

# LETTER TO SHAREHOLDERS

FIRST COMMUNITY  
FINANCIAL CORPORATION

Dear Shareholder,

JUNE 2025

We are pleased to share our financial results for **First Community Financial Corporation** for the first quarter ended **March 31, 2025**. The attached statements reflect encouraging progress and demonstrate that the balance sheet strategies implemented in 2024 are delivering results.

## Income Statement Highlights (as of March 31, 2025):

- **Net income** of \$760,000, a strong improvement from Q1 2024.
- **Net interest income after provision** increased to \$4.53 million, up from \$3.54 million, driven by better loan yields and lower funding costs.
- **Interest expense** declined by \$603,000, due to a reduced reliance on wholesale funding.
- **Other income** rose 33% to \$1.21 million, with gains in the wealth management and mortgage groups.
- **Operating expenses** remained well-managed despite increased revenue.
- **Income before taxes** improved to \$856,000.

## Balance Sheet Highlights (as of March 31, 2025):

- **Return on average assets** improved to 0.46% (annualized)
- **Return on average equity** increased to 7.82% (annualized)
- **Book value per share** rose to \$14.59 from \$13.50

While we remain cautious given the broader economic climate, we are encouraged by these early signs of momentum. Our commitment to sound credit practices, prudent cost control, and sustainable growth continues to guide our strategy.

Thank you for your ongoing support.

Sincerely,



Scott E. Fritz  
President & Chief Executive Officer