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

Bradley D. Hershey

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

Teresa L. Greider
EVP, Chief Financial Officer

Michael A. Moore
EVP, Chief Risk Officer

FIRST COMMUNITY FINANCIAL CORPORATION

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2026 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 third quarter ending September 30, 2026. The attached statements reflect encouraging progress into 2026 and demonstrate that the balance sheet strategies implemented in 2024 are continuing to deliver results.

Income Statement Highlights (for the nine months ending September 30, 2026):

- **Net income before income taxes** of $1,952,000 increased from the prior period by $815,000, or 71.6%.
- **Net interest income after provision for credit losses** increased by 1,812,000 to $14.2 million, or 14.7%. We continue to focus on higher yields on loans and managing costs of deposits, improving net interest margin year over year.
- **Operating expenses** increased to $16.3 million, up from $14.9 million, driven primarily by increased salary and employee benefit expense. The increase is the result of personnel investment in our commercial loan department, higher health benefits costs and higher technology costs compared to the prior period.

Balance Sheet Highlights (as of September 30, 2026):

- **Total assets** declined $3.1 million to $655.0 million from September 30, 2025 to September 30, 2026. Total assets were positively impacted by loan and deposit growth, offset by the repayment of a $10 million FHLB advance in August 2026 and lower accumulated other comprehensive income (due to the impact of unfavorable market rates to the security portfolio).
- **Cash and cash equivalents** decreased $1.5 million to $20.8 million year over year due to our loan growth and FHLB advance repayment.
- **Loans** increased $18.8 million to $449.4 million, up from $430.6 million in the previous year.
- **Book value per share** decreased to $15.01 from $15.61 due to the impact of unfavorable market rates on the security portfolio and its corresponding negative impact to accumulated other comprehensive income.

While we remain cautious given the broader economic climate, we are encouraged by the momentum of the three-quarters of 2026. We feel the balance sheet shift over the past two years has positioned us well for loan and deposit growth in 2026. We remain committed to sound credit practices, prudent cost control and sustainable growth.

Thank you for your ongoing support.

Sincerely,

Scott E. Fritz

Scott E. Fritz

CONSOLIDATED BALANCE SHEET

(Dollars in thousands except per share amounts; unaudited)

Assets	Sep 30 2026	Sep 30 2025
Cash and cash equivalents	$ 20,844	$ 22,327
Securities	144,763	167,189
Loans held for sale, at fair value	1,071	749
Loans receivable net of the allowance for credit losses	449,435	430,606
Premises/equipment, net	6,044	5,583
Other assets	32,859	31,645
Total Assets	$ 655,016	$ 658,099
Liabilities and Shareholders' Equity		
Liabilities		
Non-interest bearing deposits	$ 114,777	$ 108,719
Interest bearing deposits	463,488	461,052
Total Deposits	578,265	569,771
Long-term debt	24,000	34,000
Other liabilities	10,270	10,155
Total Liabilities	612,535	613,926
Shareholders' Equity		
Common stock: Par value	$ 14,160	$ 14,160
Surplus	720	720
Undivided profits	45,487	43,422
Treasury Stock	- 72	- 72
Accumulated other comprehensive income	-17,814	-14,057
Total Shareholders' Equity	42,481	44,173
Total Liabilities and Shareholders' Equity	$ 655,016	$ 658,099

Selected Financial Data

Sep 30, 2026 & Sep 30, 2025	2026	2025
Return on average assets (annualized)	0.39%	0.26%
Return on average equity (annualized)	5.57%	4.28%
Book value	$ 15.01	$ 15.61

CONSOLIDATED INCOME STATEMENT

(Dollars in thousands except per share amounts; unaudited)

	Nine Months Ended	
Interest Income	**Sep 30 2026**	Sep 30 2025
Loans receivable	$ 18,380	$ 18,015
Taxable securities	1,925	2,267
Tax-exempt securities	1,267	1,267
Other	974	733
Total Interest Income	22,546	22,282
Interest Expense		
Deposits	7,173	7,588
Borrowed funds	656	1,472
Total interest expense	7,829	9,060
Net Interest Income	14,717	13,222
Provision for credit losses	557	874
Net Interest Income after Provision for Credit Losses	14,160	12,348
Other Income		
Income from Fiduciary Activities	525	513
Service charges on deposits	622	636
Other income	2,989	2,502
Total other income	4,136	3,651
Other Expenses		
Salaries/employee benefits	8,993	8,183
Net Occupancy & Equipment	1,209	1,110
Marketing	176	167
Other operating expenses	5,966	5,402
Total other expenses	16,344	14,862
Income Before Income Taxes	1,952	1,137
Federal income taxes	37	- 159
Net income	$ 1,915	$ 1,296
Net income per Share	$0.68	$0.46