

Flying under the Radar: Small and Micro-Cap Banks in Western PA



Western Pennsylvania banking markets – many remain fairly rural - are generally tied to the Pittsburgh metropolitan area economy, which has become far more diversified in recent years. Our highlighted region ranges eastward from the Ohio/West Virginia borders to Centre County and extends from New York on the north to Maryland/West Virginia borders on the south. See map on Page 14.

This report focuses on the 11 publicly-traded banks in Western PA with total assets between \$800 million and \$15 billion. We believe banks in this size range are large enough to operate fairly efficiently and small enough to deliver personalized services. These “under the radar” stocks are not widely followed by brokerages or institutional investors for several reasons, including relatively small market caps and low trading volumes.

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

Institution	HQ	Ticker	Stock Price (\$)	Mkt Cap (\$mm)	Total Assets (\$000s)
1st Summit Bncp of Johnstown	Johnstown	FSMK	124.00	136	1,106,503
AmeriServ Financial, Inc.	Johnstown	ASRV	3.21	55	1,168,355
CB Financial Services, Inc.	Carmichaels	CBFV	26.31	142	1,313,173
CNB Financial Corporation	Clearfield	CCNE	20.35	312	3,779,138
Emclaire Financial Corp.	Emlenton	EMCF	23.26	63	944,234
First Commonwealth Fin'l Corp.	Indiana	FCF	9.40	921	8,515,105
Northwest Bancshares, Inc.	Warren	NWBI	10.94	1,396	10,681,196
S&T Bancorp, Inc.	Indiana	STBA	25.78	1,012	9,005,496
Somerset Trust Holding Co.	Somerset	SOME	35.50	89	1,398,934
Standard AVB Financial Corp.	Monroeville	STND	24.51	110	991,793
TriState Capital Holdings, Inc.	Pittsburgh	TSC	17.86	533	8,990,061

Pricing data as of June 5, 2020. Financial data as of or for the 3 months ending March 31, 2020.

Source: S&P Global Market Intelligence

COVID-19 impacts all economic activity and nearly every aspect of life throughout the U.S., including our highlighted market. On June 5, Western Pennsylvania emerged from state government-mandated restrictions on some “nonessential” businesses (yellow phase) to a much less limited environment (green phase). We believe that, in general, the pandemic will accentuate the divide between “haves” and “have nots” and hasten the evolution and/or demise of many industries and companies already struggling to compete effectively in the technology-driven 21st Century. Community banks are part of this “survival of the fittest” challenge; and thus, must consider strategies such as expanding niche-focused business models, better uses of fintech, and/or pursuing M&A in order to thrive.

The uncertain environment underscores that nothing is more significant to a bank’s capital and earnings than credit quality. We expect credit costs will climb and stay elevated for quite some time due to the sudden and shocking increase in unemployment levels and government-mandated business closures. **PNC FIG Advisory believes banks, therefore, should consider all liquidity and capital options under various economic scenarios to construct stronger balance sheets.** Along with more dynamic trading strategies, there will be a need to

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vigorously assess capital raising options, cash dividends and stock repurchase programs. **Included among the various capital raising options are subordinated debt (“sub debt”) and preferred stock issuances, both of which have been favorably received by the market.** Sensitivity models tailored to individual banks can best identify additional capital needs and, if so, what form of capital is best suited for current and longer-term strategic plans.

Figure 1.b

Institution	TE/ Assets (%)	Div Yld (%)	LTM P/E (x)	Price/ TBV (%)	Insider Owner (%)	Inst. Owner (%)
1st Summit Bncp of Johnstown	9.6	0.0	13.4	125	NA	NA
AmeriServ Financial, Inc.	7.7	3.1	10.0	62	9	44
CB Financial Services, Inc.	8.9	3.6	11.8	125	8	26
CNB Financial Corporation	7.6	3.3	7.9	110	5	45
Emclaire Financial Corp.	7.2	5.2	9.2	101	20	8
First Commonwealth Fin'l Corp.	9.0	4.7	10.8	124	2	70
Northwest Bancshares, Inc.	9.4	6.9	12.6	120	2	65
S&T Bancorp, Inc.	9.2	4.3	10.3	127	3	61
Somerset Trust Holding Co.	8.6	4.2	7.8	76	0	1
Standard AVB Financial Corp.	11.7	3.6	14.8	101	9	33
TriState Capital Holdings, Inc.	6.2	0.0	10.0	123	9	78
Median	8.9	3.6	10.3	120	7	44

Pricing data as of June 5, 2020. Financial data as of or for the 3 months ending March 31, 2020.
Source: S&P Global Market Intelligence

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Random (But Not Alternative) Western Pennsylvania Facts

- Roberto Clemente, the Pittsburgh Pirates’ right fielder from 1955 to 1972, was the first Hispanic baseball player elected to the Hall of Fame.
- Opened in 1877, the Duquesne Incline is a cable car that provides stunning views of downtown Pittsburgh from its Upper Station.
- Of the 23 NFL quarterbacks enshrined in football’s Hall of Fame, six hailed from Western PA (George Blanda, Jim Kelly, Dan Marino, Joe Montana, Joe Namath, and Johnny Unitas).
Author’s Note: Unfortunately, none of these stars played for the Eagles or Steelers!
- New Castle, the county seat of Lawrence County, enjoyed its greatest prosperity in the 1920s. The landscape was transformed by fine buildings such as The Cathedral, St. Mary’s Church, and the Castleton Hotel (presently an apartment dwelling), which still stand.
- Erie is the fourth largest city in Pennsylvania. Considered a disputed territory following the Revolutionary War, the federal government sold the land to Pennsylvania in 1792 for 75 cents per acre, or a total of \$151,640, in Continental currency.
- The town of Indiana, Pennsylvania, became the county seat in 1805 when George Clymer of Philadelphia (a Declaration of Independence signer) donated 250 acres of land. According to the census of 1810, the new County had a population of 1,214.
- Born and bred in Altoona, Betty and Richard James invented the “Slinky” toy in 1943.

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Highlights

- This *Industry Report* highlights key performance ratios and valuation metrics of 11 Western Pennsylvania community banks using March 2020 quarter data.
- There are 128 depository institutions, including 80 which are publicly-traded, in Pennsylvania. The top five banks have a combined deposit market share of approximately 53%. PNC Financial Services (NYSE: PNC) is the market leader with a 24% deposit share. Of the top ten Pennsylvania banks in terms of market share, only PNC and F.N.B. Corporation (NYSE: FNB) are headquartered in-state.
- Even when excluding PNC Financial and FNB Corporation due to size, Western PA features a greater number of community banks of size compared with other parts of the state.
- As of March 31, 2020, the highlighted banks generally had strong balance sheets that reflect adequate asset quality, solid funding, and acceptable capital ratios.
- First quarter earnings for community banks across the U.S. (including our highlighted banks) were inconclusive as the vast majority did not provide guidance given the high degree of uncertainty caused by the coronavirus.
- **Capital is king and issuing sub debt is a good option for many institutions.** Debt markets have strengthened (that could change quickly!) and this form of financing remains relatively inexpensive due to attractive interest rates and favorable tax treatment. Community bank sub debt coupon rates generally range from 5.00% to 6.00%.
- On May 29, 2020, TriState Capital Holdings (NASDAQ: TSC) (highlighted herein) priced a \$37.5 million upside of a previously announced \$60.0 million subordinated debt offering. Total capital raised by TSC from this offering was \$97.5 million. The notes will have a coupon of 5.75% for the first five years floating thereafter at three month LIBOR plus 5.36%. PNC FIG Advisory, part of PNC Capital Markets LLC acted as joint lead underwriter to TriState Capital Holdings, Inc.
- Subordinated debt is included as Tier 2 capital when issued by a holding company and any proceeds down-streamed to the bank entity are included in the bank's Tier 1 capital.
- The market for preferred equity has opened for banks that need to raise Tier 1 capital. Tier 1 capital is now even more important for CBLR qualification.

- Many banks have granted payment deferral to borrowers whose loans have been affected at least temporarily by the coronavirus pandemic. The range of deferred loans to total loans (5-25%) is wide and varies both among different banks and loan categories.
- The SBA's Paycheck Protection Program (PPP) is meaningful as many of the highlighted banks were able to fund a significant amount of loans to assist small businesses. In the short-run, this will help support net interest margins and hopefully lead to longer-term relationships with new commercial customers. The potential downside will be if banks are held liable for any future problems such as fraud issues.
- We believe net interest margins will be overshadowed by changes in credit quality and loan loss provisioning. Net interest margins for individual banks will be more erratic and depend more upon the size of the PPP, loan deferrals, and nonperforming assets.
- The median net interest margin for the highlighted banks have declined; and were 3.38%, 3.47%, and 3.57% for the quarters ended March 31, 2020, December 31, 2019, and March 31, 2019, respectively.
- Western Pennsylvania is home to nearly four million people, or about 30% of the state's population. Culturally, politically, and demographically, the western part is much different from the eastern half of the state.
- Operating in the coronavirus era is the single largest challenge banks face. Much will depend on how quickly the economy can rebound from state-mandated shutdowns.
- Western Pennsylvania was not hard-hit by COVID-19, compared with the state's heavily populated southeastern counties. As of June 5, much of the western portion of the state operates under the green phase, which is the least restrictive of Governor Wolf's three color reopening plan. Under the green phase, business must still adhere to guidance and limitations on occupancy and health and safety orders.
- At press time, approximately 77,500 Pennsylvanians tested positive for the coronavirus, of which approximately 5,700 have died, per the state's Department of Health. Since February 2020, the number of state residents on Medicare increased 2.2%, and those receiving other forms of public assistance rose 7.7%. State officials warned that applications for assistance could increase in July, when unemployment benefits from federal COVID-19 stimulus programs are set to terminate.
- **Mergers will largely be sidelined for the foreseeable future.** We believe, however, consolidation activity will likely reignite when market volatility eases and asset quality can be confidently assessed. It is our view that the credit downturn is just beginning so the timetable for intensified M&A activity remains uncertain.

Valuation Summary

Figure 2

After a good start, 2020 was a devastating time for bank investors as even high quality financial stocks were hammered. Pricing multiples fail to provide much importance given the high level of doubt regarding 2020 and 2021 earnings estimates. Economic uncertainty should cause questions regarding the adequacy of loan loss reserves, capital levels, and the quality of earnings estimates. Until the economy regains some sense of normalcy – and that could take some time – community bank stocks are likely to be volatile. Rapid mood swings between FOMO (Fear of Missing Out) and FOWO (Fear of Wiping Out) should encourage both bankers and investors to stay nimble and ready to take advantage of market opportunities.

	Median LTM P/E (x)	Median Price/ TBV (%)
Highlighted Banks	10.5	115
Mid-Atlantic Banks	10.8	103
All U.S. Banks	10.6	105

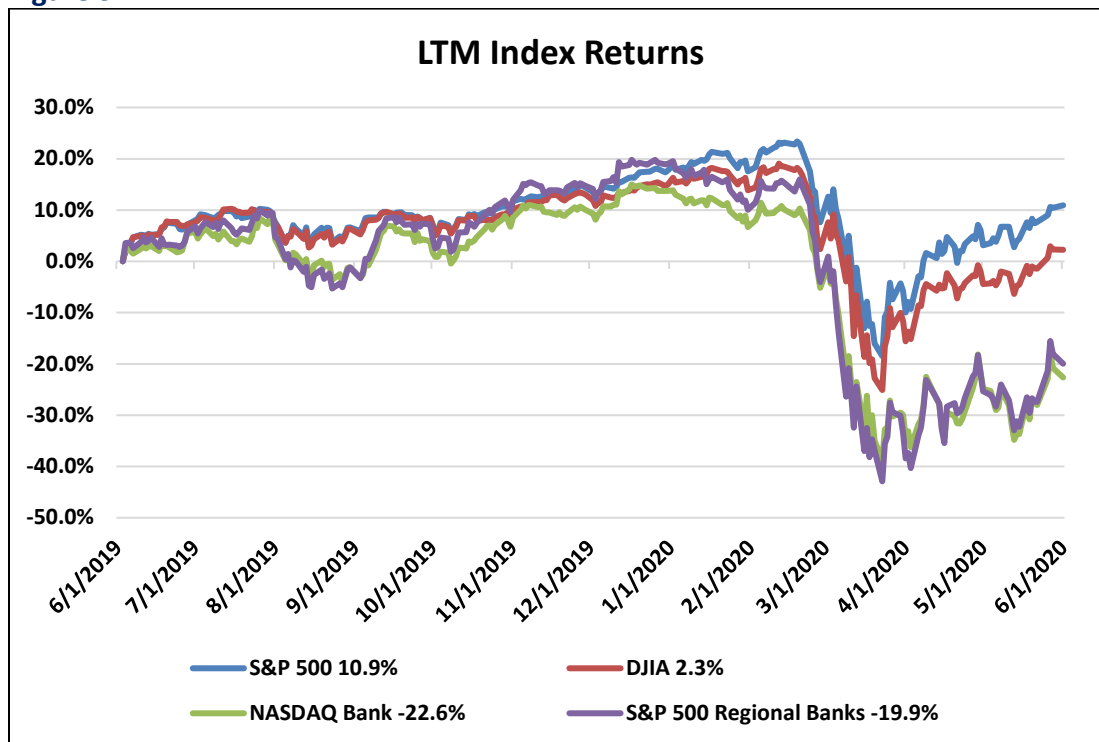
Source: S&P Global Market Intelligence. Pricing data as of June 5, 2020. Financial data as of or for the quarter ending March 31, 2020. U.S. banks between \$500mm and \$50B.

Earnings and credit concerns regarding banks have led their stock performance to lag that of the overall market. As of June 5, 2020, the S&P 500 Bank and NASDAQ Bank Indices decreased (24.5%) and (22.3%), respectively since the start of 2020. Over the same time period, the S&P 500 and DJIA Indices decreased only (1.2%) and (5.0%), respectively. As is typically the case in bear markets, the best buying opportunities go not only to the brave, but also to those with cash to invest.

Predicting elections is outside the scope of this report, but it seems possible that the more “hands off” regulatory attitude that has generally prevailed under the Trump Administration could change following the 2020 elections. This includes the appearance that bank regulators view mergers more benignly under the current White House administration than was the case under the previous administration.

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 particular time, bank stocks can be at the mercy of the market regardless of fundamentals.

Figure 3



Source: S&P Global Market Intelligence.

Dividends and Stock Repurchases

Our highlighted companies generally have suitable capital levels that should support dividend payments in normal times. Due to the uncertainty caused by the economic effects of COVID-19, it seems nearly impossible to forecast if community banks will sustain cash dividends stock repurchases as market forces and/or regulators may not permit such payments. As shown below, our highlighted companies have generally adhered to their “regular” dividend announcements. Many financial institutions throughout the U.S., including some of our highlighted companies, have announced stock buyback suspensions due to the uncertainty caused by the coronavirus.

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Figure 4

Institution	Ticker	Tangible Equity/ Assets	Most recent Dividend Announcement	Dividend Payout (%)	Dividend Yield (%)
1st Summit Bncp of Johnstown	FSMK	9.6	NA	0	0.0
AmeriServ Financial, Inc.	ASRV	7.7	4/16/2020	31	3.1
CB Financial Services, Inc.	CBFV	8.9	5/20/2020	43	3.6
CNB Financial Corporation	CCNE	7.6	5/19/2020	26	3.3
Emclaire Financial Corp.	EMCF	7.2	5/20/2020	47	5.2
First Commonwealth Fin'l Corp.	FCF	9.0	4/28/2020	48	4.7
Northwest Bancshares, Inc.	NWBI	9.4	4/27/2020	85	6.9
S&T Bancorp, Inc.	STBA	9.2	4/30/2020	44	4.3
Somerset Trust Holding Co.	SOME	8.6	5/21/2020	32	4.2
Standard AVB Financial Corp.	STND	11.7	4/30/2020	53	3.6
TriState Capital Holdings, Inc.	TSC	6.2	NA	0	0.0

*Dividend payout ratios based on LTM earnings; and may have been significantly impacted by loan loss reserve provisions in the first quarter of 2020.

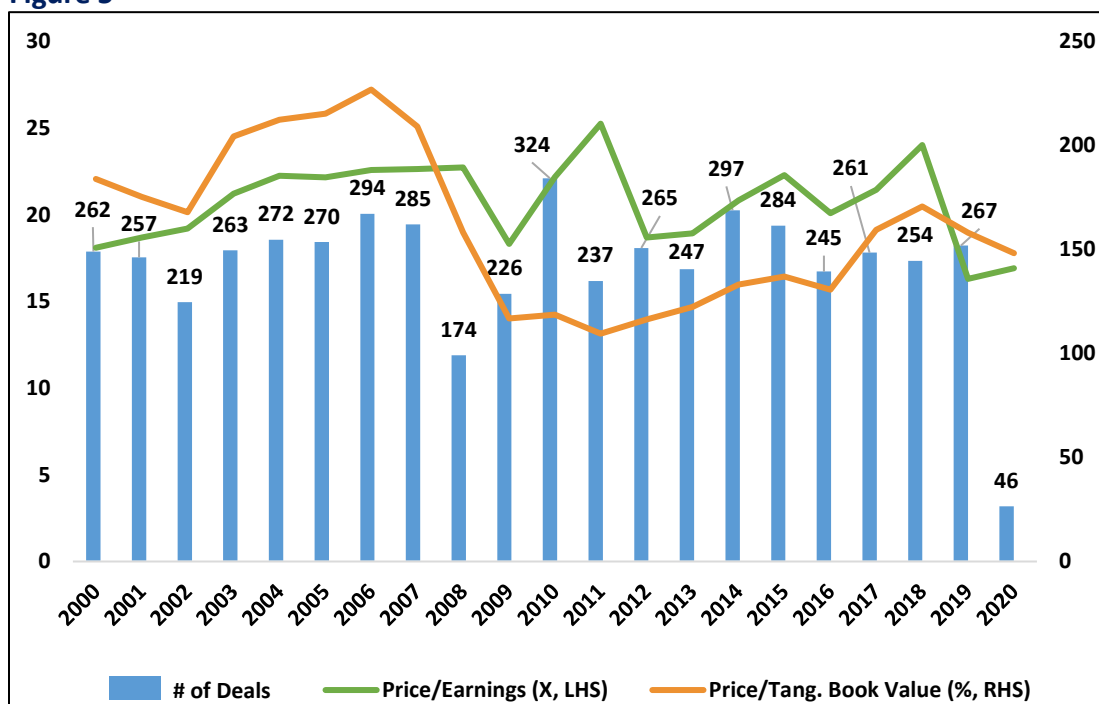
Source: S&P Global Market Intelligence.

Mergers and Acquisitions

Bank mergers and acquisitions are likely to be sidelined for the foreseeable future because of considerable economic and market uncertainty related to the coronavirus pandemic, but activity is likely to reignite when market volatility eases and asset quality can be confidently assessed.

As shown in the graph below, deal activity slowed measurably at the start of the Great Recession, but resumed once potential buyers gained more clarity regarding both their own balance sheets as well as those of potential sellers. **Savvy bankers and investors also recognize that the best deals generally occur when bank valuations are low.** Because there are many coronavirus-related issues to sort out, we do not rule out the possibility of more government-assisted deals at some point.

Figure 5



Source: S&P Global Market Intelligence. FDIC and MOE deals included. Data as of June 5, 2020.

Companies with stronger currencies are typically the more active acquirers. Among the larger in-state institutions, the more logical buyers of Pennsylvania’s community banks appear to be Bryn Mawr Bank Corp. (NASDAQ: BMT), FNB Corporation, First Commonwealth Financial Corporation (NYSE: FCF), Fulton Financial Corporation (NASDAQ: FULT), Northwest Bancorp (NASDAQ: NWBI), S&T Bancorp, and Univest Corporation of Pennsylvania (NASDAQ: UVSP).

Among the larger out-of-state institutions, the more logical buyers of Pennsylvania’s community banks appear to be Community Bank System, Inc. (NYSE: CBU), Investors Bancorp, Inc. (NASDAQ: ISBC), Lakeland Bancorp, Inc. (NASDAQ: LBAI), Tompkins Financial Corporation (AMEX: TMP), WSFS Financial Corporation (NASDAQ: WSFS), and WesBanco, Inc.

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(NASDAQ:WSBC). Provident Financial Services, Inc. (NYSE: PFS) appears to be sidelined due to its pending merger with New Jersey-based SB One Bancorp (NASDAQ: SBBX).

Thus far, there have been no deal announcements with Pennsylvania-based sellers in 2020. We ascribe the lack of any deal activity to the COVID-19 outbreak. There were six announced transactions in 2019 that involved Pennsylvania-based sellers vs. seven deals in both fiscal 2018 and 2017. **Examples of recent deals with Pennsylvania sellers are shown below.**

- On November 30, 2019, Indiana, PA-based, S&T Bancorp, Inc. completed its acquisition of Downingtown-based, DNB Financial in an all-stock deal valued at \$201 million. At completion, the transaction was priced at approximately 190% of tangible book value and 18.1 times trailing 12-month earnings. The acquisition provides S&T with an entrée into faster-growing Chester County, with 10 branches and the eighth largest deposit market share. PNC FIG Advisory served as financial advisor to DNB Financial.
- On April 1, 2019, Wellsboro, PA-based, Citizens & Northern Corporation (NASDAQ: CZNC) completed its acquisition of Doylestown-based Monument Bancorp. At completion, the cash and stock deal was valued at approximately \$41 million, which equated to 162% of tangible book value and 18.5 times trailing 12-month earnings. The core deposit premium was 7.8%. Citizens and Northern entered Bucks County with two branches.
- On March 8, 2019, Northwest Bancshares completed its acquisition of privately-owned, Donegal Financial Services Corporation, the parent company of Union Community Bank. The acquisition expands Northwest's presence in attractive Lancaster County markets and pushed total assets over the \$10 billion threshold. The transaction was valued at approximately \$86 million and equated to 172% of Union Community's tangible book value and 18 times trailing 12-month earnings. PNC FIG Advisory served as financial advisor to Northwest.
- On March 1, 2019, Wilmington, DE-based, WSFS Financial completed its acquisition of Philadelphia-based, Beneficial Bancorp in a stock and cash deal valued at approximately \$1.2 billion. At completion, the transaction was priced at approximately 135% of tangible book value, 25 times trailing 12-month earnings, and the core deposit premium was 8.7%. The acquisition expanded WSFS's presence in the Greater Philadelphia market, including parts of southern New Jersey.
- Orrstown Financial Services, Inc. (NASDAQ: ORRF) completed its acquisition of Mercersburg Financial Corp. on October 1, 2018. The stock and cash deal was valued at approximately \$30 million, which equated to approximately 140% of both book and tangible book value, and 31.9 times trailing 12-month earnings. PNC FIG Advisory served as financial advisor to Mercersburg.
- On the flip side, Orrstown completed its acquisition of Towson, MD-based, Hamilton Bancorp through a cash and stock deal valued at approximately \$53 million on May 1, 2019. The transaction was priced at 111% of tangible book value.

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Recent Deals with Pennsylvania Sellers

Figure 6

Buyer/Target Name	Status	Completion Date**	Deal Value (\$MM)	Price/Tangible Book (%)	Price/LTM Earnings (X)	Core Deposit Premium (%)
Citizens & Northern Corp./Covenant Financial Inc.	Pending	12/18/2019	77.2	194	20.8	14.1
Fidelity D & D Bancorp, Inc./MNB Corporation	Completion	5/1/2020	78.7	200	21.0	11.6
William Penn Bancorp/Fidelity SLA of Bucks County	Completion	5/1/2020	NA	NA	NA	NA
William Penn Bancorp/Washington Savings Bank	Completion	5/1/2020	NA	NA	NA	NA
S&T Bancorp, Inc./DNB Financial Corporation*	Completion	11/30/2019	206.0	208	19.2	NA
Somerset Trust Holding Company/First Bank of Lilly	Completion	10/1/2019	3.4	97	NM	-0.7
Citizens & Northern Corp./Monument Bancorp, Inc.	Completion	4/1/2019	42.7	164	16.7	12.3
MHC of Western PA/Union Building and Loan SB	Completion	4/1/2019	NA	NA	NA	NA
Northwest Bancshares/Donegal Fin'l Services Corp.*	Completion	3/8/2019	86.1	174	20.3	7.4
WSFS Financial Corporation/Beneficial Bancorp, Inc.	Completion	3/1/2019	1,507.4	177	53.0	16.6
LinkBancorp, Inc/Stonebridge Bank	Completion	10/5/2018	1.1	29	NM	NM
Orrstown Fin'l Services, Inc./Mercersburg Fin'l Corp.*	Completion	10/1/2018	32.2	156	35.7	8.5
Emclair Financial Corp/Community First Bancorp, Inc.	Completion	10/1/2018	17.7	195	26.9	11.1
Mid Penn Bancorp, Inc./First Priority Financial Corp.	Completion	7/31/2018	90.7	205	32.6	11.2
Juniata Valley Fin'l Corp./Liverpool Community Bank	Completion	4/30/2018	7.6	130	23.2	9.7
Mid Penn Bancorp, Inc./Scottdale Bank & Trust Co.*	Completion	1/8/2018	59.1	130	NM	6.4
Bryn Mawr Bank Corp./Royal Bancshares of PA, Inc.	Completion	12/15/2017	125.9	244	13.5	14.5
Penn Community Mutual Holdings Inc./Chelton Hills SB	Completion	10/1/2017	NA	NA	NA	NA
Riverview Financial Corp./CBT Financial Corp.*	Completion	10/1/2017	49.2	127	15.8	2.8
PI - Richard J. Green/Semperverde Holding Company	Completion	9/27/2017	NA	NA	NA	NA
First Bank/Bucks County Bank	Completion	9/15/2017	27.2	125	46.7	5.2
Ambler Savings Bank/Bally Savings Bank	Completion	5/31/2017	NA	NA	NA	NA
NextTier Incorporated/Manor Bank*	Completion	4/30/2017	2.3	87	NM	-1.0
Standard Financial Corp./Allegheny Valley Bancorp, Inc.	Completion	4/7/2017	53.6	125	15.0	3.6
Dollar Bank, FSB/Progressive-Home Federal SLA	Completion	3/25/2017	NA	NA	NA	NA
Prudential Bancorp, Inc./Polonia Bancorp, Inc.	Completion	1/1/2017	38.1	102	NM	NA
DNB Financial Corporation/East River Bank*	Completion	10/1/2016	49.0	158	21.7	11.3
Median			49.1	157	21.0	9.7

Deals announced through June 5, 2020

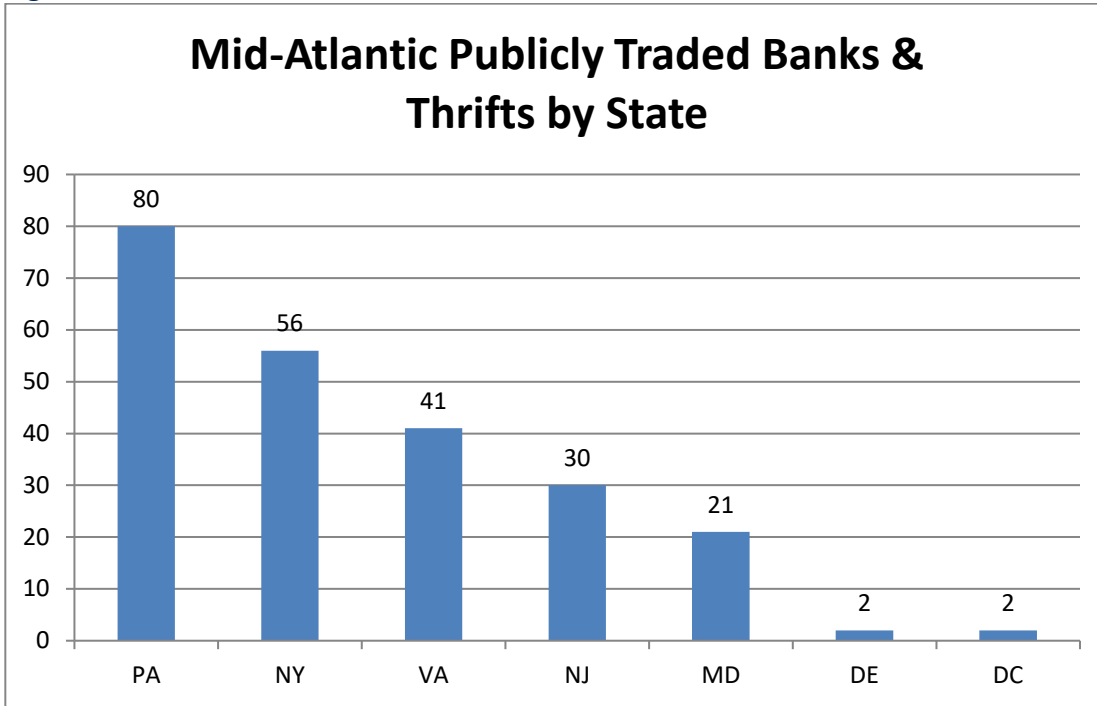
*PNC FIG Advisory Deals; **Announcement date is listed for pending deals

Source: S&P Global Market Intelligence

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Figure 7



Source: S&P Global Market Intelligence

Market Area

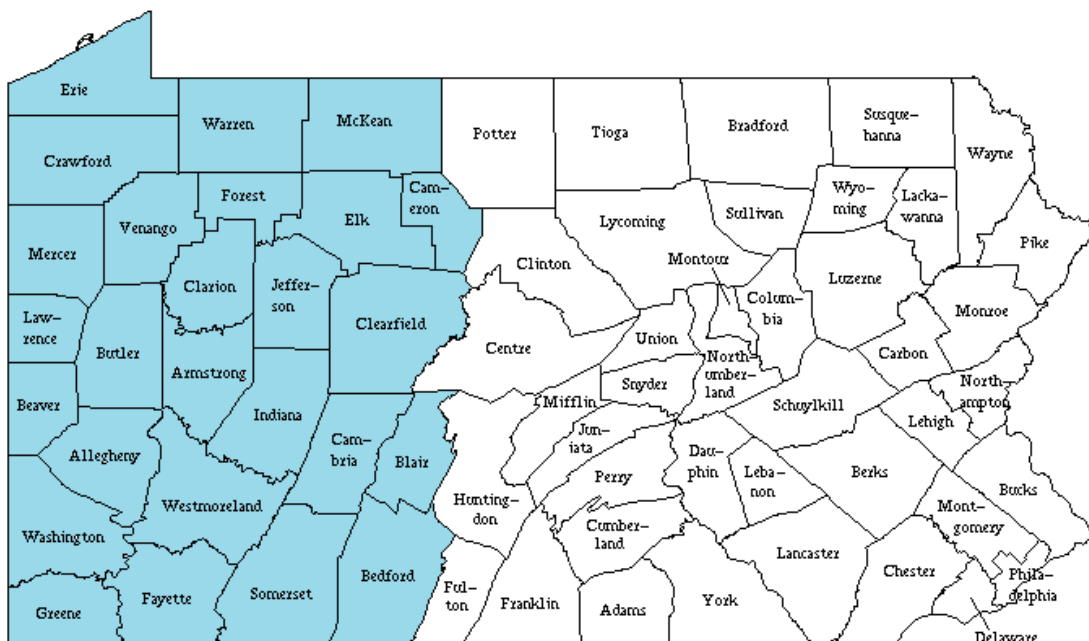
Western Pennsylvania Region (as defined herein)

Nearly four million people call Western Pennsylvania home, much of which is predominantly slower growth and non-metropolitan and/or rural. Much of Western Pennsylvania's economy and culture is tied to Pittsburgh, which has enjoyed an economic renaissance since the days of being dependent upon the fortunes of the steel industry. Today, Pittsburgh's competitive advantage rests with its highly-skilled workforce, technology-driven manufacturing, and world-class research institutions. The housing markets throughout Western Pennsylvania generally do not experience much appreciation during the economic boom years and are spared from the same degree of losses compared with other parts of the United States during economic downturns.

Economic development and natural gas drilling in parts of the region has been uneven for several years due to the "ups and downs" of oil and gas-related activity. Portions of Western Pennsylvania sit atop the Marcellus Shale Formation, which remains a highly productive formation and is a source of a significant amount of natural gas. The Marcellus Shale gas fields stretch 600 miles along the Appalachian Mountains from New York State to West Virginia and most of Pennsylvania. The fields are located near high-demand markets along the east coast and the proximity to these markets makes it an attractive target for energy development. The number of jobs created has been politicized and is hard to measure although the Pennsylvania Department of Labor and Industry estimated that approximately 200,000 direct and indirect jobs have been created – about 4.0% of total employment in a state with 5.0 million jobs. **Although drilling and the attributes of Marcellus Shale are hotly debated across the state (and political lines), it appears evident that the economic benefits are primarily realized in areas where drilling occurs, rather than throughout the entire state.**

Figure 8

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COVID-19 Impact: As we go to press, approximately 77,500 Pennsylvanians tested positive for the coronavirus, of which nearly 5,500 have perished, per the Center for Systems Science and Engineering at Johns Hopkins University. Since February 2020, the number of Pennsylvania residents on Medicare increased 2.2%, and those receiving other forms of public assistance rose 7.7%. State officials warned that applications for assistance could increase in July, when unemployment benefits from federal COVID-19 stimulus programs are set to terminate. Government statistics peg the official United States unemployment rate at 13.3% in May, a nice decline from 14.7% in April, but a sharp rise from the 50-year low of 3.5%, which was reported in February 2020.

There were much fewer cases of COVID-19 in Western Pennsylvania, compared with the more densely populated eastern half of the state. Much of the state’s western and northern counties generally did not experience pandemic outbreaks, except in nursing home care facilities.

As of June 5, Pennsylvania’s western counties will operate under the “green phase”, which is the least restrictive phase of Governor Tom Wolf’s plan to gradually reopen the economy. The green phase includes guidance on occupancy limits and health and safety orders that businesses must obey. For instance, any planned or spontaneous gathering of more than 250 individuals is prohibited and businesses are urged to continue to work remotely. Restaurants and bars will be open, but limited to 50% occupancy. Governor Wolf recently allowed the real estate industry to resume in-person activity across Pennsylvania, including counties that are not yet categorized into the first (“yellow”) phase of reopening.

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Pittsburgh Market Area. Pennsylvania's second largest city evolved to a more diversified economy from its roots as a steel town. The Pittsburgh Metropolitan Statistical Area ("MSA") has a stable population of approximately 2.4 million people with a median household of approximately \$64,000. (We opine that it is reasonable to assume that the median household incomes will decline in 2020 due to the economic fallout of the coronavirus pandemic.) No single sector comprises more than 20% of total jobs. Although job growth lags that of other parts of the United States, wages in the Pittsburgh metropolitan area grew faster than most regions as the type of jobs have changed. Manufacturing and government jobs have dropped, but higher-paying jobs in law firms, accounting firms and banks have increased.

Prior to the coronavirus pandemic, the overall economic stability has contributed to positive developments in the Pittsburgh area real estate market. Home prices fared better than most regions across the United States, as there wasn't excess appreciation prior to the Great Recession. Over the past ten years, Pittsburgh real estate appreciated nearly 60% and the median home price is approximately \$165,000. Major employers include the University of Pittsburgh Medical Center, Highmark Health, U.S. Government, Commonwealth of Pennsylvania, University of Pittsburgh, and Giant Eagle Inc. and BNY Mellon Corp. According to the U.S. Bureau of Labor Statistics, the unemployment rate (not seasonally adjusted) in the Pittsburgh MSA jumped to 16.3% in April 2020, from 4.5% in December 2019. The unemployment rate in Pennsylvania was 15.1% in April 2020. At press time, it appears that the U.S. unemployment rate was 13.3% in May 2020.

Northwest Market Area. The Northwest area, represented by the Erie MSA, is a slow to slightly declining population growth region. The population of the Erie MSA is approximately 270,000 people and the projected 2020-2025 population growth rate is negative (1.6%). The median household income is approximately \$54,700, compared with the national average of \$66,000. (We opine that it is reasonable to assume that the median household income will decline in 2020 due to the economic fallout of the coronavirus pandemic.) Manufacturing industries have cut jobs in recent years, forcing younger workers to leave the area. **Erie has more in common with Buffalo and southwestern New York than it does with Pittsburgh and other smaller Pennsylvania metropolitan areas.** Positive attributes include the Marcellus Shale formation, affordable housing, and its location near the Great Lakes' shipping and recreation centers. According to the U.S. Bureau of Labor Statistics, the unemployment rate (not seasonally adjusted) in the Erie MSA jumped to 16.7% in April 2020, from 5.0% in December 2019.

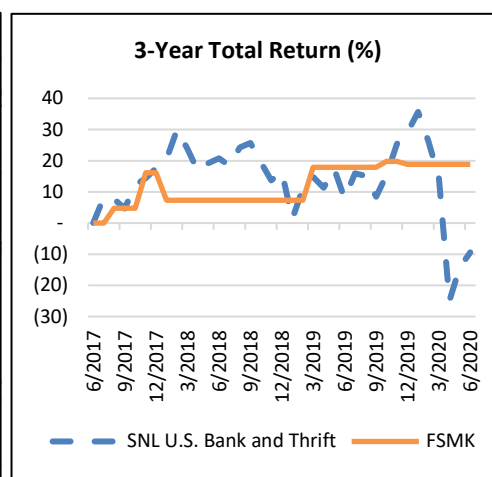
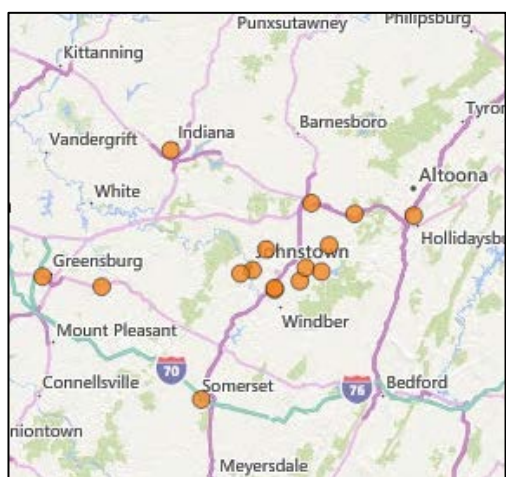
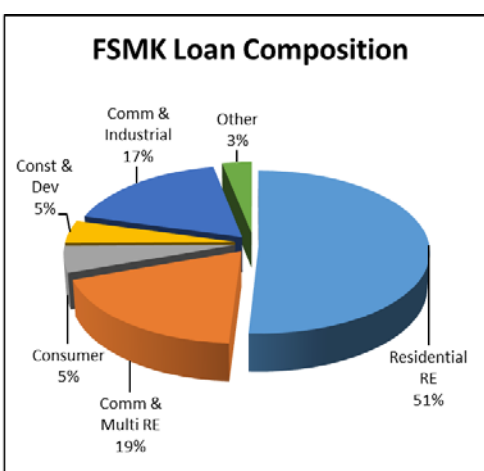
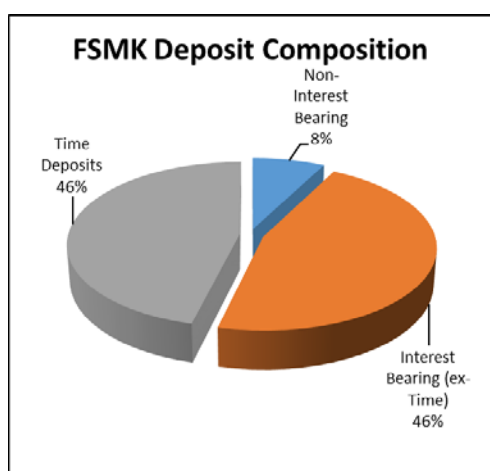
Johnstown Market Area. The population of this metropolitan area is approximately 130,000 people and the median household income is approximately \$48,300. (We opine that it is reasonable to assume that the median household incomes will decline in 2020 due to the economic fallout of the coronavirus pandemic.) Johnstown, however, continues to have a cost of living that is lower than the national average. The population is expected to decline 3.5% over the next five years. Johnstown is home to The University of Pittsburgh at Johnstown, Pennsylvania Highlands Community College and Cambria-Rowe Business College. The high-tech defense industry is now the main non-health care staple of the Johnstown economy, with the region filling many Federal government contracts, punctuated by one of the top defense trade shows in the United States. According to the U.S. Bureau of Labor

Statistics, the unemployment rate (not seasonally adjusted) in the Johnstown MSA jumped to 17.4% in April 2020, from 5.9% in December 2019.

Altoona Market Area. Located between Pittsburgh and State College, the Altoona MSA is home to approximately 122,000 individuals. The median household income is approximately \$49,500, although the cost of living is lower than the national average. (We opine that it is reasonable to assume that the median household incomes will decline in 2020 due to the economic fallout of the coronavirus pandemic.) Altoona is home to Sheetz - one of the nation's largest convenience and gas station chains – and Penn State University of Altoona. Other major employers in the Altoona area include the Altoona Area School District, Blair County Government, Del Grosso's Amusement Park, and Giant Food Stores LLC. According to the U.S. Bureau of Labor Statistics, the unemployment rate (not seasonally adjusted) in the Altoona MSA jumped to 17.3% in April 2020, from 5.0% in December 2019.

Company Descriptions

1st Summit Bancorp of Johnstown, Inc. (OTCPK: FSMK). Formed in 1924, 1st Summit Bancorp operates 21 branch offices across six counties in southwestern Pennsylvania. The year 2020 marks the 43rd consecutive year that the company increased its annual cash dividend. The cash dividend has increased 145% over the past 10 years. The majority of the company's deposits are in Cambria County. 1st Summit uses the incurred loss model regarding loan loss allowances and as of March 31, 2020, the loan loss allowance was 0.97% of total loans compared with 0.98% as of year-end, 2019. At March 31, 2020, total loans were 51% of total assets, the loan-to deposit ratio was 61%, and tangible common equity was 9.6% of tangible assets. As of the same date, 1st Summit had total assets of \$1.1 billion, total deposits of \$947.0 million, and shareholders' equity of \$106.1 million.



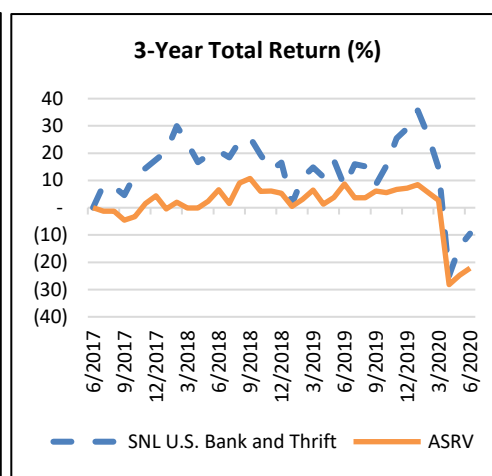
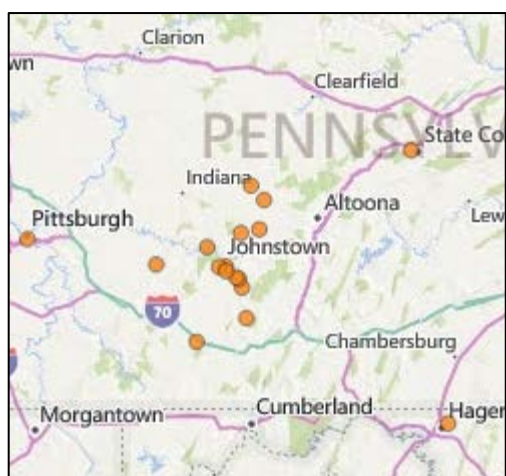
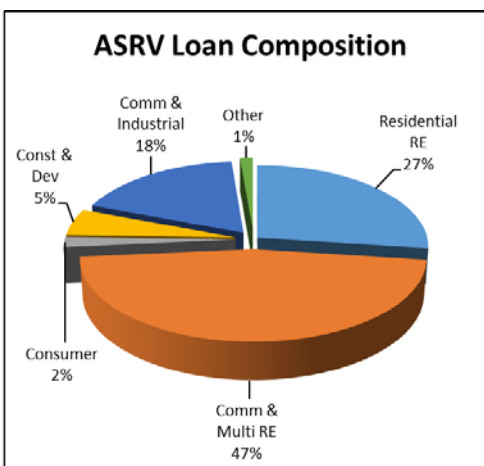
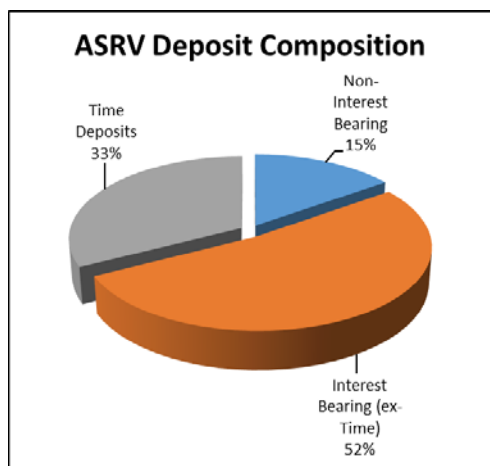
Source: S&P Global Market Intelligence

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AmeriServ Financial, Inc. (NASDAQ: ASRV). AmeriServ is a bank holding company organized in 1983 under the Pennsylvania Business Corporation Law. Headquartered in Johnstown, AmeriServ is state-chartered and operates 16 locations in Allegheny, Cambria, Centre, Somerset, and Westmoreland counties, Pennsylvania, and Washington County, Maryland. Wealth management continues to be an important strategic focus as it contributes to non-interest revenue, which in turn, comprised nearly 20% of the company’s total revenue in 2019. The company has approximately \$2.2 billion in assets under administration. Approximately 155 non-supervisory employees, or nearly half of total employees, are represented by the United Steelworkers, AFL-CIO-CLC, Local Union 2635-06. The company is one of an estimated 10 union-represented banks nationwide. AmeriServ uses the incurred loss model regarding the loan loss allowance; and as of March 31, 2020, the loan loss ratio was 1.06% compared with 1.05% as of year-end 2019. As of March 31, 2020, total loans were approximately 75% of total assets, the loan-to deposit ratio was 92%, and the tangible common equity ratio was 7.5%. As of the same date, AmeriServ had total assets of \$1.2 billion, total deposits of \$957.6 million, and shareholders’ equity of \$100.8 million.

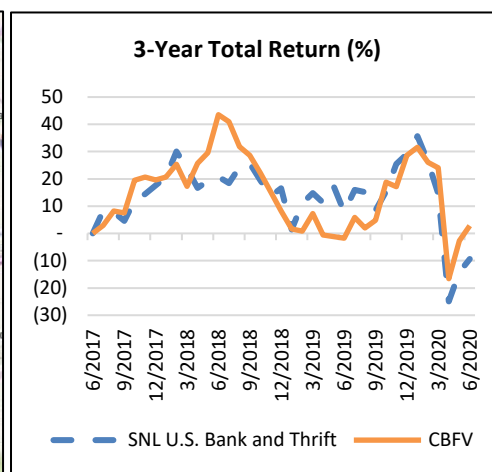
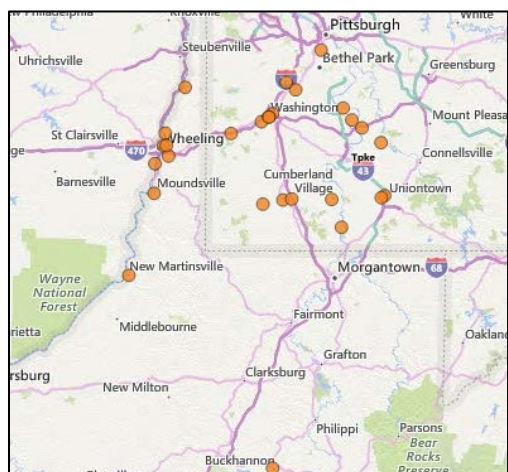
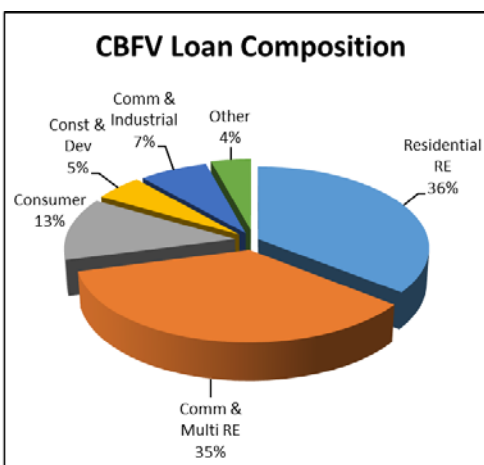
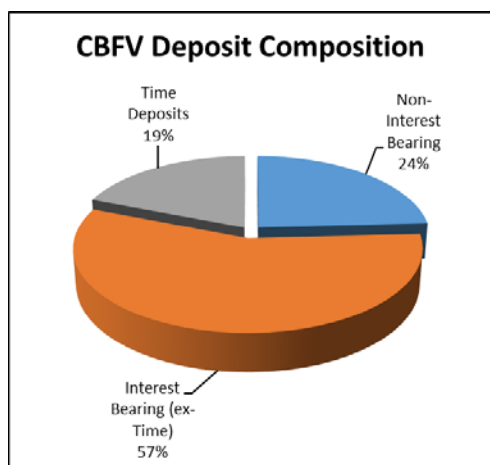


Source: S&P Global Market Intelligence

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CB Financial Services, Inc. (NASDAQ: CBFV). Headquartered in Carmichaels, Greene County, the company operates primarily through its wholly owned subsidiary, Community Bank, a Pennsylvania-chartered commercial bank. Originally chartered in 1901, the bank conducts its business from its main office and 28 branches in Greene, Allegheny, Washington, Fayette, and Westmoreland counties in southwestern Pennsylvania and parts of West Virginia and Ohio. The company is well-positioned to take advantage of any economic growth associated with the Marcellus and Utica shale fields. The company’s cash and stock acquisition of Wheeling-based, First West Virginia Bancorp (valued at approximately \$50 million) was completed April 30, 2018. First West Virginia had total assets of approximately \$345 million. In 2014, CB Financial acquired Monessen-based, FedFirst Financial Corporation. In addition to conducting traditional commercial banking activities, the company’s wholly-owned subsidiary, Exchange Underwriters, Inc. is a full-service, independent insurance agency that offers a wide variety of insurance products. CB Financial Services uses the incurred loss model regarding the loan loss allowance; and as of March 31, 2020, the loan loss ratio was \$12.3 million, or 1.24% of total loans, compared with \$9.9 million, or 1.04% as of year-end 2019. As of March 31, 2020, total loans were approximately 75% of total assets, the loan-to deposit ratio was 88%, and the tangible common equity ratio was 8.9%. As of the same date, total assets, deposits, and shareholders’ equity were \$1.3 billion, \$1.1 billion, and \$151.1 million, respectively.



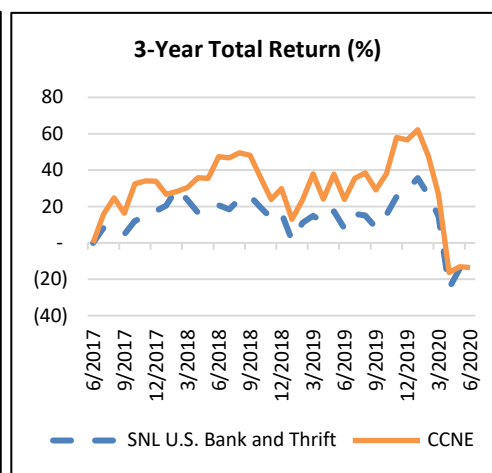
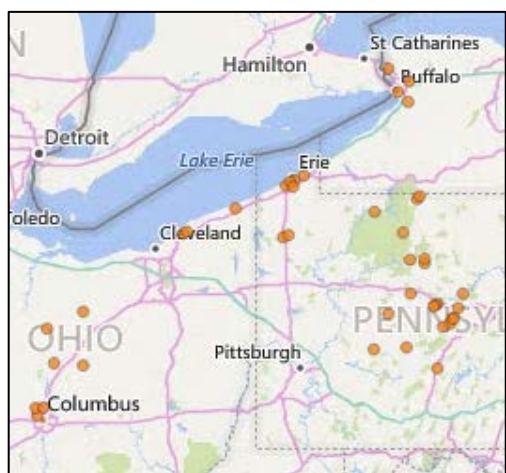
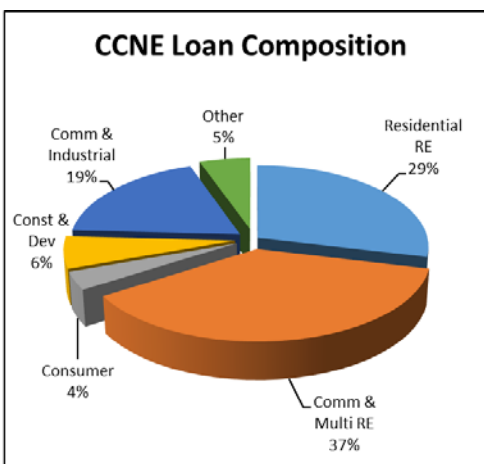
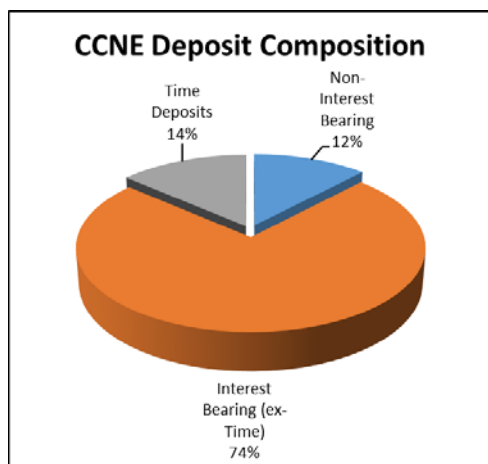
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Source: S&P Global Market Intelligence

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CNB Financial Corp. (NASDAQ: CCNE). CNB Financial, a financial holding company, is headquartered in the county seat of Clearfield County. The company has a private banking division and 42 branches and a loan production office in Pennsylvania, Ohio, and New York. CNB’s primary market area includes nine Western and Central Pennsylvania counties and 10 Ohio counties. The company is an experienced acquirer. Its most recent deal is the pending acquisition of Akron, New York-based, Bank of Akron, which was announced on December 18, 2019. At the time of announcement, the stock and cash deal was valued at \$65 million, which equated to 171% of tangible book value and 13.9 times trailing 12-month earnings. In 2016, the company acquired Lake National Bank, a privately held financial institution headquartered in Mentor, Ohio. The company previously entered Ohio through the acquisition of FC Banc Corp. in 2013. CNB Financial uses the incurred loss model regarding the loan loss allowance; and as of March 31, 2020, the loan loss ratio was \$21.9 million, or 0.77% of total loans, compared with \$19.5 million, or 0.69% as of year-end 2019. As of March 31, 2020, total loans were 76% of total deposits, the loan-to-deposit ratio was 92%, and the tangible common equity ratio was 7.7%. As of the same date, CNB Financial had total consolidated assets of \$3.8 billion, total deposits of \$3.1 billion, and total shareholders’ equity of \$324.8 million.



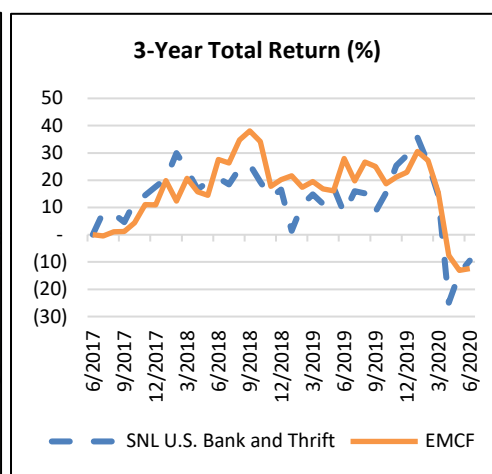
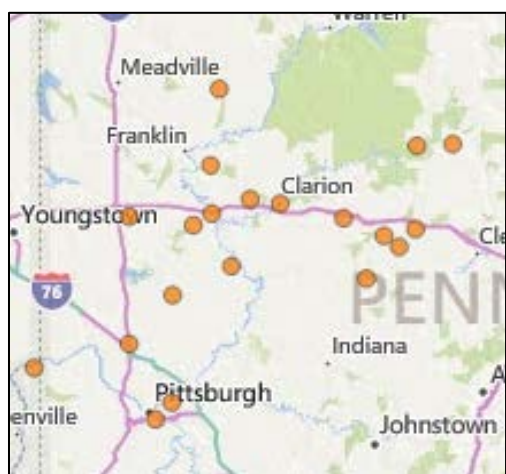
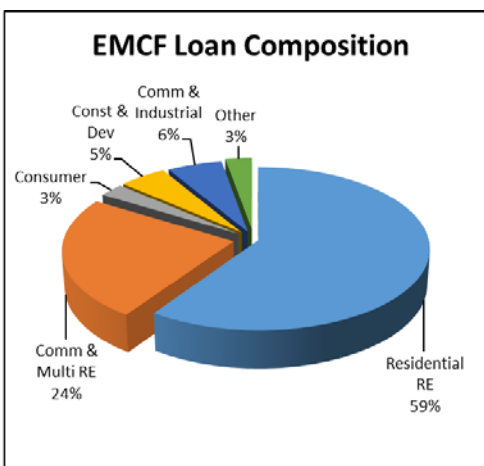
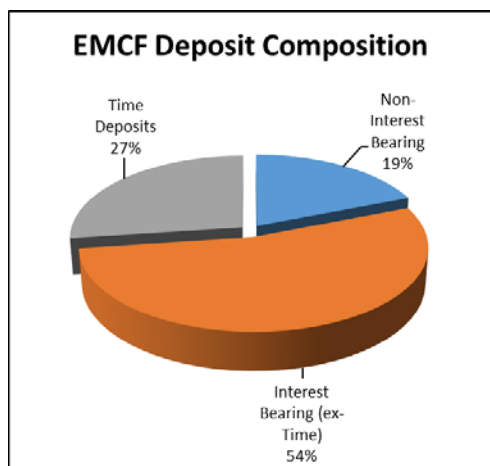
Source: S&P Global Market Intelligence

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Institutional Use Only

Emclaire Financial Corp. (NASDAQ: EMCF). Emclaire Financial is the parent company of The Farmers Bank of Emlenton. Headquartered in Emlenton (approximately 85 miles northeast of Pittsburgh), the company operates 20 branches in western Pennsylvania and Hancock County, West Virginia. On October 1, 2018, Emclaire completed its acquisition of Reynoldsville, PA-based, Community First Bancorp Inc. The stock and cash deal was valued at approximately \$19 million and increased the company’s presence in the Pittsburgh and other western Pennsylvania markets. In September 2017, Emclaire completed its acquisition of Newell, West Virginia-based, Northern Hancock Bank & Trust Co. Northern Hancock had total assets of \$26.1 million. Emclaire Financial uses the incurred loss model regarding the loan loss allowance; and as of March 31, 2020, the loan loss ratio was \$7.2 million, or 0.97%, of total loans, compared with \$6.6 million, or 0.93%, as of year-end 2019. As of March 31, 2020, loans were 79% of total assets, the loan-to-deposit ratio was 95%, and the tangible common equity ratio was 6.8%. As of the same date, Emclaire Financial had total assets, deposits, and stockholders’ equity of approximately \$944.2 million, \$782.7 million, and \$87.5 million, respectively.



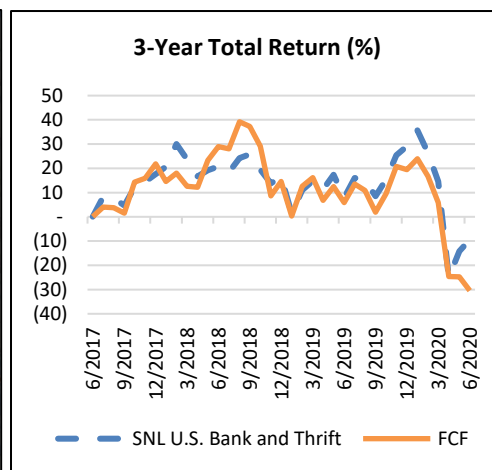
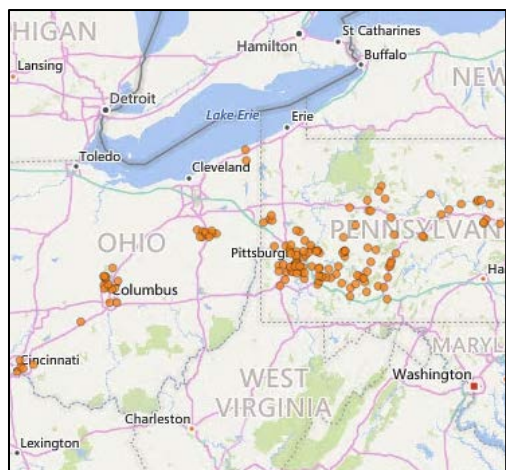
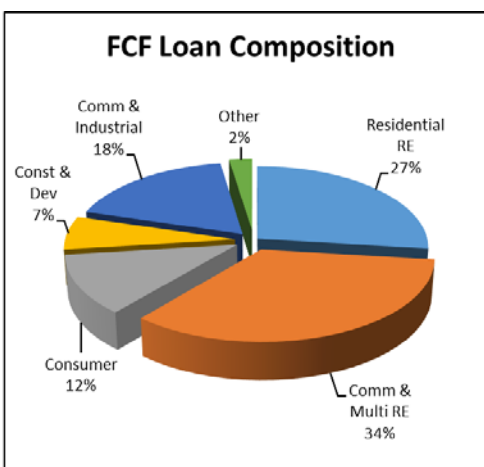
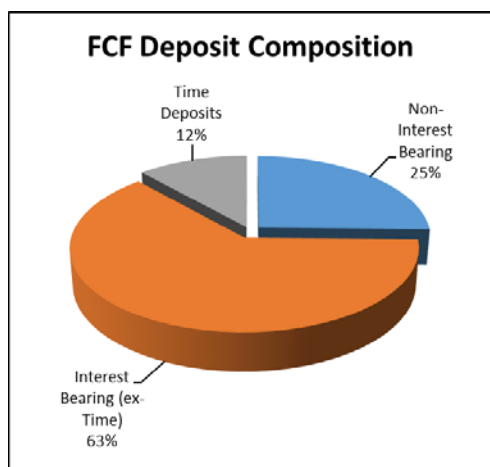
Source: S&P Global Market Intelligence

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Institutional Use Only

First Commonwealth Financial Corporation (NYSE: FCF). First Commonwealth, a financial holding company, is headquartered in Indiana, approximately 60 miles northeast of Pittsburgh. The company operates 148 community banking offices in western and central Pennsylvania, and Ohio. The company provides a diversified array of consumer and commercial banking services along with trust and wealth management services and insurance products. Nearly 25% of revenue is derived from fee income. On September 6, 2019, the company acquired 14 branches in Central Pennsylvania from Banco Santander. First Commonwealth paid a 7.05% deposit premium - the branches had about \$525 million of deposits and \$120 million of loans. In 2018, First Commonwealth acquired Cincinnati-based Foundation Bank, which had total loans and deposits of \$184 million and \$141 million, respectively. The company had an existing Ohio presence following the 2017 purchase of Delaware County-based, DCB Financial Corp. and the 2015 acquisition of Columbus-based, First Community Bank. First Commonwealth uses the incurred loss model regarding the loan loss allowance; and as of March 31, 2020, the loan loss ratio was \$79.1 million, or 1.25%, of total loans, compared with \$51.6 million, or 0.83%, as of year-end 2019. As of March 31, 2020, loans were 74% of total assets, the loan-to-deposit ratio was 91%, and the tangible common equity ratio was 9.0%. As of the same date, First Commonwealth had total assets, deposits, and stockholders' equity of approximately \$8.5 billion, \$6.9 billion, and \$1.1 billion, respectively.

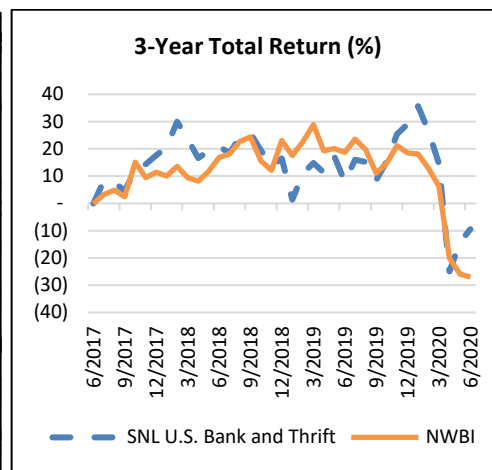
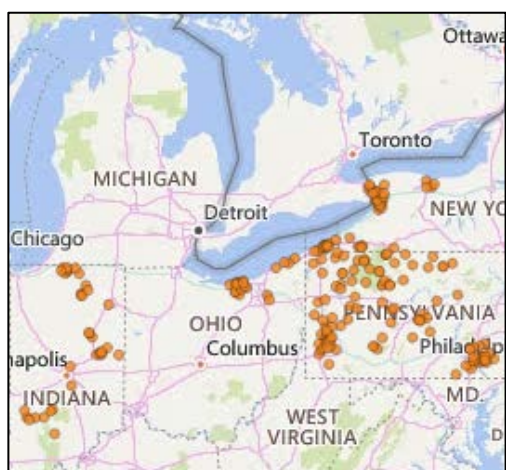
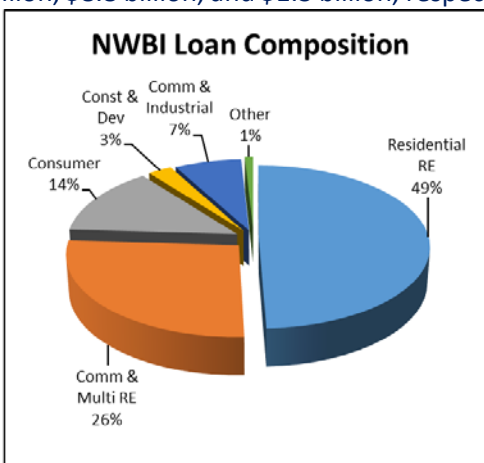
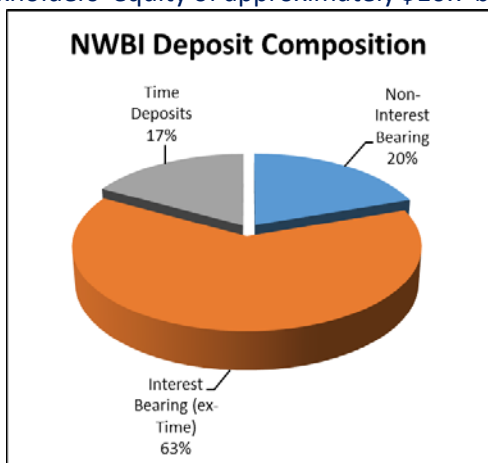


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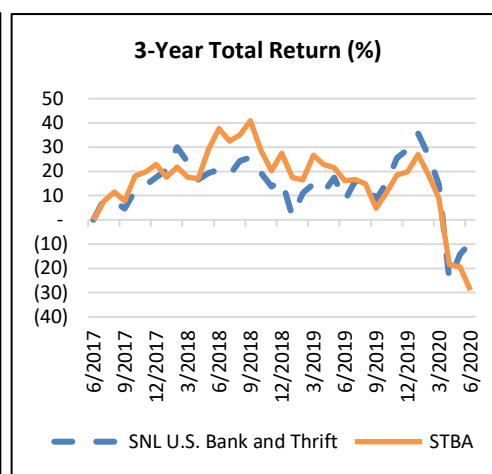
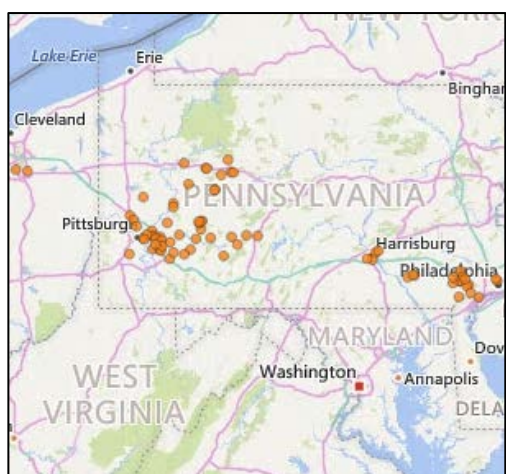
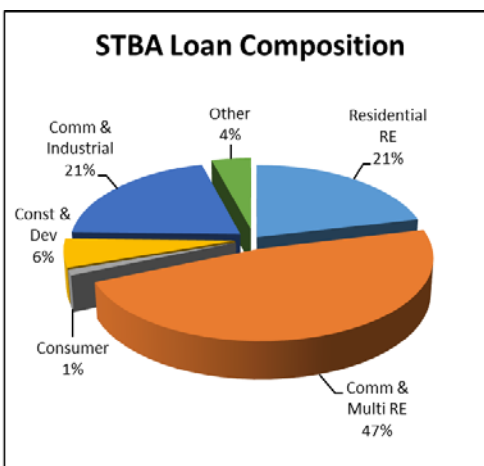
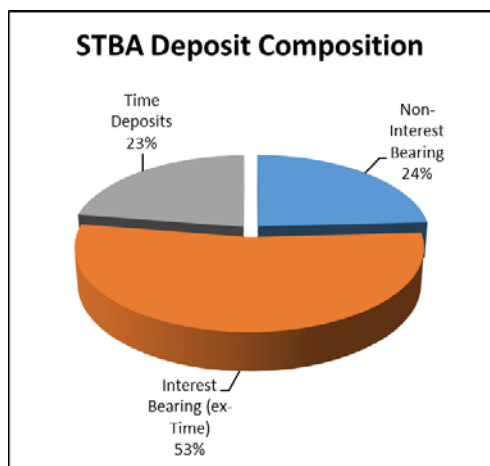
Northwest Bancshares, Inc. (NASDAQ: NWBI). Formed in 2009 through a mutual holding company reorganization and concurrent “second step” offering, Northwest Bancshares is a savings and loan holding company primarily regulated by the Federal Reserve. Northwest is community-oriented and provides personal and business banking, investment management and trust services and insurance products through 217 offices. The company’s market area is fairly extensive due mainly to numerous acquisitions over several years. Its most recent whole bank deal was the acquisition of Muncie, Indiana-based, MutualFirst Financial Inc. Completed on April 24, 2020, this all-stock deal was valued at approximately \$213 million (\$346 million at announcement date), which equated to 106% of tangible book value and 9.1 times trailing 12-month earnings. In March 2019, Northwest acquired privately-owned, Donegal Financial Services Corporation, the parent company of Union Community Bank. The acquisition expanded Northwest’s presence by 11 branches in attractive Lancaster County, PA markets and pushed total assets over the \$10 billion threshold. PNC FIG Advisory served as financial advisor to Northwest. Northwest uses the CECL model regarding the loan loss allowance; and as of March 31, 2020, the loan loss ratio was \$92.9 million, or 1.05%, of total loans, compared with \$57.9 million, or 0.66%, as of year-end 2019. As of March 31, 2020, loans were 83% of total assets, the loan-to-deposit ratio was 100%, and the tangible common equity ratio was 9.5%. As of the same date, Northwest had total assets, deposits, and stockholders’ equity of approximately \$10.7 billion, \$8.8 billion, and \$1.3 billion, respectively.



Source: S&P Global Market Intelligence

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S&T Bancorp, Inc. (NASDAQ: STBA). Headquartered in Indiana, which is approximately 60 miles northeast of Pittsburgh, S&T is a bank holding company with 74 branch offices. Founded in 1902, the company’s traditional core markets radiate from the city of Indiana to five distinct markets points including Western Pennsylvania, Central Pennsylvania, Northeast Ohio, Central Ohio, and Upstate New York. On November 30, 2019, Indiana, PA-based, S&T Bancorp, Inc. completed its acquisition of Downingtown-based, DNB Financial in an all-stock deal valued at \$201 million. At completion, the transaction was priced at approximately 190% of tangible book value and 18.1 times trailing 12-month earnings. PNC FIG Advisory served as financial advisor to DNB Financial. In 2015, S&T expanded into the Harrisburg metropolitan area via the acquisition of Integrity Bancshares. S&T uses the CECL model regarding the loan loss allowance; and as of March 31, 2020, the loan loss ratio was \$96.8 million, or 1.34%, of total loans, compared with \$62.2 million, or 0.87%, as of year-end 2019. As of March 31, 2020, loans were 80% of total assets, the loan-to-deposit ratio was 103%, and the tangible common equity ratio was 9.2%. As of the same date, S&T had total assets, deposits, and stockholders’ equity of approximately \$9.0 billion, \$7.1 billion, and \$1.2 billion, respectively.



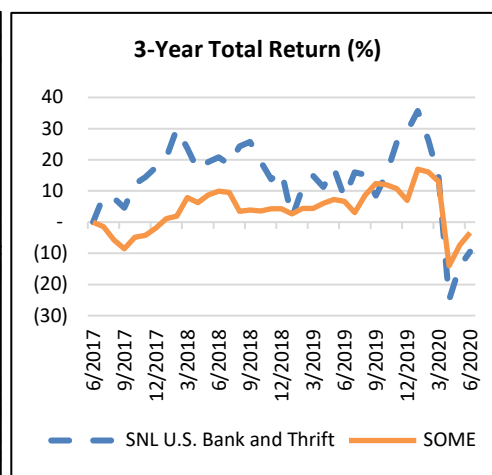
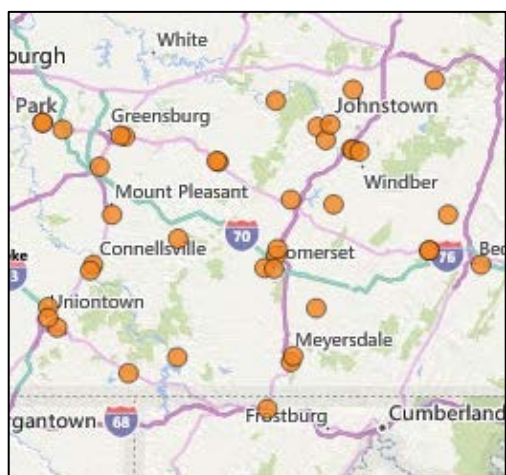
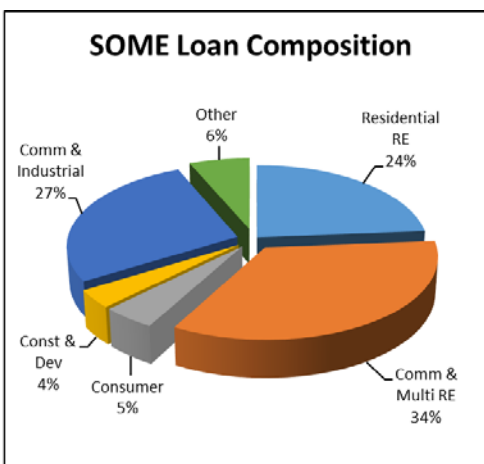
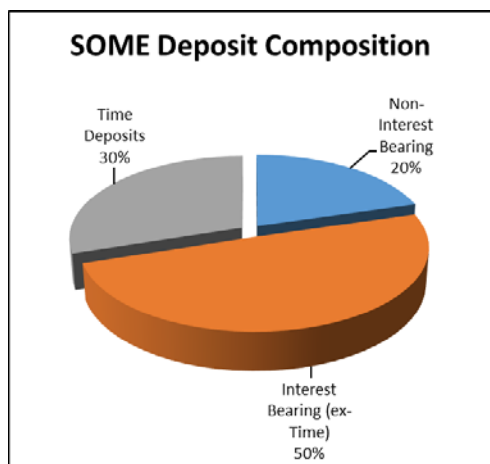
Source: S&P Global Market Intelligence

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Somerset Trust Holding Company (OTCPK: SOME). Headquartered in Somerset, approximately 70 miles east of Pittsburgh, Somerset Trust operates 40 branches in five southwestern Pennsylvania counties. Somerset is a Pennsylvania company organized to become the holding company of its banking subsidiary, which is a state chartered institution. Founded in 1889 by Congressman and Civil War veteran Edward Scull and his son, George, the company today operates under the leadership of the fifth generation of the Scull family. On October 1, 2019, Somerset Trust completed its acquisition of First Bank of Lily, headquartered in Lily, PA, through a stock deal valued at \$3.4 million. This equated to a price to tangible book value of approximately 92% and price to trailing 12-month earnings of 68.7 times. Somerset Trust is the leader among depository institutions with regard to deposit market share (43%) in Somerset County. Somerset uses the incurred loss model regarding the loan loss allowance; and as of March 31, 2020, the loan loss ratio was 1.32%, of total loans, compared with 1.25%, as of year-end 2019. As of March 31, 2020, loans were 68% of total assets, the loan-to-deposit ratio was 87%, and the tangible common equity ratio was 8.7%. As of the same date, Somerset had total assets, deposits, and stockholders' equity of approximately \$1.4 billion, \$1.1 billion, and \$121.6 billion, respectively.

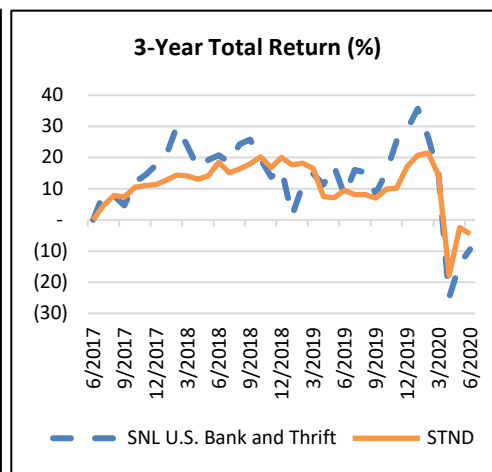
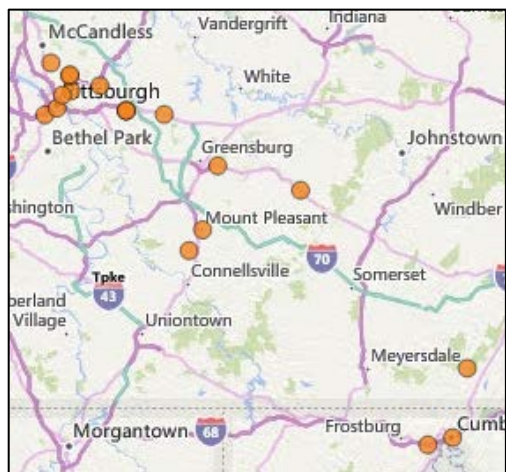
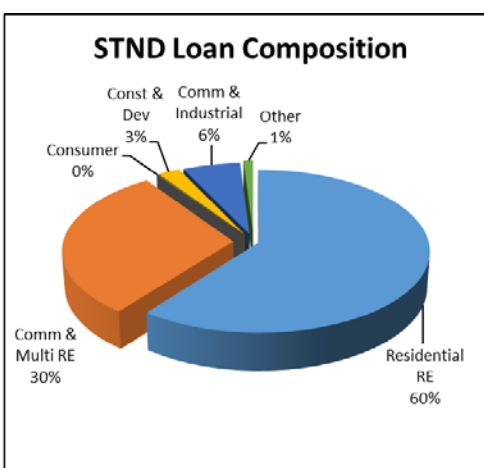
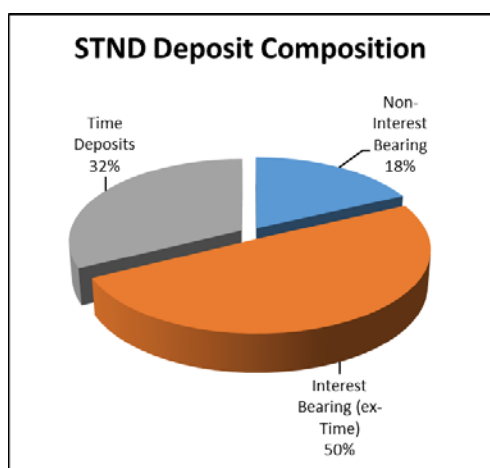


Source: S&P Global Market Intelligence

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Standard AVB Financial Corp. (NASDAQ: STND). Headquartered in Monroeville (a Pittsburgh suburb), Standard is the parent company of Standard Bank, PaSB, a Pennsylvania chartered savings bank, which operates 17 offices serving individuals and small to mid-sized businesses in Allegheny, Westmoreland, and Bedford counties in Pennsylvania, and Allegany County in Maryland. In 2017, Standard completed its merger-of-equals with Allegheny Valley Bancorp through a stock deal valued at approximately \$58 million. (Standard converted to stock form in 2010.) Standard AVB uses the incurred loss model regarding the loan loss allowance; and as of March 31, 2020, the loan loss ratio was \$5.4 million, or 0.75%, of total loans, compared with \$4.9 million, or 0.68%, as of year-end 2019. As of March 31, 2020, loans were 72% of total assets, the loan-to-deposit ratio was 97%, and the tangible common equity ratio was 11.7%. As of the same date, Standard AVB had total assets, deposits, and stockholders' equity of approximately \$991.8 million, \$729.5 million, and \$140.8 million, respectively.



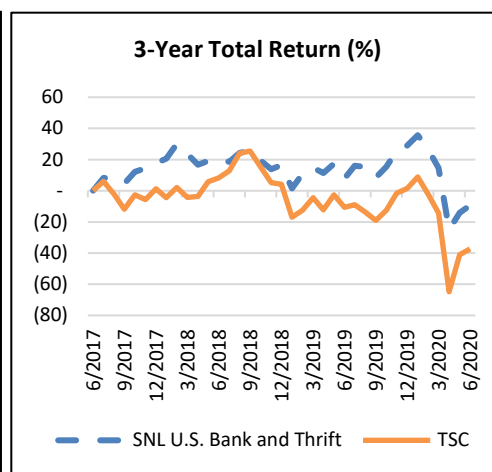
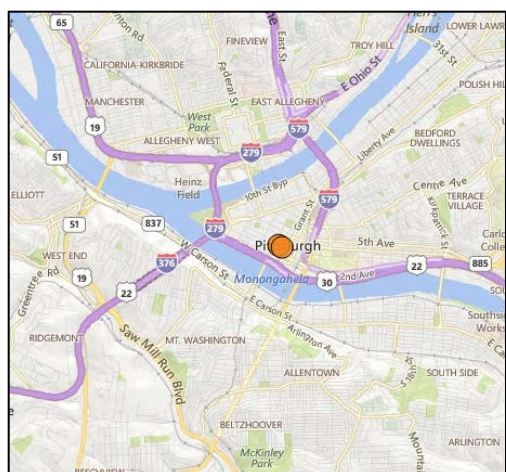
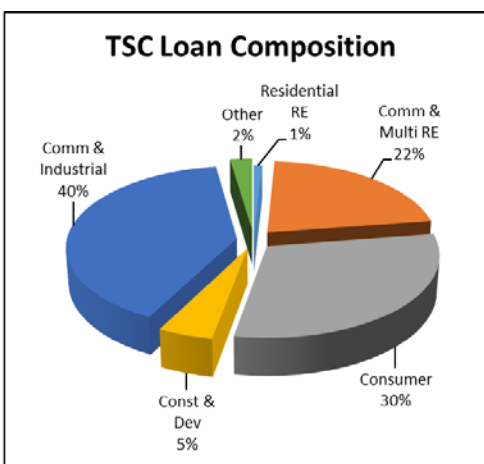
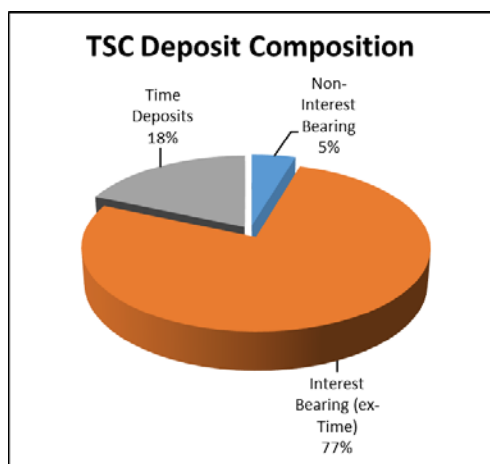
Source: S&P Global Market Intelligence

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TriState Capital Holdings, Inc. (NASDAQ: TSC). Headquartered in Pittsburgh, TriState is a bank holding company with three wholly owned subsidiaries: TriState Capital Bank, a Pennsylvania chartered bank; Chartwell Investment Partners, LLC, a registered investment advisor; and Chartwell TSC Securities Corp., a registered broker/dealer. Chartwell Investment Partners had \$2.2 billion in assets under management. TriState serves middle-market businesses primarily in PA, OH, NJ, and NY and high-net worth individuals nationally via its private banking channel. On May 29, 2020, TriState priced a \$37.5M upside of a previously announced \$60.0M sub debt offering. The sub debt qualifies as Tier 2 capital at the holding company and was issued as a 10 year fixed to float structure maturing in May 2030 with a five year call option. The notes will have a coupon of 5.75% for the first five years floating thereafter at three month LIBOR plus 5.36%. PNC FIG Advisory, part of PNC Capital Markets LLC, acted as joint lead underwriter.

TriState Capital uses the incurred loss model regarding the loan loss allowance; and as of March 31, 2020, the loan loss ratio was \$17.3 million, or 0.25%, of total loans, compared with \$14.1 million, or 0.21%, as of year-end 2019. As of March 31, 2020, loans were 72% of total assets, the loan-to-deposit ratio was 89%, and the tangible common equity ratio was 4.9%. As of the same date, TriState Capital had total assets, deposits, and stockholders' equity of approximately \$9.0 billion, \$7.8 billion, and \$614.4 million, respectively.



Source: S&P Global Market Intelligence

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Investment Summary

March 2020 quarter results for our highlighted banks – good, bad, and indifferent-were eclipsed by coronavirus-related macro-economic developments and overall stock market volatility. **There is much uncertainty regarding future earnings and many companies are reluctant to provide earnings estimates and/or specific guidance.** The overall direction of lower bank earnings appears clear, however, as credit will likely be a serious source of concern for the next several quarters. Loan charge-offs, which typically lag provisions, appear likely to increase significantly in the upcoming quarters. Anecdotal evidence suggests that many economic assumptions used to calculate CECL reserves for the first quarter deteriorated subsequent to March 31, 2020.

Net interest margins remained under pressure for most community banks over the first quarter of 2020. **Asset/liability officers remain challenged to overcome historically low interest rates and the likelihood of inconsistency driven by PPP balances and when the associated fees are realized.** The median net interest margin for our highlighted banks was 3.38% for the first quarter of 2020, compared with 3.28% for mid-Atlantic banks with total assets between \$2 and \$15 billion.

As of March 31, 2020, the median investment securities-to-total assets ratio was 15%, which is comparable to the same ratio at this time, last year. **As a general rule in the uncertain interest rate environment, banks must pay greater attention to their profitability potential while attending to interest rate risk and liquidity demands.**

Figure 9

Institution	LTM ROAA (%)	LTM ROAE (%)	LTM ROATCE (%)	NIM (%)	Eff. Ratio (%)	Inv Sec/ Assets (%)	Avg Inv Sec Yld (%)	Loans/ Assets (%)	Loan/ Dep. (%)	Loan Yld (%)
1st Summit Bncp of Johnstown	0.93	9.2	9.2	2.68	74	44	2.66	52	61	4.82
AmeriServ Financial, Inc.	0.47	5.5	6.3	3.23	84	16	3.31	75	91	4.68
CB Financial Services, Inc.	0.92	8.2	12.6	3.52	69	13	3.03	74	88	4.49
CNB Financial Corporation	1.11	13.3	15.4	3.38	61	16	3.04	75	92	5.05
Emclaire Financial Corp.	0.77	8.3	11.6	3.13	71	13	2.85	78	95	4.47
First Commonwealth Fin'l Corp.	1.05	8.2	12.0	3.63	56	15	2.45	74	91	4.63
Northwest Bancshares, Inc.	0.89	7.0	10.2	3.64	64	7	2.57	82	100	4.37
S&T Bancorp, Inc.	1.13	8.5	12.4	3.51	51	9	2.67	80	103	4.64
Somerset Trust Holding Co.	0.86	9.9	10.0	4.07	84	22	NA	69	87	NA
Standard AVB Financial Corp.	0.79	5.5	7.3	3.01	67	16	2.72	72	98	4.36
TriState Capital Holdings, Inc.	0.81	9.9	12.6	1.83	59	7	3.12	77	89	3.55
Median	0.89	8.3	11.6	3.38	67	15	2.79	75	91	4.56

Financial data as of or for the 12 months ending March 31, 2020.
Source: S&P Global Market Intelligence

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Lending Activities

As is the case with most community banks and thrifts, 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 10

Institution	Ticker	Residential Real Estate (%)	Commercial & Multifamily Real Estate (%)	Consumer (%)	Const. & Dev. (%)	Comm. & Industrial (%)	Other (%)
1st Summit Bncp of Johnstown	FSMK	51	19	5	5	17	3
AmeriServ Financial, Inc.	ASRV	27	46	2	5	18	1
CB Financial Services, Inc.	CBFV	36	35	12	5	7	4
CNB Financial Corporation	CCNE	29	37	4	6	19	5
Emclaire Financial Corp.	EMCF	60	24	3	5	6	3
First Commonwealth Fin'l Corp.	FCF	27	34	12	7	18	2
Northwest Bancshares, Inc.	NWBI	49	27	14	3	7	1
S&T Bancorp, Inc.	STBA	21	47	1	6	20	4
Somerset Trust Holding Co.	SOME	24	34	5	4	27	6
Standard AVB Financial Corp.	STND	60	30	0	2	6	1
TriState Capital Holdings, Inc.	TSC	1	22	30	5	40	2
Median		29	34	5	5	18	3

Financial data as of or for the 3 months ending March 31, 2020.

Source: S&P Global Market Intelligence

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Asset Quality and Loan Growth

Asset quality generally remained good through March 31, 2020. We expect that credit conditions will worsen due to the economic effects of COVID-19. Given the uncertainty of the pandemic outbreak and the impact of the government's various financial programs established to boost the economy, it appears impossible to confidently forecast the severity of credit deterioration at this time.

Figure 11

Institution	Ticker	Reported NPAs (\$000s)	NPAs/ Assets (%)	NPAs/ Loans & REO (%)	NCOs/ Avg Loans (%)	Loan Loss Prov./ NCO (%)	Loan Loss Reserves/ Total Loans (%)
1st Summit Bncp of Johnstown	FSMK	NA	NA	NA	0.04	221	0.97
AmeriServ Financial, Inc.	ASRV	2,244	0.19	0.26	0.05	146	1.06
CB Financial Services, Inc.	CBFV	5,523	0.42	0.57	0.02	NM	1.26
CNB Financial Corporation	CCNE	33,533	0.89	1.18	0.09	483	0.77
Emclave Financial Corp.	EMCF	3,404	0.36	0.46	0.07	619	0.97
First Commonwealth Fin'l Corp.	FCF	62,673	0.74	0.99	0.23	NM	1.25
Northwest Bancshares, Inc.	NWBI	86,537	0.81	0.98	0.16	NM	1.05
S&T Bancorp, Inc.	STBA	77,188	0.86	1.06	0.62	180	1.34
Somerset Trust Holding Co.	SOME	NA	NA	NA	0.04	NM	1.32
Standard AVB Financial Corp.	STND	3,126	0.32	0.44	0.03	NM	0.75
TriState Capital Holdings, Inc.	TSC	4,434	0.05	0.06	-0.01	NM	0.25
Median			0.42	0.57	0.05	221	1.05

Financial data as of or for the 3 months ending March 31, 2020.

Source: S&P Global Market Intelligence

Deposits:

We believe the crown jewels of a company’s franchise value ultimately rests in its core deposit base. As shown in the figure below, the median core deposit ratio for the highlighted banks was approximately 75%, and non-interest bearing deposits were nearly 20% of total deposits. We define core deposits as all deposits excluding certificates of deposit.

Figure 12

Institution	Ticker	Non-Interest Bearing Deposits (\$000s)		Interest Bearing (ex-Time) Deposits (\$000s)		Time Deposits (\$000s)		Total Deposits (\$000s)
1st Summit Bncp of Johnstown	FSMK	72,817	8%	437,230	46%	436,909	46%	946,956
AmeriServ Financial, Inc.	ASRV	145,630	15%	500,444	52%	311,519	33%	957,593
CB Financial Services, Inc.	CBFV	267,369	24%	627,682	57%	211,589	19%	1,106,640
CNB Financial Corporation	CCNE	376,840	12%	2,298,559	74%	424,817	14%	3,100,216
Emclaire Financial Corp.	EMCF	149,131	19%	421,269	54%	212,316	27%	782,716
First Commonwealth Fin’l Corp.	FCF	1,751,524	25%	4,360,881	63%	810,683	12%	6,923,088
Northwest Bancshares, Inc.	NWBI	1,736,622	20%	5,562,357	63%	1,493,756	17%	8,792,735
S&T Bancorp, Inc.	STBA	1,702,960	24%	3,766,866	53%	1,588,053	23%	7,057,879
Somerset Trust Holding Co.	SOME	226,923	20%	549,633	50%	332,033	30%	1,108,589
Standard AVB Financial Corp.	STND	131,468	18%	362,353	50%	235,715	32%	729,536
TriState Capital Holdings, Inc.	TSC	362,075	5%	5,979,666	77%	1,441,018	19%	7,782,759
Median		267,369	19%	627,682	54%	424,817	23%	1,108,589

Financial data as of or for the 3 months ending March 31, 2020.
Source: S&P Global Market Intelligence

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