



# WEST COAST COMMUNITY BANCORP

## INVESTOR PRESENTATION

APRIL 2024

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## **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 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 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 Bank 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



About 142 employees as of March 31, 2024  
Krista Snelling joined as CEO on March 1, 2021



\$1.7 billion in assets



8 branches  
Salinas branch (Monterey County) opened January 2023



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



Merged with Lighthouse Bank in Q4 2019



# 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*

# Q1 2024 RESULTS

## Balance Sheet Strength

**\$1.713 Billion**

Total Assets

**\$1.379 Billion**

Total Loans

**\$1.456 Billion**

Total Deposits

**\$211 Million**

Tangible Common Equity

## Consistent Profitability

**\$12.2 Million**

Q1 PTPP Earnings

**\$9.3 Million**

Q1 Net Income

**\$1.10**

Q1 Diluted Earnings Per Share

## Strong Earnings Metrics

**2.14%**

Q1 ROAA

**18.10%**

Q1 ROATCE

**4.86%**

Q1 Net Interest Margin

**42.81%**

Q1 Efficiency Ratio

## Healthy Credit Quality

**0.01%**

NPAs/Assets

**0.01%**

NPLs/Loans

**1.67%**




ACL/Non-PPP Loans

**0.00%**

Net Charge-offs/Avg. Loans



# ATTRACTIVE MARKETS

County	# of Branches	Deposit Market Share*	Population**	Median Household Income**
 Santa Cruz County	5	15.5%	264K	\$104K
 Santa Clara County	1	0.06%	1.9M	\$154K
 Monterey County	2	0.78%	433K	\$91K

\*Per FDIC data as of June 30, 2023.

\*\* U.S. Census Bureau data 2018-2022



# FINANCIAL HIGHLIGHTS

# SOLID LIQUIDITY POSITION

(\$ in 000s)

As of March 31, 2024

	<u>As of</u>	
	<u>3/31/2024</u>	<u>12/31/2023</u>
Cash and due from banks	\$ 39,148	\$ 44,395
Unencumbered AFS securities	160,934	198,876
<b>Total on-balance-sheet liquidity</b>	<b>200,082</b>	<b>243,271</b>
Line of credit from the Federal Home Loan Bank of San Francisco-collateralized	452,866	434,961
Line of credit from the Federal Reserve Bank of San Francisco-collateralized	261,008	251,641
Lines at correspondent banks-unsecured	80,000	80,000
<b>Total external contingency liquidity capacity</b>	<b>793,874</b>	<b>766,602</b>
Less: overnight borrowings	--	(32,500)
<b>Net available liquidity sources</b>	<b>\$ 993,956</b>	<b>\$ 977,373</b>

Strong on-balance-sheet liquidity position coupled with available external contingency liquidity capacity of \$794MM

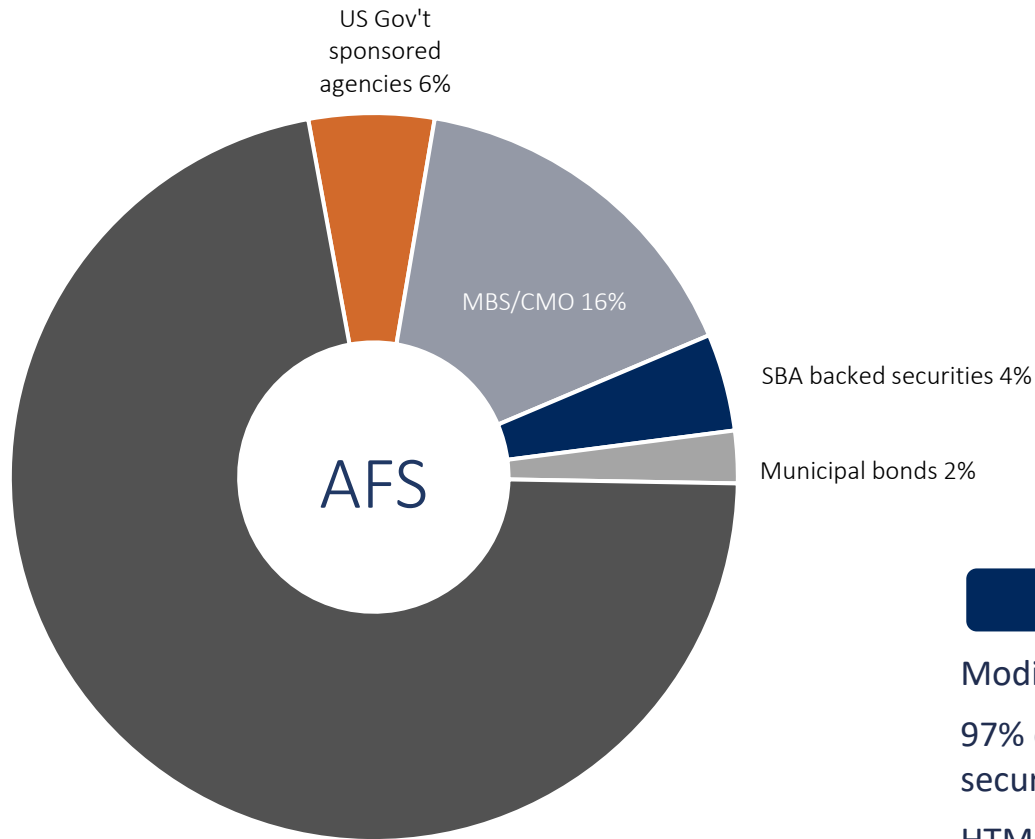
Net liquidity - 58% of assets

Coverage ratio on uninsured deposits of 158%

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



# INVESTMENT PORTFOLIO COMPOSITION



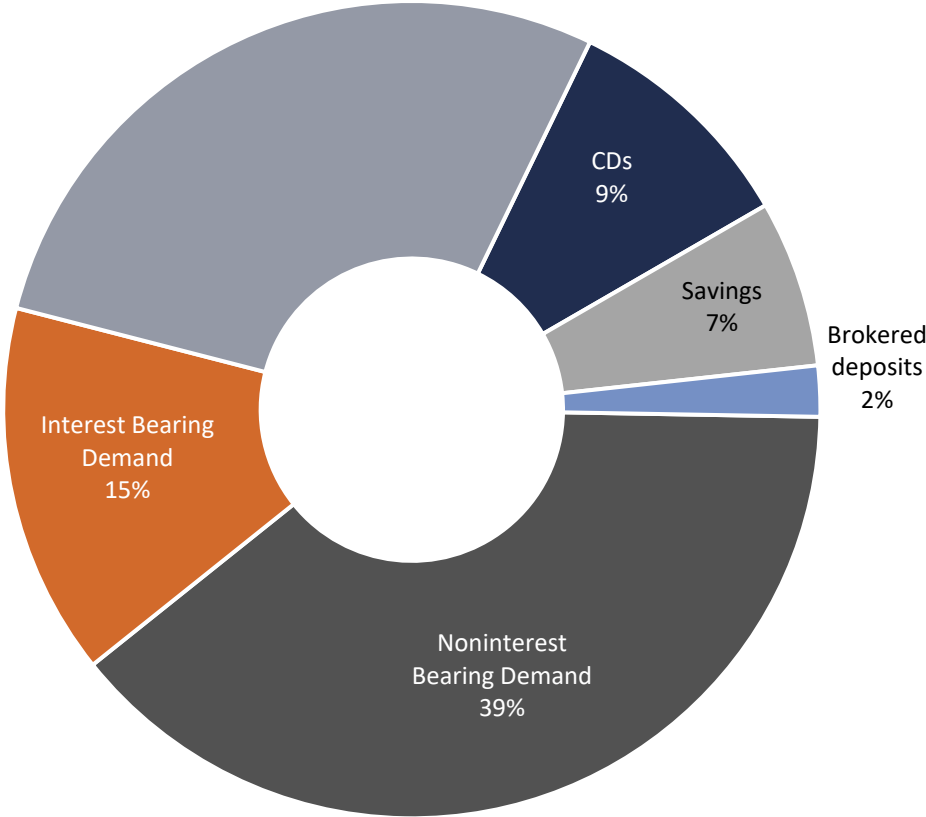
By market value as of March 31, 2024

Modified duration of 2.5 years.

97% of the carrying value of investment securities classified as available for sale ("AFS")

HTM securities totaled \$7.3mm.

# ATTRACTIVE DEPOSIT MIX



As of March 31, 2024

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

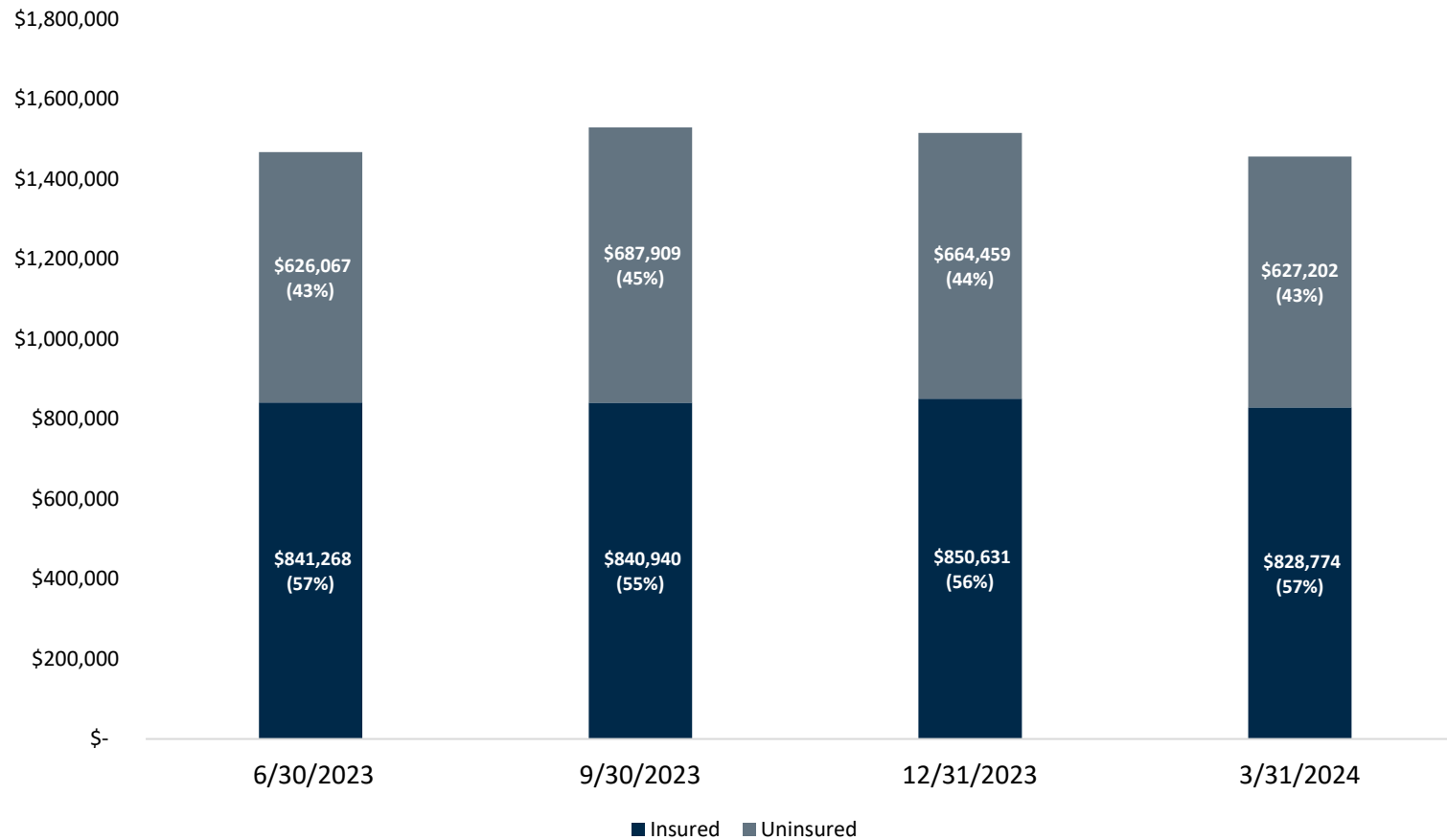
Growth opportunities include:

- New Salinas market
- Silicon Valley / Bay Area
- Local municipalities

New treasury products and dedicated team provide additional opportunity.

# DEPOSIT CHARACTERISTICS

(\$ in 000s)

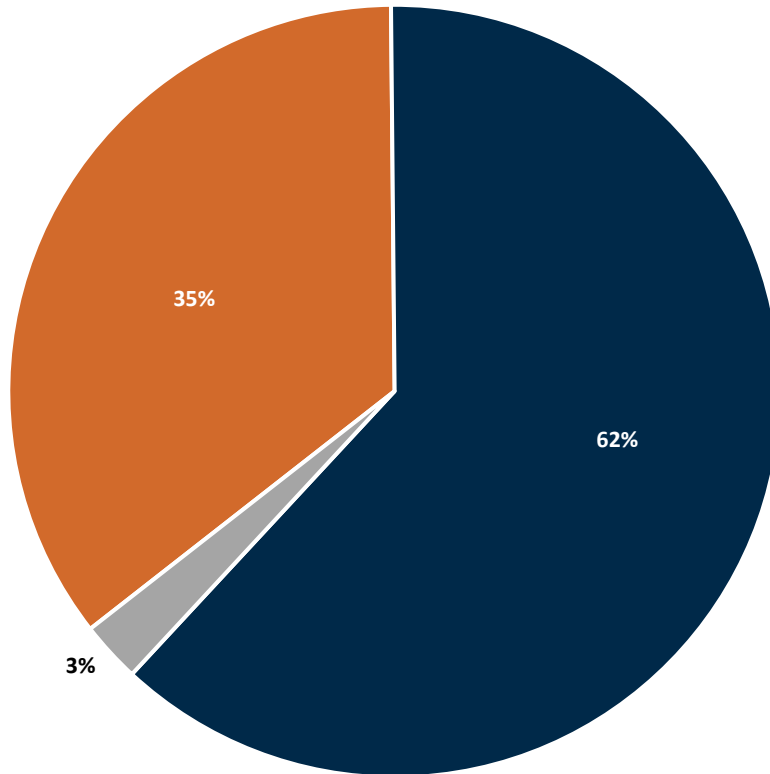


Insured deposits includes fully collateralized balances.

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

# STRONG DEPOSIT FRANCHISE

Granular Deposit Account Composition (\$ in 000s)



■ Personal ■ Business ■ Brokered

As of March 31, 2024

<b>Total Personal Deposits</b>	\$	<b>515,499</b>
# of Accounts		11,435
Average Balance Per Account	\$	45
<b>Total Business Deposits</b>	\$	<b>903,537</b>
# of Accounts		5,856
Average Balance Per Account	\$	154

# EXCEPTIONAL CREDIT CULTURE

## Nonperforming Loans

As of March 31, 2024

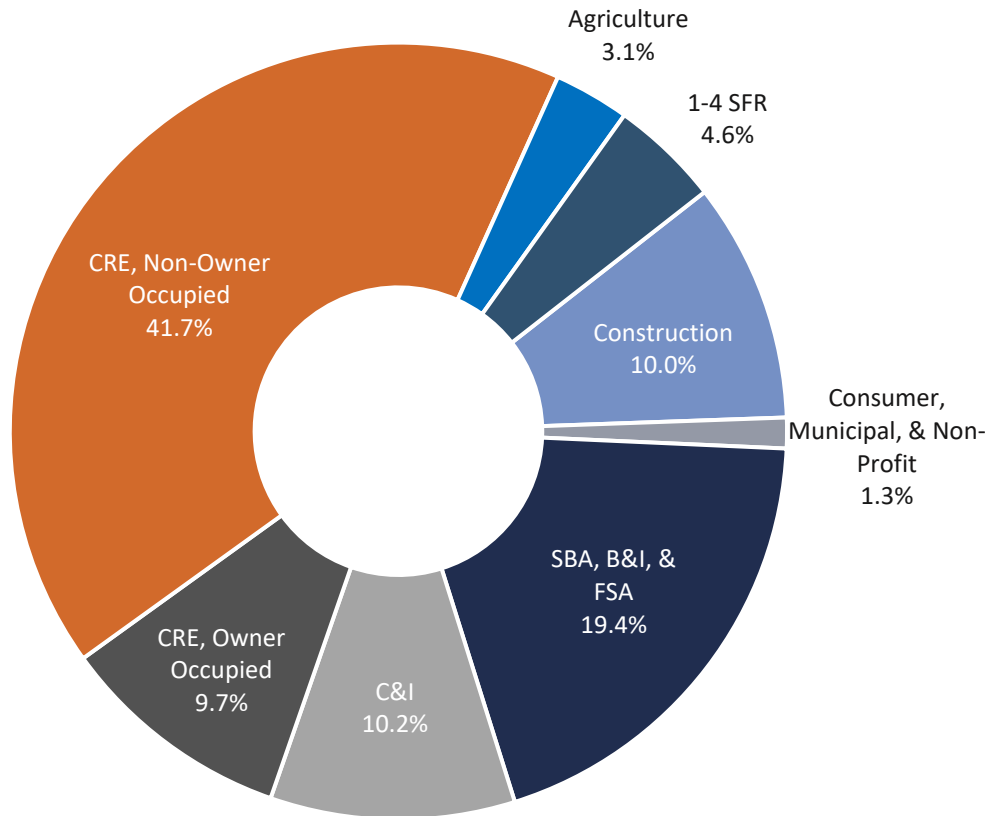
(\$000)	2019	2020	2021	2022	2023	2024Q1
<b>Nonaccrual Loans</b>						
1-4 Family	\$0	\$0	\$0	\$808	\$0	\$0
CRE & Multifamily	0	0	0	0	6,526	0
Construction	0	0	0	990	0	0
Consumer	0	31	61	0	0	25
Commercial	0	0	251	1,363	0	65
Other	0	0	69	0	0	0
<b>Total Nonaccrual</b>	<b>\$0</b>	<b>\$31</b>	<b>\$381</b>	<b>\$3,161</b>	<b>\$6,526</b>	<b>\$90</b>
Accruing Restructured Loans	\$0	\$0	\$0	\$26	\$320	\$293
<b>Total Impaired Loans</b>	<b>\$0</b>	<b>\$31</b>	<b>\$381</b>	<b>\$3,187</b>	<b>\$6,846</b>	<b>\$383</b>
<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>

Nonperforming loans (including 90+ days past due) to total loans of 0.01%.

Only two nonaccrual loans, which were added to nonaccrual status during the first quarter of 2024, totaling \$90 thousand.

A \$6.5 million commercial real estate loan was brought current and returned to accrual status in Q1 2024.

# LOANS BY TYPE

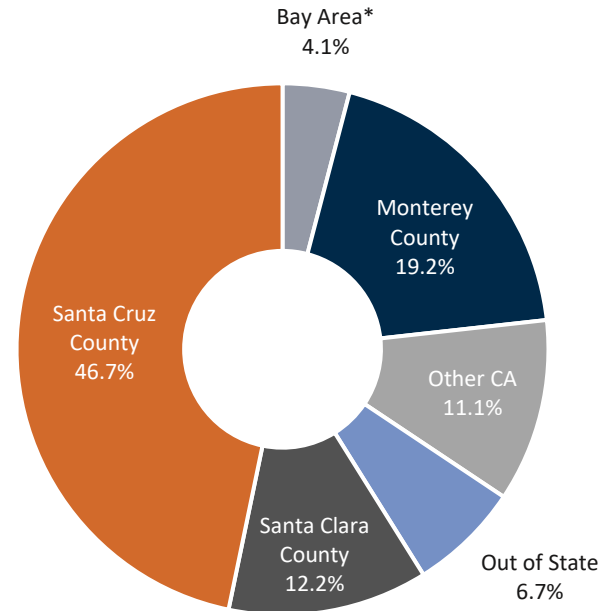
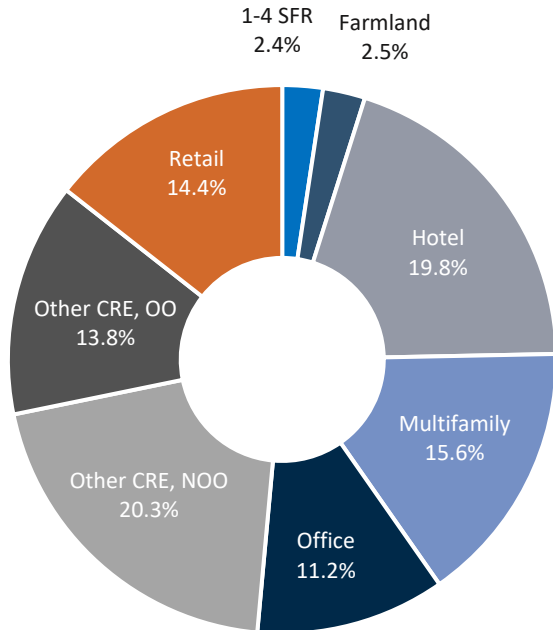


Outstanding Loans as of  
March 31, 2024

Q1 2024 loan yield of 7.02%, up 18 bps from 6.84% in Q4 2023.



# REAL ESTATE LOAN DETAIL



Total Weighted Average LTV: 47.01%

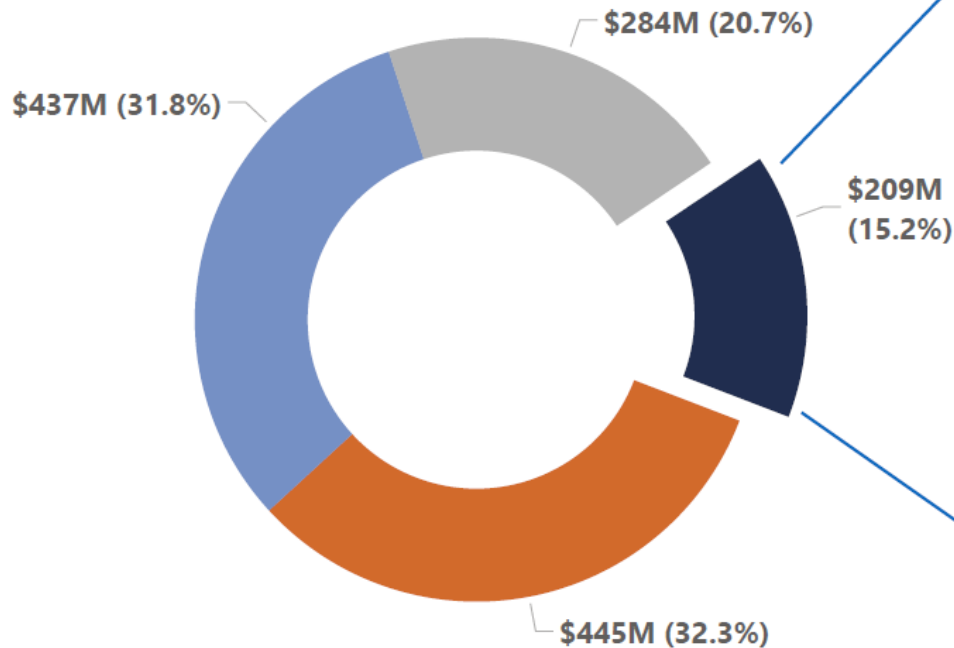
\*Alameda, San Francisco, San Mateo, Contra Costa, Sonoma, Solano, Napa, and Marin Counties

Total Real Estate Loans as of March 31, 2024

# FIXED VS. VARIABLE RATE LOANS AND REPRICING

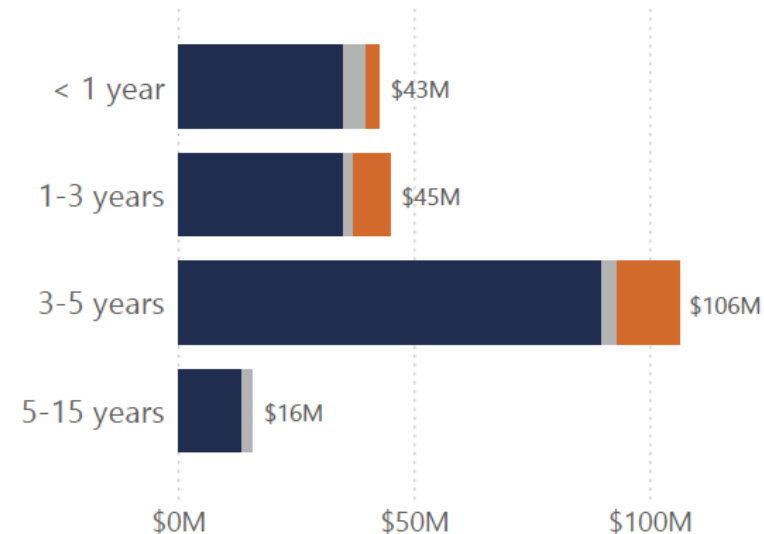
## Interest Rate Structure, as of 3/31/2024

● 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, 95% will remain at the floor for over 12 months

3) 94% of fixed rate loans have maturities beyond 12 months.

# UPCOMING CRE INTEREST RATE REPRICING

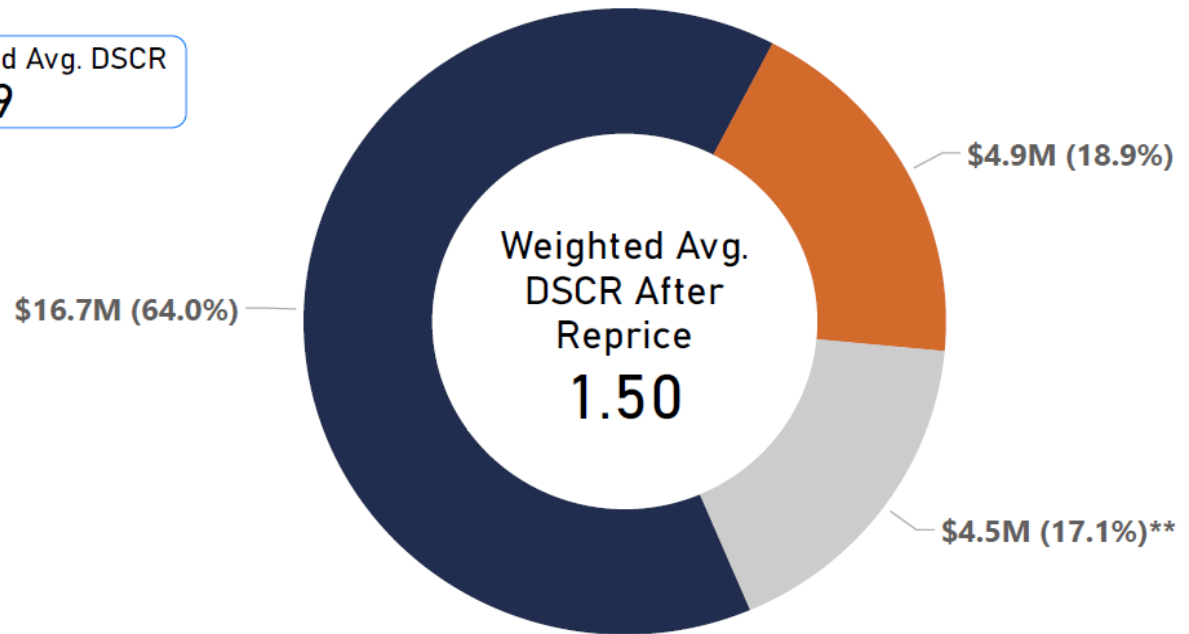
## Scheduled Interest Rate Repricing, 4/2024 - 4/2025 Non Owner Occupied CRE

Avg. Rate Change  
**2.20%**

Current Weighted Avg. DSCR  
**1.89**

### DSCR After Reprice\*

- >1.20
- 1.00-1.20
- <1.00



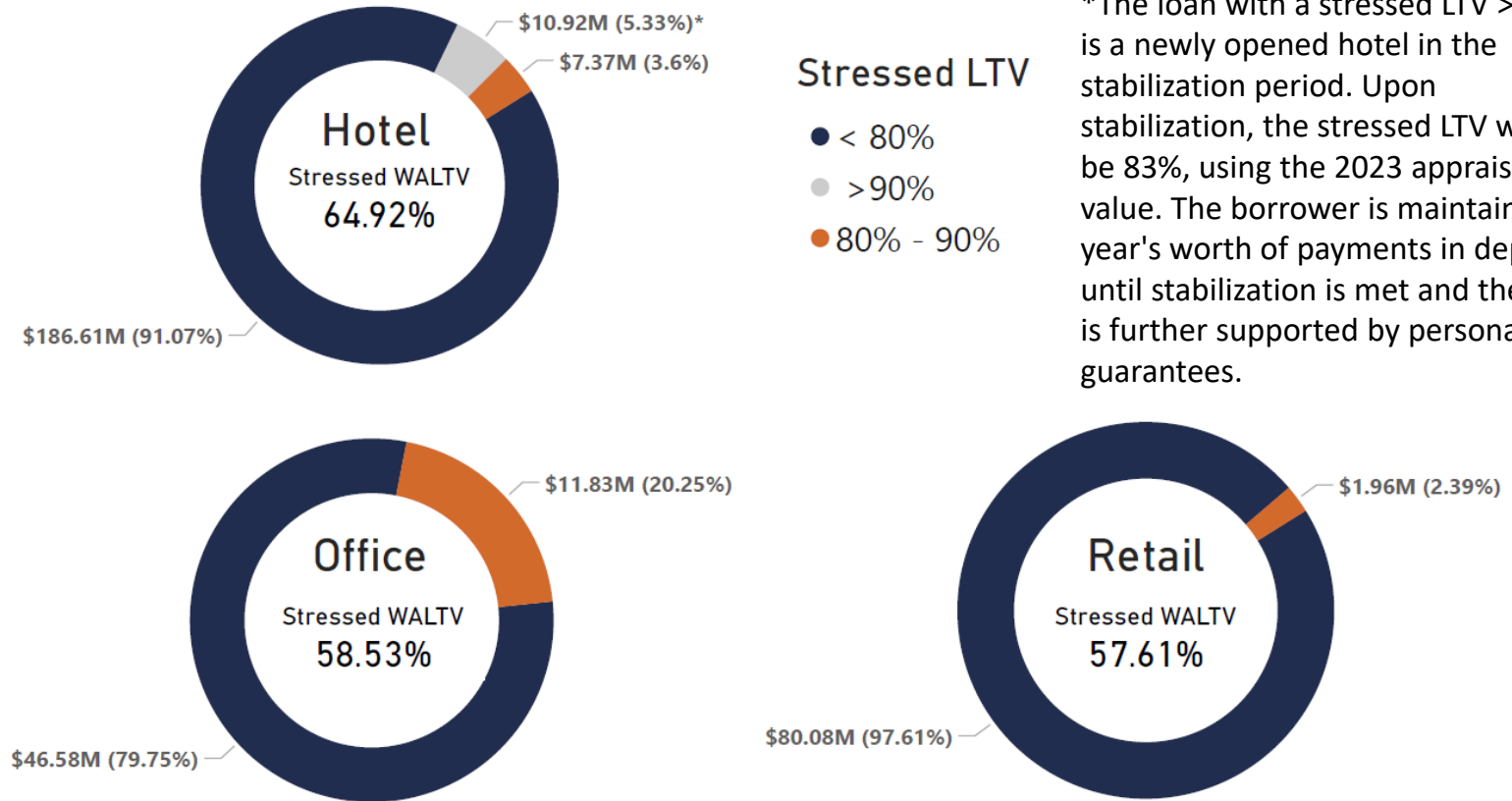
\*Using index rates as of 3/31/2024

\*\*Two loans supported by global cash flow, with a weighted average LTV of 54%; One of the loans is supported by exceptionally strong guarantors.

\$26M Outstanding NOO CRE Loans as of March 31, 2024

# NON-OWNER-OCCUPIED CRE LOANS

## 25% NOO CRE Collateral Value Stress

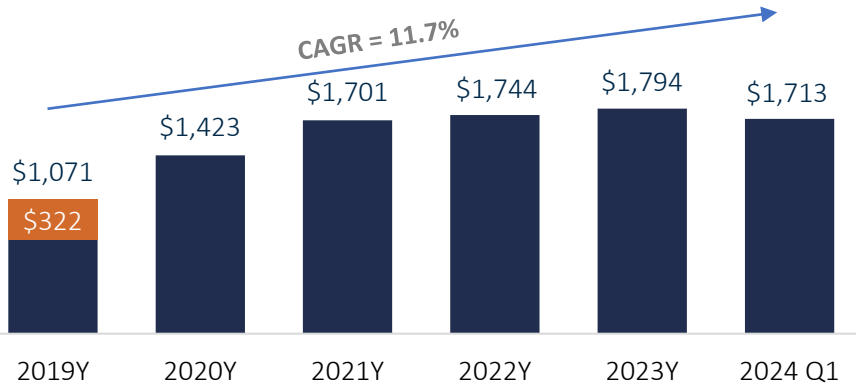


\*The loan with a stressed LTV > 90% is a newly opened hotel in the stabilization period. Upon stabilization, the stressed LTV would be 83%, using the 2023 appraised value. The borrower is maintaining a year's worth of payments in deposits until stabilization is met and the loan is further supported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

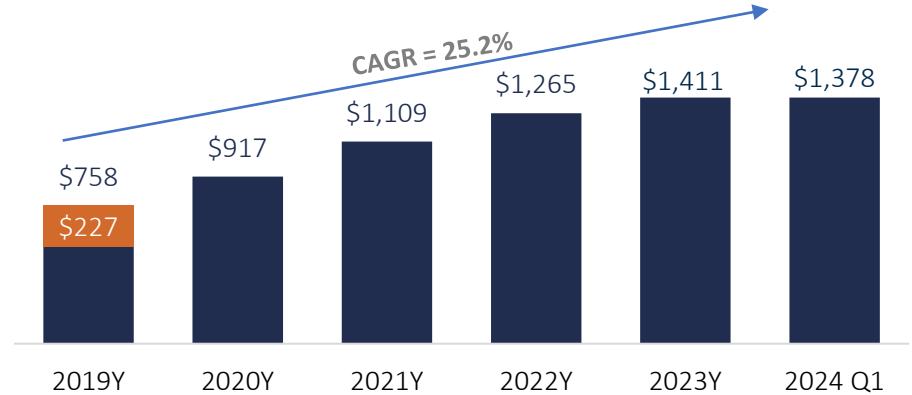
Outstanding NOO CRE Loans as of March 31, 2024

# CONSISTENT BALANCE SHEET GROWTH

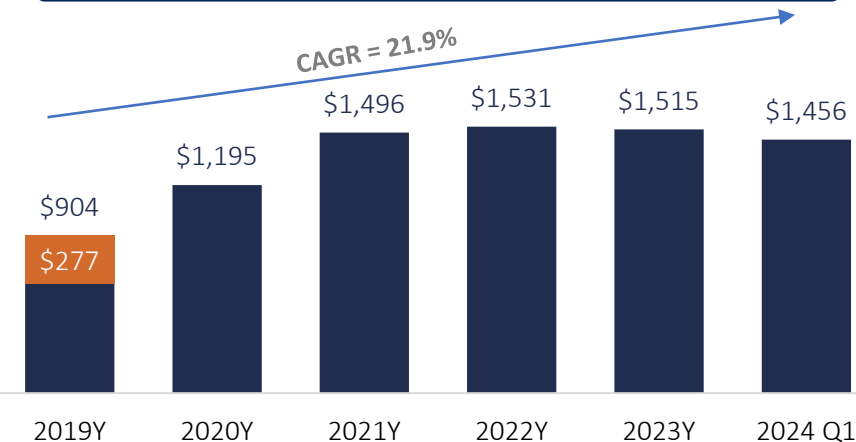
## Total Assets (\$MM)



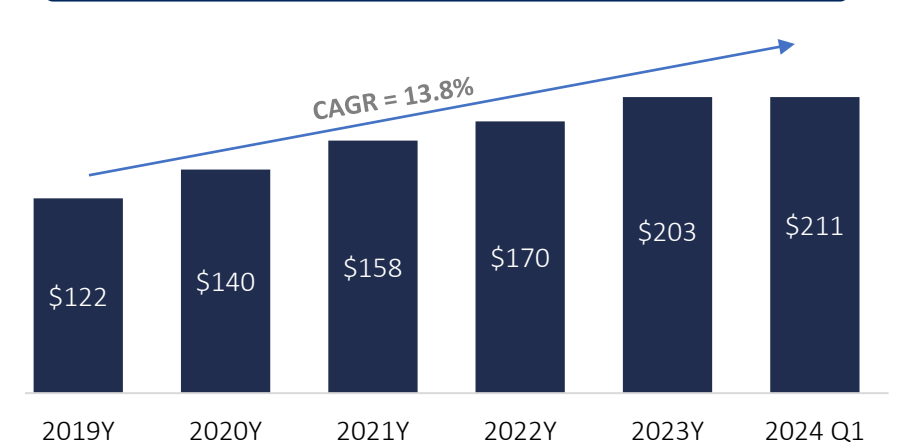
## Gross Loans Excl. PPP Incl. Deferred Fees (\$MM)




## Total Deposits (\$MM)



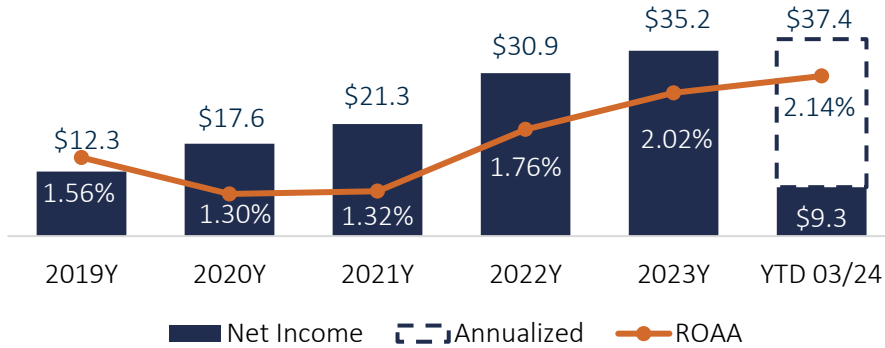
## Tangible Common Equity (\$MM)



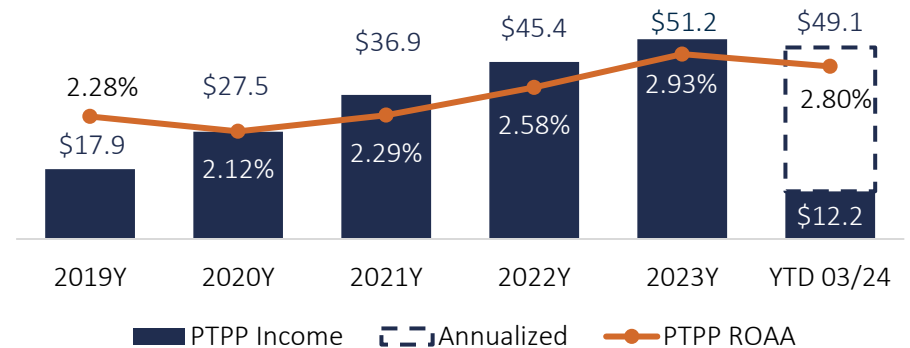
 Denotes Lighthouse acquisition

# STRONG PROFITABILITY

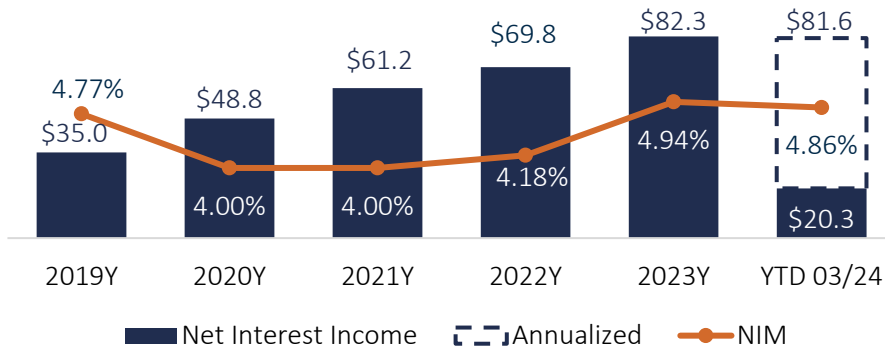
### Net Income (\$MM)



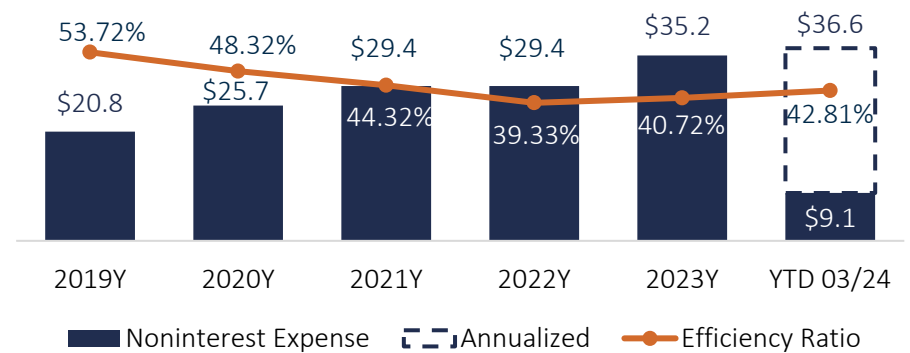
### Pre-Tax, Pre-Provision Net Income (\$MM)



### Net Interest Income (\$MM)



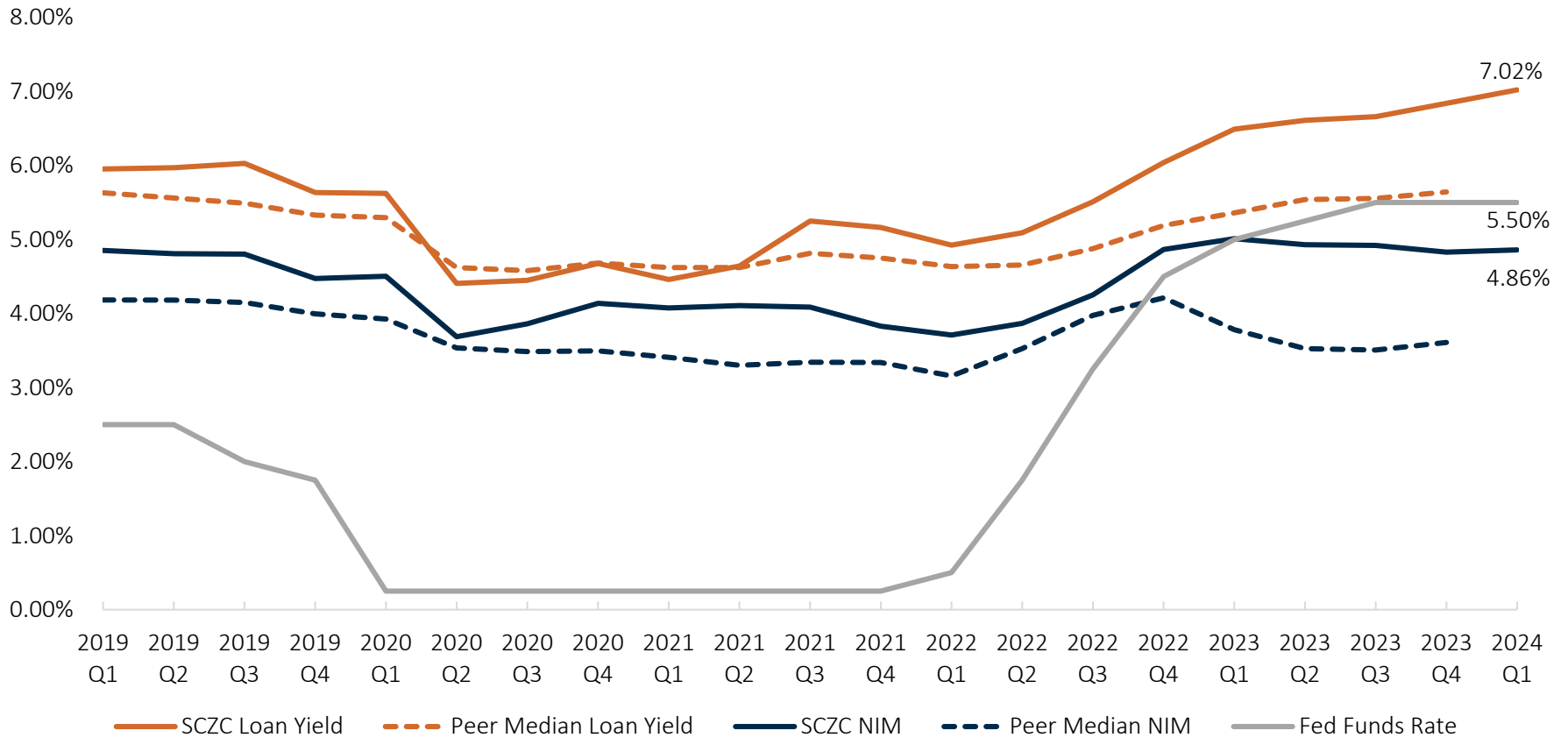
### Noninterest Expense (\$MM)





# DISCIPLINED PRICING DRIVES NIM AND LOAN YIELDS

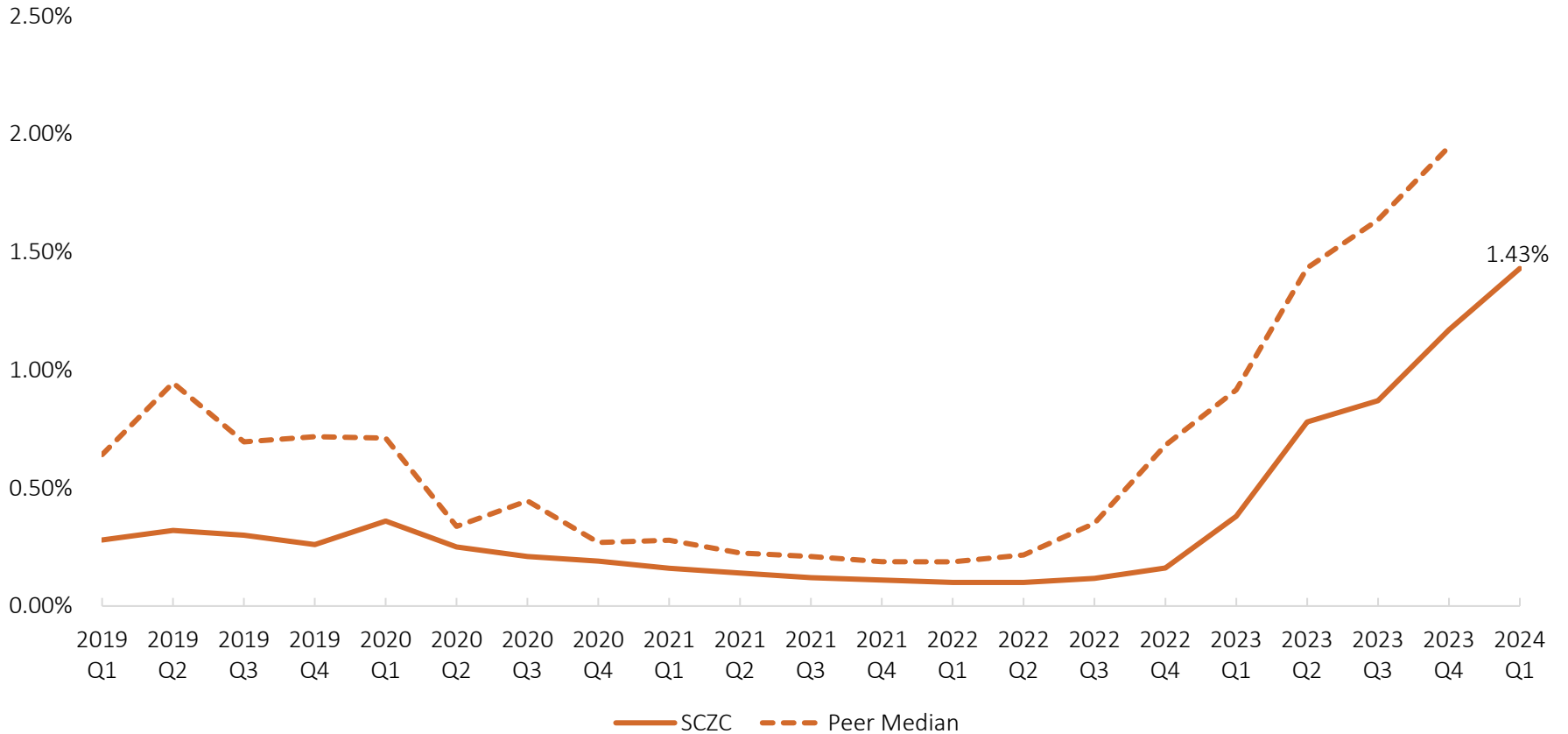
5-Year Yield on Loans and Net Interest Margin Trend Compared to Peers



Peers include all publicly listed banks headquartered in California with total assets \$1 billion to \$5 billion as of 3/31/24.

# DISCIPLINED PRICING DRIVES LOW COST OF FUNDS

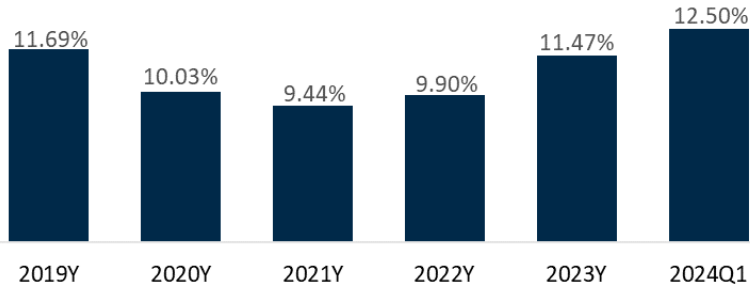
5-Year Cost of Funds Trend Compared to Peers



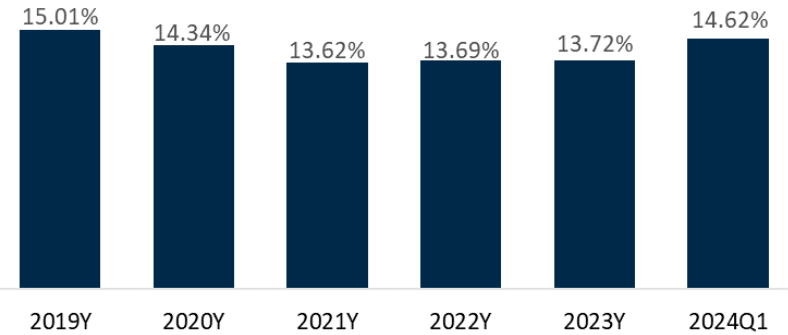
Peers include all publicly listed banks headquartered in California with total assets \$1 billion to \$5 billion as of 3/31/24.

# ROBUST CAPITAL POSITION

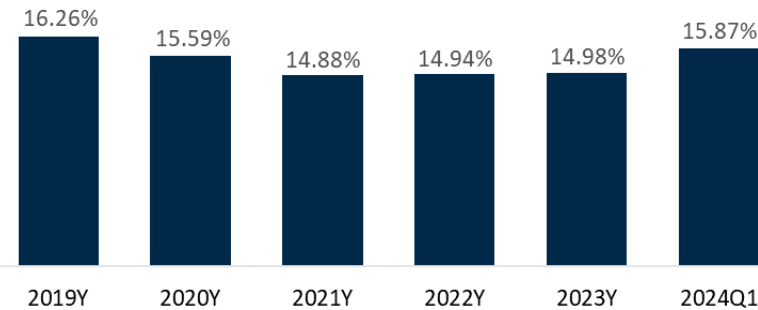
## TCE Ratio



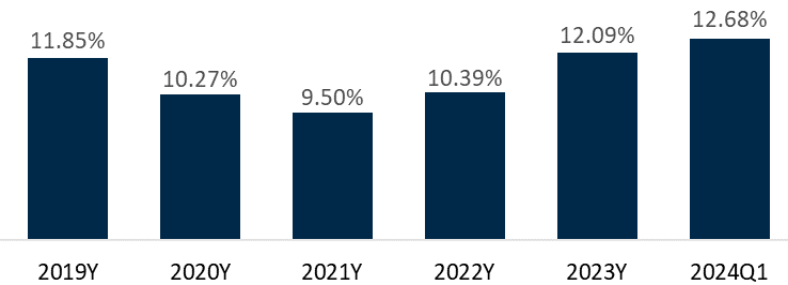
## Tier 1 Ratio



## Total Capital Ratio

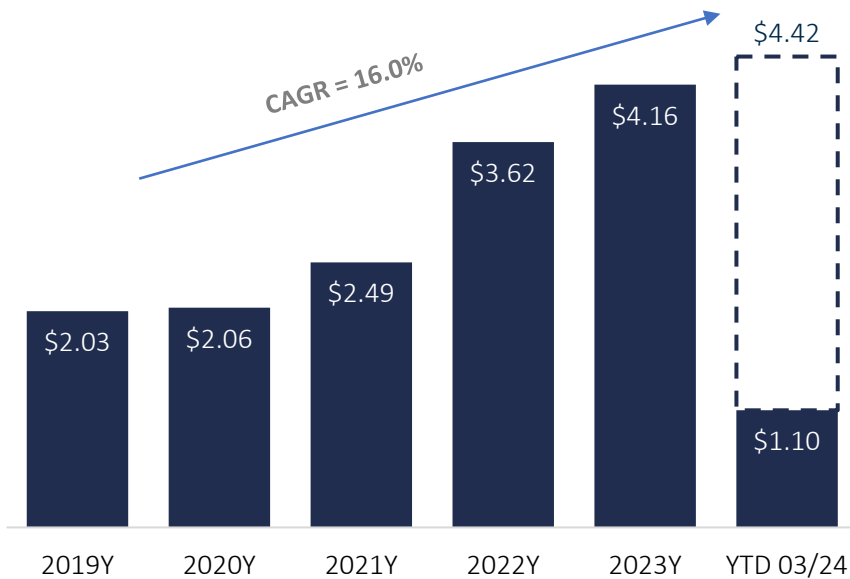


## Leverage Ratio

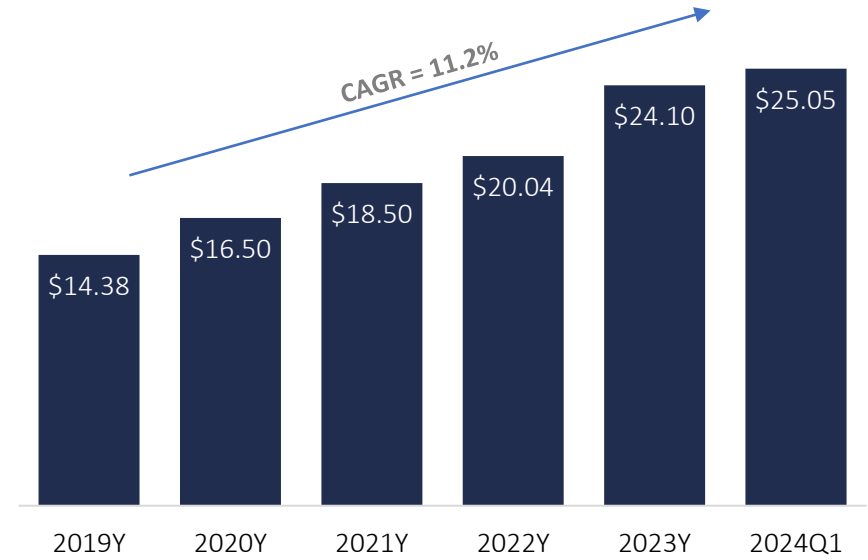


# PER SHARE DATA

## Earnings per Share (EPS)

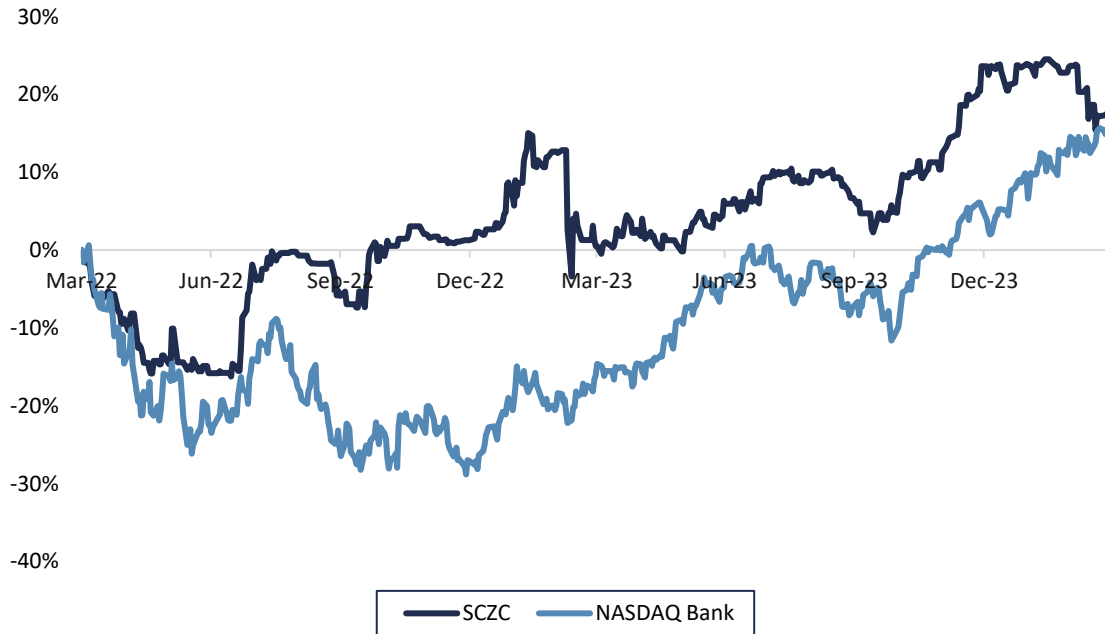


## Tangible Book Value per Share (TBVPS)

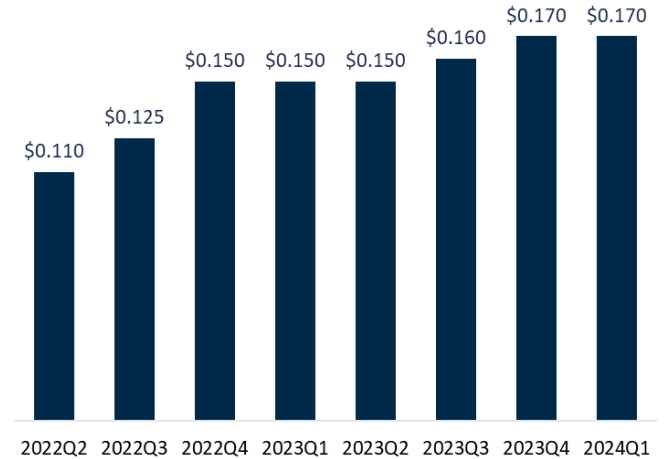


# SHAREHOLDER FOCUSED

## Superior Price Performance



## Cash Dividend



Adjusted for stock dividends and splits

Total shareholder return includes the price appreciation of the underlying equity in addition to the dividends paid.

# 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



**TOP 100**  
COMMUNITY BANKS  
by S&P Global  
Market Intelligence

### S&P GLOBAL

Ranked 6<sup>th</sup> in the nation in performance, for banks under \$3 billion in assets for 2022.



**5-STAR**  
SUPERIOR  
RATED BANK  
by BAUER FINANCIAL INC.

### BAUER FINANCIAL, INC

Rated 5-Star Superior for every quarter



**TOP 200**  
NATIONAL COMMUNITY BANKS  
AMERICAN BANKER

### AMERICAN BANKER MAGAZINE

Ranked 83<sup>rd</sup> in the Top 200 Community Banks in the nation and 13<sup>th</sup> out of 22 California banks. This is the Bank's 8<sup>th</sup> consecutive year in the Top 200.



WEST COAST  
COMMUNITY BANCORP  
**BEST 50**  
OTCQX  
2024  
OTCQX: SCZC

### 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



**TOP BANK**  
IN CALIFORNIA  
by Bank Performance Report  
BPR

### BANK PERFORMANCE REPORT

(formerly FMC)

Ranked 19th in overall performance for Q4 2023.



**SUPER PREMIER**  
PERFORMING BANK  
as designated by  
FINDLEY REPORTS INC.

### THE FINDLEY REPORTS INC.

Top ranking of Super Premier Performing Bank for 14 consecutive years.

## Local



2018 | 2021  
**BUSINESS**  
OF THE  
Year  
Santa Cruz County Chamber of Commerce

### 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.



**WINNER**  
Readers  
**Choice**  
Santa Cruz Sentinel  
2023



Good Times  
**BEST**  
OF SANTA CRUZ 2024

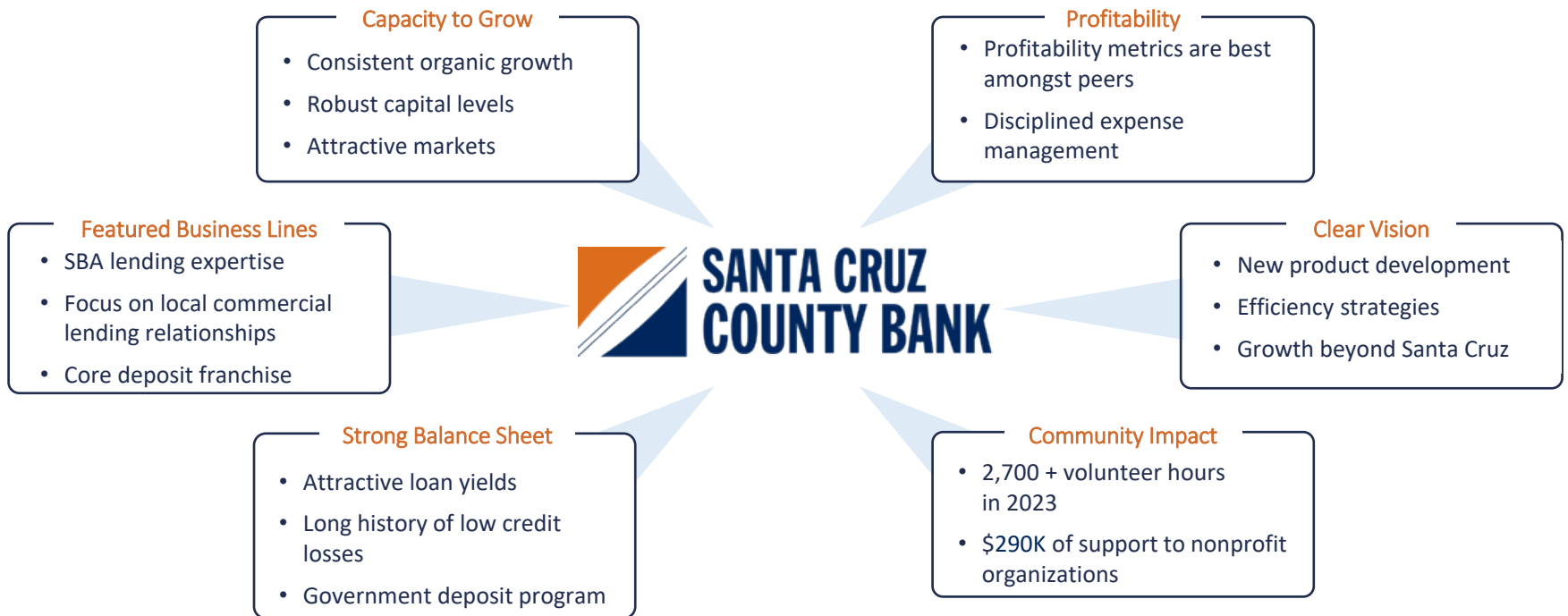
### BEST BANK SENTINEL & GOOD TIMES

Voted **Best Bank** for the 9th 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
	2019	2020	2021	2022	2023	31, 2024
Total Stockholders' Equity	\$151,098	\$168,486	\$186,090	\$197,676	\$230,036	\$238,089
Less: Intangible Assets	29,331	28,688	28,202	27,796	27,433	27,350
<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>
Total Assets	\$1,070,983	\$1,422,872	\$1,701,249	\$1,744,487	\$1,794,362	\$1,712,644
Less: Intangible Assets	29,331	28,688	28,202	27,796	27,433	27,350
<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>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>
Basic Shares Outstanding	8,469,650	8,475,024	8,536,000	8,477,272	8,406,680	8,413,913
Book Value per Share	\$17.84	\$19.88	\$21.80	\$23.32	\$27.36	\$28.30
Less: Intangible Book Value per Share	3.46	3.39	3.30	3.28	3.26	3.25
<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>

# NON-GAAP RECONCILIATION

Pre-tax, pre-provision net income is a non-U.S. GAAP financial measure derived from U.S. GAAP-based amounts. We calculate pre-tax, pre-provision net income by excluding income tax and provision for credit losses from net income. Management believes that the exclusion of such items from this financial measure provides useful information to gain an understanding of the operating results of our core business. This non-U.S. GAAP financial measure is supplemental and is not a substitute for an analysis based on U.S. GAAP measures. As companies may use different calculations for this measure, this presentation may not be comparable to other similarly titled measures reported by other companies. A calculation of the non-U.S. GAAP measure of pre-provision net income is set forth below.

<i>All dollars in thousands</i>	2019	2020	2021	2022	2023	For the Three Months Ended March 31, 2024
Net Income	\$12,275	\$17,550	\$21,274	\$30,944	\$35,150	\$9,324
Plus: Provision for Income Taxes	5,153	7,128	8,791	12,815	14,619	3,885
Plus: Provision for Loan Losses	450	2,816	6,858	1,592	1,413	(1,000)
<b>Pre-Tax, Pre-Provision Net Income</b>	<b>\$17,878</b>	<b>\$27,494</b>	<b>\$36,923</b>	<b>\$45,351</b>	<b>\$51,182</b>	<b>\$12,209</b>
Average Assets	\$784,586	\$1,294,813	\$1,610,478	\$1,756,075	\$1,744,178	\$1,751,420
PTPP Net Income / Avg. Assets	2.28%	2.12%	2.29%	2.58%	2.93%	0.70%
PTPP Net Income / Avg. Assets (Annualized)	2.28%	2.12%	2.29%	2.58%	2.93%	2.80%