

The logo graphic features a large blue square with a white, torn-paper-like shape cut out of its top-left corner. Inside this white shape, the company name is written. A blue circle with diagonal white stripes is positioned at the top-right corner of the blue square, partially overlapping the white shape.

**Chemung
Financial**
C o r p o r a t i o n

Chemung Financial Corporation

2023 Janney Community Bank Forum

With You Today



Anders Tomson

President and Chief
Executive Officer



Dale McKim

Executive Vice
President and Chief
Financial Officer

Safe Harbor Statement

This presentation contains certain statements that may be considered forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act, and the Private Securities Litigation Reform Act of 1995, which are subject to numerous risks and uncertainties. Forward looking statements can be identified by words such as "anticipates," "believes," "contemplates," "feels," "expects," "estimates," "seeks," "strives," "plans," "intends," "outlook," "forecast," "position," "target," "mission," "assume," "achievable," "potential," "strategy," "goal," "aspiration," "opportunity," "initiative," "outcome," "continue," "remain," "maintain," "on course," "trend," "objective," "looks forward," "projects," "models" and variations of such words and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "might," "can," "may," or similar expressions, which predict or indicate future events or trends and which do not relate to historical matters. These forward-looking statements are predicated on the beliefs and assumptions of Chemung Financial Corporation's management based on information known to management as of the date of this presentation and do not purport to speak as of any other date. Forward looking statements should not be relied upon, because they involve known and unknown risks, uncertainties and other factors, some of which are beyond the control of the company. Should one or more of these risks materialize or should underlying beliefs or assumptions prove incorrect, the Corporation's actual results, performance or achievements could differ materially from those discussed. Factors that could cause or contribute to such differences include but are not limited to: changes in general economic, political or industry conditions; changes in monetary and fiscal policies, including changes in interest rates; volatility and disruptions in capital and credit markets; changes in regulation or oversight; unfavorable developments concerning credit quality; the effects of more stringent capital or liquidity requirements; declines or other changes in the businesses or industries of customers of the Corporation's and its subsidiaries; operational difficulties, failure of technology, infrastructure or information security incidents; the implementation of the Corporation's strategies and business initiatives; changes in the financial markets, including fluctuations in interest rates; competitive product and pricing pressures among financial institutions within the Corporation's markets; changes in customer behavior; any future strategic acquisitions or divestitures; management's ability to maintain and expand customer relationships; management's ability to retain key officers and employees; the impact of legal and regulatory proceedings or determinations; the effectiveness of methods of reducing risk exposures; the effects of terrorist activities and other hostilities; the effects of catastrophic events including, but not limited to, severe weather events and storms; and changes in accounting standards. The Corporation cautions that the foregoing list of factors is not exclusive. For a discussion of factors that may cause actual results to differ from expectations, please refer to "Item 1A. Risk Factors" of the Chemung Financial Corporation's Annual Report on Form 10-K for the year ended December 31, 2022, as updated by our filings on Form 10-Q and other filings with the SEC. Forward-looking statements speak only as of the date they are made. The Corporation does not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. For any forward-looking statements made in this presentation or in any documents, the Corporation claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Key Takeaways

Continued strength and momentum in underlying business

High customer engagement across all business lines and geographies.

Valuable wealth management business

High touch relationships with affluent borrowers provides dependable non-interest income stream.

Stable deposit base and ample liquidity

Majority of deposits sourced from stable, legacy markets.

Solid and stable credit quality

Consistently low non-performing assets and charge-offs.

Commercial loan growth throughout footprint

Demand remained strong through first half of 2023; 8.7% annualized growth rate.

Continued confidence in the strategy

Expansion of the franchise in higher growth markets of Albany and Buffalo



Elmira, New York



About Us



History

- Oldest locally owned and managed community bank in New York State, dating to 1833.



Operations

- Subsidiary bank - Chemung Canal Trust Company - operates with 31 branches over 14 counties in New York and Pennsylvania. Operating as Capital Bank division in Albany, New York market.
- Trust and Wealth Management division with \$2.2 bn in assets under management or administration.



Legal & Market

- New York chartered bank and member of the Federal Reserve
- Listed on NASDAQ Global Select (Ticker: CHMG)
- Market Capitalization of \$181.1 million at June 30, 2023

Core Strategies



Build through organic growth and acquisitions

- ✓ 3 whole bank acquisitions since 1994 plus 12 branches acquired.
- ✓ Drive growth in Albany and Buffalo with legacy market deposits.



Be a disciplined acquirer

- ✓ Well positioned to opportunistically acquire when operational model and pricing is right.
- ✓ New York and contiguous states remain focus.
- ✓ Seeking wealth management, whole bank or branch opportunities.



Manage capital effectively

- ✓ Maintain pricing discipline on loan and deposits.
- ✓ Retain appropriate levels of capital to maintain optionality.



Execute on community banking model

- ✓ Believe and behave like a community bank.
- ✓ Recognized community partner within our markets.
- ✓ Relationship focus.



Strong credit culture

- ✓ Robust corporate-wide risk management process.
- ✓ Disciplined underwriting and low historical losses.

Second Quarter 2023

Highlights

EPS:

\$1.33

Net Income:

\$6.3 million

Returns:

ROA
0.95%

ROE
13.97%

ROTE
15.89%

Asset Quality:

ACL-to-total loans
1.07%

Non-performing
loans-to-total loans
0.39%

- Net interest income \$1.0 million, or 5.4%, over Q2 2022.
- Net interest margin 2.87%
- Efficiency ratio 66.19%
- Tangible common equity to tangible assets improved by 36 basis points from 12/31/2022 to 5.87%.
- Loans-to-deposits 79.24%
- Available liquidity to uninsured deposits 142%
- Dividend of \$0.31 declared
- Added to Russell 2000 Index

Appendices

Company and Financial Highlights

1 Background

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- ✓ Corporate Organization
- ✓ Markets and Share
- ✓ Management Team
- ✓ Core Strategies
- ✓ Community

2 Loans

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- ✓ Loan Growth
- ✓ Portfolio Composition
- ✓ Commercial Portfolio
- ✓ CECL Adoption
- ✓ Non-Performers

3 Investments

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- ✓ Portfolio Composition
- ✓ Yield and Duration
- ✓ Fair Value and AOCI

4 Deposits

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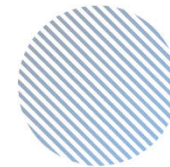
- ✓ Deposit Costs
- ✓ Deposits Composition
- ✓ Liquidity

5 Performance

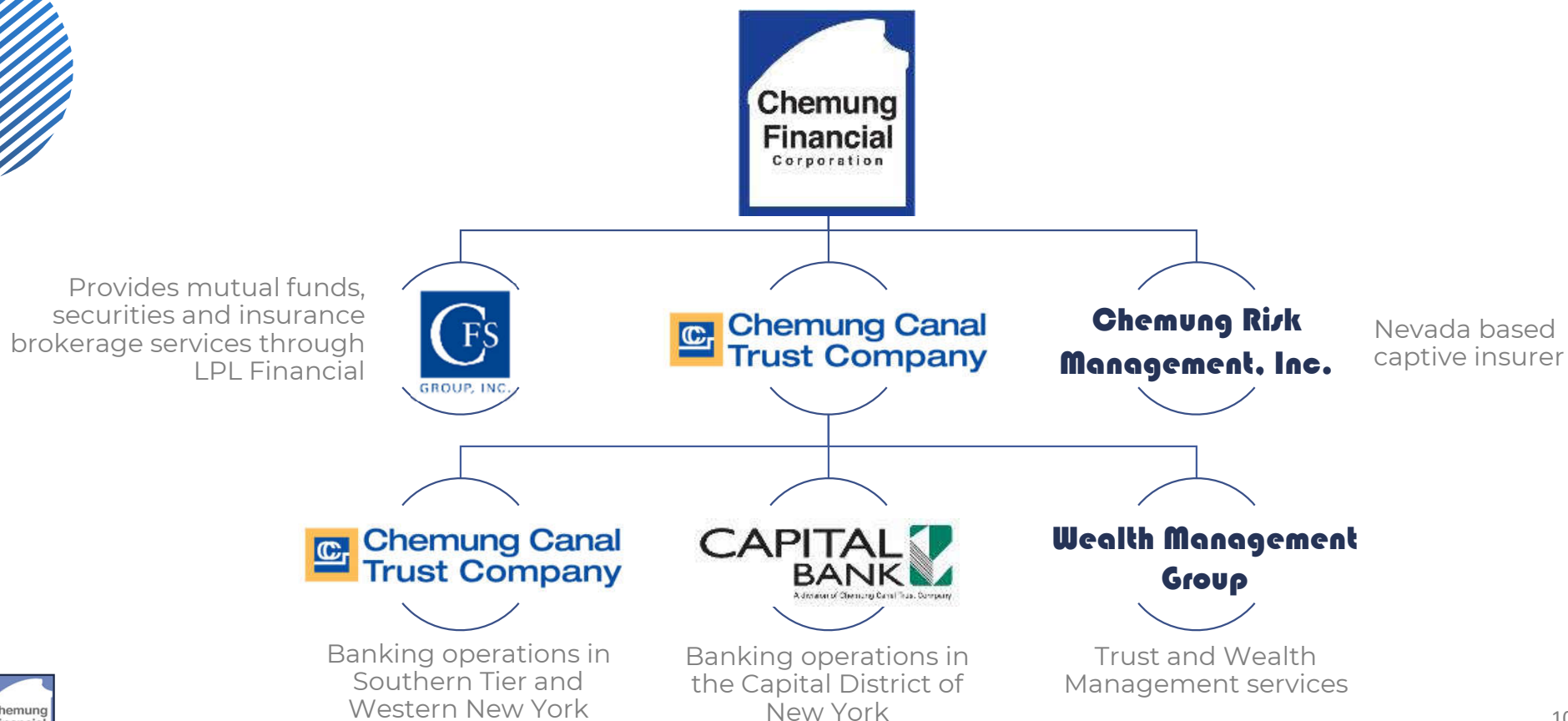
Page 31

- ✓ Net Income Trend
- ✓ Net Interest Margin
- ✓ Non-Interest Income
- ✓ Non-Interest Expense
- ✓ Expense Management
- ✓ Capital Management

Background



Corporate Organization



Markets



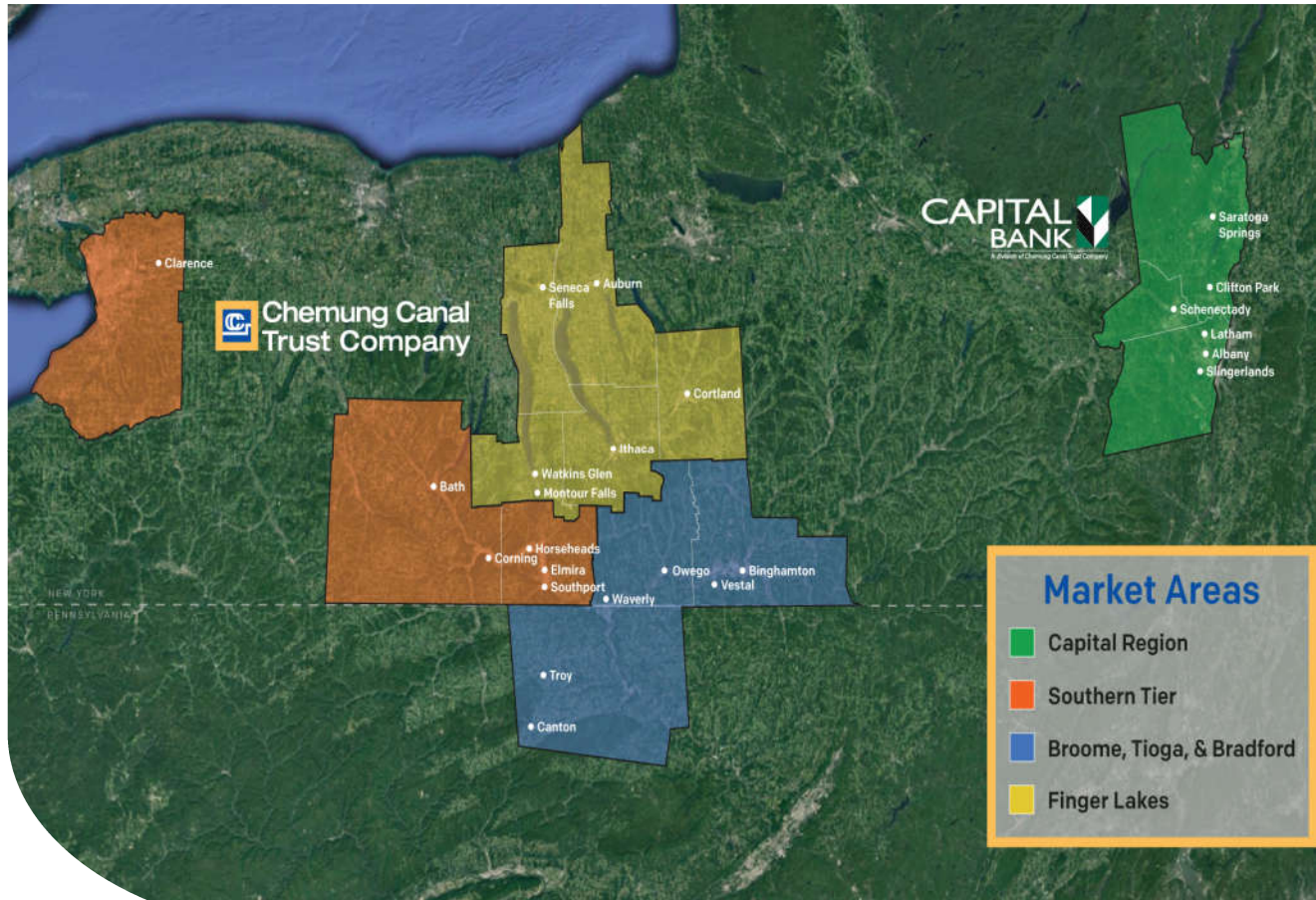
Legacy Markets

Long, deep relationships since 1833 provide stable funding and earnings engine. Steady and even economy, powered by large corporations (Corning, Inc.), higher education (Cornell University, SUNY Binghamton) and tourism.



Growth Opportunity

New York's Capital and Western New York regions offer larger population centers undergoing economic renaissances. Large bank consolidation providing market disruption opportunities.





Albany, New York



Market Share



County	2022 Deposits	Share
Chemung	\$792,545,000	54.80%
Albany	\$331,755,000	1.51%
Tioga	\$156,083,000	27.94%
Schuyler	\$190,265,000	68.61%
Steuben	\$133,306,000	9.92%
Cayuga	\$122,081,000	7.72%
Tompkins	\$110,248,000	4.00%
Bradford (PA)	\$62,655,000	4.01%
Broome	\$93,469,000	2.51%
Saratoga	\$96,594,000	1.44%
Seneca	\$32,937,000	4.71%
Cortland	\$20,936,000	2.22%
Schenectady	\$40,182,000	1.05%
Erie	\$2,696,000	0.00%
Total	\$2,185,752,000	

Legacy Markets

Dominant market share of deposits

Growth Markets

Small share of much larger markets; a lot of room to grow.

Competitive Advantage

Deployment of lower cost deposits to higher growth markets.



Experienced Management Team



Anders Tomson

President and CEO

Industry Experience: 30 years

Years with CHMG: 12 years

Previously with Citizens



Dale McKim

EVP & CFO

Industry Experience: 27 years

Previously with KPMG LLP and

Evans Bancorp



Jeffrey Kenefick

Regional President

Industry Experience: 34 years

Years with CHMG: 4

Previously with Five Star Bank



Daniel Fariello

President, Capital Bank

Industry Experience: 22 years

Years with CHMG: 10

Previously with First Niagara



Thomas Wirth

EVP, Wealth Management

Industry Experience: 36 years

Years with CHMG: 36 years



Kimberly Hazelton

EVP, Senior Banking Officer

Industry Experience: 30 years

Years with CHMG: 7 years

Previously with TD Bank



Peter Cosgrove

EVP, Chief Credit and Risk
Officer

Industry Experience: 41 years

Years with CHMG: 4 years

Previously with First Niagara



Dale Cole

EVP and Chief Information
Officer

Industry Experience: 25 years

Years with CHMG: 6 years

Previously with BOK Financial

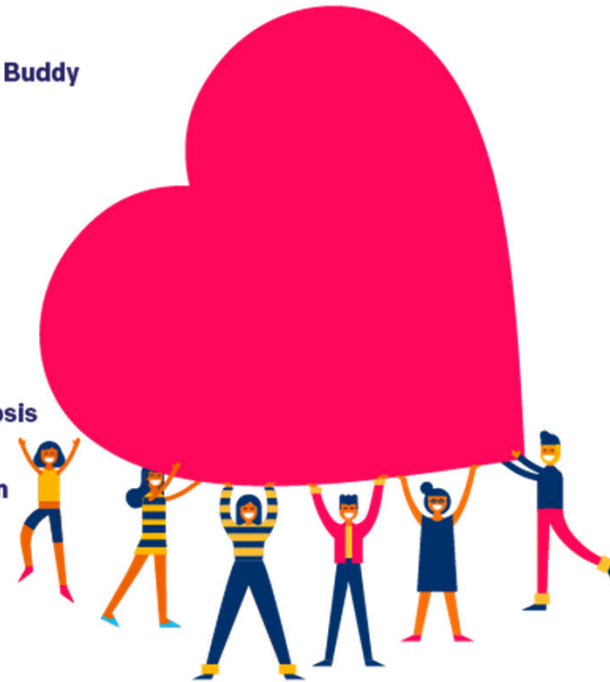
Supporting our Communities

Volunteering over 8,000 Hours

Distributing nearly \$550,000 in donations and sponsorships

**Achieve | Albany Medical Center | American Cancer Society
American Heart Association | ARCs | Arnot Art Museum | Arnot Health
Auburn Public Theater | Boy Scouts | Broome County Council of Churches Buddy
Walk | Capital City Rescue Mission | Capital Region Sponsor-A-Scholar
CareFirst | Career Development Council
Catholic Charities Clemens Center | Colonie Senior Center
Community Foundations | Corning Community College
Disabled American Veterans | Elmira College
Food Bank of the Southern Tier | Girl Scouts | Glassfest | Glove House
Grand Prix Festival | Guthrie | Habitat for Humanity | Historical Society
Ithaca Science Center | Jefferson Awards | JDRF | Junior Achievement
Kiwanis | Lions | Lourdes Foundation | Meals on Wheels | Multiple Sclerosis
Muscular Dystrophy | NAACP | Office for the Aging | PAL
Public Television Reading is Fundamental | Red Cross | Rockwell Museum
Ronald McDonald House Charities | Rotary | Sock Out Cancer
Sidney Albert Jewish Community Center | SPCA | St. Peter's Hospital
United Health Services | Youth Sports Leagues | YMCA & YWCA**

& Many, Many More!

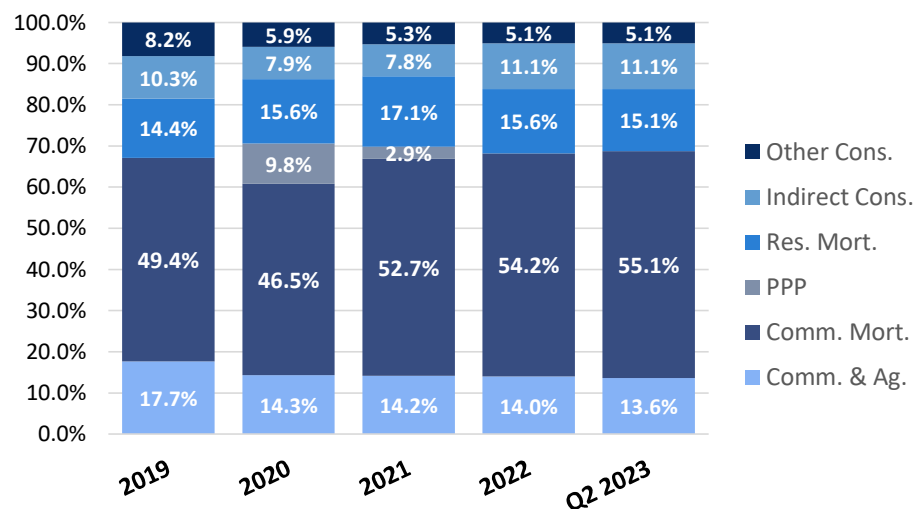


Loans

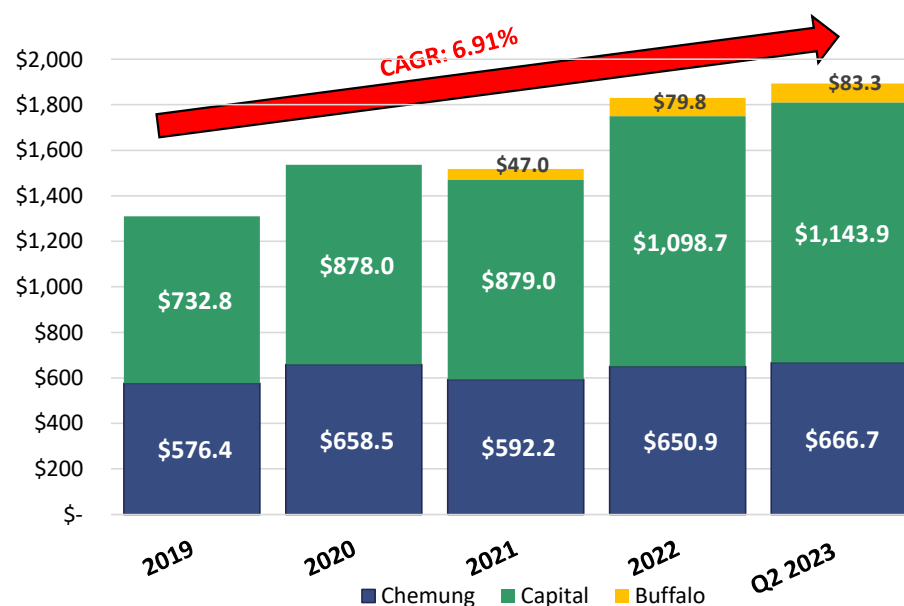
Summary of Loan Growth

- Total loans: \$1.894 billion at June 30, 2023
 - Originated \$178.4MM in Commercial Loans through June 2023
 - Originated \$48.1MM in Indirect Loans through June 2023
 - Originated \$15.3MM in Home Equity Loans through June 2023
- Opened Loan Production Office in Buffalo, NY in 2021.
\$83.3MM in loans as of 06/30/2023.

Loans by Type (%)



Loans by Division (\$ Millions)



	2019	2020	2021	2022	Q2 2023
Chemung	44.03%	42.86%	39.00%	35.60%	35.20%
Capital	55.97%	57.14%	57.91%	60.00%	60.40%
Buffalo	N/A	N/A	3.09%	4.40%	4.40%

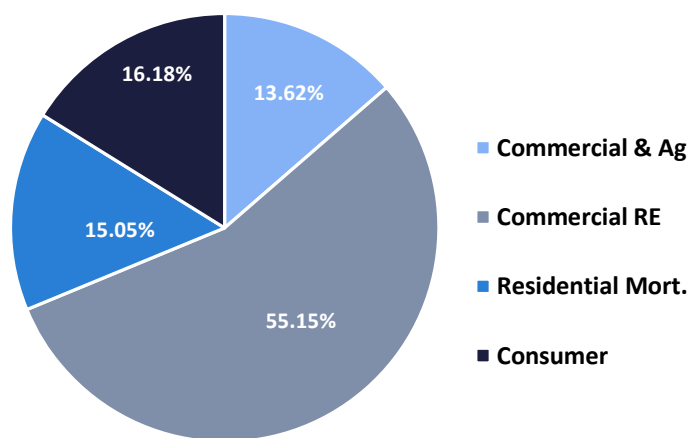
*CAGR: 12/31/18 to 06/30/2023

*June 30, 2023 figures unaudited

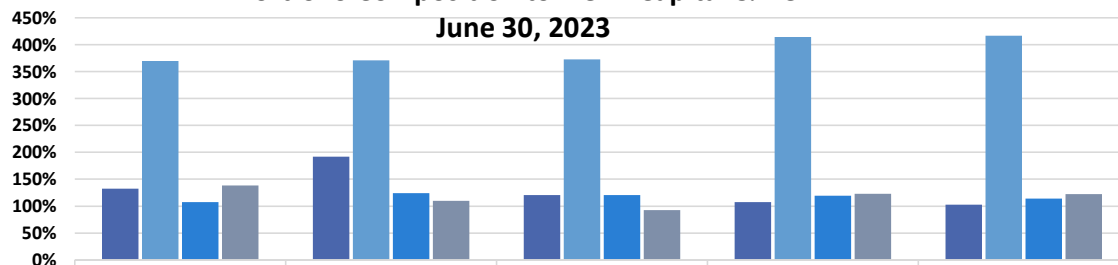
Loan Composition

- Effectively managing portfolio composition by establishing limits such as exposure and percentage of capital deployed for each category.
- Tactical use of participations to manage risk and capital.

Portfolio Concentrations to Total Loans June 30, 2023



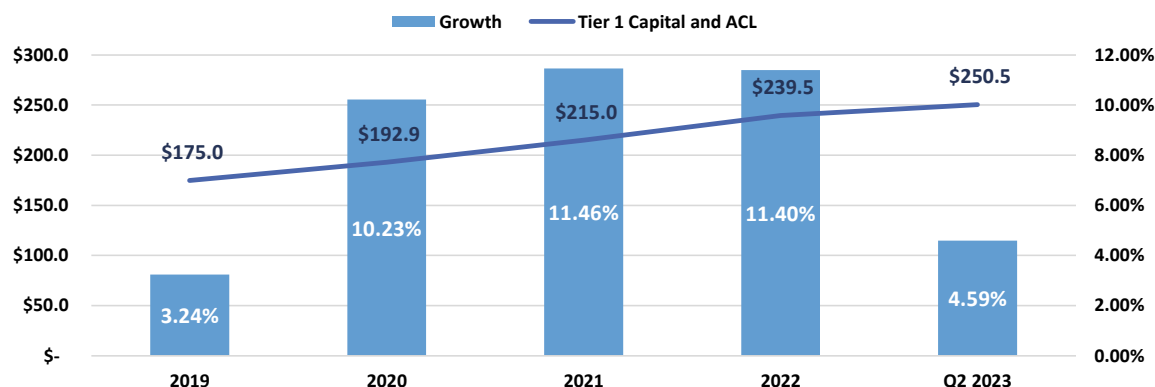
Portfolio Composition to Tier 1 Capital & ACL



	2019	2020	2021	2022	Q2 2023
C&A	133%	192%	121%	107%	103%
CRE	370%	371%	372%	414%	417%
RRE	108%	124%	121%	119%	114%
Consumer	138%	110%	93%	123%	122%

*The CRE Ratio above does not agree to the regulatory guidelines due to the inclusion of owner occupied loans. The regulatory guideline measure was 376% at Q2 2023.

Tier 1 Capital & ACL ***CECL Adopted 1/1/2023
(in millions)



*June 30, 2023 figures unaudited

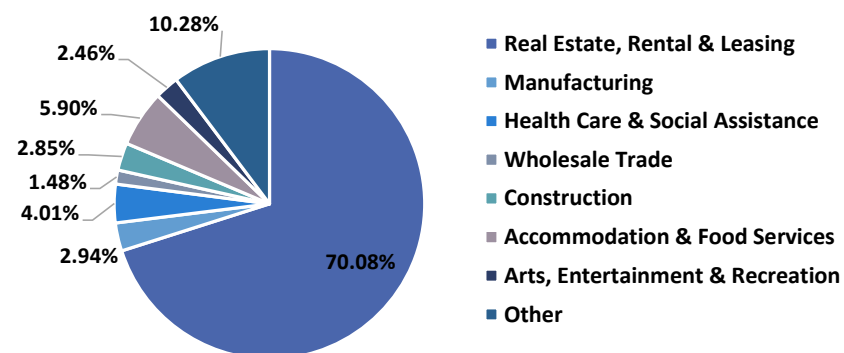
Commercial Loan Portfolio – June 30, 2023

NAICS Code / Descriptions	Balances (\$ Thousands)	Percentage
Real Estate, Rental & Leasing	\$ 912,735	70.08%
Manufacturing	38,251	2.94%
Health Care & Social Assistance	52,200	4.01%
Wholesale Trade	19,302	1.48%
Construction	37,095	2.85%
Accommodation & Food Services	76,797	5.90%
Arts, Entertainment & Recreation	32,081	2.46%
Other	133,873	10.28%
Total	\$ 1,302,333	100.00%

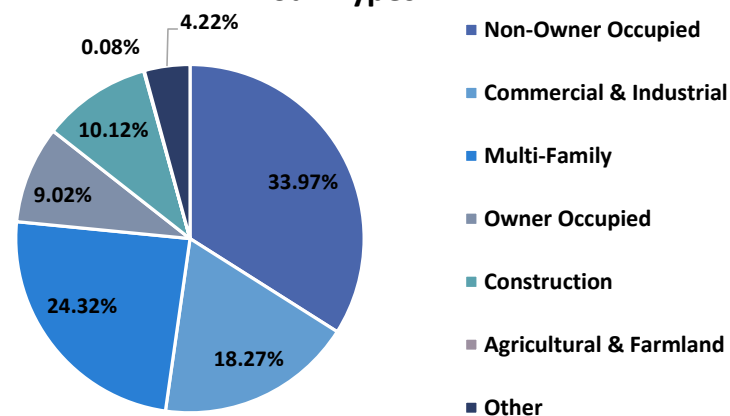
Loan Types

Non-Owner Occupied	\$ 442,336	33.97%
Commercial & Industrial	237,852	18.27%
Multi-Family	316,775	24.32%
Owner Occupied	117,526	9.02%
Construction	131,830	10.12%
Agricultural & Farmland	1,052	0.08%
Other	54,961	4.22%
Total	\$ 1,302,333	100.00%

NAICS Descriptions

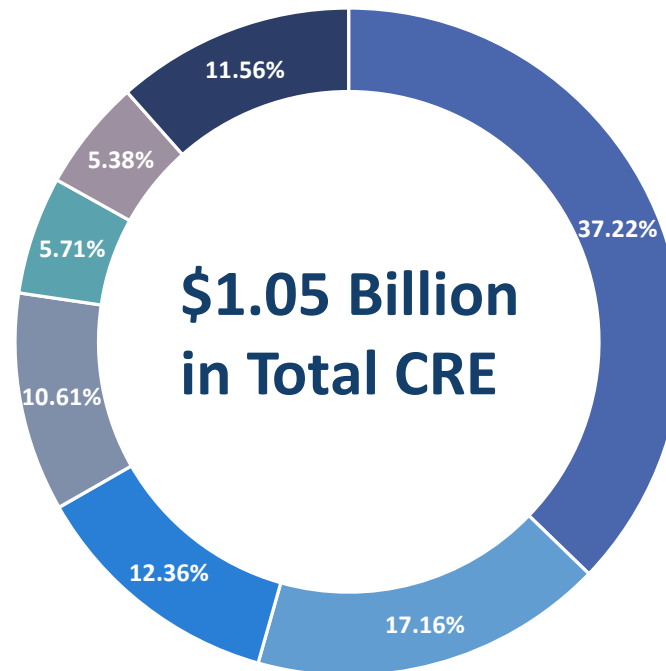


Loan Types



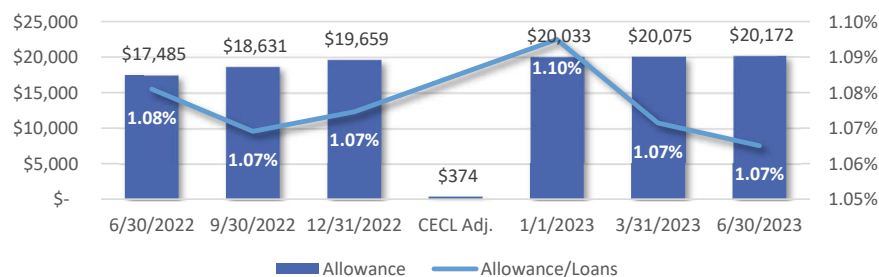
*June 30, 2023 figures unaudited

Commercial Real Estate



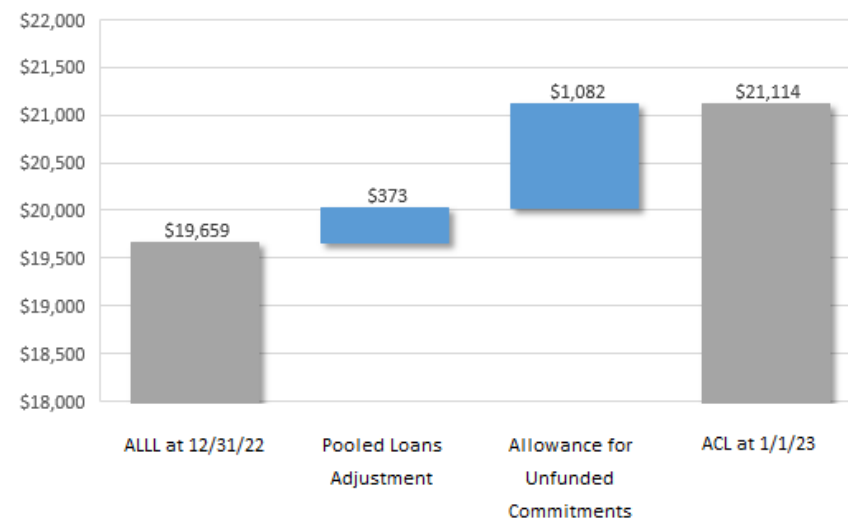
■ Multifamily ■ Retail ■ Construction & Land Development ■ Office ■ Warehouse & Storage ■ Hotel ■ Other

CECL Adoption



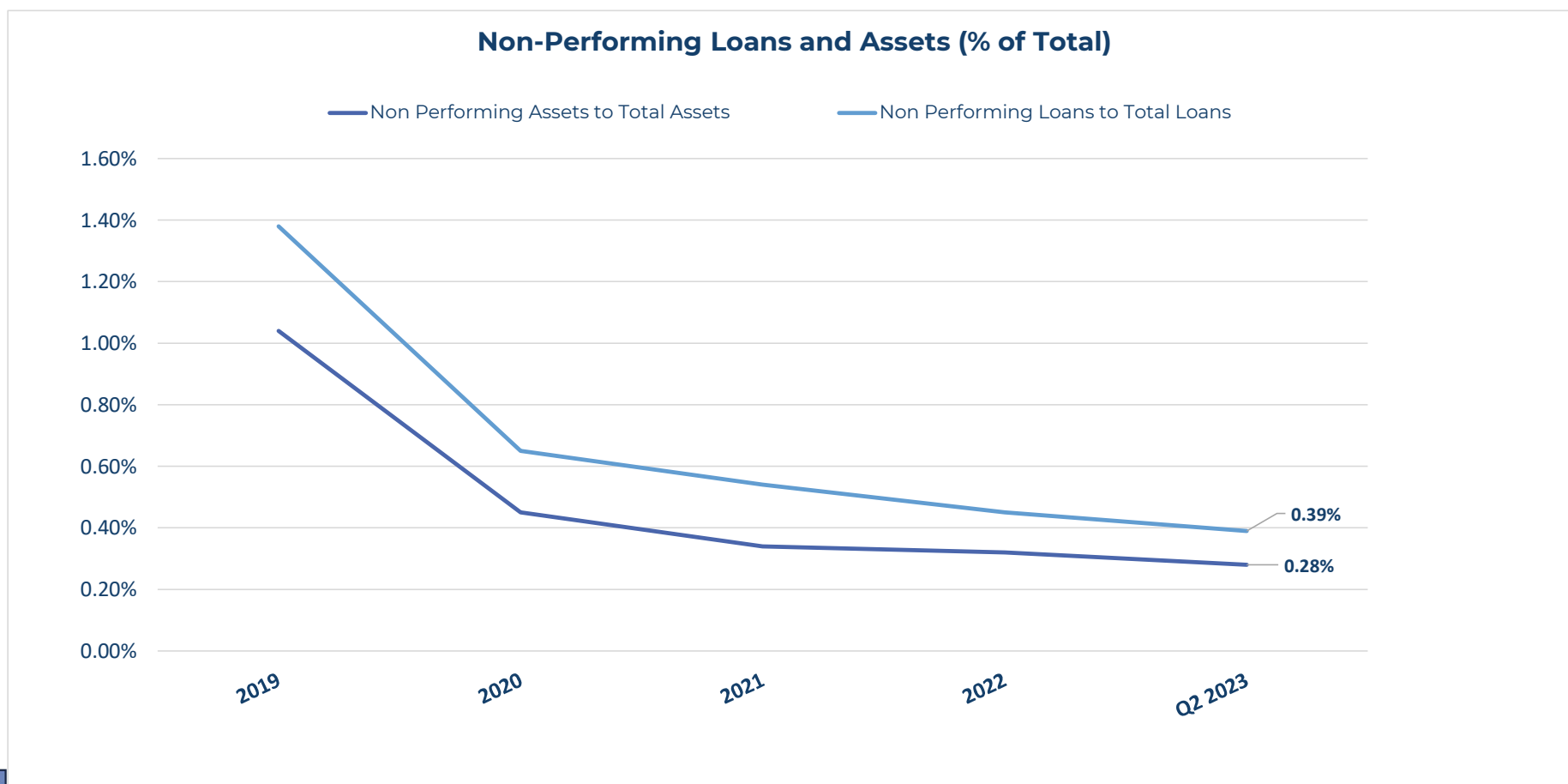
- Recorded a net decrease to retained earnings of \$1.1 million, net of taxes.
- The allowance for unfunded commitments increased by \$1.1 million, reflected in other liabilities on the balance sheet.

CECL Day 1 Impact (\$000s)



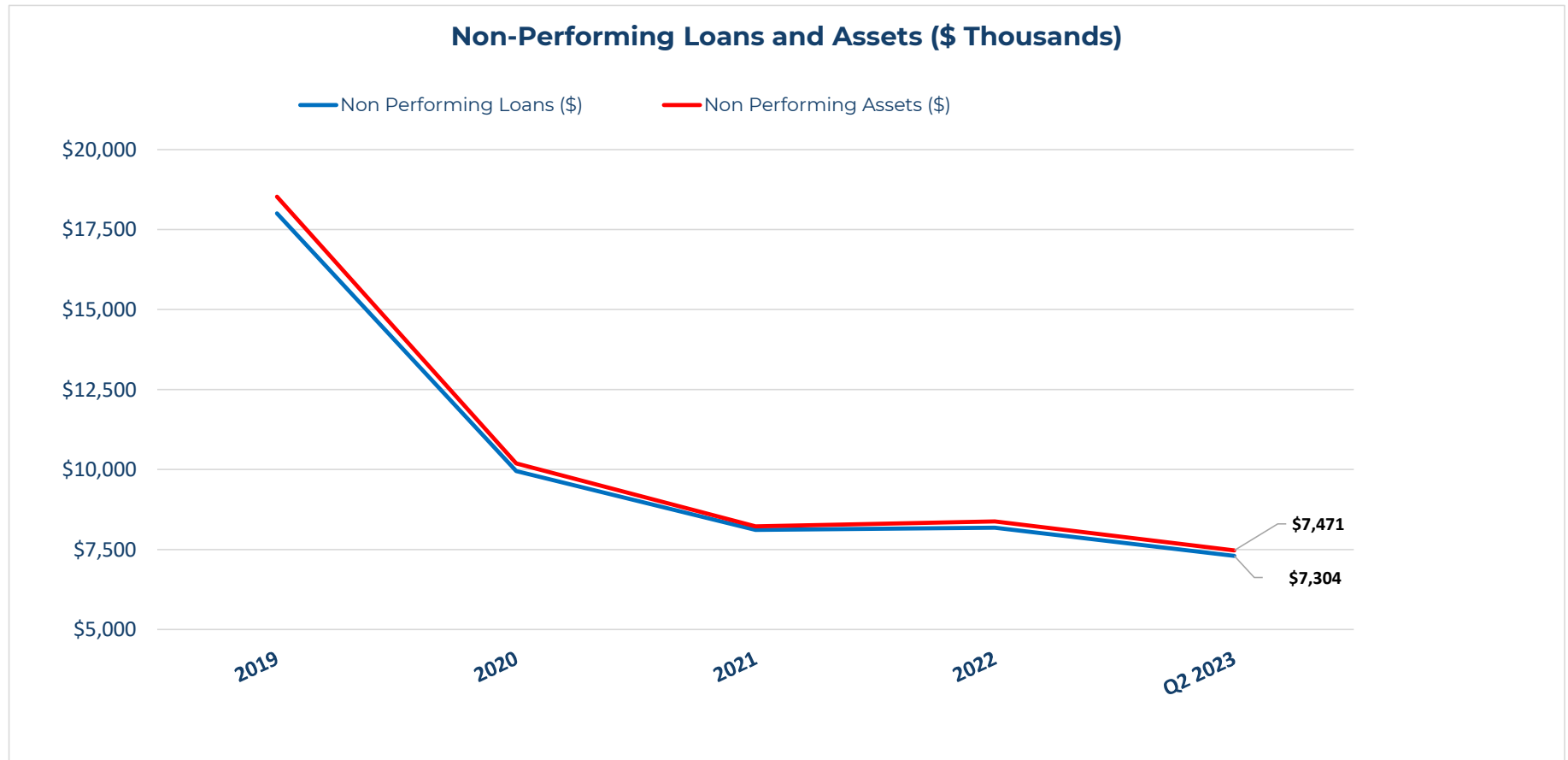
*March 31, 2023 and June 30, 2023 figures unaudited

Trends in Non-Performing Assets



*June 30, 2023 figures unaudited

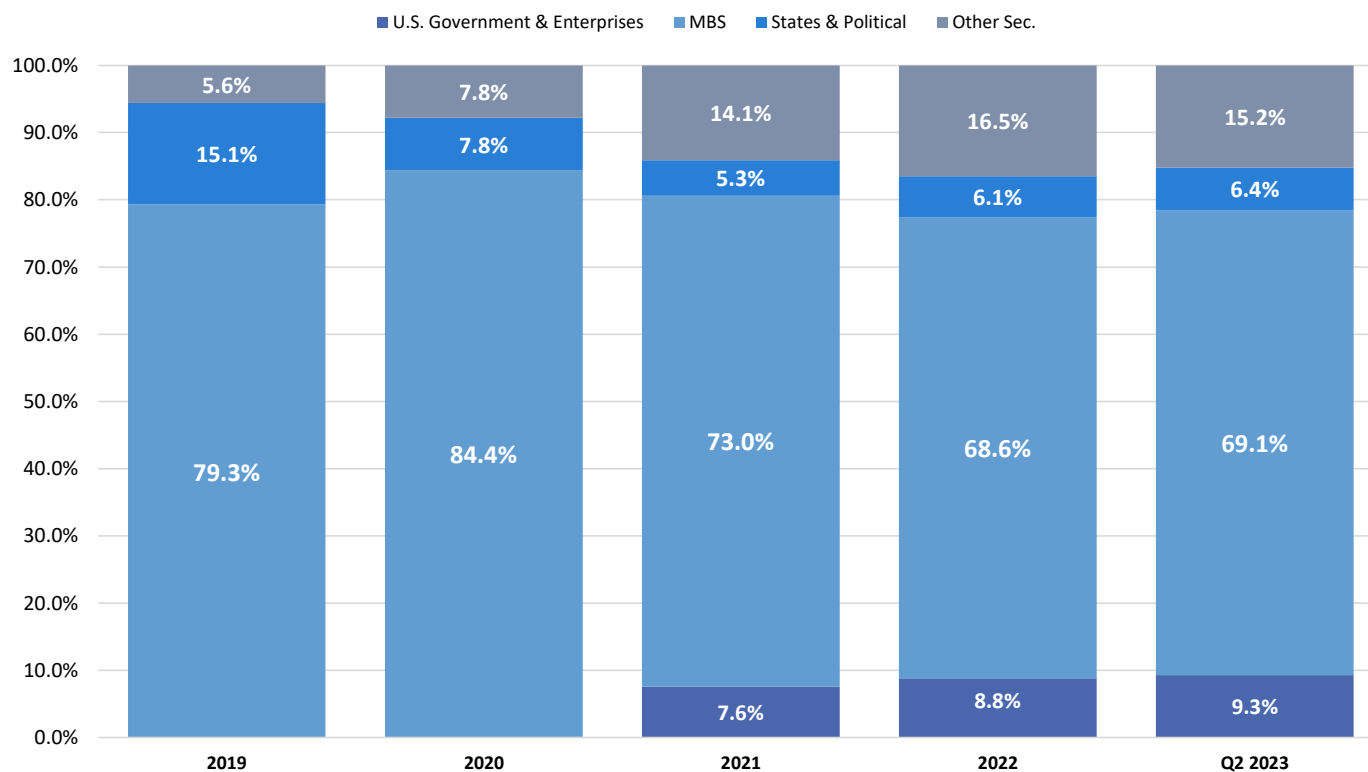
Trends in Non-Performing Assets



Investments

Investment Portfolio Composition

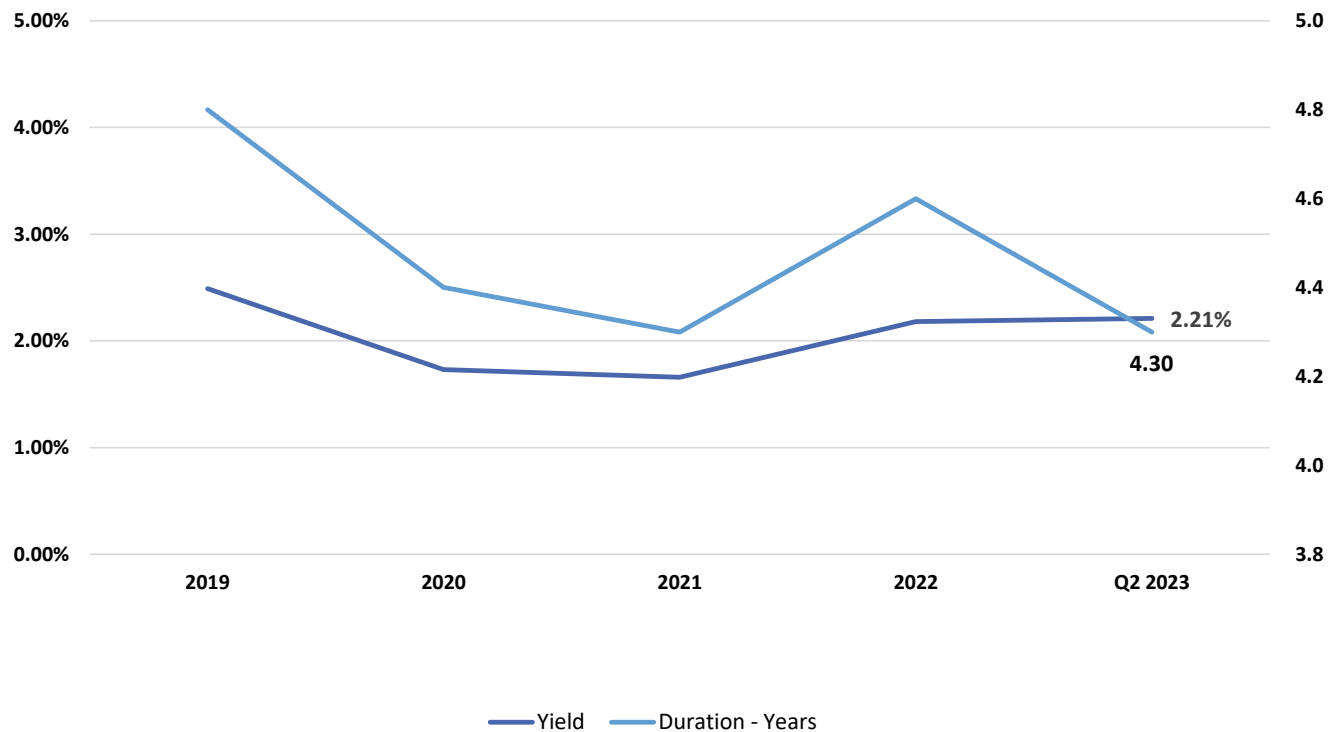
Securities Available for Sale by Type (%)



*June 30, 2023 figures unaudited

Investment Portfolio – Yield & Duration

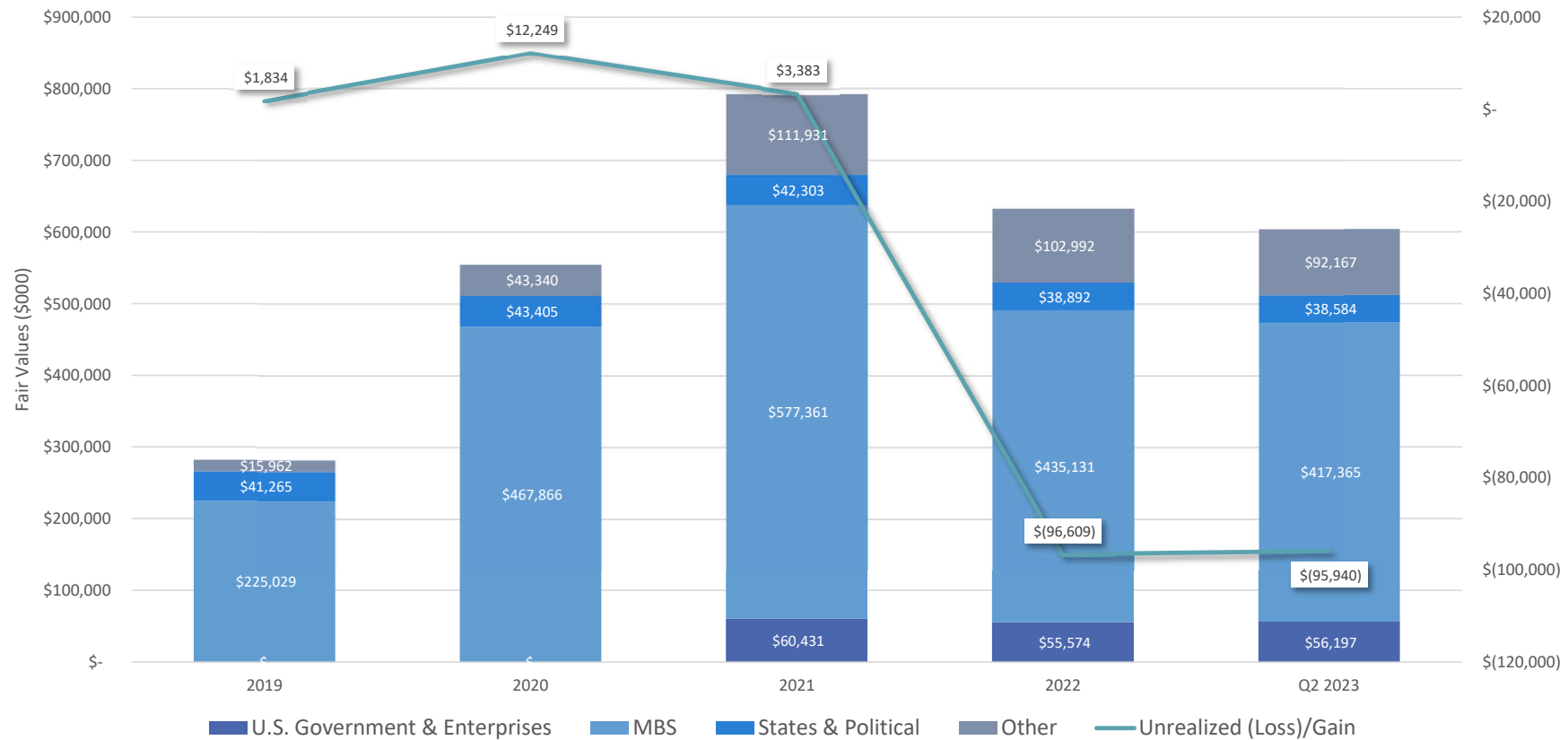
Investment Portfolio



- Utilizing cashflows from principal and interest payments to fund loans and pay down borrowings.
- Approximately \$5 million a month in cash flows.
- Principal cash flows representing over 40% of the portfolio to be received in the next five years.

* June 30, 2023 figures unaudited

Investment Portfolio – Fair Value and AOCI

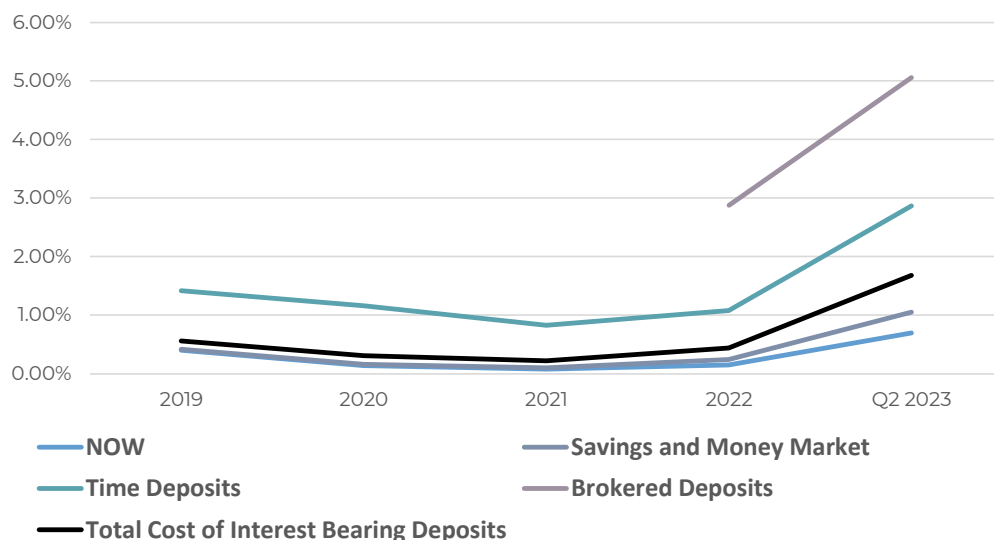


* June 30, 2023 figures unaudited

Deposits

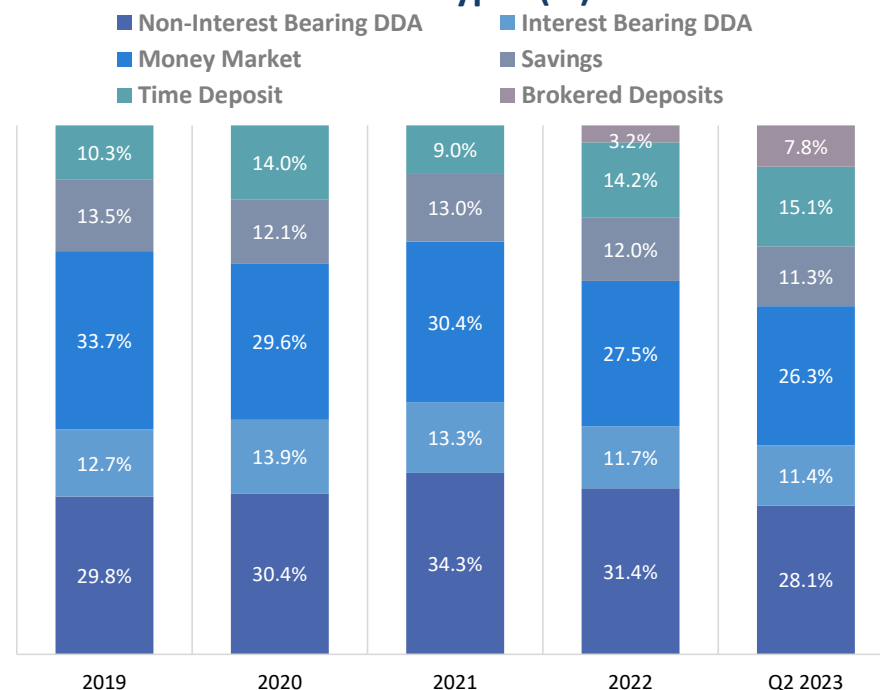
Deposits Costs

Cost of Deposits



Rate	2019	2020	2021	2022	Q2 2023
NOW	0.40%	0.14%	0.08%	0.15%	0.70%
Savings and Money Market	0.42%	0.16%	0.10%	0.24%	1.05%
Time Deposits	1.42%	1.16%	0.83%	1.08%	2.87%
Brokered Deposits				2.88%	5.06%
Total Cost of Interest Bearing Deposits	0.56%	0.31%	0.22%	0.44%	1.68%
Total Cost of Deposits	0.40%	0.21%	0.15%	0.30%	1.19%

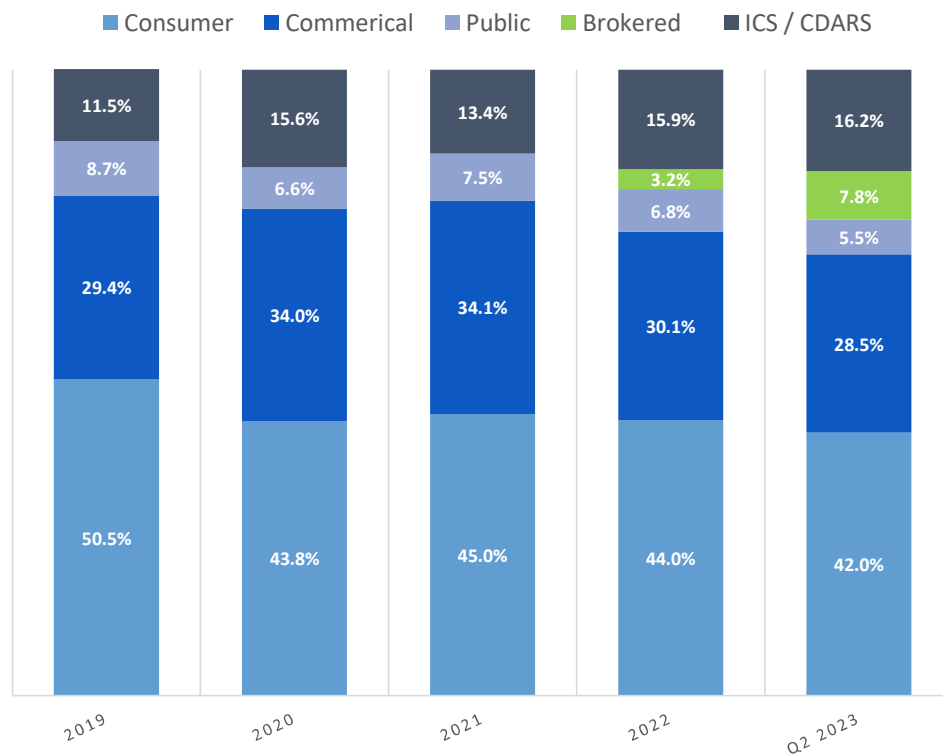
Account Types (%)



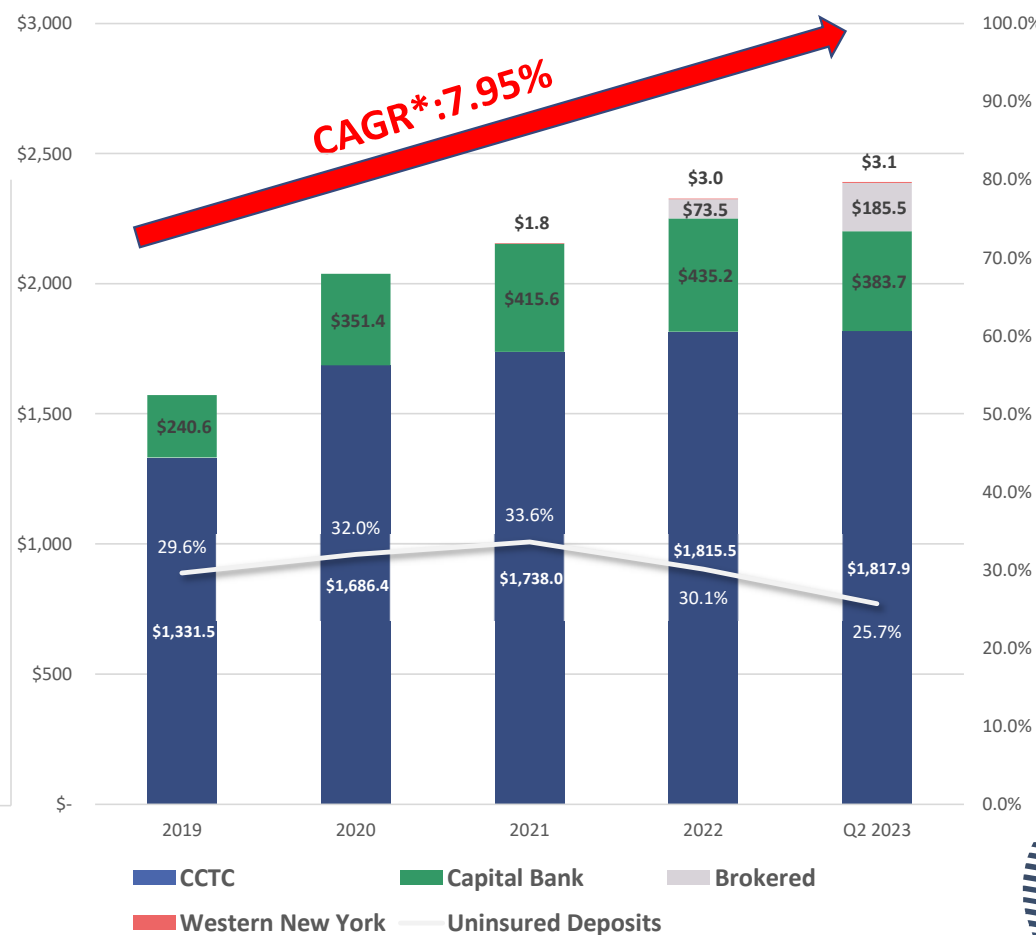
- 2023 Total Deposits \$2.390B; an increase of \$63.0 million in 2023
- 2023 Brokered Deposits \$185.4 million; an increase of \$111.9 million in 2023

Deposit Composition

DEPOSITS BY CUSTOMER (%)



Deposits by Division (\$ Millions)



*CAGR 12/31/2018 to 06/30/2023

*June 30, 2023 figures unaudited

Liquidity



Proposed Williamsville, New York Branch

<i>Dollars in Thousands</i>	Total Available		Outstanding		Remaining Available	
FHLB Advances	\$	244,704	\$	50,760	\$	193,944
Correspondent Bank Lines of Credit		60,000		-		60,000
Brokered Deposits		267,467		185,492		81,975
Unencumbered Securities		298,227		-		298,227
Total Sources of Liquidity	\$	870,398	\$	236,252	\$	634,146
Uninsured Deposits*					\$	613,718
Uninsured Deposits to Total Deposits						25.7%

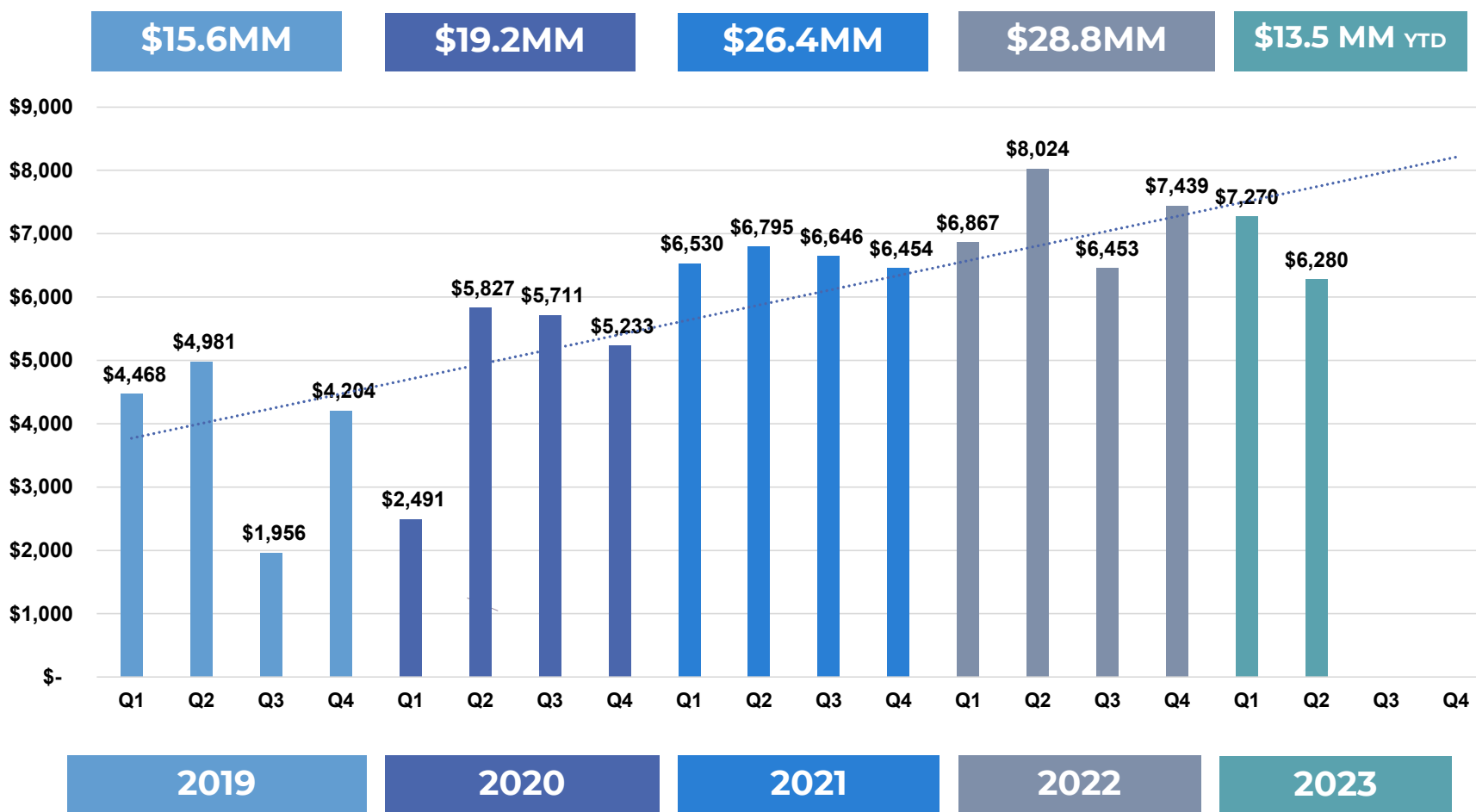
*Includes \$130.6 million in collateralized municipal deposits

As of June 30, 2023, unaudited

Performance



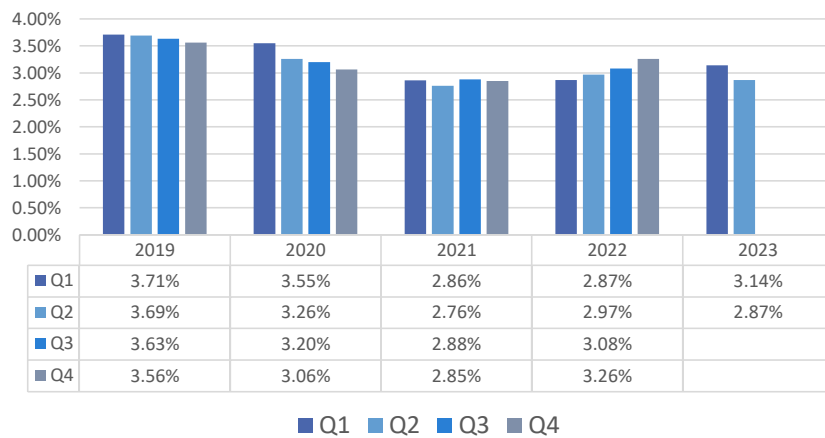
Net Income – Quarterly Trend (\$ Thousands)



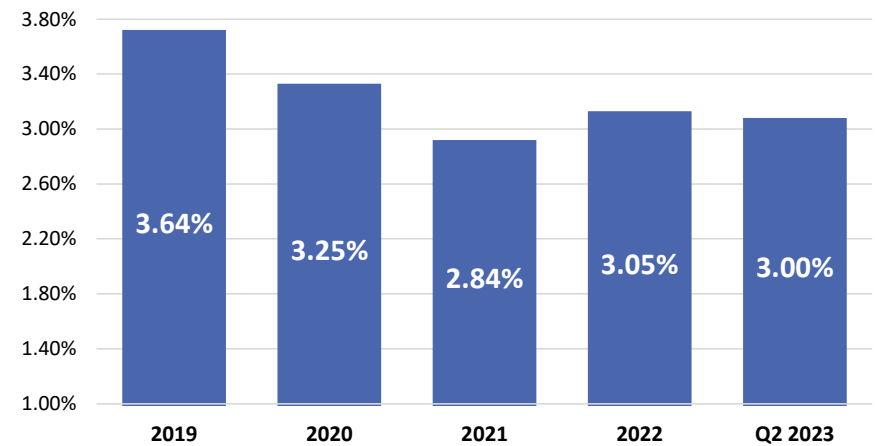
*March 31, 2023 and June 30, 2023 figures unaudited

Net Interest Margin

Fully Taxable Equivalent Net Interest Margin (%)



Fully Taxable Equivalent Net Interest Margin (%)

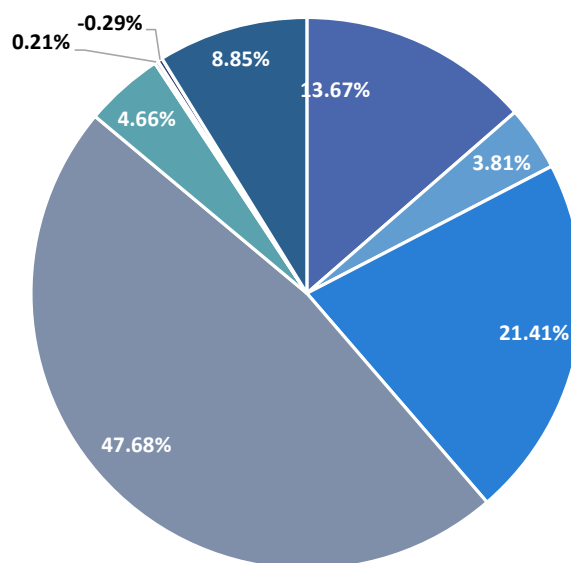


- 25.06% of the loan portfolio reprices or matures within the next 90 days
- 24.08% of the commercial loan portfolio reprices or matures within the next 90 days
- 47.74% of the commercial loan portfolio reprices or matures within the next 5 years
- 70.81% of the commercial loan portfolio is variable

*June 30, 2023 figures unaudited

Non-Interest Income Components

\$10.9 Million 6/30/2023



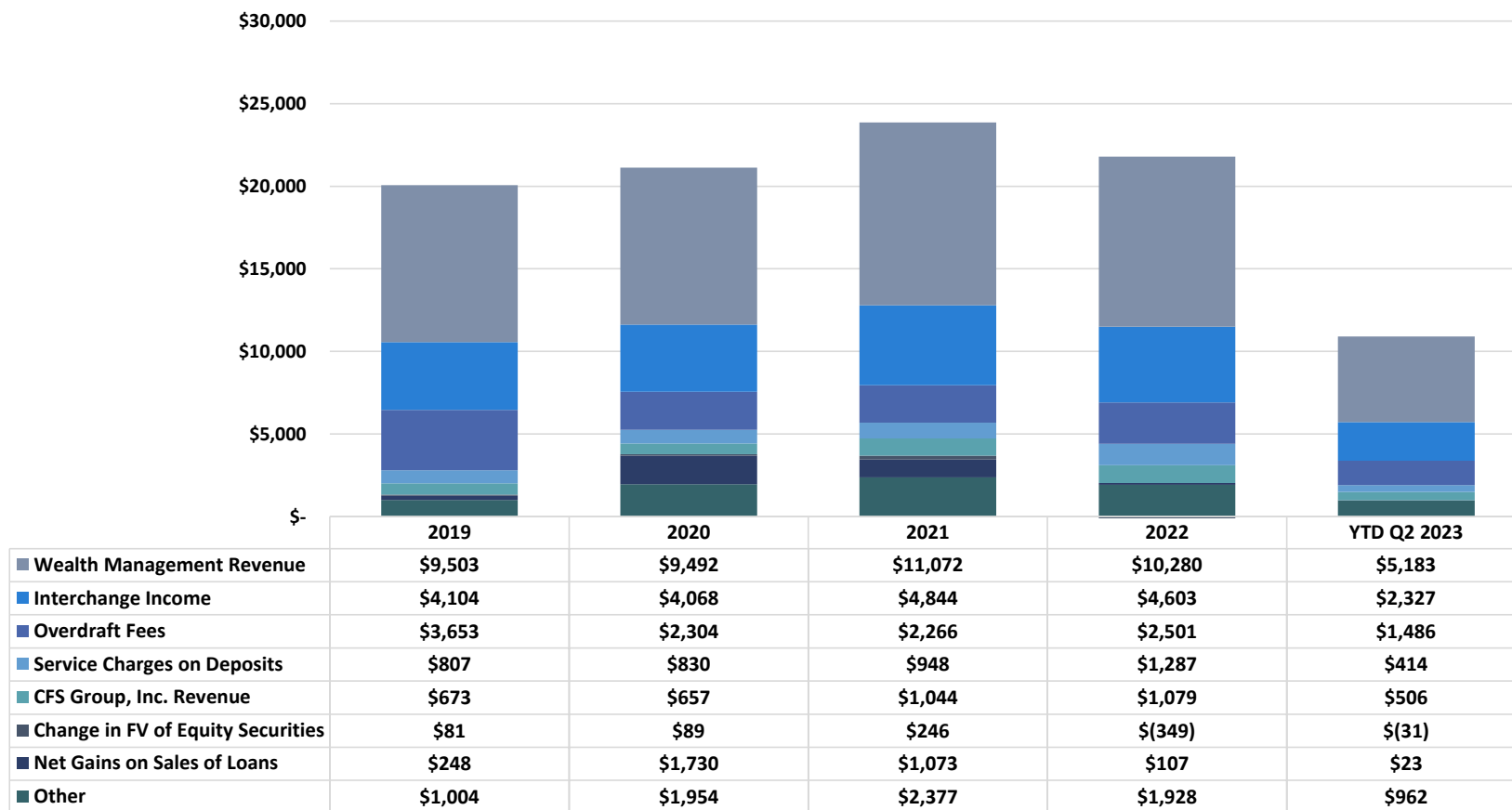
- Overdraft Fees
- Wealth Management Revenue
- Change in FV of Equity Securities
- Service Charges on Deposits
- CFS Group, Inc. Revenue
- Other
- Interchange Income
- Net Gains on Sales of Loans



*June 30, 2023 figures unaudited 34

Non-Interest Income Components

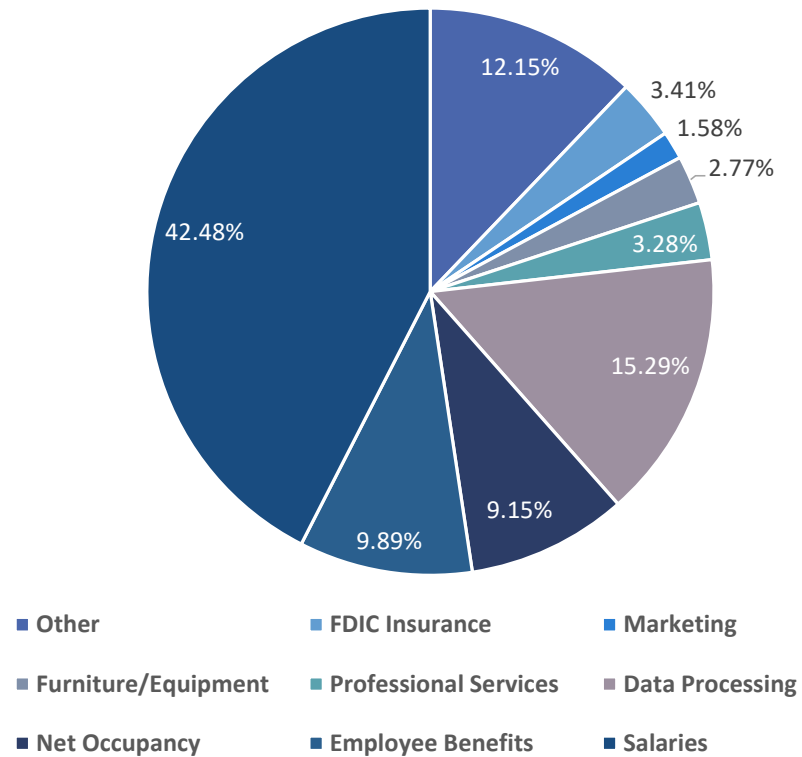
Non-Interest Income (\$ Thousands)



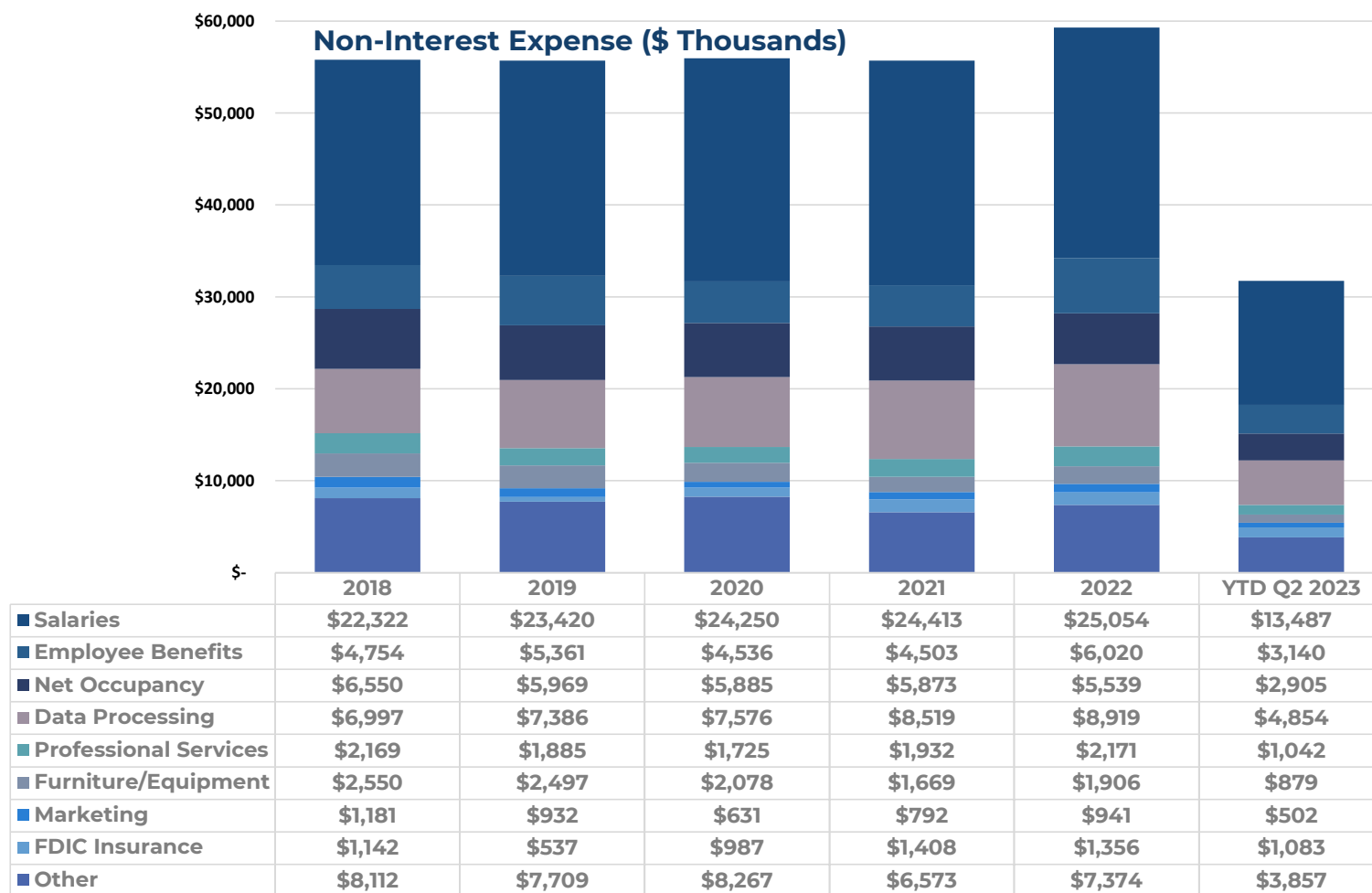
*June 30, 2023 figures unaudited 35

Non-Interest Expense Components

\$31.7 Million 6/30/2023



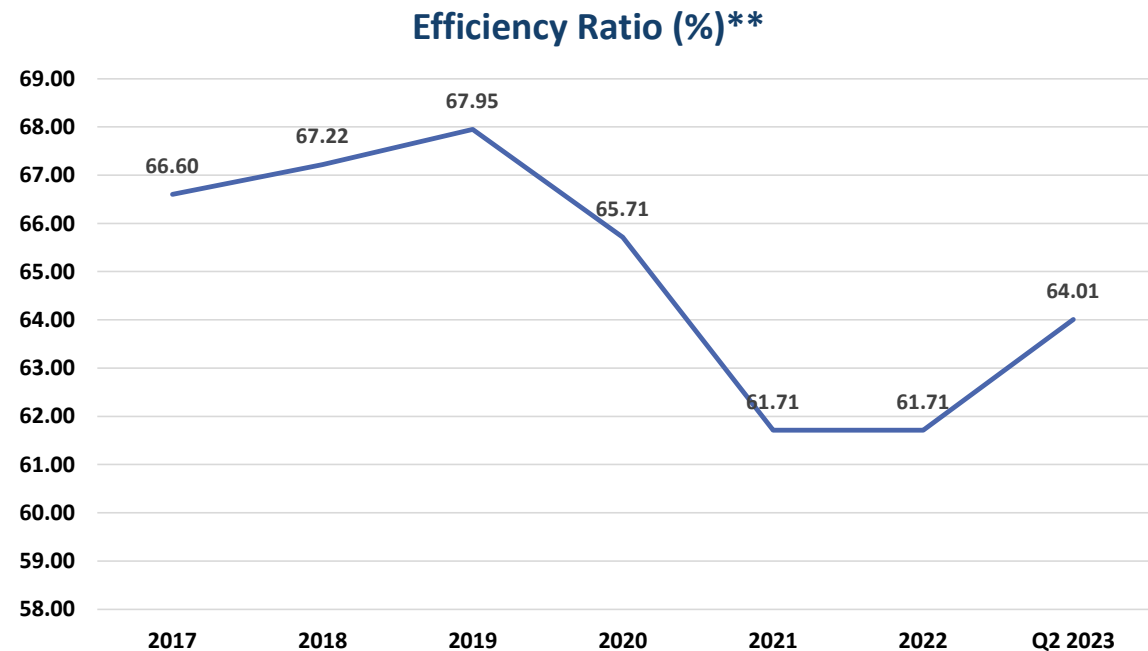
Non-Interest Expense Components



*June 30, 2023 figures unaudited

Expense Management and Control

- Goal is both cost containment and cost savings
 - Increase efficiency in banking operations (e.g., hub and spoke)
 - Identify internal best practices
 - Develop clear action plans to implement best practices across the organization
 - Growth without adding cost
- Cost savings recognized:
 - Reduction in headcount
 - Frozen pension plan and post-retirement healthcare accruals
 - Consolidation of five branch locations within existing footprint, with the most recent being two locations in 2020



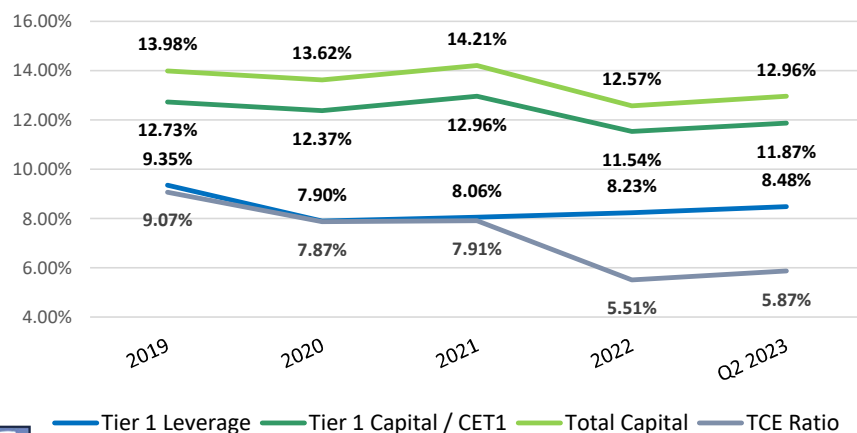
**Efficiency ratio (adjusted) is non-interest expense less amortization of intangible assets less legal reserve divided by the total of fully taxable equivalent net interest income plus non-interest income less net gains or losses on securities transactions

*June 30, 2023 figures unaudited

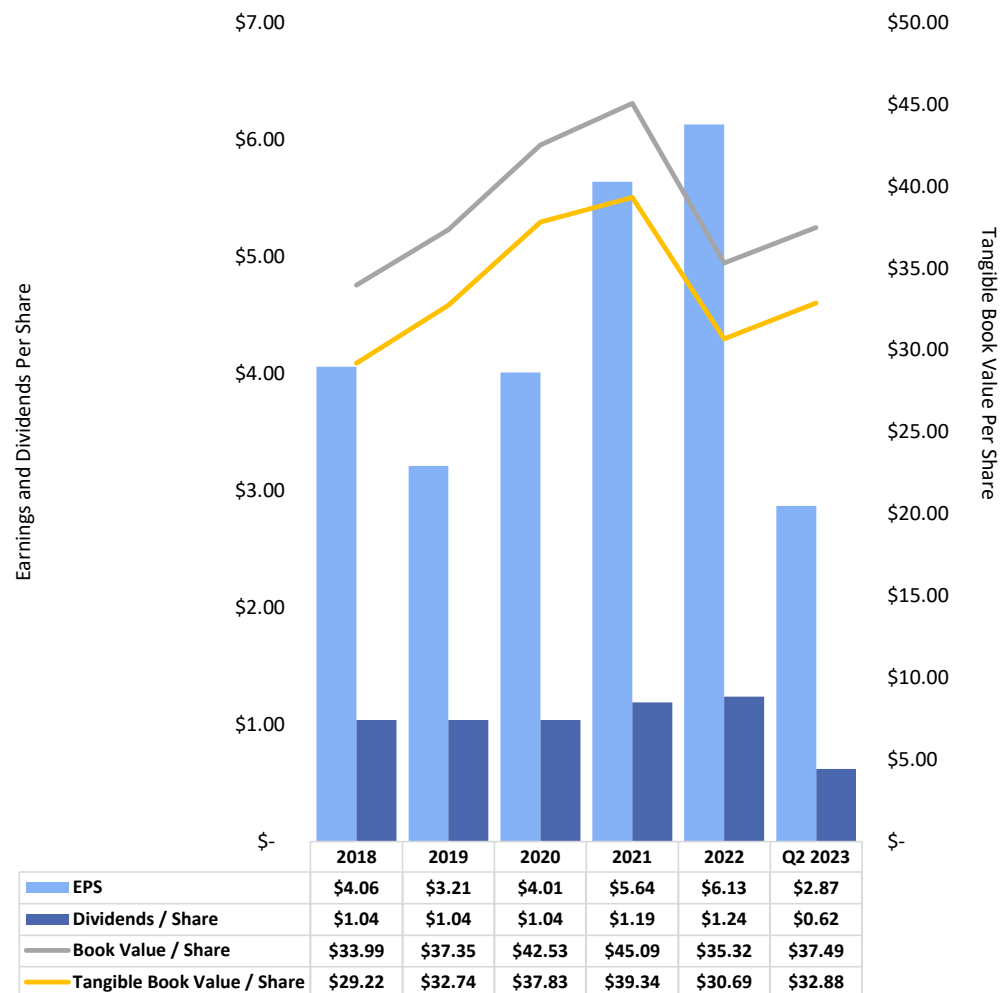
Capital Management

- Grow capital organically through earnings
- Continue to remain profitable and pay dividends
- Announced share repurchase program of 250,000 shares in January 2021.
- As of June 30, 2023- 49,184 shares had been repurchased.
- Positive stress testing results

Chemung Financial Corporation - Capital Ratios (%)



Earnings and Dividends Per Share



*June 30, 2023 figures unaudited




CHMG Stock at a Glance



Shares Outstanding*	4.7 million
Market Capitalization*	\$181.1M
YTD Dividend Per Share^	\$0.62
Dividend Yield (TTM)*	3.23%
Average Daily Volume^	13,077
Book Value Per Share*	\$37.49
Tangible Book Value Per Share*	\$32.88
Stock Price*	\$38.41
Price to Earnings (TTM)*	6.64x
Price to Tangible Book*	1.17x
Return on Average Assets^	1.03%
Return on Average Equity^	15.43%

* As of June 30, 2023 (unaudited) ^ YTD, June 30, 2023 (unaudited)





Get In Touch



Chemung Financial Corporation is a \$2.7 billion financial services holding company headquartered in Elmira, New York and operates 31 retail offices through its principal subsidiary, Chemung Canal Trust Company, a full service community bank with trust powers. Established in 1833, Chemung Canal Trust Company is the oldest locally-owned and managed community bank in New York State. Chemung Financial Corporation is also the parent of CFS Group, Inc., a financial services subsidiary offering non-traditional services including mutual funds, annuities, brokerage services, tax preparation services and insurance, and Chemung Risk Management, Inc., a captive insurance company based in the State of Nevada.



Anders Tomson

Dale McKim



607 737-3756

607 737-3714



atomson@chemungcanal.com

dmckim@chemungcanal.com



One Chemung Canal Plaza
Elmira, New York 14901

