



31 Boonton Turnpike, Lincoln Park, New Jersey 07035
973-694-0330 FAX 973-694-3114
www.mylincoln1st.com

Contact: Steve Dormer
Chief Executive Officer
P: (862) 777-8536
E: SDormer@mylincoln1st.com

LINCOLN PARK BANCORP ANNOUNCES FIRST QUARTER 2018 RESULTS

Lincoln Park, New Jersey, May 31, 2018 – Lincoln Park Bancorp (OTC Bulletin Board: LPBC) (the “Company”), the holding company of Lincoln 1st Bank, announced net income of \$424 thousand or \$0.25 per share, for the three months ended March 31, 2018, compared to net income of \$258 thousand or \$0.15 per share for the quarter ended March 31, 2017. The increase in net income can be attributed to management’s restructuring of the Company’s assets and continued focus on higher yielding loan products.

Performance Highlights:

- Total assets decreased by \$19.4 million, or 5.0%, while net loans increased \$15.0 million, or 8.4%, from December 31, 2017; evidencing management’s focus on restructuring and re-allocation of funds into higher yielding loan products.
- The mark to market adjustment associated with the derivative instrument entered into as a part of management’s re-structuring and interest rate risk management performed well as among other factors, interest rates increased in the quarter, driving non-interest income.
- Quarter net income for the three months ended March 31, 2018 concluded to be the best quarterly earnings in the history of the Bancorp.

Dave Baker, President and CEO commented “We are pleased to report the strongest net income of the Bancorp in a quarter. Our focus on loan and deposit products, while restructuring the balance sheet has allowed the Company to trend back to its roots as a community bank.”

Financial Performance Overview:

First Quarter 2018 compared to First Quarter 2017

For the first quarter 2018, net income totaled \$424 thousand an increase of \$166 thousand, or 64%, as compared to the net income of \$258 thousand for first quarter 2017.

The increase in net income can be mainly attributed to the increased interest income associated with the loan portfolio growth combined with the decrease in the corporate tax rate associated with the Tax Cuts and Jobs Act.

Net Interest Income remained stable with a \$32 thousand or 2% decrease, as the bank continues to restructure its assets into higher yielding organic loans and grow the company's organic deposits while continuing to reduce the more volatile brokered deposits.

To accommodate for the loan growth, the provision for loan loss increased to \$52 thousand for the first quarter of 2018, as compared to \$12 thousand for the same period in 2017.

Non-interest income increased \$392 thousand, or 2613%, to \$377 thousand for the first quarter of 2018, as compared to a loss of \$15 thousand for the same period last year. Much of the increase for the first quarter of 2018 can be attributed to the mark to market gain associated with the derivative instrument, which was entered into during the fourth quarter 2017. The purchase of the interest rate cap was part of the previously mentioned restructuring and interest rate risk management.

The Company's non-interest expenses increased \$111 thousand, or 8.2%, to \$1.4 million for the first quarter of 2018, as compared to the same period last year. This increase was largely due to increases in salaries and employee benefits of \$148 thousand and increase of Federal Insurance Premium of \$41 thousand. These increases were partially offset by a decrease in advertising of \$46 thousand along with a decrease in director fees of \$47 thousand. The increase in salaries and employee benefits expense was partially due to the addition of administrative staff to support our growth initiative in new markets, including the opening of our Montville branch in late third quarter of 2017.

Financial Condition:

As of March 31, 2018, the Company's total assets were \$363.3 million, a decrease of \$19.4 million, or 5%, as compared to total assets of \$382.7 million at December 31, 2017. The decrease in total assets was driven by the distribution of a portion of the cash and cash equivalents held as of December 31, 2017. The cash was utilized to fund loan growth and better manage deposit expense with a reduction in the interest-bearing deposit accounts.

Net loans receivable, increased \$15.1 million, or 12%, to \$195.1 million as of March 31, 2018, compared to \$180.0 million on December 31, 2017. The increase in loans was primarily in the residential real estate portfolio, while the Company's business variable term loans showed growth of \$2.6 million, or 72%.

The Company's total deposits decreased \$17.3 million, or 6.1%, to \$268.5 million as of March 31, 2018, from \$285.8 million on December 31, 2017. The decrease in deposits reflected an outflow of interest bearing demand deposit accounts, which allowed for better interest rate risk management.

As of March 31, 2018, the Company's total stockholders' equity was \$15.6 million, a decrease of \$1.4 million when compared to December 31, 2017. The decrease was largely due to an increase of \$1.9 million, to \$3.8 million, in the company's accumulated other comprehensive loss related to the investment portfolio as of March 31, 2018; compared to an unrealized loss on the portfolio of \$1.9 million on December 31, 2017. The Bank will continue to monitor and adjust its position accordingly. As of March 31, 2018, Tier I risk-based capital, total risk-based capital and common equity Tier I capital ratios for the Bank continue to show adequate capitalization of 6.45%, 15.17%, 15.66% and 15.17%, respectively, all in excess of the ratios required to be deemed "well-capitalized."

About Lincoln Park Bancorp

Established in 1923 and headquartered in Lincoln Park, N.J., Lincoln Park Bancorp (OTC Bulletin Board: LPBC) through its wholly owned subsidiary Lincoln 1st Bank operates 2 branch banking locations in Lincoln Park and Montville, New Jersey. The Bank provides business and individuals a wide range of loans, deposit products, along with retail and commercial banking services. For more information, please visit www.mylincoln1st.com.

Forward-Looking Statements

The foregoing material may contain forward-looking statements concerning the unaudited financial condition, results of operations and business of the Company. We caution that such statements are subject to a number of uncertainties and actual results could differ materially, and, therefore, readers should not place undue reliance on any forward-looking statements. The Company does not undertake, and specifically disclaims, any obligation to publicly release the results of any revisions that may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements

LINCOLN PARK BANCORP
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Dollars in thousands)
(unaudited)

	March 31, 2018	(audited) December 31, 2017
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 3,983	\$ 40,298
INVESTMENTS	\$ 145,865	\$ 146,925
INTEREST RATE CAP	\$ 765	\$ 407
NET LOANS RECEIVABLE	\$ 195,112	\$ 180,093
PREMISES AND EQUIPMENT	\$ 2,897	\$ 2,947
FHLB/ACBB STOCK	\$ 3,631	\$ 3,662
INTEREST RECEIVABLE	\$ 1,224	\$ 1,128
BOLI	\$ 4,715	\$ 4,676
OTHER ASSETS	\$ 5,110	\$ 2,596
TOTAL ASSETS	\$ 363,301	\$ 382,731
LIABILITIES		
DEPOSITS	\$ 268,518	\$ 285,836
BOND ISSUE	\$ 4,821	\$ 4,816
BORROWED MONEY	\$ 71,928	\$ 72,597
OTHER LIABILITIES	\$ 2,412	\$ 2,429
TOTAL LIABILITIES	\$ 347,679	\$ 365,678
STOCKHOLDERS' EQUITY		
COMMON STOCK	\$ 19	\$ 19
PAID-IN CAPITAL	\$ 7,995	\$ 7,989
RETAINED EARNINGS	\$ 12,408	\$ 11,984
UNEARNED ESOP	\$ (129)	\$ (134)
TREASURY STOCK	\$ (814)	\$ (814)
ACCUMULATED OTHER COMPREHENSIVE LOSS	\$ (3,856)	\$ (1,991)
TOTAL EQUITY	\$ 15,622	\$ 17,053
TOTAL LIABILITIES & EQUITY	\$ 363,301	\$ 382,731

LINCOLN PARK BANCORP
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands)
(unaudited)

	Three Months Ended March 31,	
	2018	2017
INTEREST INCOME		
LOANS RECEIVABLE	\$ 2,157	\$ 1,214
SECURITIES	\$ 981	\$ 1,632
OTHER	\$ 56	\$ 42
TOTAL INTEREST INCOME	\$ 3,194	\$ 2,887
INTEREST EXPENSE		
DEPOSITS	\$ 931	\$ 638
BOND ISSUANCE	\$ 103	\$ 105
BORROWINGS	\$ 458	\$ 410
TOTAL INTEREST EXPENSE	\$ 1,492	\$ 1,153
NET INTEREST INCOME	\$ 1,702	\$ 1,734
PROVISION FOR LOAN LOSSES	\$ 52	\$ 12
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$ 1,650	\$ 1,722
NON INTEREST INCOME		
INTEREST RATE CAP GAINS	\$ 358	\$ -
SECURITIES GAINS/(LOSSES)	\$ -	\$ (48)
OTHER	\$ 19	\$ 33
TOTAL NON-INTEREST INCOME	\$ 377	\$ (15)
NON INTEREST EXPENSE	\$ 1,462	\$ 1,351
INCOME BEFORE INCOME TAXES	\$ 565	\$ 356
INCOME TAX EXPENSE	\$ 142	\$ 98
NET INCOME	\$ 424	\$ 258
EARNINGS PER SHARE		
BASIC	\$ 0.25	\$ 0.15
DILUTED	\$ 0.24	\$ 0.15