



**Quarterly Report  
Second Quarter 2019**

Dear Shareholders and Friends:

Bank of Bird-in-Hand continued to grow and prosper during the second quarter and the first 6 months of 2019. Please see highlights below:

- Net income for the second quarter of 2019 was \$820 thousand and \$1.79 million for the 6 months ended June 30, 2019
- Net income grew 32.69% over the quarter ended June 30, 2018 and 48.63% over the 6 months ended June 30, 2018
- Total interest income grew 51.30% over the quarter ended June 30, 2018 and 56.00% over the 6 months ended June 30, 2018
- Total net loans grew \$41.2 million, or 13.25%, to a total of \$352.3 million at June 30, 2019 compared to December 31, 2018
- Total deposits grew \$83.0 million, or 29.07%, to a total of \$368.3 million at June 30, 2019 compared to December 31, 2018
- Savings deposits increased \$49.7 million, or 531.07% during the first 6 months of 2019

Please visit [www.bihbank.com](http://www.bihbank.com) under the Investor Relations tab to review prior year financial statements and for other shareholder information. The market value of our Common Stock was \$15/share per the last trade.

In March, the Bank announced that it was selected to participate as a member of the FDIC Advisory Committee on Community Banking in Washington, D.C. This Committee reports to the Chairman of the Board of Directors at the FDIC. The Bank is one of 16 banks selected from approximately 5,400 banks around the country. This Committee provides the FDIC with advice and guidance on a broad range of important policy issues impacting small community banks throughout the country, as well as the local communities they serve, with a focus on rural areas. The Committee is slated to meet three times during 2019 at the FDIC headquarters in Washington, D.C. This is an honor for the Bank to represent community banks not only from Pennsylvania, but also throughout the country.

In April, the Bank was recognized for a third time as one of the top 200 Healthiest Banks in the United States by **DepositAccounts.com**. The Bank was ranked 11<sup>th</sup> on their 2019 list and was one of only three Pennsylvania banks to appear on the 2019 list. Each year the survey evaluates the financial health of over 10,000 banks and credit unions in the United States and has been tracking healthy institutions since 2010.

On June 3, the Bank opened its newest location at 3314 Lincoln Highway East in Paradise. This full service branch is approximately 500 square feet, with two drive-up lanes, a walk-up window and an ATM that accepts deposits.

On June 24, the Bank hosted over 1,500 customers and shareholders at its 3<sup>rd</sup> Annual Customer Appreciation picnic. This event has been an excellent opportunity for the Bank to show its appreciation to our customers and shareholders. Please mark your calendar for next year's picnic – June 22, 2020.

We continue to listen to our customers to determine what banking products they would like to have. If you have any suggestions or questions about the Bank, please feel free to contact us at 717-768-8811.

Sincerely,

Lori Maley, CPA, *President and CEO*

#### MISSION STATEMENT

*To cultivate lasting customer relationships  
by providing quality banking services with  
integrity in the markets we serve.*



#### Our Lenders

*From left: Megan Livengood, Dale Peifer, Daria Kreider,  
Bill O'Brien, Shawn Orndorff, Lori Marini, Tim Bender*

**Condensed Balance Sheet**  
June 30, 2019 and December 31, 2018

<i>In thousands</i>	Unaudited	Audited
	June 30, 2019	December 31, 2018
<b>Assets</b>		
Cash and cash equivalents	\$62,619	\$38,431
Loans receivable, net of allowance for loan losses of \$3,070 in 2019 and \$2,665 in 2018	352,331	311,097
Bank premises and equipment, net	1,613	1,378
Accrued interest receivable	1,189	975
Restricted investment in bank stock	236	991
Bank Owned Life Insurance	5,161	5,073
Other assets	309	285
<b>Total Assets</b>	<b>\$423,458</b>	<b>\$358,230</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Deposits</b>		
Non interest-bearing demand	\$38,004	\$33,137
Interest-bearing demand	183,275	155,567
Time deposits	147,063	96,674
<b>Total Deposits</b>	<b>368,342</b>	<b>285,378</b>
FHLB advances	—	20,000
Accrued interest payable	174	91
Other liabilities	790	627
<b>Total Liabilities</b>	<b>369,306</b>	<b>306,096</b>
<b>Shareholders' Equity</b>		
<b>Total Shareholders' Equity</b>	<b>54,152</b>	<b>52,134</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$423,458</b>	<b>\$358,230</b>

**Condensed Statement of Income**

<i>In thousands</i>	Unaudited Quarter Ended	Unaudited Quarter Ended	Unaudited 6 Months Ended	Unaudited 6 Months Ended
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
<b>Total Interest Income</b>	<b>\$4,468</b>	<b>\$2,953</b>	<b>\$8,558</b>	<b>\$5,486</b>
<b>Total Interest Expense</b>	<b>1,623</b>	<b>796</b>	<b>2,961</b>	<b>1,316</b>
<b>Net interest income</b>	<b>2,845</b>	<b>2,157</b>	<b>5,597</b>	<b>4,170</b>
<b>Provision for Loan Losses</b>	<b>208</b>	<b>150</b>	<b>404</b>	<b>305</b>
<b>Net interest income after provision for loan losses</b>	<b>2,637</b>	<b>2,007</b>	<b>5,193</b>	<b>3,865</b>
<b>Total Other Income</b>	<b>258</b>	<b>188</b>	<b>522</b>	<b>369</b>
<b>Total Non-Interest Expenses</b>	<b>1,841</b>	<b>1,286</b>	<b>3,396</b>	<b>2,468</b>
<b>Net income before income taxes</b>	<b>1,054</b>	<b>909</b>	<b>2,319</b>	<b>1,766</b>
<b>Income Taxes</b>	<b>234</b>	<b>291</b>	<b>525</b>	<b>559</b>
<b>Net Income</b>	<b>\$820</b>	<b>\$618</b>	<b>\$1,794</b>	<b>\$1,207</b>



**Visit Our Newest location in Paradise.**



**Our Locations**

<b>Bird-in-Hand</b>	<b>Intercourse</b>	<b>Paradise</b>
309 N Ronks Rd Bird-in-Hand, PA 17505	3540 Old Phila Pike PO BOX 516 Intercourse, PA 17534	3314 Lincoln Hwy E Paradise, PA 17562

 **Gelt Bus schedule on the back page for more locations near you**



**Quarterly  
Shareholder  
Update**

# The Gelt Bus Comes to You!



Bringing a full service banking branch close to where you work and live. Make deposits and withdrawals, open an account, use the ATM, and more!

MON	9a-12p	Honey Brook Hardware • 5004 Horseshoe Pike, Honey Brook
	1p-4p	Brandywine Shoe Shop • 1620 Cambridge Road, Honey Brook
TUES	9a-12p	Noble Road Milking • 1523 Kirkwood Pike, Kirkwood
	1p-4p	R.H. Rohrer and Sons • 16 E. State Street, Quarryville
WED	9a-2p	Sunrise Green House • 2319 Robert Fulton Hwy, Peach Bottom
THURS	9a-12p	Dutch-Way Family Restaurant • 365 Route 41, Gap
	1p-4p	Green Tree Hardware • 1342 Georgetown Rd, Quarryville
FRI	9a-12p	A.B. Martin Roofing Supply • 82 Garden Spot Rd, Ephrata
	1p-4p	Meadow Creek BBQ Store • 140 W Main Street, New Holland

## New Mobile App!

Access secure banking tools, check spending, transfer money, deposit checks, and more conveniently from your mobile phone or tablet.

