

# Norwood Financial Corp

*Investor Presentation*

March 31, 2024



# Forward Looking Statements & Disclaimers



*The information disclosed in this document includes various forward-looking statements that are made by Norwood Financial Corp (the "Company") in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words "anticipates," "projects," "intends," "estimates," "expects," "believes," "plans," "may," "will," "should," "could," and other similar expressions are intended to identify such forward-looking statements the Company cautions that these forward-looking statements are necessarily speculative and speak only as of the date made, and are subject to numerous assumptions, risks and uncertainties, all of which may change overtime. Actual results could differ materially from such forward-looking statements. Accordingly, you should not place undue reliance on forward-looking statements. The following factors, among others, could cause actual results to differ materially and adversely from such forward-looking statements: changes in the financial services industry and the U.S. and global capital markets, changes in economic conditions nationally, regionally and in the company's markets, the nature and timing of actions of the Federal Reserve Board and other regulators, the nature and timing of legislation and regulation affecting the financial services industry, government intervention in the U.S. financial system, changes in federal and state tax laws, changes in levels of market interest rates, pricing pressures on loan and deposit products, credit risks of the Company's lending activities, successful implementation, deployment and upgrades of new and existing technology, systems, services and products, customers' acceptance of the Company's products and services, and competition. Any statements made by the Company that are not historical facts should be considered to be forward-looking statements. The Company cautions that the foregoing list of important factors is not exhaustive. The Company is not obligated to update and does not undertake to update any of its forward looking statements, whether written or oral, that may be made from time to time by or on behalf of the Company or made herein.*

# Financial Highlights, March 31, 2024

## Balance Sheet



### Total Assets of \$2.3 billion

- Increase of \$59 million, or 10.8% annualized, in 2024
- Increase of \$156 million, or 7.4%, over the last twelve months

### Total Loans of \$1.6 billion

- Increase of \$18 million, or 4.5% annualized, in 2024
- Increase of \$86 million, or 5.6%, over the last twelve months

### Total Deposits of \$1.8 billion

- Increase of \$44 million, or 2.4% annualized, in 2024
- Increase of \$83 million, or 4.7%, over the last twelve months

# Financial Highlights, March 31, 2024

## *Loan Portfolio*



### Commercial Loans

- Increase of \$18 million, or 7.4% annualized, in 2024

### Consumer Loans

- Increase of \$7 million, or 10.5% annualized, in 2024

### Residential Mortgages

- Decrease of \$7 million in 2024

# Financial Highlights, March 31, 2024

## *Deposits*



### **Non-Interest Bearing Demand Deposits**

- **Decrease of \$16 million in 2024**

### **Non-Maturity, Interest-Bearing Deposits**

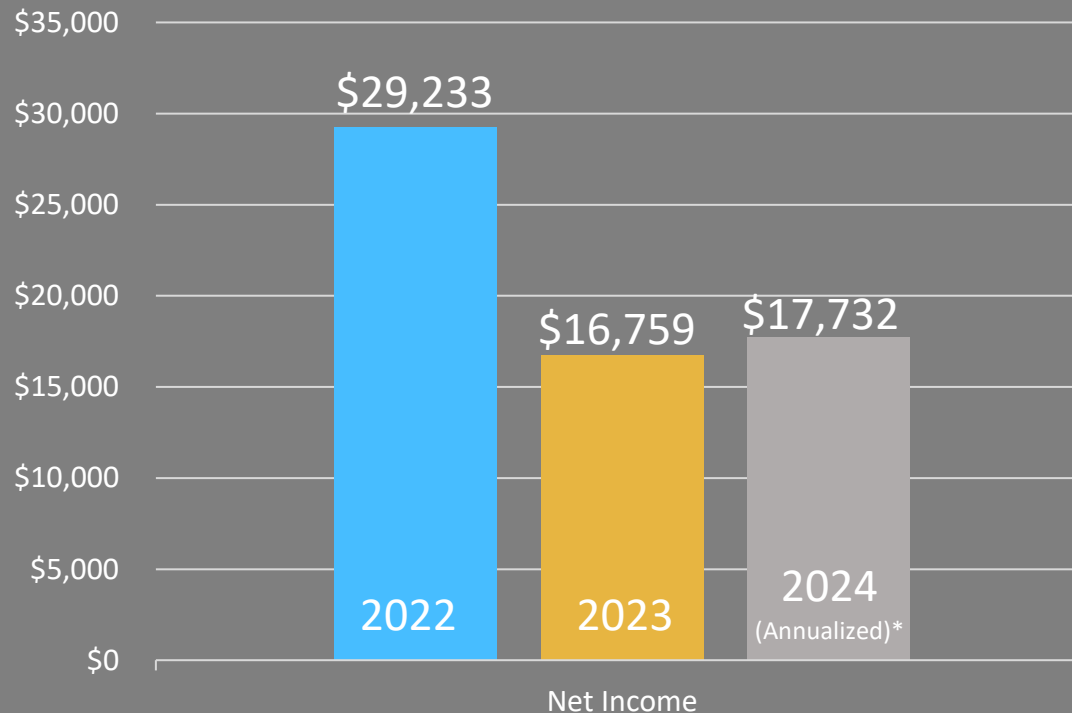
- **Increase of \$11 million, or 6.4% annualized, in 2024**

### **Time Deposits**

- **Increase of \$49 million, or 27.7% annualized, in 2024**

# Financial Highlights, March 31, 2024

## Net Income

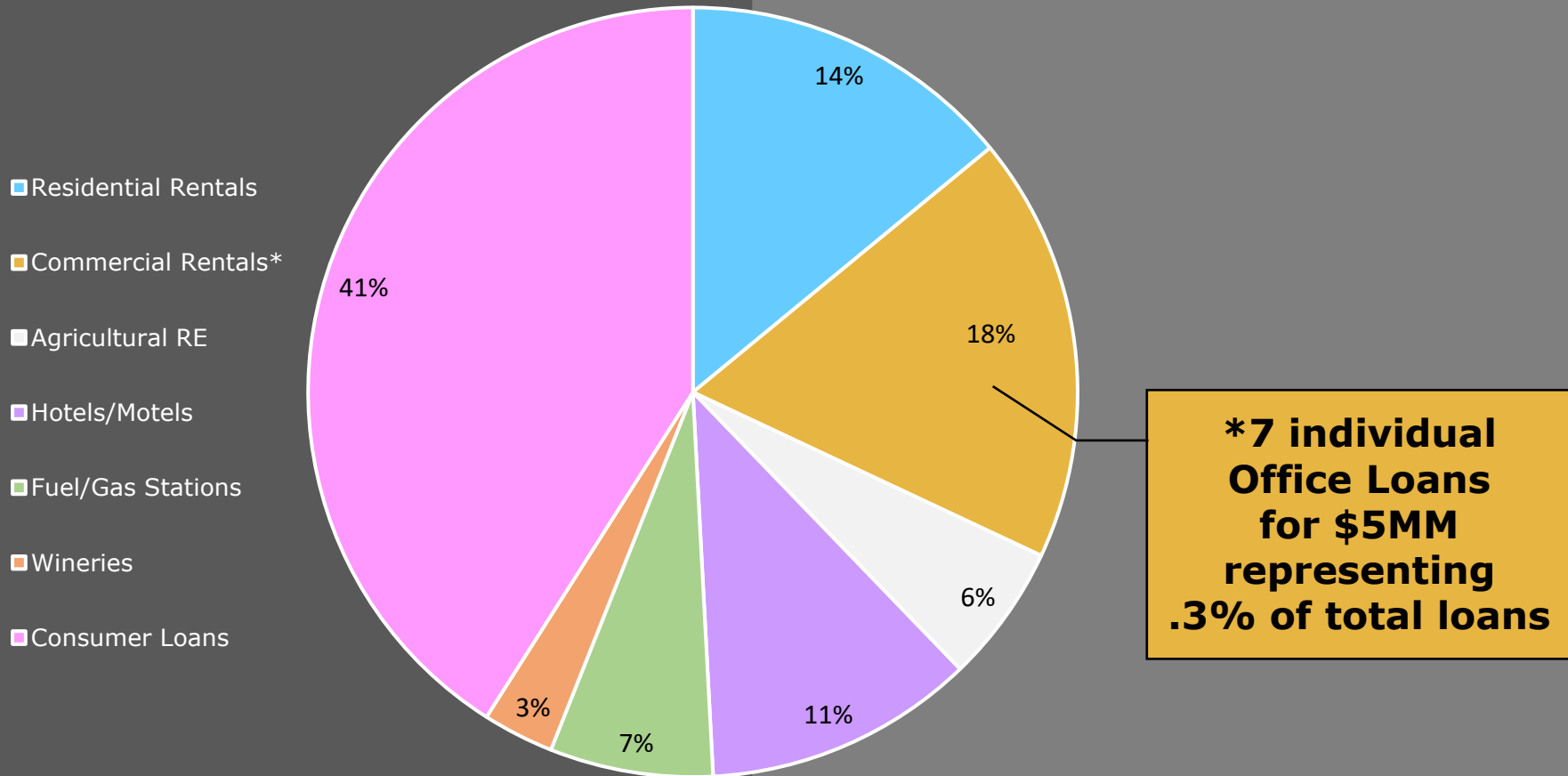


- As of March 31, 2024, our Allowance for Credit Losses represented 1.11% of total loans outstanding and was 483% of total nonperforming loans.

\*3 months Annualized

# A Well Diversified Loan Portfolio

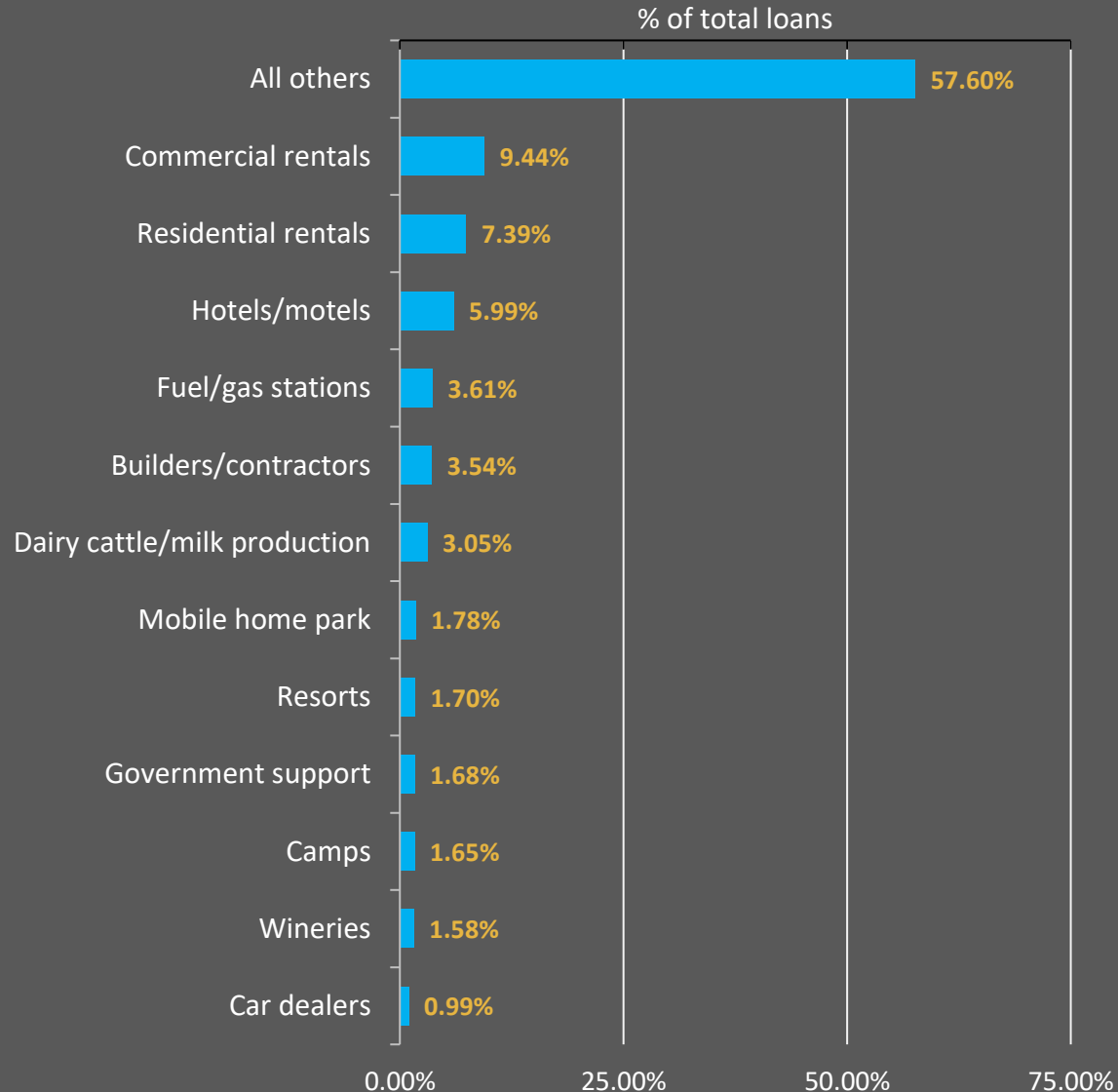
## *Loan Portfolio Categories*



# A Well Diversified Loan Portfolio

## Loan Portfolio By Industry

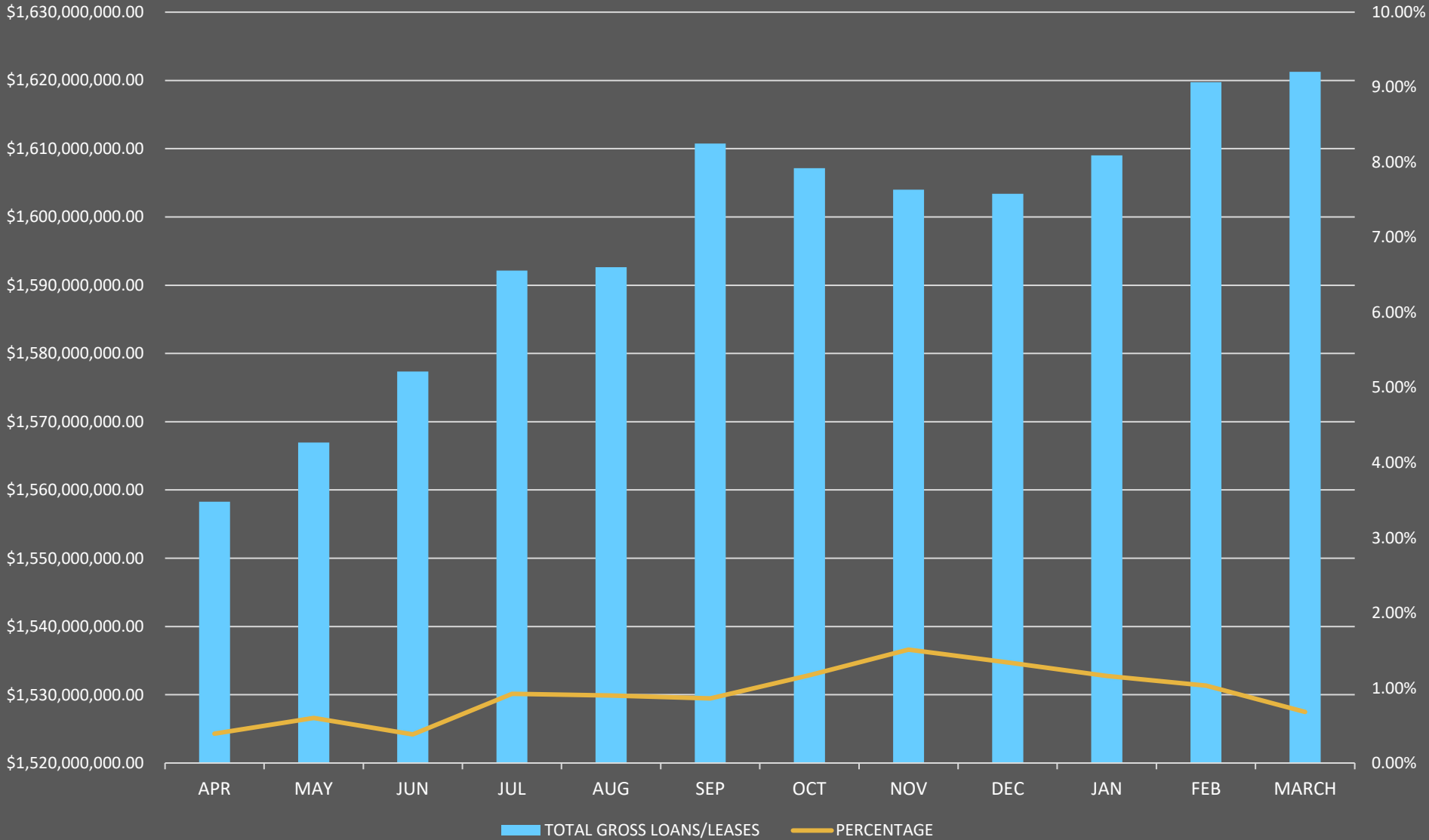
- This chart shows the breakdown of Wayne Bank's concentration of credit for those industries that make up over 10% of its capital.
- The "All Others" category includes 37.17% Retail Loans and 20.43% other Commercial Loan industries.
- The 37.19% Retail Loans includes 15.60% Residential Mortgages, 15.83% Indirect Loans, and 5.74% Direct Installment Loans.





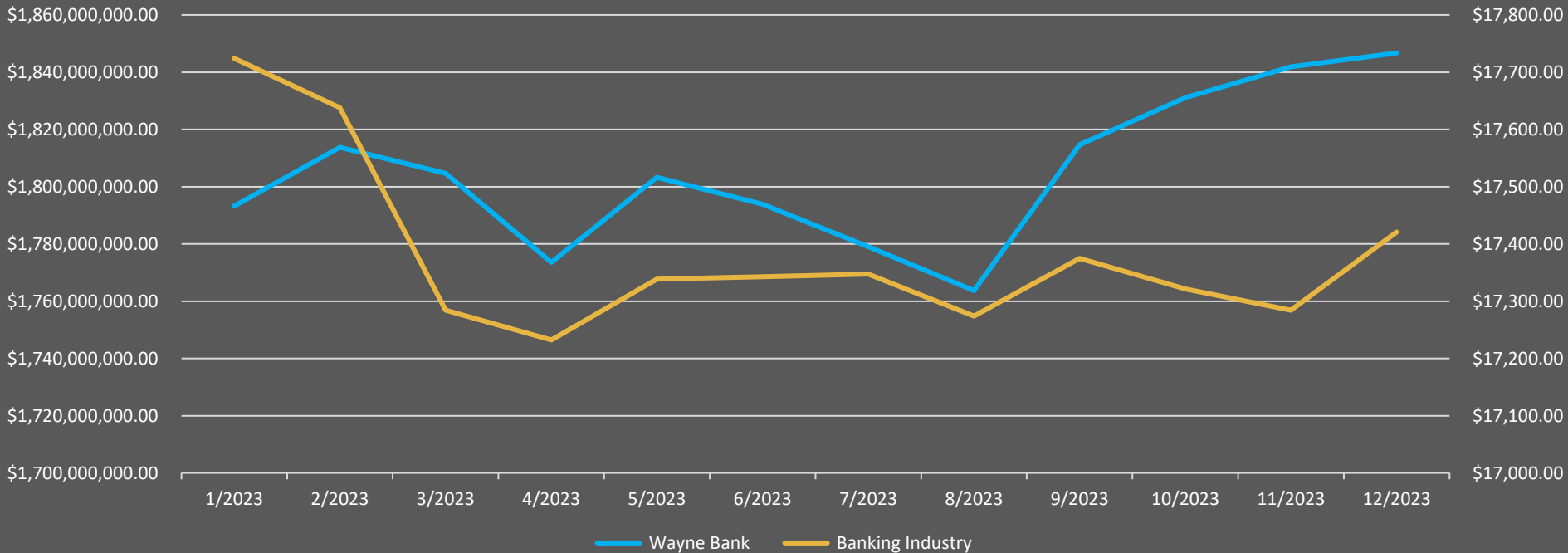
# Credit Performance

Total Loans Vs. Percentage of Past Dues (> 30 days)



# Deposit Mix

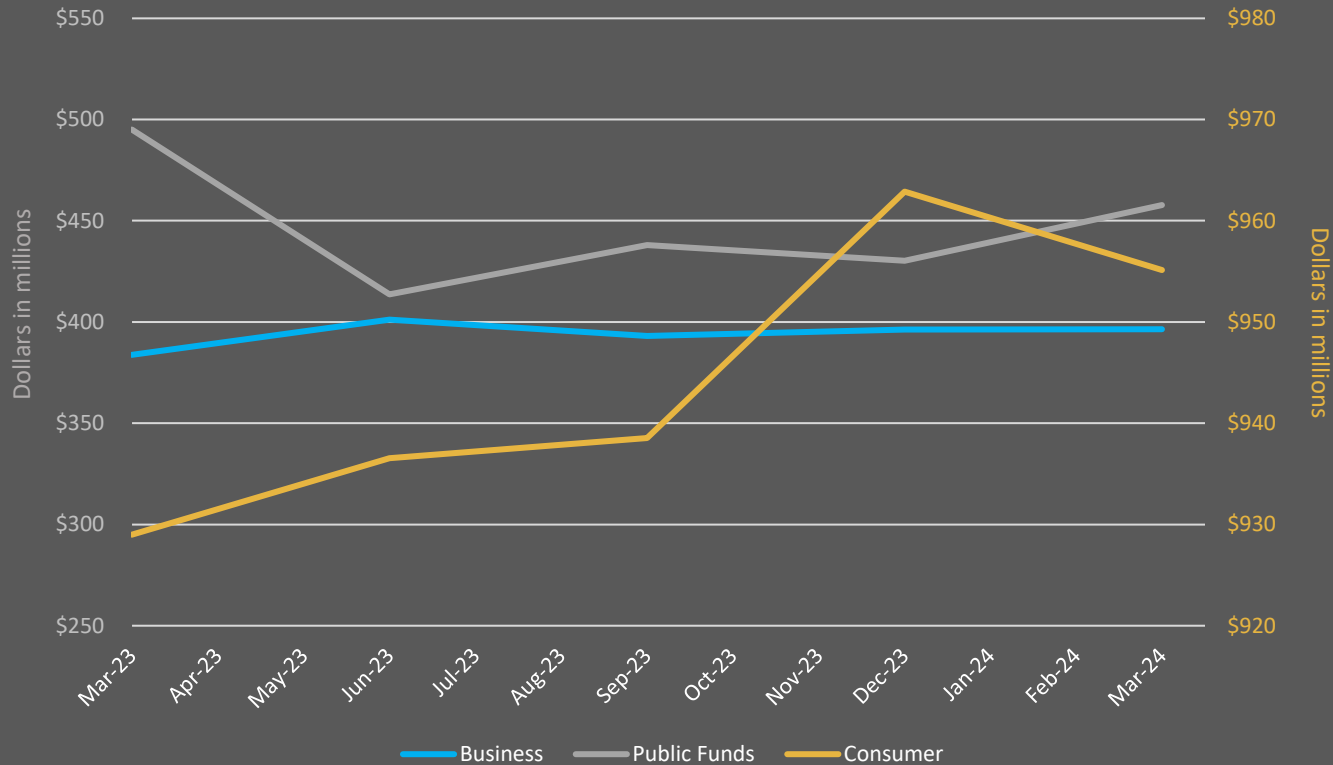
## Deposit Growth



- Total deposits in the banking industry decreased by 1.09% in the past twelve months
- Wayne Bank grew deposits by 7.14% in the past twelve months

# Deposit Mix

## Deposit Growth Comparison



- Public funds decreased by 7.54%
- Business deposits increased by 3.31%
- Consumer deposits increase by 2.81%

# A Legacy of Creating Shareholder Value

## *The Facts*



- 32 consecutive years of increases in cash dividends per share
  - ✓ Most recent quarterly dividend of \$.30/share paid on May 1, 2024
- Market valuation metrics:
  - ✓ Price/LTM EPS: 12.6X
  - ✓ Price/book: 111%
  - ✓ Price/tangible book: 133%
- Average daily trading volume of nearly 11,000 shares
- Index membership:
  - ✓ Nasdaq Bank Index
  - ✓ Russell 2000® Index

# A Legacy of Creating Shareholder Value

*In the Russell 2000® Index*



## RUSSELL 2000® INDEX

- NWFL reentered the Russell 2000® Index in 2023.
- NWFL is expected to remain in the Russell 2000® Index in 2024.
- The Russell 2000® Index encompasses and tracks the performance of the 2,000 largest traded U.S. stocks, based on market capitalization.



# A Legacy of Creating Shareholder Value

*A Top 25 Best U.S. Bank*



- Ranked #20 in the Top 25 Banks in the U.S. by *Bank Director Magazine*.
- Also ranked #10 out of 122 banks in the \$2 billion to \$5 billion asset size category.
- Evaluated on profitability, capital adequacy, asset quality, and total shareholder return.



# A Legacy of Creating Shareholder Value

*A Top 100 Performing U.S. Bank*

AMERICAN BANKER



- Ranked #84 out of 200 banks in the \$2 billion to \$10 billion asset size category by *American Banker*.
- Evaluated on profitability, efficiency, capital adequacy, and asset quality based on a 3-year average return.