



West Coast Community Bancorp Announces Earnings and Dividend for the First Quarter of 2026

April 21, 2026

SANTA CRUZ, Calif., April 21, 2026 /PRNewswire/ -- West Coast Community Bancorp ("Bancorp," OTCQX: WCCB), the parent company of West Coast Community Bank (the "Bank"), announced unaudited earnings for the quarter ended March 31, 2026, of \$15.0 million, compared to \$13.8 million in the fourth quarter of 2025 and \$11.7 million in the quarter ended March 31, 2025.

Basic and diluted earnings per share ("EPS") for the quarter ended March 31, 2026, were \$1.45 and \$1.43, respectively, which increased \$0.13 and \$0.12 from \$1.32 and \$1.31, respectively, compared to the fourth quarter of 2025. Basic and diluted EPS increased \$0.34 and \$0.33 from \$1.11 and \$1.10, respectively, compared to the first quarter of 2025.

On April 15, 2026, the Bancorp Board of Directors declared a \$0.01 increase in quarterly cash dividend to \$0.24 per common share, payable on May 11, 2026, to shareholders of record at the close of business on May 5, 2026.

"Our first quarter results reflect continued earnings momentum, attractive returns and ongoing balance sheet strength. Core loan growth remained solid, capital and liquidity levels were strong, and our team executed effectively in a competitive environment," said Krista Snelling, Chairman and Chief Executive Officer of West Coast Community Bancorp.

"Given our strong earnings momentum, capital position and continued growth in tangible book value, the Board's decision to increase the dividend reflects confidence in the durability of our performance and our ability to deliver consistent value to shareholders," added Snelling.

Financial Highlights

Performance highlights as of and for the quarter and year ended March 31, 2026, include the following:

- Net income for the quarter ended March 31, 2026, increased \$1.2 million, or 8.8%, from the fourth quarter of 2025, primarily attributed to a \$359 thousand reversal of credit losses in the first quarter of 2026, compared to a \$1.5 million provision for credit losses in the fourth quarter of 2025, as well as higher levels of noninterest income stemming from a \$912 thousand gain on the sale of \$8.9 million of non-core residential loans acquired from the merger with 1st Capital Bancorp and a \$368 thousand special dividend received on our holdings of Federal Home Loan Bank ("FHLB") of San Francisco stock. Credit losses of \$258 thousand were reversed upon the sale of the non-core acquired loans in the first quarter of 2026. These favorable changes were partially offset by a \$362 thousand decrease in net interest income (primarily due to two fewer number of interest-earning days in the first quarter of 2026 compared to the fourth quarter of 2025) and a \$247 thousand increase in noninterest expense. The increase in earnings from the same quarter of 2025 was largely driven by increases in net interest income and noninterest income, as well as a slight reversal of provision for credit losses in the first quarter of 2026 compared to a provision for credit losses in the first quarter of 2025.
- Total loans were \$2.22 billion at March 31, 2026, compared to \$2.17 billion at December 31, 2025, and \$2.11 billion at March 31, 2025, representing an increase of \$46.8 million, or 2.2% from December 31, 2025, and an increase of \$114.0 million, or 5.4%, from March 31, 2025. Loan growth during the first quarter of 2026 was most notable in commercial revolving lines of credit, especially agriculture-related businesses sourced from our new San Luis Obispo team. The organic loan growth during the first quarter of 2026 was partially offset by the sale of \$8.9 million residential loans noted above and a transfer of a \$10.0 million land development loan to other real estate owned ("OREO").
- Total assets were \$2.90 billion at March 31, 2026, compared to \$2.88 billion at December 31, 2025, and \$2.66 billion at March 31, 2025, representing an increase of \$11.4 million, or 0.4%, from December 31, 2025, and \$236.8 million, or 8.9%, from March 31, 2025. The quarter-over-quarter increase in total assets is largely attributed to a \$46.8 million increase in loans held for investment, partially offset by a \$29.2 million decrease in cash and cash equivalents and a \$13.4 million decrease in available for sale ("AFS") debt securities. The year-over-year increase in total assets is largely attributed to a \$114.0 million increase in loans held for investment and a \$116.5 million increase in cash and cash equivalents.
- Total deposits were \$2.47 billion at March 31, 2026, compared to \$2.48 billion at December 31, 2025, and \$2.26 billion at March 31, 2025, representing a slight decrease of \$2.8 million, or 0.1%, from December 31, 2025, and an increase of \$218.0 million, or 9.7%, from March 31, 2025. The slight decrease from December 31, 2025, is attributed to the seasonal outflows associated with agriculture and non-profit depositors. The increase from March 31, 2025, was driven by new banking relationships established over the last year.
- 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 14.4%, 15.9% and 11.8% at March 31, 2026, December 31, 2025 and March 31,

2025, respectively.

- Taxable equivalent net interest margin was 5.11%, 4.99% and 5.29% for the quarters ended March 31, 2026, December 31, 2025, and March 31, 2025, respectively. The quarter-over-quarter increase in the net interest margin is largely attributed to the absence of \$864 thousand of accelerated purchase discount accretion associated with the partial early redemption of \$4.3 million of subordinated debt in the fourth quarter of 2025, which reduced the taxable equivalent net interest margin by approximately 12 basis points during the fourth quarter of 2025. The year-over-year decrease in the taxable equivalent net interest margin is largely attributed to the change in the overall composition of interest-earning assets, with a higher percentage of average interest-earning cash and due from banks balances during the first quarter of 2026 when compared to the prior year, as well as lower purchase discount accretion on acquired loans during the first quarter of 2026 compared to the first quarter of 2025. The taxable equivalent net interest margin excluding the purchase discount accretion on the acquired loan portfolio and accelerated purchase discount accretion associated with the partial early redemption of subordinated debt for the quarters ended March 31, 2026, December 31, 2025 and March 31, 2025, was 4.84%, 4.80% and 4.86%, respectively.
- The cost of funds was 1.28%, 1.46% and 1.32% for the quarters ended March 31, 2026, December 31, 2025, and March 31, 2025, respectively. The quarter-over-quarter decrease in the cost of funds is largely attributed to the absence of \$864 thousand of accelerated purchase discount accretion associated with the partial early redemption of subordinated debt in the fourth quarter of 2025, as mentioned above. This had a negative impact of 14 basis points to the cost of funds during the fourth quarter of 2025. The year-over-year decrease in the cost of funds can be attributed in large part to lower rates paid on deposit accounts, especially money market deposit accounts, responding to the three 25-basis-point interest rate cuts by the Federal Open Market Committee ("FOMC") in late 2025. For the quarters ended March 31, 2026, December 31, 2025, and March 31, 2025, the cost of deposits was 1.25%, 1.29% and 1.28%, respectively.
- Return on average equity ("ROAE") was 15.76%, 14.55% and 13.83% for the quarters ended March 31, 2026, December 31, 2025, and March 31, 2025, respectively. Return on average assets ("ROAA") was 2.12%, 1.88% and 1.78% for the quarters ended March 31, 2026, December 31, 2025, and March 31, 2025, respectively. Return on average tangible equity ("ROATE"), a non-GAAP measure, was 19.75%, 18.46% and 18.34% for the quarters ended March 31, 2026, December 31, 2025 and March 31, 2025, respectively.
- The efficiency ratio, a non-GAAP measure, was 43.59%, 44.12% and 46.48% for the quarters ended March 31, 2026, December 31, 2025, and March 31, 2025, respectively.
- All capital ratios were above regulatory requirements for a well-capitalized institution with a total risk-based capital ratio of 14.65%, 14.39% and 14.23% at March 31, 2026, December 31, 2025, and March 31, 2025, respectively. The tangible common equity to tangible asset ratio was 11.49%, 11.10% and 10.75% at March 31, 2026, December 31, 2025 and March 31, 2025, respectively.
- Tangible book value per share, a non-GAAP measure, was \$30.98, \$29.85 and \$26.32 at March 31, 2026, December 31, 2025 and March 31, 2025, respectively. The increase in the first quarter of 2026 was driven by net income of \$15.0 million combined, partially offset by a \$1.6 million increase in post-tax unrealized losses on the AFS debt securities portfolio and cash dividends declared and paid of approximately \$2.4 million.

Interest Income, Interest Expense and Net Interest Margin

Net interest income was \$34.1 million for the quarter ended March 31, 2026, representing a decrease of \$362 thousand, or 1.1%, from \$34.4 million from the quarter ended December 31, 2025, and an increase of \$1.7 million, or 5.4%, from \$32.3 million for the quarter ended March 31, 2025.

The decrease in net interest income in the first quarter of 2026 was attributed to a \$1.8 million decrease in interest income, partially offset by a decrease of \$1.4 million in interest expense. The quarter-over-quarter decrease in interest income was driven by a \$1.1 million decrease in interest on loans and a decrease of approximately \$696 thousand in interest income on interest-earning cash and due from banks balances and investment securities. The quarter-over-quarter decrease in interest on loans can be attributed to a 12-basis-point decrease in the average yield on loans in addition to two fewer days in the quarter to earn interest. The decline in yield can be largely attributed to an approximately \$436 thousand decrease in purchase discount accretion on acquired loans. Additionally, loan products indexed to prime rate repriced downward in response to the 25-basis-point December reduction in the Federal Funds target rate. The decline in the purchase discount accretion and the impact of the FOMC's rate cut were partially offset by an increase in average loan volumes. The quarter-over-quarter decrease in interest income on interest-earning cash and due from banks balances and investment securities is attributable to a decline in average volumes in addition to a 28-basis-point decrease in yield on interest-earning cash and due from banks balances. The quarter-over-quarter decrease in interest expense was in part driven by the absence of \$864 thousand of accelerated purchase discount accretion associated with the partial early redemption of subordinated debt that occurred in the fourth quarter of 2025. Additionally, a four-basis-point decrease in the cost of deposits resulted in a \$535 thousand quarter-over-quarter decline in interest expense on deposits.

The year-over-year increase in net interest income is attributed to a \$2.0 million increase in interest income, partially offset by a \$287 thousand increase in interest expense. The year-over-year increase in interest income is attributed to higher average balances of interest-earning due from cash balances in the first quarter of 2026, as compared to the first quarter of 2025, as well as higher average yields on investment securities during the first quarter of 2026, as compared to the same period in 2025, the combination of which contributed \$1.2 million to the year-over-year increase in interest income. In addition, loan growth over the last year contributed to higher average loan balances in the first quarter of 2026, as compared to the same period in 2025. Average loan balances were approximately \$106.5 million higher in the first quarter of 2026, when compared to the first quarter of 2025, contributing to a \$765 thousand year-over-year increase in interest on loans. The year-over-year growth in loan balances

more than offset an approximate \$868 thousand decrease in purchase discount accretion on acquired loans. The year-over-year increase in interest expense is attributable to higher average deposit balances in the first quarter of 2026, as compared to the first quarter of 2025. Average deposit balances were approximately \$183.6 million higher in the first quarter of 2026, as compared to the first quarter of 2025, contributing to an approximate \$404 thousand year-over-year increase in interest expense on deposits. The cost of deposits was 1.25% for the first quarter of 2026, compared to 1.28% for the first quarter of 2025.

The following table compares 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 presented:

(Dollars in thousands)	For the Quarters Ended								
	March 31, 2026			December 31, 2025			March 31, 2025		
	Average Balance ⁽³⁾	Interest Income ⁽¹⁾ ⁽²⁾ / Expense	Avg Yield/ Cost	Average Balance ⁽³⁾	Interest Income ⁽¹⁾ ⁽²⁾ / Expense	Avg Yield/ Cost	Average Balance ⁽³⁾	Interest Income ⁽¹⁾ ⁽²⁾ / Expense	Avg Yield/ Cost
ASSETS									
Interest-earning cash and due from banks	\$ 151,349	\$ 1,367	3.66 %	\$ 164,017	\$ 1,630	3.94 %	\$ 26,732	\$ 290	4.40 %
Investment securities	388,467	3,471	3.62 %	429,125	3,909	3.61 %	394,328	3,305	3.40 %
Loans	2,176,972	37,126	6.92 %	2,154,451	38,240	7.04 %	2,070,473	36,362	7.12 %
Total interest-earning assets	2,716,788	41,964	6.26 %	2,747,593	43,779	6.32 %	2,491,533	39,957	6.50 %
Noninterest-earning assets	155,471			158,417			163,239		
Total assets	<u>\$ 2,872,259</u>			<u>\$ 2,906,010</u>			<u>\$ 2,654,772</u>		
LIABILITIES									
Interest-bearing demand deposits	\$ 250,878	573	0.93 %	\$ 247,632	604	0.97 %	\$ 264,206	642	0.99 %
Money market deposits	924,729	5,744	2.52 %	882,550	6,041	2.72 %	709,186	4,864	2.78 %
Savings deposits	168,082	346	0.83 %	178,595	423	0.94 %	176,889	341	0.78 %
Time certificates of deposits	146,069	927	2.57 %	149,677	1,057	2.80 %	165,997	1,339	3.27 %
Short-term borrowings	—	—	— %	—	—	— %	3,861	43	4.52 %
Subordinated debt	7,817	164	8.51 %	10,417	1,077	41.02 %	11,638	238	8.29 %
Total interest-bearing liabilities	1,497,575	7,754	2.10 %	1,468,871	9,202	2.49 %	1,331,777	7,467	2.27 %
Noninterest-bearing deposits	966,367			1,039,184			956,204		
Noninterest-bearing liabilities	22,705			22,386			24,242		
Total liabilities	2,486,647			2,530,441			2,312,223		
EQUITY	385,612			375,569			342,549		
Total liabilities and equity	<u>\$ 2,872,259</u>			<u>\$ 2,906,010</u>			<u>\$ 2,654,772</u>		
Taxable equivalent net interest income and margin ⁽¹⁾									
		<u>\$ 34,210</u>	5.11 %		<u>\$ 34,577</u>	4.99 %		<u>\$ 32,490</u>	5.29 %
GAAP net interest income		<u>\$ 34,082</u>			<u>\$ 34,444</u>			<u>\$ 32,345</u>	
Cost of funds			1.28 %			1.46 %			1.32 %

(1) Interest income on investment securities, interest income on loans, net interest income and net interest margin are presented here on a taxable equivalent basis, using the statutory federal income tax rate of 21%, and are non-GAAP financial measures. Please see *Non-GAAP Financial Measures* for more information.

(2) GAAP interest income on investment securities totaled \$3.4 million, \$3.8 million and \$3.2 million for the quarters ended March 31,

2026, December 31, 2025, and March 31, 2025, respectively. GAAP yield on investment securities was 3.51%, 3.51% and 3.27% for the quarters ended March 31, 2026, December 31, 2025, and March 31, 2025, respectively. GAAP interest income on loans totaled \$37.1 million, \$38.2 million and \$36.3 million for the quarters ended March 31, 2026, December 31, 2025, and March 31, 2025, respectively. For the quarters ended March 31, 2026, December 31, 2025, and March 31, 2025, GAAP yield on loans was 6.91%, 7.04% and 7.12%, respectively. Total GAAP interest income was \$41.8 million, \$43.6 million and \$39.8 million with a resulting earning asset yield of 6.25%, 6.30% and 6.48% for the quarters ended March 31, 2026, December 31, 2025, and March 31, 2025, respectively.

(3) Average balances on loans outstanding include nonaccrual loans, unamortized net deferred loan fees/costs and unaccreted purchase discount on acquired loans. The amortization of net loan origination fees and accretion of purchase discount on acquired loans are included in interest income on loans.

Noninterest Income and Expense

Noninterest income for the quarter ended March 31, 2026, was \$2.7 million, compared to \$1.3 million for the quarter ended December 31, 2025, and \$1.0 million for the quarter ended March 31, 2025. The quarter-over-quarter increase in noninterest income is largely attributed to a \$912 thousand gain on the sale of \$8.9 million of non-core loans acquired in the merger with 1st Capital Bancorp, as well as a special dividend received on our holdings of FHLB of San Francisco stock in the amount of \$368 thousand and gains on the sale of investment securities totaling \$97 thousand.

The year-over-year increase in noninterest income is primarily attributable to the \$912 thousand gain on the sale of non-core loans discussed above, the \$368 thousand special dividend received on our holdings of FHLB of San Francisco stock and \$97 thousand in gains on the sale of investment securities in the first quarter of 2026, compared to \$257 thousand of losses recorded on the sale of investment securities during the first quarter of 2025.

Noninterest expense for the quarter ended March 31, 2026, was \$16.0 million, compared to \$15.8 million for the quarter ended December 31, 2025, and \$15.5 million for the quarter ended March 31, 2025. The quarter-over-quarter increase in noninterest expense can be attributed to higher professional fees incurred in preparation to become an SEC registrant, slightly higher salaries and employee benefits and other seasonal expenses. The increase in salaries and employee benefits is primarily attributed to higher seasonal payroll taxes, group insurance costs and commissions expense associated with increased loan production.

These increases were partially offset by lower quarter-over-quarter marketing and advertising expenses as well as lower data processing costs associated with one-time credits received from our core system processor and the absence of \$201 thousand in acquisition-related expenses incurred in the fourth quarter of 2025.

The year-over-year increase in noninterest expenses is largely attributed to higher professional fees incurred in the first quarter of 2026 associated with our preparation of becoming an SEC registrant. The year-over-year increase in professional fees was partially offset by a \$234 thousand decrease in data and item processing costs, stemming from credits received from our core system processor, as well as the absence of \$250 thousand in acquisition related-expenses and rebranding expenses incurred in the first quarter of 2025.

Liquidity Position

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

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
<i>(Dollars in thousands)</i>			
Cash and cash equivalents	\$ 161,514	\$ 190,678	\$ 45,000
Interest-earning deposits in other financial institutions	100	104	350
Unencumbered AFS securities	255,170	267,150	268,525
Total on-balance-sheet liquidity	416,784	457,932	313,875
Line of credit from the Federal Home Loan Bank of San Francisco – collateralized	720,925	709,451	639,607
Line of credit from the Federal Reserve Bank of San Francisco – collateralized	409,679	356,450	357,453
Lines at correspondent banks – unsecured	100,000	100,000	100,000
Total external contingency liquidity capacity	1,230,604	1,165,901	1,097,060
Less: short-term borrowings	—	—	(20,000)
Net available liquidity sources	<u>\$ 1,647,388</u>	<u>\$ 1,623,833</u>	<u>\$ 1,390,935</u>

As of March 31, 2026, 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%, 21% and 1%, respectively, of the investment portfolio as of March 31, 2026. 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%, 4% and 3% of the carrying value of the portfolio, respectively.

The investment portfolio totaled \$377.6 million at March 31, 2026, compared to \$391.2 million at December 31, 2025, and \$371.3 million at March 31, 2025. The decrease in the investment portfolio from December 31, 2025, was primarily due to maturities, principal paydowns and sales outpacing purchases. Maturities, paydowns and sales totaled \$21.9 million during the first quarter of 2026, while purchases totaled \$9.8 million. The investment portfolio had an average life of 4.9 years as of March 31, 2026, 5.3 years as of December 31, 2025, and 5.6 years at March 31, 2025.

Net unrealized losses on AFS securities grew to \$8.6 million (\$6.1 million after-tax) at March 31, 2026, from \$6.4 million (\$4.5 million after-tax) at December 31, 2025. The increase in the net unrealized loss on the AFS portfolio during the first quarter of 2026 resulted from an increase in intermediate term interest rates negatively impacting the value of the securities. Net unrealized losses on AFS securities were \$14.9 million (\$10.5 million after-tax) at March 31, 2025.

Loans and Asset Quality

Gross loans, net of unaccreted purchase discount and deferred fees and costs, increased \$46.8 million, or 2.2%, from December 31, 2025, and increased \$114.0 million, or 5.4%, compared to March 31, 2025. Loan growth during the first quarter of 2026 was led by revolving lines of credit and commercial real estate, which collectively grew by \$47.6 million. Outstanding loans made to new organic relationships established the first quarter of 2026 totaled \$76.0 million at March 31, 2026. Partially offsetting the loan growth was the sale of non-core acquired loans of \$8.9 million and the transfer of a \$10.0 million non-accrual loan to OREO in the first quarter of 2026. New loan commitments originated during the first quarter of 2026 were \$139.5 million, driven by \$60.4 million in new commercial real estate commitments, in addition to \$52.9 million in new commercial and industrial ("C&I") loan commitments.

Nonaccrual loans of \$10.9 million accounted for 0.5% of gross loans at March 31, 2026, compared to \$14.1 million, or 0.6%, of gross loans at December 31, 2025, and \$2.3 million, or 0.1%, of gross loans at March 31, 2025. Nonaccrual loan composition changed during the first quarter of 2026, primarily reflecting the transfer of a \$10.0 million land development loan to OREO following foreclosure in January 2026. Upon transfer to OREO, the Bank charged-off a \$3.2 million previously established specific reserve on the loan, reflective of the difference in the amortized cost of the loan and the fair value of the foreclosed property. The Bank is in the process of selling the property and seeking recourse from guarantors. At March 31, 2026, nonaccrual loans included a \$5.8 million hotel relationship that consists of a \$1.1 million conventional CRE loan and a \$4.7 million SBA loan in addition to other SBA-related credits totaling \$5.1 million. Government guarantees of \$7.1 million reduced net nonaccrual exposure to \$3.8 million. Accruing loans past due 30-89 days totaled \$836 thousand at March 31, 2026, a decrease from \$8.8 million from December 31, 2025. The decline primarily reflected the migration of the previously identified SBA hotel relationship to nonaccrual status, with no significant new additions to accruing past due balances during the quarter. There were no loans more than 90 days past due still accruing as of March 31, 2026, December 31, 2025, or March 31, 2025.

The allowance for credit losses on loans ("ACL") was \$34.7 million at March 31, 2026, or 1.56% of total loans, compared to \$38.2 million at December 31, 2025, or 1.76% of total loans, and \$33.1 million, or 1.57%, at March 31, 2025. The decrease in the ACL-to-loan ratio from December 31, 2025, to March 31, 2026, primarily reflected the charge-off of the previously established specific reserve of \$3.2 million on the land development loan noted earlier, lower reserves on other individually analyzed loans primarily due to cash receipts on certain nonaccrual loans and other slightly favorable changes within the collectively evaluated portfolio, including the effect of the change in the loan portfolio mix post sale of the non-core residential loan pool mentioned earlier. Charge-offs accounted for approximately 15 basis points of the 20-basis-point, quarter-over-quarter decline in the reserve ratio. Besides the \$3.2 million charge-off upon transfer of the land development loan to OREO, there were approximately \$0.5 million of partial charge-offs of previously established specific reserves, net of \$303 thousand of recoveries during the first quarter of 2026. As a result, the allowance allocated to individually evaluated loans decreased by approximately \$3.9 million, from \$5.0 million at December 31, 2025, to \$1.1 million at March 31, 2026.

While there was provision for credit losses on loans related to organic loan growth during the first quarter of 2026, it was more than offset by a reversal of provision for credit losses of approximately \$258 thousand associated with the sale of the acquired non-core residential portfolio and improvement in the specific reserves on the individually analyzed loans. Remaining quarter-over-quarter reserve changes were modest relative to the primary drivers discussed above.

The allowance on unfunded credit commitments, recorded in other liabilities, was \$2.7 million, or 0.41% of unfunded credit commitments, at March 31, 2026, compared to \$3.0 million, or 0.42%, at December 31, 2025. The decline in the unfunded reserve balance primarily reflected a \$28 million quarter-over-quarter decrease in unfunded commitments, while the reserve rate was largely stable.

The following table summarizes the Bank's loan mix:

As of			Change % vs.	
March 31,	December 31,	March 31,	December 31,	March 31,

<i>(Dollars in thousands)</i>	2026	2025	2025	2025	2025
SBA and B&I loans	\$ 175,949	\$ 179,659	\$ 183,743	(2) %	(4) %
Commercial term loans	124,597	123,267	130,559	1 %	(5) %
Revolving commercial lines	211,261	185,604	174,810	14 %	21 %
Asset-based lines of credit	49,829	57,238	29,990	(13) %	66 %
Construction loans	259,577	253,978	211,085	2 %	23 %
Commercial real estate loans	1,374,203	1,352,215	1,364,071	2 %	1 %
Home equity lines of credit	35,428	36,005	34,950	(2) %	1 %
Consumer and other loans	3,879	3,435	1,779	13 %	118 %
Deferred loan expenses, net of fees	2,080	1,904	2,240	9 %	(7) %
Total loans, net of deferred fees and costs	2,236,803	2,193,305	2,133,227	2 %	5 %
Purchase discount on acquired loans	(17,528)	(20,841)	(27,980)	(16) %	(37) %
Total loans, net of unaccreted purchase discount	<u>\$ 2,219,275</u>	<u>\$ 2,172,464</u>	<u>\$ 2,105,247</u>	<u>2 %</u>	<u>5 %</u>

The following table summarizes delinquent and nonperforming loans, net of deferred fees and costs, and purchase discounts:

<i>(Dollars in thousands)</i>	As of or for the Three Months Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
Loans past due 30-89 days	\$ 836	\$ 8,778	\$ 7,192
Loans past due 30-89 days, net of government guaranteed amounts	\$ 836	\$ 3,717	\$ —
Delinquent loans (past due 90+ days still accruing)	\$ —	\$ —	\$ —
Nonaccrual loans	10,936	14,101	2,259
Other real estate owned	6,874	267	—
Nonperforming assets	<u>\$ 17,810</u>	<u>\$ 14,368</u>	<u>\$ 2,259</u>
Nonperforming assets, net of government guaranteed amounts	\$ 10,670	\$ 11,962	\$ —
Net loan charge-offs (recoveries) QTD	\$ 3,368	\$ (346)	\$ 5

Deposits

Deposits totaled \$2.47 billion at March 31, 2026, a decrease of \$2.8 million compared to December 31, 2025, and an increase of \$218.0 million compared to March 31, 2025. The decrease in deposits in the first quarter of 2026 is partly attributed to the distribution by a non-profit organization following a holiday fundraising campaign and deposit outflows from clients purchasing property. The deposit outflows were partially offset by new banking relationships established in the first quarter of 2026 that generated \$8.6 million in deposits and more than 250 new deposit accounts. Noninterest-bearing deposits to total deposits was 39.8% at March 31, 2026, compared to 40.9% at December 31, 2025, and 42.3% at March 31, 2025. The 10 largest deposit relationships, excluding fully collateralized government agency deposits, represent approximately 14.5% of total deposits as of March 31, 2026. The Bank generally aggregates related depositors with entities and individuals that have same deposit account signers as one deposit relationship.

The following table summarizes the Bank's deposit mix:

<i>(Dollars in thousands)</i>	As of			Change % vs.	
	March 31, 2026	December 31, 2025	March 31, 2025	December 31, 2025	March 31, 2025
Noninterest-bearing demand	\$ 985,415	\$ 1,012,201	\$ 954,663	(3) %	3 %
Interest-bearing demand	235,391	250,248	250,585	(6) %	(6) %
Money markets	948,781	897,471	718,465	6 %	32 %
Savings	160,659	168,312	171,670	(5) %	(6) %
Time certificates of deposit	144,040	148,820	160,866	(3) %	(10) %
Total deposits	<u>\$ 2,474,286</u>	<u>\$ 2,477,052</u>	<u>\$ 2,256,249</u>	<u>— %</u>	<u>10 %</u>
Deposits – personal	\$ 798,094	\$ 813,138	\$ 776,856	(2) %	3 %
Deposits – business	1,676,192	1,663,914	1,479,393	1 %	13 %
Total deposits	<u>\$ 2,474,286</u>	<u>\$ 2,477,052</u>	<u>\$ 2,256,249</u>	<u>— %</u>	<u>10 %</u>

Shareholders' Equity

Total shareholders' equity was \$388.2 million at March 31, 2026, an \$11.4 million, or 3.0%, increase compared to December 31, 2025, and a \$42.5 million, or 12.3%, increase compared to March 31, 2025. The increase during the first quarter of 2026 was primarily due to quarterly earnings of \$15.0 million, partially offset by a \$1.6 million increase in the unrealized losses on the AFS debt securities portfolio, and cash dividends declared of approximately \$2.4 million. The year-over-year increase in shareholders' equity is attributed to activity during the 12 months ended March 31, 2026, including net income of \$53.7 million, dividends declared of \$9.1 million, stock repurchases of \$8.2 million, favorable changes in accumulated other comprehensive income of \$4.3 million, stemming from a reduction in unrealized losses on the AFS debt securities portfolio, and other activity totaling \$1.7 million primarily related to stock-based compensation.

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 March 31, 2026, 198,743 shares had been repurchased at a weighted average share price of \$40.92 (excluding commission and fees of \$0.04 per share) for a total of \$8.1 million (excluding excise taxes of \$58 thousand). No stock repurchases occurred during the first quarter of 2026.

Non-GAAP Financial Measures

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 may include taxable equivalent net interest income, efficiency ratio, tangible common equity to tangible asset ratio and return on average tangible common equity:

- Taxable equivalent net interest income is derived by adding the tax-equivalent benefit from tax-exempt interest-earning loans and tax-exempt investment securities to total interest income and then subtracting total interest expense. The tax-equivalent benefit is derived using the federal statutory income tax rate of 21%. Taxable equivalent net interest margin is derived by dividing taxable equivalent net interest income by total interest-earning assets for the relevant period. Management considers the use of these measures to be beneficial as they allow for comparability of yields on taxable and tax-exempt assets. We believe disclosure of these measures is also consistent with standard practice within the banking industry.
- 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, certain non-recurring items may be excluded from time to time and would be noted separately.
- Tangible common equity and 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.
- 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. Return on average tangible equity is derived by adding to net income amortization of core deposit intangibles (less the related tax effect) and then dividing the resulting amount by average tangible equity for the period. Average tangible equity is determined by subtracting from average total shareholders' equity the average balance of intangible assets during the period, which were core deposit intangible assets and goodwill. We believe that disclosure of return on average tangible equity is beneficial as it provides an understanding of the operating results of our core business.

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 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

- **Newsweek Magazine:** Named one of America's Best Regional Banks and Credit Unions 2026 and 2025.
- **S&P Global Market Intelligence:**
 - Ranked #8 among top U.S. community banks under \$3B;
 - Ranked #2 among community banks in the West under \$10B and
 - Ranked #1 among California community banks under \$10B for full-year 2025 financial performance.
- **TIME Magazine America's Growth Leaders for 2026:** Ranked #330 of 501 in inaugural list of top performing publicly listed companies in the U.S.
- **BauerFinancial:** Rated 5-star "Superior" for every quarter of 2025.
- **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*).
- **American Banker Magazine:** Ranked #59 among top U.S. community banks with \$2-\$10B in assets (*for full-year 2024 financial performance*).
- **Silicon Valley Business Journal**
 - Ranked #14 for fastest-growing deposits as of December 31, 2025.
 - Ranked #11 among Top 20 largest Silicon Valley banks by deposits as of June 30, 2025.
 - Ranked #11 among fastest-growing real estate lenders as of March 31, 2025.
 - Ranked #17 among largest corporate philanthropists in Silicon Valley for 2024 giving.
- **Santa Cruz Area Chamber of Commerce:** Business of the Year 2025, 2022 and 2018.
- **Santa Cruz Sentinel 2025 Readers' Choice Award:** Voted number one bank in Santa Cruz County for 11 years.
- **Good Times 2025 Best of Santa Cruz County Readers' Poll:** Voted Best Local Bank for the fourteenth consecutive year.
- **The Pajaronian 2025 Best of the Pajaro Valley Readers' Poll:** Silver Award for Best Bank.
- **The Press Banner 2025 The Best of Scotts Valley Readers' Poll:** Silver Award for Best Local Bank.

Forward-Looking Statements

This release may contain statements that we believe are, or may be considered to be, "forward-looking statements." Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations, or assumptions regarding the future of the business, future plans and strategies, operational results, and other future conditions of the Bancorp. All statements other than statements of historical fact included in this release may constitute forward-looking statements, including statements regarding the prospects of our industry or our prospects, plans, expected operating results, financial position, or business strategy. In addition, forward-looking statements generally can be identified by the use of forward-looking words such as "plans," "expects" or "does not expect," "is expected," "look forward to," "budget," "scheduled," "estimates," "forecasts," "will continue," "intends," "the intent of," "have the potential," "anticipates," "does not anticipate," "believes," "should," "should not," "may," "could," "would," "might," "will," "be taken," "occur," "be achieved," or the negative of these terms or variations of them or similar terms. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will prove to be correct. These forward-looking statements are subject to certain known and unknown risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. 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. Therefore, we caution you not to place undue reliance on any forward-looking statements contained herein, which reflect management's opinions only as of the date hereof. Except as required by law, we undertake no obligation to revise or publicly release the results of any revision to any forward-looking statements.

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.

Balance Sheet

(Dollars in thousands)

ASSETS

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Cash and cash equivalents	\$ 161,514	\$ 190,678	\$ 45,000
Interest-earning deposits in other financial institutions	100	104	350
Debt securities available for sale (amortized cost \$379,782, \$390,996 and \$379,580 at March 31, 2026, December 31, 2025, and March 31, 2025, respectively, net of allowance of credit losses of \$0)	371,168	384,608	364,666

Debt securities held to maturity, net of allowance for credit losses of \$0 (fair value \$6,114, \$6,257 and \$6,164 at March 31, 2026, December 31, 2025, and March 31, 2025, respectively)

	6,408	6,544	6,620
Loans held for investment	2,219,275	2,172,464	2,105,247
Less: Allowance for credit losses on loans	(34,677)	(38,173)	(33,102)
Loans, net of allowance	2,184,598	2,134,291	2,072,145
Non-marketable equity investments, at cost	15,355	15,355	15,355
Premises and equipment, net	10,374	10,285	9,418
Goodwill	40,054	40,054	40,054
Core deposit intangible asset, net	22,871	23,858	26,984
Bank-owned life insurance	29,692	29,492	27,727
Accrued interest receivable and other assets	52,944	48,415	49,939
Total assets	<u>\$ 2,895,078</u>	<u>\$ 2,883,684</u>	<u>\$ 2,658,258</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits

Noninterest-bearing	\$ 985,415	\$ 1,012,201	\$ 954,663
Interest-bearing	1,488,871	1,464,851	1,301,586
Total deposits	2,474,286	2,477,052	2,256,249

Federal Home Loan Bank advances and other borrowings	—	—	20,000
Subordinated debentures	7,856	7,790	11,696
Accrued interest payable and other liabilities	24,702	22,015	24,628
Total liabilities	2,506,844	2,506,857	2,312,573

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; 10,499,854, 10,482,767, and 10,586,179 outstanding as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively	198,659	198,250	205,122
Retained earnings	195,025	182,448	150,346
Accumulated other comprehensive loss, net of taxes	(5,450)	(3,871)	(9,783)
Total shareholders' equity	388,234	376,827	345,685
Total liabilities and shareholders' equity	<u>\$ 2,895,078</u>	<u>\$ 2,883,684</u>	<u>\$ 2,658,258</u>

Income Statement

	Three Months Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
<i>(Dollars in thousands, except share data)</i>			
Interest income			
Loans, including fees	\$ 37,105	\$ 38,219	\$ 36,340
Interest-earning deposits in other financial institutions	1,367	1,630	290
Taxable securities	2,836	3,229	2,572
Tax-exempt securities	528	568	610
Total interest income	41,836	43,646	39,812
Interest expense			
Deposits	7,590	8,125	7,186
Subordinated debentures	164	1,077	238
Federal Home Loan Bank advances and other borrowings	—	—	43
Total interest expense	7,754	9,202	7,467
Net interest income before (reversal of) provision for credit losses	34,082	34,444	32,345
(Reversal of) provision for credit losses on loans	(128)	736	1,482
(Reversal of) provision for credit losses on unfunded loan commitments	(231)	735	(100)
Net interest income after (reversal of) provision for credit losses	34,441	32,973	30,963
Noninterest income			
Service charges on deposits	250	227	170
Loan servicing fees	107	114	141
ATM fee income	257	272	273

Earnings on bank-owned life insurance	200	195	178
Dividends on non-marketable equity securities	656	288	290
Gain (loss) on sale of securities	97	—	(257)
Gain on sale of loans	912	—	—
Gain on sale of other assets	3	—	24
Other	228	243	180
Total noninterest income	<u>2,710</u>	<u>1,339</u>	<u>999</u>

Noninterest expense			
Salaries and employee benefits	8,538	8,360	8,481
Occupancy	857	772	918
Furniture and equipment	1,021	1,029	1,004
Marketing, business development and shareholder-related expense	283	525	362
Data and item processing	482	720	716
Regulatory assessments, including federal deposit insurance	391	399	421
Amortization of core deposit intangibles	986	991	1,067
Professional fees	1,257	815	254
Acquisition-related expense	—	201	250
Other	2,221	1,977	2,024
Total noninterest expense	<u>16,036</u>	<u>15,789</u>	<u>15,497</u>

Income before income taxes	21,115	18,523	16,465
Income tax expense	<u>6,128</u>	<u>4,751</u>	<u>4,787</u>
Net income	<u>\$ 14,987</u>	<u>\$ 13,772</u>	<u>\$ 11,678</u>

Earnings per share			
Basic	\$ 1.45	\$ 1.32	\$ 1.11
Diluted	\$ 1.43	\$ 1.31	\$ 1.10

Financial Highlights

	As of or for the Three Months Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
<i>(Dollars in thousands, except share data)</i>			
Ratios and Growth Rates			
Net interest margin, tax equivalent ^a	5.11 %	4.99 %	5.29 %
Cost of funds ^b	1.28 %	1.46 %	1.32 %
Efficiency ratio ^c	43.59 %	44.12 %	46.48 %
Return on:			
Average assets	2.12 %	1.88 %	1.78 %
Average equity	15.76 %	14.55 %	13.83 %
Average tangible equity ^d	19.75 %	18.46 %	18.34 %
ACL/Gross loans	1.56 %	1.76 %	1.57 %
Noninterest-bearing deposits to total deposits	39.83 %	40.86 %	42.31 %
Gross loan-to-deposit ratio	89.69 %	87.70 %	93.31 %
Growth in loans	2.15 %	2.13 %	2.94 %
Growth in deposits	-0.11 %	1.68 %	-2.35 %
Capital Ratios			
Tier 1 leverage ratio	11.75 %	11.12 %	11.08 %
Common equity tier 1 risk-based capital ratio	13.08 %	12.82 %	12.47 %
Tier 1 risk-based capital ratio	13.08 %	12.82 %	12.47 %
Total risk-based capital ratio	14.65 %	14.39 %	14.23 %
Tangible common equity ratio ^e	11.49 %	11.10 %	10.75 %
Per Share Data			
Book value per share	\$ 36.98	\$ 35.95	\$ 32.65
Tangible book value per share ^f	\$ 30.98	\$ 29.85	\$ 26.32
Shares outstanding	10,499,854	10,482,767	10,586,179
Basic weighted average common shares outstanding	10,356,809	10,429,104	10,509,667

Diluted weighted average common shares outstanding	10,487,876	10,546,203	10,625,489
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^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.

Non-GAAP Financial Measures

	As of or for the Three Months Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
<i>(Dollars in thousands, except share data)</i>			
Total shareholders' equity	\$ 388,234	\$ 376,827	\$ 345,685
Less: goodwill and other intangibles	62,925	63,912	67,038
Tangible common equity (non-GAAP)	<u>\$ 325,309</u>	<u>\$ 312,915</u>	<u>\$ 278,647</u>
Tangible book value per common share (non-GAAP)	\$ 30.98	\$ 29.85	\$ 26.32
Total assets	\$ 2,895,078	\$ 2,883,684	\$ 2,658,258
Less: goodwill and other intangibles	62,925	63,912	67,038
Tangible assets	<u>\$ 2,832,153</u>	<u>\$ 2,819,772</u>	<u>\$ 2,591,220</u>
Total shareholders' equity to total assets	13.41 %	13.07 %	13.00 %
Tangible equity to tangible assets (non-GAAP)	11.49 %	11.10 %	10.75 %

 View original content to download multimedia: <https://www.prnewswire.com/news-releases/west-coast-community-bancorp-announces-earnings-and-dividend-for-the-first-quarter-of-2026-302747882.html>

SOURCE West Coast Community Bancorp

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