



Beach Cities Commercial Bank Announces Second Quarter 2025 Financial Results

Press Release- August 5, 2025

IRVINE, Calif, -- (BUSINESS WIRE) --Beach Cities Commercial Bank, www.beachcitiescb.com (OTCQB: BCCB) (the "Bank"), today announced financial results for the quarter ended June 30, 2025.

The Bank was incorporated under the laws of the State of California on April 11, 2022. The Bank opened for business on June 12, 2023, after receiving all necessary regulatory approvals, and it began providing a full range of banking services from its branch locations in Irvine and Encinitas, California. The Bank operates primarily in the Southern California commercial markets, offering business and personal deposit accounts. The lending products include loans secured by commercial real estate, commercial and industrial loans, guidance lines of credit supporting bridge loans, lines of credit, SBA 7A and 504 loans, SBA express lines of credit, and State guaranteed loans. The Bank has a state-of-the-art technology platform and offers cash management products and services to allow its customers the ability to focus on their business and not worry about banking.

Significant items for the period include:

- Total assets were \$162.5 million as of June 30, 2025, which increased by \$81.3 million from June 30, 2024 (100% growth).
- Total loans were \$131.3 million as of June 30, 2025, which increased by \$68.2 million from June 30, 2024, (108% growth).
- Total deposits were \$133.0 million as of June 30, 2025, which increased by \$71.7 million from June 30, 2024 (117%).
- Total liquidity remains high at \$27.6 million, which equates to 17.01% of the Bank's total assets. The Bank also maintains contingent available borrowing sources at \$20.3 million which equals 12.5% of total assets.
- The loan portfolio average yield was 7.57% which contributed to a healthy net interest margin at 3.48% as of June 30, 2025.
- The Bank maintains a reserve for credit losses of \$1.272 million which equates to 0.97% of total loans. As of June 30, 2025, the Bank had zero dollars in both delinquent and non-performing loans.

The shareholders' equity was at \$14.9 million as of June 30, 2025, which was reduced by \$305k from December 31, 2024, mainly due to the operating loss. The Bank's tier 1 capital to average assets ratio was at 9.55%, which is considered well-capitalized under the regulatory framework.

The Bank reported the second-quarter of 2025 net loss of \$260.7k which increased slightly from the first-quarter of 2025 loss of \$242k. During the second quarter, the Bank increased its loan portfolio by \$7.85 million, which increased its quarterly total interest income by \$476.1k.

During the second quarter of 2025 the total interest income was \$2.77 million compared to \$2.28 million recorded during the first quarter of 2025, an increase of 21%. The Bank's interest expense from the interest-bearing deposits was \$1.26 million for the second quarter of 2025 compared to \$1.08 million for the first quarter of 2025 an increase of 16.7%. The interest expense increased due to the growth in the short-term institutional CDs deposits. The Bank has launched a campaign to replace these high- cost institutional CD deposits with non-interest-bearing deposits to reduce the interest cost. During the second quarter of 2025, the Bank increased its borrowings from the Federal Home Loan Bank of San Francisco (FHLBSF). As a result, the Bank's borrowing interest expense increased to \$47k in the second quarter of 2025 compared to \$4.9k interest expense from borrowings during the first quarter, 2025. The second quarter 2025 net interest income increased by \$302k from the first quarter 2025, an increase of 25.1%.

In the second quarter of 2025, the Bank sold SBA loans which netted gains of \$168k compared to \$255k in gain on sale realized in the first quarter 2025.

Total non-interest expenses for the second quarter of 2025 were \$1.88 million compared to \$1.71 million incurred during the first quarter, 2025, an increase of \$171.1k. During the second quarter, the technology/data processing expense increased due to the Bank's growth in opening new accounts and adding new products/services such as Zelle. The legal expenses were \$49k in the second quarter, 2025, compared to \$16.5k in the first quarter, 2025. The \$32.5k increase was for non-recurring legal costs related to leadership and staff changes incurred during the second quarter, 2025. The Bank continues to manage its operating expenses tightly.

As noted above, the Bank's liquidity remains above 17% of total assets. The Bank has also established contingent lines of borrowings with its correspondent banks, including Federal home loan Bank of San Francisco. As of June 30, 2025, total contingent borrowing sources unused totaled \$20.3 million or 12.5% of total assets outstanding.

"The Bank's asset quality remains strong with no delinquent and non-performing loans on its balance sheet. Our quality deal flow for both loans and deposits continue to look strong," commented **Matt Blackmer, Chief Credit Officer**.

"In June this year, the Bank completed its two years in operation. The Bank's growth has been in par with our planned projected growth. Our goal for the remainder of this year is to continue to grow revenues and control operating costs. With this trajectory, we plan to achieve sustained profitability," commented **Najam Saiduddin, Chief Financial Officer**.

"As we embark on our search for our new President/CEO, the Bank continues to grow in a thoughtful, safe, and sound manner. We continue our commitment to high ethics and business standards, all the hallmarks in creating a successful enterprise. Our Board, and the entire Beach Cities Commercial Bank team remains focused in attaining and achieving our strategic goals and objectives," commented **Angela Bienert, Chairperson**.

Beach Cities Commercial Bank is a full-service bank, serving the business, commercial and professional markets. The Bank meets the financial needs of its business clients with loans for working capital, equipment, owner-occupied and investment commercial real estate, and a full array of cash management services and deposit products for businesses and their owners. Beach cities Commercial Bank meets its clients' needs through its head office and branch in Irvine and regional office and branch in Encinitas, California. The Bank's stock is currently trading on the OTCQB platform under the "BCCB" stock symbol. For more information, please visit www.beachcitescb.com/investor-relations.

FORWARD-LOOKING STATEMENT: This news release contains a number of forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements may be identified using words such as "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "likely", "may", "outlook", "plan", "potential", "predict", "project", "should", "will", "would", and similar terms and phrases, including references to assumptions. Forward-looking statements are based upon various assumptions and analyses made by the Bank (which includes the Bank) considering management's experience and its perception of historical trends. Current conditions and expected future developments, as well as other factors it believes are appropriate under the circumstances. These statements do not guarantee future performance and are subject to risks, uncertainties, and other factors (many of which are beyond the Bank's control) that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Accordingly, you should not place undue reliance on such statements. Factors that could affect the Bank's results include, without limitation, the following: the timing and occurrence or non-occurrence of events may be subject to circumstances beyond the Bank's control; there may be increases in competitive pressure among financial institutions or from non-financial institutions; changes in the interest rate environment may reduce interest margins; changes in deposit flows, loan demand or real estate values may adversely affect the business of the Bank; unanticipated or significant increases in loan losses; changes in accounting principles, policies or guidelines may cause the Bank's financial condition to be perceived differently; changes in corporate and/or individual income tax laws may adversely affect the Bank's financial condition or results of operations; general economic conditions, either nationally or locally in some or all areas in which the Bank conducts business, or conditions in the securities markets or the banking industry may be less favorable than the Bank currently anticipates; legislation or regulatory changes may adversely affect the Bank's business; technological changes may be more difficult or expensive than the Bank anticipates; there may be failures or breaches of information technology security systems; success or consummation of new business initiatives may be more difficult or expensive than the Bank anticipates; or litigation or other matters before regulatory agencies, whether currently existing or commencing in the future, may delay the occurrence or non-occurrence of events longer than the Bank anticipates.

Beach Cities Commercial Bank
Unaudited Statements of Financial Condition

Asset	As of June 30, 2025	As of Dec 31, 2024	Qtr. Growth \$	Qtr. Growth %	As of June 30, 2024	Annual Growth \$	Annual Growth %
Total Cash and Cash Equivalent	\$27,629,896	\$22,112,065	\$5,517,831	25%	\$14,345,518	\$13,284,378	93%
Debt Securities Available for Sale	\$998,522	984,026	14,496	1%	\$992,559	5,963	1%
FHLB Stock	\$572,000	124,800	447,200	358%	\$108,500	463,500	427%
Total Investments	\$1,570,522	1,108,826	461,696	42%	\$1,101,059	469,463	43%
Gross Loans	\$131,335,545	105,648,160	25,687,385	24%	\$63,135,638	68,199,907	108%
Allowance for Credit Losses	(\$1,272,000)	(1,214,000)	(58,000)	(5%)	(\$726,000)	(546,000)	(75%)
Net Loans	\$130,063,545	104,434,160	25,629,385	25%	\$62,409,638	67,653,907	108%
Fixed Assets	\$163,382	189,606	(26,225)	(14%)	\$222,669	(59,288)	(27%)
Right of Use Assets	\$1,202,008	1,386,721	(184,713)	(13%)	\$1,566,409	(364,401)	(23%)
Prepaid	\$1,170,016	1,061,411	108,606	10%	\$1,158,273	11,743	1%
Total Other Assets	\$692,369	492,926	199,444	40%	\$388,870	303,500	78%
Total Assets	\$162,491,738	\$130,785,714	\$31,706,024	24%	\$81,192,436	\$81,299,303	100%
Demand Deposit Accounts	\$15,011,398	\$13,870,624	\$1,140,774	8%	\$7,192,511	\$7,818,887	109%
NOW Accounts	\$922,522	938,289	(15,767)	(2%)	\$859,602	62,920	7%
Money Market Accounts	\$50,456,931	48,539,814	1,917,116	4%	\$26,145,078	24,311,852	93%
Total Demand Deposits	\$66,390,850	63,348,727	3,042,123	5%	\$34,197,191	32,193,659	94%
Savings Accounts	\$5,060,922	5,058,477	2,445	0%	\$39,286	5,021,636	12,782%
Total CDs	\$61,587,394	44,484,698	17,102,696	38%	\$27,101,286	34,486,108	127%
Total Deposits	\$133,039,166	112,891,902	20,147,264	18%	\$61,337,763	71,701,403	117%
Other Borrowed < 1 Yr	\$12,000,000	-	12,000,000	100%	\$0	12,000,000	100%
Total Other Liabilities	\$2,526,114	2,661,935	(135,821)	(5%)	\$2,846,402	(320,288)	(11%)
Total Liabilities	\$147,533,280	115,553,837	31,979,444	28%	\$64,184,166	83,349,115	130%
Common Stock	\$25,116,895	25,116,895	-	0%	\$25,019,375	97,520	0%
Surplus	\$667,786	470,347	197,439	42%	\$416,786	251,000	60%
Retained Earnings	(\$10,355,311)	(5,831,485)	(4,523,826)	(78%)	(\$5,831,485)	(4,523,826)	(78%)
FAS 115 Unrealized Gain/Loss	(\$296)	(54)	(242)	(448%)	(\$1,424)	1,128	79%
Profit/Loss YTD	(\$502,616)	(4,523,826)	4,021,210	89%	(\$2,594,981)	2,092,365	81%
Total Equity	\$14,926,458	\$15,231,877	(\$305,419)	(2%)	\$17,008,270	(\$2,081,812)	(12%)
Total Liabilities & Equity	\$162,491,738	\$130,785,714	\$31,706,024	24%	\$81,192,436	\$81,299,303	100%

BEACH CITIES COMMERCIAL BANK
UNAUDITED STATEMENT OF OPERATIONS

	For the Three Months Ended			For the Six Months Ended		For the Twelve Months Ended	For the twelve Months Ended
	June 30, 2025	March 31, 2025	December 31, 2024	June 30, 2025	June 30, 2024	December 31, 2024	December 31, 2023
Interest Income:							
Interest and fees on loans	\$ 2,515,860	\$ 2,062,683	\$ 1,634,051	\$ 4,578,543	\$ 1,643,372	\$ 4,692,037	\$ 336,181
Interest on securities	18,549	13,586	13,814	32,135	26,259	54,054	17,320
Interest on federal funds sold and other interest-bearing deposits	231,188	207,270	213,719	438,458	467,161	860,018	821,283
Total Interest Income	2,765,597	2,283,539	1,861,584	5,049,136	2,136,792	5,606,109	1,174,784
Interest Expense:							
Interest on Deposits	1,212,316	1,074,406	859,137	2,286,722	841,701	2,404,973	348,700
Interest on Borrowings	47,128	4,968	945	52,096	19	12,941	-
Total Interest Expense	1,259,444	1,079,374	860,082	2,338,818	841,720	2,417,914	348,700
Net Interest Income	1,506,153	1,204,165	1,001,502	2,710,318	1,295,072	3,188,195	826,084
Provisions for Credit Losses	64,000	-	381,000	64,000	429,000	927,000	317,000
Net interest income after provisions for loan losses	1,442,153	1,204,165	620,502	2,646,318	866,072	2,261,195	509,084
Non-interest income:							
Service charges, fees and other	9,656	7,769	3,004	17,425	9,264	18,662	1,706
Gain on sale of loans	168,249	255,034	127,399	423,283	-	127,399	-
	177,905	262,803	130,403	440,708	9,264	146,061	1,706
Non-Interest expense:							
Salaries and employee benefits	1,167,215	1,134,486	1,134,175	2,301,701	2,240,449	4,481,445	2,318,336
Occupancy and Equipment expenses	171,924	167,812	169,431	339,736	346,325	691,504	408,909
Organization Expenses	-	-	-	-	-	-	1,045,800
Data Processing	192,403	150,569	172,028	342,972	303,432	628,030	332,424
Legal	49,198	16,485	19,633	65,683	34,785	-	-
Professional/Consulting	100,652	41,749	40,101	142,401	248,524	444,450	469,110
Other Expenses	198,597	197,752	204,097	396,349	295,201	684,053	294,946
Total Non-Interest expense	1,879,989	1,708,853	1,739,465	3,588,842	3,468,716	6,929,482	4,869,525
Income (Loss) before taxes	(259,931)	(241,885)	(988,560)	(501,816)	(2,593,380)	(4,522,226)	(4,358,735)
Income tax expense	800	-	-	800	1,600	1,600	800
Net Income (Loss)	\$ (260,731)	\$ (241,885)	\$ (988,560)	\$ (502,616)	\$ (2,594,980)	\$ (4,523,826)	\$ (4,359,535)
Earnings per share ("EPS"): Basic	\$ (0.10)	\$ (0.09)	\$ (0.39)	\$ (0.20)	\$ (1.02)	\$ (1.76)	\$ (1.71)
Common Shares Outstanding	2,565,864	2,565,864	2,565,864	2,565,864	2,556,112	2,565,864	2,556,112

Contact:

Najam Saiduddin, CFO/EVP
najam@beachcitiescb.com
949.704.2275