LINCOLN PARK BANCORP ANNOUNCES
SEPTEMBER 30, 2020 FINANCIAL RESULTS

Pine Brook, New Jersey, November 25, 2020 – Lincoln Park Bancorp (OTC Bulletin Board: LPBC) (the "Company"), the holding company of Lincoln 1st Bank (the "Bank" or "Lincoln"), reported net income of $97 thousand, or $0.06 per diluted share for the quarter ended September 30, 2020 compared to a net loss of $376 thousand or $0.22 per diluted share for the quarter ended September 30, 2019.

For the nine months ended September 30, 2020, the Company reported a net loss of $484 thousand or $0.28 per diluted share as compared to a net loss of $1.2 million or $0.68 per diluted share for the nine months ended September 30, 2019.

Company Highlights:

- Net Loans Receivable decreased to $192.2 million, driven primarily by payoffs in the participation portfolio.
- Transaction account average balances continued to trend upward, increasing 14% from December 31, 2019 and 21% year-over-year.
- The Company consolidated four back-office locations into one corporate headquarters reducing the weighted average $/sq ft of leased space from $19.60 to $14.34 for a 27% savings. This not only reduced operating expenses but brought efficiencies and added synergies to the personnel of the organization.
- A provision for loan losses of $1.0 million was recorded for the nine-months ended September 30, 2020, net of recoveries of $288 thousand.
- The year-to-date 2020 mark-to-market adjustment on the interest rate cap required a valuation adjustment resulting in a loss of $47 thousand.

Commenting on the nine-months of activity, Acting Co-President and CFO Erik Terpstra said, "The Company continues to make progress towards its overall strategic plan of shifting wholesale legacy assets and liabilities into organic products. While COVID-19 has impacted the Bank's operations and changed how we interact with our customers, we were able to respond with an increased emphasis on our electronic delivery channels. Despite these challenges the Company has been able to achieve continued growth by targeting and working with the residential homeowners and underserved small businesses in the local area."

With regard to the balance sheet in 2020, Mr. Terpstra further commented "the Company has experienced significant paydowns in the loan participation portfolio, while continuing to grow the organic loan portfolio. Regarding the funding side, the Company has seen a 33% increase in the non-interest-bearing deposits of the organization. The funding make-up of Lincoln 1st Bank will be critical to the organization's profitability given today's interest rate environment and will provide further benefit to the organization. The reduction in interest-bearing deposits is consistent with the Bank's strategy as the Bank prioritizes retaining and building relationships. While there is still work to be done to resolve the legacy portfolio, the efforts we are taking with respect to organic loan growth and generation of non-interest-bearing deposits are designed to better position the Company to improve core profitability moving forward."

COVID-19 Impact and Response

As part of Lincoln's response to COVID-19, the Company initiated remote working plans and encouraged the use of mobile and online banking alternatives while adjusting safety protocols in the branches. To assist with borrowers impacted by the virus, Lincoln offered temporary payment deferrals for all customers who were current before the state-wide shutdown in March 2020. Within the Commercial Loan Portfolio (consisting of CRE and C&I), Lincoln granted 48 deferments on a total of $25.3 million in loans, all of which have now resumed normal payment schedules as of September 30, 2020. In Residential Mortgages, Lincoln granted 36 deferments on a total of $6.5 million in loans with only one (1) loan still on deferral as of September 30, 2020, while the rest have resumed regular payment schedules.

Acting Co-President and COO Philip Vaz commented, “In these unprecedented times the Company created a support program for all the Company’s borrowers, while expanding safety measures within the retail locations to ensure the health and safety of our customers and staff. As a nearly 100-year-old community bank Lincoln 1st will continue to prioritize the safety of employees, customers and the local community.”

Financial Performance Overview:

Third QTD 2020 v. Third QTD 2019
For the three months ended September 30, 2020, net income totaled $97 thousand, which reflects an increase of $473 thousand, in comparison to net losses of $376 thousand for the three months ended September 30, 2019.

Net interest income for the three months ended September 30, 2020 improved $37 thousand to $1.3 million for the same period in 2019. The improvement can be attributed to a decrease in the Company’s cost of funds by 55 basis points.

The provision for loan and lease losses for the three months ended September 30, 2020 resulted in a benefit of $162 thousand as compared to a $52 thousand provision for the three months ended September 30, 2019. The benefit for the quarter can be accredited to a large recovery received.

Non-interest income increased $57 thousand, to $307 thousand for the three months ended September 30, 2020, compared with non-interest income of $250 thousand for the three months ended September 30, 2019. This increase is primarily attributed to realized gains from sales of the Company’s securities portfolio.

The mark-to-market valuation of the interest rate cap for the three months ended September 30, 2020 resulted in an expense of $1 thousand. This expense is $49 thousand, less than the $50 thousand write-down for the three months ended September 30, 2019. The purchase of the interest rate cap, in the fourth quarter of 2017, was part of the Company’s asset restructuring strategy and to better manage the Company’s interest rate risk. The mark-to-market effects on our income statement resulting from the interest rate cap are by nature volatile and may increase or decrease our income in future periods.

The Company's non-interest expense decreased $332 thousand, or 16.9%, to $1.6 million for the three months ended September 30, 2020, compared to $1.9 million the three months ended September 30, 2019. This decrease in expense is attributed to a $360 thousand decrease in salaries and benefits netted against increased legal costs.

YTD September 2020 v. YTD September 2019
For the nine months ended September 30, 2020, the Company recorded a net loss of $484 thousand, which reflects an increase of $702 thousand, in comparison to the net loss of $1.2 million for the nine months ended September 30, 2019.

Net interest income for the nine months ended September 30, 2020 decreased $148 thousand, to $4.0 million, as compared to $4.2 million for the nine months ended September 30, 2019. The decrease can be attributed to $11.0 million less in interest earning assets and in combination with lower market yields on loans and securities compared to same period last year.

The provision for loan and lease losses for the nine months ended September 30, 2020 increased $877 thousand, to $1.0 million as compared to $171 thousand for the nine months ended September 30, 2019. The provision for loan losses was derived from an assessment of the Company’s environmental factors mainly driven by the uncertainty about the severity and length of the health and economic crisis attributed to COVID-19.

Non-interest income increased $581 thousand, to $1.0 million for the nine months ended September 30, 2020, compared with income of $449 thousand for the nine months ended September 30, 2019. This increase is attributed to realized gains from sales of the Company's securities portfolio.

The mark-to-market valuation of the interest rate cap resulted in an expense of $47 thousand year to date. This expense is $402 thousand, less than the $449 thousand write-down for the nine months ended September 30, 2019. The remaining fair value associated with the interest rate cap is less than $1 thousand.

The Company's non-interest expense decreased by $401 thousand, or 7.0%, to $5.3 million for the nine months ended September 30, 2020, as compared to $5.7 million for the nine months ended September 30, 2019. The decrease in expense is attributed to overall better expense practices, consolidation of the locations and reduced salaries and benefits expense.

Financial Condition:
As of September 30, 2020, the Company's total assets were $311.1 million, an increase of $3.4 million, or 1.1%, as compared to total assets of $307.7 million at December 31, 2019. The slight increase in total assets can be attributed to an increase in Cash and Cash Equivalents as the Company took advantage of the current interest rate environment and locked in long-term wholesale funding.

Loans receivable decreased $8.2 million, to $195.2 million as of September 30, 2020, compared to $203.4 million at December 31, 2019. The decrease was attributed to an acceleration of participation loan pre-payments resulting in a decrease of $11.7 million coupled with $3.6 million in organic loan growth.

The allowance for loan and lease losses increased by $698 thousand since December 31, 2019 to $2.9 million or 1.5% of outstanding loans at September 30, 2020.

The Company's total deposits increased $10.9 million, or 5.2%, to $222.1 million at September 30, 2020, from $211.2 million at December 31, 2019. The increase in deposits is due to an increase in wholesale deposits netted against the intentional outflow of volatile high cost certificate of deposits that the Bank chose not to retain. The wholesale brokered deposits are intended to increase the Company's liquidity position, while taking advantage of historically low interest rates at longer-term durations. With the continued focus on low cost organic growth, the Company saw non-interest-bearing accounts grow $5.6 million or 33.2% year to date, while interest-bearing organic deposits decreased $15.1 million or 9.8% year to date.

At September 30, 2020, the leverage, Tier I risk-based capital, total risk-based capital and common equity Tier I capital ratios for the Bank were 6.85%, 12.36%, 13.61% and 12.36%, respectively, all in excess of the ratios required to be deemed "well-capitalized."

About Lincoln Park Bancorp
Established in 1923 and headquartered in Pine Brook, N.J., Lincoln Park Bancorp (OTC Bulletin Board: LPBC) through its wholly owned subsidiary Lincoln 1st Bank operates 2 branch locations in Lincoln Park and Montville, New Jersey. The Bank provides businesses and individuals a wide range of loans and 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

Contact: Erik Terpstra, Acting Co-President and CFO
862 777 8540

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

	September 30, 2020	December 31, 2019 (audited)
ASSETS		
CASH AND CASH EQUIVALENTS	$ 29,206	$ 2,751
INVESTMENTS	71,360	86,837
INTEREST RATE CAP	-	48
ORGANIC LOANS RECEIVABLE	137,296	133,740
PARTICIPATION LOANS RECEIVABLE	57,896	69,633
ALLOWANCE FOR LOAN LOSSES	(2,944)	(2,246)
NET LOANS RECEIVABLE	192,249	201,127
PREMISES AND EQUIPMENT	2,911	2,672
RIGHT OF USE ASSETS	1,140	315
FHLB/ACBB STOCK	3,276	3,645
INTEREST RECEIVABLE	1,162	1,160
BOLI	6,285	6,150
OTHER ASSETS	3,464	2,962
TOTAL ASSETS	$ 311,052	$ 307,667
LIABILITIES		
NON-INTEREST-BEARING DEPOSITS	$ 22,600	$ 16,969
INTEREST BEARING DEPOSITS	138,192	153,243
BROKERED AND LISTING DEPOSITS	61,352	40,986
BOND ISSUE	4,876	4,860
BORROWED MONEY	63,025	71,724
LEASE LIABILITIES	1,182	340
OTHER LIABILITIES	3,003	2,979
TOTAL LIABILITIES	294,230	291,101
TOTAL STOCKHOLDERS’ EQUITY	16,822	16,566
TOTAL LIABILITIES AND STOCKHOLDERS’ EQUITY	$ 311,052	$ 307,667

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

	for the nine months ended		for the three months ended	
	September 30, 2020	**September 30, 2019**	**September 30, 2020**	**September 30, 2019**
INTEREST INCOME				
LOANS RECEIVABLE	$ 6,111	$ 6,329	$ 1,919	$ 2,081
SECURITIES	1,374	2,247	401	654
OTHER	136	283	39	92
TOTAL INTEREST INCOME	7,620	8,859	2,358	2,827
INTEREST EXPENSE				
DEPOSITS	2,054	3,058	574	1,044
BOND ISSUANCE	314	313	105	105
BORROWINGS	1,244	1,332	408	444
TOTAL INTEREST EXPENSE	3,612	4,703	1,087	1,593
NET INTEREST INCOME	4,008	4,156	1,271	1,234
PROVISION (CREDIT) FOR LOAN LOSSES	1,048	171	(162)	52
NET INTEREST INCOME AFTER PROVISION (CREDIT) FOR LOAN LOSSES	2,960	3,985	1,433	1,182
NON-INTEREST INCOME	1,030	449	307	250
NON-INTEREST EXPENSE	5,341	5,742	1,628	1,960
INTEREST RATE CAP (LOSS)	(47)	(449)	(1)	(50)
INCOME BEFORE INCOME TAXES	(1,399)	(1,756)	110	(579)
INCOME TAX (BENEFIT) EXPENSE	(914)	(570)	14	(203)
NET (LOSS) INCOME	$ (484)	$ (1,186)	$ 97	$ (376)

LINCOLN PARK BANCORP
CONSOLIDATED FINANCIAL RATIOS
(Dollars in thousands, except per share amounts)
(unaudited)

	At or for the nine months ended		At or for the three months ended	
	September 30, 2020	**September 30, 2019**	**September 30, 2020**	**September 30, 2019**
EARNINGS PER SHARE:				
BASIC	$ (0.28)	$ (0.68)	$ 0.06	$ (0.22)
DILUTED	$ (0.28)	$ (0.68)	$ 0.06	$ (0.22)
NET INTEREST MARGIN (NIM):	1.82%	1.82%	1.75%	1.62%
COST OF FUNDS:	1.69%	2.00%	1.54%	2.09%
RETURN ON ASSETS (ROA):	-0.21%	-0.49%	0.13%	-0.46%
RETURN ON EQUITY (ROE):	-3.85%	-8.48%	2.31%	-8.07%
NON-PERFORMING ASSETS (NPA):				
Non-Performing Assets	$ 5,253	$ 674		
	2.69%	0.35%		