

FIRST COMMUNITY FINANCIAL CORPORATION

June 21, 2024

Dear Shareholders,

I hope this letter finds you well. I am pleased to provide you with a brief update on our progress year to date and express our appreciation for your continued support and confidence.

Our company remains strong, resilient and well capitalized. We have made strides in executing our strategic plan, which includes our initiatives to grow deposits and improve loan yields to result in increased net interest margin and profitability. Our team is working diligently to ensure that we not only meet, but also exceed our objectives.

With that said, we want to provide you with an update regarding our company's dividend and share our outlook for the future. After careful consideration and thorough analysis, the Board of Directors has decided that we will not be paying a dividend for the 2nd quarter. This decision was not made lightly and reflects our commitment to invest in strategic opportunities that will drive sustainable growth.

We believe this approach is in the best interest of the company and its shareholders. Our priority remains to return to our historical profitability levels and create long-term value as we have demonstrated over the past 160 years.

We are optimistic about our future prospects and are dedicated to executing our strategic initiatives effectively. As we continue to make progress, we will closely evaluate our financial performance and capital allocation strategy. It is our intention to revisit the dividend in the future, with the goal of resuming dividend payments as soon as it is prudent to do so.

We appreciate your continued support as we navigate the challenges of this current monetary cycle and work towards achieving our financial and operational goals. Thank you for your trust and confidence in our vision and strategy.

Should you have any questions or require further information, please do not hesitate to reach out to our investor relations team.

Warm regards,



Scott Fritz
President and CEO
Pennian Bank
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