



## **NEWS RELEASE**

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Elmira, New York, October 20, 2021 --- Elmira Savings Bank (NASDAQ:ESBK)

### **Elmira Savings Bank Reports Third Quarter Earnings**

#### **Highlights**

- Net income was \$1,511,000 and \$4,117,000 for the three and nine months ended September 30, 2021 compared to \$948,000 and \$2,875,000 for the same periods in 2020.
- Diluted earnings per share were \$.43 per share and \$1.17 per share for the three and nine months ended September 30, 2021 compared to \$.27 per share and \$.82 per share for the same periods in 2020.
- Return on average assets was .92% and .85% for the three and nine months ended September 30, 2021 compared to .55% and .60% for the three and nine months ended September 30, 2020.
- Return on average equity was 9.49% and 8.83% for the three and nine months ended September 30, 2021 compared to 6.27% and 6.44% for the same periods in 2020.

"We are pleased with the improvement in core earnings and asset quality," said Thomas M Carr, President and CEO. Carr continued, "We are focused on serving our customers and anticipate a successful transition to Community Bank, N.A. during the first quarter of 2022."

#### **Net Income**

Net income totaled \$4,117,000 for the nine months ended September 30, 2021, an increase of \$1,242,000 or 43% from the \$2,875,000 of net income recorded for the same period in 2020. This increase was the net result of an increase in noninterest income of \$121,000, an increase in net interest income of \$1,299,000, and a decrease in the provision for loan losses of \$925,000, offset by an increase in noninterest expense of \$590,000 and an increase in tax expense of \$513,000.

Net income totaled \$1,511,000 for the three months ended September 30, 2021, an increase of \$563,000 or 59% from the \$948,000 recorded for the same period in 2020. This increase was the net result of an increase in net interest income of \$856,000 and a decrease in the provision for loan losses of \$450,000, offset by an increase in noninterest expense of \$152,000, a decrease in noninterest income of \$364,000, and an increase in tax expense of \$227,000.

Basic and diluted earnings per share for the nine months ended September 30, 2021 were both \$1.17 per share compared to \$.82 per share for both for the same period in 2020. Basic and diluted earnings per share for the three months ended September 30, 2021 were both \$.43 per share compared to \$.27 per share for both for the same period in 2020.

#### **Net Interest Margin**

The net interest margin for the nine months ended September 30, 2021 was 3.62% compared to 2.98% for the same period in 2020. The yield on average earning assets was 4.20% for the nine months

ended September 30, 2021 compared to 4.13% for the same period in 2020. The average cost of interest-bearing liabilities was 0.62% for the nine months ended September 30, 2021 compared to 1.32% for the same period in 2020.

The net interest margin for the three months ended September 30, 2021 was 3.81% compared to 2.81% for the same period in 2020. The average yield on earning assets was 4.24% for the three months ended September 30, 2021 compared to 3.91% for the same period in 2020. The average cost of interest-bearing liabilities was 0.46% for the three months ended September 30, 2021 compared to 1.20% for the same period in 2020.

### **Assets**

Total assets decreased \$991,000 or 0.2% to \$643.6 million at September 30, 2021 compared to \$644.6 million at December 31, 2020. Loans, including loans held for sale, decreased 4.4% to \$467.6 million at September 30, 2021 compared to December 31, 2020. The available-for-sale investment portfolio decreased \$1.5 million from December 31, 2020 to September 30, 2021. Total cash and cash equivalents were \$111.6 million at September 30, 2021, an increase of \$22.4 million from December 31, 2020 when cash totaled \$89.2 million.

### **Nonperforming Loans**

Our nonperforming loans to total loans ratio was 0.70% at September 30, 2021 and 1.07% at December 31, 2020. Net loan charge-offs to average loans for the nine months ended September 30, 2021 was 0.08% compared to 0.06% for the nine months ended September 30, 2020. The allowance for loan losses was 1.21% of total loans at September 30, 2021 and 1.19% of total loans at December 31, 2020.

### **Liabilities**

Deposits total \$544.8 million at September 30, 2021, a decrease of \$2.3 million or 0.4% from the December 31, 2020 total of \$547.0 million. Borrowed funds totaled \$24.0 million as of September 30, 2021, a decrease of \$5.0 million from December 31, 2020 when borrowed funds totaled \$29.0 million.

### **Shareholders' Equity**

Shareholders' equity increased \$2,635,000 to \$63.4 million at September 30, 2021 compared to December 31, 2020. The current level of shareholders' equity equates to a book value per share of \$17.86 at September 30, 2021, compared to \$17.23 at December 31, 2020. Dividends paid for common shareholders were \$0.15 and \$0.45 for the three and nine months ended September 30, 2021 and \$0.15 and \$0.53 for the three and nine months ended September 30, 2020.

Elmira Savings Bank, with \$643.6 million in total assets, is insured by the Federal Deposit Insurance Corporation (FDIC) and is a state-chartered bank with five offices in Chemung County, NY; three offices in Tompkins County, NY; two offices in Steuben County, NY; one office in Cayuga County, NY; one office in Schuyler County; and a loan center in Broome County, NY.

Except for the historical information contained herein, the matters discussed in this news release are forward looking statements that involve the risks and uncertainties, including the timely availability and acceptance of Bank products, the impact of competitive products and pricing, the management of growth, and other risks detailed from time to time in the Bank's regulatory reports.