. The cost of funds decreased 13 basis points from 1.50% in the third quarter of 2024 as we benefit from the lower-cost funding base of the deposit franchise from 1st Capital Bancorp. The cost of funds decreased 12 basis points from 1.49% in the nine-month period ended September 30, 2024, to 1.37% in the nine-month period ended September 30, 2025, primarily for the same reason.

For the third quarter of 2025, taxable equivalent net interest margin was 5.28%, compared to 5.30% in the second quarter of 2025 and 4.93% for the corresponding quarter in 2024. The earning asset yield for the third quarter of 2025 decreased five basis points over prior quarter. The significant deposit inflows over the quarter outpaced loan growth and resulted in large increases in liquid assets such as investments; these lower-yielding assets thus represented a proportionally larger share of the average earning asset mix for the third quarter of 2025 compared to prior quarter, leading to decline in the overall earning asset yield. The effect of the earning asset mix was partially offset by the improvement in loan yields quarter-over-quarter. During the third quarter of 2025, \$354 thousand of prepayment penalties related to early payoffs of commercial real estate credits and \$126 thousand from the recovery of interest on a \$1.6 million problem credit that paid off in the third quarter were recognized, partially offset by a \$161 thousand in interest write-off related to the placement of a \$10 million land development loan on nonaccrual status. The decrease in the earning asset yield was partially offset by the improvement in the cost of funds noted in the previous paragraph. For the nine-month period ended September 30, 2025, taxable equivalent net interest margin was 5.29% compared to 4.93% for the corresponding period in 2024. Excluding both the purchase discount accretion on the acquired loan portfolio and the acceleration of the discount related to the partial redemption of Bancorp's subordinated debentures would adjust the net interest margin (non-GAAP¹) for the quarters ended September 30, 2025, and June 30, 2025, to 4.93% and 4.91%, respectively, and to 4.90% for the nine-month period ended September 30, 2025.

The following tables compare interest income, average interest-earning assets, interest expense, average interest-bearing liabilities, net interest income, net interest margin and cost of funds for each period reported.

(Dollars in thousands)	For the three months ended								
	September 30, 2025			June 30, 2025			September 30, 2024		
	Average Balance	Interest Income/Expense	Avg Yield/Cost	Average Balance	Interest Income/Expense	Avg Yield/Cost	Average Balance	Interest Income/Expense	Avg Yield/Cost
ASSETS									
Interest-earning due from banks	\$ 116,056	\$ 1,284	4.39%	\$ 14,990	\$ 160	4.28%	\$ 50,939	\$ 674	5.26%
Investments*	385,235	3,374	3.47%	366,472	3,140	3.44%	217,976	911	1.66%
Loans*	2,109,593	38,356	7.21%	2,109,903	37,636	7.15%	1,389,123	24,521	7.02%
Total interest-earning assets	2,610,884	43,014	6.54%	2,491,365	40,936	6.59%	1,658,038	26,106	6.26%
Noninterest-earning assets	161,773			161,517			81,886		
Total assets	<u>\$ 2,772,657</u>			<u>\$ 2,652,882</u>			<u>\$ 1,739,924</u>		
LIABILITIES									
Interest checking deposits	\$ 248,684	\$ 665	1.06%	\$ 240,840	\$ 644	1.07%	\$ 192,209	\$ 540	1.12%
Money market deposits	785,520	5,787	2.92%	714,038	5,009	2.81%	446,309	3,312	2.95%
Savings deposits	181,256	440	0.96%	165,924	345	0.83%	89,006	142	0.63%
Time certificates of deposits	152,992	1,125	2.92%	160,003	1,235	3.10%	138,536	1,240	3.56%
Brokered deposits	-	-	0.00%	-	-	0.00%	23,859	313	5.22%
Short-term borrowings	-	-	0.00%	33,133	369	4.47%	33	-	5.76%
Subordinated debt	11,052	228	8.18%	11,196	393	14.08%	-	-	0.00%
Total interest-bearing liabilities	1,379,504	8,245	2.37%	1,325,134	7,995	2.42%	889,952	5,547	2.48%
Noninterest-bearing deposits	1,008,555			952,239			581,545		
Other noninterest-bearing liabilities	20,913			23,208			16,579		
Total liabilities	2,408,972			2,300,581			1,488,076		
EQUITY									
	363,685			352,301			251,848		
Total liabilities and equity	<u>\$ 2,772,657</u>			<u>\$ 2,652,882</u>			<u>\$ 1,739,924</u>		
Net interest income/margin-taxable equivalent adjusted									
		<u>\$ 34,769</u>	5.28%		<u>\$ 32,941</u>	5.30%		<u>\$ 20,559</u>	4.93%
GAAP net interest income		<u>\$ 34,634</u>			<u>\$ 32,807</u>			<u>\$ 20,517</u>	
Cost of funds			1.37%			1.41%			1.50%

*Interest income on investments and loans is reported as tax equivalent basis. Prior period figures have been restated for comparability.

(Dollars in thousands)	For the nine months ended					
	September 30, 2025			September 30, 2024		
	Average Balance	Interest Income/Expense	Avg Yield/Cost	Average Balance	Interest Income/Expense	Avg Yield/Cost
ASSETS						
Interest-earning due from banks	\$ 52,920	\$ 1,734	4.38%	\$ 33,250	\$ 1,090	4.38%
Investments*	381,978	9,819	3.44%	231,836	2,970	1.71%
Loans*	2,096,800	112,354	7.16%	1,391,683	73,563	7.06%
Total interest-earning assets	2,531,698	123,907	6.54%	1,656,769	77,623	6.26%
Noninterest-earning assets	162,157			78,556		
Total assets	<u>\$ 2,693,855</u>			<u>\$ 1,735,325</u>		
LIABILITIES						
Interest checking deposits	\$ 251,187	\$ 1,951	1.04%	\$ 202,207	\$ 1,487	0.98%
Money market deposits	736,528	15,660	2.84%	426,214	8,885	2.78%
Savings deposits	174,706	1,126	0.86%	94,080	391	0.56%
Time certificates of deposits	159,616	3,699	3.10%	138,197	3,543	3.42%
Brokered deposits	-	-	0.00%	50,561	2,014	5.32%
Short-term borrowings	12,317	412	4.47%	2,953	126	5.72%
Subordinated debt	11,293	859	10.17%	-	-	0.00%
Total interest-bearing liabilities	1,345,647	23,707	2.36%	914,212	16,446	2.40%
Noninterest-bearing deposits	972,525			560,809		
Other noninterest-bearing liabilities	22,776			17,337		
Total liabilities	2,340,948			1,492,358		
EQUITY						
	352,907			242,967		
Total liabilities and equity	<u>\$ 2,693,855</u>			<u>\$ 1,735,325</u>		
Net interest income/margin-taxable equivalent adjusted						
		\$ 100,200	5.29%		\$ 61,177	4.93%
GAAP net interest income		<u>\$ 99,786</u>			<u>\$ 61,052</u>	
Cost of funds			1.37%			1.49%

*Interest income on investments and loans is reported as tax equivalent basis. Prior period figures have been restated for comparability.

Noninterest Income and Expense

Noninterest income for the quarter ended September 30, 2025, was \$1.3 million compared to \$1.4 million for the previous quarter and \$1.1 million in the third quarter of 2024. Noninterest income for the nine-month period ended September 30, 2025, was \$3.7 million compared to \$3.1 million for the nine-month period ended September 30, 2024, primarily reflecting increase in volume because of the Merger.

Noninterest expense was \$15.5 million in both the second and third quarters of 2025 compared to \$9.9 million in the third quarter of 2024. While total noninterest expense did not change significantly from the second quarter to the third quarter of 2025, it reflected a decrease in salaries and employee benefits as the result of second quarter annual director stock grants of \$368 thousand that did not recur in third quarter, partially offset by an increase in professional fees. Other notable expenses during the quarter included merger-related expense of \$150 thousand, rebranding costs of \$148 thousand and an annual employee appreciation event of \$101 thousand. The \$5.6 million, or 57%, increase over the third quarter of 2024 was mainly due to the Merger, annual merit increases and inflationary effects, investment in our expansion of the Silicon Valley team and specific expenses in the third quarter of 2025 mentioned earlier. Noninterest expense for the nine-month period ended September 30, 2025, totaled \$46.4 million, an increase of \$17.8 million, or 62%, when compared to \$28.6 million for the nine-month period ended September 30, 2024.

Liquidity Position

The following table summarizes the Bank's liquidity for each period reported:

(Dollars in thousands)	As of		
	September 30, 2025	June 30, 2025	September 30, 2024
Cash and due from banks	\$ 143,504	\$ 40,148	\$ 130,826
Unencumbered AFS securities	326,183	270,805	126,086
Total on-balance-sheet liquidity	469,687	310,953	256,912
Line of credit from the Federal Home Loan Bank of San Francisco – collateralized	662,537	664,525	471,558
Line of credit from the Federal Reserve Bank of San Francisco – collateralized	382,095	370,532	251,634
Lines at correspondent banks – unsecured	100,000	100,000	95,000
Total external contingency liquidity capacity	1,144,632	1,135,057	818,192
Less: short-term borrowings	-	(4,100)	-
Net available liquidity sources	\$ 1,614,319	\$ 1,441,910	\$ 1,075,104

As of September 30, 2025, net liquidity exceeded uninsured and uncollateralized deposits of \$1.2 billion, with a coverage ratio of 132%.

Investment Portfolio

Securities issued by U.S. Government-sponsored agencies, U.S. Treasury bonds and SBA securities accounted for 52%, 22% and 2% of the investment portfolio as of September 30, 2025, respectively. These securities carry explicit or implicit credit guarantees from the U.S. government and thus present minimal credit or liquidity risk. Municipal bonds, corporate bonds and private-label collateralized mortgage obligations/asset-backed instruments represent 19%, 3% and 2% of the carrying value of the portfolio, respectively.

The investment portfolio increased from \$365.6 million at June 30, 2025, to \$434.6 million as of September 30, 2025, primarily due to purchases of \$90.3 million and partially offset by maturities of \$15.0 million, sales of \$7.4 million and paydowns of \$4.1 million during the quarter. The investment portfolio increased from \$205.8 million at September 30, 2024, largely due to the Merger in addition to the purchases discussed above. The investment portfolio had an average life of 5.5 years as of September 30, 2025, and June 30, 2025, and 2.6 years at September 30, 2024. The increase in the average life of the investment portfolio from September 30, 2024, to 2025 was primarily due to the portfolio assumed from the Merger with a higher allocation to longer-term municipal bonds.

Net unrealized losses on AFS securities improved to \$9.5 million (\$6.7 million after-tax) at September 30, 2025, from \$13.8 million (\$9.7 million after-tax) at June 30, 2025, driven by a downward shift of the treasury yield curve as of September 30, 2025, compared to June 30, 2025. Net unrealized losses on AFS securities were \$8.9 million (\$6.2 million after-tax) at September 30, 2024.

Loans and Asset Quality

Gross loans, net of unaccreted purchase discount and deferred fees and costs, increased \$17.2 million from June 30, 2025, and increased \$732.7 million, or 53%, compared to September 30, 2024. Loan growth during the third quarter of 2025 was led by construction, which grew by \$21.2 million from new originations and advances for projects that originated in prior quarters. Alongside organic growth, the increase in total loans from September 30, 2024, was significantly bolstered by the Merger, which added \$603.1 million in acquired loans net of fair value adjustment as of October 1, 2024. Asset based lending ("ABL") loan balances increased \$11.0 million, or 32%, from June 30, 2025, and increased \$30.1 million, or 201%, compared to September 30, 2024, all from organic growth. Outstanding loans made to new organic relationships established in the twelve-month period ended September 30, 2025, totaled \$102.0 million, with an average loan size of \$1.0 million. New loan commitments originated during the third quarter of 2025

were \$96.5 million, driven by \$41.8 million in new commercial real estate commitments and \$29.9 million in new commercial and industrial (“C&I”) loan commitments. Quarterly growth was concentrated in construction and ABL, with stable commercial real estate, while year-over-year expansion across commercial real estate and C&I broadened the portfolio.

Nonaccrual loans of \$14.4 million accounted for 0.67% of gross loans at September 30, 2025, including a \$10 million land development loan and a \$504 thousand acquired real estate loan; both of which have been adequately reserved for by the Bank based on recent appraisals. The remaining \$3.8 million of nonaccrual loans are SBA loans, which have a government guarantee of \$1.9 million. A \$1.7 million construction loan that was on nonaccrual at June 30, 2025, was paid off in full in the third quarter. Accruing loans past due 30-89 days totaling \$8.4 million at September 30, 2025, increased \$7.0 million from June 30, 2025, and increased \$5.0 million from September 30, 2024. The increase was due to a \$5.0 million SBA loan with a \$3.7 million government guarantee and a \$850 thousand line of credit that matured and has since been renewed. There were no loans more than 90 days past due still accruing as of September 30, 2025, a decrease of \$1.4 million from June 30, 2025.

The allowance for credit losses (“ACL”) was \$37.1 million at September 30, 2025, or 1.74% of total loans, \$33.6 million at June 30, 2025, or 1.59% of total loans, and \$23.1 million, or 1.66% of total loans at September 30, 2024. The allowance allocated to individually evaluated loans was \$4.4 million, \$556 thousand and \$71 thousand as of September 30, 2025, June 30, 2025, and September 30, 2024, respectively. The allowance on unfunded credit commitments, presented as part of other liabilities, as a percentage of unfunded credit commitments was 0.35% at September 30, 2025, a slight increase from 0.34% at both June 30, 2025, and September 30, 2024.

The increase in the ACL this quarter primarily reflects higher specific reserves on several individually evaluated credits and seasonal growth in outstanding construction loans, which carry a higher loss reserve rate. Within individually evaluated loans, the \$10 million land development nonaccrual loan that had been previously assessed for a specific reserve received an updated appraisal during the third quarter of 2025 with a lower collateral value, resulting in a higher specific reserve of \$3.2 million as of September 30, 2025, compared to \$519 thousand as of June 30, 2025. This nonperforming land development credit is a unique case and is not indicative of broader portfolio performance. The Bank is working with the borrower to sell the collateral property and is seeking recourse to guarantors to offset the collateral deficiency.

In contrast to specific reserves on individually evaluated loans, the general reserve for the allowance for credit losses is measured on a collective basis for loans with similar risk characteristics. The general reserve decreased modestly from the prior quarter, driven by updated qualitative factor assessments and an improved economic outlook based on the Federal Open Market Committee’s latest forecast. Portfolio growth and mix, particularly in construction and C&I, partially offset the decrease because these categories carry higher loss reserve factors.

The following tables summarize the Bank’s loan mix as well as delinquent and nonperforming loans:

	As of			Change % vs.	
	September 30, 2025	June 30, 2025	September 30, 2024	June 30, 2025	September 30, 2024
<i>(Dollars in thousands)</i>					
Loans held for sale	\$ -	\$ -	\$ 24,154	0%	-100%
SBA and B&I loans	177,493	177,854	143,913	0%	23%
Commercial term loans	123,755	135,984	100,107	-9%	24%
Revolving commercial lines	168,864	166,225	102,862	2%	64%
Asset-based lines of credit	45,117	34,136	14,982	32%	201%
Construction loans	246,774	225,528	165,592	9%	49%
Commercial real estate loans	1,345,230	1,355,565	810,280	-1%	66%
Home equity lines of credit	37,239	35,807	28,005	4%	33%
Consumer and other loans	3,596	1,888	2,429	90%	48%
Deferred loan expenses, net of fees	2,160	2,311	2,183	-7%	-1%
Total loans, net of deferred expenses/fees	2,150,228	2,135,298	1,394,507	1%	54%
Purchase discount on acquired loans	(23,050)	(25,372)	-	-9%	100%
Total loans, net of unaccreted purchase discount	<u>\$ 2,127,178</u>	<u>\$ 2,109,926</u>	<u>\$ 1,394,507</u>	<u>1%</u>	<u>53%</u>

	As of or for the three months ended		
	September 30, 2025	June 30, 2025	September 30, 2024
<i>(Dollars in thousands)</i>			
Loans past due 30-89 days	\$ 8,418	\$ 1,386	\$ 3,377
<i>Loans past due 30-89 days, net of government guaranteed amounts</i>	\$ 4,693	\$ 1,236	\$ 3,377
Delinquent loans (past due 90+ days still accruing)	\$ -	\$ 1,400	\$ -
Nonaccrual loans	14,355	2,925	2,404
Other real estate owned	-	-	-
Nonperforming assets	\$ 14,355	\$ 4,325	\$ 2,404
<i>Nonperforming assets, net of government guaranteed amounts</i>	\$ 12,495	\$ 4,140	\$ 2,404
Net loan charge-offs QTD	\$ -	\$ (28)	\$ -
Net loan charge-offs YTD	\$ 23	\$ 23	\$ 44

Deposits

Deposits totaled \$2.4 billion at September 30, 2025, an increase of \$176.0 million compared to June 30, 2025, and an increase of \$909.1 million, or 60%, compared to September 30, 2024. The increase in deposits in the third quarter of 2025 is partly attributed to the seasonality of large depositors in the agricultural sector who are responsible for more than \$39.0 million in deposit growth. Strong deposit growth was also observed among public agencies and nonprofit organizations, with the largest clients in the sector contributing \$31.0 million over the second quarter. Deposit growth from newly established relationships over the third quarter was \$10.5 million. The increase in deposits since September 30, 2024, was primarily the result of the Merger, which added \$893.2 million in deposits.

Noninterest-bearing deposits to total deposits was 43.5% at September 30, 2025, which increased from 42.5% at June 30, 2025, and 41.2% at September 30, 2024.

The 10 largest deposit relationships, excluding fully collateralized government agency deposits, represent approximately 11% of total deposits as of both September 30, 2025 and June 30, 2025, compared to 12% as of September 30, 2024.

The following table summarizes the Bank's deposit mix:

	September 30, 2025	June 30, 2025	September 30, 2024	June 30, 2025	September 30, 2024
<i>(Dollars in thousands)</i>					
Noninterest-bearing demand	\$ 1,058,787	\$ 960,749	\$ 629,238	10%	68%
Interest-bearing demand	235,025	236,281	191,887	-1%	22%
Money markets	810,311	733,658	461,965	10%	75%
Savings	181,282	171,350	86,519	6%	110%
Time certificates of deposit	150,692	158,019	137,484	-5%	10%
Brokered deposits	-	-	19,858	0%	-100%
Total deposits	\$ 2,436,097	\$ 2,260,057	\$ 1,526,951	8%	60%
Deposits – personal	\$ 779,312	\$ 759,357	544,086	3%	43%
Deposits – business	1,656,785	1,500,700	963,007	10%	72%
Deposits – brokered	-	-	19,858	0%	-100%
Total deposits	\$ 2,436,097	\$ 2,260,057	\$ 1,526,951	8%	60%

Shareholders' Equity

Total shareholders' equity was \$368.5 million at September 30, 2025, an \$11.6 million, or 3%, increase compared to June 30, 2025, and a \$111.8 million, or 44%, increase compared to September 30, 2024. Increase over June 30, 2025, was primarily due to quarterly earnings of \$12.1 million and a decrease in the unrealized loss on the AFS debt securities portfolio, driven by a downward shift of the treasury yield curve from June 30, 2025 to September 30, 2025, resulting in the improvement in the market value of the portfolio and the accumulated other comprehensive losses by \$3.0 million. This was partially offset by quarterly dividends paid of \$2.2 million, as well as \$1.6 million of share repurchases made in the third quarter of 2025 as part of the Share Repurchase Program noted below. The increase over September 30, 2024, was primarily due to the issuance of common stock of \$80.8 million as part of the Merger in addition to the earnings accumulation over the past 12 months of \$40.5 million, partially offset by dividends paid over the past 12 months of \$8.2 million and \$2.6 million of shares repurchased in 2025.

Share Repurchase Program

On May 6, 2025, Bancorp announced the launch of a new Share Repurchase Program approved by its Board of Directors to repurchase up to \$10 million of common stock in the open market or through privately negotiated transactions as market conditions warrant. Bancorp intends to fund repurchases with dividends from the Bank, as needed, and to execute repurchases in compliance with applicable federal and state securities laws and bank regulations including Rules 10b-18 and 10b5-1 as promulgated under the Securities Exchange Act of 1934. The stock repurchase program may be suspended, terminated or modified at any time and will expire on June 30, 2026. The timing and amount of common stock repurchases made pursuant to the Share Repurchase Program are subject to various factors, including Bancorp's capital position, liquidity, financial performance, alternative uses of capital, stock trading price, regulatory requirements, Bancorp's blackout periods and general market conditions. Stock repurchases are accounted for as a reduction in equity. As of September 30, 2025, 65,692 shares had been repurchased at a weighted average share price of \$38.98 for a total of \$2.6 million.

Non-GAAP Financial Measures¹

In addition to evaluating Bancorp's results of operations in accordance with generally accepted accounting principles ("GAAP") in the United States of America, certain non-GAAP financial measures are widely accepted by the institutional investor community. Non-GAAP measures provide the reader with additional perspectives on operating results, financial condition and performance trends, while facilitating comparisons with the performance of other financial institutions. Disclosing these non-GAAP measures is both useful internally and expected by our investors to understand the overall performance of Bancorp.

Examples of non-GAAP financial measures include adjusted net income, adjusted efficiency ratio, adjusted tangible common equity and adjusted return on average tangible common equity:

- Adjusted net income excludes the impact of certain non-recurring activity. This financial measure is useful for evaluating the performance of a business consistently.
- Adjusted efficiency ratio is a common comparable metric used by banks to understand the expense structure relative to total revenue. To improve the comparability of the ratio to our peers and internally across periods, non-recurring items are excluded.
- Adjusted tangible common equity and adjusted tangible book value per common share measures exclude the impact of intangible assets, net of deferred taxes and their related amortization. These financial measures are useful for evaluating the performance of a business consistently.
- Adjusted return on average tangible common equity is used by management and readers of our financial statements to understand how efficiently Bancorp is deploying its common equity. Companies that can demonstrate more efficient use of common equity are more likely to be viewed favorably by current and prospective investors.

A reconciliation of GAAP to non-GAAP financial measures and other performance ratios used by Bancorp, as adjusted, is presented in the table at the end of this earnings release.

ABOUT WEST COAST COMMUNITY BANK AND WEST COAST COMMUNITY BANCORP

Founded in 2004, West Coast Community Bank (formerly Santa Cruz County Bank and its division, 1st Capital Bank) is the wholly owned subsidiary of West Coast Community Bancorp, a bank holding company. The Bank is a top-rated, locally operated and full-service community bank headquartered in Santa Cruz, Calif. with branches in Aptos, Capitola, Cupertino, King City, Monterey, Salinas, San Luis Obispo, Santa Cruz, Scotts Valley and Watsonville. West Coast Community Bank is distinguished from "big banks" by its relationship-based service, problem-solving focus and direct access to decision makers. The Bank is a leading SBA lender in Santa Cruz County and Silicon Valley. As a full-service bank, West Coast Community Bank offers competitive deposit and lending solutions for businesses and individuals; including business loans, lines of credit, commercial real estate financing, construction lending, asset-based lending, agricultural loans, SBA and USDA government guaranteed loans, credit cards, merchant services, remote deposit capture, mobile and online banking, bill payment and treasury management. True to its community roots, West Coast Community Bank has supported regional well-being by actively participating in and donating to local nonprofit organizations. Visit wccb.com for more information.

NATIONAL, STATE AND LOCAL RATINGS AND AWARDS

- **Bank Director Magazine 2025 RankingBanking Report:** Ranked #4 among Top 25 U.S. publicly traded banks and #2 for banks with assets less than \$5B (*for full-year 2024 performance*)
- **Newsweek Magazine:** Named one of the 2025 Top 500 Regional Banks & Credit Unions in the U.S.
- **S&P Global Market Intelligence:** Ranked #62 among top U.S. community banks under \$3B in assets (*for full-year 2024 financial performance*)
- **Independent Community Bankers of America Top 25:** Ranked #12 for best-performing community banks with assets greater than \$1 billion
- **The Findley Reports, Inc.:** Super Premier Performing Bank rating for 15 consecutive years
- **BauerFinancial:** Rated 5-star "Superior" for first quarter of 2025 and every quarter of 2024
- **SBA Lending** (*for fiscal year ended September 30, 2024*):
 - California – Ranked #33 in 7(a) lending by total volume in loan approvals
 - San Francisco District – Ranked #13 in 7(a) lending by total volume in loan approvals
- **American Banker Magazine:** Ranked #59 among top U.S. community banks with \$2-\$10B in assets (*for full-year 2024 financial performance*)
- **Bank Performance Report:** Ranked #13 of 116 California banks for overall performance for the second quarter of 2025
- **Silicon Valley Business Journal**
 - Ranked #1 for Silicon Valley banks with fastest-growing deposits as of December 31, 2024
 - Ranked #11 among fastest-growing real estate lenders as of March 31, 2025
 - Ranked #13 among Top 20 Banks for deposits in Silicon Valley as of June 30, 2024
- **Santa Cruz Area Chamber of Commerce:** 2025 Business of the Year.
- **Good Times "Best of Santa Cruz County" Readers' Poll:** Voted Best Local Bank for the thirteenth consecutive year.
- **The Pajaronian "2024 Best of the Pajaro Valley" Readers' Poll:** Voted Best Bank.
- **The Press Banner "2024 The Best of Scotts Valley" Readers' Poll:** Voted Best Local Bank.
- **Santa Cruz Sentinel, 2024 Readers' Choice Award:** Voted number one bank in Santa Cruz County for 10 years.

Forward-Looking Statements

This release may contain forward-looking statements that are subject to risks and uncertainties. Such risks and uncertainties may include but are not necessarily limited to achieving the intended synergies with 1st Capital Bancorp post-merger, retaining employees and clients, fluctuations in interest rates (including but not limited to changes in depositor behavior and/or impacts on our core deposit intangible in relation thereto), inflation, government regulations and general economic conditions and competition within the business areas in which the Bank and the Bank's clients are conducting their operations, including the impact of proposed or imposed tariffs or other trade restrictions, labor or supply chain issues, health of the real estate market in California, Bancorp's ability to effectively execute its business plans and other factors beyond Bancorp and the Bank's control. Such risks and uncertainties could cause results for subsequent interim periods or for the entire year to differ materially from those indicated. Readers should not place undue reliance on the forward-looking statements, which reflect management's view only as of the date hereof. Bancorp undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

Concurrent with this earnings release, Bancorp issued presentation slides providing supplemental information intended to be reviewed together with this release. Slides may be viewed online at: [wccb.com/investor_relations](https://www.wccb.com/investor_relations).

Balance Sheet

	As of		
	September 30, 2025	June 30, 2025	September 30, 2024
<i>(Dollars in thousands)</i>			
ASSETS			
Cash and cash equivalents	\$ 143,504	\$ 40,148	\$ 130,826
Interest-bearing deposits in other financial institutions	249	249	3,620
Debt securities available for sale (amortized cost \$437,487, \$372,805 and \$207,399 at September 30, 2025, June 30, 2025, and September 30, 2024, respectively, net of allowance of credit losses of \$0)	428,007	359,043	198,531
Debt securities held to maturity, net of allowance for credit losses of \$0 (fair value \$6,133, \$6,150 and \$7,068 at September 30, 2025, June 30, 2025, and September 30, 2024, respectively)	6,570	6,596	7,296
Loans held for sale	-	-	24,154
Loans held for investment	2,127,178	2,109,926	1,370,353
Less: Allowance for credit losses on loans	(37,091)	(33,551)	(23,099)
Loans, net of allowance	2,090,087	2,076,375	1,347,254
Non-marketable equity investments, at cost	15,355	15,355	9,159
Premises and equipment, net	10,206	9,599	10,725
Goodwill	40,054	40,054	25,762
Core deposit intangible asset, net	24,849	25,917	1,422
Bank-owned life insurance	28,097	27,911	18,426
Accrued interest receivable and other assets	51,193	49,189	23,617
Total assets	<u>\$ 2,838,171</u>	<u>\$ 2,650,436</u>	<u>\$ 1,800,792</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits			
Non-interest-bearing	\$ 1,058,787	\$ 960,749	\$ 629,238
Interest-bearing	1,377,310	1,299,308	897,713
Total deposits	2,436,097	2,260,057	1,526,951
Federal Home Loan Bank advances and other borrowings	-	4,100	-
Subordinated debentures	11,092	11,003	-
Accrued interest payable and other liabilities	22,486	18,354	17,160
Total liabilities	<u>2,469,675</u>	<u>2,293,514</u>	<u>1,544,111</u>
Shareholders' equity			
Preferred stock, no par value; 10,000,000 shares authorized; no shares issued or outstanding	-	-	-
Common stock, no par value; 30,000,000 shares authorized; 10,537,167, 10,576,882 and 8,438,238 outstanding for the periods ended at September 30, 2025, June 30, 2025, and September 30, 2024, respectively	203,493	204,761	123,510
Retained earnings	170,992	161,150	138,725
Accumulated other comprehensive loss, net of taxes	(5,989)	(8,989)	(5,554)
Total shareholders' equity	<u>368,496</u>	<u>356,922</u>	<u>256,681</u>
Total liabilities and shareholders' equity	<u>\$ 2,838,171</u>	<u>\$ 2,650,436</u>	<u>\$ 1,800,792</u>

Income Statement

(Dollars in thousands, except share data)	Three months ended			Nine months ended	
	September 30, 2025	June 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Interest income					
Loans, including fees	\$ 38,334	\$ 37,614	\$ 24,498	\$ 112,288	\$ 73,494
Interest-bearing deposits in other financial institutions	1,284	160	674	1,734	1,090
Taxable securities	2,693	2,460	804	7,725	2,652
Tax-exempt securities	570	568	88	1,748	262
Total interest income	42,881	40,802	26,064	123,495	77,498
Interest expense					
Deposits	8,018	7,233	5,547	22,437	16,320
Subordinated debentures	229	393	-	860	-
Federal Home Loan Bank advances and other borrowings	-	369	-	412	126
Total interest expense	8,247	7,995	5,547	23,709	16,446
Net interest income before provision for credit losses	34,634	32,807	20,517	99,786	61,052
Provision (reversal) for credit losses on loans	3,540	420	100	5,442	(800)
(Reversal) provision for credit losses on unfunded loan commitments	(50)	200	-	50	(100)
Net interest income after provision (reversal) for credit losses	31,144	32,187	20,417	94,294	61,952
Noninterest income					
Service charges on deposits	177	168	144	515	424
Loan servicing fees	126	127	134	394	441
ATM fee income	280	282	224	835	647
Earnings on bank-owned life insurance	185	184	126	547	367
Dividends on non-marketable equity securities	281	285	186	856	542
(Loss) gain on sale of assets	(2)	(46)	1	(281)	1
Other	238	399	250	817	720
Total noninterest income	1,285	1,399	1,065	3,683	3,142
Noninterest expense					
Salaries and employee benefits	8,300	8,757	5,482	25,538	16,299
Occupancy	797	802	565	2,517	1,718
Furniture and equipment	888	813	565	2,705	1,665
Marketing, business development and shareholder-related expense	519	559	352	1,440	759
Data and item processing	698	655	520	2,069	1,469
Regulatory assessments, including federal deposit insurance	369	370	232	1,160	704
Amortization of core deposit intangibles	1,068	1,067	83	3,202	249
Professional fees	629	475	325	1,358	781
Acquisition-related expense	150	97	455	497	772
Other	2,073	1,853	1,297	5,950	4,230
Total noninterest expense	15,491	15,448	9,876	46,436	28,646
Income before income taxes	16,938	18,138	11,606	51,541	36,448
Income tax expense	4,877	5,220	3,407	14,884	10,709
Net income	\$ 12,061	\$ 12,918	\$ 8,199	\$ 36,657	\$ 25,739
Earnings per share					
Basic	\$ 1.15	\$ 1.23	\$ 0.98	\$ 3.49	\$ 3.07
Diluted	\$ 1.14	\$ 1.22	\$ 0.96	\$ 3.45	\$ 3.04

Financial Highlights

(Dollars in thousands, except share data)	As of or for the three months ended			For the nine months ended	
	September 30, 2025	June 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Ratios					
Net interest margin, tax equivalent ^a	5.28%	5.30%	4.93%	5.29%	4.93%
Cost of funds ^b	1.37%	1.41%	1.50%	1.37%	1.49%
Efficiency ratio ^c	43.13%	45.16%	45.76%	44.88%	44.62%
Return on:					
Average assets	1.73%	1.95%	1.87%	1.82%	1.98%
Average equity	13.16%	14.71%	12.95%	13.89%	14.15%
Average tangible equity ^d	16.05%	18.14%	14.52%	17.12%	15.94%
ACL/Gross loans	1.74%	1.59%	1.66%		
Noninterest-bearing deposits to total deposits	43.46%	42.51%	41.21%		
Gross loans to deposits	87.32%	93.36%	91.33%		
Capital Ratios					
Tier 1 leverage ratio	11.38%	11.53%	13.63%		
Common equity tier 1 risk-based capital ratio	12.93%	12.74%	15.37%		
Tier 1 risk-based capital ratio	12.93%	12.74%	15.37%		
Total risk-based capital ratio	14.65%	14.46%	16.62%		
Tangible common equity ratio ^e	10.95%	11.26%	12.94%		
Per Share Data					
Book value per share	\$ 34.97	\$ 33.75	\$ 30.42		
Tangible book value per share ^f	\$ 28.81	\$ 27.51	\$ 27.20		
Shares outstanding	10,537,167	10,576,882	8,438,238		
Basic weighted average common shares outstanding	10,489,496	10,518,746	8,405,327	10,505,896	8,394,591
Diluted weighted average common shares outstanding	10,601,694	10,626,352	8,524,252	10,617,773	8,477,419

^a Net interest margin is calculated by dividing annualized taxable equivalent net interest income by period average interest-earning assets. Interest income on tax-exempt securities and loans are presented on a taxable-equivalent basis using the Federal statutory rate of 21 percent.

^b Cost of funds is computed by dividing annualized interest expense by the sum of period average deposits and borrowings.

^c Efficiency ratio equals total noninterest expenses divided by the sum of net interest income and noninterest income.

^d Return on average tangible equity is calculated by dividing annualized net income by period average tangible shareholders' equity. Tangible shareholders' equity is defined in note ^f below.

^e Tangible common equity ratio is calculated by dividing tangible shareholders' equity as defined in note ^f below by assets less goodwill and other intangible assets.

^f Tangible equity equals total shareholders' equity less goodwill and other intangible assets. Tangible book value per share divides tangible equity by period ending shares outstanding

¹ Non-GAAP Financial Measures

<i>(Dollars in thousands, except share data)</i>	September 30, 2025	June 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Non-interest expense reported per GAAP	\$ 15,491	\$ 15,448	\$ 9,876	\$ 46,436	\$ 28,646
Less: merger expense	150	97	455	497	772
Adjusted non-interest expense (non-GAAP)	\$ 15,341	\$ 15,351	\$ 9,421	\$ 45,939	\$ 27,874
Net interest income, taxable equivalent (TE)	\$ 34,769	\$ 32,941	\$ 20,559	\$ 100,200	\$ 61,177
Less: accretion of purchase discount of acquired loans	(2,321)	(2,609)	-	(7,571)	-
Add: accelerated accretion on discount of partially redeemed subordinated debt	-	160	-	160	-
Adjusted net interest income (non-GAAP)	\$ 32,448	\$ 30,492	\$ 20,559	\$ 92,789	\$ 61,177
Average interest earning assets	\$ 2,610,884	\$ 2,491,365	\$ 1,658,038	\$ 2,531,698	\$ 1,656,769
Adjusted loan yield without purchase discount accretion (non-GAAP)	6.78%	6.66%	7.02%	6.68%	7.06%
Net interest margin, taxable equivalent	5.28%	5.30%	4.93%	5.29%	4.93%
Adjusted net interest margin (TE) (non-GAAP)	4.93%	4.91%	4.93%	4.90%	4.93%
Non-interest income reported per GAAP	\$ 1,285	\$ 1,399	\$ 1,065	\$ 3,683	\$ 3,142
Add: net loss on sale of investments	2	21	-	280	-
Adjusted non-interest income (non-GAAP)	\$ 1,287	\$ 1,420	\$ 1,065	\$ 3,963	\$ 3,142
Net interest income plus adjusted non-interest income (non-GAAP)	\$ 35,921	\$ 34,227	\$ 21,582	\$ 103,749	\$ 64,194
Efficiency ratio (non-GAAP)	43.13%	45.16%	45.76%	44.88%	44.62%
Net income reported per GAAP	\$ 12,061	\$ 12,918	\$ 8,199	\$ 36,657	\$ 25,739
Add: net loss on sale of investments	2	21	-	280	-
Add: accelerated accretion on discount of partially redeemed subordinated debt	-	160	-	160	-
Add: merger expense	150	97	455	497	772
Adjusted non-recurring items	152	278	455	937	772
Tax effected non-recurring items	107	196	450	660	608
Adjusted net income (non-GAAP)	\$ 12,168	\$ 13,114	\$ 8,649	\$ 37,317	\$ 26,347
Adjusted efficiency ratio (non-GAAP)	42.71%	44.64%	43.65%	44.21%	43.42%
GAAP basic earnings per share	\$ 1.15	\$ 1.23	\$ 0.98	\$ 3.49	\$ 3.07
Adjusted basic earnings per share (non-GAAP)	\$ 1.16	\$ 1.25	\$ 1.03	\$ 3.55	\$ 3.14
GAAP diluted earnings per share	\$ 1.14	\$ 1.22	\$ 0.96	\$ 3.45	\$ 3.04
Adjusted diluted earnings per share (non-GAAP)	\$ 1.15	\$ 1.23	\$ 1.01	\$ 3.51	\$ 3.11
Adjusted non-GAAP ROAA	1.74%	1.98%	1.98%	1.85%	2.03%
Adjusted non-GAAP ROAE	13.27%	14.93%	13.66%	14.14%	14.48%
Adjusted non-GAAP ROATE	16.19%	18.41%	15.32%	17.43%	16.32%
Total shareholders' equity	\$ 368,496	\$ 356,922	\$ 256,681	\$ 368,496	\$ 256,681
Less: goodwill and other intangibles	64,903	65,971	27,184	64,903	27,184
Tangible common equity (non-GAAP)	\$ 303,593	\$ 290,951	\$ 229,497	\$ 303,593	\$ 229,497
Tangible book value per common share (non-GAAP)	\$ 28.81	\$ 27.51	\$ 27.20	\$ 28.81	\$ 27.20
Total assets	\$ 2,838,171	\$ 2,650,436	\$ 1,800,792	\$ 2,838,171	\$ 1,800,792
Less: goodwill and other intangibles	64,903	65,971	27,184	64,903	27,184
Tangible assets	\$ 2,773,268	\$ 2,584,465	\$ 1,773,608	\$ 2,773,268	\$ 1,773,608
Total shareholders' equity to total assets	12.98%	13.47%	14.25%	12.98%	14.25%
Tangible equity to tangible assets (non-GAAP)	10.95%	11.26%	12.94%	10.95%	12.94%