

Bank of Bird-in-Hand Announces New Branch, Special Cash Dividend, and Future Capital Offering

Highlights:

- **New Ephrata Branch Expected to Open on July 19, 2021.**
- **Special Cash Dividend of \$0.22 Per Share Declared, Payable September 1, 2021.**
- **Capital Offering Expected to Commence in September 2021.**

July 08, 2021 09:00 AM Eastern Daylight Time

BIRD-IN-HAND, Pa.--([BUSINESS WIRE](#))--Bank of Bird-in-Hand (the “Bank”) announced that its latest brick-and-mortar branch located at 1795 W. Main Street, Ephrata, PA is expected to open on July 19, 2021. The Ephrata Branch will be the Bank’s fourth traditional branch office. In addition, the Bank also operates three mobile bank branches serving 16 locations in Lancaster and Chester Counties.

Further, the Bank reported that on June 23, 2021 the Board of Directors of the Bank declared a special cash dividend of \$0.22 per share of common stock to shareholders of record as of August 13, 2021, and payable on September 1, 2021.

Finally, the Bank revealed that it intends to undertake a common stock offering commencing in September 2021 to further support the Bank’s continuing growth and to avail itself of market opportunities. The currently expected range of the offering is anticipated to be between \$15 million and \$25 million in the aggregate. The offering price per share is expected to be finalized in late August and is currently expected to be in a range of \$22.00 to \$25.00 per share. Offering terms are expected to be finalized in late August or early September.

“We are excited to be able to simultaneously announce the special cash dividend and the upcoming capital raise,” remarked Lori A. Maley, CPA, President and Chief Executive Officer and Vice Chairman of the Bank. “In addition, our strong overall growth and mounting demand in the Ephrata market warrants opening a traditional branch in the community. It will help us meet the growing needs of our current customers and provide a convenient platform to add new customers.”

“Furthermore, our remarkable and outstanding financial performance since our founding in December of 2013 provides us the opportunity to declare a special cash dividend. This dividend is a reward to our loyal shareholders based upon the continued growth and profitability of the Bank that reinforces our goal of creating long-term shareholder value through responsible capital allocation. This special cash dividend would not be possible without the steadfast support of our shareholders and the hard work and dedication of all our employees and the Board of Directors,” Ms. Maley continued.

Kevin J. McClarigan, Chairman of the Board, noted that “Over the past seven years, our Bank has consistently achieved above peer organic growth which the Board of Directors believes warrants us to raise capital to plan for additional future growth. The additional capital will help the Bank maintain a strong foundation on which to grow and provide the resources needed to meet the long-term goals of the Bank which include, among other things, further loan growth and

additional unidentified fixed and mobile branch locations.” He added, “The entire Board of Directors is very pleased and excited by the community’s continued support of the Bank, its mission, our past capital raises, and our unique business model. We are committed to build upon that success and raising additional capital will help us continue to grow and better serve the community.”

Bybel Rutledge LLP, Lemoyne, Pennsylvania is serving as legal counsel to Bank of Bird-in-Hand in connection with the stock offering.

THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE COMMON STOCK. THE OFFERING IS BEING MADE ONLY BY THE WRITTEN OFFERING CIRCULAR WHEN AVAILABLE.

About Bank of Bird-in-Hand

Bank of Bird-in-Hand is a community-owned bank serving Lancaster County and western Chester County with a strong focus on agricultural, small business, and consumer lending. Its main branch and office is located at 309 North Ronks Road, Bird-in-Hand, PA 17505. It operates additional branches at 3540 Old Philadelphia Pike, Intercourse, PA 17534 and 3314 Lincoln Highway East, Paradise, PA 17562. The Bank also operates three mobile bank branches called the GELT or Money Buses which have a schedule of hours of operation at 16 locations in Lancaster and Chester Counties.

As of June 30, 2021, Bank of Bird-in-Hand had total assets of approximately \$665 million, total deposits of approximately \$555 million, total net loans of approximately \$584 million, and total shareholders’ equity of approximately \$80 million.

A Warning About Forward-Looking Statements

In addition to historical information, this document may contain forward-looking statements. Examples of forward-looking statements include, but are not limited to, (a) projections or statements regarding future earnings, expenses, net interest income, other income, earnings or loss per share, asset mix and quality, growth prospects, capital structure, and other financial terms, (b) statements of plans and objectives of management or the Board of Directors, and (c) statements of assumptions, such as economic conditions in the Bank’s market areas. Such forward-looking statements can be identified by the use of forward-looking terminology such as “believes,” “expects,” “may,” “intends,” “will,” “should,” “anticipates,” or the negative of any of the foregoing or other variations thereon or comparable terminology, or by discussion of strategy. Forward-looking statements are subject to certain risks and uncertainties such as local economic conditions, competitive factors, and regulatory limitations. Actual results may differ materially from those projected in the forward-looking statements. We caution readers not to place undue reliance on these forward-looking statements. They only reflect management’s analysis as of this date. Such risks, uncertainties and other factors that could cause actual results and experience to differ from those projected include, but are not limited to, the following: the effects of economic conditions particularly with regard to the negative impact of severe, wide-ranging and ongoing disruptions caused by the spread of and governmental responses to the coronavirus disease (COVID-19) on current operations and customers, specifically the effect of the economy on loan customers’ ability to repay loans; the effects of new laws and regulations, including the impact of the Tax Cut and Jobs Act and Dodd-Frank Wall Street Reform and Consumer Protection Act; effects of short- and long-term federal budget and tax negotiations and their effect on economic and business conditions; the effect of changes in

accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Financial Accounting Standards Board and other accounting standard setters; the effects of competition from other commercial banks, thrifts, mortgage banking firms, consumer finance companies, credit unions, securities brokerage firms, insurance companies, money market and other mutual funds and other financial institutions operating in our market area and elsewhere, including institutions operating locally, regionally, nationally and internationally, together with such competitors offering banking products and services by mail, telephone, computer and the internet; technological changes; the interruption or breach in security of our information systems and other technological risks and attacks resulting in failures or disruptions in customer account management, general ledger processing and loan or deposit updates and potential impacts resulting therefrom including additional costs, reputational damage, regulatory penalties, and financial losses; ineffectiveness of the business strategy due to changes in current or future market conditions; the effects of competition, and of changes in laws and regulations on competition, including industry consolidation and development of competing financial products and services; interest rate movements; difficulties in integrating distinct business operations, including information technology difficulties; disruption related to the processing of transactions, making it more difficult to maintain relationships with customers and employees, and challenges in establishing and maintaining operations in new markets; volatilities in the securities markets; slow economic conditions; and acts of war or terrorism. The Bank does not revise or update these forward-looking statements to reflect events or changed circumstances.

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Release Summary

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