

Norwood Financial Corp

Investor Presentation

June 30, 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, June 30, 2024

Balance Sheet



Total Assets of \$2.3 billion

- Increase of \$35 million, or 3.18% annualized, in 2024
- Increase of \$94 million, or 4.39%, over the last twelve months

Total Loans of \$1.6 billion

- Increase of \$37 million, or 4.6% annualized, in 2024
- Increase of \$63 million, or 4.0%, over the last twelve months

Total Deposits of \$1.8 billion

- Increase of \$17 million, or 1.9% annualized, in 2024
- Increase of \$81 million, or 4.7%, over the last twelve months

Financial Highlights, June 30, 2024

Loan Portfolio



Commercial Loans

- Increase of 27 million, or 15.8% annualized, in 2024

Consumer Loans

- Increase of \$7 million, or 1.4% annualized, in 2024

Residential Mortgages

- Increase of \$3 million, or 2.4% annualized, in 2024

Financial Highlights, June 30, 2024

Deposits



Non-Interest Bearing Demand Deposits

- **Decrease of \$21 million in 2024**

Non-Maturity, Interest-Bearing Deposits

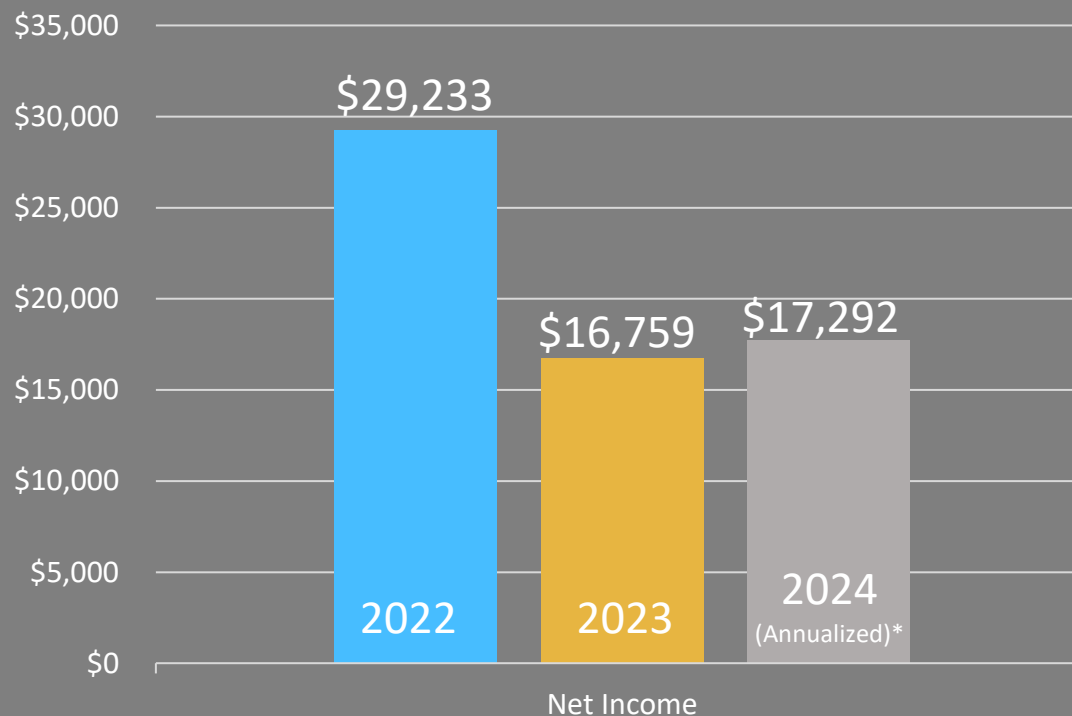
- **Increase of \$11 million, or 3.3% annualized, in 2024**

Time Deposits

- **Increase of \$41 million, or 11.7% annualized, in 2024**

Financial Highlights, June 30, 2024

Net Income

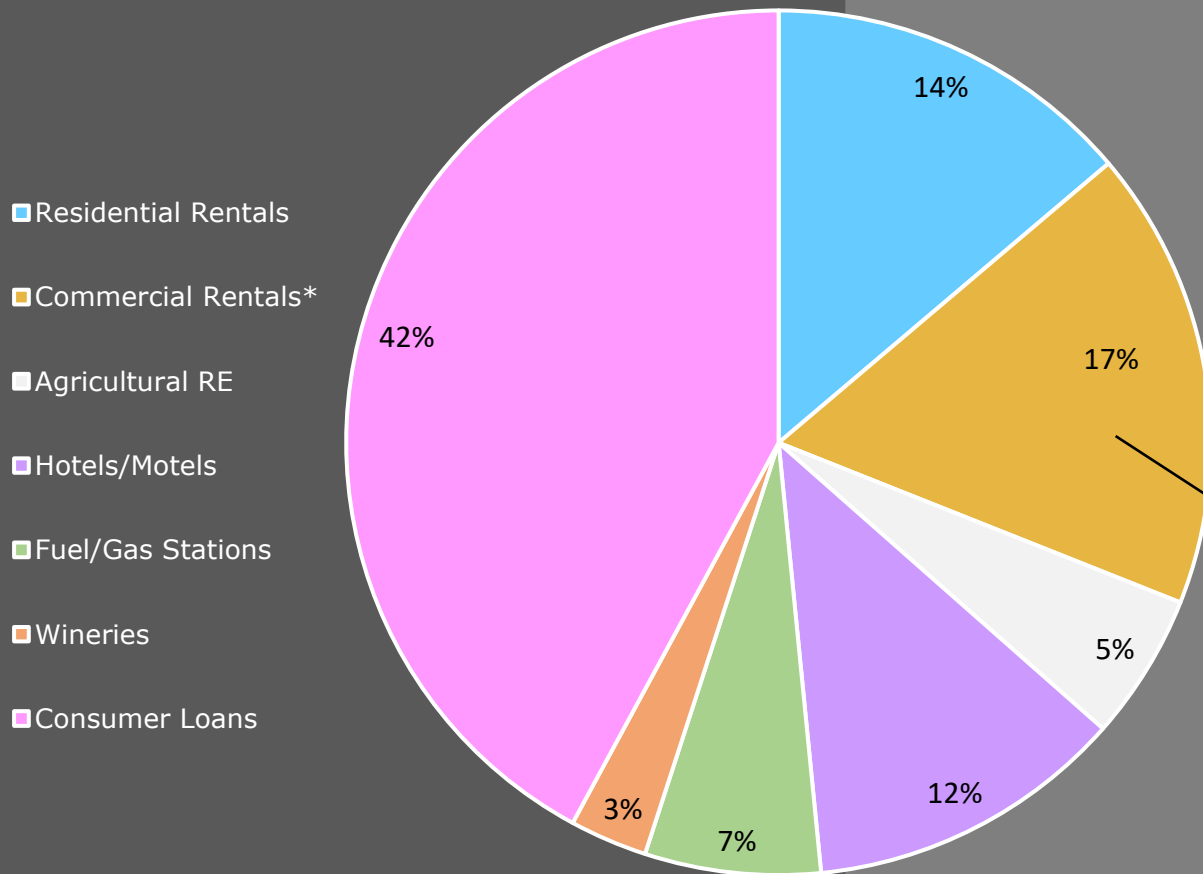


- As of June 30, 2024, our Allowance for Credit Losses represented 1.08% of total loans outstanding and was 233% of total nonperforming loans.

*6 months Annualized

A Well Diversified Loan Portfolio

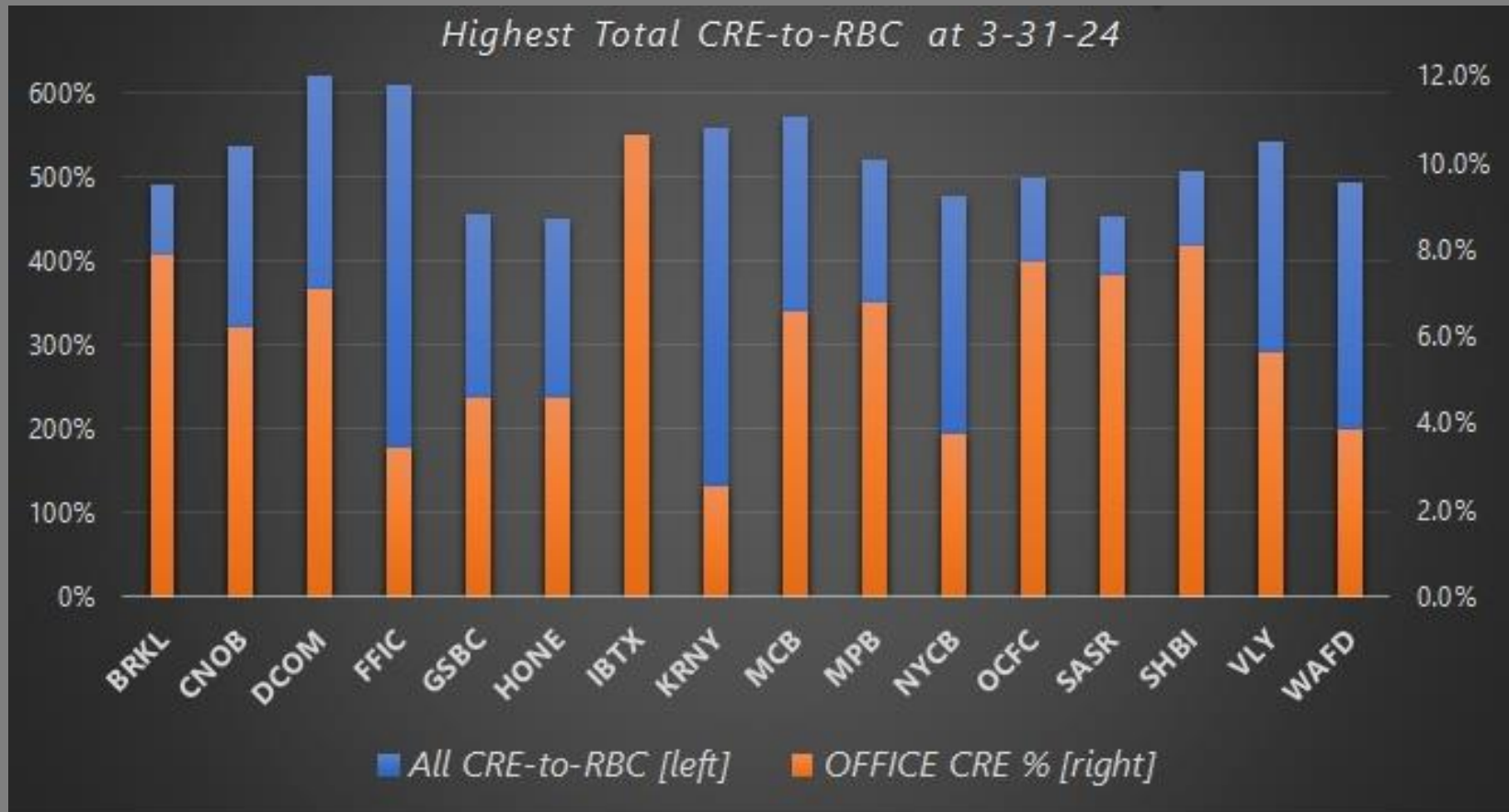
Loan Portfolio Categories



***7 individual Office Loans for \$5MM representing .3% of total loans**

A Well Diversified Loan Portfolio

CRE Concentration vs Office CRE Exposure

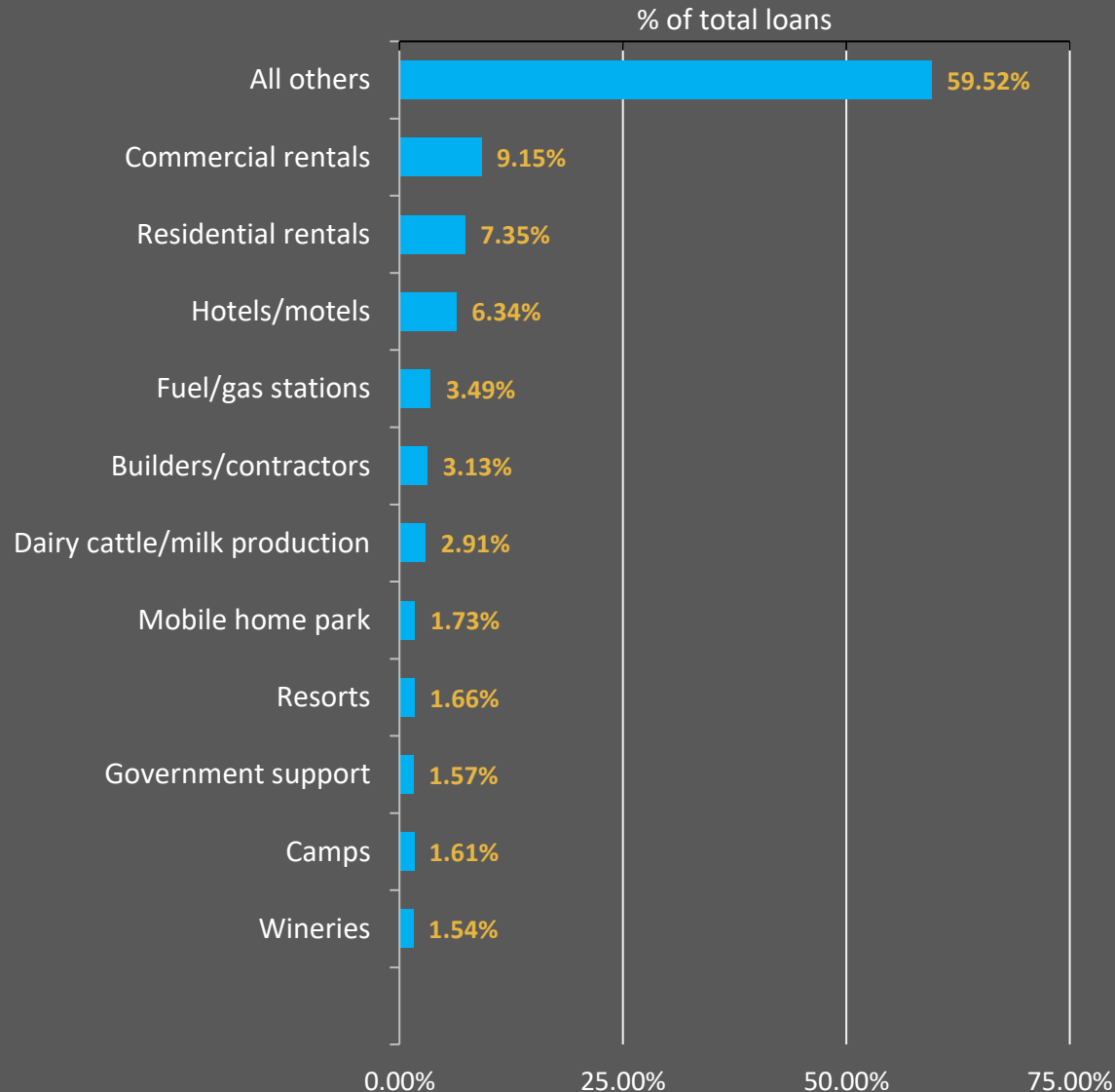


Source: Janney Research (FIG Group), FDIC call reports and SEC filings

A Well Diversified Loan Portfolio

Loan Portfolio By Industry

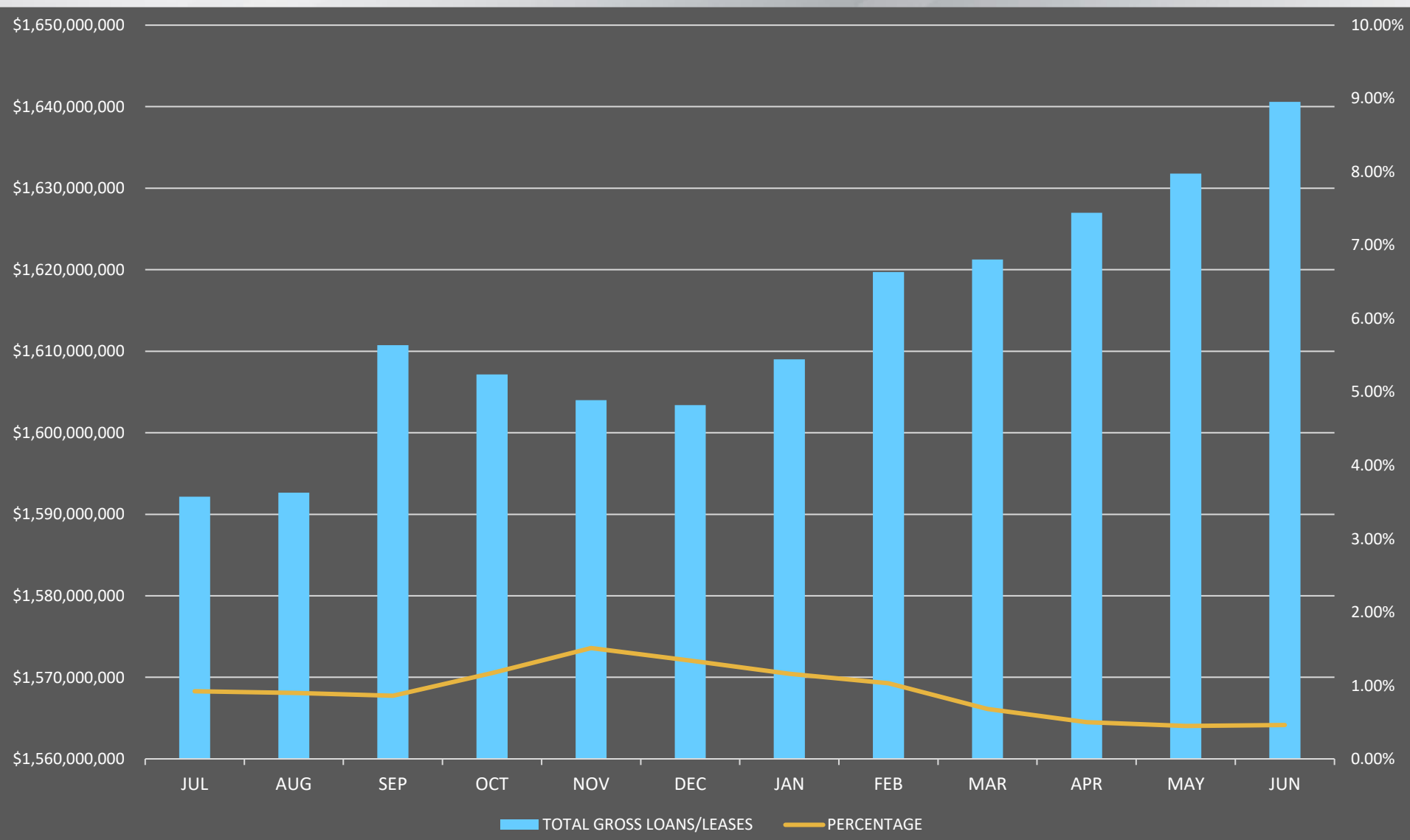
- This chart shows the breakdown of Wayne Bank's concentration of credit for those industries that make up over 10% of its capital.
- The "All Others" category includes 37.92% Retail Loans and 21.60% other Commercial Loan industries.
- The 37.92% Retail Loans includes 15.54% Residential Mortgages, 16.77% Indirect Loans, and 5.61% Direct Installment Loans.



Credit Performance

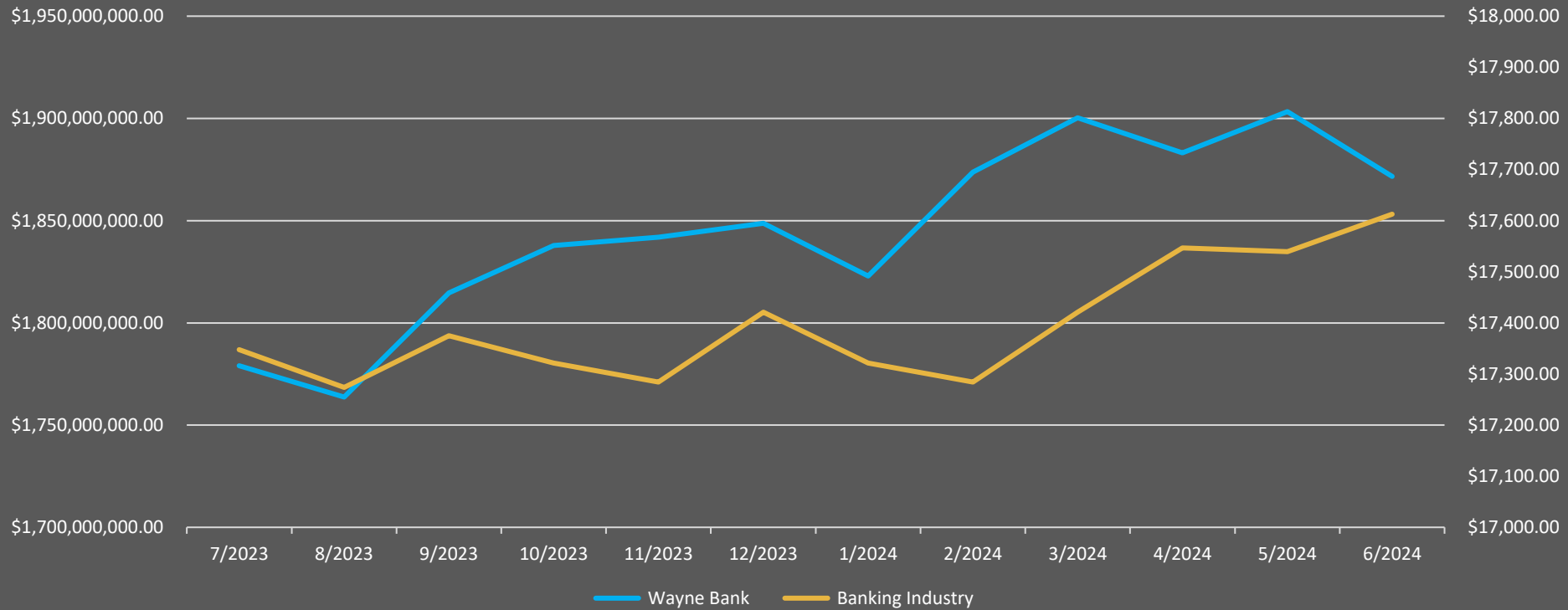


Total Loans Vs. Percentage of Past Dues (> 30 days)



Deposit Mix

Deposit Growth

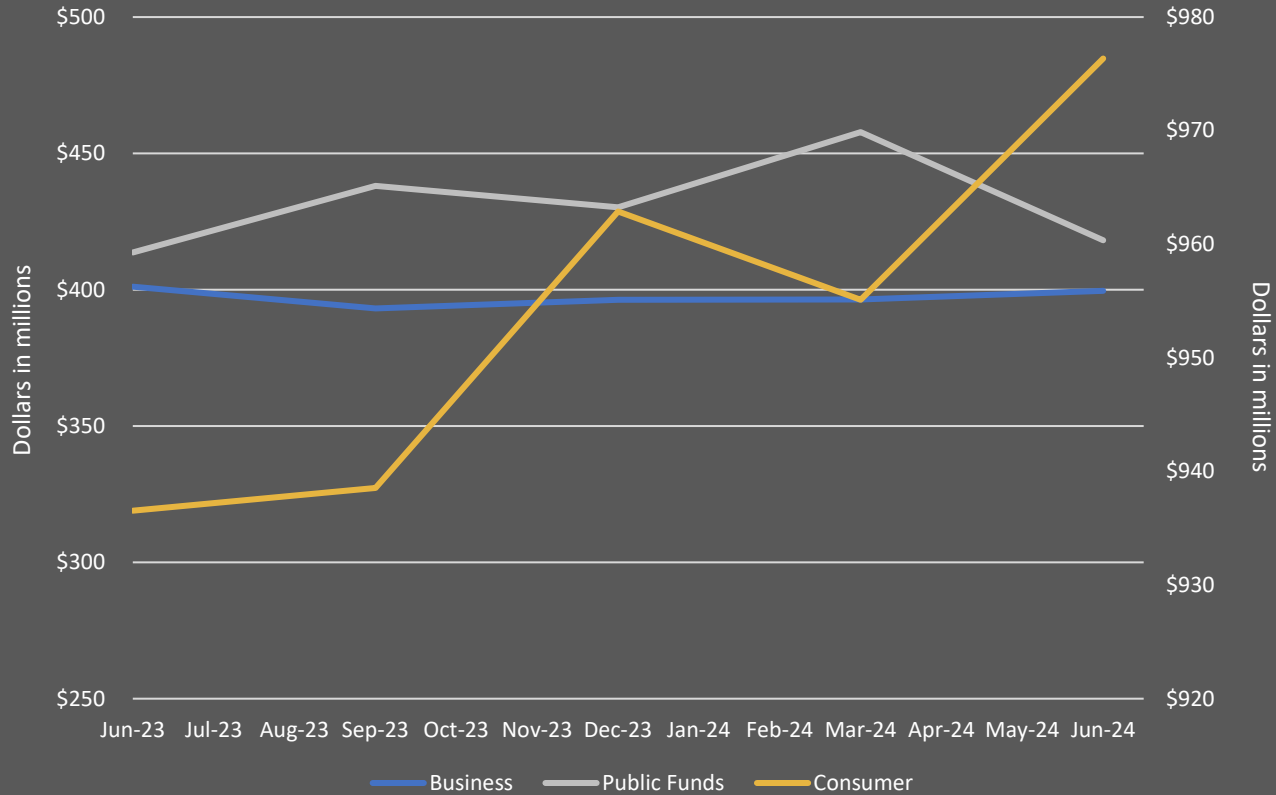


- Total deposits in the banking industry increased by 1.53% in the past twelve months
- Wayne Bank grew deposits by 5.20% in the past twelve months

Banking Industry Source: Board of Governors of the federal Reserve System (US) via fred.stlouisfed.org

Deposit Mix

Deposit Growth Comparison



- Business and Public Funds Deposits were maintained while Consumer Deposits grew 4.28% in the past twelve months.

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: 14.4X
 - ✓ Price/book: 123%
 - ✓ Price/tangible book: 147%
- 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

FHLB Pillars of the Community Award Winner



- *Pillar of the Community Awards* are the Federal Home Loan Banks highest honor.
- They are presented to member FI's who have demonstrated an outstanding commitment to community development as well as effective use of FHLBank's community products.
- By utilizing the First Front Door program, Wayne Bank funded households and provided down payment and closing cost assistance to first-time homebuyers.
- By partnering with the Home4Good program, Wayne Bank supported over 20 projects and helped the homeless or people at risk of homelessness by providing grants to fund the initiative of securing homes for those in need.
- Wayne Bank supported small businesses in their market through Banking on Business, the Banking on Business Inclusion and Equity Fund, and the Community Lending Program to finance the startup, maintenance, and expansion of businesses.

A Legacy of Creating Shareholder Value

Featured in Forbes and Fortune



PENNSYLVANIA
BEST IN BANKING



Jim Donnelly,
President and CEO

Helping Communities Grow

For 153 years, Wayne Bank has been investing in tomorrow for today's hometown community needs.

Since its founding in 1871, Wayne Bank has witnessed varying economic cycles, technological advancements, pandemics, and vast changes in its communities. Despite these changes, the Bank has stood proudly by its customers and communities.

In fact, serving local communities and supporting the businesses that thrive there is "part of our DNA," says Jim Donnelly, president and CEO. "With a goal of being high tech and high touch, we want to deliver the best services and make it easier for our clients to navigate their financial well-being."

Headquartered in Honesdale, the Bank is one of the most active small business lenders in the region. By helping small businesses access necessary capital through the Small Business Administration, U.S. Department of Agriculture, and other entities, the Bank is committed to working with business owners from concept onward to help facilitate growth.

"I'm a believer in the theory a rising tide lifts all boats," says Donnelly. "If we help our

communities be successful, they will help us be successful as well."

Commitment to community is something Wayne Bank takes seriously. "We encourage our employees to support everything from Little League organizations and the local YMCA to arts organizations, nonprofits, and downtown revitalization efforts," says Donnelly. "In fact, it's hard to find an organization in any of our communities that doesn't have someone from Wayne Bank involved."

After living and working in Maine for many years, Donnelly says the dedication to community he saw in citizens and bank employees alike ultimately led him to accept his role at Wayne Bank.

"This really is my dream job," he says. "People think I'm crazy because I come in Monday morning and say 'Thank God it's Monday!' But for me, work is not drudgery. We serve our customers and have fun doing it. When we do, we give a better customer experience and have better engagement with employees."

A Legacy of Shareholder Value

For 32 consecutive years, Wayne Bank has increased its annual cash dividend. In 2023, it was ranked one of the top 25 banks in the nation by Bank Director magazine and rejoined the Russell 2000® Index, an event that also marked the highest level of stock trades on a single day in the bank's history.

"We focus on financial returns because a lot of our friends and neighbors are bank shareholders," says Donnelly. "They're investing in their community bank, and they deserve a good rate of return for lending us their capital."

The Bank also takes great strides to make shareholders feel welcome by calling all 29 of its branches Community Offices. Spread across 10 counties in Northeastern Pennsylvania and Upstate New York, each Community Office is designed to help customers feel like Wayne Bank is headquartered in their hometown.

Looking forward, the Bank is poised to open a new Community Office in 2024 and is committed to pursuing the latest in digital banking technology. Donnelly concludes, "We're always looking for better ways to serve our customers. That's a regular reinvestment on an ongoing basis; it's all a part of the journey."



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