

PRESS RELEASE

1ST SUMMIT BANCORP of Johnstown, Inc.
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President and Chief Executive Officer

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1ST SUMMIT BANCORP OF JOHNSTOWN, INC. REPORTS FOURTH QUARTER EARNINGS

February 7, 2025 – Johnstown, PA – 1ST SUMMIT BANCORP of Johnstown, Inc. (OTC: FSMK) (“1ST SUMMIT”), the parent company of 1ST SUMMIT BANK (the “Bank”) today reported net income available to common shareholders for the quarter ended December 31, 2024, of \$3.2 million, or \$1.48 per common share, compared to net income of \$750 thousand, or \$0.34 per common share for the quarter ended December 31, 2023.

“We are pleased to report fourth quarter financial results and close the book on an extremely challenging year,” President and CEO J. Eric Renner said. “Our dedicated team has worked tirelessly to combat eroding profitability caused by persistently higher interest rates. We made many difficult decisions throughout 2024 to ensure that once benchmark interest rates begin to decline meaningfully, we can return to previous levels of profitability. We would like to thank our dedicated staff and patient and persistent investors who have shown tremendous resilience and fortitude.”

Renner continued, “Net income for the fourth quarter was \$3.2 million or \$1.48 per common share which includes a non-recurring gain on a sale leaseback transaction. Excluding nonrecurring items, net income for the fourth quarter and full year 2024 were effectively flat. Net interest margin for the quarter expanded to 1.82%, or 1.91% on a tax equivalent basis as we realized the full quarter of the 50bps interest rate cut in September. During the fourth quarter we added \$14.9 million in loans which represents an increase of 7.69% annualized. Our deposit base remains stable and we continue to see steady growth in non-interest bearing deposits.”

Renner concluded, “Credit quality remains strong and we will continue to focus on adding quality earning assets to the balance sheet funded at rates that support net interest margin expansion. Throughout 2025 we will look for opportunities to grow noninterest income and reduce noninterest expense wherever possible. Our capital levels are strong and provide a source of strength to fuel future growth.”

Forward Looking Statements

Litigation Reform Act of 1995 that are subject to risks and uncertainties and are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended. Any statements about our expectations, beliefs, plans, predictions, protections, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. Forward-looking statements are typically, but not exclusively, identified by the use of forward-looking terminology such as “believes,” “expects,” “could,” “may,” “will,” “should,” “seeks,” “likely,” “intends” “plans,” “pro forma,” “projects,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases that are predictions

of or indicate future events or trends and that do not relate solely to historical matters. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Factors that could cause our actual results to differ materially from those described in the forward-looking statements include, among others: (i) changes in general business, (ii) changes in interest rates or in the quality or composition of our loan and investment portfolios; (iii) adequacy of loan loss reserves; (iv) increased competition; (v) loss of certain key officers; (vi) continued relationships with major customers; (vii) deposit attrition; (viii) rapidly changing technology; (ix) unanticipated regulatory or judicial proceedings and liabilities and other costs; (x) changes in the cost of funds, demand for loan products, or demand for financial services; (xi) other economic, competitive, governmental, or technological factors affecting our operations, markets, products, services, and prices; and (xii) our success at managing the foregoing items. For a discussion of additional factors that could cause our actual results to differ materially from those described in the forward-looking statements, please see the risk factors discussed in our most recent Annual Report on our website at [https:// www.1stsummit.bank/home/who-we-are/meet-1st-summit/investor-info/](https://www.1stsummit.bank/home/who-we-are/meet-1st-summit/investor-info/).

While forward-looking statements reflect our good-faith beliefs, they are not guarantees of future performance. All forward-looking statements are necessarily only estimates of future results. Accordingly, actual results may differ materially from those contemplated, expressed in or implied by the particular forward-looking statement due to additional risks and uncertainties of which the Company is not currently aware or which it does not currently view as, but in the future may become, material to its business or operating results. Due to these and other possible uncertainties and risks, we can give no assurance that the results contemplated in the forward-looking statements will be realized and, therefore, you are cautioned not to place undue reliance on such statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events or circumstances, except as required by applicable law. All forward-looking statements, express or implied, included in this press release are qualified in their entirety by this cautionary statement.

1ST SUMMIT BANCORP OF JOHNSTOWN, INC.
Consolidated Statements of Income
(Unaudited)

	For the Three Months Ended				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	
	(Dollars in thousands, except per share data)				
Interest income:					
Interest and fees on loans	\$ 10,117	\$ 10,316	\$ 9,811	\$ 9,736	\$ 9,378
Interest and dividends on investment securities	3,594	3,439	3,632	3,650	3,587
Other interest income	232	79	38	10	12
Total interest income	13,943	13,834	13,481	13,396	12,977
Interest expense:					
Interest on deposits	7,139	7,550	7,187	6,857	6,481
Interest on FHLB advances and other borrowings	828	737	857	1,191	1,134
Total interest expense	7,967	8,287	8,044	8,048	7,615
Net interest income	5,976	5,547	5,437	5,348	5,362
Provision for loan losses	86	(362)	362	-	148
Net interest income after provision for loan losses	5,890	5,909	5,075	5,348	5,214
Noninterest income:					
Service charges and fees	621	637	625	649	712
Wealth management income	566	640	549	544	521
Earnings on bank-owned life insurance	253	30	394	159	160
Interchange income	489	545	703	535	558
Gain (loss) on sales of investment securities	(24)	173	20	-	-
Change in fair value of equity securities	(19)	(202)	(213)	(74)	884
Gain on sale leaseback	3,269	-	-	-	-
Other noninterest income	584	457	61	36	41
Total noninterest income	5,739	2,280	2,139	1,849	2,876
Noninterest expense:					
Salaries and employee benefits	4,423	4,488	3,912	4,524	4,175
Occupancy and equipment expenses	966	960	944	951	838
Professional services	324	266	545	529	371
Data processing and network	861	874	851	860	895
Regulatory assessments and insurance	171	171	165	165	126
Shares tax expense	229	227	231	227	224
Other operating expenses	1,003	1,102	682	937	933
Total noninterest expense	7,977	8,088	7,330	8,193	7,562
Income before income tax expense	3,652	101	(116)	(996)	528
Income tax expense	464	(193)	(446)	(377)	(222)
Net income	\$ 3,188	\$ 294	\$ 330	\$ (619)	\$ 750
Earnings per common share:					
Basic	\$ 1.48	\$ 0.13	\$ 0.15	\$ (0.28)	\$ 0.34
Diluted	1.48	0.13	0.15	(0.28)	0.34

1ST SUMMIT BANCORP OF JOHNSTOWN, INC.

Consolidated Balance Sheets

(Unaudited)

	As of				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
	(Dollars in thousands)				
Assets:					
Cash and due from banks	\$ 10,666	\$ 11,921	\$ 12,138	\$ 8,582	\$ 12,893
Interest-bearing deposits in other banks	7,310	31,228	3,142	1,344	455
Total cash and cash equivalents	<u>17,976</u>	<u>43,149</u>	<u>15,280</u>	<u>9,926</u>	<u>13,348</u>
Investment securities:					
Equity securities	655	669	2,022	7,130	7,191
Available for sale securities, at fair value	329,949	268,342	286,193	293,456	291,435
Held to maturity securities, at amortized cost	216,894	222,077	227,292	232,084	236,798
Total investment securities	<u>547,498</u>	<u>491,088</u>	<u>515,507</u>	<u>532,670</u>	<u>535,424</u>
Loans:					
Loans held for investment	782,768	767,887	770,460	764,739	762,411
Less: allowance for loan and lease losses	(7,160)	(7,268)	(8,028)	(7,835)	(7,871)
Loans, net	<u>775,608</u>	<u>760,619</u>	<u>762,432</u>	<u>756,904</u>	<u>754,540</u>
Operating lease right-of-use assets	9,202	2,744	2,905	3,084	3,215
Premises and equipment, net	11,919	14,006	14,226	14,408	14,599
Accrued interest receivable	5,126	4,614	5,058	5,014	4,995
Goodwill	339	339	339	339	339
Deferred tax asset, net	10,888	8,117	9,094	8,695	9,423
Bank-owned life insurance	24,678	24,734	24,705	24,536	24,376
Federal Home Loan Bank and other bank stock, at cost	4,665	2,153	2,935	3,325	4,003
Other assets	7,264	5,000	9,954	9,463	7,455
Total assets	<u>\$ 1,415,163</u>	<u>\$ 1,356,563</u>	<u>\$ 1,362,435</u>	<u>\$ 1,368,364</u>	<u>\$ 1,371,717</u>
Liabilities and Stockholders' Equity					
Liabilities:					
Deposits:					
Transaction accounts:					
Noninterest-bearing	\$ 114,898	\$ 112,937	\$ 110,249	\$ 119,995	\$ 117,464
Interest-bearing	649,837	648,074	645,996	648,107	649,749
Total transaction accounts	<u>764,735</u>	<u>761,011</u>	<u>756,245</u>	<u>768,102</u>	<u>767,213</u>
Time deposits	439,378	443,992	440,867	429,778	418,343
Total deposits	<u>1,204,113</u>	<u>1,205,003</u>	<u>1,197,112</u>	<u>1,197,880</u>	<u>1,185,556</u>
Accrued interest payable	4,528	4,284	4,136	3,489	3,301
Short-term borrowings	30,000	-	29,363	52,885	59,291
Long-term borrowings	66,186	36,186	26,186	6,186	12,186
Operating lease liability	9,428	2,814	2,978	3,160	3,293
Other liabilities	6,947	6,028	6,221	6,212	6,603
Total liabilities	<u>1,321,202</u>	<u>1,254,315</u>	<u>1,265,996</u>	<u>1,269,812</u>	<u>1,270,230</u>
Stockholders' Equity:					
Common stock	11,015	11,015	11,015	11,015	11,015
Capital surplus	5,825	5,825	5,825	5,825	5,825
Retained earnings	113,223	110,963	111,611	112,223	113,784
Accumulated other comprehensive income (loss)	(32,825)	(23,626)	(31,208)	(29,707)	(28,333)
Treasury stock	(3,277)	(1,929)	(804)	(804)	(804)
Total stockholders' equity	<u>93,961</u>	<u>102,248</u>	<u>96,439</u>	<u>98,552</u>	<u>101,487</u>
Total liabilities and stockholders' equity	<u>\$ 1,415,163</u>	<u>\$ 1,356,563</u>	<u>\$ 1,362,435</u>	<u>\$ 1,368,364</u>	<u>\$ 1,371,717</u>

1ST SUMMIT BANCORP OF JOHNSTOWN, INC.

Loan Composition

(Unaudited)

	As of				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
	(Dollars in thousands)				
Loans:					
Commercial and industrial loans	\$ 138,555	\$ 135,290	\$ 140,042	\$ 139,012	\$ 139,962
Real estate:					
1-4 single family residential loans	401,246	398,383	397,495	397,325	392,421
Construction, land and development loans	16,878	15,388	18,679	18,881	21,386
Commercial real estate loans (including multifamily)	207,393	192,816	188,264	186,271	180,572
Consumer loans and leases	18,696	26,010	25,980	23,250	28,070
Total loans held in portfolio	\$ 782,768	\$ 767,887	\$ 770,460	\$ 764,739	\$ 762,411

1ST SUMMIT BANCORP OF JOHNSTOWN, INC.

Deposit Composition

(Unaudited)

	As of				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
	(Dollars in thousands)				
Deposits:					
Noninterest-bearing demand deposits	\$ 114,898	\$ 112,937	\$ 110,249	\$ 119,995	\$ 117,464
Interest-bearing demand deposits	303,631	301,924	279,364	276,105	309,746
Savings and money market accounts	346,206	346,150	366,632	372,002	340,003
Time deposits	439,378	443,992	440,867	429,778	418,343
Total deposits	\$ 1,204,113	\$ 1,205,003	\$ 1,197,112	\$ 1,197,880	\$ 1,185,556

1ST SUMMIT BANCORP OF JOHNSTOWN, INC.
Average Balances and Yields
(Unaudited)

	Three Months Ended					
	December 31, 2024			December 31, 2023		
	Average Balance (1)	Interest/ Expense	Annualized Yield/Rate	Average Balance (1)	Interest/ Expense	Annualized Yield/Rate
	(Dollars in thousands)					
Interest-earning assets:						
Interest-earning deposits in other banks	\$ 15,721	\$ 232	5.85%	\$ 699	\$ 12	6.81%
Loans(2)	772,663	10,117	5.19%	758,527	9,378	4.91%
Investment securities and other	511,726	3,594	2.79%	512,556	3,587	2.78%
Total interest-earning assets	1,300,110	13,943	4.25%	1,271,782	12,977	4.05%
Noninterest-earning assets	70,787			79,468		
Total assets	\$1,370,897			\$ 1,351,250		
Interest-bearing liabilities:						
Interest-bearing demand deposits	\$ 284,010	\$ 615	0.86%	\$ 304,255	\$ 434	0.57%
Savings and money market accounts	354,686	2,172	2.43%	332,277	2,291	2.74%
Time deposits	443,999	4,352	3.89%	413,183	3,756	3.61%
FHLB advances and other borrowings	59,117	828	5.56%	80,474	1,134	5.59%
Total interest-bearing liabilities	1,141,812	7,967	2.77%	1,130,189	7,615	2.67%
Noninterest-bearing liabilities and shareholders' equity:						
Noninterest-bearing demand deposits	120,768			122,277		
Other liabilities	11,141			12,058		
Stockholders' equity	97,176			86,726		
Total liabilities and stockholders' equity	\$1,370,897			\$ 1,351,250		
Net interest rate spread			1.49%			1.38%
Net interest income and margin		\$ 5,976	1.82%		\$ 5,362	1.67%
Net interest income and margin (tax equivalent)(3)		\$ 6,264	1.91%		\$ 5,675	1.77%

(1) Average balances presented are derived from daily average balances.

(2) Includes loans on nonaccrual status.

(3) In order to make pretax income and resultant yields on tax-exempt loans comparable to those on taxable loans, a tax-equivalent adjustment has been computed using a federal tax rate of 21% for the three months ended December 31, 2024 and December 31, 2023, respectively.

1ST SUMMIT BANCORP OF JOHNSTOWN, INC.

Average Balances and Yields

(Unaudited)

	Three Months Ended					
	December 31, 2024			September 30, 2024		
	Average Balance (1)	Interest/ Expense	Annualized Yield/Rate	Average Balance (1)	Interest/ Expense	Annualized Yield/Rate
	(Dollars in thousands)			(Dollars in thousands)		
Interest-earning assets:						
Interest-earning deposits in other banks	15,721	\$ 232	5.85%	\$ 10,858	\$ 79	2.89%
Loans(2)	772,663	10,117	5.19%	768,710	10,316	5.32%
Investment securities and other	511,726	3,594	2.79%	508,886	3,439	2.68%
Total interest-earning assets	1,300,110	13,943	4.25%	1,288,454	13,834	4.26%
Noninterest-earning assets	70,787			70,712		
Total assets	\$1,370,897			\$ 1,359,166		
Interest-bearing liabilities:						
Interest-bearing demand deposits	\$ 284,010	\$ 615	0.86%	\$ 278,991	\$ 587	0.83%
Savings and money market accounts	354,686	2,172	2.43%	366,216	2,537	2.75%
Time deposits	443,999	4,352	3.89%	441,588	4,426	3.98%
FHLB advances and other borrowings	59,117	828	5.56%	48,244	737	6.06%
Total interest-bearing liabilities	1,141,812	7,967	2.77%	1,135,039	8,287	2.90%
Noninterest-bearing liabilities and shareholders' equity:						
Noninterest-bearing demand deposits	120,768			117,477		
Other liabilities	11,141			7,736		
Stockholders' equity	97,176			98,914		
Total liabilities and stockholders' equity	\$1,370,897			\$ 1,359,166		
Net interest rate spread			1.49%			1.36%
Net interest income and margin		\$ 5,976	1.82%		\$ 5,547	1.71%
Net interest income and margin (tax equivalent)(3)		\$ 6,264	1.91%		\$ 5,853	1.80%

(1) Average balances presented are derived from daily average balances.

(2) Includes loans on nonaccrual status.

(3) In order to make pretax income and resultant yields on tax-exempt loans comparable to those on taxable loans, a tax-equivalent adjustment has been computed using a federal tax rate of 21% for the three months ended December 31, 2024 and September 30, 2024, respectively.

1ST SUMMIT BANCORP OF JOHNSTOWN, INC.

Reconciliation of Non-GAAP Financial Measures - Net Interest Margin on a Fully Taxable Equivalent Basis

(Unaudited)

	As of or for the Three Months Ended				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
	(Dollars in thousands, except per share data)				
Net interest margin - GAAP basis:					
Net interest income	\$ 5,976	\$ 5,547	\$ 5,437	\$ 5,348	\$ 5,362
Average interest-earning assets	1,300,110	1,288,454	1,296,727	1,304,225	1,271,782
Net interest margin	1.82%	1.71%	1.68%	1.64%	1.67%
Net interest margin - Non-GAAP basis:					
Net interest income	\$ 5,976	\$ 5,547	\$ 5,437	\$ 5,348	\$ 5,362
Plus:					
Impact of fully taxable equivalent adjustment	288	306	312	312	313
Net interest income on a fully taxable equivalent basis	\$ 6,264	\$ 5,853	\$ 5,749	\$ 5,660	\$ 5,675
Average interest-earning assets	1,300,110	1,288,454	1,296,727	1,304,225	1,271,782
Net interest margin on a fully taxable equivalent basis - Non-GAAP basis	1.91%	1.80%	1.78%	1.74%	1.77%

1ST SUMMIT BANCORP OF JOHNSTOWN, INC.
Reconciliation of Non-GAAP Financial Measures - Tangible Book Value Per Share
(Unaudited)

	As of				December 31, 2023
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	
	(Dollars in thousands, except per share data)				
Total stockholders' equity	\$ 93,961	\$ 102,248	\$ 96,439	\$ 98,552	\$ 101,487
Less:					
Goodwill and other intangible assets	339	339	339	339	339
Tangible stockholders' equity	\$ 93,622	\$ 101,909	\$ 96,100	\$ 98,213	\$ 101,148
Shares outstanding	2,135,540	2,165,510	2,190,510	2,190,510	2,190,510
Book value per share	\$ 44.00	\$ 47.22	\$ 44.03	\$ 44.99	\$ 46.33
Less:					
Goodwill and other intangible assets per share	\$ 0.16	\$ 0.16	\$ 0.15	\$ 0.15	\$ 0.15
Tangible book value per share	\$ 43.84	\$ 47.06	\$ 43.88	\$ 44.84	\$ 46.18

1ST SUMMIT BANCORP OF JOHNSTOWN, INC.
Reconciliation of Non-GAAP Financial Measures - Tangible Equity to Tangible Assets
(Unaudited)

	As of				December 31, 2023
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	
	(Dollars in thousands)				
Total stockholders' equity to total assets - GAAP basis:					
Total stockholders' equity (numerator)	\$ 93,961	\$ 102,248	\$ 96,439	\$ 98,552	\$ 101,487
Total assets (denominator)	1,415,163	1,356,563	1,362,435	1,368,364	1,371,717
Total stockholders' equity to total assets	6.64%	7.54%	7.08%	7.20%	7.40%
Tangible equity to tangible assets - Non-GAAP basis:					
Tangible equity:					
Total stockholders' equity	\$ 93,961	\$ 102,248	\$ 96,439	\$ 98,552	\$ 101,487
Less:					
Goodwill and other intangible assets	339	339	339	339	339
Total tangible common equity (numerator)	\$ 93,622	\$ 101,909	\$ 96,100	\$ 98,213	\$ 101,148
Tangible assets:					
Total assets	1,415,163	1,356,563	1,362,435	1,368,364	1,371,717
Less:					
Goodwill and other intangible assets	339	339	339	339	339
Total tangible assets (denominator)	\$ 1,414,824	\$ 1,356,224	\$ 1,362,096	\$ 1,368,025	\$ 1,371,378
Tangible equity to tangible assets	6.62%	7.51%	7.06%	7.18%	7.38%