

CITIZENS & NORTHERN

CORPORATION

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C&N DECLARES DIVIDEND AND ANNOUNCES FIRST QUARTER 2024 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 period ended March 31, 2024. C&N’s principal activity is community banking, and the largest subsidiary is Citizens & Northern Bank (the “Bank”).

Highlights:

- Net income was \$5,306,000, or \$0.35 diluted earnings per share for the first quarter 2024, as compared to \$4,261,000, or \$0.28 per diluted share in the fourth quarter 2023 and \$6,253,000, or \$0.40 per diluted share in the first quarter 2023. Fourth quarter 2023 results included a net charge to earnings of \$0.08 per share related to losses on sales of securities, a tax charge from initiating the surrender of bank-owned life insurance (“BOLI”) and noninterest income from a one-time enhancement on the purchase of new BOLI.
- The net interest margin was 3.29% in the first quarter 2024 as compared to 3.31% in the fourth quarter 2023 and 3.71% in the first quarter 2023.
- The provision for credit losses was \$954,000 in the first quarter 2024 as compared to \$951,000 in the fourth quarter 2023 and a credit for credit losses (reduction in expense) of \$352,000 in the first quarter 2023. At March 31, 2024, the allowance for credit losses (“ACL”) was \$20,023,000 or 1.07% of gross loans receivable, up from \$19,208,000 or 1.04% of gross loans receivable at December 31, 2023.
- Total loans receivable increased \$24.3 million, or 1.3% at March 31, 2024 from December 31, 2023. Average loans receivable increased 5.0% (annualized) during the first quarter 2024 from the fourth quarter 2023. Average loans receivable were higher by 7.7% for the first quarter 2024 as compared to first quarter 2023.
- Nonperforming loans totaled \$19.3 million or 1.03% of total loans at March 31, 2024, up from \$18.4 million or 0.99% of total loans at December 31, 2023 and \$14.1 million or 0.81% of total loans at March 31, 2023. Nonperforming loans included nonaccrual loans, which increased \$3.9 million from December 31, 2023 and \$6.2 million from March 31, 2023, while loans past due 90 days or more still accruing decreased \$3.0 million from December 31, 2023 and \$989,000 from March 31, 2023. Total nonperforming assets were 0.78% of total assets at March 31, 2024, up from 0.75% at December 31, 2023 and 0.60% at March 31, 2023.
- Total deposits decreased \$18.9 million at March 31, 2024 from December 31, 2023. Total deposits, excluding brokered deposits, were lower by 1.2% from December 31, 2023. Average total deposits decreased 3.1% (annualized) during the first quarter 2024 from the fourth quarter 2023. Average total deposits were 3.6% higher for the first quarter 2024, as compared to the first quarter 2023.
- At March 31, 2024, estimated uninsured and uncollateralized deposits totaled 21.3% of the Bank’s total deposits. C&N maintains highly liquid sources of available funds, including unused borrowing capacity with the Federal Home Loan Bank of Pittsburgh and the Federal Reserve Bank of Philadelphia and available federal funds lines with other banks, as well as available-for-sale debt securities with a fair value in excess of collateral obligations. At March 31, 2024, available funding from these sources totaled 187.7% of uninsured deposits and 249.2% of uninsured and uncollateralized deposits.

Dividend Declared and Unaudited Financial Information

On April 25, 2024, C&N’s Board of Directors declared a regular quarterly cash dividend of \$0.28 per share. The dividend is payable on May 17, 2024 to shareholders of record as of May 6, 2024.

Highlights related to C&N's first quarter unaudited U.S. GAAP earnings results as compared to results for the fourth quarter 2023 and first quarter 2023 are presented below.

First Quarter 2024 as Compared to Fourth Quarter 2023

Net income was \$5,306,000, or \$0.35 per diluted share, for the first quarter 2024 as compared to \$4,261,000, or \$0.28 per diluted share, for the fourth quarter 2023. The results for the fourth quarter 2023 included the impact of a \$1,253,000 charge, or \$0.08 per diluted share, related to the repositioning of available-for-sale securities and BOLI investments. Other significant variances were as follows:

- Net interest income of \$19,041,000 in the first quarter 2024 was down \$553,000 from the fourth quarter 2023 total reflecting an increase in interest expense of \$653,000 and an increase of \$100,000 in interest and dividend income. The net interest margin was 3.29% in the first quarter 2024, down 0.02% from 3.31% in the fourth quarter 2023. The net interest spread decreased 0.03%, as the average rate on interest-bearing liabilities increased 0.15%, while the average yield on earning assets increased 0.12%.
- Noninterest income of \$6,675,000 in the first quarter 2024 decreased \$2,045,000 as included in the fourth quarter 2023 was a one-time BOLI enhancement fee of \$2,100,000 related to the repositioning of BOLI investments.
- Net losses on available-for-sale debt securities were \$3,042,000 for the fourth quarter 2023 with no comparable amount in first quarter 2024. C&N sold available-for-sale debt securities with an amortized cost basis of \$45.5 million in December 2023 in connection with a repositioning of available-for-sale securities and BOLI investments.
- Noninterest expense of \$18,304,000 in the first quarter 2024 decreased \$95,000 from the fourth quarter 2023 amount. Significant variances included the following:
 - Other noninterest expense of \$1,862,000 decreased \$928,000 from the fourth quarter 2023. Within this category, significant variances included the following:
 - In the first quarter 2024, there was a reduction in expense of \$483,000 related to the defined benefit postretirement medical benefit plan, including a curtailment of \$469,000 related to plan adjustments. In comparison, in the fourth quarter 2023, there was a reduction in expense associated with the postretirement plan of \$5,000.
 - In the fourth quarter 2023, there was an accrued charge of \$427,000 related to a trust department tax compliance matter with no comparable amount in first quarter 2024.
 - Salaries and employee benefits expense of \$11,562,000 increased \$449,000 from the fourth quarter 2023. Incentive compensation expense increased \$226,000 as the fourth quarter 2023 amount had been reduced based on an updated assessment of C&N's earnings performance to that of a defined peer group. Payroll tax expenses increased, reflecting the normal pattern of such costs being highest in the beginning of the calendar year.
- The income tax provision of \$1,152,000, or 17.8% of pre-tax income, for the first quarter 2024 decreased \$509,000 from \$1,661,000, or 28.0% of pre-tax income for the fourth quarter 2023. The higher effective tax rate in the fourth quarter 2023 reflects the impact of a tax charge of \$950,000 for the initiated surrender of BOLI partially offset by non-taxable income of \$2,100,000 from the one-time enhancement on the purchase of new BOLI.

First Quarter 2024 as Compared to First Quarter 2023

First quarter 2024 net income was \$5,306,000, or \$0.35 per diluted share, as compared to \$6,253,000, or \$0.40 per diluted share, in the first quarter 2023. Other significant variances were as follows:

- Net interest income of \$19,041,000 in the first quarter 2024 was \$1,740,000 lower than the first quarter 2023 total reflecting an increase in interest expense of \$5,937,000 and an increase of \$4,197,000 in interest and dividend income. The interest rate spread decreased 0.68%, as the average rate on interest-bearing liabilities increased 1.24%, while the average yield on earning assets increased 0.56%. The net interest margin was 3.29% in the first quarter 2024, down from 3.71% in the first quarter 2023.
- For the quarter ended March 31, 2024, there was a provision for credit losses of \$954,000, an increase of \$1,306,000 in expense compared to a credit for credit losses (reduction in expense) of \$352,000 in first quarter 2023. The provision for first quarter 2024 included expense related to loans receivable of \$960,000 and a credit related to off-balance sheet exposures of \$6,000. In the first quarter 2024, the provision related to loans receivable resulted from an increase in qualitative factors and specific allowances on individually evaluated commercial loans, partially offset by reductions in C&N's average net charge-off experience and the impact of an economic forecast used in the calculation of the ACL. The credit for credit losses in the first quarter 2023 resulted mainly from a reduction in the allowance related to the commercial segment of the portfolio. The ACL as a percentage of gross loans receivable was 1.07% at March 31, 2024 as compared to 1.05% at March 31, 2023.
- Noninterest income of \$6,675,000 in the first quarter 2024 increased \$1,066,000 from the first quarter 2023 amount. Significant variances included the following:
 - Earnings from the increase in cash surrender value of life insurance of \$470,000 increased \$332,000 from the first quarter 2023 reflecting the earnings on the additional \$30 million in Bank-Owned Life Insurance purchased in December 2023.
 - Other noninterest income of \$1,017,000 increased \$246,000, including an increase of \$182,000 in dividends from FHLB-Pittsburgh and Federal Reserve stock.
 - Trust revenue of \$1,897,000 increased \$120,000, consistent with recent appreciation in the trading prices of many U.S. equity securities and includes revenue from new business.
 - Net gains from sale of loans of \$191,000 increased \$117,000 from the first quarter 2023, reflecting an increase in volume of residential mortgage loans sold.
 - Brokerage and insurance revenue of \$539,000 increased \$109,000 due to an increase in sales volume.
 - Loan servicing fees, net, of \$230,000 increased \$108,000, as the fair value of servicing rights increased \$25,000 in 2024 as compared to a decrease of \$83,000 in 2023.
- Noninterest expense of \$18,304,000 in the first quarter 2024 decreased \$783,000 from the first quarter 2023 amount. Significant variances included the following:
 - Other noninterest expense of \$1,862,000 decreased \$645,000 from the first quarter 2023. Within this category, significant variances included the following:
 - As noted above, in the first quarter 2024, there was a reduction in expense of \$483,000 related to the defined benefit postretirement medical benefit plan. In comparison, in the first quarter 2023, there was a reduction in expense associated with the postretirement plan of \$5,000.

- Expenses from check fraud, debit card fraud and other operational losses totaled \$50,000 in the first quarter 2024, a decrease of \$139,000 from the first quarter 2023.
- Advertising expense totaled \$136,000 in the first quarter 2024, a decrease of \$77,000.
- FDIC insurance expense increased \$120,000 from the first quarter of 2023, reflecting the impact of an increase in base deposit insurance assessment rate applicable to all FDIC-insured banks.
- Professional fees of \$518,000 decreased \$419,000 as first quarter 2023 included \$389,000 of conversion costs related to a change in wealth management platform for providing brokerage and investment advisory services.
- Salaries and employee benefits expense of \$11,562,000 increased \$135,000, including an increase in base salaries expense of \$336,000, or 4.6%, while incentive compensation expense decreased \$171,000.
- The income tax provision of \$1,152,000, or 17.8% of pre-tax income for the first quarter 2024 decreased \$257,000 from \$1,409,000, or 18.4% of pre-tax income for the first quarter 2023. The decrease in income tax provision reflected the decrease in pre-tax income of \$1,204,000 for the quarter.

Other Information:

Changes in other unaudited financial information are as follows:

- Total assets amounted to \$2,521,537,000 at March 31, 2024, up from \$2,515,584,000 at December 31, 2023 and \$2,429,872,000 at March 31, 2023.
- The amortized cost of available-for-sale debt securities decreased to \$457,081,000 at March 31, 2024 from \$464,968,000 at December 31, 2023 and \$527,589,000 at March 31, 2023. The fair value of available-for-sale debt securities at March 31, 2024 was lower than the amortized cost basis by \$51,987,000, or 11.4%. In comparison, the aggregate unrealized loss position was \$49,213,000 (10.6%) at December 31, 2023 and \$54,775,000 (10.4%) at March 31, 2023. The unrealized decrease in fair value of the portfolio has resulted from an increase in interest rates as compared to rates when the securities were purchased. Management reviewed the available-for-sale debt securities as of March 31, 2024 and concluded, as of such date, that there were no credit-related declines in fair value and that the unrealized losses on all of the securities in an unrealized loss position are considered temporary.
- Gross loans receivable totaled \$1,872,449,000 at March 31, 2024, an increase of \$24,310,000 (1.3%) from total loans at December 31, 2023 and an increase of \$127,310,000 (7.3%) from total loans at March 31, 2023. In comparing outstanding balances at March 31, 2024 and 2023, total commercial loans were up \$113,513,000 (8.8%), reflecting growth in non-owner occupied commercial real estate loans of \$57,131,000, owner occupied commercial real estate loans of \$28,379,000 and other commercial loans of \$28,003,000. Within other commercial loans, the outstanding balance of commercial construction and land loans increased \$35,643,000 and commercial lines of credit increased \$2,682,000, offset by decreases in the outstanding balances of commercial and industrial loans, loans to political subdivisions and other commercial loans. Total residential mortgage loans were up \$7,943,000 (2.0%), and total consumer loans increased \$5,854,000 (10.8%). The outstanding balance of residential mortgage loans originated and serviced by C&N that have been sold to third parties was \$322.3 million at March 31, 2024, up \$993,000 (0.3%) from March 31, 2023.
- At March 31, 2024, 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 \$93,998,000, or 5.0% of gross loans receivable. At March 31, 2024, within this segment, there were two loans with a total recorded investment of \$3,899,000 in nonaccrual status with specific allowances totaling \$506,000. 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 specific allowance at March 31, 2024.

- Total nonperforming assets as a percentage of total assets was 0.78% at March 31, 2024, up from 0.75% at December 31, 2023 and 0.60% at March 31, 2023. Total nonperforming assets were \$19.8 million at March 31, 2024, up from \$18.8 million at December 31, 2023 and \$14.6 million at March 31, 2023. Nonperforming loans included increases in nonaccrual loans of \$3.9 million from December 2023 and \$6.2 million from March 31, 2023, while loans past due 90 days or more still accruing decreased \$3.0 million from December 31, 2023 and \$989,000 from March 31, 2023. At March 31, 2024, total loans receivable individually evaluated with an allowance were \$10,062,000, with specific allowances (included in the total ACL on loans receivable) totaling \$1,403,000. In comparison, at December 31, 2023, loans individually evaluated with an allowance totaled \$7,786,000 with specific allowances totaling \$743,000, and, at March 31, 2023, loans individually evaluated with an allowance totaled \$5,802,000 with specific allowances totaling \$895,000. In the first quarter 2024, the increase in nonaccrual loans and in loans receivable individually evaluated with an allowance included commercial construction and land loans to one borrower totaling \$2.4 million with a specific allowance of \$477,000 at March 31, 2024.
- Deposits totaled \$1,995,903,000 at March 31, 2024, down \$18,903,000 (0.9%) from \$2,014,806,000 at December 31, 2023. Total deposits, excluding brokered deposits, were down \$23,925,000 (1.2%) at March 31, 2024 from December 31, 2023. Total deposits were up \$79,863,000 (4.2%) at March 31, 2024 as compared to March 31, 2023, including an increase in brokered deposits of \$54,274,000. At March 31, 2024, C&N's estimated uninsured deposits totaled \$568.1 million, or 28.2% of the Bank's total deposits, as compared to \$592.2 million, or 29.2% of the Bank's total deposits at December 31, 2023. Included in uninsured deposits are deposits collateralized by securities (almost exclusively municipal deposits) totaling \$140.1 million, or 7.0% of the Bank's total deposits, at March 31, 2024.
- C&N maintained highly liquid sources of available funds totaling \$1.1 billion at March 31, 2024, including unused borrowing capacity with the Federal Home Loan Bank of Pittsburgh of \$712.9 million, unused availability on the Federal Reserve Bank of Philadelphia's discount window of \$19.1 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 \$259.5 million. At March 31, 2024, available funding from these sources totaled 187.7% of uninsured deposits, and 249.2% 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 \$237,248,000 at March 31, 2024, up \$25,489,000 from December 31, 2023 and \$5,736,000 from March 31, 2023.
- Total stockholders' equity was \$261,656,000 at March 31, 2024, down from \$262,381,000 at December 31, 2023 and up from \$255,568,000 at March 31, 2023. Within stockholders' equity, the portion of accumulated other comprehensive loss related to available-for-sale debt securities was \$41,071,000 at March 31, 2024, \$38,878,000 at December 31, 2023 and \$43,271,000 at March 31, 2023. 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. No shares have been repurchased under this program through March 31, 2024.
- Citizens & Northern Bank is subject to various regulatory capital requirements. At March 31, 2024, Citizens & Northern Bank maintains regulatory capital ratios that exceed all capital adequacy requirements. Management expects the Bank to remain well-capitalized for the foreseeable future.

- Trust assets under management by C&N's Wealth Management Group amounted to \$1,224,573,000 at March 31, 2024, up 3.1% from \$1,188,082,000 at December 31, 2023, and up 8.6% from \$1,127,439,000 at March 31, 2023. 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 \$195,000, \$199,000 and \$269,000 for the first quarter 2024, fourth quarter 2023 and first quarter 2023, respectively. The excess of net interest income on a fully taxable-equivalent basis over the amounts reported under U.S. GAAP was \$919,000 for the year ended December 31, 2023, and \$1,226,000 for the year ended December 31, 2022. For more information, see footnote (d) to the Supplemental, Unaudited Financial Information filed as Exhibit 99.2 to the Current Report on Form 8-K filed with the SEC on April 25, 2024.

Citizens & Northern Corporation is the bank holding company for Citizens & Northern Bank, headquartered in Wellsboro, Pennsylvania which operates 29 banking offices located in Bradford, Bucks, Cameron, Chester, Lycoming, McKean, 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. Investors are cautioned that all forward-looking statements involve risks and uncertainty, including 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; recent adverse developments in the banking industry highlighted by high-profile bank failures and the potential impact of such developments on customer confidence, sources of liquidity and capital funding, and regulatory responses to these 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; failure to achieve merger-related synergies and difficulties in integrating the business and operations of acquired institutions; and fraud and cyber malfunction risks as usage of artificial intelligence continues to expand. 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.

EXHIBIT 99.2 – Supplemental, Unaudited Financial Information

CITIZENS&NORTHERN
CORPORATION

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

	1ST QUARTER 2024	1ST QUARTER 2023	\$ Incr. (Decr.)	% Incr. (Decr.)
Interest and Dividend Income	\$ 30,336	\$ 26,139	\$ 4,197	16.06 %
Interest Expense	11,295	5,358	5,937	110.81 %
Net Interest Income	19,041	20,781	(1,740)	(8.37)%
Provision (Credit) for Credit Losses	954	(352)	1,306	(371.02)%
Net Interest Income After Provision (Credit) for Credit Losses	18,087	21,133	(3,046)	(14.41)%
Noninterest Income	6,675	5,609	1,066	19.01 %
Net Realized Gains on Available-for-sale Debt Securities	0	7	(7)	(100.00)%
Noninterest Expense	18,304	19,087	(783)	(4.10)%
Income Before Income Tax Provision	6,458	7,662	(1,204)	(15.71)%
Income Tax Provision	1,152	1,409	(257)	(18.24)%
Net Income	\$ 5,306	\$ 6,253	\$ (947)	(15.14)%
Net Income Attributable to Common Shares (1)	\$ 5,267	\$ 6,201	\$ (934)	(15.06)%
PER COMMON SHARE DATA:				
Net Income - Basic	\$ 0.35	\$ 0.40	\$ (0.05)	(12.50)%
Net Income - Diluted	\$ 0.35	\$ 0.40	\$ (0.05)	(12.50)%
Dividends Per Share	\$ 0.28	\$ 0.28	\$ 0.00	0.00 %
Number of Shares Used in Computation - Basic	15,230,580	15,409,680		
Number of Shares Used in Computation - Diluted	15,230,580	15,410,617		

- (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)

	March 31, 2024	March 31, 2023	\$ Incr. (Decr.)	% Incr. (Decr.)
ASSETS				
Cash & Due from Banks	\$ 46,448	\$ 52,212	\$ (5,764)	(11.04)%
Available-for-sale Debt Securities	405,094	472,814	(67,720)	(14.32)%
Loans, Net	1,852,426	1,726,793	125,633	7.28 %
Bank-Owned Life Insurance	49,857	31,352	18,505	59.02 %
Bank Premises and Equipment, Net	21,852	21,277	575	2.70 %
Deferred Tax Asset, Net	17,703	18,914	(1,211)	(6.40)%
Intangible Assets	54,877	55,280	(403)	(0.73)%
Other Assets	73,280	51,230	22,050	43.04 %
TOTAL ASSETS	\$ 2,521,537	\$ 2,429,872	\$ 91,665	3.77 %
LIABILITIES				
Deposits	\$ 1,995,903	\$ 1,916,040	\$ 79,863	4.17 %
Borrowed Funds - Federal Home Loan Bank and Repurchase Agreements	197,655	192,097	5,558	2.89 %
Senior Notes, Net	14,848	14,781	67	0.45 %
Subordinated Debt, Net	24,745	24,634	111	0.45 %
Other Liabilities	26,730	26,752	(22)	(0.08)%
TOTAL LIABILITIES	2,259,881	2,174,304	85,577	3.94 %
STOCKHOLDERS' EQUITY				
Common Stockholders' Equity, Excluding Accumulated Other Comprehensive Loss	302,362	298,365	3,997	1.34 %
Accumulated Other Comprehensive Loss:				
Net Unrealized Losses on Available-for-sale Debt Securities	(41,071)	(43,271)	2,200	(5.08)%
Defined Benefit Plans	365	474	(109)	(23.00)%
TOTAL STOCKHOLDERS' EQUITY	261,656	255,568	6,088	2.38 %
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 2,521,537	\$ 2,429,872	\$ 91,665	3.77 %

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

	AS OF OR FOR THE THREE MONTHS ENDED March 31,		% INCREASE (DECREASE)
	2024	2023	
EARNINGS PERFORMANCE - U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP")			
Net Income	\$ 5,306	\$ 6,253	(15.14)%
Return on Average Assets (Annualized)	0.84 %	1.03 %	(18.45)%
Return on Average Equity (Annualized)	8.13 %	9.90 %	(17.88)%
PRE-TAX, PRE-PROVISION NET REVENUE ("PPNR") - NON-GAAP (a)			
PPNR	\$ 7,607	\$ 7,572	0.46 %
PPNR (Annualized) as a % of Average Assets	1.21 %	1.25 %	(3.20)%
PPNR (Annualized) as a % of Average Equity	11.65 %	11.99 %	(2.84)%
BALANCE SHEET HIGHLIGHTS			
Total Assets	\$ 2,521,537	\$ 2,429,872	3.77 %
Available-for-Sale Debt Securities	405,094	472,814	(14.32)%
Loans, Net	1,852,426	1,726,793	7.28 %
Allowance for Credit Losses:			
Allowance for Credit Losses on Loans	20,023	18,346	9.14 %
Allowance for Credit Losses on Off-Balance Sheet Exposures	684	1,178	(41.94)%
Deposits	1,995,903	1,916,040	4.17 %
OFF-BALANCE SHEET			
Outstanding Balance of Mortgage Loans Sold with Servicing Retained	\$ 322,319	\$ 321,326	0.31 %
Trust Assets Under Management	1,224,573	1,127,439	8.62 %
STOCKHOLDERS' VALUE (PER COMMON SHARE)			
Net Income - Basic	\$ 0.35	\$ 0.40	(12.50)%
Net Income - Diluted	\$ 0.35	\$ 0.40	(12.50)%
Dividends	\$ 0.28	\$ 0.28	0.00 %
Common Book Value	\$ 17.01	\$ 16.50	3.09 %
Tangible Common Book Value (b)	\$ 13.45	\$ 12.93	4.02 %
Market Value (Last Trade)	\$ 18.78	\$ 21.38	(12.16)%
Market Value / Common Book Value	110.41 %	129.58 %	(14.79)%
Market Value / Tangible Common Book Value	139.63 %	165.35 %	(15.55)%
Price Earnings Multiple	13.41	13.36	0.37 %
Dividend Yield	5.96 %	5.24 %	13.74 %
Common Shares Outstanding, End of Period	15,378,065	15,485,035	(0.69)%

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

	AS OF OR FOR THE THREE MONTHS ENDED		%
	March 31, 2024	2023	
SAFETY AND SOUNDNESS			
Tangible Common Equity / Tangible Assets (b)	8.38 %	8.43 %	(0.59)%
Nonperforming Assets / Total Assets	0.78 %	0.60 %	30.00 %
Allowance for Credit Losses / Total Loans	1.07 %	1.05 %	1.90 %
Total Risk Based Capital Ratio (c)	15.55 %	16.49 %	(5.70)%
Tier 1 Risk Based Capital Ratio (c)	13.14 %	13.96 %	(5.87)%
Common Equity Tier 1 Risk Based Capital Ratio (c)	13.14 %	13.96 %	(5.87)%
Leverage Ratio (c)	9.89 %	10.07 %	(1.79)%
AVERAGE BALANCES			
Average Assets	\$ 2,518,776	\$ 2,420,819	4.05 %
Average Equity	\$ 261,146	\$ 252,638	3.37 %
EFFICIENCY RATIO (d)			
Net Interest Income on a Fully Taxable-Equivalent Basis (d)	\$ 19,236	\$ 21,050	(8.62)%
Noninterest Income, Excluding Net Realized Gains on Available-for-sale Debt Securities	6,675	5,609	19.01 %
Total (1)	\$ 25,911	\$ 26,659	(2.81)%
Noninterest Expense (2)	\$ 18,304	\$ 19,087	(4.10)%
Efficiency Ratio = (2)/(1)	<u>70.64 %</u>	<u>71.60 %</u>	<u>(1.34)%</u>

- (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 nonrecurring items included in earnings. Management believes disclosure of PPNR provides useful information for evaluating C&N's financial performance without the impact of 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 in Exhibit 99.2 under the table "PPNR- NON- GAAP RECONCILIATION."
- (b) Tangible common book value per share and tangible common equity as a percentage of tangible assets 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	\$ 2,521,537	\$ 2,429,872
Less: Intangible Assets, Primarily Goodwill	<u>(54,877)</u>	<u>(55,280)</u>
Tangible Assets	<u>\$ 2,466,660</u>	<u>\$ 2,374,592</u>
Total Stockholders' Equity	\$ 261,656	\$ 255,568
Less: Intangible Assets, Primarily Goodwill	<u>(54,877)</u>	<u>(55,280)</u>
Tangible Common Equity (3)	<u>\$ 206,779</u>	<u>\$ 200,288</u>
Common Shares Outstanding, End of Period (4)	15,378,065	15,485,035
Tangible Common Book Value per Share = (3)/(4)	<u>\$ 13.45</u>	<u>\$ 12.93</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 in Exhibit 99.2 under the table "COMPARISON OF INTEREST INCOME AND EXPENSE."

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

	For the Three Months Ended:				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Interest income	\$ 30,336	\$ 30,236	\$ 29,118	\$ 28,011	\$ 26,139
Interest expense	11,295	10,642	9,455	7,649	5,358
Net interest income	19,041	19,594	19,663	20,362	20,781
Provision (credit) for credit losses	954	951	(1,225)	812	(352)
Net interest income after provision (credit) for credit losses	18,087	18,643	20,888	19,550	21,133
Noninterest income	6,675	8,720	6,489	6,635	5,609
Net realized (losses) gains on securities	0	(3,042)	0	(1)	7
Noninterest expense	18,304	18,399	17,940	18,722	19,087
Income before income tax provision	6,458	5,922	9,437	7,462	7,662
Income tax provision	1,152	1,661	1,846	1,419	1,409
Net income	<u>\$ 5,306</u>	<u>\$ 4,261</u>	<u>\$ 7,591</u>	<u>\$ 6,043</u>	<u>\$ 6,253</u>
Net income attributable to common shares	<u>\$ 5,267</u>	<u>\$ 4,231</u>	<u>\$ 7,534</u>	<u>\$ 5,996</u>	<u>\$ 6,201</u>
Basic earnings per common share	<u>\$ 0.35</u>	<u>\$ 0.28</u>	<u>\$ 0.50</u>	<u>\$ 0.39</u>	<u>\$ 0.40</u>
Diluted earnings per common share	<u>\$ 0.35</u>	<u>\$ 0.28</u>	<u>\$ 0.50</u>	<u>\$ 0.39</u>	<u>\$ 0.40</u>

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

	As of: March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023	March 31, 2023
ASSETS					
Cash & Due from Banks	\$ 46,448	\$ 56,878	\$ 52,658	\$ 51,762	\$ 52,212
Available-for-Sale Debt Securities	405,094	415,755	429,138	445,695	472,814
Loans, Net	1,852,426	1,828,931	1,812,585	1,795,454	1,726,793
Bank-Owned Life Insurance	49,857	63,674	31,557	31,504	31,352
Bank Premises and Equipment, Net	21,852	21,632	21,267	20,970	21,277
Deferred Tax Asset, Net	17,703	17,441	23,731	20,687	18,914
Intangible Assets	54,877	54,974	55,076	55,178	55,280
Other Assets	73,280	56,299	57,937	49,530	51,230
TOTAL ASSETS	\$ 2,521,537	\$ 2,515,584	\$ 2,483,949	\$ 2,470,780	\$ 2,429,872
LIABILITIES					
Deposits (1)	\$ 1,995,903	\$ 2,014,806	\$ 2,024,997	\$ 2,010,118	\$ 1,916,040
Borrowed Funds - Federal Home Loan Bank and Repurchase Agreements	197,655	172,211	148,529	146,694	192,097
Senior Notes, Net	14,848	14,831	14,814	14,798	14,781
Subordinated Debt, Net	24,745	24,717	24,689	24,661	24,634
Other Liabilities	26,730	26,638	30,715	26,392	26,752
TOTAL LIABILITIES	2,259,881	2,253,203	2,243,744	2,222,663	2,174,304
STOCKHOLDERS' EQUITY					
Common Stockholders' Equity, Excluding Accumulated Other Comprehensive Loss	302,362	300,818	300,031	296,190	298,365
Accumulated Other Comprehensive Loss:					
Net Unrealized Losses on Available-for-sale Debt Securities	(41,071)	(38,878)	(60,278)	(48,536)	(43,271)
Defined Benefit Plans	365	441	452	463	474
TOTAL STOCKHOLDERS' EQUITY	261,656	262,381	240,205	248,117	255,568
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 2,521,537	\$ 2,515,584	\$ 2,483,949	\$ 2,470,780	\$ 2,429,872
(1) Brokered Deposits (Included in Total Deposits)	\$ 69,391	\$ 64,369	\$ 62,512	\$ 70,653	\$ 15,117

AVAILABLE-FOR-SALE DEBT SECURITIES
(In Thousands)

	March 31, 2024		December 31, 2023		March 31, 2023	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Obligations of the U.S. Treasury	\$ 11,324	10,231	\$ 12,325	\$ 11,290	\$ 33,924	\$ 31,163
Obligations of U.S. Government agencies	10,637	9,376	11,119	9,946	25,479	23,348
Bank holding company debt securities	28,953	23,469	28,952	23,500	28,947	24,723
Obligations of states and political subdivisions:						
Tax-exempt	113,181	102,826	113,464	104,199	128,285	117,812
Taxable	57,960	49,255	58,720	50,111	67,076	57,572
Mortgage-backed securities issued or guaranteed by U.S. Government agencies or sponsored agencies:						
Residential pass-through securities	102,048	91,116	105,549	95,405	109,028	97,807
Residential collateralized mortgage obligations	48,477	44,501	50,212	46,462	42,296	38,117
Commercial mortgage-backed securities	76,249	66,121	76,412	66,682	84,449	74,195
Private label commercial mortgage-backed securities	8,252	8,199	8,215	8,160	8,105	8,077
Total Available-for-Sale Debt Securities	<u>\$ 457,081</u>	<u>\$ 405,094</u>	<u>\$ 464,968</u>	<u>\$ 415,755</u>	<u>\$ 527,589</u>	<u>\$ 472,814</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Commercial real estate - non-owner occupied			
Non-owner occupied	\$ 507,223	\$ 499,104	\$ 457,814
Multi-family (5 or more) residential	64,866	64,076	58,111
1-4 Family - commercial purpose	167,740	174,162	166,773
Total commercial real estate - non-owner occupied	<u>739,829</u>	<u>737,342</u>	<u>682,698</u>
Commercial real estate - owner occupied	<u>250,145</u>	<u>237,246</u>	<u>221,766</u>
All other commercial loans:			
Commercial and industrial	80,136	78,832	83,420
Commercial lines of credit	121,791	117,236	119,109
Political subdivisions	84,652	79,031	85,555
Commercial construction and land	106,255	104,123	70,612
Other commercial loans	19,971	20,471	26,106
Total all other commercial loans	<u>412,805</u>	<u>399,693</u>	<u>384,802</u>
Residential mortgage loans:			
1-4 Family - residential	387,542	389,262	372,241
1-4 Family residential construction	22,121	24,452	29,479
Total residential mortgage	<u>409,663</u>	<u>413,714</u>	<u>401,720</u>
Consumer loans:			
Consumer lines of credit (including HELCs)	41,204	41,503	35,245
All other consumer	18,803	18,641	18,908
Total consumer	<u>60,007</u>	<u>60,144</u>	<u>54,153</u>
Total	<u>1,872,449</u>	<u>1,848,139</u>	<u>1,745,139</u>
Less: allowance for credit losses on loans	<u>(20,023)</u>	<u>(19,208)</u>	<u>(18,346)</u>
Loans, net	<u>\$ 1,852,426</u>	<u>\$ 1,828,931</u>	<u>\$ 1,726,793</u>

NON-OWNER OCCUPIED COMMERCIAL REAL ESTATE
(In Thousands)

Loan Type	March 31, 2024	% of Non-owner Occupied CRE	% of Total Loans
Industrial	\$ 117,199	23.1 %	6.3 %
Office	93,998	18.5 %	5.0 %
Retail	93,585	18.5 %	5.0 %
Hotels	72,999	14.4 %	3.9 %
Mixed Use	59,230	11.7 %	3.2 %
Other	70,212	13.8 %	3.7 %
Total Non-owner Occupied CRE Loans	\$ 507,223		
Total Gross Loans	\$ 1,872,449		

PAST DUE LOANS AND NONPERFORMING ASSETS
(Dollars In Thousands)

	March 31, 2024	December 31, 2023	March 31, 2023
Loans individually evaluated with a valuation allowance	\$ 10,062	\$ 7,786	\$ 5,802
Loans individually evaluated without a valuation allowance	4,743	3,478	3,507
Total individually evaluated loans	<u>\$ 14,805</u>	<u>\$ 11,264</u>	<u>\$ 9,309</u>
Total loans past due 30-89 days and still accruing	<u>\$ 6,560</u>	<u>\$ 9,275</u>	<u>\$ 5,493</u>
Nonperforming assets:			
Total nonaccrual loans	\$ 19,069	\$ 15,177	\$ 12,876
Total loans past due 90 days or more and still accruing	<u>227</u>	<u>3,190</u>	<u>1,216</u>
Total nonperforming loans	19,296	18,367	14,092
Foreclosed assets held for sale (real estate)	456	478	459
Total nonperforming assets	<u>\$ 19,752</u>	<u>\$ 18,845</u>	<u>\$ 14,551</u>
Total nonperforming loans as a % of total loans	1.03 %	0.99 %	0.81 %
Total nonperforming assets as a % of assets	0.78 %	0.75 %	0.60 %
Allowance for credit losses as a % of total loans	1.07 %	1.04 %	1.05 %

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

	3 Months Ended March 31, 2024	3 Months Ended December 31, 2023	3 Months Ended March 31, 2023	Year Ended December 31, 2023
Balance, beginning of period	\$ 19,208	\$ 18,085	\$ 16,615	\$ 16,615
Adoption of ASU 2016-13 (CECL)	0	0	2,104	2,104
Charge-offs	(180)	(57)	(67)	(356)
Recoveries	<u>35</u>	<u>18</u>	<u>6</u>	<u>92</u>
Net charge-offs	(145)	(39)	(61)	(264)
Provision (credit) for credit losses on loans	960	1,162	(312)	753
Balance, end of period	<u>\$ 20,023</u>	<u>\$ 19,208</u>	<u>\$ 18,346</u>	<u>\$ 19,208</u>

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

	3 Months Ended March 31, 2024	3 Months Ended December 31, 2023	3 Months Ended March 31, 2023
Provision (credit) for credit losses:			
Loans receivable	\$ 960	\$ 1,162	\$ (312)
Off-balance sheet exposures	(6)	(211)	(40)
Total provision (credit) for credit losses	<u>\$ 954</u>	<u>\$ 951</u>	<u>\$ (352)</u>

PPNR NON- GAAP RECONCILIATION
(In Thousands)

	March 31, 2024	Three Months Ended December 31, 2023	March 31, 2023
Calculation of PPNR:			
Net Income (GAAP)	\$ 5,306	\$ 4,261	\$ 6,253
Add: Provision for income taxes	1,152	1,661	1,409
Add: Provision (credit) for credit losses	954	951	(352)
Less: Enhancement fee included in noninterest income related to purchase of Bank-Owned Life Insurance	0	(2,100)	0
Less: Realized losses (gains) on available-for-sale securities debt securities	0	3,042	(7)
Add: Adjustments to reflect net interest income on a fully taxable-equivalent basis	195	199	269
PPNR (non-GAAP)	<u>\$ 7,607</u>	<u>\$ 8,014</u>	<u>\$ 7,572</u>

COMPARISON OF INTEREST INCOME AND EXPENSE
(In Thousands)

	March 31, 2024	Three Months Ended December 31, 2023	March 31, 2023
INTEREST INCOME			
Interest-bearing due from banks	\$ 383	\$ 447	\$ 278
Available-for-sale debt securities:			
Taxable	2,136	2,115	2,211
Tax-exempt	623	654	767
Total available-for-sale debt securities	2,759	2,769	2,978
Loans receivable:			
Taxable	26,703	26,532	22,431
Tax-exempt	670	663	713
Total loans receivable	27,373	27,195	23,144
Other earning assets	16	24	8
Total Interest Income	30,531	30,435	26,408
INTEREST EXPENSE			
Interest-bearing deposits:			
Interest checking	2,806	2,809	987
Money market	2,180	2,032	873
Savings	55	57	63
Time deposits	3,850	3,742	1,307
Total interest-bearing deposits	8,891	8,640	3,230
Borrowed funds:			
Short-term	597	322	1,097
Long-term - FHLB advances	1,456	1,329	681
Senior notes, net	120	120	120
Subordinated debt, net	231	231	230
Total borrowed funds	2,404	2,002	2,128
Total Interest Expense	11,295	10,642	5,358
Net Interest Income	\$ 19,236	\$ 19,793	\$ 21,050

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)

	March 31, 2024	Three Months Ended December 31, 2023	March 31, 2023
Net Interest Income Under U.S. GAAP	\$ 19,041	\$ 19,594	\$ 20,781
Add: fully taxable-equivalent interest income adjustment from tax-exempt securities	69	74	127
Add: fully taxable-equivalent interest income adjustment from tax-exempt loans	126	125	142
Net Interest Income as adjusted to a fully taxable-equivalent basis	\$ 19,236	\$ 19,793	\$ 21,050

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

	3 Months Ended 3/31/2024 Average Balance	Rate of Return/ Cost of Funds %	3 Months Ended 12/31/2023 Average Balance	Rate of Return/ Cost of Funds %	3 Months Ended 3/31/2023 Average Balance	Rate of Return/ Cost of Funds %
EARNING ASSETS						
Interest-bearing due from banks	\$ 32,725	4.71 %	\$ 37,555	4.72 %	\$ 31,637	3.56 %
Available-for-sale debt securities, at amortized cost:						
Taxable	347,885	2.47 %	372,797	2.25 %	410,110	2.19 %
Tax-exempt	113,363	2.21 %	121,143	2.14 %	131,392	2.37 %
Total available-for-sale debt securities	<u>461,248</u>	<u>2.41 %</u>	<u>493,940</u>	<u>2.22 %</u>	<u>541,502</u>	<u>2.23 %</u>
Loans receivable:						
Taxable	1,774,064	6.05 %	1,752,047	6.01 %	1,634,012	5.57 %
Tax-exempt	85,182	3.16 %	84,349	3.12 %	91,851	3.15 %
Total loans receivable	<u>1,859,246</u>	<u>5.92 %</u>	<u>1,836,396</u>	<u>5.88 %</u>	<u>1,725,863</u>	<u>5.44 %</u>
Other earning assets	1,384	4.65 %	1,534	6.21 %	1,200	2.70 %
Total Earning Assets	<u>2,354,603</u>	<u>5.22 %</u>	<u>2,369,425</u>	<u>5.10 %</u>	<u>2,300,202</u>	<u>4.66 %</u>
Cash	20,448		21,019		22,276	
Unrealized loss on securities	(50,849)		(72,605)		(60,055)	
Allowance for credit losses	(19,484)		(18,575)		(17,053)	
Bank-owned life insurance	54,466		32,980		31,267	
Bank premises and equipment	21,788		21,532		21,518	
Intangible assets	54,925		55,025		55,331	
Other assets	82,879		78,558		67,333	
Total Assets	<u>\$ 2,518,776</u>		<u>\$ 2,487,359</u>		<u>\$ 2,420,819</u>	
INTEREST-BEARING LIABILITIES						
Interest-bearing deposits:						
Interest checking	\$ 514,905	2.19 %	\$ 521,432	2.14 %	\$ 457,277	0.88 %
Money market	362,864	2.42 %	354,854	2.27 %	364,646	0.97 %
Savings	213,278	0.10 %	218,810	0.10 %	257,047	0.10 %
Time deposits	429,085	3.61 %	429,898	3.45 %	312,497	1.70 %
Total interest-bearing deposits	<u>1,520,132</u>	<u>2.35 %</u>	<u>1,524,994</u>	<u>2.25 %</u>	<u>1,391,467</u>	<u>0.94 %</u>
Borrowed funds:						
Short-term	44,642	5.38 %	24,196	5.28 %	91,767	4.85 %
Long-term - FHLB advances	142,753	4.10 %	132,089	3.99 %	80,648	3.42 %
Senior notes, net	14,840	3.25 %	14,822	3.21 %	14,773	3.29 %
Subordinated debt, net	24,731	3.76 %	24,704	3.71 %	24,620	3.79 %
Total borrowed funds	<u>226,966</u>	<u>4.26 %</u>	<u>195,811</u>	<u>4.06 %</u>	<u>211,808</u>	<u>4.07 %</u>
Total Interest-bearing Liabilities	<u>1,747,098</u>	<u>2.60 %</u>	<u>1,720,805</u>	<u>2.45 %</u>	<u>1,603,275</u>	<u>1.36 %</u>
Demand deposits	481,146		491,944		539,659	
Other liabilities	29,386		32,122		25,247	
Total Liabilities	<u>2,257,630</u>		<u>2,244,871</u>		<u>2,168,181</u>	
Stockholders' equity, excluding accumulated other comprehensive loss	301,032		299,401		299,599	
Accumulated other comprehensive loss	(39,886)		(56,913)		(46,961)	
Total Stockholders' Equity	<u>261,146</u>		<u>242,488</u>		<u>252,638</u>	
Total Liabilities and Stockholders' Equity	<u>\$ 2,518,776</u>		<u>\$ 2,487,359</u>		<u>\$ 2,420,819</u>	
Interest Rate Spread		2.62 %		2.65 %		3.30 %
Net Interest Income/Earning Assets		3.29 %		3.31 %		3.71 %
Total Deposits (Interest-bearing and Demand)	\$ 2,001,278		\$ 2,016,938		\$ 1,931,126	

- (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)

	March 31, 2024	Three Months Ended December 31, 2023	March 31, 2023
Trust revenue	\$ 1,897	\$ 1,913	\$ 1,777
Brokerage and insurance revenue	539	486	430
Service charges on deposit accounts	1,318	1,446	1,290
Interchange revenue from debit card transactions	1,013	1,045	1,007
Net gains from sales of loans	191	273	74
Loan servicing fees, net	230	136	122
Increase in cash surrender value of life insurance	470	2,253	138
Other noninterest income	1,017	1,168	771
Total noninterest income, excluding realized gains (losses) on securities, net	<u>\$ 6,675</u>	<u>\$ 8,720</u>	<u>\$ 5,609</u>

COMPARISON OF NONINTEREST EXPENSE
(In Thousands)

	March 31, 2024	Three Months Ended December 31, 2023	March 31, 2023
Salaries and employee benefits	\$ 11,562	\$ 11,113	\$ 11,427
Net occupancy and equipment expense	1,450	1,364	1,402
Data processing and telecommunications expenses	1,992	1,923	1,936
Automated teller machine and interchange expense	487	308	475
Pennsylvania shares tax	433	392	403
Professional fees	518	509	937
Other noninterest expense	1,862	2,790	2,507
Total noninterest expense	<u>\$ 18,304</u>	<u>\$ 18,399</u>	<u>\$ 19,087</u>

LIQUIDITY INFORMATION
(In Thousands)

Available Credit Facilities	Outstanding			Available			Total Credit		
	March 31, 2024	Dec. 31, 2023	March 31, 2023	March 31, 2024	Dec. 31, 2023	March 31, 2023	March 31, 2024	Dec. 31, 2023	March 31, 2023
Federal Home Loan Bank of Pittsburgh	\$ 215,018	\$ 189,021	\$ 201,357	\$ 712,932	\$ 737,824	\$ 655,577	\$ 927,950	\$ 926,845	\$ 856,934
Federal Reserve Bank Discount Window	0	0	0	19,063	19,982	22,340	19,063	19,982	22,340
Other correspondent banks	0	0	0	75,000	75,000	95,000	75,000	75,000	95,000
Total credit facilities	\$ 215,018	\$ 189,021	\$ 201,357	\$ 806,995	\$ 832,806	\$ 772,917	\$ 1,022,013	\$ 1,021,827	\$ 974,274

Uninsured Deposits Information	March 31, 2024	December 31, 2023	March 31, 2023
Total Deposits - C&N Bank	\$ 2,012,167	\$ 2,030,909	\$ 1,934,686
Estimated Total Uninsured Deposits	\$ 568,085	\$ 592,206	\$ 613,875
Portion of Uninsured Deposits that are			
Collateralized	140,063	151,031	189,239
Uninsured and Uncollateralized Deposits	\$ 428,022	\$ 441,175	\$ 424,636
Uninsured and Uncollateralized Deposits as a % of Total Deposits	21.3 %	21.7 %	21.9 %
Available Funding from Credit Facilities	\$ 806,995	\$ 832,806	\$ 772,917
Fair Value of Available-for-sale Debt			
Securities in Excess of Pledging Obligations	259,489	256,058	269,763
Highly Liquid Available Funding	\$ 1,066,484	\$ 1,088,864	\$ 1,042,680
Highly Liquid Available Funding as a % of Uninsured Deposits	187.7 %	183.9 %	169.9 %
Highly Liquid Available Funding as a % of Uninsured and Uncollateralized Deposits	249.2 %	246.8 %	245.5 %