

## LINCOLN PARK BANCORP ANNOUNCES FOURTH QUARTER AND 2021 ANNUAL RESULTS

**Pine Brook, New Jersey, April 25th, 2022** – Lincoln Park Bancorp (OTC Pink Market: LPBC) (the “Company”), the holding company of Lincoln 1<sup>st</sup> Bank (the “Bank” or “Lincoln”), announced today a net loss of \$1.2 million or \$0.71 per diluted share for the year ended December 31, 2021, compared to a net loss of \$2.2 million or \$1.28 per diluted share for the year ended December 31, 2020.

For the quarter ended December 31, 2021, the Company reported a net loss of \$339 thousand, or \$0.20 per diluted share as compared to a net loss of \$1.7 million or \$1.00 per diluted share for the quarter ended December 31, 2020.

### Merger News:

On November 23, 2021, Connecticut-based Ion Financial, MHC, parent company of Ion Bank, and New Jersey-based Lincoln Park Bancorp, MHC, the mutual holding company of Lincoln Park Bancorp, parent company of Lincoln 1st Bank, jointly announced entry into a definitive agreement pursuant to which Lincoln Park Bancorp will be combined with Ion Financial, MHC and Lincoln 1st Bank will merge into Ion Bank. Concurrently with the completion of the mergers, Lincoln Park Bancorp, MHC will be dissolved. The merger agreement was unanimously approved by the boards of directors of all parties to it. On March 24, 2022, the parties amended the merger agreement to fix the cash merger consideration at \$10.10 per share.

Subject to requisite regulatory approvals and approval by Lincoln Park Bancorp stockholders, the parties intend to complete the transaction in the third quarter of 2022. Lincoln Park Bancorp will hold a Special Meeting of Stockholders on June 15, 2022, at which stockholders will vote on the merger agreement and the proposed merger. After completion of the merger, the combined entity is expected to have \$2.0 billion in assets.

### Financial Performance Overview:

#### *Fourth QTD 2021 v. Fourth QTD 2020*

For the three months ended December 31, 2021, net losses totaled \$339 thousand, which reflects a decrease of \$1.4 million, in comparison to net losses of \$1.7 million for the three months ended December 31, 2020

Net interest income for the three months ended December 31, 2021 decreased \$155 thousand to \$1.1 million as compared to \$1.3 million for the three months ended December 31, 2020. While net interest income decreased, the cost of funds declined by 17 basis points as a result of planned run-off of higher-cost deposits. Average interest-bearing liabilities decreased \$39.2 million, which was outpaced by a decrease in the average balance of interest-earning assets of \$41.7 million over the same period.

The provision for loan and lease losses for the three months ended December 31, 2021 resulted in a benefit of \$3 thousand, as compared to a provision of \$65 thousand for the three months ended December 31, 2020. The benefit for the quarter can be attributed to a normal assessment of the Company’s environmental factors as part of the general reserve calculation.

Non-interest income increased \$7 thousand, or 6.0%, to \$124 thousand for the three months ended December 31, 2021, compared with non-interest income of \$117 thousand for the three months ended December 31, 2020. This increase is primarily attributed to increased fee income for the quarter ended December 31, 2021.

Non-interest expense remained relatively flat at \$1.8 million for the three months ended December 31, 2021 and December 31, 2020.

Income tax expense decreased \$1.5 million, to a benefit of \$251 thousand for the three months ended December 31, 2021, compared to expense of \$1.3 million for the three months ended December 31, 2020. This decrease in expense is derived from the valuation allowance required against the Company's deferred tax asset during the quarter ended December 31, 2021.

#### YTD 2021 v. YTD 2020

For the year ended December 31, 2021, net losses totaled \$1.2 million, which reflects a decreased loss of \$998 thousand, in comparison to net losses of \$2.2 million for the year ended December 31, 2020.

Net interest income for the year ended December 31, 2021 decreased \$862 thousand, or 17.0%, to \$4.4 million as compared to \$5.3 million for the year ended December 31, 2020. The decrease can be attributed to \$20.8 million less in average interest-earning assets in combination with net interest margin decreasing 18 basis points.

Provision for loan losses for the year ended December 31, 2021 decreased \$1.3 million, or 117.2%, to a benefit of \$191 thousand as compared to a provision of \$1.1 million for the year ended December 31, 2020. The benefit for 2021 was derived from an assessment of the Company's environmental factors as part of the general reserve calculation, as net loans receivable decreased \$8.8 million over the same period.

Non-interest income increased \$370 thousand, or 32.3%, to \$1.5 million for the year ended December 31, 2021, compared with \$1.1 million for the year ended December 31, 2020. This increase is primarily attributed to the realized gain from selling the Bank's former Lincoln Park location and increased fee income derived from loans, offset by decreased realized gains from sales on the Company's securities portfolio.

Non-interest expense increased \$245 thousand, or 3.4%, to \$7.4 million for the year ended December 31, 2021, as compared to \$7.1 million for the year ended December 31, 2020. The increase in expense is attributed to increased equipment expenses relating to the acceleration of depreciation from assets pertaining to the former Lincoln Park location.

#### Financial Condition:

As of December 31, 2021, total assets were \$261.4 million, a decrease of \$51.6 million, or 16.5%, as compared to total assets of \$313.0 million at December 31, 2020. The decrease in total assets was associated with a reduction in cash of \$41.3 million used to fund the strategic runoff of higher costing deposits.

Net loans receivable decreased \$8.8 million, or 4.8%, to \$172.9 million as of December 31, 2021, as compared to \$181.7 million as of December 31, 2020. The decrease in net loans receivable was driven by payoffs within the participation portfolio of \$16.0 million, partially offset by organic loan growth of \$7.0 million driven by originations in the residential loan portfolio.

Total deposits decreased \$50.1 million, or 22.2% to \$176.0 million as of December 31, 2021, from \$226.1 million at December 31, 2020. The decrease in deposits reflects an intentional outflow of deposits that the Bank chose not to retain, primarily given their above market rates.

As of December 31, 2021, the Bank's Tier 1 capital leverage ratio, common equity tier 1 capital ratio, Tier 1 capital ratio and total capital ratios were 6.89%, 12.96%, 12.96% and 14.21%, respectively, all in excess of the ratios required to be deemed "well-capitalized." However, due to a supervisory provision the Bank is deemed "adequately capitalized" until it meets a minimum Tier 1 capital leverage ratio of 8.00%.

#### **About Lincoln Park Bancorp**

Headquartered in Pine Brook, N.J., Lincoln Park Bancorp (OTC Pink Market: LPBC) through its wholly owned subsidiary Lincoln 1st Bank operates 2 branch locations in Lincoln Park and Montville, New Jersey. Established in

1923, 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](http://www.mylincoln1st.com).

### **Forward-Looking Statements**

This earnings release may contain forward-looking statements concerning the Company's unaudited consolidated financial condition and results of operations and the 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.

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

	December 31, 2021	December 31, 2020
<b>ASSETS</b>		
CASH AND CASH EQUIVALENTS	\$ 13,612	\$ 54,914
INVESTMENTS	59,042	60,117
ORGANIC LOANS RECEIVABLE	140,058	133,071
PARTICIPATION LOANS RECEIVABLE	35,284	51,268
ALLOWANCE FOR LOAN LOSSES	(2,453)	(2,644)
NET LOANS RECEIVABLE	172,888	181,695
PREMISES AND EQUIPMENT	2,728	2,915
RIGHT OF USE ASSETS	1,565	1,097
FHLB/ACBB STOCK	3,229	3,276
INTEREST RECEIVABLE	689	993
BOLI	6,502	6,330
OTHER ASSETS	1,124	1,652
<b>TOTAL ASSETS</b>	<b>\$ 261,379</b>	<b>\$ 312,989</b>
<b>LIABILITIES</b>		
NON-INTEREST-BEARING DEPOSITS	\$ 25,004	\$ 32,178
INTEREST-BEARING DEPOSITS	111,962	134,557
BROKED AND LISTING DEPOSITS	39,056	59,381
BOND ISSUE	4,903	4,881
BORROWED MONEY	63,367	63,093
LEASE LIABILITIES	1,681	1,141
OTHER LIABILITIES	2,777	2,590
<b>TOTAL LIABILITIES</b>	<b>248,750</b>	<b>297,821</b>
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>12,629</b>	<b>15,168</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 261,379</b>	<b>\$ 312,989</b>

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

	For the Year Ended		For the Three Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>INTEREST INCOME</b>				
LOANS RECEIVABLE	\$ 6,790	\$ 8,056	\$ 1,675	\$ 1,945
SECURITIES	960	1,722	217	348
OTHER	125	168	30	32
<b>TOTAL INTEREST INCOME</b>	<b>7,875</b>	<b>9,946</b>	<b>1,922</b>	<b>2,325</b>
<b>INTEREST EXPENSE</b>				
DEPOSITS	1,397	2,578	276	525
BOND ISSUANCE	418	419	105	105
BORROWINGS	1,626	1,653	409	408
<b>TOTAL INTEREST EXPENSE</b>	<b>3,441</b>	<b>4,650</b>	<b>790</b>	<b>1,038</b>
<b>NET INTEREST INCOME</b>	4,434	5,296	1,132	1,287
<b>(CREDIT) PROVISION FOR LOAN LOSSES</b>	(191)	1,113	(3)	65
<b>NET INTEREST INCOME AFTER (CREDIT) PROVISION FOR LOAN LOSSES</b>	<b>4,625</b>	<b>4,183</b>	<b>1,135</b>	<b>1,222</b>
<b>NON-INTEREST INCOME</b>	1,517	1,147	124	117
<b>NON-INTEREST EXPENSE</b>	7,364	7,119	1,849	1,777
<b>INTEREST RATE CAP LOSS</b>	-	(48)	-	-
<b>LOSS BEFORE INCOME TAXES</b>	<b>(1,222)</b>	<b>(1,837)</b>	<b>(590)</b>	<b>(438)</b>
<b>INCOME TAX EXPENSE (BENEFIT)</b>	4	377	(251)	1,291
<b>NET LOSS</b>	<b>\$ (1,226)</b>	<b>\$ (2,214)</b>	<b>\$ (339)</b>	<b>\$ (1,729)</b>

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

	At or For the Year Ended		At or For the Three Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>(LOSS) EARNINGS PER SHARE:</b>				
BASIC	\$ (0.71)	\$ (1.28)	\$ (0.20)	\$ (1.00)
DILUTED	\$ (0.71)	\$ (1.28)	\$ (0.20)	\$ (1.00)
<b>NET INTEREST MARGIN (NIM):</b>				
(Interest Income - Interest Expense)	\$ 4,434	\$ 5,296	\$ 1,132	\$ 1,287
Average Interest-Bearing Assets	\$ 275,051	\$ 295,823	\$ 259,178	\$ 300,907
	1.61%	1.79%	1.75%	1.71%
<b>COST OF FUNDS:</b>				
Interest Expense	\$ 3,441	\$ 4,650	\$ 790	\$ 1,038
Average Interest-Bearing Liabilities	\$ 262,507	\$ 281,305	\$ 247,420	\$ 286,652
	1.31%	1.65%	1.28%	1.45%
<b>RETURN ON AVERAGE ASSETS (ROA):</b>				
Net Income	\$ (1,226)	\$ (2,214)	\$ (339)	\$ (1,729)
Average Total Assets	\$ 285,444	\$ 307,100	\$ 269,409	\$ 312,074
	(0.43%)	(0.72%)	(0.50%)	(2.22%)
<b>RETURN ON AVERAGE EQUITY (ROE):</b>				
Net Income	\$ (1,226)	\$ (2,214)	\$ (339)	\$ (1,729)
Average Stockholders' Equity	\$ 12,576	\$ 15,115	\$ 12,576	\$ 15,115
	(9.75%)	(14.65%)	(10.78%)	(45.76%)
<b>NON-PERFORMING ASSETS (NPA):</b>				
Net Non-Performing Assets	\$ 2,394	\$ 4,299		
Outstanding Loans	\$ 174,842	\$ 184,190		
	1.37%	2.33%		