

PRESS RELEASE



1ST SUMMIT BANCORP of Johnstown, Inc.
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1ST SUMMIT BANCORP OF JOHNSTOWN REPORTS FIRST QUARTER 2025 FINANCIAL RESULTS

April 14, 2025 – Johnstown, PA – 1st Summit Bancorp of Johnstown (OTC: FSMK) (“1st Summit”), the parent company of 1st Summit Bank (the “Bank”) today announced financial results for the first quarter ended March 31, 2025.

Financial Highlights:

- **Net Income:** The Company reported net income of \$775 thousand for the first quarter of 2025, or \$0.36 per diluted share, representing a 28.0% increase compared to the December 2024 quarter after excluding a non-recurring gain after tax from a sale-leaseback transaction completed in the fourth quarter of 2024.
- **Loan Growth:** Total loans increased by 1.01% during the quarter, representing an annualized growth rate of 4.08%.
- **Net Interest Margin:** The net interest margin expanded by 38 basis points, from 1.64% at March 31, 2024 to 2.02% at March 31, 2025, or 23.2%, from the prior year quarter.
- **Deposits:** Total deposits declined by 5.8% annualized from December 31, 2024 to March 31, 2025; however, the proportion of noninterest-bearing deposits increased to 10.3% of total deposits, up from 9.5% at December 31, 2024.

CEO Commentary:

Allison Johnson, President and Chief Executive Officer, stated:

"The first quarter of 2025 reflects our unwavering commitment to strengthening 1st Summit Bancorp's financial foundation. We achieved solid loan growth and a notable expansion in net interest margin, underscoring the effectiveness of our strategic initiatives."

"During the first quarter, we successfully resolved a significant impaired loan, which allowed us to release previously established reserves. This contributed to a reduction in our allowance for loan losses and a lower reserve coverage ratio. This highlights our proactive approach to credit risk management."

"We are responding proactively to the current interest rate environment to actively rebalance our asset and liability mix in an effort to enhance profitability. Our focus includes capitalizing on funding opportunities near the middle of the yield curve, which have been under pressure due to the expected impact of tariffs,

and reducing our reliance on overnight funding, which is significantly more expensive at current rates. The duration of the funding we are procuring aligns well with maturities of long duration assets that will begin to mature in the middle of 2026."

"While we experienced a decline in total deposits, the improvement in our deposit mix—specifically, the increase in noninterest-bearing deposits—is a positive development. This shift aligns with our strategic emphasis on expanding commercial and industrial lending, which often brings associated operating account deposits. By deepening relationships with our business clients, we aim to further enhance our deposit composition and overall financial performance."

"Looking ahead, we remain optimistic about our growth prospects. Our focus is on delivering value to our shareholders through prudent financial management and exceptional customer service. We believe that our strategic initiatives position us well to capitalize on future opportunities."

About 1st Summit Bancorp of Johnstown, Inc.

1st Summit, through its wholly owned subsidiary, 1st Summit Bank (the "Bank"), is a community-oriented financial institution that primarily focuses on relationship banking for both consumers and businesses. From 17 full-service community offices and one loan production office, the Bank provides a full-array of personal and business banking solutions, investment management and trust services. The Bank serves communities throughout the counties of Cambria, Westmoreland, Blair, Somerset, and Indiana in southwestern PA. Please visit <https://www.1stsummit.bank> for more information.

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 the quality or composition of our loan and investment portfolios; (iii) adequacy of loan loss reserves; (iv) increased competition; (v) recent changes in the composition of our executive management team and the 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, regulatory or technological factors affecting our operations, markets, products, services, and prices; (xii) our ability to successfully execute our strategic plan and implement effective balance sheet strategies; (xiii) our ability to effectively manage liquidity; (xiv) the impacts of tariffs, sanctions and other trade policies of the United States and its global trading counterparts; and (xv) 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/>.

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)

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>For the Three Months Ended</u>		<u>March 31, 2024</u>
			<u>September 30, 2024</u>	<u>June 30, 2024</u>	
	(Dollars in thousands, except per share data)				
Interest income:					
Interest and fees on loans	\$ 10,104	\$ 10,117	\$ 10,316	\$ 9,811	\$ 9,736
Interest and dividends on investment securities	4,186	3,594	3,439	3,632	3,650
Other interest income	86	232	79	38	10
Total interest income	14,376	13,943	13,834	13,481	13,396
Interest expense:					
Interest on deposits	6,402	7,139	7,550	7,187	6,857
Interest on FHLB advances and other borrowings	1,346	828	737	857	1,191
Total interest expense	7,748	7,967	8,287	8,044	8,048
Net interest income	6,628	5,976	5,547	5,437	5,348
Provision for credit losses	125	86	(362)	362	-
Net interest income after provision for loan losses	6,503	5,890	5,909	5,075	5,348
Noninterest income:					
Service charges and fees	642	621	637	625	649
Wealth management income	577	566	640	549	544
Earnings on bank-owned life insurance	175	253	30	394	159
Interchange income	482	489	545	703	535
Gain (loss) on sales of investment securities	-	(24)	173	20	-
Change in fair value of equity securities	6	(19)	(202)	(213)	(74)
Gain on sale leaseback	-	3,269	-	-	-
Other noninterest income	31	584	457	61	36
Total noninterest income	1,913	5,739	2,280	2,139	1,849
Noninterest expense:					
Salaries and employee benefits	4,333	4,423	4,488	3,912	4,524
Occupancy and equipment expenses	1,040	966	960	944	951
Professional services	447	324	266	545	529
Data processing and network	739	861	874	851	860
Regulatory assessments and insurance	165	171	171	165	165
Shares tax expense	219	229	227	231	227
Other operating expenses	826	1,003	1,102	682	937
Total noninterest expense	7,769	7,977	8,088	7,330	8,193
Income before income tax expense	647	3,652	101	(116)	(996)
Income tax expense	(128)	464	(193)	(446)	(377)
Net income	\$ 775	\$ 3,188	\$ 294	\$ 330	\$ (619)
Earnings per common share					
Basic	\$ 0.36	\$ 1.48	\$ 0.13	\$ 0.15	\$ (0.28)
Diluted	0.36	1.48	0.13	0.15	(0.28)

1ST SUMMIT BANCORP OF JOHNSTOWN, INC.
Consolidated Balance Sheets
(Unaudited)

	As of				
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
	(Dollars in thousands)				
Assets:					
Cash and due from banks	\$ 16,526	\$ 10,666	\$ 11,921	\$ 12,138	\$ 8,582
Interest-bearing deposits in other banks	8,006	7,310	31,228	3,142	1,344
Total cash and cash equivalents	<u>24,532</u>	<u>17,976</u>	<u>43,149</u>	<u>15,280</u>	<u>9,926</u>
Investment securities:					
Equity securities	661	655	669	2,022	7,130
Available for sale securities, at fair value	332,319	329,949	268,342	286,193	293,456
Held to maturity securities, at amortized cost	212,111	216,894	222,077	227,292	232,084
Total investment securities	<u>545,091</u>	<u>547,498</u>	<u>491,088</u>	<u>515,507</u>	<u>532,670</u>
Loans:					
Loans held for investment	790,642	782,768	767,887	770,460	764,739
Less: allowance for loan and lease losses	(6,146)	(7,160)	(7,268)	(8,028)	(7,835)
Loans, net	<u>784,496</u>	<u>775,608</u>	<u>760,619</u>	<u>762,432</u>	<u>756,904</u>
Operating lease right-of-use assets	8,968	9,202	2,744	2,905	3,084
Premises and equipment, net	11,940	11,919	14,006	14,226	14,408
Accrued interest receivable	5,058	5,126	4,614	5,058	5,014
Goodwill	339	339	339	339	339
Deferred tax asset, net	10,030	10,888	8,117	9,094	8,695
Bank-owned life insurance	27,168	24,678	24,734	24,705	24,536
Federal Home Loan Bank and other bank stock, at cost	6,079	4,665	2,153	2,935	3,325
Other assets	7,749	7,264	5,000	9,954	9,463
Total assets	<u>\$ 1,431,450</u>	<u>\$ 1,415,163</u>	<u>\$ 1,356,563</u>	<u>\$ 1,362,435</u>	<u>\$ 1,368,364</u>
Liabilities and Stockholders' Equity					
Liabilities:					
Deposits:					
Transaction accounts:					
Noninterest-bearing	\$ 122,764	\$ 114,898	\$ 112,937	\$ 110,249	\$ 119,995
Interest-bearing	643,719	649,837	648,074	645,996	648,107
Total transaction accounts	766,483	764,735	761,011	756,245	768,102
Time deposits	420,496	439,378	443,992	440,867	429,778
Total deposits	<u>1,186,979</u>	<u>1,204,113</u>	<u>1,205,003</u>	<u>1,197,112</u>	<u>1,197,880</u>
Accrued interest payable	4,188	4,528	4,284	4,136	3,489
Short-term borrowings	30,000	30,000	-	29,363	52,885
Long-term borrowings	96,186	66,186	36,186	26,186	6,186
Operating lease liability	9,211	9,428	2,814	2,978	3,160
Other liabilities	7,493	6,947	6,028	6,221	6,212
Total liabilities	<u>1,334,057</u>	<u>1,321,202</u>	<u>1,254,315</u>	<u>1,265,996</u>	<u>1,269,812</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	113,080	113,223	110,963	111,611	112,223
Accumulated other comprehensive income (loss)	(29,250)	(32,825)	(23,626)	(31,208)	(29,707)
Treasury stock	(3,277)	(3,277)	(1,929)	(804)	(804)
Total stockholders' equity	<u>97,393</u>	<u>93,961</u>	<u>102,248</u>	<u>96,439</u>	<u>98,552</u>
Total liabilities and stockholders' equity	<u>\$ 1,431,450</u>	<u>\$ 1,415,163</u>	<u>\$ 1,356,563</u>	<u>\$ 1,362,435</u>	<u>\$ 1,368,364</u>

1ST SUMMIT BANCORP OF JOHNSTOWN, INC.

Loan Composition

(Unaudited)

	As of				
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
	(Dollars in thousands)				
Loans:					
Commercial and industrial loans	\$ 138,038	\$ 138,555	\$ 135,290	\$ 140,042	\$ 139,012
Real estate:					
1-4 single family residential loans	401,588	401,246	398,383	397,495	397,325
Construction, land and development loans	17,043	16,878	15,388	18,679	18,881
Commercial real estate loans (including multifamily)	217,163	207,393	192,816	188,264	186,271
Consumer loans and leases	16,810	18,696	26,010	25,980	23,250
Total loans held in portfolio	\$ 790,642	\$ 782,768	\$ 767,887	\$ 770,460	\$ 764,739

1ST SUMMIT BANCORP OF JOHNSTOWN, INC.

Deposit Composition

(Unaudited)

	As of				
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
	(Dollars in thousands)				
Deposits:					
Noninterest-bearing demand deposits	\$ 122,764	\$ 114,898	\$ 112,937	\$ 110,249	\$ 119,995
Interest-bearing demand deposits	260,874	303,631	301,924	279,364	276,105
Savings and money market accounts	382,845	346,206	346,150	366,632	372,002
Time deposits	420,496	439,378	443,992	440,867	429,778
Total deposits	\$ 1,186,979	\$ 1,204,113	\$ 1,205,003	\$ 1,197,112	\$ 1,197,880

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

	Three Months Ended					
	March 31, 2025			March 31, 2024		
	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	\$ 6,983	\$ 86	4.99%	\$ 11,362	\$ 10	0.35%
Loans(2)	785,050	10,104	5.22%	763,475	9,736	5.11%
Investment securities and other	541,899	4,186	3.13%	529,388	3,650	2.77%
Total interest-earning assets	1,333,932	14,376	4.37%	1,304,225	13,396	4.12%
Noninterest-earning assets	81,647			65,104		
Total assets	\$1,415,579			\$ 1,369,329		
Interest-bearing liabilities:						
Interest-bearing demand deposits	\$ 267,559	\$ 395	0.60%	\$ 284,513	\$ 391	0.55%
Savings and money market accounts	375,110	2,083	2.25%	350,747	2,443	2.79%
Time deposits	430,448	3,924	3.70%	426,248	4,023	3.79%
FHLB advances and other borrowings	111,359	1,346	4.90%	82,722	1,191	5.77%
Total interest-bearing liabilities	1,184,476	7,748	2.65%	1,144,230	8,048	2.82%
Noninterest-bearing liabilities and shareholders' equity:						
Noninterest-bearing demand deposits	119,095			115,266		
Other liabilities	16,555			11,281		
Stockholders' equity	95,453			98,552		
Total liabilities and stockholders' equity	\$1,415,579			\$ 1,369,329		
Net interest rate spread			1.72%			1.30%
Net interest income and margin		\$ 6,628	2.02%		\$ 5,348	1.64%
Net interest income and margin (tax equivalent)(3)		\$ 6,874	2.09%		\$ 5,660	1.74%

(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 March 31, 2025 and March 31, 2024, respectively.

20.06%

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

	Three Months Ended					
	March 31, 2025			December 31, 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	6,983	\$ 86	4.99%	\$ 15,721	\$ 232	5.85%
Loans(2)	785,050	10,104	5.22%	772,663	10,117	5.19%
Investment securities and other	541,899	4,186	3.13%	511,726	3,594	2.79%
Total interest-earning assets	1,333,932	14,376	4.37%	1,300,110	13,943	4.25%
Noninterest-earning assets	81,647			70,787		
Total assets	\$1,415,579			\$ 1,370,897		
Interest-bearing liabilities:						
Interest-bearing demand deposits	\$ 267,559	\$ 395	0.60%	\$ 284,010	\$ 615	0.86%
Savings and money market accounts	375,110	2,083	2.25%	354,686	2,172	2.43%
Time deposits	430,448	3,924	3.70%	443,999	4,352	3.89%
FHLB advances and other borrowings	111,359	1,346	4.90%	59,117	828	5.56%
Total interest-bearing liabilities	1,184,476	7,748	2.65%	1,141,812	7,967	2.77%
Noninterest-bearing liabilities and shareholders' equity:						
Noninterest-bearing demand deposits	119,095			120,768		
Other liabilities	16,555			11,141		
Stockholders' equity	95,453			97,176		
Total liabilities and stockholders' equity	\$1,415,579			\$ 1,370,897		
Net interest rate spread			1.72%			1.49%
Net interest income and margin		\$ 6,628	2.02%		\$ 5,976	1.82%
Net interest income and margin (tax equivalent)(3)		\$ 6,874	2.09%		\$ 6,264	1.91%

(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 March 31, 2025 and December 31, 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				
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
	(Dollars in thousands, except per share data)				
Net interest margin - GAAP basis:					
Net interest income	\$ 6,628	\$ 5,976	\$ 5,547	\$ 5,437	\$ 5,348
Average interest-earning assets	1,333,932	1,300,110	1,288,454	1,296,727	1,304,225
Net interest margin	2.02%	1.82%	1.71%	1.68%	1.64%
Net interest margin - Non-GAAP basis:					
Net interest income	\$ 6,628	\$ 5,976	\$ 5,547	\$ 5,437	\$ 5,348
Plus:					
Impact of fully taxable equivalent adjustment	246	288	306	312	312
Net interest income on a fully taxable equivalent basis	\$ 6,874	\$ 6,264	\$ 5,853	\$ 5,749	\$ 5,660
Average interest-earning assets	1,333,932	1,300,110	1,288,454	1,296,727	1,304,225
Net interest margin on a fully taxable equivalent basis - Non-GAAP basis	2.09%	1.91%	1.80%	1.78%	1.74%

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

	As of				
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
	(Dollars in thousands, except per share data)				
Total stockholders' equity	\$ 97,393	\$ 93,961	\$ 102,248	\$ 96,439	\$ 98,552
Less:					
Goodwill and other intangible assets	339	339	339	339	339
Tangible stockholders' equity	\$ 97,054	\$ 93,622	\$ 101,909	\$ 96,100	\$ 98,213
Shares outstanding	2,135,540	2,135,540	2,165,510	2,190,510	2,190,510
Book value per share	\$ 45.61	\$ 44.00	\$ 47.22	\$ 44.03	\$ 44.99
Less:					
Goodwill and other intangible assets per share	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.15	\$ 0.15
Tangible book value per share	\$ 45.45	\$ 43.84	\$ 47.06	\$ 43.88	\$ 44.84

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

	As of				
	March 31, 2025	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)	\$ 97,393	\$ 93,961	\$ 102,248	\$ 96,439	\$ 98,552
Total assets (denominator)	1,431,450	1,415,163	1,356,563	1,362,435	1,368,364
Total stockholders' equity to total assets	6.80%	6.64%	7.54%	7.08%	7.20%
Tangible equity to tangible assets - Non-GAAP basis:					
Tangible equity:					
Total stockholders' equity	\$ 97,393	\$ 93,961	\$ 102,248	\$ 96,439	\$ 98,552
Less:					
Goodwill and other intangible assets	339	339	339	339	339
Total tangible common equity (numerator)	\$ 97,054	\$ 93,622	\$ 101,909	\$ 96,100	\$ 98,213
Tangible assets:					
Total assets	1,431,450	1,415,163	1,356,563	1,362,435	1,368,364
Less:					
Goodwill and other intangible assets	339	339	339	339	339
Total tangible assets (denominator)	\$ 1,431,111	\$ 1,414,824	\$ 1,356,224	\$ 1,362,096	\$ 1,368,025
Tangible equity to tangible assets	6.78%	6.62%	7.51%	7.06%	7.18%