



West Coast Community Bancorp and 1st Capital Bancorp Announce Agreement to Merge

Santa Cruz and Salinas, CA – May 20, 2024: West Coast Community Bancorp (OTCQX: “SCZC”) (“Bancorp”), the holding company for Santa Cruz County Bank (“Bank”), headquartered in Santa Cruz, California, and 1st Capital Bancorp (OTCQX: “FISB”), the holding company for 1st Capital Bank, headquartered in Salinas, California, jointly announced today that they have entered into an agreement and plan of reorganization and merger (the “Agreement”), pursuant to which 1st Capital Bancorp will merge with and into West Coast Community Bancorp in an all-stock transaction valued at approximately \$63 million, or \$10.78 per FISB share, based on the closing price of \$29.94 for West Coast Community Bancorp shares on May 20, 2024.

The transaction is subject to customary closing conditions, including regulatory approvals and shareholder approval from both parties. Both Boards of Directors of West Coast Community Bancorp and 1st Capital Bancorp have unanimously approved the transaction, which is expected to close in the fourth quarter of 2024. The directors of West Coast Community Bancorp and 1st Capital Bancorp have entered into agreements pursuant to which they have committed to vote their shares in favor of the transaction. At closing, Krista Snelling, President and CEO of the Bancorp and Bank, will lead the combined franchise.

Highlights of the Announced Transaction

- At nearly \$3 billion in pro forma assets and 10% deposit market share in Santa Cruz and Monterey Counties (on a combined basis, based on FDIC data as of June 30, 2023), the Bank is well-positioned for continued success as the leading community business bank in a vibrant market area.
- The transaction enhances the Bank’s profitability, diversifies the Bank’s client base, deepens and extends the Bank’s market reach, and better positions the Bank to profitably deploy the technology and services that will enhance the client experience and provide both product diversification and additional growth opportunities.
- SCZC expects to realize approximately 20% annual EPS accretion following full realization of operating efficiencies.

Under the terms of the Agreement, shareholders of FISB are expected to receive a fixed exchange ratio of 0.36 shares of SCZC common stock in exchange for each share of FISB common stock. The value of the merger consideration will fluctuate based on SCZC’s stock price. On a pro forma basis, the holders of FISB common shares will own approximately 20% of the issued and outstanding SCZC common stock. At closing, current Chairman and Vice Chairman of 1st Capital Bancorp, Kurt J. Gollnick and Daniel R. Hightower, MD, respectively, will join the Boards of Directors of West Coast Community Bancorp and Santa Cruz County Bank. Kurt J. Gollnick will join as Vice Chairman.

Krista Snelling, President and CEO of West Coast Community Bancorp and Santa Cruz County Bank stated, “We are thrilled to announce this exciting merger with 1st Capital Bank, a strategic move that underscores our commitment to sustained growth and exceptional service. Our institutions have a rich history of serving our communities with dedication and passion, and this merger will only strengthen that commitment. 1st Capital Bank has built an impressive deposit market share, especially within Monterey County, and a solid reputation for expertise in business lending.”

Stephen Pahl, Chairman of the Boards of West Coast Community Bancorp and Santa Cruz County Bank said, “This announcement is a significant milestone for our combined franchise. The complementary strengths of both institutions create the capacity to unlock exciting opportunities for our shareholders, much like the Bank’s successful merger with Lighthouse Bank in 2019. The expanded scale and geographic reach resulting from this merger has the potential to deliver sustained value creation. With a solid balance sheet and a focus on operational efficiency, we are positioned to drive profitability and deliver enhanced returns for our shareholders.”

Kurt J. Gollnick, Chairman of the Boards of 1st Capital Bancorp and 1st Capital Bank remarked, “In essence, this merger represents a strategic alignment of values, capabilities, and aspirations - a catalyst for growth, profitability and enduring success. Together, with Santa Cruz County Bank, we are excited to embark on this journey, confident in our ability to create lasting value for all stakeholders. We have long admired Santa Cruz County Bank’s commitment to building shareholder value, achievement of top-level financial performance and sharing the value of positive impact on the regions it serves.”

Sam Jimenez President and CEO of 1st Capital Bancorp and 1st Capital Bank stated, “This merger allows us to leverage our combined resources more effectively, empowering us to innovate and adapt to the evolving needs of our clients and communities. Another compelling reason behind this merger is the enhanced lending capacity it brings as our combined assets upon closing will be nearly \$3 billion. By joining forces, our enhanced lending power and geographic footprint will drive opportunities for business expansion, agriculture, entrepreneurship, and economic growth.”

Concurrent with this press release, West Coast Community Bancorp issued presentation slides providing supplemental information, intended to be reviewed together with this release. These can be found online at: [Investor Relations](#).

Advisors to the Transaction

Keefe, Bruyette & Woods, *A Stifel Company*, acted as financial advisor and Gary Steven Findley & Associates as legal counsel to West Coast Community Bancorp in the transaction. Piper Sandler & Co. acted as financial advisor and Stuart | Moore | Staub as legal counsel to 1st Capital Bancorp.

About West Coast Community Bancorp and Santa Cruz County Bank

Founded in 2004, Santa Cruz County Bank is the wholly-owned subsidiary of West Coast Community Bancorp, a bank holding company. The Bank is a top-rated, locally operated, and full-service community bank headquartered in Santa Cruz, California with eight branches in Aptos, Capitola, Cupertino, Monterey, Salinas, Santa Cruz, Scotts Valley, and Watsonville. Santa Cruz County Bank is distinguished from "big banks" by its relationship-based service, problem-solving focus, and direct access to decision makers. The Bank is a leading SBA lender in Santa Cruz County and Silicon Valley. As a full-service bank, Santa Cruz County Bank offers competitive deposit and lending solutions for businesses and individuals; including business loans, lines of credit, commercial real estate financing, construction lending, asset-based lending, agricultural loans, SBA and USDA government guaranteed loans, credit cards, merchant services, remote deposit capture, mobile and online banking, bill payment, and treasury management. True to its community roots, Santa Cruz County Bank has supported regional well-being by actively participating in and donating to local nonprofit organizations. As of March 31, 2024, West Coast Community Bancorp had total assets of \$1.7 billion, total loans of \$1.4 billion and total deposits of \$1.5 billion.

To find out more about West Coast Community Bancorp, please visit www.sccountybank.com. The Bank and Bancorp use their website to distribute financial and other material information.

About 1st Capital Bancorp and 1st Capital Bank

1st Capital Bancorp is the holding company for 1st Capital Bank, whose primary target markets are commercial enterprises, professionals, real estate investors, family business entities, and residents along the Central Coast region of California. 1st Capital Bank provides a wide range of credit products, including loans

under various government programs such as those provided through the U.S. Small Business Administration and the U.S. Department of Agriculture. A full suite of deposit accounts also is furnished, complemented by robust cash management services. 1st Capital Bank operates five full-service branch offices in Monterey, Salinas, King City, San Luis Obispo and Santa Cruz. As of March 31, 2024, 1st Capital Bancorp had total assets of \$1.0 billion, total loans of \$0.6 billion and total deposits of \$0.9 billion.

To find out more about 1st Capital Bancorp, please visit www.1stCapital.bank.

Forward-Looking Statements

This press release contains certain forward-looking information about West Coast Community Bancorp and Santa Cruz County Bank (“Santa Cruz”), 1st Capital Bancorp and 1st Capital Bank (“1st Capital”), and the combined company after the close of the merger and is intended to be covered by the safe harbor for “forward-looking statements” provided by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements. Such statements involve inherent risks, uncertainties, and contingencies, many of which are difficult to predict and are generally beyond the control of Santa Cruz, 1st Capital and the combined company. Santa Cruz and 1st Capital caution readers that a number of important factors could cause actual results to differ materially from those expressed in, or implied or projected by, such forward-looking statements. Risks and uncertainties for each institution and the combined institution include, but are not limited to the ability of the parties to complete the merger; the occurrence of any event, change or other circumstances that could give rise to the right of Santa Cruz or 1st Capital to terminate the agreement with respect to the merger; the outcome of any legal proceedings that may be instituted against Santa Cruz or 1st Capital; government approval may not be obtained or adverse regulatory conditions may be imposed in connection with governmental approvals of the merger; approval by the shareholders of Santa Cruz and 1st Capital may not be obtained; failing to achieve the successful integration of 1st Capital, or expected cost savings, beneficial synergies and/or operating efficiencies within expected time-frames or at all; ; the impact of bank failures or other adverse developments at other banks on general investor sentiment regarding the stability and liquidity of banks; and the possibility that personnel changes/retention will not proceed as planned. Pro forma, projected and estimated numbers are used for illustrative purposes only and are not forecasts, and actual results may differ materially. Other forward-looking statements contained within this release that are subject to risks and uncertainties may include, but are not necessarily limited to, fluctuations in interest rates (including but not limited to changes in depositor behavior in relation thereto), inflation, government regulations and general economic conditions, and competition within the business areas in which the companies are conducting operations, health of the real estate market in California, Santa Cruz’s and 1st Capital’s ability to effectively execute their respective business plans, and other factors beyond their control. Such risks and uncertainties could cause results for subsequent interim periods or for the entire year to differ materially from those indicated. Readers should not place undue reliance on the forward-looking statements, which reflect management’s view only as of the date hereof. Neither company assumes any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.