

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 Emclaire 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.

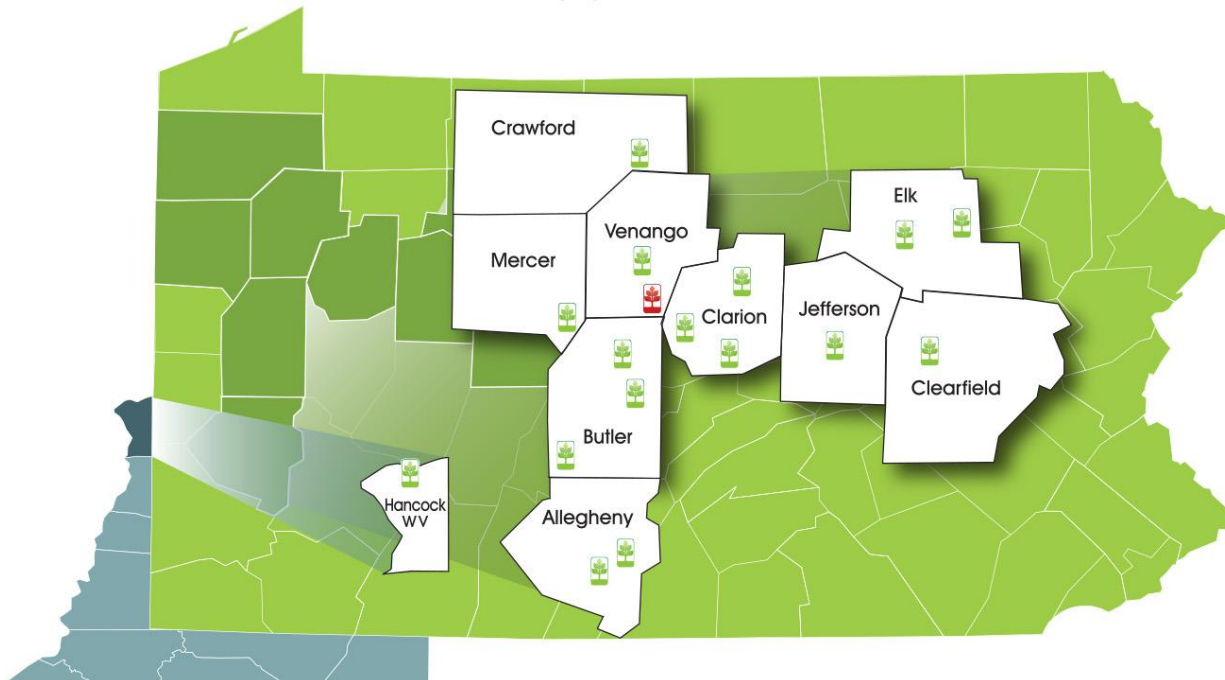
NOTE: This presentation will be available online at www.emclairefinancial.com.

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 EMCFC?

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)

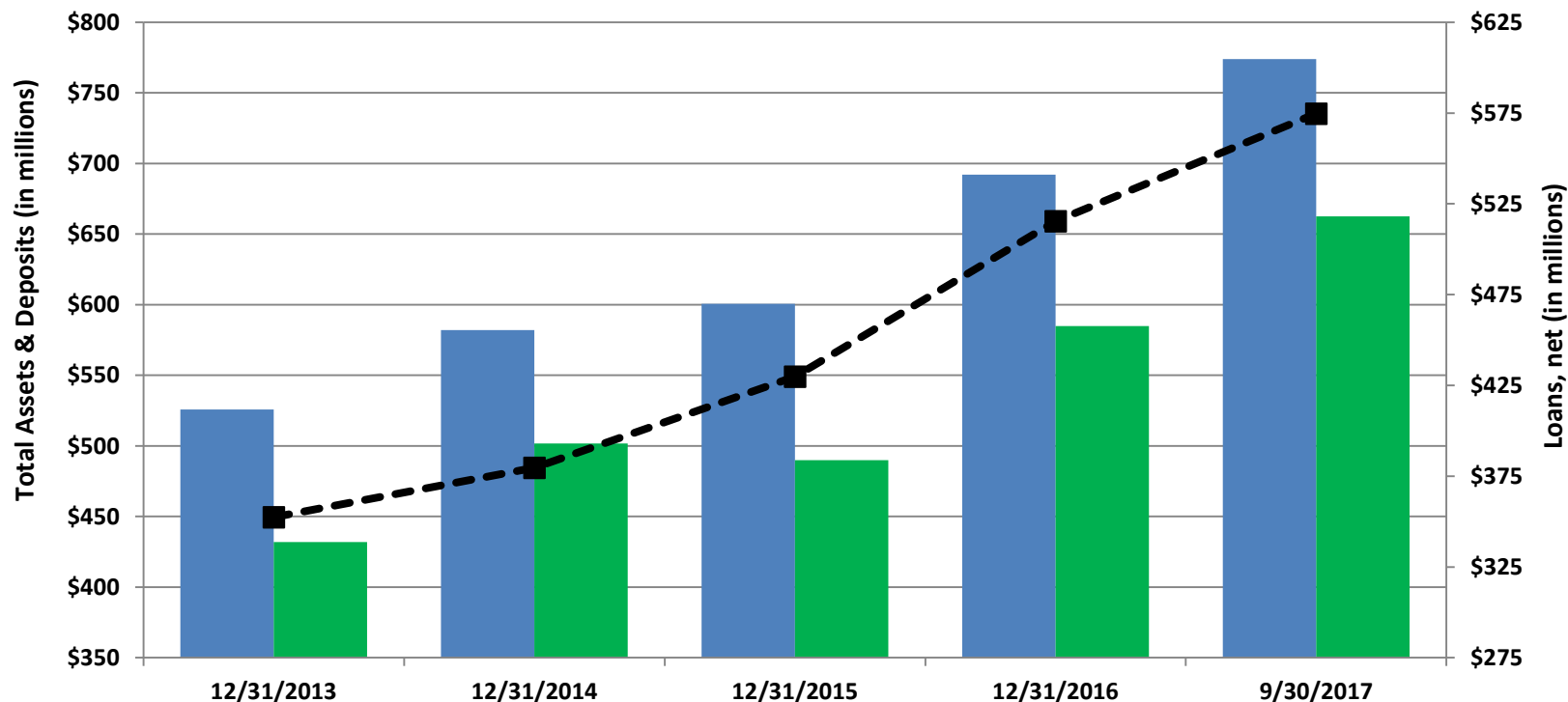
Balance Sheet:	<i>As of December 31,</i>				
	9/30/2017	2016	2015	2014	2013
Total assets	\$ 773,940	\$ 692,135	\$ 600,595	\$ 581,909	\$ 525,842
Loans receivable, net	574,736	515,435	429,891	379,648	352,430
Deposits	662,552	584,940	489,887	501,819	432,006
Borrowed funds	41,250	44,000	49,250	21,500	44,150
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

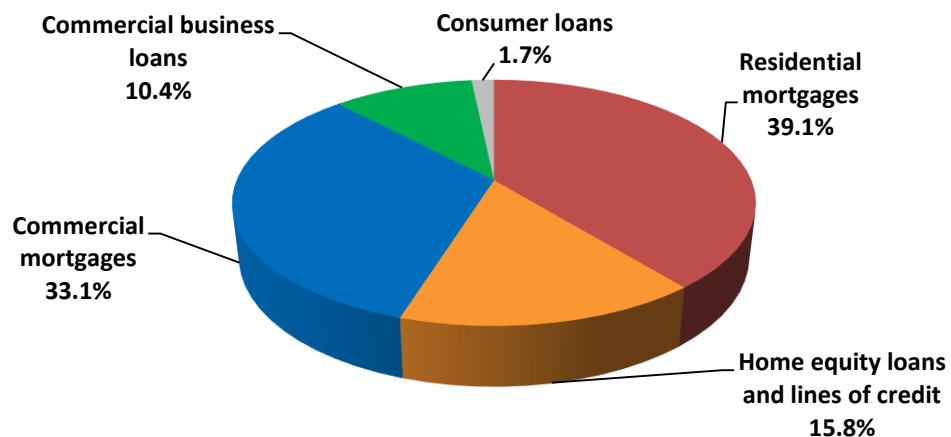
In \$000's, except per share data (unaudited)	For the 9 months ended September 30,			
	2017	2016	% Change	
Net interest income	\$16,059	\$14,381	11.7%	↑ Strong loan growth
Provision for loan losses	633	470	34.7%	↑ Related to loan growth
Noninterest income	3,996	2,734	46.2%	↑ \$1.3mm bargain purchase 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:

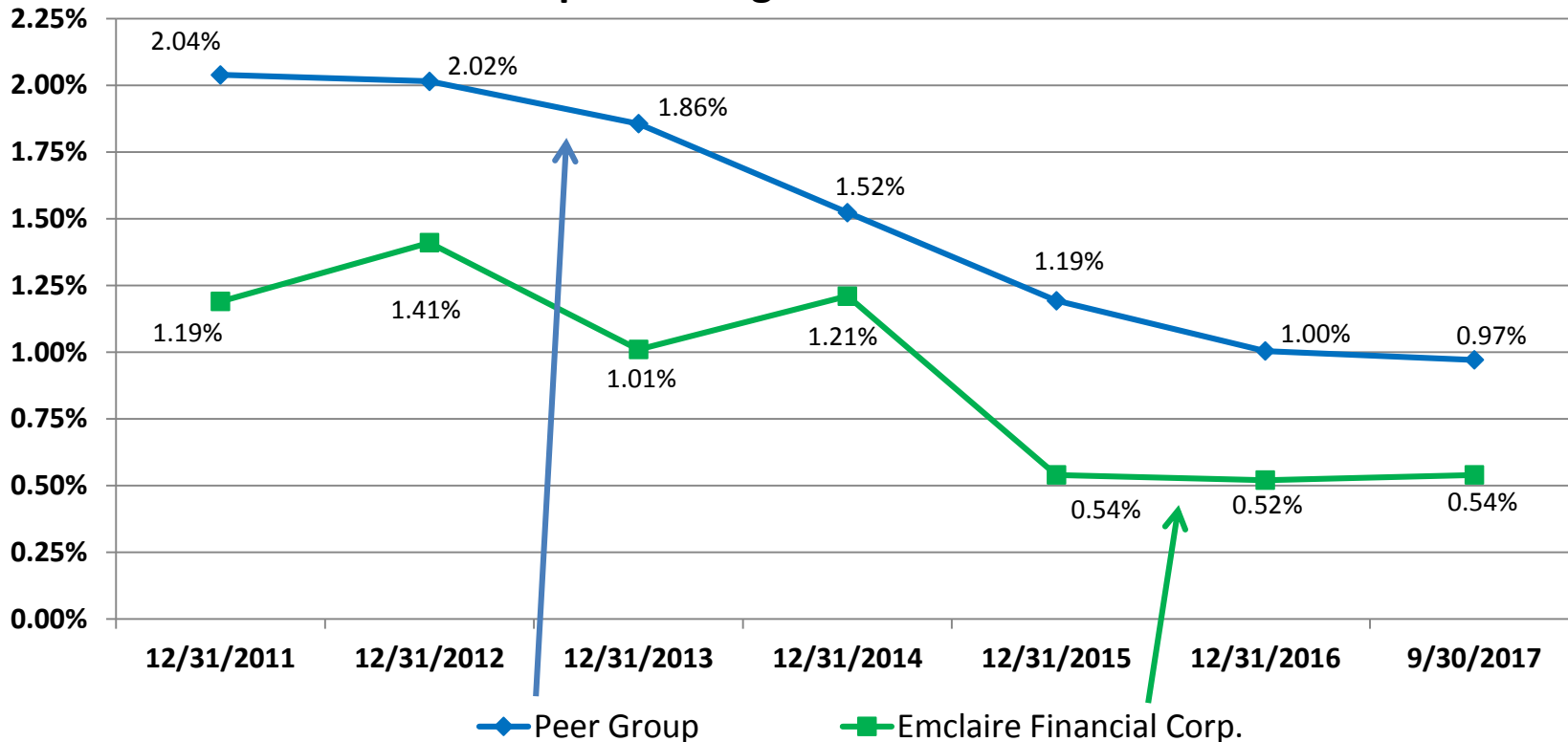
- Portfolio split 57% retail, 43% commercial
- Average transaction sizes have increased in recent years

ASSET QUALITY

NONPERFORMING ASSETS

Source: SNL Financial

Nonperforming Assets to Total Assets

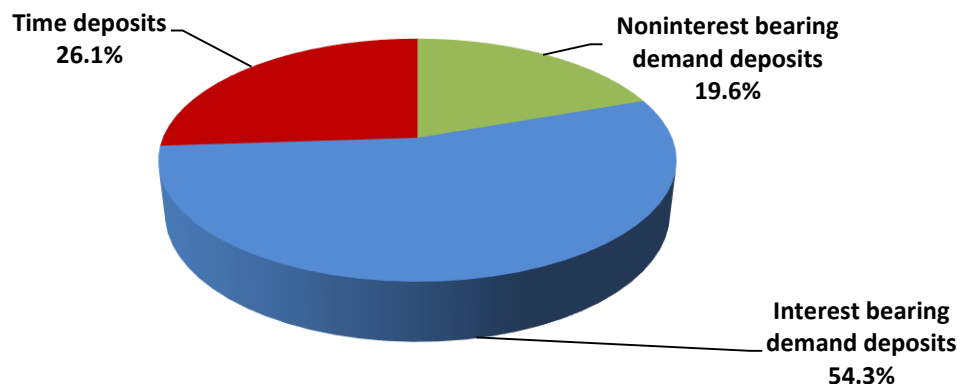


Peer Group includes the following local competitors: NexTier Bank, 1st Summit Bank, Mid Penn Bank, Kish Bank, Dime Bank, Jonestown Bank & Trust, Riverview Bank, Standard Bank, Mars Bank, and Mercer County State Bank.

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

Q&A SESSION

Questions and Answers

