

# INVESTOR PRESENTATION

2024 Third Quarter Earnings

[psbt.com](https://psbt.com)



Nasdaq: PFIS

#### CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS:

We make statements in this presentation, and we may from time to time make other statements regarding our outlook or expectations for future financial or operating results and/or other matters regarding or affecting Peoples Financial Services Corp., Peoples Security Bank and Trust Company, and its subsidiaries (collectively, “Peoples”) and other statements that are not historical fact that are considered “forward-looking statements” as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements may be identified by the use of such words as “believe,” “expect,” “anticipate,” “should,” “planned,” “estimated,” “intend” and “potential.” For these statements, Peoples claims the protection of the statutory safe harbors for forward-looking statements.

Peoples cautions you that undue reliance should not be placed on forward-looking statements and that a number of important factors could cause actual results to differ materially from those currently anticipated in any forward-looking statement. Such factors include, but are not limited to: macroeconomic trends, including interest rates and inflation; the effects of any recession in the United States; the impact on financial markets from geopolitical conflicts such as the military conflict between Russia and Ukraine and the conflict in Israel; risks associated with business combinations, including the possibility that the parties may be unable to achieve expected synergies and operating efficiencies of the merger with FNCB Bancorp, Inc. (“FNCB”) within the expected timeframes or at all; the possibility that we may be unable to successfully integrate operations of FNCB or that the integration may be more difficult, time consuming or costly than expected; the FNCB merger may divert management’s attention from ongoing business operations and opportunities; effects of the FNCB merger on our ability to retain customers, to retain and hire key personnel and to maintain relationships with our vendors, and on our operating results and business generally; the outcome of any legal proceedings that may be threatened or instituted against Peoples; changes in interest rates; economic conditions, particularly in our market area; legislative and regulatory changes and the ability to comply with the significant laws and regulations governing the banking and financial services business; monetary and fiscal policies of the U.S. government, including policies of the U.S. Department of Treasury and the Federal Reserve System; adverse developments in the financial industry generally, responsive measures to mitigate and manage such developments, related supervisory and regulatory actions and costs, and related impacts on customer and client behavior; credit risk associated with lending activities and changes in the quality and composition of our loan and investment portfolios; demand for loan and other products; deposit flows; competition; changes in the values of real estate and other collateral securing the loan portfolio, particularly in our market area; changes in relevant accounting principles and guidelines; inability of third party service providers to perform; our ability to prevent, detect and respond to cyberattacks; and other factors that may be described in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q as filed with the Securities and Exchange Commission from time to time.

These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. The forward-looking statements are made as of the date of this presentation, and, except as may be required by applicable law or regulation, Peoples assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in the forward-looking statements.

#### USE OF NON-GAAP FINANCIAL MEASURES:

In addition to evaluating our results of operations in accordance with accounting principles generally accepted in the United States of America (“GAAP”), we routinely supplement our evaluation with an analysis of certain non-GAAP financial measures, such as tangible stockholders’ equity and tangible assets and core net income ratios. We believe the reported non-GAAP financial measures provide information useful to investors in understanding our operating performance and trends. Where non-GAAP disclosures are used in this presentation, a reconciliation to the comparable GAAP measure is provided herein or in the quarterly earnings press releases, filed as current reports on Form 8-K with the SEC, and available on our website, [www.psbtc.com](http://www.psbtc.com), under “Investor Relations.” The non-GAAP financial measures we use may differ from the non-GAAP financial measures of other financial institutions.

## PRESENTATION AGENDA

- I. Corporate Profile
  
- II. Investor Thesis
  - A. Transformational Strategic Transaction
  - B. Consistently Strong Performance *Even During the Great Recession*
  - C. Strong Core Deposit Franchise
  - D. Strong Credit Quality
  - E. High Dividend Payer
  
- III. Appendix
  - A. Financials
  - B. Asset Quality

## Peoples Financial Services Corp. Corporate Profile as of September 30, 2024

- Banking Subsidiary Founded in 1905
- Total Assets: \$5.36 billion
- Total Deposits: \$4.64 billion
- Total Loans: \$4.07 billion
  
- Listed on NASDAQ under ticker: PFIS
- Shares Outstanding: 9,994,648
- Market Cap: \$469 million
- Average Daily Trading Volume: 18,315
- Market Price: \$46.88
- Price to TBV: 1.29x
- Price to LTM Core EPS: 13.8x
- Annual Dividend & Yield: \$2.47/5.27%

# Corporate Profile

## Management



**Craig W. Best**  
*CEO & Director*

Mr. Best has served as the CEO of the Bank since its 2013 merger with Pensco Financial Services Corporation where he served as President and CEO. Prior to joining Pensco, Mr. Best served as the COO of First Commonwealth Bank from 2000 to 2005.



**Gerard A. Champi**  
*President*

Mr. Champi has served as President of the Bank since July 1, 2024. Prior to that, he served as President and Chief Executive Officer and a member of the Board of Directors of FNCB Bancorp, Inc. and the FNCB Bank since July 1, 2016. Mr. Champi has worked in the banking industry for over forty years.



**Thomas P. Tulaney**  
*Sr. EVP, Chief Operating Officer*

Mr. Tulaney serves as Senior EVP and Chief Operating Officer since July 1, 2024. Prior to that, he served as the President and COO of the Bank since 2020 and has served as the COO since 2017. Prior to that, he served as the Chief Lending Officer of the Bank, the same position he held at Pensco. He has worked in banking in Pennsylvania for 41 years.



**Neal D. Koplin**  
*Sr. EVP, Chief Banking Officer*

Mr. Koplin has served as a Senior EVP and Chief Banking Officer at the Bank since 2019 and has served in various executive positions at the Bank and predecessor organizations since 1982.



**John R. Anderson III**  
*EVP & CFO*

Mr. Anderson has served as EVP and CFO of the Bank since 2018, after serving as the Senior Vice President and Interim Principal Financial and Accounting Officer since April 2016. He has worked in banking in Pennsylvania for 34 years.



**James M. Bone, Jr.**  
*EVP & Chief Operations Officer*

Mr. Bone has served as EVP and Chief Operations Officer of the Bank since July 1, 2024. Prior to that, he served as Executive Vice President and Chief Financial Officer/Treasurer of FNCB and the Bank, a position he held since September 2012. Mr. Bone is a licensed Certified Public Accountant and has worked in banking for 38 years.

# Corporate Profile

## Management



**Mary Griffin Cummings, Esq.**  
*EVP, General Counsel*

Ms. Cummings has served as an EVP and General Counsel of the Bank since July 1, 2024. Prior to that she served as EVP and General Counsel of FNCB Bank, a position she held since 2012. Ms. Cummings is a licensed attorney and admitted to practice law in the Courts of the Commonwealth of Pennsylvania and the United States District Court for the Middle District of Pennsylvania.



**Timothy H. Kirtley**  
*EVP, CRO & Secretary*

Mr. Kirtley has served as an EVP and the CRO of the Bank since 2020, prior to which he served as the CCO since joining the bank in 2016. Prior to joining the Bank, he was a CCO for 7 years at two Ohio-based community banks.



**Susan L. Hubble**  
*EVP, CIO*

Ms. Hubble has served as EVP and Chief Information Officer of the Bank since 2019. She has worked in banking in Pennsylvania for 25 years.



**Jeffrey A. Drobins**  
*EVP, Chief Lending Officer*

Mr. Drobins has served as EVP, Chief Lending Officer of the Bank since 2022. Prior to that, he served as the Lehigh Valley Market President of the Bank. Mr. Drobins has worked in Banking in Pennsylvania for 18 years.

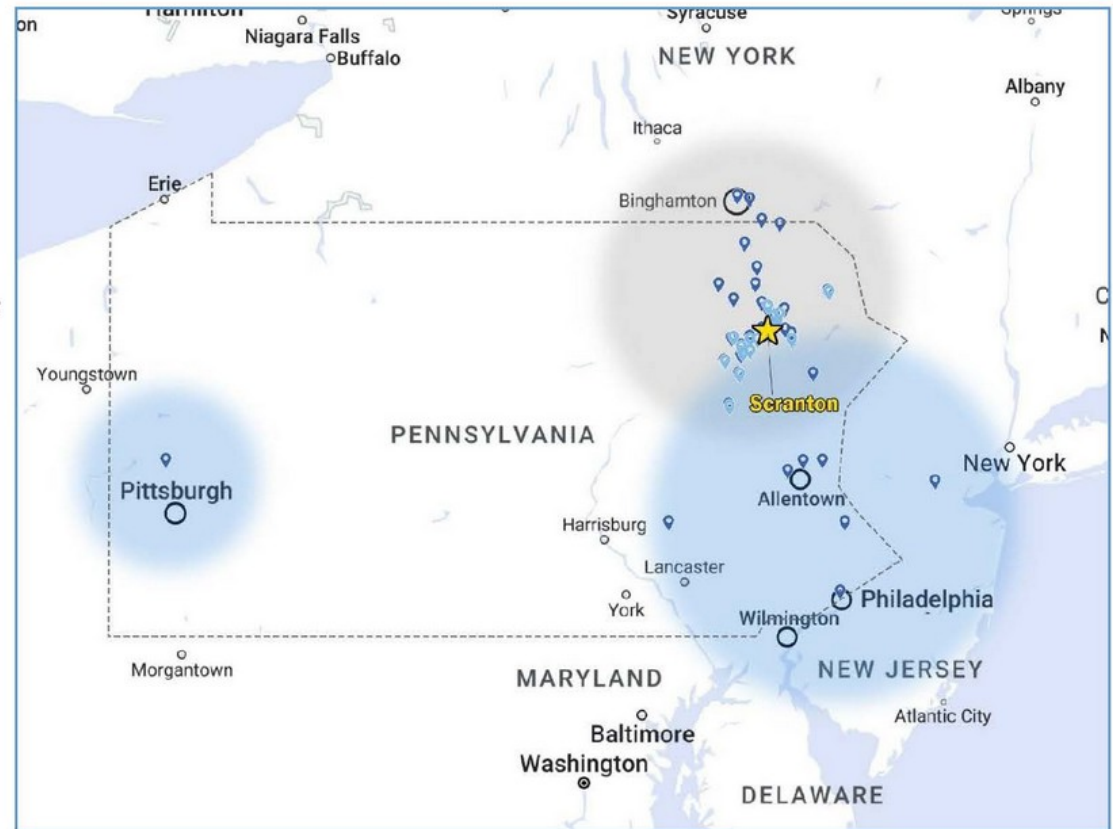


**Amy E. Vienev**  
*SVP, Chief Human Resources Officer*

Ms. Vienev has served as the SVP, Chief Human Resources Officer of the Bank since 2022. Prior to joining the Bank, Ms. Vienev served in various Human Resources leadership positions in the health care industry throughout 25 years.

## Corporate Profile Market Area

- 39 Community branch offices located in twelve counties in Pennsylvania, one county in New Jersey and one county in New York
- Corporate headquarters in Scranton, Lackawanna County, Pennsylvania
- 7<sup>th</sup> Largest bank headquartered in Pennsylvania
- Expanded into larger and faster growing markets



Branch location
  Legacy market
  Expansion market

Source: Company Documents, S&P Global Market Intelligence. Includes banks with under \$20 billion in total assets and financial data as of September 30, 2024.

## Purchase accounting adjustments

| \$ in millions    |                            | Updated as of March 31, 2024<br>& June 30, 2024 Close | Actual Close<br>July 1, 2024 |
|-------------------|----------------------------|---|------------------------------|
| Fair value marks  | Loans                      | \$(52.6)  | \$(69.1)                     |
|                   | Securities (AFS and HTM)   | ---   | (4.2)                        |
|                   | Time deposits              | (1.5)   | (2.4)                        |
|                   | Borrowings/Trust Preferred | (2.5)   | (3.1)                        |
| CECL Reserves     | Reserve on non-PCD loans   | (10.2)  | (14.3)                       |
| Intangible assets | Core deposits              | 34.6  | 36.6                         |
|                   | Wealth management          | -   | 1.0                          |
| Goodwill          |                            | 13.0  | 13.6                         |

- Increase in the loan fair value mark resulted from higher Non-PCD balances due to re-codification of FNCB's risk ratings coupled with higher discount rates on the interest rate and general credit fair value.
- Increase in core deposit intangibles ("CDI") was primarily due to higher alternative cost of funds at close
- **Liquidated \$241 million of FNCB investments** at close and used proceeds to **pay off FNCB's Short-Term Overnight Borrowings**



## Purchase accounting projections

**Estimated** accretion schedule of loan discounts based on loan amortization method (spread over loan amortization period including prepayment assumption.)

|                                    | Actuals      | Projected    |               |               |              |              |              |               |               |
|------------------------------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|---------------|---------------|
| \$ thousands                       | 3Q24         | 4Q24         | 2025          | 2026          | 2027         | 2028         | 2029         | Thereafter    | Total         |
| Accretion of loan marks            | 4,654        | 4,342        | 15,055        | 11,485        | 8,448        | 5,339        | 3,772        | 13,005        | 66,160        |
| Accretion of CD mark               | 834          | 494          | 697           | 199           | 134          | 43           | 4            | 0             | 2,405         |
| Borrowing                          | 179          | 191          | 484           | 199           | 170          | 150          | 154          | 1,641         | 3,168         |
| <b>Net NII Impact</b>              | <b>3,641</b> | <b>3,657</b> | <b>13,874</b> | <b>11,087</b> | <b>8,144</b> | <b>5,146</b> | <b>3,614</b> | <b>11,364</b> | <b>60,587</b> |
| Amortization of CDI                | 1,665        | 1,665        | 6,327         | 5,661         | 4,995        | 4,329        | 3,663        | 8,325         | 36,630        |
| Amort. of wealth intangibles       | 45           | 45           | 171           | 153           | 135          | 117          | 99           | 225           | 990           |
| <b>Total pre-tax income impact</b> | <b>1,931</b> | <b>1,947</b> | <b>7,376</b>  | <b>5,273</b>  | <b>3,014</b> | <b>700</b>   | <b>(148)</b> | <b>2,814</b>  | <b>22,967</b> |

## Merger Financials

|               | Metric   | Updated as of<br>March 31, 2024 &<br>June 30, 2024<br>Close | Actual Results  | Comments   |
|---------------|--|---|-----------------|--|
| Consideration | Deal Value   | \$142.5 million   | \$133.7 million | Total merger consideration based on \$45.54 PFIS closing price on June 28, 2024 versus \$48.40 at December 31, 2023  |
|               | Shares Issued                                      | 2.96 million  | 2.93 million    | Each FNCB share exchanged for 0.146 shares of PFIS   |
| Earnings      | One-time Charges                                   | \$19.5 million  |                 | One-time merger charges totaled \$12.7 million with an additional \$3.4 million paid by FNCB prior to close  |
|               | Annual Cost Savings                                | 30%   |                 |  |
|               | EPS Accretion (GAAP)<br>EPS Accretion (Exclude PA) | 52.7%<br>28.7%  |                 | EPS accretion supported by fair mark accretion that exceeds original estimates<br>Tangible book value per share supported by greater than anticipated                                |
| Capital       | TBVPS  | \$35.67   | \$36.24         | Tangible common equity supported by the above benefits of higher accretion and lower assets due to sale of a portion of FNCB investment portfolio and payoff of overnight borrowings |
|               | TCE / TA   | 6.47%   | 6.90%           |  |

## Third Quarter 2024 Results

| (\$ in thousands except per share data)   | 3Q 2024 |           | 2Q 2024 |           | 3Q2023 |           |
|---|---------|-----------|---------|-----------|--------|-----------|
| Net Interest Income   | \$      | 39,244    | \$      | 18,916    | \$     | 21,277    |
| Provision for (credit to) credit losses   | \$      | 14,458    | \$      | 596       | \$     | (166)     |
| Net Income  | \$      | (4,337)   | \$      | 3,282     | \$     | 6,746     |
| Earnings per average diluted common share   | \$      | (0.43)    | \$      | 0.46      | \$     | 0.95      |
| Core net income <sup>1</sup>  | \$      | 16,489    | \$      | 4,231     | \$     | 7,471     |
| Core earnings per average diluted common share <sup>1</sup>                         | \$      | 1.64      | \$      | 0.59      | \$     | 1.05      |
| Pre-tax pre-provision net revenue (PPNR) <sup>1</sup>                               | \$      | 8,679     | \$      | 4,102     | \$     | 7,903     |
| Adjusted PPNR <sup>1</sup>  | \$      | 18,332    | \$      | 5,173     | \$     | 8,772     |
| Return on average assets (ROAA)   |         | -0.33%    |         | 0.37%     |        | 0.72%     |
| Core ROAA <sup>1</sup>  |         | 1.24%     |         | 0.47%     |        | 0.79%     |
| PPNR ROAA <sup>1</sup>  |         | 0.65%     |         | 0.46%     |        | 0.84%     |
| Adjusted PPNR ROAA <sup>1</sup>   |         | 1.38%     |         | 0.58%     |        | 0.93%     |
| Average Assets  | \$      | 5,291,194 | \$      | 3,609,066 | \$     | 3,730,043 |
| Net interest margin   |         | 3.26%     |         | 2.29%     |        | 2.44%     |
| Allowance for credit losses coverage ratio  |         | 0.97%     |         | 0.81%     |        | 0.80%     |
| Non-interest expense (NIE) / Average assets   |         | 2.67%     |         | 2.02%     |        | 1.81%     |
| Adjusted NIE / Average assets <sup>2</sup>  |         | 1.82%     |         | 1.90%     |        | 1.72%     |
| Common equity tier 1 (Bank)   |         | 10.68%    |         | 13.09%    |        | 13.13%    |
| Tangible common equity per share <sup>1</sup>                                       | \$      | 36.24     | \$      | 39.31     | \$     | 37.07     |
| Average Noninterest-bearing deposits as % of average deposits                       |         | 15.8%     |         | 19.9%     |        | 21.0%     |
| <sup>1</sup> Non-GAAP measure. See reconciliation.                                  |         |           |         |           |        |           |
| <sup>2</sup> Excludes acquisition related expenses and amortization of intangibles. |         |           |         |           |        |           |

## Income Statement Comparison

For the Nine Months Ended September 30, 2024 Financial Results

|   | Actual    |           | VARIANCE             |          |
|---|-----------|-----------|----------------------|----------|
|   | 9/30/2024 | 9/30/2023 | '24A v. '23A<br>(\$) | (%)      |
| (1) Net interest income                     | \$ 77,478 | \$ 66,485 | \$ 10,993            | 16.5%    |
| (2) Provision for (credit to) credit losses | 15,762    | (1,103)   | 16,865               | -1529.0% |
| (3) Net interest income after provision     | 61,716    | 67,588    | (5,872)              | -8.7%    |
| (4) <u>Noninterest income:</u>              |           |           |                      |          |
| (5) Other noninterest income                | 9,437     | 7,538     | 1,899                | 25.2%    |
| (6) Interest rate swap revenue              | 25        | 512       | (487)                | -95.1%   |
| (7) Wealth management income <sup>1</sup>   | 3,203     | 2,868     | 335                  | 11.7%    |
| (8) Total noninterest income                | 12,665    | 10,918    | 1,747                | 16.0%    |
| (9) Total Revenue                           | 90,143    | 77,403    | 12,740               | 16.5%    |
| (10) <u>Noninterest expense:</u>            |           |           |                      |          |
| (11) Salaries and employee benefits expense | 30,459    | 26,346    | 4,113                | 15.6%    |
| (12) Net occupancy and equipment            | 15,745    | 12,678    | 3,067                | 24.2%    |
| (13) Acquisition related expenses           | 11,210    | 990       | 10,220               | 1032.3%  |
| (14) Other expenses                         | 14,314    | 10,208    | 4,106                | 40.2%    |
| (15) Total Noninterest expense              | 71,728    | 50,222    | 21,506               | 42.8%    |
| (16) Pre-tax Net Income                     | 2,653     | 28,284    | (25,631)             | -90.6%   |
| (17) Provision for income tax expense       | 242       | 4,534     | (4,292)              | -94.7%   |
| (18) Net income - Reported                  | \$ 2,411  | \$ 23,750 | \$ (21,339)          | -89.8%   |
| (19) Reported EPS - basic                   | \$ 0.30   | \$ 3.33   |                      |          |
| (20) Reported EPS - diluted                 | \$ 0.30   | \$ 3.31   |                      |          |
| (21) Net Income - Operating                 | \$ 25,619 | \$ 24,517 |                      |          |
| (22) Operating EPS - basic                  | \$ 3.19   | \$ 3.44   |                      |          |
| (23) Operating EPS - diluted                | \$ 3.17   | \$ 3.42   |                      |          |

- Net Interest Margin 2.69% vs. 2.62%
- \$3.7MM of net benefit from accretion of loan marks partially offset by deposit and borrowing marks
- Provision for Non-PCD loans (CECL Double Count) acquired in FNCB merger \$14.3MM

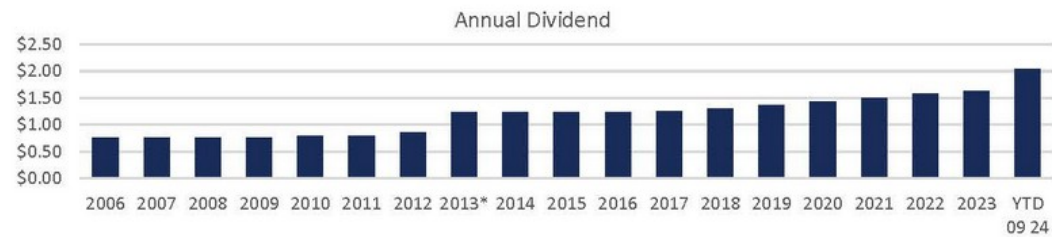
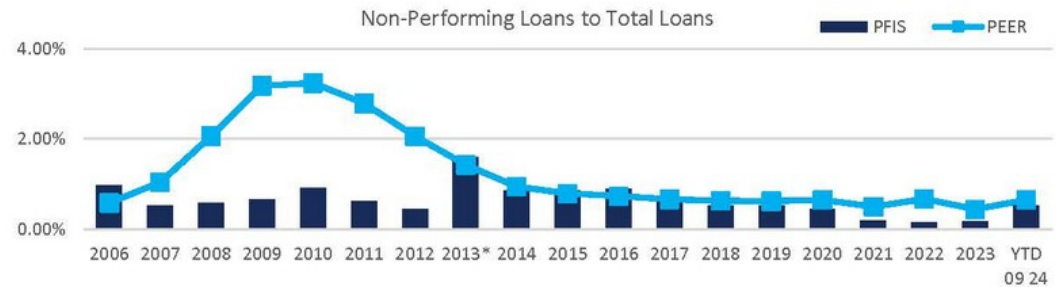
- Market value gain on equities
- Decreased swap volume

- Addition of 195 FTEs from merger
- Initial addition of 16 offices; IT upgrades & facility costs
- Amortization of intangibles \$1.7MM

<sup>1</sup>Includes commissions and fees on fiduciary activities.

# Consistent High Performance Even During the Great Recession

Peoples has delivered consistent results over multiple business cycles while maintaining credit discipline and a steadily-increasing dividend



\* Merger of PFIS and PFNS

PFIS Source: Earnings Release, 10K

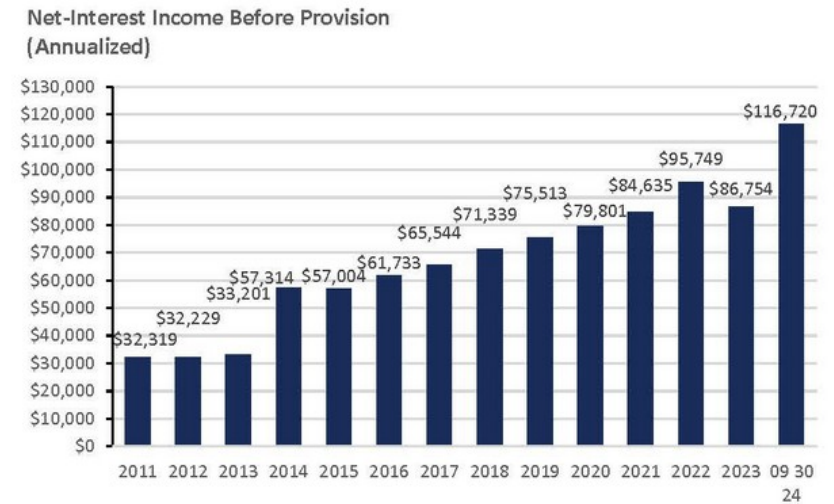
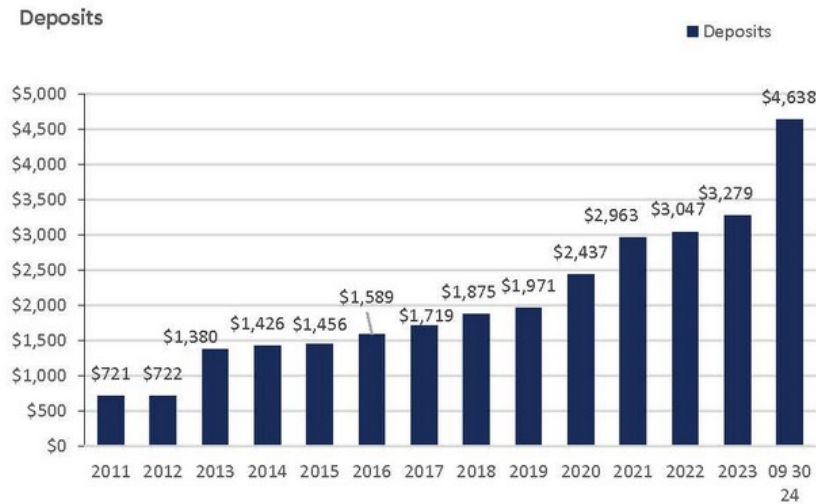
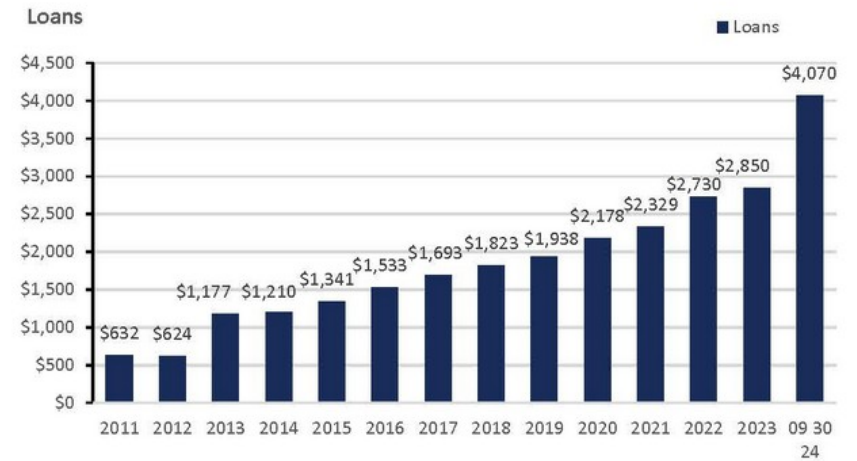
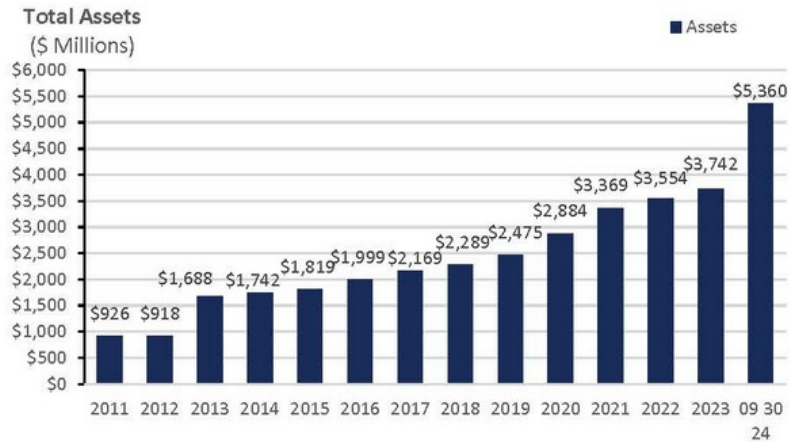
Peer Source: S&P Global

Mid-Atlantic: DE, NJ, NY, MD, PA banks

\$5 - 10 Billion in Assets

Year-to-Date Annualized

Nasdaq: PFIS

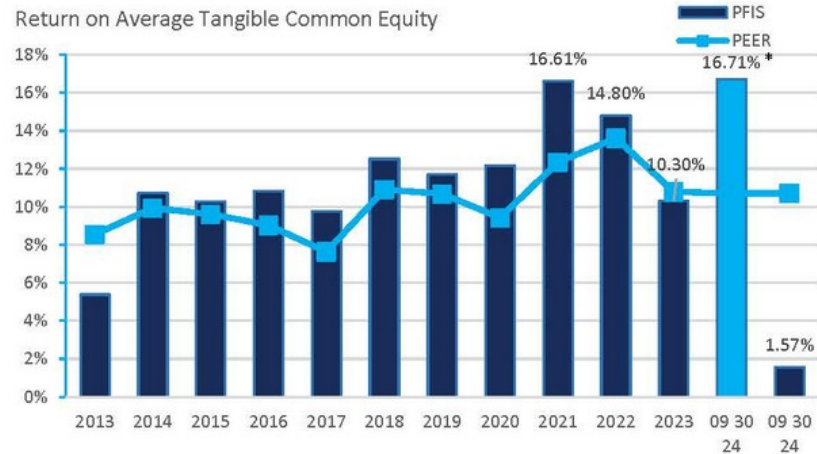


Net Income (Reported)



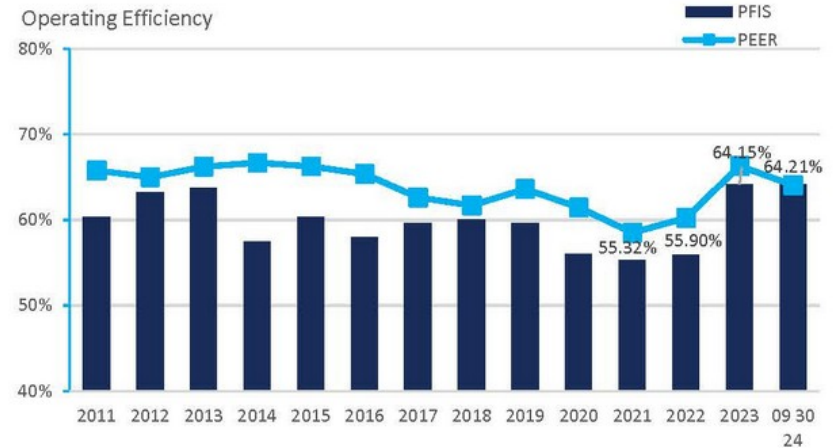
\* Tax Cuts and Jobs Act of 2017 impact of \$.35 per share  
 \*\*Reported Net Income with VISA Sale      \*\*\*Reported Net Income without VISA Sale

Return on Average Tangible Common Equity



PFIS Source: Earnings Release, 10K  
 Peer Source: S&P Global  
 Mid-Atlantic: DE, NJ, NY, MD, PA banks  
 \$5 - 10 Billion in Assets  
 \*Core Return on Average Tangible Common Equity

Operating Efficiency



## Sources of Liquidity at September 30, 2024

| At September 30, 2024   | Total Available | Outstanding | Total Available<br>for Future Liquidity |
|---|-----------------|-------------|---|
| FHLB advances   | \$ 1,446,345    | \$ 477,617  | \$ 968,728                              |
| Federal Reserve - Discount Window & Bank Term Funding Program | 569,771         | 25,000      | 544,771                                 |
| Correspondent bank lines of credit                            | 18,000          |             | 18,000                                  |
| Other sources of liquidity:                                   |                 |             |   |
| Brokered deposits   | 804,021         | 391,560     | 412,461                                 |
| Unencumbered securities                                       | 298,519         |             | 298,519                                 |
| Total sources of contingent liquidity                         | \$ 3,136,656    | \$ 894,177  | \$ 2,242,479                            |
| Cash and cash equivalents at September 30, 2024               | 285,469         |             |   |
| Total cash and cash equivalents and contingent liquidity      | 2,527,948       |             |   |
| Percentage of Total Assets                                    | 47.2%           |             |   |
| Percentage of Total Deposits                                  | 54.5%           |             |   |



Common Equity Tier 1 Capital to Risk Weighted Assets (%)



Tier 1 Capital to Risk-Weighted Assets (%)

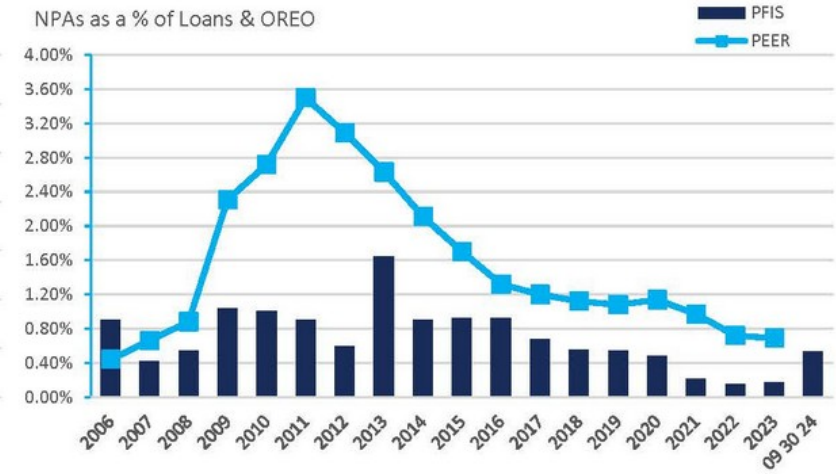
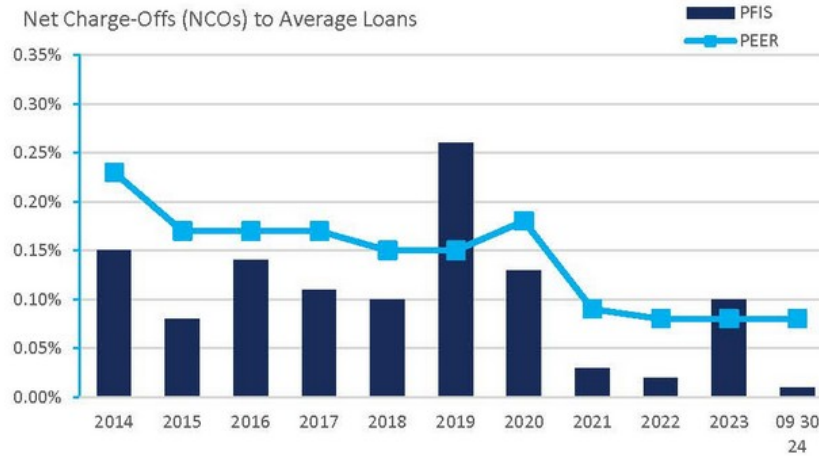


Total Capital to Risk-Weighted Assets (%)



Tier 1 Leverage Ratio (%)





PFIS Source: Earnings Release, 10K  
 Peer Source: S&P Global  
 Mid-Atlantic: DE, NJ, NY, MD, PA banks  
 \$5 - 10 Billion in Assets

## Pre-provision net revenue (PPNR) (non-GAAP reconciliation)

|   | Sept 30<br>2024 | Jun 30<br>2024 | Mar 31<br>2024 | Dec 31<br>2023 | Sept 30<br>2023 |
|---|-----------------|----------------|----------------|----------------|-----------------|
| <b>Pre-provision net revenue to average assets:</b>                   |                 |                |                |                |                 |
| Income before taxes (GAAP)  | \$ -4,994       | \$ 3,703       | \$ 3,944       | \$ 4,217       | \$ 8,081        |
| Plus: Provision for (credit to) credit losses                         | 14,458          | 596            | 708            | 1,669          | -166            |
| Plus: Provision for (credit to) credit losses on unfunded commitments | -785            | -197           | 487            | -2             | -12             |
| Total pre-provision net revenue (non-GAAP)                            | 8,679           | 4,102          | 5,139          | 5,884          | 7,903           |
| Total (annualized) (non-GAAP)   | \$ 34,527       | \$ 16,498      | \$ 20,669      | \$ 23,344      | \$ 31,354       |
| Average assets  | \$ 5,291,194    | \$ 3,609,066   | \$ 3,676,756   | \$ 3,774,388   | \$ 3,730,043    |
| Pre-Provision Net Revenue to Average Assets (non-GAAP)                | 0.65%           | 0.46%          | 0.56%          | 0.62%          | 0.84%           |
| <b>Adjusted pre-provision net revenue to average assets:</b>          |                 |                |                |                |                 |
| Income before taxes (GAAP)  | \$ -4,994       | \$ 3,703       | \$ 3,944       | \$ 4,217       | \$ 8,081        |
| Plus: Acquisition related expenses                                    | 9,653           | 1,071          | 486            | 826            | 869             |
| Plus: Provision for (credit to) credit losses                         | 14,458          | 596            | 708            | 1,669          | -166            |
| Plus: Provision for (credit to) credit losses on unfunded commitments | -785            | -197           | 487            | -2             | -12             |
| Total adjusted pre-provision net revenue (non-GAAP)                   | 18,332          | 5,173          | 5,625          | 6,710          | 8,772           |
| Total (annualized) (non-GAAP)   | \$ 72,929       | \$ 20,806      | \$ 22,624      | \$ 26,621      | \$ 34,802       |
| Average assets  | \$ 5,291,194    | \$ 3,609,066   | \$ 3,676,756   | \$ 3,774,388   | \$ 3,730,043    |
| Pre-Provision Net Revenue to Average Assets (non-GAAP)                | 1.38%           | 0.58%          | 0.62%          | 0.71%          | 0.93%           |
| <b>Core net income pre-provision net revenue per share:</b>           |                 |                |                |                |                 |
| Income before taxes (GAAP)  | \$ -4,994       | \$ 3,703       | \$ 3,944       | \$ 4,217       | \$ 8,081        |
| Plus: Acquisition related expenses                                    | 9,653           | 1,071          | 486            | 826            | 869             |
| Plus: Provision for (credit to) credit losses                         | 14,458          | 596            | 708            | 1,669          | -166            |
| Plus: Provision for (credit to) credit losses on unfunded commitments | -785            | -197           | 487            | -2             | -12             |
| Total adjusted pre-provision net revenue (non-GAAP)                   | \$ 18,332       | \$ 5,173       | \$ 5,625       | \$ 6,710       | \$ 8,772        |
| Average common shares outstanding - diluted                           | 10,044,449      | 7,114,115      | 7,102,112      | 7,091,015      | 7,120,685       |
| Core net income (PPNR) per share (non-GAAP)                           | \$ 1.83         | \$ 0.73        | \$ 0.79        | \$ 0.95        | \$ 1.23         |

## Non-GAAP Reconciliation

|   | Sept 30<br>2024 | Jun 30<br>2024 | Mar 31<br>2024 | Dec 31<br>2023 | Sept 30<br>2023 |
|---|-----------------|----------------|----------------|----------------|-----------------|
| <b>Core net income per share:</b>                                 |                 |                |                |                |                 |
| Net income GAAP   | \$ -4,337       | \$ 3,282       | \$ 3,466       | \$ 3,630       | \$ 6,746        |
| Adjustments:  |                 |                |                |                |                 |
| Add: ACL provision for FNCB acquired legacy loans                 | 14,328          |                |                |                |                 |
| Less: ACL provision for FNCB acquired legacy loans tax adjustment | 1,885           |                |                |                |                 |
| Add: Acquisition related expenses                                 | 9,653           | 1,071          | 486            | 826            | 869             |
| Less: Acquisition related expenses tax adjustment                 | 1,270           | 122            | 59             | 115            | 144             |
| Core net income   | \$ 16,489       | \$ 4,231       | \$ 3,893       | \$ 4,341       | \$ 7,471        |
| Average common shares outstanding - diluted                       | 10,044,449      | 7,114,115      | 7,102,112      | 7,091,015      | 7,120,685       |
| Core net income per share   | \$ 1.64         | \$ 0.59        | \$ 0.55        | \$ 0.61        | \$ 1.05         |
| <b>Tangible common equity per share:</b>                          |                 |                |                |                |                 |
| Total stockholders' equity  | \$ 475,051      | \$ 340,807     | \$ 339,992     | \$ 340,422     | \$ 324,390      |
| Less: Goodwill  | 76,958          | 63,370         | 63,370         | 63,370         | 63,370          |
| Less: Other intangible assets, net                                | 35,907          |                |                |                | 19              |
| Total tangible stockholders' equity                               | \$ 362,186      | \$ 277,437     | \$ 276,622     | \$ 277,052     | \$ 261,001      |
| Common shares outstanding   | 9,994,648       | 7,057,258      | 7,057,258      | 7,040,852      | 7,040,852       |
| Tangible book value per share                                     | \$ 36.24        | \$ 39.31       | \$ 39.20       | \$ 39.35       | \$ 37.07        |
| <b>Core return on average assets:</b>                             |                 |                |                |                |                 |
| Net (loss) income GAAP  | \$ -4,337       | \$ 3,282       | \$ 3,466       | \$ 3,630       | \$ 6,746        |
| Adjustments:  |                 |                |                |                |                 |
| Add: ACL provision for FNCB acquired legacy loans                 | 14,328          |                |                |                |                 |
| Less: ACL provision for FNCB acquired legacy loans tax adjustment | 1,885           |                |                |                |                 |
| Add: Acquisition related expenses                                 | 9,653           | 1,071          | 486            | 826            | 869             |
| Less: Acquisition related expenses tax adjustment                 | 1,270           | 122            | 59             | 115            | 144             |
| Core net income   | \$ 16,489       | \$ 4,231       | \$ 3,893       | \$ 4,341       | \$ 7,471        |
| Average assets  | 5,291,194       | 3,609,066      | 3,676,750      | 3,774,388      | 3,730,043       |
| Core return on average assets                                     | 1.24 %          | 0.47 %         | 0.43 %         | 0.46 %         | 0.79 %          |

# Commercial Real Estate Loans as of June 30, 2024

| Category                        | CRE Loans (June 30, 2024 – PFIS only) |                  |              |            |                    | Non-Owner Occupied CRE Loans (June 30, 2024 – PFIS only) |                  |              |            |                    |
|---------------------------------|---------------------------------------|------------------|--------------|------------|--------------------|--|------------------|--------------|------------|--------------------|
|                                 | Balance (\$millions)                  | % of Total Loans | Avg Int Rate | # of Loans | Classified Balance | Balance (\$millions)                                     | % of Total Loans | Avg Int Rate | # of Loans | Classified Balance |
| Multifamily                     | \$422.0                               | 14.7%            | 5.0%         | 233        |                    | \$422.0  | 14.7%            | 5.0%         | 233        |                    |
| Office                          | 221.4                                 | 7.7%             | 5.5%         | 221        | 3.0                | 164.2  | 5.7%             | 5.2%         | 104        | 1.0                |
| Industrial / Warehouse          | 200.4                                 | 7.0%             | 5.4%         | 176        |                    | 139.4  | 4.9%             | 5.4%         | 117        |                    |
| Retail - Unanchored             | 177.8                                 | 6.2%             | 5.8%         | 187        | 0.5                | 131.9  | 4.6%             | 4.9%         | 49         |                    |
| Retail - Anchored               | 139.0                                 | 4.8%             | 4.9%         | 52         | 1.1                | 73.0   | 2.5%             | 5.3%         | 51         | 1.1                |
| Medical Office Building         | 66.4                                  | 2.3%             | 4.5%         | 39         | 1.3                | 62.7   | 2.2%             | 5.9%         | 22         |                    |
| Healthcare                      | 64.9                                  | 2.3%             | 6.0%         | 29         |                    | 48.2   | 1.7%             | 4.4%         | 18         |                    |
| Other                           | 62.8                                  | 2.2%             | 6.1%         | 149        | 0.7                | 36.8   | 1.3%             | 5.2%         | 19         |                    |
| Gas Station / Convenience Store | 58.1                                  | 2.0%             | 4.8%         | 58         |                    | 24.6   | 0.9%             | 5.2%         | 10         |                    |
| Hospitality                     | 37.2                                  | 1.3%             | 5.1%         | 21         |                    | 23.8   | 0.8%             | 5.7%         | 19         |                    |
| School                          | 37.1                                  | 1.3%             | 3.9%         | 22         | 2.7                | 16.9   | 0.6%             | 6.3%         | 4          |                    |
| Restaurant / Bar                | 31.9                                  | 1.1%             | 6.0%         | 65         |                    | 16.5   | 0.6%             | 6.4%         | 21         |                    |
| Self Storage                    | 24.6                                  | 0.9%             | 5.2%         | 11         |                    | 16.5   | 0.6%             | 7.6%         | 29         |                    |
| Recreational                    | 20.2                                  | 0.7%             | 5.4%         | 37         |                    | 16.5   | 0.6%             | 7.7%         | 23         |                    |
| Land Acq & Dev - Commercial     | 17.3                                  | 0.6%             | 7.4%         | 32         | 1.3                | 14.6   | 0.5%             | 7.5%         | 39         | 1.3                |
| Student Housing                 | 16.9                                  | 0.6%             | 6.3%         | 4          |                    | 10.5   | 0.4%             | 6.6%         | 23         |                    |
| Land Acq & Dev - Residential    | 16.5                                  | 0.6%             | 7.7%         | 23         |                    | 9.6  | 0.3%             | 5.9%         | 34         |                    |
| Land - Unimproved               | 14.6                                  | 0.5%             | 7.5%         | 39         |                    | 8.2  | 0.3%             | 7.9%         | 17         |                    |
| Farmland                        | 10.5                                  | 0.4%             | 6.6%         | 23         |                    | 6.2  | 0.2%             | 6.1%         | 5          |                    |
| 1-4 Family Residential          | 8.7                                   | 0.3%             | 7.9%         | 22         | 0.2                | 5.5  | 0.2%             | 3.9%         | 5          |                    |
| Dealership                      | 8.5                                   | 0.3%             | 7.2%         | 11         | 0.1                | 0.5  | 0.0%             | 6.1%         | 3          |                    |
| Mobile Home Park                | 6.2                                   | 0.2%             | 6.1%         | 5          |                    | 0.1  | 0.0%             | 9.5%         | 1          |                    |
| Parking Lot                     | 5.3                                   | 0.2%             | 5.5%         | 4          |                    | 0.1  | 0.0%             | 4.3%         | 1          |                    |
| <b>Total Balances</b>           | <b>\$1,668.4</b>                      | <b>58.1%</b>     |              |            |                    | <b>\$1,248.3</b>   | <b>43.5%</b>     |              |            |                    |

## Loan Portfolio Maturity / Re-Pricing\* As of June 30, 2024



\*Variable Rate Loans = \$423