



Loan Portfolio Management

March 26, 2025



Today's Panelists



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What Do You Think?



Loan Portfolio Management: *A Banker's Perspective*





WEST COAST COMMUNITY BANCORP

Chief Credit Officers' Conference

MARCH 2025

INTRODUCTION



- Angelo De Bernardo, Jr.
- EVP/Chief Lending Officer
- 35 Years in banking
- 16 Year BMSim Instructor at Pacific Coast Banking School University of Washington







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



Shawn Lipman
EVP Chief Credit Officer



Maxwell Sinclair
EVP Chief Risk Officer



Shamara van der Voort
EVP Chief Operations Officer

REBRANDING EFFECTIVE APRIL 1, 2025



SANTA CRUZ COUNTY BANK



Community bank headquartered in Santa Cruz, CA
Opened in 2004



Approximately 220 employees as of December 31, 2024



\$2.7 billion in assets as of December 31, 2024



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



Acquired 1st Capital Bank on October 1, 2024 and completed
the related system conversion in December 2024; combined
bank will rebrand as West Coast Community Bank in Q2 2025



Total of 10 branches post-consolidation with 1st Capital Bank



OTC Markets OTCQX - Delayed Quote - USD

West Coast Community Bancorp (SCZC)

★ Following

↔ Compare

39.66 -0.07 (-0.18%)

At close: 3:48:54 PM EDT

1D 5D 1M 6M YTD 1Y **5Y** All

Key Events

▲ Mountain ▾

↗ Advanced Chart



156.62%

39.66

30.00

20.00

2021

2022

2023

2024

2025

Previous Close	39.73	Day's Range	39.51 - 39.75	Market Cap (intraday)	418.671M	Earnings Date	Jan 28, 2025
Open	39.66	52 Week Range	27.01 - 41.95	Beta (5Y Monthly)	0.74	Forward Dividend & Yield	0.76 (1.91%)
Bid	39.51 x 40000	Volume	2,619	PE Ratio (TTM)	9.67	Ex-Dividend Date	Feb 5, 2025
Ask	39.66 x 40000	Avg. Volume	7,683	EPS (TTM)	4.10	1y Target Est	--

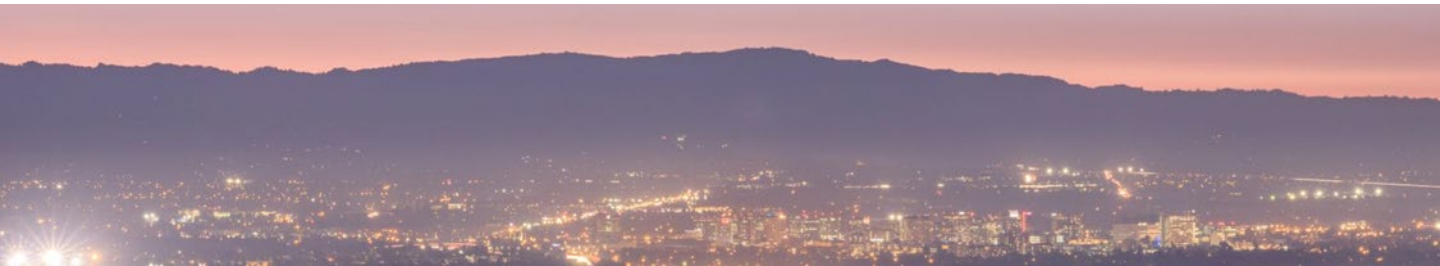
KEY TOPICS

- Building a lending culture
- Investment in people
- Menu of loan products and mix
- Lending team support structure
- Accountability
- Incentive Compensation Plan
- Pricing



BUILDING A CULTURE

- Commitment to local community
- Consultative approach
- Nordstrom's experience
- Know your borrower
- Complete underwriting
- Team work
- Having fun on the job



INVESTMENT IN PEOPLE

- Best Relationship Managers are those who understand credit
- Credit Analyst training program
- Rotational Development Program (RDP)
- Loan Processors
- Pay up!



Product Menu

- Growth strategy
- Matching appropriate product
- Construction
- ABL Lending
- SBA
- FSA
- B&I / USDA



Support Structure

- Loan Processors
 - Liaison between RM and Credit Team / Note Department
 - Creates efficiencies and clean audits
- Underwriting controlled by Credit Admin
 - Two day turn-around



TICKLER TRACKING

- Effective LOS Tracking & Reporting
- Letter reminders with teeth!
 - Letter 1 – Items due in 30 days
 - Letter 2 – Past due items
 - Letter 3 – 30+ days past due
 - Letter 4 – 60+ days past due with **notice of default and rate increase** once 90 days past due.



ACCOUNTABILITY

- Weekly “Rapid Fire” calls
 - Lead by Loan Processors
 - Maturities looking out 6 months
 - Recorded input by Loan Processors, RM and Note Department
 - Goal to have ZERO loans past maturity date
- Standing agenda items in weekly BLC meetings
- Weekly Lender Meeting



Incentive Compensation Plan

- Meaningful, easy to calculate, timely payment
- Incenting production that matches strategic initiatives
- Leadership component
 - Discounts for Charge-offs, Third Party Downgrade, and Poor General Portfolio Management



Incentive Compensation Plan

- Emphasis on New Loan & Deposit Production
- Bank Goal Bonus
- 9 Quarter Deposit Payout
- Paid Quarterly
- Regional President Override



QUARTERLY PORTFOLIO REVIEW

- In-person meeting between Relationship Manager and Credit Admin team
- Review of Watch credits or worse
- Review of past due trends
- Review of past due tickler trends



STRESS TESTING

- Third Party data analytic service
- Quarter over quarter trend analysis
- Three key CRE stress tests:
 1. Decrease in NOI
 2. Increase in Cap Rate
 3. Increase in Interest Rate



Loan Portfolio
Management:
*An Expert Data
Management
Company's Perspective*





Hi, we're KlariVis.

We're the only cloud-based, universal enterprise dashboard & analytics solution **built for bankers, by bankers**.
We have the unique insight needed to build an unprecedented platform tailored to **bankers'** highly-specific needs.

So, we did.



Trusted by Industry Leaders

OUR INCREDIBLE CLIENTS INCLUDE:



DISTINCTIONS & ACCOLADES:





Common Data Struggles For **Bankers.**



Lack of visibility | Hard to see the complete view in one place



Delayed | Focused on past events vs. actionable today



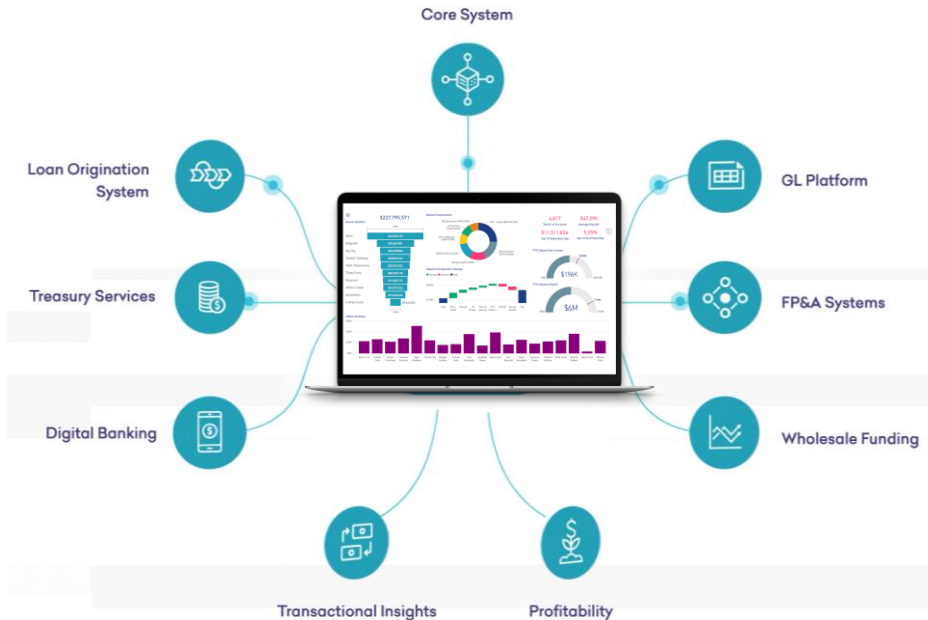
Changing environment | Ripple effect throughout the bank



Hard to understand | Product/system codes vs. Bankers' language



How KlariVis Works



ANY
Core System

1000+
Interactive Views

500+
Data Elements

1550+
Measures

250+
Dashboards

230+
Automated Board Reports



The KlariVis Advantage

Key Differentiators:

- ◆ **Built for Bankers, by Bankers** – Deep industry expertise ensures KlariVis aligns with real-world banking needs.
- ◆ **Seamless Data Aggregation** – Eliminates manual reporting by consolidating data from core and ancillary systems.
- ◆ **Easy to Use** – Designed for all levels of users, ensuring adoption across the organization without requiring a data expert to access critical insights.
- ◆ **Actionable Insights** – Transforms complex data into intuitive dashboards for strategic decision-making.
- ◆ **Faster, Smarter Decisions** – Real-time visibility into key metrics enables proactive management of growth, profitability, liquidity, and risk.
- ◆ **Scalability & Security** – Cloud-based platform ensures high performance, data integrity, and compliance.
- ◆ **White-Glove Implementation** – A seamless onboarding experience with expert support, delivering full implementation in as little as 90 days.
- ◆ **Speed to Market** – Pre-built, out-of-the-box analytics provide immediate insights, eliminating long development cycles and accelerating time to value.

Why It Matters:

With KlariVis, financial institutions gain a **single source of truth** for their data, driving **efficiency, transparency, and competitive advantage**.

Some Best Practices for Post-Booking Loan Portfolio Management



IntelliCredit®



Optimal, Coordinated, Credit Management Input

Bank Management

Informed, Educated Decision Making

Shared methodologies
and corporate values

Of optimal value

Prescriptive of risk appetite



Ongoing and interactive

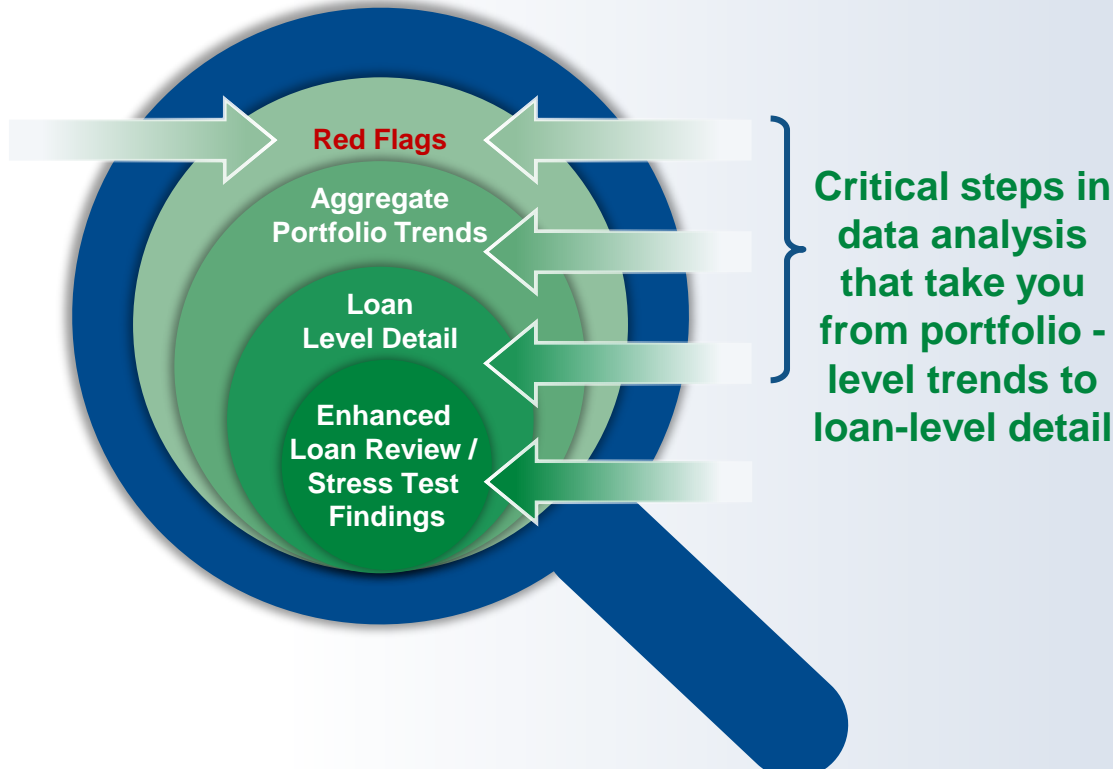
Complementary and
coordinated

YOUR portfolio analytics start with your DNA. . .



Public Data

Non-Public Data



Remember:

- The external stakeholders see a target through the lens of public (call report) data.
- Only with non-public, idiosyncratic loan data can you discern the whole story.

Loan-Level Stress: down to the most impactful loans



CAPTIAL STRESS TEST FINDINGS

Percentages below represent loan exposure as a percentage of pro-rata Capital

PERCENTAGES IN RED REPRESENT "HIGH IMPACT" LOANS

Pro-Rata Capital (Multifamily) \$5,719,926

MULTIFAMILY

PRE-STRESS CAPITAL IMPACT ANALYSIS Loan-to- Value						
Debt Service Coverage	<=70%	70%-80%	80%-90%	>90%	Unknown LTV	
>1.75x	182.4%	37.2%	0.0%	0.0%	0.0%	
1.51x to 1.75x	59.6%	0.0%	0.0%	0.0%	0.0%	
1.26x to 1.50x	524.2%	50.7%	0.0%	0.0%	0.0%	
1.16x to 1.25x	12.5%	7.3%	32.3%	0.0%	0.0%	High Impact Totals
1.00x to 1.15x	16.5%	0.0%	0.0%	0.0%	0.0%	0.0%
<1.00x	16.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Unknown DSC	119.2%	0.0%	0.0%	0.0%	0.0%	0.0%
High Impact Totals			0.0%	0.0%	0.0%	0.0%

POST-STRESS CAPITAL IMPACT ANALYSIS Loan-to- Value						
Debt Service Coverage	<=70%	70%-80%	80%-90%	>90%	Unknown LTV	
>1.75x	80.2%	0.0%	92.5%	0.0%	0.0%	
1.51x to 1.75x	26.7%	0.0%	0.0%	0.0%	0.0%	
1.26x to 1.50x	55.0%	24.8%	0.0%	0.0%	0.0%	High Impact Totals
1.16x to 1.25x	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1.00x to 1.15x	524.2%	0.0%	50.7%	0.0%	0.0%	50.7%
<1.00x	16.5%	0.0%	36.3%	32.3%	0.0%	68.6%
Unknown DSC	119.2%	0.0%	0.0%	0.0%	0.0%	0.0%
High Impact Totals			87.1%	32.3%	0.0%	119.4%

Percentages below represent loan exposure as a percentage of pro-rata Capital

PERCENTAGES IN RED REPRESENT "HIGH IMPACT" LOANS

Pro-Rata Capital (Retail) \$3,966,077

RETAIL

PRE-STRESS CAPITAL IMPACT ANALYSIS Loan-to- Value						
Debt Service Coverage	<=70%	70%-80%	80%-90%	>90%	Unknown LTV	
>1.75x	319.3%	107.2%	0.0%	0.0%	0.0%	
1.51x to 1.75x	62.8%	0.0%	40.5%	0.0%	0.0%	
1.26x to 1.50x	162.9%	0.0%	0.0%	0.0%	0.0%	High Impact Totals
1.16x to 1.25x	25.2%	148.8%	0.0%	0.0%	0.0%	0.0%
1.00x to 1.15x	43.6%	0.0%	0.0%	0.0%	3.1%	3.1%
<1.00x	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unknown DSC	145.1%	0.0%	0.0%	0.0%	0.0%	0.0%
High Impact Totals			0.0%	0.0%	3.1%	3.1%

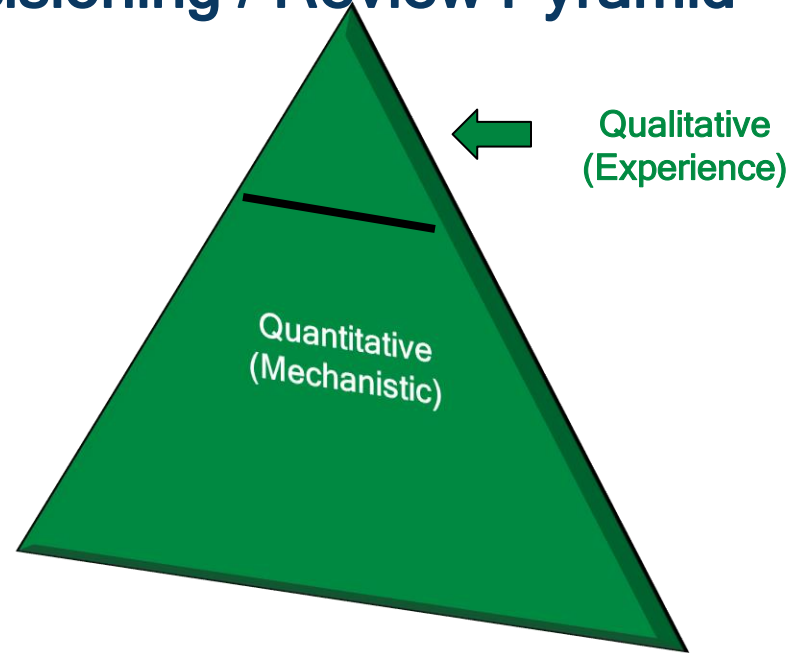
POST-STRESS CAPITAL IMPACT ANALYSIS Loan-to- Value						
Debt Service Coverage	<=70%	70%-80%	80%-90%	>90%	Unknown LTV	
>1.75x	9.3%	120.0%	0.0%	107.2%	0.0%	
1.51x to 1.75x	36.1%	116.9%	0.0%	0.0%	0.0%	
1.26x to 1.50x	37.0%	0.0%	0.0%	40.5%	0.0%	High Impact Totals
1.16x to 1.25x	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1.00x to 1.15x	119.5%	0.0%	43.4%	0.0%	0.0%	43.4%
<1.00x	68.8%	0.0%	0.0%	148.8%	3.1%	151.9%
Unknown DSC	92.9%	115.0%	0.0%	0.0%	0.0%	0.0%
High Impact Totals			43.4%	148.8%	3.1%	195.3%

Loan Review: *requires seasoned experience*



Credit Analysis / Decisioning / Review Pyramid

- Utilize reviewers that have *been there / done that*
- The power of *persuasion / collaboration*
- Companion with quality documentation review
- Require bios during RFP process
- Recognize loan review is a key first line of defense—*an asset, not an adversary?*



IntelliCredit: Coordinated Credit Risk Management

Our Clients'

Technologically Informed, Post-booking Risk Assessment

Stress Test

Methodologies:

- Companioned with loan review
- Based on PD's / LGD's

Loan Review:

- Documents & Credit
- Seasoned reviewers
- More efficient / less intrusive process
- Can be licensed for internal loan review



Portfolio Analyzer:

- Allows you to *write your own credit risk script*—before the regulator does it for you!
- Up-and-running within a day or two