



Beach Cities Commercial Bank Announces Third Quarter 2025 Financial Results

Press Release- October 31, 2025

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, 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:

- Net income was \$14.5k for the third quarter ended September 30, 2025, compared to a loss of \$260.7k for the second quarter ended June 30, 2025.
- Total assets were \$156.5 million as of September 30, 2025, which increased by \$59.5 million from September 30, 2024 (61% growth). Compared to the second quarter ending June 30, 2025, total assets decreased \$5.9 million (4%) from \$162.5 million.
- Total loans were \$128.1 million as of September 30, 2025, which increased by \$49.9 million from September 30, 2024, (64% growth). Compared to the second quarter ending June 30, 2025, loans decreased \$3.3 million (3%) due to expected payoffs.
- Total deposits were \$132.0 million as of September 30, 2025, which increased by \$56.2 million from September 30, 2024 (74%). During the third quarter of 2025, the Bank reduced its reliance on high-cost institutional CDs by reducing its CD deposits by \$8.2 million while increasing its core money market deposit balances by \$7.2 million.
- Total liquidity remains high at \$25.1 million, which equates to 16.06% of the Bank's total assets. The Bank also maintains contingent available borrowing sources at \$21.4 million, which equals 13.7% of total assets.
- The loan portfolio average yield was 7.66% which contributed to a healthy net interest margin at 3.44% as of September 30, 2025.
- The Bank maintains a reserve for credit losses of \$1.272 million which equates to 0.99% of total loans. As of September 30, 2025, the Bank's balance sheet had no delinquent and non-performing assets.

The shareholders' equity was \$14.94 million as of September 30, 2025, which was reduced by \$488k from December 31, 2024, mainly due to the operating loss, and increased from \$14.93 million as of June 30, 2025. The Bank's tier 1 capital to average assets ratio was 9.28%, which is considered well-capitalized under the regulatory framework.

The Bank reported the third-quarter of 2025 net income of \$14.5k compared to the second-quarter of 2025 loss of \$260.7k. During the third quarter, the Bank's operating expenses decreased \$336k compared to the prior quarter of June 30, 2025.

During the third quarter of 2025 the total interest income was \$2.80 million compared to \$2.77 million recorded during the second quarter of 2025, an increase of 1.4%. The Bank's interest expense from the interest-bearing deposits was \$1.25 million for the third quarter of 2025 compared to \$1.21 million for the second quarter of 2025 an increase of 3.1%. 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 third 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 \$55.7k in the third

quarter of 2025 compared to \$47.1k interest expense from borrowings during the second quarter, 2025. The third quarter 2025 net interest income decreased slightly by \$8k from the second quarter 2025.

In the third quarter of 2025, the Bank sold loans which netted gains of \$25k compared to \$168k in gain on sale realized in the second quarter 2025.

Total operating expenses for the third quarter of 2025 were \$1.54 million compared to \$1.88 million incurred during the second quarter, 2025, a reduction of \$335.8k (-17.9%). During the third quarter, the salaries and benefits expense decreased due to open job positions for CEO and loan processor. The legal expenses were \$14.5k in the third quarter of 2025 compared to \$49k in the second quarter 2025. The higher legal and professional costs during the second quarter were for non-recurring costs related to personnel changes incurred during the quarter. 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 September 30, 2025, total contingent borrowing sources that were unused totaled \$21.4 million or 13.7% of total assets outstanding.

"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**.

"The Bank closed out the third quarter with its first quarterly profit. Achieving sustained profitability is our main priority," commented **Najam Saiduddin, Chief Financial Officer**.

"Recently, the Bank conducted its second-year annual shareholders meeting with over 80% shareholder vote participation. We welcomed three new board directors and one past board director at our shareholders meeting. The Bank is optimistic that we will hire a new CEO this fourth quarter," 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 Sept 30, 2025	As of Dec 31, 2024	Qtr. Growth \$	Qtr. Growth %	As of Sept 30, 2024	Annual Growth \$	Annual Growth %
Total Cash and Cash Equivalent	\$25,132,167	\$22,112,065	\$3,020,102	14%	\$15,649,897	\$9,482,270	61%
Debt Securities Available for Sale	\$1,003,731	\$984,026	\$19,705	2%	\$974,284	\$29,447	3%
FHLB Stock	\$572,000	\$124,800	\$447,200	358%	\$124,800	\$447,200	358%
Total Investments	\$1,575,731	\$1,108,826	\$466,905	42%	\$1,099,084	\$476,647	43%
Gross Loans	\$128,067,199	\$105,648,160	\$22,419,039	21%	\$78,105,307	\$49,961,891	64%
Allowance for Credit Losses	(\$1,272,000)	(\$1,214,000)	(\$58,000)	(5%)	(\$843,000)	(\$429,000)	(51%)
Net Loans	\$126,795,199	\$104,434,160	\$22,361,039	21%	\$77,262,307	\$49,532,891	64%
Fixed Assets	\$146,604	\$189,606	(\$43,002)	(23%)	\$205,627	(\$59,023)	(29%)
Right of Use Assets	\$1,107,706	\$1,386,721	(\$279,015)	(20%)	\$1,477,169	(\$369,463)	(25%)
Prepaid	\$1,143,507	\$1,061,411	\$82,097	8%	\$1,054,014	\$89,493	8%
Total Other Assets	\$607,171	\$492,926	\$114,245	23%	\$293,683	\$313,488	107%
Total Assets	\$156,508,085	\$130,785,714	\$25,722,371	20%	\$97,041,781	\$59,466,304	61%
Demand Deposit Accounts	\$15,160,483	\$13,870,624	\$1,289,859	9%	\$12,035,356	\$3,125,127	26%
NOW Accounts	\$752,949	\$938,289	(\$185,339)	(20%)	\$847,662	(\$94,713)	(11%)
Money Market Accounts	\$57,620,389	\$48,539,814	\$9,080,575	19%	\$30,948,601	\$26,671,788	86%
Total Demand Deposits	\$73,533,821	\$63,348,727	\$10,185,094	16%	\$43,831,619	\$29,702,202	68%
Savings Accounts	\$5,068,501	\$5,058,477	\$10,024	0%	\$45,736	\$5,022,765	10,982%
Certificate of Deposits	\$53,417,225	\$44,484,698	\$8,932,527	20%	\$31,946,029	\$21,471,197	67%
Total Deposits	\$132,019,547	\$112,891,902	\$19,127,646	17%	\$75,823,384	\$56,196,164	74%
Other Borrowed < 1 Yr	\$7,000,000	\$0	\$7,000,000	0%	\$2,300,000	\$4,700,000	204%
Total Other Liabilities	\$2,552,409	\$2,661,935	(\$109,526)	(4%)	\$2,801,028	(\$248,619)	(9%)
Total Liabilities	\$141,571,957	\$115,553,837	\$26,018,120	23%	\$80,924,412	\$60,647,545	75%
Common Stock	\$25,142,838	\$25,116,895	\$25,943	0%	\$25,116,895	\$25,943	0%
Surplus	\$635,337	\$470,347	\$164,990	35%	\$365,754	\$269,583	74%
Retained Earnings	(\$10,355,311)	(\$5,831,485)	(\$4,523,826)	(78%)	(\$5,831,485)	(\$4,523,826)	(78%)
FAS 115 Unrealized Gain/Loss	\$1,416	(\$54)	\$1,470	2,726%	\$1,472	(\$56)	(4%)
Profit/Loss YTD	(\$488,152)	(\$4,523,826)	\$4,035,674	89%	(\$3,535,267)	\$3,047,116	86%
Total Equity	\$14,936,128	\$15,231,877	(\$295,749)	(2%)	\$16,117,369	(\$1,181,240)	(7%)
Total Liabilities & Equity	\$156,508,085	\$130,785,714	\$25,722,371	20%	\$97,041,781	\$59,466,304	61%

BEACH CITIES COMMERCIAL BANK
UNAUDITED STATEMENT OF OPERATIONS

	For the Three Months Ended			For the Nine Months Ended		For the Twelve Months Ended	For the twelve Months Ended
	September 30, 2025	June 30, 2025	March 31, 2025	September 30, 2025	September 30, 2024	December 31, 2024	December 31, 2023
Interest Income:							
Interest and fees on loans	\$ 2,489,713	\$ 2,515,860	\$ 2,062,683	\$ 7,068,256	\$ 3,058,016	\$ 4,692,037	\$ 336,181
Interest on securities	20,678	18,549	13,586	52,813	40,240	54,054	17,320
Interest on federal funds sold and other interest-bearing deposits	293,442	231,188	207,270	731,900	646,299	860,018	821,283
Total Interest Income	2,803,833	2,765,597	2,283,539	7,852,969	3,744,555	5,606,109	1,174,784
Interest Expense:							
Interest on Deposits	1,249,943	1,212,316	1,074,406	3,536,665	1,557,832	2,404,973	348,700
Interest on Borrowings	55,723	47,128	4,968	107,819	-	12,941	-
Total Interest Expense	1,305,666	1,259,444	1,079,374	3,644,484	1,557,832	2,417,914	348,700
Net Interest Income	1,498,167	1,506,153	1,204,165	4,208,485	2,186,723	3,188,195	826,084
Provisions for Credit Losses	-	64,000	-	64,000	546,000	927,000	317,000
Net interest income after provisions for loan losses	1,498,167	1,442,153	1,204,165	4,144,485	1,640,723	2,261,195	509,084
Non-interest income:							
Service charges, fees and other	35,531	9,656	7,769	52,956	15,626	18,662	1,706
Gain on sale of loans	25,000	168,249	255,034	448,283	-	127,399	-
Non-interest income	60,531	177,905	262,803	501,239	15,626	146,061	1,706
Non-Interest expense:							
Salaries and employee benefits	919,692	1,167,215	1,134,486	3,221,393	3,347,270	4,481,445	2,318,336
Occupancy and Equipment expenses	177,127	171,924	167,812	516,863	520,581	691,504	408,909
Organization Expenses	-	-	-	-	-	-	1,045,800
Data Processing	193,433	192,403	150,569	536,405	488,485	628,030	332,424
Legal	14,500	49,198	16,485	80,183	75,315	-	-
Professional/Consulting	8,020	100,652	41,749	150,421	194,111	444,450	469,110
Other Expenses	231,461	198,597	197,752	627,810	564,253	684,053	294,946
Total Non-interest expense	1,544,233	1,879,989	1,708,853	5,133,075	5,190,015	6,929,482	4,869,525
Income (Loss) before taxes	14,465	(259,931)	(241,885)	(487,351)	(3,533,666)	(4,522,226)	(4,358,735)
Income tax expense	-	800	-	800	1,600	1,600	800
Net Income (Loss)	\$ 14,465	\$ (260,731)	\$ (241,885)	\$ (488,151)	\$ (3,535,266)	\$ (4,523,826)	\$ (4,359,535)
Earnings per share ("EPS"): Basic	\$ 0.01	\$ (0.10)	\$ (0.09)	\$ (0.19)	\$ (1.38)	\$ (1.76)	\$ (1.71)
Common Shares Outstanding	2,568,395	2,565,864	2,565,864	2,568,395	2,565,864	2,565,864	2,556,112

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