

# cb Financial Services, Inc.

Investor Presentation | January 2023



# Forward-Looking Statements and Non-GAAP Financial Measures



Statements contained in this investor presentation that are not historical facts may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995 and such forward-looking statements are subject to significant risks and uncertainties. The Company intends such forward-looking statements to be covered by the safe harbor provisions contained in the Act. The Company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on the operations and future prospects of the Company and its subsidiaries include, but are not limited to, general and local economic conditions, the scope and duration of economic contraction as a result of the COVID-19 pandemic and its effects on the Company's business and that of the Company's customers, changes in market interest rates, deposit flows, demand for loans, real estate values and competition, competitive products and pricing, the ability of our customers to make scheduled loan payments, loan delinquency rates and trends, our ability to manage the risks involved in our business, our ability to control costs and expenses, inflation, market and monetary fluctuations, changes in federal and state legislation and regulation applicable to our business, actions by our competitors, and other factors that may be disclosed in the Company's periodic reports as filed with the Securities and Exchange Commission. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. The Company assumes no obligation to update any forward-looking statements except as may be required by applicable law or regulation.

## **Explanation of Use of Non-GAAP Financial Measures**

In addition to financial measures presented in accordance with generally accepted accounting principles ("GAAP"), we use, and this investor presentation contains or references, certain non-GAAP financial measures. We believe these non-GAAP financial measures provide useful information in understanding our underlying results of operations or financial position and our business and performance trends as they facilitate comparisons with the performance of other companies in the financial services industry. Non-GAAP adjusted items impacting the Company's financial performance are identified to assist investors in providing a complete understanding of factors and trends affecting the Company's business and in analyzing the Company's operating results on the same basis as that applied by management. Although we believe that these non-GAAP financial measures enhance the understanding of our business and performance, they should not be considered an alternative to GAAP or considered to be more important than financial results determined in accordance with GAAP, nor are they necessarily comparable with non-GAAP measures which may be presented by other companies. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found herein.



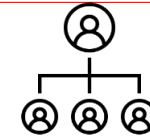
“We partner with individuals, businesses and communities to realize their dreams, protect their financial futures and improve their lives,”

# Investment Summary



## Market Presence with Brand Recognition

Serving Stable Southwestern PA & Ohio River Valley markets



## Seasoned Executive Leadership

Proven experience through all economic cycles



## Rewarding Shareholders

Stable quarterly dividend and active share repurchase program



## Investing for Growth

Adding new talent, tech upgrades and investing in process improvement



## Deploying Technology to Enhance Client Experience

Continuing to invest with a tech-forward and people-centric approach



## ★ Headquartered in Southwestern, Pennsylvania

Founded in 1901

Community Bank (the "Bank"), the wholly-owned subsidiary of CB Financial Services, Inc. operates ten offices providing a wide range of banking services in Greene, Allegheny, Washington, Fayette, and Westmoreland Counties in southwestern Pennsylvania, and three offices in Marshall and Ohio Counties in West Virginia. In addition, the Bank provides personal and commercial insurance products through its Exchange Underwriters subsidiary which is based in the Bank's headquarters in Washington, PA.



### Financial Overview<sup>(1)</sup>

|          |                       |
|----------|-----------------------|
| Assets   | <b>\$1.41 billion</b> |
| Loans    | <b>\$1.05 billion</b> |
| Deposits | <b>\$1.27 billion</b> |

(1) Data is as of December 31, 2022

# Share / Trading Information

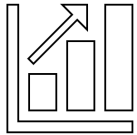


|  |          |
|--|----------|
| <b>CBFV Share Price</b>                                    | \$21.57  |
| <b>Shares Outstanding</b>                                  | 5.1M     |
| <b>Public Float</b>  | 4.6M     |
| <b>Market Cap</b>  | 109.8M   |
| <b>Total Stockholders' Equity</b>                          | \$110.2M |
| <b>Book Value per Common Share</b>                         | \$21.60  |
| <b>Tangible Book Value per Common Share <sup>(1)</sup></b> | \$19.00  |
| <b>Price to Book Value</b>                                 | 0.99x    |
| <b>Price to Tangible Book Value <sup>(1)</sup></b>         | 1.13x    |
| <b>P/E LTM (LTM EPS of \$2.18)</b>                         | 9.89x    |
| <b>P/E LTM (LTM Adjusted EPS of \$2.14) <sup>(1)</sup></b> | 10.08x   |

◦ All daily trading information/multiples as of January 23, 2023

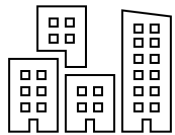
◦ All other financial information as of December 31, 2022

(1) Refer to Non-GAAP Financial Measures in the Appendix for the calculation of the measure and reconciliation to the most comparable GAAP measure.



## Commercial Banking

- Well-positioned to serve the needs of small and medium-sized businesses across our footprint
- Growing presence within the Pittsburgh MSA
- Strong asset quality



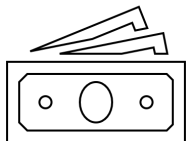
## Retail Banking

- Branch optimization completed in 2021
- Currently operating in Southwestern PA and Ohio River Valley
- Ongoing investment in technology and physical infrastructure



## Mortgage Banking

- Active mortgage origination platform with dedicated mortgage originators
- Low volatility housing market
- Expanding mortgage banking platform into legacy markets



## Insurance Brokerage

- Provides relatively uncorrelated source of revenues
- Complementary to commercial and retail banking business



*Expectations are that the Federal Reserve will raise rates further during 2023, leading to continued moderation of economic conditions with a resulting mixed impact on CB*

| Item                        | Comment   |
|-----------------------------|---|
| <b>Deposits</b>             | Market pricing began to rise during Q4 and we expect that will continue; Corporate wide initiatives to increase deposits in place               |
| <b>Loans</b>                | Strong focus area with new talent in place, continuing to push for growth in the face of headwinds stemming from moderating economic conditions |
| <b>Net Interest Margin</b>  | Compression is possible as deposit costs increase, focus on attracting Core non/low interest bearing to mitigate compression                    |
| <b>Non-interest expense</b> | Upward bias as we attract top talent, continued investments in technology to generate efficiencies  |



# Attractive Operating Market



## Pittsburgh Metropolitan Area

### ✓ Large, Diverse Market

- 2.4 million people, including surrounding counties, with a median household income at \$50,536<sup>(1)</sup>
- Large market for energy, healthcare, technology, and manufacturing companies

### ✓ Large Employers in Operating Area

- Fortune 500 companies headquartered in Pittsburgh include: Kraft Heinz, PPG Industries, U.S. Steel, Alcoa, Dick's Sporting Goods, and WESCO International<sup>(2)</sup>
- The largest employers within the operating area include:



### ✓ Education

- Carnegie Mellon University and the University of Pittsburgh bring tech jobs and innovation to the area, both through direct university activities and by providing a steady stream of graduates for employment elsewhere in the community
- UPMC is investing \$2 billion in three new specialty hospitals in Pittsburgh and is constructing a new hospital facility in Washington County, PA

### ✓ Opening of Southern Beltway

- Pittsburgh's first major highway in decades
- 110,000 drivers connected between Washington County and Pittsburgh International Airport

1. <https://www.statista.com/statistics/815309/pittsburgh-metro-area-population/#:~:text=In%202021%2C%20the%20population%20of,was%20about%202.37%20million%20people>

2. <http://fortune.com/fortune500/>



*We executed well against our revenue-oriented goals in 2022 and expect to continue that success through 2023*

## 2022 Goals

- ✓ Add seasoned commercial and retail sales leaders tasked with driving growth
- ✓ Developed and implemented a Business Banking Division to support loan and deposit production based on extreme responsiveness and streamlined processing
- ✓ Completed major technology related projects including a full Core migration and new Teller system, creating efficiencies and positioning for growth

## 2023 Goals

- Continue investment in technology / applications to support the customer experience
- Fine-tune build out of Commercial Banking team; begin implementation of new Loan Origination System to streamline processes
- Rollout new consumer loan products including FHA mortgage products, securities based lending program and an advanced suite of treasury management products

# Executive Leadership Team



**John Montgomery**

President & CEO since August 2020  
Previously Chief Credit Officer at First Bank, a privately held \$6 Billion bank  
Over 30 years of experience



**Ralph Burchianti**

Senior Executive Vice President & Chief Credit Officer, Director since 2018  
Nearly 35 years of experience with CBFV  
Responsibilities include oversight of credit and underwriting policies



**Jamie Prah**

Executive Vice President & Chief Financial Officer. 20+ years of banking experience with over 10 years in CEO/CFO role. Responsible for financial oversight, SEC/Regulatory reporting.



**Jennifer George**

Senior Executive Vice President & Chief Operations Officer.  
Appointed SEVP in October 2021, EVP – COO in May 2019, joined CBFV in October 2014



**Alan Bicker**

Executive Vice President, Chief Consumer Banking Officer since March 2022  
Responsibilities include all retail bank operations and related support systems



**Bruce Sharp**

Executive Vice President, Chief Commercial Banking Officer since February 2022. Responsibilities include all commercial sales, customer service, process, and product initiatives



**Ben Brown**

Executive Vice President, Director of Client Experience & Innovation Since April 2022. Responsibilities include overseeing operations tied to client experience and employee engagement functions

# Strong Q4 and FY Performance

# Q4 2022 – Highlights of the Quarter



*Strong quarterly performance, driven by operating leverage and strategic initiatives driving financial results*

## Financial Performance

### Improvement in Multiple Key Metrics<sup>(1)</sup>

- Net Interest Margin (NIM) of 3.45%, up 16 basis points from the third quarter
- Q4 2022 adjusted Efficiency Ratio (non-GAAP) of 60.7%, compared with 69.7% in Q4 2021.
- Pre-tax, pre-provision (PTPP) net income (excluding PPP and one-time items) of \$5.1M in Q4 2022 was up 48.5% compared with \$3.4M during Q4 2021

## Balance Sheet Strength

### Loan growth and Capital redeployment to shareholders continues

- Loans, excluding Payroll Protection Program (PPP) loans, grew \$7.6 million (2.9% annualized) from September 30, 2022
- Tier 1 capital remains strong at 12.3%, compared with 12.0% at September 30, 2022
- Repurchased 4,620 shares at an average cost of \$21.88 per share, with \$8.6 million of remaining availability

<sup>(1)</sup> Numbers and comparisons may be on an adjusted basis. See appendix for discussion and reconciliation of non-GAAP financial measures. Numbers and percent changes may not add/equate precisely due to rounding.

# FY 2022 – Highlights of the Year



*Solid execution and organic growth strategies, underpinned by durable expense reduction, resulted in bottom-line growth*

## Goals Entering the Year<sup>(1)</sup>

- Continue to drive smart growth in retail and commercial channels
- Drive margin expansion through top-line growth coupled with reduced non-interest expense levels
- Expand the implementation and usage of technology across the customer experience
- Deliver improved profitability and return metrics

## How We Did

- Loans, excluding Payroll Protection Program (PPP) loans, grew \$29.1 million from December 31, 2021
- Efficiency ratio for the year of 66.14% compared with 75.95% in FY 2021
- Completed Core migration, new teller system and implementation of new fraud products, providing enhanced benefits to the customer experience
- FY ROAE of 9.56% compared with 8.66% in 2021 / ROAA of 0.80% compared with 0.79% in 2021

<sup>(1)</sup> Numbers and comparisons may be on an adjusted basis. See appendix for discussion and reconciliation of non-GAAP financial measures. Numbers and percent changes may not add/equate precisely due to rounding.

# Financial Update – Q4 2022



| (\$000s except per share)                                  | 2019 FY<br>12/31/19 | 2020 FY<br>12/31/20 | 2021 FY<br>12/31/21 | 2022 FY<br>12/31/22 | Q4 2021<br>12/31/21 | Q4 2022<br>12/31/22 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Balance Sheet</b>                                       |                     |                     |                     |                     |                     |                     |
| Total Assets   | \$1,321,537         | \$1,416,720         | \$1,425,479         | \$1,408,938         | \$1,425,479         | <b>\$1,408,938</b>  |
| Total Loans  | 952,496             | 1,044,753           | 1,020,796           | 1,049,873           | 1,020,796           | <b>1,049,873</b>    |
| Total Deposits   | 1,118,359           | 1,224,569           | 1,226,613           | 1,268,503           | 1,226,613           | <b>1,268,503</b>    |
| Tangible Common Equity <sup>(2)</sup>                      | 112,145             | 116,399             | 118,097             | 96,910              | 118,097             | <b>96,910</b>       |
| Loans/ Deposits  | 85.2 %              | 85.3 %              | 83.2 %              | 82.8 %              | 83.2 %              | <b>82.8 %</b>       |
| <b>Capital Ratios (%)</b>                                  |                     |                     |                     |                     |                     |                     |
| Tier 1 Leverage  | 7.85 %              | 7.81 %              | 7.76 %              | 8.66 %              | 7.76 %              | <b>8.66 %</b>       |
| Tangible Common Equity /<br>Tangible Assets <sup>(2)</sup> | 8.74                | 8.32                | 8.37                | 6.94                | 8.37                | <b>6.94</b>         |
| Tier 1 Ratio <sup>(3)</sup>                                | 11.40               | 11.80               | 11.95               | 12.33               | 11.95               | <b>12.33</b>        |
| Total Capital Ratio <sup>(3)</sup>                         | 12.50               | 13.00               | 13.18               | 13.58               | 13.18               | <b>13.58</b>        |
| <b>Asset Quality (%)<sup>(1)</sup></b>                     |                     |                     |                     |                     |                     |                     |
| NPAs/ Assets   | 0.42 %              | 1.04 %              | 0.51 %              | 0.41 %              | 0.51 %              | <b>0.41 %</b>       |
| NCOs/ Avg Loans  | 0.05                | 0.11                | 0.01                | 0.25                | 0.03                | <b>0.01</b>         |
| Reserves/ Nonaccrual Loans                                 | 340                 | 117                 | 233                 | 321                 | 233                 | <b>321</b>          |
| <b>Profitability</b>                                       |                     |                     |                     |                     |                     |                     |
| Net Income (Loss)  | \$ 14,327           | \$ (10,640)         | \$ 11,570           | \$ 11,247           | \$ 6,965            | <b>\$ 4,152</b>     |
| ROAA   | 1.09 %              | (0.77)%             | 0.79 %              | 0.80 %              | 1.87 %              | <b>1.16 %</b>       |
| PTPP ROAA <sup>(2)</sup>                                   | 1.28                | 1.05                | 1.32                | 1.27                | 2.41                | <b>1.47</b>         |
| ROAE   | 9.89                | (7.18)              | 8.66                | 9.56                | 20.95               | <b>15.26</b>        |
| ROATCE <sup>(2)</sup>                                      | 15.09               | 8.86                | 12.54               | 12.60               | 25.22               | <b>19.32</b>        |
| Net Interest Margin (FTE) <sup>(2)</sup>                   | 3.64                | 3.32                | 2.94                | 3.25                | 2.96                | <b>3.46</b>         |
| Adjusted Efficiency Ratio <sup>(2)</sup>                   | 63.83               | 68.14               | 74.25               | 63.36               | 69.73               | <b>60.74</b>        |
| Diluted EPS  | \$ 2.63             | \$ (1.97)           | \$ 2.15             | \$ 2.18             | \$ 1.31             | <b>\$ 0.81</b>      |
| TBV Per Share <sup>(2)</sup>                               | 20.52               | 21.42               | 22.45               | 19.00               | 22.45               | <b>19.00</b>        |

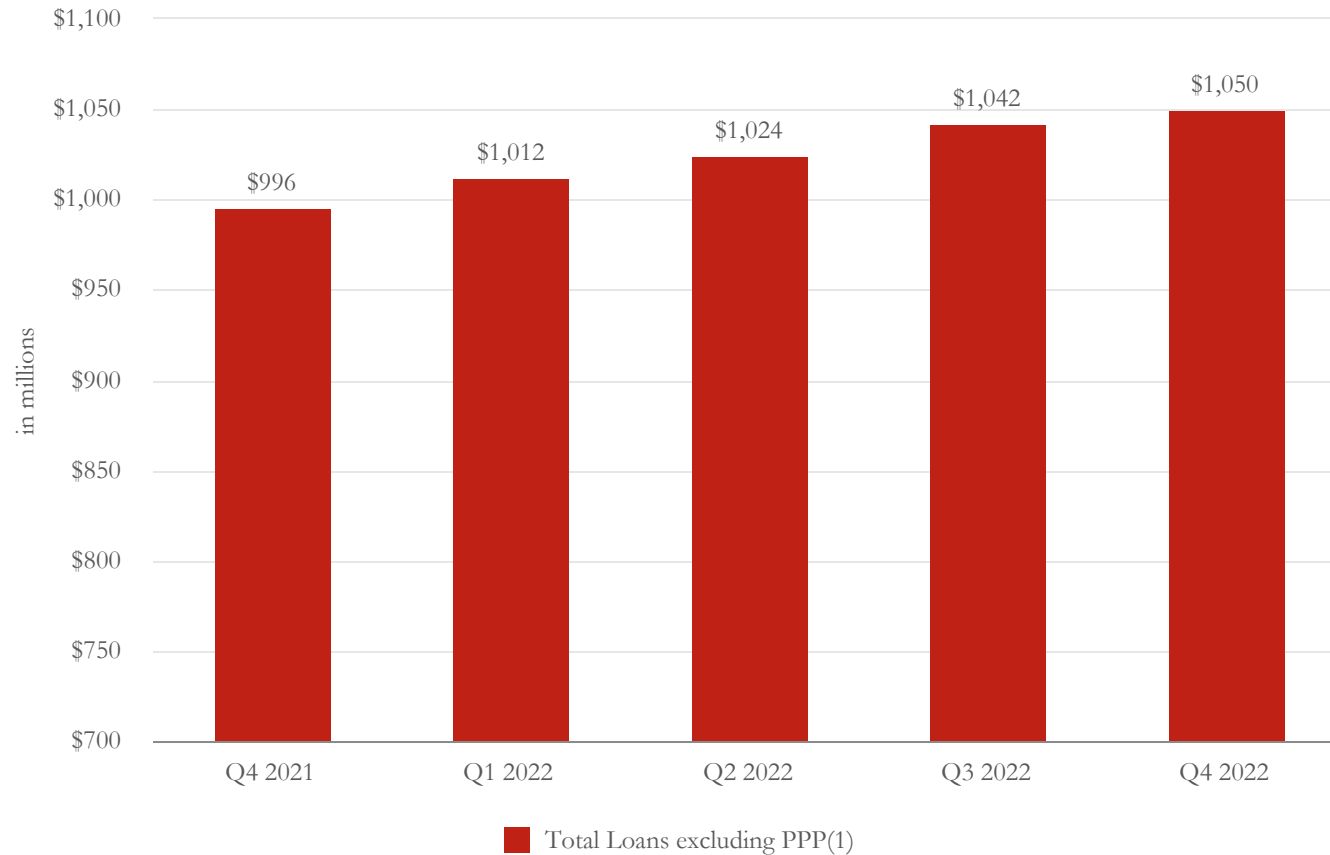
- Diluted EPS (GAAP) for Q4 2022 was \$0.81, compared to \$1.31 in the prior year period
- NIM (FTE) (Non-GAAP) increased 50 bps year-over-year to 3.46% compared with Q4 2021 of 2.96% on declining asset yields slightly offset by lower interest-bearing deposit costs
- Total loans (including PPP loans) were \$1.05 billion, an increase of \$29.1 million compared to prior year end
- Total loans (excluding PPP loans) were \$1.05 billion, a increase of \$53.5 million compared to the prior year end
- Total deposits were \$1.27 billion, an increase of \$41.9 million compared to the prior year end
- Regulatory capital levels remain well capitalized
- Q4 2021 includes non-recurring \$5.2 million of income from the sale of two branches as part of optimization initiative

(1) NPLs include nonaccrual loans, 90+ days past due loans and TDRs. NPAs include NPLs and OREO.  
(2) Non-GAAP financial metric. Please see the appendix to view this presentation for Non-GAAP reconciliations.  
(3) Regulatory capital ratios are bank-level.

# Quarterly Loan Growth excluding PPP loans



Quarter End Loan Balances



Period ended balances excluding PPP loans were \$1.05 billion at December 31, 2022 compared to \$996.3 million at December 31, 2021, an **increase of 5.4%**.

(1) Non-GAAP financial metric. Please see the appendix to view this presentation for Non-GAAP reconciliations.



# Core Earnings<sup>(1)</sup> Growth



After completion of the branch optimization in June 2021, there has been continuous growth in core earnings from \$3.3 million in the three months ended September 30, 2021 to \$5.1 million in the three months ended December 31, 2022, **an increase of 55.4%.**

<sup>1</sup> Core earnings based on adjustments made in Non-GAAP Financial Measures: Core Earnings table in Appendix. Core Earnings GAAP equivalent is pre-tax income(loss) for the following quarters starting with Q3 2021 as noted, \$3.3 million, \$3.4 million, \$3.5 million, \$3.9 million, \$4.4 million, \$5.2 million

# Driving Margins by Controlling Costs

# Revenue Metrics Benefiting from Optimization Efforts



## Improving Returns on Our Human Capital

- **Total Interest and Dividend Income, plus Insurance Commissions, continue to grow**
- **Completion of optimization initiative in 2021 is resulting in improved efficiency**
- **Investing in retail deposit and commercial loan growth through our recent strategic hires**

Revenue per Full-time Employee

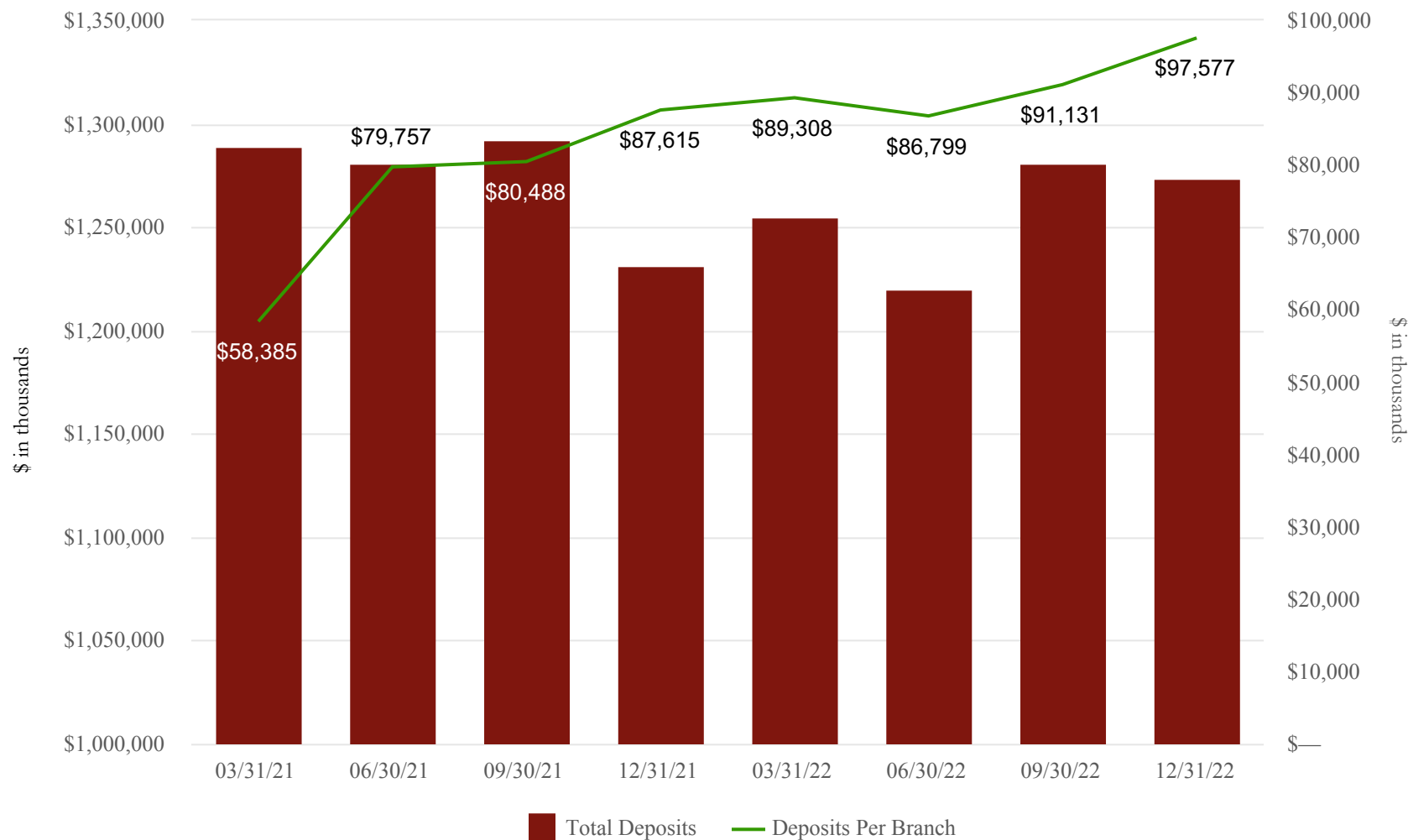


# Increasing Efficiency In Our Branch Networks



## Branch Optimization Efforts Yielding Results

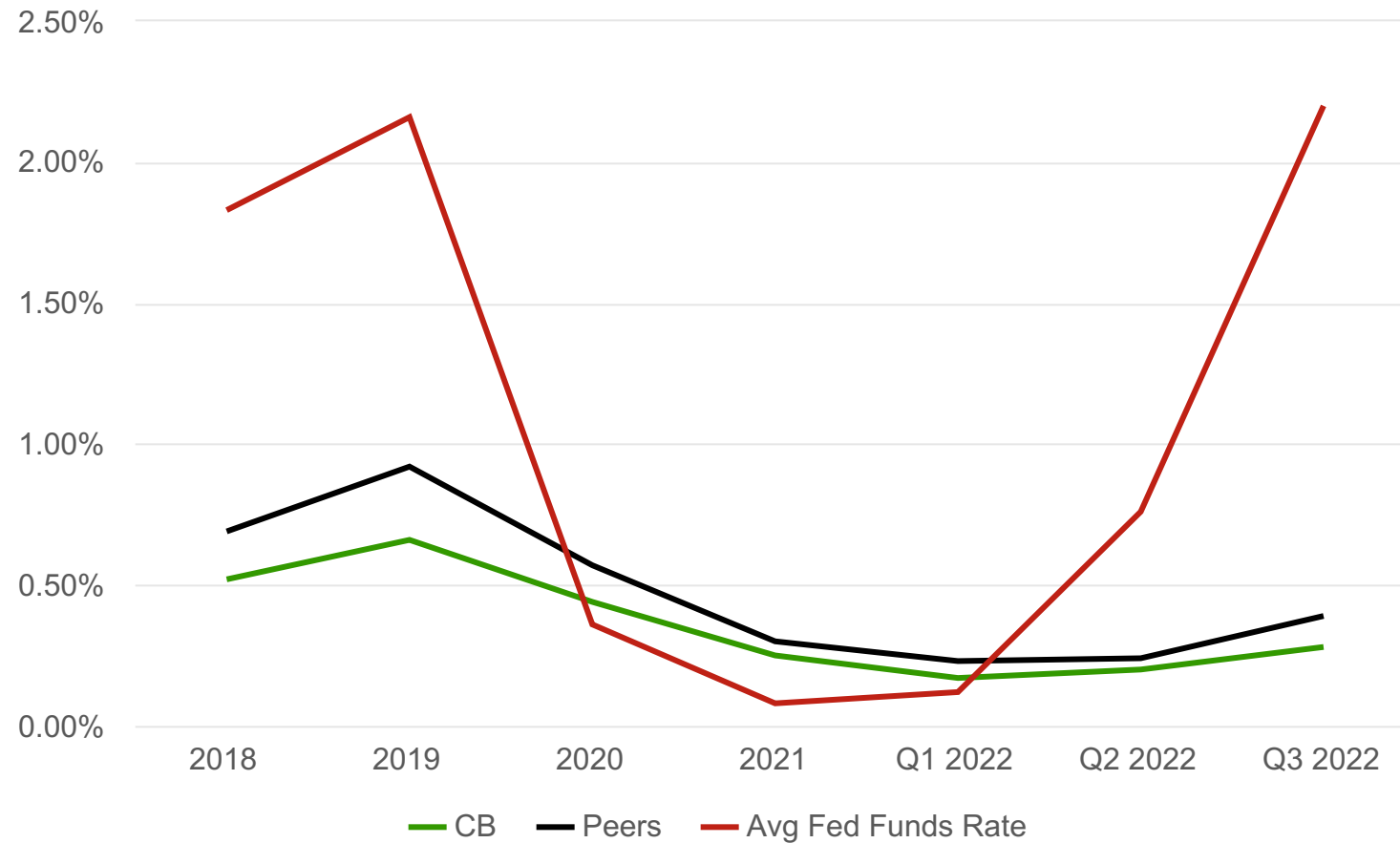
- Reduced overall branch locations from 22 to 13 during 2021 - 2022
- Solidified the reduction of non-interest expense, including salaries
- Deposits per branch continuing to trend well above pre-optimization levels
- Focus on driving revenue initiatives while continuing to scrub for additional optimization opportunities



# Favorable Cost of Deposits



CB Has Maintained a Lower Average Cost of Deposits Versus Peers\* Through the Most Recent Cycle

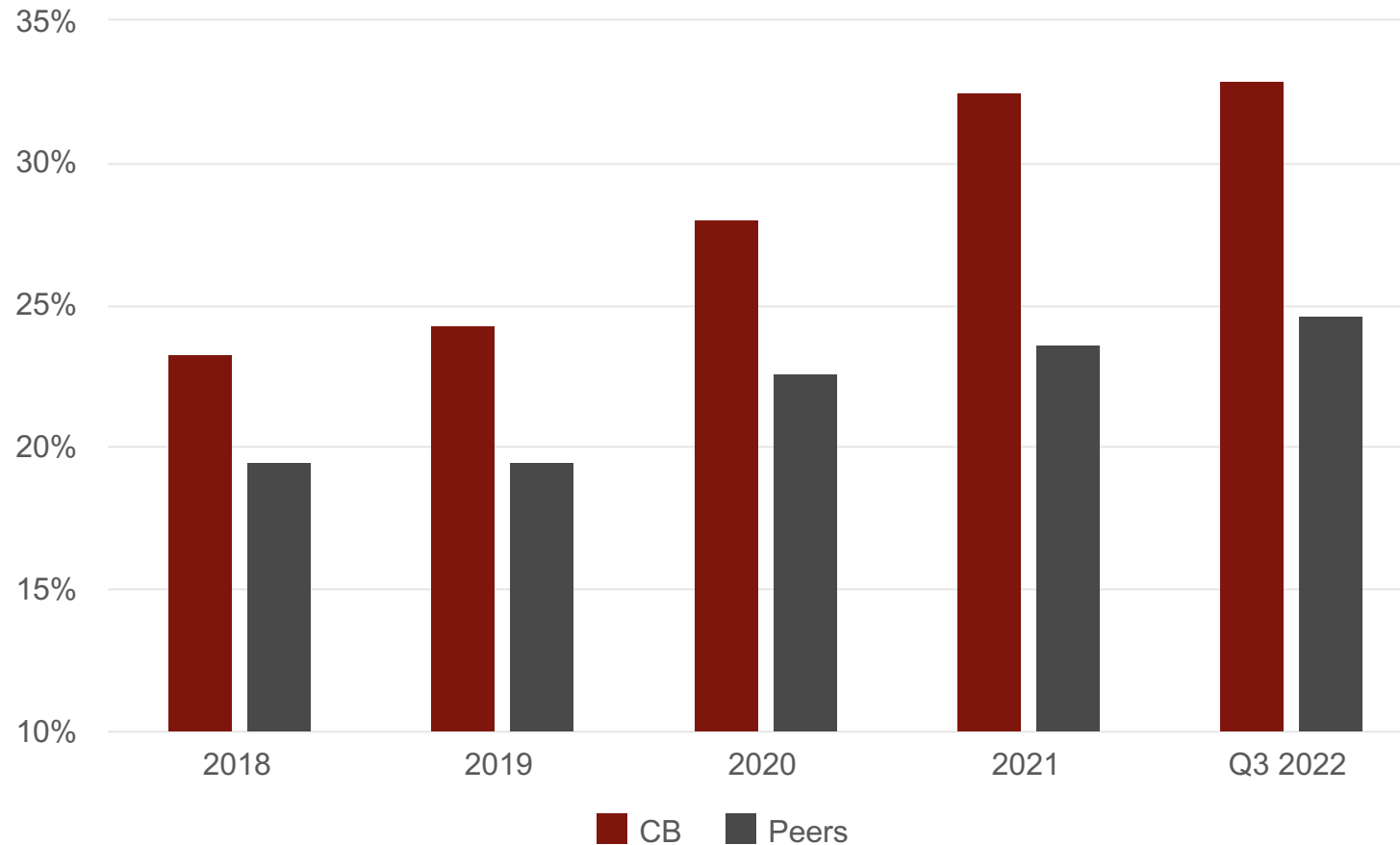


\* Peers include public and private Pennsylvania banks with total assets of \$1 billion to \$5 billion as of 6/30/22.  
Source: S&P Global Market Intelligence; Financial data as of 9/30/22.

# Non-Interest Bearing Deposit Market Advantage

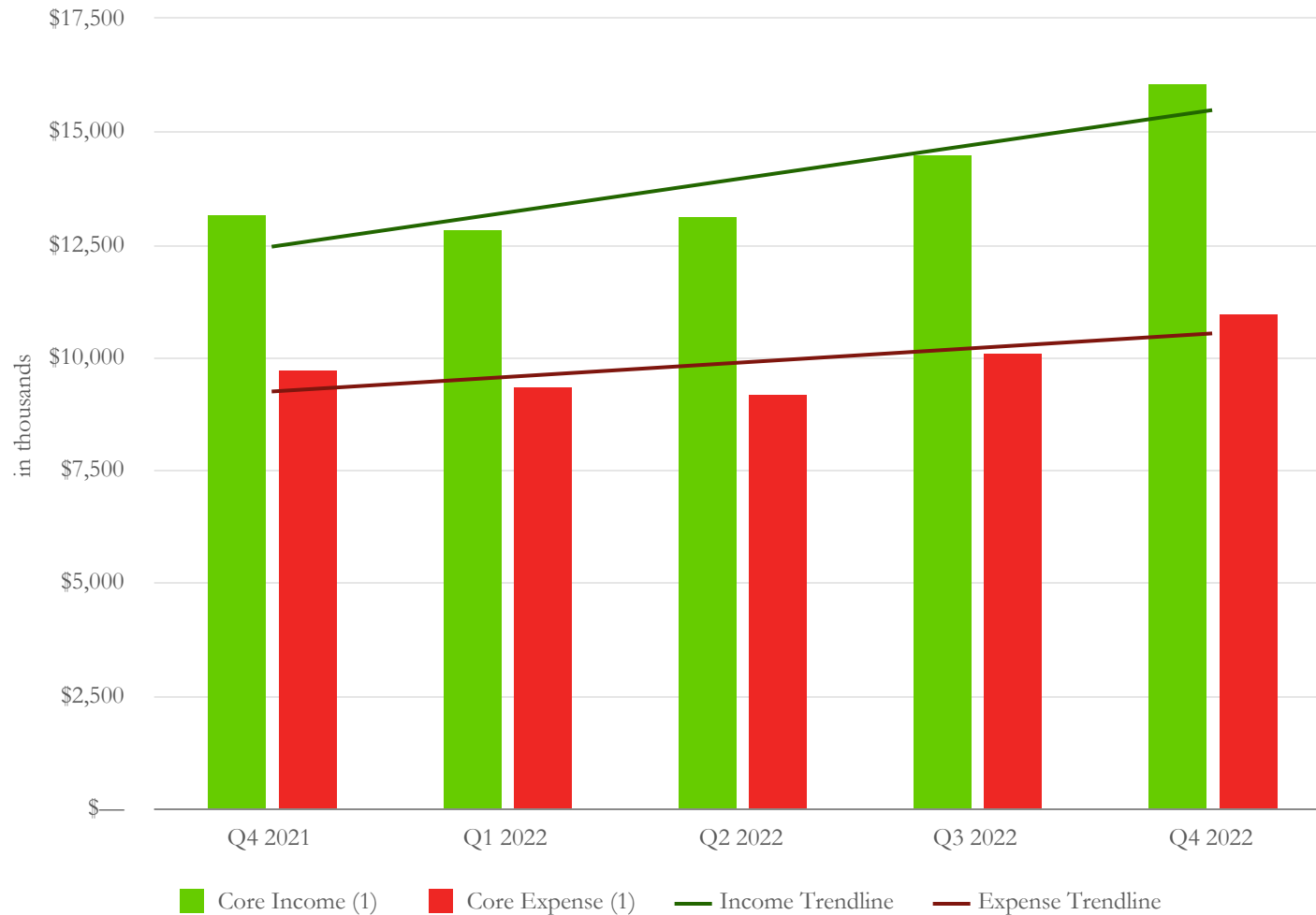


CB Has Maintained a Higher Non-Interest Bearing Deposit Compared to Peers Average\* Through the Most Recent Cycle



\* Peers include public and private Pennsylvania banks with total assets of \$1 billion to \$5 billion as of 9/30/22 as Q4 2022 data is unavailable  
Source: S&P Global Market Intelligence; Financial data as of 9/30/22.

# Operating Leverage Benefiting From Optimization



Total income is increasing while total expenses remain flat over the prior 5 quarters, producing positive operating leverage.

<sup>1</sup> Core income/expense based on adjustments made in Non-GAAP Financial Measures: Core Earnings table in Appendix

# Credit Insights

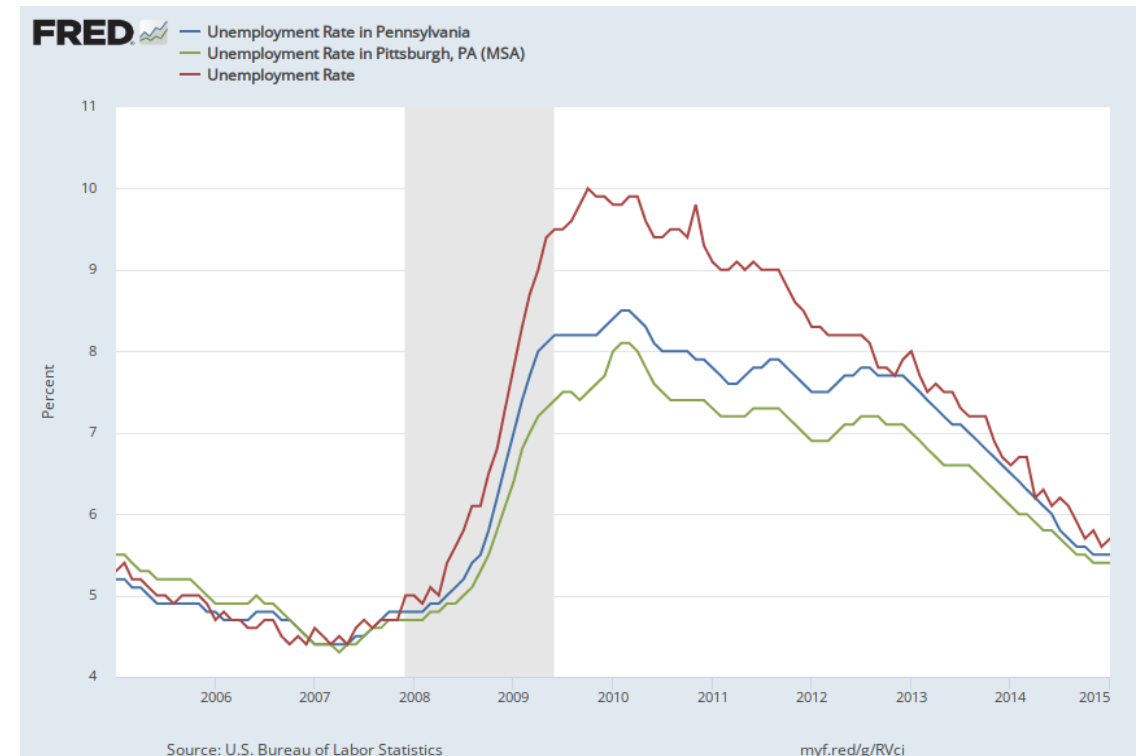
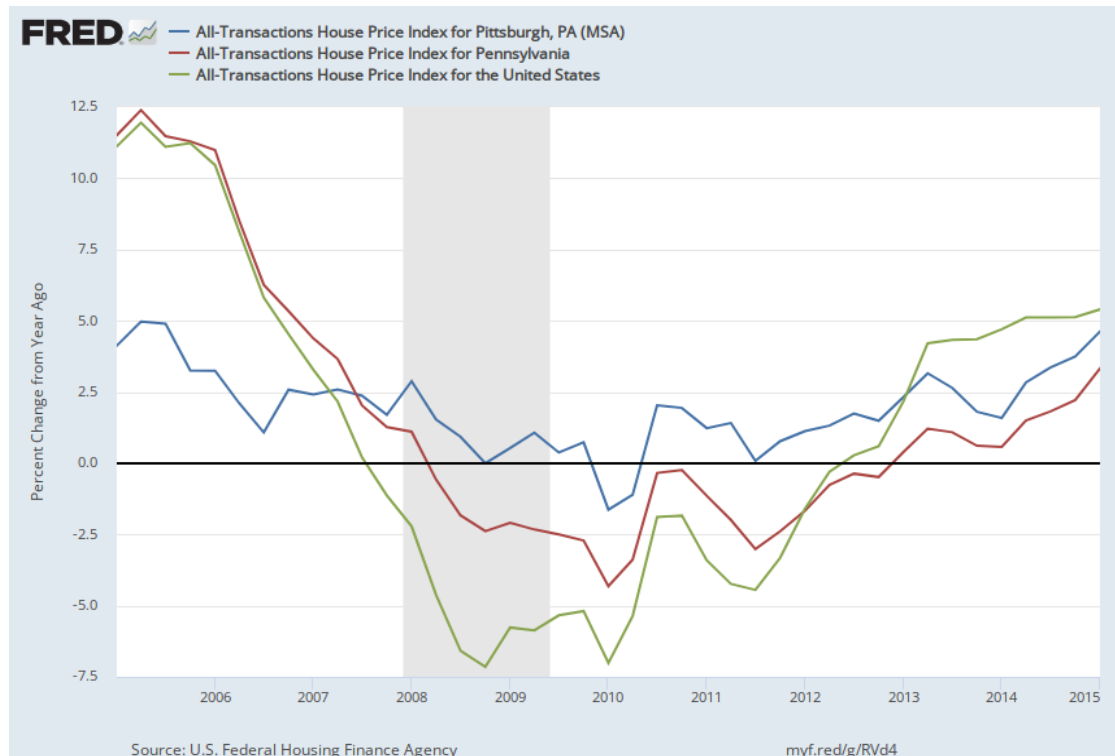
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# Attractive Operating Markets ~ Less Recessionary Impact During Last Recession



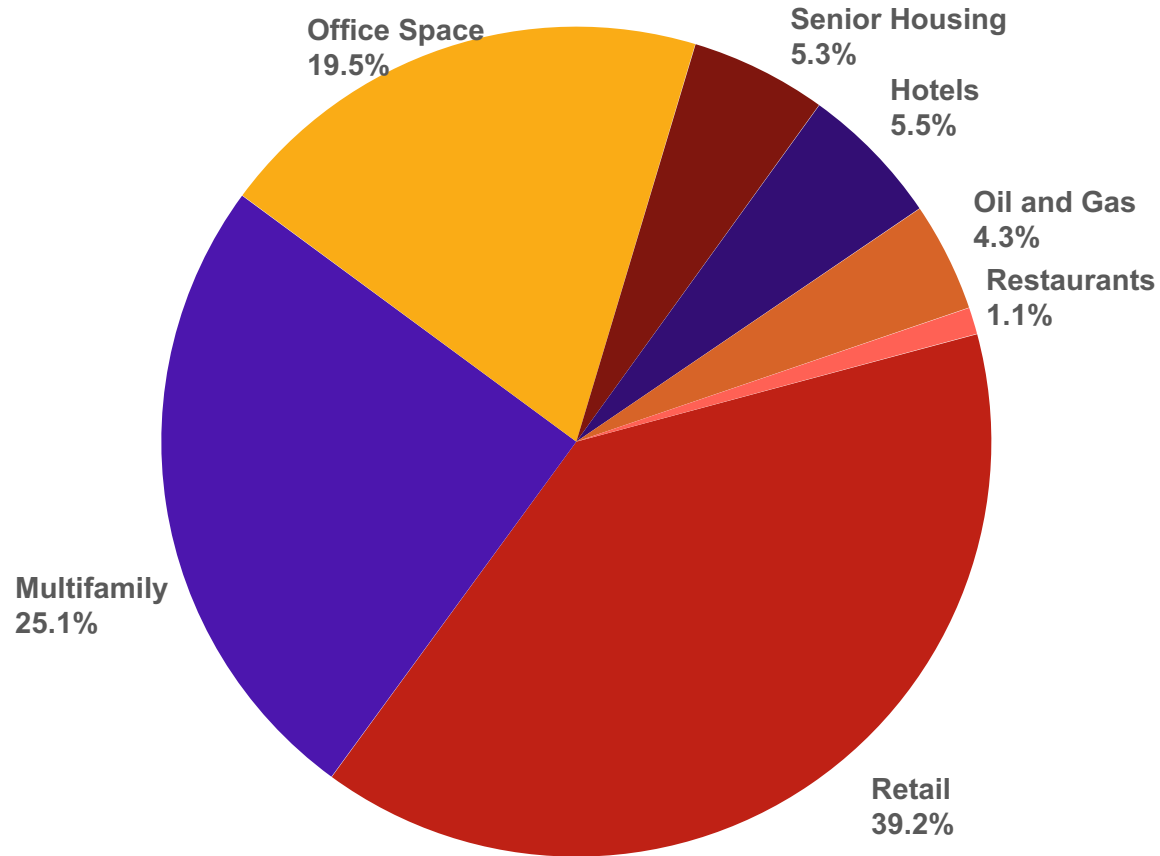
Home Prices and Unemployment in the Pittsburgh MSA Compared Favorably with Pennsylvania and National Average



# Diversified Commercial Book Reduces Recession Sensitivity



## Credit Breakdown by Industry

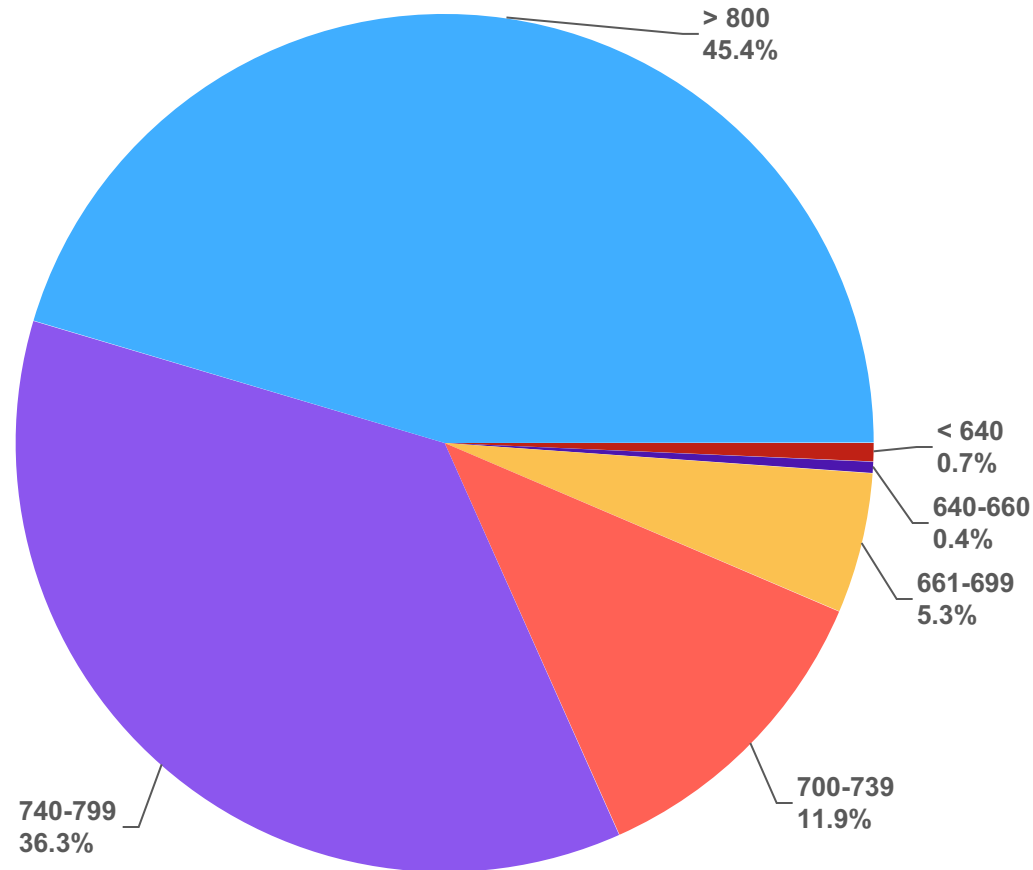


- No loans are in deferral as of 12/31/2022
- Exposure includes categories of CRE, Construction CRE, and C&I loans

| Industry Breakdown      | Total Outstanding Balance (\$000) | % of Total Loans |
|-------------------------|-----------------------------------|------------------|
| Retail Space            | \$ 121,046                        | 11.5 %           |
| Multifamily             | 77,374                            | 7.4              |
| Office Space            | 60,286                            | 5.7              |
| Senior Housing          | 16,427                            | 1.6              |
| Hotels                  | 17,128                            | 1.6              |
| Oil and Gas             | 13,196                            | 1.3              |
| Restaurants             | 3,247                             | 0.3              |
| <b>Total Industries</b> | <b>\$ 308,704</b>                 | <b>29.4 %</b>    |

# Indirect Auto Lending Supported by Prime Borrower Relationships

## Borrower Credit Score Bands



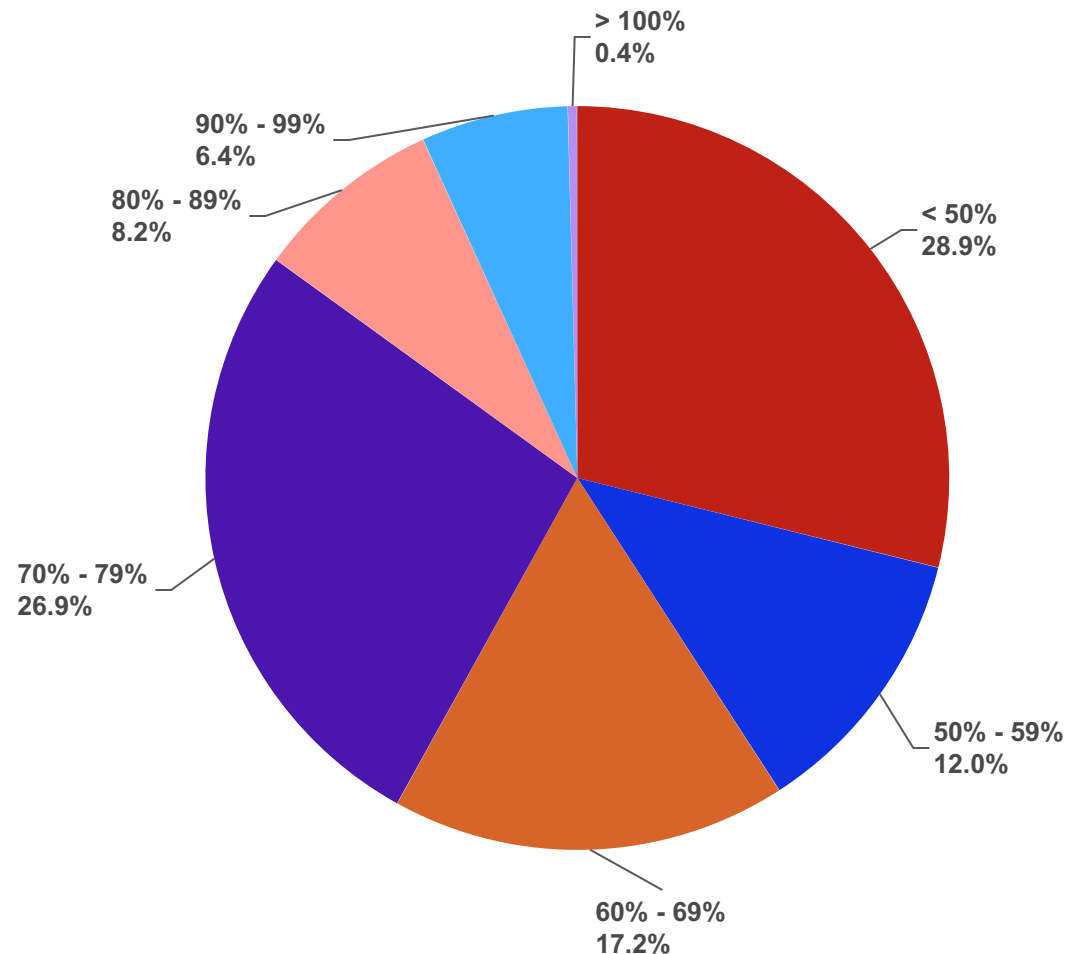
## Key Takeaways:

- Indirect Auto represents 13.0% of our total loan portfolio
- Within Indirect Auto, 45.4% of loans are to borrowers with FICO scores of 800 or better at the time of underwriting
- 81.7% of loans are to borrowers with FICO scores of 740 or better at the time of underwriting

| Borrower Credit Score Bands | Total Outstanding Balance (\$000) | % of Indirect Loans | % of Total Loans |
|-----------------------------|-----------------------------------|---------------------|------------------|
| > 800                       | \$ 61,771                         | 45.4 %              | 5.9 %            |
| 740-799                     | 49,354                            | 36.3                | 4.7              |
| 700-739                     | 16,192                            | 11.9                | 1.5              |
| 661-699                     | 7,200                             | 5.3                 | 0.7              |
| 640-660                     | 604                               | 0.4                 | 0.1              |
| < 640                       | 943                               | 0.7                 | 0.1              |
| <b>Total</b>                | <b>\$ 136,064</b>                 | <b>100.0 %</b>      | <b>13.0 %</b>    |



## Borrower Loan to Value Bands



## Key Takeaways:

- Residential loans represent 31.5% of our total loan portfolio
- Within our residential book, 28.9% of loans carried an LTV of less than 50% at the time of underwriting
- 58.1% of loans carried an LTV of 69% or lower at the time of underwriting

| Borrower Loan to Value Bands              | Total Outstanding Balance (\$000) | % of Residential Loans | % of Total Loans |
|---|-----------------------------------|------------------------|------------------|
| < 50%                                     | \$ 95,514                         | 28.9 %                 | 9.1 %            |
| 50% - 59%                                 | 39,622                            | 12.0                   | 3.8              |
| 60% - 69%                                 | 56,852                            | 17.2                   | 5.4              |
| 70% - 79%                                 | 89,086                            | 26.9                   | 8.5              |
| 80% - 89%                                 | 27,148                            | 8.2                    | 2.6              |
| 90% - 99%                                 | 21,162                            | 6.4                    | 2.0              |
| > 100%                                    | 1,339                             | 0.4                    | 0.1              |
| <b>Total Borrower Loan to Value Bands</b> | <b>\$ 330,725</b>                 | <b>100.0 %</b>         | <b>31.5 %</b>    |

# Returning Capital to Shareholders

# Shareholder Friendly Programs



*Strong Capital Position Allows us to  
Maintain Shareholder-friendly Initiatives  
Despite an Economic Uncertainty*

CB Financial has paid a regular quarterly dividend of \$0.24 per share since Q1 2019, with an increase of 4.2% to \$0.25 as of the current quarter



Completed \$7.5 million repurchase program in February 2022

**308,996 Total Shares**

**Average Cost \$24.27 per share**

Authorized new \$10 million repurchase program in April 2022

**62,178 Shares purchased  
as of December 31, 2022**

**Average Cost \$22.47 per share**

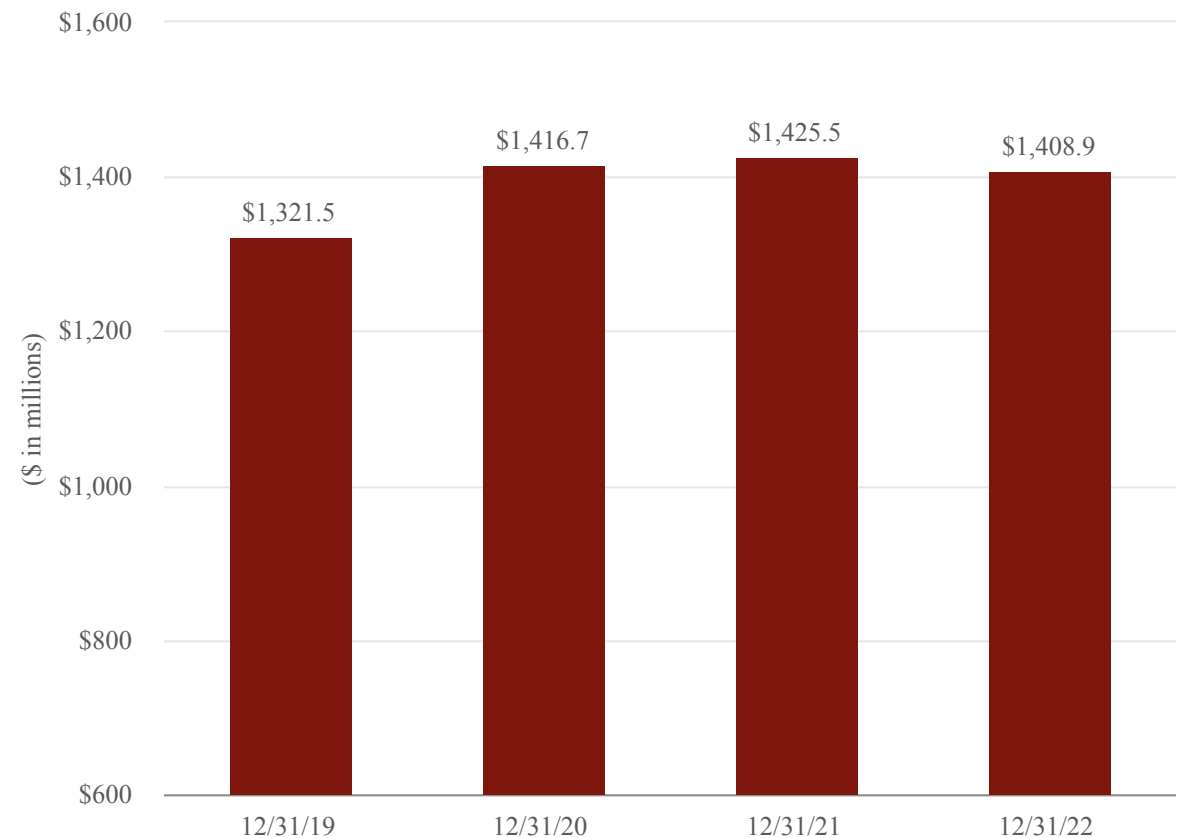


# Key Financial Metrics

# Operating Initiatives Have Led to a High-Quality Balance Sheet



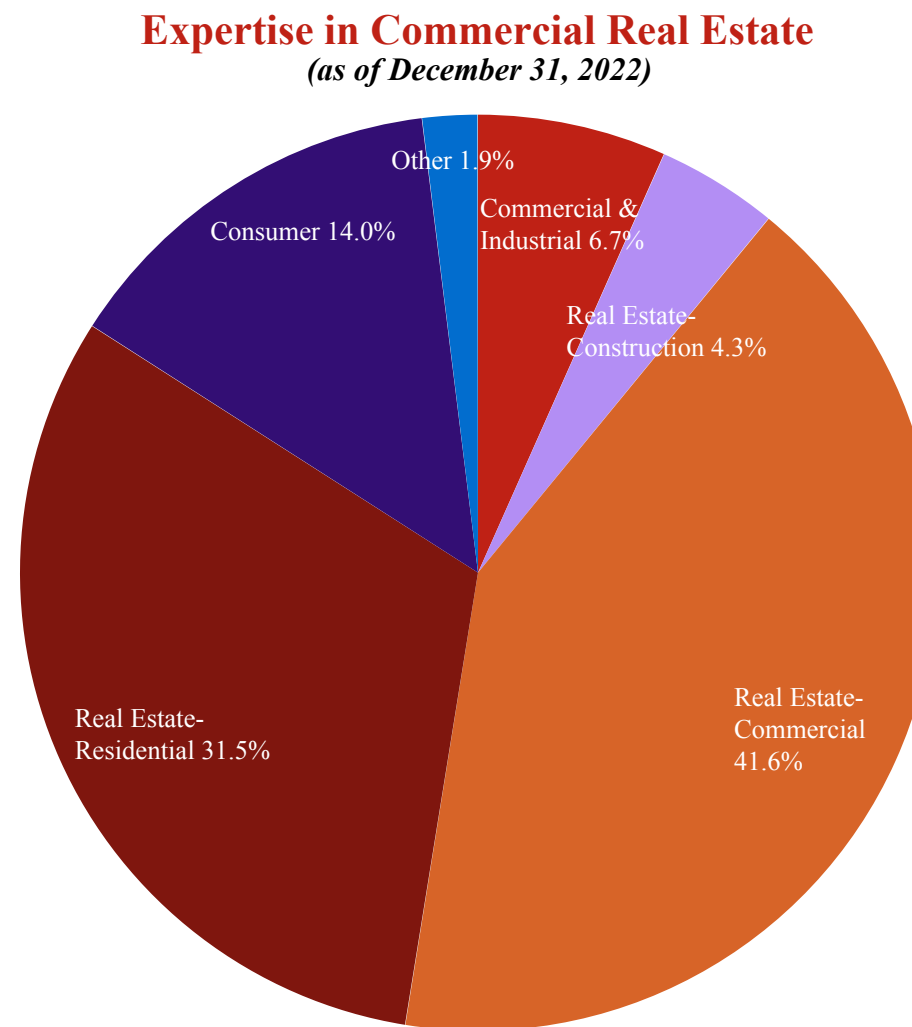
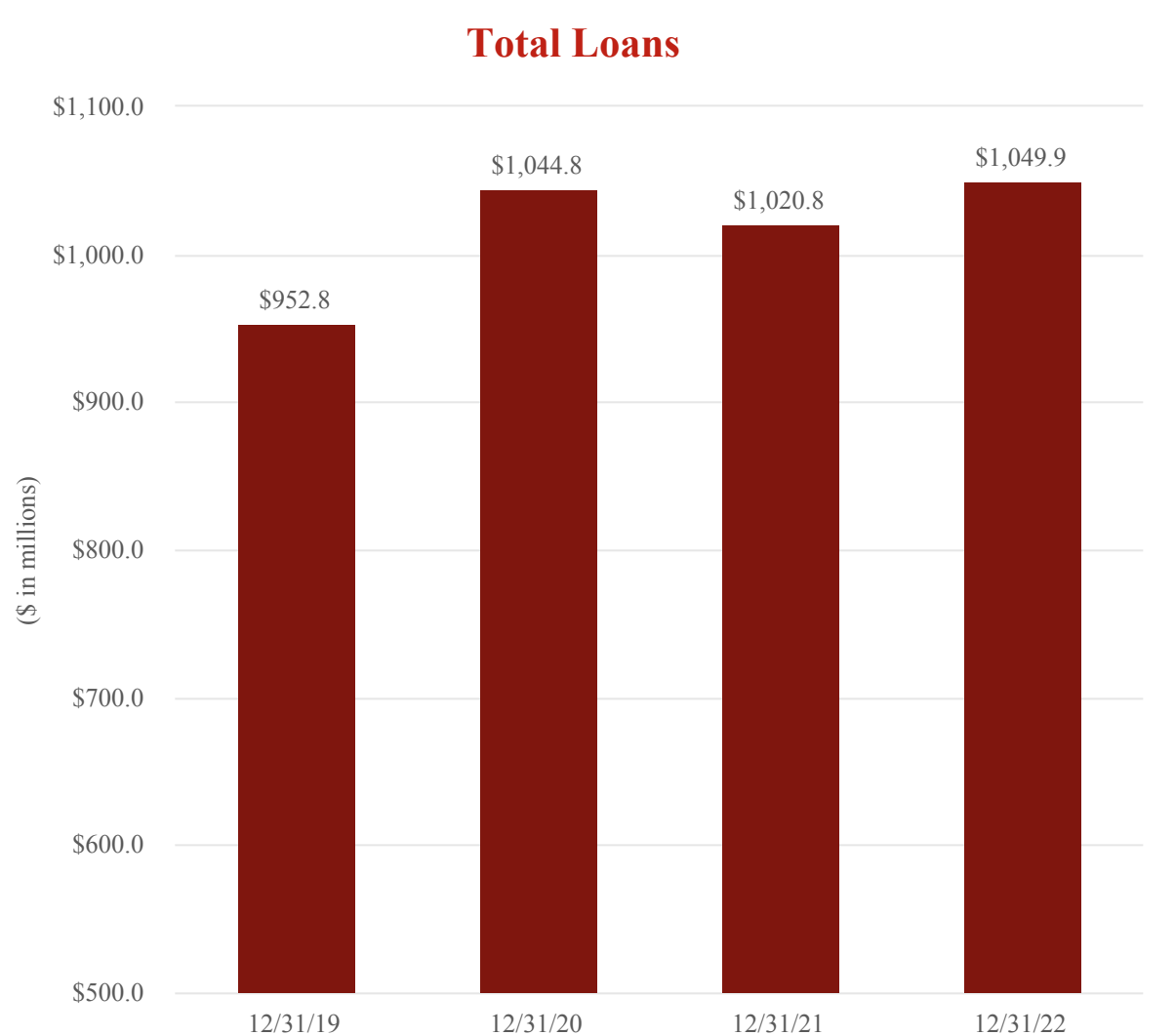
## Total Assets



- Continuing to focus on credit underwriting standards
- Providing personalized customer engagement that leads to repeat and referral business
- Focusing on growth in core deposits
- Branch optimization



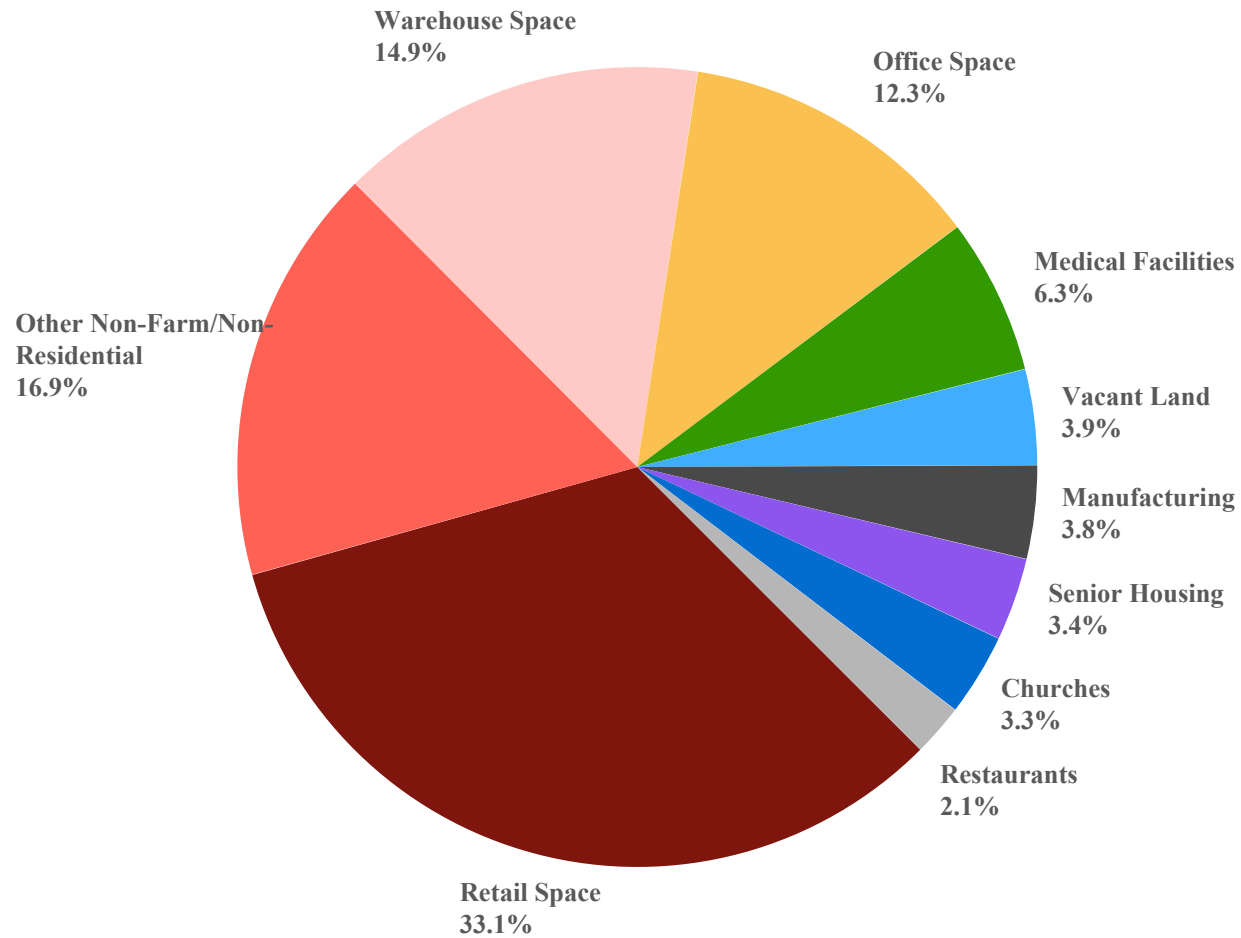
# Loan Growth Trend and CRE Loan Composition



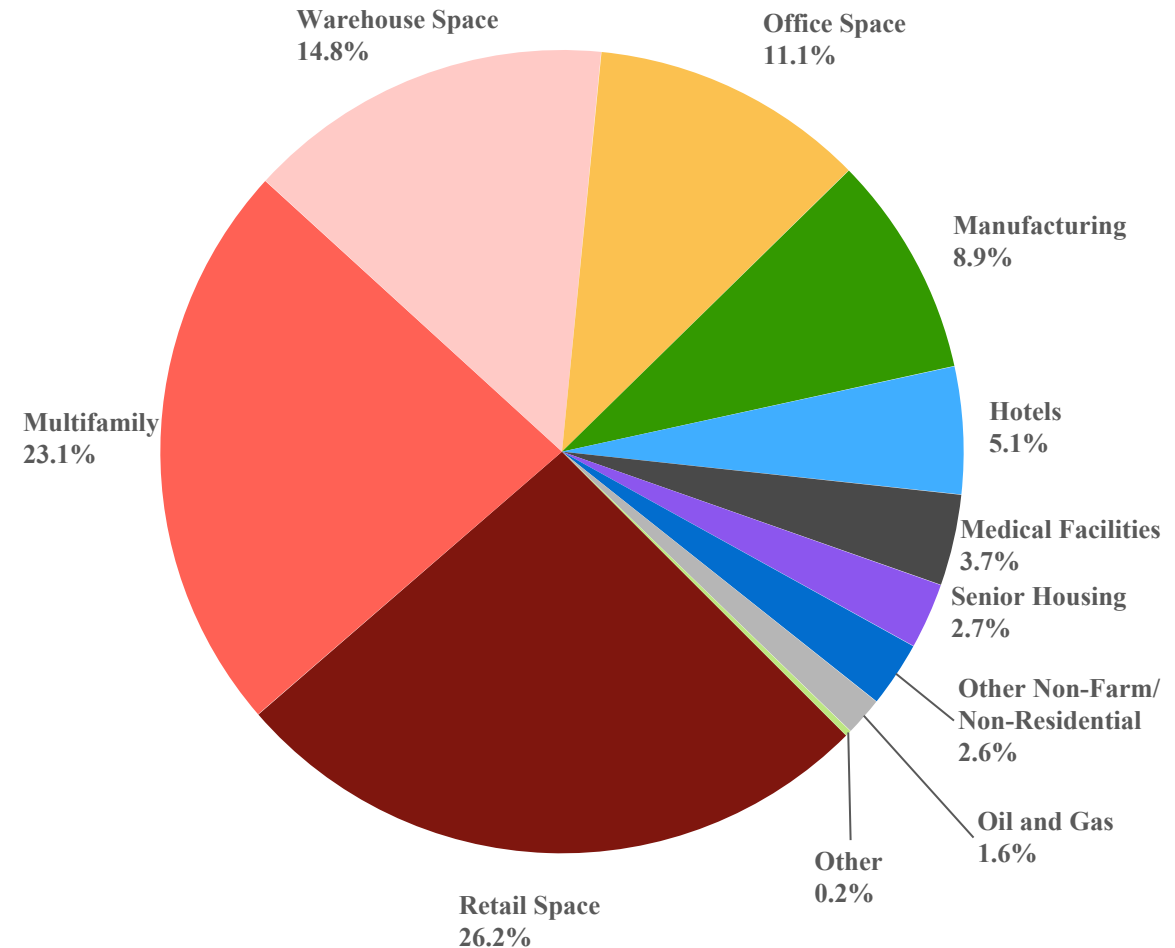
# CRE Portfolio by Industry



**Owner Occupied CRE Loans by Industry – \$103.3M**



**Non-Owner Occupied CRE Loans by Industry – \$333.5M**

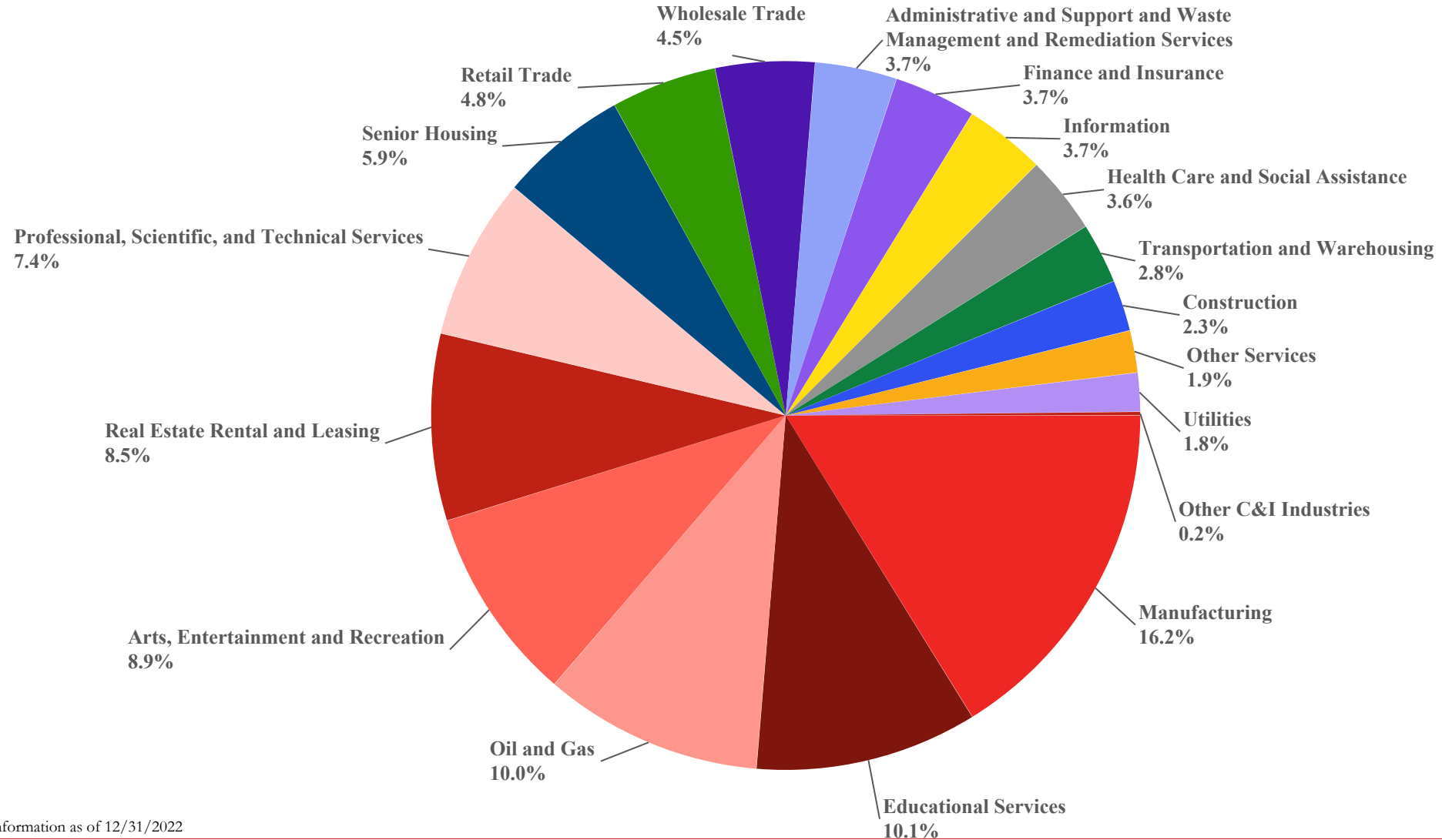


Source: Company information as of 9/30/2022

# C&I Portfolio by Industry



## C&I Loans by Industry – \$69.9M



Source: Company information as of 12/31/2022

CB Financial Services, Inc. (Nasdaq: CBFV)

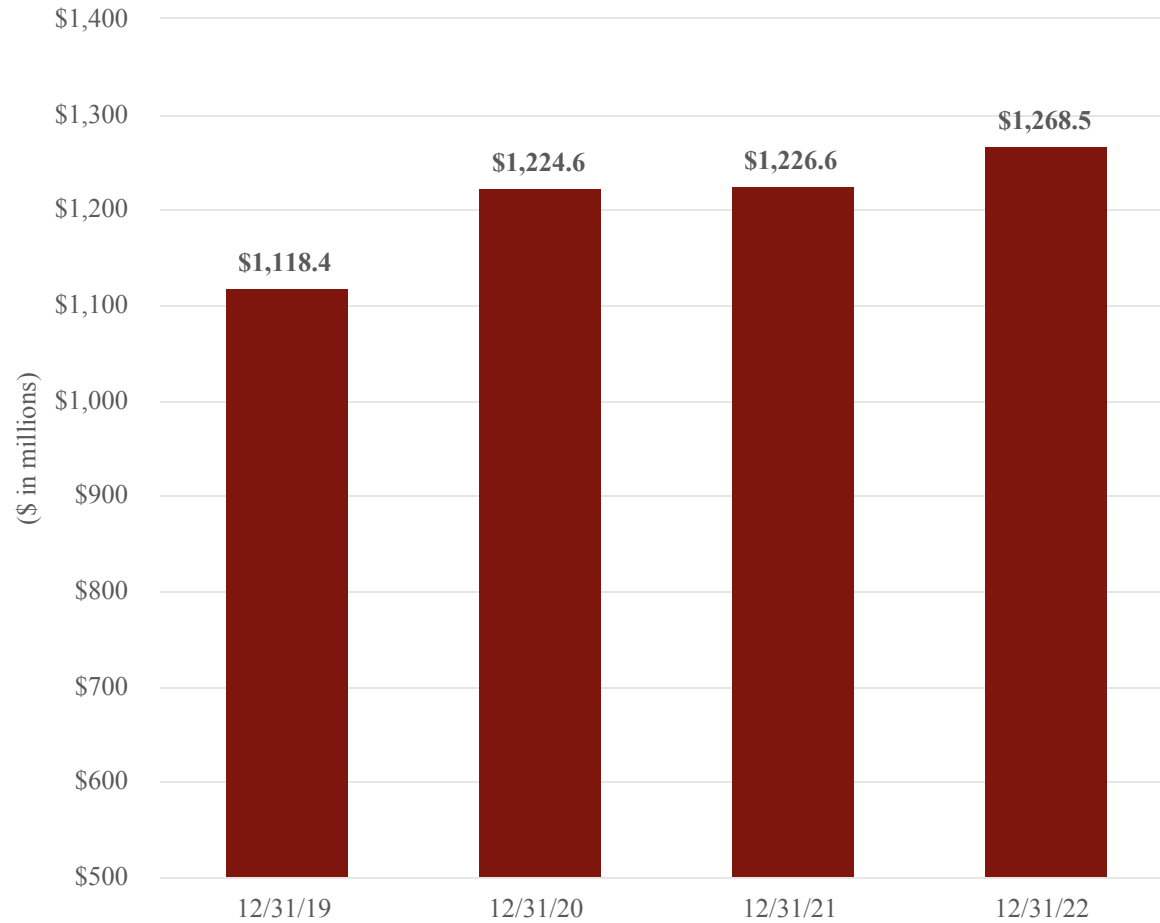
January 2023

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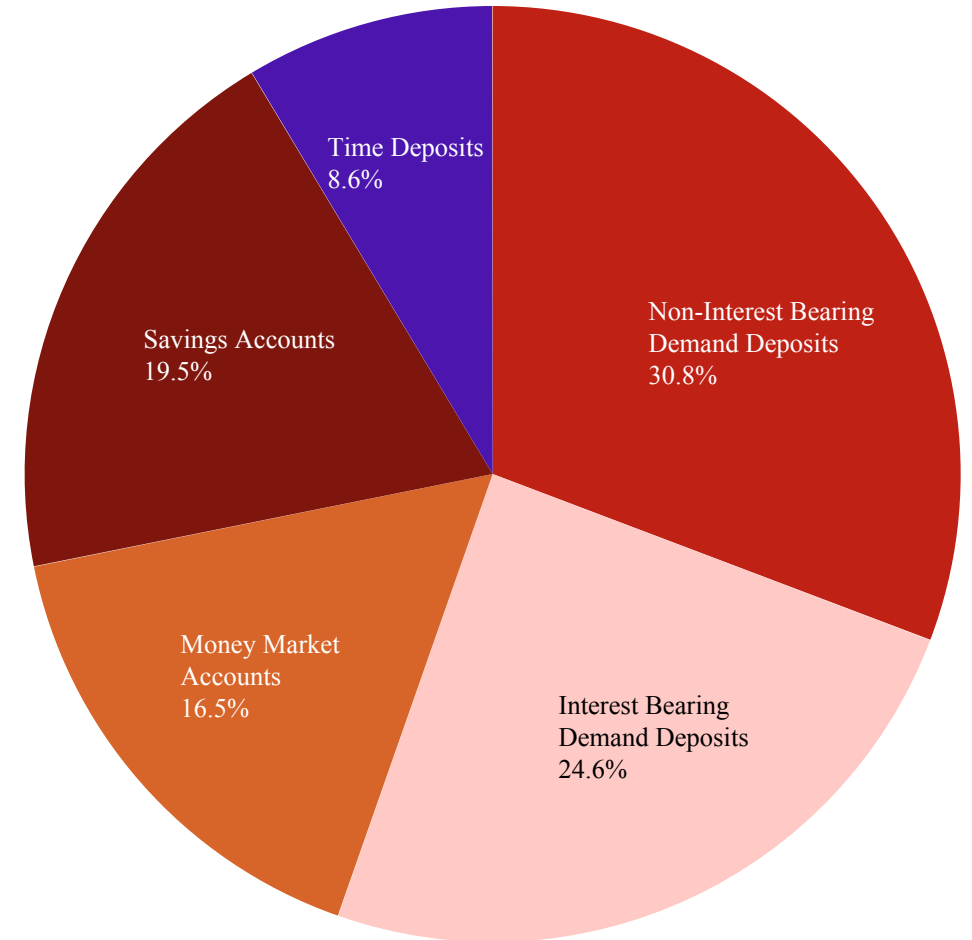
# Total Deposits and Deposit Composition



### Total Deposits



### Deposit Composition (as of December 31, 2022)

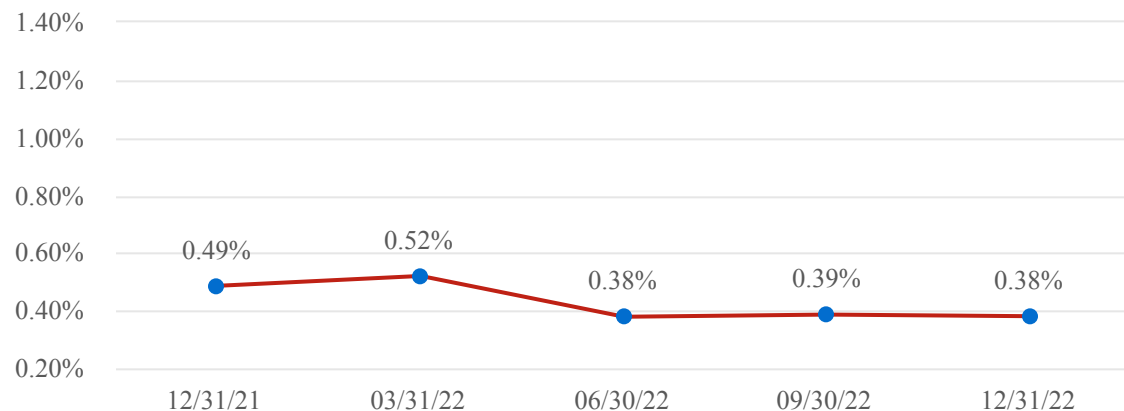


Source: Company information as of 9/30/2022

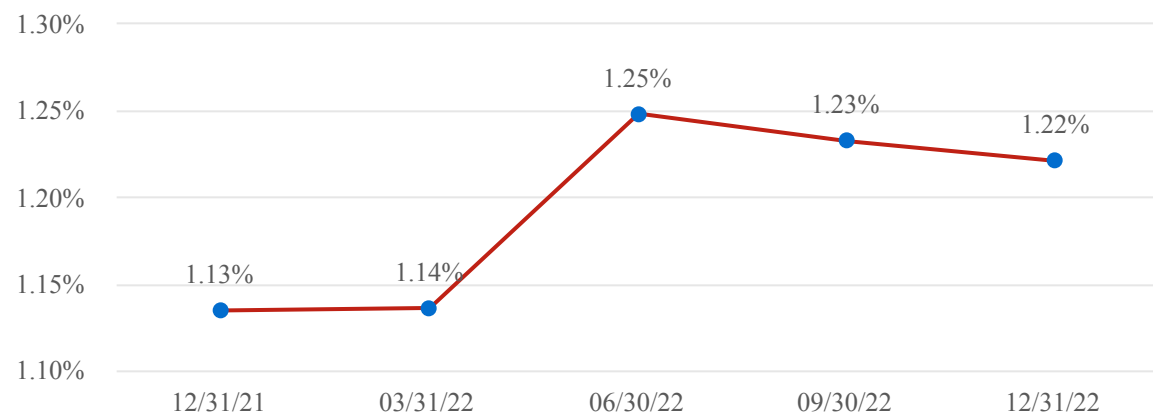
# Asset Quality Trends



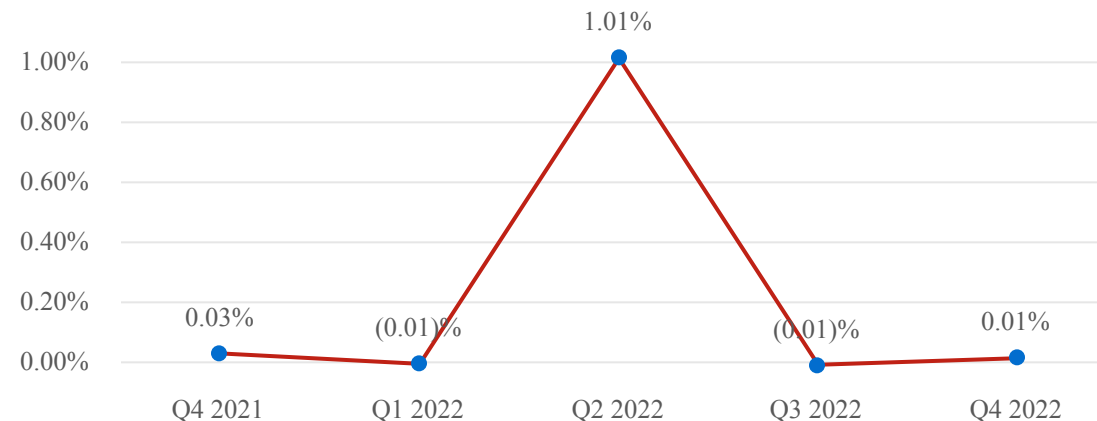
## Non-Current Loans/Total Loans



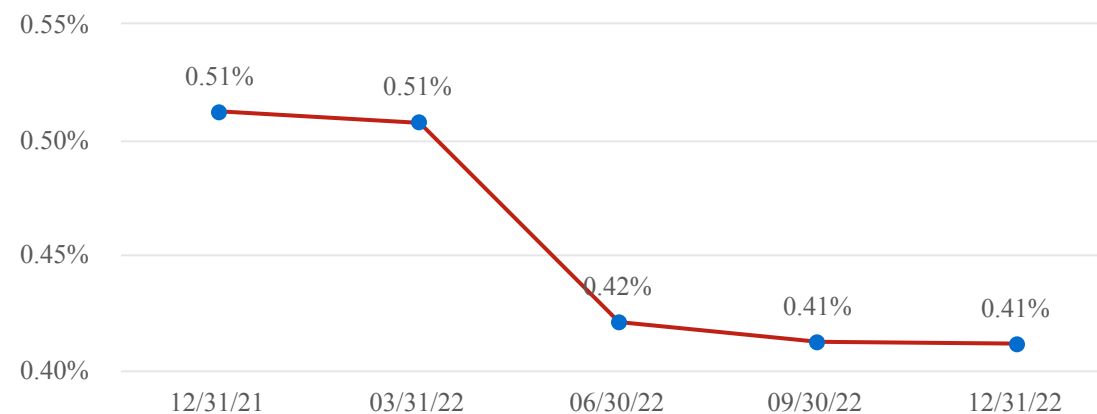
## Allowance for Loan Losses to Total Loans



## NCOs (Recoveries)/Average Loans



## NPAs/Total Assets

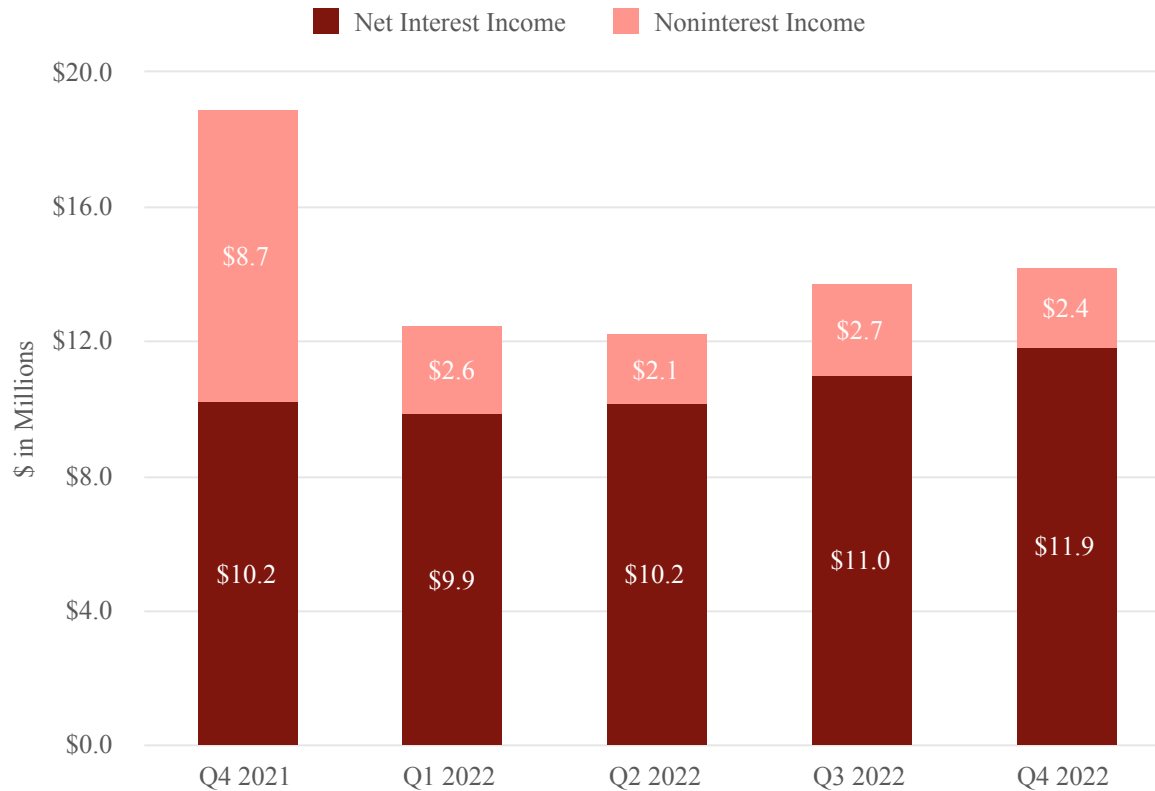


# Revenue Diversification

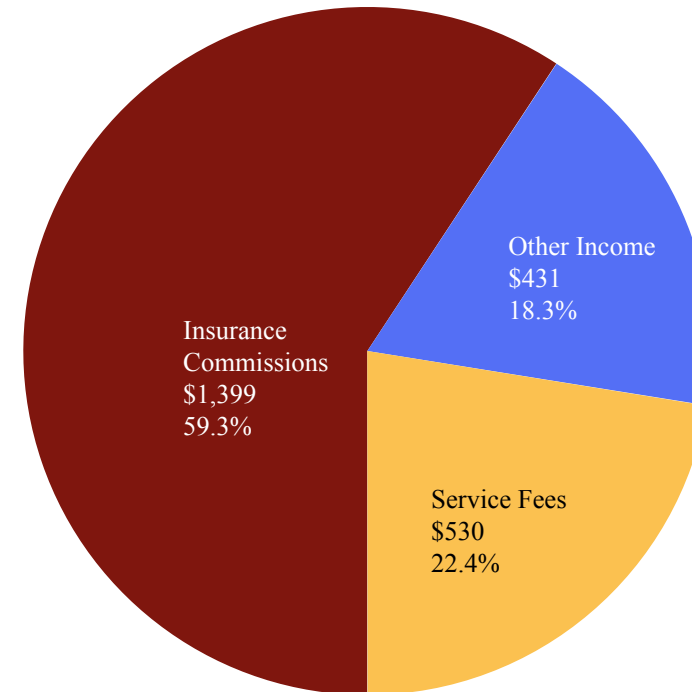


- Noninterest income sources comprised approximately 14.6% of total operating revenue during Q4 2022; provides stable revenue stream
- Q4 2021 Noninterest income included \$5.2 million from the sale of branches as part of optimization initiative

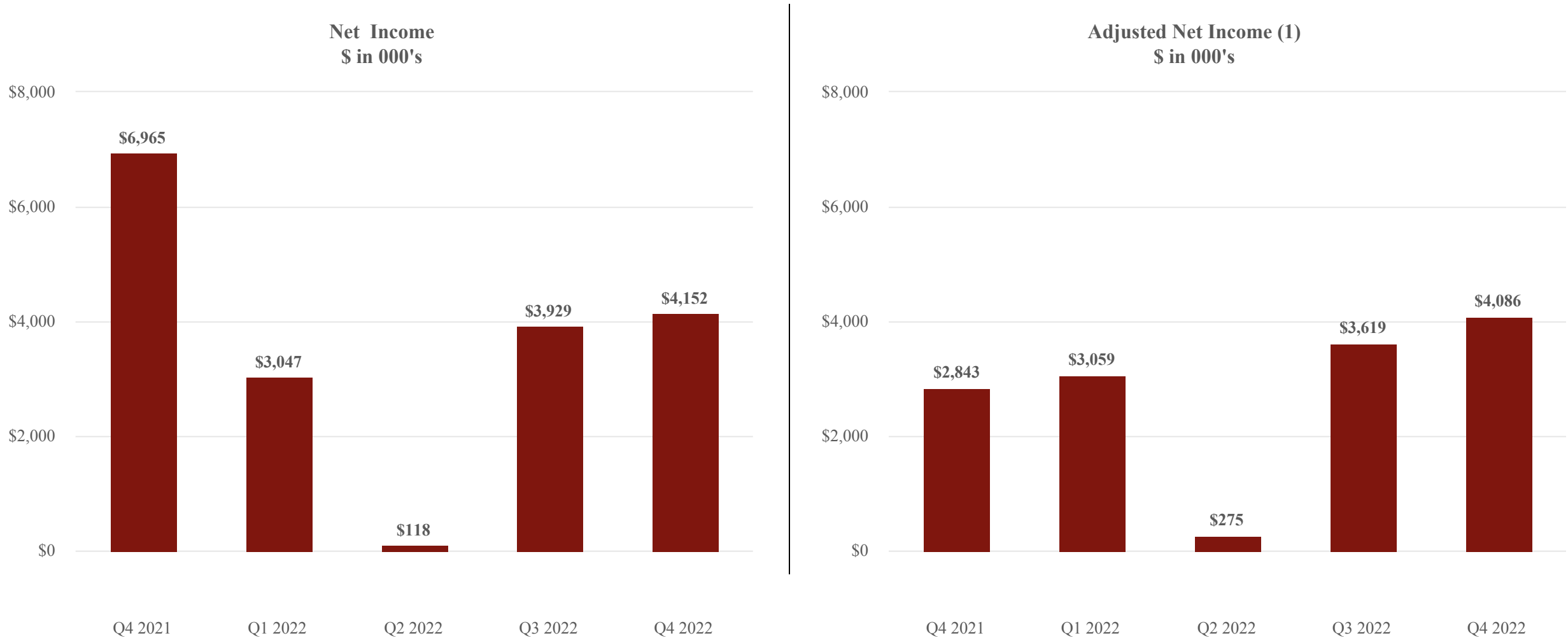
**Total Revenue - Five Quarter Trend (\$M)**



**Q4 2022 - Noninterest Income Mix (000's)**



# Net Income and Adjusted Net Income<sup>(1)</sup> – Last 5 Quarters

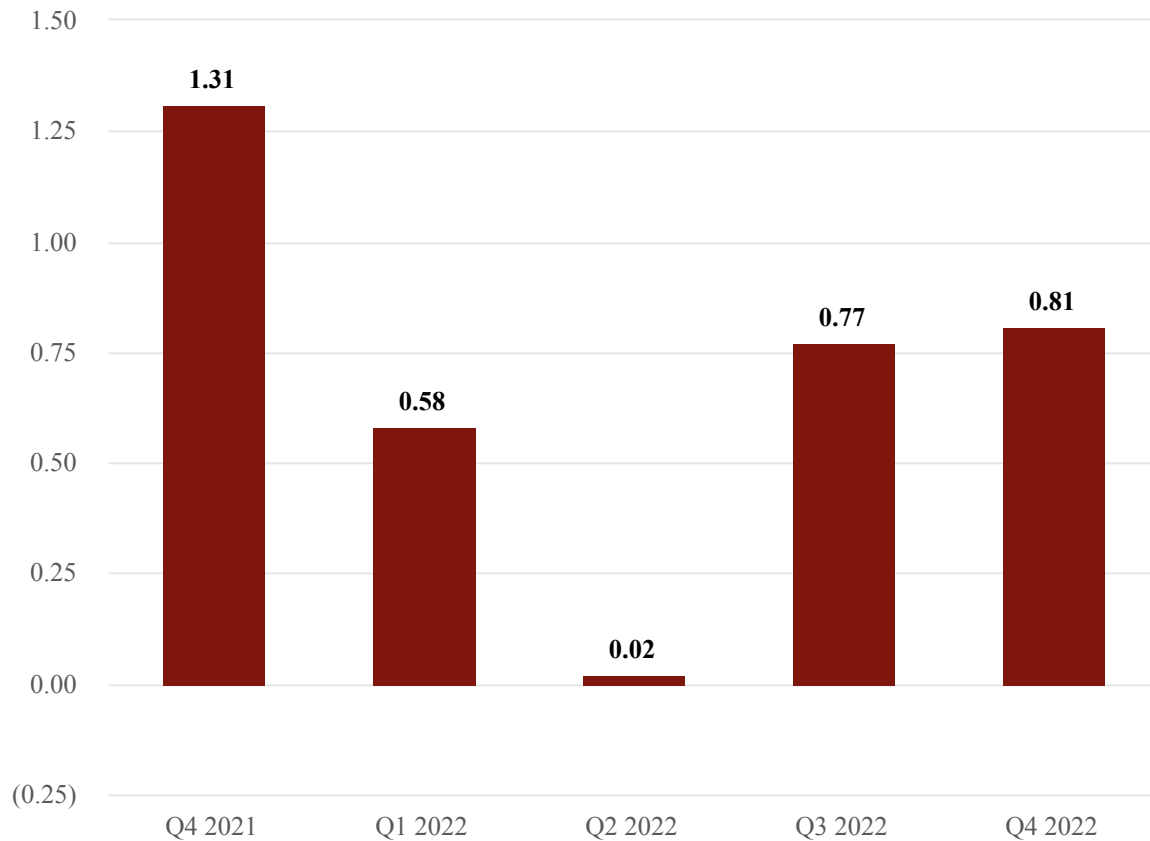


(1) Refer to Non-GAAP Financial Measures in the Appendix for the calculation of the measure and reconciliation to the most comparable GAAP measure.

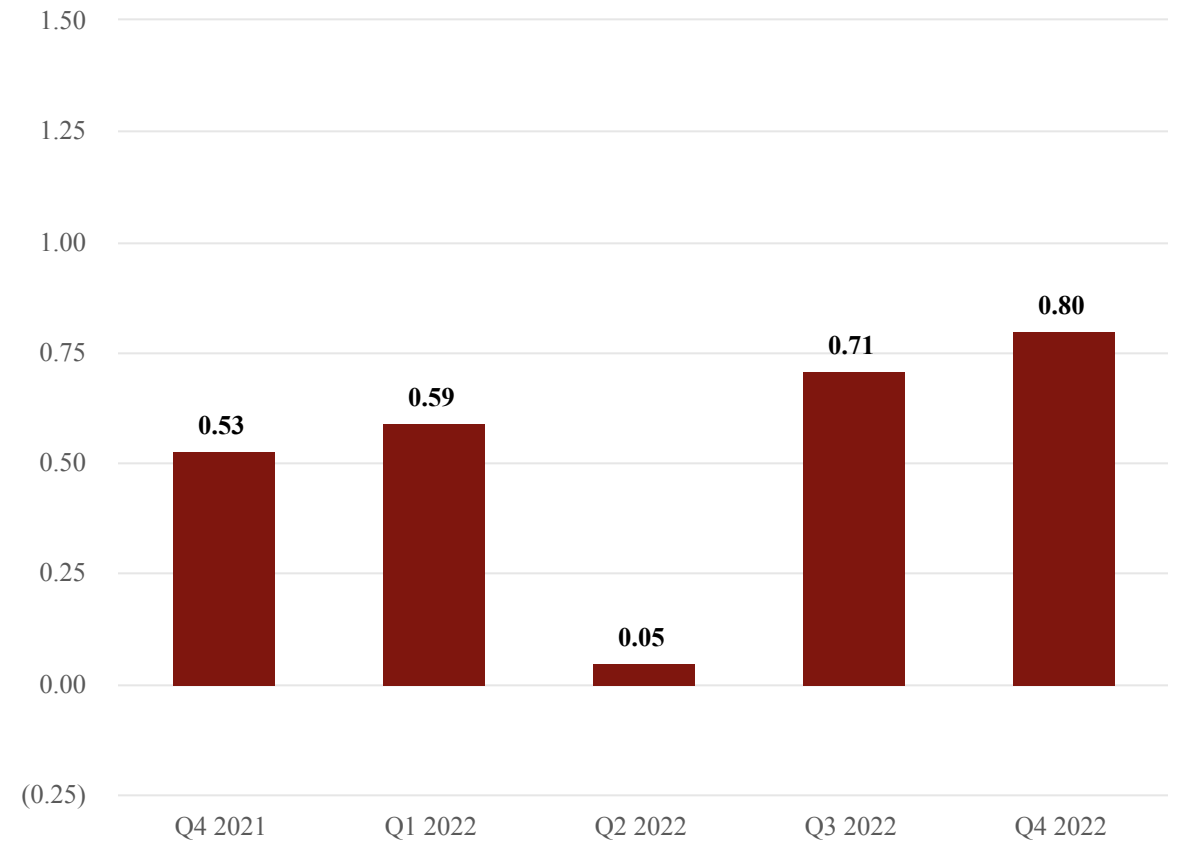
# EPS - Diluted and Adjusted EPS - Diluted<sup>(1)</sup> – Last 5 Quarters



EPS - Diluted



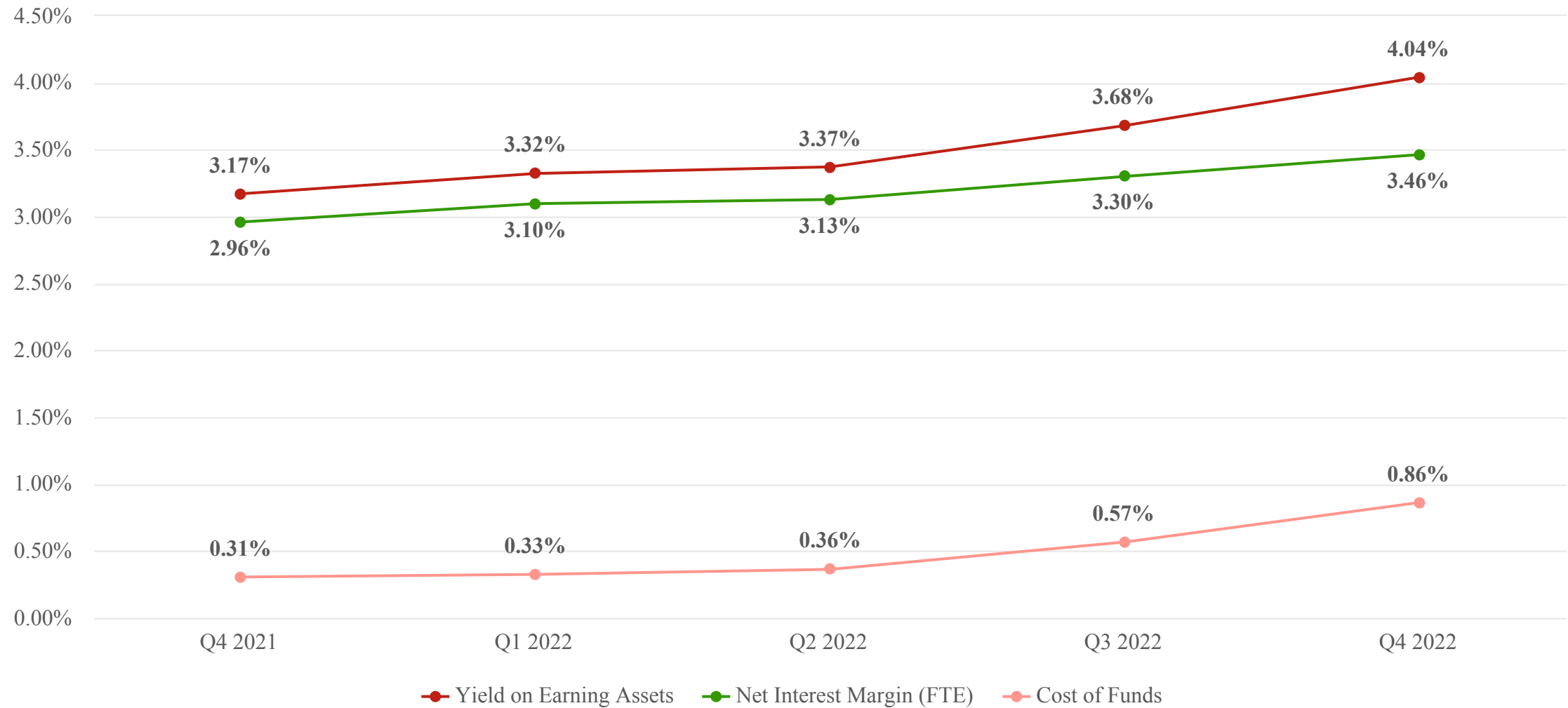
Adjusted EPS - Diluted<sup>(1)</sup>



(1) Refer to Non-GAAP Financial Measures in the Appendix for the calculation of the measure and reconciliation to the most comparable GAAP measure.

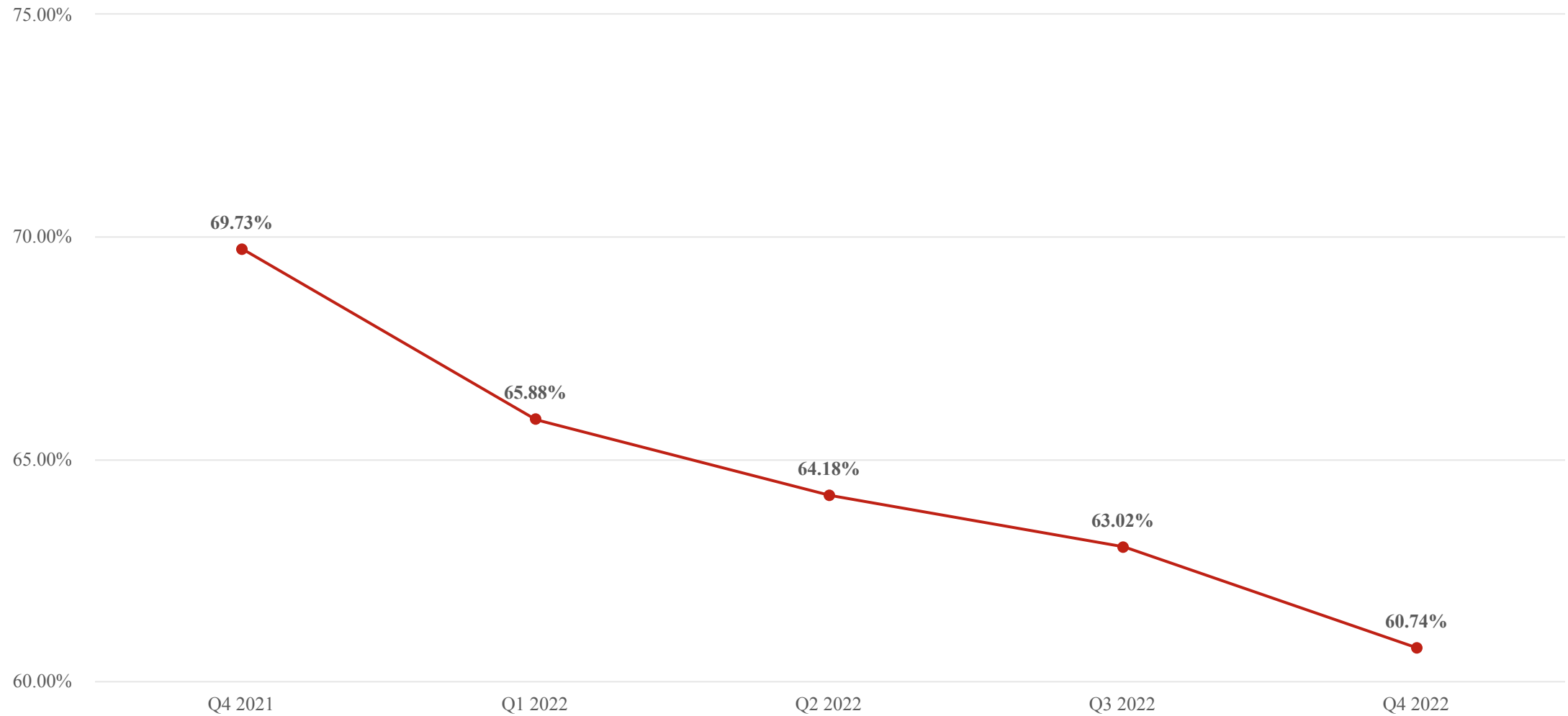


# Net Interest Margin (FTE)<sup>(1)</sup>



(1) Net Interest Margin (GAAP) was 2.95%, 3.08%, 3.12%, 3.29%, and 3.45%, respectively, for the same time periods.

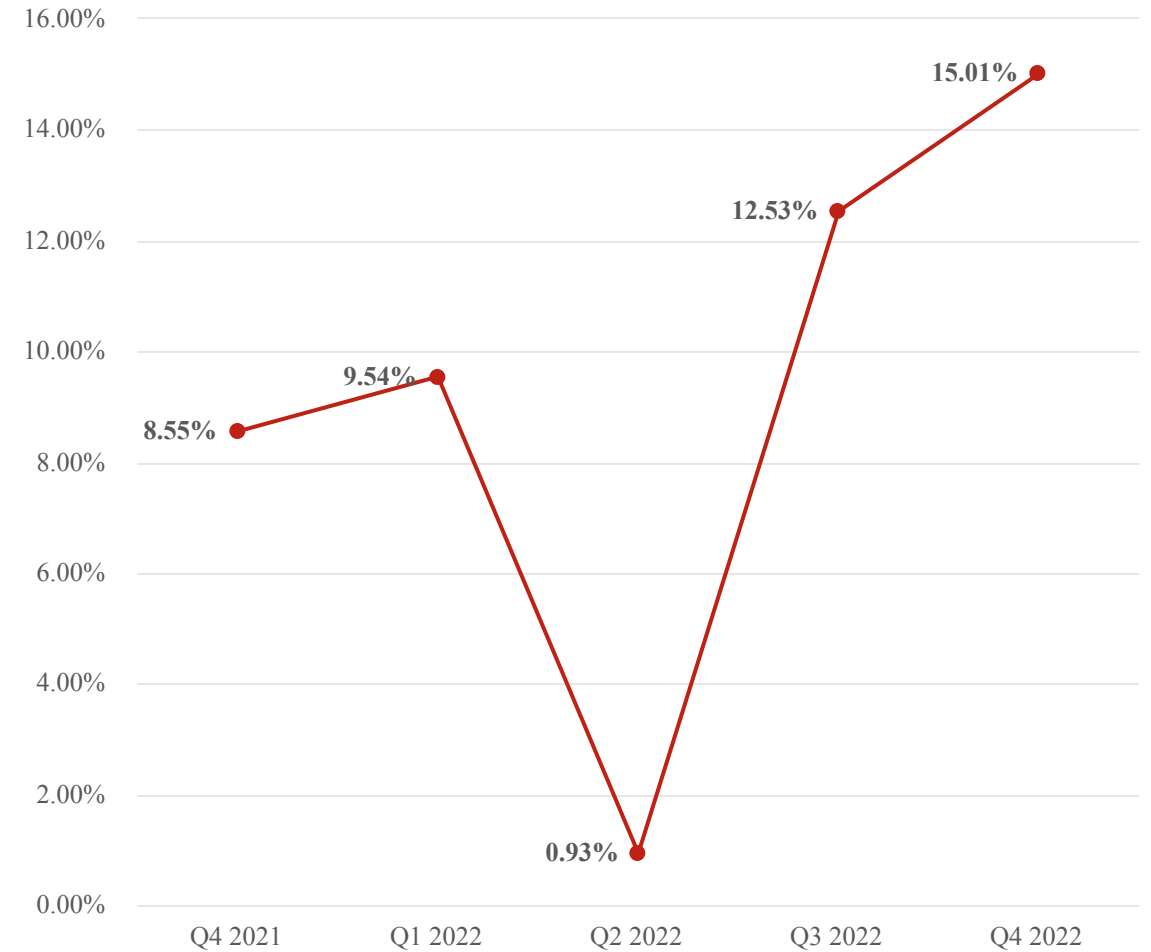
# Adjusted Efficiency Ratio<sup>(1)</sup>



(1) Refer to Non-GAAP Financial Measures in the Appendix for the calculation of the measure and reconciliation to the most comparable GAAP measure. Efficiency Ratio (GAAP) was 52.71%, 69.21%, 68.55%, 64.18%, and 63.25%, respectively, for the same time periods.

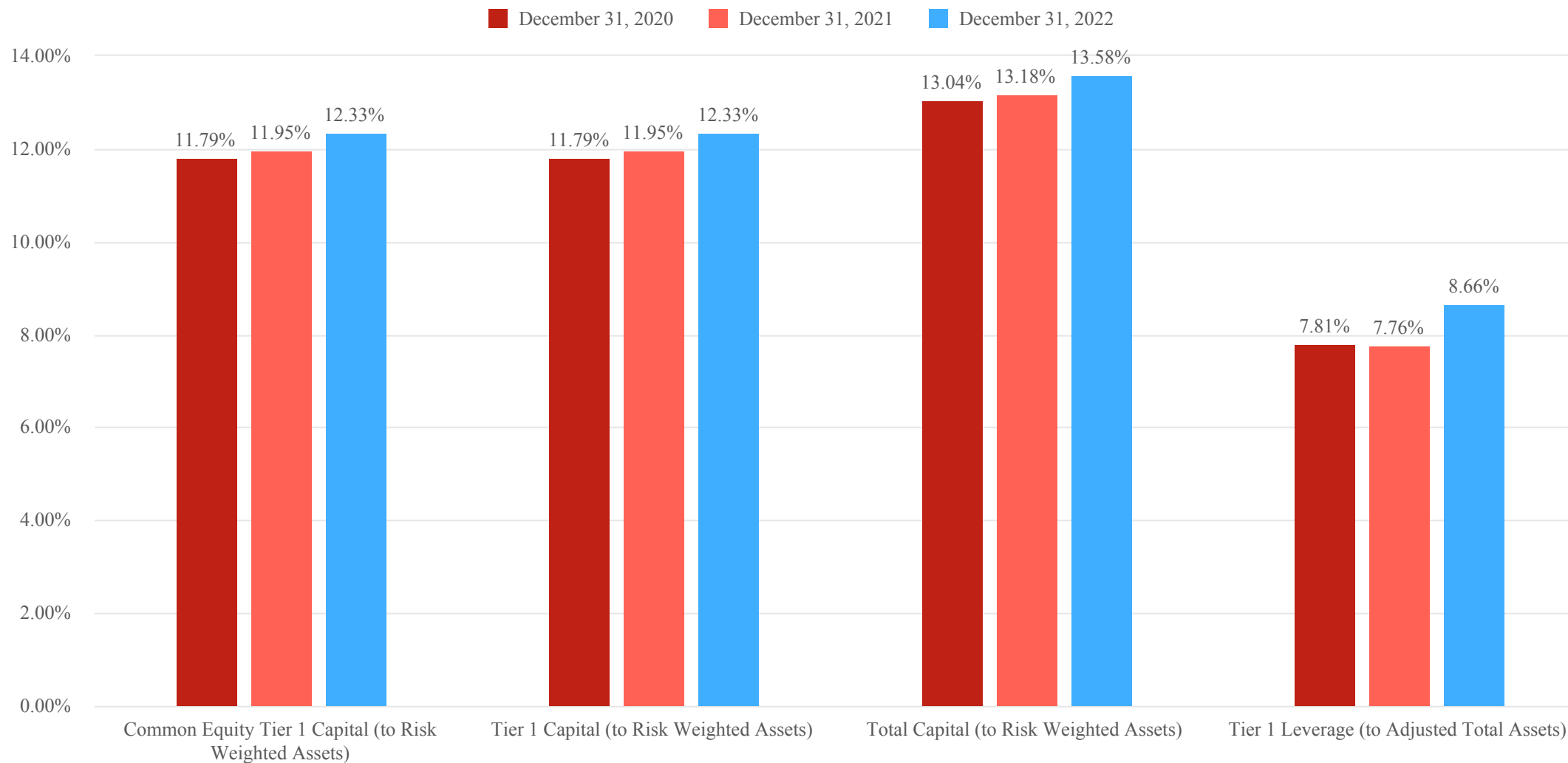
# Adjusted Return on Average Assets – ROAA<sup>(1)</sup>

# Adjusted Return on Average Equity – ROAE<sup>(1)</sup>



(1) Refer to Non-GAAP Financial Measures in the Appendix for the calculation of the measure and reconciliation to the most comparable GAAP measure. ROAA (GAAP) was 1.87%, 0.87%, 0.03%, 1.12% and 1.16%, respectively, for the same time periods. ROAE (GAAP) was 20.95%, 9.50%, 0.40%, 13.60%, and 15.26%, respectively, for the same time periods.

# Strong Capital Ratios (Community Bank)



# Concluding Thoughts



- Intense focus on sales and service culture which builds **full relationships** with our customers
- Utilize **technology investments** to enhance speed of process while improving customer experience
- **Enhance profitability and efficiency potential** while continuing to invest for future growth
- Continue our track record of **opportunistic growth** in the robust Pittsburgh Metropolitan and across our footprint
- Maintain and expand our **low-cost deposit base** which enables the bank to deliver attractive net interest margins
- Leverage our credit culture and **strong loan underwriting** as a foundation to uphold our asset quality metrics

Be the **Community Bank** of choice across our footprint  
for residents and small and medium-sized businesses



NASDAQ Global Market: CBFV  
100 N. Market Street  
Carmichaels, PA 15320  
Phone: (724) 966-5041  
Fax: (724) 966-7867

## Company Contact

John H. Montgomery  
President and Chief Executive Officer  
Phone: (724) 225-2400

## Investor Relations

Jeremy Hellman, CFA  
Phone: (212) 836-9626  
Email: [jhellman@equityny.com](mailto:jhellman@equityny.com)

# Appendix

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# Selected Consolidated Financial Information



(Dollars in thousands) (Unaudited)

| Selected Financial Condition Data          | 12/31/22     | 9/30/22      | 6/30/22      | 3/31/22      | 12/31/21     |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>ASSETS</b>                              |              |              |              |              |              |
| Cash and Due From Banks                    | \$ 103,700   | \$ 122,801   | \$ 81,121    | \$ 123,588   | \$ 119,674   |
| Securities                                 | 190,058      | 193,846      | 213,505      | 231,097      | 224,974      |
| Loans Held for Sale                        | —            | —            | —            | —            | —            |
| Loans                                      |              |              |              |              |              |
| Real Estate:                               |              |              |              |              |              |
| Residential                                | 330,725      | 328,248      | 325,138      | 317,254      | 320,798      |
| Commercial                                 | 436,805      | 432,516      | 426,105      | 427,227      | 392,124      |
| Construction                               | 44,923       | 49,502       | 41,277       | 54,227       | 85,028       |
| Commercial and Industrial                  |              |              |              |              |              |
| PPP  | 126          | 768          | 3,853        | 8,242        | 24,523       |
| Other Commercial and Industrial            | 69,918       | 61,428       | 62,054       | 59,601       | 64,487       |
| Consumer                                   | 146,927      | 150,615      | 148,921      | 143,422      | 122,152      |
| Other                                      | 20,449       | 19,865       | 20,621       | 10,669       | 11,684       |
| Total Loans                                | 1,049,873    | 1,042,942    | 1,027,969    | 1,020,642    | 1,020,796    |
| Allowance for Loan Losses                  | (12,819)     | (12,854)     | (12,833)     | (11,595)     | (11,582)     |
| Loans, Net                                 | 1,037,054    | 1,030,088    | 1,015,136    | 1,009,047    | 1,009,214    |
| Premises and Equipment Held for Sale       | —            | —            | —            | —            | —            |
| Premises and Equipment, Net                | 17,844       | 18,064       | 18,196       | 18,349       | 18,399       |
| Bank-Owned Life Insurance                  | 25,893       | 25,750       | 25,610       | 25,468       | 25,332       |
| Goodwill                                   | 9,732        | 9,732        | 9,732        | 9,732        | 9,732        |
| Intangible Assets, Net                     | 3,513        | 3,959        | 4,404        | 4,850        | 5,295        |
| Accrued Interest and Other Assets          | 21,144       | 21,680       | 18,757       | 16,539       | 12,859       |
| Total Assets                               | \$ 1,408,938 | \$ 1,425,920 | \$ 1,386,461 | \$ 1,438,670 | \$ 1,425,479 |
| <b>LIABILITIES</b>                         |              |              |              |              |              |
| Deposits Held for Sale                     | \$ —         | \$ —         | \$ —         | \$ —         | \$ —         |
| Deposits                                   |              |              |              |              |              |
| Non-Interest Bearing Demand Deposits       | 390,405      | 407,107      | 389,127      | 400,105      | 385,775      |
| Interest Bearing Demand Accounts           | 311,825      | 298,755      | 265,347      | 280,455      | 272,518      |
| Money Market Accounts                      | 209,125      | 198,715      | 185,308      | 192,929      | 192,125      |
| Savings Accounts                           | 248,022      | 250,378      | 250,226      | 247,589      | 239,482      |
| Time Deposits                              | 109,126      | 120,879      | 125,182      | 129,235      | 136,713      |
| Total Deposits                             | 1,268,503    | 1,275,834    | 1,215,190    | 1,250,313    | 1,226,613    |
| Short-Term Borrowings                      | 8,060        | 18,108       | 32,178       | 39,219       | 39,266       |
| Other Borrowings                           | 14,638       | 17,627       | 17,618       | 17,607       | 17,601       |
| Accrued Interest and Other Liabilities     | 7,582        | 7,645        | 7,703        | 9,375        | 8,875        |
| Total Liabilities                          | 1,298,783    | 1,319,214    | 1,272,689    | 1,316,514    | 1,292,355    |
| STOCKHOLDERS' EQUITY                       | \$ 110,155   | \$ 106,706   | \$ 113,772   | \$ 122,156   | \$ 133,124   |
| Total Liabilities and Stockholders' Equity | \$ 1,408,938 | \$ 1,425,920 | \$ 1,386,461 | \$ 1,438,670 | \$ 1,425,479 |



# Quarterly Income Statements



(Dollars in thousands) (Unaudited)

| Selected Operating Data   | Three Months Ended |           |          |          | Year Ended |           |
|---|--------------------|-----------|----------|----------|------------|-----------|
|   | 12/31/22           | 9/30/22   | 6/30/22  | 3/31/22  | 12/31/21   | 12/31/21  |
| Interest and Dividend Income  |                    |           |          |          |            |           |
| Loans, Including Fees   | \$ 11,835          | \$ 10,815 | \$ 9,733 | \$ 9,551 | \$ 9,904   | \$ 41,933 |
| Securities:   |                    |           |          |          |            |           |
| Taxable   | 974                | 985       | 988      | 905      | 866        | 3,852     |
| Tax-Exempt  | 40                 | 49        | 57       | 66       | 66         | 213       |
| Dividends   | 28                 | 21        | 20       | 22       | 21         | 91        |
| Other Interest and Dividend Income  | 978                | 417       | 160      | 72       | 106        | 1,627     |
| Total Interest and Dividend Income  | 13,855             | 12,287    | 10,958   | 10,616   | 10,963     | 47,716    |
| Interest Expense  |                    |           |          |          |            |           |
| Deposits  | 1,811              | 1,079     | 604      | 530      | 636        | 4,025     |
| Short-Term Borrowings   | 7                  | 19        | 18       | 19       | 26         | 63        |
| Other Borrowings  | 171                | 174       | 173      | 174      | 70         | 693       |
| Total Interest Expense  | 1,989              | 1,272     | 795      | 723      | 732        | 4,781     |
| Net Interest and Dividend Income  | 11,866             | 11,015    | 10,163   | 9,893    | 10,231     | 42,935    |
| Provision (Recovery) for Loan Losses  | —                  | —         | 3,784    | —        | 75         | 3,784     |
| Net Interest and Dividend Income After Provision (Recovery) for Loan Losses | 11,866             | 11,015    | 6,379    | 9,893    | 10,156     | 39,151    |
| Noninterest Income:   |                    |           |          |          |            |           |
| Service Fees  | 530                | 544       | 559      | 526      | 569        | 2,160     |
| Insurance Commissions   | 1,399              | 1,368     | 1,369    | 1,798    | 1,618      | 5,934     |
| Other Commissions   | 157                | 244       | 179      | 89       | 90         | 669       |
| Net Gain on Sales of Loans  | —                  | —         | —        | —        | 977        | —         |
| Net Gain (Loss) on Securities   | 83                 | (46)      | (199)    | (7)      | 44         | (168)     |
| Net Gain on Purchased Tax Credits   | 14                 | 14        | 14       | 14       | 17         | 57        |
| Gain on Sale of Branches  | —                  | —         | —        | —        | 5,203      | —         |
| Net Gain (Loss) on Disposal of Fixed Assets                                 | —                  | 439       | —        | (8)      | —          | 431       |
| Income from Bank-Owned Life Insurance                                       | 143                | 140       | 142      | 136      | 142        | 561       |
| Other Income  | 34                 | 36        | 41       | 65       | 29         | 176       |
| Total Noninterest Income  | 2,360              | 2,739     | 2,105    | 2,613    | 8,689      | 9,820     |
| Noninterest Expense:  |                    |           |          |          |            |           |
| Salaries and Employee Benefits  | 4,625              | 4,739     | 4,539    | 4,565    | 5,181      | 18,469    |
| Occupancy   | 817                | 768       | 776      | 686      | 619        | 3,047     |
| Equipment   | 178                | 170       | 182      | 210      | 252        | 739       |
| Data Processing   | 681                | 540       | 446      | 485      | 488        | 2,152     |
| FDIC Assessment   | 154                | 147       | 128      | 209      | 222        | 638       |
| PA Shares Tax   | 258                | 240       | 240      | 240      | 173        | 979       |
| Contracted Services   | 405                | 288       | 348      | 587      | 1,133      | 1,628     |
| Legal and Professional Fees   | 362                | 334       | 389      | 152      | 206        | 1,237     |
| Advertising   | 165                | 131       | 115      | 116      | 191        | 527       |
| Other Real Estate Owned (Income)  | (38)               | (38)      | (37)     | (38)     | (30)       | (151)     |
| Amortization of Intangible Assets   | 446                | 445       | 446      | 445      | 445        | 1,782     |
| Intangible Assets and Goodwill Impairment                                   | —                  | —         | —        | —        | —          | —         |
| Writedown of Fixed Assets   | —                  | —         | —        | —        | 23         | —         |
| Other   | 945                | 1,063     | 838      | 999      | 1,069      | 3,844     |
| Total Noninterest Expense   | 8,998              | 8,827     | 8,410    | 8,656    | 9,972      | 34,891    |
| Income Before Income Tax (Benefit) Expense                                  | 5,228              | 4,927     | 74       | 3,850    | 8,873      | 14,080    |
| Income Tax (Benefit) Expense  | 1,076              | 998       | (44)     | 803      | 1,908      | 2,833     |
| Net Income  | \$ 4,152           | \$ 3,929  | \$ 118   | \$ 3,047 | \$ 6,965   | \$ 11,247 |

# Per Common Share Data



| Per Common Share Data  | Three Months Ended |           |           |           | Year Ended |           |           |
|--|--------------------|-----------|-----------|-----------|------------|-----------|-----------|
|  | 12/31/22           | 9/30/22   | 6/30/22   | 3/31/22   | 12/31/21   | 12/31/22  | 12/31/21  |
| Dividends Per Common Share   | \$ 0.24            | \$ 0.24   | \$ 0.24   | \$ 0.24   | \$ 0.24    | \$ 0.96   | \$ 0.96   |
| Earnings Per Common Share - Basic                                      | 0.81               | 0.77      | 0.02      | 0.59      | 1.32       | 2.19      | 2.15      |
| Earnings Per Common Share - Diluted                                    | 0.81               | 0.77      | 0.02      | 0.58      | 1.31       | 2.18      | 2.15      |
| Adjusted Earnings Per Common Share - Diluted (Non-GAAP) <sup>(1)</sup> | 0.80               | 0.71      | 0.05      | 0.59      | 0.53       | 2.15      | 1.95      |
| Weighted Average Common Shares Outstanding - Basic                     | 5,095,237          | 5,106,861 | 5,147,846 | 5,198,194 | 5,291,795  | 5,136,670 | 5,382,441 |
| Weighted Average Common Shares Outstanding - Diluted                   | 5,104,254          | 5,118,627 | 5,156,975 | 5,220,887 | 5,314,537  | 5,149,312 | 5,392,729 |

|   | 12/31/22  | 9/30/22   | 6/30/22   | 3/31/22   | 12/31/21  |
|---|-----------|-----------|-----------|-----------|-----------|
| Common Shares Outstanding   | 5,100,189 | 5,096,672 | 5,128,333 | 5,156,897 | 5,260,672 |
| Book Value Per Common Share   | \$ 21.60  | \$ 20.94  | \$ 22.18  | \$ 23.69  | \$ 25.31  |
| Tangible Book Value per Common Share (Non-GAAP) <sup>(2)</sup>      | 19.00     | 18.25     | 19.43     | 20.86     | 22.45     |
| Stockholders' Equity to Assets                                      | 7.8%      | 7.5%      | 8.2%      | 8.5%      | 9.3%      |
| Tangible Common Equity to Tangible Assets (Non-GAAP) <sup>(2)</sup> | 6.9       | 6.6       | 7.3       | 7.6       | 8.4       |

(1) Non-GAAP Financial Measures: Adjusted Net Income, Adjusted EPS, Adjusted ROAA and Adjusted ROAE in the Appendix section.

(2) Non-GAAP Financial Measures: Tangible Common Equity, Tangible Book Value per Share and Tangible Common Equity to Tangible Assets in the Appendix section.

# Selected Financial Ratios / Asset Quality Ratios / Capital Ratios



| Selected Financial Ratios <sup>(2)</sup>                                | Three Months Ended |         |         |         | Year Ended |          |
|---|--------------------|---------|---------|---------|------------|----------|
|   | 12/31/22           | 9/30/22 | 6/30/22 | 3/31/22 | 12/31/21   | 12/31/21 |
| Return on Average Assets  | 1.16 %             | 1.12 %  | 0.03 %  | 0.87 %  | 1.87 %     | 0.79 %   |
| Adjusted Return on Average Assets (Non-GAAP) <sup>(1)</sup>             | 1.15               | 1.03    | 0.08    | 0.87    | 0.76       | 0.72     |
| Return on Average Equity  | 15.26              | 13.60   | 0.40    | 9.50    | 20.95      | 8.66     |
| Adjusted Return on Average Equity (Non-GAAP) <sup>(1)</sup>             | 15.01              | 12.53   | 0.93    | 9.54    | 8.55       | 7.87     |
| Average Interest-Earning Assets to Average Interest-Bearing Liabilities | 149.04             | 149.41  | 149.03  | 144.48  | 145.09     | 145.44   |
| Average Equity to Average Assets  | 7.63               | 8.20    | 8.49    | 9.14    | 8.93       | 9.12     |
| Net Interest Rate Spread  | 3.17               | 3.10    | 3.00    | 2.98    | 2.85       | 2.81     |
| Net Interest Rate Spread (FTE) (Non-GAAP) <sup>(1)</sup>                | 3.18               | 3.11    | 3.01    | 2.99    | 2.86       | 2.82     |
| Net Interest Margin   | 3.45               | 3.29    | 3.12    | 3.08    | 2.95       | 2.92     |
| Net Interest Margin (FTE) (Non-GAAP) <sup>(1)</sup>                     | 3.46               | 3.30    | 3.13    | 3.10    | 2.96       | 2.94     |
| Net (Recoveries) Charge-offs to Average Loans                           | 0.01               | (0.01)  | 1.01    | (0.01)  | 0.03       | 0.01     |
| Efficiency Ratio  | 63.25              | 64.18   | 68.55   | 69.21   | 52.71      | 75.95    |
| Adjusted Efficiency Ratio (Non-GAAP) <sup>(1)</sup>                     | 60.74              | 63.02   | 64.18   | 65.88   | 69.73      | 74.25    |

| Asset Quality Ratios  | 12/31/22 | 9/30/22 | 6/30/22 | 3/31/22 | 12/31/21 |
|---|----------|---------|---------|---------|----------|
| Allowance for Loan Losses to Total Loans  | 1.22 %   | 1.23 %  | 1.25 %  | 1.14 %  | 1.13 %   |
| Allowance for Loan Losses to Total Loans, Excluding PPP Loans (Non-GAAP) <sup>(1)</sup> | 1.22     | 1.23    | 1.25    | 1.15    | 1.16     |
| Allowance for Loan Losses to Nonperforming Loans <sup>(3)</sup>                         | 221.06   | 218.61  | 219.89  | 158.88  | 159.40   |
| Allowance for Loan Losses to Noncurrent Loans <sup>(4)</sup>                            | 320.64   | 318.96  | 329.47  | 218.28  | 233.37   |
| Delinquent and Nonaccrual Loans to Total Loans <sup>(4) (5)</sup>                       | 0.81     | 0.46    | 0.45    | 0.79    | 0.78     |
| Nonperforming Loans to Total Loans <sup>(3)</sup>                                       | 0.55     | 0.56    | 0.57    | 0.72    | 0.71     |
| Noncurrent Loans to Total Loans <sup>(4)</sup>  | 0.38     | 0.39    | 0.38    | 0.52    | 0.49     |
| Nonperforming Assets to Total Assets <sup>(6)</sup>                                     | 0.41     | 0.41    | 0.42    | 0.51    | 0.51     |

- (1) Refer to Explanation of Use of Non-GAAP Financial Measures in this presentation for the calculation of the measure and reconciliation to the most comparable GAAP measure.
- (2) Interim period ratios are calculated on an annualized basis.
- (3) Nonperforming loans consist of nonaccrual loans, accruing loans that are 90 days or more past due, and troubled debt restructured loans.
- (4) Noncurrent loans consist of nonaccrual loans and accruing loans that are 90 days or more past due.
- (5) Delinquent loans consist of accruing loans that are 30 days or more past due.
- (6) Nonperforming assets consist of nonperforming loans and other real estate owned.
- (7) Capital ratios are for Community Bank only.

Certain items previously reported may have been reclassified to conform with the current reporting period's format.

| Capital Ratios <sup>(7)</sup>                          | 12/31/22 | 9/30/22 | 6/30/22 | 3/31/22 | 12/31/21 |
|--|----------|---------|---------|---------|----------|
| Common Equity Tier 1 Capital (to Risk Weighted Assets) | 12.33 %  | 12.02 % | 11.83 % | 11.99 % | 11.95 %  |
| Tier 1 Capital (to Risk Weighted Assets)               | 12.33    | 12.02   | 11.83   | 11.99   | 11.95    |
| Total Capital (to Risk Weighted Assets)                | 13.58    | 13.27   | 13.08   | 13.20   | 13.18    |
| Tier 1 Leverage (to Adjusted Total Assets)             | 8.66     | 8.51    | 8.33    | 8.19    | 7.76     |

# Average Balances and Yields



|  | December 31, 2022 |                        |                             | September 30, 2022 |                        |                             | Three Months Ended<br>June 30, 2022 |                        |                             | March 31, 2022  |                        |                             | December 31, 2021 |                        |                             |
|--|-------------------|------------------------|-----------------------------|--------------------|------------------------|-----------------------------|-------------------------------------|------------------------|-----------------------------|-----------------|------------------------|-----------------------------|-------------------|------------------------|-----------------------------|
|  | Average Balance   | Interest and Dividends | Yield / Cost <sup>(1)</sup> | Average Balance    | Interest and Dividends | Yield / Cost <sup>(1)</sup> | Average Balance                     | Interest and Dividends | Yield / Cost <sup>(1)</sup> | Average Balance | Interest and Dividends | Yield / Cost <sup>(1)</sup> | Average Balance   | Interest and Dividends | Yield / Cost <sup>(1)</sup> |
| <i>(Dollars in thousands) (Unaudited)</i>                  |                   |                        |                             |                    |                        |                             |                                     |                        |                             |                 |                        |                             |                   |                        |                             |
| <b>Assets:</b>   |                   |                        |                             |                    |                        |                             |                                     |                        |                             |                 |                        |                             |                   |                        |                             |
| Interest-Earning Assets:                                   |                   |                        |                             |                    |                        |                             |                                     |                        |                             |                 |                        |                             |                   |                        |                             |
| Loans, Net <sup>(2)</sup>                                  | \$ 1,034,714      | \$ 11,853              | 4.54 %                      | \$ 1,024,363       | \$ 10,833              | 4.20 %                      | \$ 1,007,874                        | \$ 9,751               | 3.88 %                      | \$ 1,009,210    | \$ 9,573               | 3.85 %                      | \$ 1,004,827      | \$ 9,927               | 3.92 %                      |
| Debt Securities  |                   |                        |                             |                    |                        |                             |                                     |                        |                             |                 |                        |                             |                   |                        |                             |
| Taxable  | 216,915           | 974                    | 1.80                        | 222,110            | 985                    | 1.77                        | 228,315                             | 988                    | 1.73                        | 215,906         | 905                    | 1.68                        | 205,328           | 866                    | 1.69                        |
| Exempt From Federal Tax                                    | 6,277             | 51                     | 3.25                        | 7,998              | 62                     | 3.10                        | 9,109                               | 73                     | 3.21                        | 10,195          | 84                     | 3.30                        | 10,477            | 84                     | 3.21                        |
| Equity Securities  | 2,693             | 28                     | 4.16                        | 2,693              | 21                     | 3.12                        | 2,693                               | 20                     | 2.97                        | 2,693           | 22                     | 3.27                        | 2,693             | 21                     | 3.12                        |
| Interest Bearing Deposits at Other Banks                   | 99,108            | 939                    | 3.79                        | 67,870             | 378                    | 2.23                        | 56,379                              | 122                    | 0.87                        | 59,296          | 33                     | 0.22                        | 150,102           | 61                     | 0.16                        |
| Other Interest-Earning Assets                              | 2,875             | 39                     | 5.38                        | 2,784              | 39                     | 5.56                        | 3,235                               | 38                     | 4.71                        | 3,483           | 39                     | 4.54                        | 3,475             | 45                     | 5.14                        |
| Total Interest-Earning Assets                              | 1,362,582         | 13,884                 | 4.04                        | 1,327,818          | 12,318                 | 3.68                        | 1,307,605                           | 10,992                 | 3.37                        | 1,300,783       | 10,656                 | 3.32                        | 1,376,902         | 11,004                 | 3.17                        |
| Noninterest-Earning Assets                                 | 51,718            |                        |                             | 68,796             |                        |                             | 84,323                              |                        |                             | 122,288         |                        |                             | 100,607           |                        |                             |
| Total Assets   | \$ 1,414,300      |                        |                             | \$ 1,396,614       |                        |                             | \$ 1,391,928                        |                        |                             | \$ 1,423,071    |                        |                             | \$ 1,477,509      |                        |                             |
| <b>Liabilities and Stockholders' Equity</b>                |                   |                        |                             |                    |                        |                             |                                     |                        |                             |                 |                        |                             |                   |                        |                             |
| Interest-Bearing Liabilities:                              |                   |                        |                             |                    |                        |                             |                                     |                        |                             |                 |                        |                             |                   |                        |                             |
| Interest-Bearing Demand Deposits <sup>(3)</sup>            | \$ 315,352        | 810                    | 1.02 %                      | \$ 278,412         | 393                    | 0.56 %                      | \$ 260,655                          | 111                    | 0.17 %                      | \$ 276,603      | 48                     | 0.07 %                      | \$ 278,546        | 51                     | 0.07 %                      |
| Savings <sup>(3)</sup>                                     | 249,948           | 29                     | 0.05                        | 251,148            | 20                     | 0.03                        | 248,356                             | 20                     | 0.03                        | 243,786         | 19                     | 0.03                        | 252,387           | 20                     | 0.03                        |
| Money Market <sup>(3)</sup>                                | 206,192           | 604                    | 1.16                        | 189,371            | 269                    | 0.56                        | 188,804                             | 61                     | 0.13                        | 192,425         | 41                     | 0.09                        | 209,572           | 57                     | 0.11                        |
| Time Deposits <sup>(3)</sup>                               | 116,172           | 368                    | 1.26                        | 123,438            | 397                    | 1.28                        | 127,832                             | 412                    | 1.29                        | 132,015         | 422                    | 1.30                        | 154,342           | 508                    | 1.31                        |
| Total Interest-Bearing Deposits <sup>(3)</sup>             | 887,664           | 1,811                  | 0.81                        | 842,369            | 1,079                  | 0.51                        | 825,647                             | 604                    | 0.29                        | 844,829         | 530                    | 0.25                        | 894,847           | 636                    | 0.28                        |
| Short-Term Borrowings                                      |                   |                        |                             |                    |                        |                             |                                     |                        |                             |                 |                        |                             |                   |                        |                             |
| Securities Sold Under Agreements to Repurchase             | 8,985             | 7                      | 0.31                        | 28,738             | 19                     | 0.26                        | 34,135                              | 18                     | 0.21                        | 37,884          | 19                     | 0.20                        | 44,709            | 26                     | 0.23                        |
| Other Borrowings   | 17,598            | 171                    | 3.86                        | 17,621             | 174                    | 3.92                        | 17,611                              | 173                    | 3.94                        | 17,604          | 174                    | 4.01                        | 9,474             | 70                     | 2.93                        |
| Total Interest-Bearing Liabilities                         | 914,247           | 1,989                  | 0.86                        | 888,728            | 1,272                  | 0.57                        | 877,393                             | 795                    | 0.36                        | 900,317         | 723                    | 0.33                        | 949,030           | 732                    | 0.31                        |
| Noninterest-Bearing Demand Deposits                        | 391,300           |                        |                             | 390,658            |                        |                             | 391,975                             |                        |                             | 384,188         |                        |                             | 388,787           |                        |                             |
| Accrued Interest Payable and Other Liabilities             | 788               |                        |                             | 2,636              |                        |                             | 4,415                               |                        |                             | 8,554           |                        |                             | 7,800             |                        |                             |
| Total Liabilities  | 1,306,335         |                        |                             | 1,282,022          |                        |                             | 1,273,783                           |                        |                             | 1,293,059       |                        |                             | 1,345,617         |                        |                             |
| Stockholders' Equity                                       | 107,965           |                        |                             | 114,592            |                        |                             | 118,145                             |                        |                             | 130,012         |                        |                             | 131,892           |                        |                             |
| Total Liabilities and Stockholders' Equity                 | \$ 1,414,300      |                        |                             | \$ 1,396,614       |                        |                             | \$ 1,391,928                        |                        |                             | \$ 1,423,071    |                        |                             | \$ 1,477,509      |                        |                             |
| Net Interest Income (FTE) (Non-GAAP) <sup>(4)</sup>        |                   | 11,895                 |                             |                    | 11,046                 |                             |                                     | 10,197                 |                             |                 | 9,933                  |                             |                   | 10,272                 |                             |
| Net Interest-Earning Assets <sup>(5)</sup>                 | 448,335           |                        |                             | 439,090            |                        |                             | 430,212                             |                        |                             | 400,466         |                        |                             | 427,872           |                        |                             |
| Net Interest Rate Spread (FTE)(Non-GAAP) <sup>(4)(6)</sup> |                   |                        | 3.18 %                      |                    |                        | 3.11 %                      |                                     | 3.01 %                 |                             |                 | 2.99 %                 |                             |                   | 2.86 %                 |                             |
| Net Interest Margin (FTE) (Non-GAAP) <sup>(4)(7)</sup>     |                   |                        | 3.46                        |                    |                        | 3.30                        |                                     | 3.13                   |                             |                 | 3.10                   |                             |                   | 2.96                   |                             |
| PPP Loans  | 216               | 22                     | 40.41                       | 2,424              | 123                    | 20.13                       | 5,546                               | 144                    | 10.41                       | 14,673          | 445                    | 12.30                       | 29,067            | 391                    | 5.34                        |

(1) Annualized based on three months ended results.

(2) Net of allowance for loan losses and includes nonaccrual loans with a zero yield and Loans Held for Sale if applicable

(3) Includes Deposits Held for Sale that were sold in December 2021.

(4) Refer to Explanation and Use of Non-GAAP Financial Measures in this presentation for the calculation of the measure and reconciliation to the most comparable GAAP measure.

(5) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.

(6) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average cost of interest-bearing liabilities.

(7) Net interest margin represents net interest income divided by average total interest-earning assets.

# Non-GAAP Financial Measures: Adjusted Net Income, Adjusted EPS and Adjusted ROAA



|   | Three Months Ended |                 |               |                 |                 | Year Ended       |                  |                 |                  |
|---|--------------------|-----------------|---------------|-----------------|-----------------|------------------|------------------|-----------------|------------------|
|   | 12/31/22           | 9/30/22         | 6/30/22       | 3/31/22         | 12/31/21        | 12/31/22         | 12/31/21         | 12/31/20        | 12/31/19         |
| <i>(Dollars in thousands, except share and per share data) (Unaudited)</i>      |                    |                 |               |                 |                 |                  |                  |                 |                  |
| Net Income (GAAP)   | \$ 4,152           | \$ 3,929        | \$ 118        | \$ 3,047        | \$ 6,965        | \$ 11,247        | \$ 11,570        | \$(10,640)      | \$ 14,327        |
| <b>Adjustments</b>  |                    |                 |               |                 |                 |                  |                  |                 |                  |
| (Gain) Loss on Securities   | (83)               | 46              | 199           | 7               | (44)            | 168              | (526)            | (233)           | (140)            |
| (Gain) on Sale of Branches  | —                  | —               | —             | —               | (5,203)         | —                | (5,203)          | —               | —                |
| (Gain) Loss on Disposal of Fixed Assets   | —                  | (439)           | —             | 8               | —               | (431)            | 3                | 61              | (2)              |
| Tax effect  | 17                 | 83              | (42)          | (3)             | 1,102           | 55               | 1,202            | 36              | 30               |
| <b>Non-Cash Charges:</b>  |                    |                 |               |                 |                 |                  |                  |                 |                  |
| Intangible Asset and Goodwill Impairment  | —                  | —               | —             | —               | —               | —                | 1,178            | 18,693          | —                |
| Writedown on Fixed Assets   | —                  | —               | —             | —               | 23              | —                | 2,293            | 1,124           | —                |
| Tax Effect  | —                  | —               | —             | —               | —               | —                | —                | (338)           | —                |
| <b>Adjusted Net Income (Non-GAAP)</b>   | <b>\$ 4,086</b>    | <b>\$ 3,619</b> | <b>\$ 275</b> | <b>\$ 3,059</b> | <b>\$ 2,843</b> | <b>\$ 11,039</b> | <b>\$ 10,517</b> | <b>\$ 8,703</b> | <b>\$ 14,215</b> |
| Weighted-Average Diluted Common Shares and Common Stock Equivalents Outstanding | 5,104,254          | 5,118,627       | 5,156,975     | 5,220,887       | 5,314,537       | 5,149,312        | 5,392,729        | 5,406,290       | 5,448,761        |
| Earnings per Common Share - Diluted (GAAP)                                      | \$ 0.81            | \$ 0.77         | \$ 0.02       | \$ 0.58         | \$ 1.31         | \$ 2.18          | \$ 2.15          | \$ (1.97)       | \$ 2.63          |
| Adjusted Earnings per Common Share - Diluted (Non-GAAP)                         | \$ 0.80            | \$ 0.71         | \$ 0.05       | \$ 0.59         | \$ 0.53         | \$ 2.14          | \$ 1.95          | \$ 1.61         | \$ 2.61          |
| Net Income (GAAP) (Numerator)   | \$ 4,152           | \$ 3,929        | \$ 118        | \$ 3,047        | \$ 6,965        | \$ 11,247        | \$ 11,570        | \$(10,640)      | \$ 14,327        |
| Annualization Factor  | 3.97               | 3.97            | 4.01          | 4.06            | 3.97            | 1.00             | 1.00             | 1.00            | 1.00             |
| Average Assets (Denominator)  | \$1,414,300        | \$1,396,614     | \$1,391,928   | \$1,423,071     | \$1,477,509     | 1,406,428        | 1,464,454        | 1,378,074       | 1,311,425        |
| Return on Average Assets (GAAP)   | 1.16 %             | 1.12 %          | 0.03 %        | 0.87 %          | 1.87 %          | 0.80 %           | 0.79 %           | (0.77)%         | 1.09 %           |
| Adjusted Net Income (Non-GAAP) (Numerator)                                      | \$ 4,086           | \$ 3,619        | \$ 275        | \$ 3,059        | \$ 2,843        | \$ 11,039        | \$ 10,517        | \$ 8,703        | \$ 14,215        |
| Annualization Factor  | 3.97               | 3.97            | 4.01          | 4.06            | 3.97            | 1.00             | 1.00             | 1.00            | 1.00             |
| Average Assets (Denominator)  | \$1,414,300        | \$1,396,614     | \$1,391,928   | \$1,423,071     | \$1,477,509     | 1,406,428        | 1,464,454        | 1,378,074       | 1,311,425        |
| Adjusted Return on Average Assets (Non-GAAP)                                    | 1.15 %             | 1.03 %          | 0.08 %        | 0.87 %          | 0.76 %          | 0.78 %           | 0.72 %           | 0.63 %          | 1.08 %           |

# Non-GAAP Financial Measures: Adjusted Net Income, Adjusted EPS and Adjusted ROAE



|   | Three Months Ended |           |           |           |           |
|---|--------------------|-----------|-----------|-----------|-----------|
|   | 12/31/22           | 9/30/22   | 6/30/22   | 3/31/22   | 12/31/21  |
| <i>(Dollars in thousands) (Unaudited)</i>               |                    |           |           |           |           |
| Net Income (GAAP)                                       | \$ 4,152           | \$ 3,929  | \$ 118    | \$ 3,047  | \$ 6,965  |
| <u>Adjustments</u>                                      |                    |           |           |           |           |
| (Gain) Loss on Securities                               | (83)               | 46        | 199       | 7         | (44)      |
| (Gain) on Sale of Branches                              | —                  | —         | —         | —         | (5,203)   |
| (Gain) Loss on Disposal of Fixed Assets                 | —                  | (439)     | —         | 8         | —         |
| Tax effect  | 17                 | 83        | (42)      | (3)       | 1,102     |
| Non-Cash Charges:                                       |                    |           |           |           |           |
| Intangible Asset and Goodwill Impairment                | —                  | —         | —         | —         | —         |
| Writedown on Fixed Assets                               | —                  | —         | —         | —         | 23        |
| Tax Effect  | —                  | —         | —         | —         | —         |
| Adjusted Net Income (Non-GAAP)                          | \$ 4,086           | \$ 3,619  | \$ 275    | \$ 3,059  | \$ 2,843  |
| Weighted-Average Diluted Common Shares and Common Stock |                    |           |           |           |           |
| Equivalents Outstanding                                 | 5,104,254          | 5,118,627 | 5,156,975 | 5,220,887 | 5,314,537 |
| Earnings per Common Share - Diluted (GAAP)              | \$ 0.81            | \$ 0.77   | \$ 0.02   | \$ 0.58   | \$ 1.31   |
| Adjusted Earnings per Common Share - Diluted (Non-GAAP) | \$ 0.80            | \$ 0.71   | \$ 0.05   | \$ 0.59   | \$ 0.53   |
| Net Income (GAAP) (Numerator)                           |                    |           |           |           |           |
|   | \$ 4,152           | 3,929     | 118       | 3,047     | 6,965     |
| Annualization Factor                                    | 3.97               | 3.97      | 4.01      | 4.06      | 3.97      |
| Average Equity (Denominator) (GAAP)                     | \$ 107,965         | 114,592   | 118,145   | 130,012   | 131,892   |
| Return on Average Equity (GAAP)                         | 15.26%             | 13.60 %   | 0.40 %    | 9.50 %    | 20.95 %   |
| Adjusted Net Income (Non- GAAP) (Numerator)             |                    |           |           |           |           |
|   | \$ 4,086           | \$ 3,619  | \$ 275    | \$ 3,059  | \$ 2,843  |
| Annualization Factor                                    | 3.97               | 3.97      | 4.01      | 4.06      | 3.97      |
| Average Equity (Denominator) (GAAP)                     | \$ 107,965         | 114,592   | 118,145   | 130,012   | 131,892   |
| Adjusted Return on Average Equity (Non-GAAP)            | 15.01%             | 12.53 %   | 0.93 %    | 9.54 %    | 8.55 %    |

|  |    |       |
|--|----|-------|
| Share Price  | \$ | 21.43 |
| Divided by: Earnings per Common Share - Diluted (GAAP) (Last 12 Months)          | \$ | 2.18  |
| Price to EPS (GAAP)  |    | 9.8x  |
| Share Price  | \$ | 21.76 |
| Divided by: Adjusted Earnings per Common Share - Diluted (GAAP) (Last 12 Months) | \$ | 2.14  |
| Price to Adjusted EPS (Non-GAAP)   |    | 10.2x |

# Non-GAAP Financial Measures: Tangible Common Equity, Tangible Book Value per Share and Tangible Common Equity to Tangible Assets



|  | 12/31/22     | 12/31/21     | 12/31/20     | 12/31/19     |
|--|--------------|--------------|--------------|--------------|
| <i>(Dollars in thousands, except share and per share data)</i> |              |              |              |              |
| Stockholders' Equity (GAAP)                                    | \$ 110,155   | \$ 133,124   | \$ 134,530   | \$ 151,097   |
| Goodwill and Intangible Assets, Net                            | (13,245)     | (15,027)     | (18,131)     | (38,952)     |
| Tangible Common Equity or Tangible Book Value (Non-GAAP)       | \$ 96,910    | \$ 118,097   | \$ 116,399   | \$ 112,145   |
| Common Shares Outstanding                                      | 5,100,189    | 5,260,672    | 5,434,374    | 5,463,828    |
| Book Value per Common Share (GAAP)                             | \$ 21.60     | \$ 25.31     | \$ 24.76     | \$ 27.65     |
| Tangible Book Value per Common Share (Non-GAAP)                | \$ 19.00     | \$ 22.45     | \$ 21.42     | \$ 20.52     |
| Total Assets (GAAP)  | \$ 1,408,938 | \$ 1,425,479 | \$ 1,416,720 | \$ 1,321,537 |
| Goodwill and Intangible Assets, Net                            | (13,245)     | (15,027)     | (18,131)     | (38,952)     |
| Tangible Assets (Non-GAAP)                                     | \$ 1,395,693 | \$ 1,410,452 | \$ 1,398,589 | \$ 1,282,585 |
| Stockholders' Equity to Assets (GAAP)                          | 7.8%         | 9.3%         | 9.5%         | 11.4%        |
| Tangible Common Equity / Tangible Assets (Non-GAAP)            | 6.9%         | 8.4%         | 8.3%         | 8.7%         |
| Share Price ( as of December 31, 2022)                         | \$ 21.43     |              |              |              |
| Price to Book Value (GAAP)                                     | 0.99x        |              |              |              |
| Price to Tangible Book Value (Non-GAAP)                        | 1.13x        |              |              |              |

# Non-GAAP Financial Measures: Return on Average Tangible Common Equity



|   | Three Months Ended |           | Year Ended |           |            |           |
|---|--------------------|-----------|------------|-----------|------------|-----------|
|   | 12/31/22           | 12/31/21  | 12/31/22   | 12/31/21  | 12/31/20   | 12/31/19  |
| <i>(Dollars in thousands)</i>                           |                    |           |            |           |            |           |
| Net Income (Loss) (GAAP)                                | \$ 4,152           | \$ 6,965  | \$ 11,247  | \$ 11,570 | \$(10,640) | \$ 14,327 |
| Amortization of Intangible Assets, Net                  | 446                | 445       | 1,782      | 1,926     | 2,128      | 1,532     |
| Goodwill Impairment                                     | —                  | —         | —          | 1,178     | 18,693     | —         |
| Adjusted Net Income (Non-GAAP) (Numerator)              | \$ 4,598           | \$ 7,410  | \$ 13,029  | \$ 14,674 | \$ 10,181  | \$ 15,859 |
| Annualization Factor                                    | 3.97               | 3.97      | 1.00       | 1.00      | 1.00       | 1.00      |
| Average Stockholders' Equity (GAAP)                     | \$107,965          | \$131,892 | \$117,610  | \$133,605 | \$148,132  | \$144,903 |
| Average Goodwill and Intangible Assets, Net             | (13,534)           | (15,311)  | (14,193)   | (16,591)  | (33,207)   | (39,782)  |
| Average Tangible Common Equity (Non-GAAP) (Denominator) | \$ 94,431          | \$116,581 | \$103,417  | \$117,014 | \$114,925  | \$105,121 |
| Return on Average Equity (GAAP)                         | 15.26 %            | 20.95 %   | 9.56 %     | 8.66 %    | (7.18)%    | 9.89 %    |
| Return on Average Tangible Common Equity (Non-GAAP)     | 19.32 %            | 25.22 %   | 12.60 %    | 12.54 %   | 8.86 %     | 15.09 %   |



# Non-GAAP Financial Measures: Net Interest Rate Spread (FTE) and Net Interest Margin (FTE)

|  | Three Months Ended |              |              |              |              | Year Ended   |              |              |              |
|--|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 12/31/22           | 9/30/22      | 6/30/22      | 3/31/22      | 12/31/21     | 12/31/22     | 12/31/21     | 12/31/20     | 12/31/19     |
| <i>(Dollars in thousands)</i>                                |                    |              |              |              |              |              |              |              |              |
| Interest Income per Consolidated Statement of Income (GAAP)  | \$ 13,855          | \$ 12,287    | \$ 10,958    | \$ 10,616    | \$ 10,963    | \$ 47,716    | \$ 43,557    | \$ 47,467    | \$ 51,031    |
| Adjustment to FTE Basis                                      | 29                 | 31           | 34           | 40           | 41           | 134          | 172          | 211          | 251          |
| Interest Income (FTE) (Non-GAAP)                             | \$ 13,884          | \$ 12,318    | \$ 10,992    | \$ 10,656    | \$ 11,004    | \$ 47,850    | \$ 43,729    | \$ 47,678    | \$ 51,282    |
| Interest Expense per Consolidated Statement of Income (GAAP) | 1,989              | 1,272        | 795          | 723          | 732          | 4,781        | 3,405        | 5,563        | 7,857        |
| Net Interest Income (FTE) (Non-GAAP)                         | \$ 11,895          | \$ 11,046    | \$ 10,197    | \$ 9,933     | \$ 10,272    | \$ 43,069    | \$ 40,324    | \$ 42,115    | \$ 43,425    |
| Net Interest Income (GAAP)                                   | \$ 11,866          | \$ 11,015    | \$ 10,163    | \$ 9,893     | \$ 10,231    | \$ 42,935    | \$ 40,152    | \$ 41,904    | \$ 43,174    |
| Net Interest Rate Spread (GAAP)                              | 3.17 %             | 3.10 %       | 3.00 %       | 2.98 %       | 2.85 %       | 3.07 %       | 2.81%        | 3.13%        | 3.40%        |
| Adjustment to FTE Basis                                      | 0.01               | 0.01         | 0.01         | 0.01         | 0.01         | 0.01         | 0.01         | 0.02         | 0.02         |
| Net Interest Rate Spread (FTE) (Non-GAAP)                    | 3.18 %             | 3.11 %       | 3.01 %       | 2.99 %       | 2.86 %       | 3.08 %       | 2.82%        | 3.15%        | 3.42%        |
| Divided by: Average Interest Earning Assets                  | \$ 1,362,582       | \$ 1,327,818 | \$ 1,307,605 | \$ 1,300,783 | \$ 1,376,902 | \$ 1,324,875 | \$ 1,373,379 | \$ 1,268,833 | \$ 1,192,371 |
| Multiplied by: Annualization Factor                          | 3.9674             | 3.9674       | 4.0110       | 4.0556       | 3.9674       | 1.0000       | 1.0000       | 1.0000       | 1.0000       |
| Net Interest Margin (FTE) (Non-GAAP)                         | 3.46 %             | 3.30 %       | 3.13 %       | 3.10 %       | 2.96 %       | 3.25 %       | 2.94%        | 3.32%        | 3.64%        |
| Net Interest Margin (GAAP)                                   | 3.45 %             | 3.29 %       | 3.12 %       | 3.08 %       | 2.95 %       | 3.24 %       | 2.92%        | 3.30%        | 3.62%        |

# Non-GAAP Financial Measures: Adjusted Efficiency Ratio



|   | Three Months Ended |           |           |           |           | Year Ended |           |           |           |
|---|--------------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|
|   | 12/31/22           | 9/30/22   | 6/30/22   | 3/31/22   | 12/31/21  | 12/31/22   | 12/31/21  | 12/31/20  | 12/31/19  |
| <i>(Dollars in thousands)</i>               |                    |           |           |           |           |            |           |           |           |
| <b>Efficiency Ratio (GAAP)</b>              |                    |           |           |           |           |            |           |           |           |
| Noninterest expense (GAAP)                  | \$ 8,998           | \$ 8,827  | \$ 8,410  | \$ 8,656  | \$ 9,972  | \$ 34,891  | \$ 42,862 | \$ 56,767 | \$ 34,960 |
| Net Interest and Dividend Income (GAAP)     | 11,866             | 11,015    | 10,163    | 9,893     | 10,231    | 42,935     | 40,152    | 41,904    | 43,174    |
| Noninterest Income (GAAP)                   | 2,360              | 2,739     | 2,105     | 2,613     | 8,689     | 9,820      | 16,280    | 9,471     | 8,567     |
| Operating Revenue (GAAP)                    | \$ 14,226          | \$ 13,754 | \$ 12,268 | \$ 12,506 | \$ 18,920 | \$ 52,755  | \$ 56,432 | \$ 51,375 | \$ 51,741 |
| Efficiency Ratio (GAAP)                     | 63.25 %            | 64.18 %   | 68.55 %   | 69.21 %   | 52.71 %   | 66.14 %    | 75.95 %   | 110.50 %  | 67.57 %   |
| <b>Adjusted Efficiency Ratio (Non-GAAP)</b> |                    |           |           |           |           |            |           |           |           |
| Noninterest expense (GAAP)                  | \$ 8,998           | \$ 8,827  | \$ 8,410  | \$ 8,656  | \$ 9,972  | \$ 34,891  | \$ 42,862 | \$ 56,767 | \$ 34,960 |
| Less:                                       |                    |           |           |           |           |            |           |           |           |
| Other Real Estate Owned (Income)            | (38)               | (38)      | (37)      | (38)      | (30)      | (151)      | (183)     | (69)      | (103)     |
| Amortization of Intangible Assets, Net      | 446                | 445       | 446       | 445       | 445       | 1,782      | 1,926     | 2,128     | 2,127     |
| Intangible Assets and Goodwill Impairment   | —                  | —         | —         | —         | —         | —          | 1,178     | 18,693    | —         |
| Writedown on Fixed Assets                   | —                  | —         | —         | —         | 23        | —          | 2,293     | 1,124     | —         |
| Adjusted Noninterest Expense (Non-GAAP)     | \$ 8,590           | \$ 8,420  | \$ 8,001  | \$ 8,249  | \$ 9,534  | \$ 33,260  | \$ 37,648 | \$ 34,891 | \$ 32,936 |
| Net Interest and Dividend Income (GAAP)     | \$ 11,866          | \$ 11,015 | \$ 10,163 | \$ 9,893  | \$ 10,231 | \$ 42,935  | \$ 40,152 | \$ 41,904 | \$ 43,174 |
| Noninterest Income (GAAP)                   | 2,360              | 2,739     | 2,105     | 2,613     | 8,689     | 9,820      | 16,280    | 9,471     | 8,567     |
| Less:                                       |                    |           |           |           |           |            |           |           |           |
| Net Gain (Loss) on Securities               | 83                 | (46)      | (199)     | (7)       | 44        | (168)      | 526       | 233       | 140       |
| Gain on Sale of Branches                    | —                  | —         | —         | —         | 5,203     | —          | 5,203     | —         | —         |
| Net Gain (Loss) on Disposal of Fixed Assets | —                  | 439       | —         | (8)       | —         | 431        | (3)       | (61)      | 2         |
| Adjusted Noninterest Income (Non-GAAP)      | \$ 2,277           | \$ 2,346  | \$ 2,304  | \$ 2,628  | \$ 3,442  | \$ 9,557   | \$ 10,554 | \$ 9,299  | \$ 8,425  |
| Adjusted Operating Revenue (Non-GAAP)       | \$ 14,143          | \$ 13,361 | \$ 12,467 | \$ 12,521 | \$ 13,673 | \$ 52,492  | \$ 50,706 | \$ 51,203 | \$ 51,599 |
| Adjusted Efficiency Ratio (Non-GAAP)        | 60.74 %            | 63.02 %   | 64.18 %   | 65.88 %   | 69.73 %   | 63.36 %    | 74.25 %   | 68.14 %   | 63.83 %   |

# Non-GAAP Financial Measures: Core Earnings <sup>(1)</sup>



|  | Q4 2022          | Q3 2022          | Q2 2022          | Q1 2022          | Q4 2021          | Q3 2021          |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Interest Income (GAAP)                                   | \$ 13,855        | \$ 12,287        | \$ 10,958        | \$ 10,616        | \$ 10,963        | \$ 10,786        |
| Noninterest Income (GAAP)                                | 2,360            | 2,739            | 2,105            | 2,613            | 8,689            | 2,198            |
| (Gain) loss on securities                                | (83)             | 46               | 199              | 7                | (44)             | (24)             |
| (Gain) on sale of branches                               | —                | —                | —                | —                | (5,203)          | —                |
| (Gain) loss on disposal of Fixed Assets                  | —                | (439)            | —                | 8                | —                | —                |
| PPP Fees   | (22)             | (117)            | (130)            | (405)            | (321)            | (379)            |
| Nonperforming commercial real estate loan <sup>(2)</sup> | —                | —                | —                | —                | (897)            | —                |
| <b>Core Income (Non-GAAP)</b>                            | <b>\$ 16,110</b> | <b>\$ 14,516</b> | <b>\$ 13,132</b> | <b>\$ 12,839</b> | <b>\$ 13,187</b> | <b>\$ 12,581</b> |
| Interest Expense (GAAP)                                  | \$ 1,989         | \$ 1,272         | \$ 795           | \$ 723           | \$ 732           | \$ 776           |
| Noninterest Expense (GAAP)                               | 8,998            | 8,827            | 8,410            | 8,656            | 9,972            | 9,773            |
| Goodwill Impairment                                      | —                | —                | —                | —                | —                | —                |
| Branch Optimization <sup>(1)</sup> :                     |                  |                  |                  |                  |                  |                  |
| Writedown on Fixed Assets                                | —                | —                | —                | —                | (23)             | (2)              |
| Impairment of Intangible Assets                          | —                | —                | —                | —                | —                | —                |
| Contracted Services                                      | —                | —                | —                | —                | (859)            | (1,212)          |
| Employee Severance Costs                                 | —                | —                | —                | —                | —                | —                |
| Branch Lease Impairment                                  | —                | —                | —                | —                | —                | —                |
| Occupancy Termination Costs                              | —                | —                | —                | —                | —                | —                |
| Legal and Professional Fees                              | —                | —                | —                | —                | (76)             | (37)             |
| Data Processing Fees                                     | —                | —                | —                | —                | (8)              | (14)             |
| Other Expenses   | —                | —                | —                | —                | —                | —                |
| <b>Core Expense (Non-GAAP)</b>                           | <b>\$ 10,987</b> | <b>\$ 10,099</b> | <b>\$ 9,205</b>  | <b>\$ 9,379</b>  | <b>\$ 9,738</b>  | <b>\$ 9,284</b>  |
| <b>Core Earnings (Non-GAAP)</b>                          | <b>\$ 5,123</b>  | <b>\$ 4,417</b>  | <b>\$ 3,927</b>  | <b>\$ 3,460</b>  | <b>\$ 3,449</b>  | <b>\$ 3,297</b>  |

<sup>(1)</sup> Core Earnings adjusted for provision, PPP fees, other one-time items, and branch optimization expenses that were previously reported in the Company's quarterly press release filings with the Securities and Exchange Commission ("SEC") from September 30, 2021 through December 31, 2022.

<sup>(2)</sup> Nonperforming commercial real estate loan was previously reported in the Company's Press Release for the December 31, 2021 time period.

# Non-GAAP Financial Measures: Pre-Tax Pre-Provision Return on Average Assets



|  | Three Months Ended |                 | Year Ended       |                  |                  |                  |
|--|--------------------|-----------------|------------------|------------------|------------------|------------------|
|  | 12/31/22           | 12/31/21        | 12/31/22         | 12/31/21         | 12/31/20         | 12/31/19         |
| <i>(Dollars in thousands)</i>                                |                    |                 |                  |                  |                  |                  |
| Net Income (Loss) Before Income Tax Expense (Benefit) (GAAP) | \$ 5,228           | \$ 8,873        | \$ 14,080        | \$ 14,695        | \$ (9,392)       | \$ 16,056        |
| Provision (Recovery) for Loan Losses                         | —                  | 75              | 3,784            | (1,125)          | 4,000            | 725              |
| Goodwill and Intangible Asset Impairment                     | —                  | —               | —                | 1,178            | 18,693           | —                |
| Writedown on Fixed Assets                                    | —                  | 23              | —                | 2,293            | 1,124            | —                |
| <b>PTPP Net Income (Non-GAAP) (Numerator)</b>                | <b>\$ 5,228</b>    | <b>\$ 8,971</b> | <b>\$ 17,864</b> | <b>\$ 17,041</b> | <b>\$ 14,425</b> | <b>\$ 16,781</b> |
| Annualization Factor   | 3.9674             | 3.9674          | 1.0000           | 1.0000           | 1.0000           | 1.0000           |
| Average Assets (Denominator)                                 | \$1,414,300        | \$1,477,509     | \$1,406,428      | \$1,286,686      | \$1,378,074      | \$1,311,425      |
| <b>PTPP Return on Average Assets (Non-GAAP)</b>              | <b>1.47%</b>       | <b>2.41%</b>    | <b>1.27%</b>     | <b>1.32%</b>     | <b>1.05%</b>     | <b>1.28%</b>     |

# Non-GAAP Financial Measures: Allowance for Loan Losses, Excluding PPP Loans



|   | 12/31/22    | 9/30/22     | 6/30/22     | 3/31/22     | 12/31/21    |
|---|-------------|-------------|-------------|-------------|-------------|
| <i>(Dollars in thousands)</i>   |             |             |             |             |             |
| Allowance for Loan Losses   | \$ 12,819   | \$ 12,854   | \$ 12,833   | \$ 11,595   | \$ 11,582   |
| Total Loans   | \$1,049,873 | \$1,042,942 | \$1,027,969 | \$1,020,642 | \$1,020,796 |
| PPP Loans   | (126)       | (768)       | (3,853)     | (8,242)     | (24,523)    |
| Total Loans, Excluding PPP Loans (Non-GAAP)                                 | \$1,049,747 | \$1,042,174 | \$1,024,116 | \$1,012,400 | \$ 996,273  |
| Allowance for Loan Losses to Total Loans, Excluding<br>PPP Loans (Non-GAAP) | 1.22 %      | 1.23 %      | 1.25 %      | 1.15 %      | 1.16 %      |