



Beach Cities Commercial Bank Announces First Quarter 2026 Financial Results

Press Release- May 6th, 2026.

IRVINE, Calif. -- (BUSINESS WIRE) --Beach Cities Commercial Bank, www.beachcitiescb.com (OTCQB: BCCB) (the "Bank"), today announced financial results for the quarter ended March 31, 2026. **Thomas J. Inserra – President & CEO** stated: “The Bank is pleased with its Q1 2026 asset growth and asset yield performance. As of April 30, 2026, the Bank has received \$1.72 million in signed Security Purchase Agreements and is continuing to process a meaningful amount of commitments relating to its recently announced \$5 million targeted capital raise with proceeds to be utilized to support the Bank’s planned growth.”

Significant items for the period include:

- Total assets were \$182.5 million as of March 31, 2026, which increased by \$5.7 million from December 31, 2025 (3% growth). On a twelve-months basis, total assets increased by \$28.6 million (19% growth) from March 31, 2025.
- Gross loans were \$149.8 million as of March 31, 2026, which increased by \$5.8 million from December 31, 2025, (4% growth). Compared to March 31, 2025, gross loans increased \$26.3 million (21%). As of March 31, 2026, the Bank had no delinquent and no non-performing loans outstanding.
- Total deposits were \$139.6 million as of March 31, 2026, which decreased by \$3.9 million from December 31, 2025 (-3%). However, on a twelve-month basis, total deposits grew by \$7.5 million (6%). Generally, during the first quarter, deposit balances are reduced due to tax payments.
- Net loss was \$151.8k for the first quarter ending March 31, 2026, compared to a loss of \$117.6k for the fourth quarter ending December 31, 2025. First quarter 2026 included \$90k in non-occurring expenses related to hiring of the Bank’s new CEO/President, hiring bonus and search firm fee. Excluding the non-occurring expenses, the net loss for first-quarter of 2026 would have been approximately \$61k.
- Total liquidity remains high at \$28.3 million, which equates to 15.5% of the Bank’s total assets. The Bank also maintains contingent available borrowing sources at \$22 million, which equals 12% of total assets.
- The loan portfolio average yield was 7.26% which contributed to a healthy net interest margin at 3.75% as of March 31, 2026.
- The Bank maintains a reserve for credit losses of \$1.412 million, which equates to 0.94% of total loans. Excluding loans held-for-sale, the reserve for credit losses is 1.09%. As of March 31, 2026, the Bank’s balance sheet had no delinquent and non-performing assets.

The shareholders’ equity was \$15.7 million as of March 31, 2026, which increased by \$867k from December 31, 2025. The Bank’s tier one capital to average assets ratio was 8.63%, 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 end of April 2026, \$1,718,037 was raised and added to the balance sheet capital account. At \$9.50 per share, 180,846 shares of common stock and warrants for 36,165 shares have been issued.

During the first quarter of 2026 the total interest income was \$2.96 million compared to \$2.87 million recorded during the fourth quarter of 2025, an increase of 3.4%. The Bank’s interest expense from the interest-bearing deposits was \$1.11 million for the first quarter of 2026 compared to \$1.17 million for the fourth quarter of 2025, a decrease of \$68k. 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 first quarter of 2026, the Bank increased its borrowings to \$25 million as of March 31, 2026 from the Federal Home Loan Bank of San Francisco (FHLBSF). As a result, the Bank’s borrowing interest expense increased to \$198k in the first quarter of 2026 compared to \$102k interest expense from borrowings during the fourth quarter, 2025. The first quarter 2026 net interest income increased by \$208k from the fourth quarter 2025 due to growth in the loan portfolio.

In the first quarter of 2026, the Bank sold loans which netted gains of \$48k compared to \$8k in gain on sale realized in the fourth 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 first quarter of 2026 were \$1.89 million compared to \$1.62 million incurred during the fourth quarter, 2025, an increase of \$275k (16.9%). The salaries and benefits costs increased during first quarter 2026 as a result of hiring the CEO/President and a Treasury manager. In accordance with the CEO/President agreement, a signing bonus of \$50k was paid out during the first quarter 2026. Other expenses include \$40k expense for the search firm engaged for the CEO/President position.

As noted above, the Bank's liquidity remains above 15% 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 March 31, 2026, total contingent borrowing sources that were unused totaled \$22.1 million or 12.1% of total assets outstanding.

"The Bank continues to focus on growing its core earning assets with the goal of increasing core earnings. The Bank's first quarter of 2026 net interest income grew \$453k compared to first quarter of 2025, an increase of 38%. Excluding non-occurring expenses incurred during the first quarter of 2026, the operating expenses increased \$93k or 5.5% from the first quarter 2025. With new capital being added, the Bank will have the capacity to grow its loan portfolio to achieve higher earnings," *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.*

"We are extremely fortunate and pleased with Thomas Insera's leadership and the entire Executive Management Team; it's through their hard work and dedication we've grown in a safe manner," *commented Angela Bienert, Chair Board of Directors.*

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 Statement of Financial Condition

Assets	As of March 31 2026	As of March 31 2025	12 Months Growth	12 Months Growth %	As of December 31 2025	Quarterly Growth \$	Quarterly Growth %
Total Cash and Due From	\$ 28,278,480	\$ 27,316,390	\$ 962,090	4%	\$ 28,312,636	\$ (34,156)	(0%)
US Treasury Securities	1,001,019	994,195	6,824	1%	1,003,574	(2,555)	(0%)
Mortgage Backed Securities	1,271,457	-	1,271,457	0%	1,282,672	(11,216)	(1%)
FHLB Stock	702,000	124,800	577,200	463%	572,000	130,000	23%
Total Investments	2,974,476	1,118,995	1,855,481	166%	2,858,247	116,229	4%
Gross Loans	149,815,435	123,482,780	26,332,655	21%	144,052,034	5,763,401	4%
Allowance for Credit Losses	(1,412,000)	(1,214,000)	(198,000)	(16%)	(1,412,000)	-	0%
Net Loans	148,403,435	122,268,780	26,134,655	21%	142,640,034	5,763,401	4%
Total Fixed Assets	108,051	177,566	(69,515)	(39%)	127,674	(19,624)	(15%)
Right of Use Assets	915,053	1,295,007	(379,954)	(29%)	1,012,073	(97,020)	(10%)
Prepaid	1,045,527	1,034,002	11,525	1%	1,067,474	(21,947)	(2%)
Total Other Assets	748,448	634,225	114,223	18%	719,044	29,404	4%
Total Assets	\$ 182,473,470	\$ 153,844,966	\$ 28,628,504	19%	\$ 176,737,183	\$ 5,736,287	3%
Demand Deposit Accounts	\$ 18,159,276	\$ 21,390,859	\$ (3,231,584)	(15%)	\$ 20,790,376	\$(2,631,101)	(13%)
NOW Accounts	665,617	1,000,890	(335,273)	(33%)	880,668	(215,051)	(24%)
Money Market Accounts	52,786,583	52,781,634	4,949	0%	55,195,257	(2,408,674)	(4%)
Total Demand Deposits	71,611,476	75,173,384	(3,561,908)	(5%)	76,866,302	(5,254,826)	(7%)
Savings Accounts	5,059,581	5,064,038	(4,458)	(0%)	5,061,600	(2,019)	(0%)
Total CDs	62,892,902	51,813,215	11,079,687	21%	61,583,728	1,309,174	2%
Total Deposits	139,563,958	132,050,638	7,513,321	6%	143,511,629	(3,947,671)	(3%)
Other Borrowed < 1 Yr	25,000,000	4,000,000	21,000,000	525%	16,000,000	9,000,000	56%
Total Borrowings	25,000,000	4,000,000	21,000,000	525%	16,000,000	9,000,000	56%
Accrued Interest Payable	111,342	118,686	(7,344)	(6%)	115,697	(4,356)	(4%)
Accrued Expenses	363,200	417,947	(54,747)	(13%)	346,330	16,870	5%
Premise Lease Liability	1,000,718	1,392,669	(391,951)	(28%)	1,102,793	(102,075)	(9%)
Miscellaneous Liabilities	731,352	775,799	(44,447)	(6%)	824,503	(93,151)	(11%)
Total Other Liabilities	2,206,611	2,705,101	(498,490)	(18%)	2,389,323	(182,712)	(8%)
Total Liabilities	166,770,569	138,755,739	28,014,830	20%	161,900,952	4,869,617	3%
Common Stock	26,072,485	25,116,895	955,590	4%	25,142,838	929,647	4%
Additional Paid in Capital	750,089	569,067	181,022	32%	676,328	73,761	11%
APIC - Warrants	26,544	-	26,544	0%	-	26,544	0%
Retained Earnings	(10,961,060)	(10,355,311)	(605,749)	(6%)	(10,355,311)	(605,749)	(6%)
FAS 115 Unrealized Gain/Loss	(33,384)	460	(33,845)	(7,352%)	(21,875)	(11,510)	(53%)
Profit/Loss YTD	(151,773)	(241,884)	90,111	37%	(605,749)	453,976	75%
Total Equity	15,702,900	15,089,227	613,674	4%	14,836,231	866,670	6%
Total Liabilities & Equity	\$ 182,473,470	\$ 153,844,966	\$ 28,628,504	19%	\$ 176,737,183	\$ 5,736,286	3%

BEACH CITIES COMMERCIAL BANK
UNAUDITED STATEMENT OF OPERATIONS

	For the Three Months Ended					For the Twelve Months Ended	For the Twelve Months Ended
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2025	December 31, 2024
Interest Income:							
Interest and fees on loans	\$ 2,667,728	\$ 2,568,060	\$ 2,489,713	\$ 2,515,860	\$ 2,062,683	\$ 9,636,316	\$ 4,692,037
Interest on securities	50,194	28,624	20,678	18,549	13,586	81,437	54,054
Interest on federal funds sold and other interest-bearing deposits	244,528	268,782	293,442	231,188	207,270	1,000,682	860,018
Total Interest Income	2,962,450	2,865,466	2,803,833	2,765,597	2,283,539	10,718,435	5,606,109
Interest Expense:							
Interest on Deposits	1,106,389	1,174,229	1,249,943	1,212,316	1,074,406	\$ 4,710,894	2,404,973
Interest on Borrowings	198,524	101,558	55,723	47,128	4,968	\$ 209,377	12,941
Total Interest Expense	1,304,913	1,275,787	1,305,666	1,259,444	1,079,374	4,920,271	2,417,914
Net Interest Income	1,657,537	1,589,679	1,498,167	1,506,153	1,204,165	5,798,164	3,188,195
Provisions for Credit Losses	-	140,000	-	64,000	-	\$ 204,000	927,000
Net interest income after provisions for credit losses	1,657,537	1,449,679	1,498,167	1,442,153	1,204,165	5,594,164	2,261,195
Non-interest income:							
Service charges, fees and other	35,785	42,864	35,531	9,656	7,769	\$ 95,820	18,662
Gain on sale of loans	47,690	7,858	25,000	168,249	255,034	\$ 456,141	127,399
Non-interest income	83,475	50,722	60,531	177,905	262,803	551,961	146,061
Non-Interest expense:							
Salaries and employee benefits	1,136,392	899,759	919,692	1,167,215	1,134,486	\$ 4,121,152	4,481,445
Occupancy and Equipment expenses	165,273	167,535	177,127	171,924	167,812	\$ 684,398	691,504
Data Processing	203,160	206,470	193,433	192,403	150,569	\$ 742,875	628,030
Legal	15,000	16,050	14,500	49,198	16,485	\$ 96,233	94,948
Professional/Consulting	48,353	55,893	8,020	100,652	41,749	\$ 206,314	349,502
Other Expenses	324,606	272,291	231,461	198,597	197,752	\$ 900,101	684,053
Total Non-interest expense	1,892,784	1,617,998	1,544,233	1,879,989	1,708,853	6,751,073	6,929,482
Income (Loss) before taxes	(151,772)	(117,597)	14,465	(259,931)	(241,885)	\$ (604,948)	(4,522,226)
Income tax expense	-	-	-	800	-	\$ 800	1,600
Net Income (Loss)	\$ (151,772)	\$ (117,597)	\$ 14,465	\$ (260,731)	\$ (241,885)	\$ (605,748)	\$ (4,523,826)
Earnings per share ("EPS"): Basic	\$ (0.06)	\$ (0.05)	\$ 0.01	\$ (0.10)	\$ (0.09)	\$ (0.24)	\$ (1.76)
Common Shares Outstanding	2,627,385	2,568,395	2,568,395	2,565,864	2,565,864	2,565,864	2,565,864

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