



Beach Cities Commercial Bank Announces Fourth Quarter 2025 Financial Results

Press Release- February 11, 2026

IRVINE, Calif, -- (BUSINESS WIRE) --Beach Cities Commercial Bank, www.beachcitiescb.com (OTCQB: BCCB) (the "Bank"), today announced financial results for the quarter ended December 31, 2025. **Thomas J. Inserra – President & CEO** stated: “These results demonstrate the Bank’s accomplished and cohesive team comprised of experienced and accomplished Board Members, Executives and Employees has consistently delivered robust growth during 2025 and over the past 2.5 years and that the Bank is now of sufficient earning asset size and positioned to demonstrate sustainable profitability - for the benefit of both shareholders and the small business clients we serve. This favorable and consistent execution and growth performance by a strong team in an attractive market with strong demand from small business clients serves as an indication of why I opted to join Beach Cities Commercial Bank.”

Significant items for the period include:

- Total assets were \$176.7 million as of December 31, 2025, which increased by \$20.2 million from September 30, 2025 (13% growth). On an annual basis, total assets increased by \$45.9 million (35% growth) from December 31, 2024.
- Gross loans were \$144.1 million as of December 31, 2025, which increased by \$15.9 million from September 30, 2025, (12% growth). Compared to December 31, 2024, gross loans increased \$38.4 million (36%). As of December 31, 2025, the Bank had no delinquent and no non-performing loans outstanding.
- Total deposits were \$143.5 million as of December 31, 2025, which increased by \$11.5 million from September 30, 2025 (9% growth). On an annual basis, total deposits grew by \$30.6 million (27%), and non-interest-bearing deposits increased to \$20.8 million from \$13.9 million, a 50% growth of \$6.9 million from December 31, 2024.
- Net loss was \$117.6k for the fourth quarter ending December 31, 2025, compared to income of \$14.5k for the third quarter ending September 30, 2025. Due to the growth in the loan portfolio, the Bank added \$140k in provisions for credit losses. Excluding credit provision expense, in the fourth quarter, 2025 adjusted net income was \$22.4k. On a year-to-date basis, the loss was \$605.7k for 2025, compared to year-to-date loss of \$4.5 million for 2024, an 87% reduction in losses for 2025 from 2024.
- Total liquidity remains high at \$28.3 million, which equates to 16.02% of the Bank's total assets. The Bank also maintains contingent available borrowing sources at \$18.7 million, which equals 10.6% of total assets.
- The loan portfolio average yield was 7.69% which contributed to a healthy net interest margin at 3.82% as of December 31, 2025.
- The Bank maintains a reserve for credit losses of \$1.412 million which equates to 0.98% of total loans. Excluding loans held-for-sale, the reserve for credit losses is 1.01%. As of December 31, 2025, the Bank’s balance sheet had no delinquent and non-performing assets.

The shareholders’ equity was \$14.84 million as of December 31, 2025, which was reduced by \$396k from December 31, 2024, mainly due to the operating loss. The Bank’s tier 1 capital to average assets ratio was 8.72%, which is considered well-capitalized under the regulatory framework.

During the fourth quarter of 2025 the total interest income was \$2.87 million compared to \$2.80 million recorded during the third quarter of 2025, an increase of 2.2%. The Bank’s interest expense from the interest-bearing deposits was \$1.17 million for the fourth quarter of 2025 compared to \$1.25 million for the third quarter of 2025, a decrease of 6.1%. The interest expense decreased due to reduction in money market deposit rates and repricing of maturing institutional certificate of 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 fourth 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 \$102k in the fourth quarter of 2025 compared to \$55.7k interest expense from

borrowings during the third quarter, 2025. The fourth quarter 2025 net interest income increased by \$92k from the third quarter 2025.

In the fourth quarter of 2025, the Bank sold loans which netted gains of \$8k compared to \$25k in gain on sale realized in the third quarter 2025. The government's shut down during the fourth quarter inhibited the Bank's ability to originate and sell small business administration (SBA) loans.

Total operating expenses for the fourth quarter of 2025 were \$1.62 million compared to \$1.54 million incurred during the third quarter, 2025, an increase of \$74k (4.8%). During the fourth quarter, the salaries and benefits expense decreased by \$19.9k due to less payroll tax expenses. The higher professional costs during the fourth quarter were for temporary engagement of a loan processor. The Bank continues to manage its operating expenses tightly.

As noted above, the Bank's liquidity remains above 16% 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 December 31, 2025, total contingent borrowing sources that were unused totaled \$18.7 million or 10.6% of total assets outstanding.

"We ended 2025 strong with total asset growth of \$46 million or 35% increase from 2024. The growth in earnings increased the Bank's net interest earnings by 82% from 2024. The non-interest income from sale of loans increased 277%, and the Bank's operating expenses decreased by 3% from 2024. As a result, the Bank's net operating loss reduced drastically by 86% in 2025 compared to 2024," *commented Najam Saiduddin, Chief Financial Officer.*

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

"I am extremely proud of the Bank's team in achieving growth and getting close to achieving sustained profitability. As announced earlier, the Bank's board has hired a new President/Chief Executive Officer with outstanding credentials. To keep up with the Bank's growth momentum, we have initiated our efforts to raise additional capital through a private placement offering to accredited investors of up to \$5.0 million of the Bank's common stock, with a 20% oversubscription option, plus a warrant for 1 share for each 5 shares subscribed, at a subscription price, and exercise price for the warrant, of \$9.50 per share," *commented Angela Bienert, Chairperson. This is not an offer to sell or a solicitation of an offer to buy the Bank's securities, and such offer can only be made by the offering documents provided by the Bank.*

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 Conditions

Assets	As of Dec 31, 2025	As of Dec 31, 2024	YTD Growth \$	YTD Growth %	Actual Month End Sep 2025	Quarterly Growth \$	Quarterly Growth %
Total Cash	\$28,312,636	\$22,112,065	\$6,200,572	28%	\$25,132,167	\$3,180,470	13%
Debt Securities	2,286,247	984,026	1,302,221	132%	1,003,731	1,282,516	128%
FHLB Stock	572,000	124,800	447,200	358%	572,000	-	0%
Total Investments	2,858,247	1,108,826	1,749,421	158%	1,575,731	1,282,516	81%
Gross Loans	144,052,034	105,648,160	38,403,874	36%	128,067,199	15,984,835	12%
Allowance for Credit Losses	(1,412,000)	(1,214,000)	(198,000)	(16%)	(1,272,000)	(140,000)	(11%)
Net Loans	142,640,034	104,434,160	38,205,874	37%	126,795,199	15,844,835	12%
Total Fixed Assets	127,674	189,606	(61,932)	(33%)	146,604	(18,930)	(13%)
Right of Use Assets	1,012,073	1,386,721	(374,648)	(27%)	1,107,706	(95,633)	(9%)
Prepaid	1,067,474	1,061,411	6,064	1%	1,143,507	(76,033)	(7%)
Total Other Assets	719,044	492,926	226,119	46%	607,171	111,873	18%
Total Assets	\$176,737,183	\$130,785,716	\$45,951,467	35%	\$156,508,085	\$20,229,098	13%
Demand Deposit Accounts	\$20,790,376	\$13,870,624	\$6,919,752	50%	\$15,160,483	\$5,629,893	37%
NOW Accounts	880,668	938,289	(57,621)	(6%)	752,949	127,719	17%
Money Market Accounts	55,195,257	48,539,814	6,655,443	14%	57,620,389	(2,425,132)	(4%)
Total Demand Deposits	76,866,302	63,348,727	13,517,574	21%	73,533,821	3,332,480	5%
Savings Accounts	5,061,600	5,058,477	3,123	0%	5,068,501	(6,901)	(0%)
Certificate of Deposits	61,583,728	44,484,698	17,099,030	38%	53,417,225	8,166,503	15%
Total Deposits	143,511,629	112,891,902	30,619,728	27%	132,019,547	11,492,082	9%
Other Borrowed < 1 Yr	16,000,000	-	16,000,000	0%	7,000,000	9,000,000	129%
Total Borrowings	16,000,000	-	16,000,000	0%	7,000,000	9,000,000	129%
Accrued Interest Payable	115,697	102,654	13,043	13%	96,025	19,672	20%
Accrued Expenses	346,330	358,926	(12,596)	(4%)	361,982	(15,651)	(4%)
Premise Lease Liability	1,102,793	1,485,722	(382,929)	(26%)	1,202,689	(99,896)	(8%)
Miscellaneous Liabilities	824,503	714,635	109,868	15%	891,714	(67,211)	(8%)
Total Other Liabilities	2,389,323	2,661,937	(272,614)	(10%)	2,552,409	(163,086)	(6%)
Total Liabilities	161,900,952	115,553,839	46,347,114	40%	141,571,957	20,328,996	14%
Common Stock	25,142,838	25,116,895	25,943	0%	25,142,838	-	0%
Surplus	676,328	470,347	205,981	44%	635,337	40,991	6%
Retained Earnings	(10,355,311)	(5,831,485)	(4,523,826)	(78%)	(10,355,311)	-	0%
FAS 115 Unrealized Gain/Loss	(21,875)	(54)	(21,821)	(40,461%)	1,416	(23,291)	(1,644%)
Profit/Loss YTD	(605,749)	(4,523,826)	3,918,077	87%	(488,152)	(117,597)	(24%)
Total Equity	\$14,836,231	\$15,231,877	(\$395,646)	(3%)	\$14,936,128	(\$99,897)	(1%)
Total Liabilities & Equity	\$176,737,183	\$130,785,716	\$45,951,467	35%	\$156,508,085	\$20,229,098	13%

**BEACH CITIES COMMERCIAL BANK
UNAUDITED STATEMENT OF OPERATIONS**

	For the Three Months Ended				For the Twelve Months Ended		
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2025	December 31, 2024	December 31, 2023
Interest Income:							
Interest and fees on loans	\$ 2,568,060	\$ 2,489,713	\$ 2,515,860	\$ 2,062,683	\$ 9,636,316	\$ 4,692,037	\$ 336,181
Interest on securities	28,624	20,678	18,549	13,586	81,437	54,054	17,320
Interest on federal funds sold and other interest-bearing deposits	268,782	293,442	231,188	207,270	1,000,682	860,018	821,283
Total Interest Income	2,865,466	2,803,833	2,765,597	2,283,539	10,718,435	5,606,109	1,174,784
Interest Expense:							
Interest on Deposits	1,174,229	1,249,943	1,212,316	1,074,406	\$ 4,710,894	2,404,973	348,700
Interest on Borrowings	101,558	55,723	47,128	4,968	\$ 209,377	12,941	-
Total Interest Expense	1,275,787	1,305,666	1,259,444	1,079,374	4,920,271	2,417,914	348,700
Net Interest Income	1,589,679	1,498,167	1,506,153	1,204,165	5,798,164	3,188,195	826,084
Provisions for Credit Losses	140,000	-	64,000	-	\$ 204,000	927,000	317,000
Net interest income after provisions for credit losses	1,449,679	1,498,167	1,442,153	1,204,165	5,594,164	2,261,195	509,084
Non-interest income:							
Service charges, fees and other	42,864	35,531	9,656	7,769	\$ 95,820	18,662	1,706
Gain on sale of loans	7,858	25,000	168,249	255,034	\$ 456,141	127,399	-
Non-interest income	50,722	60,531	177,905	262,803	551,961	146,061	1,706
Non-Interest expense:							
Salaries and employee benefits	899,759	919,692	1,167,215	1,134,486	\$ 4,121,152	4,481,445	2,318,336
Occupancy and Equipment expenses	167,535	177,127	171,924	167,812	\$ 684,398	691,504	408,909
Organization Expenses	-	-	-	-	-	-	1,045,800
Data Processing	206,470	193,433	192,403	150,569	\$ 742,875	628,030	332,424
Legal	16,050	14,500	49,198	16,485	\$ 96,233	-	-
Professional/Consulting	55,893	8,020	100,652	41,749	\$ 206,314	444,450	469,110
Other Expenses	272,291	231,461	198,597	197,752	\$ 900,101	684,053	294,946
Total Non-interest expense	1,617,998	1,544,233	1,879,989	1,708,853	6,751,073	6,929,482	4,869,525
Income (Loss) before taxes	(117,597)	14,465	(259,931)	(241,885)	\$ (604,948)	(4,522,226)	(4,358,735)
Income tax expense	-	-	800	-	\$ 800	1,600	800
Net Income (Loss)	\$ (117,597)	\$ 14,465	\$ (260,731)	\$ (241,885)	\$ (605,748)	\$ (4,523,826)	\$ (4,359,535)
Earnings per share ("EPS"): Basic	\$ (0.05)	\$ 0.01	\$ (0.10)	\$ (0.09)	\$ (0.24)	\$ (1.76)	\$ (1.71)
Common Shares Outstanding	2,568,395	2,568,395	2,565,864	2,565,864	2,565,864	2,565,864	2,556,112

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