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

July 21, 2026

SANTA CRUZ, Calif., July 21, 2026 (GLOBE NEWSWIRE) -- West Coast Community Bancorp (“Bancorp,” OTCQX: WCCB), the parent company of West Coast Community Bank (the “Bank”), announced unaudited earnings for the quarter ended June 30, 2026, of $12.2 million, compared to $15.0 million for the first quarter of 2026 and $12.9 million for the quarter ended June 30, 2025. Earnings for the six months ended June 30, 2026 increased 10.4% to $27.1 million from $24.6 million in the same period in the prior year.

Basic and diluted earnings per share (“EPS”) for the second quarter of 2026, were $1.17 and $1.16, respectively, compared to $1.45 and $1.43, respectively, for the first quarter of 2026, and $1.23 and $1.22, respectively, for the second quarter of 2025. For the six months ended June 30, 2026, basic and diluted EPS were $2.62 and $2.59, respectively, compared to $2.34 and $2.31, respectively, for the first six months of 2025.

During the second quarter of 2026, Bancorp redeemed remaining higher-cost subordinated debentures scheduled to mature in June 2036, which was assumed in the merger with 1st Capital Bancorp in 2024 ("sub debt redemption"). The sub debt redemption resulted in the accelerated accretion of the remaining $1.8 million of unaccreted purchase discount, which was recorded in interest expense during the second quarter. The sub debt redemption reduced both basic and diluted EPS by approximately $0.12 for both the three and six months ended June 30, 2026.

"We delivered another strong quarter, marked by solid loan and deposit growth and further expansion of tangible book value. Our robust capital and liquidity position also enabled early redemption of higher-cost subordinated debentures,” said Krista Snelling, Chairman and Chief Executive Officer of West Coast Community Bancorp. “With capital ratios strengthened by our earnings power and no outstanding borrowings, we enter the second half of the year well positioned to continue building shareholder value."

On July 15, 2026, the Bancorp Board of Directors declared a $0.01 increase in quarterly cash dividend to $0.25 per common share, payable on August 10, 2026, to shareholders of record at the close of business on August 4, 2026.

“Increasing the dividend reflects the Board's confidence in our earnings trajectory and its commitment to rewarding shareholders while preserving ample capacity to support future growth,” added Snelling.

Financial Highlights

- Net income for the second quarter of 2026 decreased $2.8 million, or 18.9%, from the first quarter of 2026, partly attributed to the impact of sub debt redemption mentioned above. First quarter results reflected higher noninterest income 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. Net income for the first six months of 2026 increased $2.6 million, or 10.4%, compared to the first six months of 2025. The increase was largely driven by higher net interest income, primarily from year-over-year loan and interest-bearing cash growth, and noninterest income mentioned previously.
- Total loans were $2.27 billion at June 30, 2026, compared to $2.22 billion at March 31, 2026, and $2.11 billion at June 30, 2025, representing an increase of $52.1 million, or 2.3% from March 31, 2026, and an increase of $161.5 million, or 7.7%, from June 30, 2025. Loan growth was most notable in commercial and commercial real estate ("CRE") loans, especially agriculture-related businesses sourced from our San Luis Obispo team. The organic loan growth during 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") in the first quarter of 2026.
- Provision for credit losses was $1.5 million for the second quarter of 2026, compared to a reversal of provision for credit losses of $359 thousand for the first quarter of 2026, and a provision for credit losses of $620 thousand for the second quarter of 2025. The increase in provision for credit losses for the second quarter of 2026 is largely attributed to loan growth during the quarter and the change in mix of loans, as well as an increase in the allowance for individually evaluated loans. Reversal of provision for credit losses in the first quarter of 2026 reflected a $258 thousand release from the general allowance for loan losses resulting from the sale of the non-core acquired loans in that quarter.
- Total assets were $2.95 billion at June 30, 2026, compared to $2.90 billion at March 31, 2026, and $2.65 billion at June 30, 2025, representing an increase of $50.1 million, or 1.7%, from March 31, 2026, and $294.8 million, or 11.1%, from June 30, 2025. The quarter-over-quarter increase in total assets is largely attributed to a $52.1 million increase in loans held for investment. The year-over-year increase in total assets is largely attributed to a $161.5 million increase in loans held for investment, a $106.7 million increase in cash and cash equivalents and a $22.7 million increase in available-

for-sale ("AFS") debt securities. Strong quarter-over-quarter and year-over-year deposit growth contributed to the growth in assets.

- Total deposits were $2.52 billion at June 30, 2026, compared to $2.47 billion at March 31, 2026, and $2.26 billion at June 30, 2025, representing an increase of $48.4 million, or 2.0%, from March 31, 2026, and an increase of $262.6 million, or 11.6%, from June 30, 2025. The increase in deposits during the second quarter and year-over-year was driven by the establishment of new client relationships.
- 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 13.0%, 14.4% and 11.7% at June 30, 2026, March 31, 2026, and June 30, 2025, respectively.
- Taxable equivalent net interest margin was 4.92%, 5.11% and 5.30% for the quarters ended June 30, 2026, March 31, 2026, and June 30, 2025, respectively. The quarter-over-quarter decrease in the net interest margin is largely attributed to accelerated accretion associated with the sub debt redemption. Accelerated accretion reduced the net interest margin by approximately 27 basis points during the second quarter. Excluding the impact of accelerated accretion, the net interest margin was approximately 5.19% for the second quarter of 2026. For the first six months of 2026 and 2025, the taxable equivalent net interest margin was 5.01% and 5.30%, respectively. The year-over-year decrease was driven by accelerated accretion associated with the sub debt redemption in the second quarter, which reduced the net interest margin by approximately 14 basis points during the first six months of 2026. In addition, a decrease in purchase discount accretion on acquired loans during the first six months of 2026 compared to the same period in 2025 contributed to the decrease in net interest margin.
- The cost of funds was 1.59%, 1.28% and 1.41% for the quarters ended June 30, 2026, March 31, 2026, and June 30, 2025, respectively. The quarter-over-quarter increase in the cost of funds is attributed to $1.8 million of accelerated accretion associated with the sub debt redemption. Excluding the impact of accelerated accretion, the cost of funds was approximately 1.29% for the second quarter of 2026. For the first six months of 2026 and 2025, the cost of funds was 1.43% and 1.37%, respectively. The year-over-year increase was driven by accelerated accretion associated with the sub debt redemption in the second quarter, which increased the cost of funds by approximately 15 basis points during the first six months of 2026.
- Return on average equity ("ROAE") was 12.32%, 15.76% and 14.71% for the quarters ended June 30, 2026, March 31, 2026 and June 30, 2025, respectively. ROAE was 14.01% and 14.28% for the first six months of 2026 and 2025, respectively. Excluding accelerated accretion on the sub debt redemption, adjusted ROAE (a non-GAAP measure) was 13.62%, 15.76% and 14.84% for the quarters ended June 30, 2026, March 31, 2026, and June 30, 2025, respectively. Adjusted ROAE was 14.67% and 14.34% for the six months ended June 30, 2026 and 2025, respectively. Please also see "Non-GAAP Financial Measures" below.
- Return on average tangible equity (“ROATE”), a non-GAAP measure, was 15.47%, 19.75% and 19.20% for the quarters ended June 30, 2026, March 31, 2026, and June 30, 2025, respectively. ROATE was 17.56% and 18.78% for the first six months of 2026 and 2025, respectively. Excluding accelerated accretion on the sub debt redemption, adjusted ROATE (a non-GAAP measure) was 17.01%, 19.75% and 19.35% for the quarters ended June 30, 2026, March 31, 2026, and June 30, 2025, respectively. Adjusted ROATE was 18.35% and 18.86% for the six months ended June 30, 2026 and 2025, respectively. Please also see "Non-GAAP Financial Measures" table below.
- Return on average assets (“ROAA”) was 1.69%, 2.12% and 1.95% for the quarters ended June 30, 2026, March 31, 2026, and June 30, 2025, respectively. ROAA was 1.90% and 1.87% for the first six months of 2026 and 2025, respectively. Excluding accelerated accretion on the sub debt redemption, adjusted ROAA (a non-GAAP measure) was 1.87%, 2.12% and 1.97% for the quarters ended June 30, 2026, March 31, 2026, and June 30, 2025, respectively. Adjusted ROAA was 1.99% and 1.88% for the six months ended June 30, 2026 and 2025, respectively. Please also see "Non-GAAP Financial Measures" table below.
- The efficiency ratio, a non-GAAP measure, was 46.24%, 43.59% and 45.16% for the quarters ended June 30, 2026, March 31, 2026, and June 30, 2025, respectively. The efficiency ratio was 44.87% and 45.81% for the first six months of 2026 and 2025, respectively. The increase in the efficiency ratio for the second quarter of 2026 compared to the first quarter of 2026 can be attributed in part to the sub debt redemption, which reduced net interest income by $1.8 million in the second quarter, and the absence of a $912 thousand gain on sale of non-core acquired loans that occurred in the first quarter of 2026. Excluding the accelerated accretion on the sub debt redemption, the adjusted efficiency ratio (a non-GAAP measure) was 43.91%, 43.59% and 44.95% for the quarters ended June 30, 2026, March 31, 2026 and June 30, 2025, respectively. The adjusted efficiency ratio was 43.75% and 45.70% for the six months ended June 30, 2026 and 2025, respectively. Please also see "Non-GAAP Financial Measures" table below.
- Bancorp’s regulatory capital ratios exceeded applicable minimum capital adequacy requirements, and the Bank continued to meet the regulatory capital thresholds necessary to be categorized as well capitalized under the prompt corrective action framework. Bancorp’s total risk-based capital ratio was 14.47%, 14.65% and 14.46% at June 30, 2026, March 31, 2026, and June 30, 2025, respectively. The redemption of the subordinated debt reduced Bancorp's total risk-based capital ratio by 36 basis points at June 30, 2026. The tangible common equity to tangible asset ratio was 11.67%, 11.49% and 11.26% at June 30, 2026, March 31, 2026, and June 30, 2025, respectively.
- Tangible book value per share, a non-GAAP measure, was $32.01, $30.98 and $27.51 at June 30, 2026, March 31, 2026, and June 30, 2025, respectively. The increase in the second quarter of 2026 was primarily driven by net income of $12.2 million, partially offset by a $257 thousand increase in accumulated other comprehensive loss, stemming from a slight increase in after-tax unrealized losses on the AFS debt securities portfolio, and cash dividends declared and paid of approximately $2.5 million.

Net Interest Income and Net Interest Margin

Three months ended June 30, 2026, as compared to three months ended March 31, 2026

Net interest income was $33.1 million for the second quarter of 2026, representing a decrease of $944 thousand, or 2.8%, from $34.1 million for the first quarter of 2026. The quarter-over-quarter decrease in net interest income was attributed to the sub debt redemption, which increased interest expense by approximately $1.8 million during the second quarter. While interest income increased during the second quarter, due in large part to a favorable change in the mix of earning assets yields stemming from loan growth during the quarter, the increase in interest income was more than offset by the accelerated accretion associated with the sub debt redemption.

The taxable equivalent net interest margin was 4.92% for the second quarter of 2026, compared to 5.11% for the first quarter of 2026. While the yield on earning assets increased by 10 basis points in the second quarter, due to the favorable change in mix of interest earning assets, the net interest margin was negatively impacted by the sub debt redemption. The sub debt redemption impacted the cost of funds and the net interest margin by approximately 30 basis points and 27 basis points, respectively, in the second quarter.

The cost of deposits for the second quarter of 2026 was 1.27%, compared to 1.25% for the first quarter of 2026. The quarter-over-quarter increase can be attributed to slightly higher average balances of interest-bearing deposits, due to an increase in average money market balances, as well as a modest decrease in the average balance of non-interest bearing deposits during the quarter.

Three months ended June 30, 2026, as compared to three months ended June 30, 2025

Net interest income for the second quarter of 2026 was approximately $331 thousand, or 1.0%, higher than the $32.8 million recorded for the second quarter of 2025. The year-over-year increase in net interest income was due in large part to higher interest income on loans stemming from year-over-year loan growth, as well as an increase in interest income associated with higher balances of interest-earning cash and due from and investment securities. The year-over-year increase in interest income was partially offset by higher interest expense, largely attributed to accelerated accretion associated with the sub debt redemption in the second quarter of 2026 and an increase in interest expense on deposits attributed to strong deposit growth over the last year. The year-over-year increase in interest expense was partially offset by a decrease in interest expense on FHLB advances, as strong year-over-year deposit growth has allowed the Bank to rely less on wholesale funding to support the growth in earning assets.

The taxable equivalent net interest margin for the second quarter of 2026 was approximately 38 basis points lower than the 5.30% reported for the second quarter of 2025. The decrease in the net interest margin was largely due to the sub debt redemption, which negatively impacted the net interest margin by approximately 27 basis points in the second quarter of 2026. Slightly offsetting the impact of the sub debt redemption on the cost of funds and the net interest margin was the absence of interest expense on FHLB advances during the second quarter of 2026, as compared to the second quarter of 2025, as well as a modest year-over-year decrease in the cost of deposits. A year-over-year decrease in the yield on earning assets also contributed slightly to the decrease in the net interest margin and was largely associated with a year-over-year change in the overall mix of and yields on interest-earning assets, including a lower overall yield on loans due in part to certain loan products indexed to the prime rate that re-priced lower because of a 75-basis-point reduction in the Federal Funds target rate in late 2025. In addition, the yield on loans was impacted by a year-over-year decrease in purchase discount accretion on acquired loans of approximately $805 thousand.

The cost of deposits of 1.27% for the second quarter of 2026 was approximately three basis points lower than the 1.30% for the second quarter of 2025. The slight year-over-year decrease can be attributed to lower overall average rates on interest-bearing deposits as well as a modest year-over-year increase in average non-interest bearing deposit balances.

Six months ended June 30, 2026, as compared to six months ended June 30, 2025

Net interest income during the first six months of 2026 was $67.2 million, representing an increase of $2.1 million, or 3.2%, when compared to $65.2 million for the first six months in 2025. The increase in net interest income for the first six months of 2026, as compared to the same period in 2025, is largely attributed to higher interest income stemming from year-over-year growth in loans as well as an increase in interest income associated with higher average balances of interest-earning cash and due from and investment securities. The increase in interest income was partially offset by higher interest expense, largely attributed to accelerated accretion associated with the sub debt redemption in the second quarter of 2026 and an increase in interest expense on deposits attributed to strong year-over-year deposit growth. The year-over-year increase in interest expense was partially offset by a decrease in interest expense on FHLB advances, as the Bank has relied less on wholesale funding to support the year-over-year growth in earning assets largely due to strong growth in deposits.

The taxable equivalent net interest margin for the first six months of 2026 was 5.01%, compared to 5.30% for the first six months of 2025. The year-over-year decrease in the net interest margin was largely due to the sub debt redemption, which added approximately 15 basis points to the cost of funds for the first six months of 2026, and negatively impacted the net interest margin by approximately 14 basis points. Slightly offsetting the impact of the sub debt redemption on the cost of funds and the net interest margin was the absence of interest expense on FHLB advances during the first six months of 2026, as compared to the same period in 2025, as well a slightly lower cost of deposits in 2026. Earning asset yields were approximately 24 basis points lower for the first six months of 2026, as compared to the same period in 2025, which also contributed to the year-over-year decrease in the net interest margin. The decrease is attributable in part to year-over-year changes in the overall mix of and yields on interest-earning assets, with higher average balances of lower-yielding interest-earning cash, coupled with a decrease in the overall average yield on loans. The year-over-year decrease in the average yield on loans was driven in part by certain loan products indexed to the prime rate that re-priced lower over the last year because of reductions in the Federal Funds target rate in late 2025. In addition, an approximate $1.7 million year-over-year decrease in purchase discount accretion on acquired loans during the first six months of 2026, as compared to the same period in 2025, contributed to the lower overall yield on loans.

The cost of deposits was 1.26% for the first six months of 2026, representing a three basis point decrease from the cost of deposits for the same period in 2025. The slight year-over-year decrease can be attributed to lower overall average rates on interest-bearing deposits.

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 presented:

	For the Three Months Ended								
	June 30, 2026			March 31, 2026			June 30, 2025		
	Average Balance(2)	Interest Income/ Expense (1)	Avg Yield/ Cost	Average Balance(2)	Interest Income/ Expense (1)	Avg Yield/ Cost	Average Balance(2)	Interest Income/ Expense (1)	Avg Yield/ Cost
	(Dollars in thousands)								
ASSETS									
Interest-earning cash and due from banks	$ 98,211	$ 893	3.65%	$ 151,349	$ 1,367	3.66%	$ 14,990	$ 160	4.28%
Investment securities	382,863	3,530	3.70%	388,467	3,471	3.62%	366,472	3,140	3.44%
Loans	2,233,133	38,631	6.94%	2,176,972	37,126	6.92%	2,109,903	37,636	7.15%
Total interest-earning assets	2,714,207	43,054	6.36%	2,716,788	41,964	6.26%	2,491,365	40,936	6.59%
Noninterest-earning assets	165,372			155,471			161,517		
Total assets	$2,879,579			$2,872,259			$2,652,882		
LIABILITIES									
Interest-bearing demand deposits	$ 247,226	571	0.93%	$ 250,878	573	0.93%	$ 240,840	644	1.07%
Money market deposits	945,898	6,043	2.56%	924,729	5,744	2.52%	714,038	5,009	2.81%
Savings deposits	160,143	306	0.77%	168,082	346	0.83%	165,924	345	0.83%
Time certificates of deposit	139,526	844	2.43%	146,069	927	2.57%	160,003	1,235	3.10%
Short-term borrowings	—	—	—%	—	—	—%	33,133	369	4.47%
Subordinated debt	7,794	1,991	102.46%	7,817	164	8.51%	11,196	393	14.08%
Total interest-bearing liabilities	1,500,587	9,755	2.61%	1,497,575	7,754	2.10%	1,325,134	7,995	2.42%
Noninterest-bearing deposits	959,162			966,367			952,239		
Noninterest-bearing liabilities	23,876			22,705			23,208		
Total liabilities	2,483,625			2,486,647			2,300,581		
EQUITY	395,954			385,612			352,301		
Total liabilities and equity	$2,879,579			$2,872,259			$2,652,882		
Taxable equivalent net interest income and margin(1)		$ 33,299	4.92%		$ 34,210	5.11%		$ 32,941	5.30%
GAAP net interest income		$ 33,138			$ 34,082			$ 32,807	
Cost of funds			1.59%			1.28%			1.41%

(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.

(2) 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.

	For the Six Months Ended					
	June 30, 2026			June 30, 2025		
	Average Balance(2)	Interest Income / Expense (1)	Avg Yield/ Cost	Average Balance(2)	Interest Income / Expense (1)	Avg Yield/ Cost
	(Dollars in thousands)					
ASSETS						
Interest-earning cash and due from banks	$ 124,634	$ 2,260	3.66%	$ 20,829	$ 450	4.36%
Investment securities	385,650	7,003	3.66%	380,323	6,445	3.42%
Loans	2,205,207	75,764	6.93%	2,090,297	73,998	7.14%
Total interest-earning assets	2,715,491	85,027	6.31%	2,491,449	80,893	6.55%
Noninterest-earning assets	160,449			162,364		
Total assets	$ 2,875,940			$ 2,653,813		
LIABILITIES						
Interest-bearing demand deposits	$ 249,042	1,144	0.93%	$ 252,459	1,286	1.03%
Money market deposits	935,372	11,787	2.54%	711,626	9,873	2.80%
Savings deposits	164,091	652	0.80%	171,376	686	0.81%
Time certificates of deposit	142,780	1,771	2.50%	162,983	2,574	3.18%
Short-term borrowings	—	—	—%	18,578	412	4.47%
Subordinated debt	7,805	2,155	55.68%	11,416	631	11.16%
Total interest-bearing liabilities	1,499,090	17,509	2.36%	1,328,438	15,462	2.35%
Noninterest-bearing deposits	962,745			954,211		
Noninterest-bearing liabilities	23,294			23,722		
Total liabilities	2,485,129			2,306,371		
EQUITY	390,811			347,442		
Total liabilities and equity	$ 2,875,940			$ 2,653,813		
Taxable equivalent net interest income and margin (1)		$ 67,518	5.01%		$ 65,431	5.30%
GAAP net interest income		$ 67,220			$ 65,152	
Cost of funds			1.43%			1.37%

(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.

(2) 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

Noninterest income for the second quarter of 2026 was $1.2 million, compared to $2.7 million for the first quarter of 2026 and $1.4 million for the second quarter of 2025. The quarter-over-quarter decrease in noninterest income is largely attributed to the absence of 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 $368 thousand special dividend that was received on our holdings of FHLB of San Francisco stock, which both occurred during the first quarter. The decrease in noninterest income for the second quarter of 2026, as compared to the second quarter of 2025, can be attributed to a decrease in dividends on our holdings of FHLB of San Francisco stock related to a change in FHLB's dividend policy and a year-over-year decrease in other miscellaneous income.

For the first six months of 2026, noninterest income was $3.9 million compared to $2.4 million for the same period in 2025. The year-over-year increase is largely attributed to the $912 thousand gain on the sale of non-core loans and the $368 thousand special dividend received on our holdings of FHLB of San Francisco stock discussed above. Further, the increase in noninterest income for the first six months of 2026, as compared to the same period in 2025, is also due to favorable changes in the gain (loss) on the sale of securities with approximately $32 thousand in gains recorded during the first six months of 2026, compared to a loss of $279 thousand during the same period in 2025.

Noninterest Expense

Three months ended June 30, 2026, as compared to three months ended March 31, 2026

Noninterest expense for the second quarter of 2026 was $15.9 million, compared to $16.0 million for the first quarter of 2026. The quarter-over-quarter decrease in noninterest expense can be attributed to the decline in professional fees incurred in connection with our ongoing preparation to become an SEC registrant, lower data and item processing costs associated with one-time credits received from our core system processor and an overall decrease in other miscellaneous expenses during the second quarter. These decreases were partially offset by higher salaries and employee benefits, namely annual director stock grants totaling $495 thousand in the second quarter of 2026.

Three months ended June 30, 2026, as compared to three months ended June 30, 2025

Noninterest expense was higher by approximately $420 thousand during the second quarter of 2026 when compared to the second quarter of 2025. The year-over-year increase can be attributed to higher salaries and employee benefits, higher occupancy and furniture and equipment costs and an increase in other expenses. The increase in salaries and employee benefits is attributed to merit increase in employee salaries and commissions expense as well as higher stock-based compensation costs including annual director stock grants. These increases within salaries and employee benefits were partially offset by year-over-year decreases in group insurance costs and higher salary deferrals associated with increased loan originations in 2026. Higher occupancy and furniture and equipment costs can be attributed in part to our expansion into the San Jose, Calif. market. Increases in other expenses were due in part to $129 thousand in expenses associated with a land development property the Bank foreclosed upon in the first quarter of 2026, as well as higher other miscellaneous expenses. Partially offsetting these increases in noninterest expense were lower marketing and business development expenses as well as lower data and item processing costs. The decrease in marketing and business development costs is largely due to the absence of rebranding-related expenses incurred in 2025, while the decrease in data and item processing costs resulted from one-time credits received from our core system processor during 2026.

Six months ended June 30, 2026, as compared to six months ended June 30, 2025

Noninterest expense for the first six months of 2026 was $31.9 million, compared to $30.9 million for the same period in 2025. The year-over-year increase can be attributed to higher professional fees, salaries and employee benefits, furniture and equipment costs and other expenses, partially offset by decreases in marketing and business development expenses, lower data and item processing costs and the absence of expenses incurred in 2025 in connection with the acquisition of 1st Capital Bancorp. The increase in professional fees is due to costs associated with our ongoing preparation to become an SEC registrant. The increase in salaries and employee benefits is attributed to higher employee salaries, commissions expense and stock-based compensation costs. These increases within salaries and employee benefits were partially offset by higher salary deferrals associated with a year-over-year increase in loan originations. The increase in furniture and equipment expenses can be attributed in part to our expansion into the San Jose, Calif. market. The increase in other expenses can be attributed to higher miscellaneous expenses as well as $134 thousand in expenses incurred during the first six months of 2026 associated with a property the Bank foreclosed upon in the first quarter. Partially offsetting these increases in noninterest expense were lower marketing and business development costs and data and item processing costs that were previously discussed.

Liquidity Position

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

	As of		
	June 30, 2026	**March 31, 2026**	**June 30, 2025**
	(Dollars in thousands)		
Cash and cash equivalents	$ 146,873	$ 161,514	$ 40,148
Interest-earning deposits in other financial institutions	100	100	249
Unencumbered AFS securities	235,993	255,170	270,805
Total on-balance-sheet liquidity	382,966	416,784	311,202
Line of credit from the FHLB of San Francisco – collateralized	723,750	720,925	664,525
Line of credit from the FRB of San Francisco – collateralized	412,909	409,679	370,532
Lines at correspondent banks – unsecured	100,000	100,000	100,000
Total external contingency liquidity capacity	1,236,659	1,230,604	1,135,057
Less: short-term borrowings	—	—	(4,100)
Net available liquidity sources	$ 1,619,625	$ 1,647,388	$ 1,442,159

As of June 30, 2026, net liquidity of $1.62 billion exceeded uninsured and uncollateralized deposits of $1.29 billion, with a coverage ratio of 125%.

Investment Portfolio

Securities issued by U.S. government-sponsored agencies, U.S. Treasury bonds and Small Business Administration ("SBA") securities accounted for 54%, 21% and 1%, respectively, of the investment portfolio as of June 30, 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 18%, 3% and 3% of the carrying value of the portfolio, respectively.

The investment portfolio totaled $388.1 million at June 30, 2026, compared to $377.6 million at March 31, 2026, and $365.6 million at June 30, 2025. The increase in the investment portfolio from March 31, 2026, was primarily due to purchases outpacing maturities, principal paydowns and sales. Maturities, paydowns and sales totaled $27.6 million during the second quarter of 2026, while purchases totaled $37.7 million. The investment portfolio had an average life of 4.8 years as of June 30, 2026, 4.9 years as of March 31, 2026, and 5.5 years at June 30, 2025.

Net unrealized losses on AFS securities increased to $9.0 million ($6.3 million after-tax) at June 30, 2026, from $8.6 million ($6.1 million after-tax) at March 31, 2026. The increase in the net unrealized loss on the AFS portfolio during the second quarter of 2026 resulted from higher intermediate-term interest rates negatively impacting the value of the securities. Net unrealized losses on AFS securities were $13.8 million ($9.7 million after-tax) at June 30, 2025.

Loans and Asset Quality

Gross loans, net of unaccreted purchase discount and deferred fees and costs, increased $52.1 million, or 2.3%, from March 31, 2026, and increased $161.5 million, or 7.7%, compared to June 30, 2025. Loan growth during the second quarter of 2026 was led by commercial real estate, which grew by $39.6 million. Outstanding loans made to newly established relationships in the second quarter totaled $63.2 million at June 30, 2026. New loan commitments originated during the second quarter were $144.3 million, driven by $72.4 million in new CRE commitments, in addition to $30.3 million in new construction loan commitments.

Nonaccrual loans of $11.4 million accounted for 0.50% of gross loans at June 30, 2026, compared to $10.9 million, or 0.49%, of gross loans at March 31, 2026, and $2.9 million, or 0.14%, of gross loans at June 30, 2025. At June 30, 2026, nonaccrual loans included a $5.8 million hotel relationship, consisting of a $878 thousand conventional CRE loan and a $4.9 million SBA CRE loan. Other non-accrual loans included a $218 thousand CRE loan, as well as $5.4 million of other SBA-related credits. The $5.4 million of other SBA-related credits included $1.0 million of fully government-guaranteed participation interests previously sold into the secondary market and repurchased as part of a workout during the second quarter of 2026. Government guarantees of $8.3 million reduced net credit exposure to $3.1 million. Accruing loans past due 30-89 days totaled $1.2 million at June 30, 2026, an increase from $836 thousand at March 31, 2026. The balance of accruing loans past due 30-89 days primarily reflects a $1.2 million CRE loan that is well secured by a mixed-use property. There were no loans more than 90 days past due still accruing as of June 30, 2026 or March 31, 2026, and 1.4 million as of June 30, 2025.

The allowance for credit losses on loans (“ACL”) was $35.1 million at June 30, 2026, or 1.55% of total loans, compared to $34.7 million at March 31, 2026, or 1.56% of total loans, and $33.6 million, or 1.59%, at June 30, 2025. The $442 thousand increase in the ACL during the second quarter is primarily attributed to organic loan growth and changes in portfolio mix, which increased the ACL by approximately $877 thousand, as well as higher reserves on certain individually evaluated loans that increased the ACL by approximately $424 thousand. These increases were partially offset by the release of general reserves for certain loans that were transferred from the pooled evaluated portfolio to individual evaluation during the quarter.

The provision for credit losses on loans was $1.4 million for the second quarter of 2026, compared to a $128 thousand reversal of provision for credit losses in the first quarter of 2026. The provision for credit losses on loans was $1.3 million for the first six months of 2026, compared to $1.9 million for the first six months of 2025.

Net charge-offs for the second quarter of 2026 were $944 thousand. Net charge-offs for the quarter were largely attributed to a $912 thousand charge-off on a loan acquired from the merger with 1st Capital Bancorp. A judicial foreclosure has been initiated against the borrower for collection of the charged-off balance.

The allowance on unfunded credit commitments, recorded in other liabilities, was $2.9 million, or 0.42% of unfunded credit commitments, at June 30, 2026, compared to $2.7 million, or 0.41%, at March 31, 2026. Total unfunded commitments increased by approximately $5.8 million quarter-over-quarter to $681.4 million, while the associated ACL reserve rate remained largely unchanged.

The following table summarizes the Bank’s loan mix as of the dates indicated:

	As of			**Change % vs.**	
	June 30, 2026	**March 31, 2026**	**June 30, 2025**	**March 31, 2026**	**June 30, 2025**
			(Dollars in thousands)		

SBA and business and industry loans	$ 168,665	$ 175,949	$ 177,854	-4.1%	-5.2%
Commercial term loans	128,542	124,597	135,984	3.2%	-5.5%
Revolving commercial lines	216,275	211,261	166,225	2.4%	30.1%
Asset-based lines of credit	49,926	49,829	34,136	0.2%	46.3%
Construction loans	262,513	259,577	225,528	1.1%	16.4%
Commercial real estate loans	1,413,772	1,374,203	1,355,565	2.9%	4.3%
Home equity lines of credit	36,956	35,428	35,807	4.3%	3.2%
Consumer and other loans	8,198	3,879	1,888	111.3%	334.2%
Deferred loan expenses, net of fees	2,281	2,080	2,311	9.7%	-1.3%
Total loans, net of deferred fees and costs	2,287,128	2,236,803	2,135,298	2.2%	7.1%
Purchase discount on acquired loans	(15,722)	(17,528)	(25,372)	-10.3%	-38.0%
Total loans, net of unaccreted purchase discount	$ 2,271,406	$ 2,219,275	$ 2,109,926	2.3%	7.7%

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

	As of or for the Three Months Ended		
	June 30, 2026	**March 31, 2026**	**June 30, 2025**
	(Dollars in thousands)		
Loans past due 30-89 days	$ 1,244	$ 836	$ 1,386
Loans past due 30-89 days, net of government guaranteed amounts	*$ 1,244*	*$ 836*	*$ 1,236*
Delinquent loans (past due 90+ days still accruing)	$ —	$ —	$ 1,400
Nonaccrual loans	11,442	10,936	2,925
Other real estate owned	6,874	6,874	—
Nonperforming assets	$ 18,316	$ 17,810	$ 4,325
Nonperforming assets, net of government guaranteed amounts	*$ 10,002*	*$ 10,670*	*$ 4,140*
Net loan charge-offs (recoveries) QTD	$ 944	$ 3,368	$ (28)
Net loan charge-offs (recoveries) YTD	$ 4,312	$ 3,368	$ 23

Deposits

Deposits totaled $2.5 billion at June 30, 2026, an increase of $48.4 million, or 2.0%, compared to March 31, 2026, and an increase of $262.6 million, or 11.6%, compared to June 30, 2025. The increase in deposits during the second quarter of 2026 was driven in part by $20 million in new deposits from a public agency that brought a greater share of its relationship to the Bank in advance of establishing a new headquarters in the Monterey region. Additionally, two large depositors in the construction industry contributed $18.9 million in new deposits. New banking relationships established in the second quarter generated $26.3 million in deposits and more than 270 new deposit accounts. Noninterest-bearing deposits to total deposits was 39.7%, 39.8%, and 42.5% at June 30, 2026, March 31, 2026, and June 30, 2025, respectively.

The 10 largest deposit relationships, excluding fully collateralized government agency deposits, represent approximately 13.2% of total deposits as of June 30, 2026. The Bank generally aggregates related depositors with entities and individuals that have the same deposit account signers as one deposit relationship.

The following table summarizes the Bank's deposit mix:

	As of			Change % vs.	
	June 30, 2026	**March 31, 2026**	**June 30, 2025**	**March 31, 2026**	**June 30, 2025**
	(Dollars in thousands)				
Noninterest-bearing deposits	$ 1,002,579	$ 985,415	$ 960,749	1.7%	4.4%

Interest-bearing demand deposits	230,837	235,391	236,281	-1.9%	-2.3%
Money markets deposits	984,500	948,781	733,658	3.8%	34.2%
Savings deposits	166,673	160,659	171,350	3.7%	-2.7%
Time certificates of deposit	138,104	144,040	158,019	-4.1%	-12.6%
Total deposits	$ 2,522,693	$ 2,474,286	$ 2,260,057	2.0%	11.6%
Deposits – personal	$ 781,810	$ 798,094	$ 759,357	-2.0%	3.0%
Deposits – business	1,740,883	1,676,192	1,500,700	3.9%	16.0%
Total deposits	$ 2,522,693	$ 2,474,286	$ 2,260,057	2.0%	11.6%

Shareholders' Equity

Total shareholders' equity was $398.5 million at June 30, 2026, a $10.3 million, or 2.6%, increase compared to March 31, 2026, and a $41.6 million, or 11.6%, increase compared to June 30, 2025. The increase during the second quarter of 2026 was primarily due to quarterly earnings of $12.2 million, partially offset by cash dividends declared of approximately $2.5 million.

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. The stock repurchase program expired on June 30, 2026. Bancorp funded 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 timing and amount of common stock repurchases made pursuant to the Share Repurchase Program were 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 June 30, 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 six months 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 annualized 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, King City, Monterey, Salinas, San Jose, 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 also is an SBA Preferred Lending Partner. 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 Top 100 Community Banks:**
  - 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 41 consecutive quarters as of March 31, 2026.
- ***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*).
- **Bank Performance Report:** Ranked #17 for overall performance by California banks for first quarter 2026.
- ***Silicon Valley Business Journal***
  - Named a 2026 Top Corporate Philanthropist for 2025 giving.
  - Ranked #14 among Silicon Valley's 25 largest SBA Lenders by 2025 loan value.
  - 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.
- ***Good Times* 2026 Best of Santa Cruz County Readers' Poll:** Voted Best Local Bank for the fourteenth consecutive year.
- ***Santa Cruz Sentinel* 2025 Readers' Choice Award:** Voted number one bank in Santa Cruz County for 11 years.
- ***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's 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.

MEDIA CONTACT

Investor Relations, investorrelations@wccb.com

Balance Sheet	**As of**		
	June 30, 2026	**March 31, 2026**	**June 30, 2025**
	(Dollars in thousands)		
ASSETS			
Cash and cash equivalents	$ 146,873	$ 161,514	$ 40,148
Interest-earning deposits in other financial institutions	100	100	249
Debt securities available-for-sale, net of allowance of credit losses of $0	381,745	371,168	359,043
Debt securities held-to-maturity, net of allowance for credit losses of $0	6,383	6,408	6,596
Loans held-for-sale	—	—	—
Loans held-for-investment	2,271,406	2,219,275	2,109,926
Less: Allowance for credit losses on loans	(35,119)	(34,677)	(33,551)
Loans, net of allowance	2,236,287	2,184,598	2,076,375
Non-marketable equity investments, at cost	15,370	15,355	15,355
Premises and equipment, net	10,814	10,374	9,599
Goodwill	40,054	40,054	40,054
Core deposit intangible asset, net	21,885	22,871	25,917
Bank-owned life insurance	29,897	29,692	27,911
Accrued interest receivable and other assets	55,797	52,944	49,189
Total assets	$ 2,945,205	$ 2,895,078	$ 2,650,436
LIABILITIES			
Deposits			
Noninterest-bearing	$ 1,002,579	$ 985,415	$ 960,749
Interest-bearing	1,520,114	1,488,871	1,299,308
Total deposits	2,522,693	2,474,286	2,260,057
Federal Home Loan Bank advances and other borrowings	—	—	4,100
Subordinated debentures	—	7,856	11,003
Accrued interest payable and other liabilities	24,024	24,702	18,354
Total liabilities	2,546,717	2,506,844	2,293,514
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; 10,513,743, 10,499,854, and 10,576,882 outstanding as of June 30, 2026, March 31, 2026, and June 30, 2025, respectively	199,528	198,659	204,761
Retained earnings	204,667	195,025	161,150
Accumulated other comprehensive loss, net of taxes	(5,707)	(5,450)	(8,989)
Total shareholders' equity	398,488	388,234	356,922
Total liabilities and shareholders' equity	$ 2,945,205	$ 2,895,078	$ 2,650,436

Income Statement	**For the Three Months Ended**			**For the Six Months Ended**	
	June 30,	**March 31,**	**June 30,**	**June 30,**	**June 30,**

	2026	2026	2025	2026	2025
			(Dollars in thousands, except per share data)		
Interest Income					
Loans, including fees	$ 38,562	$ 37,105	$ 37,614	$ 75,667	$ 73,954
Interest-earning deposits in other financial institutions	893	1,367	160	2,260	450
Taxable securities	2,975	2,836	2,460	5,811	5,032
Tax-exempt securities	463	528	568	991	1,178
Total interest income	42,893	41,836	40,802	84,729	80,614
Interest Expense					
Deposits	7,764	7,590	7,233	15,354	14,419
Subordinated debentures	1,991	164	393	2,155	631
FHLB advances and other borrowings	—	—	369	—	412
Total interest expense	9,755	7,754	7,995	17,509	15,462
Net interest income before provision for (reversal of) credit losses	33,138	34,082	32,807	67,220	65,152
Provision for (reversal of) credit losses on loans	1,386	(128)	420	1,258	1,902
Provision for (reversal of) credit losses on unfunded loan commitments	128	(231)	200	(103)	100
Net interest income after provision for (reversal of) credit losses	31,624	34,441	32,187	66,065	63,150
Noninterest Income					
Service charges on deposits	246	250	168	496	338
Loan servicing fees	101	107	127	208	268
ATM fee income	268	257	282	525	555
Earnings on bank-owned life insurance	205	200	184	405	362
Dividends on non-marketable equity securities	174	656	285	830	575
(Loss) gain on sale of securities	(65)	97	(21)	32	(279)
Gain on sale of loans	—	912	—	912	—
Gain (loss) on sale of other assets	—	3	(25)	3	—
Other	247	228	399	475	579
Total noninterest income	1,176	2,710	1,399	3,886	2,398
Noninterest Expense					
Salaries and employee benefits	9,114	8,538	8,757	17,652	17,238
Occupancy	944	857	802	1,801	1,720
Furniture and equipment	1,108	1,021	813	2,129	1,817
Marketing, business development and shareholder-related expense	352	283	559	635	921
Data and item processing	438	482	655	920	1,371
Regulatory assessments, including federal deposit insurance	403	391	370	794	791
Amortization of core deposit intangibles	987	986	1,067	1,973	2,134
Professional fees	439	1,257	475	1,696	729
Acquisition-related expense	—	—	97	—	347
Other	2,083	2,221	1,853	4,304	3,877
Total noninterest expense	15,868	16,036	15,448	31,904	30,945
Income before income taxes	16,932	21,115	18,138	38,047	34,603
Income tax expense	4,771	6,128	5,220	10,899	10,007
Net income	$ 12,161	$ 14,987	$ 12,918	$ 27,148	$ 24,596
Earnings per Share					
Basic	$ 1.17	$ 1.45	$ 1.23	$ 2.62	$ 2.34
Diluted	$ 1.16	$ 1.43	$ 1.22	$ 2.59	$ 2.31

Financial Highlights	As of or for the Three Months Ended			For the Six Months Ended	
	June 30, 2026	March 31, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Ratios and Growth Rates					
Net interest margin, tax equivalent (a)	4.92%	5.11%	5.30%	5.01%	5.30%
Cost of funds (b)	1.59%	1.28%	1.41%	1.43%	1.37%
Efficiency ratio (c)	46.24%	43.59%	45.16%	44.87%	45.81%
Return on:					
Average assets	1.69%	2.12%	1.95%	1.90%	1.87%
Average equity	12.32%	15.76%	14.71%	14.01%	14.28%
Average tangible equity (d)	15.47%	19.75%	19.20%	17.56%	18.78%
ACL/Gross loans	1.55%	1.56%	1.59%		
Noninterest-bearing deposits to total deposits	39.74%	39.83%	42.51%		
Gross loan-to-deposit ratio	90.04%	89.69%	93.36%		
Growth in loans	2.35%	2.15%	0.22%	4.55%	3.16%
Growth in deposits	1.96%	-0.11%	0.17%	1.84%	-2.18%
Capital Ratios					
Tier 1 leverage ratio	12.11%	11.75%	11.53%		
Common equity tier 1 risk-based capital ratio	13.22%	13.08%	12.74%		
Tier 1 risk-based capital ratio	13.22%	13.08%	12.74%		
Total risk-based capital ratio	14.47%	14.65%	14.46%		
Tangible common equity ratio (e)	11.67%	11.49%	11.26%		
Per Share Data					
Book value per share	$ 37.90	$ 36.98	$ 33.75		
Tangible book value per share (f)	$ 32.01	$ 30.98	$ 27.51		
Shares outstanding	10,513,743	10,499,854	10,576,882		
Basic weighted average common shares outstanding	10,369,791	10,356,809	10,518,746	10,363,336	10,514,232
Diluted weighted average common shares outstanding	10,507,662	10,487,876	10,626,352	10,498,047	10,625,937

(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 as net income for the period plus the after-tax effect of amortization of on core deposit intangibles (annualized), divided by average tangible shareholders' equity for the period. 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.

The following tables present non-GAAP financial measures management believes provide useful information for understanding the operating results of our core business and a better comparison of financial performance. Such measures include taxable equivalent adjustments, adjustments related to the sub debt redemption and tangible common equity and the associated financial measures.

Non-GAAP Financial Measures	For the Three Months Ended			For the Six Months Ended June 30,	
	June 30, 2026	March 31, 2026	June 30, 2025	2026	2025
			(Dollars in thousands, except per share data)		
Total Interest Income (taxable equivalent):					

Total interest income	$ 42,893	$ 41,836	$ 40,802	$ 84,729	$ 80,614
Add: taxable equivalent adjustment	161	128	134	298	279
Total interest income (taxable equivalent)	$ 43,054	$ 41,964	$ 40,936	$ 85,027	$ 80,893
Adjusted Interest Expense:					
Interest expense	$ 9,755	$ 7,754	$ 7,995	$ 17,509	$ 15,462
Less: accelerated accretion on sub debt redemption	1,824	—	160	1,824	160
Adjusted interest expense	$ 7,931	$ 7,754	$ 7,835	$ 15,685	$ 15,302
Net Interest Income (taxable equivalent):					
Net interest income	$ 33,138	$ 34,082	$ 32,807	$ 67,220	$ 65,152
Add: taxable equivalent adjustment	161	128	134	298	279
Net interest income (taxable equivalent)	$ 33,299	$ 34,210	$ 32,941	$ 67,518	$ 65,431
Adjusted Net Interest Income:					
Net interest income	$ 33,138	$ 34,082	$ 32,807	$ 67,220	$ 65,152
Add: accelerated accretion on sub debt redemption	1,824	—	160	1,824	160
Adjusted net interest income	$ 34,962	$ 34,082	$ 32,967	$ 69,044	$ 65,312
Adjusted Net Interest Income (taxable equivalent):					
Net interest income	$ 33,138	$ 34,082	$ 32,807	$ 67,220	$ 65,152
Add: taxable equivalent adjustment	161	128	134	298	279
Add: accelerated accretion on sub debt redemption	1,824	—	160	1,824	160
Adjusted net interest income (taxable equivalent)	$ 35,123	$ 34,210	$ 33,101	$ 69,342	$ 65,591
Average loans	$ 2,233,133	$ 2,176,972	$ 2,109,903	$ 2,205,207	$ 2,090,297
Average investment securities	$ 382,863	$ 388,467	$ 366,472	$ 385,650	$ 380,323
Average interest-earning assets	$ 2,714,207	$ 2,716,788	$ 2,491,365	$ 2,715,491	$ 2,491,449
Average deposits and borrowed funds	$ 2,459,749	$ 2,463,942	$ 2,277,373	$ 2,461,835	$ 2,282,649
Yield on loans	6.93%	6.91%	7.15%	6.92%	7.13%
Yield on loans (taxable equivalent)	6.94%	6.92%	7.15%	6.93%	7.14%
Yield on investments	3.60%	3.51%	3.31%	3.56%	3.29%
Yield on investments (taxable equivalent)	3.70%	3.62%	3.44%	3.66%	3.42%
Yield on interest-earning assets	6.34%	6.25%	6.57%	6.29%	6.52%
Yield on interest-earning (taxable equivalent)	6.36%	6.26%	6.59%	6.31%	6.55%
Net interest margin	4.90%	5.09%	5.28%	4.99%	5.27%
Net interest margin (taxable equivalent)	4.92%	5.11%	5.30%	5.01%	5.30%
Adjusted Net interest margin (taxable equivalent)	5.19%	5.11%	5.33%	5.15%	5.31%
Cost of funds	1.59%	1.28%	1.41%	1.43%	1.37%
Adjusted cost of funds	1.29%	1.28%	1.38%	1.28%	1.35%
Adjusted Efficiency Ratio:					
Noninterest expense	$ 15,868	$ 16,036	$ 15,448	$ 31,904	$ 30,945
Noninterest income	$ 1,176	$ 2,710	$ 1,399	$ 3,886	$ 2,398
Net interest income	$ 33,138	$ 34,082	$ 32,807	$ 67,220	$ 65,152
Add: accelerated accretion on sub debt redemption	1,824	—	160	1,824	160

Adjusted net interest income	$ 34,962	$ 34,082	$ 32,967	$ 69,044	$ 65,312
Efficiency ratio	46.24%	43.59%	45.16%	44.87%	45.81%
Adjusted efficiency ratio	43.91%	43.59%	44.95%	43.75%	45.70%
Adjusted Net Income and EPS:					
Net income	$ 12,161	$ 14,987	$ 12,918	$ 27,148	$ 24,596
Add: accelerated accretion on sub debt redemption	1,824	—	160	1,824	160
Less: tax adjustment[(1)]	539	—	47	539	47
Adjusted net income	$ 13,446	$ 14,987	$ 13,031	$ 28,433	$ 24,709
Basic weighted average common shares outstanding	10,369,791	10,356,809	10,518,746	10,363,336	10,514,232
Diluted weighted average common shares outstanding	10,507,662	10,487,876	10,626,352	10,498,047	10,625,937
Basic EPS	$ 1.17	$ 1.45	$ 1.23	$ 2.62	$ 2.34
Diluted EPS	$ 1.16	$ 1.43	$ 1.22	$ 2.59	$ 2.31
Adjusted basic EPS	$ 1.29	$ 1.45	$ 1.24	$ 2.74	$ 2.35
Adjusted diluted EPS	$ 1.28	$ 1.43	$ 1.23	$ 2.71	$ 2.33
Return on Average Tangible Equity:					
Net income	$ 12,161	$ 14,987	$ 12,918	$ 27,148	$ 24,596
Add: amortization of intangible assets	987	986	1,067	1,973	2,134
Less: tax adjustment[(1)]	292	291	315	583	631
Net income, adjusted for amortization of intangibles	$ 12,856	$ 15,682	$ 13,670	$ 28,538	$ 26,099
Net income	$ 12,161	$ 14,987	$ 12,918	$ 27,148	$ 24,596
Add: accelerated accretion on sub debt redemption	1,824	—	160	1,824	160
Less: tax adjustment[(1)]	539	—	47	539	47
Net income, adjusted for accelerated accretion on sub debt redemption	$ 13,446	$ 14,987	$ 13,031	$ 28,433	$ 24,709
Net income, adjusted for amortization of intangibles	$ 12,856	$ 15,682	$ 13,670	$ 28,538	$ 26,099
Add: accelerated accretion on sub debt redemption	1,824	—	160	1,824	160
Less: tax adjustment[(1)]	539	—	47	539	47
Net income, adjusted for amortization of intangibles and accelerated accretion on sub debt redemption	$ 14,141	$ 15,682	$ 13,783	$ 29,823	$ 26,212
Average shareholders' equity	$ 395,954	$ 385,612	$ 352,301	$ 390,811	$ 347,442
Less: average intangible assets	62,579	63,561	66,647	63,067	67,189
Average tangible shareholders' equity	$ 333,375	$ 322,051	$ 285,654	$ 327,744	$ 280,253
Return on average equity	12.32%	15.76%	14.71%	14.01%	14.28%
Return on average equity, adjusted for accelerated accretion on sub debt redemption	13.62%	15.76%	14.84%	14.67%	14.34%
Return on average tangible equity	15.47%	19.75%	19.20%	17.56%	18.78%
Return on average tangible equity, adjusted for accelerated accretion on sub debt redemption	17.01%	19.75%	19.35%	18.35%	18.86%
Adjusted Return on Average Assets:					
Net income	$ 12,161	$ 14,987	$ 12,918	$ 27,148	$ 24,596

Add: accelerated accretion on sub debt redemption	1,824	—	160	1,824	160
Less: tax adjustment(1)	539	—	47	539	47
Net income, adjusted for accelerated accretion on sub debt redemption	$ 13,446	$ 14,987	$ 13,031	$ 28,433	$ 24,709
Average assets	$ 2,879,579	$ 2,872,259	$ 2,652,882	$ 2,875,940	$ 2,653,813
Return on average assets	1.69%	2.12%	1.95%	1.90%	1.87%
Adjusted return on average assets	1.87%	2.12%	1.97%	1.99%	1.88%

(1) Adjusted by statutory tax rate.

Non-GAAP Financial Measures *(Continued)*	**As of or for the Three Months Ended**		
	June 30, 2026	**March 31, 2026**	**June 30, 2025**
	(Dollars in thousands, except per share data)		
Total shareholders' equity	$ 398,488	$ 388,234	$ 356,922
Less: goodwill and other intangibles	61,939	62,925	65,971
Tangible common equity	$ 336,549	$ 325,309	$ 290,951
Add: accelerated accretion on sub debt redemption	1,824	—	160
Less: tax adjustment(1)	539	—	47
Adjusted tangible common equity(2)	$ 337,834	$ 325,309	$ 291,064
Tangible book value per common share	$ 32.01	$ 30.98	$ 27.51
Adjusted tangible book value per common share(2)	$ 32.13	$ 30.98	$ 27.52
Total assets	$ 2,945,205	$ 2,895,078	$ 2,650,436
Less: goodwill and other intangibles	61,939	62,925	65,971
Tangible assets	$ 2,883,266	$ 2,832,153	$ 2,584,465
Total shareholders' equity to total assets	13.53%	13.41%	13.47%
Tangible equity to tangible assets	11.67%	11.49%	11.26%

(1) Adjusted by statutory tax rate.

(2) Adjusted tangible common equity and adjusted tangible book value per share are presented to illustrate the effect of excluding the after-tax accelerated accretion associated with the completed subordinated-debt redemption. These measures do not represent Bancorp’s actual period-end equity or book value.

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Source: West Coast Community Bancorp