



FIRST PACIFIC BANCORP REPORTS THIRD QUARTER 2024 RESULTS

Whittier, California, November 4, 2024 – First Pacific Bancorp (the “Company”) (OTC Pink: FPBC), the holding company for First Pacific Bank (the “Bank”), today reported consolidated results for the third quarter ending September 30, 2024, underscored by the sixth consecutive quarter of profitability.

Highlights for the third quarter of 2024 include:

- **Total assets** ended Q3 2024 at **\$434 million**, up \$14 million from \$420 million at year end 2023.
- **Total deposits** ended the third quarter of 2024 at **\$342 million**, up \$9 million since year end 2023.
- **Total loans** ended the third quarter of 2024 at **\$268 million**, down \$7 million from year end 2023.
- Asset quality remains excellent with minimal levels of classified or non-performing assets.
- The Bank ended the third quarter with a strong capital position, with a **leverage capital ratio of 8.8% and a total risk-based capital ratio of 12.8%**.
- As of September 30, 2024, **cash and cash equivalents totaled \$49 million**, including funds invested overnight, up \$27 million since year end 2023.
- **Unused borrowing capacity** from credit facilities in place on September 30, 2024, totaled **\$143 million**.

For the third quarter ending September 30, 2024, the Company realized a pre-tax, pre-provision profit of \$345 thousand, compared to a pre-tax, pre-provision profit of \$272 thousand in Q2 2024. Net income for the third quarter of 2024 was \$249 thousand, up from \$198 thousand in Q2 2024. For the nine months ending September 30, 2024, the Company reported \$608 thousand in net income, up from a net loss of \$219 thousand reported for the nine months ending September 30, 2023.

Asset quality remains excellent with minimal non-performing assets and the allowance for credit losses is 1.16% of total loans.

“We are encouraged by our results, as evidenced by six consecutive quarters of profitability,” said Joe Matranga, Chairman of the Board of Directors. “We continue to maintain a solid capital, liquidity, and financial standing and are well-positioned to execute our strategy and deliver sustainable, long-term value for our stakeholders.”

“Our third-quarter results reflect a strong and consistent period of profitability, driven by increased core deposit growth, stable credit quality, and a disciplined approach to expense management,” said Nathan Rogge, President and Chief Executive Officer. “We are pleased with our performance and continue to look for opportunities to expand our customer base through strategic investments in technology and innovation that aim to enhance the customer experience.”

ABOUT FIRST PACIFIC BANK

First Pacific Bank is a wholly owned subsidiary of First Pacific Bancorp (OTC Pink: FPBC) and is a growing community bank catering to individuals, professionals, and small-to-medium sized businesses throughout Southern California. Since opening in 2006, the Bank has offered a personalized approach, access to decision makers, a broad range of solutions, and a commitment to delivering an exceptional customer experience. First Pacific Bank operates locations in Los Angeles County, Orange County, San Diego County, and the Inland Empire. For more information, visit firstpacbank.com or call 888.BNK.AT.FPB.

FORWARD-LOOKING STATEMENTS

This news release may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended, and First Pacific Bancorp intends for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Future events are difficult to predict, and the expectations described above are necessarily subject to risk and uncertainty that may cause actual results to differ materially and adversely. Forward-looking statements relate to, among other things, our business plan, and strategies, and can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” or words of similar meaning, or future or conditional verbs such as “will,” “would,” “should,” “could,” or “may” and similar expressions. These forward-looking statements are not guarantees of future performance, nor should they be relied upon as representing management’s views as of any subsequent date. Factors that might cause such differences include, but are not limited to: successfully realizing the benefits of our business strategy and plans; changes in general economic and financial market conditions, either nationally or locally, in areas in which First Pacific Bank conducts its operations; effects of inflation and changes in interest rates; continuing consolidation in the financial services industry; new litigation or changes in existing litigation; increased competitive challenges and expanding product and pricing pressures among financial institutions; impact of any natural disasters, including earthquakes; effect of governmental supervision and regulation, including any regulatory or other enforcement actions; legislation or regulatory changes which adversely affect First Pacific Bank’s operations or business; loss of key personnel; and changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or other regulatory agencies. The Company does not undertake, and specifically disclaims any obligation to update any forward-looking statements to reflect occurrences or unanticipated events, or circumstances after the date of such statements except as required by law.

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--- Summary Financial Tables Follow ---

First Pacific Bancorp

Consolidated Balance Sheets

(Unaudited)

	<u>Sep 30, 2024</u>	<u>Jun 30, 2024</u>	<u>Mar 31, 2024</u>	<u>Dec 31, 2023</u>	<u>Sep 30, 2023</u>
ASSETS					
Cash and due from banks	\$ 23,584,084	\$ 4,671,483	\$ 7,317,500	\$ 4,308,149	\$ 4,240,871
Fed funds sold & int-bearing balances	25,520,000	37,860,000	37,575,000	18,060,000	20,410,000
Total cash and cash equivalents	49,104,084	42,531,483	44,892,500	22,368,149	24,650,871
Debt securities (AFS)	3,041,852	3,077,666	5,138,340	5,257,049	5,266,653
Debt securities (HTM)	101,260,391	102,202,926	103,474,749	104,343,133	105,447,814
Total debt securities	104,302,243	105,280,592	108,613,089	109,600,182	110,714,467
<i>Construction & land development</i>	23,067,204	24,651,513	25,480,398	27,070,749	24,721,763
<i>1-4 Family residential</i>	58,082,570	68,588,393	68,521,663	66,567,165	64,925,441
<i>Multifamily residential</i>	28,966,811	26,800,829	26,947,419	27,128,177	28,484,194
<i>Nonfarm, nonresidential real estate</i>	99,715,860	94,643,169	97,893,840	99,627,812	99,859,450
<i>Commercial & industrial</i>	57,342,017	53,504,969	54,785,564	53,938,659	55,374,111
<i>Consumer & Other</i>	780,639	1,831,036	1,123,918	865,849	569,736
Total loans	267,955,101	270,019,909	274,752,802	275,198,411	273,934,695
Allowance for loan losses	(3,109,975)	(3,109,975)	(3,109,975)	(3,109,975)	(2,974,427)
Total loans, net	264,845,126	266,909,934	271,642,827	272,088,436	270,960,268
Premises, equipment, and ROU net	1,452,886	1,714,833	1,992,588	2,268,671	1,850,187
Goodwill, core deposit & other intangibles	1,287,129	1,298,084	1,313,367	1,328,651	1,343,934
Bank owned life insurance	5,257,550	5,227,763	5,198,654	5,170,521	5,142,322
Accrued interest and other assets	7,505,380	7,476,554	7,415,609	7,392,301	7,616,948
Total Assets	\$ 433,754,398	\$ 430,439,243	\$ 441,068,634	\$ 420,216,911	\$ 422,278,997
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits:					
Noninterest-bearing demand	\$ 129,473,091	\$ 144,240,187	\$ 133,945,262	\$ 121,348,095	\$ 130,982,957
Interest-bearing transaction accounts	24,660,000	24,797,108	28,166,207	34,716,150	47,304,776
Money market and savings	143,270,628	143,497,864	148,732,230	139,011,862	131,505,430
Time deposits	44,388,137	41,060,590	38,662,227	38,235,413	22,504,646
Total deposits	341,791,856	353,595,749	349,505,926	333,311,520	332,297,809
Borrowings	50,000,000	35,000,000	50,000,000	45,000,000	50,000,000
Accrued interest and other liabilities	3,430,132	3,781,444	3,936,909	4,530,208	2,934,831
Total liabilities	395,221,988	392,377,193	403,442,835	382,841,728	385,232,640
Shareholders' Equity:					
Capital stock and APIC	37,117,627	36,970,386	36,788,606	36,699,786	36,508,987
Retained earnings	2,151,305	1,902,788	1,705,174	1,543,264	1,487,800
Accum other comprehensive income	(736,522)	(811,124)	(867,981)	(867,867)	(950,430)
Total shareholders' equity	38,532,410	38,062,050	37,625,799	37,375,183	37,046,357
Total Liabilities and Shareholders' Equity	\$ 433,754,398	\$ 430,439,243	\$ 441,068,634	\$ 420,216,911	\$ 422,278,997

First Pacific Bancorp

Consolidated Income Statements - Quarterly

(Unaudited)

	<u>Sep 30, 2024</u>	<u>Jun 30, 2024</u>	<u>Mar 31, 2024</u>	<u>Dec 31, 2023</u>	<u>Sep 30, 2023</u>
INTEREST INCOME					
Loans, including fees	\$4,817,174	\$4,655,844	\$4,700,535	\$4,653,303	\$4,458,616
Debt securities	499,268	514,613	543,857	544,330	585,047
Fed funds & int-bearing balances	450,166	573,022	410,685	258,178	271,266
Total interest income	<u>5,766,608</u>	<u>5,743,479</u>	<u>5,655,077</u>	<u>5,455,811</u>	<u>5,314,929</u>
INTEREST EXPENSE					
Deposits	1,790,578	1,687,121	1,746,032	1,542,541	1,408,092
Borrowings	444,250	524,599	507,390	705,324	567,115
Total interest expense	<u>2,234,828</u>	<u>2,211,720</u>	<u>2,253,422</u>	<u>2,247,865</u>	<u>1,975,207</u>
Net interest income	3,531,780	3,531,759	3,401,655	3,207,946	3,339,722
Provision for credit losses	-	-	-	101,538	191,428
Net interest income after provision	<u>3,531,780</u>	<u>3,531,759</u>	<u>3,401,655</u>	<u>3,106,408</u>	<u>3,148,294</u>
NONINTEREST INCOME					
Service charges, fees and other income	106,628	96,460	108,365	108,769	122,367
Sublease income	53,975	52,970	53,872	53,872	53,384
Gains (losses) on sale of assets	15,335	-	-	(12,982)	101,844
Gains on early payoff of debt	-	144,325	-	-	123,077
Total noninterest income	<u>175,938</u>	<u>293,755</u>	<u>162,237</u>	<u>149,659</u>	<u>400,672</u>
NONINTEREST EXPENSE					
Salaries and benefits	2,154,290	2,182,674	2,178,486	1,954,029	2,311,113
Occupancy and equipment	374,069	363,695	368,816	384,088	377,795
Other expense	834,281	1,007,247	794,158	894,440	823,677
Total noninterest expense	<u>3,362,640</u>	<u>3,553,616</u>	<u>3,341,460</u>	<u>3,232,557</u>	<u>3,512,585</u>
Income before income tax expense	345,078	271,898	222,432	23,510	36,381
Income tax expense (benefit)	96,563	74,281	60,524	(31,955)	(15,550)
Net Income (Loss)	<u>\$248,515</u>	<u>\$197,617</u>	<u>\$161,908</u>	<u>\$55,465</u>	<u>\$51,931</u>
Earnings per share basic (QTR)	\$0.06	\$0.05	\$0.04	\$0.01	\$0.01
Weighted average shares outstanding (QTR)	4,288,851	4,283,351	4,281,653	4,231,841	4,174,529

First Pacific Bancorp

Consolidated Income Statements - Year-to-Date

(Unaudited)

	<u>Sep 30, 2024</u>	<u>Sep 30, 2023</u>
INTEREST INCOME		
Loans, including fees	\$14,173,553	\$12,051,909
Investment securities	1,557,738	1,735,019
Fed funds & int-bearing balances	1,433,873	742,649
Total interest income	<u>17,165,164</u>	<u>14,529,577</u>
INTEREST EXPENSE		
Deposits	5,223,731	3,201,945
Borrowings	1,476,239	1,735,403
Total interest expense	<u>6,699,970</u>	<u>4,937,348</u>
Net interest income	10,465,194	9,592,229
Provision for credit losses	<u>-</u>	<u>804,428</u>
Net interest income after provision	<u>10,465,194</u>	<u>8,787,801</u>
NONINTEREST INCOME		
Service charges, fees and other income	311,453	347,054
Sublease income	160,817	158,202
Gains (losses) on sale of assets	15,335	142,075
Gains on early payoff of debt	144,325	123,077
Total noninterest income	<u>631,930</u>	<u>770,408</u>
NON INTEREST EXPENSE		
Salaries and benefits	6,515,450	6,604,574
Occupancy and equipment	1,106,580	1,086,189
Other expense	2,635,686	2,230,137
Total noninterest expense	<u>10,257,716</u>	<u>9,920,900</u>
Income before income tax expense	839,408	(362,691)
Income tax expense (benefit)	231,368	(143,307)
Net Income (loss)	<u>\$608,040</u>	<u>(\$219,384)</u>
Earnings (loss) per share basic (YTD)	\$0.14	(\$0.06)
Weighted average shares outstanding (YTD)	4,284,634	3,912,161

First Pacific Bancorp
Quarterly Financial Highlights
(Unaudited)

	Quarterly				
	2024 3rd Qtr	2024 2nd Qtr	2024 1st Qtr	2023 4th Qtr	2023 3rd Qtr
(\$ in thousands except per share data)					
EARNINGS					
Net interest income	\$ 3,532	3,532	3,402	3,208	3,340
Provision for loan losses	\$ 0	0	0	102	191
Noninterest income	\$ 176	294	162	150	401
Noninterest expense	\$ 3,363	3,554	3,341	3,233	3,513
Income tax expense	\$ 97	74	61	(32)	(16)
Net income	\$ 249	198	162	55	52
Basic earnings per share	\$ 0.06	0.05	0.04	0.01	0.01
Weighted average shares outstanding	4,288,851	4,283,351	4,281,653	4,231,841	4,174,529
Ending shares outstanding	4,291,927	4,283,351	4,283,351	4,231,841	4,231,841
PERFORMANCE RATIOS					
Return on average assets	0.23%	0.18%	0.15%	0.05%	0.05%
Return on average common equity	2.58%	2.10%	1.73%	0.59%	0.56%
Yield on loans	6.98%	6.97%	6.84%	6.69%	6.60%
Yield on earning assets	5.58%	5.52%	5.49%	5.35%	5.26%
Cost of deposits	2.05%	1.96%	2.05%	1.89%	1.70%
Cost of funding	2.32%	2.28%	2.35%	2.37%	2.09%
Net interest margin	3.42%	3.40%	3.31%	3.15%	3.30%
Efficiency ratio	90.7%	92.9%	93.8%	96.3%	93.9%
CAPITAL					
Tangible equity to tangible assets	8.61%	8.57%	8.26%	8.61%	8.48%
Book value (BV) per common share	\$ 8.98	8.89	8.78	8.83	8.75
Tangible BV per common share	\$ 8.68	8.58	8.48	8.52	8.44
ASSET QUALITY					
Net loan charge-offs (recoveries)	\$ 0	0	0	0	0
Allowance for loan losses (ALLL)	\$ 3,110	3,110	3,110	3,110	2,974
ALLL to total loans	1.16%	1.15%	1.13%	1.13%	1.09%
Nonperforming loans	\$ 991	77	160	61	0
END OF PERIOD BALANCES					
Total loans	\$ 267,955	270,020	274,753	275,198	273,935
Total assets	\$ 433,754	430,439	441,069	420,217	422,279
Deposits	\$ 341,792	353,596	349,506	333,312	332,298
Loans to deposits	78.4%	76.4%	78.6%	82.6%	82.4%
Shareholders' equity	\$ 38,532	38,062	37,626	37,375	37,046
Full-time equivalent employees	44	44	46	45	44
AVERAGE BALANCES (QTRLY)					
Total loans	\$ 273,960	267,766	275,578	276,016	268,186
Earning assets	\$ 410,298	416,965	412,791	404,210	400,993
Total assets	\$ 424,199	430,830	426,592	417,595	414,457
Deposits	\$ 346,142	346,032	341,226	323,300	329,121
Shareholders' equity	\$ 38,267	37,788	37,443	37,179	36,469