

BOARD OF DIRECTORS

David L. Swartz
Chairman

Daniel L. Benner
Vice-Chairman

Scott E. Fritz
President, Chief Executive Officer

James M. Sheaffer
Secretary

Matthew J. Ford

John P. Henry, III

Robin Holman Loy

David M. McMillen

EXECUTIVE OFFICERS

Scott E. Fritz
President, Chief Executive Officer

Kimberly A. Benner
EVP, Director of Wealth Management

William R. Feist IV
EVP, Chief Lending Officer

William B. Martin
EVP, Chief Financial Officer

Michael A. Moore
EVP, Chief Risk Officer

FIRST COMMUNITY
FINANCIAL CORPORATION

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2025 Third Quarter Financial Report

FIRST COMMUNITY
FINANCIAL CORPORATION

LETTER TO SHAREHOLDERS

We are pleased to share our financial results for First Community Financial Corporation for the nine months ended September 30, 2025. The attached statements reflect encouraging progress and demonstrate that the balance sheet strategies implemented in 2024 continue to deliver results.

Income Statement Highlights (as of Sept. 30, 2025):

- Net income of \$1,295,000, a 20.4% increase over the nine months ended September 30, 2024.
- Net interest income after provision increased 5.4% to \$12.35 million, up from \$11.71 million, driven by better loan yields and lower funding costs, despite increased provision for credit losses.
- Interest expense declined by \$1,709,000, due to a reduced reliance on wholesale funding.
- Other income rose 18.3% to \$3.65 million, with gains in the wealth management and mortgage groups.
- Operating expenses increased 7.0%, primarily due to increased personnel and technology costs to support new revenue streams.
- Income before taxes improved 24.7% to \$1,136,000.

Balance Sheet Highlights (as of Sept. 30, 2025):

- Return on average assets improved to 0.26% (annualized)
- Return on average equity increased to 4.28% (annualized)
- Book value per share is \$15.30

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

CONSOLIDATED BALANCE SHEET

(Dollars in thousands except per share amounts; unaudited)

Assets	Sep 30	
	2025	2024
Cash and cash equivalents	\$ 22,327	\$ 14,721
Securities	167,189	185,605
Loans receivable net of the allowance for credit losses	431,355	459,119
Premises/equipment, net	5,583	5,226
Other assets	31,645	32,065
Total Assets	\$ 658,099	\$ 696,736

Liabilities and Shareholders' Equity

Liabilities

Non-interest bearing deposits	\$ 108,719	\$ 107,551
Interest bearing deposits	461,052	457,678
Total Deposits	569,771	565,229
Long-term debt	34,000	73,000
Other liabilities	10,155	15,213
Total Liabilities	613,926	653,442

Shareholders' Equity

Common stock: Par value	\$ 14,160	\$ 14,160
Surplus	720	720
Undivided profits	43,422	42,212
Treasury Stock	- 72	- 72
Accumulated other comprehensive income	-14,057	-13,726
Total Shareholders' Equity	44,173	43,294
Total Liabilities and Shareholders' Equity	\$ 658,099	\$ 696,736

Selected Financial Data

Sep 30, 2025 & Sep 30, 2024	2025	2024
Return on average assets (annualized)	0.26%	0.20%
Return on average equity (annualized)	4.28%	3.67%
Book value	\$ 15.61	\$ 15.30

CONSOLIDATED INCOME STATEMENT

(Dollars in thousands except per share amounts; unaudited)

	Nine Months Ended	
	Sep 30 2025	Sep 30 2024
Interest Income		
Loans receivable	\$ 18,015	\$ 17,886
Taxable securities	2,267	2,612
Tax-exempt securities	1,267	1,265
Other	733	569
Total Interest Income	22,282	22,332
Interest Expense		
Deposits	7,588	7,756
Borrowed funds	1,472	3,013
Total interest expense	9,060	10,769
Net Interest Income	13,222	11,563
Provision for credit losses	874	- 148
Net Interest Income after Provision for Credit Losses	12,348	11,711
Other Income		
Income from Fiduciary Activities	513	462
Service charges on deposits	636	620
Other income	2,501	2,004
Total other income	3,650	3,086
Other Expenses		
Salaries/employee benefits	8,183	7,308
Net Occupancy & Equipment	1,110	1,091
Marketing	167	161
Other operating expenses	5,402	5,326
Total other expenses	14,862	13,886
Income Before Income Taxes	1,136	911
Federal income taxes	- 159	- 165
Net income	\$ 1,295	\$ 1,076
Net income per Share	\$0.46	\$0.38