

2022

Statement of Financial Condition



**Here
We
Grow.**



To Our Customers and Communities –

Another year of unprecedented challenges and accelerated changes. Another year of growth and positive momentum for Penn Community Bank.

As president and CEO of the largest mutual bank in eastern Pennsylvania, I'm proud to lead a team of over 300 bankers and lenders committed to their customers and communities. It's this core belief in our mission to serve as a catalyst for growth in the region we serve that has allowed us to thrive even in these periods of economic uncertainty and disruption in the financial services industry.

From our front-line staff to our executive leadership team and board of directors, we continue to prioritize our institution's financial strength and stability - adhering to strict business practices, holding superior capital reserves far above regulatory requirements, and possessing the liquidity to weather unforeseen challenges. This report highlights this firm financial footing and serves as public commitment to its continuation.

This strong position is made easier by our mutual structure. In addition to being better capitalized than most banks, since we aren't publicly traded, we are not beholden to shareholders and have the freedom to put the needs of our customers first in everything we do – making decisions locally with long-term goals in mind, not short-term profits.

In addition to the access and accountability facilitated by our local roots and relationship-first business model, know that your banking and lending needs are served by industry leaders and experts in their fields. From advanced training to professional associations, our team members are best positioned to respond to your changing needs and serve as an advocate on your behalf. It's what I do as president of the Federal Reserve's national Community Depository Institutions Advisory Council (CDIAC), and what comes naturally to our staff.

For 150 years, Penn Community Bank has helped customers and communities overcome challenging times – from the Great Depression to the COVID pandemic. As the future unfolds, know that community banks are well-positioned to be strong and stable partners for customers like you in the days ahead, and for years to come.

Thank you for your support and your partnership with us, and for choosing to be a part of the Penn Community Bank family.

Sincerely,

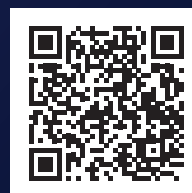
A handwritten signature in cursive script that reads "Jeane M. Vidoni".

Jeane M. Vidoni
President & CEO
Penn Community Bank

At Penn Community Bank, we are proud to be a community-first financial institution, and we know that our role goes beyond just providing financial services to our customers.

Our 2022 Impact Report shows the impact of Greater Good Banking over the last year. More than just a tagline, it's a way of life for our organization, from our tellers to our board of directors and everywhere in between. Whether it is creating new products and services to meet your banking needs or giving back 5% of our net income to local nonprofits and community groups, our values-driven mission drives everything we do.

Check out the 2022 Impact Report by scanning the code.



Penn Community Financial Corporation

Consolidated Balance Sheet (in thousands)

December 31, 2022

Assets	
Cash and cash equivalents	\$ 79,715
Securities	684,451
Loans receivable (net of allowance for loan losses)	1,717,766
Premises and equipment, net	22,970
Intangible assets, net	1,962
Goodwill	3,239
Other assets	148,348
Total Assets	\$ 2,658,451
Liabilities and Capital	
Liabilities	
Deposits	\$ 2,101,907
Borrowings	261,500
Advances from borrowers for taxes and insurance	5,614
Other liabilities	35,741
Total Liabilities	2,404,762
Total Capital	253,689
Total Liabilities and Capital	\$ 2,658,451

Regulatory Capital Requirements* (dollars in thousands)

December 31, 2022

	Amount	Percent
Total risk-based capital (to risk-weighted assets)		
Actual	\$367,963	18.23%
Required	161,437	8.00%
Excess	\$206,526	10.23%
Tier 1 capital (to risk-weighted assets)		
Actual	\$348,884	17.29%
Required	121,078	6.00%
Excess	\$227,806	11.29%
Tier 1 capital (to average assets)		
Actual	\$348,884	12.74%
Required	109,540	4.00%
Excess	\$239,344	8.74%

*Regulatory Capital Requirements of Penn Community Bank as of 12/31/2022.

The complete audited financial statements are available to the public by sending a request to: Penn Community Bank, Finance Department, 219 S. Ninth Street, Perkasie, PA 18944.

Our Board of Directors

Bill Larkin - Chair
Managing Partner
Lopez, Teodosio & Larkin, LLC

Ross Choate - Vice Chair
Dealer Principal
Norristown Chrysler Dodge Jeep & Ram

Becky Bradley
Executive Director
Lehigh Valley Planning Commission

Bob Byers
President
Byer's Choice Ltd

Kelly Finch Mobley
Former Executive Vice President
PNC Bank, N.A.

John Foff
Former Executive
Federal Home Loan Bank Pittsburgh

Cheri Freeh
Principal Owner
Hutchinson, Gillahan, and Freeh, PC

Krista Harper
Attorney & Shareholder
Harper Business Law, PC

Bruce Iacobucci
Former President & CEO
First Federal of Bucks County

Thomas Lomax
Chief Financial Officer & Partner
The Lomax Companies, LP

Ram Mohan
Chief Strategy Officer
Identity Digital

Robert W. Pritchard
President
PBGW

Bruce Weed
Sales Executive
NSM Insurance Group

Mark Worthington
Former CEO
Worthington Associates, Inc

Our Executive Team

Jeane M. Vidoni
President &
Chief Executive Officer

Georgann Berger McKenna
Executive Vice President
Chief Human Resources Officer

Robert Coffin
Executive Vice President
Chief Quality Management Officer

Lewis Cyr
Executive Vice President
Chief Lending Officer

Charles Field
Executive Vice President
Chief Financial Officer

Randy McGarry
Executive Vice President
Chief Information Officer

Stephen Murphy
Executive Vice President
Chief Banking Officer

Stephanie Schwartzberg
Executive Vice President
Chief Legal & Risk Officer

Randy Stradling
Executive Vice President
Chief Credit Officer

Bernard Tynes
Executive Vice President
Chief Marketing & Impact Officer

Our Locations

Bensalem
Hulmeville & Galloway Roads
Bensalem, PA 19020
215.639.3500

Bristol
118 Mill St.
Bristol, PA 19007
215.788.6300

Doylestown
426 N. Main St.
Doylestown, PA 18901
267.864.1008

Dublin
142 N. Main St.
Dublin, PA 18917
215.249.3834

The Fairway (Jenkintown)
1651 The Fairway
Jenkintown, PA 19046
267.415.1365

Highland Park
16 Highland Park Way
Levittown, PA 19056
215.949.3900

Lansdale
490 Forty Foot Road
Lansdale, PA 19446
267.328.4360

Levittown
208 Levittown Parkway
Levittown, PA 19054
215.946.7400

Lower Makefield
732 Stony Hill Road, Bldg. 3
Yardley, PA 19067
215.493.7692

New Britain
380 W. Butler Ave.
New Britain, PA 18901
215.489.2801

New Hope
275 W. Bridge St.
New Hope, PA 18938
215.862.5021

Newtown
295 N. Sycamore St.
Newtown, PA 18940
215.504.6201

Perkasie - Fifth Street
1129 N. 5th St.
Perkasie, PA 18944
215.257.3940

Perkasie - Market Street
600 W. Market St.
Perkasie, PA 18944
215.257.5157

Pipersville
6999 Easton Road
Pipersville, PA 18947
215.766.9173

Quakertown
1051 S. West End Blvd.
Quakertown, PA 18951
215.529.9582

Richlandtown
519 Richlandtown Pike
Richlandtown, PA 18955
215.538.2956

Riegelsville
1315 Easton Road
Riegelsville, PA 18077
610.749.2237

Southampton
530 Second Street Pike
Southampton, PA 18966
215.355.5203

Warminster
601 Louis Drive
Warminster, PA 18974
267.282.4634