



# FCCCB

FIRST CITIZENS COMMUNITY BANK

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**INVESTOR PRESENTATION  
3<sup>RD</sup> QUARTER 2024  
FINANCIAL INFORMATION**

# Legal Disclosures

## Forward-Looking Statements (p. 1 of 2)

We have made forward-looking statements in this document, and in documents that we incorporate by reference, that are subject to risks and uncertainties. Forward-looking statements include information concerning possible or assumed future results of operations of the Company, the Bank, First Citizens Insurance, Realty or the Company on a consolidated basis. When we use words such as “believes,” “expects,” “anticipates,” or similar expressions, we are making forward-looking statements. Forward-looking statements may prove inaccurate. For a variety of reasons, actual results could differ materially from those contained in or implied by forward-looking statements:

- The continuing impact of the COVID-19 pandemic may have an adverse effect on our business and operations, our customers, including their ability to make timely loan payments, our service providers, and on the economy and financial markets more significant than we expect.
- Interest rates could change more rapidly or more significantly than we expect.
- The economy could change significantly in an unexpected way, which would cause the demand for new loans and the ability of borrowers to repay outstanding loans to change in ways that our models do not anticipate.
- The financial markets could suffer a significant disruption, which may have a negative effect on our financial condition and that of our borrowers, and on our ability to raise money by issuing new securities.
- It could take us longer than we anticipate implementing strategic initiatives, including expansions, designed to increase revenues or manage expenses, or we may be unable to implement those initiatives at all.
- Acquisitions and dispositions of assets and companies could affect us in ways that management has not anticipated.
- We may become subject to new legal obligations or the resolution of litigation may have a negative effect on our financial condition or operating results.
- We may become subject to new and unanticipated accounting, tax, regulatory or compliance practices or requirements. Failure to comply with any one or more of these requirements could have an adverse effect on our operations.
- We could experience greater loan delinquencies than anticipated, adversely affecting our earnings and financial condition.
- We could experience greater losses than expected due to the ever increasing volume of information theft and fraudulent scams impacting our customers and the banking industry.
- We could lose the services of some or all of our key personnel, which would negatively impact our business because of their business development skills, financial expertise, lending experience, technical expertise and market area knowledge.

# Legal Disclosures

## Forward-Looking Statements (p. 2 of 2)

- The agricultural economy is subject to extreme swings in both the costs of resources and the prices received from the sale of products as a result of weather, government regulations, international trade agreements and consumer tastes, which could negatively impact certain of our customers.
- Loan concentrations in certain industries could negatively impact our results, if financial results or economic conditions deteriorate.
- Companies providing support services related to the exploration and drilling of the natural gas reserves in our market area may be affected by federal, state and local laws and regulations such as restrictions on production, permitting, changes in taxes and environmental protection, which could negatively impact our customers and, as a result, negatively impact our loan and deposit volume and loan quality. Additionally, the activities the companies providing support services related to the exploration and drilling of the natural gas reserves may be dependent on the market price of natural gas. As a result, decreases in the market price of natural gas could also negatively impact these companies, our customers.

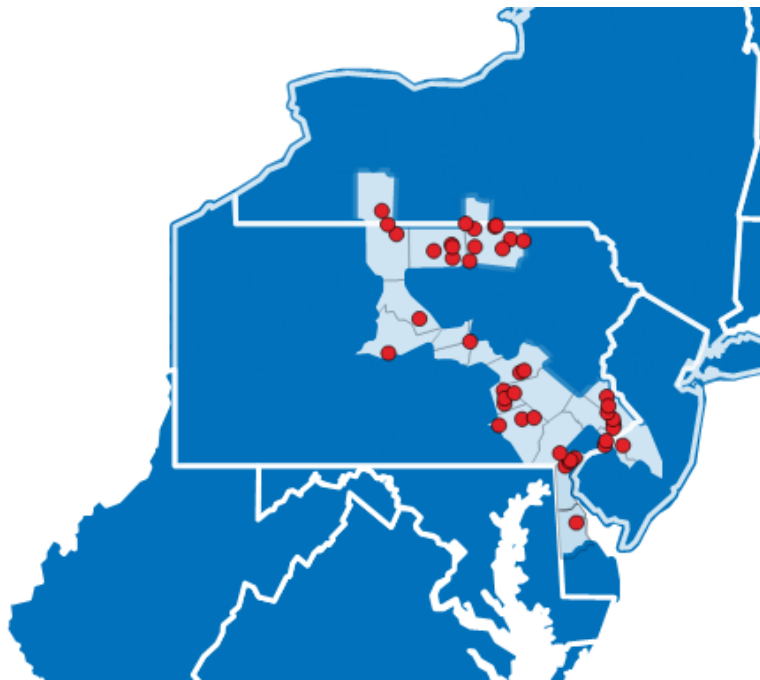
Additional factors are discussed in this Annual Report on Form 10-K under “Item 1A. Risk Factors.” These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Forward-looking statements speak only as of the date they are made and the Company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date of the forward-looking statements or to reflect the occurrence of unanticipated events. Accordingly, past results and trends should not be used by investors to anticipate future results or trends.



# ABOUT CITIZENS FINANCIAL SERVICES, INC.



# Company Profile



## Financial Highlights

**Assets: \$3.0B**

**Gross Loans: \$2.3B**

**Deposits: \$2.4B**

**YTD ROAA: 0.88%**

**YTD ROATCE: 13.39%**

## Company Overview

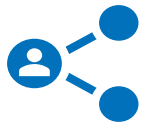
Headquarters	Mansfield, PA
Founded	1872
Chartered	1932
Ticker	NASDAQCM: CZFS
Market Cap <sup>(1)</sup>	\$283.1
Branches <sup>(2)</sup>	44
Employees <sup>(2)</sup>	383 FT – 29 PT
Institutional Ownership	23.67%
3 Mo. ADTV	12,074
52 Week H/L	\$65.86 / \$38.52
Chairman	R. Joseph Landy
CEO, President & Vice Chairman	Randall E. Black
Executive VP & CFO	Stephen J. Guillaume

## Lines of Business



### Retail Banking

- Retail Banking with 44 branches and 32 ATMs
- Mobile & Online Banking



### Commercial

- C&I Lending
- SBA Lending
- Treasury Management
- Card & Payment Services



### Consumer

- Business Banking
- Home Lending
- Personal Lending
- Indirect Auto Lending
- Secured & Unsecured Consumer Loans



### Fee Businesses

- Retail Plan Admin / Custody Services
- Business, Personal, & Life Insurance
- Institutional Life Insurance
- Brokerage & Advisory Services
- Trust Services

(1) Market Cap as of October 28, 2024  
 (2) Branches & Employees data as of October 29 2024  
 (3) Please see appendix for non-GAAP reconciliations  
 Note: Holding Company data shown; Data as of September 30, 2024

# Financial Highlights

September 30, 2024

2024Q3 vs. 2024Q2

MRQ – Highlights - YTD		Profitability	Balance Sheet	Credit
Diluted EPS <b>\$1.59</b>	Diluted EPS <b>\$4.17</b>	Net Interest Margin <b>3.09%</b> vs. 3.15%	Total Assets <b>\$3.0B</b> 2.7% Growth	NPAs / Assets Ratio <b>0.79%</b> vs. 0.61%
Net Income <b>\$7.5 M</b>	Net Income <b>\$19.8 M</b>	Core ROAA <b>1.00%</b> vs. 0.83%	Total Loans and Leases <b>\$2.3B</b> 3.34% Growth	NPLs / Gross Loans Ratio <b>0.92%</b> vs. 0.68%
Core ROATCE <b>14.82%</b>	Core ROATCE <sup>(1)</sup> <b>13.87%</b>	Efficiency Ratio <b>61.77%</b> vs. 63.51%	Total Deposits <b>\$2.4B</b> 7.8% Growth	Reserves / NPLs Ratio <b>100.6%</b> vs. 149.6%



(1) Please see appendix for non-GAAP reconciliations

# Experienced Leadership

Executive	Title	Years of Banking Experience	Joined FCCB
Randall E. Black	Vice Chairman, President & CEO	31	1993
Stephen J. Guillaume	Executive VP & CFO	14	2009
David Z. Richards Jr.	Executive VP & Board Director	47	2017
LeeAnn Gephart	Executive VP & Chief Banking Officer	18	2021
Jeffrey L. Wilson	Executive VP & Chief Lending Officer	37	1987
Zerick D. Cook	Executive VP & Chief Credit Officer	28	2020
Jeffrey R White	Executive VP & COO	7	2024

# Investment Highlights

- Long history of creating shareholder value and operating successfully
- Tenured management with strong track record of operating high value companies
- Experienced, disciplined and prudent acquirer
- Strong geographic diversification presents opportunities
- Steady record of high profitability
- Diversity of interest earning assets
- Long-term focus on shareholder returns



# A Recognized High Performer



For the past 16 years, Citizens Financial Services, Inc. has been ranked one of the top 100 best performing community banks in the nation with assets less than \$2 billion. This ranking is based on a 3-year ROAE. Our 2012 performance ranked us as number ONE in the nation. We also continue to be ranked in the top 100 Ag lenders nationwide, 2nd for banks HQ'd in PA.



In 2022 FCCB was included in the ABA Nasdaq Community Bank Index – an indication of our progress and leadership capabilities in the market.



In 2017, Forbes Magazine began conducting customer satisfaction surveys for all banks across the nation. First Citizens Community Bank was voted “Best in State Bank” by our customers in a Forbes Magazine survey in 2018 and 2019.



FCCB was celebrated for outstanding 2020 performance in the prestigious Bank Directors Performance Scorecard, placing 29th in the nation and as the highest-ranking Pennsylvania bank.



In 2022 FCCB received the Bank On Certification, a certification promoted by the CFE Fund that is nationally awarded to banks that meet account criteria that ensures everyone has access to a safe, affordable transactional banking account.



In 2020, Banking Mid Atlantic magazine ranked FCCB as the third bank in North Central, Pennsylvania for overall quality.



In a 2021 Rivel Banking benchmark study, FCCB was ranked 5th in the state of Pennsylvania for the quality of our response to the COVID-19 pandemic.



2023 and 2024: FCCB was recognized by Newsweek and Plant-A Insights Group as one of the top 250 regional banks in the United States. This distinction was awarded based on a thorough evaluation of profitability, financial relevance, risk exposures, overall health, and stability, including social media and app store reviews.



# BUSINESS & FINANCIAL HIGHLIGHTS

# Key Financial Highlights

## Top Tier Consolidated

In \$000s except for per share data	2021Y	2022Y	2023Y	YTD 9/30/2024	MRQ 9/30/2024
<b><u>Balance Sheet</u></b>					
Total Assets	\$2,143,863	\$2,333,393	\$2,975,321	\$3,026,468	\$3,026,468
Total Loans	\$1,446,087	\$1,725,724	\$2,258,215	\$2,344,522	\$2,344,522
Total Deposits	\$1,836,151	\$1,844,208	\$2,321,481	\$2,450,149	\$2,450,149
Tangible Common Equity	\$180,662	\$168,473	\$190,258	\$209,813	\$209,813
<b><u>Profitability</u></b>					
ROAA	1.45%	1.29%	0.66%	0.88%	1.00%
ROAE	14.26%	12.98%	6.52%	8.45%	9.53%
ROATCE	16.99%	15.18%	8.77%	13.39%	14.82%
Net Interest Margin	3.52%	3.41%	3.21%	3.09%	3.09%
Efficiency Ratio	52.71%	53.25%	59.21%	62.39%	61.77%
<b><u>Capital &amp; Per Share</u></b>					
Tang. Common Equity/Tang. Assets	8.55%	7.32%	6.59%	7.14%	7.14%
Tang. Common Equity/Tang. Assets (Excl. AOCI)	8.56%	8.76%	7.46%	7.79%	7.79%
Bank Leverage Ratio	8.94%	8.77%	8.54%	8.96%	8.96%
Bank Total RBC Ratio	NA <sup>(1)</sup>	12.01%	NA <sup>(1)</sup>	11.75%	11.75%
TBV per Share	\$44.11	\$41.29	\$40.02	\$44.08	\$44.08
Core Earnings per share - Basic	\$6.87	\$7.17	\$6.45	\$4.33	\$1.59

# Liquidity Position and Sources

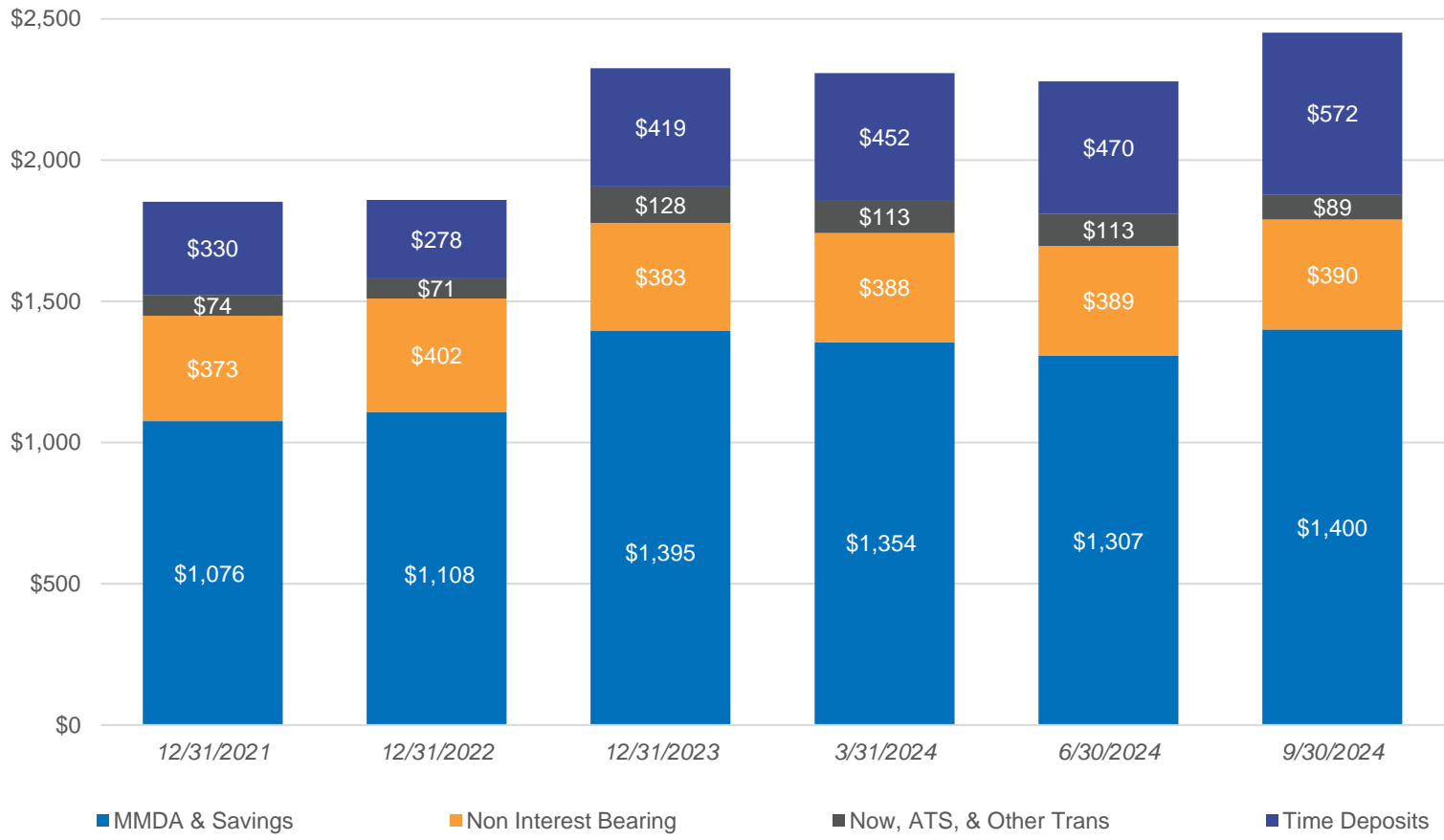
## Liquidity Well-Managed to Cover Short-Term Needs

Liquidity Sources	September 30, 2024
	\$ in Thousands
Cash and Cash Equivalents	\$40,388
FHLB Borrowing Capacity Remaining	690,141
Brokered Deposits Capacity	462,999
FRB Borrowing Capacity	17,806
Total	\$1,211,334
Investments	
US Gov't & Agency	\$225,257
MBS & CMO	\$103,058
Municipals	\$104,005
Corporates	\$13,436
Less: Pledged Securities	(363,279)
Net Unpledged Securities	\$82,477
Total Liquidity Sources	\$1,293,811

# Deposit Mix

## Deposit Mix Analysis

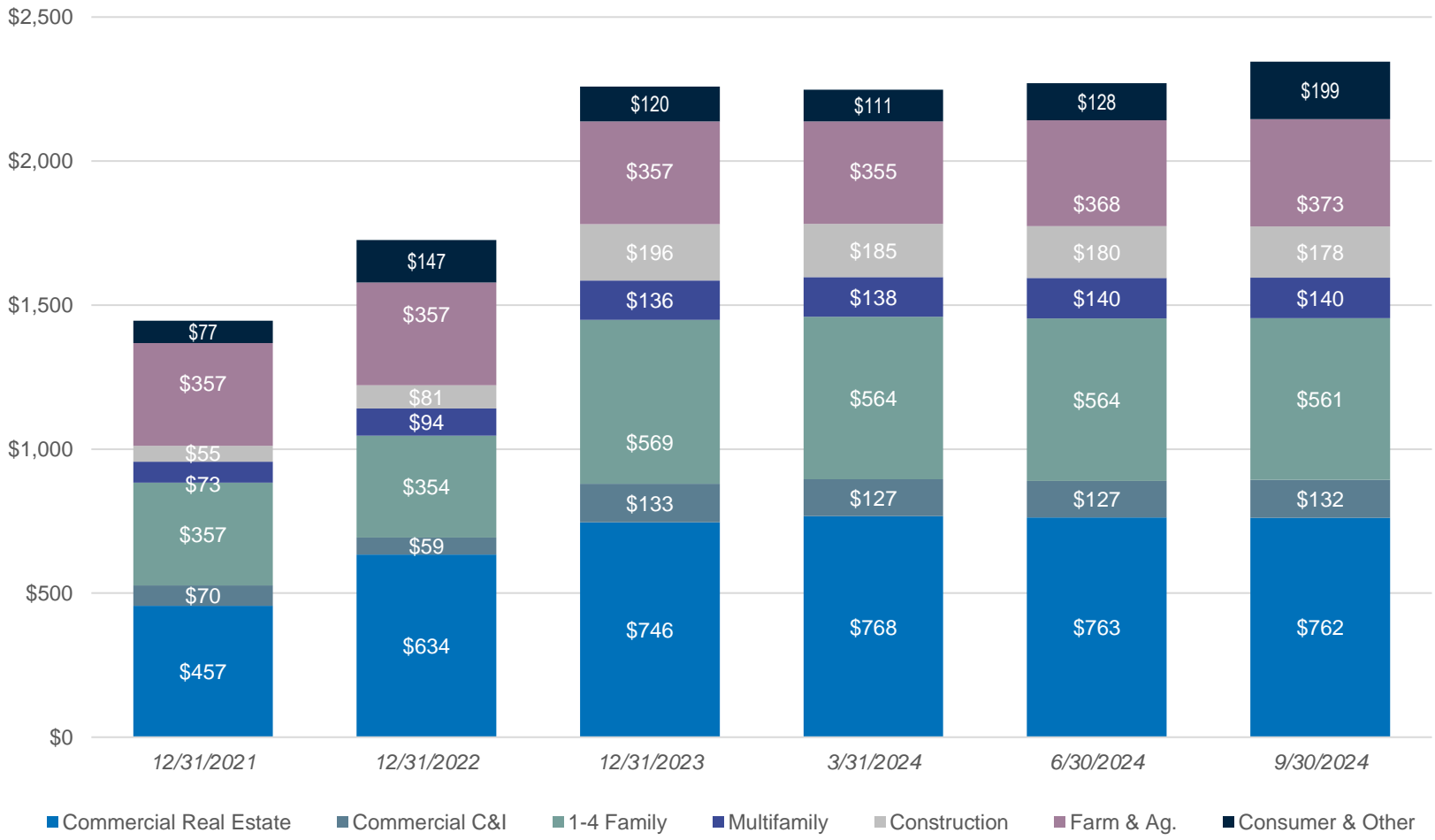
Deposits by Category (\$M's)



# Loan Portfolio Mix

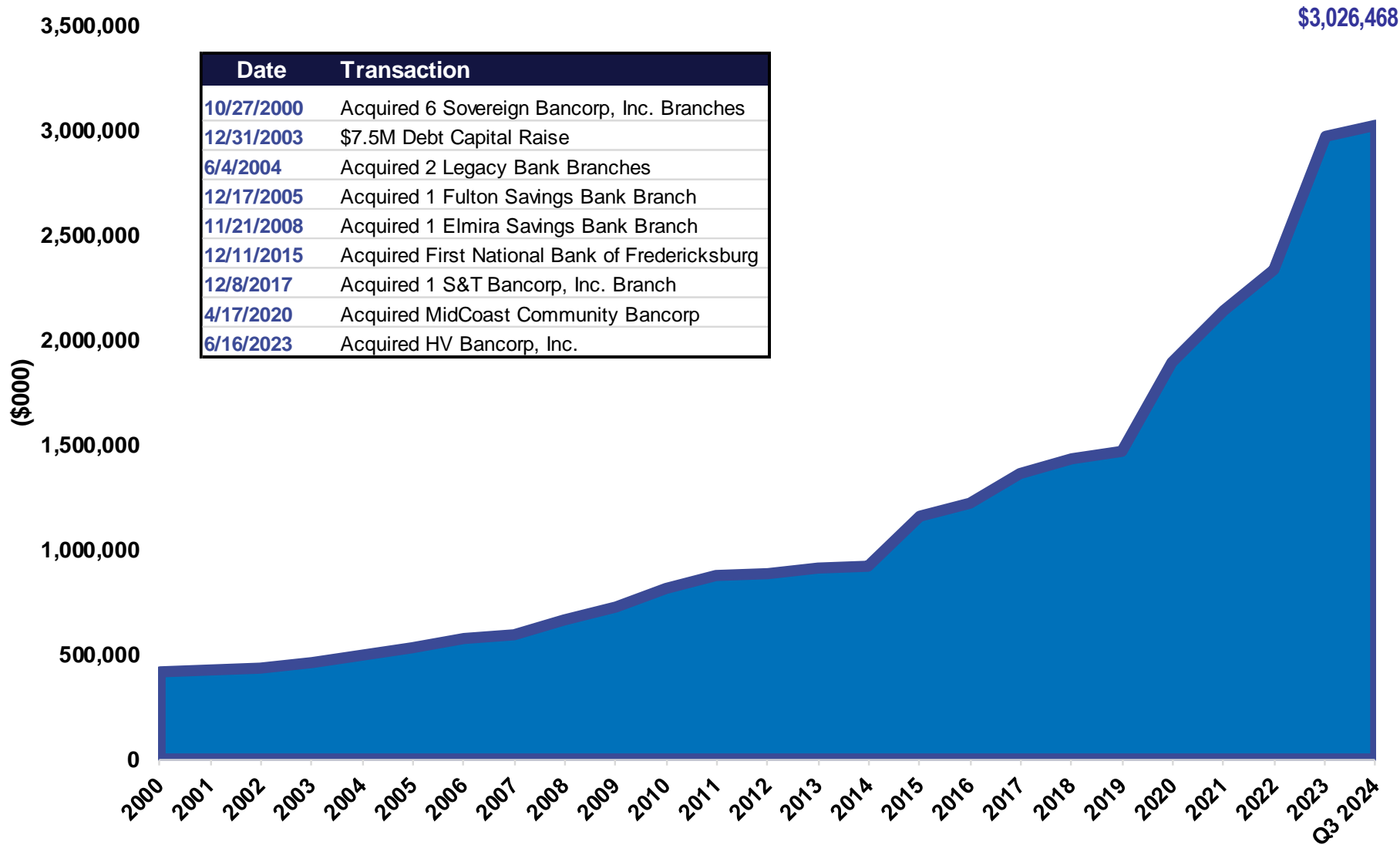
## Loan Type Analysis

Loans Outstanding (\$M's)



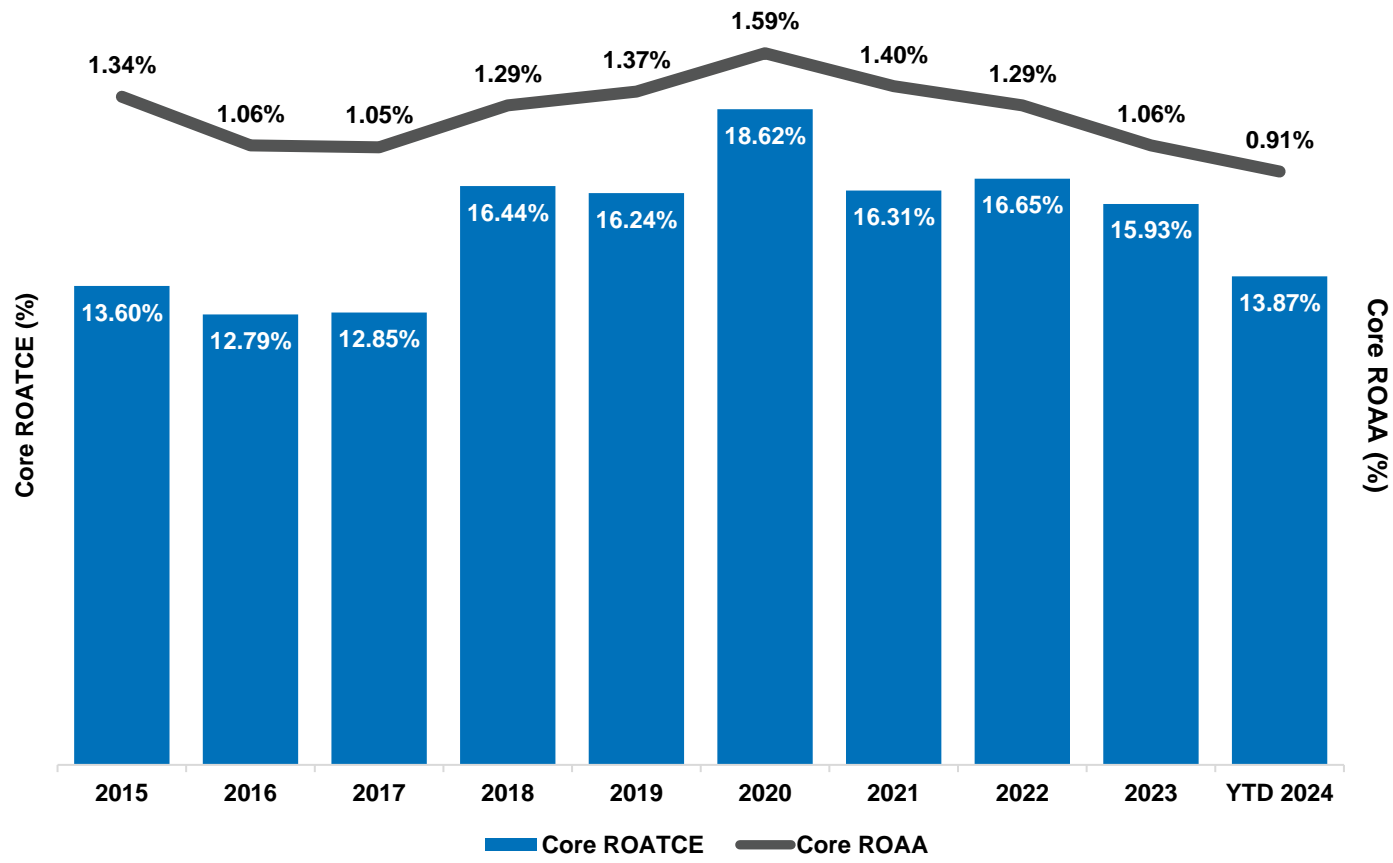
# History of Successful Growth

## Total Asset Growth since 2000 (\$000)



# Consistent & Attractive Returns

## Historical Core ROAA & ROATCE



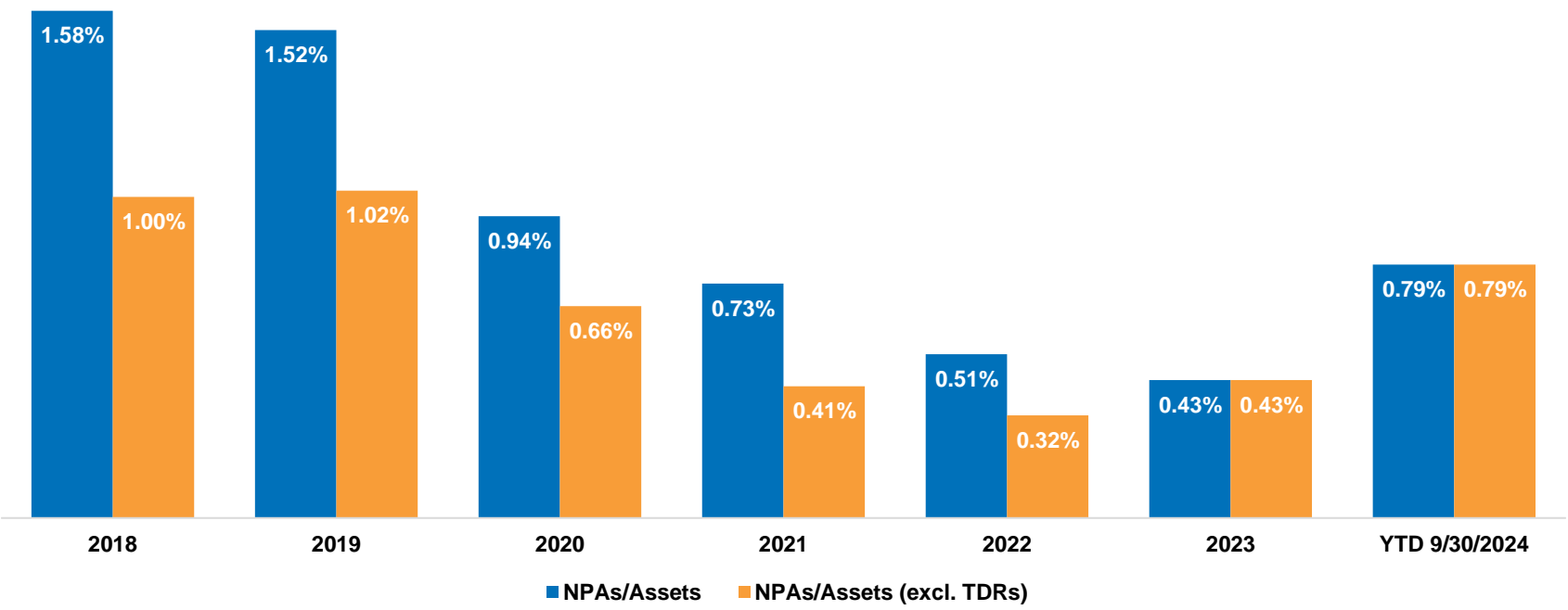
(1) Please see appendix for non-GAAP reconciliations



# History of Strong Asset Quality




## Historical NPAs/Assets Trends

NCOs/Avg Loans:



# Successful Track Record of Prudent Acquisitions

## CZFS Acquisitions since January 1, 2015

Transaction:	 <small>FIRST NATIONAL BANK FREDERICKSBURG</small> <b>FNB of Fredericksburg</b>	 <small>MidCoast COMMUNITY BANCORP, INC.</small> <b>MidCoast Community Bancorp, Inc.</b>	 <b>HVB</b> <b>HV Bancorp, Inc.</b>	<b>Total Whole Bank Acquisitions Since January 1, 2015</b>
<b>Geography:</b>	Fredericksburg, PA	Wilmington, DE	Doylestown, PA	--
<b>Date Closed:</b>	12/11/2015	4/17/2020	6/16/2023	--
<b>Locations:</b>	7	3	12	22
<b>Purchase Price:</b>	Cash & Stock: \$23.0 million	Cash & Stock: \$29.5 million	Cash & Stock: \$67.9 million	--
<b>Target Assets (\$M):</b>	\$232	\$269	\$571	\$1,072
<b>Target Loans (\$M):</b>	\$146	\$231	\$391	\$769
<b>Target Deposits (\$M):</b>	\$214	\$213	\$482	\$909

# APPENDIX

# Non-GAAP Reconciliation – Tangible Book Value

	For the Twelve Months Ended,			For the Quarter Ended,				
	12/31/2021	12/31/2022	12/31/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024	
Dollars in thousands								
Total common equity	\$212,492	\$200,147	\$279,666	\$279,666	\$282,674	\$286,470	\$298,654	
Total intangible assets	33,003	32,468	89,408	89,408	89,208	89,002	88,841	
<b>Tangible common equity</b>	<b>\$179,489</b>	<b>\$167,499</b>	<b>\$190,258</b>	<b>\$190,258</b>	<b>\$193,466</b>	<b>\$197,468</b>	<b>\$209,813</b>	
Total assets	\$2,143,863	\$2,333,393	\$2,975,321	\$2,975,321	\$2,921,103	\$2,947,531	\$3,026,468	
Total intangible assets	33,003	32,468	89,408	89,408	89,208	89,002	88,841	
<b>Tangible assets</b>	<b>\$2,110,860</b>	<b>\$2,300,745</b>	<b>\$2,885,913</b>	<b>\$2,885,913</b>	<b>\$2,831,895</b>	<b>\$2,858,529</b>	<b>\$2,937,627</b>	
Accumulated other comprehensive gain (loss) income	(\$155)	(\$33,141)	(\$24,911)	(\$24,911)	(\$26,620)	(\$25,932)	(\$18,916)	
TCE / TA	8.50%	7.28%	6.59%	6.59%	6.83%	6.91%	7.14%	
TCE / TA (Excl. AOCI)	8.51%	8.72%	7.46%	7.46%	7.77%	7.82%	7.79%	
<b>Tangible Book Value Per Share</b>	<b>\$44.11</b>	<b>\$41.29</b>	<b>\$40.02</b>	<b>\$40.02</b>	<b>\$40.70</b>	<b>\$41.49</b>	<b>\$44.08</b>	

# Non-GAAP Reconciliation

Dollars in thousands, except per share data

	For the Twelve Months Ended,										For the	Year to
	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	9/30/2024	9/30/2024	
Net income	\$11,626	\$12,638	\$13,025	\$18,034	\$19,490	\$25,103	\$29,118	\$29,060	\$17,811	\$7,536	\$19,835	
Boli death benefits	0	0	0	0	0	0	(1,155)	0	(195)	0	0	
After tax provision for credit losses - acquisition day 1 non-PCD	0	0	0	0	0	0	0	0	3,627	0	0	
After tax gain on sale of Braavo, net of legal fees	0	0	0	0	0	0	0	0	0	0	-712	
After tax provision associated with Braavo loans remaining after sale	0	0	0	0	0	0	0	0	0	0	1,427	
After tax merger and acquisition costs	1,103	0	165	0	466	2,179	0	0	7,323	0	0	
<b>Core net income</b>	<b>\$12,729</b>	<b>\$12,638</b>	<b>\$13,190</b>	<b>\$18,034</b>	<b>\$19,956</b>	<b>\$27,282</b>	<b>\$27,963</b>	<b>\$29,060</b>	<b>\$28,566</b>	<b>\$7,536</b>	<b>\$20,550</b>	
Number of shares used in computation - basic	3,499,659	3,777,686	3,751,555	3,741,135	3,722,293	3,968,825	4,069,883	4,055,520	4,429,162	4,749,679	4,748,988	
<b>Earnings per share, excluding merger and acquisition costs, provision for credit losses - acquisition day 1 non-PCD and Braavo related gain and provision</b>	<b>\$3.64</b>	<b>\$3.35</b>	<b>\$3.52</b>	<b>\$4.82</b>	<b>\$5.36</b>	<b>\$6.87</b>	<b>\$6.87</b>	<b>\$7.17</b>	<b>\$6.45</b>	<b>\$1.59</b>	<b>\$4.33</b>	
Average assets	\$951,083	\$1,192,380	\$1,258,925	\$1,400,499	\$1,453,957	\$1,719,757	\$2,002,634	\$2,255,966	\$2,699,039	3,003,434	2,996,076	
<b>Annualized return on average stockholders equity, excluding boli death benefits, merger and acquisition costs, provision for credit losses - acquisition day 1 non-PCD and Braavo related gain and provision</b>	<b>1.34%</b>	<b>1.06%</b>	<b>1.05%</b>	<b>1.29%</b>	<b>1.37%</b>	<b>1.59%</b>	<b>1.40%</b>	<b>1.29%</b>	<b>1.06%</b>	<b>1.00%</b>	<b>0.91%</b>	
Average stockholders equity - GAAP	\$103,796	\$123,418	\$129,756	\$138,691	\$149,887	\$176,674	\$204,222	\$223,955	\$273,322	\$316,378	\$312,900	
<b>Annualized return on average stockholders equity, excluding boli death benefits, merger and acquisition costs, provision for credit losses - acquisition day 1 non-PCD and Braavo related gain and provision</b>	<b>12.26%</b>	<b>10.24%</b>	<b>10.17%</b>	<b>13.00%</b>	<b>13.31%</b>	<b>15.44%</b>	<b>13.69%</b>	<b>12.98%</b>	<b>10.45%</b>	<b>9.53%</b>	<b>8.76%</b>	
Average Tangible Equity - Non-GAAP	\$93,602	\$98,850	\$102,611	\$109,712	\$122,871	\$146,505	\$171,450	\$174,568	\$179,366	\$203,384	\$197,558	
<b>Annualized return on average tangible equity, excluding boli death benefits, merger and acquisition costs, provision for credit losses - acquisition day 1 non-PCD and Braavo related gain and provision</b>	<b>13.60%</b>	<b>12.79%</b>	<b>12.85%</b>	<b>16.44%</b>	<b>16.24%</b>	<b>18.62%</b>	<b>16.31%</b>	<b>16.65%</b>	<b>15.93%</b>	<b>14.82%</b>	<b>13.87%</b>	