

City Holding Company



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Company

**KBW Community Bank
Investor Conference
August 8-9, 2023**

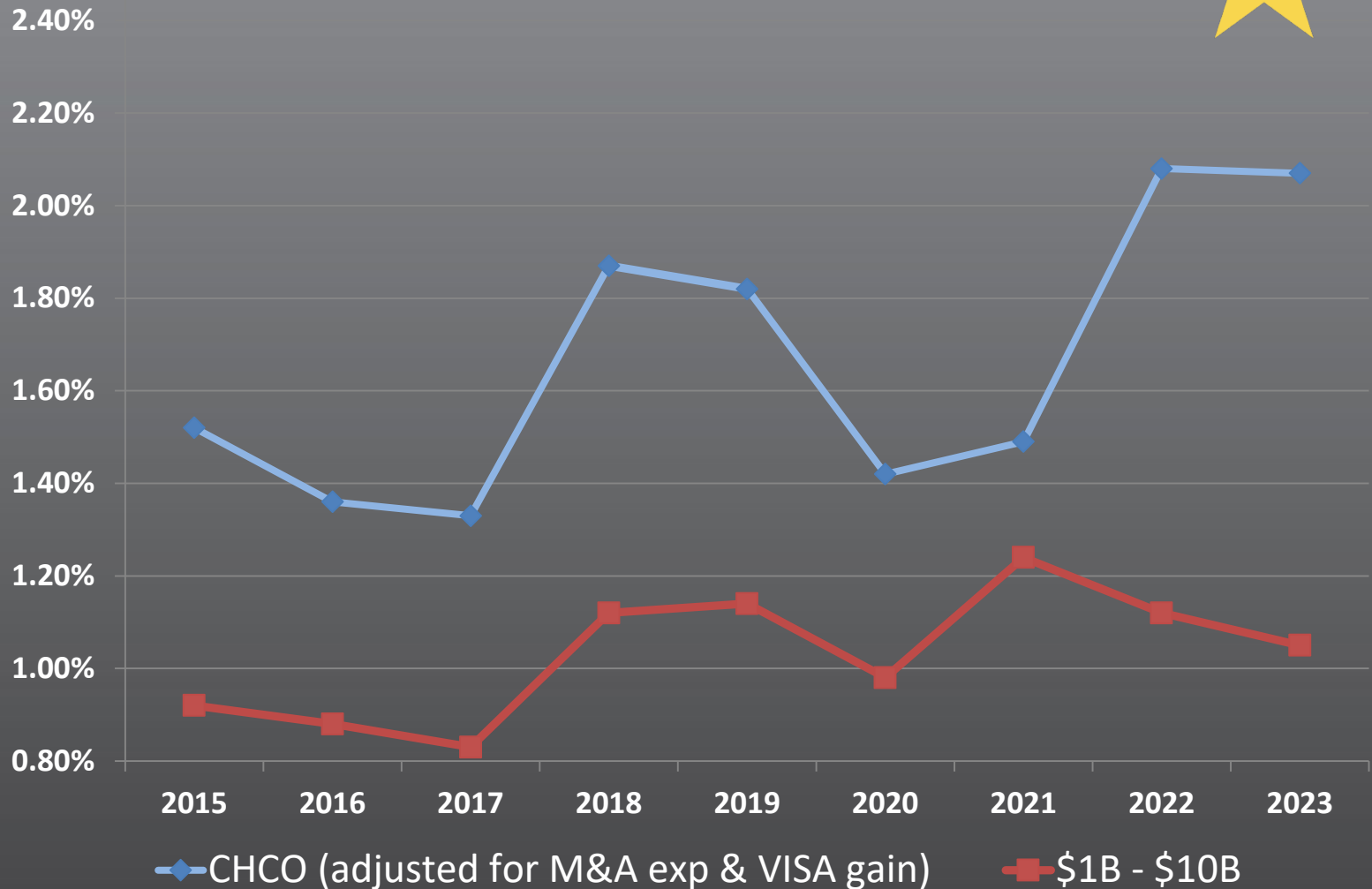
Forward looking statements

This news release contains certain forward-looking statements that are included pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements express only management's beliefs regarding future results or events and are subject to inherent uncertainty, risks, and changes in circumstances, many of which are outside of management's control. Uncertainty, risks, changes in circumstances and other factors could cause the Company's actual results to differ materially from those projected in the forward-looking statements. Factors that could cause actual results to differ from those discussed in such forward-looking statements include, but are not limited to those set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 under "ITEM 1A Risk Factors" and the following: (1) general economic conditions, especially in the communities and markets in which we conduct our business; (2) ongoing uncertainties on the Company's business, results of operations and financial condition caused by the scope of the recovery of the COVID-19 pandemic; (3) credit risk, including risk that negative credit quality trends may lead to a deterioration of asset quality, risk that our allowance for credit losses may not be sufficient to absorb actual losses in our loan portfolio, and risk from concentrations in our loan portfolio; (4) changes in the real estate market, including the value of collateral securing portions of our loan portfolio; (5) changes in the interest rate environment; (6) operational risk, including cybersecurity risk and risk of fraud, data processing system failures, and network breaches; (7) changes in technology and increased competition, including competition from non-bank financial institutions; (8) changes in consumer preferences, spending and borrowing habits, demand for our products and services, and customers' performance and creditworthiness; (9) difficulty growing loan and deposit balances; (10) our ability to effectively execute our business plan, including with respect to future acquisitions; (11) changes in regulations, laws, taxes, government policies, monetary policies and accounting policies affecting bank holding companies and their subsidiaries; (12) deterioration in the financial condition of the U.S. banking system may impact the valuations of investments the Company has made in the securities of other financial institutions; (13) regulatory enforcement actions and adverse legal actions; (14) difficulty attracting and retaining key employees; and (15) other economic, competitive, technological, operational, governmental, regulatory, and market factors affecting our operations. Forward-looking statements made herein reflect management's expectations as of the date such statements are made. Such information is provided to assist stockholders and potential investors in understanding current and anticipated financial operations of the Company and is included pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances that arise after the date such statements are made. Further, the Company is required to evaluate subsequent events through the filing of its June 30, 2023 Form 10-Q. The Company will continue to evaluate the impact of any subsequent events on the preliminary June 30, 2023 results and will adjust the amounts if necessary.

- Total Assets \$6.1 billion
 - Branches 99
 - FTE 963
 - Market Cap \$1.49 billion
-
- Markets: Stable, Slow growing, & less competitive
 - Customers Robust retail customer base
 - Business Lines: Retail, Commercial, Investment Management
 - Asset Quality: Demonstrated strong track record
 - Performance: Long record as a high performer
 - Growth: Succeeding in slow-growth markets & expanding into new markets

CHCO: A perennial high-performing bank

ROA



Source - S&P Global MI. Peer data as of June 30, 2023.

2023 Performance Metrics

	2023 YTD	2022 YTD
EPS	\$3.80	\$2.92
ROA	1.89%	1.47%
ROACTE	23.7%	16.6%
NIM	4.02%	2.93%
Efficiency	49%	51.5%
Tang. Book Value	\$31.50	\$31.99
Share Price @ 6/30	\$89.99	\$79.88
Non-Perf Assets/Loans &OREO	.17%	.19%
Past Due Loans	.19%	.17%
NCO/Loans	.02%	.02%

Analyst Expectations

	2023 YTD	2023 Analyst Estimates For July-Dec	2024 Analyst Estimates
Net Interest Income	\$109.0 MM	\$106.3 MM	\$209.2 MM
NIM	4.02%	3.80%	3.74%
Provision	\$3.3 MM*	\$2.8 MM	\$7.3 MM
Non-Int Income	\$39.0 MM**	\$37.9 MM	\$74.4 MM
Non-Int Expense	\$73.4 MM***	\$69.5 MM	\$144.1 MM
Net Income	\$57.1 MM	\$55.0 MM	\$104.3 MM
EPS	\$3.69	\$3.75	\$7.06

* YTD Provision includes acquisition of CCVS in March 2023

** YTD Non-Interest Revenue includes \$2.4MM BOLI in 2nd Quarter

*** includes M&A expenses of \$5.6MM

Challenges and Opportunities

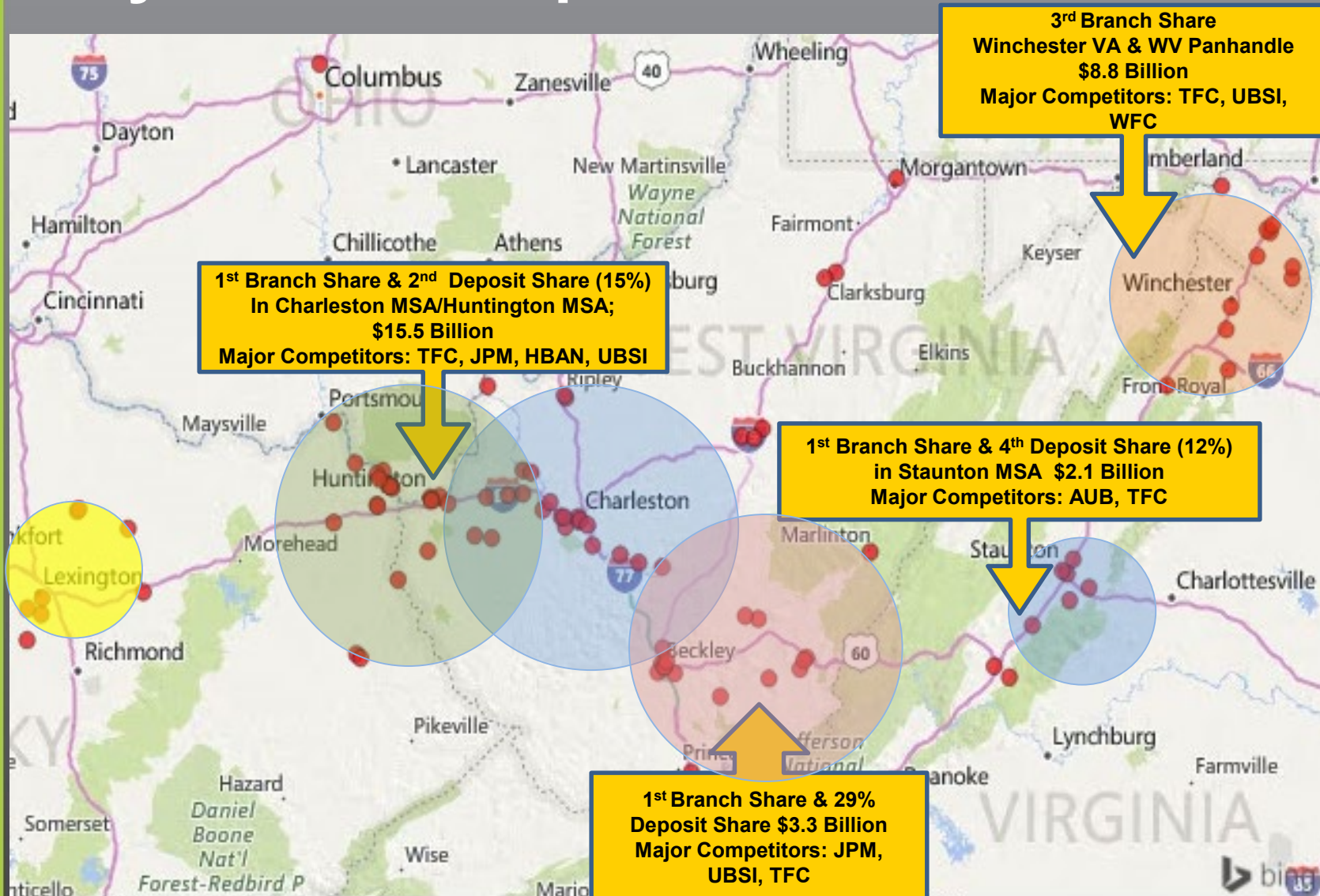
- **Industry Challenges**

- Deposit Repricing & Deposit Run-off
- Asset Quality
- Loan Growth
- Regulatory Environment

- **CHCO Opportunities**

- City's NIM tends to beat peers in high rates
- Reputation for conservative under righting
- City's profitability allows for strong share buy-backs & solid dividends
- Competitor Behavior (driving customers away)
- Acquisition Strategy (shareholder centric)

City National Deposit Markets



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Bubbles represent relative size of City's deposits within the region. (10% of all deposits not in a "bubble").

Data: S&P Global MI as of 6/30/22.

Deposit Franchise mostly in slow-growth WV and eastern KY

Key Deposit Markets	Deposits
West Virginia & E. Kentucky – <i>dating to 1870</i>	76%
New Markets	24%

DEPOSIT FRANCHISE

One key to City's enviable success

- 99 Branches among Top 100 Banks
- **Average Deposits per Branch** **\$51 MM***
- Average Households per Branch 2,100
- **Average DDA Balance** **\$11,200****
- Average Business DDA \$39,800

* For CHCO's self-defined peer group – average deposits per branch is \$103 million. CHCO has smaller deposit balances, but more accounts.

** - National Average of \$13,440 (based upon 2016 Federal Reserve Survey of Consumer Finance inflated 5% to estimate 2023 averages)

City's Exceptional Retail Strength Depends on Branch Distribution



Market	Deposits (\$mm)	Deposit Share	Branches	Branch Share	House-Hold Share
Charleston, WV	\$1,092	16.5%	13	30.2%	40.6%
Huntington, WV	\$587	13.7%	10	17.9%	28.3%
Ashland, KY	\$590	21.4%	12	24.0%	41.0%
Beckley, WV	\$583	22.5%	9	27.3%	31.8%
Lewisburg, WV	\$377	39.2%	7	38.9%	72.2%
Staunton, VA	\$334	11.8%	8	18.6%	12.8%
Martinsburg, WV	\$329	11.9%	6	18.8%	23.4%

Data as of 6/30/22.

Market Position

City's biggest markets have strong distribution, large share, and high profitability

Market	Population	Deposits (\$mm)	Deposit Share	Branches	Branch Share	Branch Rank
Charleston/Huntington /Ashland MSA	611,000	\$2,342	15%	36	20%	1 st
Beckley/Lewisburg WV	162,000	\$945	29%	16	27%	1 st
Winchester/ Martinsburg	397,000	\$586	7%	12	12%	3 rd
Valley Region	160,000	\$335	11%	8	16%	1 st
Lexington KY Region	430,000	\$323	2%	6	4%	8 th

Note: Green highlight indicates market expansion as a result of acquisitions.

Source: S&P Global MI – regions modified slightly to fit City's branch distribution

Market Demographics

Newer markets have high population growth and higher incomes

Market	Population	Projected Population Change 2020-2025	Median Household Income	Projected Change in HHLI Income 2020-2025
Charleston/Huntington/Ashland MSA	611,000	(2.3%)	\$46,000	4.5%
Beckley	162,000	(2.9%)	\$42,000	3.8%
Winchester/Martinsburg	397,000	4.1%	\$68,000	8.6%
Staunton-Waynesboro	160,000	2.6%	\$51,000	8.2%
Lexington KY Region	430,000	3.7%	\$55,000	9.4%
National Averages		3.3%	\$66,000	9.9%

Note: Green highlight indicates market expansion as a result of acquisitions.
Source - S&P Global MI.

2022 Debit Card Revenues



	Assets	Debit Card Revenues
Summit	\$3.9 Billion	\$6.2 million
City	\$6.0 Billion	\$27 million
Stockyard	\$7.5 Billion	\$18 million
Peoples	\$7.2 Billion	\$21 million
Wesbanco	\$16.9 Billion	\$19 million

The Data is clear: CHCO has a deeper customer base relative to its size.

Checking Accounts

	# of Accounts	Billions of \$	Ave Account Size	Ave # of accounts per branch	Ave \$ per branch in millions
Checking Accounts	244,000	\$2.7	\$11,100	2,463	\$27.4
Saving Accounts	68,000	\$1.3	\$19,900	682	\$13.6
CDs	26,000	\$1.0	\$37,600	258	\$9.7

Internal DDA Growth



Year	New DDA Accounts	Net Growth in DDA Accounts	% Increase in DDA Accounts
2018	30,400	4,310	2.2%
2020	*30,360	*6,740	3.0%
2021	32,800	8,860	3.8%
2022	28,442	4,544	1.9%
2023 YTD	16,226	2,989	2.4% Ann.

Household Growth = 2.0%

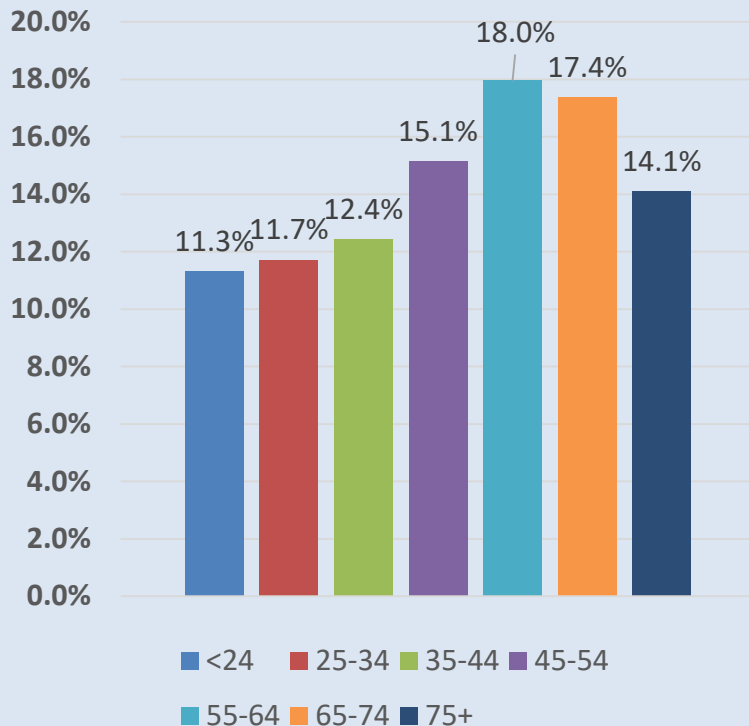
U.S. Population Growth: 0.6%

*Note: City's lobbies were open by appointment only for 6 months in 2020 due to COVID-19

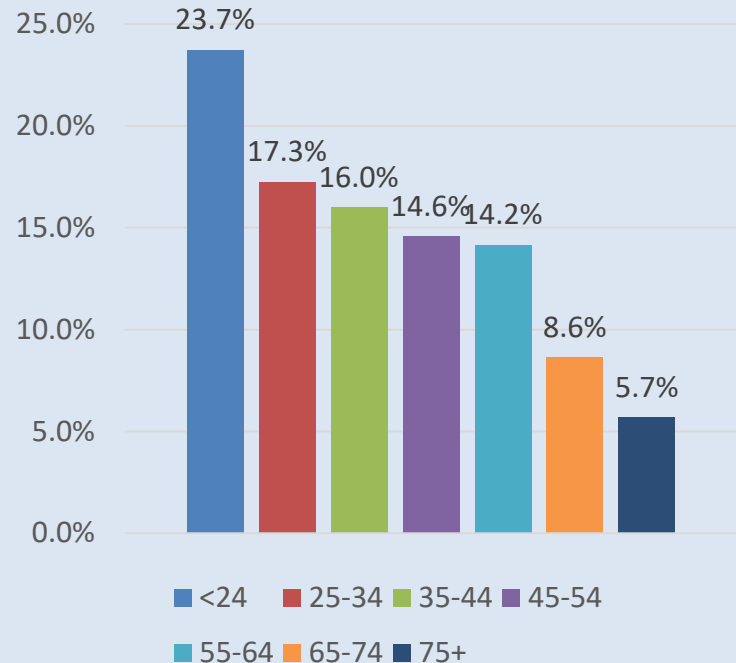
Age Distribution of Customer Base 2022



All City Customers



New City Customers 2022



City's Technology allows it to open significant numbers of new accounts with younger customers

Uninsured Deposit Data

(as of & for the quarter ended March 31, 2023)



By Deposit Type	Average Balance (in 000's)	Uninsured Percent
Noninterest-Bearing Demand Deposits	\$1,420,676	19%
Interest-Bearing Deposits		
Demand Deposits	1,234,981	8%
Savings Deposits	1,376,317	11%
Time Deposits	902,583	14%
Total Deposits	\$4,934,557	13%
Retail Deposits		
Noninterest-Bearing	\$619,889	4%
Interest-Bearing	3,125,132	11%
Total Retail Deposits	\$3,745,021	9%
Commercial Deposits		
Noninterest-Bearing Deposits	\$800,787	31%
Interest-Bearing Deposits	388,749	13%
Total Commercial Deposits	\$1,189,536	23%

The percentages listed above represent management's best estimate as of March 31, 2023

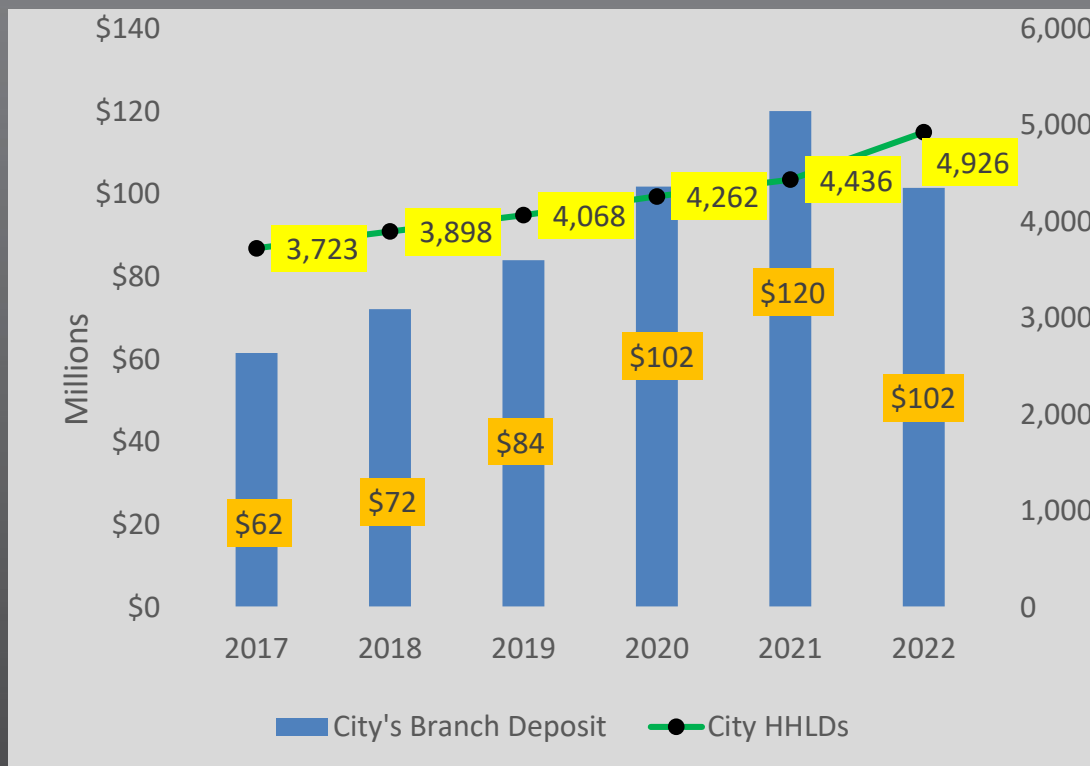
JD Power: Highest Customer Satisfaction North Central Region, 2018, 2019, 2020 and 2022



Market Disruptions Provide Strong Growth Opportunities

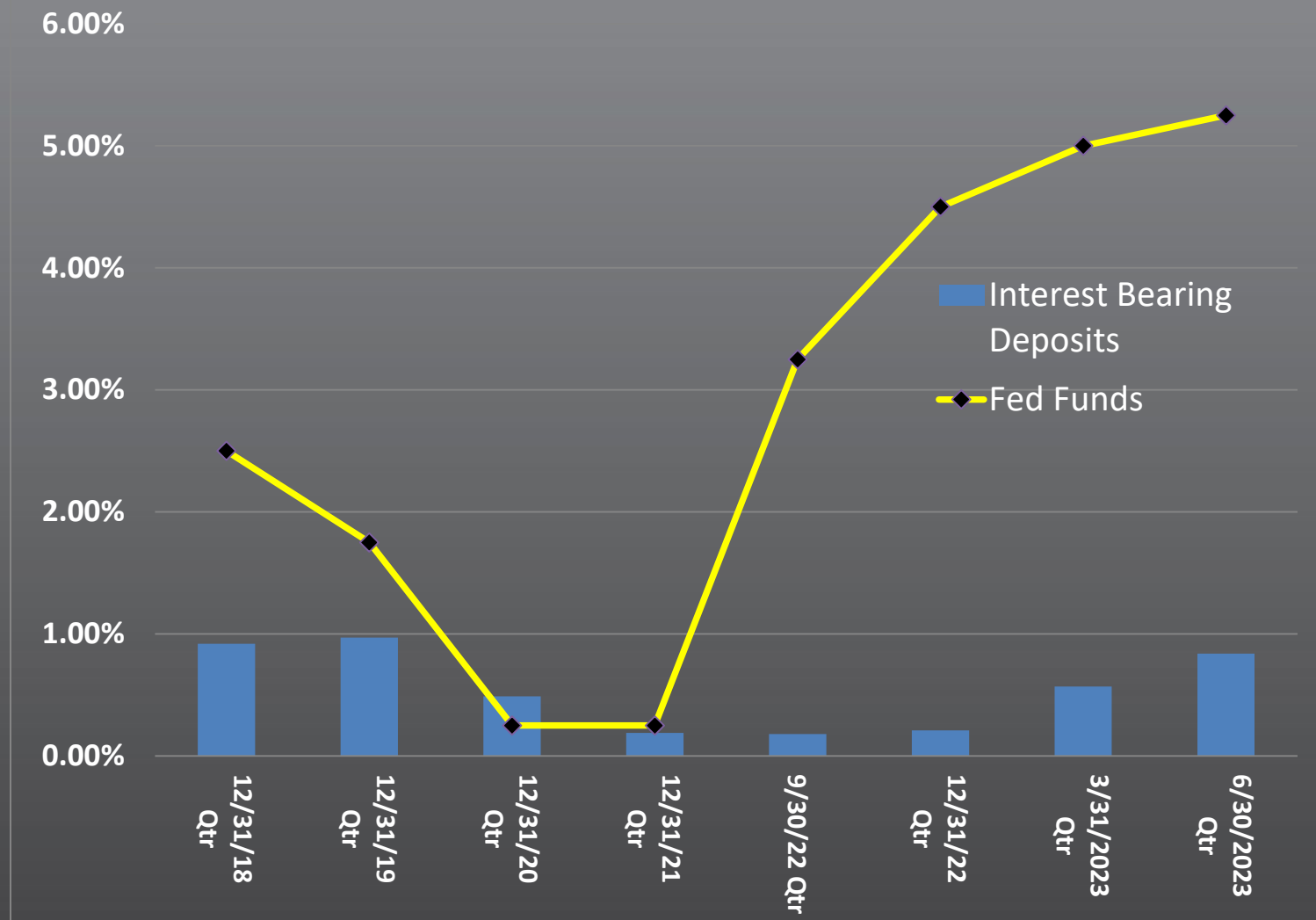


- Market: St. Albans WV

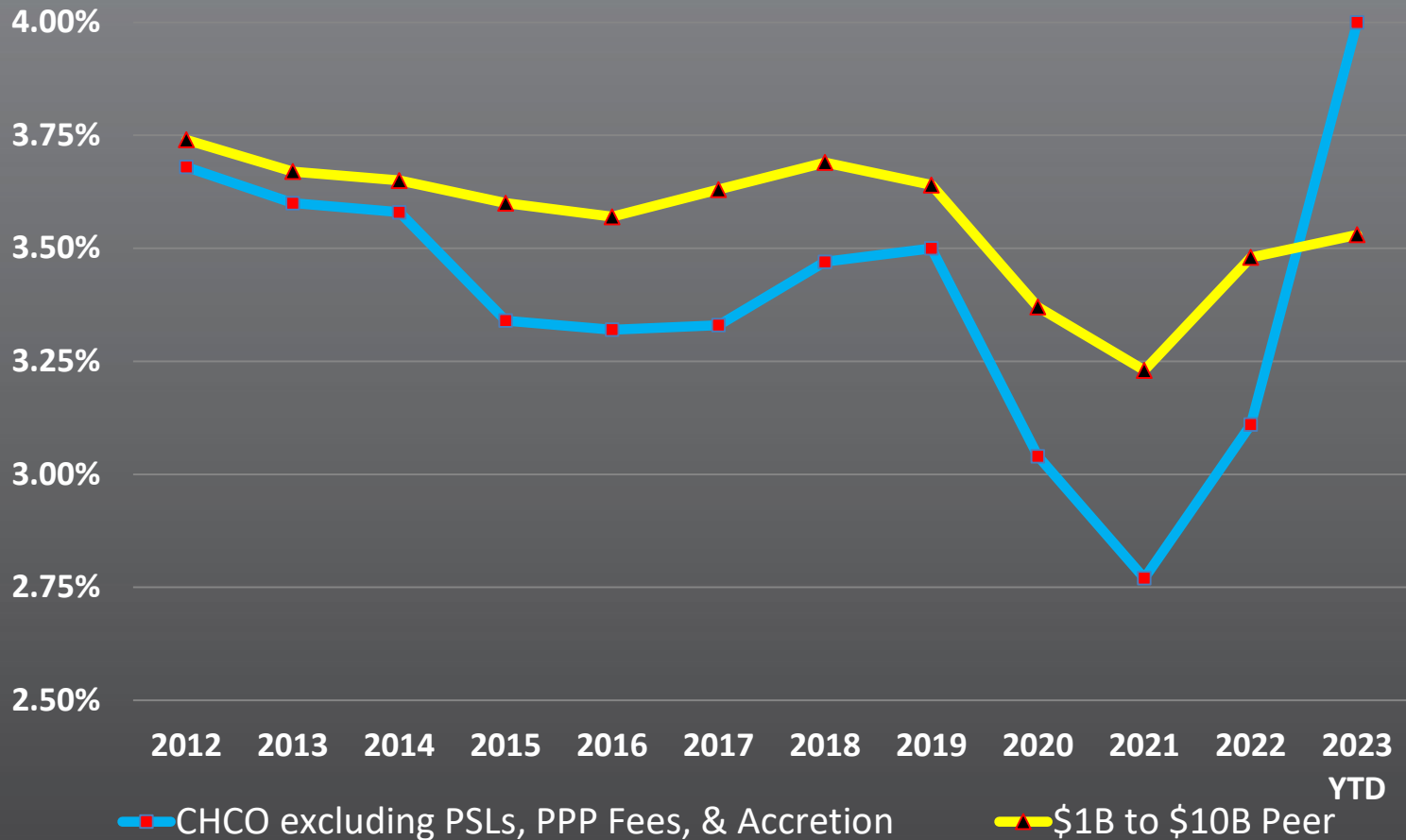


- In 2017, there were 4 banks with branches in this market
- In 2018 one closed
- In 2020 another closed

Deposit Costs – Headed Up but CHCO benefits from it's tremendous Deposit Franchise in higher rate environments



City's strong deposit franchise provides NIM strength in higher rate environments



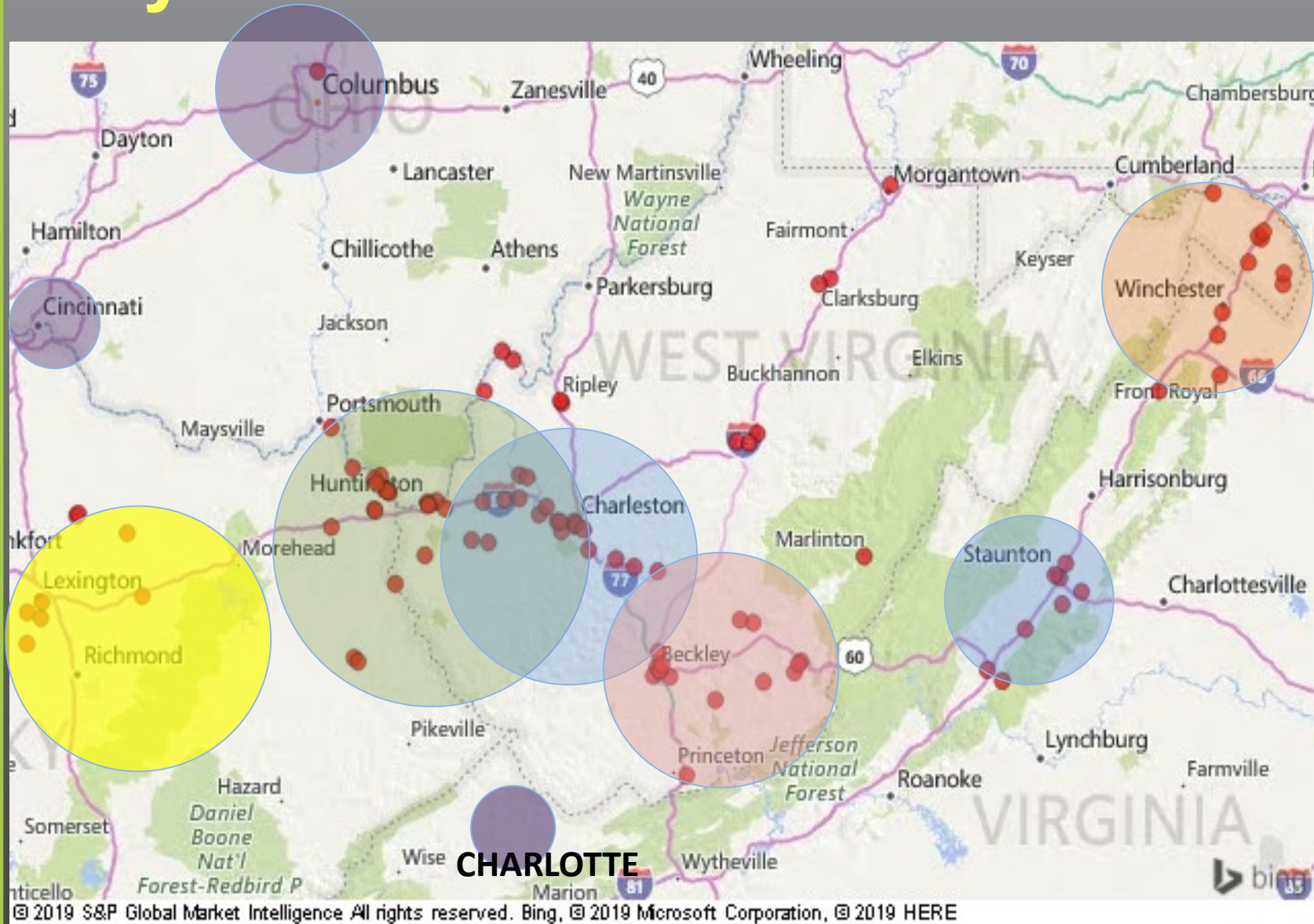
Source - S&P Global MI. 2022 Peer Data as of March 31, 2023

CHCO: Variable Priced Assets

Roughly 25% of assets reprice with increases in Fed Funds, LIBOR or SOFR.

Commercial Loans and HE Loans generally reprice first of month following a FF rate increase

City National Loan Markets



Size of Bubbles are representative of City's loan distribution

Diversified Commercial Loan Portfolio

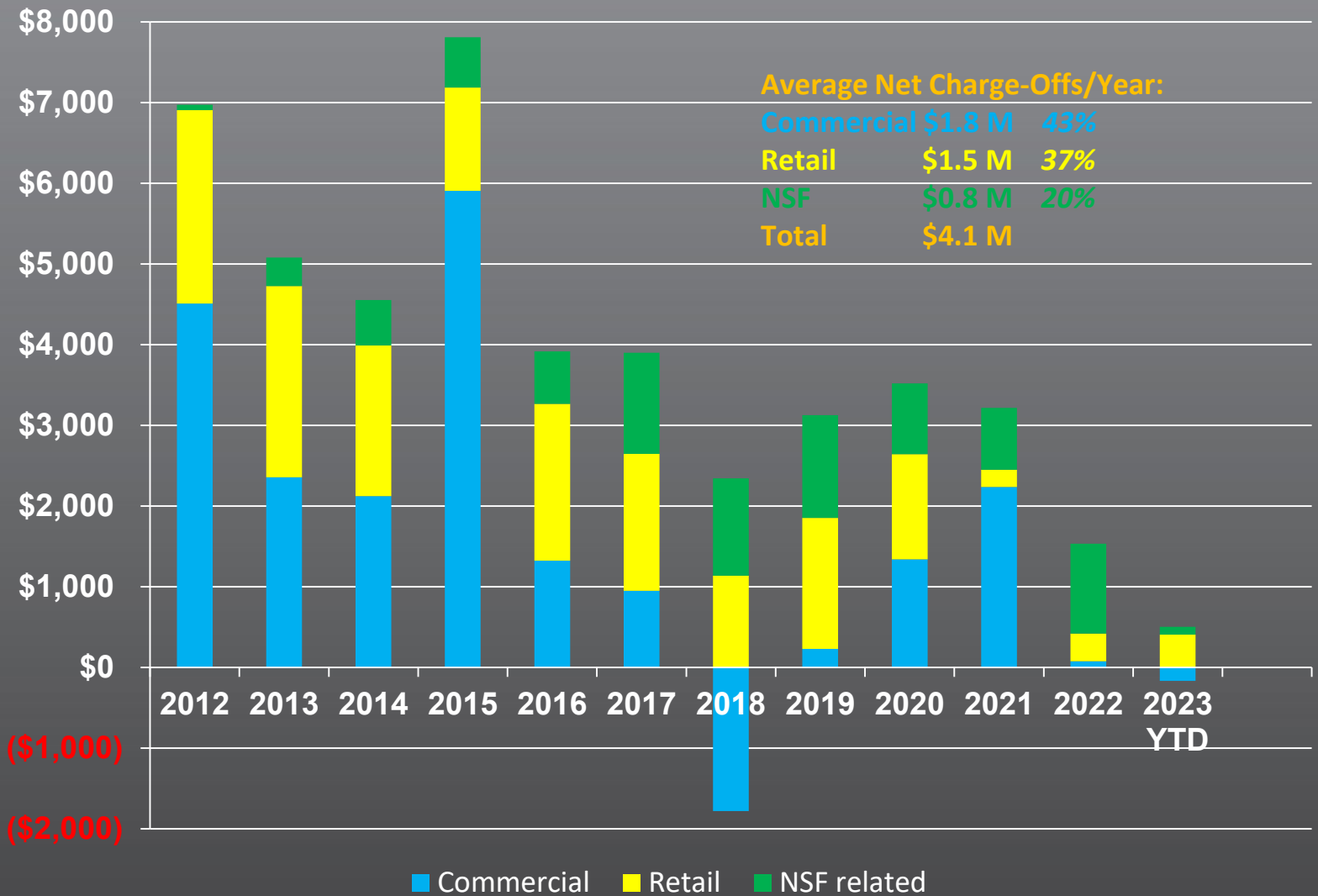
Key Loan Markets	Percent of Commercial Portfolio
West Virginia & Eastern Kentucky – <i>dating to 1870</i>	41%
Virginia/Eastern Panhandle Markets – <i>acquired 2012/13</i>	14%
Lexington, KY – <i>acquired 2015</i>	27%
Columbus, OH; Cincinnati, OH; & Pittsburgh PA	18%

Asset Quality: At Historic Highs

- Non-Performing Assets (17bp) –
 - **Lowest in 20+ years**
- Past-Due Loans (19bp)
 - **Lowest in 20+ years**
- OREO (\$0.9 MM)
 - **Lowest in 15+ years**
- Net Consumer Loan Charge-offs
 - **Lowest in 15+ years**

Average Provision Expense 2005-2021 21bp

Net Charge-off Details: 2012-2023



Commercial Sectors Information

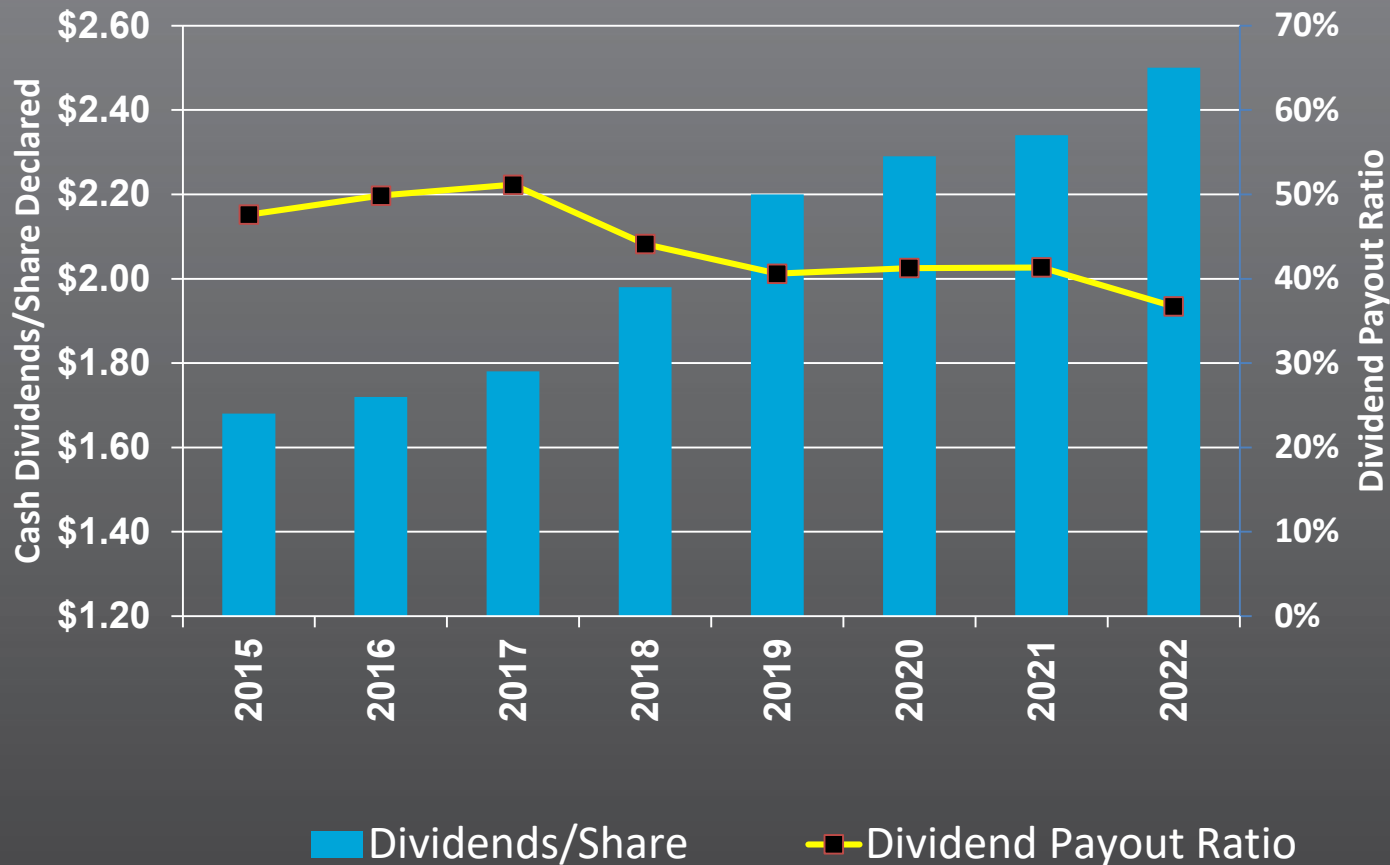
As of March 31, 2023

Commercial Sector	\$(in thousands)	% of Total Loans	Avg DSC	Avg LTV
Natural Gas Extraction	\$25,179	0.65%	3.68	64%
Natural Gas Distribution	23,711	0.61%	2.61	N/A
Masonry Contractors	23,017	0.59%	1.13	84%
Sheet Metal Work Manufacturing	23,491	0.60%	1.57	68%
Beer & Ale Merchant Wholesalers	26,766	0.69%	3.28	N/A
Gasoline Stations with Convenience Stores	53,556	1.38%	4.19	65%
Lessors of Residential Buildings & Dwellings	303,311	7.79%	1.89	66%
1-4 Family	114,768	2.95%	2.97	68%
Multi-Family	160,664	4.13%	1.84	66%
Lessors of Nonresidential Buildings	468,836	12.05%	1.70	65%
Office Buildings	44,926	1.15%	1.64	64%
Lessors of Mini-Warehouses & Self-Storage Units	44,510	1.15%	1.62	62%
Assisted Living Facilities	28,944	0.74%	1.38	57%
Hotels & Motels	335,086	8.61%	1.43	52%
(in thousands)	Average Balance		Median Balance	
Commercial Loans	\$453		\$92	
Commercial Real Estate Loans	498		119	

Capital Management: A Long-term Core Competency



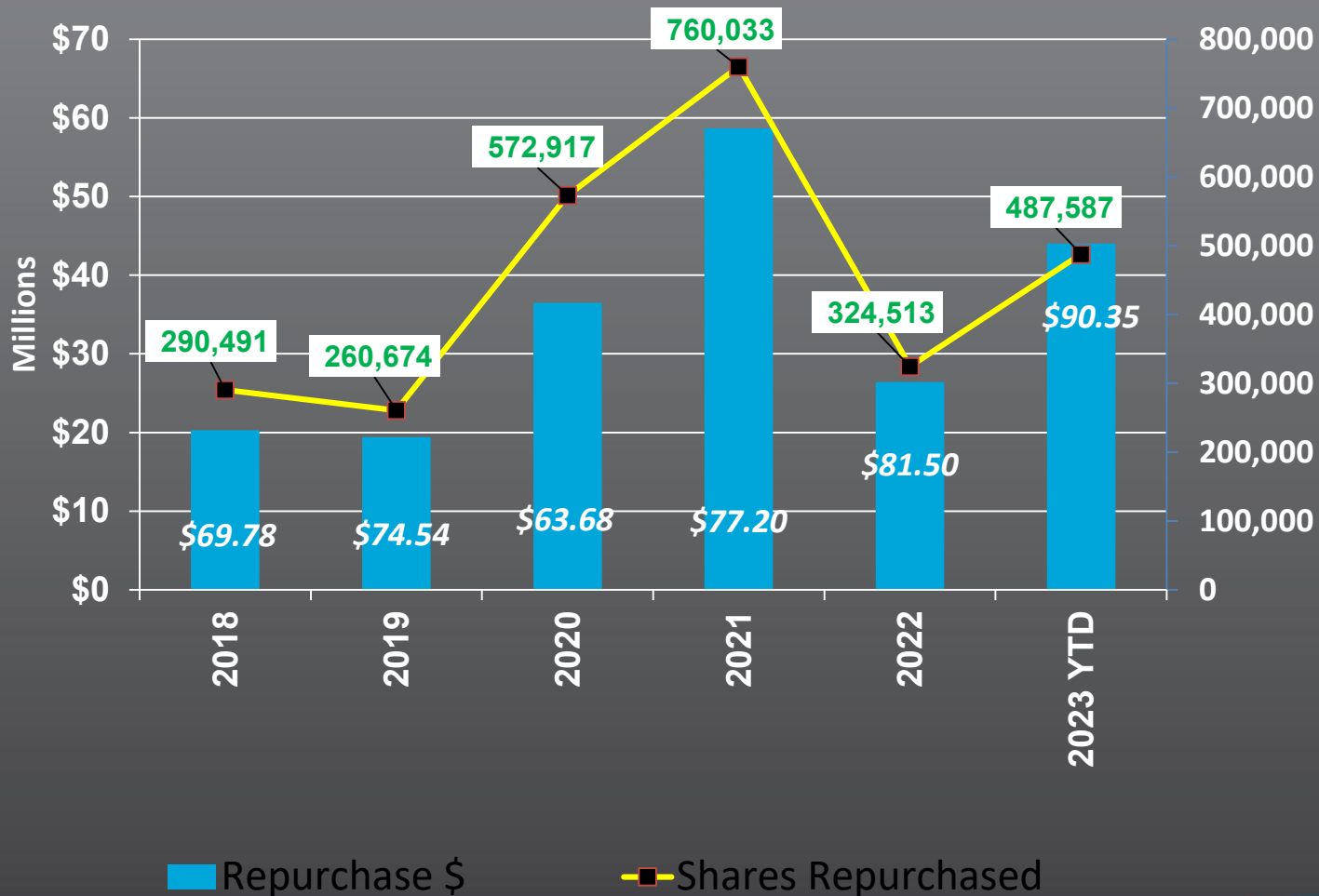
Cash Dividends/Share Declared & Dividend Payout Ratio



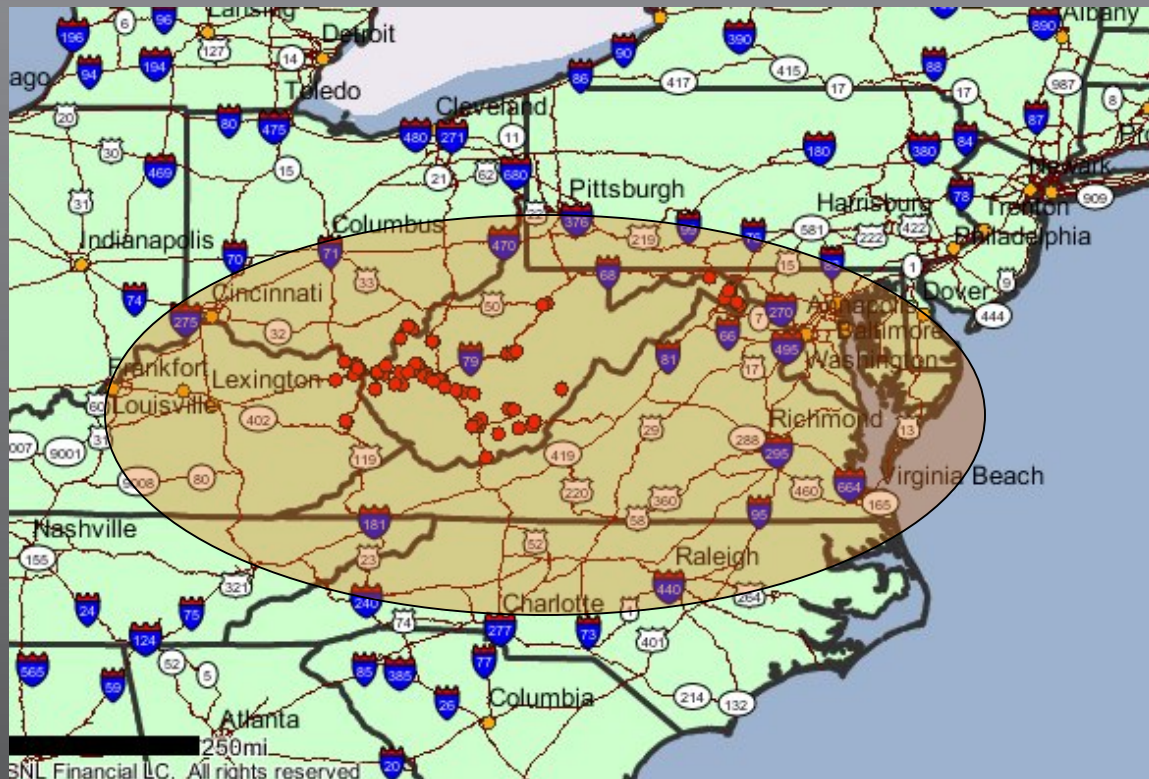


Share Activity:

City's strong capital and high profitability have allowed aggressive share repurchases



Acquisition territory:



Small Community Banks will struggle with lower net interest income, asset quality challenges, lack of scale, and limited liquidity for their stock. Underperforming small banks may be interested in joining a stronger partner rather than to continue to perform poorly. City is well positioned to acquire select franchises.

Acquisition History

- **2005: Classic Bank, Ashland KY**
 - Approx. 25% Household Share, adjacent mkt
- **2012: Virginia Savings Bank, Winchester VA**
 - 5 Branches in adjacent mkt; Strong Growth for City
- **2013: Community Bank, Staunton VA**
 - Solid franchise in adjacent mkts; Was a “Problem Bank” and CHCO had significant financial gains from AQ
- **2015: 3 Branches in Lexington KY**
 - Exceptional commercially focused team with very strong growth in 8 years
- **2018: Town Square, Ashland & Central KY**
 - Took Ashland household share to 40%. Meaningfully built-out Central KY market
- **2018: Farmers Bank: Central KY**
 - Extremely profitable small town markets in Central KY; Grew households
- **2023: Citizens Commerce: Central KY**
 - Approx 40% of Woodford Co. households; strong lender and strong deposit franchise

CHCO represents excellent value and stability

- **Pricing Metrics***:
 - **Price to Book** **234%**
 - **Price to Tangible Book** **315%**
 - **Price to 2023 Projected Earnings**** **13.5x**
- **Dividend Yield** **2.60%**
- **Div Payout Ratio**** **35%**
- **Tangible Capital/Tangible Assets ***** **7.9%**
- **Institutional Ownership** **70%**
- **Average Daily Volume** **\$7.2mil**

* Based on Price of \$99.09 (7/27/2023)

** Based on average of 6 analysts covering CHCO estimate of \$7.36 for 2023 (as of 7/27/2023)

*** June 30, 2023