



# WEST COAST COMMUNITY BANCORP

## INVESTOR PRESENTATION

OCTOBER 2024

# DISCLAIMER

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This investor presentation has been prepared to assist interested parties in making their own evaluation of the Company and does not purport to contain all of the information that may be relevant. In all cases, interested parties should conduct their own investigation and analysis of the Company and the data set forth in the investor presentation and other information provided by or on behalf of the Company.

## **Cautionary Statement Regarding Forward-Looking Information**

This communication may contain forward-looking statements that are subject to risks and uncertainties. Words such as "believe," "expect," "estimate," "project," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "predicts," "continue," and similar expressions are intended to identify such forward-looking statements; however, the absence of these words does not mean the statements are not forward-looking. Such risks and uncertainties may include but are not necessarily limited to the successful integration with 1st Capital Bancorp post-merger, achieving the targeted cost savings and synergies within expected time-frames or at all, retaining employees and customers, fluctuations in interest rates, inflation, government regulations and general economic conditions, the effects of and changes in monetary and fiscal policies, including the interest rate policies of the Federal Reserve Board and their related effects on inflation risk, and competition within the business areas in which the Bank is conducting its operations, including the real estate market in California and other factors beyond the Company and the Bank's control. Such risks and uncertainties could cause results for subsequent interim periods or for the entire year to differ materially from those indicated.

Actual results may differ materially from those contained in the forward-looking statements in this communication. Readers should not place undue reliance on the forward-looking statements, which reflect management's view only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

# SANTA CRUZ COUNTY BANK



Community bank headquartered in Santa Cruz, CA  
Opened in 2004



Approximately 152 employees as of September 30, 2024



\$1.8 billion in assets as of September 30, 2024



West Coast Community Bancorp was established as  
SCCB's bank holding company in Q3 2023



Acquired 1st Capital Bank on October 1, 2024. Combined bank  
will rebrand as West Coast Community Bank in Q2 2025.



Total of 10 branches post consolidation with 1st Capital Bank  
and pro forma assets of \$2.8 billion.



# LEADERSHIP TEAM



**Krista Snelling**  
*President & Chief Executive Officer*



**Cecilia Situ**  
*EVP Chief Financial Officer*



**Jon P. Sisk**  
*EVP Chief Banking Officer*



**Angelo DeBernardo, Jr.**  
*EVP Chief Lending Officer*



**Mary Anne Carson**  
*EVP Chief Marketing Officer*



**Shawn Lipman**  
*EVP Chief Credit Officer*



**Jaime Manriquez**  
*EVP Chief Information Officer*



**Maxwell Sinclair**  
*EVP Chief Risk Officer*



**Shamara van der Voort**  
*EVP Chief Operations Officer*



**Frederick L. Caiocca**  
*EVP Regional Credit Executive*

# Q3 2024 RESULTS

## Balance Sheet Strength

**\$1.801 Billion**

Total Assets

**\$1.395 Billion**

Total Loans

**\$1.527 Billion**

Total Deposits

**\$229 Million**

Tangible Common Equity

## Consistent Profitability

**\$20.5 Million**

Q3 Net Interest Income

**\$8.2 Million**

Q3 Net Income

**\$0.96**

Q3 Diluted Earnings Per Share

## Strong Earnings Metrics

**1.87%**

Q3 ROAA

**14.52%**

Q3 ROATCE

**4.92%**

Q3 Net Interest Margin

**45.76%**

Q3 Efficiency Ratio

## Healthy Credit Quality

**0.13%**

NPAs/Assets

**0.17%**

NPLs/Loans




**1.66%**

ACL/Gross Loans

**0.00%**

Annualized Q3 Net Charge-offs/Avg. Loans

# ATTRACTIVE MARKETS

County	# of Branches	Deposit Market Share*	Population**	Median Household Income**
 <p>Santa Cruz County</p>	5	14.93%	271K	\$106K
Pro forma market share post-merger with 1st Capital Bank: SANTA CRUZ COUNTY 15.12% (4th in rank)				
 <p>Santa Clara County</p>	1	0.06%	1.9M	\$155K
 <p>Monterey County</p>	2	1.05%	439K	\$88K
Pro forma market share post-merger with 1st Capital Bank: MONTEREY COUNTY 7.93% (5th in rank)				

\*Per FDIC data as of June 30, 2024.

\*\* U.S. Census Bureau data 2020-2023



# FINANCIAL HIGHLIGHTS

# SOLID LIQUIDITY POSITION

(\$ in 000s)

As of September 30, 2024

	<u>As of</u>	
	<u>9/30/2024</u>	<u>6/30/2024</u>
Cash and due from banks	\$ 134,446	\$ 36,127
Unencumbered AFS securities	126,086	163,355
<b>Total on-balance-sheet liquidity</b>	<b>260,532</b>	<b>199,482</b>
Line of credit from the Federal Home Loan Bank of San Francisco-collateralized	471,558	461,794
Line of credit from the Federal Reserve Bank of San Francisco-collateralized	251,634	248,377
Lines at correspondent banks-unsecured	95,000	95,000
<b>Total external contingency liquidity capacity</b>	<b>818,192</b>	<b>805,171</b>
Less: overnight borrowings	--	(16,500)
<b>Net available liquidity sources</b>	<b>\$ 1,078,724</b>	<b>\$ 988,153</b>

Strong on-balance-sheet liquidity position coupled with available external contingency liquidity capacity of \$818MM

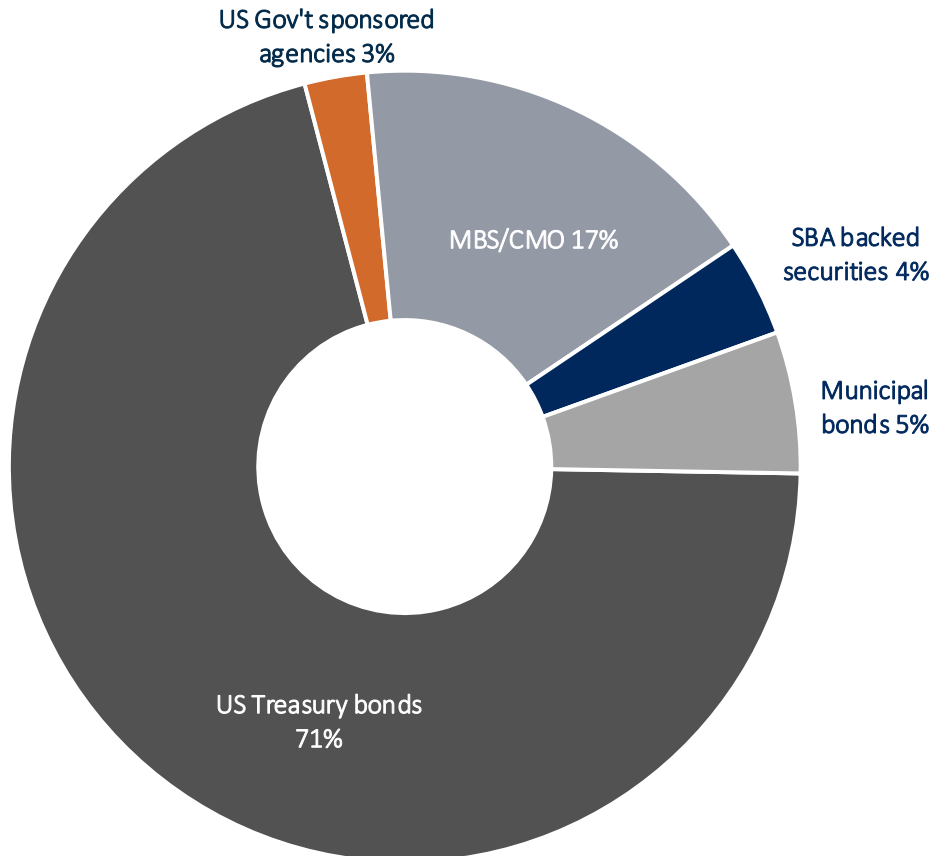
Net liquidity - 60% of assets

Coverage ratio on uninsured deposits of 156%

Access to brokered deposit networks as another source of contingency funding, such as IntraFi, not included in the table.



# INVESTMENT PORTFOLIO COMPOSITION



As of September 30, 2024

Chart includes available-for-sale (AFS) securities at market value and held-to-maturity securities at amortized cost

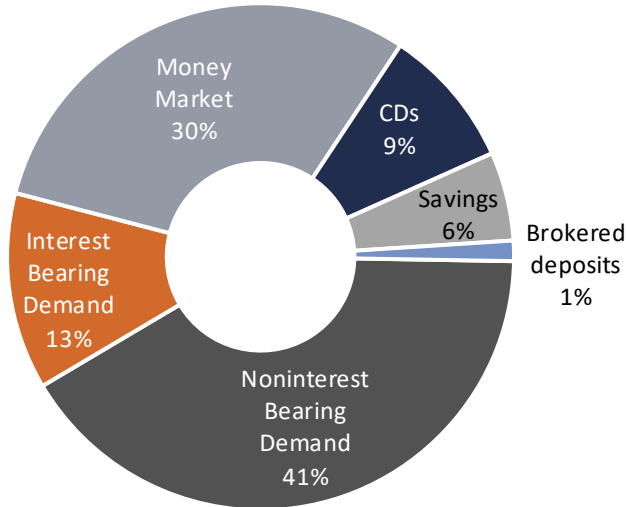
Modified duration of 2.3 years.

96% of the carrying value of investment securities classified as AFS

HTM securities totaled \$7.3mm.

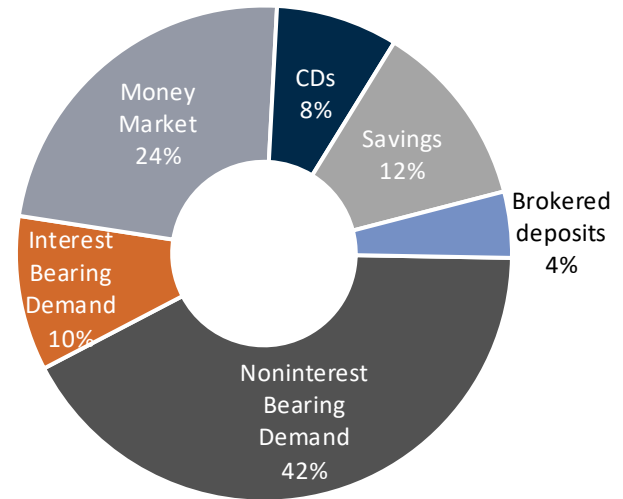
# ATTRACTIVE DEPOSIT MIX

West Coast Community Bancorp Standalone Deposits



Top 10 deposit relationships (excluding government agency deposits that are fully collateralized) represent approximately 12% of total deposits.

Pro Forma Combined with 1st Capital Bancorp Deposits



Growth opportunities include:

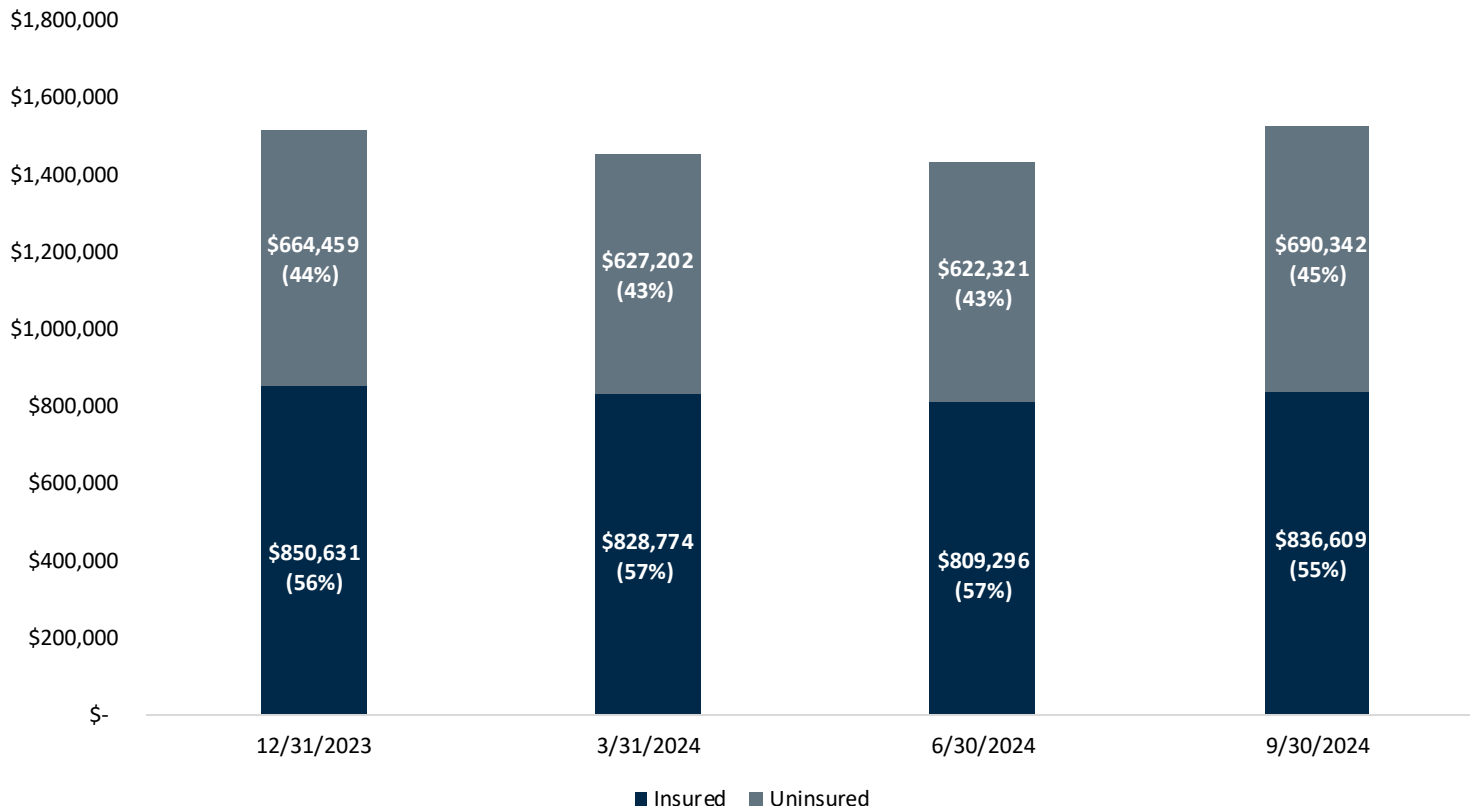
- Expanded Central Coast presence
- Silicon Valley / Bay Area
- Local municipalities

New treasury products and dedicated team provide additional opportunity.

As of September 30, 2024

# DEPOSIT CHARACTERISTICS

(\$ in 000s)

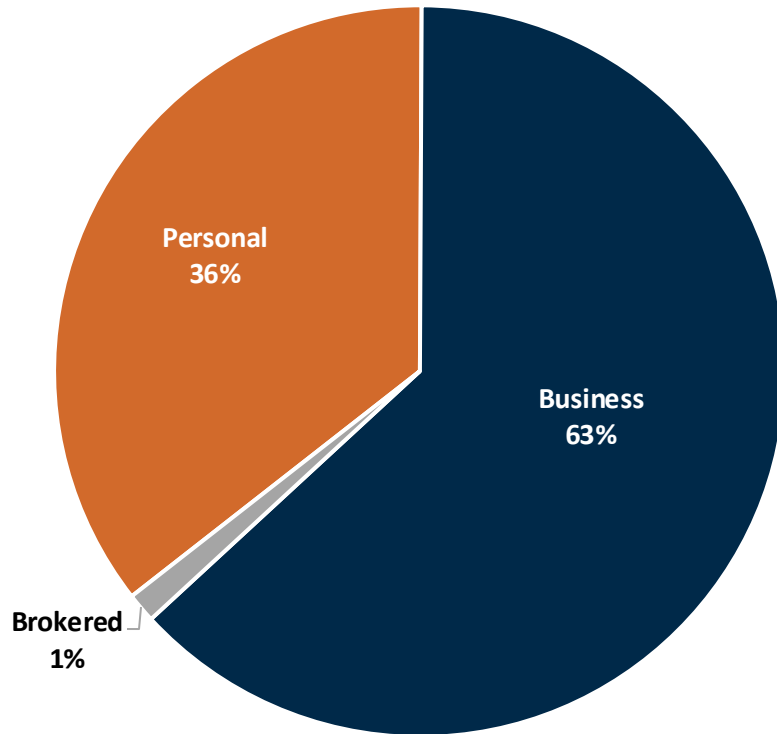


Insured deposits includes fully collateralized balances.

Migration of deposits into IntraFi reciprocal deposit network products to maximize depositors' FDIC insurance protection.

# STRONG DEPOSIT FRANCHISE

Granular Deposit Account Composition (\$ in 000s)



As of September 30, 2024

<b>Total Personal Deposits</b>	\$	<b>544,086</b>
# of Accounts		11,232
Average Balance Per Account	\$	48
<b>Total Business Deposits</b>	\$	<b>963,007</b>
# of Accounts		6,017
Average Balance Per Account	\$	160

# EXCEPTIONAL CREDIT CULTURE

## Nonperforming Loans

As of September 30, 2024

(\$000)	2019	2020	2021	2022	2023	2024Q1	2024Q2	2024Q3
<b>Nonaccrual Loans</b>								
1-4 Family	\$0	\$0	\$0	\$808	\$0	\$0	\$0	\$0
CRE & Multifamily	0	0	0	0	6,526	0	0	2,404
Construction	0	0	0	990	0	0	0	0
Consumer	0	31	61	0	0	25	0	0
Commercial	0	0	251	1,363	0	65	0	0
Other	0	0	69	0	0	0	0	0
<b>Total Nonaccrual</b>	<b>\$0</b>	<b>\$31</b>	<b>\$381</b>	<b>\$3,161</b>	<b>\$6,526</b>	<b>\$90</b>	<b>\$0</b>	<b>\$2,404</b>
Accruing Restructured Loans	\$0	\$0	\$0	\$26	\$320	\$293	\$266	\$238
<b>Loan Loss Reserve</b>	<b>\$10,296</b>	<b>\$13,021</b>	<b>\$19,978</b>	<b>\$21,444</b>	<b>\$23,943</b>	<b>\$23,043</b>	<b>\$22,999</b>	<b>\$23,099</b>

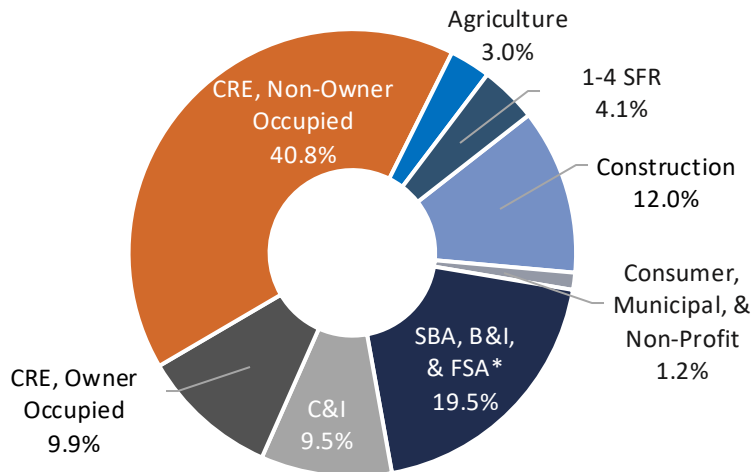
Nonperforming loans to total loans of 0.17%.

Only one nonaccrual loan.

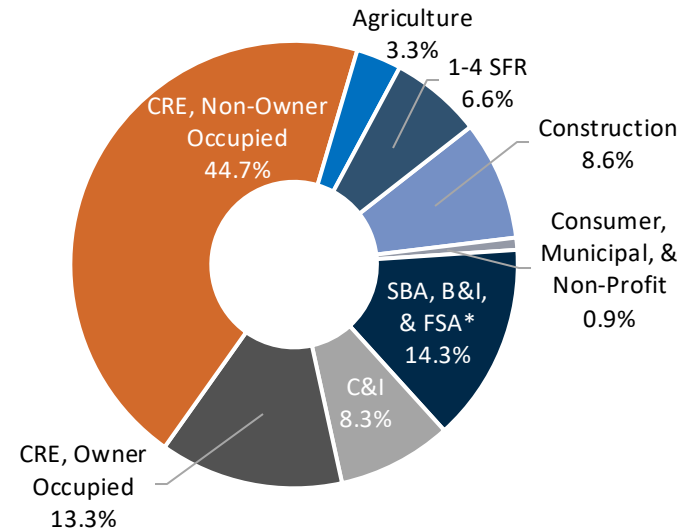
One \$2.4 million commercial real estate loan was placed on nonaccrual status during Q3 2024. The loan was individually evaluated and determined to be well-secured by real estate with no reserve warranted.

# LOANS BY TYPE

West Coast Community Bancorp Standalone Loans



Pro Forma Combined with 1st Capital Bancorp Loans



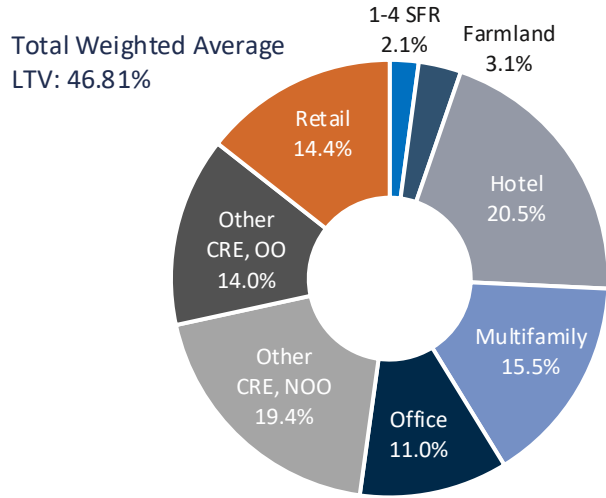
Q3 2024 loan yield of 7.02%, down 11 bps from 7.13% in Q2 2024.

8 bps of the decrease is attributable to income received in prepayment penalties for two loans paid off during Q2 2024.

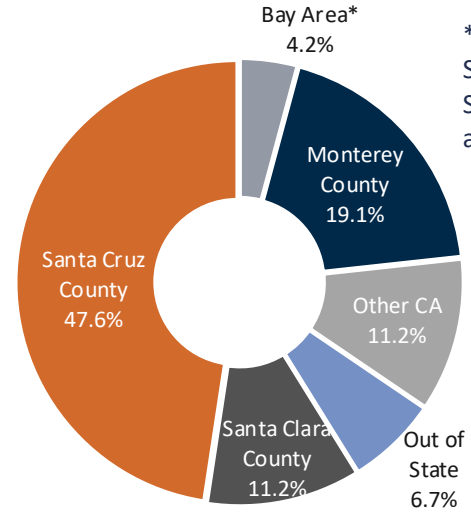
\*SBA, USDA Business and Industry, and Farm Service Agency related loan products are reported in their own category, which includes SBA 504 real estate secured loans. All other loans are categorized primarily based on CALL code.

Outstanding Loans as of September 30, 2024

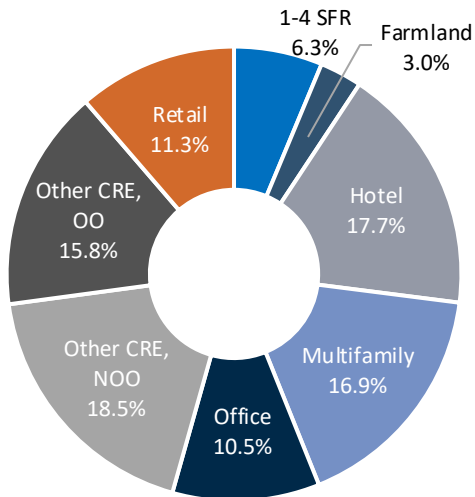
# REAL ESTATE LOAN DETAIL



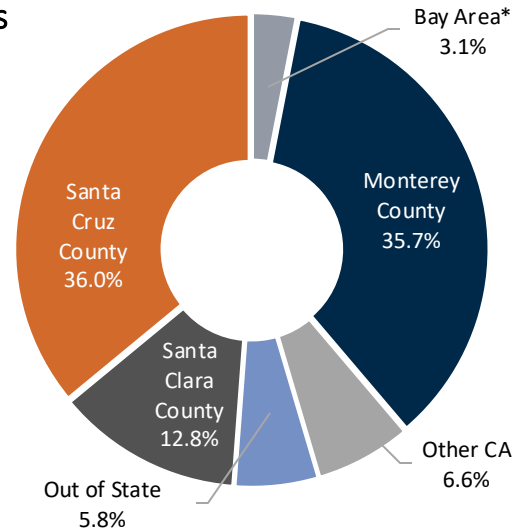
## West Coast Community Bancorp Standalone Loans



\*Alameda, San Francisco, San Mateo, Contra Costa, Sonoma, Solano, Napa, and Marin Counties



## Pro Forma Combined with 1st Capital Bancorp Loans

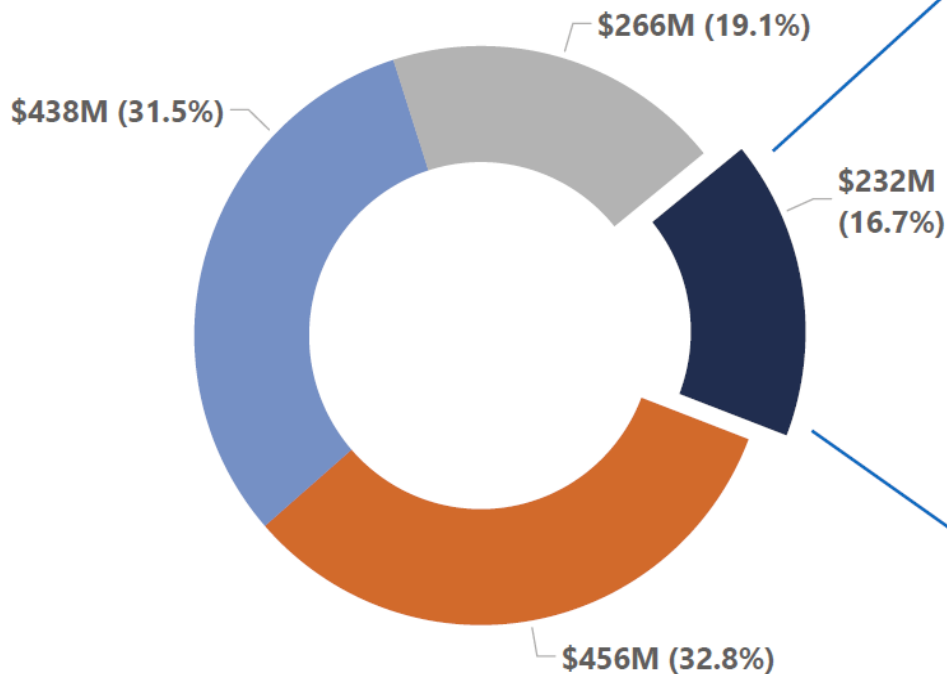


Total Real Estate Loans as of September 30, 2024

# FIXED VS. VARIABLE RATE LOANS AND REPRICING

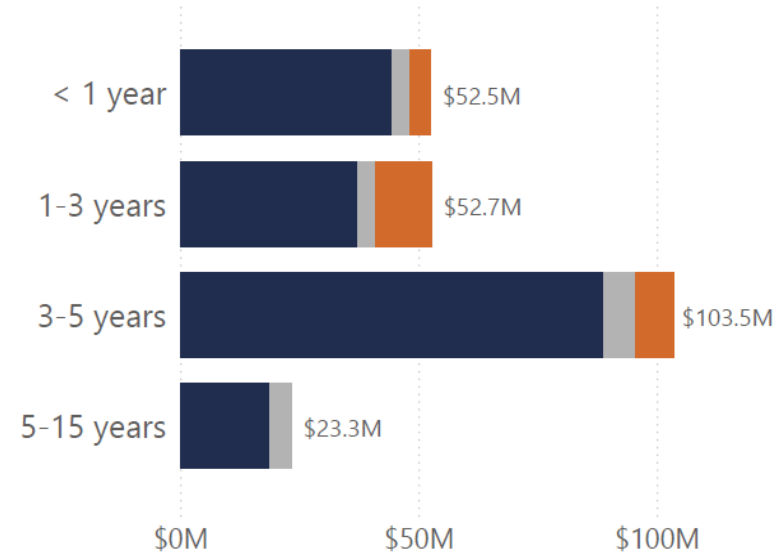
## Interest Rate Structure as of 9/30/2024

● Floating/Instant<sup>1</sup> ● At Floor<sup>2</sup> ● Fixed Rate<sup>3</sup> ● Adjustable Rate



## Adjustable Rate Repricing Frequency

● CRE ● Other Loans ● SBA RE



1) Floating/Instant: WSJ Prime and SOFR based loans that reprice instantly or monthly based on their respective index.

2) Of the loans at their floor rate, 90% will remain at the floor for over 12 months

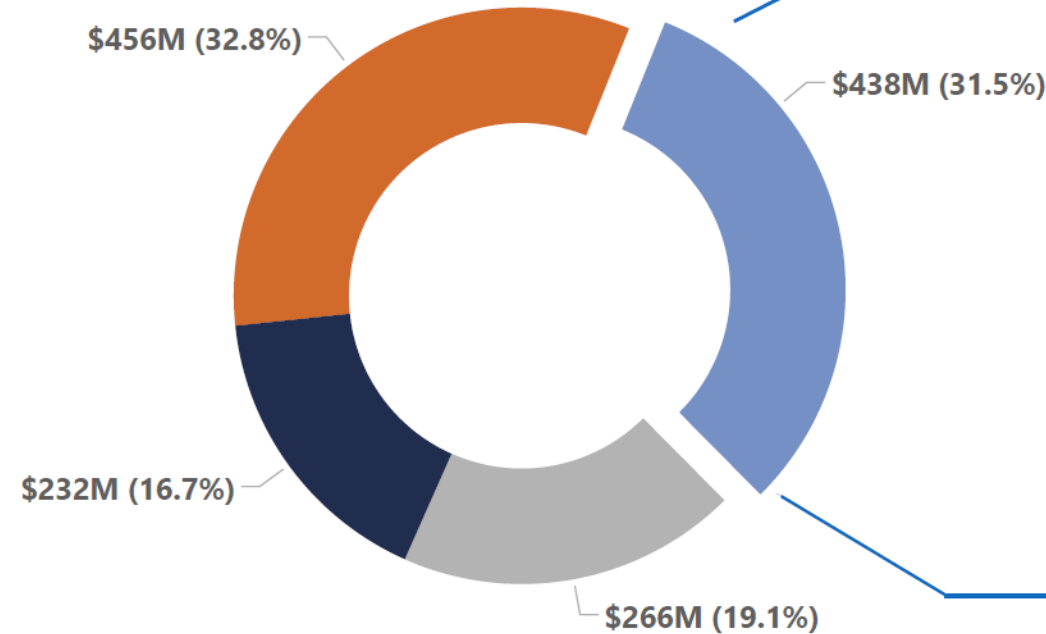
3) 89% of fixed rate loans have maturities beyond 12 months.



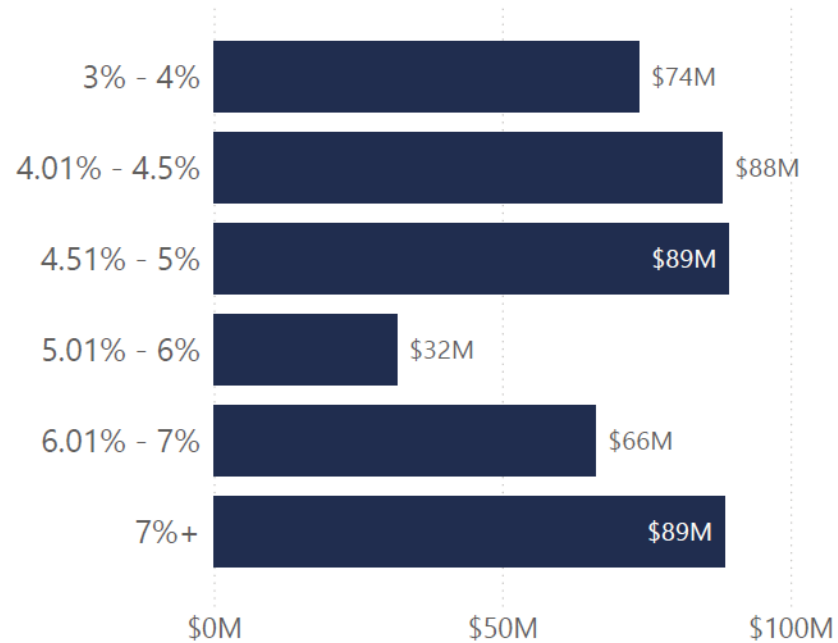
# FIXED VS. VARIABLE RATE LOANS AND REPRICING

## Interest Rate Structure as of 9/30/2024

● Floating/Instant 
 ● At Floor 
 ● Fixed Rate 
 ● Adjustable Rate



## Interest Rate of Loans at the Floor



# UPCOMING CRE INTEREST RATE REPRICING

## Scheduled Interest Rate Repricing Through 9/30/2026 Non Owner Occupied CRE

Total Loans to Reprice  
**\$77M**

% of Total NOO CRE  
**14%**

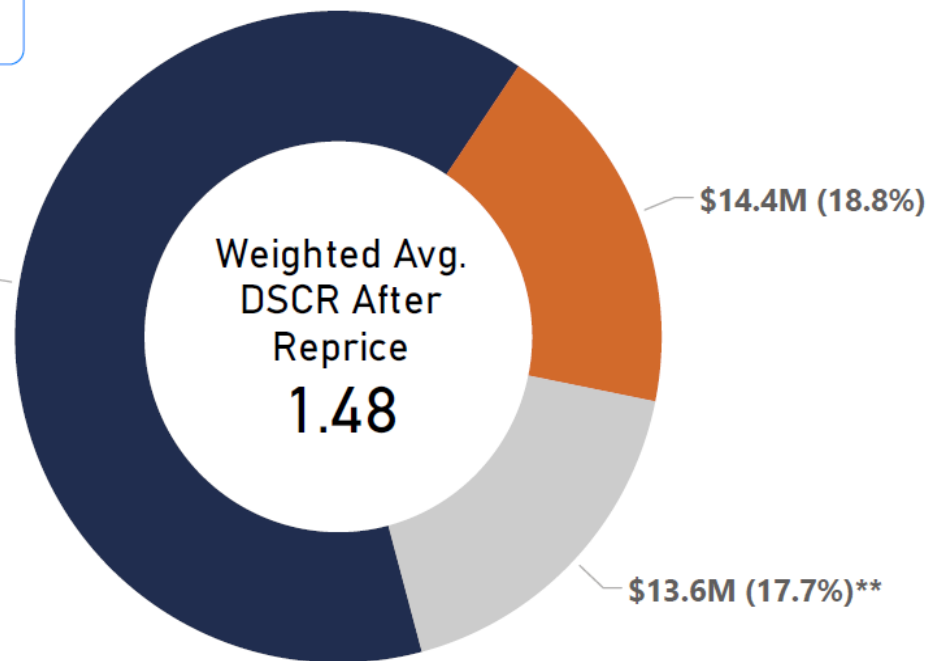
Avg. Rate Change  
**2.21%**

Current Weighted Avg. DSCR  
**1.82**

### DSCR After Reprice\*

- Good (>1.20)
- Moderate to Poor (1.00-1.20)
- Substandard (<1.00)

\$49.0M (63.6%)

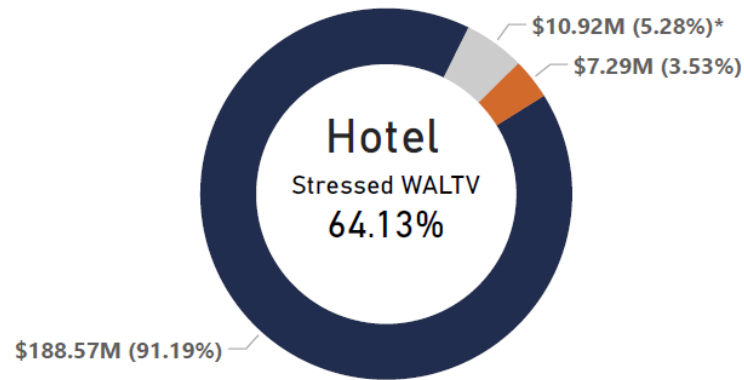


\*Using index rates as of 9/30/2024

\*\*Regularly monitored by Credit Admin. All loans with a projected DSCR < 1 are supported by guarantors, either through global cash flow, liquidity, or other outside equity.

# NON-OWNER-OCCUPIED CRE LOANS

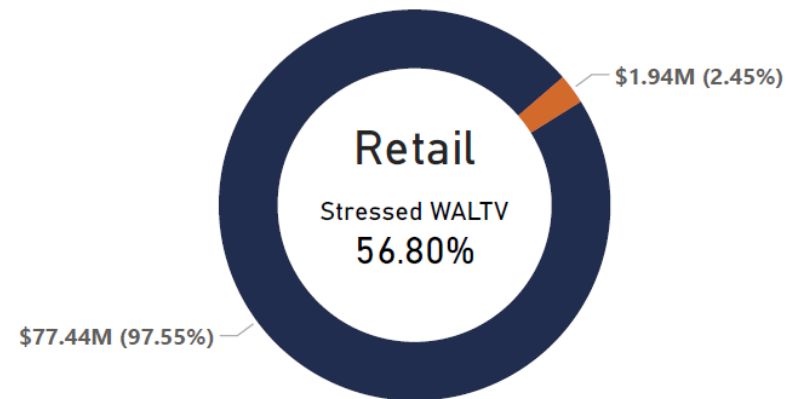
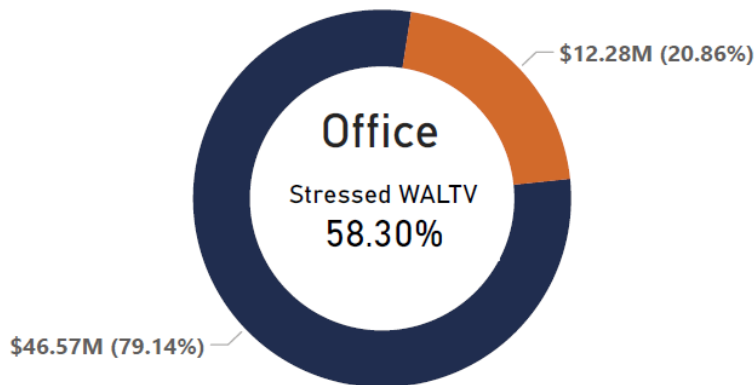
## 25% Decline in NOO CRE Collateral Value Stress



### Stressed LTV

- < 80%
- 80% - 90%
- > 90%

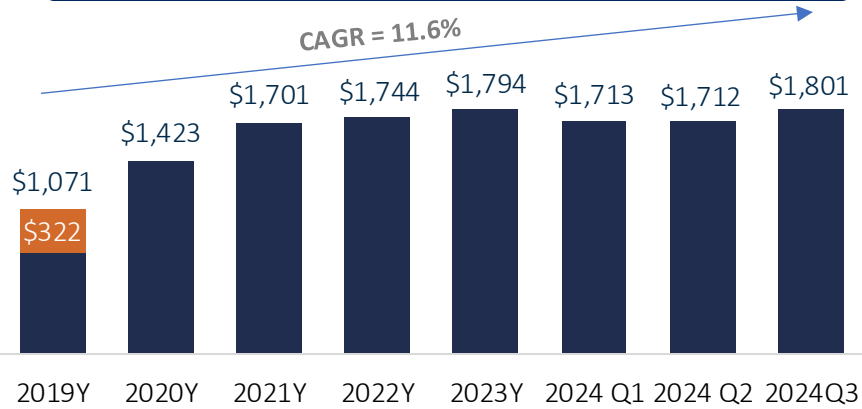
\*The loan with a stressed LTV >90% is a newly opened hotel in the stabilization period. Upon stabilization, the stressed LTV would be 83%, using the 2023 appraised value. The borrower is maintaining a year's worth of payments in deposits until stabilization is met and the loan is further supported by personal guarantees.



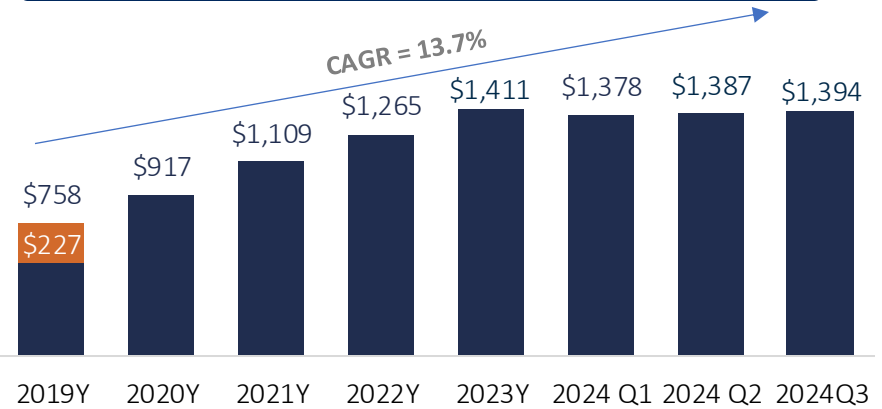
Outstanding NOO CRE Loans as of September 30, 2024

# CONSISTENT BALANCE SHEET GROWTH

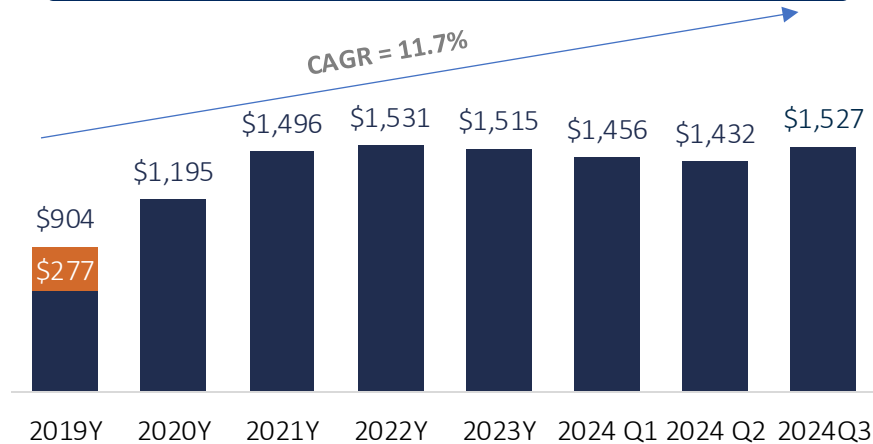
**Total Assets (\$MM)**



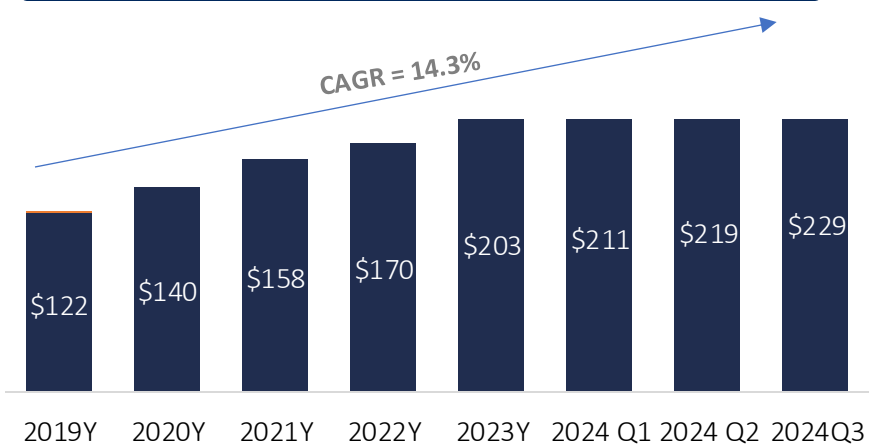
**Gross Loans Excl. PPP Incl. Deferred Fees (\$MM)**



**Total Deposits (\$MM)**



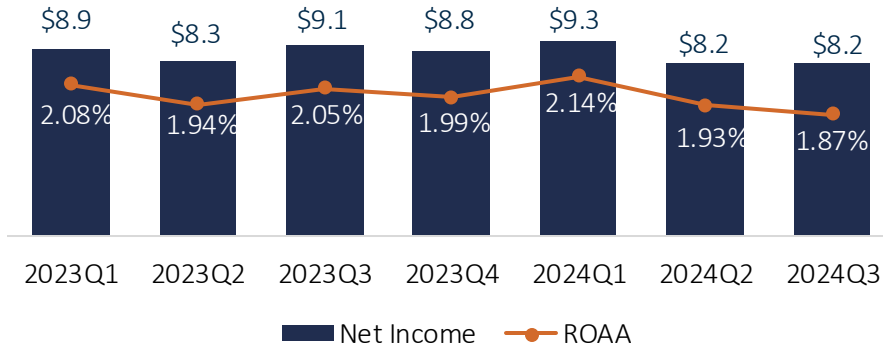
**Tangible Common Equity (\$MM)**



Denotes Lighthouse acquisition

# STRONG PROFITABILITY

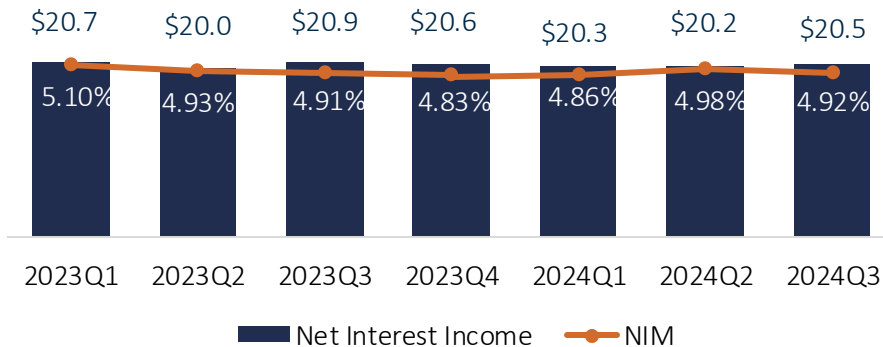
## Net Income (\$MM)



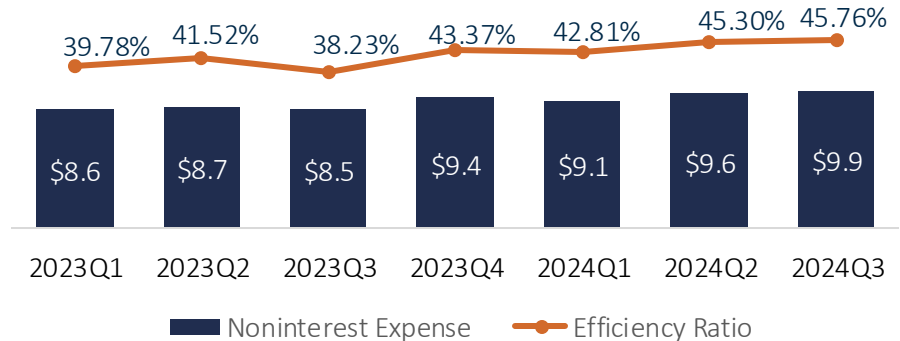
## Diluted Earnings per Share (EPS)



## Net Interest Income\* (\$MM)



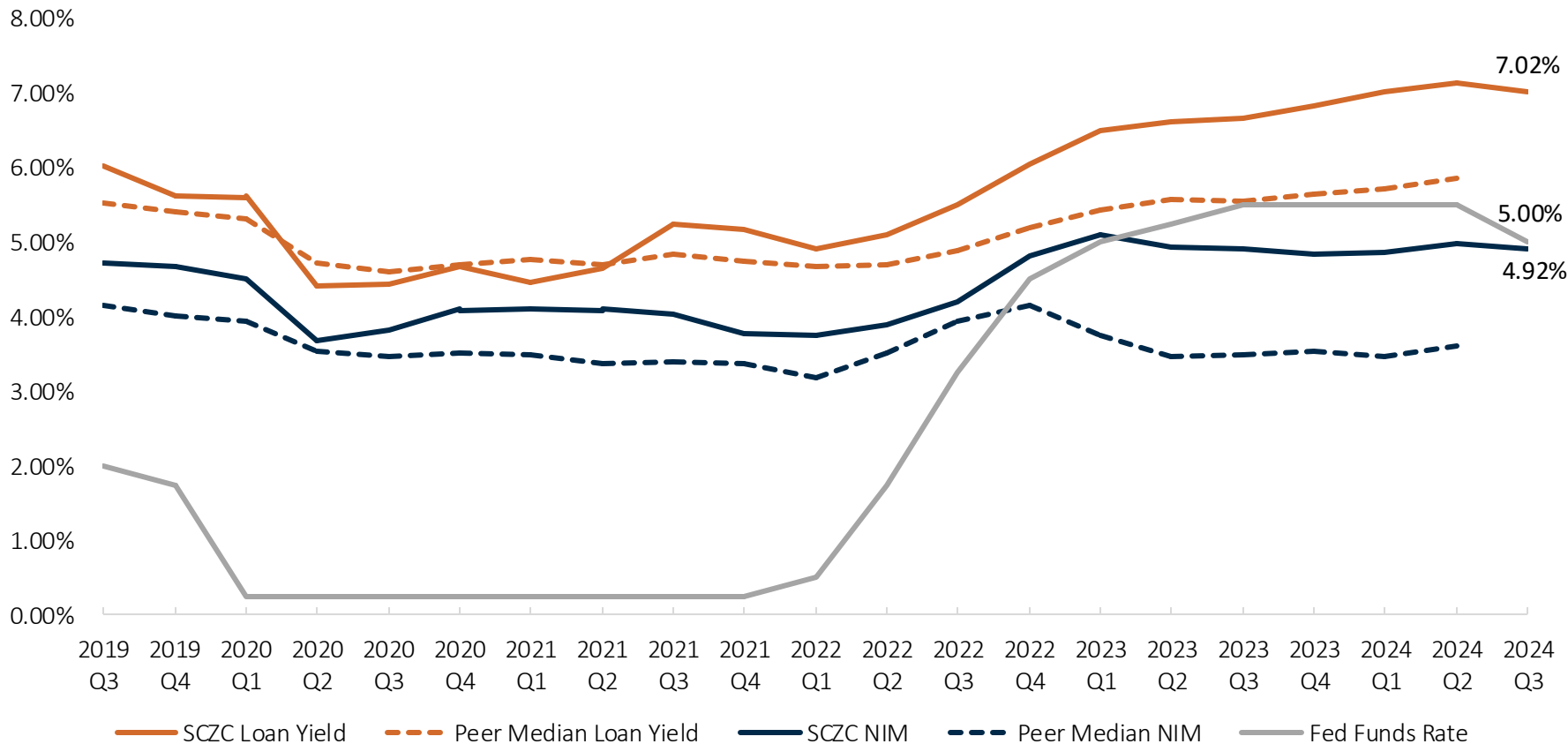
## Noninterest Expense (\$MM)



\*Effective January 1, 2024, dividends from non-marketable equity investments held by the bank were reclassified from interest income to noninterest income. Net interest income and margin have been restated for prior periods.

# DISCIPLINED PRICING DRIVES NIM AND LOAN YIELDS

5-Year Yield on Loans and Net Interest Margin\* Trend Compared to Peers



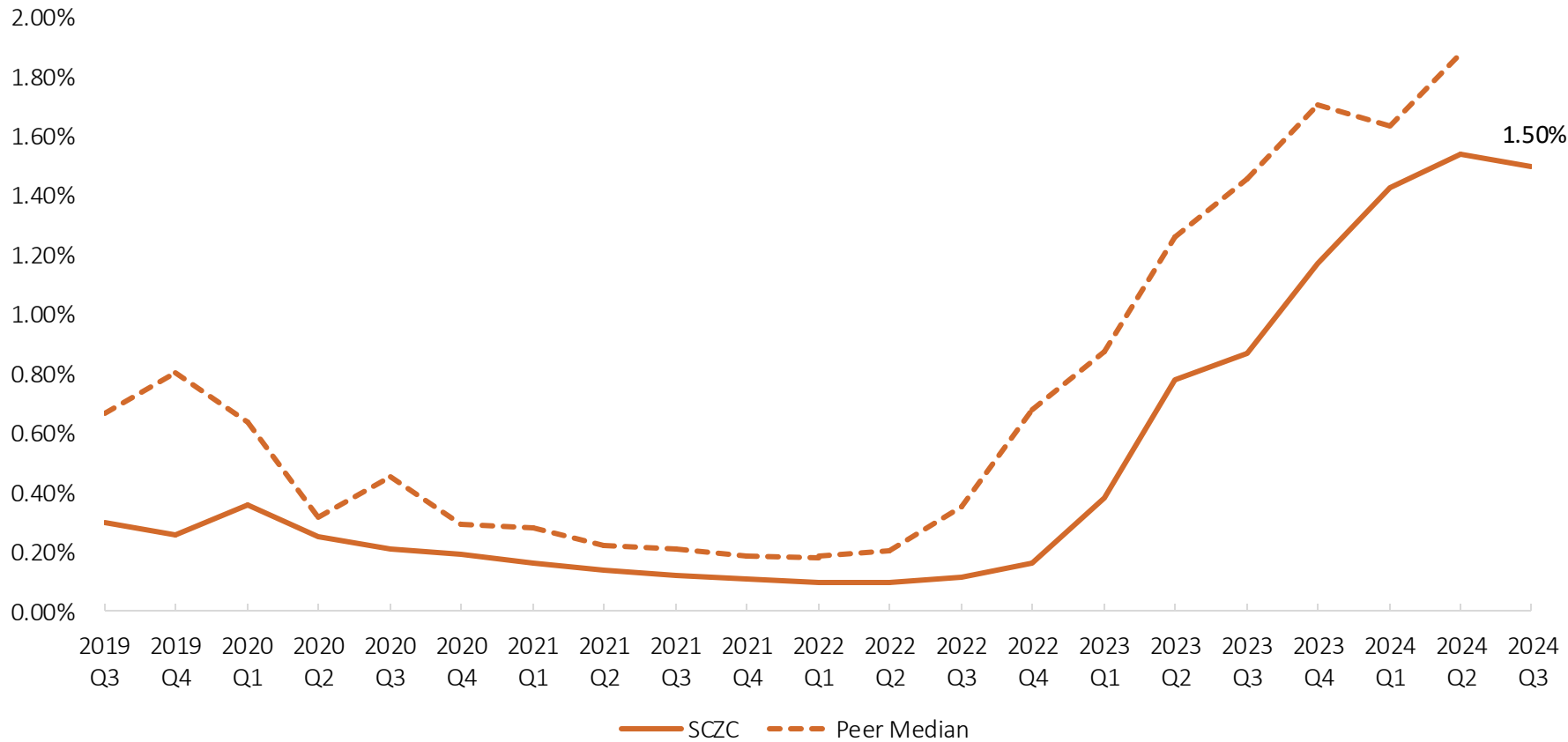
Peers include all publicly listed banks headquartered in California with total assets \$1 billion to \$5 billion as of 6/30/24.



\*Effective January 1, 2024, dividends from non-marketable equity investments held by the bank were reclassified from interest income to noninterest income. Net interest margin has been restated for prior periods.

# DISCIPLINED PRICING DRIVES LOW COST OF FUNDS

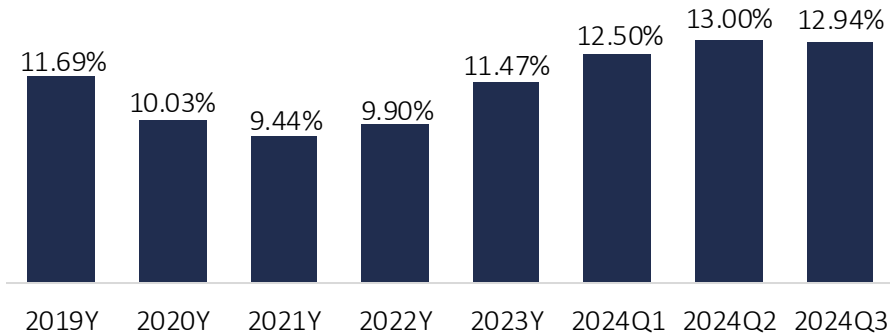
5-Year Cost of Funds Trend Compared to Peers



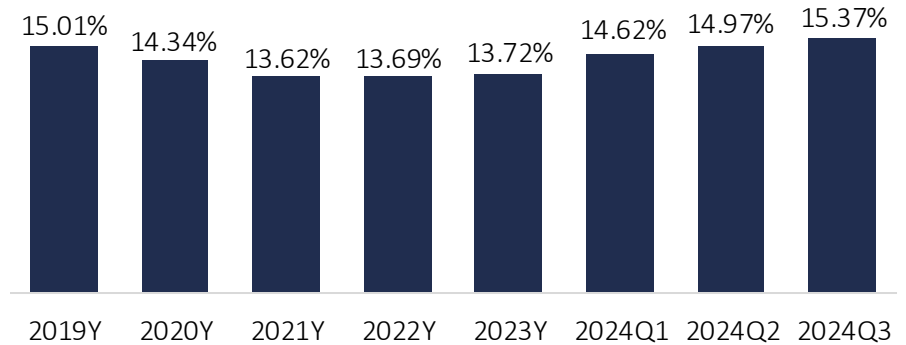
Peers include all publicly listed banks headquartered in California with total assets \$1 billion to \$5 billion as of 6/30/24.

# ROBUST CAPITAL POSITION

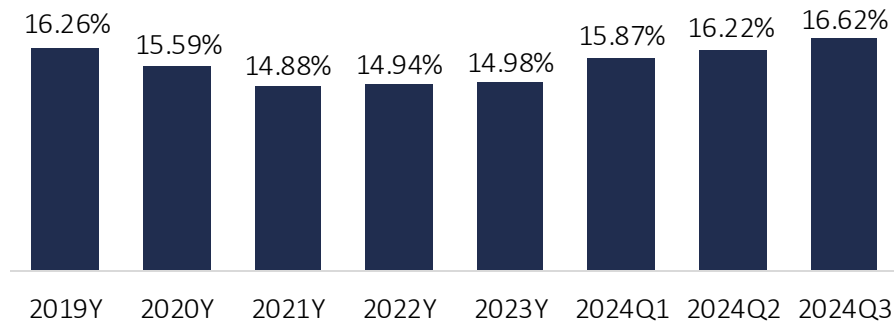
## TCE Ratio



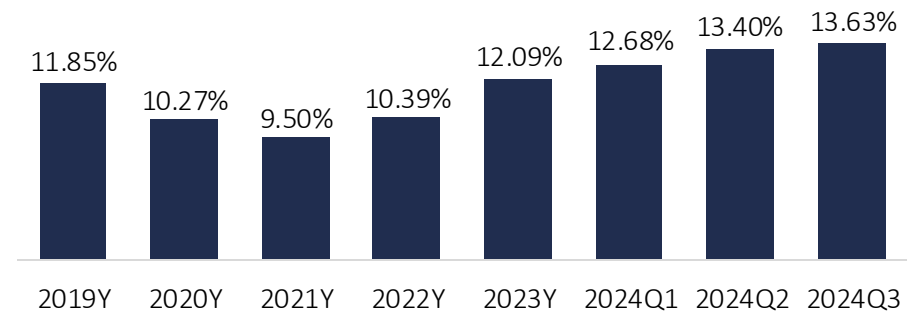
## Tier 1 Ratio



## Total Capital Ratio

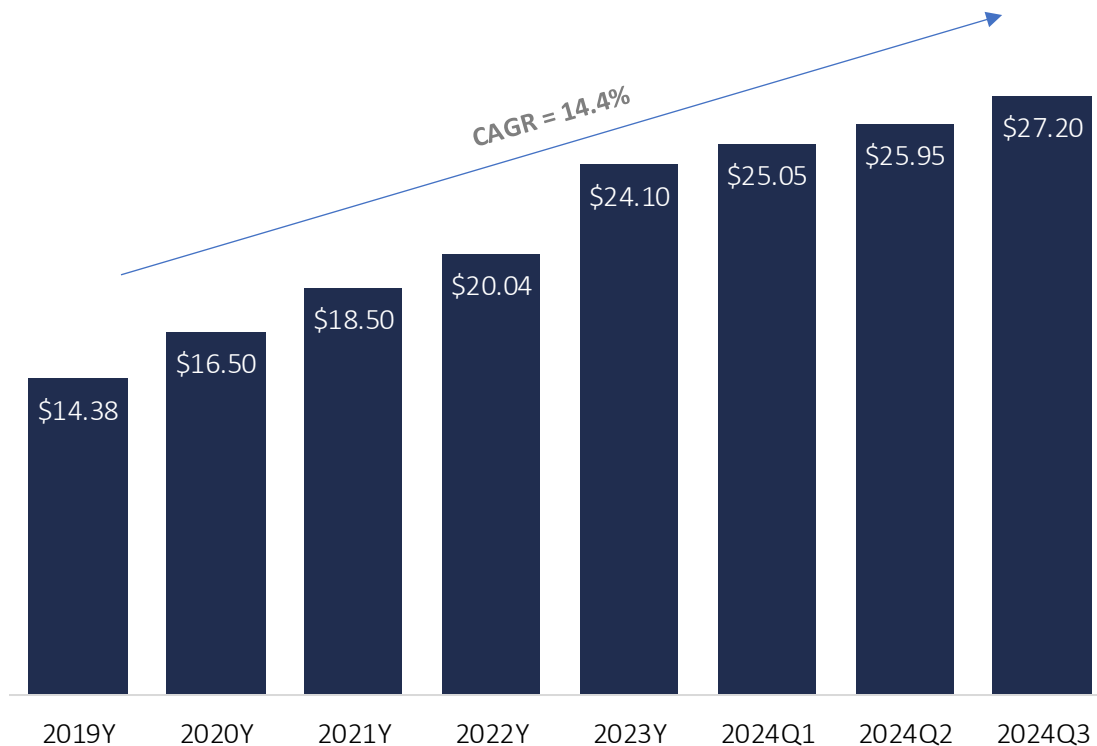


## Leverage Ratio





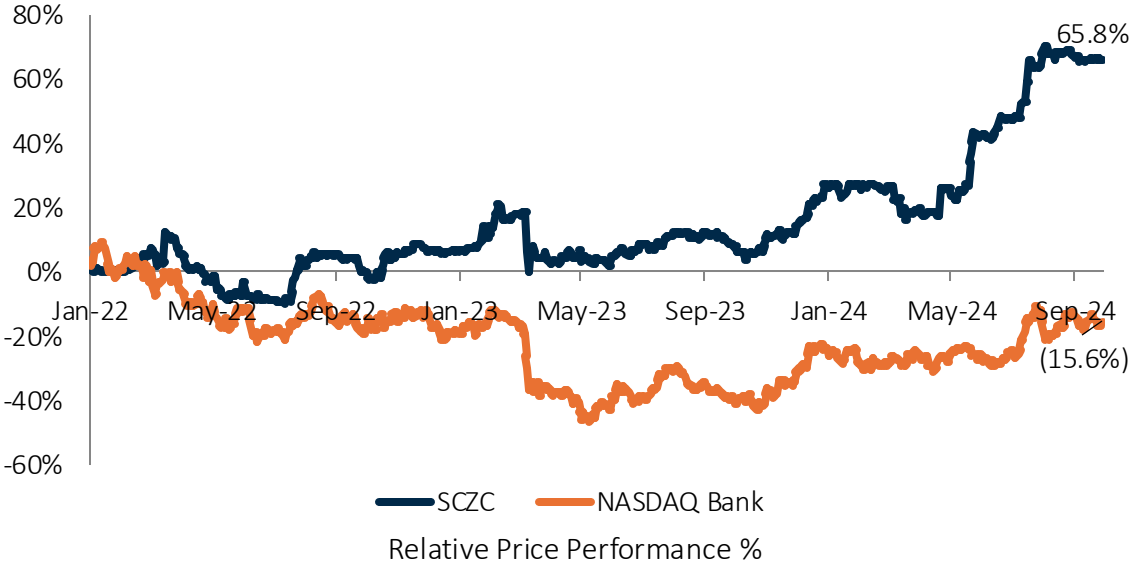
# TANGIBLE BOOK VALUE PER SHARE CONTINUES TO TREND UP



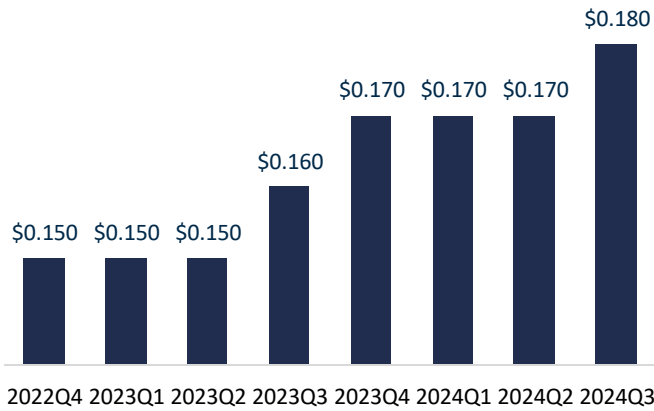
Tangible Book Value per Share = (Shareholder's Equity - Goodwill & Intangibles) / Outstanding Shares  
Adjusted for stock dividends and splits

# SHAREHOLDER FOCUSED

## Superior Price Performance



## Cash Dividend



# COMMUNITY REINVESTMENT

## 2,700 + Hours of Community Service in 2023 Outstanding CRA Rating – Corporate Leadership

Through volunteerism and service on boards and committees, we reinvest our time and financials into the communities we serve by supporting local non-profits, service clubs, chambers and charitable organizations. Our directors, management team, and employees are involved in hundreds of activities, and generously give their time, energy, and talent.

We offer our employees participation in a Community Service Program which supports activities that enhance and serve the communities in which we live and work. This program allows full-time employees to donate up to 40 hours per calendar year toward a 501(c)(3) charitable organization of their choice.



**Second Harvest Food Bank**  
*Holiday Food & Fund Drive*



**CASA of Santa Cruz County**  
*Holiday Fundraising*



**Habitat for Humanity Monterey Bay**  
*Women Build Day*

# RANKINGS AND RECOGNITION

## National



### AMERICAN BANKER MAGAZINE

Top 100 Best Performing Community Banks in the United States, based upon 3-year average return on equity for banks under \$2 billion in asset size, ranking 50<sup>th</sup> in the nation and 9<sup>th</sup> out of California banks.



### INDEPENDENT COMMUNITY BANKERS

Rated 12<sup>th</sup> in its Top 25 Best Performing Community Banks in the nation with the highest return on average assets and average equity ratios for banks over \$1 billion in asset size.



### IDC FINANCIAL PUBLISHING, INC.

Superior, highest ranking (300), for 2023 and Q1/Q2 2024.



### BAUER FINANCIAL, INC

Rated 5-Star Superior, highest ranking, for 2023 and Q1/Q2 2024.



### OTCQX BEST 50

West Coast Community Bancorp, holding company for SCCB (OTCQX: SCZC) has been named to the 2024 OTCQX<sup>®</sup> Best 50, a ranking of top performing companies traded on the OTCQX Best Market, based upon total return and growth in average daily dollar volume in 2023.

## California



### BANK PERFORMANCE REPORT (formerly FMC)

10<sup>th</sup> out of 120 banks in California for overall financial performance for the period ended in Q2 2024. The Bank ranked 9<sup>th</sup> out of 121 banks for Q1 2024.



### THE FINDLEY REPORTS INC.

Top ranking of Super Premier Performing Bank for the 14<sup>th</sup> year.

## Local



### BUSINESS OF THE YEAR

The Santa Cruz County Chamber of Commerce recognized the Bank's PPP support during the pandemic – \$574 MM, 4,204 PPP loan applications and 50,000 jobs saved. The Bank previously received recognition as Business of the Year in 2018.



### BEST BANK SENTINEL & GOOD TIMES

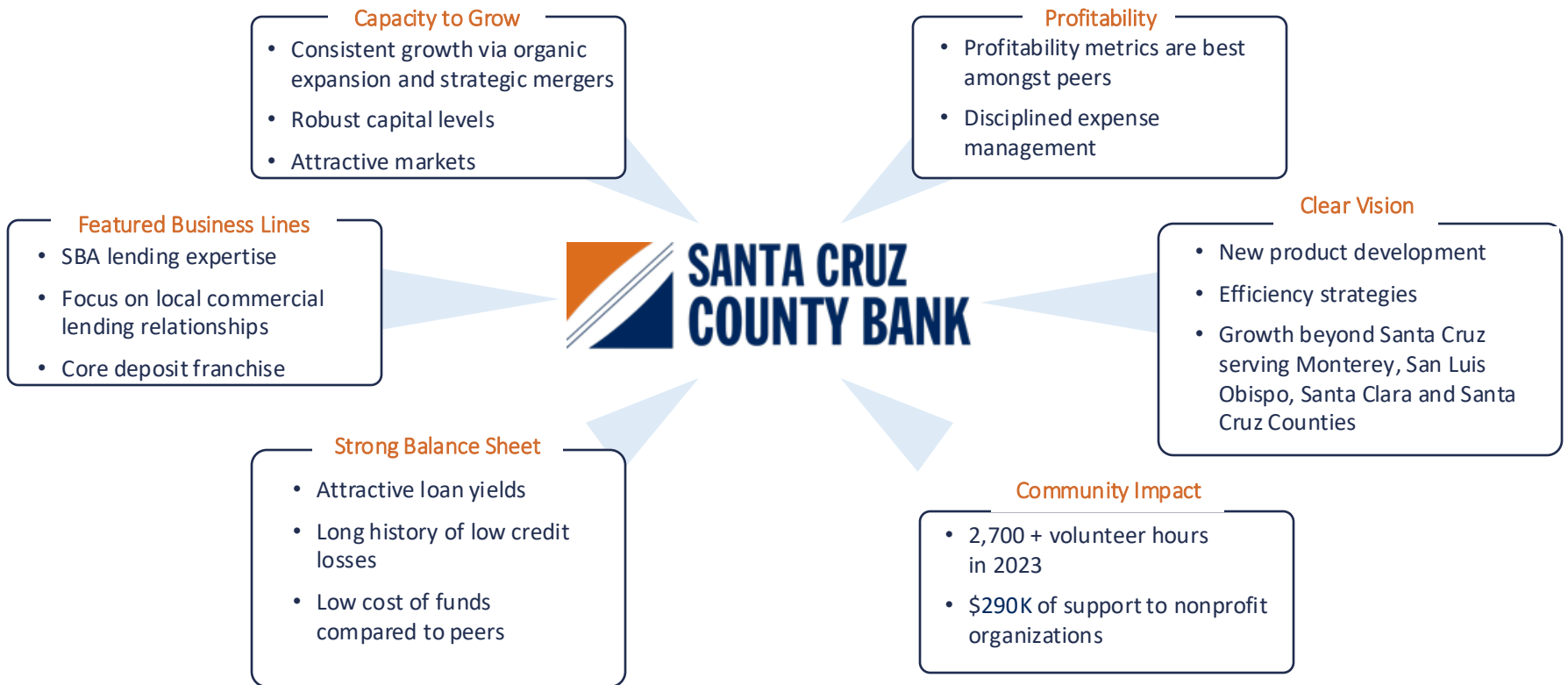
Voted **Best Bank** for the 9<sup>th</sup> year by Santa Cruz County Sentinel readers and 12 years in a row by Good Times readers.





# APPENDIX

# HIGHLIGHTS



# NON-GAAP RECONCILIATION

Tangible common equity to tangible assets (the "tangible common equity ratio") and tangible book value per share are non-U.S. GAAP financial measures derived from U.S. GAAP-based amounts. We calculate the tangible common equity ratio by excluding the balance of intangible assets from common stockholders' equity and dividing by tangible assets. We calculate tangible book value per share by dividing tangible common equity by common shares outstanding, as compared to book value per common share, which we calculate by dividing common stockholders' equity by common shares outstanding. We believe that this information is consistent with the treatment by bank regulatory agencies, which exclude intangible assets from the calculation of risk-based capital ratios. Accordingly, we believe that these non-U.S. GAAP financial measures provide information that is important to investors and that is useful in understanding our capital position and ratios. However, these non-U.S. GAAP financial measures are supplemental and are not a substitute for an analysis based on U.S. GAAP measures. As other companies may use different calculations for these measures, this presentation may not be comparable to other similarly titled measures reported by other companies. A reconciliation of the non-U.S. GAAP measure of tangible common equity ratio to the U.S. GAAP measure of common equity ratio and tangible book value per share to the U.S. GAAP measure of book value per share are set forth below.

<i>All dollars in thousands, except per share data</i>						As of March	As of June	As of Sept.
	2019	2020	2021	2022	2023	31, 2024	30, 2024	30, 2024
Total Stockholders' Equity	\$151,098	\$168,486	\$186,090	\$197,676	\$230,036	\$238,089	\$246,224	\$256,681
Less: Intangible Assets	29,331	28,688	28,202	27,796	27,433	27,350	27,267	27,184
<b>Tangible Common Equity</b>	<b>\$121,767</b>	<b>\$139,798</b>	<b>\$157,888</b>	<b>\$169,880</b>	<b>\$202,603</b>	<b>\$210,739</b>	<b>\$218,957</b>	<b>\$229,497</b>
Total Assets	\$1,070,983	\$1,422,872	\$1,701,249	\$1,744,487	\$1,794,362	\$1,712,644	\$1,711,844	\$1,800,792
Less: Intangible Assets	29,331	28,688	28,202	27,796	27,433	27,350	27,267	27,184
<b>Tangible Assets</b>	<b>\$1,041,652</b>	<b>\$1,394,184</b>	<b>\$1,673,047</b>	<b>\$1,716,691</b>	<b>\$1,766,929</b>	<b>\$1,685,294</b>	<b>\$1,684,577</b>	<b>\$1,773,608</b>
<b>Tangible Common Equity Ratio</b>	<b>11.7%</b>	<b>10.0%</b>	<b>9.4%</b>	<b>9.9%</b>	<b>11.5%</b>	<b>12.5%</b>	<b>13.0%</b>	<b>12.9%</b>
Basic Shares Outstanding	8,469,650	8,475,024	8,536,000	8,477,272	8,406,680	8,413,913	8,437,816	8,438,238
Book Value per Share	\$17.84	\$19.88	\$21.80	\$23.32	\$27.36	\$28.30	\$29.18	\$30.42
Less: Intangible Book Value per Share	3.46	3.39	3.30	3.28	3.26	3.25	3.23	3.22
<b>Tangible Book Value per Share</b>	<b>\$14.38</b>	<b>\$16.50</b>	<b>\$18.50</b>	<b>\$20.04</b>	<b>\$24.10</b>	<b>\$25.05</b>	<b>\$25.95</b>	<b>\$27.20</b>