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C&N DECLARES DIVIDEND AND ANNOUNCES SECOND QUARTER 2025 UNAUDITED FINANCIAL RESULTS FOR IMMEDIATE RELEASE:

Wellsboro, PA – Citizens & Northern Corporation (“C&N”) (NASDAQ: CZNC) announced its most recent dividend declaration and its unaudited, consolidated financial results for the three-month and six-month periods ended June 30, 2025. C&N’s principal activity is community banking, and its largest subsidiary is Citizens & Northern Bank (the “Bank”).

Highlights:

- On April 23, 2025, C&N announced that it had entered into an Agreement and Plan of Merger with Susquehanna Community Financial, Inc. (“SQCF”) pursuant to which it will acquire SQCF. SQCF is the financial holding company for Susquehanna Community Bank (“Susquehanna”), which operates 7 banking offices in Central Pennsylvania. The merger, which is expected to close in the fourth quarter of 2025, is subject to the satisfaction of customary closing conditions, including receipt of customary regulatory approvals and approval by SQCF’s shareholders.
- Net income was \$6,117,000, or \$0.40 diluted earnings per share for the second quarter 2025 as compared to \$6,293,000, or \$0.41 per diluted share in the first quarter 2025 and \$6,113,000, or \$0.40 per diluted share in the second quarter 2024. Net income for the six months ended June 30, 2025 was \$12,410,000, or \$0.80 diluted earnings per share, up from \$11,419,000, or \$0.74 diluted earnings per share for the first six months of 2024.
- Net interest income for the second quarter 2025 increased \$1,167,000 over the total for the first quarter 2025 and \$1,697,000 over the total for second quarter 2024. The net interest margin was 3.52% in the second quarter 2025, up from 3.38% in the first quarter 2025 and 3.31% in the second quarter 2024. For the six months ended June 30, 2025, net interest income increased \$2,631,000 over the total for the first six months of 2024. The net interest margin was 3.45% for the first six months of 2025, up from 3.30% in the corresponding period of 2024.
- The provision for credit losses was \$2,354,000 in the second quarter 2025, up from \$236,000 in the first quarter 2025 and \$565,000 in the second quarter 2024. The provision for credit losses was \$2,590,000 in the first six months of 2025, up from \$1,519,000 in the first six months of 2024. The provision in the six months ended June 30, 2025 included the impact of increases in the ACL related to changes in qualitative factors and an economic forecast. The allowance for credit losses (“ACL”) was 1.13% of gross loans receivable at June 30, 2025 up from 1.06% at March 31, 2025 and December 31, 2024 and 1.08% at June 30, 2024.
- Total loans receivable were \$20,826,000 higher at June 30, 2025 compared to March 31, 2025. Average loans receivable increased 0.4% (annualized) during the second quarter 2025 from the first quarter 2025. Average loans receivable increased by 1.6% for the six months ended June 30, 2025, as compared to the first six months of 2024.
- Nonperforming assets totaled \$25,678,000, or 0.98% of total assets, at June 30, 2025, up from \$24,329,000, or 0.93% of total assets, at March 31, 2025 and \$19,780,000, or 0.76% of total assets at June 30, 2024.
- Deposits totaled \$2,109,776,000 at June 30, 2025, up \$7,635,000 from March 31, 2025 despite a decrease in brokered deposits of \$17,017,000. Average total deposits increased 5.5% (annualized) during the second quarter 2025 from the first quarter 2025 and were \$66,641,000 or 3.3% higher for the six months ended June 30, 2025 as compared to the first six months of 2024 despite a reduction in average brokered deposits of \$58,784,000.

Dividend Declared and Unaudited Financial Information

On July 24, 2025, C&N’s Board of Directors declared a regular quarterly cash dividend of \$0.28 per share. The dividend is payable on August 15, 2025 to shareholders of record as of August 4, 2025.

Highlights related to C&N’s second quarter and June 30, 2025 year-to-date unaudited U.S. GAAP earnings results as compared to results for the first quarter 2025, second quarter 2024 and six months ended June 30, 2024 are presented below.

Second Quarter 2025 as Compared to First Quarter 2025

Net income was \$6,117,000, or \$0.40 per diluted share, for the second quarter 2025 as compared to \$6,293,000, or \$0.41 per diluted share, for the first quarter 2025. Significant variances were as follows:

- Net interest income of \$21,142,000 in the second quarter 2025 increased \$1,167,000 from the first quarter 2025 result. Average total earning assets increased \$12,694,000 from the prior quarter, as average interest-bearing due from banks increased \$11,972,000. Average total deposits increased \$28,599,000 and average total borrowed funds decreased \$13,062,000 in the second quarter 2025 from the total for the prior quarter. The net interest margin was 3.52% in the second quarter 2025, up 0.14% from 3.38% in the first quarter 2025. The net interest spread increased 0.15%, as the average rate on interest-bearing liabilities decreased 0.11% and the average yield on earning assets increased 0.04%.
- The provision for credit losses was \$2,354,000 in the second quarter 2025, an increase of \$2,118,000 compared to \$236,000 in the first quarter 2025. The provision for the second quarter 2025 included a provision related to loans receivable of \$2,075,000 and a provision related to off-balance sheet exposures of \$279,000. The provision in the second quarter of 2025 resulted mainly from increases in the ACL related to changes in qualitative factors and an economic forecast. The ACL on loans was 1.13% of gross loans receivable at June 30, 2025, up from 1.06% at March 31, 2025. In the second quarter 2025, net charge-offs totaled \$548,000 or 0.12% (annualized) of average loans receivable compared to net charge-offs of \$91,000 or 0.02% (annualized) of average loans receivable in the first quarter 2025. During the second quarter 2025, there was a partial charge-off of \$333,000 on a commercial construction and land loan with no individual allowance at March 31, 2025 and a partial charge-off of \$208,000 on a commercial line of credit with an individual allowance of \$142,000 at March 31, 2025.
- Noninterest income of \$8,142,000 in the second quarter 2025 increased \$1,134,000 from the first quarter 2025 result. Significant variances included the following:
 - Other noninterest income of \$2,030,000 increased \$898,000 from the first quarter 2025, mainly from an increase in tax credits related to donations.
 - Interchange revenue from debit card transactions of \$1,218,000 increased \$182,000 reflecting an increase in volume-related incentive revenue.
 - Net gains from sale of loans of \$312,000 increased \$107,000 reflecting an increase in volume of residential mortgage loans sold.
 - Trust revenue of \$1,967,000 decreased \$135,000 including lower estate fees in the second quarter 2025 compared to first quarter 2025.
- Noninterest expense of \$19,398,000 in the second quarter 2025 increased \$355,000 from the first quarter 2025 result. Significant variances included the following:
 - Other noninterest expense of \$3,401,000 increased \$1,047,000 from the first quarter 2025. Within this category, donations expense increased \$939,000, including the impact of donations totaling \$922,000 made under the Pennsylvania Educational Improvement Tax Credit program in the second quarter which generated income from tax credits of \$829,000.
 - Salaries and employee benefits expense of \$11,067,000 decreased \$692,000 from the first quarter 2025 including decreases in payroll tax and unemployment compensation expenses of \$468,000, reflecting the normal timing pattern of such costs, as well as decreases in health insurance expense of \$128,000 and contributions to employee retirement plans of \$89,000.
 - As discussed above, C&N has entered into an Agreement and Plan of Merger with SQCF. Included in the second quarter of 2025 was \$167,000 of merger-related expenses which primarily consisted of professional fees and legal expenses.

Second Quarter 2025 as Compared to Second Quarter 2024

Second quarter 2025 net income was \$6,117,000, or \$0.40 per diluted share, as compared to \$6,113,000, or \$0.40 per diluted share, in the second quarter 2024. Significant variances were as follows:

- Net interest income of \$21,142,000 in the second quarter 2025 was \$1,697,000 higher than in the second quarter 2024. The net interest margin increased to 3.52% in the second quarter 2025 from 3.31% in the second quarter 2024. The interest rate spread increased 0.23%, as the average yield on earning assets increased 0.07% while the average rate on interest-bearing liabilities decreased 0.16%. Average total earning assets increased \$46,907,000 from the second quarter 2024, as average interest-bearing due from banks increased \$36,729,000 and average total loans receivable increased \$18,034,000, or 1.0%. Average total deposits increased \$73,221,000, or 3.6% while total borrowed funds decreased \$52,236,000, or 21.5%.
- The provision for credit losses was \$2,354,000 for the second quarter 2025, as discussed in more detail above, compared to a provision for credit losses of \$565,000 in the second quarter 2024. Net charge-offs totaled \$548,000, or 0.12% (annualized) of average loans receivable, in the second quarter of 2025 as compared to \$207,000, or 0.04% (annualized) of average loans receivable, in the second quarter of 2024. The ACL as a percentage of gross loans receivable was 1.13% at June 30, 2025, an increase from 1.08% at June 30, 2024.
- Noninterest income of \$8,142,000 in the second quarter 2025 increased \$288,000 from the second quarter 2024 result. Significant variances included the following:
 - Interchange revenue from debit card transactions of \$1,218,000 increased \$129,000 reflecting an increase in volume-related incentive income.
 - Other noninterest income of \$2,030,000 increased \$87,000, including increases of \$34,000 in letter of credit fees, \$33,000 in income from tax credits related to donations, and \$24,000 of interest-rate swap fee income with no comparable amount in 2024.
 - Net gains from sale of loans of \$312,000 increased \$77,000 reflecting an increase in volume of residential mortgage loans sold.
- Noninterest expense of \$19,398,000 in the second quarter 2025 increased \$143,000 from the second quarter 2024 expense including merger-related expenses of \$167,000 discussed above with no comparable amount in 2024.

Six Months Ended June 30, 2025 as Compared to Six Months Ended June 30, 2024

Net income for the six-month period ended June 30, 2025 was \$12,410,000, or \$0.80 per diluted share, as compared to \$11,419,000, or \$0.74 per diluted share, for the first six months of 2024. Significant variances were as follows:

- Net interest income totaled \$41,117,000 in the six months ended June 30, 2025, an increase of \$2,631,000 from the total for the first six months of 2024. The net interest margin was 3.45% for the first six months of 2025, up from 3.30% in the corresponding period of 2024. The interest rate spread increased 0.15%, as the average rate on interest-bearing liabilities was 0.05% lower while the average yield on earning assets increased 0.10%. Average total earning assets increased \$56,090,000, including an increase in interest-bearing due from banks of \$35,983,000 and an increase in average loans receivable of \$29,116,000, or 1.6%. Average total deposits increased \$66,641,000, or 3.3%, despite a \$58,784,000 reduction in average brokered deposits to \$17,531,000 for the first six months of 2025 as compared to \$76,315,000 for the first six months of 2024, while average total borrowed funds decreased \$37,864,000.
- For the six months ended June 30, 2025, the provision for credit losses was \$2,590,000, an increase of \$1,071,000 from the first six months of 2024. The provision in the six months ended June 30, 2025 included the impact of increases in the ACL related to changes in qualitative factors and an economic forecast. In the first six months of 2025, the ACL on loans receivable increased \$1,664,000 to 1.13% at June 30, 2025 as compared to 1.06% at December 31, 2024. Net charge-offs totaled \$639,000, or 0.07% (annualized) of average loans receivable for the six months ended June 30, 2025 compared to \$352,000, or 0.04% (annualized) of average loans receivable for the first six months of 2024.

- Noninterest income totaled \$15,150,000 in the first six months of 2025, up \$621,000 from the total for the first six months of 2024. Significant variances included the following:
 - Other noninterest income of \$3,162,000 increased \$202,000 including increases in letter of credit fees of \$68,000, income from tax credits related to donations of \$51,000, changes in the fair value of a marketable equity security of \$29,000, credit card interchange fees of \$26,000 and interest-rate swap fee income of \$24,000 with no comparable amount in 2024.
 - Trust revenue of \$4,069,000 increased \$158,000, consistent with appreciation in the trading prices of many U.S. equity securities and included an increase in estate fees.
 - Interchange revenue from debit card transactions of \$2,254,000 increased \$152,000, including an increase in volume-related incentive income.
 - Net gains from sale of loans of \$517,000 increased \$91,000, reflecting an increase in volume of residential mortgage loans sold.
- Noninterest expense totaled \$38,441,000 for the first six months of 2025, an increase of \$882,000 from the total for the first six months of 2024. Significant variances included the following:
 - Other noninterest expense of \$5,755,000 increased \$456,000. Within this category, significant variances included the following:
 - In 2025, there was a reduction in expense associated with the defined benefit postretirement medical benefit plan of \$33,000. In comparison, in 2024, there was a reduction in expense of \$498,000 related to the defined benefit postretirement medical benefit plan, including a curtailment gain of \$469,000.
 - Legal fees totaled \$138,000 in the first six months of 2025, a decrease of \$134,000.
 - Salaries and employee benefits expense of \$22,826,000 increased \$241,000, including increases of \$398,000 in cash-and stock-based incentive compensation and \$136,000 in wealth management-related commissions while health insurance expenses decreased \$206,000 due to a reduction in claims on C&N's partially self-funded plan and base salaries decreased \$129,000 or 0.8%.
 - Merger-related expenses were \$167,000, primarily consisting of professional and legal fees, with no comparable expenses in 2024 as discussed above.
 - Automated teller machine and interchange expenses decreased \$170,000, reflecting the effects of pricing improvements negotiated in mid-2024.
- The income tax provision of \$2,826,000, or 18.5% of pre-tax income for 2025 increased \$308,000 from \$2,518,000, or 18.1% of pre-tax income for 2024. The increase in income tax provision was consistent with the increase in pre-tax income of \$1,299,000.

Other Information:

Changes in other unaudited financial information were as follows:

- Total assets amounted to \$2,610,875,000 at June 30, 2025, up from \$2,609,228,000 at March 31, 2025 and \$2,593,122,000 at June 30, 2024.
- Cash and due from banks totaled \$99,619,000 at June 30, 2025, down from \$114,738,000 at March 31, 2025 and \$100,412,000 at June 30, 2024.

- The fair value of available-for-sale debt securities at June 30, 2025 was lower than the amortized cost basis by \$39,765,000 or 8.9%. In comparison, the aggregate unrealized loss position was \$42,374,000 or 9.4% lower than the amortized cost basis at March 31, 2025 and \$52,799,000, or 11.6% lower than the amortized cost basis at June 30, 2024. The unrealized loss position of the portfolio has resulted from an increase in interest rates as compared to rates when most of the securities were purchased. The volatility in the fair value of the portfolio has resulted from changes in interest rates. Management reviewed the available-for-sale debt securities as of June 30, 2025 and concluded, as of such date, that there were no credit-related declines in fair value and no allowance for credit losses was recorded as of June 30, 2025.
- Gross loans receivable totaled \$1,919,258,000 at June 30, 2025, an increase of \$20,826,000 from total loans at March 31, 2025 and an increase of \$26,051,000 (1.4%) from total loans at June 30, 2024. In comparing outstanding balances at June 30, 2025 and 2024, total commercial loans were up \$27,378,000 (1.9%), reflecting growth in non-owner occupied commercial real estate loans of \$33,997,000 partially offset by a decrease in owner occupied commercial real estate loans of \$6,012,000. Within non-owner occupied commercial real estate loans, multi-family residential loans increased \$40,449,000 reflecting the completion of several C&N financed construction projects offset by decreases of \$5,088,000 in 1-4 family-commercial purpose loans and \$1,364,000 in other non-owner occupied commercial real estate loans. Total outstanding residential mortgage loans were down \$11,328,000 (2.8%) while total consumer loans increased \$10,001,000 (16.4%). The outstanding balance of residential mortgage loans originated and serviced by C&N that have been sold to third parties was \$329.7 million at June 30, 2025, up \$8.6 million or 2.7% from June 30, 2024.
- At June 30, 2025, the recorded investment in non-owner occupied commercial real estate loans for which the primary purpose is utilization of office space by third parties was \$118,007,000, or 6.1% of gross loans receivable. Within this segment there were two loans with a total amortized cost basis of \$2,913,000 in nonaccrual status with no individual allowances and the remainder of the non-owner occupied commercial real estate loans with a primary purpose of office space utilization were in accrual status with no individual allowance at June 30, 2025.
- Total nonperforming assets as a percentage of total assets was 0.98% at June 30, 2025, up from 0.93% at March 31, 2025 and 0.76% at June 30, 2024. Total nonperforming assets were \$25,698,000 at June 30, 2025, up from \$24,329,000 at March 31, 2025 and \$19,780,000 at June 30, 2024. Total collateral dependent loans decreased to \$21,196,000 at June 30, 2025 from \$30,799,000 at March 31, 2025 as pay-offs totaling \$10,975,000 were received in the second quarter 2025 related to one commercial relationship. Included in nonperforming loans at June 30, 2025 were collateral dependent loans to one borrower with a total amortized cost basis of \$239,000 and an individual allowance of \$9,000. In comparison, at March 31, 2025, there were collateral dependent loans to two borrowers with a total amortized cost basis of \$945,000 and individual allowances totaling \$189,000, while at June 30, 2024 there were collateral dependent loans with a total amortized cost basis of \$6,613,000 and individual allowances totaling \$1,230,000.
- Deposits totaled \$2,109,776,000 at June 30, 2025, up \$7,635,000 from March 31, 2025, despite a decrease in brokered deposits of \$17,017,000. Total deposits were up \$50,467,000 or 2.5% at June 30, 2025 as compared to June 30, 2024, despite a decrease in brokered deposits of \$54,496,000. At June 30, 2025, C&N's estimated uninsured deposits totaled \$649.2 million, or 30.5% of the Bank's total deposits, as compared to \$621.5 million, or 29.3% of the Bank's total deposits at March 31, 2025. Included in uninsured deposits are deposits collateralized by securities (almost exclusively municipal deposits) totaling \$133.6 million, or 6.3% of the Bank's total deposits, at June 30, 2025 as compared to \$138.2 million, or 6.5% of the Bank's total deposits at March 31, 2025.
- C&N maintained highly liquid sources of available funds totaling \$1.1 billion at June 30, 2025, including unused borrowing capacity with the Federal Home Loan Bank of Pittsburgh of \$780.0 million, unused availability on the Federal Reserve Bank of Philadelphia's discount window of \$17.5 million, available federal funds lines with other banks of \$75 million and available-for-sale debt securities with a fair value in excess of collateral obligations of \$267.7 million. At June 30, 2025, available funding from these sources totaled 175.6% of uninsured deposits, and 221.2% of uninsured and uncollateralized deposits.
- The outstanding balance of borrowed funds, including Federal Home Loan Bank advances, repurchase agreements, senior notes and subordinated debt, totaled \$184,250,000 at June 30, 2025, down \$57,911,000 from June 30, 2024.
- Total stockholders' equity was \$286,357,000 at June 30, 2025, up from \$281,831,000 at March 31, 2025 and \$263,221,000 at June 30, 2024. Within stockholders' equity, the portion of accumulated other comprehensive loss related to available-for-sale debt securities was \$31,017,000 at June 30, 2025, \$33,050,000 at March 31, 2025 and \$41,710,000

at June 30, 2024. The volatility in stockholders' equity related to accumulated other comprehensive loss from available-for-sale debt securities has been caused by fluctuations in interest rates including overall increases in rates as compared to market rates when most of C&N's securities were purchased. Accumulated other comprehensive loss is excluded from C&N's regulatory capital ratios.

- On September 25, 2023, the Corporation announced a new treasury stock repurchase program. Under this program, C&N is authorized to repurchase up to 750,000 shares of its common stock. There were no shares repurchased during the six-month period ended June 30, 2025. At June 30, 2025, there were 723,966 shares available to be repurchased under the program.
- Citizens & Northern Bank is subject to various regulatory capital requirements. At June 30, 2025, Citizens & Northern Bank maintained regulatory capital ratios that exceeded all capital adequacy requirements and was classified as well-capitalized.
- Trust assets under management by C&N's Wealth Management Group amounted to \$1,380,547,000 at June 30, 2025, up 2.4% from \$1,347,853,000 at December 31, 2024, and up 7.5% from \$1,284,674,000 at June 30, 2024. Fluctuations in values of assets under management reflect the impact of market volatility.
- Under U.S. GAAP, interest income on tax-exempt securities and loans are reported at their nominal amounts, with the tax benefit accounted for as a reduction in the income tax provision. C&N presents certain analyses and ratios with net interest income determined on a fully taxable-equivalent basis, which are non-GAAP financial measures as presented. C&N believes presentation of net interest income on a fully taxable-equivalent basis provides investors with meaningful information for purposes of comparing the returns on tax-exempt securities and loans with returns on taxable securities and loans. The excess of net interest income on a fully taxable-equivalent basis over the amounts reported under U.S. GAAP was \$220,000, \$211,000 and \$202,000 for the second quarter 2025, first quarter 2025 and second quarter 2024, respectively. The excess of net interest income on a fully taxable-equivalent basis over the amounts reported under U.S. GAAP was \$431,000 for the six months ended June 30, 2025 and \$397,000 for the six months ended June 30, 2024.

Citizens & Northern Corporation is the bank holding company for Citizens & Northern Bank, headquartered in Wellsboro, Pennsylvania which operates 28 banking offices located in Bradford, Bucks, Cameron, Chester, Lycoming, Potter, Sullivan, Tioga, York and Lancaster Counties in Pennsylvania and Steuben County in New York, as well as a loan production office in Elmira, New York. Citizens & Northern Corporation trades on NASDAQ under the symbol "CZNC." For more information about Citizens & Northern Bank and Citizens & Northern Corporation, visit www.cnbankpa.com.

Safe Harbor Statement: Except for historical information contained herein, the matters discussed in this release are forward-looking statements. Forward-looking statements can be identified by the use of words such as "may," "should," "will," "could," "estimates," "predicts," "potential," "continue," "anticipates," "believes," "plans," "expects," "future," "intends" and similar expressions that are intended to identify forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty, and are not guarantees of future performance. Actual results may differ materially from those expressed in forward-looking statements. Factors that may affect future financial results include, without limitation, the following: changes in monetary and fiscal policies of the Federal Reserve Board and the U.S. Government, particularly related to changes in interest rates; changes in general economic conditions; the potential for adverse developments in the banking industry that could have a negative impact on customer confidence, sources of liquidity and capital funding, and regulatory responses to such developments; C&N's credit standards and its on-going credit assessment processes might not protect it from significant credit losses; legislative or regulatory changes; downturn in demand for loan, deposit and other financial services in C&N's market area; increased competition from other banks and non-bank providers of financial services; technological changes and increased technology-related costs; information security breach or other technology difficulties or failures; changes in accounting principles, or the application of generally accepted accounting principles; fraud and cyber malfunction risks as usage of artificial intelligence continues to expand; completion of the merger with SQCF is dependent on, among other things, receipt of shareholder and regulatory approvals, the timing of which cannot be predicted with precision, and which may not be received at all or may be conditioned in a manner that would impair our ability to implement our business plans; the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events; the integration of SQCF's business and operations with those of C&N may divert the attention of the management teams of C&N and SQCF and cause a loss in the momentum of their ongoing businesses or have unanticipated adverse results on C&N's or SQCF's existing businesses, may take longer than

anticipated and may be more costly than anticipated; the anticipated cost savings, operational efficiencies and other synergies of the merger may take longer to be realized or may not be achieved in their entirety, and attrition in key client, partner and other relationships relating to the merger may be greater than expected; success of C&N in SQCF's geographic market area will require C&N to attract and retain key personnel in the market and to differentiate C&N from its competitors in the market and Risk Factors identified in C&N's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Citizens & Northern disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

CITIZENS&NORTHERN

CORPORATION

CONDENSED, CONSOLIDATED EARNINGS INFORMATION**(Dollars In Thousands, Except Per Share Data)****(Unaudited)**

	2ND QUARTER 2025	2ND QUARTER 2024	\$ Incr. (Decr.)	% Incr. (Decr.)
Interest and Dividend Income	\$ 32,454	\$ 31,326	\$ 1,128	3.60 %
Interest Expense	11,312	11,881	(569)	(4.79)%
Net Interest Income	21,142	19,445	1,697	8.73 %
Provision for Credit Losses	2,354	565	1,789	316.64 %
Net Interest Income After Provision for Credit Losses	18,788	18,880	(92)	(0.49)%
Noninterest Income	8,142	7,854	288	3.67 %
Noninterest Expense	19,398	19,255	143	0.74 %
Income Before Income Tax Provision	7,532	7,479	53	0.71 %
Income Tax Provision	1,415	1,366	49	3.59 %
Net Income	\$ 6,117	\$ 6,113	\$ 4	0.07 %
Net Income Attributable to Common Shares (1)	\$ 6,068	\$ 6,066	\$ 2	0.03 %
PER COMMON SHARE DATA:				
Net Income - Basic and Diluted	\$ 0.40	\$ 0.40	\$ 0.00	0.00 %
Dividends Per Share	\$ 0.28	\$ 0.28	\$ 0.00	0.00 %
Number of Shares Used in Computation - Basic and Diluted	15,359,004	15,264,533		

	SIX MONTHS ENDED JUNE 30,		\$ Incr. (Decr.)	% Incr. (Decr.)
	2025	2024		
Interest and Dividend Income	\$ 64,163	\$ 61,662	\$ 2,501	4.06 %
Interest Expense	23,046	23,176	(130)	(0.56)%
Net Interest Income	41,117	38,486	2,631	6.84 %
Provision for Credit Losses	2,590	1,519	1,071	70.51 %
Net Interest Income After Provision for Credit Losses	38,527	36,967	1,560	4.22 %
Noninterest Income	15,150	14,529	621	4.27 %
Noninterest Expense	38,441	37,559	882	2.35 %
Income Before Income Tax Provision	15,236	13,937	1,299	9.32 %
Income Tax Provision	2,826	2,518	308	12.23 %
Net Income	\$ 12,410	\$ 11,419	\$ 991	8.68 %
Net Income Attributable to Common Shares (1)	\$ 12,310	\$ 11,333	\$ 977	8.62 %
PER COMMON SHARE DATA:				
Net Income - Basic and Diluted	\$ 0.80	\$ 0.74	\$ 0.06	8.11 %
Dividends Per Share	\$ 0.56	\$ 0.56	\$ 0.00	0.00 %
Number of Shares Used in Computation - Basic and Diluted	15,348,824	15,247,557		

- (1) Basic and diluted net income per common share are determined based on net income less earnings allocated to nonvested restricted shares with nonforfeitable dividends.

CONDENSED, CONSOLIDATED BALANCE SHEET DATA
(Dollars In Thousands)
(Unaudited)

	June 30, 2025	June 30, 2024	\$ Incr. (Decr.)	% Incr. (Decr.)
ASSETS				
Cash & Due from Banks	\$ 99,619	\$ 100,412	\$ (793)	(0.79)%
Available-for-sale Debt Securities	406,052	401,145	4,907	1.22 %
Loans, Net	1,897,559	1,872,825	24,734	1.32 %
Bank-Owned Life Insurance	52,138	50,301	1,837	3.65 %
Bank Premises and Equipment, Net	21,195	21,966	(771)	(3.51)%
Deferred Tax Asset, Net	17,346	18,375	(1,029)	(5.60)%
Intangible Assets	54,373	54,779	(406)	(0.74)%
Other Assets	62,593	73,319	(10,726)	(14.63)%
TOTAL ASSETS	\$ 2,610,875	\$ 2,593,122	\$ 17,753	0.68 %
LIABILITIES				
Deposits	\$ 2,109,776	\$ 2,059,309	\$ 50,467	2.45 %
Borrowed Funds - Federal Home Loan Bank and Repurchase Agreements	144,427	202,523	(58,096)	(28.69)%
Senior Notes, Net	14,934	14,865	69	0.46 %
Subordinated Debt, Net	24,889	24,773	116	0.47 %
Other Liabilities	30,492	28,431	2,061	7.25 %
TOTAL LIABILITIES	2,324,518	2,329,901	(5,383)	(0.23)%
STOCKHOLDERS' EQUITY				
Common Stockholders' Equity, Excluding Accumulated Other Comprehensive Loss	317,031	304,582	12,449	4.09 %
Accumulated Other Comprehensive Loss:				
Net Unrealized Losses on Available-for-sale Debt Securities	(31,017)	(41,710)	10,693	(25.64)%
Defined Benefit Plans	343	349	(6)	(1.72)%
TOTAL STOCKHOLDERS' EQUITY	286,357	263,221	23,136	8.79 %
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 2,610,875	\$ 2,593,122	\$ 17,753	0.68 %

CONDENSED, CONSOLIDATED FINANCIAL HIGHLIGHTS
(Dollars In Thousands, Except Per Share Data)
(Unaudited)

	FOR THE THREE MONTHS ENDED June 30,		% INCREASE (DECREASE)
	2025	2024	
EARNINGS PERFORMANCE			
Net Income	\$ 6,117	\$ 6,113	0.07 %
Return on Average Assets (Annualized)	0.94 %	0.96 %	(2.08)%
Return on Average Equity (Annualized)	8.66 %	9.46 %	(8.46)%
PRE-TAX, PRE-PROVISION NET REVENUE ("PPNR") - NON-GAAP (a)			
PPNR	\$ 10,273	\$ 8,246	24.58 %
PPNR (Annualized) as a % of Average Assets	1.59 %	1.29 %	23.26 %
PPNR (Annualized) as a % of Average Equity	14.54 %	12.76 %	13.95 %
AS OF OR FOR THE SIX MONTHS ENDED June 30,			
	2025	2024	% INCREASE (DECREASE)
EARNINGS PERFORMANCE - U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP")			
Net Income	\$ 12,410	\$ 11,419	8.68 %
Return on Average Assets (Annualized)	0.96 %	0.90 %	6.67 %
Return on Average Equity (Annualized)	8.85 %	8.79 %	0.68 %
PPNR - NON-GAAP (a)			
PPNR	\$ 18,424	\$ 15,853	16.22 %
PPNR (Annualized) as a % of Average Assets	1.43 %	1.25 %	14.40 %
PPNR (Annualized) as a % of Average Equity	13.14 %	12.20 %	7.70 %
BALANCE SHEET HIGHLIGHTS			
Total Assets	\$ 2,610,875	\$ 2,593,122	0.68 %
Available-for-Sale Debt Securities	406,052	401,145	1.22 %
Loans, Net	1,897,559	1,872,825	1.32 %
Allowance for Credit Losses:			
Allowance for Credit Losses on Loans	21,699	20,382	6.46 %
Allowance for Credit Losses on Off-Balance Sheet Exposures	742	682	8.80 %
Deposits	2,109,776	2,059,309	2.45 %
OFF-BALANCE SHEET			
Outstanding Balance of Mortgage Loans Sold with Servicing Retained	\$ 329,716	\$ 321,136	2.67 %
Trust Assets Under Management	1,380,547	1,284,674	7.46 %
STOCKHOLDERS' VALUE (PER COMMON SHARE)			
Net Income - Basic and Diluted	\$ 0.80	\$ 0.74	8.11 %
Dividends	\$ 0.56	\$ 0.56	0.00 %
Common Book Value	\$ 18.46	\$ 17.12	7.83 %
Tangible Common Book Value - NON-GAAP (b)	\$ 14.95	\$ 13.56	10.25 %
Market Value (Last Trade)	\$ 18.94	\$ 17.89	5.87 %
Market Value / Common Book Value	102.60 %	104.50 %	(1.82)%
Market Value / Tangible Common Book Value - NON-GAAP (b)	126.69 %	131.93 %	(3.97)%
Price Earnings Multiple	11.84	12.09	(2.07)%
Dividend Yield (Annualized)	5.91 %	6.26 %	(5.59)%
Common Shares Outstanding, End of Period	15,514,943	15,375,982	0.90 %

CONDENSED, CONSOLIDATED FINANCIAL HIGHLIGHTS (Continued)
(Dollars In Thousands, Except Per Share Data)
(Unaudited)

	AS OF OR FOR THE SIX MONTHS ENDED June 30,		% INCREASE (DECREASE)
	2025	2024	
SAFETY AND SOUNDNESS			
Tangible Common Equity / Tangible Assets (b)	9.07 %	8.21 %	10.48 %
Nonperforming Assets / Total Assets	0.98 %	0.76 %	28.95 %
Allowance for Credit Losses / Total Loans	1.13 %	1.08 %	4.63 %
Total Risk Based Capital Ratio (c)	15.98 %	15.50 %	3.10 %
Tier 1 Risk Based Capital Ratio (c)	13.54 %	13.10 %	3.36 %
Common Equity Tier 1 Risk Based Capital Ratio (c)	13.54 %	13.10 %	3.36 %
Leverage Ratio (c)	10.22 %	9.85 %	3.76 %

AVERAGE BALANCES

Average Assets	\$ 2,583,701	\$ 2,533,204	1.99 %
Average Equity	\$ 280,421	\$ 259,783	7.94 %

EFFICIENCY RATIO - NON-GAAP (d)

Net Interest Income on a Fully Taxable-Equivalent Basis (d)	\$ 41,548	\$ 38,883	6.85 %
Noninterest Income	15,150	14,529	4.27 %
Total (1)	\$ 56,698	\$ 53,412	6.15 %
Noninterest Expense, Excluding Merger-Related Expenses (2)	\$ 38,274	\$ 37,559	1.90 %
Efficiency Ratio = (2)/(1)	67.51 %	70.32 %	(4.00)%

- (a) PPNR includes net interest income plus noninterest income minus total noninterest expense but excludes provision (credit) for credit losses, realized gains or losses on securities, the income tax provision and merger-related expenses and other nonrecurring items included in earnings. Management believes disclosure of PPNR provides useful information for evaluating C&N's financial performance without the impact of realized gains or losses on securities or unusual items or events that may obscure trends in C&N's underlying performance. This non-GAAP data should be considered in addition to results prepared in accordance with GAAP, and is not a substitute for, or superior to, GAAP results. A reconciliation of this non-GAAP measure to the comparable GAAP measure is provided below under the table "PPNR- NON- GAAP RECONCILIATION."
- (b) Tangible common book value per share, tangible common equity as a percentage of tangible assets and market value as a percentage of tangible common book value are non-GAAP ratios. Management believes this non-GAAP information is helpful in evaluating the strength of the C&N's capital and in providing an alternative, conservative valuation of C&N's net worth. The ratios shown above are based on the following calculations of tangible assets and tangible common equity:

Total Assets	\$ 2,610,875	\$ 2,593,122
Less: Intangible Assets, Primarily Goodwill	(54,373)	(54,779)
Tangible Assets	<u>\$ 2,556,502</u>	<u>\$ 2,538,343</u>
Total Stockholders' Equity	\$ 286,357	\$ 263,221
Less: Intangible Assets, Primarily Goodwill	(54,373)	(54,779)
Tangible Common Equity (3)	<u>\$ 231,984</u>	<u>\$ 208,442</u>
Common Shares Outstanding, End of Period (4)	15,514,943	15,375,982
Tangible Common Book Value per Share = (3)/(4)	<u>\$ 14.95</u>	<u>\$ 13.56</u>

- (c) Capital ratios for the most recent period are estimated.
- (d) The efficiency ratio is a non-GAAP ratio that is calculated as shown above. For purposes of calculating the efficiency ratio, net interest income on a fully taxable-equivalent basis includes amounts of interest income on tax-exempt securities and loans that have been increased to a fully taxable-equivalent basis, using C&N's marginal federal income tax rate of 21%. A reconciliation of net interest income under U.S. GAAP as compared to net interest income as adjusted to a fully taxable-equivalent basis is provided below under the table "COMPARISON OF INTEREST INCOME AND EXPENSE." In the calculation above, Management excluded merger-related expenses due to the nonrecurring nature of these expenses.

**QUARTERLY CONDENSED, CONSOLIDATED
INCOME STATEMENT INFORMATION
(Dollars In Thousands, Except Per Share Data)
(Unaudited)**

	For the Three Months Ended:				
	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Interest and dividend income	\$ 32,454	\$ 31,709	\$ 33,329	\$ 33,087	\$ 31,326
Interest expense	11,312	11,734	12,856	12,931	11,881
Net interest income	21,142	19,975	20,473	20,156	19,445
Provision (credit) for credit losses	2,354	236	(531)	1,207	565
Net interest income after provision (credit) for credit losses	18,788	19,739	21,004	18,949	18,880
Noninterest income	8,142	7,008	7,547	7,133	7,854
Noninterest expense	19,398	19,043	18,430	18,269	19,255
Income before income tax provision	7,532	7,704	10,121	7,813	7,479
Income tax provision	1,415	1,411	1,947	1,448	1,366
Net income	\$ 6,117	\$ 6,293	\$ 8,174	\$ 6,365	\$ 6,113
Net income attributable to common shares	\$ 6,068	\$ 6,242	\$ 8,103	\$ 6,311	\$ 6,066
Basic and diluted earnings per common share	\$ 0.40	\$ 0.41	\$ 0.53	\$ 0.41	\$ 0.40

**QUARTERLY CONDENSED, CONSOLIDATED
BALANCE SHEET INFORMATION
(In Thousands) (Unaudited)**

	As of: June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024
ASSETS					
Cash & Due from Banks	\$ 99,619	\$ 114,738	\$ 126,174	\$ 184,213	\$ 100,412
Available-for-Sale Debt Securities	406,052	408,463	402,380	408,422	401,145
Loans, Net	1,897,559	1,878,260	1,875,813	1,872,322	1,872,825
Bank-Owned Life Insurance	52,138	51,671	51,214	50,757	50,301
Bank Premises and Equipment, Net	21,195	21,304	21,338	21,537	21,966
Deferred Tax Asset, Net	17,346	17,194	19,098	17,047	18,375
Intangible Assets	54,373	54,479	54,585	54,682	54,779
Other Assets	62,593	63,119	60,051	61,842	73,319
TOTAL ASSETS	\$ 2,610,875	\$ 2,609,228	\$ 2,610,653	\$ 2,670,822	\$ 2,593,122
LIABILITIES					
Deposits (1)	\$ 2,109,776	\$ 2,102,141	\$ 2,093,909	\$ 2,135,879	\$ 2,059,309
Borrowed Funds - Federal Home Loan Bank and Repurchase Agreements	144,427	154,994	167,939	186,043	202,523
Senior Notes, Net	14,934	14,917	14,899	14,882	14,865
Subordinated Debt, Net	24,889	24,860	24,831	24,802	24,773
Other Liabilities	30,492	30,485	33,791	31,911	28,431
TOTAL LIABILITIES	2,324,518	2,327,397	2,335,369	2,393,517	2,329,901
STOCKHOLDERS' EQUITY					
Common Stockholders' Equity, Excluding Accumulated Other Comprehensive Loss	317,031	314,521	312,045	307,369	304,582
Accumulated Other Comprehensive Loss:					
Net Unrealized Losses on Available-for-sale Debt Securities	(31,017)	(33,050)	(37,084)	(30,396)	(41,710)
Defined Benefit Plans	343	360	323	332	349
TOTAL STOCKHOLDERS' EQUITY	286,357	281,831	275,284	277,305	263,221
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 2,610,875	\$ 2,609,228	\$ 2,610,653	\$ 2,670,822	\$ 2,593,122
(1) Brokered Deposits (Included in Total Deposits)	\$ 5,005	\$ 22,022	\$ 24,021	\$ 45,051	\$ 59,501

AVAILABLE-FOR-SALE DEBT SECURITIES
(In Thousands)

	June 30, 2025		March 31, 2025		December 31, 2024		June 30, 2024	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Obligations of the U.S. Treasury	\$ 8,057	\$ 7,374	\$ 8,062	\$ 7,284	\$ 8,067	\$ 7,118	\$ 10,323	\$ 9,257
Obligations of U.S. Government agencies	9,790	8,996	9,819	8,923	10,154	9,025	10,582	9,350
Bank holding company debt securities	28,961	25,767	28,959	25,944	28,958	25,246	28,955	23,657
Obligations of states and political subdivisions:								
Tax-exempt	109,330	97,960	110,721	99,148	111,995	101,302	113,659	102,020
Taxable	50,499	43,218	51,075	43,587	51,147	42,506	56,294	47,481
Mortgage-backed securities issued or guaranteed by U.S. Government agencies or sponsored agencies:								
Residential pass-through securities	100,257	93,530	105,642	97,477	104,378	94,414	104,708	93,874
Residential collateralized mortgage obligations	53,465	51,129	54,923	52,148	53,389	49,894	46,623	42,565
Commercial mortgage-backed securities	74,380	67,008	73,232	65,553	73,470	64,501	74,510	64,718
Private label commercial mortgage-backed securities	5,578	5,580	8,404	8,399	8,365	8,374	8,290	8,223
Asset-backed securities,								
Collateralized loan obligations	5,500	5,490	0	0	0	0	0	0
Total Available-for-Sale Debt Securities	<u>\$ 445,817</u>	<u>\$ 406,052</u>	<u>\$ 450,837</u>	<u>\$ 408,463</u>	<u>\$ 449,923</u>	<u>\$ 402,380</u>	<u>\$ 453,944</u>	<u>\$ 401,145</u>

SUMMARY OF LOANS BY TYPE
(Excludes Loans Held for Sale)
(In Thousands)

	June 30, 2025	March 31, 2025	December 31, 2024	June 30, 2024
Commercial real estate - non-owner occupied:				
Non-owner occupied	\$ 488,150	\$ 471,351	\$ 471,171	\$ 489,514
Multi-family (5 or more) residential	107,603	101,061	105,174	67,154
1-4 Family - commercial purpose	162,208	161,292	163,220	167,296
Total commercial real estate - non-owner occupied	<u>757,961</u>	<u>733,704</u>	<u>739,565</u>	<u>723,964</u>
Commercial real estate - owner occupied	<u>261,157</u>	<u>260,248</u>	<u>261,071</u>	<u>267,169</u>
All other commercial loans:				
Commercial and industrial	97,632	96,233	96,665	77,339
Commercial lines of credit	124,515	128,290	120,078	130,924
Political subdivisions	83,811	94,046	94,009	89,460
Commercial construction and land	99,514	96,176	92,741	114,162
Other commercial loans	25,027	21,434	19,784	19,221
Total all other commercial loans	<u>430,499</u>	<u>436,179</u>	<u>423,277</u>	<u>431,106</u>
Residential mortgage loans:				
1-4 Family - residential	375,352	378,841	383,797	383,494
1-4 Family residential construction	23,144	23,407	24,212	26,330
Total residential mortgage	<u>398,496</u>	<u>402,248</u>	<u>408,009</u>	<u>409,824</u>
Consumer loans:				
Consumer lines of credit (including HELCs)	56,130	49,782	47,196	42,325
All other consumer	15,015	16,271	16,730	18,819
Total consumer	<u>71,145</u>	<u>66,053</u>	<u>63,926</u>	<u>61,144</u>
Total	<u>1,919,258</u>	<u>1,898,432</u>	<u>1,895,848</u>	<u>1,893,207</u>
Less: allowance for credit losses on loans	<u>(21,699)</u>	<u>(20,172)</u>	<u>(20,035)</u>	<u>(20,382)</u>
Loans, net	<u>\$ 1,897,559</u>	<u>\$ 1,878,260</u>	<u>\$ 1,875,813</u>	<u>\$ 1,872,825</u>

NON-OWNER OCCUPIED COMMERCIAL REAL ESTATE
(In Thousands)

Loan Type	June 30, 2025	% of Non-owner Occupied CRE	% of Total Loans
Office	\$ 118,007	24.2 %	6.1 %
Retail	89,485	18.3 %	4.7 %
Industrial	83,334	17.1 %	4.3 %
Hotels	69,163	14.2 %	3.6 %
Mixed Use	60,177	12.3 %	3.1 %
Other	67,984	13.9 %	3.5 %
Total Non-owner Occupied CRE Loans	\$ 488,150		
Total Gross Loans	\$ 1,919,258		

PAST DUE LOANS AND NONPERFORMING ASSETS
(Dollars In Thousands)

	June 30, 2025	March 31, 2025	December 31, 2024	June 30, 2024
Collateral dependent loans with a valuation allowance	\$ 239	\$ 945	\$ 258	\$ 6,613
Collateral dependent loans without a valuation allowance	20,957	29,854	29,867	8,567
Total collateral dependent loans	\$ 21,196	\$ 30,799	\$ 30,125	\$ 15,180
Total loans past due 30-89 days and still accruing	\$ 1,721	\$ 8,452	\$ 5,658	\$ 3,088
Nonperforming assets:				
Total nonaccrual loans	\$ 25,190	\$ 24,106	\$ 23,842	\$ 19,579
Total loans past due 90 days or more and still accruing	86	24	119	20
Total nonperforming loans	25,276	24,130	23,961	19,599
Foreclosed assets held for sale (real estate)	402	199	181	181
Total nonperforming assets	\$ 25,678	\$ 24,329	\$ 24,142	\$ 19,780
Total nonperforming loans as a % of total loans	1.32 %	1.27 %	1.26 %	1.04 %
Total nonperforming assets as a % of assets	0.98 %	0.93 %	0.92 %	0.76 %
Allowance for credit losses as a % of total loans	1.13 %	1.06 %	1.06 %	1.08 %

ANALYSIS OF THE ALLOWANCE FOR CREDIT LOSSES ON LOANS
(In Thousands)

	3 Months Ended June 30, 2025	3 Months Ended March 31, 2025	3 Months Ended June 30, 2024	6 Months Ended June 30, 2025	6 Months Ended June 30, 2024
Balance, beginning of period	\$ 20,172	\$ 20,035	\$ 20,023	\$ 20,035	\$ 19,208
Charge-offs	(582)	(117)	(236)	(699)	(416)
Recoveries	34	26	29	60	64
Net charge-offs	(548)	(91)	(207)	(639)	(352)
Provision for credit losses on loans	2,075	228	566	2,303	1,526
Balance, end of period	\$ 21,699	\$ 20,172	\$ 20,382	\$ 21,699	\$ 20,382
Net charge-offs as a % of average gross loans (annualized)	0.12 %	0.02 %	0.04 %	0.07 %	0.04 %

ANALYSIS OF THE PROVISION (CREDIT) FOR CREDIT LOSSES
(In Thousands)

	3 Months Ended June 30, 2025	3 Months Ended March 31, 2025	3 Months Ended June 30, 2024	6 Months Ended June 30, 2025	6 Months Ended June 30, 2024
Provision (credit) for credit losses:					
Loans receivable	\$ 2,075	\$ 228	\$ 566	\$ 2,303	\$ 1,526
Off-balance sheet exposures	279	8	(1)	287	(7)
Total provision for credit losses	<u>\$ 2,354</u>	<u>\$ 236</u>	<u>\$ 565</u>	<u>\$ 2,590</u>	<u>\$ 1,519</u>

PPNR NON- GAAP RECONCILIATION
(In Thousands)

	June 30, 2025	Three Months Ended March 31, 2025	June 30, 2024	Six Months Ended June 30, 2025	June 30, 2024
Calculation of PPNR:					
Net Income (GAAP)	\$ 6,117	\$ 6,293	\$ 6,113	\$ 12,410	\$ 11,419
Add: Provision for income taxes	1,415	1,411	1,366	2,826	2,518
Add: Provision for credit losses	2,354	236	565	2,590	1,519
Add: Merger-related expenses	167	0	0	167	0
Add: Adjustments to reflect net interest income on a fully taxable-equivalent basis	220	211	202	431	397
PPNR (non-GAAP)	<u>\$ 10,273</u>	<u>\$ 8,151</u>	<u>\$ 8,246</u>	<u>\$ 18,424</u>	<u>\$ 15,853</u>

COMPARISON OF INTEREST INCOME AND EXPENSE
(In Thousands)

	June 30, 2025	Three Months Ended March 31, 2025	June 30, 2024	Six Months Ended June 30, 2025	June 30, 2024
INTEREST INCOME					
Interest-bearing due from banks	\$ 855	\$ 721	\$ 516	\$ 1,576	\$ 899
Available-for-sale debt securities:					
Taxable	2,329	2,302	2,137	4,631	4,273
Tax-exempt	658	648	626	1,306	1,249
Total available-for-sale debt securities	2,987	2,950	2,763	5,937	5,522
Loans receivable:					
Taxable	28,051	27,503	27,490	55,554	54,193
Tax-exempt	743	728	730	1,471	1,400
Total loans receivable	28,794	28,231	28,220	57,025	55,593
Other earning assets	38	18	29	56	45
Total Interest Income	32,674	31,920	31,528	64,594	62,059
INTEREST EXPENSE					
Interest-bearing deposits:					
Interest checking	2,708	2,727	2,836	5,435	5,642
Money market	1,948	1,981	1,917	3,929	4,097
Savings	49	49	52	98	107
Time deposits	4,579	4,835	4,509	9,414	8,359
Total interest-bearing deposits	9,284	9,592	9,314	18,876	18,205
Borrowed funds:					
Short-term	1	0	360	1	957
Long-term - FHLB advances	1,674	1,789	1,855	3,463	3,311
Senior notes, net	120	121	120	241	240
Subordinated debt, net	233	232	232	465	463
Total borrowed funds	2,028	2,142	2,567	4,170	4,971
Total Interest Expense	11,312	11,734	11,881	23,046	23,176
Net Interest Income	\$ 21,362	\$ 20,186	\$ 19,647	\$ 41,548	\$ 38,883

Note: Interest income from tax-exempt securities and loans has been adjusted to a fully taxable-equivalent basis, using C&N's marginal federal income tax rate of 21%. The following table is a reconciliation of net interest income under U.S. GAAP as compared to net interest income as adjusted to a fully taxable-equivalent basis.

(In Thousands)	June 30, 2025	Three Months Ended March 31, 2025	June 30, 2024	Six Months Ended June 30, 2025	June 30, 2024
Net Interest Income Under U.S. GAAP	\$ 21,142	\$ 19,975	\$ 19,445	\$ 41,117	\$ 38,486
Add: fully taxable-equivalent interest income adjustment from tax-exempt securities	79	75	67	154	136
Add: fully taxable-equivalent interest income adjustment from tax-exempt loans	141	136	135	277	261
Net Interest Income as adjusted to a fully taxable-equivalent basis	\$ 21,362	\$ 20,186	\$ 19,647	\$ 41,548	\$ 38,883

ANALYSIS OF AVERAGE DAILY BALANCES AND RATES
(Dollars in Thousands)

	3 Months Ended 6/30/2025 Average Balance	Rate of Return/ Cost of Funds %	3 Months Ended 3/31/2025 Average Balance	Rate of Return/ Cost of Funds %	3 Months Ended 6/30/2024 Average Balance	Rate of Return/ Cost of Funds %
EARNING ASSETS						
Interest-bearing due from banks	\$ 79,868	4.29 %	\$ 67,896	4.31 %	\$ 43,139	4.81 %
Available-for-sale debt securities, at amortized cost:						
Taxable	338,539	2.76 %	339,557	2.75 %	343,971	2.50 %
Tax-exempt	109,840	2.40 %	111,143	2.36 %	112,921	2.23 %
Total available-for-sale debt securities	448,379	2.67 %	450,700	2.65 %	456,892	2.43 %
Loans receivable:						
Taxable	1,814,171	6.20 %	1,809,045	6.17 %	1,792,556	6.17 %
Tax-exempt	87,249	3.42 %	90,388	3.27 %	90,830	3.23 %
Total loans receivable	1,901,420	6.07 %	1,899,433	6.03 %	1,883,386	6.03 %
Other earning assets	2,833	5.38 %	1,777	4.11 %	2,176	5.36 %
Total Earning Assets	2,432,500	5.39 %	2,419,806	5.35 %	2,385,593	5.32 %
Cash	22,139		20,920		22,396	
Unrealized loss on securities	(42,561)		(44,405)		(56,765)	
Allowance for credit losses	(20,568)		(20,341)		(20,290)	
Bank-owned life insurance	51,844		51,383		50,018	
Bank premises and equipment	21,339		21,329		21,994	
Intangible assets	54,425		54,530		54,827	
Other assets	73,041		71,928		89,859	
Total Assets	<u>\$ 2,592,159</u>		<u>\$ 2,575,150</u>		<u>\$ 2,547,632</u>	
INTEREST-BEARING LIABILITIES						
Interest-bearing deposits:						
Interest checking	\$ 542,532	2.00 %	\$ 539,244	2.05 %	\$ 517,145	2.21 %
Money market	364,238	2.15 %	355,144	2.26 %	340,038	2.27 %
Savings	198,553	0.10 %	195,971	0.10 %	207,530	0.10 %
Time deposits	486,249	3.78 %	494,219	3.97 %	457,885	3.96 %
Total interest-bearing deposits	1,591,572	2.34 %	1,584,578	2.45 %	1,522,598	2.46 %
Borrowed funds:						
Short-term	980	0.41 %	1,400	0.00 %	27,732	5.22 %
Long-term - FHLB advances	149,704	4.49 %	162,392	4.47 %	175,373	4.25 %
Senior notes, net	14,926	3.22 %	14,908	3.29 %	14,856	3.25 %
Subordinated debt, net	24,874	3.76 %	24,846	3.79 %	24,759	3.77 %
Total borrowed funds	190,484	4.27 %	203,546	4.27 %	242,720	4.25 %
Total Interest-bearing Liabilities	1,782,056	2.55 %	1,788,124	2.66 %	1,765,318	2.71 %
Demand deposits	498,169		476,604		493,922	
Other liabilities	29,260		32,279		29,972	
Total Liabilities	<u>2,309,485</u>		<u>2,297,007</u>		<u>2,289,212</u>	
Stockholders' equity, excluding accumulated other comprehensive loss	315,520		312,427		302,758	
Accumulated other comprehensive loss	(32,846)		(34,284)		(44,338)	
Total Stockholders' Equity	<u>282,674</u>		<u>278,143</u>		<u>258,420</u>	
Total Liabilities and Stockholders' Equity	<u>\$ 2,592,159</u>		<u>\$ 2,575,150</u>		<u>\$ 2,547,632</u>	
Interest Rate Spread		2.84 %		2.69 %		2.61 %
Net Interest Income/Earning Assets		3.52 %		3.38 %		3.31 %
Total Deposits (Interest-bearing and Demand)						
	\$ 2,089,741		\$ 2,061,182		\$ 2,016,520	

- (1) Annualized rates of return on tax-exempt securities and loans are presented on a fully taxable-equivalent basis, using C&N's marginal federal income tax rate of 21%.
- (2) Nonaccrual loans have been included with loans for the purpose of analyzing net interest earnings.
- (3) Rates of return on earning assets and costs of funds have been presented on an annualized basis.

ANALYSIS OF AVERAGE DAILY BALANCES AND RATES
(Dollars in Thousands)

	6 Months Ended 6/30/2025 Average Balance	Rate of Return/ Cost of Funds %	6 Months Ended 6/30/2024 Average Balance	Rate of Return/ Cost of Funds%
EARNING ASSETS				
Interest-bearing due from banks	\$ 73,915	4.30 %	\$ 37,932	4.77 %
Available-for-sale debt securities, at amortized cost:				
Taxable	339,045	2.75 %	345,928	2.48 %
Tax-exempt	110,488	2.38 %	113,142	2.22 %
Total available-for-sale debt securities	449,533	2.66 %	459,070	2.42 %
Loans receivable:				
Taxable	1,811,622	6.18 %	1,783,310	6.11 %
Tax-exempt	88,810	3.34 %	88,006	3.20 %
Total loans receivable	1,900,432	6.05 %	1,871,316	5.97 %
Other earning assets	2,308	4.89 %	1,780	5.08 %
Total Earning Assets	2,426,188	5.37 %	2,370,098	5.27 %
Cash	21,533		21,422	
Unrealized loss on securities	(43,478)		(53,807)	
Allowance for credit losses	(20,455)		(19,887)	
Bank-owned life insurance	51,615		52,242	
Bank premises and equipment	21,334		21,891	
Intangible assets	54,477		54,876	
Other assets	72,487		86,369	
Total Assets	\$ 2,583,701		\$ 2,533,204	
INTEREST-BEARING LIABILITIES				
Interest-bearing deposits:				
Interest checking	\$ 540,897	2.03 %	\$ 516,025	2.20 %
Money market	359,716	2.20 %	351,451	2.34 %
Savings	197,269	0.10 %	210,404	0.10 %
Time deposits	490,212	3.87 %	443,485	3.79 %
Total interest-bearing deposits	1,588,094	2.40 %	1,521,365	2.41 %
Borrowed funds:				
Short-term	1,189	0.17 %	36,187	5.32 %
Long-term - FHLB advances	156,013	4.48 %	159,063	4.19 %
Senior notes, net	14,917	3.26 %	14,848	3.25 %
Subordinated debt, net	24,860	3.77 %	24,745	3.76 %
Total borrowed funds	196,979	4.27 %	234,843	4.26 %
Total Interest-bearing Liabilities	1,785,073	2.60 %	1,756,208	2.65 %
Demand deposits	487,446		487,534	
Other liabilities	30,761		29,679	
Total Liabilities	2,303,280		2,273,421	
Stockholders' equity, excluding accumulated other comprehensive loss	313,982		301,895	
Accumulated other comprehensive loss	(33,561)		(42,112)	
Total Stockholders' Equity	280,421		259,783	
Total Liabilities and Stockholders' Equity	\$ 2,583,701		\$ 2,533,204	
Interest Rate Spread		2.77 %		2.62 %
Net Interest Income/Earning Assets		3.45 %		3.30 %
Total Deposits (Interest-bearing and Demand)	\$ 2,075,540		\$ 2,008,899	

- (1) Annualized rates of return on tax-exempt securities and loans are presented on a fully taxable-equivalent basis, using C&N's marginal federal income tax rate of 21%.
- (2) Nonaccrual loans have been included with loans for the purpose of analyzing net interest earnings.
- (3) Rates of return on earning assets and costs of funds have been presented on an annualized basis.

COMPARISON OF NONINTEREST INCOME
(In Thousands)

	June 30, 2025	Three Months Ended March 31, 2025	June 30, 2024	Six Months Ended June 30, 2025	June 30, 2024
Trust revenue	\$ 1,967	\$ 2,102	\$ 2,014	\$ 4,069	\$ 3,911
Brokerage and insurance revenue	554	498	527	1,052	1,066
Service charges on deposit accounts	1,422	1,440	1,472	2,862	2,790
Interchange revenue from debit card transactions	1,218	1,036	1,089	2,254	2,102
Net gains from sales of loans	312	205	235	517	426
Loan servicing fees, net	173	138	130	311	360
Increase in cash surrender value of life insurance	466	457	444	923	914
Other noninterest income	2,030	1,132	1,943	3,162	2,960
Total noninterest income	<u>\$ 8,142</u>	<u>\$ 7,008</u>	<u>\$ 7,854</u>	<u>\$ 15,150</u>	<u>\$ 14,529</u>

COMPARISON OF NONINTEREST EXPENSE
(In Thousands)

	June 30, 2025	Three Months Ended March 31, 2025	June 30, 2024	Six Months Ended June 30, 2025	June 30, 2024
Salaries and employee benefits	\$ 11,067	\$ 11,759	\$ 11,023	\$ 22,826	\$ 22,585
Net occupancy and equipment expense	1,403	1,459	1,333	2,862	2,783
Data processing and telecommunications expenses	1,981	2,071	2,003	4,052	3,995
Automated teller machine and interchange expense	403	387	473	790	960
Pennsylvania shares tax	470	496	434	966	867
Professional fees	506	517	552	1,023	1,070
Other noninterest expense	3,401	2,354	3,437	5,755	5,299
Total noninterest expense, excluding merger-related expenses	19,231	19,043	19,255	38,274	37,559
Merger-related expenses	167	0	0	167	0
Total noninterest expense	<u>\$ 19,398</u>	<u>\$ 19,043</u>	<u>\$ 19,255</u>	<u>\$ 38,441</u>	<u>\$ 37,559</u>

LIQUIDITY INFORMATION
(In Thousands)

Available Credit Facilities	Outstanding			Available			Total Credit		
	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	March 31, 2025	June 30, 2024
Federal Home Loan Bank of Pittsburgh	\$ 165,611	\$ 176,540	\$ 223,853	\$ 780,008	\$ 772,430	\$ 719,722	\$ 945,619	\$ 948,970	\$ 943,575
Federal Reserve Bank Discount Window	0	0	0	17,545	17,431	18,884	17,545	17,431	18,884
Other correspondent banks	0	0	0	75,000	75,000	75,000	75,000	75,000	75,000
Total credit facilities	\$ 165,611	\$ 176,540	\$ 223,853	\$ 872,553	\$ 864,861	\$ 813,606	\$ 1,038,164	\$ 1,041,401	\$ 1,037,459

Uninsured Deposits Information	June 30, 2025	March 31, 2025	June 30, 2024
Total Deposits - C&N Bank	\$ 2,127,673	\$ 2,120,521	\$ 2,074,806
Estimated Total Uninsured Deposits	\$ 649,184	\$ 621,542	\$ 605,765
Portion of Uninsured Deposits that are			
Collateralized	133,621	138,178	158,268
Uninsured and Uncollateralized Deposits	\$ 515,563	\$ 483,364	\$ 447,497
Uninsured and Uncollateralized Deposits as a % of Total Deposits	24.2 %	22.8 %	21.6 %
Available Funding from Credit Facilities	\$ 872,553	\$ 864,861	\$ 813,606
Fair Value of Available-for-sale Debt			
Securities in Excess of Pledging Obligations	267,695	270,496	238,375
Highly Liquid Available Funding	\$ 1,140,248	\$ 1,135,357	\$ 1,051,981
Highly Liquid Available Funding as a % of Uninsured Deposits	175.6 %	182.7 %	173.7 %
Highly Liquid Available Funding as a % of Uninsured and Uncollateralized Deposits	221.2 %	234.9 %	235.1 %