

Flying Under the Radar: New York Small and Micro-Cap Banks



This report highlights 28 publicly-traded New York banks with assets between \$800 million and \$20 billion using financial data as of or for the quarter ending June 30, 2021. We believe banks in this size range are large enough to be efficient and small enough to deliver personalized services. These “under the radar” publicly held banks are not widely followed by brokerages or institutional investors for several reasons, including fairly low market caps and little trading volume.

Figure 1.a Please see Figure 1.b on Page 2

Institution	HQ	Ticker	Stock Price (\$)	Mkt Cap (\$mm)	Total Assets (\$000s)
Adirondack Trust Company	Saratoga Springs	ADKT	2,000.00	154	1,543,359
Amalgamated Financial Corp.	New York	AMAL	15.49	482	6,556,272
Arrow Financial Corporation	Glens Falls	AROW	36.51	569	3,896,191
Bank of Utica	Utica	BKUT	560.00	122	1,441,486
Canandaigua National Corp.	Canandaigua	CNND	261.51	491	3,890,467
Chemung Financial Corporation	Elmira	CHMG	46.14	215	2,380,712
Community Bank System, Inc.	Onondaga	CBU	75.00	4,044	14,801,287
Dime Community Bncshs, Inc.	Hauppauge	DCOM	33.29	1,364	12,703,685
Esquire Financial Holdings, Inc.	Jericho	ESQ	25.90	193	1,058,077
Evans Bancorp, Inc.	Williamsville	EVBK	39.69	215	2,160,203
Financial Institutions, Inc.	Warsaw	FISI	32.17	503	5,295,102
First of Long Island Corp.	Glen Head	FLIC	21.83	517	4,110,781
Flushing Financial Corporation	Uniondale	FFIC	22.81	705	8,159,345
Greene County Bancorp, Inc.	Catskill	GCBC	30.38	259	2,200,335
Hanover Bancorp, Inc.	Mineola	Private	-	-	890,432
Lyons Bancorp Inc.	Lyons	LYBC	39.50	135	1,580,111
Metropolitan Bank Holding Corp.	New York	MCB	76.77	641	5,787,193
NBT Bancorp Inc.	Norwich	NBTB	36.82	1,596	11,574,947
Northeast Community Bncp, Inc.	White Plains	NECB	10.10	165	1,076,533
Orange County Bancorp, Inc.	Middletown	OBT	34.19	193	1,908,754
Pathfinder Bancorp, Inc.	Oswego	PBHC	16.15	72	1,259,691
PCSB Financial Corporation	Yorktown Heights	PCSB	18.42	290	1,874,935
PDL Community Bancorp	Bronx	PDLB	13.76	231	1,547,650
Pioneer Bancorp, Inc.	Albany	PBFS	11.88	298	1,788,457
Rhinebeck Bancorp, Inc.	Poughkeepsie	RBKB	10.82	116	1,210,188
Solvay Bank Corp.	Syracuse	SOBS	42.00	97	1,105,471
Tompkins Financial Corporation	Ithaca	TMP	81.44	1,200	7,988,208
TrustCo Bank Corp NY	Glenville	TRST	33.74	650	6,122,578
Median				290	2,180,269

Source: S&P Global Market Intelligence. Pricing data as of August 16, 2021. Financial data as of or for the 3 months ending June 30, 2021.

The Empire State consists of two distinct regions: the New York City metropolitan area and Upstate New York (“Upstate”). We define Upstate as the areas north and west of New York City and Long Island. Upstate is more rural, but includes Albany, Buffalo, Rochester, and Syracuse. New York City and its nearby areas are much different (culturally, demographically, economically, and politically) from Upstate. Most of New York’s banks, therefore, cater to either Upstate or New York City.

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Some of New York’s “under the radar” banks rank among the best-run banks in the United States based on comparative fundamental performance metrics. Accustomed to slower-growing markets, many Upstate banks have satisfied shareholders via adequate returns on equity and steady dividends. Banks in densely populated NYC/Long Island markets continue to compete well against global financial firms. At press time, rising Covid-19 Delta variant cases probably will not lead to widespread business shutdowns and quarantines, but will likely dampen overall economic activity.

The pandemic has clearly demonstrated that banks across all asset sizes face major and permanent changes, which includes a greater need for scale. **As part of this “survival of the fittest” challenge, New York’s community banks may actively consider expanding niche businesses and fintech applications; and/or pursuing merger partners.** As discussed herein, more Empire State banks probably should consider merger-of equals (MOE) transactions to gain the requisite scale to better compete. A 2021 deal announcement was the large MOE pact between Webster Financial Corporation (NYSE: WBS) and Sterling Bancorp (NYSE: STL).

June 2021 quarter results for our highlighted banks were good. Credit remains excellent and many banks reported lower, or even negative, loan loss provisions. Several New York banks took advantage of near-perfect interest rates and other favorable market conditions to raise subordinated (“sub”) debt over the past 18 months or so. PNC FIG Advisory also recommends ESG bonds as good options for both bank issuers and investors.

Figure 1.b

Institution	TE/ Assets (%)	Div Yld (%)	LTM P/E (x)	Price/ TBV (%)	Insider Owner (%)	Inst. Owner (%)
Adirondack Trust Company	8.0	2.6	NA	128	NA	NA
Amalgamated Financial Corp.	8.1	2.1	9.9	91	0	72
Arrow Financial Corporation	8.5	2.8	11.3	172	4	44
Bank of Utica	19.3	2.9	2.7	50	NA	0
Canandaigua National Corp.	7.4	3.1	11.6	170	10	0
Chemung Financial Corporation	7.7	2.7	9.0	118	21	23
Community Bank System, Inc.	8.7	2.3	21.4	332	2	71
Dime Community Bncshs, Inc.	8.3	2.9	24.9	149	9	60
Esquire Financial Holdings, Inc.	12.7	0.0	12.4	151	16	36
Evans Bancorp, Inc.	NA	3.0	9.9	NA	5	34
Financial Institutions, Inc.	7.9	3.4	7.8	129	3	69
First of Long Island Corp.	10.1	3.5	11.9	124	6	57
Flushing Financial Corporation	NA	3.7	12.5	114	5	68
Greene County Bancorp, Inc.	6.8	1.7	10.8	173	63	6
Hanover Bancorp, Inc.	9.1	0.0	NA	NA	NA	NA
Lyons Bancorp Inc.	6.1	3.1	11.7	138	0	0
Metropolitan Bank Holding Corp.	6.1	0.0	13.6	184	7	48
NBT Bancorp Inc.	8.3	3.0	10.8	171	3	57
Northeast Community Bncp, Inc.	14.9	2.4	12.1	103	NA	7
Orange County Bancorp, Inc.	6.7	2.3	NA	120	0	16
Pathfinder Bancorp, Inc.	NA	1.7	11.2	97	21	21
PCSB Financial Corporation	14.4	1.3	21.9	108	6	63
PDL Community Bancorp	11.1	0.0	16.4	139	62	22
Pioneer Bancorp, Inc.	12.3	0.0	47.5	141	62	16
Rhinebeck Bancorp, Inc.	9.9	0.0	12.6	101	60	12
Solvay Bank Corp.	8.8	3.5	NA	NA	0	6
Tompkins Financial Corporation	8.0	2.7	12.5	191	14	57
TrustCo Bank Corp NY	9.4	4.0	11.5	112	3	71
Median	8.5	2.6	11.8	129	6	35

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Random (But Not Alternative) Facts about New York

- Andrew Cuomo is not the first New York governor to resign. There were six who resigned to take another office and two who resigned after allegations of misconduct.
- In 1904, New York City Mayor George McClellan took the controls on the inaugural run of the city's innovative subsystem. Today, the subway system spans 665 mainline track miles and its track would stretch from New York City to Chicago if laid end-to-end.
- The first World's Fair in the United States was the *1853 Exhibition of the Industry of All Nations*, held in what is now Bryant Park, New York City.
- The first plate of chicken wings was served in 1964, at the Anchor Bar in Buffalo. The wings were created by Teressa Bellissimo, who covered them in her special sauce and served them with a side of blue cheese and celery.
- Although often identified as "The City that Salt Built", Syracuse was an important transportation hub due to the Erie Canal and the railroads, which attracted manufacturing and commercial businesses.
- The Corning Museum of Glass is the world's premier glass collection and contains over 45,000 objects and covers over 3,500 years of the art and history of glass. Corning is also the home of the first light bulbs, which were hand-blown for Thomas Edison in the 1890s.
- No one born in Cooperstown has ever played Major League baseball.
- West Point was known as Fort Arnold during the Revolutionary War but after his betrayal, it became known as Fort Clinton. It officially became the United States Military Academy at West Point in 1802.

Highlights

- This *Industry Report* highlights key performance ratios and valuation metrics of 28 New York community banks with assets between \$800 million and \$20 billion using June 2021 quarter data (March 31, 2021, if June data was not available).
- Approximately 19.5 million people reside in New York State – about 9.5 million of those individuals live in the New York City metropolitan area or on Long Island. New York State is the fourth largest U.S. state based on population.
- There are 231 depository institutions, including 56 which are publicly traded banks and thrifts, headquartered in New York State. The top five banks have a combined deposit market share of approximately 62%. JPMorgan Chase & Co. (NYSE: JPM) is the market leader with a 39.3% deposit share. Of the banks headquartered Upstate, only M&T Bank Corp. (NYSE: MTB) ranks among the top ten banks regarding deposit market share (3.3%).
- Most of New York's banks cater to either Upstate or New York City. Exceptions include Bank of America Corporation (NYSE: BAC), JPMorgan Chase, and M&T, which operate across the state. Please see the map on Page 10.
- We opine that New York's community banks are generally very well-managed: (1) New York City and Long Island banks have adapted to tough competition that includes, but is not limited to, global financial institutions; and (2) many Upstate markets are slower-growing, and thus, major mistakes are not tolerable. We have long believed that community banks become great not by making good investments/loans, but rather by avoiding bad ones.
- Loan growth for the June 2021 quarter remained tepid due to excess liquidity and weak customer demand. Some of our highlighted banks reported that loan originations and pipelines improved, but were offset by elevated loan repayments and PPP loan forgiveness.
- Until loan growth picks up, net interest margins will likely remain under pressure as bankers are challenged to invest excess liquidity without undue interest rate risk. Many banks have already reduced funding costs to ultra-low levels as newly originated loan yields trend lower.
- For the quarter ending June 30, 2021, the median NIMs for our highlighted banks and Mid-Atlantic banks with assets between \$1 billion and \$20 billion were 2.99% and 3.11%, respectively. The median NIMs for the same banks were 2.97% and 3.10%, for the quarter ending March 31, 2021, and 3.19% and 3.24%, respectively, for the quarter ending June 30, 2020.

- **Interest rates and spreads are about that same as those a month-ago.** Although one size does not fit all, some strategies that should work well in the current rate environment include deleveraging through the prepayment of FHLB advances, selling lower-yielding securities, purchasing whole loans, and by investing in higher-yielding sub-debt issuances of other financial institutions.
- Another asset/liability strategy is to keep some of the excess cash in reserve, but extend the duration of the existing investment portfolio to achieve a higher yield.
- **Opportunistic banks continue to take advantage of favorable debt markets to raise sub debt.** Because it is unlikely pricing can improve much, we believe there is limited value for prospective issuers to wait for better conditions. Community bank sub debt coupon rates for rated deals have trended down as certain new issue sub debt deals were recently priced with coupons below 3.00%. Selective investments in bank sub debt are also good options to consider for enhanced yield.
- As of June 30, 2021, the median tangible common equity ratios for our highlighted banks and mid-Atlantic banks with assets between \$1 billion and \$20 billion were 8.2% and 8.7%, respectively.
- More companies announced stock buybacks and/or increased dividends. Strongly capitalized banks (particularly those that trade around tangible book value) should contemplate buyback programs. Included within this group are companies that completed mutual-to-stock or “second step” conversions.
- **PNC FIG Advisory continues to suggest that community bankers already contemplating their “exit strategy” over the next 18 months or so may want to accelerate that timetable.** In addition to the “normal” financial and social factors that typically drive consolidation, the more progressive attitude in Washington may result in higher taxes and more supervision along with onerous regulatory scrutiny of M&A deals.
- Smaller local banks may not have the scale to duplicate the services provided by mid-size banks. Banks, with assets below \$2 billion or so, may sell in hopes of a “double dip” where the acquirer pays a relatively higher price to increase size and reposition itself for a sale.

Valuation Summary

Figure 2

Investing in financial stocks has become a “stock pickers” market as broad-based gains earlier in the year reverted to a more challenging market environment. We believe bank stocks reflect mixed sentiment regarding an economic recovery, interest rate forecast (particularly the 10-year Treasury), and expectations for further industry consolidation. Earnings forecasts have become less predictable due to the pandemic and the Current Expected Credit Loss (“CECL”) accounting standard.

	Median LTM P/E (x)	Median Price/ TBV (%)
Highlighted Banks	11.8	125
Mid-Atlantic Banks	10.9	121
All U.S. Banks	10.8	126

Source: S&P Global Market Intelligence. Pricing data as of August 20, 2021. Financial data as of or for the quarter ending June 30, 2021. U.S. banks between \$800mm and \$20B.

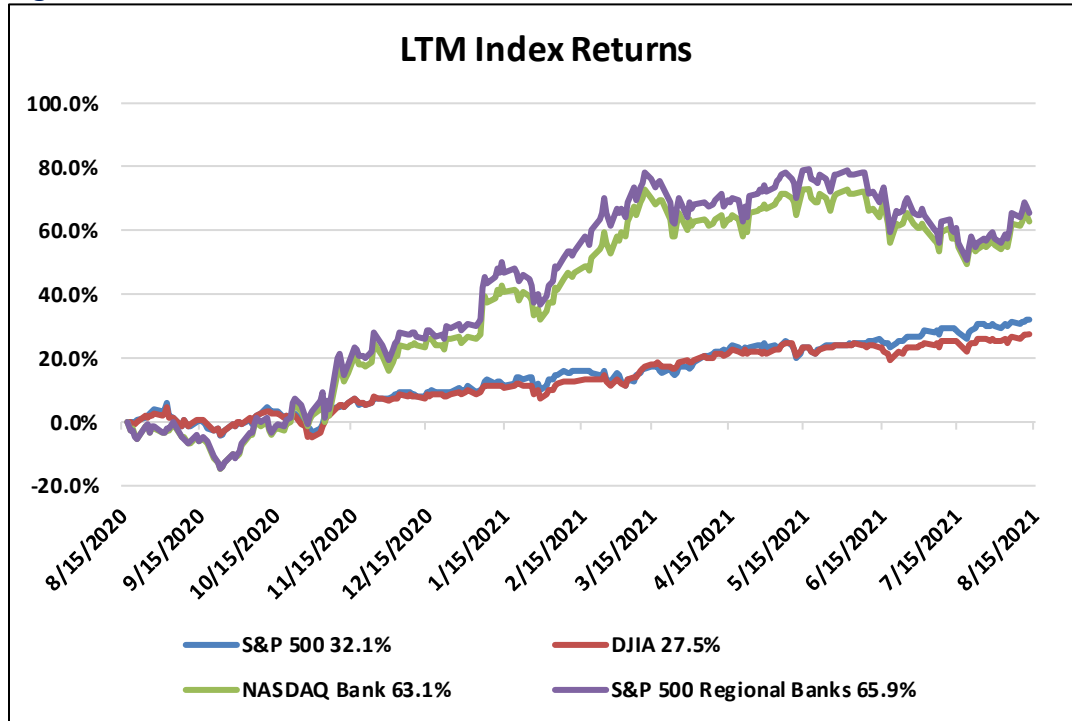
Earnings multiples appear somewhat disjointed. PNC FIG Advisory believes this fragmentation is due mainly to outsized quarterly loan loss provisions (including negative provisions) taken by banks over the past year. We believe that while much uncertainty still exists, many analysts and investors will gradually raise earnings estimates due to improved credit metrics presented in second quarter results. In addition to global economic and political concerns, other elements of uncertainty for banks include the potential changes in the supervisory/regulatory environment and corporate tax rates.

Along with the favorable equity markets for bank investors, capital markets for bank debt and preferred stock continue to be promising and present attractive financing and investment opportunities.

As of August 23, 2021, the NASDAQ Bank and S&P 500 Bank Indices increased 26.0% and 27.0%, respectively, since the start of 2021. Over the same time period, the S&P 500 Index increased 18.3%, and the DJIA Index increased 14.8%. Since the start of the second quarter (April 1), however, the NASDAQ Bank Index has dropped 2.1%, while the S&P Bank Index increased 2.4%.

We suspect that much equity trading volume reflects cash inflows or outflows being directed by passive investment funds, including ETFs, rather than strong conviction among traditional bank investors. Depending upon the flow of funds at any given time, bank stocks can be at the mercy of the market regardless of fundamentals.

Figure 3



Source: S&P Global Market Intelligence.

Mergers and Acquisitions

Merger activity across the Empire State has picked up as 15 deals were announced with New York sellers over the past 2 years (including five in 2021). This represents a solid pickup from the leisurely consolidation pace following the Great Recession when 52 deals with New York-based sellers were announced from January 1, 2008 through August 1, 2019.

PNC FIG Advisory continues to believe that merger and acquisition activity will continue to accelerate as both buyers and sellers have many reasons to merge. The pandemic has clearly demonstrated that major and permanent changes face the community banking industry, which includes the need for banks across all asset sizes to attain the requisite scale to successfully meet industry-wide revenue, regulatory, and technological challenges. Along with succession issues, all of these hurdles can be overcome via mergers.

MOEs rank among the significant U.S. bank deals over the past two years; and anecdotal evidence suggests that more banks are willing to consider such transactions. **MOEs are an efficient way to add scale and combat many of the industry forces causing problems for banks (i.e. rising technology and regulatory costs, lackluster loan growth, margin compression, etc.).** This strategy is particularly appealing for banks that trade at high premiums, which can make it more difficult to sell to a larger bank at an acceptable price. Investor reaction to recent MOEs has been generally favorable as this type of deal often makes financial and strategic sense.

As of Friday August 20, 2021 there were 129 deal announcements across the nation in 2021; and 94 of those have occurred since the start of the second quarter. At the time of announcement for 2021 deals, the median price to tangible book value was 154% and median price to trailing 12-month earnings was 16.7 times. There were 115 bank mergers in fiscal 2020, 260 in fiscal 2019, and 261 in fiscal 2018.

Companies with stronger currencies are typically the more active acquirers. Among the larger in-state institutions, the more logical buyers of New York State's community banks appear to be Community Bank System, Inc. (NYSE: CBU), Dime Community Bancshares, Inc. (NASDAQ: DCOM), NBT Bancorp, Inc. (NASDAQ: NBTB), New York Community Bancorp, Inc. (NYSE: NYCB), and Tompkins Financial Corporation (NYSE: TMP). In addition to in-state institutions that can be considered to be potential acquirers, larger out-of-area community banks that appear to be willing acquirers of New York State banks include Lakeland Bancorp, Inc. (NASDAQ: LBAI), Northwest Bancshares, Inc. (NASDAQ: NWBI), OceanFirst Financial Corp. (NASDAQ: OCFC), Provident Financial Services, Inc. (NYSE: PFS), and Valley National Bancorp (NYSE: VLY).

Recent deals with New York State-based sellers include:

- On June 29, 2021, Valley National Bancorp agreed to acquire White Plains-based, The Westchester Bank Holding Corporation. The all-stock deal was valued at approximately \$210 million and equated to 169% of tangible book value and 18 times trailing 12-month earnings.

- On April 19, 2021, Waterbury, CT-based, Webster Financial Corporation (NYSE: WBS) and Pearl River, NY-based, Sterling Bancorp (NYSE: STL) announced a merger-of-equals (MOE) agreement. The all-stock deal value was approximately \$5.1 billion, which equated to 189% of tangible book value, 17.1 times trailing 12-month earnings, and a 10.2% core deposit premium. The combined company will retain the Webster name and have pro forma assets of approximately \$65 billion. Webster and Sterling shareholders will own approximately 50.4% and 49.6% of the combined company, respectively.
- On February 1, 2021, Bridgehampton-based, Bridge Bancorp merged with Brooklyn-based, Dime Community Bancshares (NASDAQ: DCOM) in a reverse merger-of-equals. Bridge shareholders exchanged 0.648 shares of its common stock for each outstanding share of DCOM. Dime Community shareholders will own approximately 52% of the combined institution. At completion, the deal value was approximately \$533 million.
- On October 30, 2020, Uniondale, NY-based, Flushing Financial Corp. (NASDAQ: FFIC) acquired Islandia-based, Empire Bancorp, Inc. At completion, the cash and stock deal was valued at approximately \$88 million, which equated to 19 times trailing 12-month earnings and 90% (estimated) of tangible book value.

Recent Deals with New York State Sellers

Figure 4

Buyer/Target Name	Status	Announce/ Completion Date	Deal Value (\$mm)	Price/ LTM Earnings (X)	Price/ Tangible Book (%)	Core Deposit Premium (%)	Buyer Price Change 3 Days After (%)	Target Price Change 3 Days After (%)
Kenneth J. Torsoe - Private Investor/Sunnyside Bancorp	Bid	8/6/2021	15.1	NA	145	7.1	2.2	NA
Newtek Business Services Corp./National Bank of NYC	Pending	8/2/2021	20.0	20.6	55	NM	NA	-27.2
Valley National Bancorp/The Westchester Bank HC	Pending	6/29/2021	219.7	18.0	169	8.6	NA	0.8
Rhodium BA Holdings LLC/Sunnyside Bancorp, Inc.	Pending	6/16/2021	13.4	NA	142	6.7	11.7	NA
Webster Financial Corporation/Sterling Bancorp	Pending	4/19/2021	5,225.2	17.0	193	NA	-1.6	-11.1
First Citizens BancShares, Inc./CIT Group Inc.	Pending	10/16/2020	2,158.6	NA	44	-7.4	37.1	18.0
Hanover Bancorp Inc./Savoy Bank	Completion	5/26/2021	63.0	13.0	149	16.5	NA	NA
Dime Community Bancshares, Inc./Bridge Bancorp	Completion	2/1/2021	498.2	NA	NA	NA	-12.3	-6.9
Norwood Financial Corp./UpState New York Bancorp	Completion	7/7/2020	80.0	17.3	178	19.0	NA	-1.4
Northfield Bancorp, Inc./VSB Bancorp, Inc.	Completion	7/1/2020	64.4	16.3	169	9.5	46.8	-2.2
Evans Bancorp, Inc./FSB Bancorp, Inc.	Completion	5/1/2020	34.6	NM	108	1.7	2.7	-4.3
CNB Financial Corporation/Bank of Akron	Completion	7/17/2020	65.8	13.9	171	9.6	7.9	0.8
Flushing Financial Corporation/Empire Bancorp	Completion	10/30/2020	111.4	31.0	141	3.6	9.0	0.9
Community Bank System, Inc./Steuben Trust Corp	Completion	6/12/2020	108.8	15.4	171	11.6	42.3	4.8
OceanFirst Financial Corp./Country Bank Holding Co	Completion	1/1/2020	102.2	9.8	NA	7.5	32.8	-5.7
Investors Bancorp, Inc./Gold Coast Bancorp, Inc.	Completion	4/3/2020	63.6	25.1	138	5.1	18.5	0.6
Community Bank System, Inc./Kinderhook Bank Corp.	Completion	7/12/2019	93.2	17.1	239	NA	70.2	-6.0
Hanover Bancorp Inc./Chinatown Federal Savings Bank	Completion	8/9/2019	28.8	NM	113	3.7	NA	NA
ConnectOne Bancorp, Inc./Greater Hudson Bank	Completion	1/2/2019	76.3	NA	145	6.8	14.0	1.2
RBB Bancorp/First American International Corp.	Completion	10/15/2018	115.3	15.6	177	NA	61.8	1.8
Seneca-Cayuga Bancorp, Inc. (MHC)/Medina SLA	Completion	9/29/2018	NA	NA	NA	NA	NA	8.0
Investor group/Bank Leumi Le-Israel Corporation	Completion	5/22/2018	141.0	24.9	122	4.7	NA	NA
Kinderhook Bank Corporation/Patriot Federal Bank	Completion	11/10/2017	14.6	28.7	120	2.6	41.4	0.0
Sterling Bancorp/Astoria Financial Corporation	Completion	10/2/2017	2,229.7	31.2	159	9.9	15.4	-0.6
Wallkill Valley FSLA/Hometown Bancorp, Inc. (MHC)	Completion	8/11/2017	3.1	NA	39	-5.4	NA	NA
People's United Financial, Inc./Suffolk Bancorp	Completion	4/1/2017	402.7	21.4	198	11.8	30.8	-4.2
Norwood Financial Corp./Delaware Bancshares, Inc.	Completion	7/31/2016	15.2	25.7	114	0.7	20.5	2.4
Median				17.7	145	6.8	18.5	0.0
Average				20.1	142	6.4	23.7	-1.4

Deals announced through August 20, 2021

*PNC FIG Advisory Deals; **Announcement date is listed for pending deals

Source: S&P Global Market Intelligence

Market Area¹

Figure 5



On a statewide basis, New York represents the nation's third largest economy, lagging only Texas and California. Said differently, the economy is roughly the same size as that of Canada. The population of the state totals nearly 20 million individuals; and approximately 13 million people reside in heavily populated New York City and adjacent counties, including Long Island. The median 2020 household income of the state was approximately \$74,500 vs. the national median of \$67,700. Household incomes across New York State vary considerably, however.

As aforementioned, only a few of the larger banks headquartered in New York operate on a state-wide basis whereas the vast majority of the state's banks conduct business in selected market/business niches. As of June 2021, the unemployment rate in New York was 7.7% compared with the national rate of 4.6% (July 2021). Prior to the onset of Covid-19, the unemployment rate in New York was 3.7%, compared with the national rate of 3.6% in December 2019. The New York region continues to be the nation's largest gateway for legal immigration by far.

Since the onset of the pandemic, more than 33,500 New Yorkers have moved to Florida in the past 10 months, according to Florida officials. Florida is attractive to some people due to more outside activities, lower taxes, more affordable housing, and a lower cost of living in

general. Most of the people living in the five boroughs of New York City, who have relocated, however, went to Suffolk and Nassau counties as well as parts of Connecticut and New Jersey.

Long Island has a sizable industry base with a majority of Suffolk County tending towards high tech manufacturing and Nassau County favoring wholesale and retail trade. Suffolk County, particularly Eastern Long Island, is suburban, but fields and other unused land are rapidly falling to property development.

The Adirondacks- located in northeastern New York State – continues to be a popular tourist destination. Despite parts of Essex County, which includes Lake Placid, being a tourist destination, the area has the second lowest COVID-19 infection rate in New York. We suspect that there will continue to be a concerted effort to attract more tourists to Lake George, Lake Placid, and other resorts in the Adirondack Mountains.

New York City features the largest regional urban economy in the United States and is densely populated with approximately 8.5 million people, or about 43% of the state's population. The population of New York is more than double that of Los Angeles (the second largest U.S. city) and triple that of Chicago (third largest U.S. city). The largest population growth since 2010 has been in the borough of Brooklyn.

New York City comprises five boroughs spanning 305 square miles. The city is ethnically diverse, and it is estimated that 800 languages are spoken there, which creates both opportunities and challenges for local banks. About 36% of the population is foreign-born. Household income varies considerably, particularly in Manhattan. The median household income of Manhattan is approximately \$118,000 whereas New York City as a whole as a median household income of approximately \$64,000. Although figures are skewed due to the pandemic, it is estimated that about 13.0% of its households had income below the federal poverty line. The city's five largest employers are government entities – the City of New York, the New York Board of Education, the Metropolitan Transit Authority, the Federal Government, and New York City Health and Hospitals Corp. Wall Street is the city's largest source of private sector employment, with JPMorgan Chase and Citigroup in the top ten of employers. There are over 400,000 financial services workers with firms based in New York.

Long Island is 118 miles long and extends northeast from New York City to the Atlantic Ocean and Long Island Sound. Long Island, which includes Nassau and Suffolk counties, is densely populated, has a large and well-developed suburban market, a highly educated employment base, and an abundance of industrial, service, and high-tech businesses. Home to more than a quarter of the total population of New York State, there are around 2.9 million people on Long Island and the median household income is about \$115,000. The financial services industry remains an important component of Long Island's economy due to its proximity to New York City. The majority of Suffolk County tends towards service industries, high tech, and manufacturing whereas Nassau County favors wholesale and retail trade. Suffolk County, particularly Eastern Long Island, is less densely populated, but development is happening at a rapid pace. Professional and business services include a wide range of industries, which reflects Long Island's diverse work force. Health care and social service are fast-growing due to the continued growth and aging of the area's population base. Surrounded by water and including the Hamptons and North Fork, the region is a recreational destination for the New York metropolitan area, and a highly regarded resort locale.

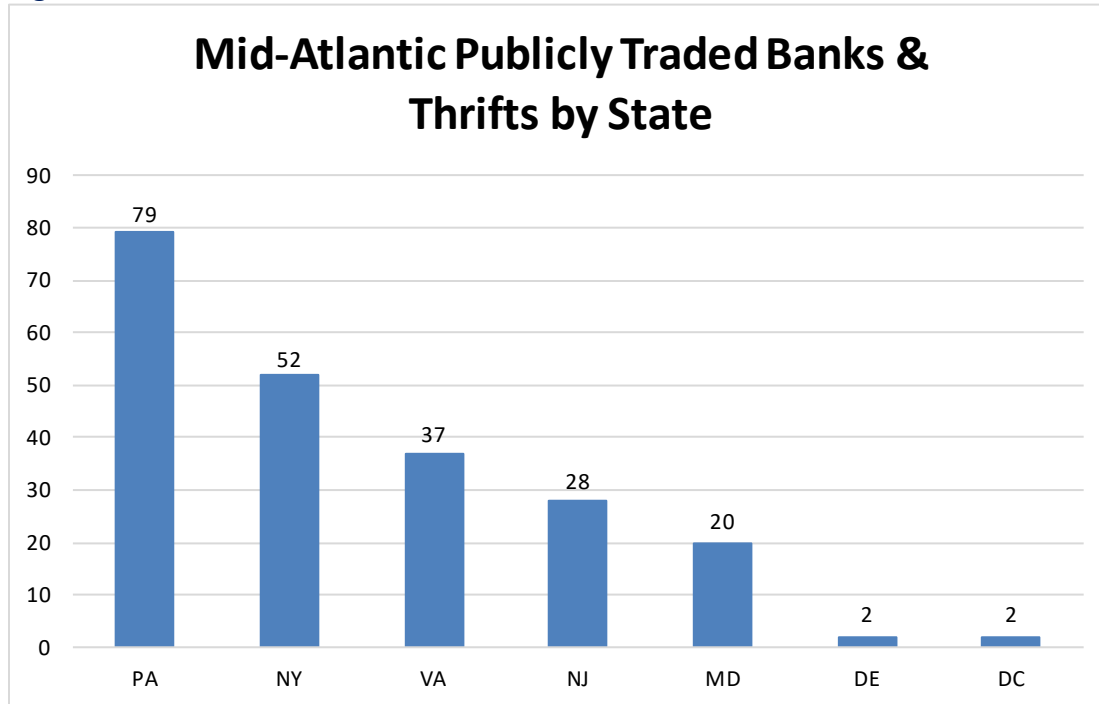
Buffalo, which borders Canada near Niagara Falls, is New York's second largest city and the county seat of Erie County. There are approximately 920,000 people in Erie County and the household income is \$63,000. There is a strong collaboration between state government and the private sector which has led to urban redevelopment. The overall trend has been a shift from manufacturing to small business, technology, and professional services. The larger employers in Erie County are the State of New York, the Federal Government, Kaleida Health, SUNY at Buffalo, and Catholic Health Services. The top private employers include Employer Services Corp., Geico, M&T Bank, Roswell Park Cancer Institute, Tops Markets LLC, and Wegmans Food Markets, Inc. The unemployment rate in the Buffalo-Niagara Falls Metropolitan Statistical Area ("MSA") was 5.7% in June 2021.

Rochester is located in Monroe County, which home to approximately 750,000 people. The median household income is approximately \$65,000. Over the next five years, Monroe County is projected to experience a slight population decline growth, but a 10.5% median household income growth (not annualized). The overall trend has been a shift from manufacturing to small business, technology, and professional services. The area's major employers include The University of Rochester, Wegmans Food Markets, Inc., Rochester Regional Health, Paychex, Inc., and Xerox. The unemployment rate in the Rochester MSA was 5.3% in June 2021.

Syracuse is the county seat of Onondaga County, which is located near the center of New York State. Onondaga County has a population of 460,000 people and the median household income is \$66,500. Education and healthcare are the major sources of employment in the Syracuse region. Included among the area's colleges are Syracuse University, Le Moyne College, and the State University of New York's Upstate Medical University. The unemployment rate in the Syracuse MSA was 5.4% as of June 30, 2021.

Albany, which is the state's capital, has a population of approximately 310,000 individuals and a median household income of about \$71,400. State and local government account for about 25% of Albany's total employment. Due to the proximity to places of higher learning centers and economic initiatives, high tech industries are replacing manufacturing as a key source of jobs. Major manufacturing is represented by national companies, including General Electric, with divisions located in Albany County. The unemployment rate in the Albany-Schenectady area was 4.7% in June 2021.

Figure 6

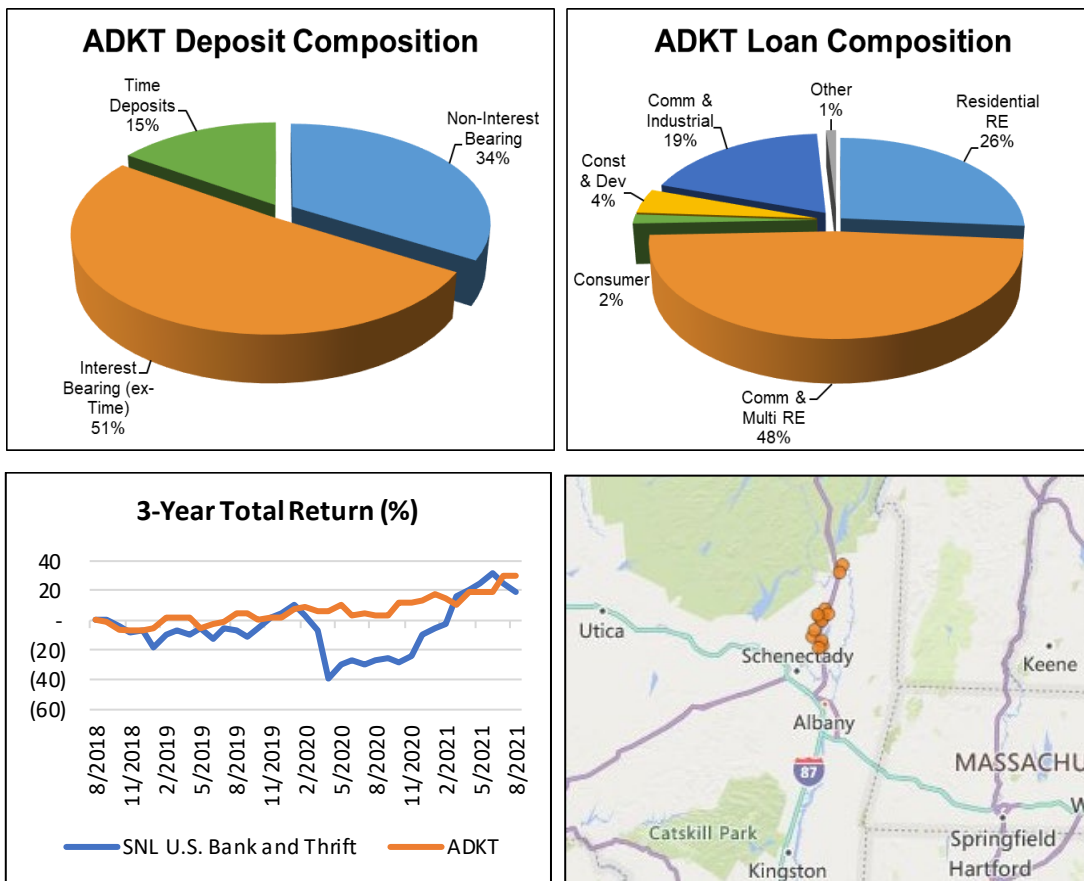


Source: S&P Global Market Intelligence

Company Descriptions

The Adirondack Trust Company (OTCPK: ADKT). Headquartered in Saratoga Springs, Adirondack operates 13 branch offices and is number one among banks regarding deposit market share in Saratoga County (20.0%). The company's community banking philosophy dates back to 1901, when it was founded as a vehicle to finance Upstate business ventures. The bank continues to grow having purchased five insurance agencies since 2001. The company's most recently announced acquisition (September 2017) was the purchase of Saratoga-based, Sutton and Tarantino Insurance Agency. Fee income represented approximately 38% of total revenue for fiscal 2020.

Adirondack uses the incurred loss method of accounting for loan loss allowances. As of March 31, 2021 (the most recent public financial data available), the loan loss reserve was \$20.8 million, or 2.42% of total loans, compared with \$12.5 million, or 1.60% of total loans as of June 30, 2020. As of June 30, 2020, total loans were 56% of total assets, the loan-to-deposit ratio was 63%, and the tangible common equity ratio was 8.0%. As of the same date, Adirondack had total assets of \$1.5 billion, total deposits of \$1.4 billion, and total stockholders' equity of \$141.8 million, respectively.



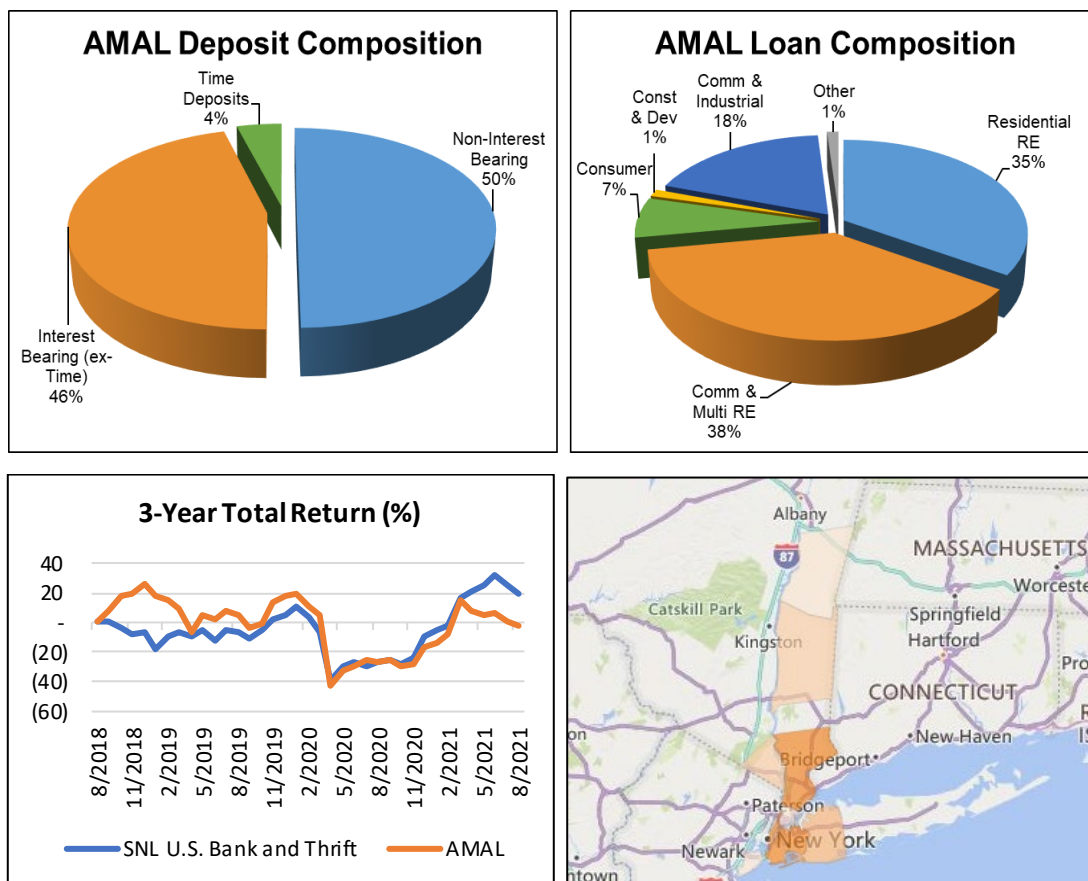
Source: S&P Global Market Intelligence

Contact PNC
FIG Advisory:

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Amalgamated Financial Corp. (NASDAQ: AMAL). Based in New York City, Amalgamated Financial Corp. was formed in August 2020 and operates as a bank holding company for Amalgamated Bank. The bank provides commercial banking and trust services for commercial and retail customers in the US. The company intends to provide a broad range of products and services to a target customer base that wants a financial partner that is socially responsible and committed to creating positive change in the world. These customers include advocacy-based non-profits, social welfare organizations, national and local labor unions, political organizations, foundations, and sustainability-focused, socially responsible businesses.

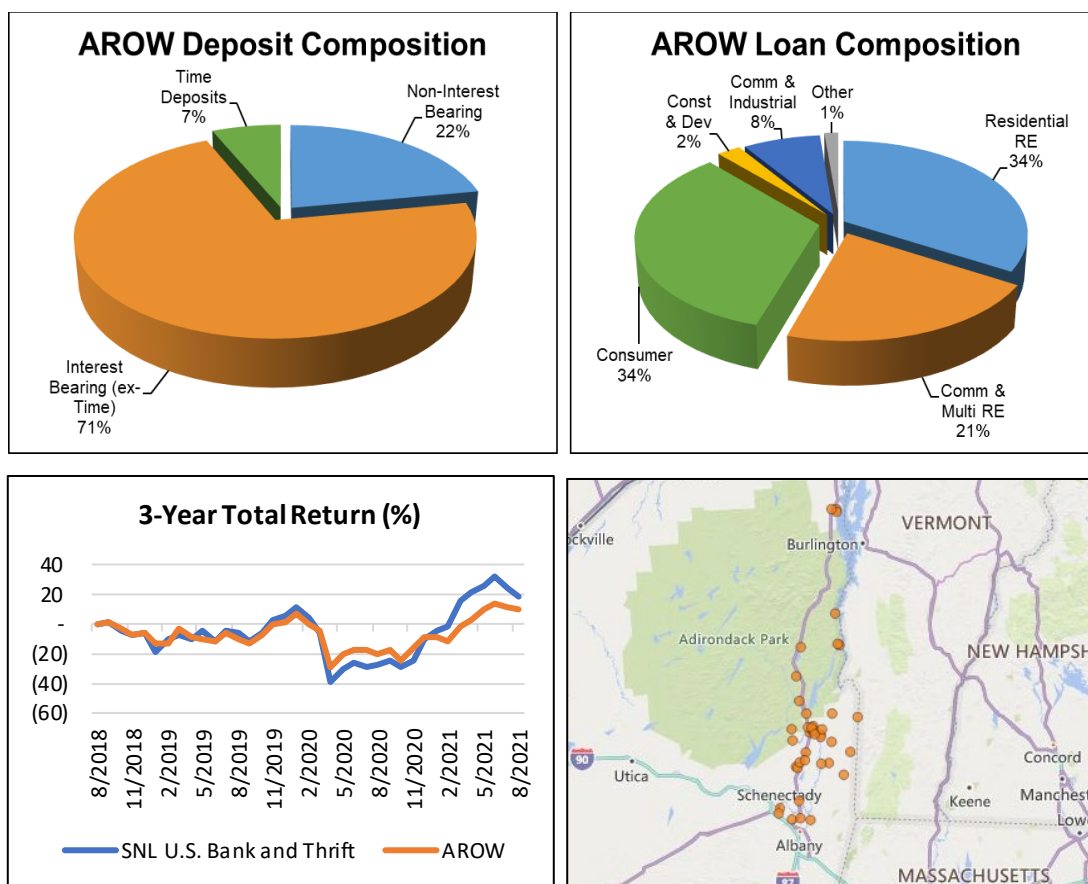
Amalgamated uses the incurred loss method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$38.0 million, or 1.19% of total loans, compared with \$50.0 million, or 1.35% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 48% of total assets, the loan-to-deposit ratio was 54%, and the tangible common equity ratio was 8.1%. As of the same date, Amalgamated had total assets of \$6.6 billion, total deposits of \$5.9 billion, and total stockholders' equity of \$548.2 million, respectively.



Source: S&P Global Market Intelligence. Excludes mortgage originations outside of New York.

Arrow Financial Corporation (NASDAQ: AROW). Founded in 1851, Arrow is a multi-bank holding company headquartered in Glens Falls, and serves the financial needs of northeastern New York. The company is the parent of Glens Falls National Bank and Trust Company, Saratoga National Bank and Trust Company, and insurance and wealth management subsidiaries. There are 40 branches located in northeastern New York. For the six months ending June 30, 2021, fee income represented nearly 24% of total revenue. Arrow engages in a wide range of lending activities, including commercial and industrial lending primarily to small and mid-sized companies; mortgage lending for residential and commercial properties; and consumer installment and home equity financing. Arrow also has an active indirect lending program through sponsorship of auto dealer programs. The company lends almost exclusively to borrowers within its normal retail service area in northeastern New York State, with the exception of indirect consumer lending.

Arrow uses the CECL method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$27.0 million, or 1.02% of total loans, compared with \$26.3 million, or 1.03% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 68% of total assets, the loan-to-deposit ratio was 77%, and the tangible common equity ratio was 8.5%. As of the same date, Arrow had total assets of \$3.9 billion, total deposits of \$3.4 billion, and total stockholders' equity of \$353.0 million, respectively.



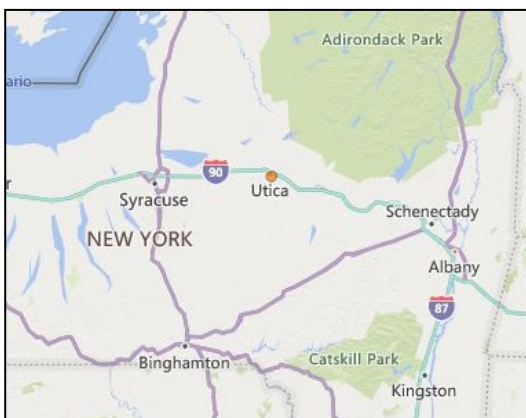
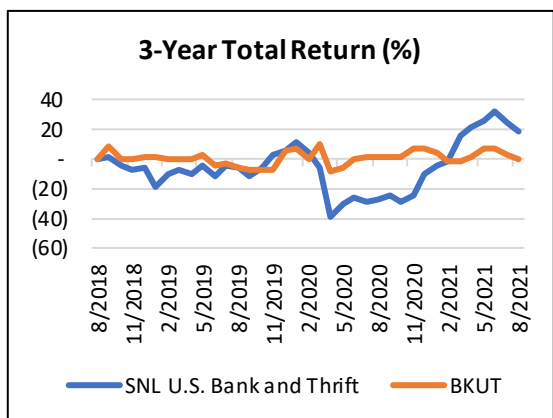
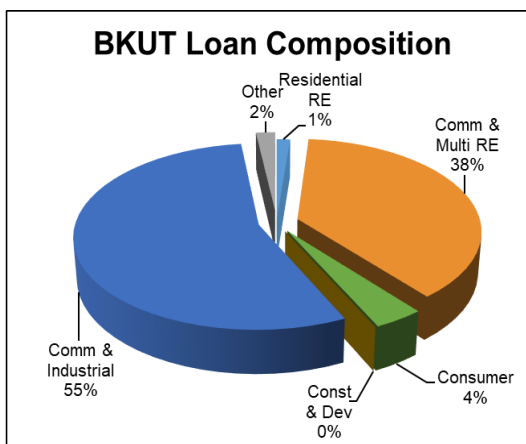
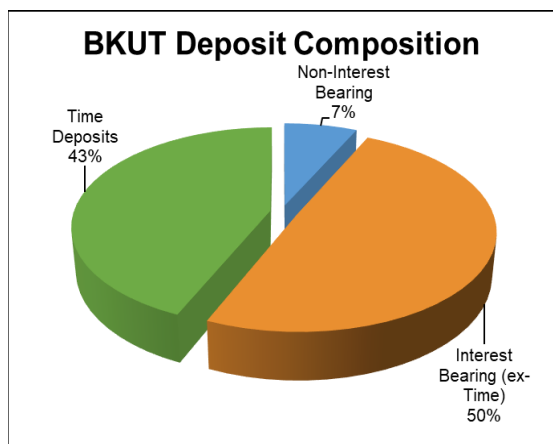
Source: S&P Global Market Intelligence

Contact PNC
FIG Advisory:

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Bank of Utica (OTCPK: BKUT). headquartered in Utica, the company was founded in 1927 by John J. Sinnott who was the grandfather of the current President, Tom Sinnott. Through its one location, the bank serves both business and retail customers. The company is the largest bank in Oneida County based on total deposits and deposit market share (24.7%).

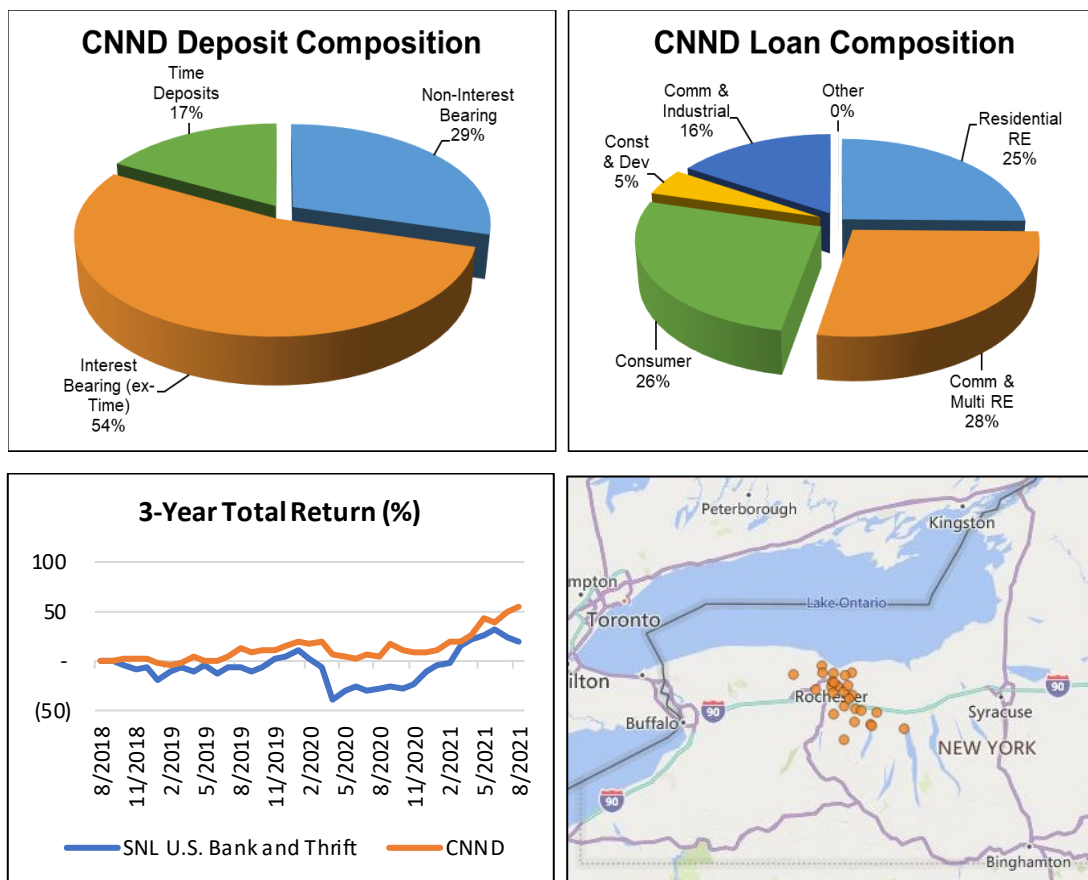
As of March 31, 2021 (the most recent public financial data available), the company had total assets of \$1.4 billion, total deposits of \$1.1 billion, and total stockholders' equity of \$277.9 million, respectively. As of the same date, cash and securities were 89% of total assets, total loans were 8% of total assets, and the tangible common equity ratio was 19.3%.



Source: S&P Global Market Intelligence

Canandaigua National Corporation (OTCPK: CNND). Headquartered in Canandaigua (28 miles southeast of Rochester), Canandaigua operates 24 branches. Founded in 1887, Canandaigua has had only five presidents, and all are from the same family. The company offers a full array of banking products and services and its market area generally consists of Ontario and Monroe counties of New York State. The company has the dominant deposit market share of Monroe County (42.8%).

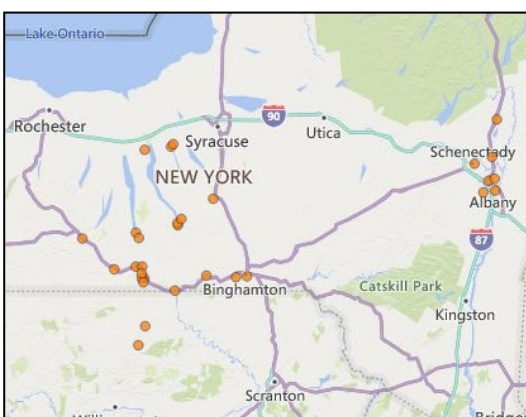
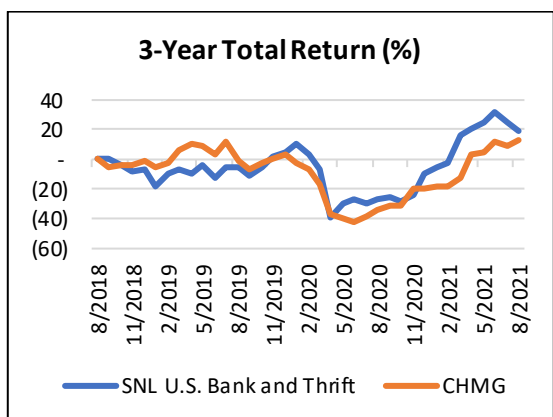
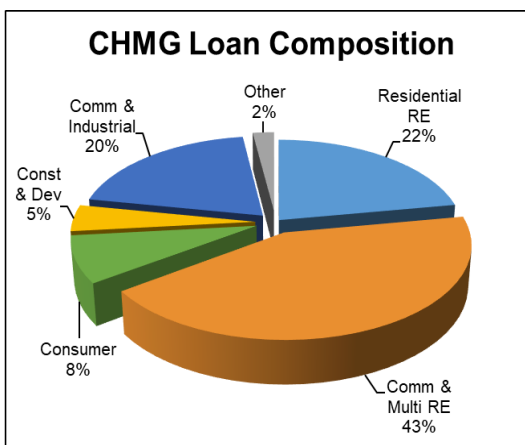
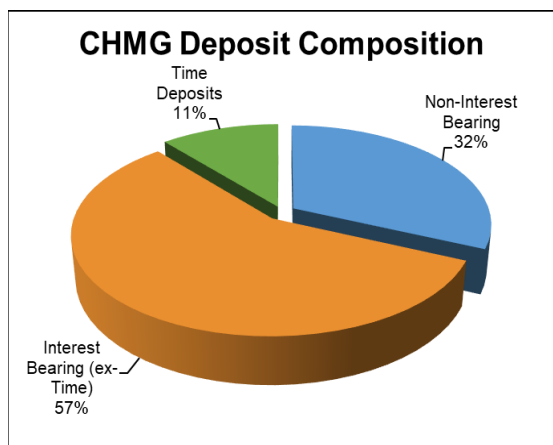
As of June 30, 2021, total loans were 79% of total assets, the loan-to-deposit ratio was 95%, and the tangible common equity ratio was 7.4%. As of the same date, Canandaigua had total assets of \$4.0 billion, total deposits of \$3.3 billion, and total stockholders' equity of \$310.6 million, respectively.



Source: S&P Global Market Intelligence

Chemung Financial Corporation (NASDAQ: CHMG). Headquartered in Elmira, the corporation was incorporated in 1985 under the laws of New York State and became a financial holding company in 2000. Its wholly owned bank subsidiary was established in 1833, and subsequently changed its name to Chemung Canal Trust Company. Chemung has 31 branches spread over 13 New York State counties and one Pennsylvania county. The company is the deposit market share leader (54.5%) in Chemung County. The company's growth strategy is to leverage its expanding branch network in current or contiguous new markets to build client relationships and grow loans and deposits. Consistent with the company's community banking model, emphasis is placed on acquiring stable, low-cost deposits, primarily checking account deposits and other low cost, interest-bearing deposits to fund high-quality loans. New York's Capital Region presents more lending opportunities due to ongoing economic development and low unemployment as a result of state government and growth of technology industries.

As of June 30, 2021, there were \$2.25 billion in assets under management or administration. Chemung uses the CECL method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$20.7 million, or 1.33% of total loans, compared with \$24.1 million, or 1.61% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 65% of total assets, the loan-to-deposit ratio was 73%, and the tangible common equity ratio was 7.7%. As of the same date, Chemung had total assets of \$2.4 billion, total deposits of \$2.1 billion, and total stockholders' equity of \$204.0 million, respectively.



Source: S&P Global Market Intelligence

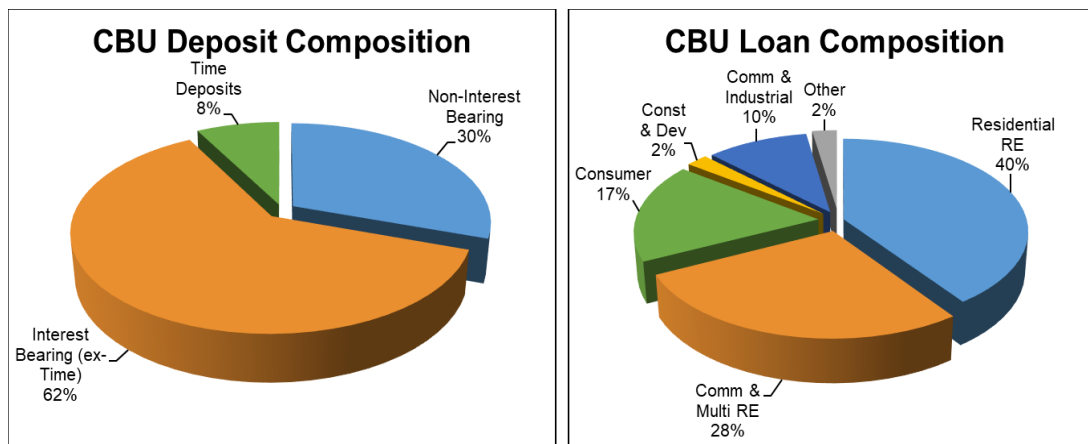
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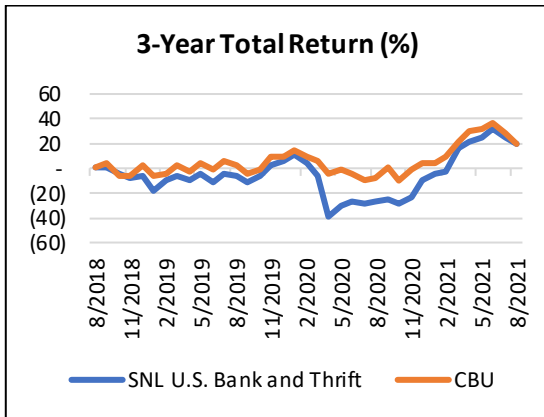
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Community Bank System, Inc. (NYSE: CBU). Headquartered in DeWitt (a Syracuse suburb), CBU operates over 225 customer facilities across Upstate New York, Northeastern Pennsylvania, Vermont, and Western Massachusetts. CBU offers comprehensive financial planning, insurance, and wealth management services through its Community Bank Wealth Management Group and OneGroup NY, Inc. operating units. The company's Benefit Plans Administrative Services, Inc. subsidiary is a leading provider of employee benefits administration, trust services, collective investment fund administration and actuarial consulting services to customers on a national scale.

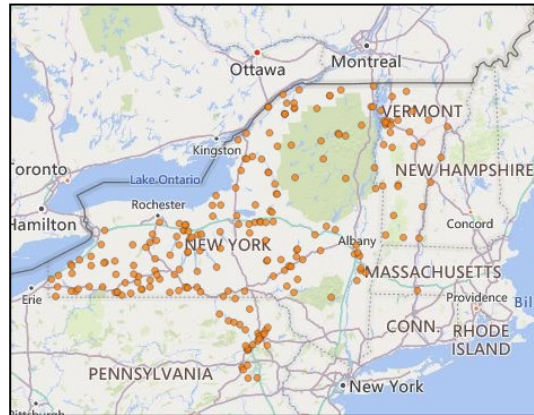
CBU is an experienced acquirer of both banks and nonbank financial services companies. Its most recent bank acquisition was the purchase of Steuben Trust Corporation on June 12, 2020. At completion, the deal was valued at approximately \$140 million, which equated to 140% of tangible book value and 13.9 times trailing 12-month earnings. PNC FIG Advisory served as the financial adviser and provided the Fairness Opinion to Steuben Trust. On August 2, 2021, CBU acquired the assets of the Thomas Gregory Associates Insurance Brokers, Inc., a specialty-lines insurance broker based in the Boston marketplace.

CBU uses the CECL method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$51.8 million, or 0.71% of total loans, compared with \$64.4 million, or 0.86% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 49% of total assets, the loan-to-deposit ratio was 59%, and the tangible common equity ratio was 8.7%. As of the same date, CBU had total assets of \$14.8 billion, total deposits of \$12.3 billion, and total stockholders' equity of \$2.1 billion, respectively.



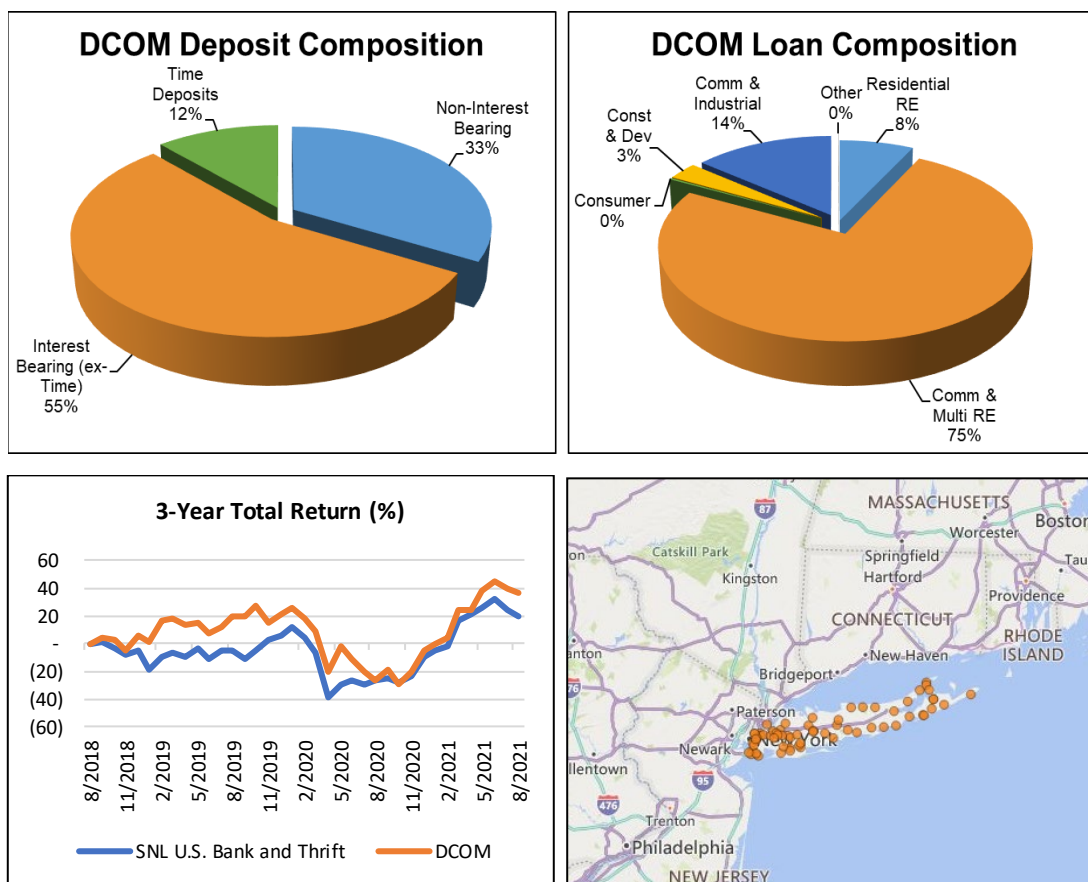


Source: S&P Global Market Intelligence



Dime Community Bancshares, Inc. (NASDAQ: DCOM). DCOM is a bank holding company incorporated in Delaware and the parent company of Dime Community Bank, which reflects the February 1, 2021 merger with Bridge Bancorp and Dime Community. At completion, the reverse merger of equals was valued at \$532.9 million. Management believes the merger will create a company with a more diversified loan portfolio, across geographies, asset classes and commercial industries, and that the resulting company will have increased capacity for loan growth while maintaining its current business risk tolerances. The company is headquartered on Long Island and operates 67 branches in Brooklyn, Queens, the Bronx, and throughout Long Island. The company recently announced plans to combine five branch locations in the fourth quarter of 2021.

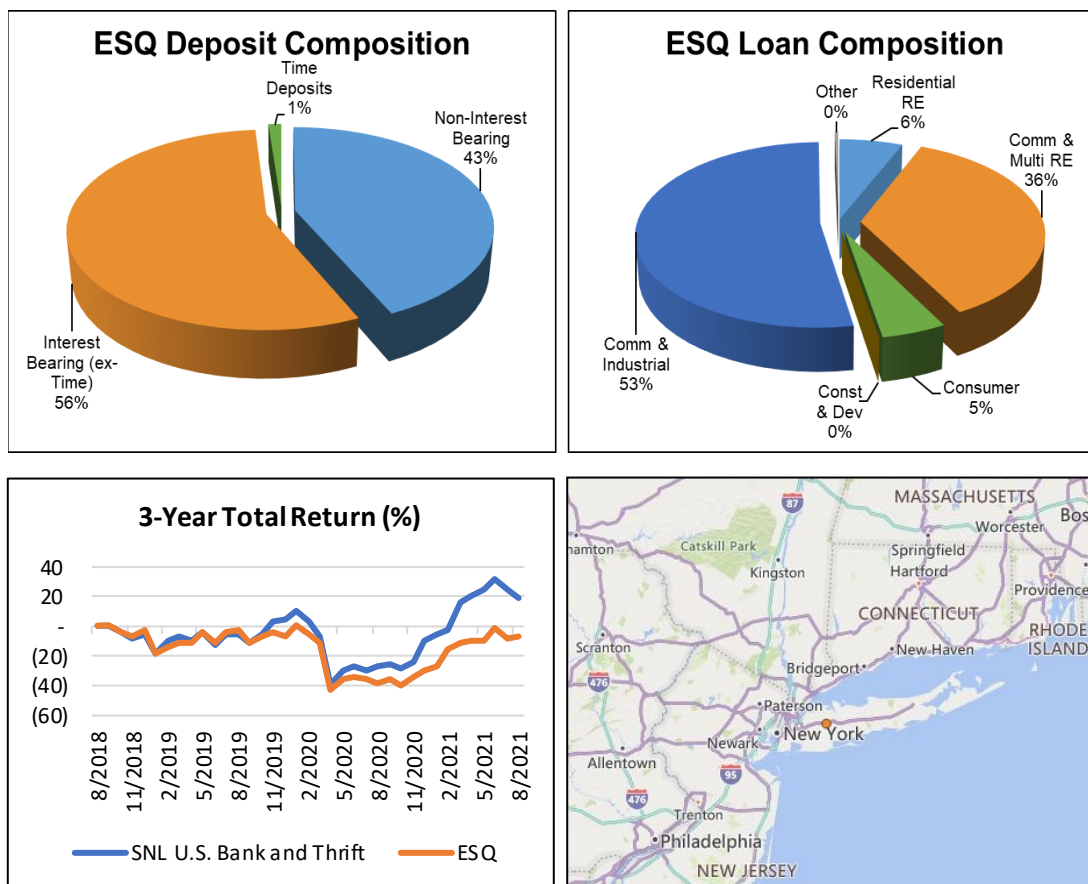
Dime Community uses the CECL method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$92.8 million, or 0.97% of total loans, compared with \$42.5 million, or 0.78% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 75% of total assets, the loan-to-deposit ratio was 86%, and the tangible common equity ratio was 7.4%. As of the same date, Dime Community had total assets of \$12.7 billion, total deposits of \$11.1 billion, and total stockholders' equity of \$1.2 billion, respectively.



Source: S&P Global Market Intelligence

Esquire Financial Holdings, Inc. (NASDAQ: ESQ). Esquire Financial Holdings, Inc. is a financial holding company headquartered in Jericho, New York, with one branch office in Jericho, New York and an administrative office in Boca Raton, Florida. Its wholly owned subsidiary, Esquire Bank, National Association, is a full-service commercial bank dedicated to serving the financial needs of the litigation industry and small businesses nationally, as well as commercial and retail customers in the New York metropolitan area. The bank offers tailored financial and payment processing solutions to the litigation community and their clients as well as dynamic and flexible payment processing solutions to small business owners. Esquire generated net proceeds of approximately \$33 million via its initial public offering (IPO) in 2017.

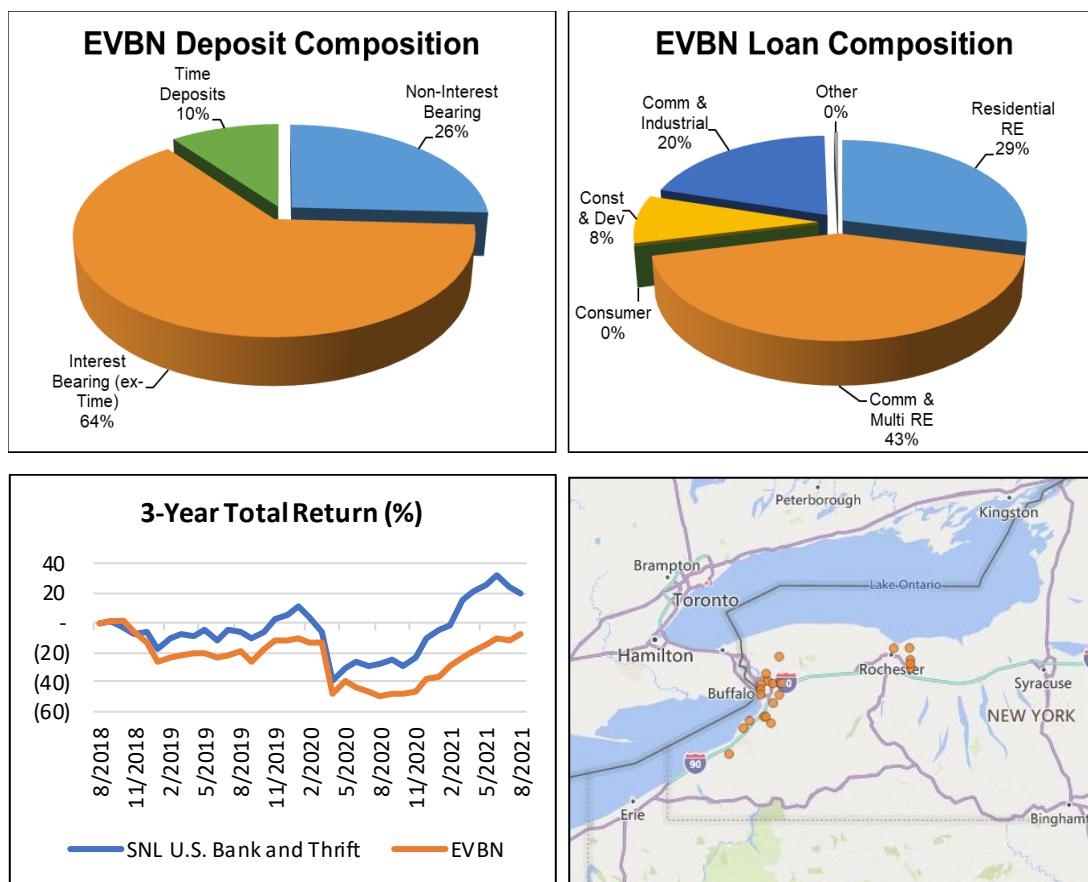
Esquire uses the incurred loss method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$14.0 million, or 1.98% of total loans, compared with \$10.7 million, or 1.80% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 67% of total assets, the loan-to-deposit ratio was 77%, and the tangible common equity ratio was 12.7%. As of the same date, Esquire had total assets of \$1.1 billion, total deposits of \$914.7 million, and total stockholders' equity of \$134.7 million, respectively.



Source: S&P Global Market Intelligence. Excludes branch locations outside of New York.

Evans Bancorp, Inc. (NYSE: EVBN). Headquartered in Williamsville (near Buffalo), Evans was established in 1920, and operates 20 financial centers providing comprehensive financial services to consumer, business, and municipal customers throughout Western New York State. On May 1, 2020, Evans acquired Fairport, NY-based, FSB Bancorp, Inc. in a stock and cash deal valued at approximately \$29 million (at completion), which equated to a price to tangible book value of 92%. The price to trailing 12-month earnings multiple was not meaningful. Evans had the seventh most deposits in the Buffalo metropolitan statistical area as of June 30, 2020, with 2.4% of the total market's deposits of \$62 billion.

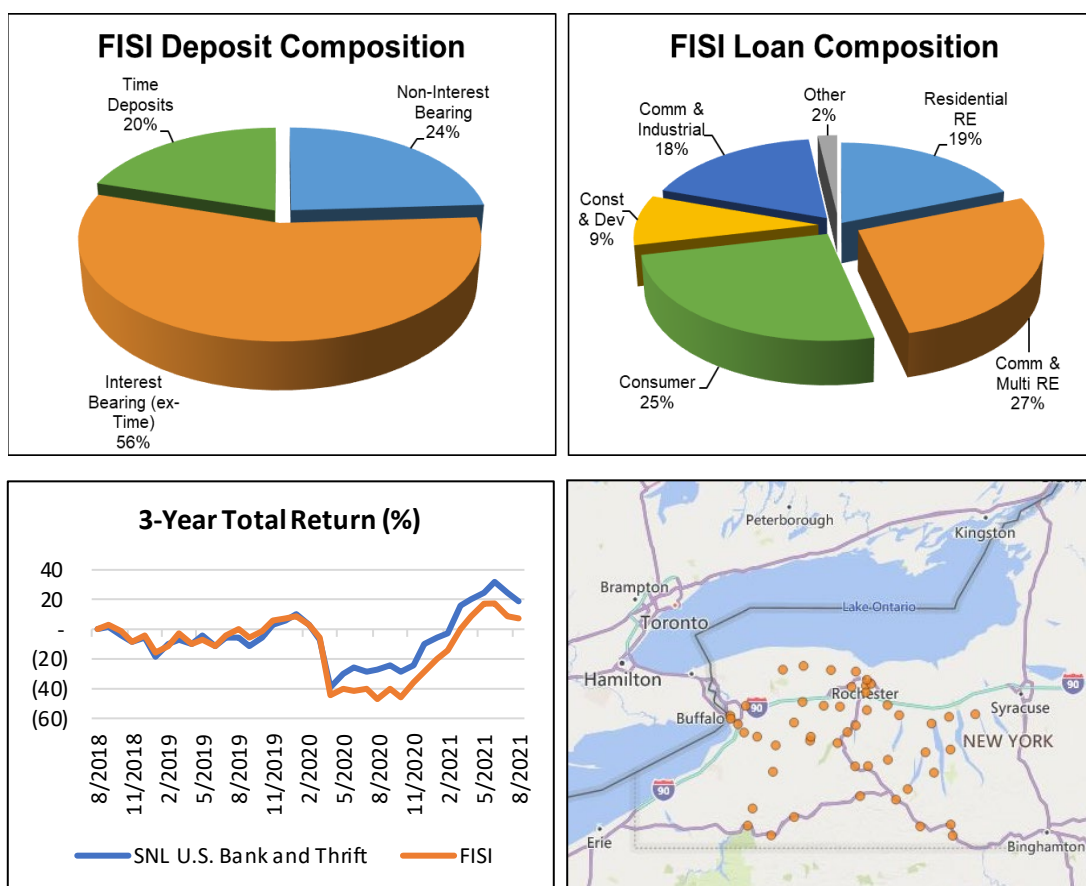
Evans uses the incurred loss method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$19.9 million, or 1.17% of total loans, compared with \$18.8 million, or 1.11% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 79% of total assets, the loan-to-deposit ratio was 90%, and the tangible common equity ratio was 7.5%. As of the same date, Evans had total assets of \$2.2 billion, total deposits of \$1.9 billion, and total stockholders' equity of \$175.7 million, respectively.



Source: S&P Global Market Intelligence.

Financial Institutions, Inc. (NASDAQ:FISI). Headquartered in Warsaw (fairly close to Buffalo), the financial holding company was organized in 1931 under New York State laws. The diversified holding company's subsidiaries include Five Star Bank, SDN Insurance Agency, Courier Capital (investment advisory), and HNP Capital (investment advisory). The company operates more than 45 full-service banking offices throughout Western and Central New York State. Financial Institutions's primary focus will be on increasing market share within existing markets (particularly Buffalo and Rochester), while taking advantage of potential growth opportunities within its insurance and wealth management lines of business. The company is also committed to enhance its digital delivery systems. Fee income was approximately 23% of total revenue for the first six months of 2021.

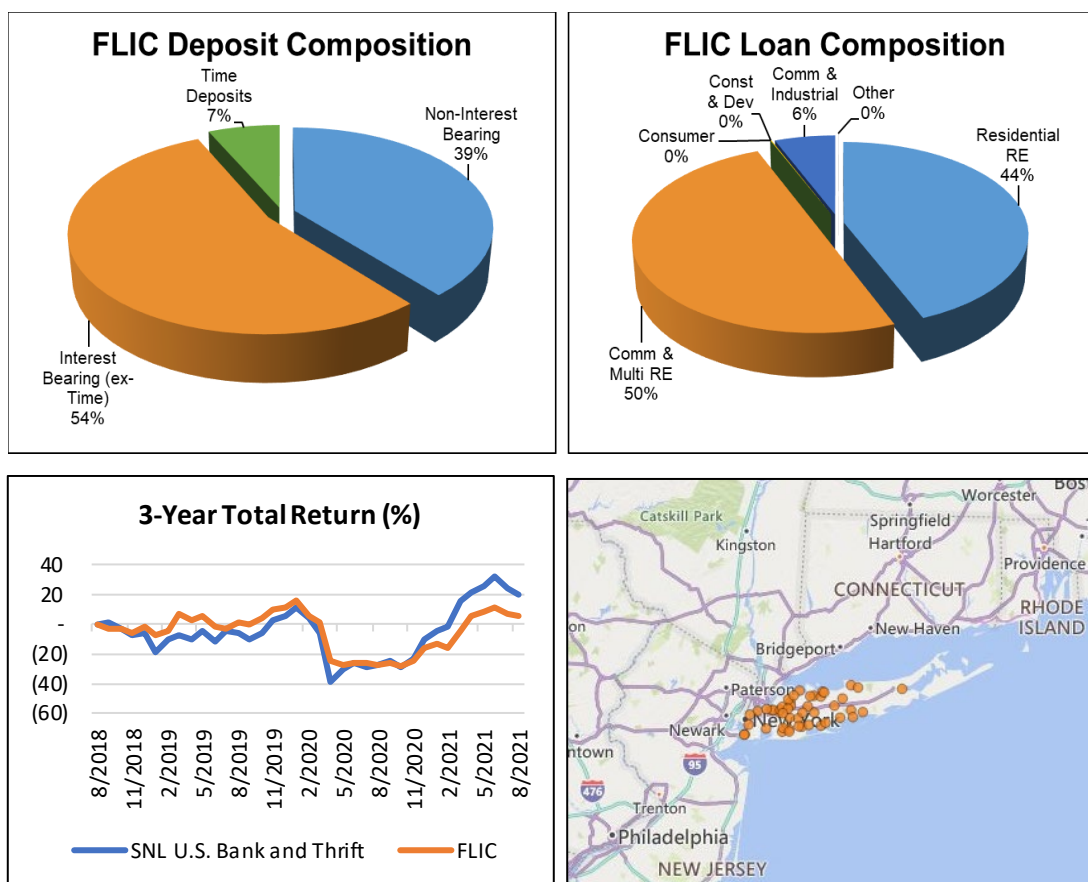
Financial Institutions uses the CECL method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$46.4 million, or 1.28% of total loans, compared with \$46.3 million, or 1.33% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 69% of total assets, the loan-to-deposit ratio was 78%, and the tangible common equity ratio was 7.6%. As of the same date, Financial Institutions had total assets of \$5.3 billion, total deposits of \$4.7 billion, and total stockholders' equity of \$487.1 million, respectively.



Source: S&P Global Market Intelligence

The First of Long Island Corporation (NASDAQ: FLIC). Headquartered in Glen Head, Nassau County, the company operates 47 branch offices on Long Island, Queens, Brooklyn, and Manhattan. The company's loan portfolio is primarily comprised of loans to borrowers on Long Island and in the boroughs of NYC, and its real estate loans are principally secured by properties located in those areas. The company offers a full range of lending services including commercial and residential mortgage loans, home equity lines/loans, commercial and industrial loans, small business credit scored loans, Small Business Administration ("SBA") loans, construction and land development loans, consumer loans and commercial and standby letters of credit. During 2020, commercial lending was emphasized over residential mortgage lending and supported by increases in credit and lending staff.

The First of Long Island Corporation uses the incurred loss method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$31.0 million, or 1.05% of total loans, compared with \$34.1 million, or 1.08% of total loans, as of June 30, 2020. As of June 30, 2021, total loans were 72% of total assets, the loan-to-deposit ratio was 87%, and the tangible common equity ratio was 10.1%. As of the same date, the company had total assets of \$4.1 billion, total deposits of \$3.4 billion, and total stockholders' equity of \$416.6 million, respectively.



Source: S&P Global Market Intelligence

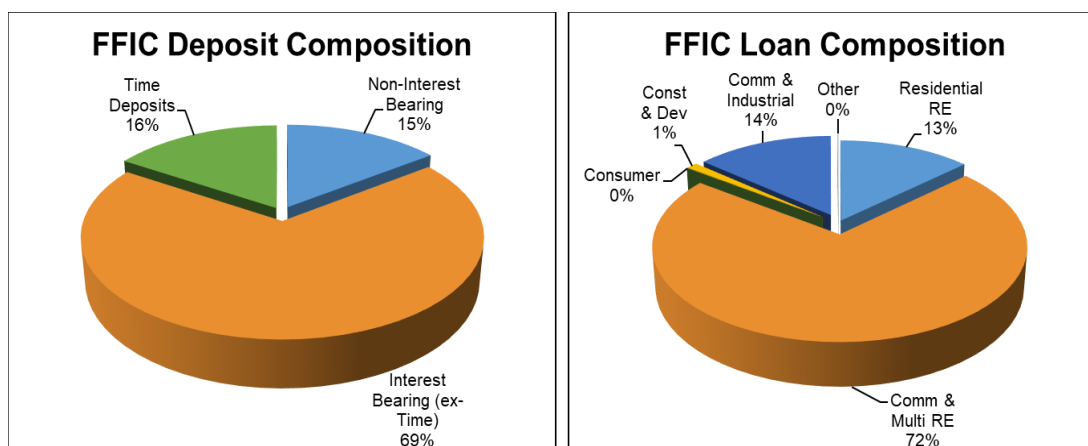
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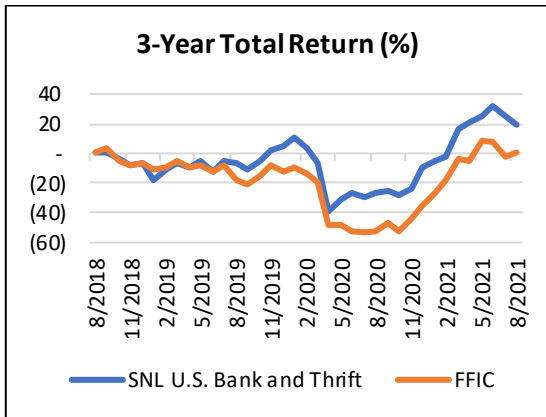
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Flushing Financial Corporation (NASDAQ: FFIC). Headquartered on Nassau County, Long Island, Flushing Financial Corporation is the holding company for Flushing Bank, a New York State-chartered commercial bank. Organized in 1929 as a mutual savings bank, Flushing serves consumers, businesses, and public entities through its branches located in Queens, Brooklyn, Manhattan, and on Long Island. On October 30, 2020, Flushing completed its acquisition of Long Island-based, Empire Bancorp in a stock and cash transaction valued at \$87.1 million (completion). This equated to approximately 90% of tangible book value (estimated) and 18.9 times trailing 12-month earnings.

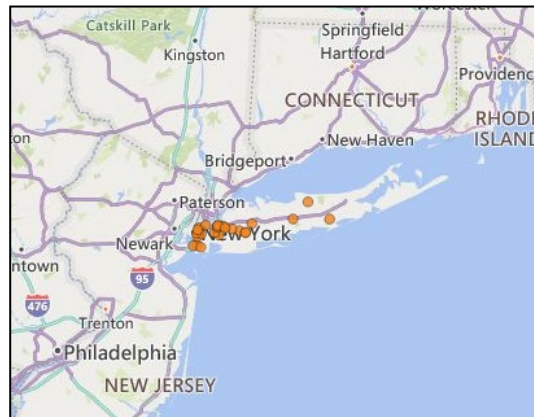
The bank also operates an internet branch, which operates under the brands of iGObanking.com® and BankPurely®. Flushing's principal business is attracting retail deposits from the general public and investing those deposits together with funds generated from ongoing operations and borrowings, primarily in (1) originations and purchases of multi-family residential properties, commercial business loans, commercial real estate mortgage loans and, to a lesser extent, one-to-four family (focusing on mixed-use properties, which are properties that contain both residential dwelling units and commercial units); (2) construction loans, and (3) Small Business Administration loans and other small business loans.

Flushing uses the CECL method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$42.7 million, or 0.64% of total loans, compared with \$36.7 million, or 0.61% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 82% of total assets, the loan-to-deposit ratio was 106%, and the tangible common equity ratio was 7.8%. As of the same date, the company had total assets of \$8.2 billion, total deposits of \$6.4 billion, and total stockholders' equity of \$655.2 million, respectively.



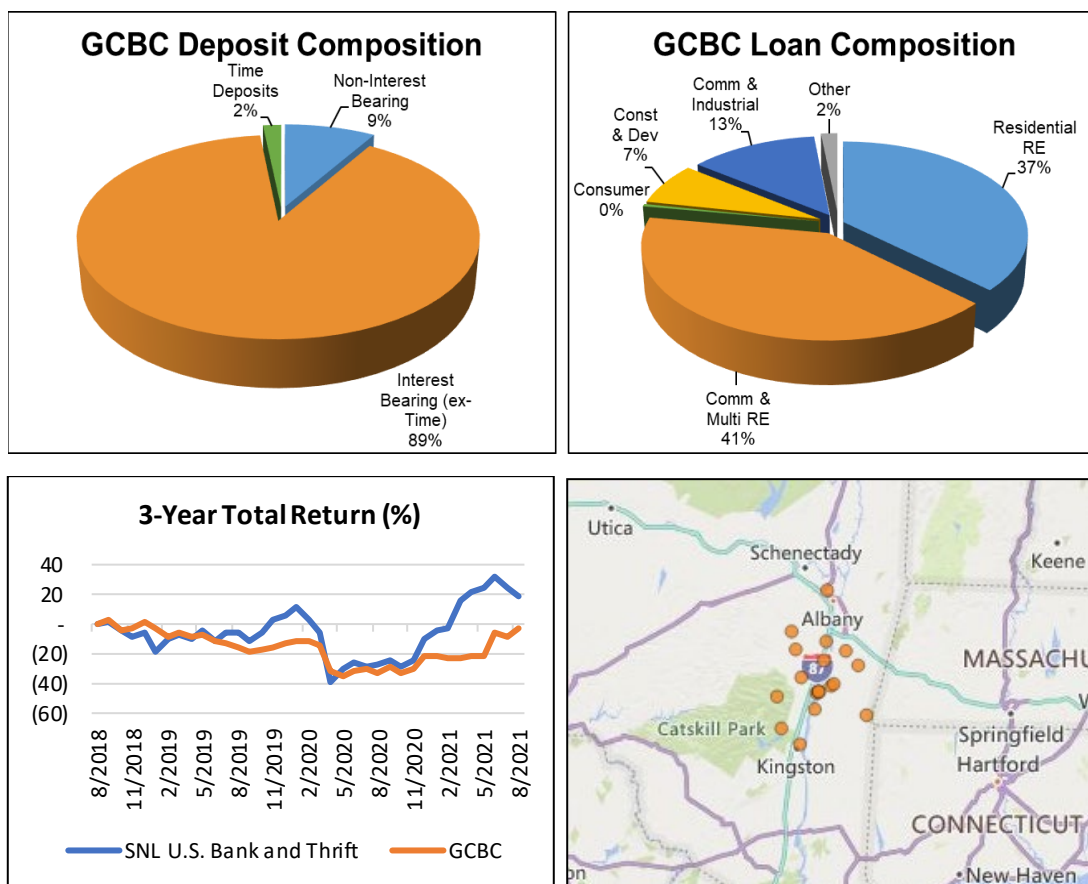


Source: S&P Global Market Intelligence



Greene County Bancorp, Inc. (NASDAQ: GCBC). Founded as a mutual institution in 1889, Greene County reorganized into the mutual holding company form of organization in 1998. Approximately 46% of Greene County's common stock is owned by minority (public) shareholders. The company is headquartered in Catskill, and its primary market is the Hudson Valley, which is a ten-county region that extends southward from Albany County through Westchester County. Greene County operates 19 branches, an operations center and lending center in the Hudson Valley. The principal business consists of attracting retail deposits from the general public in the areas surrounding its branches and investing those deposits, together with funds generated from operations and borrowings, primarily in one to four-family residential mortgage loans, commercial real estate mortgage loans, consumer loans, home equity loans, and commercial business loans. The company's fiscal year ends June 30.

Greene County uses the incurred loss method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$19.7 million, or 1.78% of total loans, compared with \$16.4 million, or 1.62% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 51% of total assets, the loan-to-deposit ratio was 55%, and the tangible common equity ratio was 6.8%. As of the same date, the company had total assets of \$2.2 billion, total deposits of \$2.0 billion, and total stockholders' equity of \$149.6 million, respectively.



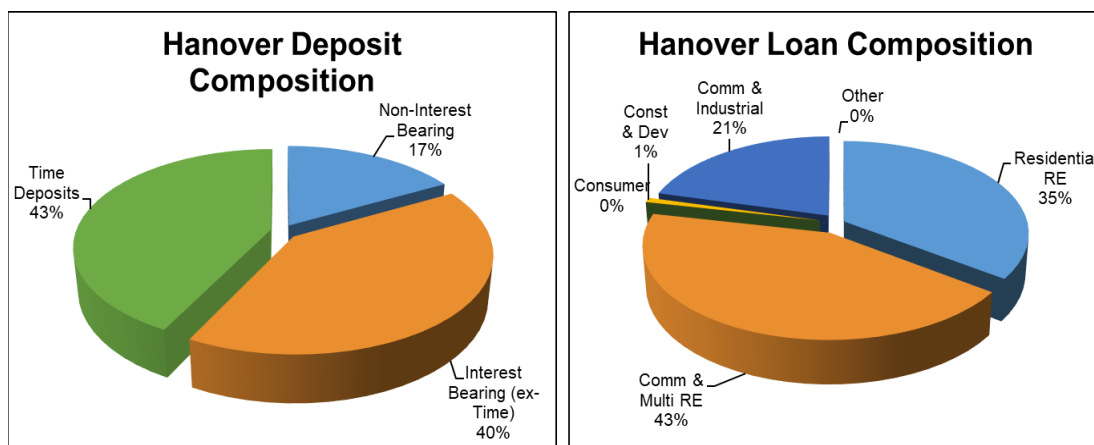
Source: S&P Global Market Intelligence

Contact PNC
FIG Advisory:

1-610-351-1633

Hanover Bancorp, Inc. (Private). Founded in 2005, Hanover is based on Long Island and operates eight banking offices. The company provides tailored deposit and loan products and business banking services to local consumers, businesses, nonprofit organizations, and municipalities. On May 26, 2021, Hanover acquired Garden City-based, Savoy Bank through a cash and stock deal valued at approximately \$65.5 million, which equated to 157% of tangible book value and 8.8 times trailing 12-month earnings. In 2019, Hanover completed its acquisition of New York-based, Chinatown Federal Savings Bank through a cash and stock deal valued at approximately \$29 million. The company raised \$25 million in October 2020, via a fixed-to-floating rate subordinated note issuance. PNC FIG Advisory served as co-placement agent.

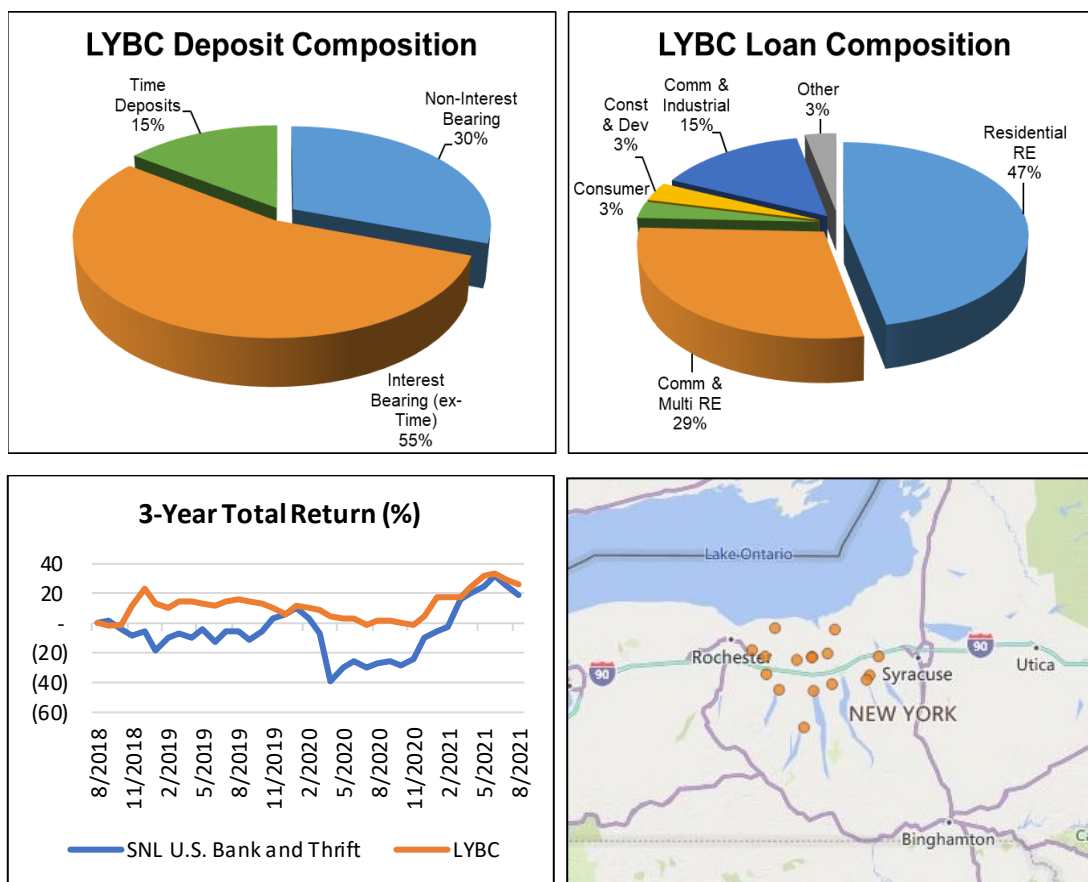
Hanover uses the incurred loss method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$8.2 million, or 1.07% of total loans, compared with \$7.8 million, or 1.13% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 86% of total assets, the loan-to-deposit ratio was 106%, and the tangible common equity ratio was 9.1%. As of the same date, the company had total assets of \$890.4 million, total deposits of \$718.2 million, and total stockholders' equity of \$82.2 million, respectively.



Source: S&P Global Market Intelligence

Lyons Bancorp, Inc. (OTCQX: LYBC). Based in Lyons, which lies between Syracuse and Rochester, Lyons Bancorp is the financial holding company of Lyons National Bank. The bank was originally chartered in 1852. Lyons operates 16 branches in seven area counties and enjoys the top ranking among deposit gatherers in Wayne County (58% deposit market share). Lyons is an independent hometown bank with an expanding geographic market. The bank offers a wide variety of personal and business products with an emphasis on personalized services. In addition to its regular common stock dividend, the company declared a special one-time cash dividend of \$0.10 per share in July. In August 2021, the company launched a \$10 million rights offering to its shareholders. The capital generated from the offering is intended to support growth in current as well as new market areas.

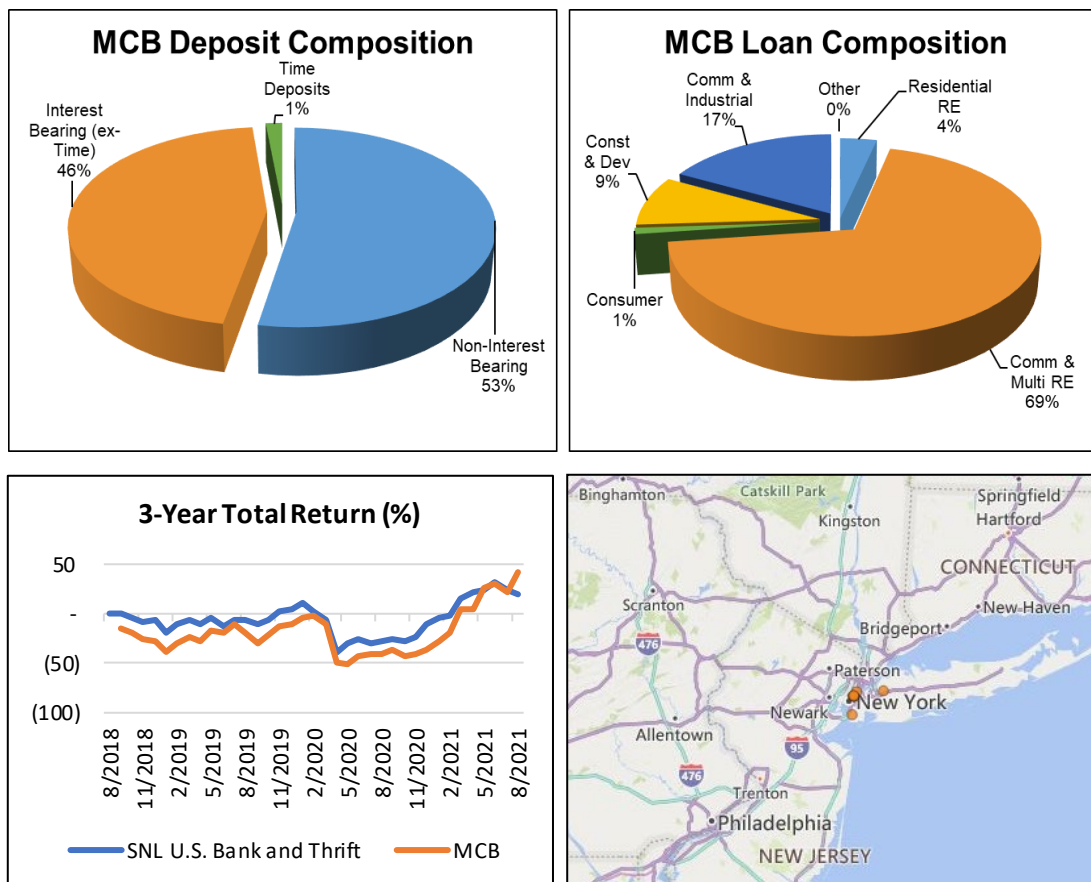
Lyons uses the incurred loss method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$17.7 million, or 1.67% of total loans, compared with \$14.9 million, or 1.54% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 67% of total assets, the loan-to-deposit ratio was 74%, and the tangible common equity ratio was 5.8%. As of the same date, the company had total assets of \$1.6 billion, total deposits of \$1.4 billion, and total stockholders' equity of \$95.8 million, respectively.



Source: S&P Global Market Intelligence

Metropolitan Bank Holding Company (NYSE: MCB). Headquartered in Manhattan, the company is the bank holding company for Metropolitan Commercial Bank. Founded in 1999, the company completed its initial public offering (“IPO”) in 2017, and generated net proceeds of approximately \$115 million. Metropolitan provides a broad range of business, commercial and personal banking products and services to small and middle-market businesses, public entities, and affluent individuals in the New York metropolitan area. Metropolitan operates eight locations in Manhattan, Brooklyn and Great Neck, Long Island. In addition to traditional commercial banking products, Metropolitan offers corporate cash management and retail banking services and, through its global payments business, provides global payments infrastructure to its FinTech partners, which includes serving as an issuing bank for third-party debit card programs nationwide.

Metropolitan uses the incurred loss method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$37.4 million, or 1.08% of total loans, compared with \$32.5 million, or 1.12% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 60% of total assets, the loan-to-deposit ratio was 65%, and the tangible common equity ratio was 6.0%. As of the same date, the company had total assets of \$5.8 billion, total deposits of \$5.3 billion, and total stockholders’ equity of \$363.6 million, respectively.



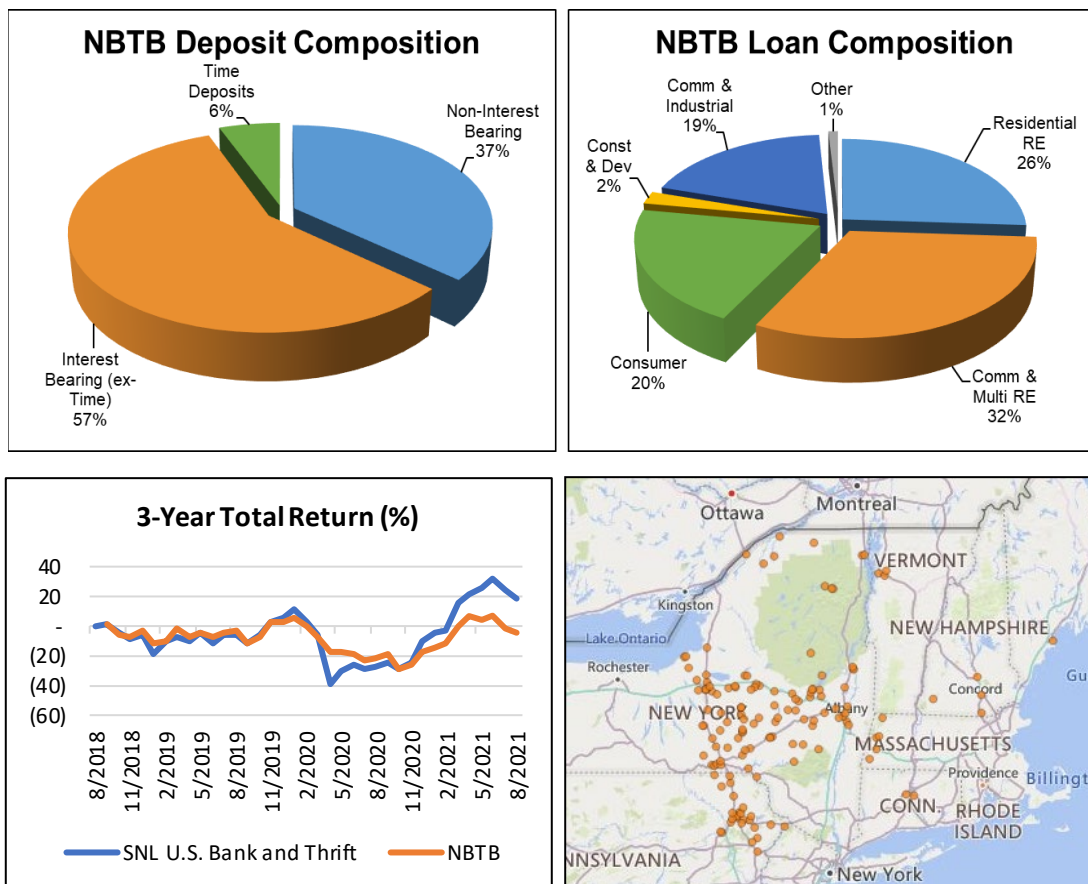
Source: S&P Global Market Intelligence

Contact PNC
FIG Advisory:

1-610-351-1633

NBT Bancorp, Inc. (NASDAQ: NBTB). NBT Bancorp is a financial holding company headquartered in Norwich. Formed in 1856, NBT operates 140 branch offices. The company's business, primarily conducted through its subsidiary bank, but also through its other subsidiaries, consists of providing commercial banking and financial services primarily to customers in its market area, which includes central and upstate New York, northeastern Pennsylvania, southern New Hampshire, western Massachusetts, Vermont, and the southern coastal Maine area. The company has been, and intends to continue to be, a community-oriented financial institution offering a variety of financial services. On April 1, 2020, NBT acquired Alliance Benefit Group of Illinois, Inc. of Peoria, which accelerated the growth of its EPIC Retirement Plan Services business. EPIC Retirement has over 300,000 plan participants nationwide. Noninterest income represents approximately 1/3rd of total revenue.

NBT uses the CECL method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$98.5 million, or 1.31% of total loans, compared with \$113.5 million, or 1.48% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 65% of total assets, the loan-to-deposit ratio was 77%, and the tangible common equity ratio was 8.3%. As of the same date, the company had total assets of \$11.6 billion, total deposits of \$9.8 billion, and total stockholders' equity of \$1.2 billion, respectively.



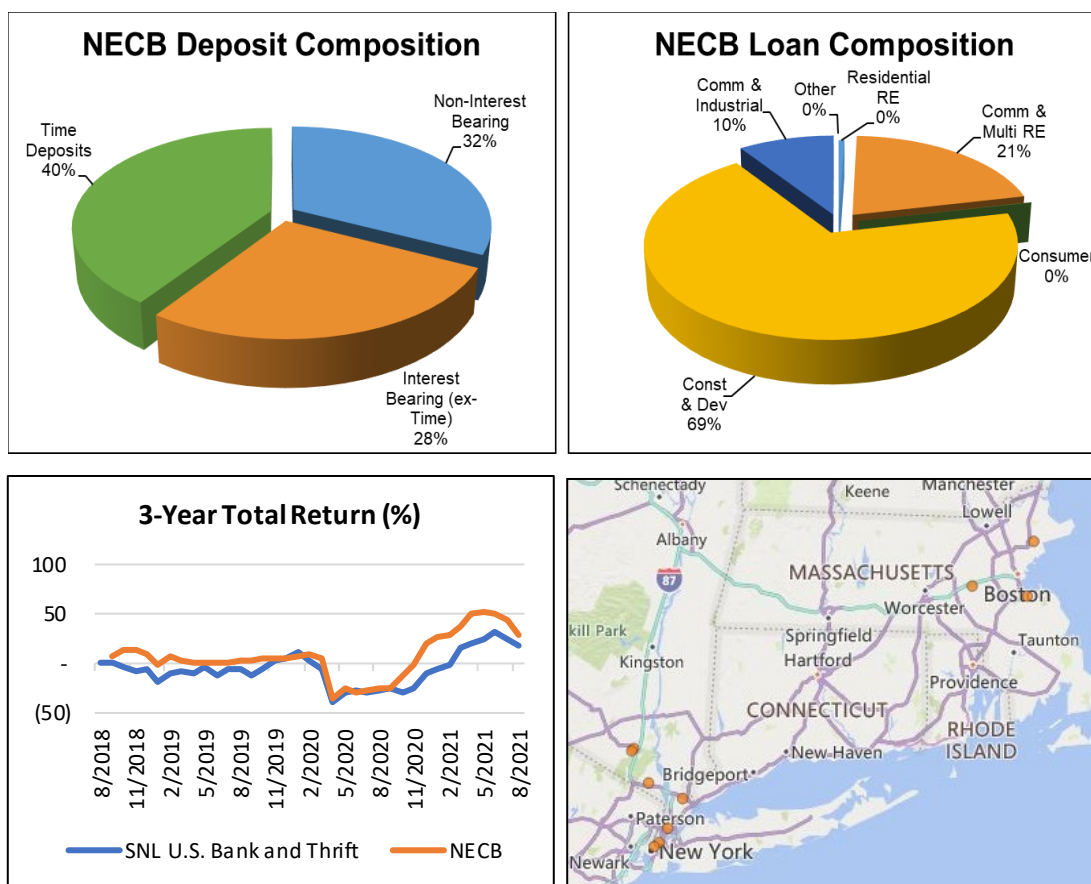
Source: S&P Global Market Intelligence

Contact PNC
FIG Advisory:

1-610-351-1633

NorthEast Community Bancorp, Inc. (NASDAQ: NECB). Headquartered in White Plains, the company completed its reorganization and concurrent “second step” conversion from a mutual holding company (MHC) to a fully converted public company on July 12, 2021. NorthEast Community sold approximately 9.8 million shares at \$10 for gross proceeds of \$97.8 million in its subscription offering. The company had operated in the MHC structure since 2006. The company has six full-service branches in New York, three full-service branches in Massachusetts, and loan production offices in New York City and White Plains. Northeast Community attracts deposits from the general public and uses those funds to originate multi-family residential, mixed-use, and non-residential real estate and consumer loans, which are held for investment. The company’s focus continues to be on construction lending for affordable housing units in homogeneous high demand high absorption areas. On July 22, the company declared its initial quarterly cash dividend of \$0.06 per share.

Northeast Community uses the incurred loss method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$5.1 million, or 0.61% of total loans, compared with \$5.2 million, or 0.64% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 77% of total assets, the loan-to-deposit ratio was 104%, and the tangible common equity ratio was 14.9%. As of the same date, the company had total assets of \$1.1 billion, total deposits of \$798.8 million, and total stockholders’ equity of \$160.8 million, respectively.



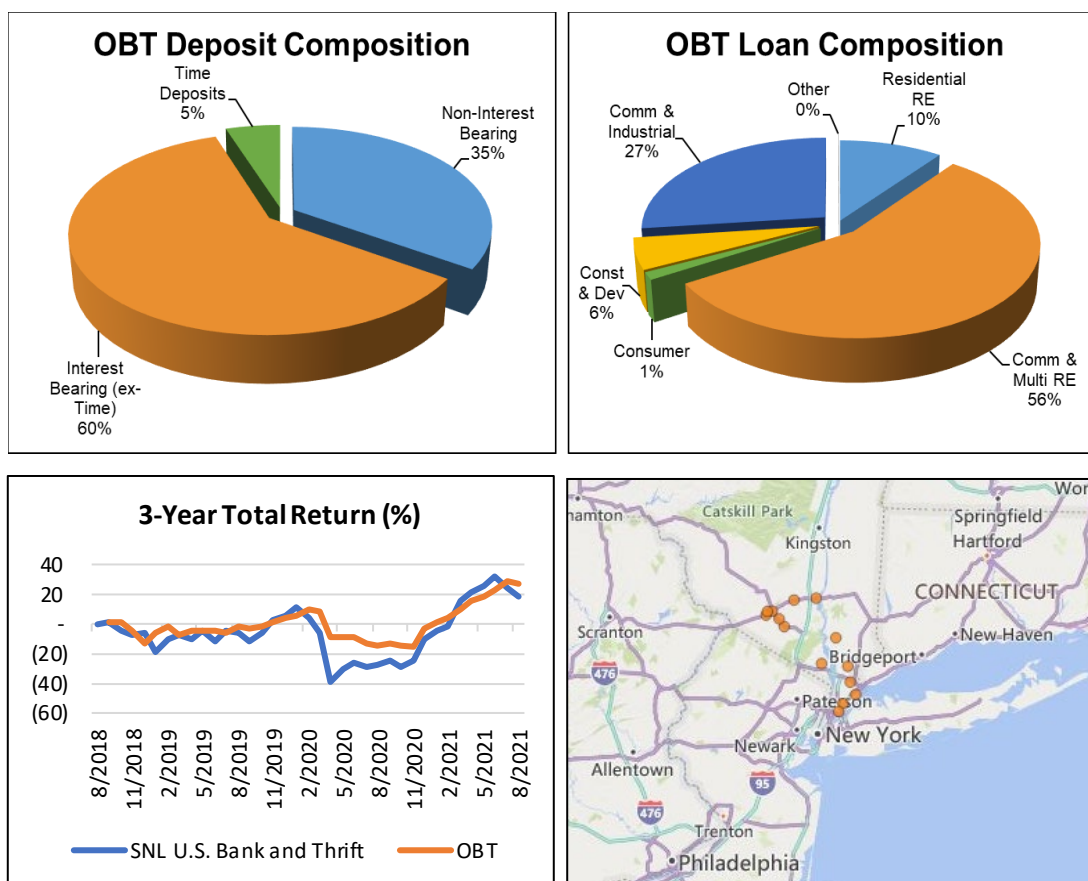
Source: S&P Global Market Intelligence

Contact PNC
FIG Advisory:

1-610-351-1633

Orange County Bancorp, Inc. (NASDAQ: OBT). Headquartered in Middletown, Orange County Bancorp is the holding company for Orange Bank & Trust Company, formerly Orange County Trust Company. Orange operates 14 full-service branches dedicated to providing relationship-based banking services to customers in Orange, Dutchess, Westchester, and Rockland counties. The company's Wealth Management initiative, which launched earlier this year, enjoyed strong growth in 2021. Orange Wealth Management is a platform that provides a comprehensive suite of wealth management services delivered through the Private Banking and Trust Services Division and its subsidiary, Hudson Valley Investment Advisors, Inc. Assets under management were \$1.24 billion as of June 30, 2021. On August 4, 2021, Orange County priced its initial public offering ("IPO") of 1.0 million shares at \$33.50. The net proceeds of approximately \$38.5 million, are expected to support the growth of Orange Bank & Trust and Hudson Valley Investment Advisors.

Orange County uses the incurred loss method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$17.0 million, or 1.32% of total loans, compared with \$14.0 million, or 1.34% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 63% of total assets, the loan-to-deposit ratio was 69%, and the tangible common equity ratio was 6.5%. As of the same date, the company had total assets of \$2.1 billion, total deposits of \$1.9 billion, and total stockholders' equity of \$140.9 million, respectively.



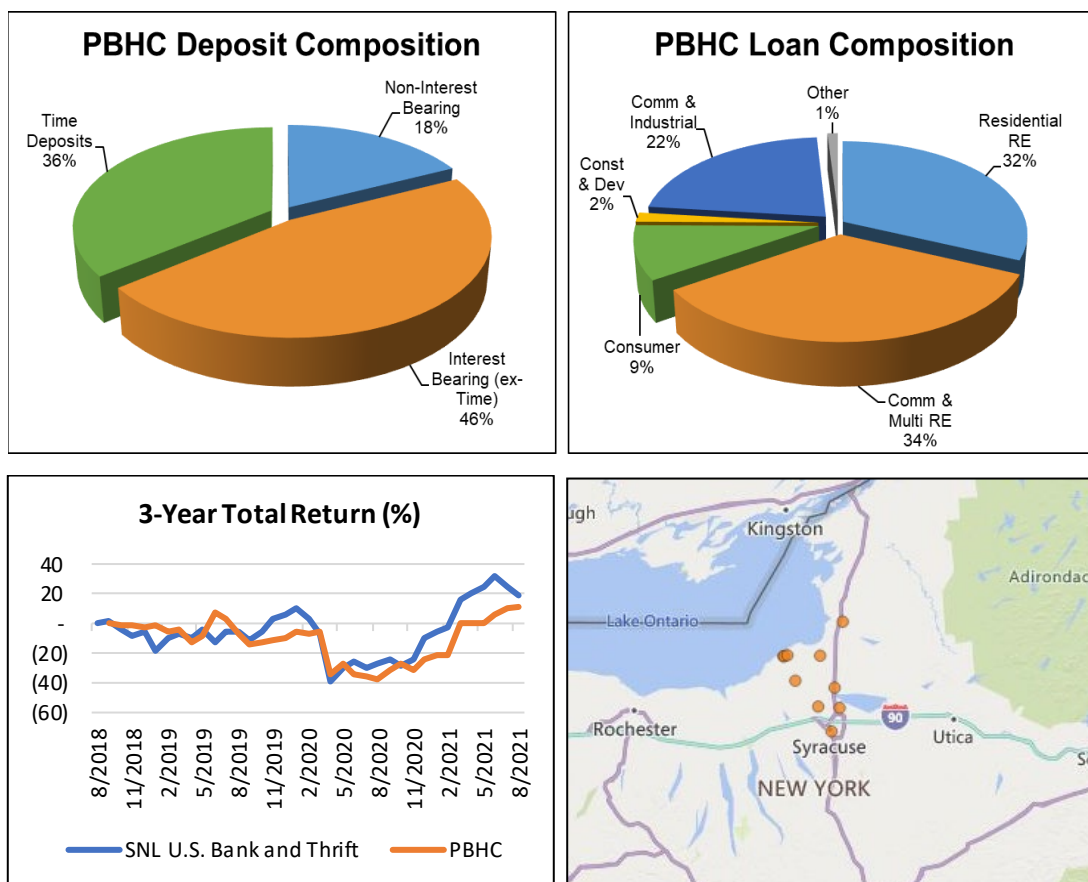
Source: S&P Global Market Intelligence

Contact PNC
FIG Advisory:

1-610-351-1633

Pathfinder Bancorp, Inc. (NASDAQ:PBHC). Headquartered in Oswego, Pathfinder Bancorp is the holding company for Pathfinder Bank, a New York-state chartered commercial bank. The company completed its mutual holding company reorganization and concurrent “second step” offering” in 2014. The company provides financial services to individuals, families, small to mid-size businesses and municipalities through 10 branches in Oswego and Onondaga counties and one limited purpose office in Oneida County. The primary lending area includes Oswego and Onondaga counties and the primary deposit generating area is concentrated in Oswego County and areas surrounding the Onondaga County branches. Pathfinder enjoys having the top deposit market share (47.6%) in Oswego County. Pathfinder’s primary lending activity is originating commercial real estate and commercial loans. The bank also originates single family residential mortgage loans. Pathfinder raised approximately \$20 million of equity capital through a private placement in 2019. PNC FIG Advisory served as sole placement agent for the private offering.

Pathfinder uses the incurred loss method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$14.6 million, or 1.75% of total loans, compared with \$10.6 million, or 1.31% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 66% of total assets, the loan-to-deposit ratio was 81%, and the tangible common equity ratio was 7.9%. As of the same date, the company had total assets of \$1.3 billion, total deposits of \$1.0 billion, and total stockholders’ equity of \$103.5 million, respectively.



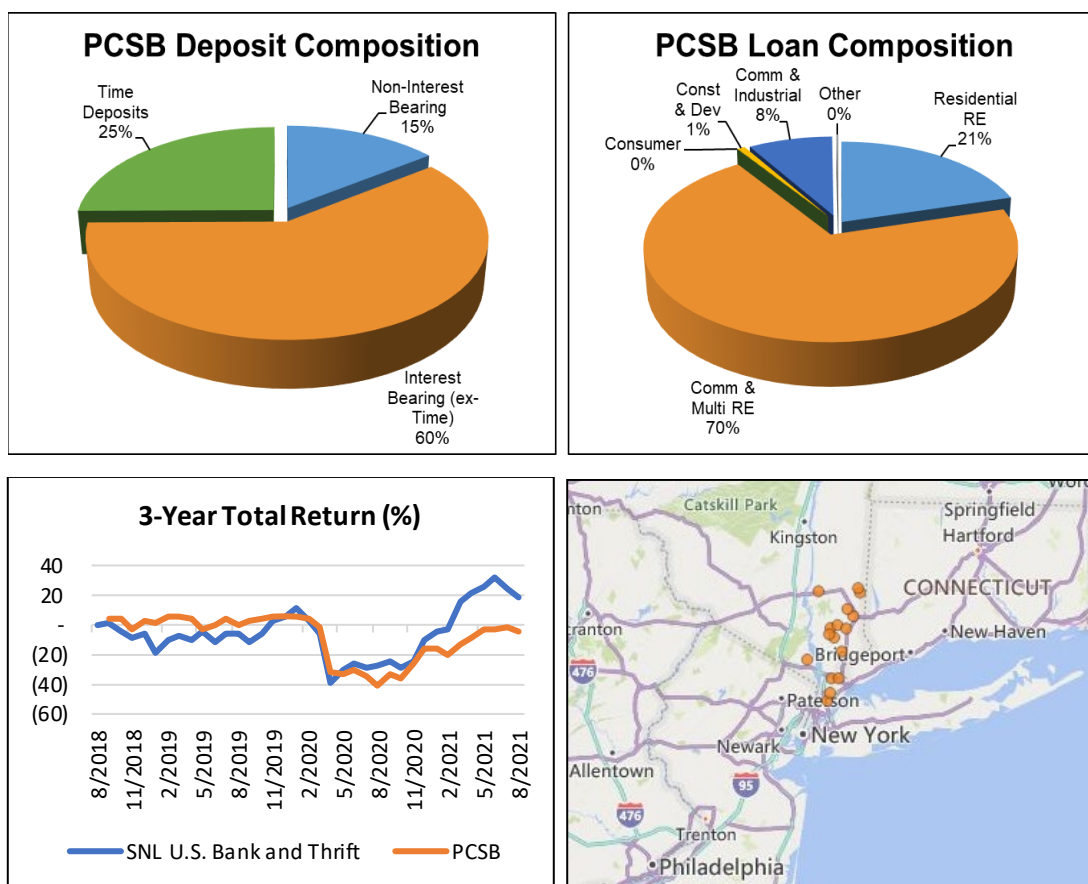
Source: S&P Global Market Intelligence

Contact PNC
FIG Advisory:

1-610-351-1633

PCSB Financial Corporation (NASDAQ: PCSB). PCSB Financial completed its mutual-to-stock conversion and IPO on April 20, 2017. Headquartered in Yorktown Heights, Westchester County, PCSB generated net proceeds of approximately \$163 million in its IPO. Founded in 1871, PCSB Bank is a community-oriented financial institution that provides financial services to individuals and businesses within its Lower Hudson Valley market area of Putnam, Southern Dutchess, Rockland and Westchester counties. In addition to its headquarters, the company operates 15 branch offices. The company's fiscal year ends June 30.

PCSB Financial uses the incurred loss method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$7.9 million, or 0.64% of total loans, compared with \$8.6 million, or 0.68% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 66% of total assets, the loan-to-deposit ratio was 83%, and the tangible common equity ratio was 14.4%. As of the same date, the company had total assets of \$1.9 billion, total deposits of \$1.5 billion, and total stockholders' equity of \$274.6 million, respectively.

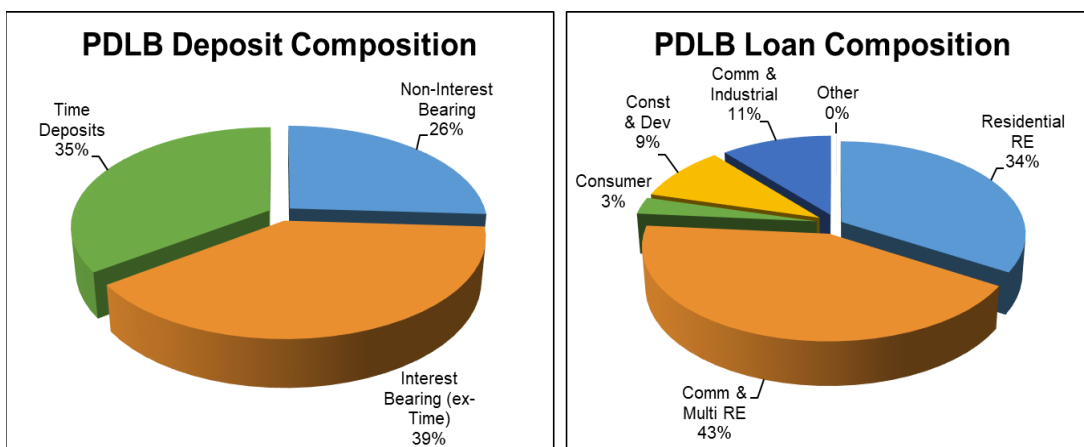


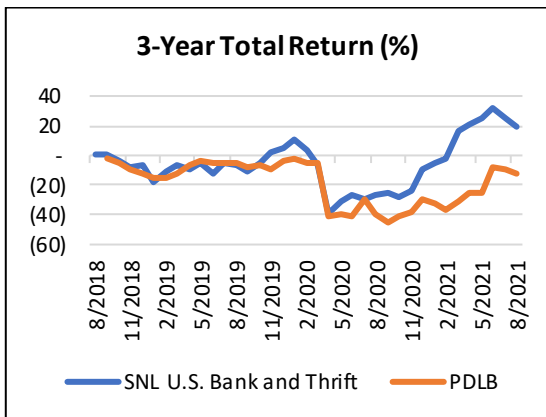
Source: S&P Global Market Intelligence

PDL Community Bancorp, Inc. (NASDAQ: PDLB). PDL Community Bancorp is the financial holding company for Ponce Bank and Mortgage World Bankers, Inc. Ponce Bank is a federally chartered savings association. Ponce Bank is designated a Minority Depository Institution (“MDI”), a Community Development Financial Institution (“CDFI”), and a certified Small Business Administration (“SBA”) lender. On August 3, 2021, the company (Ponce Financial Group) filed a registration statement with the SEC in connection with its reorganization from a mutual holding company (MHC) and concurrent “second step” offering. The bank reorganized into a two-tier MHC structure with a mid-tier stock holding company in 2017. Minority shareholders own approximately 44% of the outstanding shares.

Headquartered in the Bronx, Ponce Bank is a federally chartered savings association and conducts business through its administrative office and 18 mortgage and banking offices. Its offices are in the Bronx, Manhattan, Queens and Brooklyn, New York and Union City, NJ. The primary market area consists of the New York City metro area. The bank’s business primarily consists of taking deposits from the general public and investing those deposits, together with funds generated from operations and borrowings, in mortgage loans, consisting of 1-4 family residences (investor-owned and owner-occupied), multifamily residences, nonresidential properties and construction and land, and, to a lesser extent, in business and consumer loans.

PDL Community uses the incurred loss method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$15.9 million, or 1.15% of total loans, compared with \$13.8 million, or 1.27% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 88% of total assets, the loan-to-deposit ratio was 110%, and the tangible common equity ratio was 11.1%. As of the same date, the company had total assets of \$1.5 billion, total deposits of \$1.2 billion, and total stockholders’ equity of \$171.9 million, respectively.



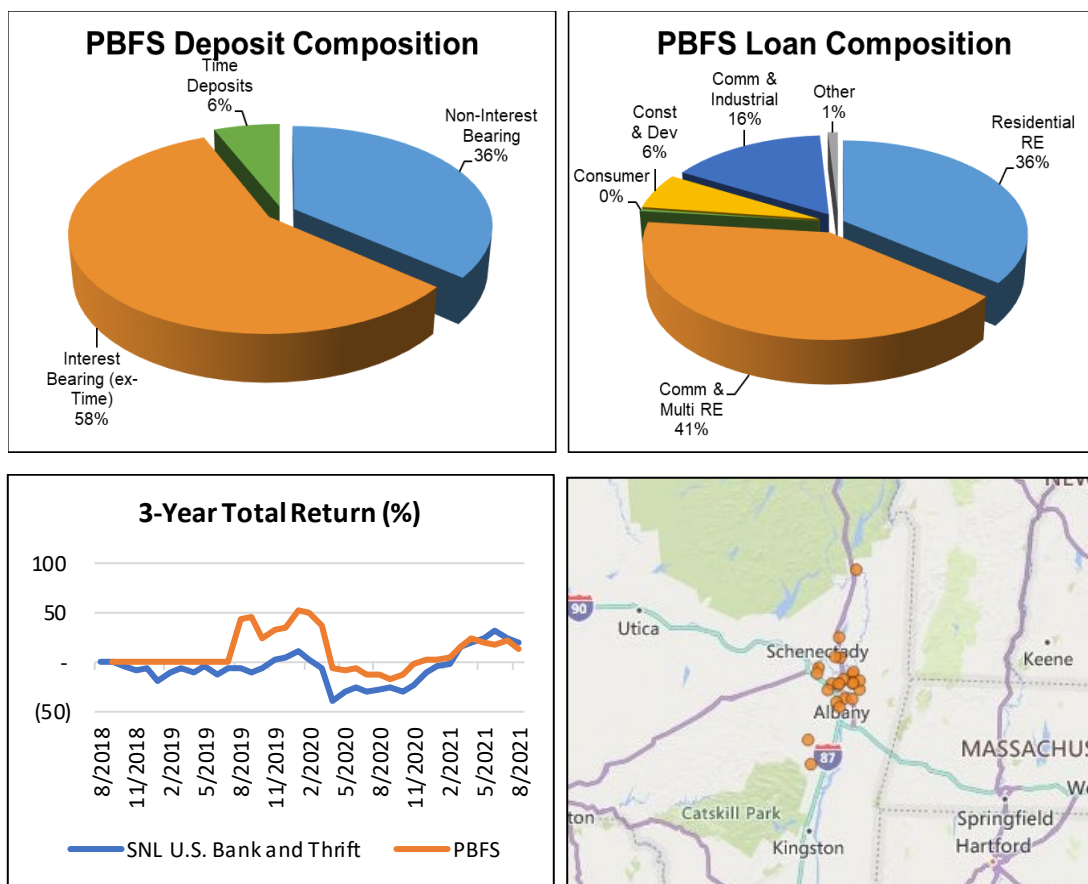


Source: S&P Global Market Intelligence



Pioneer Bancorp (NASDAQ: PBFS). Headquartered in Albany, Pioneer Bancorp completed its reorganization into the two-tier mutual holding company (MHC) form of organization and initial public offering ("IPO") on July 17, 2019. Approximately 45% of the company's outstanding common stock is owned by minority shareholders. Founded in 1889, Pioneer Bank operates 22 retail banking offices in around the Capital Region of New York. The Capital Region has a diversified economy and representative industries include educational services, technology, and health care, along with a strong state government workforce.

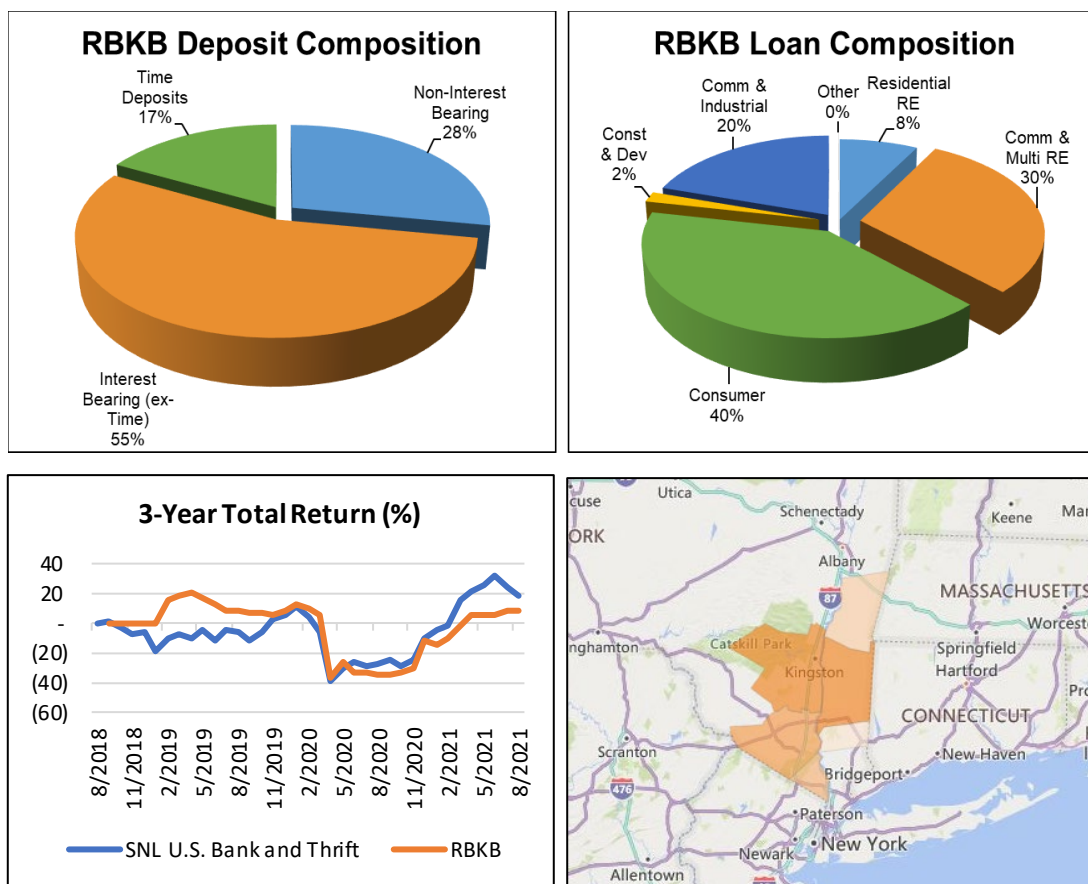
Pioneer uses the incurred loss method of accounting for loan loss allowances. As of March 31, 2021 (the most recent public financial data available), the loan loss reserve was \$23.3 million, or 1.99% of total loans, compared with \$22.9 million, or 1.95% of total loans as of June 30, 2020. As of March 31, 2021, total loans were 64% of total assets, the loan-to-deposit ratio was 74%, and the tangible common equity ratio was 12.3%. As of the same date, the company had total assets of \$1.8 billion, total deposits of \$1.5 billion, and total stockholders' equity of \$228.7 million, respectively. The company's fiscal year ends June 30.



Source: S&P Global Market Intelligence

Rhinebeck Bancorp, Inc. (NASDAQ: RBKB). Rhinebeck completed its mutual holding company (MHC) reorganization and initial public offering (“IPO”) on January 16, 2019. Rhinebeck Bancorp is a Maryland corporation organized as the mid-tier holding company of Rhinebeck Bank and is itself the majority-owned subsidiary of Rhinebeck Bancorp, MHC. Minority shareholders own approximately 43% of Rhinebeck Bancorp. The bank is a New York chartered stock savings bank which provides a full range of banking and financial services to consumer and commercial customers through its 14 active branches and two representative offices located in Dutchess, Ulster, Orange, and Albany counties.

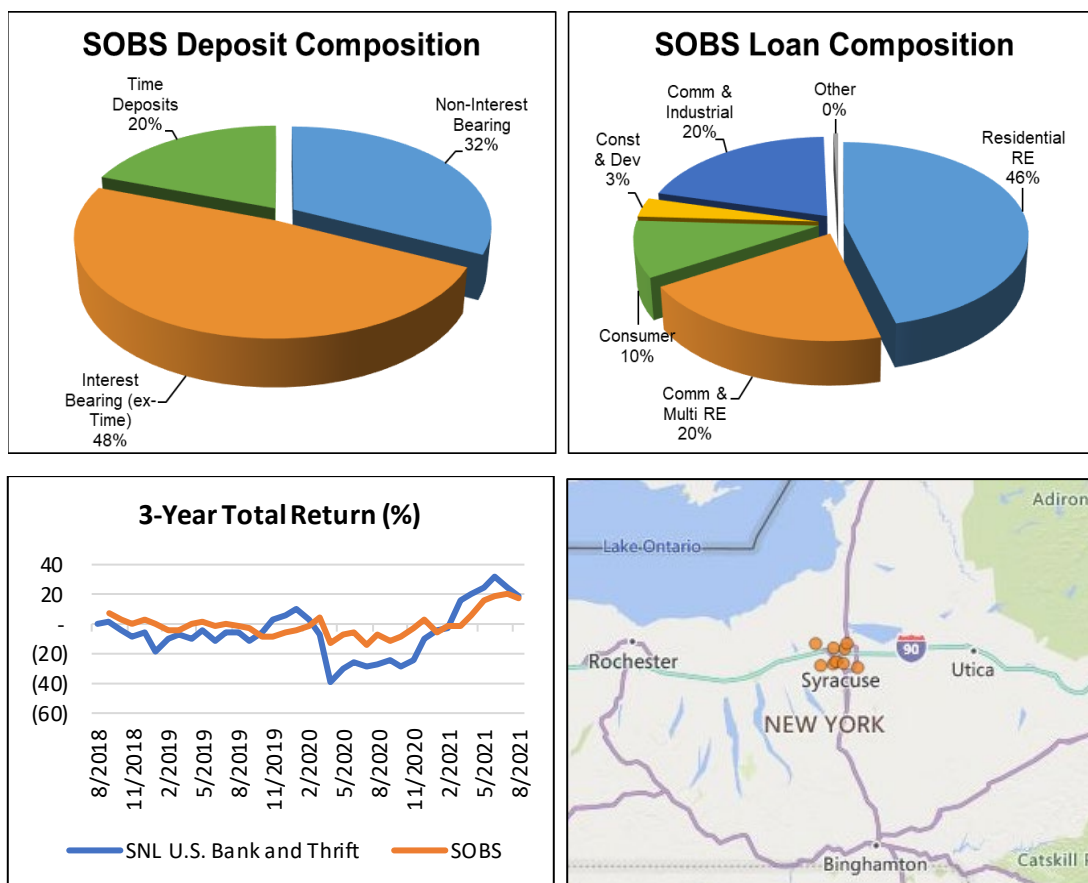
Rhinebeck uses the incurred loss method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$10.1 million, or 1.17% of total loans, compared with \$8.6 million, or 0.96% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 72% of total assets, the loan-to-deposit ratio was 84%, and the tangible common equity ratio was 9.9%. As of the same date, the company had total assets of \$1.2 billion, total deposits of \$1.0 billion, and total stockholders’ equity of \$121.9 million, respectively.



Source: S&P Global Market Intelligence

Solvay Bank Corp. (OTCPK: SOBS). Founded in 1917, Solvay is the oldest commercial bank in Central New York. Based in the Syracuse area, Solvay has nine offices and is ranked fifth among banks regarding deposit market share (7.4%) in Onondaga County. The company offers a broad range of commercial business and retail products and services, including trust and investment management.

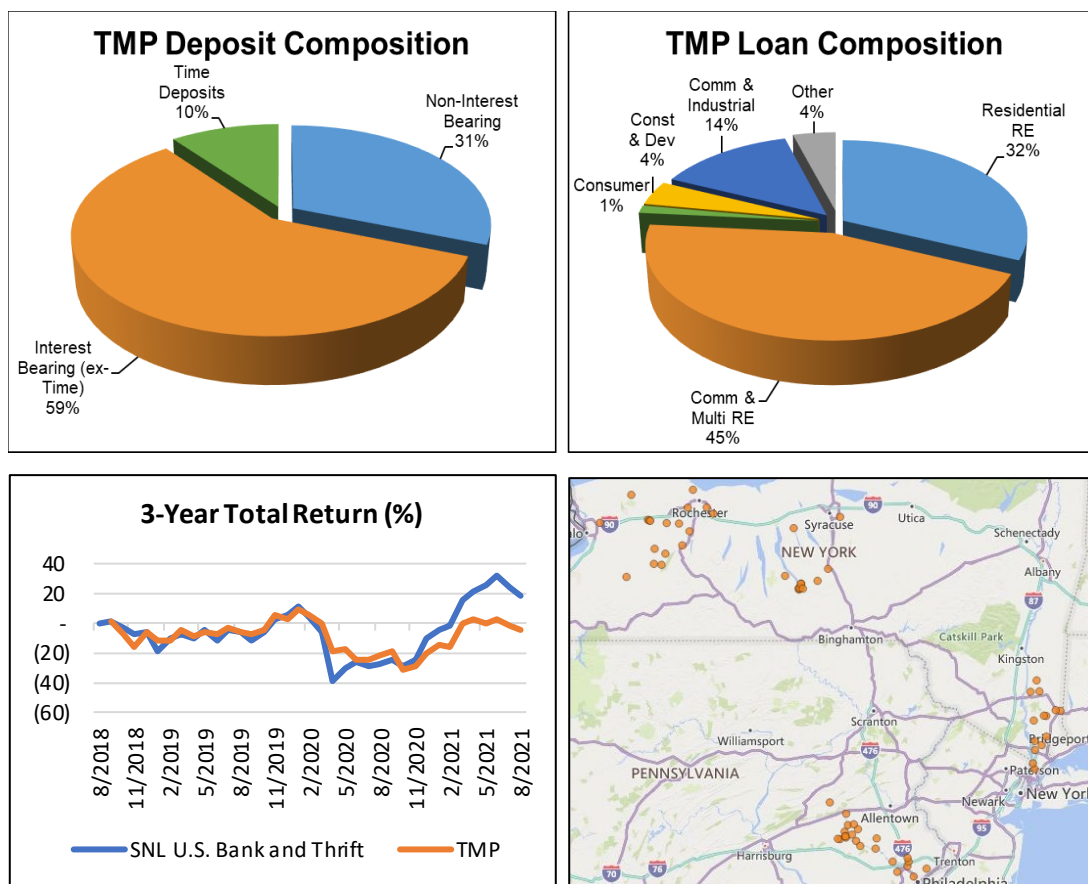
Solvay uses the incurred loss method of accounting for loan loss allowances. As of March 31, 2021 (the most recent public financial data available, the loan loss reserve was \$7.6 million, or 1.15% of total loans, compared with \$6.3million, or 1.05% of total loans as of June 30, 2020. As of March 31, 2021, total loans were 59% of total assets, the loan-to-deposit ratio was 67%, and the tangible common equity ratio was 8.8%. As of the same date, the company had total assets of \$1.1 billion, total deposits of \$979.5 million, and total stockholders' equity of \$96.9 million, respectively.



Source: S&P Global Market Intelligence

Tompkins Financial Corporation (NYSEAM: TMP). Headquartered in Ithaca, Tompkins Financial is a financial services company serving the Central, Western, and Hudson Valley regions of New York and the Southeastern region of Pennsylvania. The company's wholly owned subsidiaries include four banks and an insurance agency. Tomkins also provides a full array of trust and investment services under the Tompkins Financial Advisors brand. Strategic initiatives include diversification within its markets, growth of its fee-based businesses, and growth internally and through acquisitions of financial institutions, branches, and financial services businesses.

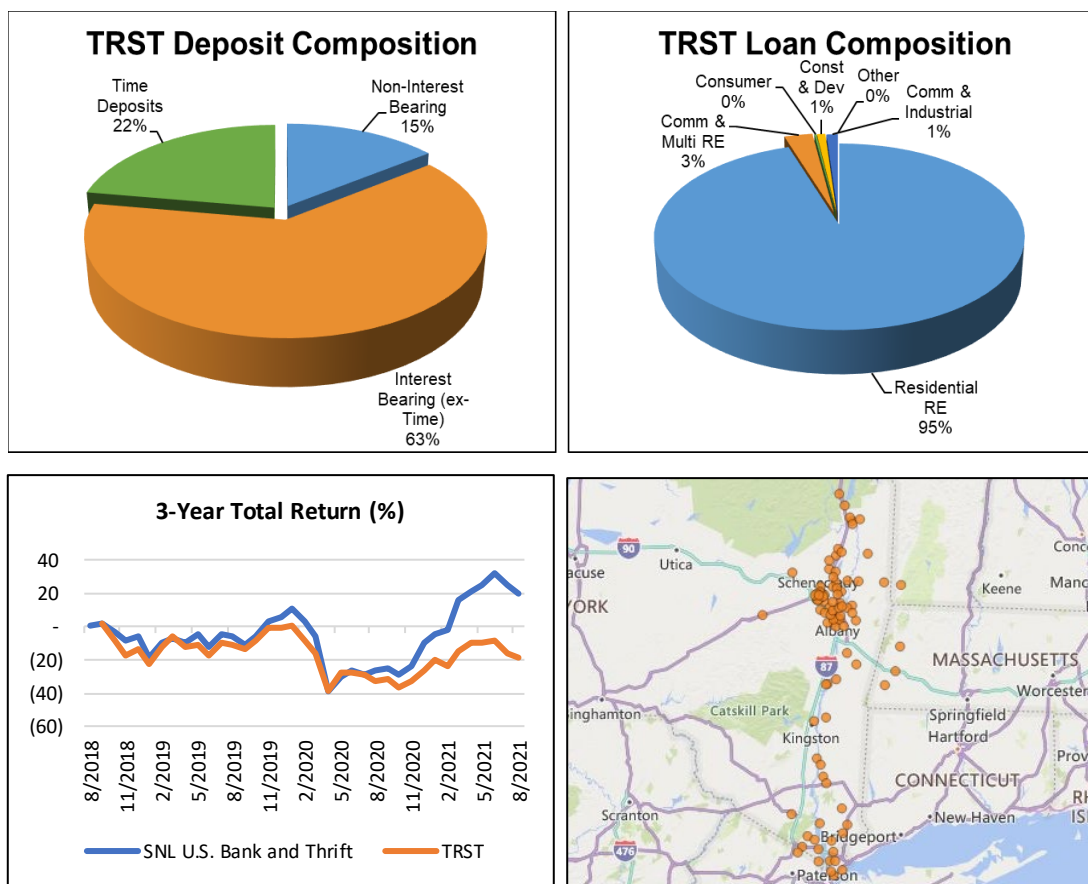
Tomkins uses the CECL method of accounting for loan loss allowances. As of June 30, 2021, the loan loss reserve was \$47.5 million, or 0.92% of total loans, compared with \$52.1 million, or 0.96% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 65% of total assets, the loan-to-deposit ratio was 76%, and the tangible common equity ratio was 8.0%. As of the same date, the company had total assets of \$8.0 billion, total deposits of \$6.8 billion, and total stockholders' equity of \$728.3 million, respectively.



Source: S&P Global Market Intelligence

TrustCo Bank Corp. NY (NASDAQ: TRST). TrustCo is a savings and loan holding company and through its subsidiary, TrustCo Bank, operates 147 offices in New York, New Jersey, Vermont, Massachusetts, and Florida. The company, which is the largest financial services company headquartered in the Capital Region, is based in Glenville, about 25 miles northwest of Albany. TrustCo has paid a cash dividend every year since 1904. The company is a portfolio lender and residential mortgage loans are its main product. TrustCo also offers a wide range of investment products including retirement and estate planning.

TrustCo uses the incurred loss method of accounting for loan loss allowances, but intends to adopt CECL on January 1, 2022. As of June 30, 2021, the loan loss reserve was \$50.2 million, or 1.15% of total loans, compared with \$48.1 million, or 1.15% of total loans as of June 30, 2020. As of June 30, 2021, total loans were 71% of total assets, the loan-to-deposit ratio was 83%, and the tangible common equity ratio was 9.4%. As of the same date, the company had total assets of \$6.1 billion, total deposits of \$5.2 billion, and total stockholders' equity of \$578.6 million, respectively.



Source: S&P Global Market Intelligence. Excludes branch locations in Florida.

Investment Summary

Profitability

Second quarter, 2021 earnings for our highlighted group were generally solid and beat conservative forecasts. A challenge for most is to profitably invest excess liquidity. **As banks seek to increase the yield on floating rate assets, there has been considerable interest in swaps that use a receive-fixed swap strategy.** Depending on the specific institution and the amount of floating rate assets, this can improve yields on those loans (or bonds). Many banks are concerned about the “lower for longer” problem with the Fed committed to near-zero rates for an extended period and believe that if and when the Fed does start to increase rates, deposit betas will be low (i.e., deposit rates will lag market rate increases).

The “receive-fixed swap” strategy allows banks to take advantage of the current low short-term rates, upward sloping yield curve, significant increase in longer-term rates, and the market’s rate expectations that exceed the Fed’s projected rate path. Banks can do this and continue to offer the same loan/swap products to price/structure loans competitively, maintain continuity with lending products, and generate loan-swap fees. Please contact your PNC representative for more information regarding the Derivatives Product Group.

Solid credit quality helped drive second quarter earnings. Many of our highlighted banks reported lower, or even negative, loan loss provisions citing stable asset quality and better economic forecasts, which included strong employment levels and higher GDP growth. Under CECL, economic forecasts have outsized influence on the determination of loan loss reserves when compared with the incurred loss method.

In addition to strong credit quality, other positive second quarter attributes included solid capital levels, strong mortgage banking, and several stock buyback announcements and dividend affirmations/increases. Revenue growth, however, remains challenging, largely due to lackluster loan growth and net interest margin pressure.

Figure 7

Institution	ROAA (%)	ROAE (%)	ROATCE (%)	NIM (%)	Eff. Ratio (%)	Inv Sec/ Assets (%)	Avg Inv Sec Yld (%)	Loans/ Assets (%)	Loan/ Dep. (%)	Loan Yld (%)
Adirondack Trust Company	0.60	6.1	7.5	NA	NA	NA	NA	NA	NA	NA
Amalgamated Financial Corp.	0.77	9.1	9.7	2.73	64	37	2.15	48	54	3.77
Arrow Financial Corporation	1.35	14.9	16.0	3.11	50	17	NA	67	77	NA
Bank of Utica	3.90	20.5	20.5	NA	NA	NA	NA	NA	NA	NA
Canandaigua National Corp.	1.19	14.8	15.4	NA	NA	NA	NA	NA	NA	NA
Chemung Financial	1.06	12.2	13.9	2.75	61	29	1.36	65	73	3.72
Community Bank System, Inc.	1.35	9.2	16.4	2.78	59	27	1.99	49	59	4.16
Dime Community Bncshs, Inc.	0.56	5.7	6.7	3.11	48	10	1.80	75	86	3.63
Esquire Financial Holdings, Inc.	1.74	12.9	12.9	4.48	57	12	1.60	66	77	5.80
Evans Bancorp, Inc.	1.04	13.0	NA	3.58	66	11	1.94	78	90	4.26
Financial Institutions, Inc.	1.33	14.4	17.7	3.05	56	21	1.77	68	78	3.98
First of Long Island Corp.	1.06	10.8	10.8	2.71	52	20	2.37	71	87	3.56
Flushing Financial Corporation	0.72	9.2	NA	3.14	60	11	1.77	82	106	4.07
Greene County Bancorp, Inc.	1.23	17.4	17.4	2.88	46	40	NA	50	55	NA
Hanover Bancorp, Inc.	0.77	8.4	8.6	NA	NA	NA	NA	NA	NA	NA
Lyons Bancorp Inc.	0.76	11.6	12.2	2.86	74	NA	NA	67	NA	NA
Metropolitan Bank Holding	1.05	14.1	14.6	2.71	51	10	0.99	59	65	4.65
NBT Bancorp Inc.	1.35	12.7	17.1	2.99	58	19	1.78	64	77	3.96
Northeast Community Bncp,	1.40	8.8	8.9	4.49	57	2	1.67	77	104	5.55
Orange County Bancorp, Inc.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Pathfinder Bancorp, Inc.	0.70	8.8	NA	3.42	59	NA	2.90	66	NA	4.57
PCSB Financial Corporation	0.68	4.5	4.7	2.81	67	21	2.11	66	83	4.06
PDL Community Bancorp	1.04	8.6	8.6	3.83	76	4	NA	88	110	4.70
Pioneer Bancorp, Inc.	0.39	2.7	NA	NA	NA	NA	NA	NA	NA	NA
Rhinebeck Bancorp, Inc.	0.82	8.0	8.2	3.25	81	17	1.19	72	84	4.44
Solvay Bank Corp.	0.76	8.1	8.1	NA	NA	NA	NA	NA	NA	NA
Tompkins Financial	1.24	13.5	15.6	2.90	63	27	1.18	64	NA	4.10
TrustCo Bank Corp NY	0.96	9.9	10.0	2.70	57	8	1.52	70	83	3.70
Median	1.04	9.9	12.2	2.99	59	17	1.77	67	80	4.09

Financial data as of or for the 3 months ending June 30, 2021.

Source: S&P Global Market Intelligence

Lending Activities

As is the case with most community banks, our highlighted banks are dependent upon interest income from loans for revenue growth. Net interest income represents 85-90% of total revenue for the highlighted banks in this report. These community banks have generally benefited from a local presence and industry consolidation.

Figure 8

Institution	Ticker	Residential Real Estate (%)	Commercial & Multifamily Real Estate (%)	Consumer (%)	Const. & Dev. (%)	Comm. & Industrial (%)	Other (%)
Adirondack Trust Company	ADKT	26	48	2	4	19	1
Amalgamated Financial Corp.	AMAL	34	38	7	1	18	1
Arrow Financial Corporation	AROW	34	21	34	2	8	1
Bank of Utica	BKUT	1	38	4	0	55	2
Canandaigua National Corp.	CNND	25	28	27	5	16	0
Chemung Financial Corporation	CHMG	22	43	8	5	20	2
Community Bank System, Inc.	CBU	40	28	17	2	10	2
Dime Community Bncshs, Inc.	DCOM	7	75	0	3	14	0
Esquire Financial Holdings, Inc.	ESQ	6	36	5	0	52	0
Evans Bancorp, Inc.	EVBN	29	43	0	8	20	0
Financial Institutions, Inc.	FISI	19	27	25	9	18	2
First of Long Island Corp.	FLIC	44	50	0	0	6	0
Flushing Financial Corporation	FFIC	13	72	0	1	14	0
Greene County Bancorp, Inc.	GCBC	37	41	0	7	13	2
Hanover Bancorp, Inc.	-	35	43	0	1	21	0
Lyons Bancorp Inc.	LYBC	47	29	3	3	15	3
Metropolitan Bank Holding Corp.	MCB	4	69	1	9	17	0
NBT Bancorp Inc.	NBTB	26	31	20	2	19	1
Northeast Community Bncp, Inc.	NECB	1	21	0	69	10	0
Orange County Bancorp, Inc.	OBT	10	56	1	5	27	0
Pathfinder Bancorp, Inc.	PBHC	32	34	9	2	22	1
PCSB Financial Corporation	PCSB	20	70	0	1	8	0
PDL Community Bancorp	PDLB	34	43	3	10	11	0
Pioneer Bancorp, Inc.	PBFS	36	41	0	6	16	1
Rhinebeck Bancorp, Inc.	RBKB	8	30	41	2	20	0
Solvay Bank Corp.	SOBS	46	20	10	3	20	0
Tompkins Financial Corporation	TMP	32	45	1	4	14	4
TrustCo Bank Corp NY	TRST	95	3	0	1	1	0
Median		28	39	2	3	17	0

Financial data as of or for the 3 months ending June 30, 2021 or, if unavailable, for the 3 months ending March 31, 2021.
Source: S&P Global Market Intelligence.

Asset Quality and Loan Growth

Asset quality has generally remained very good although borrowers could be stressed should the economy falter or interest rates rise significantly.

Figure 9

Institution	Ticker	Reported NPAs (\$000s)	NPAs/ Assets (%)	NPAs/ Loans & REO (%)	NCOs/ Avg Loans (%)	Loan Loss Prov./ NCO (%)	Loan Loss Reserves/ Total Loans (%)
Adirondack Trust Company	ADKT	NA	NA	NA	-0.04	NM	2.42
Amalgamated Financial Corp.	AMAL	70,980	1.08	2.24	0.04	507	1.19
Arrow Financial Corporation	AROW	7,973	0.20	0.30	0.01	283	1.02
Bank of Utica	BKUT	NA	NA	NA	-0.01	NM	1.33
Canandaigua National Corp.	CNND	NA	NA	NA	0.08	421	1.06
Chemung Financial Corporation	CHMG	8,707	0.37	0.56	0.02	-181	1.33
Community Bank System, Inc.	CBU	71,077	0.48	0.98	-0.03	NM	0.71
Dime Community Bncshs, Inc.	DCOM	28,286	0.22	0.30	0.04	NM	0.97
Esquire Financial Holdings, Inc.	ESQ	2,300	0.22	NA	0.01	NM	1.98
Evans Bancorp, Inc.	EVBN	NA	NA	NA	0.00	NM	1.17
Financial Institutions, Inc.	FISI	7,281	0.14	0.20	-0.04	NM	1.28
First of Long Island Corp.	FLIC	260	0.01	0.01	0.00	NM	1.05
Flushing Financial Corporation	FFIC	17,592	0.22	0.26	0.05	-169	0.64
Greene County Bancorp, Inc.	GCBC	NA	NA	NA	0.01	100	1.78
Hanover Bancorp, Inc.	-	9,350	1.05	1.22	0.00	NM	1.07
Lyons Bancorp Inc.	LYBC	NA	NA	NA	0.00	NM	1.67
Metropolitan Bank Holding Corp.	MCB	NA	NA	NA	0.00	NM	1.08
NBT Bancorp Inc.	NBTB	43,923	0.38	0.58	0.07	NM	1.31
Northeast Community Bncp, Inc.	NECB	5,589	0.52	0.67	0.00	0	0.61
Orange County Bancorp, Inc.	OBT	2,439	0.13	0.20	-0.02	NM	1.32
Pathfinder Bancorp, Inc.	PBHC	NA	NA	NA	0.01	NM	1.75
PCSB Financial Corporation	PCSB	5,764	0.31	NA	0.00	NM	0.64
PDL Community Bancorp	PDLB	9,039	0.58	NA	0.07	268	1.15
Pioneer Bancorp, Inc.	PBFS	22,058	1.23	1.90	0.55	80	1.99
Rhinebeck Bancorp, Inc.	RBKB	6,764	0.56	0.78	-0.01	NM	1.16
Solvay Bank Corp.	SOBS	NA	NA	NA	0.03	278	1.15
Tompkins Financial Corporation	TMP	53,883	0.67	1.04	-0.07	NM	0.92
TrustCo Bank Corp NY	TRST	21,072	0.34	0.48	-0.02	NM	1.15
Median		9,039	0.37	0.57	0.00	184	1.16

Financial data as of or for the 3 months ending June 30, 2021.

Source: S&P Global Market Intelligence.

Deposits:

We believe the crown jewels of a company's franchise value rests in its core deposit base. As shown in the figure below, the median core deposit ratio for the highlighted banks was 87%, and noninterest-bearing deposits were 30% of total deposits. We define core deposits as all deposits excluding certificates of deposit.

Figure 10

Institution	Ticker	Non-Interest Bearing Deposits (\$000s)		Interest Bearing (ex-Time) Deposits (\$000s)		Time Deposits (\$000s)		Total Deposits (\$000s)
Adirondack Trust Company	ADKT	460,316	34%	698,230	51%	211,473	15%	1,370,019
Amalgamated Financial Corp.	AMAL	2,948,718	50%	2,708,524	46%	252,750	4%	5,909,992
Arrow Financial Corporation	AROW	761,991	22%	2,449,546	71%	226,496	7%	3,438,033
Bank of Utica	BKUT	79,603	7%	565,262	50%	496,677	44%	1,141,542
Canandaigua National Corp.	CNND	966,180	29%	1,755,950	53%	560,610	17%	3,282,740
Chemung Financial Corporation	CHMG	674,205	32%	1,222,699	57%	241,283	11%	2,138,187
Community Bank System, Inc.	CBU	3,729,355	30%	7,632,274	62%	977,396	8%	12,339,025
Dime Community Bncshs, Inc.	DCOM	3,689,072	33%	6,076,156	55%	1,300,965	12%	11,066,193
Esquire Financial Holdings, Inc.	ESQ	395,644	43%	507,743	56%	11,274	1%	914,661
Evans Bancorp, Inc.	EVBN	486,737	26%	1,201,525	64%	195,533	10%	1,883,795
Financial Institutions, Inc.	FISI	1,121,827	24%	2,596,112	56%	941,282	20%	4,659,221
First of Long Island Corp.	FLIC	1,318,941	39%	1,833,590	54%	231,042	7%	3,383,573
Flushing Financial Corporation	FFIC	945,491	15%	4,390,914	69%	1,020,615	16%	6,357,020
Greene County Bancorp, Inc.	GCBC	174,114	9%	1,796,203	90%	34,791	2%	2,005,108
Hanover Bancorp, Inc.	-	122,388	17%	290,604	40%	305,192	42%	718,184
Lyons Bancorp Inc.	LYBC	439,287	31%	787,626	55%	212,930	15%	1,439,843
Metropolitan Bank Holding Corp.	MCB	2,794,136	53%	2,410,893	46%	83,244	2%	5,288,273
NBT Bancorp Inc.	NBTB	3,582,705	37%	5,633,523	58%	569,029	6%	9,785,257
Northeast Community Bncp, Inc.	NECB	257,808	32%	218,599	27%	322,397	40%	798,804
Orange County Bancorp, Inc.	OBT	598,493	35%	1,045,047	60%	90,019	5%	1,733,559
Pathfinder Bancorp, Inc.	PBHC	183,700	18%	480,399	47%	367,571	36%	1,031,670
PCSB Financial Corporation	PCSB	219,072	15%	897,595	60%	375,015	25%	1,491,682
PDL Community Bancorp	PDLB	320,404	26%	483,794	39%	431,963	35%	1,236,161
Pioneer Bancorp, Inc.	PBFS	554,728	36%	886,226	58%	97,072	6%	1,538,026
Rhinebeck Bancorp, Inc.	RBKB	289,490	28%	571,885	55%	177,625	17%	1,039,000
Solvay Bank Corp.	SOBS	315,783	32%	473,715	48%	190,026	19%	979,524
Tompkins Financial Corporation	TMP	2,110,778	31%	4,016,052	59%	710,170	10%	6,837,000
TrustCo Bank Corp NY	TRST	765,193	15%	3,295,420	63%	1,169,907	22%	5,230,520
Median		576,611	30%	1,212,112	55%	278,971	13%	1,944,452

Financial data as of or for the 3 months ending June 30, 2021 or, if unavailable, for the 3 months ending March 31, 2021.

Source: S&P Global Market Intelligence.

¹ Source: US Census (www.census.gov); Wikipedia.com/New York; Company 10-K filings.

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