BEACH CITIES
COMMERCIAL BANK
Your Bank. Your Way.

Beach Cities Commercial Bank Announces Second Quarter 2026 Financial Results

Press Release- July 30, 2026.

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, 2026. ***Thomas J. Inserra – President & CEO*** stated: "We are pleased to announce the achievement of three key milestones, including: 1) Reaching an Asset size of $188.9 million; 2) Profit for the second quarter; and 3) Attainment of Year-to-Date profitability through the first seven months of 2026 as a notable subsequent event. These key milestones demonstrate the bank has now achieved sufficient asset size to generate sustained profitability. We would like to thank our growing and loyal small-business client base, our shareholders, Board Members and our employees for their support in reaching these key milestones."

Significant items for the period include:

- Total assets were $188.9 million as of June 30, 2026, which increased by $12.1 million from December 31, 2025 (7% growth). On a twelve-months basis, total assets increased by $26.4 million (16% growth) from June 30, 2025.
- Gross loans were $153.5 million as of June 30, 2026, which increased by $9.5 million from December 31, 2025, (7% growth). Compared to June 30, 2025, gross loans increased $22.2 million (17%).
- Total deposits were $139.6 million as of June 30, 2026, which decreased by $3.9 million from December 31, 2025 (-3%). However, on a twelve-month basis, total deposits grew by $6.5 million (5%). During the six-month period 2026, the Bank reduced its institutional CD balances by $7.7 million which resulted in CD interest expense savings and reduction in deposits.
- Net income was $111.8k for the second quarter ending June 30, 2026, compared to a loss of $151.8k for the second quarter ending March 31, 2026. On a year-to-date basis for 2026, the total loss was reduced to $40k.
- Total liquidity remains high at $32.8 million, which equates to 17.34% of the Bank's total assets. The Bank also maintains contingent available borrowing sources at $17 million, which equals 9% of total assets.
- The loan portfolio average yield was 7.50% which contributed to a healthy net interest margin at 3.83% as of June 30, 2026.
- The Bank maintains an allowance for credit losses of $1.440 million, which equates to 0.94% of total loans. Excluding loans held-for-sale, the allowance for credit losses is 1.08%. As of June 30, 2026, the Bank's loan portfolio included $33.3 million in both State and SBA guaranteed loans. Excluding the loan guaranteed portion, the allowance for credit loss ratio is 1.20%. As of June 30, 2026, the Bank's balance sheet had no delinquent and non-performing assets.

The shareholders' equity was $18.4 million as of June 30, 2026, which increased by $3.6 million from December 31, 2025. The Bank's tier one capital to average assets ratio was 9.81%, 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 June 2026, $3,553,921 was raised and added to the balance sheet capital account. The private placement offering is still ongoing, and representatives of the Bank continue to talk with interested investors. BCCB expects to close the private stock offering by September 30, 2026. At $9.50 per share, 374,097 shares of common stock and warrants for 74,819 shares have been issued as of June 30, 2026.

During the second quarter of 2026 the total interest income was $3.15 million compared to $2.96 million recorded during the first quarter of 2026, an increase of 6.4%. The Bank's interest expense from the interest-bearing deposits was $1.09 million for the second quarter of 2026 compared to $1.10 million for the first quarter of 2026, a decrease of $9k. 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 second quarter of 2026, the Bank increased its borrowings to $29 million as of June 30, 2026, from the Federal Home Loan Bank of San Francisco

(FHLBSF). As a result, the Bank's borrowing interest expense increased to $247k in the second quarter of 2026 compared to $198k interest expense from borrowings during the first quarter, 2026. The second quarter 2026 net interest income increased by $151k from the first quarter 2025 due to growth in the loan portfolio.

In the second quarter of 2026, the Bank sold loans which netted gains of $188k compared to $48k in gain on sale realized in the first quarter 2026.

Total operating expenses for the second quarter of 2026 were $1.90 million compared to $1.89 million incurred during the first quarter, 2026, an increase of $9.6k (0%).

"Achieving profitability during the second quarter 2026 for our stakeholders was a major achievement. This milestone was achieved by growing the earning assets and maintaining our operating expenses. With new capital being added, the Bank will have the capacity to grow its earning assets further 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 Inserra'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***.

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.

Beach Cities Commercial Bank
Unaudited Statement of Financial Condition

Assets	As of June 30 2026	As of June 30 2025	12 Months Growth	12 Months Growth %	As of December 31 2025	Six Months Growth	Six Months Growth %
Total Cash and Due From	$30,997,353	$27,629,896	$3,367,458	12%	$28,312,636	$2,684,717	9%
US Treasury Securities	998,658	998,522	136	0%	1,003,574	(4,916)	(0%)
Mortgage Backed Securities	1,260,663	-	1,260,663	0%	1,282,672	(22,009)	(2%)
Short Term Securities	864,000	572,000	292,000	51%	572,000	292,000	51%
Total Investments	3,123,321	1,570,522	1,552,799	99%	2,858,247	265,075	9%
Gross Loans	153,507,537	131,335,545	22,171,991	17%	144,052,034	9,455,502	7%
Allowance for Credit Losses	(1,440,000)	(1,272,000)	(168,000)	(13%)	(1,412,000)	(28,000)	(2%)
Net Loans	152,067,537	130,063,545	22,003,991	17%	142,640,034	9,427,502	7%
Total Fixed Assets	88,893	163,382	(74,489)	(46%)	127,674	(38,782)	(30%)
Right of Use Assets	816,623	1,202,008	(385,385)	(32%)	1,012,073	(195,450)	(19%)
Prepaid	1,049,575	1,170,016	(120,441)	(10%)	1,067,474	(17,899)	(2%)
Total Other Assets	723,541	660,369	63,171	10%	719,044	4,496	1%
Total Assets	**$188,866,843**	**$162,459,738**	**$26,407,105**	**16%**	**$176,737,183**	**$12,129,660**	**7%**
Demand Deposit Accounts	$17,662,916	$14,979,398	$2,683,518	18%	$20,790,376	($3,127,461)	(15%)
NOW Accounts	580,044	922,522	(342,478)	(37%)	880,668	(300,625)	(34%)
Money Market Accounts	67,443,355	50,456,931	16,986,425	34%	55,195,257	12,248,098	22%
Total Demand Deposits	85,686,314	66,358,850	19,327,464	29%	76,866,302	8,820,013	11%
Savings Accounts	66,528	5,060,922	(4,994,394)	(99%)	5,061,600	(4,995,072)	(99%)
Total CDs	53,802,805	61,587,394	(7,784,590)	(13%)	61,583,728	(7,780,924)	(13%)
Total Deposits	139,555,647	133,007,166	6,548,481	5%	143,511,629	(3,955,983)	(3%)
Other Borrowed < 1 Yr	29,000,000	12,000,000	17,000,000	142%	16,000,000	13,000,000	81%
Total Borrowings	29,000,000	12,000,000	17,000,000	142%	16,000,000	13,000,000	81%
Accrued Interest Payable	82,611	109,377	(26,766)	(24%)	115,697	(33,086)	(29%)
Accrued Expenses	313,080	353,397	(40,317)	(11%)	346,330	(33,250)	(10%)
Premise Lease Liability	897,233	1,298,330	(401,098)	(31%)	1,102,793	(205,561)	(19%)
Miscellaneous Liabilities	604,231	765,010	(160,779)	(21%)	824,503	(220,271)	(27%)
Total Other Liabilities	1,897,155	2,526,114	(628,960)	(25%)	2,389,323	(492,168)	(21%)
Total Liabilities	170,452,802	147,533,280	22,919,521	16%	161,900,952	8,551,849	5%
Common Stock	28,539,397	25,116,895	3,422,502	14%	25,142,838	3,396,559	14%
Additional Paid in Capital	823,940	667,786	156,154	23%	676,328	147,612	22%
APIC - Warrants	92,901	-	92,901	0%	-	92,901	0%
Retained Earnings	(10,961,060)	(10,355,311)	(605,749)	(6%)	(10,355,311)	(605,749)	(6%)
FAS 115 Unrealized Gain/Loss	(41,138)	(296)	(40,842)	(13,811%)	(21,875)	(19,263)	(88%)
Profit/Loss YTD	(39,999)	(502,616)	462,618	92%	(605,749)	565,750	93%
Total Equity	18,414,041	14,926,458	3,487,584	23%	$14,836,231	$3,577,811	24%
Total Liabilities & Equity	**$188,866,843**	**$162,459,738**	**$26,407,105**	**16%**	**$176,737,183**	**$12,129,660**	**7%**

BEACH CITIES COMMERCIAL BANK
UNAUDITED STATEMENT OF OPERATIONS

	For the Three Months Ended			For the Six Months Ended	For the Six Months Ended	For the Twelve Months Ended	For the Twelve Months Ended
	June 30, 2026	March 31, 2026	December 31, 2025	June 30, 2026	June 30, 2025	December 31, 2025	December 31, 2024
Interest Income:							
Interest and fees on loans	$ 2,866,140	$ 2,667,728	$ 2,568,060	$ 5,533,868	$ 4,538,838	$ 9,636,316	$ 4,692,037
Interest on securities	43,909	50,194	28,624	94,103	32,135	81,437	54,054
Interest on federal funds sold and other interest-bearing deposits	243,131	244,528	268,782	487,659	438,458	1,000,682	860,018
Total Interest Income	**3,153,180**	**2,962,450**	**2,865,466**	**6,115,630**	**5,009,431**	**10,718,435**	**5,606,109**
				-			
Interest Expense:				-			
Interest on Deposits	1,097,575	1,106,389	1,174,229	2,203,964	2,286,722	4,710,894	2,404,973
Interest on Borrowings	246,931	198,524	101,558	445,455	52,096	209,377	12,941
Total Interest Expense	**1,344,506**	**1,304,913**	**1,275,787**	**2,649,419**	**2,338,818**	**4,920,271**	**2,417,914**
				-			
Net Interest Income	**1,808,674**	**1,657,537**	**1,589,679**	**3,466,211**	**2,670,613**	**5,798,164**	**3,188,195**
				-			
Provisions for Credit Losses	28,000	-	140,000	28,000	58,000	204,000	927,000
Net interest income after provisions for credit losses	**1,780,674**	**1,657,537**	**1,449,679**	**3,438,211**	**2,612,613**	**5,594,164**	**2,261,195**
				-			
Non-interest income:				-			
Service charges, fees and other	46,585	35,785	42,864	82,370	57,129	95,820	18,662
Gain on sale of loans	187,691	47,690	7,858	235,381	423,283	456,141	127,399
Non-interest income	**234,276**	**83,475**	**50,722**	**317,751**	**480,412**	**551,961**	**146,061**
				-			
Non-Interest expense:				-			
Salaries and employee benefits	1,095,708	1,136,392	899,759	2,232,100	2,301,701	4,121,152	4,481,445
Occupancy and Equipment expenses	169,244	165,273	167,535	334,517	339,736	684,398	691,504
Data Processing	202,294	203,160	206,470	405,454	342,972	742,875	628,030
Legal	29,330	15,000	16,050	44,330	125,683	96,233	94,948
Professional/Consulting	39,646	48,353	55,893	87,999	14,270	206,314	349,502
Other Expenses	366,154	324,606	272,291	690,760	470,479	900,101	684,053
Total Non-interest expense	**1,902,376**	**1,892,784**	**1,617,998**	**3,795,160**	**3,594,841**	**6,751,073**	**6,929,482**
				-			
Income (Loss) before taxes	112,574	(151,772)	(117,597)	(39,198)	(501,816)	(604,948)	(4,522,226)
Income tax expense	800	-	-	800	800	800	1,600
Net Income (Loss)	**$ 111,774**	**$ (151,772)**	**$ (117,597)**	**$ (39,998)**	**$ (502,616)**	**$ (605,748)**	**$ (4,523,826)**
Earnings per share ("EPS"): Basic	$ 0.04	$ (0.06)	$ (0.05)	$ (0.01)	$ (0.20)	$ (0.24)	$ (1.76)
Common Shares Outstanding	2,942,492	2,627,385	2,568,395	2,942,492	2,565,864	2,565,864	2,565,864

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

Follow us on LinkedIn®