Beach Cities Commercial Bank Announces Third Quarter 2026 Financial Results

Press Release- October 29, 2026.

IRVINE, Calif, -- (BUSINESS WIRE) --Beach Cities Commercial Bank, www.beachcitiescb.com (OTCQB: BCCB) (the "Bank"), today announced financial results for the quarter ended September 30, 2026. ***Thomas J. Inserra – President & CEO*** stated: "Three noteworthy accomplishments for the third quarter are: 1) The Bank materially reduced its quarterly borrowing costs from $247k to $163k and reduced its dependency on higher cost institutional and listing service CDs; 2) After deducting all one-time non-reoccurring expenses and provisions, the Bank's year-to-date net income through September 30, 2026 was $185.4k; and 3) The Bank celebrated its 3rd year of operations and successfully exited its "de-novo" period."

Significant items for the period include:

- Net loss was $263.5k for the third quarter ending September 30, 2026, compared to a net income of $111.8k for the second quarter ending June 30, 2026. On a year-to-date (YTD) basis for 2026, the total loss was $304k but was impacted by several one-time non-reoccurring items. During the third quarter, 2026, the Bank funded its credit loss provisions by $336k. Excluding the credit loss provisions, the Bank made $72.5k net income during the third quarter, 2026 and on a YTD basis, the Bank's net income is $32.5k. Deducting all the one-time non-reoccurring expense items through September 2026 including provisions of $336k indicates a YTD net income of $185.4k.
- Total assets were $180.1 million as of September 30, 2026, which increased by $23.6 million on a twelve-month basis from September 30, 2025 (15% growth). On a nine-months basis, total assets increased by $3.4 million (2% growth) from December 31, 2025.
- Gross loans were $146.9 million as of September 30, 2026, which increased by $18.8 million from September 30, 2025, (15% growth). Compared to December 31, 2025, gross loans increased $2.8 million (2%). During the third quarter, 2026, the loan payoffs increased which resulted in lower growth, however, the Bank's twelve months growth remains strong.
- Total deposits were $148.9 million as of September 30, 2026, which increased by $16.9 million from September 30, 2025 (13%). Year-to-date, total deposits grew by $5.4 million (4%). During the nine-month period 2026, the Bank reduced its institutional CD balances by $11.6 million, grew money market deposits by $20.2 and non-interest-bearing demand deposits by $1.9 million which resulted in an increase in core deposits.
- The loan portfolio average yield was 7.36% which contributed to a Net Interest Margin (NIM) at 3.89% as of September 30, 2026, demonstrating steady improvement when compared with the Bank's 3.83% NIM as of June 30, 2026, and 3.73% NIM as of March 31, 2026.
- The Bank maintains an allowance for credit losses of $1.446 million, which equates to 0.98% of total loans. Excluding loans held-for-sale, the allowance for credit losses is 1.13%. As of September 30, 2026, the Bank's loan portfolio included $32.7 million in both State and SBA guaranteed loans. Excluding the loan guaranteed portion, the allowance for credit loss ratio is 1.27%. During the third quarter, 2026, a government guaranteed SBA 7a loan borrower with a history of making loan payments in a timely manner, filed chapter 7 bankruptcy unexpectedly. The Bank charged off the unguaranteed portion totaling $334k and funded the credit loss provisions by $334k during the third quarter and placed the guaranteed portion of $990k on nonperforming status. The Bank expects full recovery of the government guaranteed portion totaling $990k. As of September 30, 2026, the Bank had no other loans past due in loan payments, only $990k in loans were on nonaccrual (0.67% of loans), and no other real estate owned assets on its balance sheet.
- Total liquidity remains high at $30.7 million, which equates to 17.02% of the Bank's total assets. The Bank also maintains contingent available borrowing sources at $38.5 million, which equals 21% of total assets.

The shareholders' equity was $18.4 million as of September 30, 2026, which increased by $3.6 million from December 31, 2025. The Bank's tier one capital to average assets ratio was 9.77%, which is considered well-capitalized under the regulatory framework. The Bank initiated a capital raise in March 2026 through a private placement offering with a target of raising $5 million, and as of September 17, 2026, $3,827,189 was raised and added to the balance sheet capital account. The private placement offering was closed out effective September 17, 2026. At $9.50 per share, 402,862 shares of common stock and warrants for 80,572 shares have been issued as of the end of the offering.

During the third quarter of 2026 the total interest income was $3.19 million compared to $3.15 million recorded during the second quarter of 2026, an increase of $35k. The Bank's interest expense from the interest-bearing deposits was $1.17 million for the third quarter of 2026 compared to $1.10 million for the second quarter of 2026, an increase of $76k. The interest expense increased primarily due to Federal Reserve Bank's increase of discount rate by 25 basis points which resulted in Bank's money market deposit rates increasing.

During the third quarter of 2026, the Bank significantly reduced its borrowings from Federal Home Loan Bank (FHLB) to $11 million as of September 30, 2026, from $29 million as of June 30, 2026. As a result, the Bank's borrowing interest expense decreased to $163k in the third quarter of 2026 compared to $247k interest expense from borrowings during the second quarter, 2026. Overall, the third quarter of 2026 net interest income increased by $43k from the second quarter of 2026 due to growth in the loan portfolio and reduction in borrowings from FHLB.

In the third quarter of 2026, the Bank sold loans which netted gains of $201k compared to $188k in gain on sale realized in the second quarter 2026. Year-to-date, gain on sale totaled $437k for 2026.

Total operating expenses for the third quarter of 2026 were $2.04 million compared to $1.90 million incurred during the second quarter, 2026, an increase of $137k (7.2%). The increases were primarily in salaries and benefit due to annual merit increases but were also impacted by an overlap of Chief Operating Officer's (COO) position in the third quarter of 2026 due to the retirement of the previous COO.

Primarily as a result of an economic and strategic decision to reduce operating expenses and to reallocate those cost savings towards deposit generating and growth-related activities, the Bank will be closing its Encinitas Branch effective January 15, 2027. After the Bank notified those impacted, a few clients opted to close their accounts, however on an aggregate net basis, overall Bank deposit levels thus far are consistent with pre-notification levels. While it is possible the Bank may lose additional deposits, the performance thus far suggests on an overall net deposit basis that we do not anticipate deposits to be materially impacted.

"Excluding the unexpected charge-off of an unguaranteed portion of an SBA7a loan, the Bank's asset quality continues to remain strong with no delinquent and other real estate owned assets on its balance sheet. Our quality deal flow for both loans and deposits is looking favorable," ***commented Matt Blackmer, Chief Credit Officer***.

"On a twelve-month basis, the Bank's growth in deposits and loans continues to grow while maintaining strong liquidity levels. The Bank continues to focus on reducing the Bank's reliance on high-cost institutional deposits and borrowings from FHLB, and growing relationship core deposits, and achieving steady improvement in loan yields and NIM. As a result, money market deposits grew $20.2 million (37% growth) from December 31, 2025," ***commented Najam Saiduddin, Chief Financial Officer***.

In order to reflect the sizable growth and current geographic reach of the Bank going well beyond the coast, the Shareholders of the Bank approved a name change from Beach Cities Commercial Bank to Pacific Commercial Bank effective January 4, 2027.

Publicly traded Beach Cities Commercial Bank (OTCBQ:"BCCB: is a full-service bank, serving small and mid-sized businesses, non-profits, commercial and professional markets. The Bank meets the financial needs of its business clients with a range of SBA, commercial & industrial, and conventional loans for working capital, equipment, owner-occupied commercial real estate, and a full array of treasury, payment, cash management services, and deposit products for businesses and their owners. BCCB meets its clients' needs through custom-tailored products with white-glove service. 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 Statement of Financial Condition

Asset	As of September 30, 2026	As of September 30, 2025	12 Months Growth $	12 Months Growth %	As of December 31, 2025	Nine Months Growth $	Nine Months Growth %
Total Cash and Due From	$28,955,636	$25,132,167	$3,823,470	15%	$28,312,636	$643,000	2%
US Treasury Securities	$997,148	$1,003,731	($6,582)	(1%)	$1,003,574	($6,426)	(1%)
Mortgage Backed Securities	$1,215,176	$0	$1,215,176	0%	$1,282,672	($67,496)	(5%)
FHLB Stock	$864,000	$572,000	$292,000	51%	$572,000	$292,000	51%
Total Investments	$3,076,325	$1,575,731	$1,500,594	95%	$2,858,247	$218,078	8%
Gross Loans	$146,880,736	$128,067,199	$18,813,537	15%	$144,052,034	$2,828,702	2%
Allowance for Credit Losses	($1,446,000)	($1,272,000)	($174,000)	(14%)	($1,412,000)	($34,000)	(2%)
Net Loans	$145,434,736	$126,795,199	$18,639,537	15%	$142,640,034	$2,794,702	2%
Total Fixed Assets	$79,575	$146,604	($67,029)	(46%)	$127,674	($48,099)	(38%)
Right of Use Assets	$716,764	$1,107,706	($390,943)	(35%)	$1,012,073	($295,310)	(29%)
Prepaid	$937,157	$1,143,507	($206,350)	(18%)	$1,067,474	($130,317)	(12%)
Total Other Assets	$946,266	$607,171	$339,095	56%	$719,044	$227,222	32%
Total Assets	**$180,146,459**	**$156,508,085**	**$23,638,375**	**15%**	**$176,737,183**	**$3,409,276**	**2%**
Liabilities & Equity							
Demand Deposit Accounts	$22,718,836	$15,160,483	$7,558,353	50%	$20,790,376	$1,928,459	9%
NOW Accounts	$737,373	$752,949	($15,576)	(2%)	$880,668	($143,295)	(16%)
Money Market Accounts	$75,425,929	$57,620,389	$17,805,540	31%	$55,195,257	$20,230,672	37%
Total Demand Deposits	$98,882,138	$73,533,821	$25,348,317	34%	$76,866,302	$22,015,837	29%
Savings Accounts	$88,413	$5,068,501	($4,980,088)	(98%)	$5,061,600	($4,973,187)	(98%)
Total CDs	$49,955,962	$53,417,225	($3,461,263)	(6%)	$61,583,728	($11,627,766)	(19%)
Total Deposits	**$148,926,513**	**$132,019,547**	**$16,906,966**	**13%**	**$143,511,629**	**$5,414,884**	**4%**
Other Borrowed < 1 Yr	$11,000,000	$7,000,000	$4,000,000	57%	$16,000,000	($5,000,000)	(31%)
Total Borrowings	$11,000,000	$7,000,000	$4,000,000	57%	$16,000,000	($5,000,000)	(31%)
Accrued Interest Payable	$86,970	$96,025	($9,055)	(9%)	$115,697	($28,727)	(25%)
Accrued Expenses	$371,332	$361,982	$9,350	3%	$346,330	$25,001	7%
Premise Lease Liability	$792,318	$1,202,689	($410,371)	(34%)	$1,102,793	($310,475)	(28%)
Miscellaneous Liabilities	$525,959	$891,714	($365,755)	(41%)	$824,503	($298,543)	(36%)
Total Other Liabilities	$1,776,578	$2,552,409	($775,831)	(30%)	$2,389,323	($612,745)	(26%)
Total Liabilities	$161,703,091	$141,571,957	$20,131,135	14%	$161,900,952	($197,861)	(0%)
Common Stock	$28,818,588	$25,142,838	$3,675,750	15%	$25,142,838	$3,675,750	15%
Additional Paid in Capital	$870,395	$635,337	$235,058	37%	$676,328	$194,067	29%
Additional Paid in Capital - Warrants	$100,044	$0	$100,044	0%	$0	$100,044	0%
Retained Earnings	($10,961,060)	($10,355,311)	($605,749)	(6%)	($10,355,311)	($605,749)	(6%)
Unrealized Gain/Loss	($81,057)	$1,416	($82,473)	(5,823%)	($21,875)	($59,182)	(271%)
Profit/Loss YTD	($303,543)	($488,152)	$184,609	38%	($605,749)	$302,206	50%
Total Equity	$18,443,367	$14,936,128	$3,507,239	23%	$14,836,231	$3,607,137	24%
Total Liabilities & Equity	**$180,146,459**	**$156,508,085**	**$23,638,374**	**15%**	**$176,737,183**	**$3,409,276**	**2%**

BEACH CITIES COMMERCIAL BANK
UNAUDITED STATEMENT OF OPERATIONS

	For the Three Months Ended			For the Nine Months Ended	For the Nine Months Ended	For the Twelve Months Ended	For the Twelve Months Ended
	September 30, 2026	June 30, 2026	March 31, 2026	September 30, 2026	September 30, 2025	December 31, 2025	December 31, 2024
Interest Income:							
Interest and fees on loans	$ 2,841,173	$ 2,866,140	$ 2,667,728	$ 8,375,041	$ 7,068,256	$ 9,636,316	$ 4,692,037
Interest on securities	77,725	43,909	50,194	171,828	52,813	81,437	54,054
Interest on federal funds sold and other interest-bearing deposits	270,093	243,131	244,528	757,752	731,900	1,000,682	860,018
Total Interest Income	**3,188,991**	**3,153,180**	**2,962,450**	**9,304,621**	**7,852,969**	**10,718,435**	**5,606,109**
Interest Expense:							
Interest on Deposits	1,173,580	1,097,575	1,106,389	3,377,544	3,536,665	4,710,894	2,404,973
Interest on Borrowings	163,439	246,931	198,524	608,894	107,819	209,377	12,941
Total Interest Expense	**1,337,019**	**1,344,506**	**1,304,913**	**3,986,438**	**3,644,484**	**4,920,271**	**2,417,914**
Net Interest Income	**1,851,972**	**1,808,674**	**1,657,537**	**5,318,183**	**4,208,485**	**5,798,164**	**3,188,195**
Provisions for Credit Losses	336,052	28,000	-	364,052	64,000	204,000	927,000
Net interest income after provisions for credit losses	**1,515,920**	**1,780,674**	**1,657,537**	**4,954,131**	**4,144,485**	**5,594,164**	**2,261,195**
Non-interest income:							
Service charges, fees and other	58,822	46,585	35,785	141,192	52,956	95,820	18,662
Gain on sale of loans	201,456	187,691	47,690	436,837	448,283	456,141	127,399
Non-interest income	**260,278**	**234,276**	**83,475**	**578,029**	**501,239**	**551,961**	**146,061**
Non-Interest expense:							
Salaries and employee benefits	1,145,753	1,095,708	1,136,392	3,377,853	3,221,393	4,121,152	4,481,445
Occupancy and Equipment expenses	163,099	169,244	165,273	497,616	516,863	684,398	691,504
Data Processing	328,986	202,294	203,160	734,440	536,405	742,875	628,030
Legal	27,136	29,330	15,000	71,466	80,183	96,233	94,948
Professional/Consulting	35,601	39,646	48,353	123,600	150,421	206,314	349,502
Other Expenses	339,167	366,154	324,606	1,029,927	627,810	900,101	684,053
Total Non-interest expense	**2,039,742**	**1,902,376**	**1,892,784**	**5,834,902**	**5,133,075**	**6,751,073**	**6,929,482**
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Income (Loss) before taxes	(263,544)	112,574	(151,772)	(302,742)	(487,351)	(604,948)	(4,522,226)
Income tax expense	-	800	-	800	800	800	1,600
Net Income (Loss)	**$ (263,544)**	**$ 111,774**	**$ (151,772)**	**$ (303,542)**	**$ (488,151)**	**$ (605,748)**	**$ (4,523,826)**
Earnings per share ("EPS"): Basic	$ (0.09)	$ 0.04	$ (0.06)	$ (0.10)	$ (0.19)	$ (0.24)	$ (1.76)
Common Shares Outstanding	2,973,784	2,942,492	2,627,385	2,973,784	2,565,864	2,565,864	2,565,864

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