

INVESTOR PRESENTATION

EMCLAIRE FINANCIAL CORP

PARENT COMPANY OF: THE FARMERS NATIONAL BANK OF EMLENTON



Farmers
National
Bank

LEGAL

This presentation contains certain forward-looking statements and information relating to Emclave Financial Corp (the “Company”) that are based on the beliefs of management as well as assumptions made by and information currently available to management. These forward-looking statements relate to, among other things, expectations of the business environment in which we operate, projections of future performance, potential future credit experience, perceived opportunities in the market and statements regarding our mission and vision. Such statements reflect the current views of the Company with respect to future looking events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended. The Company does not intend to update these forward-looking statements.

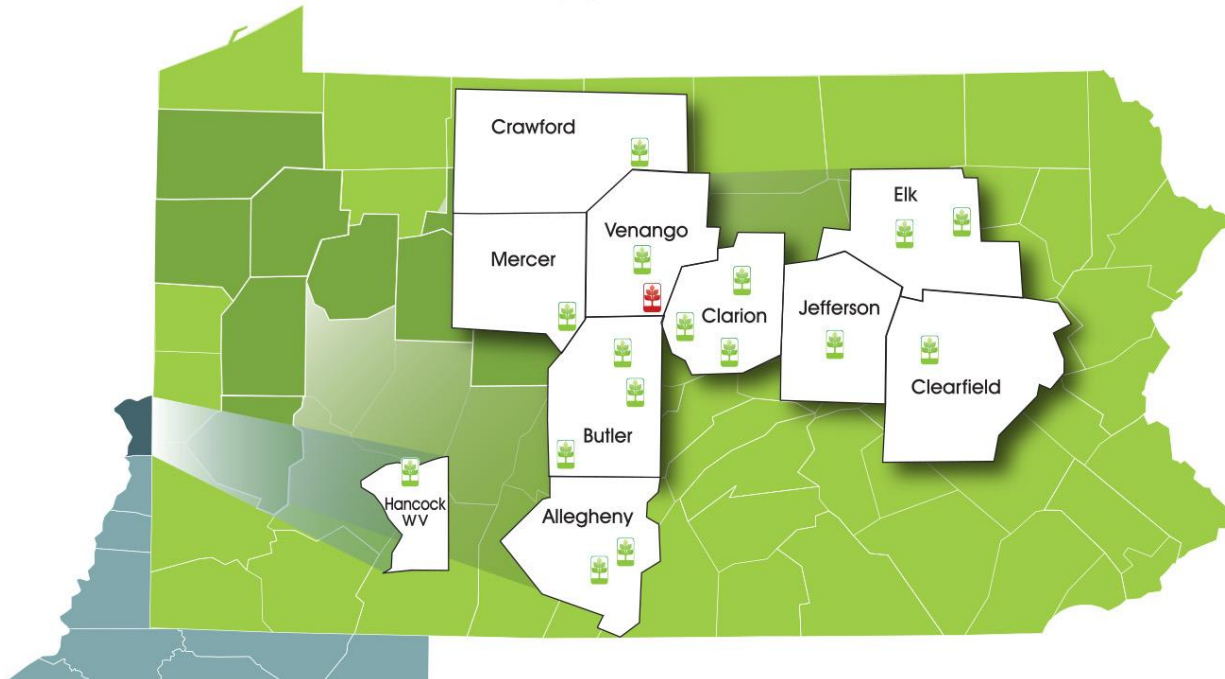
NOTE: This presentation will be available online at www.emclairefinancial.com.

OVERVIEW

Key Information & Statistics

| | |
|--------------------------------|---|
| Parent company (formed 1989) | Emclair Financial Corp |
| Bank subsidiary (founded 1900) | The Farmers National Bank of Emlenton |
| Stock ticker | EMCF (NASDAQ Capital Market – November 2009) |
| Insider ownership | 16.1% (11/30/2017) |
| Most recent market close | \$30.76 per share (11/30/2017) |
| Market capitalization | \$69.7 million (11/30/2017) |
| Tangible book value | \$21.60 per share (9/30/2017) |
| Price to tangible book | 142.4% |
| Price to LTM EPS | 13.7x |
| Total assets | \$774 million (9/30/2017) |
| YTD ROAA (%) | 0.69% (annualized for the 9 months ended 9/30/2017) |
| YTD ROAE (%) | 8.87% (annualized for the 9 months ended 9/30/2017) |
| Number of branches | 17 (PA & WV) |

OUR FRANCHISE



Key Highlights

- Solid earnings growth
- Strong loan growth with high asset quality
- Strong deposit growth; relatively low cost
- Growth drivers:
 - Organic, acquisitions, & de novo offices
- Strategic expansion:
 - Titusville branch office acquisition (August 2009)
 - St. Marys branch office opened (October 2013)
 - Cranberry Twp. branch office opened (May 2014)
 - United-American Savings Bank merger completed (April 2016)
 - Aspinwall branch office opened (August 2016)
 - Northern Hancock Bank & Trust Co. merger completed (September 2017)

ACQUISITIONS

Titusville, PA Branch Acquisition

2009

- Acquired from PNC Bank in National City divestiture
- \$93 million in deposits; \$32 million in loans (immediate scale)
- 3.4% premium (\$3.1 million) on assumed deposits

United American Savings Bank

2016

- Purchase price = \$14.1 million (100% cash)
- \$86 million in assets
- 1 branch – Pittsburgh, PA (South Side)
- Stable profitability; strong earnings accretion
- Immediate scale

Northern Hancock Bank & Trust Co.

2017

- Purchase price = \$1.7 million (~100% stock)
- \$23 million in assets
- 2 branches – Newell & Chester, WV (*Newell subsequently closed*)
- Accretive to earnings & capital
- Incremental ROE of 17%+
- Positive 2017 earnings impact (\$1.3 million bargain purchase gain, less \$832,000 in transaction costs net of tax shield).

*Capitalized on opportunities to acquire small community banks & branches with stable earning asset bases that were **available for sale** in **contiguous markets** with **attractive balance sheets**.*

WHY INVEST IN EMCF?

1. Consistent growth, including organic growth
2. Strong core deposit base
3. Superior asset quality
4. Experienced management team
5. Proven ability to execute acquisitions
6. Stable market area
7. Attractive dividend yield

CONSOLIDATED FINANCIAL HIGHLIGHTS

(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

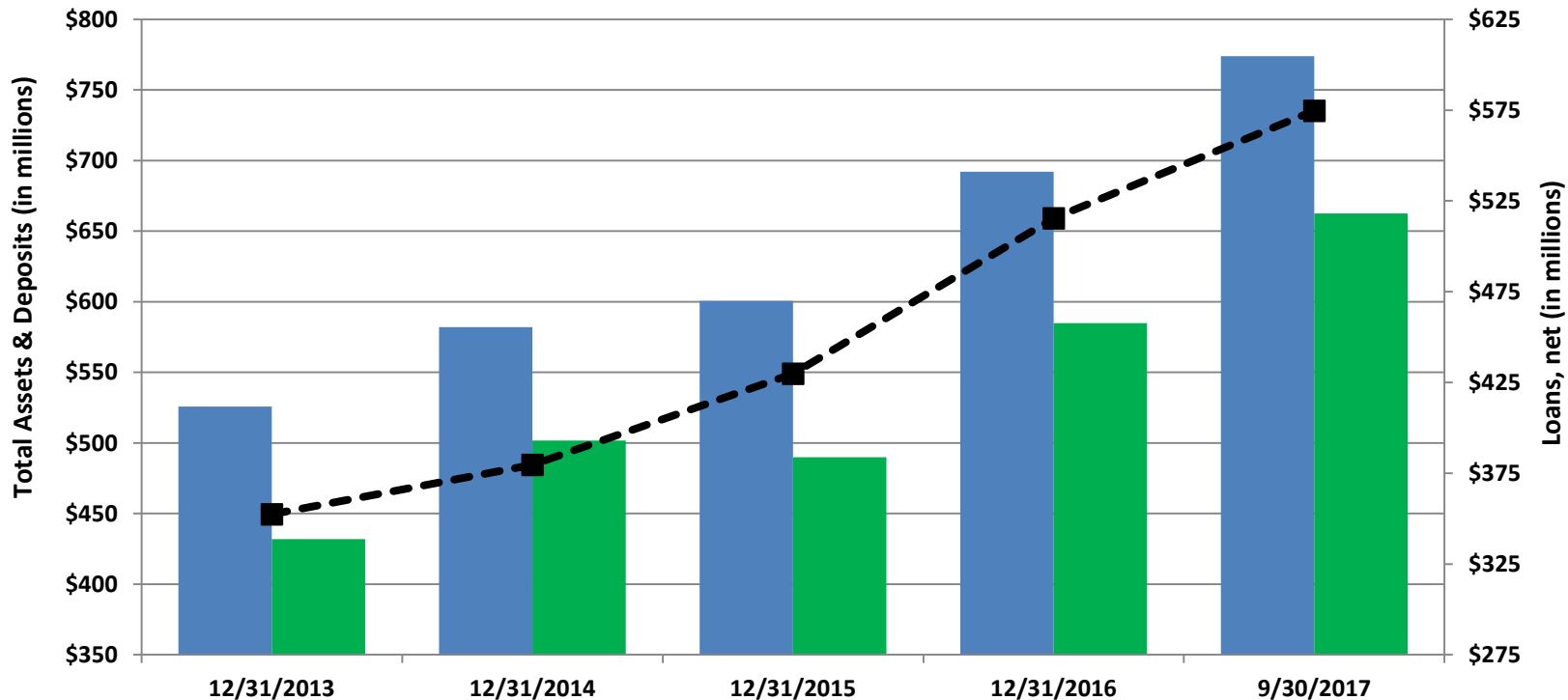
| Balance Sheet: | <i>As of December 31,</i> | | | | |
|--|---------------------------|-------------|-------------|-------------|-------------|
| | 9/30/2017 | 2016 | 2015 | 2014 | 2013 |
| Total assets | \$ 773,940 | \$ 692,135 | \$ 600,595 | \$ 581,909 | \$ 525,842 |
| Loans receivable, net | 574,736 | 515,435 | 429,891 | 379,648 | 352,430 |
| Deposits | 662,552 | 584,940 | 489,887 | 501,819 | 432,006 |
| Borrowed funds | 41,250 | 44,000 | 49,250 | 21,500 | 44,150 |
| Stockholders' equity | 59,753 | 54,073 | 52,839 | 47,990 | 45,072 |
| Stockholders' equity per common share | \$26.39 | \$25.12 | \$24.64 | \$24.14 | \$22.66 |
| Tangible stockholders' equity per common share | \$21.60 | \$20.08 | \$22.67 | \$21.66 | \$20.04 |
| Market value per common share | \$28.65 | \$29.25 | \$24.00 | \$25.00 | \$25.14 |
| Common shares outstanding | 2,264,389 | 2,152,358 | 2,144,808 | 1,780,658 | 1,768,658 |
| Net loans to deposits | 86.75% | 88.12% | 87.75% | 75.65% | 81.58% |
| Nonperforming assets to total assets | 0.54% | 0.52% | 0.54% | 1.21% | 1.01% |

Since December 31, 2013:

- 47% asset growth
- 63% loan growth
- 33% increase in equity
- ❖ \$8.2 million in common equity raised in 2015 private placement (\$4.6 million raised in 2011 not shown)

BALANCE SHEET GROWTH

47% Asset Growth – 12/31/2013 to 9/30/2017



In millions

| | | | | | |
|---------------------|-------|-------|-------|-------|-------|
| Total Assets | \$526 | \$582 | \$601 | \$692 | \$774 |
| Deposits | 432 | 502 | 490 | 585 | 663 |
| Loans, net | 352 | 380 | 430 | 516 | 575 |

CONSOLIDATED FINANCIAL HIGHLIGHTS

(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

For the years ended December 31,

Income Statement:

| | 2016 | 2015 | 2014 | 2013 |
|-----------------------------------|-----------|-----------|-----------|-----------|
| Net interest income | \$ 19,480 | \$ 17,747 | \$ 17,235 | \$ 15,921 |
| Noninterest income | 3,655 | 4,094 | 4,087 | 3,860 |
| Net income | 3,986 | 4,154 | 4,017 | 3,808 |
| Diluted earnings per common share | \$1.85 | \$2.05 | \$2.20 | \$1.91 |
| Cash dividends per common share | \$1.04 | \$0.96 | \$0.88 | \$0.80 |

Key Ratios:

| | | | | |
|---------------------------------|--------|--------|--------|--------|
| Return on average assets | 0.60% | 0.70% | 0.70% | 0.73% |
| Return on average equity | 7.32% | 7.89% | 8.47% | 7.73% |
| Return on average common equity | 7.32% | 8.34% | 9.24% | 8.32% |
| Net interest margin | 3.23% | 3.33% | 3.35% | 3.40% |
| Efficiency ratio | 72.78% | 73.67% | 72.13% | 70.48% |

- Strong growth in net interest income despite margin pressure
- ROAA and ROAE in 2016 were adversely impacted by merger costs and costs related to the opening of the Aspinwall office
- Continued annual increase in common dividend

EARNINGS

YTD-2017 vs. YTD-2016

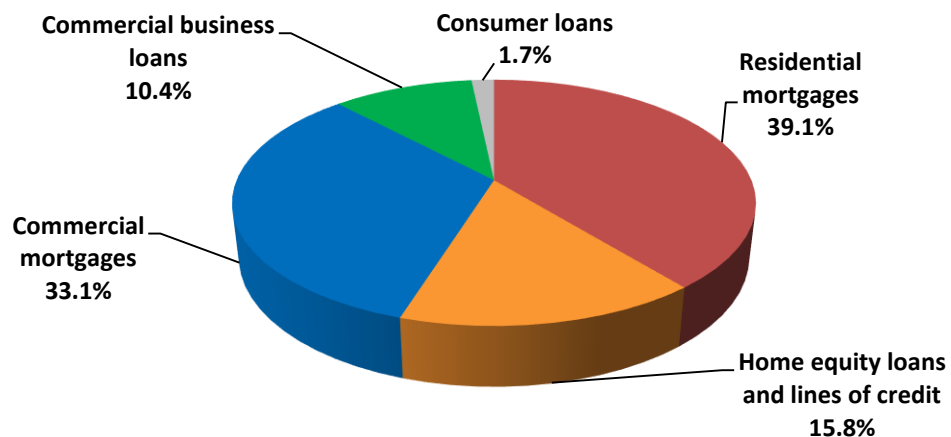
| In \$000's, except per share data (unaudited) | For the 9 months ended September 30, | | | |
|---|--------------------------------------|----------------|--------------|-----------------------------------|
| | 2017 | 2016 | % Change | |
| Net interest income | \$16,059 | \$14,381 | 11.7% | ↑ Strong loan growth |
| Provision for loan losses | 633 | 470 | 34.7% | ↑ Related to loan growth |
| Noninterest income | 3,996 | 2,734 | 46.2% | ↑ \$1.3mm bargain purchase gain |
| Noninterest expense, excluding merger costs | 13,671 | 12,574 | 8.7% | ↓ New offices & general increases |
| Merger costs | 1,069 | 401 | 166.6% | ↓ Northern Hancock & UASB |
| Net income before taxes | 4,682 | 3,670 | 27.6% | |
| Provision for taxes | 978 | 880 | 11.1% | |
| Net income | \$3,704 | \$2,790 | 32.8% | ↑ |
| Earnings per common share, fully diluted | \$1.69 | \$1.29 | 31.0% | ↑ |
| Return on average assets | 0.69% | 0.57% | | |
| Return on average common equity | 8.87% | 6.87% | | |
| Yield on earning assets | 3.92% | 3.86% | | |
| Cost of funds | 0.66% | 0.66% | | |
| Net interest margin, fully taxable equivalent | 3.28% | 3.22% | | |
| Efficiency ratio | 72.42% | 73.26% | | |

Notes:

- Net interest margin expansion driven by strong loan growth
- Bargain purchase gain of \$1.3 million was recognized in 2017 related to the acquisition of Northern Hancock Bank & Trust Co.
- YTD net income in 2017 of \$3.7 million is on pace to exceed \$4.0 million reported for all of 2016

LOAN PORTFOLIO

| Loan Portfolio | As of September 30, 2017 | | | |
|---------------------------------------|----------------------------|---------------------|----------------------|---------------------------------------|
| | Current Balance (\$000) | % of Total Loans | Average Yield (%) | Average balance per loan (\$000's) |
| Residential mortgages | \$226,946 | 39.1% | 3.87% | \$148 |
| Home equity loans and lines of credit | 91,602 | 15.8% | 4.27% | 38 |
| Commercial mortgages | 192,123 | 33.1% | 4.74% | 204 |
| Commercial business loans | 60,394 | 10.4% | 4.30% | 92 |
| Consumer loans | 9,611 | 1.7% | 4.43% | 8 |
| Gross Loans | \$580,676 | 100.0% | 4.27% | \$85 |

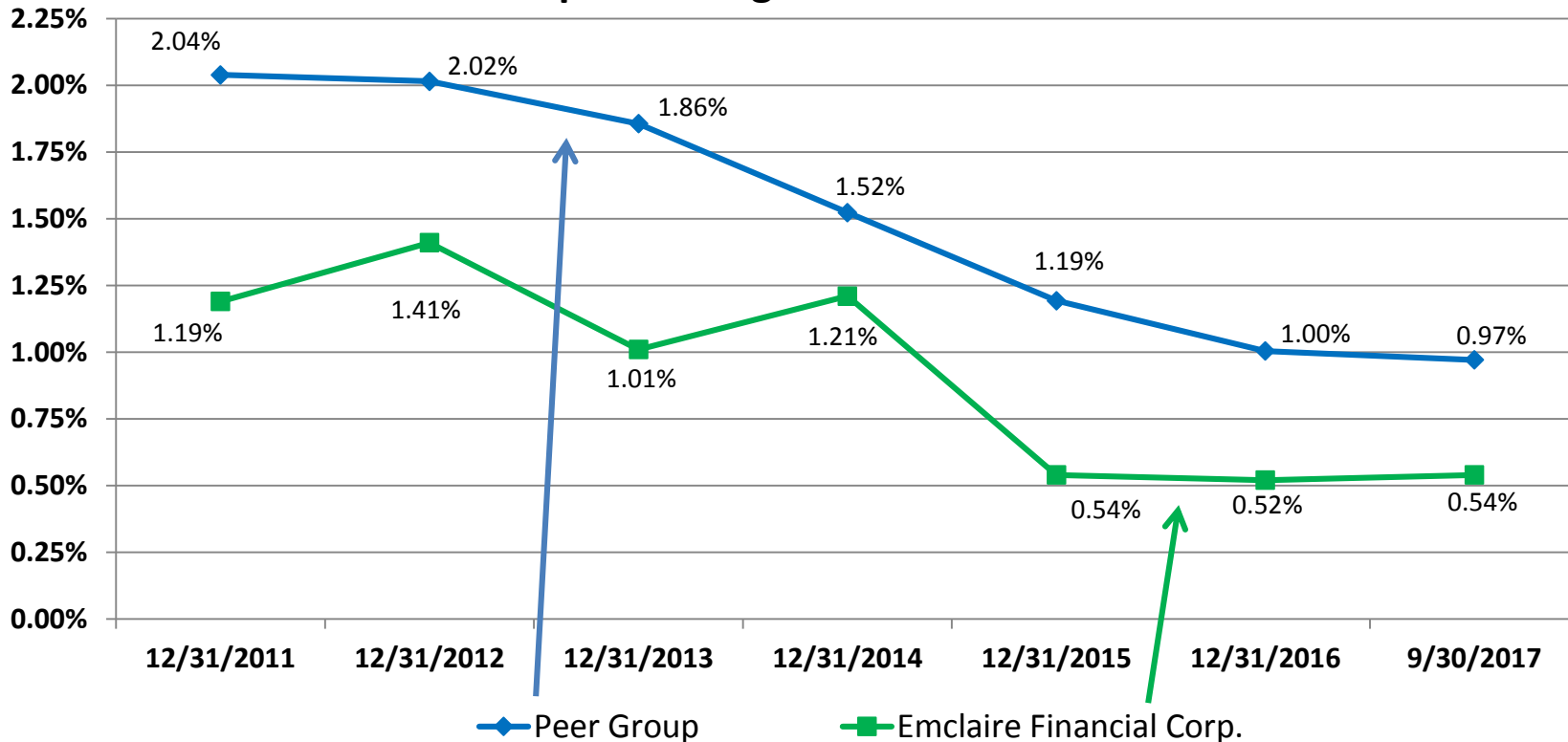


Notes:

- Portfolio split 57% retail, 43% commercial
- Average transaction sizes have increased in recent years

Source: SNL Financial

Nonperforming Assets to Total Assets

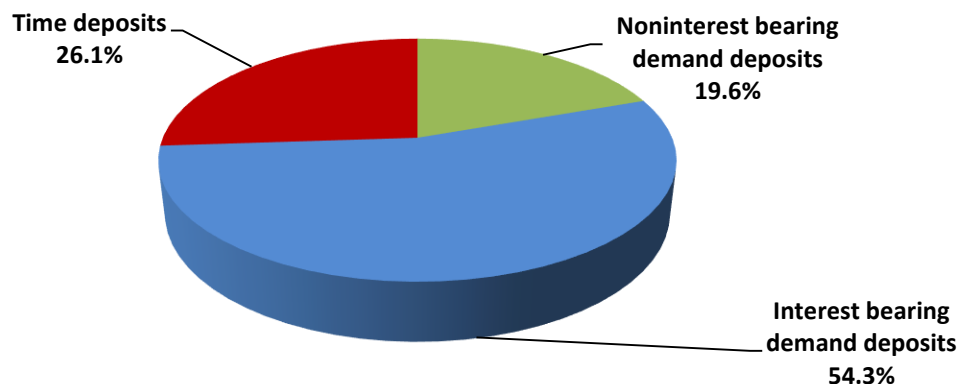


Peer Group includes the following local competitors: NexTier Bank, 1st Summit Bank, Mid Penn Bank, Kish Bank, Dime Bank, Jonestown Bank & Trust, Riverview Bank, Standard Bank, Mars Bank, and Mercer County State Bank.

Average assets of peer group = \$791 million.

DEPOSIT COMPOSITION

| Deposits | As of September 30, 2017 | | | Average per |
|-------------------------------------|------------------------------|------------------------|---------------------|------------------------|
| | Current Balance (\$000's) | % of Total Deposits | Average cost (%) | Account (Actual \$) |
| Noninterest bearing demand deposits | \$129,870 | 19.6% | 0.00% | \$7,168 |
| Interest bearing demand deposits | 360,033 | 54.3% | 0.40% | 38,688 |
| Time deposits | 172,648 | 26.1% | 1.56% | 36,043 |
| Gross Loans | \$662,551 | 100.0% | 0.63% | \$20,567 |
| Non-time deposits | \$489,903 | | | |
| Non-time deposit ratio | 73.94% | | | |



Notes:

- Strong core deposit levels; favorable concentration of noninterest bearing deposits
- Favorable overall cost of deposits

MARKET ASSESSMENT

Data adjusted for mergers and acquisitions as of 6/30/2017

| Rank | Ticker | Company Name | Headquarters | | Deposit Market Share June 30, 2017 | | | Deposit Market Share June 30, 2016 | | | |
|------|-------------|----------------------------------|-----------------------|-----------|---------------------------------------|-----------------------|----------------|---------------------------------------|-----------------------|----------------|-----------|
| | | | City | State | Branches | Balance (\$000) | % | Branches | Balance (\$000) | % | Rank |
| 1 | PNC | PNC Financial Services Group | Pittsburgh | PA | 121 | \$ 54,183,597 | 43.68% | 123 | \$ 55,033,504 | 50.20% | 1 |
| 2 | BK | BNY Mellon | New York | NY | 4 | 31,270,598 | 25.21% | 4 | 19,499,294 | 17.79% | 2 |
| 3 | RBS | Royal Bank of Scotland Group | Edinburgh | N/A | 92 | 7,560,097 | 6.09% | 95 | 7,467,578 | 6.81% | 3 |
| 4 | FNB | F.N.B. Corp. | Pittsburgh | PA | 78 | 5,291,860 | 4.27% | 80 | 4,513,110 | 4.12% | 4 |
| 5 | | Dollar Bank FSB | Pittsburgh | PA | 34 | 3,905,048 | 3.15% | 33 | 3,641,561 | 3.32% | 5 |
| 6 | TSC | TriState Capital Bank | Pittsburgh | PA | 2 | 3,537,682 | 2.85% | 2 | 2,896,863 | 2.64% | 6 |
| 7 | KEY | Key Corp | Cleveland | OH | 41 | 2,966,729 | 2.39% | 41 | 2,274,837 | 2.08% | 7 |
| 8 | HBAN | Huntington Bancshares Inc. | Columbus | OH | 29 | 2,503,634 | 2.02% | 28 | 2,204,155 | 2.01% | 8 |
| 9 | FCF | First Commonwealth Financial | Indiana | PA | 48 | 1,954,694 | 1.58% | 48 | 1,970,253 | 1.80% | 9 |
| 10 | NWBI | Northwest Bancorp, Inc. | Warren | PA | 41 | 1,923,503 | 1.55% | 41 | 1,917,223 | 1.75% | 10 |
| 11 | STBA | S&T Bancorp Inc. | Indiana | PA | 24 | 1,788,254 | 1.44% | 24 | 1,672,365 | 1.53% | 11 |
| 12 | WSBC | WesBanco, Inc. | Wheeling | WV | 23 | 907,770 | 0.73% | 21 | 762,116 | 0.70% | 13 |
| 13 | CCNE | CNB Financial Corp. | Clearfield | PA | 15 | 806,173 | 0.65% | 17 | 780,723 | 0.71% | 12 |
| 14 | EMCF | Emclair Financial Corp. | Emlenton | PA | 17 | 651,787 | 0.53% | 17 | 597,073 | 0.54% | 15 |
| 15 | | Nextier Inc. | Butler | PA | 16 | 637,130 | 0.51% | 16 | 607,928 | 0.55% | 14 |
| 16 | | Brentwood Bank (Mutual HC) | Bethel Park | PA | 9 | 471,837 | 0.38% | 9 | 426,251 | 0.39% | 16 |
| 17 | STND | Standard AVB Financial Corp | Monroeville | PA | 12 | 407,279 | 0.33% | 11 | 386,333 | 0.35% | 17 |
| 18 | WFC | Wells Fargo & Co | San Francisco | CA | 1 | 352,601 | 0.28% | 1 | 330,137 | 0.30% | 18 |
| 19 | MNBP | Mars National Bank | Mars | PA | 5 | 321,053 | 0.26% | 5 | 302,295 | 0.28% | 20 |
| 20 | MCSB | Mercer County State Bancorp Inc. | Sandy Lake | PA | 11 | 314,806 | 0.25% | 10 | 329,905 | 0.30% | 19 |
| | | | All Others (19 banks) | | 55 | 2,287,092 | 1.84% | 49 | 2,005,942 | 1.83% | |
| | | | TOTAL | | 678 | \$ 124,043,224 | 100.00% | 675 | \$ 109,619,446 | 100.00% | |

Note: EMCF currently competes in 9 counties in Pennsylvania, including: Allegheny, Butler, Clarion, Clearfield, Crawford, Elk, Jefferson, Mercer, & Venango, and 1 county in West Virginia: Hancock

Source: SNL Financial



MARKET ASSESSMENT

| County | EMCF as of June 30, 2017 | | | | | | Market Demographics | | |
|--------------------|----------------------------------|----------------------------|------------------|-----------|--------------------|------------------|--------------------------|-----------------------------------|------------------------------------|
| | Total Deposits in Market (\$000) | Deposits in Market (\$000) | Market Share (%) | Rank | # of EMCF Branches | # Total Branches | 2017 Population (actual) | 2017 Median Household Income (\$) | 2017-2022 Projected HHI Growth (%) |
| Allegheny | \$ 111,466,214 | \$ 52,892 | 0.05% | 22 | 2 | 426 | 1,222,356 | \$ 59,990 | 9.2% |
| Butler | 4,281,487 | 138,344 | 3.23% | 11 | 3 | 76 | 187,489 | 73,861 | 14.1% |
| Clarion | 790,681 | 126,035 | 15.94% | 4 | 3 | 17 | 38,159 | 45,019 | 2.1% |
| Clearfield | 1,390,593 | 32,354 | 2.33% | 7 | 1 | 28 | 80,202 | 47,161 | 11.6% |
| Crawford | 1,270,145 | 75,616 | 5.95% | 6 | 1 | 29 | 85,671 | 49,846 | 9.2% |
| Elk | 704,144 | 33,921 | 4.82% | 5 | 2 | 15 | 30,023 | 51,694 | 7.9% |
| Jefferson | 887,132 | 32,781 | 3.70% | 7 | 1 | 18 | 43,713 | 47,864 | 7.3% |
| Mercer | 2,057,973 | 49,732 | 2.42% | 7 | 1 | 42 | 111,695 | 50,792 | 14.3% |
| Venango | 747,759 | 87,783 | 11.74% | 5 | 2 | 18 | 51,922 | 48,066 | 6.5% |
| Hancock (WV) | 447,096 | 29,271 | 6.55% | 5 | 1 | 9 | 29,271 | 44,852 | 4.2% |
| TOTAL | \$ 124,043,224 | \$ 658,729 | 0.53% | 14 | 17 | 678 | 1,880,501 | | |
| Armstrong | 1,131,109 | | | | | | 65,755 | 47,981 | 6.0% |
| Beaver | 2,248,721 | | | | | | 166,145 | 55,170 | 9.5% |
| Erie | 5,116,309 | | | | | | 274,235 | 50,894 | 10.0% |
| Indiana | 2,490,691 | | | | | | 85,563 | 50,673 | 12.7% |
| Lawrence | 1,568,041 | | | | | | 86,351 | 47,624 | 6.7% |
| McKean | 779,247 | | | | | | 41,357 | 48,871 | 8.8% |
| Warren | 752,180 | | | | | | 39,563 | 46,490 | 1.8% |
| Washington | 4,804,733 | | | | | | 207,802 | 65,080 | 11.9% |
| Westmoreland | 7,519,436 | | | | | | 352,598 | 59,977 | 9.5% |
| TOTAL | \$ 26,410,467 | | | | | | 1,319,369 | | |
| GRAND TOTAL | \$ 150,453,691 | | | | | | 3,199,870 | | |
| Pennsylvania | \$ 385,689,262 | | | | | 4,208 | 12,787,308 | \$ 60,993 | 9.6% |
| West Virginia | \$ 32,945,050 | | | | | 628 | 1,820,883 | \$ 44,922 | 4.3% |
| United States | \$ 10,609,255,076 | | | | | 89,175 | 326,533,070 | \$ 61,045 | 8.9% |

Source: SNL Financial

EXECUTIVE TEAM

William C. Marsh – *Chairman, President and Chief Executive Officer*

- Has served in his current capacity since January 2009
- Prior to this, served as President and CEO of The Farmers National Bank of Emlenton since June 2007 and Senior Vice President, Chief Financial Officer and Treasurer since 2006
- Serves on the Board of Directors of the Federal Home Loan Bank of Pittsburgh
- Served on the Federal Reserve Bank of Cleveland's Community Depository Institutions Advisory Council
- Past Chairman of the PA Bankers Association (PBA) and member on the Professional Development Policy Committee
- Public service has included positions on the board of directors of the Community Development Corporation of Butler County, the advisory board of Clarion University's College of Business Administration, and the Butler County Community College Foundation Capital Campaign Steering Committee
- Member of the PA Association of Community Bankers, the American Institute of Certified Public Accountants, the PA Institute of Certified Public Accountants, the American Bankers Association, and the Financial Managers Society
- B.S. degree in Business Administration from Clarion University of Pennsylvania; Certified Public Accountant with 6 years in public accounting at KPMG Peat Marwick's financial services audit practice

Matthew J. Lucco – *Senior Vice President, Chief Strategy & Risk Officer*

- Has served in his current capacity since July 2017
- Prior to this, served as the Chief Financial Officer (August 2010 – July 2017) and the Chief Credit Officer (January 2016 – present) of The Farmers National Bank of Emlenton
- Responsibilities include: credit risk management, interest rate risk management, mergers & acquisitions, and business strategy in general
- B.S. degree in Finance from Grove City College; MBA from the University of Pittsburgh, Joseph M. Katz Graduate School of Business

EXECUTIVE TEAM

Jennifer A. Roxbury – *Senior Vice President, Chief Operating Officer*

- Has served in her current capacity since October 2011
- Possesses over 30 years of community banking experience
- Has strong system enhancement, product development, and project management skills
- Responsibilities include managing the Bank's branch network, facilities, compliance, and all consumer loan and deposit operations
- Brings a broad range of banking and financial services experiences having previously served as the Chief Operating Officer of Nextier Bank

Robert A. Vernick – *Senior Vice President, Chief Lending and Business Development Officer*

- Has served in his current capacity since July 2012
- Possesses nearly 30 years of community banking experience
- Has strong system leadership, commercial lending, treasury management and business development skills
- Responsible for commercial business development and strategically managing the Bank's corporate banking group
- Possesses a wide range of community banking and corporate financial services experience
- Previously served as Vice President, Sales and Treasury Manager with Dollar Bank in Pittsburgh and Cleveland
- B.S. degree in Business Administration from Clarion University of Pennsylvania; MBA from Geneva College

EXECUTIVE TEAM

Amanda L. Engles – *Senior Vice President, Chief Financial Officer*

- Has served in her current capacity since July 2017
- Prior to this, served as Controller of The Farmers National Bank of Emlenton since 2006
- Possesses over 18 years of accounting experience; 14 years in community banking
- Has strong accounting, analytical, organizational, and problem solving skills
- Responsibilities include managing the Bank's Finance department, financial reporting (internal, external, SEC and other regulatory reports), audit, investment portfolio management, budgeting, and tax planning & reporting
- MBA and BS degree in Business Administration from Clarion University of Pennsylvania

Jerome F. Millin – *Senior Vice President, Chief Technology Officer*

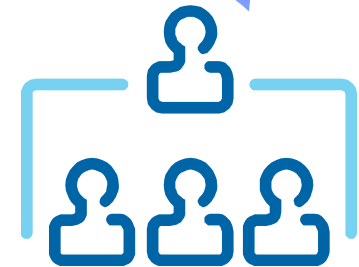
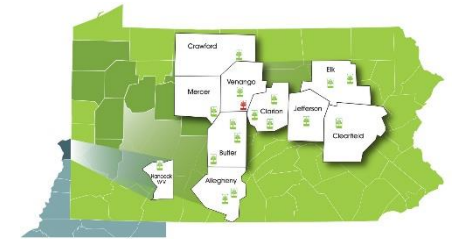
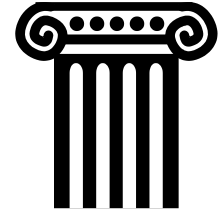
- Has served in his current capacity since January 2016
- Prior to this, served as Vice President of Information Technology of The Farmers National Bank of Emlenton since 2012.
- Possesses over 20 years of technology-based experience
- Previously served as Chief Information Officer with Salvage Direct, Inc.
- Has strong process improvement, project management, and vendor management skills
- Responsible for information technology management, information security, information technology risk management, and business continuity
- B.S. degree in Economics from Penn State University; (Microsoft Certified Systems Engineer MCSE, ITIL Foundation Certified, Certified Community Banking Security Professional)

STRATEGY RECAP

- Corporate growth & expansion
 - Expand United American Savings Bank and Northern Hancock Bank & Trust Co. customer bases
 - Aspinwall branch growth
 - Next opportunity...
- Continued focus on earnings growth
- Continued focus on balance sheet growth & mix
- Maintain strong asset quality
- Improvement in systems, personnel and technology
- Focus on key regulatory changes

WELL POSITIONED

- ✓ Capital
- ✓ Franchise
- ✓ Systems & Technology
- ✓ People



Q&A SESSION

Questions and Answers

