



**1ST SUMMIT BANCORP**  
of Johnstown, Inc.



# 2025 ANNUAL SHAREHOLDER MEETING



**1ST SUMMIT BANCORP**  
of Johnstown, Inc.

# **BUSINESS OF MEETING**

**CHAIRMAN CALL TO ORDER**

**ROLL CALL & QUORUM**

**REPORT OF ALLISON JOHNSON, PRESIDENT & CEO**

**ELECTION RESULTS**

**OLD BUSINESS**

**NEW BUSINESS**

**ADJOURNMENT**

# BOARD OF DIRECTORS



**REX W. MCQUAIDE**

(68)

Over 40 years of experience with the Bank. Vice President and Corporate Counsel for MCS Logistics, Inc., and owner of McQuaide Law Office.



**JOHN W. MCCALL**

(68)

Dealer administrator of McCall Motors, Inc., a family-owned car dealership in operation for 79 years.



**EDWARD J. SHEEHAN**

(66)

President and CEO of Concurrent Technologies Corporation, a national independent, nonprofit, applied scientific research and development organization.



**ROBERT P. GARDILL II**

(59)

President of General American Resources, Inc., a multi-company corporation including Ace Hardware stores, Payless Car and Truck Rental locations, and other businesses.

# BOARD OF DIRECTORS (CONTINUED)



**JACQUELINE M. MARTELLA**

(60)

Co-Owner of Martella's Pharmacies and President and CEO of Boswell Prescription/Boswell Pharmacy Services, LLC.



**JENNIFER H. LUNDEN**

(51)

Associate Attorney with Hergenroeder Rega Ewing & Kennedy, LLC. Ms. Lunden is actively involved in numerous civic and community organizations.



**MICHAEL E. ONDESKO JR.**

(65)

President and Owner of Dunlo Transfer Co., Inc., and Dunlo Realty, Inc., in operation for over 80 years.



**ALLISON JOHNSON**

(40)

Currently serves as President, CEO and CFO of the Corporation.



# SENIOR LEADERSHIP TEAM



**ALLISON JOHNSON**

President, CEO,  
CFO, & Chief  
Risk Officer



**JOSEPH KELLY**

SVP & Chief  
Credit Officer



**MICHAEL PAULMAN**

SVP & Chief  
Lending Officer



**POLLY PREVITE**

SVP & Head of  
Retail Banking

# SENIOR LEADERSHIP TEAM (CONTINUED)



**TIMOTHY SMITH**

**SVP & Chief  
Information  
Officer**



**TOBIE GUNBY**

**VP & Chief HR  
Officer**



**DOMENIC CAGLIUSO**

**SVP & Head of  
Wealth Mgmt.**

# FORWARD-LOOKING STATEMENTS / NON-GAAP DISCLOSURES

This investor presentation has been prepared by 1st Summit Bancorp, Inc., (the “Company” or “FSMK”) solely for informational purposes based on its own information, as well as information from public sources. Certain of the information contained herein may be derived from information provided by industry sources. The Company believes such information is accurate and that the sources from which it has been obtained are reliable. However, the Company has not independently verified such information and cannot guarantee the accuracy of such information.

This investor presentation has been prepared to assist interested parties in making their own evaluation of the Company and does not purport to contain all of the information that may be relevant. In all cases, interested parties should conduct their own investigation and analysis of the Company and the data set forth in the investor presentation and other information provided by or on behalf of the Company.

## Cautionary Statement Regarding Forward-Looking Information

This investor presentation contains statements about future events that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by references to a future period or periods or by the use of the words "believe," "expect," "anticipate," "intend," "estimate," "assume," "will," "should," "could," "plan," and other similar terms or expressions. Forward-looking statements should not be relied on because they involve known and unknown risks, uncertainties and other factors, some of which are beyond the control of the Company. These risks, uncertainties, and other factors may cause the actual results, performance, and achievements of the Company to be materially different from the anticipated future results, performance or achievements expressed in, or implied by, the forward-looking statements. Factors that could cause such differences include, but are not limited to, the impact on us and our customers of a decline in general economic conditions and any regulatory responses thereto; potential recession in the United States and our market areas; the impacts related to or resulting from recent bank failures and any continuation of the recent uncertainty in the banking industry, including the associated impact to the Company and other financial institutions of any regulatory changes or other mitigation efforts taken by government agencies in response thereto; changes in the value of securities in the Company's portfolio; increased competition for deposits and related changes in deposit customer behavior; changes in market interest rates; the persistence of the current inflationary environment in our market areas and the United States; the uncertain impacts of ongoing quantitative tightening and current and future monetary policies of the Board of Governors of the Federal Reserve System; the effects of declines in housing prices in the United States and our market areas; increases in unemployment rates in the United States and our market areas; declines in commercial real estate prices; uncertainty regarding United States fiscal debt and budget matters; cyber incidents or other failures, disruptions or security breaches; severe weather, natural disasters, acts of war or terrorism or other external events; regulatory considerations; competition and market expansion opportunities; changes in non-interest expenditures or in the anticipated benefits of such expenditures; the receipt of required regulatory approvals; changes in tax laws; and current or future litigation, regulatory examinations or other legal and/or regulatory actions. Therefore, the Company can give no assurance that the results contemplated in the forward-looking statements will be realized and readers are cautioned not to place undue reliance on the forward-looking statements contained in this presentation. For more information about these factors, please see our most recent Annual Report on our website at <https://www.1stsummit.bank/home/who-we-are/meet-1st-summit/investor-info/>.


Any forward-looking statements contained in this presentation are made as of the date hereof, and we undertake no duty, and specifically disclaim any duty, to update or revise any such statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

## Non-U.S. GAAP Financial Measures


This presentation contains non-U.S. GAAP financial measures. For purposes of Regulation G promulgated by the SEC, a non-U.S. GAAP financial measure is a numerical measure of the registrant’s historical or future financial performance, financial position or cash flows that excludes amounts or is subject to adjustments that have the effect of excluding amounts that are included in the most directly comparable measure calculated and presented in accordance with U.S. GAAP in the statement of income, statement of financial condition or statement of cash flows (or equivalent statements) of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented in this regard. U.S.GAAP refers to generally accepted accounting principles in the United States. Pursuant to the requirements of Regulation G, FSMK has provided reconciliations within this presentation, as necessary, of the non-U.S. GAAP financial measures to the most directly comparable U.S. GAAP financial measures. For more details on FSMK’s non-U.S. GAAP measures, refer to the Appendix in this presentation.




# COMPANY OVERVIEW AT DECEMBER 31, 2024



**Assets**



**Net Loans**



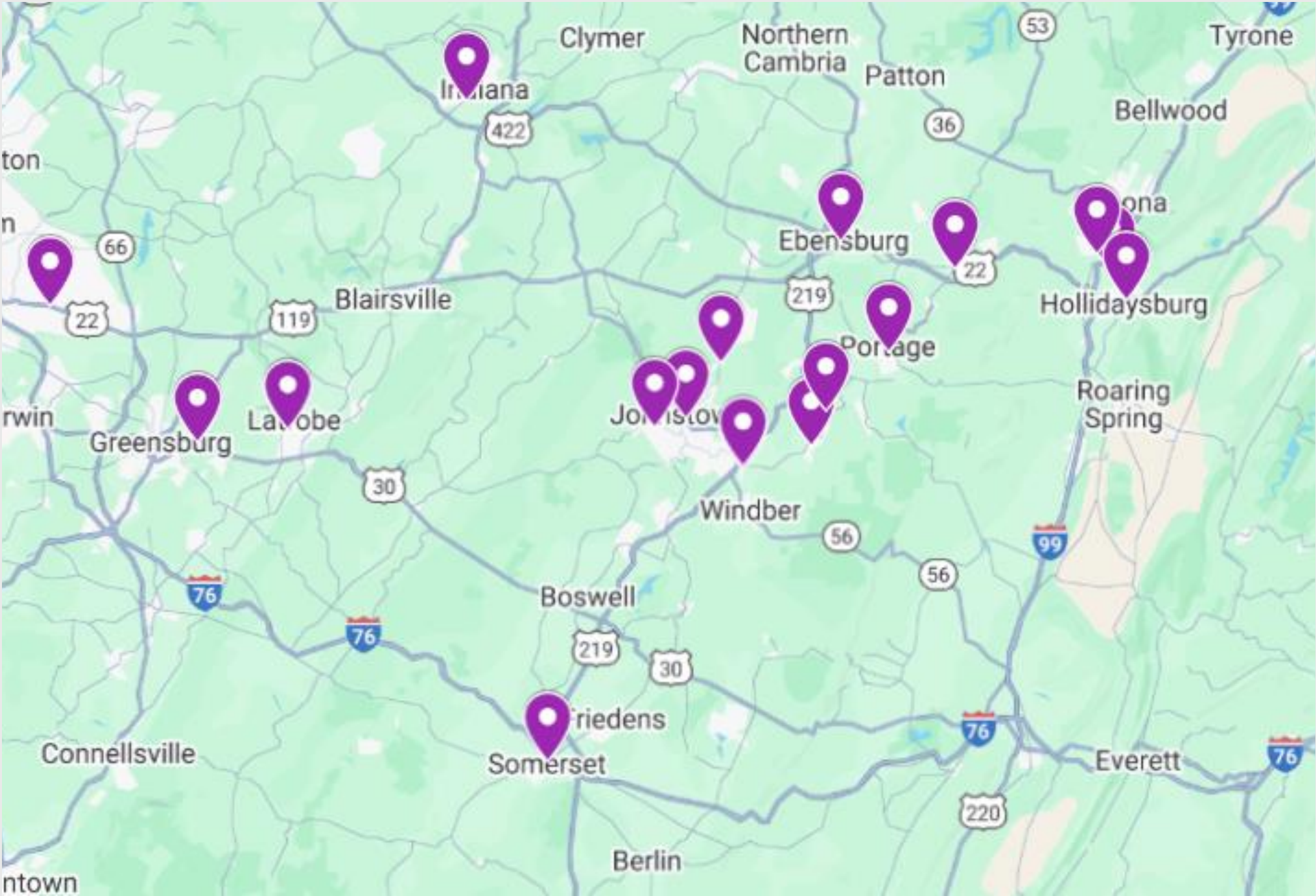
**Deposits**

**\$1.4B**

**\$776M**

**\$1.2B**

Return on Average Assets	0.23%	Loan to Deposit Ratio	65.01%
Return on Average Tangible Equity	3.28%	Tangible Common Equity / Tangible Assets	6.62%
Net Interest Margin	1.73%	Efficiency Ratio	92.05%



**17 Locations**



# 2024 HIGHLIGHTS

## FINANCIAL

- Net income of \$3.2 million, \$547 thousand, or 20.6% increase from 2023
- Net interest margin of 1.73%, 33 bps decrease from 2023
- Noninterest expense well controlled at approximately \$31 million for 2023 and 2024.

## OPERATIONAL

- Loan growth of 2.7% and Deposit growth of 1.6%
- Enhanced deposit product offerings and introduced a rewards program
- Implemented a formal hedging program

## STRATEGIC

- Eliminated reliance on expensive overnight financing
- Developed strategy to re-balance portfolio of earning assets
- Hired 2 C&I lenders focused on the Pittsburgh market

# SUMMARY INCOME STATEMENT

	2024	2023	% Change
<b>Interest income:</b>			
Interest and fees on loans	\$ 39,980	\$ 36,156	11%
Interest and dividends on investment securities	14,315	14,303	0%
Other interest income	359	78	360%
Total interest income	54,654	50,537	8%
<b>Interest expense:</b>			
Interest on deposits	28,733	20,074	43%
Interest on FHLB advances and other borrowings	3,613	5,083	-29%
Total interest expense	32,346	25,157	29%
Net interest income	22,308	25,380	-12%
<b>Provision for credit losses</b>	86	700	-88%
<b>Net interest income after provision for credit losses</b>	22,222	24,680	-10%
Noninterest income	12,007	7,669	57%
Noninterest expense	31,588	30,570	3%
<b>Income before income tax expense</b>	2,641	1,779	48%
Income tax expense (benefit)	(552)	(867)	-36%
<b>Net income</b>	\$ 3,193	\$ 2,646	21%

# 2024 ASSET SALES

## Branch Sale Leaseback

- Recognize immediate gain of \$3.3 million on sale
- Use proceeds on sale to further reduce reliance on expensive overnight funding
- Commit to operating sold branches for fifteen years while shifting maintenance costs to purchaser

## Credit Card Portfolio Sale

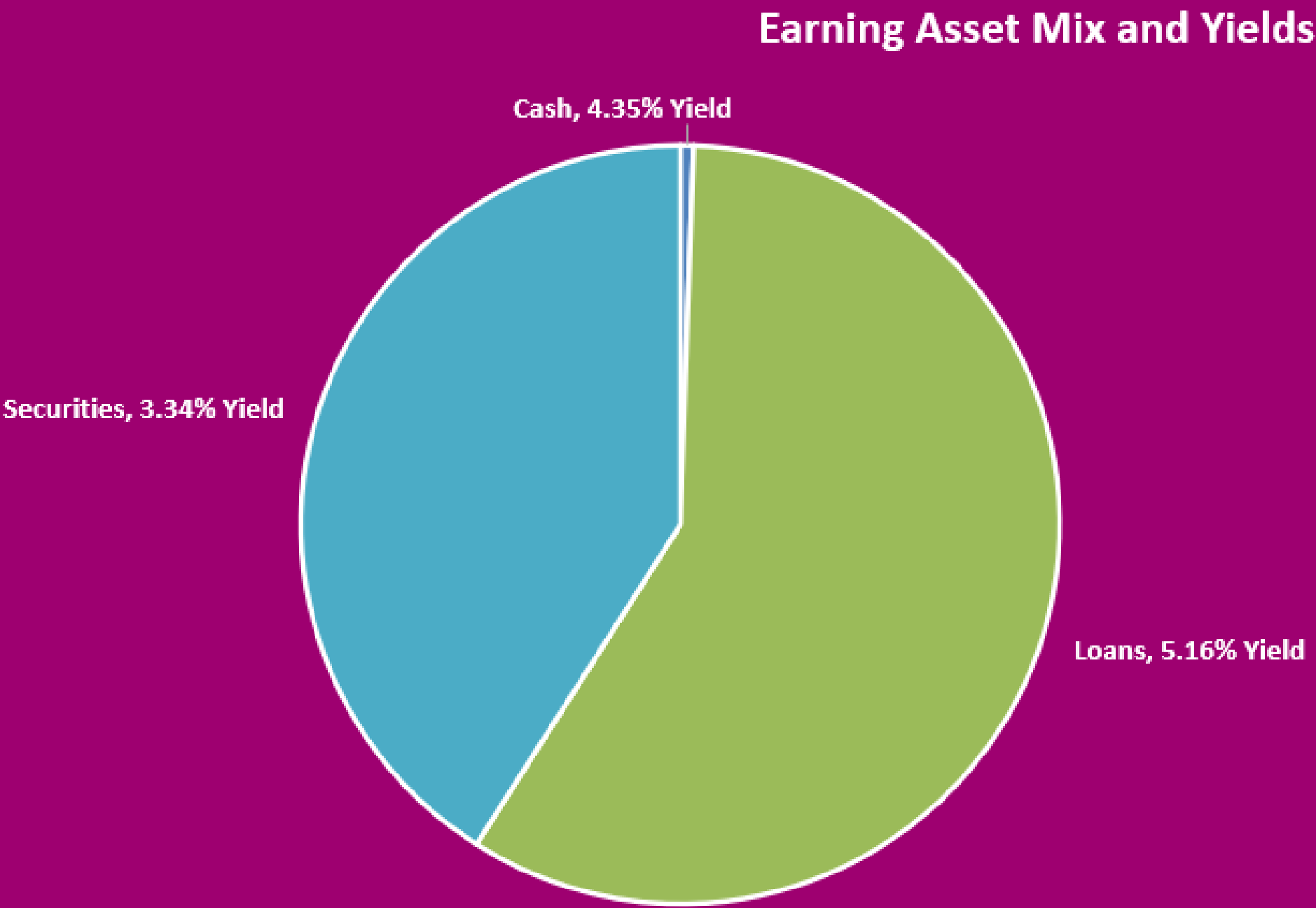
- Recognize immediate gain of \$400 thousand
- Eliminates operational costs of small non-strategic portfolio and related provision expense
- Provides the opportunity to partner with a third-party vendor to offer a more robust program in the future



# SUMMARY BALANCE SHEET

	2024	2023	% Change
<b>Assets:</b>			
Interest-bearing deposits in other banks	\$ 7,310	\$ 455	1507%
Investment securities	547,498	535,424	2%
Loans held for investment	782,768	762,411	3%
<b>Total earning assets</b>	1,337,576	1,298,290	3%
Other assets	77,587	73,427	6%
<b>Total assets</b>	<u>\$ 1,415,163</u>	<u>\$ 1,371,717</u>	<u>3%</u>
<b>Liabilities and Stockholders' Equity</b>			
<b>Liabilities:</b>			
Deposits:			
Noninterest-bearing	\$ 114,898	\$ 117,464	-2%
Interest-bearing	649,837	649,749	0%
Time deposits	439,378	418,343	5%
<b>Total deposits</b>	1,204,113	1,185,556	2%
Borrowings	96,186	71,477	35%
Other liabilities	20,903	13,197	58%
<b>Total liabilities</b>	1,321,202	1,270,230	4%
<b>Stockholders' Equity:</b>			
Common stock and surplus	16,840	16,840	0%
Retained earnings	113,223	113,784	0%
Accumulated other comprehensive income (loss)	(32,825)	(28,333)	16%
Treasury stock	(3,277)	(804)	308%
<b>Total stockholders' equity</b>	93,961	101,487	-7%
<b>Total liabilities and stockholders' equity</b>	<u>\$ 1,415,163</u>	<u>\$ 1,371,717</u>	<u>3%</u>

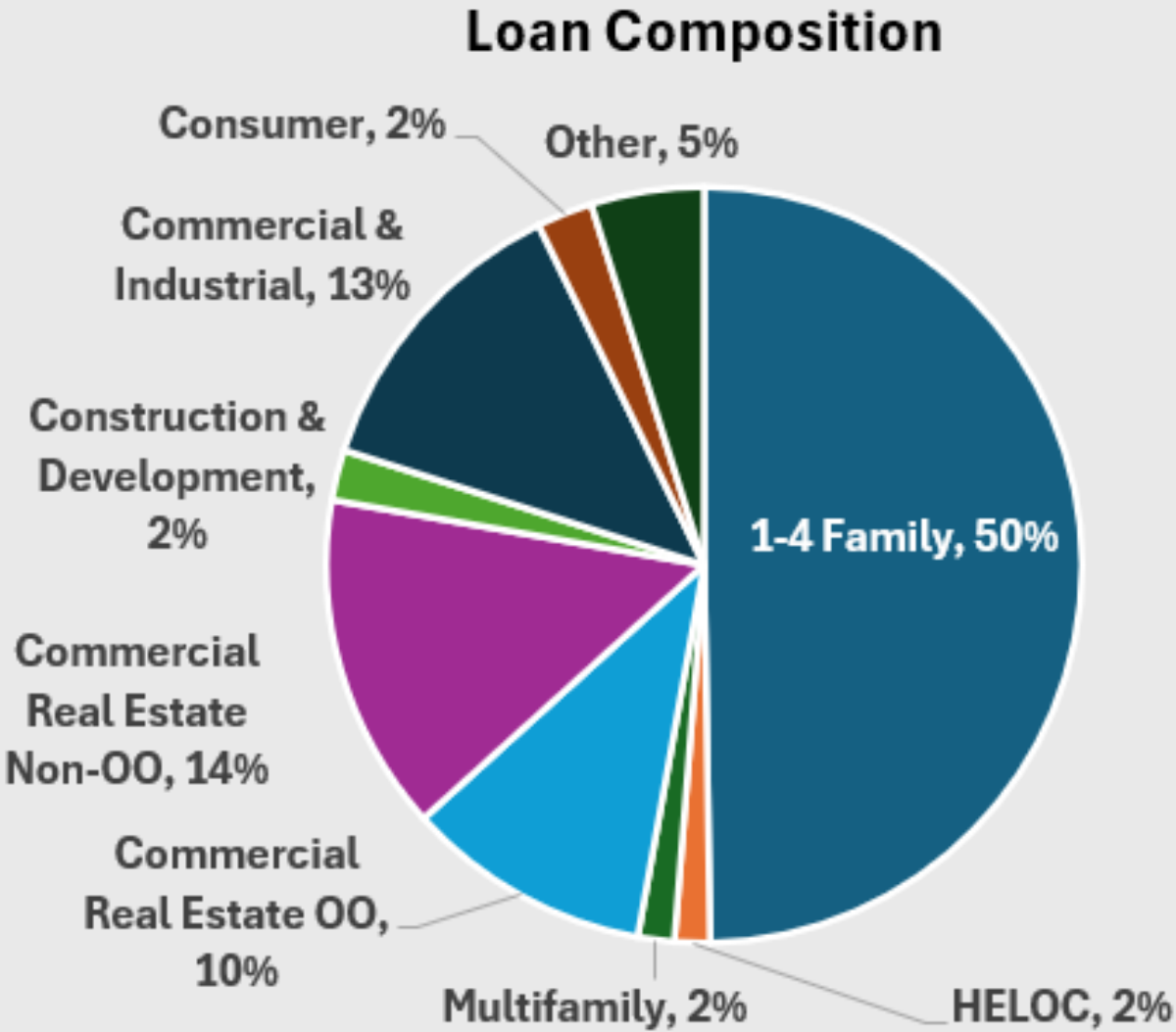
# EARNING ASSETS



Asset Class	Current Mix	Goal
Cash	1%	5%
Securities	41%	30%
Loans	58%	65%

Yields shown above are tax equivalent yields.

# LOAN PORTFOLIO



**66.17% FIXED RATE**  
**WTD AVG RATE 4.57%**

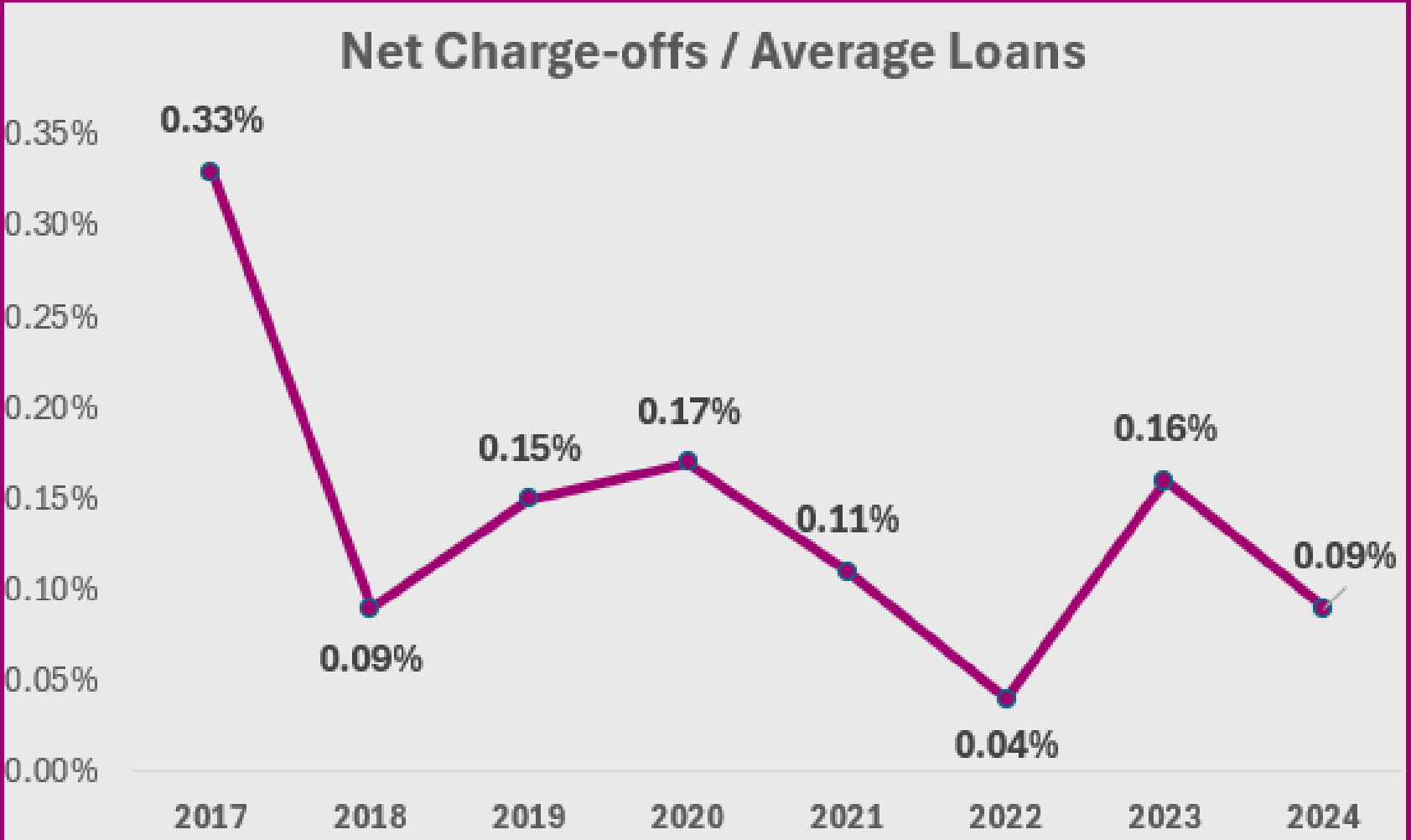
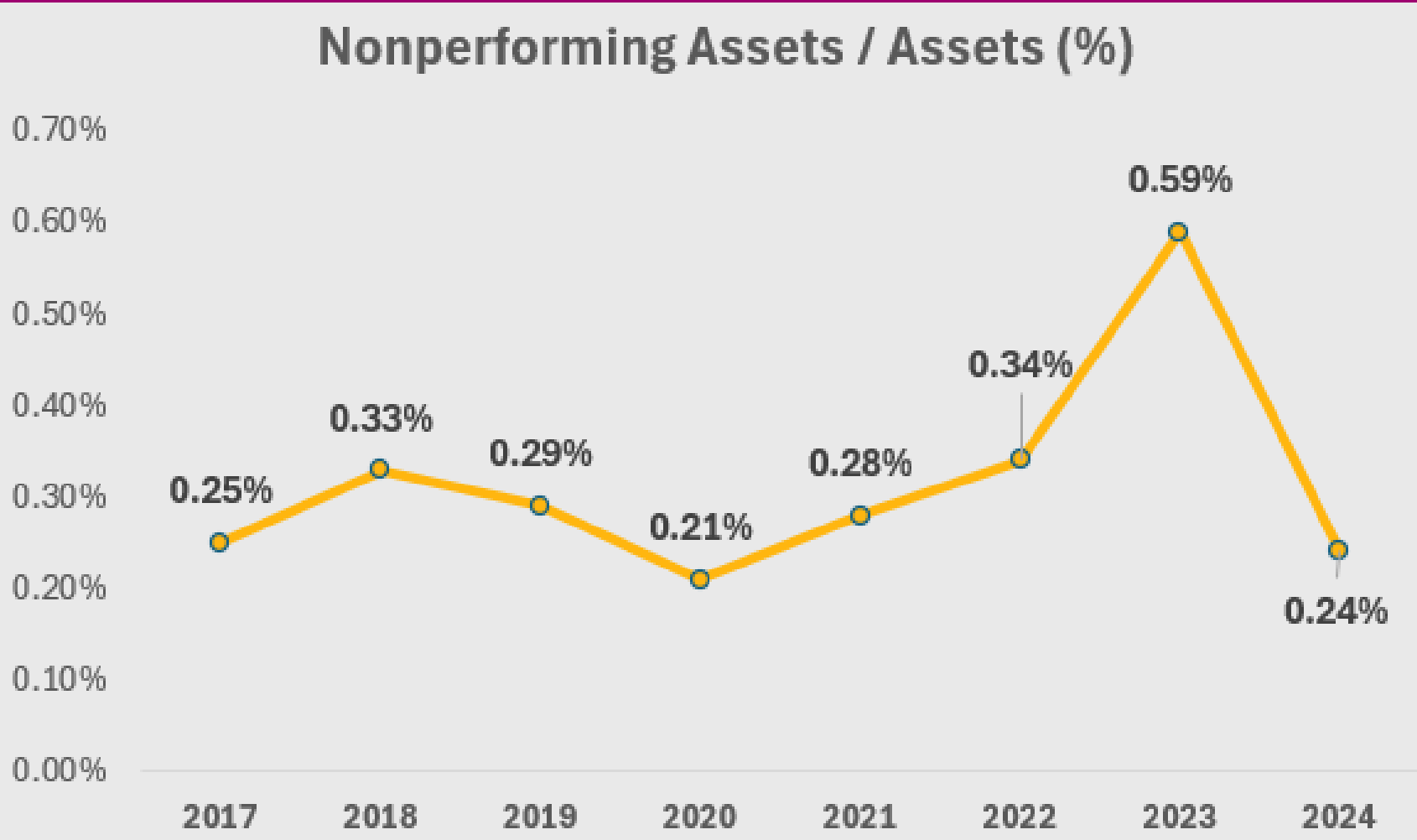
**33.83% VARIABLE RATE**  
**WTD AVG RATE 6.32%**

Loan Type	Amount (\$ 000's)	% of Total Loans
1-4 Family	389,407	50%
HELOC	11,840	2%
Multifamily	12,168	2%
Commercial Real Estate OO	82,134	10%
Commercial Real Estate Non-OO	113,091	14%
Construction & Development	16,877	2%
Commercial & Industrial	100,775	13%
Consumer	18,696	2%
Other	37,780	5%
Total Loans	782,768	

Loan Segment	Weighted Average Rate
Commercial and Industrial	5.61%
CRE - All Other	5.69%
CRE - NOO	5.69%
Residential Mortgage	4.53%
Construction	6.90%
Consumer	8.05%

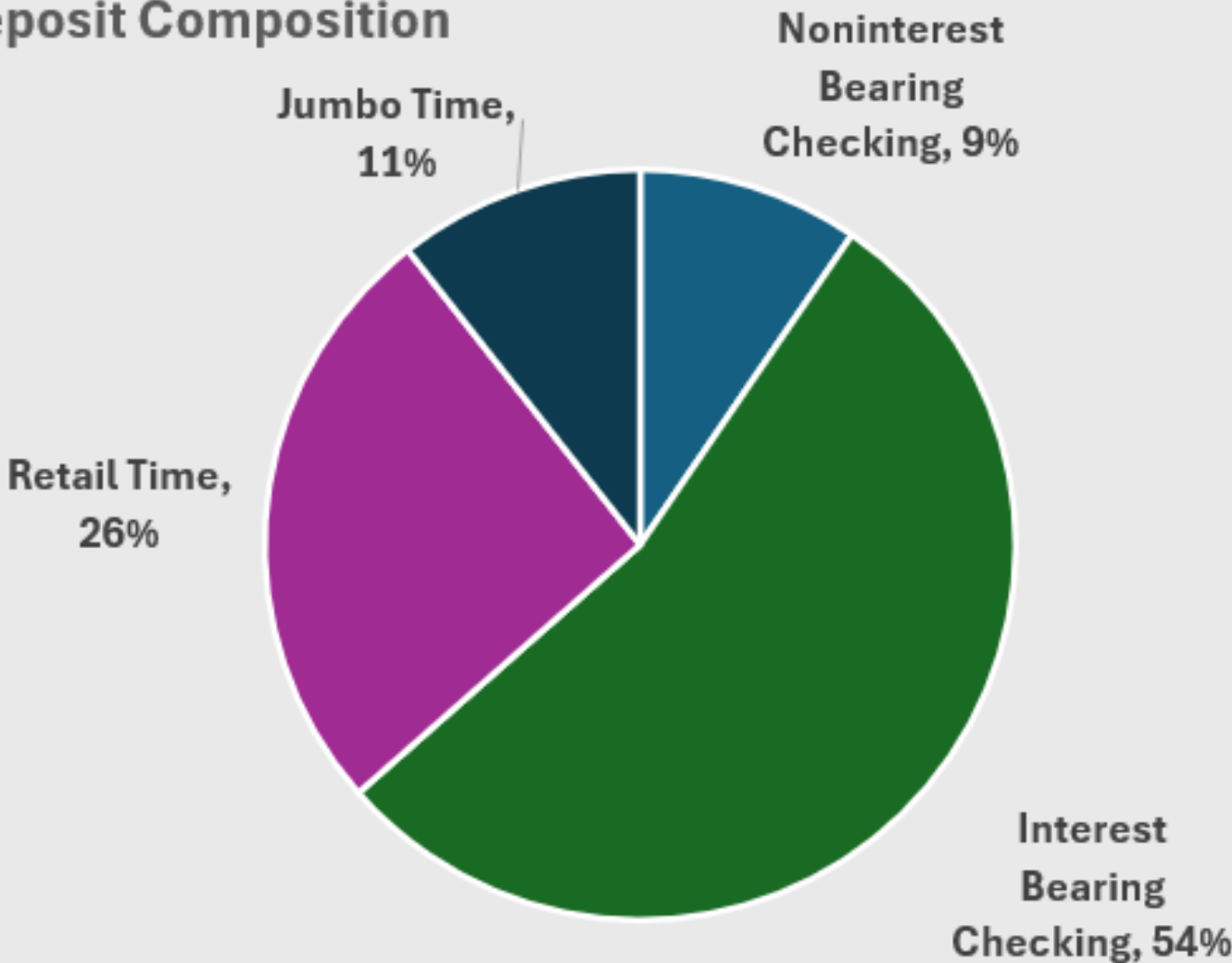


# CREDIT QUALITY

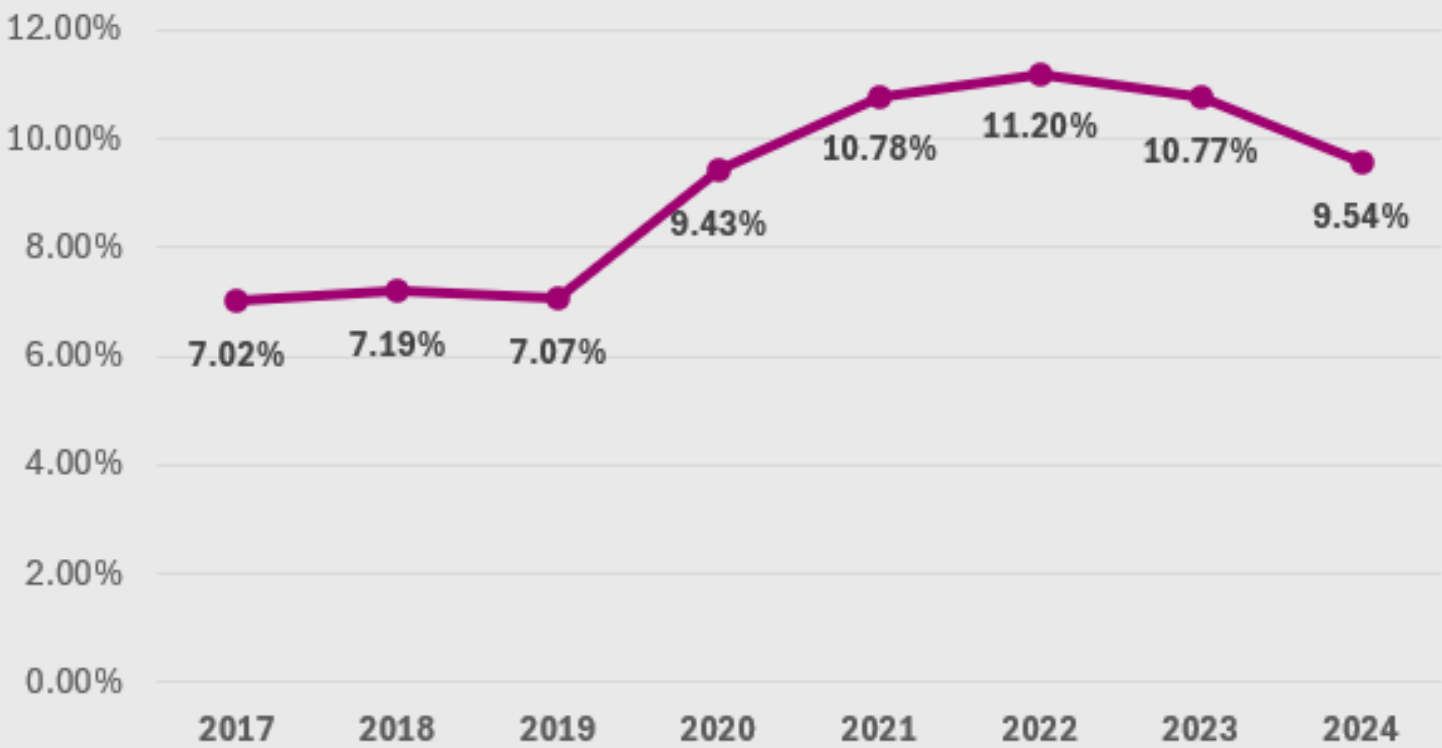


# DEPOSITS

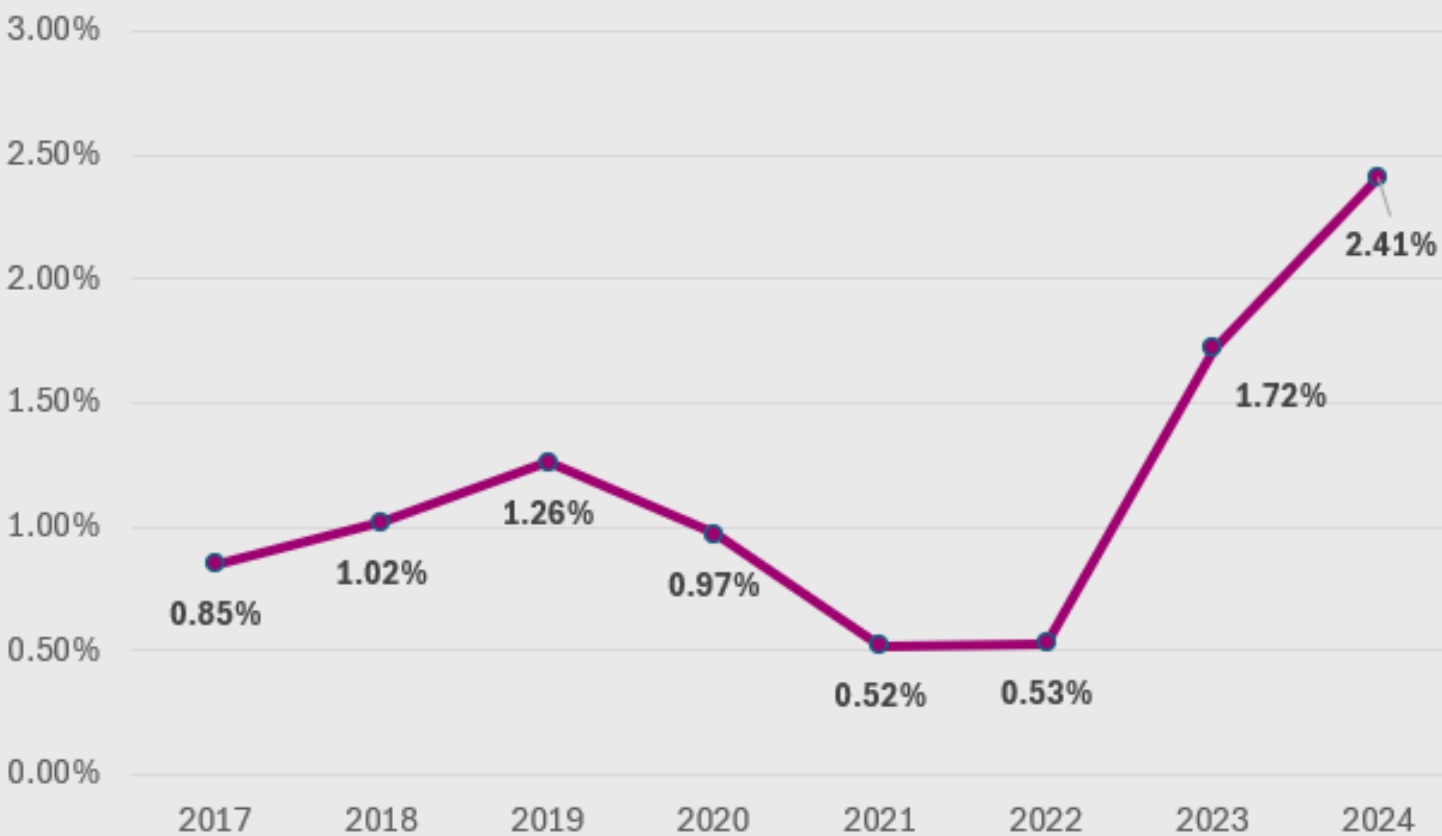
Deposit Composition



Noninterest Bearing Deposits / Deposits (%)

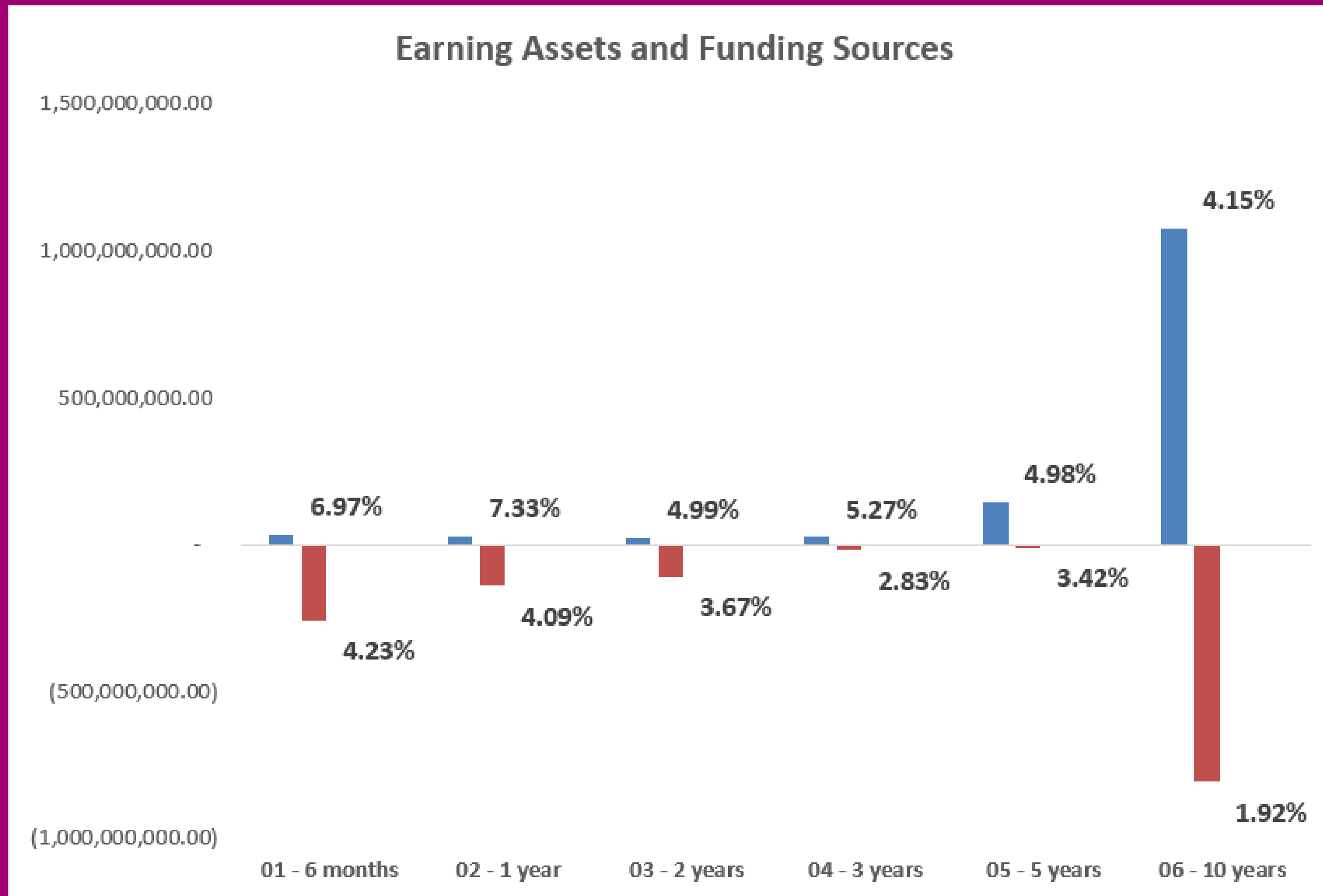


Cost of Deposits



Deposit Type	Amount (\$ 000's)	% of Total Deposits
Noninterest Bearing Checking	114,898	10%
Interest Bearing Checking	649,837	54%
Retail Time	311,456	26%
Jumbo Time	127,922	11%
Total Deposits	1,204,113	

# DURATION SUMMARY





# BALANCE SHEET MIX GOAL

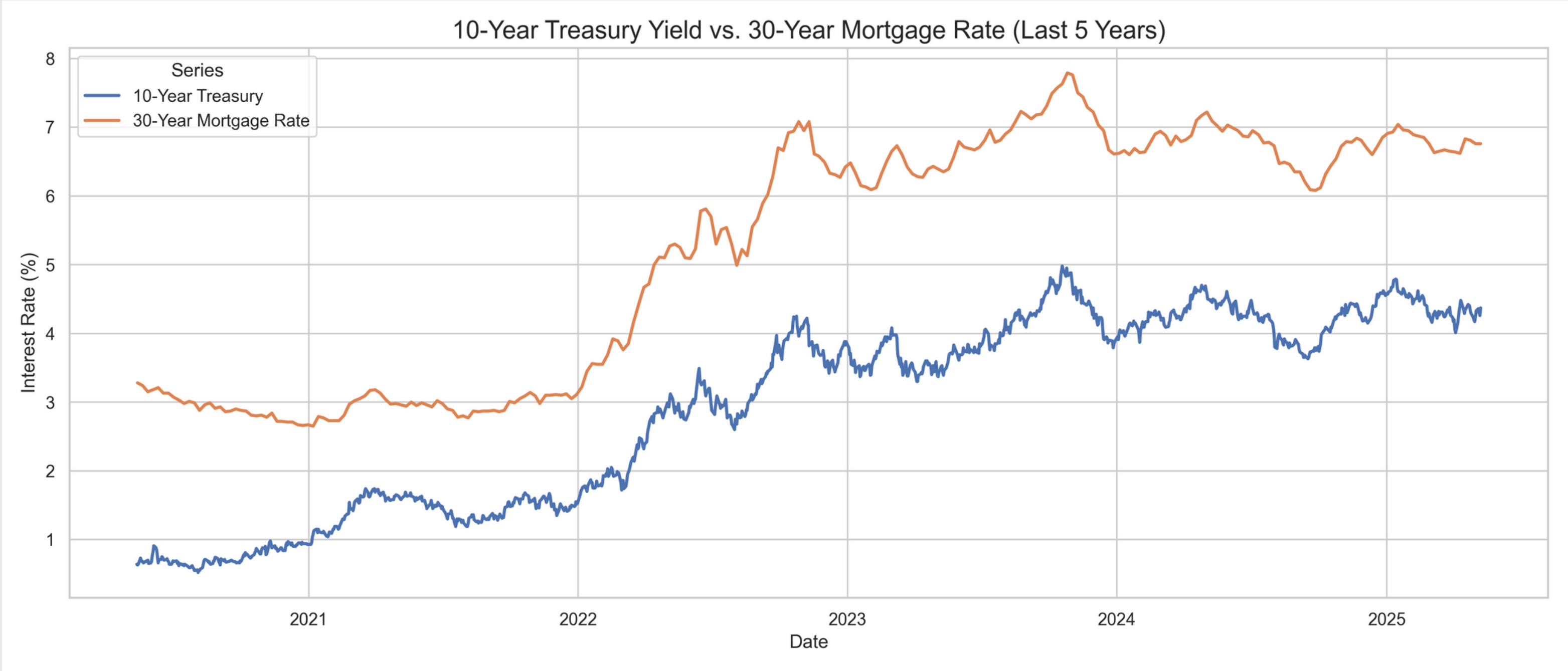
## Five Year Strategic Goal

- Achieve and maintain loan to deposit ratio of 85%
- Expand earning assets by \$350 million
- Expand net interest margin by 40 basis points
- Achieve target mix of Commercial Real Estate, Commercial and Industrial Loans and Mortgage Loans

# FOCUS ON COMMERCIAL AND INDUSTRIAL LOANS

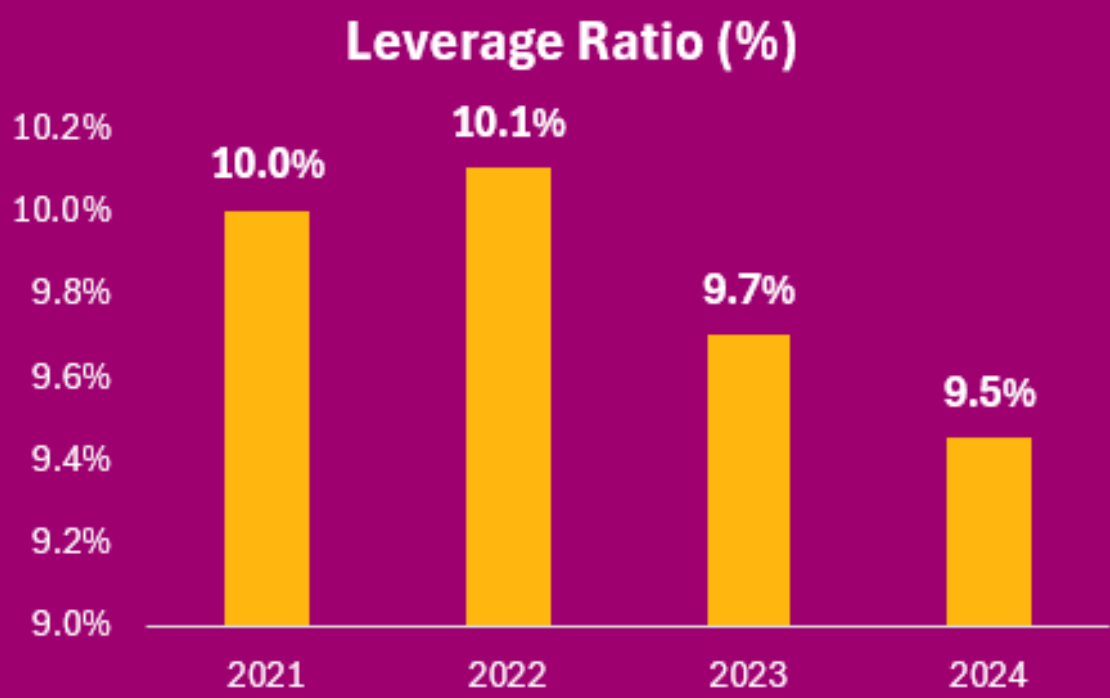
- Management will focus on increasing the commercial and industrial loan portfolio during 2025 and beyond.
  - These business loans typically provide deposits in the form of operating and payroll transaction accounts.
  - Three to five year duration assists with balancing the overall duration of earning assets.
  - Relationships provide the opportunity to expand treasury management services and increase non-interest income

# COMMITMENT TO MORTGAGE PRODUCTION





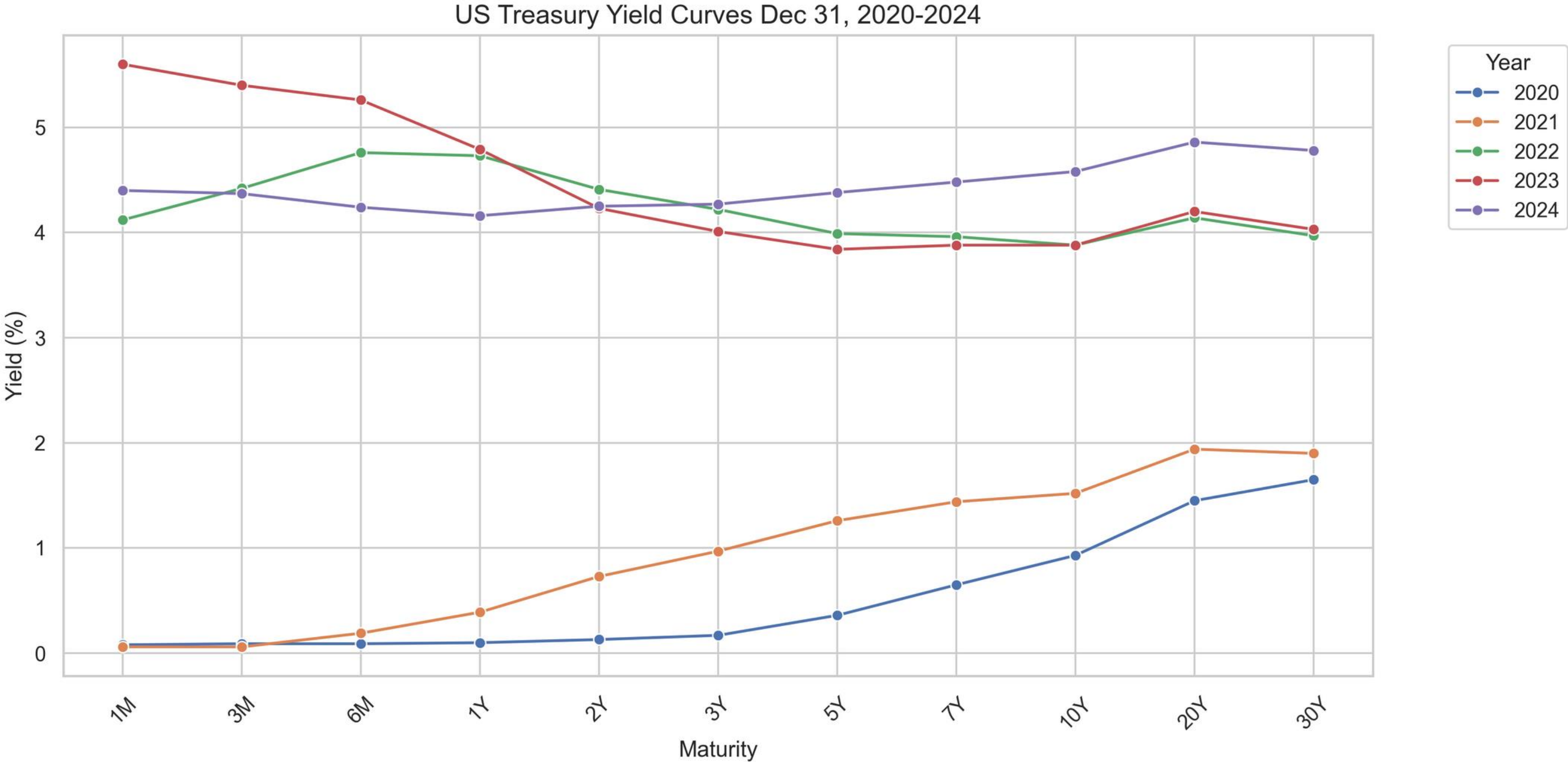
# CAPITAL CONSIDERATIONS



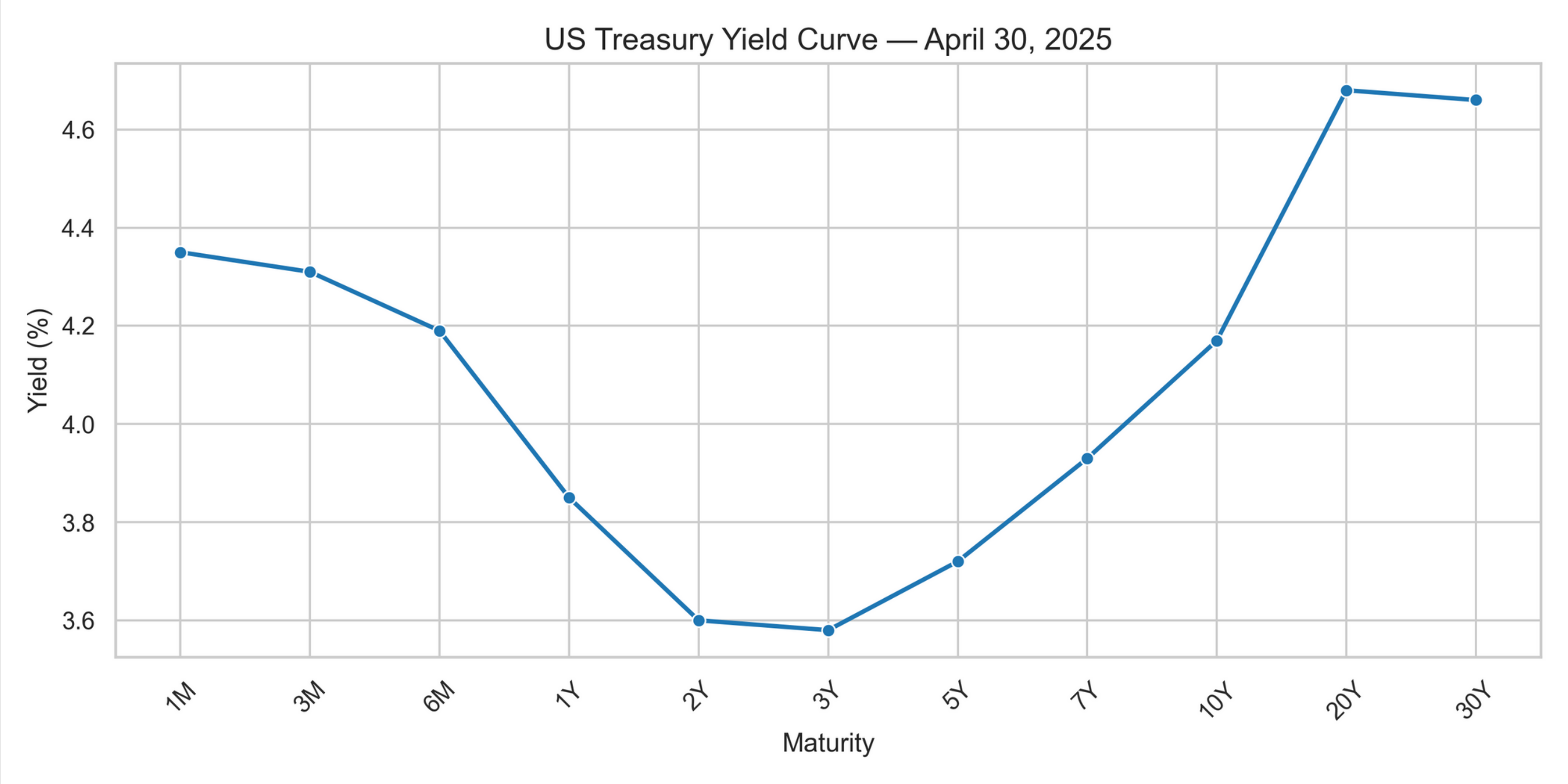
# STATE OF THE ECONOMY

- Overall economy has been healthy and resilient through 2024.
  - Unemployment remains low despite early signs of labor market weakness.
  - GDP growth has been moderate with early signs of recession not materializing
  - Inflation has remained slightly above 2% Fed target and wage growth has been slightly above inflation.
- Uncertainty regarding the effect of higher interest rates for longer and the impact of a foreign trade war may cause economic distress during 2025.

# HISTORICAL YIELD CURVE SHIFTS



# CURRENT YIELD CURVE





# STRATEGIC INITIATIVES

## CUSTOMER FOCUS

- Increase engagement with customers to improve service
- Decrease processing times on account opening and loan origination
- Improve product offerings and ensure customers have access to the latest tools and services

## TECHNOLOGY

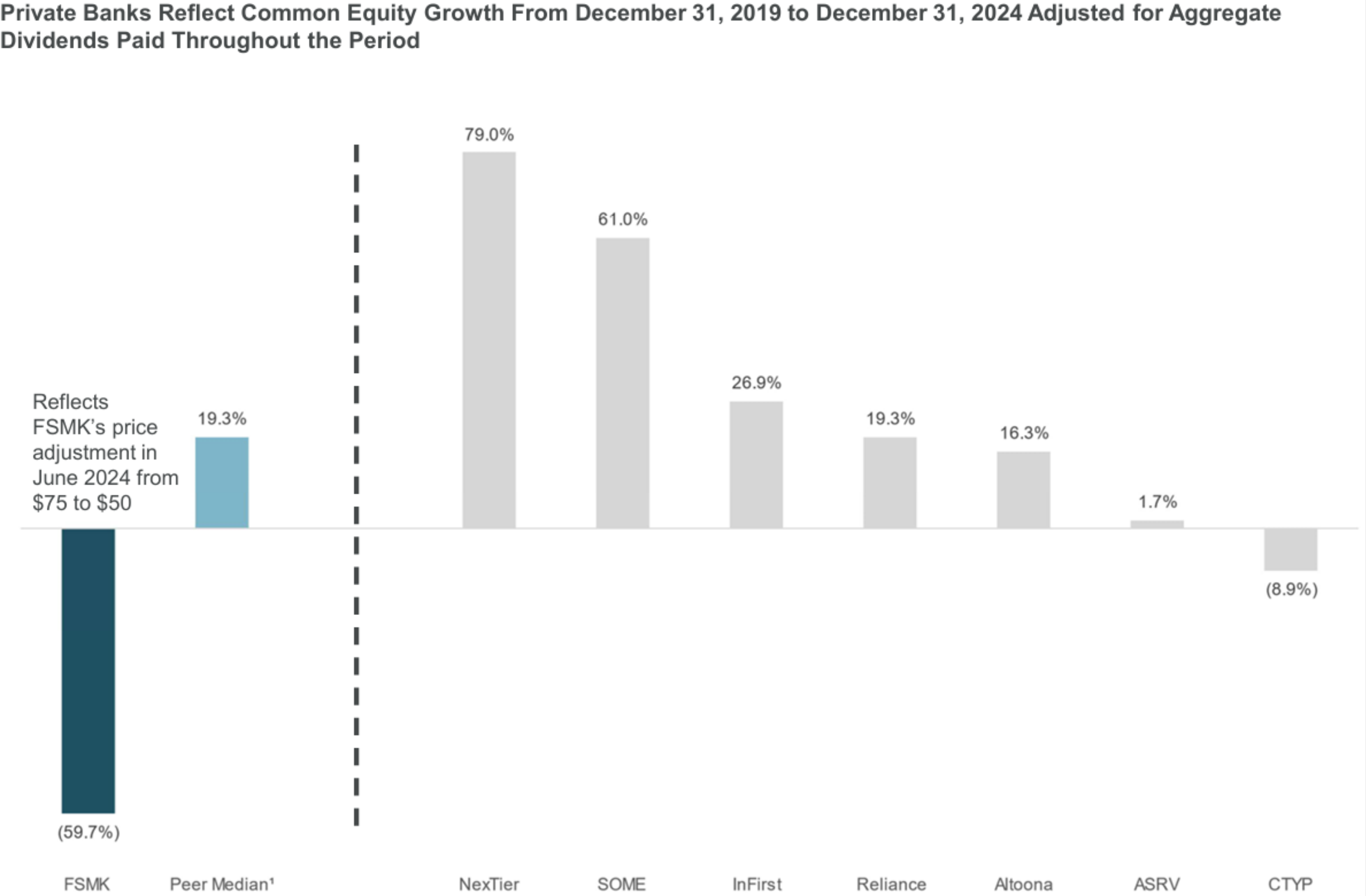
- Identify cost effective tools and software to reduce back-office costs
- Automate low-value tasks and re-focus effort on higher value activities
- Improve Treasury Management offerings for business customers

## AGILE FINANCIAL FRAMEWORK

- Initiate real-time analytics to monitor markets and opportunities
- Partner with vendors to quickly deploy financial strategies as market shifts occur
- Improve communication throughout the Bank to ensure initiatives are executed across functions



# COMPARING SHAREHOLDER RETURNS



1) Peer Median reflects the median return of all FSMK peers shown  
Note: Market data as of April 22, 2025; Private bank returns reflect common equity growth between December 31, 2019 and December 31, 2024 including aggregate dividends paid during the period  
Source: S&P Capital IQ Pro

# IMPROVING VALUE

- Management is considering multiple methods to return shareholder value to levels comparable to peers.
  - Sale of bonds or loans and utilize proceeds to repurchase stock.
  - Increase dividends
  - Stock appreciation as financial results improve
- A combination of all three methods will likely be implemented to improve shareholder value in 2025 and beyond.

# STOCK VALUATION AND MARKET PRICE

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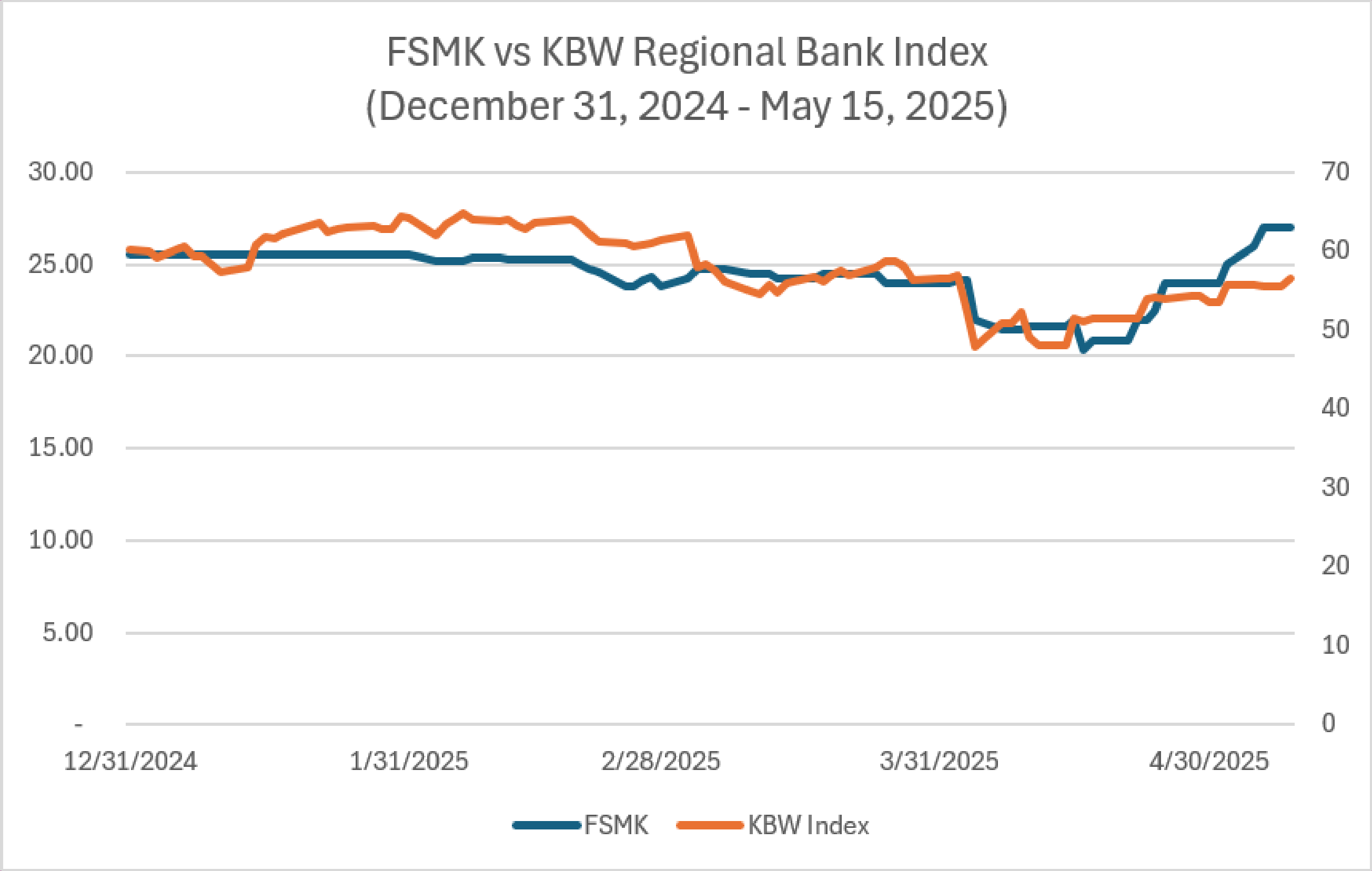
## Business Valuation Price Per Share

- Value is derived from a business valuation expert.
- Relies upon significant market assumptions and proprietary management forecasts.
- Value approximates what a market participant would be willing to pay for the Company as a whole.

## Market Value Per Share

- Value is derived from market trades in an accessible market.
- Often relies upon broad index and industry trends and any analyst models using non-proprietary forecasts.
- Value approximates the rights and privileges of owning a single share including dividends.

# RECENT STOCK PERFORMANCE





# CLOSING REMARKS

- Management is committed to increasing shareholder value through a combination of improved financial results, continued dividend payments, and potential expansion of stock buy-backs.
- Capital levels and credit quality provide a strong foundation for future growth as further shifts in interest rates present opportunities
- Re-balancing the mix of earning assets and funding duration will ensure that the Bank is positioned as slightly asset sensitive to neutral on an ongoing basis

# QUESTIONS

**THANK YOU**