

C&N&COVENANT

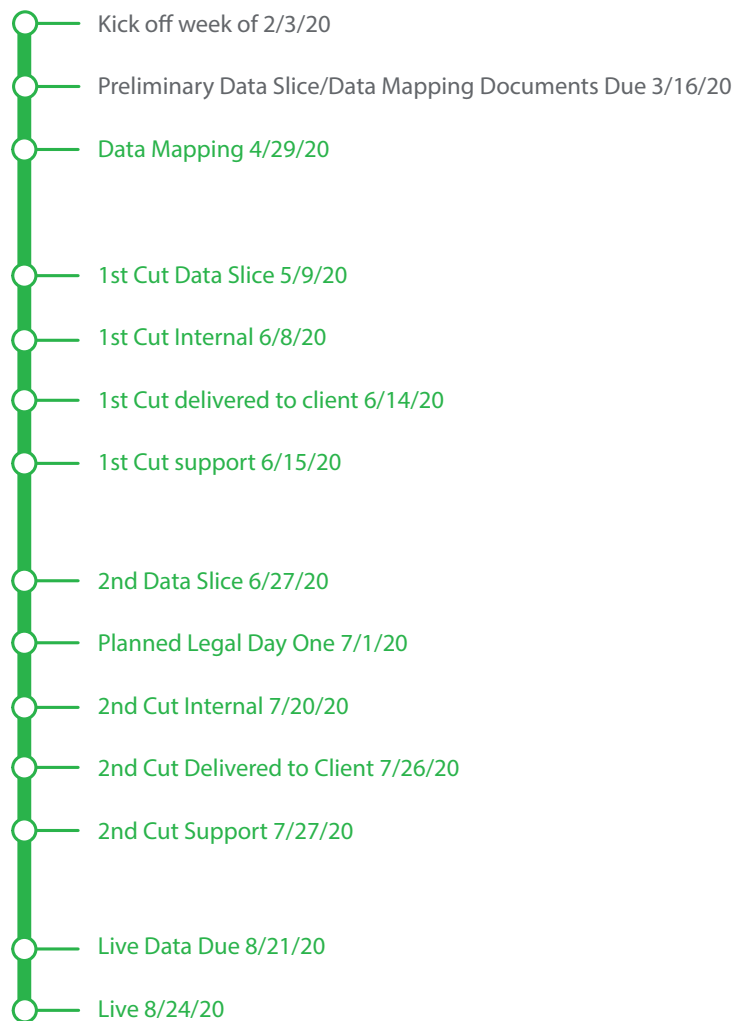
Integration Newsletter | April, 2020

MONTHLY UPDATE

Welcome to the first edition of the C&N&Covenant monthly integration newsletter! Since the December announcement of the merger between C&N and Covenant Bank, teams have been hard at work coordinating, collaborating and planning for not only the core system conversion, but plenty of other things that will go into making a successful union. And we're off to a strong start!

The goal of the monthly newsletter is to keep you informed throughout the duration of the project: timelines, tasks we're working on, next steps and anything else that may impact you or be of interest to you. Read on to learn more from our integration team leaders.

COVENANT DATA TIMELINE



TEAMWORK | RESPECT | RESPONSIBILITY & ACCOUNTABILITY | EXCELLENCE
INTEGRITY | CLIENT-FOCUS | HAVE FUN

A WORD FROM OUR INTEGRATION TEAMS

ACCOUNTING

Accounting is in the early stages of planning the integration with Covenant. We have started some preliminary work on general ledger chart of account mapping as well as working with FISERV and Jack Henry on GL conversion. Our next steps will include discussions with Covenant's correspondent banks as well as the Federal Reserve to begin the discussion of account conversions. Accounting has also been working on the various regulatory applications for the merger.

BRANCH OPERATIONS

The Branch Integration Team has completed a review of all deposit products with the assistance of Compliance and Treasury Management, to determine the proper alignment for conversion to C&N products. We are now reviewing Covenant's vendor relationships for branch operations to decide which vendor relationships we will keep and lastly we are reviewing the daily/weekly/monthly tasks for the Covenant branch employees to understand what tasks will transition to a back office function and what tasks will remain in the branch after conversion.

LENDING

The Lending Integration Team has been working hard through the data mapping process. A sample of Covenant's Commercial & Consumer Promissory Notes were reviewed to confirm payment applications, late charges and a variety of other things. DNA was updated with a couple of new products, loan indexes, and prepayment penalties in time for the first data slice. Also, Covenant's Home Equity Line of Credit Product allows advances via check, while C&N's does not. The Lending Team will analyze this difference over the next month. All critical areas and key tasks of the lending conversion are summarized on the Lending Team's "Integration Report." This report is reviewed at each team meeting.

DEPOSIT OPERATIONS

The team finished up preliminary data mapping with Covenant and will review the results later in April with Fiserv resources. We are currently focusing on gathering contracts and securing projects for Online banking, Debit Cards & Imaging (checks & statements).

HUMAN RESOURCES

The Human Resources Team continue to work on the next stage which is getting out PTO calculations and job descriptions to the Covenant Team.

IT SYSTEMS

The IT Systems Team has created the required products in DNA for most of the incoming Covenant products to be mapped to with the final items to be created by April 10th. The team is also working on a program to compare system data post first cut and planning the best process for running batch in our test systems.

IT TECHNICAL

Over the past couple months, IT has performed a successful test migration of Covenant's email to C&N. Inventory of equipment and services has also been completed. First slice of data has successfully been imported into our test environment for Fiserv's review.

MARKETING

The Marketing Functional Team is continuing to execute the communication plan. Newsletter updates will be sent monthly starting in March to employees. We are still determining the best time to start the customer newsletters. These newsletters and other helpful information are also accessible to customers on Covenant Bank's website. The integration project page on CeNtral has been migrated to a hidden page on our website domain. This will allow Covenant employees to easily access the same internal information all in one place: www.cnbankpa.com/integration. C&N teammates can still access this page from a button on CeNtral.

RISK

Risk Management will begin meetings soon on Bank Secrecy Act. We have sent the list of vendors for Covenant Bank to the Integration Team to begin working with the various vendors.

TREASURY

The Treasury Team continues to work with operations and branch delivery to ensure a smooth transition for business checking and ACH customers.

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