Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

**FORM 10-K**

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the fiscal year ended December 31, 2025**

**or**

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the transition period from _____ to _____**

**Commission File Number 001-39472**

**CNB FINANCIAL CORPORATION**

(Exact name of registrant as specified in its charter)

| **Pennsylvania** | **25-1450605** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |

1 South Second Street
P.O. Box 42
Clearfield, Pennsylvania 16830
(Address of principal executive office)
Registrant's telephone number, including area code (814) 765-9621

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of Class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, no par value | CCNE | The NASDAQ Stock Market LLC |
| Depositary Shares (each representing a 1/40th interest in a share of 7.125% Series A Non-Cumulative, perpetual preferred stock) | CCNEP | The NASDAQ Stock Market LLC |

**Securities registered pursuant to Section 12 (g) of the Act:** None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer,"; "smaller reporting company,"; and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large Accelerated Filer | ☐ | Accelerated Filer | ☒ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based on the last sales price quoted on the Nasdaq Global Select Market on June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, was approximately: $458,483,840

The number of shares outstanding of the registrant's common stock as of March 11, 2026: 29,635,224 shares

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of our definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be held on April 21, 2026 are incorporated by reference into Part III of this report.

## TABLE OF CONTENTS


| | | Page Number |
|---|---|---|
| **PART I.** | | |
| ITEM 1. | Business | 1 |
| ITEM 1A. | Risk Factors | 12 |
| ITEM 1B. | Unresolved Staff Comments | 22 |
| ITEM 1C. | Cybersecurity | 23 |
| ITEM 2. | Properties | 24 |
| ITEM 3. | Legal Proceedings | 24 |
| ITEM 4. | Mine Safety Disclosures | 24 |
| **PART II.** | | |
| ITEM 5. | Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities | 25 |
| ITEM 6. | Reserved | 26 |
| ITEM 7. | Management's Discussion and Analysis of Financial Condition and Results of Operations | 26 |
| ITEM 7A. | Quantitative and Qualitative Disclosures about Market Risk | 56 |
| ITEM 8. | Financial Statements and Supplementary Data | 57 |
| ITEM 9. | Changes in and Disagreements with Accountants on Accounting and Financial Disclosure | 135 |
| ITEM 9A. | Controls and Procedures | 135 |
| ITEM 9B. | Other Information | 136 |
| ITEM 9C. | Disclosure Regarding Foreign Jurisdictions that Prevent Inspections | 136 |
| **PART III.** | | |
| ITEM 10. | Directors, Executive Officers and Corporate Governance | 136 |
| ITEM 11. | Executive Compensation | 137 |
| ITEM 12. | Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters | 137 |
| ITEM 13. | Certain Relationships and Related Transactions, and Director Independence | 137 |
| ITEM 14. | Principal Accountant Fees and Services | 137 |
| **PART IV.** | | |
| ITEM 15. | Exhibits and Financial Statement Schedules | 138 |
| ITEM 16. | Form 10-K Summary | 141 |
| SIGNATURES | | 142 |

## PART I.

The disclosures set forth in this item are qualified by Item 1A. Risk Factors and the section captioned "Forward-Looking Statements and Factors that Could Affect Future Results" in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of this report and other cautionary statements set forth elsewhere in this report.

### ITEM 1. BUSINESS

CNB Financial Corporation (the "Corporation") is a financial holding company registered under the Bank Holding Company Act of 1956, as amended (the "BHC Act"). It was incorporated under the laws of the Commonwealth of Pennsylvania in 1983 for the purpose of engaging in the business of a financial holding company. On April 26, 1984, the Corporation acquired all of the outstanding capital stock of County National Bank, a national banking chartered institution. In December 2006, County National Bank changed its name to CNB Bank (the "Bank") and became a state bank chartered in Pennsylvania and subject to regulation by the Pennsylvania Department of Banking and Securities and the Federal Deposit Insurance Corporation. In October 2013, the Corporation acquired FC Banc Corp. and its subsidiary, The Farmers Citizens Bank. In July 2016, the Corporation acquired Lake National Bank, and in July 2020, the Corporation acquired Bank of Akron.

On July 23, 2025, the Corporation completed its previously announced acquisition of ESSA Bancorp, Inc. ("ESSA") and its subsidiary bank, ESSA Bank & Trust Company ("ESSA Bank"), pursuant to the definitive merger agreement (the "Merger Agreement") dated as of January 9, 2025. The Corporation's acquisition of ESSA was an all-stock transaction. Under the terms of the Merger Agreement, ESSA merged with and into the Corporation, with the Corporation as the surviving entity, and immediately thereafter, ESSA Bank merged with and into the Bank, with the Bank as the surviving bank. Banking offices of ESSA Bank operate under the trade name ESSA Bank, a division of CNB Bank.

Pursuant to the Merger Agreement, each outstanding share of ESSA common stock was converted into the right to receive 0.8547 shares of the Corporation's common stock. The total consideration paid to ESSA shareholders was approximately $202.6 million, comprised of approximately 8,359,430 shares of the Corporation's common stock, valued at approximately $202.5 million based on the July 23, 2025 closing price of $24.23 per share of the Corporation's common stock, and $21 thousand in cash in lieu of fractional shares. The ESSA acquisition has extended CNB Bank's branch network into the Northeastern Region including the Lehigh Valley of Pennsylvania through the addition of ESSA's 20 community offices.

In addition to the Bank, the Corporation has four other subsidiaries. CNB Securities Corporation is incorporated in Delaware and currently maintains investments in debt and equity securities. CNB Insurance Agency, incorporated in Pennsylvania, provides for the sale of nonproprietary annuities and other insurance products. CNB Risk Management, Inc. is a Delaware-based captive insurance company which insures against certain risks unique to the operations of the Corporation and its subsidiaries and for which insurance may not be currently available or economically feasible in today's insurance marketplace. Holiday Financial Services Corporation ("Holiday"), incorporated in Pennsylvania, offers small balance unsecured loans and secured loans, primarily collateralized by automobiles and equipment, to borrowers with higher risk characteristics and currently has nine offices within the Corporation's market area.

**CNB Bank**

The Bank was originally chartered as a national bank in 1934 and is now a Pennsylvania-chartered bank. The CNB Bank franchise operates nineteen full-service branch locations in Central and North Central Pennsylvania.

ERIEBANK, a division of the Bank, began operations in 2005. In July 2016, the Corporation acquired Lake National Bank, which operated two full-service branches in Mentor, Ohio, approximately 20 miles east of Cleveland, Ohio. The Bank continues to operate one of these branch locations within its ERIEBANK franchise, with the other location ceasing operations in August 2020. In December 2021, the Corporation opened a full-service branch in Cleveland, Ohio. The Bank currently operates fourteen full-service branch locations within its ERIEBANK franchise, a division of the Bank, with its headquarters in Erie, Pennsylvania.

In October 2013, the Corporation acquired FC Banc Corp. and its subsidiary, The Farmers Citizens Bank. The Bank currently operates seven full-service branch locations as FCBank, a division of the Bank, with its headquarters in Worthington, Ohio.

In 2016, the Bank received regulatory approval to conduct business in the State of New York as BankOnBuffalo, a division of the Bank. In July 2020, the Corporation acquired Bank of Akron, with its branch locations operating with BankOnBuffalo. The Bank currently operates twelve full-service branch locations, one mobile branch and two drive-up office as BankOnBuffalo, a division of the Bank, with its headquarters in Buffalo, New York.

In 2021, the Bank received regulatory approval to conduct business in the Commonwealth of Virginia as Ridge View Bank, a division of the Bank. The Bank currently operates three full-serve branch locations and one loan production office in Southwest Virginia.

In 2023, the Bank launched Impressia Bank, a full-service banking division dedicated to the professional and financial development and advancement of women business owners and women leaders. This women-focused commercial bank operates within the existing geographic footprint of each of CNB Bank's other divisions and also has an online presence.

In 2025, the Corporation acquired ESSA Bancorp, Inc., and its subsidiary, ESSA Bank & Trust Company. The Bank currently operates twenty full-service branch locations as ESSA Bank, a division of the Bank, with its headquarters in Stroudsburg, Pennsylvania.

The Bank had one loan production office, two drive-up office, one mobile office, and 75 full-service branch offices located in various communities in its market area at December 31, 2025. The CNB Bank franchise's primary market areas are the Pennsylvania counties of Blair, Cambria, Centre, Clearfield, Elk, Indiana, Jefferson, and McKean. ERIEBANK, a division of the Bank, operates in the Pennsylvania counties of Crawford, Erie, and Warren and in the Ohio counties of Ashtabula, Cuyahoga, Geauga, Lake, and Lorain. FCBank, a division of the Bank, operates in the Ohio counties of Crawford, Delaware, Franklin, Knox, Marion, Morrow and Richland. BankOnBuffalo, a division of the Bank, operates in the New York counties of Erie, Niagara, and Ontario. Ridge View Bank, a division of the Bank, operates in the Virginia counties of Botetourt, Craig, Franklin, New River Valley, and Roanoke. ESSA Bank, a division of the Bank, operates in the Pennsylvania counties of Delaware, Chester, Lackawanna, Lehigh, Luzerne, Monroe, and Northampton. Impressia Bank, a division of the Bank, operates in the Bank's primary market areas.

The Bank is a full-service bank engaging in a full range of banking activities and services for individual, business, governmental and institutional customers. These activities and services principally include checking, savings, and time deposit accounts; real estate, commercial, industrial, residential and consumer loans; and a variety of other specialized financial services. The Bank's Private Client Solutions division offers a full range of client services, including private banking and wealth and asset management.

**Competition**

The financial services industry in the Corporation's service area continues to be extremely competitive, both among commercial banks and with other financial service providers such as consumer finance companies, thrifts, investment firms, mutual funds, and credit unions. The increased competition has resulted from changes in legal and regulatory guidelines as well as from economic conditions. Mortgage banking firms, leasing companies, financial affiliates of industrial companies, brokerage firms, retirement fund management firms, and even government agencies provide additional competition for loans and other financial services. Some of the financial service providers operating in the Corporation's market area operate on a large-scale regional or national basis and possess greater resources than those of the Corporation. The Corporation is generally competitive with all competing financial institutions in its service area with respect to interest rates paid on time and savings deposits, service charges on deposit accounts, and interest rates charged on loans.

**Supervision and Regulation**

The Corporation is a bank holding company that has elected financial holding company status, and the Bank is a Pennsylvania state-chartered bank. The Corporation is subject to the oversight and regulation of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") and the Pennsylvania Department of Banking and Securities under the Bank Holding Company Act ("BHC Act"). Prior to February 12, 2026, the Bank was a Pennsylvania state-chartered, non-member bank supervised by the Pennsylvania Department of Banking and Securities and the Federal Deposit Insurance Corporation ("FDIC") as its primary federal regulator. Effective February 12, 2026, the Bank became a member bank of the Federal Reserve System, and its primary federal regulator is now the Federal Reserve Board. Therefore, the Bank remains a Pennsylvania state-chartered bank and continues to be subject to oversight by the Pennsylvania Department of Banking and Securities, but it is now a member bank with the Federal Reserve Board as its primary federal regulator, instead of the FDIC. The Corporation and the Bank are also subject to various requirements and restrictions under federal and state law, such as requirements to maintain reserves against deposits, restrictions on the types, amounts and terms and conditions of loans that may be granted, and limitations on the types of investments that may be made and the types of services that may be offered. Various consumer financial protection laws and regulations also affect the operation of the Bank and, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), the Consumer Financial Protection Bureau ("CFPB") is authorized to write additional rules on consumer financial products and services which could affect the operations of the Bank and Holiday. In addition to the impact of regulation, commercial banks are significantly affected by the actions of the Federal Reserve Board, including actions taken with respect to interest rates, as the Federal Reserve Board attempts to control the money supply and credit availability in the U.S. in order to influence the economy.

The following summary sets forth certain of the material elements of the regulatory framework applicable to bank holding companies and their subsidiaries and provides certain specific information about us and our subsidiaries. It does not describe all of the provisions of the statutes, regulations and policies that are identified. To the extent that the following information describes statutory and regulatory provisions, it is qualified in its entirety by express reference to each of the particular statutory and regulatory provisions. A change in applicable statutes, regulations or regulatory policy may have a material effect on our business.

*Bank Holding Company Regulation*

As a bank holding company that controls a Pennsylvania state-chartered bank, the Corporation is subject to regulation and examination by the Pennsylvania Department of Banking and Securities and the Federal Reserve Board. We are required to file with the Federal Reserve Board an annual report and such additional information and submissions as the Federal Reserve Board may require pursuant to the BHC Act and applicable regulations. For instance, the BHC Act requires each bank holding company to obtain the approval of the Federal Reserve Board before it may acquire substantially all the assets of any bank, or before it may acquire ownership or control of any voting shares of any bank if, after such acquisition, it would own or control, directly or indirectly, more than five percent of any class of voting shares of such bank. Such a transaction may also require approval of the Pennsylvania Department of Banking and Securities.

Pursuant to provisions of the BHC Act and regulations promulgated by the Federal Reserve Board thereunder, the Corporation may only engage in, or own companies that engage in, activities deemed by the Federal Reserve Board to be permissible for bank holding companies or financial holding companies. Activities permissible for bank holding companies include those that are so closely related to banking or managing or controlling banks as to be a proper incident thereto. Activities for financial holding companies include those that are "so closely related to banking as to be a proper incident thereto" as well as certain additional activities deemed "financial in nature or incidental to such financial activity" or complementary to a financial activity and that do not pose a substantial risk to the safety and soundness of the banking organization or the financial system.

The Corporation must obtain permission from or provide notice to the Federal Reserve Board prior to engaging in most new business activities.

*Regulation of CNB Bank*

Federal and state banking laws and regulations govern, among other things, the scope of a bank's business, the investments a bank may make, the reserves against deposits a bank must maintain, the loans a bank makes and collateral it takes, the activities of a bank with respect to mergers and acquisitions, the establishment of branches, management practices, and numerous other aspects of banking operations.

*Source of Strength Doctrine*

Under Section 616 of the Dodd-Frank Act, a bank holding company is required to serve as a source of financial strength to its subsidiary banks and may not conduct its operations in an unsafe or unsound manner. In addition, it is the Federal Reserve Board's policy that a bank holding company must also serve as a source of managerial strength to its subsidiary banks, and a bank holding company should stand ready to use available resources to provide adequate capital funds to its subsidiary banks during periods of financial stress or adversity and should maintain the financial flexibility and capital-raising capacity to obtain additional resources for assisting its subsidiary banks. A bank holding company's failure to meet its obligations to serve as a source of strength to its subsidiary banks will generally be considered by the Federal Reserve Board to be an unsafe and unsound banking practice, a violation of the Federal Reserve Board regulations, or both. This doctrine is commonly known as the "source of strength" doctrine.

*Identity Theft*

The Fair Credit Reporting Act's Red Flags Rule requires financial institutions with covered accounts (e.g., consumer bank accounts and loans) to develop, implement, and administer an identity theft prevention program. This program must include reasonable policies and procedures to detect suspicious patterns or practices that indicate the possibility of identity theft, such as inconsistencies in personal information or changes in account activity.

*Capital Adequacy*

The Capital Rules adopted in 2013 by the Federal Reserve Board, the FDIC, and the Office of the Comptroller of the Currency ("OCC") generally implement the Basel Committee on Banking Supervision's capital framework, referred to as Basel III, for strengthening international capital standards. The Capital Rules revised the definitions and components of regulatory capital, increased risk-based capital requirements, and made selected changes to the calculation of risk-weighted assets. The risk-weighting categories in the Capital Rules are standardized and include a risk-sensitive number of categories, depending on the nature of the assets, generally ranging from 0% for U.S. government and agency securities to 600% for certain equity exposures, and resulting in higher risk weights for a variety of assets.

The Capital Rules: (i) include "Common Equity Tier 1" ("CET1") and a related regulatory capital ratio of CET1 to risk-weighted assets; (ii) specify that Tier 1 capital consists of CET1 and "Additional Tier 1 capital" instruments meeting certain revised requirements; (iii) mandate that most deductions/adjustments to regulatory capital measures be made to CET1 and not to the other components of capital; and (iv) expand the scope of the deductions from and adjustments to capital as compared to existing regulations. Under the Capital Rules, for most banking organizations, including the Corporation, the most common form of Additional Tier 1 capital is non-cumulative perpetual preferred stock, and the most common forms of Tier 2 capital are subordinated notes and a portion of the allocation for allowance for credit losses, in each case, subject to the Capital Rules' specific requirements.

Pursuant to the Capital Rules, the minimum capital ratios are as follows:

- 4.5% CET1 to risk-weighted assets;
- 6.0% Tier 1 capital (that is, CET1 plus Additional Tier 1 capital) to risk-weighted assets;
- 8.0% Total capital (that is, Tier 1 capital plus Tier 2 capital) to risk-weighted assets; and
- 4.0% Tier 1 capital to average consolidated assets as reported on consolidated financial statements (called "leverage ratio").

The Capital Rules also include a "capital conservation buffer," composed entirely of CET1, in addition to these minimum risk-weighted asset ratios (which are each of the first three ratios described above, but not the leverage ratio). The capital conservation buffer is designed to absorb losses during periods of economic stress. Banking institutions that do not hold the requisite capital conservation buffer will face constraints on dividends, capital instrument repurchases, interest payments on capital instruments and discretionary bonus payments based on the amount of the shortfall. Thus, the capital standards applicable to the Corporation include an additional capital conservation buffer of 2.5% of CET1, effectively resulting in minimum ratios inclusive of the capital conservation buffer of (i) CET1 to risk-weighted assets of at least 7%, (ii) Tier 1 capital to risk-weighted assets of at least 8.5%, and (iii) total capital to risk-weighted assets of at least 10.5%.

The Capital Rules provide for a number of deductions from and adjustments to CET1. These include, for example, the requirement that mortgage servicing assets, deferred tax assets arising from temporary differences that could not be realized through net operating loss carrybacks, and significant investments in non-consolidated financial entities be deducted from CET1 above certain thresholds. In July 2019, the OCC, the Federal Reserve Board and the FDIC adopted a final rule intended to simplify the Capital Rules described above for non-advanced approaches rule institutions, including provisions related to these deductions and adjustments. Institutions were required to implement the provisions of the simplification rule by April 1, 2020.

The Capital Rules also permit most banking organizations to retain, through a one-time permanent election, the capital treatment that existed before the 2013 Capital Rules were issued for accumulated other comprehensive income. The Corporation made the one-time permanent election to retain the previous capital treatment for accumulated other comprehensive income.

The Capital Rules also preclude certain hybrid securities, such as trust preferred securities, from inclusion in bank holding companies' Tier 1 capital, although bank holding companies that had total consolidated assets of less than $15 billion at December 31, 2009 may include trust preferred securities issued prior to May 19, 2010 as a component of Tier 1 capital.

In September 2019, the OCC, the Federal Reserve Board and the FDIC adopted a final rule that is intended to further simplify the Capital Rules for depository institutions and their holding companies that have less than $10 billion in total consolidated assets, such as us, if such institutions meet certain qualifying criteria. This final rule became effective on January 1, 2020. Under this final rule, if we meet the qualifying criteria, including having a leverage ratio (equal to Tier 1 capital divided by average total consolidated assets) greater than 9%, we will be eligible to opt into the community bank leverage ratio framework. If we opt into this framework, we will be considered to have satisfied the generally applicable risk-based and leverage capital requirements in the Capital Rules (as modified pursuant to the simplification rule) and will be considered to have met the well-capitalized ratio requirements for Prompt Corrective Action ("PCA") purposes. To date, we have not opted in to this community bank leverage ratio framework.

*Dividend Restrictions*

The Corporation is a legal entity separate and distinct from the Bank. Declaration and payment of cash dividends by the Corporation depends upon cash dividend payments to the Corporation by the Bank, which is our primary source of revenue and cash flow.

As a Pennsylvania state-chartered bank, the Bank is subject to regulatory restrictions on the payment and amounts of dividends under the Pennsylvania Banking Code. Further, the ability of banking subsidiaries to pay dividends is also subject to their profitability, financial condition, capital expenditures and other cash flow requirements.

The payment of dividends by the Bank and the Corporation may also be affected by other factors, such as the requirement to maintain adequate capital above regulatory requirements. The federal banking agencies have indicated that paying dividends that deplete a depository institution's capital base to an inadequate level would be an unsafe and unsound banking practice. A depository institution may not pay any dividend if payment would cause it to become undercapitalized or if it already is undercapitalized. Moreover, the federal banking agencies have issued policy statements that provide that bank holding companies and insured banks should generally only pay dividends out of current operating earnings. Federal banking regulators have the authority to prohibit banks and bank holding companies from paying a dividend if the regulators deem such payment to be an unsafe or unsound practice.

*Prompt Corrective Action and Safety and Soundness*

Under applicable PCA statutes and regulations, depository institutions are placed into one of five capital categories, ranging from "well capitalized" to "critically undercapitalized." The PCA statute and regulations provide for progressively more stringent supervisory measures as an insured depository institution's capital category declines. An institution that is not well capitalized is generally prohibited from accepting brokered deposits and offering interest rates on deposits higher than the prevailing rate in its market. An undercapitalized depository institution must submit an acceptable restoration plan to the appropriate federal banking agency. One requisite element of such a plan is that the institution's parent holding company must guarantee compliance by the institution with the plan, subject to certain limitations.

At December 31, 2025, the Bank qualified as "well capitalized" under applicable regulatory capital standards.

Bank holding companies and insured depository institutions may also be subject to potential enforcement actions of varying levels of severity by the federal banking agencies for unsafe or unsound practices in conducting their business, or for violation of any law, rule, regulation, condition imposed in writing by the agency, or term of a written agreement with the agency. In more serious cases, enforcement actions may include the issuance of directives to increase capital; the issuance of formal and informal agreements; the imposition of civil monetary penalties; the issuance of a cease and desist order that can be judicially enforced; the issuance of removal and prohibition orders against officers, directors, and other institution affiliated parties; the termination of the insured depository institution's deposit insurance; the appointment of a conservator or receiver for the insured depository institution; and the enforcement of such actions through injunctions or restraining orders based upon a judicial determination that the FDIC, as receiver, would be harmed if such equitable relief was not granted.

On May 30, 2023, ESSA Bank entered into a consent order with the United States of America, as approved by the United States District Court for the Eastern District of Pennsylvania, Civil Action No. 23-cv-2065l (the "ESSA Consent Order") to resolve allegations of violations of the Fair Housing Act and Equal Credit Opportunity Act within the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical area. The ESSA Consent Order required ESSA Bank to, among other things, (i) invest a minimum of $2.92 million in a loan subsidy fund to increase credit opportunities to residents of majority-Black and Hispanic census tracts in ESSA Bank's lending area, and (ii) devote a minimum of $125,000 on community partnerships and $250,000 toward advertising, outreach, consumer financial education, and credit counseling focused on majority-Black and Hispanic census tracts within ESSA Bank's lending area. In addition, ESSA Bank was required to continue to maintain the positions of the two new mortgage loan officers hired pursuant to the ESSA Consent Order in its existing branches in West Philadelphia and its full-time Community Development Officer position to oversee these efforts throughout the term of the ESSA Bank Consent Order. As required by the terms of the ESSA Consent Order, the Bank, as the resulting institution in the merger with ESSA Bank, agreed to and assumed all obligations under the ESSA Consent Order in connection with the merger.

*Community Reinvestment Act*

Under the Community Reinvestment Act of 1977 ("CRA"), the Bank's primary federal regulator is required to assess the Bank's record in meeting the credit needs of the communities it serves, including low- and moderate-income neighborhoods. Because the Bank became a member bank of the Federal Reserve System effective February 12, 2026, the Federal Reserve Board is now the Bank's primary federal regulator for CRA purposes. CRA performance evaluations are considered in evaluating applications for such things as mergers, acquisitions, and applications to open branches. The Bank received a CRA rating of "Satisfactory" at its most recent CRA exam. The federal banking agencies—the Federal Reserve, FDIC, and OCC—issued substantially updated CRA regulations in October 2023, with technical amendments in March 2024. However, in July 2025, the federal bank regulatory agencies issued a proposal to rescind the CRA regulations issued in October 2023 and replace them with the prior CRA regulations, with certain technical amendments. The federal banking agencies continue to apply the prior CRA regulations, and not the regulations issued in October 2023, in the interim as the October 2023 regulations are subject to legal action and have not taken effect.

*Restrictions on Transactions with Affiliates and Insiders*

The Bank is subject to the restrictions of Sections 23A and 23B of the Federal Reserve Act and the implementing Regulation W. The Bank's "affiliates" for purposes of these sections include, among other potential entities, the Corporation and its direct subsidiaries. Section 23A requires that loans or extensions of credit by the Bank to an affiliate, purchases by the Bank of securities issued by an affiliate, purchases by the Bank of assets from an affiliate (except as may be exempted by order or regulation), the Bank's acceptance of securities or debt obligations issued by an affiliate as collateral for a loan or extension of the credit to a third party, the Bank's acceptance of a guarantee or letter of credit on behalf of an affiliate, a transaction with an affiliate involving the borrowing or lending of securities to the extent the transaction causes the Bank to have credit exposure to the affiliate, and a derivative transaction with an affiliate, to the extent the Bank will have credit exposure to the affiliate (collectively, "Covered Transactions") be on terms and conditions consistent with safe and sound banking practices. Section 23A also imposes various qualitative and quantitative requirements and restrictions on Covered Transactions and imposes collateralization and other requirements on certain of these transactions. Section 23B requires that all Covered Transactions and certain other transactions, including the sale of securities or other assets by the Bank to an affiliate and the payment of money or the furnishing of services by the Bank to an affiliate, be on terms comparable to those prevailing for similar transactions with nonaffiliates.

The Bank is also subject to Sections 22(g) and 22(h) of the Federal Reserve Act, and the implementation of Regulation O issued by the Federal Reserve Board. These provisions impose limitations on loans and extensions of credit by the Bank to its and its affiliates' executive officers, directors and principal shareholders and their related interests. The limitations restrict the terms and aggregate amount of such transactions. Regulation O also imposes certain recordkeeping and reporting requirements.

*Deposit Insurance and Premiums*

The deposits of the Bank are insured up to applicable limits per insured depositor by the FDIC. The standard maximum deposit insurance amount is $250,000 per depositor, per insured depository institution, per ownership category, in accordance with applicable FDIC regulations.

The FDIC uses a risk-based assessment system that imposes insurance premiums based on a risk matrix that takes into account the bank's capital level and supervisory rating. The base for insurance assessments is the average consolidated total assets less tangible equity capital of a financial institution. Assessment rates are calculated using formulas that take into account the risk of the institution being assessed.

In November 2023, the FDIC announced a special assessment on all insured depository institutions with more than $5 billion in total assets, including the Bank, in order to recover the loss to the DIF associated with protecting uninsured depositors following the closures of Silicon Valley Bank and Signature Bank. The special assessment was originally intended to be collected over an eight-quarter collection period, beginning with the first quarterly assessment period of 2024. The FDIC announced in August 2025 that the collection period will be extended for at least one more quarter. This extension of the collection period reflects the adjustment needed given changes to the loss estimates or changes in the amounts collected by the FDIC as compared to estimates. The assessment base for the special assessment is equal to an insured depository institution's ("IDI's") estimated uninsured deposits reported as of December 31, 2022, adjusted to exclude the first $5 billion, applicable either to the IDI, if an IDI is not a subsidiary of a holding company, or at the banking organization level, to the extent that an IDI is part of a holding company with one or more subsidiary IDIs.

*Financial Privacy and Data Security*

The Corporation is subject to federal laws, including the Gramm-Leach-Bliley Act, and certain state laws containing consumer privacy protection provisions. These provisions limit the ability of banks and other financial institutions to disclose nonpublic information about consumers to affiliated and non-affiliated third parties and limit the reuse of certain consumer information received from non-affiliated financial institutions. These provisions require notice of privacy policies to consumers and, in some circumstances, allow consumers to prevent disclosure of certain nonpublic personal information to affiliates or non-affiliated third parties by means of opt-out or opt-in authorizations.

The Gramm-Leach-Bliley Act requires that financial institutions implement comprehensive written information security programs that include administrative, technical, and physical safeguards to protect consumer information. Federal banking agencies have also adopted guidelines for establishing information security standards and programs to protect such information. Further, pursuant to interpretive guidance issued under the Gramm-Leach-Bliley Act and certain state laws, financial institutions are required to notify customers of security breaches that result in unauthorized access to their nonpublic personal information.

*Incentive Compensation*

The Dodd-Frank Act requires the federal banking agencies and the Securities and Exchange Commission (the "SEC") to establish joint regulations or guidelines prohibiting incentive-based payment arrangements at specified regulated entities, including the Corporation and the Bank, with at least $1 billion in total consolidated assets that encourage inappropriate risks by providing an executive officer, employee, director or principal shareholder with excessive compensation, fees, or benefits that could lead to material financial loss to the entity. The federal banking agencies and the SEC proposed such regulations in 2016, and issued re-proposed regulations in substantially the same form in May 2024, which have not been finalized. If the regulations are adopted in the form proposed or a similar form, they will restrict the manner in which executive compensation is structured.

*USA PATRIOT Act*

Under Title III of the USA PATRIOT Act, all financial institutions are required to take certain measures to identify their customers, prevent money laundering, monitor customer transactions, and report suspicious activity to U.S. law enforcement agencies. Financial institutions also are required to respond to requests for information from federal banking agencies and law enforcement agencies. Information sharing among financial institutions for the above purposes is encouraged by an exemption granted to complying financial institutions from the privacy provisions of the Gramm-Leach-Bliley Act and other privacy laws. Financial institutions that hold correspondent accounts for foreign banks or provide private banking services to foreign individuals are required to take measures to avoid dealing with certain foreign individuals or entities, including foreign banks with profiles that raise money laundering concerns, and are prohibited from dealing with foreign "shell banks" and persons from jurisdictions of particular concern. The primary federal banking agencies and the Secretary of the Treasury have adopted regulations to implement several of these provisions. All financial institutions also are required to establish internal anti-money laundering programs. The effectiveness of a financial institution in combating money laundering activities is a factor to be considered in any application submitted by the financial institution under the Bank Merger Act. The Bank has in place a Bank Secrecy Act and USA PATRIOT Act compliance program and engages in very few transactions of any kind with foreign financial institutions or foreign persons.

*Office of Foreign Assets Control Regulation*

The United States government has imposed economic sanctions that affect transactions with designated foreign countries, nationals, and others. These are typically known as the "OFAC" rules based on their administration by the U.S. Treasury Department Office of Foreign Assets Control. The Office of Foreign Assets Control-administered sanctions targeting countries take many different forms. Generally, they contain one or more of the following elements: (i) restrictions on trade with or investment in a sanctioned country, including prohibitions against direct or indirect imports from and exports to a sanctioned country and prohibitions on U.S. persons engaging in financial transactions relating to making investments in, or providing investment-related advice or assistance to, a sanctioned country; and (ii) a blocking of assets in which the government or specially designated nationals of the sanctioned country have an interest, by prohibiting transfers of property subject to U.S. jurisdiction (including property in the possession or control of U.S. persons). Blocked assets (property and bank deposits) cannot be paid out, withdrawn, set off, or transferred in any manner without a license from the Office of Foreign Assets Control. Failure to comply with these sanctions could have serious legal and reputational consequences.

*Other Federal Laws and Regulations*

State usury and other credit laws limit the amount of interest and various other charges collected or contracted by a bank on loans. The Bank is also subject to lending limits on loans to one borrower and regulatory guidance on concentrations of credit. The Bank's loans and other products and services are also subject to numerous federal and state consumer financial protection laws, including, but not limited to, the following:

- Truth-In-Lending Act, which governs disclosures of credit terms to consumer borrowers;
- Truth-in-Savings Act, which governs disclosures of the terms of deposit accounts to consumers;
- Home Mortgage Disclosure Act, requiring financial institutions to provide information to regulators to enable determinations as to whether financial institutions are fulfilling their obligations to meet the home lending needs of the communities they serve and not discriminating in their lending practices;
- Equal Credit Opportunity Act, prohibiting discrimination on the basis of race, sex or other prohibited factors in extending credit;
- Real Estate Settlement Procedures Act, which imposes requirements relating to real estate settlements, including requiring lenders to disclose certain information regarding the nature and cost of real estate settlement services;
- Fair Credit Reporting Act, covering numerous areas relating to certain types of consumer information and identity theft;
- Privacy provisions of the Gramm-Leach-Bliley Act and related regulations, which require that financial institutions provide privacy policies to consumers, to allow customers to "opt out" of certain sharing of their nonpublic personal information, and to safeguard sensitive and confidential customer information;
- Electronic Funds Transfer Act, which is a consumer protection law regarding electronic fund transfers; and
- Numerous other federal and state laws and regulations, including those related to consumer protection and bank operations.

*Governmental Policies*

Our earnings are significantly affected by the monetary and fiscal policies of governmental authorities, including the Federal Reserve Board. Among the instruments of monetary policy used by the Federal Reserve Board to implement these objectives are open-market operations in U.S. Government securities and federal funds, changes in the discount rate on member bank borrowings and changes in reserve requirements against member bank deposits. These instruments of monetary policy are used in varying combinations to influence the overall level of bank loans, investments and deposits, and the interest rates charged on loans and paid for deposits. The Federal Reserve Board frequently uses these instruments of monetary policy, especially its open-market operations and the discount rate, to influence the level of interest rates and to affect the strength of the economy, the level of inflation or the price of the dollar in foreign exchange markets. The monetary policies of the Federal Reserve Board have had a significant effect on the operating results of banking institutions in the past and are expected to continue to do so in the future. It is not possible to predict the nature of future changes in monetary and fiscal policies, or the effect which they may have on our business and earnings.

*Other Legislative Initiatives*

Proposals may be introduced in the United States Congress, in the Pennsylvania Legislature, and/or by various bank regulatory authorities that could alter the powers of, and restrictions on, different types of banking organizations and which could restructure part or all of the existing regulatory framework for banks, bank and financial holding companies and other providers of financial services. Moreover, other bills may be introduced in Congress which would further regulate, deregulate or restructure the financial services industry, including proposals to substantially reform the regulatory framework. It is not possible to predict whether any such proposals will be enacted into law or, even if enacted, what effect such action may have on our business and earnings.

**Human Capital**

As of December 31, 2025, the Corporation had a total of 950 employees, of which 917 were full time and 33 were part time.

The Corporation respects and values the responsibilities of the Corporation to act with integrity in a number of community-focused areas, including being reasonably environmentally considerate, and avoiding discrimination of any investors, customers, or employees by promoting a company culture that reflects of the communities the Corporation serves. The Corporation emphasizes relevant governance principles and compliance considerations in strategic planning, human capital management and leadership development (which includes recruiting and retaining employees), and vendor management, as relationships with third parties represent critical connections to and extensions of the values, operating principles, and the commitment to legal and regulatory compliance of the Corporation and the Board of Directors.

*Strategic Planning and Related Training*

The Corporation has established a formal Strategic Plan, the framework of which has, as its foundation, the core values and principles that have been fundamental to the Corporation’s long-term success. These attributes include respect, integrity, accountability, leadership, professionalism, collaboration, client-focused, innovation, inclusion, and volunteerism. In establishing these core values and principles as the foundation upon which all other strategic objectives are anchored, the Corporation seeks to further develop and sustain a corporate culture with sensitivity to the entirety of the Corporation’s business and demographic footprint and environment in which it operates. The differences among the Corporation's Board of Directors and employees, and its customers and community members, are respected and embraced to drive innovative products, services, and solutions that effectively meet the variety of needs among the Corporation’s broad group of stakeholders.

*Human Capital Management and Leadership Development*

The Corporation firmly believes in the importance of succession planning and, as such, has in place a formal succession planning process for all named executive officers, members of the executive management team, and regional presidents. The succession plan was successfully utilized in 2024 after the resignation of a named executive officer, resulting in a seamless transition of related areas of responsibility to other members of the Senior Management within the Corporation. A critical factor of the Corporation's succession plan is the training and development of its management team to create a strong internal pipeline of talent to produce the future leaders of the Corporation. The Corporation's succession planning process is further strengthened by the Corporation's presence in diversified markets that lead to opportunities to attract and retain talent with broad-based skills and experiences.

The Corporation is dedicated to recognizing the unique contribution of each employee and is committed to supporting a workplace that understands, accepts and values the similarities and differences between individuals. The Corporation's key human capital management objectives are to recruit, hire, develop and promote a deeply and broadly experienced employee team that collectively translates into an exceptional workforce committed to fostering, promoting, preserving, and reflecting the entire spectrum of the Corporation's communities and culture, while successfully executing the Corporation's business strategies and exemplifying its corporate values. To support these objectives, the Corporation's Employee Experience processes and programs are designed and operated to:

- Attract and develop talented employees, specifically skilled for their position, from across the spectrum of professional experience, life experience, socio-economic background, and geographic representation;
- Prepare all members of the Corporation's team for critical roles and leadership positions both now and the future, in serving as employees and valuable community members;
- Reward and support employees fairly and without discrimination based on successful performance and through competitive pay and benefit programs;
- Enhance the Corporation's culture through efforts to better understand, foster, promote, and preserve a culture in alignment with the Corporation's core values; and
- Evolve and invest in technology, tools, and resources to better support employees of varying skills and backgrounds at work.

To monitor changes in the Corporation's employee and management groups relative to both composition and growth, the Corporation uses, among other tools, recurring management and employee surveys, profile analyses, third-party compensation surveys, and summaries of year-over-year changes to the pools of employees and management within the Corporation's various banking divisions and the Corporation as a whole, and utilizes the results to track progress and improve the effectiveness of the Corporation's leadership development and workforce profile and personnel management practices.

The Corporation offers a robust range of training programs tailored to meet the needs of employees across all levels and departments. Through the CNB Academy, the Corporation's learning management system, the Corporation delivers targeted learning solutions that empower employees to excel in their roles while advancing their professional growth. The Corporation's training programs are designed to support a culture of continuous learning and career progression. From foundational skills in client interactions to advanced leadership development, employees are equipped with the tools and knowledge to succeed in their current roles and prepare for future opportunities. Career-focused programs like the Mentoring Program, Career Path Planning, and Rising Professionals enable employees to map and achieve their long-term aspirations. By aligning training programs with strategic planning, the Corporation ensures employees are empowered to deliver exceptional service and contribute to organizational success. Through the Corporation's integrated approach, it builds a resilient, innovative workforce that is prepared to adapt to industry challenges and opportunities while upholding the core values that define its institution.

A critical measure is the opportunity for individuals from all professional and demographic backgrounds to advance into senior leadership positions. These leaders have a greater ability to drive innovation and change and provide the Corporation with financial services expertise to ensure the Corporation benefits from the active engagement and perspectives of all groups within its workforce and communities.

*Community Involvement and Social Impacts*

The Corporation serves as a cornerstone institution of both financial support and community service in the markets in which it serves. The Corporation is committed to strengthening these communities through the active volunteering of its employees. The Corporation's employees actively participate in their local communities through volunteer activities in education, economic development, human and health services, and community reinvestment. During 2025, the Corporation's employees collectively reported service of 32,421 hours in voluntary support to 1,374 organizations, with 74% of employees actively participating. Additionally, there were approximately $1.4 million in donations, from both the Corporation and employees through internal fundraising efforts, to community organizations and events within the communities the Corporation serves. To encourage employees to give back to their communities, the Corporation's Volunteer Time Off Program, which provides employees with up to 16 hours of paid time off annually to volunteer for nonprofit organizations and local causes that may need volunteer assistance during typical weekday business hours. In 2025, the program was met with tremendous enthusiasm, with employees dedicating a collective total of 3,446 hours to volunteer service across the communities the Corporation serves. Importantly, employees contributed over nine times additional volunteering hours of their own time beyond those hours covered by the Volunteer Time Off Program. From participating in local food drives to mentoring youth and supporting nonprofit initiatives, the program has helped strengthen the Corporation's ties to its communities while fostering a culture of service among its team members. This initiative reflects the Corporation's core values of giving back and making a meaningful difference in the lives of others.

The Corporation also promotes economic development through investments in community-strengthening initiatives, such as affordable housing and revitalization efforts. In 2024, the Corporation invested in two new projects that demonstrate its commitment in this area. Located in a distressed section of downtown Rochester, New York, the Corporation supported a project to rehabilitate four historic commercial buildings into a mixed-use community with four commercial spaces and eleven residential apartments through a combination of debt financing of $9.6 million and an equity investment of $4.1 million in historic tax credits generated by the project. The commercial space will be available at affordable rents to generate economic and small-business opportunities, particularly marketed toward local and minority/women-owned business enterprises. Additionally, in Parma, Ohio, the Corporation provided debt financing of $5.5 million and made an equity investment of $4.2 million in low-income housing tax credits to support a project to rehabilitate a low-income senior housing facility with 63 units. The project includes extensive improvements to make the facility more energy-efficient and to increase the number of units that are handicap accessible.

The Corporation remains deeply committed to promoting financial well-being within its communities. Through a variety of initiatives, the Corporation aims to empower individuals with the knowledge and tools they need to achieve financial wellness. In 2025, the Corporation continued to expand its Financial Wellness Center, offering a robust series of free, publicly available online trainings that cover a wide range of basic finance topics, from budgeting basics to retirement planning. The series was expanded to support the financial education of small business owners and added personal finance courses on emergency savings, additional budgeting resources, and lowering debt. In 2025, the Corporation partnered with ten schools to host five financial reality fairs for middle school and high school students, providing hands-on experiences to help them understand budgeting, saving, and preparing for unexpected expenses. In addition, the Small Business Essentials Fair was created and deployed to support small business owners to ensure they have the financial and educational resources for success. To support a broader financial education outreach, virtual lunch-and-learn sessions were offered on topics focusing on basic financial education, protecting seniors from fraud, and cybersecurity. These initiatives are a sample of the robust financial education programs that the Corporation offered in 2025 and reflect the Corporation's dedication to fostering a financially informed and resilient community.

The Corporation continued to focus on increasing its outreach to those who have been traditionally underserved by the financial institution industry. Examples of some the Corporation's key recent initiatives are outlined below.

- Introduced in 2025, CNB Bank's Open Your Door Program is designed to help more individuals and families achieve the goal of homeownership. This program provides meaningful financial advantages, including low down payment options, flexible underwriting criteria, no private mortgage insurance requirements, waived processing and application fees, and a no-closing-cost option, all aimed at reducing barriers for qualified buyers. These features make the program a valuable resource for expanding access to affordable housing throughout the Corporation's footprint.

- CNB Bank partners with GreenPath Financial Wellness, a national nonprofit with more than 60 years of experience providing trusted financial counseling and debt management support. Through this partnership, customers gain free access to certified financial counselors, personalized budgeting assistance, and expert guidance for managing credit card debt, housing challenges, and long-term financial goals. GreenPath's NFCC and HUD-certified counselors offer confidential, one-on-one support to help individuals reduce financial stress, improve financial stability, and take control of their financial future.
- In 2025, CNB Bank's new financial education center and community banking office opened in downtown Erie, Pennsylvania. Located on Parade Street, this location provides financial education and accessible banking to underserved communities, promoting economic empowerment, and narrowing the wealth gap. This location was the first bank to open on Parade Street in over a decade.
- Launched in May 2023, Impressia Bank is CNB Bank's sixth division and is dedicated to empowering women business owners and leaders. Headquartered in Buffalo, NY, with additional team members located in Ohio and Pennsylvania, Impressia Bank provides specialized services such as SBA and grant advisory services, wealth management, and private banking. Impressia's mission is to close the gender funding gap and advance economic empowerment for women by offering innovative financial solutions, mentorship, and leadership development opportunities.
- BankOnBuffalo's BankOnWheels initiative enhances financial inclusion by delivering banking services to underserved communities. By addressing disparities in access to financial resources, BankOnWheels empowers individuals and communities to fully participate in the economy. The first of its kind operated by any financial institution in Western New York, BankOnWheels is a full-service, yet fully mobile bank branch, which will enable the Bank to deliver essential banking services to communities with little or no access to such services today. The BankOnWheels rotates between four locations in the cities of Buffalo and Niagara Falls, which are located in communities underserved by banks.
- In May 2023, CNB Bank launched the At Ease Program, tailored to meet the unique financial needs of veterans, active-duty service members, and their families. This program offers specialized benefits, including waived fees, free financial tools, and mobile banking services, reflecting the Corporation's commitment to honoring and supporting the military community.

**Available Information**

The Corporation makes available free of charge on its website (www.cnbbank.bank) its Annual Report on Form 10-K, its quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as practicable after it electronically files such material with, or furnishes it to, the SEC. Information on the Corporation's website is not incorporated by reference into this report.

Shareholders may obtain a copy of the Corporation's Annual Report on Form 10-K free of charge by writing to: CNB Financial Corporation, 1 South Second Street, PO Box 42, Clearfield, PA 16830, Attn: Shareholder Relations.

The SEC maintains an internet site that contains reports, proxy statements and other information about electronic filers such as the Corporation. The site is available at http://www.sec.gov.

**ITEM 1A. RISK FACTORS**

The Corporation's financial condition and results of operations are subject to various risks inherent in its business. The material risks and uncertainties that management believes affect the Corporation are described below. If any of these risks actually occur, the Corporation's business, financial condition, liquidity, results of operations and prospects could be materially and adversely affected. The following risks together with all of the other information in this Annual Report on Form 10-K should be considered.

**Economic Risks**

***Economic conditions could adversely affect our business and financial results.***

The Corporation's financial condition and results of operations are impacted by global markets and economic conditions over which the Corporation has no control. Periods of high inflation since the start of 2021 have led to increased costs for businesses and consumers. In addition, international trade disputes, including threatened or implemented tariffs imposed by the U.S. and threatened or implemented tariffs imposed by foreign countries in retaliation, could result in further inflationary pressures that impact costs. An economic downturn or recession, including deterioration in the economic conditions in the U.S., or a slowing or stalled recovery therefrom, may have a material adverse effect on our business, financial condition or results of operations. Poor economic conditions have in the past adversely affected, and may in the future affect, the demand for the Corporation's products, the creditworthiness of the Corporation's borrowers and the value of the Corporation's investment securities and other interest-earning assets. In particular, the Corporation may face the following risks in connection with the economic or market environment:

- The Corporation's and the Bank's ability to borrow from other financial institutions or to access the debt or equity capital markets on favorable terms or at all could be adversely affected by disruptions in the capital markets or other events, including actions by rating agencies and deteriorating investor expectations.
- The Corporation faces increased regulation of the banking and financial services industry. Compliance with such regulation may increase its costs and limit its ability to pursue business opportunities.
- Market developments may affect customer confidence levels and may cause increases in loan delinquencies and default rates, which management expects would adversely impact the Bank's charge-offs and provision for credit losses.
- Market developments may adversely affect the Bank's securities portfolio by causing other-than-temporary-impairments, prompting write-downs and securities losses.
- Competition in the banking and financial services industry could intensify as a result of the consolidation of financial services companies in connection with current market conditions.

***The Corporation may not be able to meet its cash flow needs on a timely basis at a reasonable cost, and the Corporation's cost of funds for banking operations may significantly increase as a result of general economic conditions, interest rates and competitive pressures.***

Liquidity is the ability to meet cash flow obligations as they come due and cash flow needs on a timely basis and at a reasonable cost. The liquidity of the Bank is used to make loans and to repay deposit and borrowing liabilities as they become due, or are demanded by customers and creditors. Many factors affect the Bank's ability to meet liquidity needs, including variations in the markets served by its network of offices, its mix of assets and liabilities, reputation and standing in the marketplace, and general economic conditions.

The Bank's primary source of funding is customer deposits, gathered throughout its network of banking offices. Periodically, the Corporation utilizes term borrowings from the Federal Home Loan Bank (the "FHLB") of Pittsburgh, of which the Bank is a member, and other lenders to meet funding obligations. In addition, the Bank also maintains borrowing capacity with the Federal Reserve Bank of Philadelphia (the "Federal Reserve Bank"). The Bank's securities and loan portfolios provide a source of contingent liquidity that could be accessed in a reasonable time period through sales.

Significant changes in general economic conditions, market interest rates, competitive pressures or otherwise, could cause the Bank's deposits to decrease relative to overall banking operations, and it would have to rely more heavily on brokered funds and borrowings in the future, which are typically more expensive than deposits.

The Corporation's management and Board of Directors, through the Asset/Liability Committee (the "ALCO"), monitor liquidity and the ALCO establishes and monitors acceptable liquidity ranges. The Bank actively manages its liquidity position through target ratios. Continual monitoring of these ratios, both historical and through forecasts under multiple rate scenarios, allows the Bank to employ strategies necessary to maintain adequate liquidity.

Changes in economic conditions, including consumer savings habits and availability of or access to capital, could potentially have a significant impact on the Bank's liquidity position, which in turn could materially impact the Corporation's financial condition, results of operations and cash flows.

**Credit and Interest Rate Risks**

***The Bank's allowance for credit losses may not be adequate to cover loan losses which could have a material adverse effect on the Corporation's business, financial condition and results of operations.***

A significant source of risk for the Corporation arises from the possibility that losses will be sustained because borrowers, guarantors and related parties may fail to perform in accordance with the terms of their loan agreements. Most loans originated by the Bank are secured, but some loans are unsecured based upon management's evaluation of the creditworthiness of the borrowers. With respect to secured loans, the collateral securing the repayment of these loans principally includes a wide variety of real estate, and to a lesser extent commercial and personal property, either of which may be insufficient to cover the obligations owed under such loans.

Collateral values and the financial performance of borrowers may be adversely affected by changes in prevailing economic, environmental and other conditions, including declines in the value of real estate, changes in interest rates and debt service levels, changes in oil and gas prices, changes in monetary and fiscal policies of the federal government, widespread disease, terrorist activity, environmental contamination and other external events, which are beyond the control of the Bank. In addition, collateral appraisals that are out of date or that do not meet industry recognized standards might create the impression that a loan is adequately collateralized when in fact it is not. Although the Bank may acquire any real estate or other assets that secure defaulted loans through foreclosures or other similar remedies, the amounts owed under the defaulted loans may exceed the value of the assets acquired.

The allowance for credit losses is subject to a formal analysis by the Credit Administration and Finance Departments of the Corporation. Following the issuance by the Financial Accounting Standards Board ("FASB") of Accounting Standards Update ("ASU") 2016-13, "Measurement of Credit Losses on Financial Instruments," the Corporation adjusted its loan allowance methodology to reflect the new standard, which requires periodic estimates of lifetime expected credit losses on financial assets and categorizes expected credit losses as allowances for credit losses under the current expected credit loss ("CECL") methodology. The Corporation measures expected credit losses of financial assets on a collective (pool) basis, when the financial assets share similar risk characteristics. Depending on the nature of the pool of financial assets with similar risk characteristics, the models utilized by the Corporation to estimate expected credit losses include a discounted cash flow ("DCF") model that discounts instrument-level contractual cash flows, adjusted for prepayments and curtailments, incorporating loss expectations, and a weighted average remaining maturity model which contemplates expected losses at a pool-level, utilizing historic loss information. The Corporation's models for estimating the allowance for credit losses consider available relevant information about the collectability of cash flows, including information about past events, current conditions, and reasonable and supportable forecasts.

The Bank monitors delinquencies and losses on a monthly basis. The Bank has adopted underwriting and credit monitoring policies and procedures, including the review of borrower financial statements and collateral appraisals, which management believes are appropriate to mitigate the risk of loss by assessing the likelihood of borrower nonperformance and the value of available collateral. The Bank also manages credit risk by diversifying its loan portfolio. An ongoing independent review, subsequent to management's review, of individual credits is performed by an independent loan review function, which reports to the Loan Committee of the Corporation's Board of Directors.

The determination of the appropriate level of the allowance for credit losses inherently involves a high degree of subjectivity and requires the Corporation to make significant estimates of current credit risks and future trends, all of which may undergo material changes. Although management believes that the processes in place for assessing the appropriate level of the allowance for credit losses are robust, such policies and procedures have limitations, including judgment errors in management's risk analysis, and may not prevent unexpected losses in the future. Moreover, the CECL methodology may create more volatility in the level of our allowance for credit losses from quarter to quarter as changes in the level of allowance for credit losses will be dependent upon, among other things, macroeconomic forecasts and conditions, loan portfolio volumes and credit quality. These factors could have a material adverse effect on the Corporation's business, financial condition and results of operations.

***Interest rate volatility could significantly reduce the Corporation's profitability.***

The Corporation's earnings largely depend on the relationship between the yield on its earning assets, primarily loans and investment securities, and the cost of funds, primarily deposits and borrowings. This relationship, commonly known as the net interest margin, is susceptible to significant fluctuation and is affected by economic and competitive factors that influence the yields and rates, and the volume and mix of the Bank's interest earning assets and interest bearing liabilities.

Interest rate risk can be defined as the sensitivity of net interest income and of the market value of financial instruments to the direction and frequency of changes in interest rates. Interest rate risk arises from the imbalance in the re-pricing, maturity, and/or cash flow characteristics of assets and liabilities. The Corporation is subject to interest rate risk to the degree that its interest bearing liabilities re-price or mature more slowly or more rapidly or on a different basis than its interest earning assets. Changes in interest rates, including those due to federal monetary policy, will affect the levels of income and expense recorded on a large portion of the Bank's assets and liabilities, and fluctuations in interest rates will impact the market value of all interest sensitive assets. Significant fluctuations in interest rates could have a material adverse impact on the Corporation's business, financial condition, results of operations, or liquidity.

Interest rates remain elevated compared to recent years and may increase. As interest rates rise, we experience competitive pressures to increase the rates we pay on deposits, which may decrease our net interest income. Furthermore, elevated interest rates increase our cost of new debt or preferred capital.

The Bank's interest rate risk measurement and management techniques incorporate the re-pricing and cash flow attributes of its balance sheet and off-balance sheet instruments as they relate to current and potential changes in interest rates. The level of interest rate risk, measured in terms of the potential future effect on earnings, is determined through the use of static gap analysis and earnings simulation modeling under multiple interest rate scenarios. Management's objectives are to measure, monitor, and develop strategies in response to the interest rate risk profile inherent in the Bank's balance sheet in order to preserve the sensitivity of net interest income to actual or potential changes in interest rates. For further information on risk relating to interest rates, refer to Part I, Item 7a, "Quantitative and Qualitative Disclosures about Market Risk," herein.

***The Corporation's investment securities portfolio is subject to credit risk, market risk, and liquidity risk, and declines in value in its investment securities portfolio may require it to record impairment charges that could have a material adverse effect on its results of operations and financial condition.***

The Corporation's investment securities portfolio has risks beyond its control that can significantly influence the portfolio's fair value. These factors include, but are not limited to, changes in interest rates, changes in prepayment speeds, changes in general economic conditions, rating agency downgrades of the securities, defaults of the issuers of the securities and market liquidity. Any change in current accounting principles or interpretations of these principles could impact the Corporation's assessment of fair value and thus its determination of other-than-temporary impairment of the securities in its investment securities portfolio.

The Bank may be required to record other-than-temporary impairment charges on its investment securities if they suffer declines in value that are considered other-than-temporary. Numerous factors, including collateral deterioration underlying certain private label mortgage-backed securities, lack of liquidity for re-sales of certain investment securities, absence of reliable pricing information for certain investment securities, adverse changes in business climate, adverse actions by regulators, or unanticipated changes in the competitive environment could negatively affect the Bank's securities portfolio in future periods. An other-than-temporary impairment charge could have a material adverse effect on the Corporation's results of operations and financial condition.

***A substantial decline in the value of the Bank's FHLB common stock may adversely affect the Corporation's results of operations, liquidity and financial condition.***

As a requirement of membership in the FHLB of Pittsburgh, the Bank must own a minimum required amount of FHLB stock, calculated periodically based primarily on its level of borrowings from the FHLB. Borrowings from the FHLB represent the Bank's primary source of short-term and long-term wholesale funding.

In an extreme situation, it is possible that the capitalization of an FHLB, including the FHLB of Pittsburgh, could be substantially diminished or reduced to zero. Consequently, given that there is no trading market for the Bank's FHLB common stock, the Corporation's management believes that there is a risk that the Corporation's investment could be deemed impaired at some time in the future. If this occurs, it may adversely affect the Corporation's results of operations and financial condition.

***If the capitalization of the FHLB of Pittsburgh is substantially diminished, the Bank's liquidity may be adversely impacted if it is not able to obtain alternative sources of funding.***

There are 11 FHLB banks, including the FHLB of Pittsburgh, in the FHLB system. The 11 FHLB banks are jointly liable for the consolidated obligations of the FHLB system. To the extent that one FHLB bank cannot meet its obligations to pay its share of the system's debt, other FHLB banks can be called upon to make the payment. The Corporation cannot assure you, however, that the FHLB system will be able to meet these obligations.

***The Bank could be held responsible for environmental liabilities relating to properties acquired through foreclosure, resulting in significant financial loss.***

In the event the Bank forecloses on a defaulted commercial or residential mortgage loan to recover its investment, it may be subject to environmental liabilities in connection with the underlying real property, which could significantly exceed the value of the real property. Although the Bank exercises due diligence to discover potential environmental liabilities prior to acquiring any property through foreclosure, hazardous substances or wastes, contaminants, pollutants, or their sources may be discovered on properties during its ownership or after a sale to a third party. The Corporation cannot assure you that the Bank would not incur full recourse liability for the entire cost of any removal and cleanup on an acquired property, that the cost of removal and cleanup would not exceed the value of the property, or that the Bank could recover any of the costs from any third party. Losses arising from environmental liabilities could have a material adverse impact on the Corporation's business, financial condition, results of operations, or liquidity.

**Risks Related to an Investment in the Corporation's Securities**

***Some provisions contained in the Corporation's articles of incorporation and its bylaws and under Pennsylvania law could deter a takeover attempt or delay changes in control or management of the Corporation.***

Certain anti-takeover provisions of the Pennsylvania Business Corporation Law of 1988, as amended, apply to Pennsylvania registered corporations (e.g., publicly traded companies) including, but not limited to, those relating to (1)control share acquisitions, (2)disgorgement of profits by certain controlling persons, (3)business combination transactions with interested shareholders, and (4)the rights of shareholders to demand fair value for their stock following a control transaction. Pennsylvania law permits corporations to opt-out of these anti-takeover provisions, but the Corporation has not done so. Such provisions could have the effect of deterring takeovers or delaying changes in control or management of the Corporation. Additionally, such provisions could limit the price that some investors might be willing to pay in the future for shares of the Corporation's common stock.

For example, the Corporation's amended and restated articles of incorporation require the affirmative vote of 66% of the outstanding shares entitled to vote to effect a business combination. In addition, the Corporation's amended and restated articles of incorporation, subject to the limitations prescribed in such articles and subject to limitations prescribed by Pennsylvania law, authorize the Corporation's Board of Directors, from time to time by resolution and without further shareholder action, to provide for the issuance of shares of preferred stock, in one or more series, and to fix the designation, powers, preferences and other rights of the shares and to fix the qualifications, limitations and restrictions thereof. As a result of its broad discretion with respect to the creation and issuance of preferred stock without shareholder approval, the Corporation's Board of Directors could adversely affect the voting power and other rights of the holders of common stock and, by issuing shares of preferred stock with certain voting, conversion and/or redemption rights, could discourage any attempt to obtain control of the Corporation.

The Corporation's bylaws, as amended and restated, provide for the division of the Corporation's Board of Directors into three classes of directors, with each serving staggered terms.

Any of the foregoing provisions may have the effect of deterring takeovers or delaying changes in control or management of the Corporation.

***The price of the Corporation's common stock may fluctuate significantly, and this may make it difficult for you to resell shares of common stock owned by you at times or at prices you find attractive.***

The price of the Corporation's common stock on the Global Select Market of The NASDAQ Stock Market LLC ("NASDAQ") constantly changes. The Corporation expects that the market price of its common stock will continue to fluctuate, and the Corporation cannot give you any assurances regarding any trends in the market prices for its common stock.

The Corporation's stock price may fluctuate as a result of a variety of factors, many of which are beyond its control. These factors include the Corporation's:

- past and future dividend practice;
- financial condition, performance, creditworthiness, and prospects;
- quarterly variations in the Corporation's operating results or the quality of the Corporation's assets;
- operating results that vary from the expectations of management, securities analysts, and investors;
- changes in expectations as to the Corporation's future financial performance;
- announcements of innovations, new products, strategic developments, significant contracts, acquisitions, and other material events by the Corporation or its competitors;
- the operating and securities price performance of other companies that investors believe are comparable to the Corporation;
- future sales of the Corporation's equity or equity-related securities;
- the credit, mortgage and housing markets, the markets for securities relating to mortgages or housing, and developments with respect to financial institutions generally; and
- instability in global financial markets and global economies and general market conditions, such as interest or foreign exchange rates, stock, commodity or real estate valuations or volatility, budget deficits or sovereign debt level concerns and other geopolitical, regulatory or judicial events.

***The Corporation's ability to pay dividends is limited by law and regulations.***

The future declaration of dividends by the Corporation's Board of Directors will depend on a number of factors, including capital requirements, regulatory limitations, the Corporation's operating results and financial condition and general economic conditions. As a bank holding company, the Corporation's principal assets and sources of income are derived from the Bank and, as a result, the Corporation's ability to pay dividends depends primarily on the receipt of dividends from the Bank. Dividend payments from the Bank are subject to legal and regulatory limitations, generally based on retained earnings, imposed by bank regulatory agencies. The ability of the Bank to pay dividends is also subject to financial condition, regulatory capital requirements, capital expenditures, and other cash flow requirements. The Corporation cannot assure you that the Bank will be able to pay dividends to the Corporation in the future. If the Corporation were unable to receive dividends from the Bank, it would materially and adversely affect the Corporation's liquidity and its ability to service its debt, pay its other obligations, or pay cash dividends on its common stock. The Corporation may decide to limit the payment of dividends to its stockholders even when the Corporation has the legal ability to pay them in order to retain earnings for use in the Corporation's business.

**Operational and Strategic Risks**

***The Bank's loans are principally concentrated in certain areas of Pennsylvania, Ohio, New York and Virginia, and adverse economic conditions in those markets could adversely affect the Corporation's business, financial condition and results of operations.***

The Corporation's success is dependent to a significant extent upon general economic conditions in the United States and, in particular, the local economies in Central, Northeast and Northwest Pennsylvania, Central and Northeast Ohio, Western New York and Southwest Virginia - the primary markets served by the Bank. The Bank is particularly exposed to real estate and economic factors in these geographic areas, as most of its loan portfolio is concentrated among borrowers in these markets. Furthermore, because a substantial portion of the Bank's loan portfolio is secured by real estate in these areas, the value of the associated collateral is also subject to regional real estate market conditions.

The Bank is not immune to negative consequences arising from overall economic weakness and, in particular, a sharp downturn in the local real estate markets served by the Bank. While the Bank's loan portfolio has not shown significant signs of credit quality deterioration despite continued challenges in the U.S. economy, we cannot assure you that no deterioration will occur. An economic recession in the markets served by the Bank, and the nation as a whole, could negatively impact household and corporate incomes. This impact could lead to decreased loan demand and increase the number of borrowers who fail to pay the Bank interest or principal on their loans, and accordingly, could have a material adverse effect on the Corporation's business, financial condition, results of operations, or liquidity.

***Severe weather, flooding and other effects of climate change and other natural disasters, such as earthquakes, could adversely affect our financial condition, results of operations or liquidity.***

Our branch locations and our customers' properties may be adversely impacted by flooding, wildfires, prolonged periods of extreme temperature, high winds and other effects of severe weather conditions that may be caused or exacerbated by climate change. These events can force property closures, result in property damage and/or result in delays in expansion, development or renovation of our properties and those of our customers. Even if these events do not directly impact our properties or our customers' properties, they may impact us and our customers through increased insurance, energy or other costs. In addition, changes in laws or regulations, including federal, state or city laws, relating to climate change could result in increased capital expenditures to improve the energy efficiency of our branch locations and/or our customers' properties. We also face investor-related climate risks. Investors are increasingly taking into account environmental, social, and governance factors, including climate risks, in determining whether to invest in companies. Our reputation and investor relationships could be damaged as a result of our involvement with activities perceived to be causing or exacerbating climate change, as well as any decisions we make to continue to conduct or change our activities in response to considerations relating to climate change.

***The Corporation depends on the accuracy and completeness of information about customers and counterparties.***

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We also rely on representations of customers and counterparties as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. For example, in deciding whether to extend credit to clients, we may assume that a customer's audited financial statements conform to U.S. generally accepted accounting principles ("GAAP") and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. Our earnings are significantly affected by our ability to properly originate, underwrite and service loans. Our financial condition, results of operations and capital could be negatively impacted to the extent we incorrectly assess the creditworthiness of our borrowers, fail to detect or respond to deterioration in asset quality in a timely manner, or rely on financial statements that do not comply with GAAP or are materially misleading.

***The risks presented by acquisitions could adversely affect our financial condition and results of operations.***

Any acquisitions will be accompanied by the risks commonly encountered in acquisitions including, among other things: our ability to realize anticipated cost savings and avoid unanticipated costs relating to the merger, the difficulty of integrating operations and personnel, the potential disruption of our or the acquired company's ongoing business, the inability of our management to maximize our financial and strategic position, the inability to maintain uniform standards, controls, procedures and policies, and the impairment of relationships with the acquired company's employees and customers as a result of changes in ownership and management. These risks may prevent the Corporation from fully realizing the anticipated benefits of an acquisition or cause the realization of such benefits to take longer than expected.

***Strong competition within the Corporation's markets and technological change may have a material adverse impact on its profitability.***

The Corporation competes with an ever-increasing array of financial service providers. As noted above, as a financial holding company and state-chartered financial institution, respectively, the Corporation and the Bank are subject to extensive regulation and supervision, including, in many cases, regulations that limit the type and scope of activities. The non-bank financial service providers that compete with the Corporation and the Bank may not be subject to such extensive regulation, supervision, and tax burden. Competition from nationwide banks, as well as local institutions, is strong in the Corporation's markets.

The financial services industry is undergoing rapid technological change, and technological advances, including those related to artificial intelligence ("AI"), are likely to intensify competition. In addition to improving customer services, effective use of technology increases efficiency and enables financial institutions to reduce costs. Accordingly, the Corporation's future success will depend in part on its ability to address customer needs by using technology. The Corporation cannot assure you that it will be able to successfully take advantage of technological changes or advances or develop and market new technology driven products and services to its customers. Failure to keep pace with technological change affecting the financial services industry could have a material adverse effect on the Corporation's financial condition, results of operations, or liquidity.

Many regional, national, and international competitors have far greater assets and capitalization than the Corporation has and greater resources to invest in technology and access to capital markets and can consequently offer a broader array of financial services than the Corporation can. We cannot assure you that we will continue to be able to compete effectively with other financial institutions in the future. Developments increasing the nature or level of competition could have a material adverse effect on the Corporation's business, financial condition, results of operations, or liquidity. For further information on competition, refer to Part I, Item 1, "Competition," herein.

***The soundness of other financial institutions with which the Corporation does business could adversely affect the Corporation's business, financial condition or results of operations.***

Our ability to engage in routine funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial institutions are interrelated as a result of trading, clearing, counterparty, investment or other relationships. The Corporation routinely executes transactions with counterparties in the financial services industry such as commercial banks, brokers and dealers, investment banks and other institutional clients for a range of transactions including loan participations, derivatives, and hedging transactions. In addition, the Corporation invests in securities or loans originated or issued by financial institutions or supported by the loans they originate. As a result, defaults by, or even rumors or questions about, one or more financial institutions, or the financial industry generally, have led to, or could in the future lead to, market-wide liquidity problems and could lead to losses or defaults by us or other institutions. Many of these transactions expose the Corporation to credit or investment risk in the event of default by the Corporation's counterparty. In addition, the Corporation's credit risk may be exacerbated if the collateral it holds cannot be realized or is liquidated at prices not sufficient to recover the full amount of the loan or other exposure to the Corporation. The Corporation could incur losses to its securities portfolio as a result of these issues. These types of losses may have a material adverse effect on the Corporation's business, financial condition or results of operation.

***The Corporation's operations may be adversely affected if its external vendors do not perform as expected or if its access to third-party services is interrupted.***

The Corporation relies on certain external vendors to provide products and services necessary to maintain the day-to-day operations of the Corporation. Some of the products and services provided by vendors include key components of our business infrastructure including data processing and storage and internet connections and network access, among other products and services. Accordingly, the Corporation's operations are exposed to the risk that these vendors will not perform in accordance with the contracted arrangements or under service level agreements. The failure of an external vendor to perform in accordance with the contracted arrangements or under service level agreements, because of changes in the vendor's organizational structure, financial condition, support for existing products and services or strategic focus or for any other reason, could disrupt the Corporation's operations. If we are unable to find alternative sources for our vendors' services and products quickly and cost-effectively, the failures of our vendors could have a material adverse impact on the Corporation's business and, in turn, the Corporation's financial condition and results of operations.

Additionally, our information technology and telecommunications systems interface with and depend on third-party systems, and we could experience service denials if demand for such services exceeds capacity, or such third-party systems fail or experience interruptions. If sustained or repeated, a system failure or service denial could result in a deterioration of our ability to process new and renewal loans, gather deposits and provide customer service, compromise our ability to operate effectively, damage our reputation, result in a loss of customer business and subject us to additional regulatory scrutiny and possible financial liability, any of which could have a material adverse effect on our financial condition and results of operations.

***A failure in or breach of the Corporation's or any of its subsidiaries' information technology network and systems, or those of third party vendors and other service providers, including as a result of cyber attacks, could disrupt the Corporation's or any of its subsidiaries' businesses, result in the unauthorized disclosure or misuse of confidential or proprietary information, damage its reputation, increase its costs, and/or cause losses.***

The Corporation, primarily through the Bank, depends on its information technology networks and systems to continuously process, record and monitor a large number of customer transactions and to process, transmit and store proprietary and confidential information, including personal information of employees and customers. Accordingly, the Corporation's and its subsidiaries' information technology networks and systems must continue to be safeguarded and monitored for potential failures, vulnerabilities, disruptions and breakdowns. We face cybersecurity threats, including system, network or internet failures, cyber attacks, ransomware and other malware, social engineering, phishing schemes and workforce member error, negligence, or fraud. Although the Corporation has business continuity plans and other safeguards in place, any such cybersecurity incident, including those impacting personal information, could result in customer attrition, regulatory fines, penalties or intervention, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, any of which could materially adversely affect the Corporation's results of operations or financial condition. Further, adoption of AI tools by us or by third parties may pose new cybersecurity challenges. Threat actors may use AI tools to automate and enhance cybersecurity attacks against us. We use software and platforms designed to detect such cybersecurity threats, including AI-based tools, but these threats could become more sophisticated and harder to detect and counteract, which may pose significant risks to our data security and systems.

In addition, significant disruptions of our third party vendors' and/or service providers' security systems or infrastructure, or other similar data security incidents, could adversely affect our business operations and/or result in the loss, misappropriation, and/or unauthorized access, use or disclosure of, or the prevention of access to, regulated personal or confidential information, which could harm our business. While we may be entitled to damages if our third-party service providers fail to satisfy their security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award.

Given the evolving nature of security threats and evolving safeguards, there can be no assurance that any preventive, protective, or remedial data security measures that we or our third-party service providers implement are or will be adequate to detect or prevent all cybersecurity incidents. The Corporation continues to enhance its data security systems, technology platforms, employee education and risk management processes, in an effort to underpin its business strategy as well as in response to the evolving threat landscape and any incidents we experience. In connection with these efforts, we have incurred costs and expect to incur additional costs as we continue to enhance our data security infrastructure and take further steps to prevent unauthorized access to our systems and the data we maintain. In addition, any actual or perceived failure by the Corporation or our vendors or business partners to comply with our privacy, confidentiality, or data security-related legal or other obligations to third parties may result in claims by third parties that we have breached our privacy- or confidentiality-related obligations, which could materially and adversely affect our business and prospects.

The Corporation's risk and exposure to these matters, including future "phishing" attempts like the 2020 incident, which was disclosed in the Corporation's Annual Form 10-K for the year ended December 31, 2020, remain heightened because of, among other things, the evolving nature of these threats, our plans to continue to implement our Internet banking and mobile banking channel strategies and develop additional remote connectivity solutions to serve our customers when and how they want to be served. As a result, cybersecurity and the continued development and enhancement of the Corporation's controls, processes and practices designed to protect its and its subsidiaries systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority for the Corporation. As cyber threats continue to evolve, the Corporation may be required to expend further significant resources to continue to modify or enhance its protective measures or to investigate and remediate future information security vulnerabilities.

Additionally, while we have implemented security measures that we believe are appropriate, a regulator could deem our security measures not to be appropriate given the lack of prescriptive measures in certain data protection laws. Furthermore, increased regulation of data collection, use and retention practices, including self-regulation and industry standards, changes in existing laws and regulations, enactment of new laws and regulations, increased enforcement activity, and changes in interpretation of laws, could increase our cost of compliance and operation, limit our ability to grow our business or otherwise harm the Corporation.

While we have purchased cybersecurity insurance, there are no assurances that the coverage would be adequate in relation to any incurred losses. Moreover, as cyber attacks increase in frequency and magnitude, we may be unable to obtain cybersecurity insurance in amounts and on terms we view as adequate for our operations. Further information relating to cybersecurity risk management is discussed in Item 1C. "Cybersecurity" of this report.

***A pandemic and measures intended to prevent its spread, could have a material adverse effect on our business, results of operations, cash flows, and financial condition.***

A pandemic could negatively impact the global economy, disrupt financial markets and international trade, and result in varying unemployment levels, all of which could negatively impact our business, results of operations, cash flows, and financial condition. In response to pandemic outbreaks, governments and other authorities around the world, including federal, state and local authorities in the United States, have imposed, and may in the future impose measures intended to mitigate its spread, including restrictions on freedom of movement and business operations such as issuing guidelines, travel bans, border closings, business closures and quarantine orders.

***Our business and financial performance could be adversely affected, directly or indirectly, by terrorist activities, international hostilities or domestic civil unrest.***

Neither the occurrence nor the potential impact of geopolitical instabilities, terrorist activities, international hostilities or other extraordinary events beyond the Corporation's control can be predicted. However, these occurrences could adversely impact us, for example, by preventing us from conducting our business in the ordinary course. Also, their impact on our borrowers, depositors, other customers, suppliers or other counterparties could result in indirect adverse effects on us. Other indirect adverse consequences from these occurrences could result from impacts to the financial markets, the economy in general or in any region, or key parts of the infrastructure (such as the power grid) on which we and our customers rely. These types of indirect effects, whether specific to our counterparties or more generally applicable, could lead, for example, to an increase in delinquencies, bankruptcies or defaults that could result in the Corporation experiencing higher levels of nonperforming assets, net charge-offs and provisions for credit losses. They could also cause a reduction in demand for lending or other services that we provide.

***Our use of AI could expose us to various risks.***

We have begun to utilize AI technologies in various aspects of our business, including internal training material creation. AI technologies are susceptible to errors and other malfunctions which could lead to operational challenges and reputational risks. In addition, we may be subject to increasing regulations related to our use of AI, including regulations related to privacy, data security, and intellectual property rights, which could expose us to legal risks.

**Risks Related to Legal and Compliance Matters**

***The Corporation is subject to extensive government regulation and supervision, which may affect its ability to conduct its business and may negatively impact its financial results.***

The Corporation, primarily through the Bank and its non-bank subsidiary, is subject to extensive federal and state regulation and supervision. Banking regulations are primarily intended to protect depositors' funds, the Federal Deposit Insurance Fund and the safety and soundness of the banking system as a whole, not stockholders. These regulations affect the Corporation's lending practices, capital structure, investment practices, dividend policy and growth, among other things. Congress and federal regulatory agencies continually review banking laws, regulations and policies for possible changes. Furthermore, political and policy goals of elected officials may change over time, which could impact the rulemaking, supervision, examination and enforcement priorities of federal banking agencies. Changes to statutes, regulations or regulatory policies, including changes in interpretation or implementation of statutes, regulations or policies, could affect the Corporation in substantial and unpredictable ways. Such changes could subject it to additional costs, limit the types of financial services and products the Corporation may offer, and/or limit the pricing it may charge on certain banking services, among other things.

Failure to comply with laws, including the Bank Secrecy Act and USA Patriot Act, regulations or policies could result in sanctions by regulatory agencies, restrictions, civil money penalties and/or reputation damage, which could have a material adverse effect on the Corporation's business, financial condition and results of operations and/or cause the Corporation to lose its financial holding company status. While the Corporation has policies and procedures designed to prevent any such violations, there can be no assurance that such violations will not occur.

As a result of our merger with ESSA, the Bank agreed to and assumed all obligations under the ESSA Consent Order. We could incur unanticipated costs and expenses to achieve compliance with the ESSA Consent Order. Actions taken to achieve compliance with the ESSA Consent Order may affect our business or financial performance and may require us to reallocate resources away from existing business or to undertake significant changes to our business, operations, products and services and risk management practices. In addition, although the ESSA Consent Order resolved all claims by the United States of America against ESSA Bank, we could be subject to other enforcement actions relating to the alleged violations resolved by the ESSA Consent Order.

See the section captioned "Supervision and Regulation" in Part I, Item 1 of this report for further information.

***Federal and state governments could pass legislation responsive to current credit conditions which could cause the Corporation to experience higher credit losses.***

The Corporation could experience higher credit losses because of federal or state legislation or regulatory action that reduces the amount the Bank's borrowers are otherwise contractually required to pay under existing loan contracts. Also, the Corporation could experience higher credit losses because of federal or state legislation or regulatory action that limits the Bank's ability to foreclose on property or other collateral or makes foreclosure less economically feasible. The Corporation cannot assure you that future legislation will not significantly and adversely impact its ability to collect on its current loans or foreclose on collateral.

**General Risk Factors**

***The Corporation relies on its management and other key personnel, and the loss of any of them may adversely affect its operations.***

The Corporation is and will continue to be dependent upon the services of its executive management team. In addition, it will continue to depend on its ability to retain and recruit key client relationship managers. The unexpected loss of services of any key management personnel, or the inability to recruit and retain qualified personnel in the future, could have an adverse effect on its business and financial condition.

***The Corporation's risk management framework may not be effective in mitigating risk and loss.***

The Corporation maintains an enterprise risk management program that is designed to identify, quantify, monitor, report, and control the risks that it faces. These risks include, but are not limited to: strategic, interest-rate, credit, liquidity, operations, pricing, reputation, compliance, litigation, and cybersecurity. While the Corporation assesses and improves this program on an ongoing basis, there can be no assurance that its approach and framework for risk management and related controls will effectively mitigate all risk and limit losses in its business. If conditions or circumstances arise that expose flaws or gaps in the Corporation's risk-management program, or if its controls break down, the Corporation's results of operations and financial condition may be adversely affected.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

**ITEM 1C. CYBERSECURITY**

*Risk Management and Strategy*

The Corporation maintains robust processes for assessing, identifying, and managing material risks from cybersecurity threats. The Corporation's cybersecurity program is based on the Federal Financial Institutions Examination Council ("FFIEC") framework which tailors the National Institute of Standards and Technology ("NIST") Cybersecurity Framework to be more financial services focused. The risk of cybersecurity threats is integrated into the Corporation's Enterprise Risk Management ("ERM") program, led by the Corporation's Chief Risk Officer. The ERM program includes an annual risk prioritization process to identify key enterprise risks. Each key risk is assigned a risk owner to establish action plans and implement risk mitigation strategies. The Corporation's cybersecurity threat risk action plan is managed at the enterprise level by the Chief Information Technology & Security Officer (the "CITSO"), the VP of Information Technology, and the VP of Information Security. Risk owners regularly monitor cybersecurity risks and the evolving threat landscape and review and update the cybersecurity threat risk action plan in response to newly identified threats or risk mitigation actions. To oversee and identify cybersecurity threat risks on a day-to-day basis, including from third party service providers, the Corporation maintains a third-party security operations center with round-the-clock monitoring, and the CITSO receives regular reports on industry activity. Management also assesses the cybersecurity proficiency of potential third-party suppliers before utilizing their services. The assessment identifies cybersecurity-related risks and makes recommendations to enhance the security of all new computing services. Management reassesses all suppliers on a regular interval.

The Corporation maintains a Cybersecurity Incident Response Plan (the "CSIRP"), which establishes an organizational framework and guidelines intended to facilitate an effective response and handling of cybersecurity incidents that could jeopardize the availability, integrity, or confidentiality of the Corporation's assets. Pursuant to the CSIRP and its escalation protocols, designated personnel are responsible for assessing the severity of the incident and associated threat, containing the threat, remediating the threat, including recovery of data and access to systems, analyzing the reporting and disclosure obligations associated with the incident, and performing post-incident analysis and program improvements. While the particular personnel assigned to an incident response team will depend on the particular facts and circumstances, the CITSO and the VP of Information Security primarily lead these efforts.

The Corporation works closely with its internal auditors to assess, identify, and manage cybersecurity risks. In addition, the Corporation engages with third party cybersecurity specialists to provide an independent assessment of the Corporation's cybersecurity programs and to prepare a 3-year plan to maintain compliance and operational excellence. Management periodically reviews the 3-year plan and modifies it in response to changes in the threat landscape or otherwise as needed. As of December 31, 2025, the Corporation has not experienced any known instances of material cybersecurity threats, including known third party provider incidents, during any of the prior three fiscal years that have materially affected the business strategy, results of operations or financial condition of the Corporation. However, there can be no assurance that the Corporation's security efforts and measures or those of our third-party providers will be effective or that attempted security incidents or disruptions would not be successful or damaging. In addition, although the Corporation maintains cybersecurity insurance to provide some coverage for certain risks arising out of data and network breaches, there can be no assurance that the Corporation' cybersecurity insurance coverage will be sufficient in the event of a cyber attack. See "Item 1A. Risk Factors" above for more information.

*Governance*

The Board of Directors is responsible for overseeing the assessment and management of enterprise-level risks that may impact the Corporation. The Audit Committee has primary responsibility for overseeing risk management, including oversight of risks from cybersecurity threats. The boards of directors of the Corporation and the Bank have also established an IT Committee, consisting of at least three independent directors, along with non-voting members from management, including the President and CEO, the Chief Financial Officer, the CITSO, the SVP of Operations, the VP of Information Technology, and the VP of Information Security. The IT Committee assists the boards of directors of the Corporation and CNB Bank in fulfilling their respective governance responsibilities for CNB's information technology and related data security infrastructure under relevant regulatory safety and soundness requirements. Management, including the CITSO, reports on cybersecurity matters regularly to the Board, primarily through the Audit Committee and IT Committee, including an annual report regarding specific risks and mitigation efforts within the Bank and a 3-year cybersecurity threat assessment conducted by third party experts. Management provides benchmarking information and updates on key operational and compliance metrics to the Board of Directors. In addition, cybersecurity training is provided to the full Board of Directors to educate directors on the current cyber threat environment and measures companies can take to mitigate risk and impact of cyber attacks. Several members of the Board of Directors, including the Chairperson of the Audit Committee, also have cybersecurity experience.

As described above, management is actively involved in assessing and managing the Bank's material cybersecurity risks. The Corporation's incident response plan provides clear communication protocols, including with respect to members of senior management, which may include the CEO, the CFO, the Board of Directors, the Audit Committee and external legal counsel. In addition, the incident response plan considers communications and reporting to customers, regulators and law enforcement.

The CITSO, who reports directly to the CEO, is responsible for the oversight of the Corporation's IT operation, including the cybersecurity program, and holds a Bachelor of Science degree in Information Technology and Security and a Master of Science in Information Security and Assurance. He also holds 20 industry recognized Technology and Security certifications. The VP of Information Security reports directly to the CITSO and has responsibility for leadership of the Bank's cybersecurity program. He holds a bachelor's degree in mathematics and computer science, as well as several industry recognized information security certifications. The VP of Information Technology reports directly to the CITSO and has responsibility for leadership of the Bank's Information Technology program. He holds a bachelor's degree in information technology and has worked in the technology field for 30 years with 18 of those years in a financial institution in various technology management, security, and audit roles.

**ITEM 2. PROPERTIES**

The headquarters of the Corporation and the Bank are located at 1 South Second Street, Clearfield, Pennsylvania, in a building owned by the Corporation. The Bank operates 75 full-service offices at December 31, 2025. Of these 75 offices, 39 are owned and 35 are leased from independent owners and one is leased from the Corporation. Holiday has six full-service offices, of which five are leased from independent owners and one is leased from the Corporation. The CNB Bank franchise's primary market areas are the Pennsylvania counties of Blair, Cambria, Centre, Clearfield, Elk, Indiana, Jefferson, and McKean. ERIEBANK, a division of the Bank, operates in the Pennsylvania counties of Crawford, Erie, and Warren and in the Ohio counties of Ashtabula, Cuyahoga, Geauga, Lake, and Lorain. FCBank, a division of the Bank, operates in the Ohio counties of Crawford, Delaware, Franklin, Knox, Marion, Morrow and Richland. BankOnBuffalo, a division of the Bank, operates in the New York counties of Erie, Niagara, and Ontario. Ridge View Bank, a division of the Bank, operates in the Virginia counties of Botetourt, Craig, Franklin, Montgomery, and Roanoke. ESSA Bank, a division of the Bank, operates in the Pennsylvania counties of Delaware, Chester, Lackawanna, Lehigh, Luzerne, Monroe, and Northampton. Impressia Bank, a division of the Bank, operates in the Bank's primary market areas. There are no encumbrances on the offices owned and the rental expense on the leased property is immaterial in relation to operating expenses. The initial lease terms range from one to twenty years.

**ITEM 3. LEGAL PROCEEDINGS**

There are no material pending legal proceedings to which the Corporation or any of its subsidiaries is a party, or of which any of their properties is the subject, except ordinary routine proceedings which are incidental to the business.

**ITEM 4. MINE SAFETY DISCLOSURES**

None.

## PART II.

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded on the Global Select Market of NASDAQ under the symbol "CCNE." As of December 31, 2025, the number of shareholders of record of the Corporation's common stock was 14,185.

**Issuer Purchases of Equity Securities**

The following table provides information with respect to any purchase of shares of the Corporation's common stock made by or on behalf of the Corporation for the quarter ended December 31, 2025.

| Period | Total Number of Shares Purchased | Average Price Paid per Common Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs [1] |
|---|---|---|---|---|
| October 1 – 31, 2025 | — | $ — | — | 500,000 |
| November 1 – 30, 2025 | — | — | — | 500,000 |
| December 1 – 31, 2025 | — | — | — | 500,000 |
| Total | — | $ — | — | 500,000 |

[1] The Company's 2024 Common Share Repurchase Programexpired on May 14, 2025. On June 23, 2025, the Corporation received acknowledgement fromthe Federal Reserve Bank ofthe Corporation's 2025 Common Share Repurchase Program(the "Plan"). The Corporation's Board ofDirectors previously approved the Plan, subject to the Federal Reserve Bank's response, authorizing the repurchase fromtime to time by the Corporation ofup to 500,000 shares ofthe Corporation's common stock, no par value per share, provided that the aggregate purchase price ofshares ofcommon stock repurchased does not exceed $15,000,000. Pursuant to the Plan, repurchases ofcommon stock, if any, are authorized to be made during the period beginning on June 23, 2025 (the date on which the Corporation received acknowledgement fromthe Federal Reserve Bank) through and including June 10, 2026, through open market purchases, privately negotiated transactions or in such other manner as will comply with the provisions ofthe Securities Exchange Act of1934, as amended, and the rules promulgated thereunder, subject to compliance with any material agreement to which the Corporation is a party. Depending on market conditions and other factors, these repurchases may be commenced or suspended without prior notice. As ofDecember 31, 2025, there were 500,000 shares remaining for repurchase under the Plan

Additionally, during the quarter ended December 31, 2025, certain employees surrendered shares of common stock owned by them to satisfy their statutory minimum U.S. federal and state tax obligations associated with the vesting of shares of restricted common stock issued under the CNB Financial Corporation 2025 Omnibus Incentive Plan.

**Dividends Restrictions**

The Corporation is a legal entity separate and distinct from the Bank. Declaration and payment of cash dividends by the Corporation depends upon cash dividend payments to the Corporation by the Bank, which is our primary source of revenue and cash flow.

As a Pennsylvania state-chartered bank, the Bank is subject to regulatory restrictions on the payment and amounts of dividends under the Pennsylvania Banking Code. Further, the ability of banking subsidiaries to pay dividends is also subject to their profitability, financial condition, capital expenditures and other cash flow requirements.

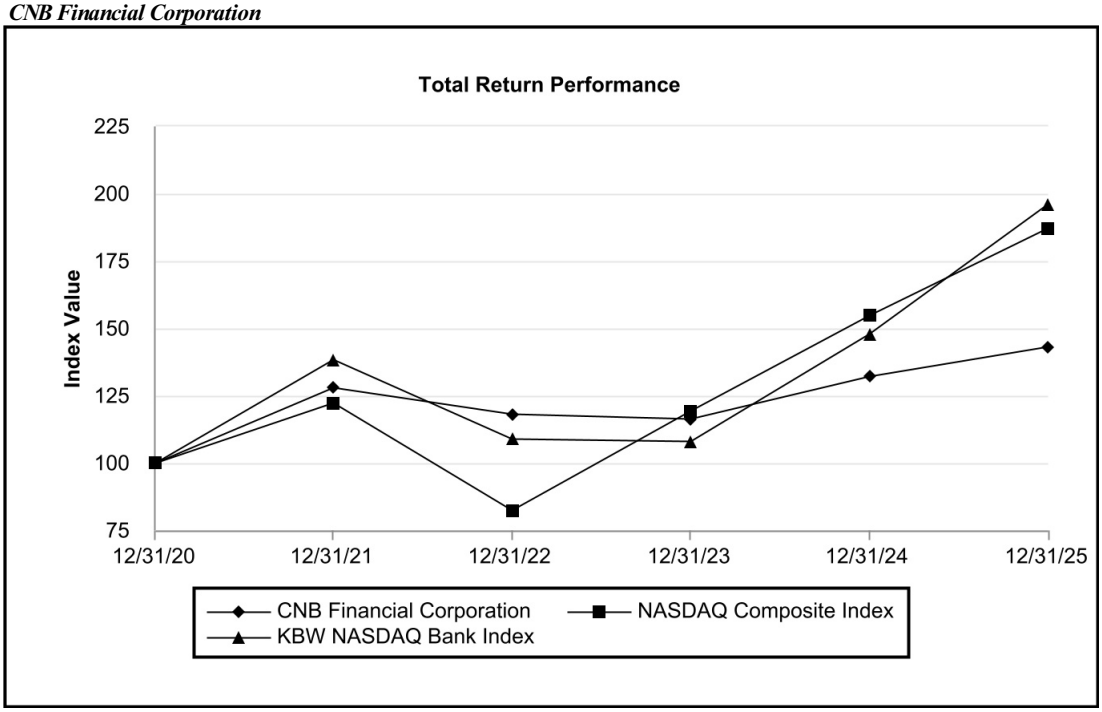
The payment of dividends by the Bank and the Corporation may also be affected by other factors, such as the requirement to maintain adequate capital above regulatory requirements. The federal banking agencies have indicated that paying dividends that deplete a depository institution's capital base to an inadequate level would be an unsafe and unsound banking practice. A depository institution may not pay any dividend if payment would cause it to become undercapitalized or if it already is undercapitalized. Moreover, the federal banking agencies have issued policy statements that provide that bank holding companies and insured banks should generally only pay dividends out of current operating earnings. Federal banking regulators have the authority to prohibit banks and bank holding companies from paying a dividend if the regulators deem such payment to be an unsafe or unsound practice.

The amount and timing of dividends is subject to the discretion of the Board of Directors and depends upon business conditions and regulatory requirements. The Board of Directors has the discretion to change the dividend at any time for any reason. The Board of Directors presently intends to continue the policy of paying quarterly cash dividends. The amount of any future dividends will depend on economic and market conditions, the Corporation's financial condition and operating results and other factors, including applicable government regulations and policies.

**Share Return Performance**

Set forth below is a chart comparing the Corporation's cumulative return to stockholders against the cumulative return of the NASDAQ Composite Index and a peer group index of banking organizations for the five-year period commencing December 31, 2020 and ending December 31, 2025.

***CNB Financial Corporation***




| | *Period Ending* | | | | | |
|---|---|---|---|---|---|---|
| ***Index*** | 12/31/20 | 12/31/21 | 12/31/22 | 12/31/23 | 12/31/24 | 12/31/25 |
| CNB Financial Corporation | 100.00 | 127.96 | 118.04 | 116.14 | 131.95 | 143.01 |
| NASDAQ Composite Index | 100.00 | 122.18 | 82.43 | 119.22 | 154.48 | 187.14 |
| KBW NASDAQ Bank Index | 100.00 | 138.33 | 108.73 | 107.76 | 147.85 | 196.00 |

**Source: S&P Global Market Intelligence**
**© 2026**

**ITEM 6. RESERVED**

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

This Management's Discussion and Analysis of Financial Condition and Results of Operations is presented to provide insight into management's assessment of financial results and should be read in conjunction with the following parts of this Annual Report on Form 10-K: Part I, Item 1 "Business," Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," and Part II, Item 8 "Financial Statements and Supplementary Data." This section of this Annual Report on Form 10-K generally discusses 2025 and 2024 items and year-to-year comparisons between 2025 and 2024. Discussions of 2023 items and year-to-year comparisons between 2024 and 2023 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2024.

Dollar amounts in tables are stated in thousands, except for per share amounts.

**Forward-Looking Statements and Factors that Could Affect Future Results**

The information below includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to CNB's financial condition, liquidity, results of operations, future performance and business. These forward-looking statements are intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those that are not historical facts. Forward-looking statements include statements with respect to beliefs, plans, objectives, goals, expectations, anticipations, estimates and intentions that are subject to significant risks and uncertainties and are subject to change based on various factors (some of which are beyond CNB's control). Forward-looking statements often include the words "believes," "expects," "anticipates," "estimates," "forecasts," "intends," "plans," "targets," "potentially," "probably," "projects," "outlook" or similar expressions or future conditional verbs such as "may," "will," "should," "would" and "could." CNB's actual results may differ materially from those contemplated by the forward-looking statements, which are neither statements of historical fact nor guarantees or assurances of future performance.

Such known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from the statements, include, but are not limited to, (i) adverse changes or conditions in capital and financial markets, including actual or potential stresses in the banking industry; (ii) changes in interest rates; (iii) the credit risks of lending activities, including our ability to estimate credit losses and the allowance for credit losses, as well as the effects of changes in the level of, and trends in, loan delinquencies and write-offs; (iv) effectiveness of our data security controls in the face of cyber attacks and any reputational risks following a cybersecurity incident; (v) changes in general business, industry or economic conditions or competition; (vi) changes in any applicable law, rule, regulation, policy, guideline or practice governing or affecting financial holding companies and their subsidiaries or with respect to tax or accounting principles or otherwise; (vii) adverse economic effects from international trade disputes, including threatened or implemented tariffs imposed by the U.S. and threatened or implemented tariffs imposed by foreign countries in retaliation, or similar events impacting economic activity; (viii) higher than expected costs or other difficulties related to integration of combined or merged businesses; (ix) the effects of business combinations and other acquisition transactions, including the inability to realize our l and investment portfolios; (x) changes in the quality or composition of our loan and investment portfolios; (xi) adequacy of loan loss reserves; (xii) increased competition; (xiii) loss of certain key officers; (xiv) deposit attrition; (xv) rapidly changing technology; (xvi) unanticipated regulatory or judicial proceedings and liabilities and other costs; (xvii) changes in the cost of funds, demand for loan products or demand for financial services; and (xviii) other economic, competitive, governmental or technological factors affecting our operations, markets, products, services and prices. Such developments could have an adverse impact on CNB's financial position and results of operations.

The forward-looking statements contained herein are based upon management's beliefs and assumptions. Any forward-looking statement made herein speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. CNB undertakes no obligation to publicly update or revise any forward-looking statements included in this Annual Report on Form 10-K, whether as a result of new information, future events or otherwise, except to the extent required by law. In light of these risks, uncertainties and assumptions, the forward-looking events discussed might not occur and you should not put undue reliance on any forward-looking statements.

**Overview**

The Corporation is a financial holding company registered under the BHC Act. It was incorporated under the laws of the Commonwealth of Pennsylvania in 1983 for the purpose of engaging in the business of a financial holding company. The Corporation's subsidiary, the Bank, provides financial services to individuals and businesses. The CNB Bank franchise's primary market areas are the Pennsylvania counties of Blair, Cambria, Centre, Clearfield, Elk, Indiana, Jefferson, and McKean. ERIEBANK, a division of the Bank, operates in the Pennsylvania counties of Crawford, Erie, and Warren and in the Ohio counties of Ashtabula, Cuyahoga, Geauga, Lake, and Lorain. FCBank, a division of the Bank, operates in the Ohio counties of Crawford, Delaware, Franklin, Knox, Marion, Morrow, and Richland. BankOnBuffalo, a division of the Bank, operates in the New York counties of Erie, Niagara, and Ontario. Ridge View Bank, a division of the Bank, operates in the Virginia counties of Botetourt, Craig, Franklin, New River Valley, and Roanoke. ESSA Bank, a division of the Bank, operates in the Pennsylvania counties of Delaware, Chester, Lackawanna, Lehigh, Luzerne, Monroe, and Northampton. Impressia Bank, a division of the Bank, operates in the Bank's primary market areas. Although the Corporation's strategies, through the Bank, are executed based on the divisions discussed above, the Bank is a single Pennsylvania-chartered bank whereby all divisions of the Bank conduct their business on a doing business as basis.

In addition to the Bank, the Corporation has four other subsidiaries. CNB Securities Corporation is incorporated in Delaware and currently maintains investments in debt and equity securities. CNB Insurance Agency, incorporated in Pennsylvania, provides for the sale of nonproprietary annuities and other insurance products. CNB Risk Management, Inc., incorporated in Delaware, is a captive insurance company that insures against certain risks unique to the operations of the Corporation and its subsidiaries and for which insurance may not be currently available or economically feasible in today's insurance marketplace. Holiday, incorporated in Pennsylvania, offers small balance unsecured loans and secured loans, primarily collateralized by automobiles and equipment, to borrowers with higher risk characteristics.

**Merger with ESSA Bancorp, Inc.**

On July 23, 2025, the Corporation completed its previously announced acquisition of ESSA and its subsidiary bank, ESSA Bank, pursuant to the Merger Agreement. The Corporation's acquisition of ESSA was an all-stock transaction. Under the terms of the Merger Agreement, ESSA merged with and into the Corporation, with the Corporation as the surviving entity, and immediately thereafter, ESSA Bank merged with and into the Bank, with the Bank as the surviving bank. Banking offices of ESSA Bank operate under the trade name ESSA Bank, a division of CNB Bank.

Pursuant to the Merger Agreement, each outstanding share of ESSA common stock was converted into the right to receive 0.8547 shares of the Corporation's common stock. The total consideration paid to ESSA shareholders was approximately $202.6 million, comprised of approximately 8,359,430 shares of the Corporation's common stock, valued at approximately $202.5 million based on the July 23, 2025 closing price of $24.23 per share of the Corporation's common stock, and $21 thousand in cash in lieu of fractional shares.

**Non-GAAP Financial Information**

This report contains references to financial measures that are not defined in GAAP. Management uses non-GAAP financial information in its analysis of the Corporation's performance. Management believes that these non-GAAP measures provide a greater understanding of ongoing operations, enhance comparability of results of operations with prior periods and show the effects of significant gains and charges in the periods presented. The Corporation's management believes that investors may use these non-GAAP measures to analyze the Corporation's financial performance without the impact of unusual items or events that may obscure trends in the Corporation'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. Limitations associated with non-GAAP financial measures include the risks that persons might disagree as to the appropriateness of items included in these measures and that different companies might calculate these measures differently.

Non-GAAP measures reflected within the discussion below also include adjusted calculations to exclude after-tax merger and integration costs ("merger transaction related expenses") related to the Corporation's acquisition of ESSA.

Non-GAAP measures reflected within the discussion below include:

- Tangible book value per common share;
- Tangible common equity/tangible assets;
- Adjusted net income available to common shareholders;

- Adjusted earnings per share;
- Merger transaction related expenses, net of tax;
- Net interest margin (fully tax equivalent basis) and Net interest margin excluding purchase accounting loan accretion (fully tax equivalent basis);
- Efficiency ratio (fully tax equivalent basis) and Adjusted efficiency ratio (fully tax equivalent basis);
- Pre-provision net revenue ("PPNR") and Adjusted PPNR; and
- Return on average tangible common equity and Adjusted return on average tangible common equity.

A reconciliation of these non-GAAP financial measures is provided below in the "Non-GAAP Financial Measures" section.

**Primary Factors Used To Evaluate Performance**

Management considers return on average assets, return on average equity, return on average tangible common equity, earnings per common share, tangible book value per common share, asset quality, net interest margin, and other metrics as key measures of the financial performance of the Corporation. The interest rate environment will continue to play an important role in the future earnings of the Corporation. To address the challenging interest rate and competitive environments, the Corporation continues to evaluate, develop and implement strategies necessary to support its ongoing financial performance objectives and future growth goals. Additionally, management frequently evaluates the potential impact of economic and geopolitical events that may have an impact on the credit risk profile of its customers and develops proactive strategies to mitigate such potential impacts on the Corporation's loan portfolio.

**Financial Condition**

The following table presents ending balances, growth, and the percentage change of certain measures of our financial condition for specified years (dollars in millions):

| | 2025 Balance | 2024 Balance | $ Change vs. prior year | % Change vs. prior year |
|---|---|---|---|---|
| Total assets | $ 8,396.4 | $ 6,192.0 | $ 2,204.4 | 35.6 % |
| Total loans, net of allowance for credit losses | 6,426.7 | 4,561.6 | 1,865.1 | 40.9 |
| Total securities | 837.3 | 785.1 | 52.2 | 6.7 |
| Total deposits | 7,027.1 | 5,371.4 | 1,655.7 | 30.8 |
| Total shareholders' equity | 872.1 | 610.7 | 261.4 | 42.8 |

**Cash and Cash Equivalents**

Cash and cash equivalents totaled $527.9 million at December 31, 2025, including $441.5 million held at the Federal Reserve, compared to $443.0 million at December 31, 2024. These excess funds, when combined with collective contingent liquidity resources of $6.7 billion including (i) available borrowing capacity from the FHLB and the Federal Reserve, and (ii) available unused commitments from brokered deposit sources and other third-party funding channels, including previously established lines of credit from correspondent banks, result in total available liquidity sources for the Corporation as of December 31, 2025 to be approximately 5.4 times the estimated amount of adjusted uninsured deposit balances.

Management believes the liquidity needs of the Corporation are satisfied primarily by the current balance of cash and cash equivalents, customer and brokered deposits, FHLB financing, the portions of the securities and loan portfolios that mature within one year, and other third-party funding channels. The Corporation expects that these sources of funds will enable it to meet cash obligations and off-balance sheet commitments as they come due. In addition to the above noted liquidity sources, the Corporation maintains access to the Federal Reserve discount window.

**Securities**

AFS debt securities and equity securities totaled $595.2 million and $479.0 million at December 31, 2025 and 2024, respectively. Investments classified as held-to-maturity ("HTM") securities totaled $242.1 million and $306.1 million at December 31, 2025 and 2024, respectively.

The Corporation's objective is to maintain the investment securities portfolio at an appropriate level to balance the earnings and liquidity provided by the portfolio. Note 3, "Securities," to the consolidated financial statements provides more detail concerning the composition of the Corporation's securities portfolio and the process for evaluating securities for impairment.

The following table summarizes the maturity distribution schedule with corresponding weighted-average yields of AFS debt securities as of December 31, 2025. Weighted-average yields have been computed on a fully taxable-equivalent basis using a tax rate of 21%. Mortgage-backed securities are included in maturity categories based on their stated maturity date.

| | December 31, 2025 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Within One Year | | After One But Within Five Years | | After Five But Within Ten Years | | After Ten Years | | Total | |
| | $ Amt. | Yield | $ Amt. | Yield | $ Amt. | Yield | $ Amt. | Yield | $ Amt. | Yield |
| U.S. Government Sponsored Entities | $ — | — | $ 9,408 | 3.59 % | $ 103,687 | 4.14 % | $ — | —% | $ 113,095 | 4.09 % |
| State and Political Subdivisions | 4,897 | 3.19 | 47,396 | 2.09 | 23,975 | 2.50 | 11,580 | 2.33 | 87,848 | 2.29 |
| Residential and multi-family mortgage | 8 | 1.92 | 3,513 | 2.81 | 18,279 | 1.70 | 306,447 | 3.40 | 328,247 | 3.30 |
| Corporate notes and bonds | — | — | 20,001 | 6.23 | 27,939 | 4.88 | — | — | 47,940 | 5.44 |
| Pooled SBA | — | — | 1,053 | 3.88 | 5,148 | 2.31 | 999 | 2.11 | 7,200 | 2.51 |
| Total | $ 4,905 | 3.19 % | $ 81,371 | 3.34 % | $ 179,028 | 3.73 % | $ 319,026 | 3.36 % | $ 584,330 | 3.47 % |

The following table summarizes the maturity distribution schedule with corresponding weighted-average yields of HTM debt securities as of December 31, 2025.

| | December 31, 2025 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Within One Year | | After One But Within Five Years | | After Five But Within Ten Years | | After Ten Years | | Total | |
| | $ Amt. | Yield | $ Amt. | Yield | $ Amt. | Yield | $ Amt. | Yield | $ Amt. | Yield |
| U.S. Government Sponsored Entities | $ 74,674 | 1.54 % | $ 88,997 | 1.68 % | $ 13,898 | 1.98 % | $ — | —% | $ 177,569 | 1.64 % |
| Residential and multi-family mortgage | — | — | 142 | 2.97 | 3,525 | 2.87 | 60,902 | 2.60 | 64,569 | 2.62 |
| Total | $ 74,674 | 1.54 % | $ 89,139 | 1.68 % | $ 17,423 | 2.16 % | $ 60,902 | 2.60 % | $ 242,138 | 1.90 % |

The following table summarizes the weighted average modified duration of AFS debt securities as of December 31, 2025.

| | Weighted Average Modified Duration (in Years) |
|---|---|
| U.S. Government Sponsored Entities | 5.91 |
| State and Political Subdivisions | 4.34 |
| Residential and multi-family mortgage | 4.33 |
| Corporate notes and bonds | 3.78 |
| Pooled SBA | 2.17 |
| Total | 4.56 |

The following table summarizes the weighted average modified duration of HTM debt securities as of December 31, 2025.

| | Weighted Average Modified Duration (in Years) |
|---|---|
| U.S. Government Sponsored Entities | 1.76 |
| Residential and multi-family mortgage | 4.79 |
| Total | 2.57 |

The portfolio contains no holdings of a single issuer that exceeds 10% of shareholders' equity other than U.S. government sponsored entities.

The Corporation generally purchases debt securities over time and does not attempt to "time" its transactions, which allows for more efficient management of fluctuations in the interest rate environment. The Corporation's strategy given the current environment is to focus on lower risk securities and shorter durations that complement the current portfolio investment ladder, coupled with consistent reinvestment of cash flows to replace lower earning assets.

The Corporation monitors the earnings performance and the effectiveness of the liquidity of the securities portfolio on a regular basis through meetings of the ALCO. The ALCO also reviews and manages interest rate risk for the Corporation. Through active balance sheet management and analysis of the securities portfolio, a sufficient level of liquidity is maintained to satisfy depositor requirements and various credit needs of our customers.

**Loans Receivable**

Note 4, "Loans Receivable and Allowance for Credit Losses," to the consolidated financial statements provides more detail concerning the loan portfolio of the Corporation.

At December 31, 2025, loans totaled $6.4 billion, excluding $70.8 million of syndicated loans. Excluding $1.7 billion in loans, net of estimated purchase accounting fair value adjustments, acquired in the ESSA acquisition, organic loan growth for the full year was $218.8 million, or an increase of 4.83%, compared to December 31, 2024. The full-year increase in loans as of December 31, 2025, compared to December 31, 2024, was primarily driven by growth in the Ridge View Bank, BankOnBuffalo, and legacy CNB Bank and ERIEBANK markets and loan activity in CNB Bank's Private Banking division.

At December 31, 2025, the syndicated loan portfolio totaled $70.8 million, or 1.09% of total loans, compared to $79.9 million, or 1.73% of total loans, at December 31, 2024. The decrease in syndicated lending balances of $9.1 million compared to December 31, 2024 reflects net scheduled amortization and prepayments of credits in excess of added holdings, with no recorded charge-offs in the syndicated portfolio in 2025. The Corporation continues to focus on evaluating the level and composition of its syndicated loan portfolio to ensure it continues to provide strong credit quality, profitable use of excess liquidity, and a complement to the Corporation's loan growth from its in-market customer relationships.

*Loan Origination/Risk Management*

The Corporation has certain lending policies and procedures in place that are designed to maximize loan income within an acceptable level of risk. Management reviews and approves these policies and procedures on a regular basis. A reporting system supplements the review process by providing management with frequent reports related to loan production, loan quality, concentrations of credit, loan delinquencies and nonperforming, and potential problem loans. Diversification in the loan portfolio is a means of managing risk associated with fluctuations in economic conditions. The Corporation has not underwritten any hybrid loans, payment option loans, or low documentation/no documentation loans. Variable rate loans are generally underwritten at the fully indexed rate. Loan underwriting policies and procedures have not changed materially between any periods presented. As discussed more fully above, syndicated loan purchases are underwritten utilizing the same process as the Corporation's originated loans.

The Corporation continues to explore the credit and reputational risks associated with climate change and their potential impact on the foregoing, while closely monitoring regulatory developments on climate risk. This includes, among other things, researching and developing a formalized approach to considering climate change related risks in the Corporation's underwriting processes. This approach will be impacted, in part, by the accessibility and reliability of both customer climate risk data and climate risk data in general. One of the objectives of these efforts is to enable the Corporation to better understand the climate change related risks associated with the Corporation's customers' business activities and to be able to monitor their response to those risks and their ultimate impact on the Corporation's customers.

*Loan Portfolio Profile*

As part of its lending policy and risk management activities, the Corporation tracks lending exposure by industry classification and type to determine potential risks associated with industry concentrations, and to identify any concentration risk issues that could lead to additional credit loss exposure. An important and recurring part of this process involves the Corporation's continued measurement and evaluation of its exposure to the office, hospitality, and multifamily industries within its commercial real estate portfolio. Even given the Corporation's historically sound underwriting protocols and high credit quality standards for borrowers in the commercial real estate industry segments, the Corporation monitors numerous relevant sensitivity elements, including occupancy, loan-to-value, absorption and cap rates, debt service coverage and covenant compliance, and developer/lessor financial strength both in the project and globally. At December 31, 2025, the Corporation had the following key metrics related to its office, hospitality and multifamily portfolios with such metrics including the impact on the respective portfolios of loans acquired during the third quarter of 2025 from the ESSA acquisition:

- Commercial office loans
  - There were 147 outstanding loans, totaling $150.4 million, or 2.32% of total loans outstanding;
  - There were no nonaccrual commercial office loans;
  - There were three past-due commercial office loans that totaled $2.3 million, or 1.54% of the total office loans outstanding; and
  - The average outstanding balance per commercial office loan was $1.0 million.

- Commercial hospitality loans
  - There were 153 outstanding loans, totaling $320.6 million, or 4.94% of total loans outstanding;
  - There were no nonaccrual commercial hospitality loans;
  - There were no past-due commercial hospitality loans; and
  - The average outstanding balance per commercial hospitality loan was $2.1 million.

- Commercial multifamily loans
  - There were 375 outstanding loans, totaling $601.4 million, or 9.26% of total loans outstanding;
  - There were two nonaccrual commercial multifamily loans that totaled $799 thousand, or 0.13% of total multifamily loans outstanding;
  - There was one past-due commercial multifamily loan that totaled $645 thousand, or 0.11% of total multifamily loans outstanding; and
  - The average outstanding balance per commercial multifamily loan was $1.6 million.

The following table summarizes the geographic region (based upon metropolitan statistical areas) in which the commercial office, hospitality and multifamily loans were originated as of December 31, 2025:

| | December 31, 2025 |
|---|---|
| Commercial Office | |
| Geographic Region: | |
| Buffalo, NY | 23.25 % |
| Cleveland, OH | 21.49 |
| Allentown-Bethlehem-Easton, PA | 8.67 |
| Cincinnati, OH | 7.25 |
| Erie-Meadville, PA | 3.99 |
| All other geographical regions | 35.35 |
| Total Commercial Office | 100.00 % |
| | |
| Commercial Hospitality | |
| Geographic Region: | |
| Buffalo, NY | 19.19 % |
| Pittsburgh, PA | 15.64 |
| Columbus, OH | 15.00 |
| Cleveland, OH | 9.40 |
| Erie-Meadville, PA | 5.98 |
| All other geographical regions | 34.79 |
| Total Commercial Hospitality | 100.00 % |
| | |
| Commercial Multifamily | |
| Geographic Region: | |
| Cleveland, OH | 24.03 % |
| Buffalo, NY | 18.18 |
| Allentown-Bethlehem-Easton, PA | 16.59 |
| Columbus, OH | 10.37 |
| Philadelphia, PA | 10.22 |
| All other geographical regions | 20.61 |
| Total Commercial Multifamily | 100.00 % |

The Corporation had no commercial office, hospitality or multifamily loan relationships considered by the banking regulators to be high volatility commercial real estate ("HVCRE") credits. No credits acquired from ESSA were considered HVCRE.

*Maturities and Sensitivities of Loans Receivable to Changes in Interest Rate*

The following table presents the maturity distribution of the Corporation's loans receivable at December 31, 2025. The table also presents the portion of loans receivable that have fixed interest rates or variable interest rates that fluctuate over the life of the loans in accordance with changes in an interest rate index.

| | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Due in One Year or Less | After One, but Within Five Years | After Five but Within Fifteen Years | After Fifteen Years | Total |
| *Loans Receivable with Fixed Interest Rate* | | | | | |
| Farmland | $ 864 | $ 2,106 | $ 5,187 | $ — | $ 8,157 |
| Owner-occupied, nonfarmnonresidential properties | 13,793 | 47,981 | 27,951 | 19,532 | 109,257 |
| Agricultural production and other loans to farmers | 39 | 37 | — | 7 | 83 |
| Loans to depository institutions | — | — | — | — | — |
| Commercial and Industrial | 77,388 | 136,865 | 86,895 | 23,077 | 324,225 |
| Obligations (other than securities and leases) of states and political subdivisions | 9,661 | 16,332 | 96,558 | 7,416 | 129,967 |
| Other loans | 1 | 848 | 35,233 | 359 | 36,441 |
| Other construction loans and all land development and other land loans [1] | 17,600 | 36,888 | 7,593 | 9,926 | 72,007 |
| Multifamily (5 or more) residential properties | 55,548 | 158,551 | 16,888 | — | 230,987 |
| Non-owner occupied, nonfarmnonresidential properties | 90,526 | 259,910 | 95,863 | 897 | 447,196 |
| 1-4 Family Construction [1] | 1,376 | 1,541 | — | 9,550 | 12,467 |
| Home equity lines of credit | — | 193 | 301 | 37,598 | 38,092 |
| Residential Mortgages secured by first liens | 5,152 | 64,408 | 325,634 | 590,487 | 985,681 |
| Residential Mortgages secured by junior liens | 789 | 11,260 | 80,787 | 26,383 | 119,219 |
| Other revolving credit plans | 5 | 3 | 6 | 1 | 15 |
| Automobile | 420 | 13,326 | 3,291 | — | 17,037 |
| Other consumer | 4,644 | 27,205 | 8,869 | 10,327 | 51,045 |
| Credit cards | — | — | — | — | — |
| Overdrafts | — | — | — | — | — |
| Total | $ 277,806 | $ 777,454 | $ 791,056 | $ 735,560 | $ 2,581,876 |
| *Loans Receivable with Variable or Floating Interest Rate* | | | | | |
| Farmland | $ 3,924 | $ 649 | $ 8,033 | $ 6,820 | $ 19,426 |
| Owner-occupied, nonfarmnonresidential properties | 36,383 | 97,124 | 333,677 | 60,003 | 527,187 |
| Agricultural production and other loans to farmers | 686 | 426 | 4,794 | — | 5,906 |
| Loans to depository institutions | — | 2,439 | — | — | 2,439 |
| Commercial and Industrial | 317,415 | 66,541 | 68,567 | 2,230 | 454,753 |
| Obligations (other than securities and leases) of states and political subdivisions | 3,655 | 3,236 | 13,223 | 21,405 | 41,519 |
| Other loans | 2,853 | 821 | 7,604 | — | 11,278 |
| Other construction loans and all land development and other land loans [1] | 114,164 | 109,041 | 42,571 | 28,391 | 294,167 |
| Multifamily (5 or more) residential properties | 82,853 | 98,044 | 291,498 | 6,450 | 478,845 |
| Non-owner occupied, nonfarmnonresidential properties | 153,337 | 258,879 | 512,615 | 47,616 | 972,447 |
| 1-4 Family Construction [1] | 18,019 | 7,527 | 1,645 | 2,001 | 29,192 |
| Home equity lines of credit | 11,347 | 8,421 | 38,654 | 154,309 | 212,731 |
| Residential Mortgages secured by first liens | 16,705 | 31,163 | 149,447 | 580,075 | 777,390 |
| Residential Mortgages secured by junior liens | 1,421 | 978 | 17,595 | 1,577 | 21,571 |
| Other revolving credit plans | 4,286 | 2,845 | 39,752 | 2,055 | 48,938 |
| Automobile | — | — | — | — | — |
| Other consumer | 194 | 122 | 56 | 57 | 429 |
| Credit cards | 13,276 | — | — | — | 13,276 |
| Overdrafts | 370 | — | — | — | 370 |
| Total | $ 780,888 | $ 688,256 | $ 1,529,731 | $ 912,989 | $ 3,911,864 |

[1] 1-4 family construction loans and other construction loans and all land development and other land loans segments include loans that are construction to permanent loans in which the loan segment will change when the construction period has concluded.

*Loan Concentration*

At December 31, 2025, no industry concentration existed which exceeded 10% of the total loan portfolio.

*Loan Quality*

The following table presents information concerning the loan portfolio delinquency and other nonperforming assets at December 31, 2025 and 2024:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Nonaccrual loans | $ 39,845 | $ 56,323 |
| Accrual loans greater than 90 days past due | 42 | 653 |
| Total nonperforming loans | 39,887 | 56,976 |
| Other real estate owned | 2,280 | 2,509 |
| Total nonperforming assets | $ 42,167 | $ 59,485 |
| Total loans | $ 6,493,740 | $ 4,608,956 |
| Nonaccrual loans as a percentage of loans | 0.61 % | 1.22 % |
| Total assets | $ 8,396,435 | $ 6,192,010 |
| Nonperforming assets as a percentage of total assets | 0.50 % | 0.96 % |
| Allowance for credit losses on loans | $ 67,055 | $ 47,357 |
| Allowance for credit losses / Total loans | 1.03 % | 1.03 % |
| Ratio of allowance for credit losses on loans to nonaccrual loans | 168.29 % | 84.08 % |

Total nonperforming assets were approximately $42.2 million, or 0.50% of total assets, as of December 31, 2025, compared to $59.5 million, or 0.96% of total assets, as of December 31, 2024. The decrease in nonperforming assets for the year ended December 31, 2025 was due to the resolution of several loans, coupled with paydowns on existing nonperforming assets, partially offset by certain nonperforming assets acquired in the ESSA acquisition. Management does not believe there is a risk of significant additional loss exposure beyond the specific reserves related to this loan relationship and is actively working with the borrower and their real estate broker to facilitate the sale of the property.

The Corporation has established written lending policies and procedures that require underwriting standards, loan documentation, and credit analysis standards to be met prior to funding a loan. Subsequent to the funding of a loan, ongoing review of credits is required. Credit reviews are performed five times per year by an outsourced loan review firm and cover approximately 65% of the commercial loan portfolio on an annual basis. In addition, the external independent loan review firm reviews past due loans and all significant classified assets and nonaccrual loans annually.

Potential problem loans consist of loans that are performing in accordance with contractual terms but for which management has concerns about the ability of a borrower to continue to comply with contractual repayment terms because of the borrower’s potential operating or financial difficulties. Management monitors these "watchlist" loans monthly to determine potential losses within the commercial loan portfolio. The "watchlist" is comprised of all credits risk rated special mention, substandard and doubtful.

**Allowance for Credit Losses**

The amount of each allowance for credit losses account represents management's best estimate of current expected credit losses on these financial instruments considering available information, from internal and external sources, relevant to assessing exposure to credit loss over the contractual term of the instrument. Relevant available information includes historical credit loss experience, current conditions, and reasonable and supportable forecasts. While historical credit loss experience provides the basis for the estimation of expected credit losses, adjustments to historical loss information may be made for differences in current portfolio-specific risk characteristics, environmental conditions or other relevant internal and external factors. While management utilizes its best judgment and information available, the ultimate adequacy of the Corporation's allowance for credit losses account is dependent upon a variety of factors beyond the Corporation's control, including the performance of the Corporation's loan portfolios, the economy, changes in interest rates, and the view of the regulatory authorities toward classification of assets. The adequacy of the allowance for credit losses is subject to a formal analysis by the Credit Administration and Finance Departments of the Corporation. For additional information regarding the Corporation's accounting policies related to credit losses, refer to Note 1, "Summary of Significant Accounting Policies" and Note 4, "Loans and Allowance for Credit Losses" to these consolidated financial statements.

The table below provides an allocation of the allowance for credit losses on loans by loan portfolio segment at December 31, 2025 and 2024; however, allocation of a portion of the allowance to one segment does not preclude its availability to absorb losses in other segments.

| | December 31, 2025 | | | |
|---|---|---|---|---|
| | Amount of Allowance Allocated | Percent of Loans in Each Category to Total Loans | Total Loans | Ratio of Allowance Allocated to Loans in Each Category |
| Farmland | $ 162 | 0.43 % | $ 27,583 | 0.59 % |
| Owner-occupied, nonfarm nonresidential properties | 6,176 | 9.80 | 636,444 | 0.97 |
| Agricultural production and other loans to farmers | 37 | 0.09 | 5,989 | 0.62 |
| Loans to depository institutions | 20 | 0.04 | 2,439 | 0.82 |
| Commercial and Industrial | 9,360 | 12.00 | 778,978 | 1.20 |
| Obligations (other than securities and leases) of states and political subdivisions | 1,823 | 2.64 | 171,486 | 1.06 |
| Other loans | 454 | 0.74 | 47,719 | 0.95 |
| Other construction loans and all land development and other land loans | 4,366 | 5.64 | 366,174 | 1.19 |
| Multifamily (5 or more) residential properties | 4,314 | 10.93 | 709,832 | 0.61 |
| Non-owner occupied, nonfarm nonresidential properties | 15,467 | 21.86 | 1,419,643 | 1.09 |
| 1-4 Family Construction | 350 | 0.64 | 41,659 | 0.84 |
| Home equity lines of credit | 1,884 | 3.86 | 250,823 | 0.75 |
| Residential Mortgages secured by first liens | 15,910 | 27.15 | 1,763,071 | 0.90 |
| Residential Mortgages secured by junior liens | 1,732 | 2.17 | 140,790 | 1.23 |
| Other revolving credit plans | 1,222 | 0.75 | 48,953 | 2.50 |
| Automobile | 207 | 0.26 | 17,037 | 1.22 |
| Other consumer | 3,056 | 0.79 | 51,474 | 5.94 |
| Credit cards | 146 | 0.20 | 13,276 | 1.10 |
| Overdrafts | 369 | 0.01 | 370 | 99.73 |
| Total loans | $ 67,055 | 100.00 % | $ 6,493,740 | 1.03 % |

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Amount of Allowance Allocated | Percent of Loans in Each Category to Total Loans | Total Loans | Ratio of Allowance Allocated to Loans in Each Category |
| Farmland | $ 167 | 0.67 % | $ 31,099 | 0.54 % |
| Owner-occupied, nonfarm nonresidential properties | 5,696 | 11.18 | 515,208 | 1.11 |
| Agricultural production and other loans to farmers | 37 | 0.14 | 6,492 | 0.57 |
| Commercial and Industrial | 7,759 | 15.60 | 718,775 | 1.08 |
| Obligations (other than securities and leases) of states and political subdivisions | 1,369 | 3.05 | 140,430 | 0.97 |
| Other loans | 329 | 0.61 | 28,110 | 1.17 |
| Other construction loans and all land development and other land loans | 2,571 | 6.14 | 282,912 | 0.91 |
| Multifamily (5 or more) residential properties | 2,969 | 8.92 | 411,146 | 0.72 |
| Non-owner occupied, nonfarm nonresidential properties | 10,110 | 22.42 | 1,033,541 | 0.98 |
| 1-4 Family Construction | 198 | 0.57 | 26,431 | 0.75 |
| Home equity lines of credit | 1,340 | 3.61 | 166,327 | 0.81 |
| Residential Mortgages secured by first liens | 8,958 | 21.97 | 1,012,746 | 0.88 |
| Residential Mortgages secured by junior liens | 1,343 | 2.31 | 106,462 | 1.26 |
| Other revolving credit plans | 960 | 0.89 | 41,095 | 2.34 |
| Automobile | 275 | 0.45 | 20,961 | 1.31 |
| Other consumer | 2,892 | 1.17 | 53,821 | 5.37 |
| Credit cards | 127 | 0.29 | 13,143 | 0.97 |
| Overdrafts | 257 | 0.01 | 257 | 100.00 |
| Total loans | $ 47,357 | 100.00 % | $ 4,608,956 | 1.03 % |

The allowance for credit losses measured as a percentage of total loans was 1.03% as of December 31, 2025 and 2024.

The Corporation's allowance for credit losses is influenced by loan volumes, risk rating migration, delinquency status and other internal and external conditions influencing loss expectations, such as reasonable and supportable forecasts of economic conditions and other external factors.

For the year ended December 31, 2025, the increase in the allowance for credit losses was primarily driven by the ESSA acquisition, including the $18.2 million in PCD and Purchased Seasoned Loans ("PSL") allowance established on the acquisition date, as well as growth in the Corporation's loan portfolio. Significant uncertainty continues to affect both the domestic and global economic outlook due to changes in U.S. tariffs and corresponding policy actions by trading partners, persistently elevated interest rates, fluctuating consumer confidence, and ongoing geopolitical conflicts. Management will continue to proactively reassess its estimate of expected credit losses as new information becomes available.

Note 4, "Loans Receivable and Allowance for Credit Losses," to the consolidated financial statements provides further disclosure of loan balances by portfolio segment as of December 31, 2025 and 2024.

Additional information related to credit loss expense and net (charge-offs) recoveries at December 31, 2025, 2024, and 2023 is presented in the tables below.

| | Year Ended December 31, 2025 | | | |
|---|---|---|---|---|
| | Provision (Benefit) for Credit Losses on Loans Receivable [1] | Net (Charge-Offs) Recoveries | Average Loans Receivable | Ratio of Annualized Net (Charge-Offs) Recoveries to Average Loans Receivable |
| Farmland | $ (5) | $ — | $ 29,606 | — % |
| Owner-occupied, nonfarm nonresidential properties | 653 | (1,461) | 589,414 | (0.25) |
| Agricultural production and other loans to farmers | — | — | 6,366 | — |
| Loans to depository institutions | (38) | — | 7,090 | — |
| Commercial and Industrial | 1,962 | (934) | 748,932 | (0.12) |
| Obligations (other than securities and leases) of states and political subdivisions | (117) | — | 159,150 | — |
| Other loans | 125 | — | 39,235 | — |
| Other construction loans and all land development and other land loans | 779 | — | 327,010 | — |
| Multifamily (5 or more) residential properties | 785 | (1,072) | 540,620 | (0.20) |
| Non-owner occupied, nonfarm nonresidential properties | 2,284 | — | 1,166,508 | — |
| 1-4 Family Construction | (215) | — | 30,704 | — |
| Home equity lines of credit | 390 | (60) | 202,054 | (0.03) |
| Residential Mortgages secured by first liens | (1,445) | (351) | 1,338,898 | (0.03) |
| Residential Mortgages secured by junior liens | 45 | (260) | 123,032 | (0.21) |
| Other revolving credit plans | 405 | (143) | 41,600 | (0.34) |
| Automobile | (27) | (46) | 18,958 | (0.24) |
| Other consumer | 2,241 | (2,107) | 51,761 | (4.07) |
| Credit cards | 474 | (455) | 14,990 | (3.04) |
| Overdrafts | 351 | (304) | 223 | (136.32) |
| Total | $ 8,647 | $ (7,193) | $ 5,436,151 | (0.13)% |

[1] Excludes provision for credit losses totaling $208 thousand related to unfunded commitments. Note 19, "Off-Balance Sheet Commitments and Contingencies," in the consolidated financial statements provides more detail concerning the provision for credit losses related to unfunded commitments of the Corporation.

| | Year Ended December 31, 2024 | | | |
|---|---|---|---|---|
| | Provision (Benefit) for Credit Losses on Loans Receivable [1] | Net (Charge-Offs) Recoveries | Average Loans Receivable | Ratio of Annualized Net (Charge-Offs) Recoveries to Average Loans Receivable |
| Farmland | $ 29 | $ — | $ 32,278 | —% |
| Owner-occupied, nonfarm nonresidential properties | 2,958 | (1,393) | 526,379 | (0.26) |
| Agricultural production and other loans to farmers | 30 | — | 2,456 | — |
| Commercial and Industrial | 628 | (2,369) | 700,935 | (0.34) |
| Obligations (other than securities and leases) of states and political subdivisions | (1,258) | — | 151,788 | — |
| Other loans | (60) | — | 26,831 | — |
| Other construction loans and all land development and other land loans | (248) | (11) | 401,083 | — |
| Multifamily (5 or more) residential properties | 1,718 | — | 310,485 | — |
| Non-owner occupied, nonfarm nonresidential properties | 1,248 | (921) | 927,788 | (0.10) |
| 1-4 Family Construction | 7 | — | 34,451 | — |
| Home equity lines of credit | 491 | 5 | 145,978 | — |
| Residential Mortgages secured by first liens | 763 | (79) | 1,003,331 | (0.01) |
| Residential Mortgages secured by junior liens | (144) | — | 97,421 | — |
| Other revolving credit plans | 109 | (126) | 40,971 | (0.31) |
| Automobile | 55 | (140) | 22,821 | (0.61) |
| Other consumer | 2,138 | (1,902) | 51,793 | (3.67) |
| Credit cards | 158 | (126) | 14,274 | (0.88) |
| Overdrafts | 415 | (450) | 241 | (186.72) |
| Total | $ 9,037 | $ (7,512) | $ 4,491,304 | (0.17)% |

[1] Excludes provision for credit losses totaling $185 thousand related to unfunded commitments. Note 19, "Off-Balance Sheet Commitments and Contingencies," in the consolidated financial statements provides more detail concerning the provision for credit losses related to unfunded commitments of the Corporation.

| | Year Ended December 31, 2023 [1] | | | |
|---|---|---|---|---|
| | Provision (Benefit) for Credit Losses on Loans Receivable [2] | Net (Charge-Offs) Recoveries | Average Loans Receivable | Ratio of Annualized Net (Charge-Offs) Recoveries to Average Loans Receivable |
| Farmland | $ (21) | $ — | $ 34,397 | —% |
| Owner-occupied, nonfarm nonresidential properties | 1,223 | 3 | 502,925 | — |
| Agricultural production and other loans to farmers | 1 | — | 1,255 | — |
| Commercial and Industrial | (312) | 46 | 777,991 | 0.01 |
| Obligations (other than securities and leases) of states and political subdivisions | 764 | — | 154,225 | — |
| Other loans | (67) | — | 30,410 | — |
| Other construction loans and all land development and other land loans | (423) | — | 435,967 | — |
| Multifamily (5 or more) residential properties | (1,043) | (59) | 259,557 | (0.02) |
| Non-owner occupied, nonfarm nonresidential properties | 2,814 | (684) | 838,674 | (0.08) |
| 1-4 Family Construction | (136) | — | 55,392 | — |
| Home equity lines of credit | (324) | (5) | 124,865 | — |
| Residential Mortgages secured by first liens | (96) | (114) | 966,225 | (0.01) |
| Residential Mortgages secured by junior liens | 452 | — | 84,803 | — |
| Other revolving credit plans | 344 | (89) | 41,417 | (0.21) |
| Automobile | 144 | (55) | 25,044 | (0.22) |
| Other consumer | 1,839 | (1,848) | 49,631 | (3.72) |
| Credit cards | 199 | (171) | 13,261 | (1.29) |
| Overdrafts | 479 | (465) | 302 | (153.97) |
| Total loans | $ 5,837 | $ (3,441) | $ 4,396,341 | (0.08)% |

[1] As previously disclosed in the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, and Note 1, "Summary of Significant Accounting Policies," immaterial revisions were made to the provision (benefit) for credit losses on loans receivable column disclosure as of December 31, 2023, to reflect the revisions for the applicable portfolio segments.
[2] Excludes provision for credit losses totaling $156 thousand related to unfunded commitments. Note 19, "Off-Balance Sheet Commitments and Contingencies," in the consolidated financial statements provides more detail concerning the provision for credit losses related to unfunded commitments of the Corporation.

During the year ended December 31, 2025, the Corporation recorded a provision for credit losses of $8.9 million compared to $9.2 million for the year ended December 31, 2024. Included in the provision for credit losses for the year ended December 31, 2025 was a $208 thousand expense related to the allowance for unfunded commitments compared to a $185 thousand expense for the year ended December 31, 2024. Net charge-offs during the year ended December 31, 2025 were $7.2 million, or 0.13% of average total loans and loans held for sale, compared to $7.5 million, or 0.17% of average total loans and loans held for sale, during the year ended December 31, 2024.

**Premises and Equipment**

During the years ended December 31, 2025 and 2024, the Corporation invested $6.3 million and $16.3 million, respectively, in its physical infrastructure through the purchase of land, buildings, and equipment. The year ended December 31, 2025 includes premises and equipment related to the ESSA acquisition.

**Bank Owned Life Insurance**

The Corporation has periodically purchased Bank Owned Life Insurance ("BOLI"). The policies cover executive officers, directors and a select group of other employees with the Bank being named as beneficiary. Earnings from BOLI assist the Corporation in offsetting its benefit costs. The Corporation made no purchases of BOLI during the years ended December 31, 2025 and December 31, 2024, respectively.

**Funding Sources**

*Deposits*

The Corporation's sources of funds are deposits, borrowings, amortization and repayment of loan principal, interest earned on or maturation of investment securities, and funds provided from operations. The Corporation considers deposits to be its primary source of funding in support of growth in assets.

| | December 31, 2025 | Percent of Deposits in Each Category to Total Deposits | December 31, 2024 | Percent of Deposits in Each Category to Total Deposits | Percentage change 2025 vs. 2024 |
|---|---|---|---|---|---|
| Noninterest-bearing demand deposits | $ 1,092,076 | 15.54 % | $ 819,680 | 15.26 % | 33.2% |
| Interest-bearing demand deposits | 1,014,606 | 14.44 | 706,796 | 13.16 | 43.6 |
| Savings | 3,822,639 | 54.40 | 3,122,028 | 58.12 | 22.4 |
| Certificates of deposit | 1,097,788 | 15.62 | 722,860 | 13.46 | 51.9 |
| Total | $ 7,027,109 | 100.00 % | $ 5,371,364 | 100.00 % | 30.8% |

At December 31, 2025, total deposits were $7.0 billion, reflecting an increase of $1.7 billion, or 30.8%, from December 31, 2024. Organic deposit growth for the full year of 2025, excluding $1.5 billion in deposits, net of estimated purchase accounting fair value adjustments, assumed in the ESSA acquisition and including $88.1 million in deposits classified as held for sale, total deposits increased $288.1 million, or 5.36%, compared to December 31, 2024. The $88.1 million in deposits classified as held for sale as of December 31, 2025 are associated with a planned sale of certain customer deposit accounts that are part of a broader strategic initiative to optimize the Corporation's branch and market footprint following the ESSA acquisition. The increase in deposits was primarily attributable to retail account growth, as well as an increase in Treasury Management-sourced business including municipal deposits.

The following table sets forth the average balances of and the average rates paid on deposits for the period indicated.

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | 2024 | | 2023 | |
| | Average Amount | Annual Rate | Average Amount | Annual Rate | Average Amount | Annual Rate |
| Noninterest-bearing demand deposits | $ 965,942 | —% | $ 781,780 | —% | $ 793,713 | —% |
| Interest-bearing demand deposits | 832,291 | 0.95 | 705,488 | 0.77 | 853,632 | 0.54 |
| Savings | 3,369,184 | 2.88 | 3,052,031 | 3.46 | 2,666,905 | 2.92 |
| Certificates of deposit | 921,467 | 3.87 | 570,911 | 3.92 | 517,017 | 2.97 |
| Total | $ 6,088,884 | | $ 5,110,210 | | $ 4,831,267 | |

The following table presents additional information about our December 31, 2025 and 2024 deposits:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Time deposits not covered by deposit insurance | $ 75,807 | $ 58,330 |
| Total deposits not covered by deposit insurance | 2,006,055 | 1,516,839 |

At December 31, 2025, the total estimated uninsured deposits for CNB Bank were approximately $2.0 billion, or approximately 28.13% of total CNB Bank deposits. However, when excluding affiliate company deposits of $18.4 million and pledged-investment collateralized deposits of $680.4 million, the adjusted amount and percentage of total estimated uninsured deposits was approximately $1.3 billion, or approximately 18.33% of total CNB Bank deposits as of December 31, 2025.

At December 31, 2024, the total estimated uninsured deposits for CNB Bank were approximately $1.5 billion, or approximately 27.71% of total CNB Bank deposits. However, when excluding affiliate company deposits of $101.9 million and pledged-investment collateralized deposits of $429.0 million, the adjusted amount and percentage of total estimated uninsured deposits was approximately $986.0 million, or approximately 18.01% of total CNB Bank deposits as of December 31, 2024.

Scheduled maturities of time deposits not covered by deposit insurance at December 31, 2025 were as follows:

| | December 31, 2025 |
|---|---|
| 3 months or less | $ 22,520 |
| Over 3 through 6 months | 12,835 |
| Over 6 through 12 months | 21,799 |
| Over 12 months | 18,653 |
| Total | $ 75,807 |

*Borrowings*

Periodically, the Corporation utilizes term borrowings from the FHLB and other lenders to meet funding obligations or match fund certain loan assets. The terms of these borrowings are detailed in Note 11, "Borrowings," to the consolidated financial statements. There were $164 million in short term FHLB borrowings as of December 31, 2025, compared to zero at December 31, 2024. The increase in short-term borrowings at December 31, 2025 compared to December 31, 2024 was attributable to borrowings assumed with the ESSA acquisition.

In June 2021, the Corporation sold $85.0 million aggregate principal amount of 3.25% Fixed-to-Floating Rate Subordinated Notes due 2031 (the "2031 Notes") to eligible purchasers in a private offering in reliance on the exemption from the registration requirements of Section 4(a)(2) of the Securities Act and the provisions of Rule 506 of Regulation D thereunder. The 2031 Notes will mature in June 2031, and initially bear interest at a fixed rate of 3.25% per annum, payable semi-annually in arrears, to, but excluding, June 15, 2026, and thereafter to, but excluding, the maturity date or earlier redemption, the interest rate will reset quarterly to an interest rate per annum equal to the then current three-month average SOFR plus 2.58%. The net proceeds from the sale were approximately $83.5 million, after deducting offering expenses. Additional details about our subordinated debentures and notes are included in Note 11, "Borrowings" in the accompanying notes to consolidated financial statements.

**Liquidity and Capital Resources**

Liquidity measures an organization’s ability to meet its cash obligations as they come due. The liquidity of a financial institution reflects its ability to meet loan requests, to accommodate possible outflows in deposits and to take advantage of interest rate market opportunities. The ability of a financial institution to meet its current financial obligations is a function of its balance sheet structure, its ability to liquidate assets and its access to alternative sources of funds.

The Corporation’s expected material cash requirements for the year ended December 31, 2025 and thereafter consist of withdrawals by depositors, credit commitments to borrowers, shareholder dividends, share repurchases, operating expenses, and capital expenditures that are pursuant to the Corporation's strategic initiatives. The Corporation expects to satisfy these short-term and long-term cash requirements through deposit growth, principal and interest payments from loans and investment securities, maturing loans and investment securities, as well as by maintaining access to wholesale funding sources.

The objective of the Corporation's liquidity management is to manage cash flow and liquidity reserves so that they are adequate to fund the Corporation's operations and to meet cash obligations and other commitments on a timely basis and at a reasonable cost. The Corporation seeks to achieve this objective and ensure that funding needs are met by maintaining an appropriate level of liquid funds through asset/liability management, which includes managing the mix and time to maturity of financial assets and financial liabilities on its balance sheet. The Corporation's liquidity position is enhanced by its ability to raise additional funds as needed in the wholesale markets.

Asset liquidity is provided by liquid assets which are readily marketable or pledgeable or which will mature in the near future. Liquid assets include cash, interest-bearing deposits in banks, including the Federal Reserve, and AFS debt securities. Liability liquidity is provided by access to funding sources which include core deposits, correspondent banks and other wholesale funding sources.

The Corporation's liquidity position is continuously monitored and adjustments are made to balance sources and uses of funds as deemed appropriate. Liquidity risk management is an important element in the Corporation's asset/liability management process. The Corporation regularly models liquidity stress scenarios to assess potential liquidity outflows or potential funding shortfalls resulting from economic disruptions, volatility in the financial markets, unexpected credit events or other significant occurrences deemed problematic by management. These scenarios are incorporated into the Corporation's contingency funding plan, which provides the basis for the identification of its liquidity needs.

At December 31, 2025, the Corporation’s cash and cash equivalents position was approximately $527.9 million, including liquidity of $441.5 million held at the Federal Reserve. These excess funds, when combined with collective contingent liquidity resources of $6.4 billion including (i) available borrowing capacity from the FHLB and the Federal Reserve, and (ii) available unused commitments from brokered deposit sources and other third-party funding channels, including previously established lines of credit from correspondent banks, resulted in total available liquidity sources for the Corporation as of December 31, 2025 to be approximately 5.2 times the estimated amount of adjusted uninsured deposit balances.

The following table summarizes the Corporation's net available liquidity and borrowing capacities as of December 31, 2025:

| | Net Available |
|---|---|
| FHLB borrowing capacity [1] | $ 1,879,963 |
| Federal Reserve borrowing capacity [2] | 395,641 |
| Brokered deposits [3] | 2,614,299 |
| Other third-party funding channels [3] [4] | 1,461,568 |
| Total net available liquidity and borrowing capacity | $ 6,351,471 |

[1] Availability contingent on the FHLB activity-based stock ownership requirement
[2] Includes access to discount window, BIC program and Bank Term Funding Program
[3] Availability contingent on internal borrowing guidelines
[4] Availability contingent on correspondent bank approvals at time of borrowing

As of December 31, 2025, management is not aware of any events that are reasonably likely to have a material adverse effect on the Corporation's liquidity, capital resources or operations. In addition, management is not aware of any regulatory recommendations regarding liquidity that would have a material adverse effect on the Corporation.

In the ordinary course of business the Corporation has entered into contractual obligations and have made other commitments to make future payments. Refer to the accompanying notes to consolidated financial statements elsewhere in this report for the expected timing of such payments as of December 31, 2025. The Corporation’s material contractual obligations as of December 31, 2025 consist of (i) long-term borrowings - Note 11, "Borrowings," (ii) operating and finance leases - Note 8, "Leases," (iii) time deposits with stated maturity dates - Note 10, "Deposits," and (iv) commitments to extend credit and standby letters of credit - Note 19, "Off-Balance Sheet Commitments and Contingencies."

Shareholders' Equity, Capital Ratios and Metrics

*Shareholders' Equity*

As of December 31, 2025, the Corporation's total shareholders' equity was $872.1 million, representing an increase of $261.4 million, or 42.81%, from December 31, 2024. The increase resulted from an increase in additional paid in capital of $202.6 million related to the ESSA acquisition, and a decrease in accumulated other comprehensive loss, primarily from the after-tax impact of temporary unrealized valuation changes in the Corporation's available-for-sale investment portfolio, and growth in earnings, partially offset by the payment of common and preferred stock dividends to the Corporation's shareholders during the year ended December 31, 2025.

*Preferred Stock*

During the year ended December 31, 2020, the Corporation raised $57.8 million, net of issuance costs, from the issuance of depositary shares, each representing a 1/40th ownership interest in a share of the Corporation's 7.125% Series A fixed rate non-cumulative perpetual preferred stock, no par value, with a liquidation preference of $1,000 per share of preferred stock. The $57.8 million qualifies as Tier 1 capital for regulatory capital purposes.

*Capital Ratios and Metrics*

The Corporation has complied with the standards of capital adequacy mandated by government regulations. Bank regulators have established "risk-based" capital requirements designed to measure capital adequacy. Risk-based capital ratios reflect the relative risks of various assets banks hold in their portfolios. A weight category (0% for the lowest risk assets and increasing for each tier of higher risk assets) is assigned to each asset on the balance sheet.

As of December 31, 2025, all of the Corporation's capital ratios exceeded regulatory "well-capitalized" levels. The Corporation's capital ratios and book value per common share at December 31, 2025 and 2024 were as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Total risk-based capital ratio | 14.78 % | 16.16 % |
| Tier 1 capital ratio | 12.65 % | 13.41 % |
| Common equity tier 1 ratio | 11.44 % | 11.76 % |
| Leverage ratio | 9.87 % | 10.43 % |
| Common shareholders' equity/total assets | 9.70 % | 8.93 % |
| Tangible common equity/tangible assets [1] | 8.36 % | 8.28 % |
| Book value per common share | $ 27.63 | $ 26.34 |
| Tangible book value per common share [1] | $ 23.48 | $ 24.24 |

[1] Tangible common equity, tangible assets and tangible book value per common share are non-GAAP financial measures calculated using GAAP amounts. Tangible common equity is calculated by excluding the balance of goodwill and other intangible assets and preferred equity from the calculation of shareholders' equity. Tangible assets are calculated by excluding the balance of goodwill and other intangible assets from the calculation of total assets. Tangible book value per common share is calculated by dividing tangible common equity by the number of shares outstanding. The Corporation believes that these non-GAAP financial measures provide information to investors that is useful in understanding its financial condition. Because not all companies use the same calculation of tangible common equity and tangible assets, this presentation may not be comparable to other similarly titled measures calculated by other companies. A reconciliation of these non-GAAP financial measures is provided in the "Non-GAAP Financial Measures" section in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

**Average Balances, Interest Rates and Yields**

The loan categories used to monitor and analyze interest income and yields are different than the portfolio segments used to determine the allowance for credit losses for loans. The allowance for credit losses was calculated by pooling loans of similar credit risk characteristics and credit monitoring procedures. See Note 1, "Summary of Significant Accounting Policies," and Note 4, "Loans Receivable and Allowance for Credit Losses," to the consolidated financial statements for more information about pooling of loans for the allowance for credit losses.

The following table presents average balances of certain measures of our financial condition and net interest margin for the specified years.

| | December 31, 2025 | | | December 31, 2024 | | | December 31, 2023 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Average Balance | Annual Rate | Interest Inc./ Exp. | Average Balance | Annual Rate | Interest Inc./ Exp. | Average Balance | Annual Rate | Interest Inc./ Exp. |
| **ASSETS:** | | | | | | | | | |
| Securities: | | | | | | | | | |
| Taxable [1][4] | $ 778,122 | 2.85 % | $ 23,331 | $ 700,078 | 2.14 % | $ 16,059 | $ 720,818 | 1.89 % | $ 14,766 |
| Tax-exempt [1][2][4] | 24,646 | 2.64 | 700 | 25,919 | 2.60 | 731 | 30,153 | 2.59 | 844 |
| Equity securities [1][2] | 14,436 | 6.14 | 886 | 7,058 | 5.71 | 403 | 10,005 | 5.09 | 509 |
| Total securities [4] | 817,204 | 2.90 | 24,917 | 733,055 | 2.19 | 17,193 | 760,976 | 1.96 | 16,119 |
| Loans receivable: | | | | | | | | | |
| Commercial [2][3] | 1,579,792 | 6.80 | 107,350 | 1,440,667 | 6.88 | 99,184 | 1,501,202 | 6.63 | 99,587 |
| Mortgage [2][3][5] | 3,728,827 | 6.17 | 230,033 | 2,920,537 | 6.15 | 179,645 | 2,765,484 | 5.77 | 159,606 |
| Consumer [3] | 127,532 | 11.43 | 14,574 | 130,100 | 11.95 | 15,547 | 129,655 | 11.47 | 14,868 |
| Total loans receivable [3] | 5,436,151 | 6.47 | 351,957 | 4,491,304 | 6.55 | 294,376 | 4,396,341 | 6.23 | 274,061 |
| Other earning assets | 376,079 | 4.43 | 16,648 | 274,828 | 5.41 | 14,856 | 74,800 | 6.03 | 4,513 |
| Total earning assets | 6,629,434 | 5.90 | $ 393,522 | 5,499,187 | 5.88 | $ 326,425 | 5,232,117 | 5.57 | $ 294,693 |
| Noninterest-bearing assets: | | | | | | | | | |
| Cash and due from banks | 67,775 | | | 56,295 | | | 54,824 | | |
| Premises and equipment | 138,465 | | | 116,341 | | | 107,635 | | |
| Other assets | 357,700 | | | 269,167 | | | 251,725 | | |
| Allowance for credit losses | (56,177) | | | (46,032) | | | (44,930) | | |
| Total noninterest-bearing assets | 507,763 | | | 395,771 | | | 369,254 | | |
| **TOTAL ASSETS** | $ 7,137,197 | | | $ 5,894,958 | | | $ 5,601,371 | | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY:** | | | | | | | | | |
| Demand—interest-bearing | $ 832,291 | 0.95 % | $ 7,894 | $ 705,488 | 0.77 % | $ 5,451 | $ 853,632 | 0.54 % | $ 4,626 |
| Savings | 3,369,184 | 2.88 | 97,033 | 3,052,031 | 3.46 | 105,675 | 2,666,905 | 2.92 | 77,782 |
| Time | 921,467 | 3.87 | 35,638 | 570,911 | 3.92 | 22,367 | 517,017 | 2.97 | 15,362 |
| Total interest-bearing deposits | 5,122,942 | 2.74 | 140,565 | 4,328,430 | 3.08 | 133,493 | 4,037,554 | 2.42 | 97,770 |
| Short-term borrowings | 100,734 | 4.30 | 4,336 | — | — | — | 35,224 | 5.07 | 1,787 |
| Finance lease liabilities | 17,046 | 6.58 | 1,122 | 247 | 4.45 | 11 | 339 | 4.42 | 15 |
| Subordinated notes and debentures | 105,342 | 4.07 | 4,286 | 105,039 | 4.28 | 4,497 | 104,735 | 4.10 | 4,295 |
| Total interest-bearing liabilities | 5,346,064 | 2.81 | $ 150,309 | 4,433,716 | 3.11 | $ 138,001 | 4,177,852 | 2.49 | $ 103,867 |
| Demand—noninterest-bearing | 965,942 | | | 781,780 | | | 793,713 | | |
| Other liabilities | 101,950 | | | 86,912 | | | 79,473 | | |
| Total liabilities | 6,413,956 | | | 5,302,408 | | | 5,051,038 | | |
| Shareholders' equity | 723,241 | | | 592,550 | | | 550,333 | | |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | $ 7,137,197 | | | $ 5,894,958 | | | $ 5,601,371 | | |
| Interest income/Earning assets | | 5.90 % | $ 393,522 | | 5.88 % | $ 326,425 | | 5.57 % | $ 294,693 |
| Interest expense/Interest-bearing liabilities | | 2.81 | 150,309 | | 3.11 | 138,001 | | 2.49 | 103,867 |
| **Net interest spread** | | 3.09 % | $ 243,213 | | 2.77 % | $ 188,424 | | 3.08 % | $ 190,826 |
| Interest income/Earning assets | | 5.90 % | $ 393,522 | | 5.88 % | $ 326,425 | | 5.57 % | $ 294,693 |
| Interest expense/Earning assets | | 2.25 | 150,309 | | 2.49 | 138,001 | | 1.96 | 103,867 |
| **Net interest margin (fully tax-equivalent)** | | 3.65 % | $ 243,213 | | 3.39 % | $ 188,424 | | 3.61 % | $ 190,826 |

[1] Includes unamortized discounts and premiums.

(2) Average yields are stated on a fully taxable equivalent basis (calculated using statutory rates of 21%) resulting from tax-free municipal securities in the investment portfolio and tax-free municipal loans in the commercial loan portfolio. The taxable equivalent adjustment to net interest income for the years ended December 31, 2025, 2024, and 2023 were $1.2 million, $955 thousand, and $997 thousand, respectively.
(3) Average loans receivable outstanding includes the average balance outstanding of all nonaccrual loans. Loans receivable consist of the average of total loans receivable less average unearned income. In addition, loans receivable interest income consists of loans receivable fees, including PPP deferred processing fees.
(4) Average balance is computed using the fair value of AFS debt securities and amortized cost of HTM debt securities. Average yield has been computed using amortized cost average balance for AFS and HTM debt securities. The adjustment to the average balance for securities in the calculation of average yield for the years ended December 31, 2025, 2024, and 2023 were $(41.2) million, $(53.1) million, and $(61.1) million, respectively.
(5) Includes loans held for sale.

**Volume Analysis of Changes in Net Interest Income**

The following table presents the change in net interest income for the years specified.

| | Analysis of Year-to-Year Changes in Net Interest Income | | | | | |
|---|---|---|---|---|---|---|
| | 2025 compared to 2024 | | | 2024 compared to 2023 | | |
| | Increase (Decrease) Due to Change in (1) | | | Increase (Decrease) Due to Change in (1) | | |
| | Volume | Rate | Net | Volume | Rate | Net |
| **Assets** | | | | | | |
| Securities: | | | | | | |
| Taxable | $ 1,747 | $ 5,525 | $ 7,272 | $ (462) | $ 1,755 | $ 1,293 |
| Tax-Exempt (2) | (41) | 10 | (31) | (116) | 3 | (113) |
| Equity Securities (2) | 421 | 62 | 483 | (150) | 44 | (106) |
| Total Securities | 2,127 | 5,597 | 7,724 | (728) | 1,802 | 1,074 |
| Loans: | | | | | | |
| Commercial (2) | 9,430 | (1,264) | 8,166 | (4,015) | 3,612 | (403) |
| Mortgage (2) | 49,642 | 746 | 50,388 | 8,911 | 11,128 | 20,039 |
| Consumer | (310) | (663) | (973) | 53 | 626 | 679 |
| Total Loans | 58,762 | (1,181) | 57,581 | 4,949 | 15,366 | 20,315 |
| Other Earning Assets | 5,478 | (3,686) | 1,792 | 12,052 | (1,709) | 10,343 |
| **Total Earning Assets** | $ 66,367 | $ 730 | $ 67,097 | $ 16,273 | $ 15,459 | $ 31,732 |
| | | | | | | |
| **Liabilities and Shareholders' Equity** | | | | | | |
| **Interest Bearing Deposits** | | | | | | |
| Demand – Interest Bearing | $ 945 | $ 1,498 | $ 2,443 | $ (802) | $ 1,627 | $ 825 |
| Savings | 10,899 | (19,541) | (8,642) | 11,367 | 16,526 | 27,893 |
| Time | 13,732 | (461) | 13,271 | 1,566 | 5,439 | 7,005 |
| Total Interest Bearing Deposits | 25,576 | (18,504) | 7,072 | 12,131 | 23,592 | 35,723 |
| Short-Term Borrowings | 4,336 | — | 4,336 | (1,787) | — | (1,787) |
| Finance Lease Liabilities | 748 | 363 | 1,111 | (4) | — | (4) |
| Subordinated Debentures | 10 | (221) | (211) | 12 | 190 | 202 |
| **Total Interest Bearing Liabilities** | $ 30,670 | $ (18,362) | $ 12,308 | $ 10,352 | $ 23,782 | $ 34,134 |
| | | | | | | |
| **Change in Net Interest Income** | $ 35,697 | $ 19,092 | $ 54,789 | $ 5,921 | $ (8,323) | $ (2,402) |

(1) The change in interest due to both volume and rate have been allocated entirely to volume changes.
(2) Changes in interest income on tax-exempt securities and loans are presented on a fully taxable-equivalent basis, using the Corporation's marginal federal income tax rate of 21% for the year ended December 31, 2025 and 2024.

**Results of Operations**
**Year Ended December 31, 2025 vs. Year Ended December 31, 2024**

*Overview of the Statements of Income and Comprehensive Income*

Net income available to common shareholders ("earnings") was $61.8 million, or $2.49 per diluted share, for the year ended December 31, 2025. Excluding after-tax merger transaction related expenses, adjusted earnings were $73.4 million, or $2.95 per diluted share, for the year ended December 31, 2025, reflecting an increase of $23.2 million, or 46.06%, and $0.56 per diluted share, or 23.43%, compared to earnings of $50.3 million, or $2.39 per diluted share, for the year ended December 31, 2024. The full-year increase was primarily due to the overall impact of the acquisition of ESSA, coupled with an increase in net interest income, partially offset by an increase in non-interest expense, as discussed in more detail below. PPNR, a non-GAAP measure, was $91.3 million for the year ended December 31, 2025. Excluding merger and integration costs, adjusted PPNR was $105.1 million for the year ended December 31, 2025, compared to $76.6 million for the year ended December 31, 2024. The increase in year-to-date adjusted PPNR, when compared to the PPNR for the year ended December 31, 2024, was primarily due to the overall impact of incremental PPNR resulting from the acquisition of ESSA, coupled with an increase in net interest income across the legacy franchise for the year, partially offset by an increase in non-interest expense.

Return on average equity was 9.14% for the year ended December 31, 2025. Excluding after-tax merger transaction related expenses, return on average equity was 10.75% for the year ended December 31, 2025, compared to 9.21% for the year ended December 31, 2024. Return on average tangible common equity, a non-GAAP measure, was 10.59% for the year ended December 31, 2025. Excluding after-tax merger transaction related expenses, return on average tangible common equity was 12.58% for the year ended December 31, 2025, compared to 10.25% for the year ended December 31, 2024.

The Corporation's efficiency ratio was 67.64% for the year ended December 31, 2025, and 66.35% on a fully tax-equivalent basis, a non-GAAP measure. Excluding merger and integration costs, the efficiency ratio on a fully tax-equivalent basis was 61.49% for the year ended December 31, 2025, compared to 65.47% for the year ended December 31, 2024. The year-over-year decrease was primarily driven by higher net interest income, partially offset by higher non-interest expense, and also reflected the anticipated economies-of-scale operational efficiencies resulting from the ESSA acquisition.

*Interest Income and Expense*

Net interest income was $242.0 million for the year ended December 31, 2025 compared to $187.5 million for the year ended December 31, 2024. When comparing the year ended December 31, 2025 to the year ended December 31, 2024, the increase in net interest income of $54.6 million, or 29.11%, was due to investment and loan growth, coupled with the impact of the ESSA acquisition, including $6.6 million in purchase accounting loan accretion realized for the period from the July 23, 2025 acquisition date through December 31, 2025.

Net interest margin was 3.65% and 3.41% for the years ended December 31, 2025 and 2024, respectively. Net interest margin on a fully tax-equivalent basis, a non-GAAP measure, was 3.65% and 3.39% for the years ended December 31, 2025 and 2024, respectively. Excluding the $6.6 million in purchase accounting loan accretion, net interest margin on a fully tax-equivalent basis for the year ended December 31, 2025 was 3.55%.

The yield on earning assets for the year ended December 31, 2025 was 5.90%, an increase of 2 basis points from December 31, 2024. The increase in yield compared to December 31, 2024 was primarily attributable to the $6.6 million in purchase accounting loan accretion.

*Provision for Credit Losses*

The Corporation recorded a provision for credit losses of $8.9 million in 2025 compared to $9.2 million in 2024. Included in the provision for credit losses for the year ended December 31, 2025 was a $208 thousand expense related to the allowance for unfunded commitments compared to $185 thousand for the year ended December 31, 2024. Net loan charge-offs were $7.2 million during the year ended December 31, 2025, compared to $7.5 million during the year ended December 31, 2024. As disclosed in "Allowance for Credit Losses" discussion above, management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, reasonable and supportable forecasts, and other significant qualitative and quantitative factors.

Management believes the charges to the provision for credit losses in 2025 were appropriate and the allowance for credit losses was adequate to absorb losses in the loan portfolio at December 31, 2025.

*Non-Interest Income*

Total non-interest income was $40.2 million for the year ended December 31, 2025, compared to $39.1 million for the year ended December 31, 2024. This increase was primarily due to the overall impact of the acquisition of ESSA, organic increases in wealth and asset management fees and a $1.1 million transition fee for the Corporation moving its existing retail investment business platform to a new provider, an increase in bank owned life insurance benefits, primarily from the result of $1.0 million in death benefit proceeds, and net realized gain on available-for-sale securities, partially offset by a decrease in other non-interest income resulting from a $1.6 million loss on sale of certain commercial real estate loans and lower pass-through income from small business companies ("SBIC").

*Non-Interest Expense*

For the year ended December 31, 2025, total non-interest expense was $190.9 million. Excluding merger and integration costs, total non-interest expense was $177.1 million compared to $150.0 million for the year ended December 31, 2024. Excluding merger and integration costs, the increase of $27.1 million, or 18.04%, from the year ended December 31, 2024 was primarily driven by higher salaries and benefits. This reflects staff additions related to the ESSA acquisition, merit-based annual increases in base salaries, higher incentive compensation accruals (due to strong financial performance in 2025), increased retirement plan contribution accruals and higher health insurance costs. Occupancy expense also increased, largely due to higher rent associated with additional full-service office locations added both before and after the ESSA acquisition. Technology expense increased, primarily due to the above-mentioned ESSA acquisition and investments in automation applications. In addition, the full-year 2025 included increases in the amortization of core deposit intangibles and other non-interest expenses, which were impacted by business development activities.

*Income Tax Expense*

Income tax expense was $16.3 million in 2025, compared to $12.8 million in 2024. The effective tax rates were 19.81% and 18.98% for 2025 and 2024, respectively. The effective tax rate for the periods differed from the federal statutory rate of 21.0% principally as a result of tax-exempt income from securities and loans as well as earnings from bank owned life insurance.

**Year Ended December 31, 2024 vs. Year Ended December 31, 2023**

*Overview of the Statements of Income and Comprehensive Income*

Earnings were $50.3 million, or $2.39 per diluted share, for the year ended December 31, 2024, compared to earnings of $53.7 million, or $2.55 per diluted share, for the year ended December 31, 2023. The decrease in diluted earnings per share in the year ended December 31, 2024 was primarily due to the rise in deposit costs year over year. In addition, during the year ended December 31, 2024, the Corporation repurchased 23,988 shares of common stock at a weighted average price per share of $18.33, compared to repurchases of 326,459 shares of common stock at a weighted average price per share of $20.08 during the year ended December 31, 2023. PPNR, a non-GAAP measure, was $76.6 million for the year ended December 31, 2024, compared to $77.8 million for the year ended December 31, 2023. The decrease in PPNR for the year ended December 31, 2024 compared to the year ended December 31, 2023, was primarily driven by the year-over-year increase in deposit costs combined with increases in certain personnel costs (primarily from new offices and personnel added in the recently added expansion markets of Cleveland, OH and Roanoke, VA) and the growth in technology expenses for recently completed full implementation of certain franchise-wide business development and customer management applications.

Return on average equity was 9.21% for the year ended December 31, 2024, compared to 10.54% for the year ended December 31, 2023. Return on average tangible common equity, a non-GAAP measure, was 10.25% for the year ended December 31, 2024, compared to 11.98% for the year ended December 31, 2023.

The Corporation's efficiency ratio was 66.20% for the year ended December 31, 2024, compared to 65.13% for the year ended December 31, 2023. The efficiency ratio on a fully tax-equivalent basis, a non-GAAP ratio, was 65.47% for the year ended December 31, 2024, compared to 64.45% the year ended December 31, 2023. The increase was primarily the result of rising deposit costs coupled with higher salaries and benefits and technology expenses.

*Interest Income and Expense*

Net interest income was $187.5 million for the year ended December 31, 2024, compared to $189.8 million for the year ended December 31, 2023. The decrease of $2.4 million, or 1.24%, was primarily due to an increase in the Corporation's interest expense as a result of targeted interest-bearing deposit rate increases to ensure both deposit growth and retention, more than offsetting the interest income growth from both year-over-year loan growth and the impact of higher interest rates for much of the 2024 year resulting in greater income on loans, coupled with a higher average balance of earnings excess liquidity maintained as interest-bearing deposits with the Federal Reserve.

Net interest margin was 3.41% and 3.63% for the years ended December 31, 2024 and 2023, respectively. Net interest margin on a fully tax-equivalent basis, a non-GAAP measure, was 3.39% and 3.61% for the years ended December 31, 2024,and 2023, respectively.

The yield on earning assets for the year ended December 31, 2024 was 5.88%, an increase of 31 basis points from December 31, 2023. The increase was primarily a result of loan growth and the net benefit of higher interest rates on both variable-rate loans and new loan production. The yield on earning assets for the year ended December 31, 2023 included the previously mentioned $1.4 million, or three basis points, in one-time syndicated loan interest income.

*Provision for Credit Losses*

The Corporation recorded a provision for credit losses of $9.2 million in 2024 compared to $6.0 million in 2023. Included in the provision for credit losses for the year ended December 31, 2024 was a $185 thousand expense related to the allowance for unfunded commitments compared to $156 thousand for the year ended December 31, 2023. The $3.2 million increase in the provision expense for the year ended December 31, 2024 compared to the year ended December 31, 2023, was primarily a result of the higher loan portfolio growth. Net loan charge-offs were $7.5 million during the year ended December 31, 2024, compared to $3.4 million during the year ended December 31, 2023. As disclosed in "Allowance for Credit Losses" discussion above, management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, reasonable and supportable forecasts, and other significant qualitative and quantitative factors.

Management believes the charges to the provision for credit losses in 2024 were appropriate and the allowance for credit losses was adequate to absorb losses in the loan portfolio at December 31, 2024.

*Non-Interest Income*

Total non-interest income was $39.1 million for the year ended December 31, 2024, compared to $33.3 million for the year ended December 31, 2023. During the year ended December 31, 2024, notable changes compared to the year ended December 31, 2023 included an increase in higher pass-through income from SBICs coupled with an increase in net realized and unrealized gains on equity securities and an increase in wealth and asset management fees.

*Non-Interest Expense*

For the year ended December 31, 2024, total non-interest expense was $150.0 million, compared to $145.3 million for the year ended December 31, 2023. The increase of $4.7 million, or 3.21%, from the year ended December 31, 2023 was primarily a result of an increase in salaries and benefits and technology expenses. The increase in salaries and benefits was driven by an increase in personnel costs related to annual merit increases and growth in the Corporation's staff and new offices in its expansion markets (Cleveland, OH and Roanoke, VA), while the increase in technology was primarily due to usage and licensing increases in year-over-year investments in applications aimed at enhancing both customer online banking capabilities, customer call center communications and in-branch technology delivery channels.

*Income Tax Expense*

Income tax expense was $12.8 million in 2024 compared to $13.8 million in 2023. The effective tax rates were 18.98% and 19.22% for 2024 and 2023, respectively. The effective tax rate for the periods differed from the federal statutory rate of 21.0% principally as a result of tax-exempt income from securities and loans as well as earnings from bank owned life insurance.

**Off-Balance Sheet Arrangements**

Assets under management and assets under custody are held in fiduciary or custodial capacity for the Corporation's clients. In accordance with GAAP, these assets are not included on the Corporation's balance sheet.

The Corporation is also party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of the Corporation's clients. These financial instruments include commitments to extend credit and standby letters of credit. Further discussion of these commitments is included Note 19, "Off-Balance Sheet Commitments and Contingencies."

**Critical Accounting Policies and Estimates**

The Corporation's consolidated financial statements are prepared in accordance with GAAP and follow general practices within the industries in which the Corporation operates. The most significant accounting policies used by the Corporation are presented in Note 1, "Summary of Significant Accounting Policies," to the consolidated financial statements. Application of these principles requires management to make estimates or judgments that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on information available as of the date of the financial statements; accordingly, as this information changes, the financial statements could reflect different estimates or judgments. In management’s opinion, some of these estimates and assumptions have a more significant impact than others on the Corporation's financial reporting. For the Corporation, these estimates and assumptions include accounting for the allowance for credit losses, fair value measurements, and goodwill.

*Allowance for Credit Losses*

The Corporation's allowance for credit losses is a critical accounting policy that requires the most significant judgments and estimates used in preparation of its consolidated financial statements. In determining the appropriate estimate for the allowance for credit losses, management considers a number of factors relative to both individually evaluated credits in the loan portfolio and macro-economic factors relative to the economy of the U.S. as a whole and the economies of the areas in which the Corporation does business.

Management performs a quarterly evaluation of the adequacy of the allowance for credit losses. Management considers a variety of factors in establishing this estimate. This evaluation is inherently subjective as it requires material estimates by management that may be susceptible to significant change based on changes in economic and real estate market conditions.

The evaluation is comprised of specific and pooled components. The specific component is the Corporation's evaluation of credit loss on individually evaluated loans based on the fair value of the collateral less estimated selling costs if collateral dependent or based on the present value of expected future cash flows discounted at the loan's initial effective interest rate if not collateral dependent. The majority of the Corporation's loans subject to individual evaluation are considered collateral dependent. All other loans are evaluated collectively for credit loss by pooling loans based on similar risk characteristics.

As a significant percentage of the Corporation's loan portfolio is collateralized by real estate, appraisals of the underlying value of property securing loans are critical in determining the charge-offs for specific loans. Assumptions are instrumental in determining the value of properties. Overly optimistic assumptions or negative changes to assumptions could significantly affect the valuation of a property securing a loan and the related allowance determined. Management carefully reviews the assumptions supporting such appraisals to determine that the resulting values reasonably reflect amounts realizable on the related loans.

The pooled component of the evaluation is determined by applying reasonable and supportable economic forecasts and historical averages to the remaining loans segmented by similar risk characteristics. The key assumptions used in projecting future loss rates include the economic forecast, the forecast and reversion to mean time periods, and prepayment and curtailment assumptions. The assumptions are used to calculate and aggregate estimated cash flows for the time period that remains in each loan's contractual life. The cash flows are discounted back to the balance sheet date using each loan's effective yield, to arrive at a present value of future cash flows, which is compared to the amortized cost basis of the loan pool to determine the amount of allowance for credit loss required by the calculation.

One of the most significant judgments used in projecting loss rates when estimating the allowance for credit loss is the macro-economic forecast provided by a third party. The economic indices sourced from the macro-economic forecast and used in projecting loss rates are national unemployment rate and changes in home values. The economic index used in the calculation to which the calculation is most sensitive is the national unemployment rate. Changes in the macro-economic forecast, especially for the national unemployment rate, could significantly impact the calculated estimated credit losses between reporting periods.

Other key assumptions in the calculation of the allowance for credit loss include the forecast and reversion to mean time periods and prepayment and curtailment assumptions. The macro-economic forecast is applied for a reasonable and supportable time period before reverting to long-term historical averages for each economic index. The forecast and reversion to mean time period used for each economic index at December 31, 2025 were four quarters and eight quarters, respectively. Prepayment and curtailment assumptions are based on the Corporation's historical experience over the trailing 12 months and are adjusted by management as deemed necessary. The prepayment and curtailment assumptions vary based on segment.

The quantitative estimated losses are supplemented by more qualitative factors that impact potential losses. Qualitative factors include changes in underwriting standards, changes in lending staff, changes in environmental conditions, delinquency level, segment growth rates and changes in duration within new markets, or other relevant factors. The allowance for credit loss may be materially affected by these qualitative factors, especially during periods of economic uncertainty, for items not reflected in the lifetime credit loss calculation, but which are deemed appropriate by management's current assessment of the risks related to the loan portfolio and/or external factors. The qualitative factors applied at December 31, 2025, and the importance and levels of the qualitative factors applied, may change in future periods depending on the level of changes to items such as the uncertainty of economic conditions and management's assessment of the level of credit risk within the loan portfolio as a result of such changes, compared to the amount of allowance for credit loss calculated by the model. The evaluation of qualitative factors is inherently imprecise and requires significant management judgment.

While management utilizes its best judgment and information available, the adequacy of the allowance for credit loss is determined by certain factors outside of the Corporation's control, such as the performance of the Corporation's portfolios, changes in the economic environment including economic uncertainty, changes in interest rates, and the view of the regulatory authorities toward classification of assets and the level of allowance for credit loss. Additionally, the level of allowance for credit loss may fluctuate based on the balance and mix of the loan portfolio. If actual results differ significantly from management's assumptions, the Corporation's allowance for credit loss may not be sufficient to cover inherent losses in the Corporation's loan portfolio, resulting in additions to the Corporation's allowance for credit loss and an increase in the provision for credit losses.

*Fair Value Measurements*

The Corporation uses fair value measurements to record certain financial instruments and to determine fair value disclosures. Equity securities, AFS debt securities, mortgage loans held for sale, and interest rate swap agreements are financial instruments recorded at fair value on a recurring basis. Additionally, from time to time, the Corporation may be required to record at fair value other financial assets on a nonrecurring basis. These nonrecurring fair value adjustments typically involve write-downs of, or specific reserves against, individual assets. GAAP establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used in the measurement are observable or unobservable. Observable inputs reflect market-driven or market-based information obtained from independent sources, while unobservable inputs reflect our estimates about market data.

The degree of management judgment involved in determining the fair value of a financial instrument is dependent upon the availability of quoted market prices or observable market data. For financial instruments that trade actively and have quoted market prices or observable market data, there is minimal subjectivity involved in measuring fair value. When observable market prices and data are not fully available, management judgment is necessary to estimate fair value. In addition, changes in the market conditions may reduce the availability of quoted prices or observable data. For example, reduced liquidity in the capital markets or changes in secondary market activities could result in observable market inputs becoming unavailable. Therefore, when market data is not available, we use valuation techniques that require more management judgment to estimate the appropriate fair value measurement. Fair value is discussed further in Note 1, "Summary of Significant Accounting Policies" and in Note 5, "Fair Value."

*Business Combinations and Goodwill*

For mergers and acquisitions, the Corporation is required to record the assets acquired, including identified intangible assets such as core deposit intangibles, and the liabilities assumed at their fair value. The difference between consideration and the net fair value of assets acquired is recorded as goodwill. Management uses significant estimates and assumptions to value such items, including projected cash flows, repayment rates, default rates and losses assuming default, discount rates, and realizable collateral values. The allowance for credit losses for PSL and PCD loans is recognized within acquisition accounting. Fair value adjustments are amortized or accreted into the income statement over the estimated life of the acquired assets or assumed liabilities. The purchase date valuations and any subsequent adjustments determine the amount of goodwill recognized in connection with the merger or acquisition. The use of different assumptions could produce significantly different valuation results, which could have material positive or negative effects on our results of operations. The carrying value of goodwill recorded must be reviewed for impairment on an annual basis, as well as on an interim basis if events or changes indicate that the asset might be impaired. An impairment loss must be recognized for any excess of carrying value over fair value of the goodwill.

The determination of fair values is based on valuations using management's assumptions of future growth rates, future attrition, discount rates, multiples of earnings or other relevant factors. In addition, the Corporation engages third party specialists to assist in the development of fair values. Preliminary estimates of fair values may be adjusted for a period of time subsequent to the merger or acquisition date if new information is obtained about facts and circumstances that existed as of the merger or acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. Adjustments recorded during this period are recognized in the current reporting period. Management uses various valuation methodologies to estimate the fair value of these assets and liabilities, and often involves a significant degree of judgment, particularly when liquid markets do not exist for the particular item being valued. Examples of such items include loans, deposits, identifiable intangible assets, and certain other assets and liabilities.

Changes in these factors, as well as downturns in economic or business conditions, could have a significant adverse impact on the carrying value of assets, including goodwill and liabilities, which could result in impairment losses affecting our financial statements as a whole and our banking subsidiary in which the goodwill resides.

**Non-GAAP Financial Measures**

The following tables reconcile the non-GAAP financial measures to their most directly comparable measures under GAAP.

| | Twelve Months Ended | |
|---|---|---|
| | December 31, 2025 | December 31, 2024 |
| **Calculation of net income available to common (GAAP):** | | |
| Net income | $ 66,131 | $ 54,575 |
| Less: preferred stock dividends | 4,302 | 4,302 |
| Net income available to common shareholders | $ 61,829 | $ 50,273 |
| **Adjusted calculation of net income available to common (non-GAAP):** | | |
| Net income available to common shareholders | $ 61,829 | $ 50,273 |
| Add: merger transaction related expenses, net of tax (non-GAAP) | 11,600 | — |
| Adjusted net income available to common shareholders (non-GAAP) | $ 73,429 | $ 50,273 |

| | Twelve Months Ended | |
|---|---|---|
| | December 31, 2025 | December 31, 2024 |
| **Calculation of merger transaction related expenses, net of tax (non-GAAP) [1]:** | | |
| Merger transaction related expenses - non deductible | $ 3,234 | $ — |
| Merger transaction related expenses - deductible | 10,590 | — |
| Statutory federal tax rate | 21 % | 21 % |
| Tax benefit (expense) of merger and integration costs (non-GAAP) | 2,224 | — |
| Merger transaction related expenses - deductible, net of tax | 8,366 | — |
| Merger transaction related expenses, net of tax (non-GAAP) | $ 11,600 | $ — |

[1] Merger transaction related expenses represent legal, advisory, severance, technology conversion, and other expenses directly related to the ESSA acquisition. Management believes exclusion of these non-recurring charges provides more meaningful period-over-period comparisons of operating performance.

| | Years Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| **Calculation of PPNR (non-GAAP): [1]** | | |
| Net interest income | $ 242,036 | $ 187,469 |
| Add: Non-interest income | 40,165 | 39,114 |
| Less: Non-interest expense | 190,881 | 150,002 |
| PPNR (non-GAAP) | $ 91,320 | $ 76,581 |
| | | |
| **Adjusted calculation of PPNR (non-GAAP): [1]** | | |
| Net interest income | $ 242,036 | $ 187,469 |
| Add: Non-interest income | 40,165 | 39,114 |
| Less: Non-interest expense | 190,881 | 150,002 |
| Add: Merger and integration costs (non-GAAP) | 13,824 | |
| Adjusted PPNR (non-GAAP) | $ 105,144 | $ 76,581 |

[1] Management believes that this is an important metric as it illustrates the underlying performance of the Corporation, it enables investors and others to assess the Corporation's ability to generate capital to cover credit losses through the credit cycle and provides consistent reporting with a key metric used by bank regulatory agencies.

| | Twelve Months Ended | |
|---|---|---|
| | December 31, 2025 | December 31, 2024 |
| **Basic earnings per common share computation:** | | |
| Net income available to common shareholders | $ 61,829 | $ 50,273 |
| Less: net income available to common shareholders allocated to participating securities | 476 | 388 |
| Net income available to common shareholders allocated to common stock | $ 61,353 | $ 49,885 |
| Weighted average common shares outstanding, including shares considered participating securities | 24,755 | 20,993 |
| Less: average participating securities | 169 | 155 |
| Weighted average shares | 24,586 | 20,838 |
| Basic earnings per common share | $ 2.50 | $ 2.39 |
| **Diluted earnings per common share computation:** | | |
| Net income available to common shareholders allocated to common stock | $ 61,353 | $ 49,885 |
| Weighted average common shares outstanding for basic earnings per common share | 24,586 | 20,838 |
| Add: dilutive effect of stock compensation | 83 | 62 |
| Weighted average shares and dilutive potential common shares | 24,669 | 20,900 |
| Diluted earnings per common share | $ 2.49 | $ 2.39 |
| **Adjusted basic earnings per common share computation (non-GAAP):** | | |
| Net income available to common shareholders | $ 61,829 | $ 50,273 |
| Add: merger transaction related expenses, net of tax (non-GAAP) | 11,600 | — |
| Less: net income available to common shareholders allocated to participating securities | 476 | 388 |
| Adjustment to net income available to common shareholders allocated to participating securities for merger transaction related expenses, net of tax (non-GAAP) | 79 | — |
| Adjusted net income available to common shareholders allocated to common stock (non-GAAP) | $ 72,874 | $ 49,885 |
| Weighted average common shares outstanding, including shares considered participating securities | 24,755 | 20,993 |
| Less: average participating securities | 169 | 155 |
| Weighted average shares | 24,586 | 20,838 |
| Adjusted basic earnings per common share (non-GAAP) | $ 2.96 | $ 2.39 |
| **Adjusted diluted earnings per common share computation (non-GAAP):** | | |
| Adjusted net income available to common shareholders allocated to common stock (non-GAAP) | $ 72,874 | $ 49,885 |
| Weighted average common shares outstanding for basic earnings per common share | 24,586 | 20,838 |
| Add: dilutive effect of stock compensation | 83 | 62 |
| Weighted average shares and dilutive potential common shares | 24,669 | 20,900 |
| Adjusted diluted earnings per common share (non-GAAP) | $ 2.95 | $ 2.39 |

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| **Calculation of tangible book value per common share and tangible common equity / tangible assets (non-GAAP):** | | |
| Shareholders' equity | $ 872,127 | $ 610,695 |
| Less: preferred equity | 57,785 | 57,785 |
| Common shareholders' equity | 814,342 | 552,910 |
| Less: goodwill and other intangibles | 88,512 | 43,874 |
| Less: core deposit intangible | 33,693 | 206 |
| Tangible common equity (non-GAAP) | $ 692,137 | $ 508,830 |
| Total assets | $ 8,396,435 | $ 6,192,010 |
| Less: goodwill and other intangibles | 88,512 | 43,874 |
| Less: core deposit intangible | 33,693 | 206 |
| Tangible assets (non-GAAP) | $ 8,274,230 | $ 6,147,930 |
| Ending shares outstanding | 29,473,352 | 20,987,992 |
| Book value per common share (GAAP) | $ 27.63 | $ 26.34 |
| Tangible book value per common share (non-GAAP) | $ 23.48 | $ 24.24 |
| Common shareholders' equity / Total assets (GAAP) | 9.70 % | 8.93 % |
| Tangible common equity / Tangible assets (non-GAAP) | 8.36 % | 8.28 % |

| | Years Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| **Calculation of net interest margin:** | | |
| Interest income | $ 392,345 | $ 325,470 |
| Interest expense | 150,309 | 138,001 |
| Net interest income | $ 242,036 | $ 187,469 |
| Average total earning assets | $ 6,629,434 | $ 5,499,187 |
| Net interest margin (GAAP) | 3.65 % | 3.41 % |
| | | |
| **Calculation of net interest margin (fully tax equivalent basis) (non-GAAP):** | | |
| Interest income | $ 392,345 | $ 325,470 |
| Tax equivalent adjustment (non-GAAP) | 1,177 | 955 |
| Adjusted interest income (fully tax equivalent basis) (non-GAAP) | 393,522 | 326,425 |
| Interest expense | 150,309 | 138,001 |
| Net interest income (fully tax equivalent basis) (non-GAAP) | $ 243,213 | $ 188,424 |
| Average total earning assets | $ 6,629,434 | $ 5,499,187 |
| Less: average mark to market adjustment on investments (non-GAAP) | (41,218) | (53,087) |
| Adjusted average total earning assets, net of mark to market (non-GAAP) | $ 6,670,652 | $ 5,552,274 |
| Net interest margin, fully tax equivalent basis (non-GAAP) | 3.65 % | 3.39 % |
| **Calculation of net interest margin, excluding purchase accounting loan accretion (fully tax equivalent basis) (non-GAAP) [1]:** | | |
| Net interest income (fully tax equivalent basis) (non-GAAP) | $ 243,213 | $ 188,424 |
| Less: purchase accounting loan accretion | (6,578) | 0 |
| Adjusted net interest income (fully tax equivalent basis) (non-GAAP) | $ 236,635 | $ 188,424 |
| Adjusted average total earning assets, net of mark to market (non-GAAP) | $ 6,670,652 | $ 5,552,274 |
| Adjusted net interest margin, fully tax equivalent basis (non-GAAP) (annualized) | 3.55 % | 3.39 % |

[1] Purchase accounting loan accretion represents income recognized on estimated fair value adjustments to acquired loans.

| | Years Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| **Calculation of efficiency ratio:** | | |
| Non-interest expense | $ 190,881 | $ 150,002 |
| Non-interest income | $ 40,165 | $ 39,114 |
| Net interest income | 242,036 | 187,469 |
| Total revenue | $ 282,201 | $ 226,583 |
| Efficiency ratio | 67.64 % | 66.20 % |
| **Calculation of efficiency ratio (fully tax equivalent basis) (non-GAAP):** | | |
| Non-interest expense | $ 190,881 | $ 150,002 |
| Less: core deposit intangible amortization | 1,848 | 73 |
| Adjusted non-interest expense (non-GAAP) | $ 189,033 | $ 149,929 |
| Non-interest income | $ 40,165 | $ 39,114 |
| Net interest income | $ 242,036 | 187,469 |
| Less: tax exempt investment and loan income, net of TEFRA (non-GAAP) | 6,551 | 5,635 |
| Add: tax exempt investment and loan income (fully tax equivalent basis) (non-GAAP) | 9,266 | 8,068 |
| Adjusted net interest income (fully tax equivalent basis) (non-GAAP) | 244,751 | 189,902 |
| Adjusted net revenue (fully tax equivalent basis) (non-GAAP) | $ 284,916 | $ 229,016 |
| Efficiency ratio (fully tax equivalent basis) (non-GAAP) | 66.35 % | 65.47 % |
| **Adjusted calculation of efficiency ratio (fully tax equivalent basis) (non-GAAP):** | | |
| Adjusted non-interest expense (non-GAAP) | $ 189,033 | $ 149,929 |
| Less: merger and integration costs (non-GAAP) | 13,824 | — |
| Adjusted non-interest expense (non-GAAP) | $ 175,209 | $ 149,929 |
| Adjusted net revenue (fully tax equivalent basis) (non-GAAP) | $ 284,916 | $ 229,016 |
| Adjusted efficiency ratio (fully tax equivalent basis) (non-GAAP) | 61.49 % | 65.47 % |

| | Years Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| **Calculation of return on average tangible common equity (non-GAAP):** | | |
| Net income | $ 66,131 | $ 54,575 |
| Less: preferred stock dividends | 4,302 | 4,302 |
| Net income available to common shareholders | $ 61,829 | $ 50,273 |
| Average shareholders' equity | $ 723,241 | $ 592,550 |
| Less: average goodwill & intangibles | 81,548 | 44,118 |
| Less: average preferred equity | 57,785 | 57,785 |
| Tangible common shareholders' equity (non-GAAP) | $ 583,908 | $ 490,647 |
| Return on average equity (GAAP) | 9.14 % | 9.21 % |
| Return on average common equity (GAAP) | 9.29 % | 9.40 % |
| Return on average tangible common equity (non-GAAP) | 10.59 % | 10.25 % |
| **Adjusted calculation of return on average equity (non-GAAP):** | | |
| Net income | $ 66,131 | $ 54,575 |
| Add: merger transaction related expenses, net of tax (non-GAAP) | 11,600 | — |
| Adjusted net income (non-GAAP) | $ 77,731 | $ 54,575 |
| Average shareholders' equity | $ 723,241 | $ 592,550 |
| Adjusted return on average equity (non-GAAP) (annualized) | 10.75 % | 9.21 % |
| **Adjusted calculation of return on average tangible common equity (non-GAAP):** | | |
| Net income available to common shareholders | $ 61,829 | $ 50,273 |
| Add: merger transaction related expenses, net of tax (non-GAAP) | 11,600 | — |
| Adjusted net income available to common shareholders | $ 73,429 | $ 50,273 |
| Average tangible common shareholders' equity (non-GAAP) | $ 583,908 | $ 490,647 |
| Adjusted return on average tangible common equity (non-GAAP) (annualized) | 12.58 % | 10.25 % |

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

*The disclosures set forth in this item are qualified by Item 1A. Risk Factors and the section captioned "Forward-Looking Statements and Factors that Could Affect Future Results" included in this report, and other cautionary statements set forth elsewhere in this report.*

As a financial institution, the Corporation's primary source of market risk exposure is interest rate risk, which influences fluctuations in the Corporation's future earnings due to changes in interest rates. This risk is closely correlated to the repricing characteristics of the Corporation's portfolio of assets and liabilities, with each asset or liability repricing either at maturity or during the instrument's life cycle.

The Corporation's interest rate risk measurement philosophy focuses on maintaining an appropriate balance between the theoretical and the practical, especially given that the primary objective of the Corporation's overall asset/liability management process is to assess the level of interest rate risk in the Corporation's balance sheet. Therefore, the Corporation models a set of interest rate scenarios capturing the financial effects of a range of plausible rate scenarios. The collective impact of these scenarios is designed to enable the Corporation to understand the nature and extent of its sensitivity to interest rate changes. Doing so necessitates an assessment of rate changes over varying time horizons and of varying/sufficient degrees such that the impact of embedded options within the balance sheet are sufficiently examined.

The Corporation has designed its interest rate risk measurement activities to include the following core elements: (i) interest rate ramps and shocks, (ii) parallel and non-parallel yield curve shifts, and (iii) a set of alternative rate scenarios, the nature of which change based upon prevailing market conditions.

The Corporation's primary tools in managing Interest Rate Risk ("IRR") are income simulation models. The income simulation models are utilized to quantify the potential impact of changing interest rates on earnings and to identify expected earnings trends given longer-term rate cycles. Standard gap reports are also utilized to provide supporting detailed information.

The Corporation also recognizes that a sustained environment of higher/lower interest rates will affect the underlying value of the Corporation's assets, liabilities and off-balance sheet instruments since the present value of their future cash flows (and the cash flows themselves) change when interest rates change.

IRR considerations include inherent assumptions and estimates, including the maturity and repricing characteristics of assets and liabilities, prepayments on amortizing assets, non-maturing deposit sensitivity, and loan and deposit pricing. These assumptions are subject to uncertainty due to the timing, magnitude, and frequency of rate changes, market conditions, and management strategies.

The following table demonstrates the annualized result of an interest rate simulation and the estimated effect that a parallel interest rate shift, or "shock," in the yield curve and subjective adjustments in deposit pricing might have on the Corporation's projected net interest income over the next 12 months. This simulation assumes that there is no growth in interest-earning assets or interest-bearing liabilities over the next 12 months. The changes to net interest income shown below are in compliance with the Corporation's policy guidelines.

| | % Change in Net Interest Income | |
|---|---|---|
| Change in Basis Points | December 31, 2025 | December 31, 2024 |
| 300 | 1.6% | (0.2)% |
| 200 | 1.5% | 0.5% |
| 100 | 1.0% | 0.5% |
| (100) | (1.8)% | (1.1)% |
| (200) | (2.0)% | (1.4)% |
| (300) | (2.8)% | (3.3)% |

At December 31, 2025, the Corporation has approximately $4.1 billion in outstanding loan balances that are rate sensitive over the next twelve months.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**Report of Independent Registered Public Accounting Firm**

To the Shareholders, Board of Directors, and Audit Committee
CNB Financial Corporation
Clearfield, Pennsylvania

**Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated balance sheets of CNB Financial Corporation ("Corporation") as of December 31, 2025 and 2024 , the related consolidated statements of income and comprehensive income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Corporation's internal control over financial reporting as of December 31, 2025 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 11, 2026, expressed an unqualified opinion thereon.

**Basis for Opinion**

These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's financial statements based on our audits.

We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

**Allowance for Credit Losses on Loans – Qualitative Factors**

***Description of the Critical Audit Matter***

As described in Notes 1 and 4 to the financial statements, the Corporation's loan portfolio totaled $6.5 billion as of December 31, 2025, and the allowance for credit losses on loans ("ACL") was $67.1 million. This represents an estimate of expected losses inherent within the Corporation's loan portfolio.

The Corporation establishes an allowance representing the estimate of expected credit losses over the estimated life of the existing portfolio of loans. The Corporation measures expected credit losses based on a pooled loan basis when similar risk characteristics exist by primarily applying a discounted cash flow ("DCF") model. The calculated quantitative estimated losses are supplemented by qualitative factors that impact expected credit losses. Qualitative factors include changes in underwriting standards, changes in external environment, changes in lending experience and depth and other factors. The allowance for credit loss may be materially affected by these qualitative factors, especially during periods of economic uncertainty, for items not reflected in the lifetime credit loss calculation, but which are deemed appropriate by management's current assessment of the risks related to the loan portfolio. The evaluation of qualitative factors is inherently imprecise and requires significant management judgment.

We identified the qualitative factor adjustments to the allowance for credit losses as a critical audit matter. The principal considerations for that determination included the high degree of judgment and subjectivity in auditing management's measurements of those qualitative factor adjustments related to economic conditions, changes in underwriting and lending experience and depth. Auditing these assumptions required a high degree of auditor effort, specialized skills and knowledge, and significant auditor judgment to determine the relevance and reliability of data used in the development of the assumptions utilized by the Corporation.

***How the Critical Audit Matter Was Addressed in the Audit***

The primary procedures performed to address the critical audit matter included:

- We obtained an understanding of the Corporation's model and process for determining the allowance for credit losses and evaluated the design and tested the operating effectiveness of controls relating to this estimate, including controls over management's review and approval of relevant qualitative factor adjustments applied within the qualitative framework to address risks not already incorporated within the model.
- We evaluated management's methodology for developing the qualitative factor adjustments related to economic conditions, changes in underwriting and lending experience and depth and the completeness and accuracy of data utilized in development of such adjustments.
- Our evaluation focused on the qualitative factor framework as a whole, including how management's judgments across multiple factors collectively influence the allowance and adjust quantitative model outputs. We assessed whether the combined effect of these judgments was reasonable, internally consistent, and supported by relevant data and governance processes.

**Business Combination – Fair Value of Acquired Loans Receivable**

***Description of the Critical Audit Matter***

As described in Notes 1 and 2 to the financial statements, on July 23, 2025, the Corporation completed its acquisition of ESSA Bancorp, Inc. and its subsidiary bank, ESSA Bank & Trust Company, pursuant to the merger agreement dated as of January 9, 2025. The assets acquired and liabilities assumed are required to be measured at fair value at the date of acquisition under the purchase method of accounting. The Corporation acquired loans receivable with a fair value of $1.66 billion.

As disclosed by the Corporation, the fair value of the acquired loans receivable were estimated using a discounted cash flow method on an individual loan basis. To estimate the value of the loans, each loans' contractual cash flows were projected, adjusted for expected prepayments and credit losses. Assumptions for credit losses were based off the risk characteristics of each loan. The projected cash flows were then discounted to present value using a discount rate based on the relative risk of the cash flows.

We identified the valuation of the acquired loans receivable in the Merger as a critical audit matter. The principal consideration for that determination included the high degree of judgment required by management in developing the assumptions used in the discounted cash flow methodology. This required a high degree of auditor judgment and effort in performing procedures to evaluate audit evidence related to the judgments made by management and required the use of professionals with specialized skill and knowledge to determine the relevance and reliability of assumptions utilized.

***How the Critical Audit Matter Was Addressed in the Audit***

The primary procedures performed to address the critical audit matter included:

- We obtained an understanding, evaluated the design, and tested the operating effectiveness of the Corporation's process for estimating the acquired loans receivable fair value, including management's controls over establishing assumptions used; and evaluating the completeness and accuracy of key inputs and assumptions used.
- We evaluated the Corporation’s process to develop the fair values of the acquired loans receivable by testing the completeness and accuracy of data and assumptions that the Corporation used and considered the relevance and reliability of such data and assumptions.
- We utilized valuation specialists to assist in:
    - Evaluating the appropriateness of assumptions used in the model, and;
    - Testing the design of the model calculation through a re-performance of discounted cash flows on the loans receivable.

/s/ Forvis Mazars, LLP

We have served as the Corporation’s auditor since 2022.

Indianapolis, Indiana
March 11, 2026

**Report of Independent Registered Public Accounting Firm**

To the Shareholders, Board of Directors, and Audit Committee
CNB Financial Corporation
Clearfield, Pennsylvania

**Opinion on the Internal Control over Financial Reporting**

We have audited CNB Financial Corporation's ("Corporation") internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework: (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework: (2013)* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Corporation as of December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and our report dated March 11, 2026, expressed an unqualified opinion on those financial statements.

As described in Management's Report on Internal Control Over Financial Reporting, the scope of management's assessment of internal control over financial reporting as of December 31, 2025, excluded ESSA Bancorp, Inc. ("ESSA") acquired on July 23, 2025. We have also excluded ESSA from the scope of our audit of internal control over financial reporting. ESSA represented approximately $32.9 million, or 14% of consolidated revenues for the year ended December 31, 2025, and approximately $1.7 billion, or 20% of consolidated total assets as of December 31, 2025.

**Basis for Opinion**

The Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Corporation's internal control over financial reporting based on our audit.

We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definitions and Limitations of Internal Control over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reliable financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Forvis Mazars, LLP

Indianapolis, Indiana
March 11, 2026

CONSOLIDATED BALANCE SHEETS
Dollars in thousands, except share data

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| ASSETS | | |
| Cash and due from banks | $ 78,197 | $ 63,771 |
| Interest-bearing deposits with Federal Reserve | 441,501 | 375,009 |
| Interest-bearing deposits with other financial institutions | 8,198 | 4,255 |
| Total cash and cash equivalents | 527,896 | 443,035 |
| Debt securities available-for-sale, at fair value (amortized cost of $618,912 as of December 31, 2025 and $520,223 as of December 31, 2024) | 584,330 | 468,546 |
| Debt securities held-to-maturity, at amortized cost (fair value $229,694 as of December 31, 2025 and $282,970, as of December 31, 2024) | 242,138 | 306,081 |
| Equity securities | 10,865 | 10,456 |
| Loans held for sale | 2,517 | 762 |
| Loans receivable | | |
| Syndicated loans | 70,798 | 79,882 |
| Loans | 6,422,942 | 4,529,074 |
| Total loans receivable | 6,493,740 | 4,608,956 |
| Less: allowance for credit losses | (67,055) | (47,357) |
| Net loans receivable | 6,426,685 | 4,561,599 |
| FHLB and other restricted stock holdings and investments | 58,547 | 40,702 |
| Premises and equipment, net | 90,220 | 76,011 |
| Operating & finance lease right-of-use assets | 58,293 | 52,715 |
| Bank owned life insurance | 159,502 | 117,579 |
| Mortgage servicing rights | 2,608 | 1,251 |
| Goodwill and other intangible assets | 88,512 | 43,874 |
| Core deposit intangible, net | 33,693 | 206 |
| Accrued interest receivable and other assets | 110,629 | 69,193 |
| Total Assets | $ 8,396,435 | $ 6,192,010 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Noninterest-bearing demand deposits | $ 1,092,076 | $ 819,680 |
| Interest-bearing demand deposits | 1,014,606 | 706,796 |
| Savings | 3,822,639 | 3,122,028 |
| Certificates of deposit | 1,097,788 | 722,860 |
| Total deposits | 7,027,109 | 5,371,364 |
| Short-term borrowings | 164,000 | — |
| Deposits held for sale | 88,119 | — |
| Subordinated debentures | 20,620 | 20,620 |
| Subordinated notes, net of unamortized issuance costs | 84,874 | 84,570 |
| Operating lease liabilities | 43,747 | 40,315 |
| Accrued interest payable and other liabilities | 95,839 | 64,446 |
| Total liabilities | 7,524,308 | 5,581,315 |
| Commitments and contingent liabilities | | |
| Preferred stock, Series A non-cumulative perpetual, No par value; $1,000 liquidation preference; shares authorized 60,375; Shares issued 60,375 at December 31, 2025 and 2024 | 57,785 | 57,785 |
| Common stock, no par value; 50,000,000 shares authorized; Shares issued 29,594,933 at December 31, 2025 and 21,235,503 at December 31, 2024 | — | — |
| Additional paid in capital | 422,653 | 219,876 |
| Retained earnings | 424,935 | 381,296 |
| Treasury stock, at cost (121,581 shares at December 31, 2025 and 247,511 shares at December 31, 2024) | (2,581) | (4,689) |
| Accumulated other comprehensive loss | (30,665) | (43,573) |
| Total shareholders' equity | 872,127 | 610,695 |
| Total Liabilities and Shareholders' Equity | $ 8,396,435 | $ 6,192,010 |

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
Dollars in thousands, except per share data

| | Year ended December 31, | | |
|---|---|---|---|
| | 2025 | 2024 | 2023 |
| INTEREST AND DIVIDEND INCOME: | | | |
| Loans including fees | | | |
| Interest and fees on loans | $ 350,943 | $ 293,544 | $ 273,223 |
| Securities and cash and cash equivalents: | | | |
| Taxable | 39,979 | 30,915 | 19,279 |
| Tax-exempt | 603 | 636 | 724 |
| Dividends | 820 | 375 | 470 |
| Total interest and dividend income | 392,345 | 325,470 | 293,696 |
| INTEREST EXPENSE: | | | |
| Deposits | 140,565 | 133,493 | 97,770 |
| Borrowed funds and finance lease liabilities | 5,458 | 11 | 1,802 |
| Subordinated debentures (includes $0, $0, and $(151) accumulated other comprehensive income reclassification for change in fair value of interest rate swap agreements, respectively) | 4,286 | 4,497 | 4,295 |
| Total interest expense | 150,309 | 138,001 | 103,867 |
| NET INTEREST INCOME | 242,036 | 187,469 | 189,829 |
| PROVISION FOR CREDIT LOSS EXPENSE | 8,855 | 9,222 | 5,993 |
| NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSS EXPENSE | 233,181 | 178,247 | 183,836 |
| NON-INTEREST INCOME: | | | |
| Service charges on deposit accounts | 7,801 | 6,990 | 7,372 |
| Other service charges and fees | 1,862 | 2,973 | 3,010 |
| Wealth and asset management fees | 10,189 | 7,845 | 7,251 |
| Net realized gains on available-for-sale securities (includes $1,168, $74, and $52 accumulated other comprehensive income reclassifications for net realized gains on available-for-sale securities, respectively) | 1,168 | 74 | 52 |
| Net realized and unrealized gains (losses) on equity securities | 1,262 | 754 | (387) |
| Mortgage banking | 756 | 673 | 676 |
| Bank owned life insurance | 4,770 | 3,110 | 2,945 |
| Card processing and interchange income | 9,225 | 8,666 | 8,301 |
| Other non-interest income | 3,132 | 8,029 | 4,115 |
| Total non-interest income | 40,165 | 39,114 | 33,335 |
| NON-INTEREST EXPENSES: | | | |
| Compensation and benefits (includes $(257), $(168), and $(174) accumulated other comprehensive income reclassifications for net amortization of actuarial (gains) losses, respectively) | 89,723 | 74,536 | 71,062 |
| Net occupancy expense | 18,222 | 14,737 | 14,509 |
| Amortization of core deposit intangible | 1,848 | 73 | 84 |
| Technology expense | 23,744 | 21,805 | 20,202 |
| State and local taxes | 5,293 | 4,726 | 4,126 |
| Legal, professional and examination fees | 4,487 | 4,217 | 4,414 |
| Advertising | 2,820 | 2,545 | 3,133 |
| FDIC insurance | 4,063 | 3,718 | 3,879 |
| Card processing and interchange expenses | 5,183 | 4,575 | 5,025 |
| Other non-interest expenses | 21,674 | 19,070 | 18,908 |
| Merger and integration costs | 13,824 | — | — |
| Total non-interest expenses | 190,881 | 150,002 | 145,342 |
| INCOME BEFORE INCOME TAXES | 82,465 | 67,359 | 71,829 |
| INCOME TAX EXPENSE (includes $299, $51, and $79 income tax expense reclassification items, respectively) | 16,334 | 12,784 | 13,809 |
| NET INCOME | 66,131 | 54,575 | 58,020 |
| PREFERRED STOCK DIVIDENDS | 4,302 | 4,302 | 4,302 |
| NET INCOME AVAILABLE TO COMMON STOCKHOLDERS | $ 61,829 | $ 50,273 | $ 53,718 |
| PER COMMON SHARE DATA: | | | |
| Basic Earnings Per Common Share | $ 2.50 | $ 2.39 | $ 2.56 |
| Diluted Earnings Per Common Share | $ 2.49 | $ 2.39 | $ 2.55 |
| Cash Dividends Declared | $ 0.720 | $ 0.710 | $ 0.700 |
| NET INCOME | $ 66,131 | $ 54,575 | $ 58,020 |
| OTHER COMPREHENSIVE INCOME: | | | |
| Net change in unrealized gains on available-for-sale securities, net of reclassification and tax | $ 13,504 | $ 1,715 | $ 6,109 |
| Amortization of unrealized gains from held-to-maturity securities, net of tax | 475 | 545 | 591 |
| Change in actuarial gains (losses), for post-employment health care plan, net of amortization and tax | (506) | 245 | (139) |
| Change in actuarial losses, for pension plan, net of tax | (565) | — | — |
| Change in fair value of interest rate swap agreements designated as a cash flow hedge, net of interest and tax | — | — | (119) |
| Total other comprehensive income | 12,908 | 2,505 | 6,442 |
| COMPREHENSIVE INCOME | $ 79,039 | $ 57,080 | $ 64,462 |

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023
Dollars in thousands, except share and per share data

| | Preferred Stock | Additional Paid-In Capital | Retained Earnings | Treasury Stock | Accumulated Other Comprehensive Income (Loss) | Total Share-holders' Equity |
|---|---|---|---|---|---|---|
| Balance, January 1, 2023 | $ 57,785 | $ 221,553 | $ 306,911 | $ (2,967) | $ (52,520) | $ 530,762 |
| Net income | — | — | 58,020 | — | — | 58,020 |
| Other comprehensive income | — | — | — | — | 6,442 | 6,442 |
| Forfeiture of restricted stock award grants (6,391 shares) | — | 134 | — | (134) | — | — |
| Restricted stock award grants (105,185 shares) | — | (2,743) | — | 2,743 | — | — |
| Performance based restricted stock award grants (4,118 shares) | — | (111) | — | 111 | — | — |
| Stock-based compensation expense | — | 1,688 | — | — | — | 1,688 |
| Contribution of treasury stock (3,000 shares) | — | (81) | — | 81 | — | — |
| Stock-based contribution expense | — | 55 | — | — | — | 55 |
| Purchase of treasury stock (326,459 shares) | — | — | — | (6,621) | — | (6,621) |
| Purchase of treasury stock for the purpose of tax withholding related to restricted stock award vesting (3,776 shares) | — | — | — | (89) | — | (89) |
| Purchase of treasury stock for the purpose of tax withholding related to performance based restricted stock award vesting (584 shares) | — | — | — | (14) | — | (14) |
| Preferred cash dividend declared | — | — | (4,302) | — | — | (4,302) |
| Cash dividends declared ($0.70 per share) | — | — | (14,694) | — | — | (14,694) |
| Balance, December 31, 2023 | 57,785 | 220,495 | 345,935 | (6,890) | (46,078) | 571,247 |
| Net income | — | — | 54,575 | — | — | 54,575 |
| Other comprehensive income | — | — | — | — | 2,505 | 2,505 |
| Forfeiture of restricted stock award grants (15,044 shares) | — | 360 | — | (360) | — | — |
| Restricted stock award grants (130,857 shares) | — | (3,025) | — | 3,025 | — | — |
| Performance based restricted stock award grants (9,667 shares) | — | (179) | — | 179 | — | — |
| Stock-based compensation expense | — | 2,225 | — | — | — | 2,225 |
| Purchase of treasury stock (23,988 shares) | — | — | — | (441) | — | (441) |
| Purchase of treasury stock for the purpose of tax withholding related to restricted stock award vesting (7,421 shares) | — | — | — | (148) | — | (148) |
| Purchase of treasury stock for the purpose of tax withholding related to performance based restricted stock award vesting (2,518 shares) | — | — | — | (54) | — | (54) |
| Preferred cash dividend declared | — | — | (4,302) | — | — | (4,302) |
| Common cash dividends declared ($0.71 per share) | — | — | (14,912) | — | — | (14,912) |
| Balance, December 31, 2024 | 57,785 | 219,876 | 381,296 | (4,689) | (43,573) | 610,695 |

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (continued)
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023
Dollars in thousands, except share and per share data

| | Preferred Stock | Additional Paid-In Capital | Retained Earnings | Treasury Stock | Accumulated Other Comprehensive Income (Loss) | Total Share-holders' Equity |
|---|---|---|---|---|---|---|
| Net income | $ — | $ — | $ 66,131 | $ — | $ — | $ 66,131 |
| Other comprehensive income | — | — | — | — | 12,908 | 12,908 |
| Forfeiture of restricted stock award grants (16,971 shares) | — | 409 | — | (409) | — | — |
| Restricted stock award grants (147,132 shares) | — | (2,683) | — | 2,683 | — | — |
| Performance based restricted stock award grants (8,916 shares) | — | (167) | — | 167 | — | — |
| Stock-based compensation expense | — | 2,669 | — | — | — | 2,669 |
| Purchase of treasury stock for the purpose of tax withholding related to restricted stock award vesting (11,187 shares) | — | — | — | (283) | — | (283) |
| Purchase of treasury stock for the purpose of tax withholding related to performance based restricted stock award vesting (1,960 shares) | — | — | — | (50) | — | (50) |
| Acquisition of ESSA Bancorp and ESSA Bank | — | 202,549 | — | — | — | 202,549 |
| Preferred cash dividend declared | — | — | (4,302) | — | — | (4,302) |
| Cash dividends declared ($0.72 per common share) | — | — | (18,190) | — | — | (18,190) |
| Balance, December 31, 2025 | $ 57,785 | $ 422,653 | $ 424,935 | $ (2,581) | $ (30,665) | $ 872,127 |

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
Dollars in thousands

| | Year ended December 31, | | |
|---|---|---|---|
| | 2025 | 2024 | 2023 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net income | $ 66,131 | $ 54,575 | $ 58,020 |
| Adjustments to reconcile net income to net cash provided by operations: | | | |
| Provision for credit loss expense | 8,855 | 9,222 | 5,993 |
| Depreciation and amortization of premises and equipment, operating leases assets, core deposit intangible, and mortgage servicing rights | 10,906 | 8,269 | 7,739 |
| Net accretion of securities, deferred loan fees and costs, net yield and credit mark on acquired loans, and unearned income | (12,927) | (4,585) | (3,158) |
| Net amortization of deferred costs on borrowings | 304 | 303 | 303 |
| Deferred tax (benefit) expense | 5,068 | (1,183) | 1,111 |
| Net realized gains on sales of available-for-sale securities | (1,168) | (74) | (52) |
| Net realized and unrealized losses (gains) on equity securities | (1,262) | (754) | 387 |
| Losses (gains) on sale of loans held for sale | 1,254 | (770) | (447) |
| Net (gains) losses on dispositions of premises and equipment and foreclosed assets | (160) | 53 | 27 |
| Proceeds from sale of loans receivable | 29,875 | 27,934 | 16,263 |
| Origination of loans held for sale | (31,015) | (28,451) | (17,874) |
| Income on bank owned life insurance | (4,770) | (3,110) | (2,945) |
| Gain on bank owned life insurance (death benefit proceeds in excess of cash surrender value) | 1,211 | — | — |
| Restricted stock compensation expense | 2,669 | 2,225 | 1,688 |
| Stock-based contribution expense | — | — | 55 |
| Changes in: | | | |
| Accrued interest receivable and other assets | 1,806 | 389 | (5,894) |
| Accrued interest payable, lease liabilities, and other liabilities | (11,794) | 7,469 | (14,193) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 64,983 | 71,512 | 47,023 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Proceeds from maturities, prepayments and calls of available-for-sale securities | 126,236 | 65,457 | 42,726 |
| Proceeds from sales of available-for-sale securities | 340,966 | 806 | 13,151 |
| Proceeds from sale of equity securities | 1,164 | — | 296 |
| Purchase of available-for-sale securities | (335,820) | (190,849) | (19,253) |
| Proceeds from maturities, prepayments and calls of held-to-maturity securities | 64,877 | 83,883 | 16,806 |
| Purchase of equity securities | (311) | (401) | (369) |
| Proceeds from loans held for sale previously classified as portfolio loans | 71,000 | 11,182 | 4,994 |
| Net increase in loans receivable | (275,994) | (155,115) | (197,594) |
| Proceeds from death benefit of bank owned life insurance policies | 2,471 | — | — |
| Net cash from business combinations | 27,403 | — | — |
| Redemption (purchase) of FHLB, other equity, and restricted equity interests | 6,373 | (10,691) | 704 |
| Purchase of premises and equipment | (6,332) | (16,284) | (10,847) |
| Proceeds from the sale of premises and equipment and foreclosed assets | 5,611 | 8,732 | 52 |
| Purchase of other intangibles | — | — | (125) |
| NET CASH USED BY INVESTING ACTIVITIES | 27,644 | (203,280) | (149,459) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Net increase in checking, money market and savings accounts | 317,629 | 156,248 | 316,280 |
| Net (decrease) increase in certificates of deposit | (29,570) | 216,366 | 60,033 |
| Purchase of treasury stock | (333) | (643) | (6,724) |
| Cash dividends paid, common stock | (18,190) | (14,912) | (14,694) |
| Cash dividends paid, preferred stock | (4,302) | (4,302) | (4,302) |
| Net decrease in short-term borrowings | (273,000) | — | (132,396) |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | (7,766) | 352,757 | 218,197 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 84,861 | 220,989 | 115,761 |
| CASH AND CASH EQUIVALENTS, Beginning | 443,035 | 222,046 | 106,285 |
| CASH AND CASH EQUIVALENTS, Ending | $ 527,896 | $ 443,035 | $ 222,046 |

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
Dollars in thousands

| | Year ended December 31, | | |
|---|---|---|---|
| | 2025 | 2024 | 2023 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | | |
| Cash paid during the period for: | | | |
| Interest | $ 150,137 | $ 134,399 | $ 102,156 |
| Income taxes | 10,649 | 12,908 | 12,006 |
| SUPPLEMENTAL NONCASH DISCLOSURES: | | | |
| Transfers to other real estate owned | $ 505 | $ 1,453 | $ 874 |
| Transfers from loans held for sale to loans held for investment | 317 | 1,394 | 1,666 |
| Transfers from loans held for investment to loans held for sale | 385 | 438 | 166 |
| Grant of restricted stock awards from treasury stock | 2,683 | 3,025 | 2,743 |
| Grant of performance based restricted stock awards from treasury stock | 167 | 179 | 111 |
| Restricted stock forfeiture | 409 | 360 | 134 |
| Contribution of stock from treasury stock | — | — | 81 |
| Lease liabilities arising from obtaining operating right-of-use assets | 1,198 | 4,084 | 5,001 |
| Lease liabilities arising from obtaining finance right-of-use assets | 2,970 | 14,951 | — |

See Note 2, "Business Combinations" regarding non-cash transactions included in the acquisition.

See Notes to Consolidated Financial Statements

## Notes to Consolidated Financial Statements

### 1. Summary of Significant Accounting Policies

Unless otherwise indicated, dollar amounts in tables are stated in thousands, except for per share amounts.

*Business and Organization*

CNB Financial Corporation (the "Corporation") is headquartered in Clearfield, Pennsylvania, and provides a full range of banking and related services through its wholly owned subsidiary, CNB Bank (the "Bank"). In addition, the Bank provides wealth and asset management services, including the administration of trusts and estates, retirement plans, and other employee benefit plans as well as a full range of wealth management services. The Bank serves individual and corporate customers and is subject to competition from other financial institutions and intermediaries with respect to these services. In addition to the Bank, the Corporation also operates a consumer discount loan and finance business through its wholly owned subsidiary, Holiday Financial Services Corporation ("Holiday"). The Corporation and its other subsidiaries are subject to examination by federal and state regulators. The Corporation's market area is primarily concentrated in the Central, Northwest and Northeast regions of the Commonwealth of Pennsylvania, the Central and Northeast regions of the State of Ohio, Western region of the State of New York and the Southwest region of the Commonwealth of Virginia.

*Basis of Financial Presentation*

The financial statements are consolidated to include the accounts of the Corporation, the Bank, CNB Securities Corporation, Holiday, CNB Risk Management, Inc. and CNB Insurance Agency. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

*Subsequent Events*

The Corporation has evaluated subsequent events for recognition and disclosure through the date these consolidated financial statements were issued.

*Use of Estimates*

To prepare financial statements in conformity with U.S. generally accepted accounting principles ("GAAP"), management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided, and actual results could differ. The allowance for credit losses on loans receivable and off-balance sheet credit exposures, the fair values of financial instruments, goodwill and the status of contingencies are particularly subject to change. Any resulting change in these estimates could be material to the consolidated financial statements.

*Cash and Cash Equivalents*

For purposes of the consolidated statement of cash flows, the Corporation defines cash and cash equivalents as cash and due from banks and interest bearing deposits with the Federal Reserve and other financial institutions. Net cash flows are reported for customer loan and deposit transactions, interest bearing time deposits with other financial institutions and borrowings with original maturities of 90 days or less.

*Interest-Bearing Deposits in Other Financial Institutions*

Interest-bearing deposits in other financial institutions are carried at cost.

*Restrictions on Cash*

Note 18, "Derivative Instruments," to the consolidated financial statements discloses the cash collateral balances required to be maintained in connection with the Corporation’s interest rate swaps.

*Debt Securities*

Debt securities are classified as held-to-maturity ("HTM") and carried at amortized cost when management has the positive intent and ability to hold them to maturity. Debt securities are classified as available-for-sale ("AFS") when they might be sold before maturity. AFS debt securities are carried at fair value, with unrealized holding gains and losses reported in other comprehensive income, net of tax.

Interest income includes amortization of purchase premium or discount. Premiums and discounts on securities are amortized on the level-yield method without anticipating prepayments, except for mortgage backed securities where prepayments are anticipated. Premiums on callable debt securities are amortized to their earliest call date. Gains and losses on sales are recorded on the trade date and determined using the specific identification method.

The Corporation has made a policy election to exclude accrued interest from the amortized cost basis of debt securities and report accrued interest separately in accrued interest receivable and other assets in the consolidated balance sheets. A debt security is placed on nonaccrual status at the time any principal or interest payments become more than 90 days delinquent or if full collection of interest or principal becomes uncertain. Accrued interest for a security placed on nonaccrual is reversed against interest income. There was no accrued interest related to debt securities reversed against interest income for the years ended December 31, 2025 and 2024, respectively.

*Allowance for Credit Losses (AFS Debt Securities)*

For AFS debt securities in an unrealized loss position, the Corporation first assesses whether it intends to sell, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For AFS debt securities that do not meet the aforementioned criteria, the Corporation evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income.

Changes in the allowance for credit losses are recorded as a credit loss expense (or reversal). Losses are charged against the allowance when management believes the uncollectibility of an AFS security is confirmed or when either of the criteria regarding intent or requirement to sell is met. As of December 31, 2025 and December 31, 2024, the Corporation determined that the unrealized loss positions in AFS debt securities were not the result of credit losses, and therefore, an allowance for credit losses was not recorded. See Note 3, "Securities," and Note 5, "Fair Value," for more information about AFS debt securities.

Accrued interest receivable on AFS debt securities totaled $3.1 million and $2.1 million at December 31, 2025 and December 31, 2024, respectively, and is excluded from the estimate of credit losses. Accrued interest receivable on AFS debt securities was reported in accrued interest receivable and other assets on the consolidated balance sheets.

*Allowance for Credit Losses (HTM Debt Securities)*

Management measures expected credit losses on HTM debt securities on a collective basis by major security type.

Accrued interest receivable on HTM debt securities totaled $857 thousand and $1.1 million at December 31, 2025 and 2024, respectively, and was reported in accrued interest receivable and other assets on the consolidated balance sheets and is excluded from the estimate of credit losses.

The estimate of expected credit losses considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts

Management classifies the HTM portfolio into the following major security types: U.S. government sponsored entities and residential & multi-family mortgages. All of the mortgage-backed residential securities held by the Company are issued by U.S. government entities and agencies. These securities are either explicitly or implicitly guaranteed by the U.S. government, are highly rated by major rating agencies and have a long history of no credit losses.

*Equity Securities*

Equity securities are carried at fair value, with changes in fair value reported in net income. Equity securities without readily determinable fair values are carried at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment. Restrictions on the sale of equity securities held are not considered in the fair value measurement unless the restriction is a characteristic of the actual securities.

*Loans Held for Sale*

Mortgage loans originated and intended for sale in the secondary market are carried at the lower of aggregate cost or fair value, as determined by outstanding commitments from investors. Net unrealized losses, if any, are recorded as a valuation allowance and charged to earnings.

Mortgage loans held for sale are generally sold with servicing rights retained. The carrying value of the mortgage loan sold is reduced by the amount allocated to the servicing right. Gains and losses on sales of mortgage loans are based on the difference between the selling price and the carrying value of the related loan sold.

*Loans*

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at amortized cost. Amortized cost is the principal balance outstanding, net of purchase premiums and discounts, deferred loan fees and costs. Accrued interest receivable totaled $30.3 million and $21.6 million at December 31, 2025 and December 31, 2024, respectively, and was reported in accrued interest receivable and other assets on the consolidated balance sheets and is excluded from the estimate of credit losses. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized in interest income using the level-yield method without anticipating prepayments.

Interest income on mortgage, consumer and commercial loans is discontinued and placed on nonaccrual status at the time the loan is 90 days delinquent unless the loan is well secured and in process of collection. Past-due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not received on loans placed on nonaccrual is reversed against interest income. Interest received on such loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Under the cost-recovery method, interest income is not recognized until the loan balance is reduced to zero. Under the cash-basis method, interest income is recorded when the payment is received in cash. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

*Purchased Credit Deteriorated ("PCD") Loans*

The Corporation has purchased loans, some of which have experienced more than insignificant credit deterioration since origination.

PCD loans are recorded at the amount paid. An allowance for credit losses is determined using the same methodology as other loans held for investment. The initial allowance for credit losses determined on a collective basis is allocated to individual loans. The sum of the loan's purchase price and allowance for credit losses becomes its initial amortized cost basis. The difference between the initial amortized cost basis and the par value of the loan is a noncredit discount or premium, which is amortized into interest income over the life of the loan. Subsequent changes to the allowance for credit losses are recorded through credit loss expense.

*Concentration of Credit Risk*

Most of the Corporation’s business activity is with customers located within the Commonwealth of Pennsylvania and the states of Ohio, New York and Virginia. Therefore, the Corporation’s exposure to credit risk is significantly affected by changes in the economies of Pennsylvania, Ohio, New York and Virginia. At December 31, 2025 no industry concentration existed which exceeded 10% of the total loan portfolio.

*Allowance for Credit Losses - Loans*

The allowance for credit losses is a valuation account that is deducted from the loan's amortized cost basis to present the net amount expected to be collected on the loans. Loans are charged off against the allowance when management believes the uncollectibility of a loan balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts, and other significant qualitative and quantitative factors. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, changes in environmental conditions, delinquency level, segment growth rates (portfolio mix) and changes in duration within new markets, or other relevant factors. For further information on the allowance for credit losses on loans, see Note 4, "Loans Receivable and Allowance for Credit Losses," for additional detail.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The Corporation has segregated its portfolio segments based on federal call report codes which classify loans based on the primary collateral supporting the loan. The following are the Corporation's segmented portfolios:

1-4 Family Construction: The Bank originates construction loans to finance 1-4 family residential buildings. Construction loans include not only construction of new structures, but also additions or alterations to existing structures and the demolition of existing structures to make way for new structures. Construction loans are generally secured by real estate. The primary risk characteristics are specific to the uncertainty on whether the construction will be completed according to the specifications and schedules. Factors that may influence the completion of construction may be customer specific, or related to changes in general economic conditions.

Other construction loans and all land development and other land loans: The Bank originates construction loans to finance land development preparatory to erecting new structures or the on-site construction of industrial, commercial, or multi-family buildings. Construction loans include not only construction of new structures, but also additions or alterations to existing structures and the demolition of existing structures to make way for new structures. Construction loans are generally secured by real estate. The primary risk characteristics are specific to the uncertainty on whether the construction will be completed according to the specifications and schedules. Factors that may influence the completion of construction may be customer specific, such as the quality and depth of property management, or related to changes in general economic conditions.

Farmland (including farm residential and other improvements): The Bank originates loans secured by farmland and improvements thereon, secured by mortgages. Farmland includes all land known to be used or usable for agricultural purposes, such as crop and livestock production. Farmland also includes grazing or pasture land, whether tillable or not and whether wooded or not. The primary risk characteristics are specific to the uncertainty on production, market, financial, environmental and human resources.

Home equity lines of credit: The primary risk characteristics associated with home equity lines of credit typically involve changes to the borrower, including unemployment or other loss of income; unexpected significant expenses, such as major medical expenses, catastrophic events, divorce and death. Home equity lines of credit are typically originated with variable or floating interest rates, which could expose the borrower to higher payments in a rising interest rate environment. Real estate values could decrease and cause the value of the underlying property to fall below the loan amount, creating additional potential loss exposure for the Bank.

Residential Mortgages secured by first liens: The Bank originates one-to-four family residential mortgage loans primarily within Central, Northeast, and Northwest Pennsylvania, Central and Northeast Ohio, Western New York, and Southwest Virginia market. These loans are secured by first liens on a primary residence or investment property. The primary risk characteristics associated with residential mortgage loans typically involve major changes to the borrower, including unemployment or other loss of income; unexpected significant expenses, such as major medical expenses, catastrophic events, divorce or death. Residential mortgage loans that have adjustable rates could expose the borrower to higher payments in a rising interest rate environment. Real estate values could decrease and cause the value of the underlying property to fall below the loan amount, creating additional potential loss exposure for the Bank.

Residential Mortgages secured by junior liens: The Bank originates loans secured by junior liens against one to four family properties primarily within Central, Northeast, and Northwest Pennsylvania, Central and Northeast Ohio, Western New York, and Southwest Virginia market. Loans secured by junior liens are primarily in the form of an amortizing home equity loan. These loans are subordinate to a first mortgage which may be from another lending institution. The primary risk characteristics associated with loans secured by junior liens typically involve major changes to the borrower, including unemployment or other loss of income, unexpected significant expenses, such as for major medical expenses, catastrophic events, divorce or death. Real estate values could decrease and cause the value of the property to fall below the loan amount, creating additional potential loss exposure for the Bank.

Multifamily (5 or more) residential properties: The Bank originates mortgage loans for multifamily properties primarily within Central, Northeast, and Northwest Pennsylvania, Central and Northeast Ohio, Western New York, and Southwest Virginia market. Multifamily loans are expected to be repaid from the cash flows of the underlying property so the collective amount of rents must be sufficient to cover all operating expenses, property management and maintenance, taxes and debt service. Increases in vacancy rates, interest rates or other changes in general economic conditions can have an impact on the borrower and its ability to repay the loan.

Owner-occupied, nonfarm nonresidential properties: The Bank originates mortgage loans to operating companies primarily within Central, Northeast, and Northwest Pennsylvania, Central and Northeast Ohio, Western New York, and Southwest Virginia market. Owner-occupied real estate properties primarily include retail buildings, medical buildings and industrial/warehouse space. Owner-occupied loans are typically repaid first by the cash flows generated by the borrower's business operations. The primary risk characteristics are specific to the underlying business and its ability to generate sustainable profitability and positive cash flow. Factors that may influence a borrower's ability to repay their loan include demand for the business' products or services, the quality and depth of management, the degree of competition, regulatory changes, and general economic conditions.

Non-owner occupied, nonfarm nonresidential properties: The Bank originates mortgage loans for commercial real estate that is managed as an investment property primarily within Central, Northeast, and Northwest Pennsylvania, Central and Northeast Ohio, Western New York, and Southwest Virginia market. Commercial real estate properties primarily include retail buildings/shopping centers, hotels, office/medical buildings and industrial/warehouse space. Increases in vacancy rates, interest rates or other changes in general economic conditions can have an impact on the borrower and its ability to repay the loan. Commercial real estate loans are generally considered to have a higher degree of credit risk as they may be dependent on the ongoing success and operating viability of a fewer number of tenants who are occupying the property and who may have a greater degree of exposure to economic conditions.

Agricultural production and other loans to farmers: The Bank originates loans secured or unsecured to farm owners and operators (including tenants) or to nonfarmers for the purpose of financing agricultural production, including the growing and storing of crops, the marketing or carrying of agricultural products by the growers thereof, and the breeding, raising, fattening, or marketing of livestock, and for purchases of farm machinery, equipment, and implements. The primary risk characteristics are specific to the uncertainty on production, market, financial, environmental and human resources.

Loans to depository institutions: The Bank originates loans to banks, credit unions, and other depository or financial institutions whose primary business activities include accepting deposits and extending credit. These credits are generally short- to medium-term and may be secured or unsecured, with collateral often consisting of securities or other high-quality liquid assets when obtained. Repayment typically depends on the borrower's operating performance, liquidity management, and access to market funding. Key risk characteristics include capital adequacy, asset quality, liquidity, operating results, and sensitivity to market and regulatory conditions. The Bank manages these risks through ongoing monitoring of financial performance, regulatory filings, and collateral arrangements when appropriate.

Commercial and Industrial: The Bank originates lines of credit and term loans to operating companies for business purposes. The loans are generally secured by business assets such as accounts receivable, inventory, business vehicles and equipment as well as the stock of a company, if privately held. Commercial and Industrial loans are typically repaid first by the cash flows generated by the borrower's business operations. The primary risk characteristics are specific to the underlying business and its ability to generate sustainable profitability and positive cash flow. Factors that may influence a borrower's ability to repay their loan include demand for the business' products or services, the quality and depth of management, the degree of competition, regulatory changes, and general economic conditions. The ability of the Bank to foreclose and realize sufficient value from business assets securing these loans is often uncertain. To mitigate the risk characteristics of commercial and industrial loans, commercial real estate may be included as a secondary source of collateral. The Bank will often require more frequent reporting requirements from the borrower in order to better monitor its business performance.

Credit cards: The Bank originates credit cards offered to individuals and businesses for household, family, other personal and business expenditures. Credit cards generally are floating rate loans and include both unsecured and secured lines. Credit card loans generally do not have stated maturities and are unconditionally cancellable. The primary risk characteristics associated with credit cards typically involve major changes to the borrower, including unemployment or other loss of income, unexpected significant expenses, such as for major medical expenses, catastrophic events, divorce or death.

Other revolving credit plans: The Bank originates lines of credit to individuals for household, family, and other personal expenditures. Consumer loans generally have higher interest rates and shorter terms than residential loans but tend to have higher credit risk due to the type of collateral securing the loan or in some cases the absence of collateral. The primary risk characteristics associated with other revolving loans typically involve major changes to the borrower, including unemployment or other loss of income, unexpected significant expenses, such as for major medical expenses, catastrophic events, divorce or death.

Automobile: The Bank originates consumer loans extended for the purpose of purchasing new and used passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use. The primary risk characteristics associated with automobile loans typically involve major changes to the borrower, including unemployment or other loss of income, unexpected significant expenses, such as for major medical expenses, catastrophic events, divorce or death.

Other consumer: The Bank originates loans to individuals for household, family, and other personal expenditures. This also represents all other loans that cannot be categorized in any of the previous mentioned consumer loan segments. Consumer loans generally have higher interest rates and shorter terms than residential loans but tend to have higher credit risk due to the type of collateral securing the loan or in some cases the absence of collateral. The primary risk characteristics associated with other consumer loans typically involve major changes to the borrower, including unemployment or other loss of income, unexpected significant expenses, such as for major medical expenses, catastrophic events, divorce or death.

Obligations (other than securities and leases) of states and political subdivisions: The Bank originates various types of loans made directly to municipalities. These loans are repaid through general cash flows or through specific revenue streams, such as water and sewer fees. The primary risk characteristics associated with municipal loans are the municipality's ability to manage cash flow, balance the fiscal budget, fixed asset and infrastructure requirements. Additional risks include changes in demographics, as well as social and political conditions.

Other loans: The Bank originates various loans that do not fall within its primary commercial or consumer categories, including loans to nonprofit organizations such as churches, hospitals, educational institutions, charitable groups, and community associations. These borrowers often depend on donations, grants, dues, or program revenues, making repayment sensitive to economic conditions and the stability of their funding sources. Key risk characteristics include operational and cash-flow volatility, concentration within donor or membership bases, and exposure to demographic, social, political, or regulatory changes. Collateral, when taken, may include real estate or other assets, though recovery values can be limited due to specialized uses. These loans are generally evaluated collectively for the allowance for credit losses based on shared risk attributes and historical performance.

Overdrafts: The Bank reports overdrawn customer deposit balances as loans, as the negative balance represents an extension of credit. Overdrafts are unsecured, short-term exposures that arise when withdrawals exceed the available account balance, with repayment dependent on the customer's ability to replenish the account through future deposits. Key risk characteristics include the customer's deposit behavior, financial condition, and frequency of overdraft activity. These exposures are monitored through established account controls and are evaluated collectively for the allowance for credit losses based on historical loss experience and current expected credit conditions.

Methods utilized by management to estimate expected credit losses include a discounted cash flow ("DCF") model that discounts instrument-level contractual cash flows, adjusted for prepayments and curtailments, incorporating loss expectations, and a weighted average remaining maturity ("WARM") model which contemplates expected losses at a pool-level, utilizing historic loss information.

Under both models, management estimates the allowance for credit losses on loans using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. After the end of the reasonable and supportable forecast period, the loss rates revert to the mean loss rate over a period of eight quarters.

Historical credit loss experience, including examination of loss experience at representative peer institutions when the Corporation's loss history does not result in estimations that are meaningful to users of the Corporation's Consolidated Financial Statements, provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, changes in environmental conditions, delinquency level, segment growth rates and changes in duration within new markets, or other relevant factors.

The DCF model uses inputs of current and forecasted macroeconomic indicators to predict future loss rates. The current macroeconomic indicator utilized by the Corporation is the Federal unemployment rate and the S&P/Case-Shiller U.S. National Home Price Index for select collective residential related pools. In building the current expected credit loss methodology utilized in the DCF model, a correlation between this indicator and historic loss levels was developed, enabling a prediction of future loss rates related to future Federal unemployment rates and S&P/Case-Shiller U.S. National Home Price Index.

The portfolio segments utilizing the DCF methodology comprised 91.9% and 91.3% of the amortized cost of loans as of December 31, 2025 and December 31, 2024, respectively, and included:

- Farmland
- Home equity lines of credit
- Residential Mortgages secured by first liens
- Residential Mortgages secured by junior liens
- Multifamily (5 or more) residential properties
- Owner-occupied, nonfarm nonresidential properties
- Non-owner occupied, nonfarm nonresidential properties
- Loans to depository institutions
- Agricultural production and other loans to farmers
- Commercial and Industrial
- Automobile
- Obligations (other than securities and leases) of states and political subdivisions
- Other loans

The WARM model uses combined historic loss rates for the Corporation and peer institutions, if necessary, gathered from call report filings. The selected period for which historic loss rates are used is dependent on management's evaluation of current conditions and expectations of future loss conditions.

The portfolio segments utilizing the WARM methodology comprised 8.1% and 8.7% of the amortized cost of loans as of December 31, 2025 and December 31, 2024, respectively, and included:

- 1-4 Family Construction
- Other construction loans and all land development and other land loans
- Credit cards
- Other revolving credit plans
- Other consumer

Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are not also included in the collective evaluation and typically represent collateral dependent loans but may also include other nonperforming loans or borrowers experiencing financial difficulty. The Corporation uses the practical expedient to measure individually evaluated loans as collateral dependent and/or when repayment is expected to be provided substantially through the operation or sale of the collateral. Expected credit losses are based on the fair value at the reporting date, adjusted for selling costs as appropriate. For collateral dependent loans, credit loss is measured as the difference between the amortized cost basis in the loan and the fair value of the underlying collateral. The fair value of the collateral is adjusted for the estimated cost to sell if repayment or satisfaction of a loan is dependent on the sale (rather than only on the operation) of the collateral. When the discounted cash flow method is used to determine the allowance for credit losses, management adjusts the effective interest rate used to discount expected cash flows to incorporate expected prepayments.

Expected credit losses are estimated over the contractual term of the loans, adjusted for expected prepayments when appropriate. The contractual term excludes expected extensions, renewals, and modifications unless those options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Corporation.

*Allowance for Credit Losses on Off-Balance Sheet Credit Exposures*

Management estimates expected credit losses over the contractual period in which the Corporation is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Corporation. The allowance for credit losses on off-balance sheet credit exposures is adjusted through credit loss expense. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life. Management estimates the amount of expected losses by calculating a commitment usage factor over the contractual period for exposures that are not unconditionally cancellable by the Bank and applying the loss factors used in the allowance for credit losses on loans methodology to the results of the usage calculation to estimate the liability for credit losses related to unfunded commitments for each loan segment. The estimate of credit losses on off-balance sheet credit exposures is $1.2 million and $944 thousand at December 31, 2025 and 2024, respectively, and was reported in accrued interest payable and other liabilities on the consolidated balance sheets.

*Servicing Rights*

When mortgage loans are sold with servicing retained, servicing rights are initially recorded at fair value with the income statement effect recorded in mortgage banking income. Fair value is based on market prices for comparable mortgage servicing contracts, when available, or alternatively, is based on a valuation model that calculates the present value of estimated future net servicing income. All classes of servicing assets are subsequently measured using the amortization method which requires servicing rights to be amortized into non-interest income in proportion to, and over the period of, the estimated future net servicing income of the underlying loans.

Servicing rights are evaluated for impairment based upon the fair value of the rights as compared to carrying amount. Impairment is determined by stratifying rights into groupings based on predominant risk characteristics, such as interest rate, loan type and investor type. Impairment is recognized through a valuation allowance, to the extent that fair value is less than the carrying amount. If the Corporation later determines that all or a portion of the impairment no longer exists, a reduction of the allowance may be recorded as an increase to income. Changes in valuation allowances are reported with mortgage banking income on the income statement. The fair values of servicing rights are subject to significant fluctuations as a result of changes in estimated and actual prepayment speeds and default rates and losses.

Servicing fee income, which is reported on the income statement as mortgage banking income, is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal or a fixed amount per loan and are recorded as income when earned. The amortization of mortgage servicing rights is netted against loan servicing fee income. Late fees and ancillary fees related to loan servicing are not material.

*Transfers of Financial Assets*

Transfers of financial assets are accounted for as sales when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been legally isolated from the Corporation, the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and the Corporation does not maintain effective control over the transferred assets.

*Foreclosed Assets*

Foreclosed assets are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. Physical possession of residential real estate property collateralizing a consumer mortgage loan occurs when legal title is obtained upon completion of foreclosure or when the borrower conveys all interest in the property to satisfy the loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. If fair value declines subsequent to foreclosure, a valuation allowance is recorded through expense. Operating costs after acquisition are expensed.

*Premises and Equipment*

Land is carried at cost. Premises and equipment are stated at cost less accumulated depreciation. Depreciation of premises and equipment is computed principally by the straight line method. In general, useful lives range from 3 to 39 years with lives for furniture, fixtures and equipment ranging from 3 to 10 years and lives of buildings and building improvements ranging from 15 to 39 years. Amortization of leasehold improvements is computed using the straight-line method over useful lives of the leasehold improvements or the term of the lease, whichever is shorter. Maintenance, repairs and minor renewals are charged to expense as incurred.

*Leases*

Leases are classified as operating or finance leases at the lease commencement date. The Corporation leases certain locations and equipment. The Corporation records leases on the balance sheet in the form of a lease liability for the present value of future lease payments under the lease terms and a right-of-use asset equal to the lease liability adjusted for items such as deferred or prepaid rent, lease incentives, and any impairment of the right-of-use asset. The discount rate used in determining the lease liability is based upon incremental borrowing rates the Corporation could obtain for similar loans as of the date of commencement or renewal. The Corporation does not record short term leases with an initial lease term of one year or less on the consolidated balance sheets.

At lease inception, the Corporation determines the lease term by considering the noncancelable lease term and all optional renewal periods that the Corporation is reasonably certain to renew. The lease term is also used to calculate straight-line lease expense. Leasehold improvements, except for those relating to leases between entities under common control, are amortized over the shorter of the useful life and the estimated lease term. Leasehold improvements relating to leases between entities under common control are amortized over the useful life of the improvements to the common control group. The Corporation's leases do not contain residual value guarantees or material variable lease payments.

Operating lease expense consists of a single lease cost allocated over the remaining lease term on a straight-line basis, variable lease expense, and any impairment of the right-of-use asset. Lease expense is included in occupancy expense on the Corporation's consolidated statements of income. The Corporation's variable lease expense includes rent escalators that are based on market conditions and include items such as common area maintenance, utilities, parking, property taxes, insurance and other costs associated with the lease. The amortization of the right-of-use asset arising from finance leases is expensed through occupancy expense and the interest on the related lease liability is expensed through interest expense on borrowings on the Corporation's consolidated statements of income.

The Corporation has elected to treat property leases that include both lease and non-lease components as a single component and account for it as a lease.

*Federal Home Loan Bank Stock*

As a member of the Federal Home Loan Bank ("FHLB") system, members are required to own a certain amount of stock based on the level of borrowings and other factors and may invest in additional amounts. FHLB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. Both cash and stock
dividends are reported as income.

*Qualified Affordable Housing Project Investments*

The Corporation has investments in various real estate limited partnerships that acquire, develop, own and operate low and moderate-income housing. These investments are made directly in Low Income Housing Tax Credit ("LIHTC") partnerships formed by third parties. As a limited partner in these operating partnerships, the Corporation receives tax credits and tax deductions for losses incurred by the underlying properties. The Corporation accounts for its ownership interest in LIHTC partnerships in accordance with Accounting Standards Update ("ASU") 2023-02, "Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method." The standard allows the Corporation to elect to account for qualifying tax equity investments using the proportional amortization method, regardless of the program giving rise to the related income tax credits. There were no impairment losses during the year resulting from the forfeiture or ineligibility of tax credits related to qualified affordable housing project investments.

*Bank Owned Life Insurance*

The Corporation has purchased life insurance policies on certain key employees. Bank owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

*Goodwill and Other Intangible Assets*

Goodwill arises from business combinations and is determined as the excess of the fair value of the consideration transferred, plus the fair value of any noncontrolling interests in the acquiree, over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. Goodwill and intangible assets acquired in a business combination and determined to have an indefinite useful life are not amortized but tested for impairment at least annually or more frequently if events and circumstances exist that indicate that an impairment test should be performed.

The Company has selected November 30 as the date to perform the annual impairment test. Intangible assets with finite useful lives are amortized over their estimated useful lives to their estimated residual values. Amortized intangibles must be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the long-lived asset (group) might not be recoverable. An impairment loss related to intangible assets with finite useful lives is recognized if the carrying amount of the intangible asset is not recoverable and its carrying amount exceeds its fair value. After the impairment loss is recognized, the adjusted carrying amount of the intangible asset shall be its new accounting basis.

Other intangible assets consist of core deposit intangible assets arising from acquisitions and naming rights associated with the formation of Ridge View Bank, a division of the Bank in 2023. The core deposit intangible assets from acquisitions are amortized using an accelerated method over their estimated useful lives, which range from four years to ten years. The naming rights have an indefinite useful life.

Goodwill and naming rights are the only intangible assets with an indefinite life on the Corporation's balance sheet.

*Loan Commitments and Related Financial Instruments*

Financial instruments include off-balance sheet credit instruments, such as commitments to make loans and commercial letters of credit, issued to meet customer financing needs. The face amount for these items represents the exposure to loss, before considering customer collateral or ability to repay. Such financial instruments are recorded when they are funded.

*Derivatives*

At the inception of a derivative contract, the Corporation designates the derivative as one of three types based on the Corporation's intentions and belief as to likely effectiveness as a hedge. These three types are (1) a hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment ("fair value hedge"), (2) a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge"), or (3) an instrument with no hedging designation ("non-designated derivative"). For a fair value hedge, the gain or loss on the derivative, as well as the offsetting loss or gain on the hedged item attributable to the hedged risk, are recognized in current earnings as fair values change. For a cash flow hedge, the gain or loss on the derivative is reported in other comprehensive income (loss) and is reclassified into earnings in the same periods during which the hedged transaction affects earnings. Changes in the fair value of derivatives not designated are reported currently in earnings, as non-interest income.

Accrued settlements on derivatives that qualify for hedge accounting are recorded in interest income or interest expense, based on the item being hedged. Accrued settlements on derivatives not designated are reported in non-interest income. Cash flows from designated derivatives are classified in the cash flow statement the same as the cash flows of the items being hedged.

The Corporation formally documents the relationship between derivatives and hedged items, as well as the risk-management objective and the strategy for undertaking hedge transactions, at the inception of the hedging relationship. This documentation includes linking fair value or cash flow hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. The Corporation also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivative instruments that are used are highly effective in offsetting changes in fair values or cash flows of the hedged items. The Corporation discontinues hedge accounting when it determines that the derivative is no longer effective in offsetting changes in the fair value or cash flows of the hedged item, the derivative is settled or terminates, a hedged forecasted transaction is no longer probable, a hedged firm commitment is no longer firm, or treatment of the derivative as a hedge is no longer appropriate or intended.

When hedge accounting is discontinued, subsequent changes in fair value of the derivative are recorded as non-interest income. When a fair value hedge is discontinued, the hedged asset or liability is no longer adjusted for changes in fair value and the existing basis adjustment is amortized or accreted over the remaining life of the asset or liability. When a cash flow hedge is discontinued but the hedged cash flows or forecasted transactions have a more than remote probability of occurring, gains or losses that were accumulated in other comprehensive income are amortized into earnings over the same periods which the hedged transactions will affect earnings.

The Corporation is exposed to losses if a counterparty fails to make its payments under a contract in which the Corporation is in a net receiving position. The Corporation anticipates that its counterparties will be able to fully satisfy their obligations under the agreements. All contracts to which the Corporation is a party settle monthly or quarterly. In addition, the Corporation obtains collateral above certain thresholds of the fair value of its derivatives for each dealer counterparty based on their credit standing, and the Corporation maintains netting agreements with the dealers with which it conducts business.

*Stock-Based Compensation*

Compensation cost is recognized for restricted stock awards issued to employees based on the fair value of these awards at the date of grant. The market price of the Corporation's common stock at the date of grant is used for restricted stock awards.

Compensation cost is recognized over the requisite service period, generally defined as the vesting period. For awards with graded vesting, compensation cost is recognized on a straight-line basis over the requisite service period for the entire award. The Corporation's accounting policy is to recognize forfeitures as they occur. Certain of the restricted stock awards are performance based and costs are recognized based upon certain performance conditions. The Corporation's accounting policy is to recognize forfeitures as they occur.

*Income Taxes*

Income tax expense is the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax bases of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Corporation recognizes interest and/or penalties, if any, related to income tax matters in income tax expense.

*Retirement Plans*

Pension expense is the net of service and interest cost, return on plan assets and amortization of gains and losses not immediately recognized. Employee 401(k) and profit-sharing plan expense is the amount of matching contributions. Deferred compensation and supplemental retirement plan expense allocates the benefits over years of service.

*Earnings Per Common Share*

Basic earnings per common share is net income divided by the weighted average number of common shares outstanding during the period. All outstanding unvested share-based payment awards that contain rights to nonforfeitable dividends are considered participating securities for this calculation. Diluted earnings per common share includes the dilutive effect of additional potential common shares issuable under stock compensation plans. Earnings and dividends per share are restated for all stock splits and stock dividends through the date of issuance of the financial statements.

*Comprehensive Income*

Comprehensive income consists of net income and other comprehensive income. Other comprehensive income and loss consists of unrealized holding gains and losses on the AFS debt securities portfolio, amortization of AFS debt securities transferred to HTM, changes in the unrecognized actuarial gain and transition obligation related to the Corporation’s post retirement benefits plans, and changes in the fair value of the Corporation’s interest rate swaps, net of tax.

*Loss Contingencies*

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there now are such matters that will have a material effect on the consolidated financial statements.

*Treasury Stock*

The purchase of the Corporation’s common stock is recorded at cost. Purchases of the stock are made in the open market based on market prices. At the date of subsequent reissue, the treasury stock account is reduced by the cost of such stock on a first-in first-out basis.

*Dividend Restriction*

Banking regulations require maintaining certain capital levels and may limit the dividends paid by the bank to the holding company or by the holding company to shareholders.

*Fair Value of Financial Instruments*

Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

*Operating Segments*

While the chief decision-maker monitors the revenue streams of the various products and services, operations are managed, and financial performance is evaluated on a Corporation-wide basis. Operating segments are aggregated into one as operating characteristics for all segments are similar. Accordingly, all of the financial service operations are considered by management to be aggregated in one reportable operating segment.

*Business Combinations*

The Corporation accounts for business combinations using the acquisition method of accounting. The accounts of an acquired entity are included as of the date of merger or acquisition, and any excess of purchase price over the fair value of the net assets acquired is capitalized as goodwill. Alternatively, a gain is recorded if the fair value of the net assets acquired exceeds the purchase price. The Corporation typically issues Common Stock and/or pays cash for a merger or acquisition, depending on the terms of the agreement. The value of Common Stock issued is determined based on the market price of the stock as of the closing of the merger or acquisition. Merger and acquisition costs are expensed when incurred.

*Revenue Recognition*

The Corporation recognizes revenues when earned based upon (i) contractual terms as transactions occur, or (ii) as related services are provided and collectability is reasonably assured. The largest source of revenue for the Corporation is interest income, which is primarily recognized on an accrual basis according to a written contract, such as loan and lease agreements or investment securities contracts. The Corporation earns non-interest income through a variety of financial and transactional services such as security gains, loan servicing, gains on the sale of loans, commitment fees, fees from financial guarantees, certain credit card fees, gains (losses) on sale of other real estate owned not financed by the Corporation, is not within the scope of ASU 2014-9.

The types of non-interest income within the scope of the standard that are material to the consolidated financial statements are services charges on deposit accounts, wealth and asset management fee income, card processing and interchange income, and other income and are discussed in greater detail below:

Service charges on deposit accounts: The Corporation earns fees from its deposit customers for transaction-based, account maintenance, and overdraft services. Transaction-based fees, which include services such as ATM use fees, stop payment charges, statement rendering, and ACH fees, are recognized at the time the transaction is executed, as that is the point in time the Corporation fulfills the customer's request. Account maintenance fees, which relate primarily to monthly maintenance, are earned over the course of a month, representing the period over which the Corporation satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs. Services charges on deposits are withdrawn from the customer's account balance.

Wealth and asset management fees: The Corporation earns wealth and asset management fees from its contracts with trust and brokerage customers to manage assets for investment, and/or to transact on their accounts. These fees are primarily earned over time as the Corporation provides the contracted monthly or quarterly services and are generally assessed based on a tiered scale of the market value of assets under management at month end. Fees for these services are billed to customers on a monthly or quarterly basis and are recorded as revenue at the end of the period for which the wealth and asset management services have been performed. Other performance obligations, such as the delivery of account statements to customers, are generally considered immaterial to the overall transaction price.

Card processing and interchange income: The Corporation earns interchange fees from check card and credit card transactions conducted through the Visa payment network. Interchange fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder.

Other income: The Corporation's other income includes sources such as bank owned life insurance, changes in fair value and realized gains on sales of equity securities, certain service fees, gains (losses) on sales of fixed assets, and gains (losses) on sale of other real estate owned. The service fees are recognized in the same manner as the service charges mentioned above. While gains (losses) on the sale of other real estate owned are within the scope of ASU 2014-9 if financed by the Corporation, the Corporation does not finance the sale of transactions. The revenue on the sale is recorded upon the transfer of control of the property to the buyer and the other real estate owned asset is derecognized.

The Corporation does not exercise significant judgments in the recognition of income, as typically income is not recognized until the performance obligation has been satisfied. The Corporation has not recognized any assets from the costs to obtain or fulfill a contract with customers for revenue streams that fall within the guidance of Topic 606.

**Revision of Previously Issued Financial Statements**

The Corporation has revised amounts reported in previously issued financial statements for the year ended December 31, 2023 presented in this Annual Report on Form 10–K. The revisions relate to the classification of completed construction loans not being reported in the appropriate permanent loan segment classification. The revisions resulted in changes to Note 4, "Loans Receivable and Allowance for Credit Losses," and specifically the segment classification in the disclosure. These revisions do not impact the Corporation's net income.

The Corporation evaluated the aggregate effects of these revisions to its previously issued financial statements in accordance with SEC Staff Accounting Bulletins No. 99 and No. 108 and, based upon quantitative and qualitative factors, determined that the revisions were not material to the previously issued financial statements and disclosures included in its Annual Report on Form 10-K for the year ended December 31, 2023.

The following table presents the revisions to total loans disclosure at December 31, 2023 to reflect the adjustment for the applicable portfolio segments:

| | As Reported | | As Revised | | Adjustment | |
|---|---|---|---|---|---|---|
| | December 31, 2023 | Percentage of Total | December 31, 2023 | Percentage of Total | December 31, 2023 | Percentage of Total |
| Farmland | $ 31,869 | 0.7 % | $ 33,485 | 0.8 % | $ 1,616 | 0.1 % |
| Owner-occupied, nonfarm nonresidential properties | 493,064 | 11.0 | 511,910 | 11.5 | 18,846 | 0.5 |
| Other construction loans and all land development and other land loans | 491,539 | 11.0 | 340,358 | 7.6 | (151,181) | (3.4) |
| Multifamily (5 or more) residential properties | 254,342 | 5.7 | 305,697 | 6.8 | 51,355 | 1.1 |
| Non-owner occupied, nonfarm nonresidential properties | 896,043 | 20.1 | 984,033 | 22.0 | 87,990 | 1.9 |
| 1-4 Family Construction | 51,207 | 1.1 | 28,055 | 0.6 | (23,152) | (0.5) |
| Residential Mortgages secured by first liens | 990,986 | 22.2 | 1,005,335 | 22.5 | 14,349 | 0.3 |
| Residential Mortgages secured by junior liens | 91,063 | 2.0 | 91,240 | 2.0 | 177 | — |
| Total | $ 3,300,113 | 73.8 % | $ 3,300,113 | 73.8 % | $ — | — % |

**Adoption of New Accounting Standards**

*Accounting Standards Adopted in 2024*

In June 2022, FASB issued ASU 2022-03, "Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions." In this ASU, a contractual restriction on the sale of an equity security is not considered in measuring the security's fair value. The ASU also requires certain disclosures for equity securities that are subject to contractual restrictions. This Corporation adopted ASU 2022-03 and the update did not have a material impact on the Corporation's consolidated financial statements and related disclosures.

In March 2023, FASB issued ASU 2023-01, "Leases (Topic 842): Common Control Arrangements." This ASU requires the Corporation to amortize leasehold improvements associated with common control leases over the useful life to the common control group. The Corporation adopted ASU 2023-01 and the update did not have a material impact on the Corporation's consolidated financial statements and related disclosures.

In March 2023, FASB issued ASU 2023-02, "Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method." In this ASU, these amendments allow the Corporation to elect to account for qualifying tax equity investments using the proportional amortization method, regardless of the program giving rise to the related income tax credits. The Corporation adopted ASU 2023-02 and the update did not have a material impact on the Corporation's consolidated financial statements and related disclosures.

In November 2023, FASB issued ASU 2023-07, "Improvements to Reportable Segment Disclosures (Topic 280)." This ASU updates reportable segment disclosure requirements by requiring disclosures of significant reportable segment expenses that are regularly provided to the Chief Operating Decision Maker ("CODM") and included within each reported measure of a segment's profit or loss. This ASU also requires disclosure of the title and position of the individual identified as the CODM and an explanation of how the CODM uses the reported measures of a segment's profit or loss in assessing segment performance and deciding how to allocate resources. The Corporation adopted ASU 2023-07 and the update did not have a material impact on the Corporation's consolidated financial statements and related disclosures.

*Accounting Standards Adopted in 2025*

In August 2023, FASB issued ASU 2023-05, "Business Combinations—Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement." ASU 2023-05 requires certain joint ventures to apply a new basis of accounting upon formation by recognizing and initially measuring most of their assets and liabilities at fair value. The objectives of the amendments are to provide decision-useful information to investors and other allocators of capital in a joint venture's financial statements and also to reduce diversity in practice. The Corporation adopted ASU 2023-05 on January 1, 2025 and the update did not have a material impact on the Corporation's consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures (Topic 740)." The ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. The Corporation adopted ASU 2023-09 and the adoption of the update did result in expanded disclosures for the Corporation's consolidated financial statements.

In March 2024, the FASB issued ASU 2024-01, "Compensation - Stock Compensation (Topic 718)." The ASU adds an illustrative example to demonstrate how an entity should apply the scope guidance in paragraph 718-10-15-3 to determine whether profits interest and similar awards ("profits interest awards") should be accounted for in accordance with Topic 718, Compensation—Stock Compensation. The amendment in this ASU is to be applied either (1) retrospectively to all prior periods presented in the financial statements or (2) prospectively to profits interest and similar awards granted or modified on or after the date at which the entity first applies the amendments. If the amendments are applied retrospectively, an entity is required to provide the disclosures in paragraphs 250-10-50-1 through 50-3 in the period of adoption. If the amendment is applied prospectively, an entity is required to disclose the nature of and reason for the change in accounting principle. The ASU is effective for annual periods beginning after December 15, 2024, and interim periods within those annual periods. The Corporation adopted ASU 2024-01 and the update did not have a material impact on the Corporation's consolidated financial statements and related disclosures.

In March 2024, the FASB issued ASU 2024-02, "Codification Improvements—Amendments to Remove References to the Concepts Statements." The ASU contains amendments to the FASB Accounting Standards Codification that remove references to various Concepts Statements. In most instances, the references are extraneous and not required to understand or apply the guidance. In other instances, the references were used in prior Concept Statements to provide guidance in certain topical areas. The amendment in this ASU is to be applied using one of the following transition methods: (1) prospectively to all new transactions recognized on or after the date that the entity first applies the amendments; or (2) retrospectively to the beginning of the earliest comparative period presented in which the amendments were first applied. An entity should adjust the opening balance of retained earnings (or other appropriate components of equity or net assets in the statement of financial position) as of the beginning of the earliest comparative period presented. The Corporation adopted ASU 2024-02 and the update did not have a material impact on the Corporation's consolidated financial statements and related disclosures.

In March 2025, the FASB issued ASU 2025-02, "Liabilities (Topic 405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 122." This ASU amends an SEC paragraph noted in the Codification pursuant to the issuance of SEC Staff Accounting Bulletin No. 122 which removes the text of SAB Topic 5.FF, Accounting for Obligations To Safeguard Crypto-Assets an Entity Holds for Its Platform Users. The Corporation adopted ASU 2025-02 and the update did not have a material impact on the Corporation's consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets." This ASU added a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset when estimating expected credit losses for current accounts receivable and current contract assets. This ASU is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. The Corporation adopted ASU 2025-05 on January 1, 2026 and the update did not have a material impact on the Corporation's consolidated financial statements and related disclosures.

In November 2025, the FASB issued ASU 2025-08, Financial Instruments—Credit Losses (Topic 326): Purchased Loans. The update expands the population of acquired financial assets subject to the gross-up approach in Topic 326 to include acquired seasoned loans without credit deterioration (excluding credit cards). This guidance is effective for annual periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods with early adoption permitted. The amendments in this update are to be applied prospectively to loans that are acquired on or after the initial application date. The Corporation adopted ASU 2025-08 effective January 1, 2025. In connection with the adoption of ASU 2025-08, the Corporation recorded a $16.4 million allowance for credit losses on these loans by adding the allowance to the purchase price and establishing a new amortized cost basis and no provision expense was recorded at the date of acquisition.

**Effects of Newly Issued But Not Yet Effective Accounting Standards**

In October 2023, FASB issued ASU 2023-06, "Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative." The ASU amends the ASC to incorporate certain disclosure requirements from SEC Release No. 33-10532, "Disclosure Update and Simplification" that was issued in 2018. The effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. For all entities, if by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K, the pending content of the related amendment will be removed from the Codification and will not become effective for any entity. The Corporation is evaluating the effect that ASU 2023-06 will have on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures." The ASU requires disclosure about the types of costs and expenses included in certain expense captions presented on the income statement. The ASU is effective for annual periods beginning after December 15, 2026, and interim report periods beginning after December 15, 2027. Early application of the amendment is permitted. The ASU should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to any or all prior periods presented in the financial statements. The Corporation is evaluating the effect that ASU 2024-03 will have on its consolidated financial statements and related disclosures.

In January 2025, the FASB issued ASU 2025-01, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)." The amendment in this ASU amends the effective date of ASU 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption of ASU 2024-03 is permitted. The Corporation is evaluating the effect that ASU 2024-04 will have on its consolidated financial statements and related disclosures.

In May 2025, the FASB issued ASU 2025-03, "Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity." The ASU amends the guidance to improve the requirements for identifying the accounting acquirer in a business combination in which the legal acquiree is a variable interest entity ("VIE"). The amendments require entities to consider the general accounting acquirer factors in Topic 805 when the transaction is primarily effected by the exchange of equity interests. This ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Corporation is evaluating the effect that ASU 2025-03 will have on its consolidated financial statements and related disclosures.

In May 2025, the FASB issued ASU 2025-04, "Compensation - Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer." This ASU clarifies the guidance on the accounting for share-based payment awards that are granted by an entity as consideration payable to its customer, with the intent to reduce diversity in practice and improve existing guidance by revising the definition of a "performance condition" and eliminating a forfeiture policy election for service conditions associated with share-based consideration payable to a customer. ASU 2025-04 also clarifies the guidance in Topic 606 on the variable consideration constraint does not apply to share-based consideration payable to a customer "regardless of whether an award's grant date has occurred." This ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Corporation is evaluating the effect that ASU 2025-04 will have on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-07, "Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606)." This ASU refines the scope of derivative accounting under ASC 815, and clarify the treatment of share-based noncash consideration under ASC 606. This ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. The Corporation is evaluating the effect that ASU 2025-07 will have on its consolidated financial statements and related disclosures.

In November 2025, the FASB issued ASU 2025-09, "Derivatives and Hedging (Topic 815): Hedge Accounting Improvements." This ASU includes amendments intended to more closely align hedge accounting with the underlying economics of the Company’s risk management activities. The amendments are effective for fiscal years beginning after December 15, 2026 and interim periods within those fiscal years, with early adoption permitted. The Corporation is evaluating the effect that ASU 2025-09 will have on its consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11, "Interim Reporting." This ASU is intended to improve the navigability of the guidance in ASC 270, Interim Reporting, and clarify when it applies. Under the amendments, an entity is subject to ASC 270 if it provides interim financial statements and notes in accordance with GAAP. ASU 2025-11 also addresses the form and content of such financial statements, interim disclosures requirements, and establishes a principle under which an entity must disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, and early adoption is permitted. The Corporation is evaluating the effect that ASU 2025-11 will have on its consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-12, "Codification Improvements." This ASU addresses suggestions received from stakeholders regarding the Accounting Standards Codification and makes other incremental improvements to U.S. GAAP. The update represents changes to the Codification that clarify, correct errors in or make other improvements to a variety of topics that are intended to make it easier to understand and apply. ASU 2025-12 is effective for fiscal years beginning after December 15, 2026 and interim periods within those fiscal years. Entities are required to apply the amendments to ASC 260 retrospectively. All other amendments may be applied prospectively or retrospectively. The Corporation is evaluating the effect that ASU 2025-12 will have on its consolidated financial statements and related disclosures.

**2. Business Combinations**

On July 23, 2025, the Corporation completed its previously announced acquisition of ESSA Bancorp, Inc. ("ESSA") and its subsidiary bank, ESSA Bank & Trust Company ("ESSA Bank"), pursuant to the definitive merger agreement (the "Merger Agreement") dated as of January 9, 2025. The Corporation's acquisition of ESSA was an all-stock transaction. Under the terms of the Merger Agreement, ESSA merged with and into the Corporation, with the Corporation as the surviving entity, and immediately thereafter, ESSA Bank merged with and into CNB Bank, with CNB Bank as the surviving bank (the "Merger"). Banking offices of ESSA Bank operate under the trade name ESSA Bank, a division of CNB Bank.

Pursuant to the Merger Agreement, each outstanding share of ESSA common stock was converted into the right to receive 0.8547 shares of the Corporation's common stock. The total consideration paid to ESSA shareholders was approximately $202.6 million, comprised of approximately 8,359,430 shares of the Corporation's common stock, valued at approximately $202.5 million based on the July 23, 2025 closing price of $24.23 per share of the Corporation's common stock, and $21 thousand in cash in lieu of fractional shares. The Merger has extended CNB Bank’s branch network into the Northeastern Region including the Lehigh Valley of Pennsylvania through the addition of ESSA’s 20 community offices.

As a result of the Merger, the Corporation recorded preliminary goodwill totaling $49.9 million at July 23, 2025, which reflects anticipated synergies and strategic benefits from combining operations. While the Corporation believes the information available on July 23, 2025, provided a reasonable basis for estimating fair value, the Corporation may obtain additional information and evidence within the one-year measurement period that could result in changes to the estimated fair value amounts and associated goodwill. Valuations subject to change include, but are not limited to, loans receivable, premises and equipment, identified intangible assets, certain deposits, and deferred income taxes. Measurement period adjustments recognized during the year ended December 31, 2025 totaled a net $5.3 million, primarily related to additional information obtained regarding other liabilities and loans receivable, including the related deferred tax impact, which resulted in a corresponding decrease to goodwill. The resultant goodwill balance as a result of the Merger is $44.6 million as of December 31, 2025. Merger and integration related costs associated with the Merger were $13.8 million and zero for the years ended December 31, 2025 and 2024, respectively. Such costs include employee severance, professional fees, system conversion, and lease and contract termination expenses, which have been expensed as incurred, and are recorded in "Merger and integration costs" on the Corporation's Consolidated Statements of Income. Goodwill is not deductible for income tax purposes as the transaction qualifies as a tax free "reorganization" within the meaning of Section 368(a).

The following tables provides a summary of the consideration transferred and the fair value of the assets acquired, and liabilities assumed as of the date of the Merger, (dollars in thousands):

| | July 23, 2025 |
|---|---|
| Merger consideration | |
| Value of stock consideration assigned to ESSA common shares exchanged for stock paid to shareholders | $ 202,549 |
| Value of cash consideration for ESSA common stock exchanged for cash | 21 |
| Total merger consideration | $ 202,570 |

| | July 23, 2025 |
|---|---|
| Identifiable net assets acquired, at fair value | |
| Assets acquired | |
| Cash and cash equivalents | $ 27,424 |
| Debt securities available-for-sale | 229,098 |
| Loans receivable | 1,658,693 |
| Premises and equipment | 16,019 |
| Operating lease right of use assets | 3,706 |
| Accrued interest receivable and other assets | 52,610 |
| FHLB interests | 24,218 |
| Bank owned life insurance | 40,835 |
| Core deposit intangible | 35,335 |
| Goodwill | 44,638 |
| Total assets acquired | 2,132,576 |
| Liabilities assumed | |
| Deposits | 1,455,805 |
| Short-term borrowings | 437,000 |
| Accrued interest payable and other liabilities | 33,600 |
| Operating lease liabilities | 3,601 |
| Total liabilities assumed | 1,930,006 |
| Net assets acquired | $ 202,570 |

The Corporation accounted for the Merger using the acquisition method of accounting and accordingly, assets acquired, liabilities assumed, and consideration exchanged were recorded at estimated fair value on the acquisition date, in accordance with purchase accounting. The Corporation assessed the fair values based on the following methods for the significant assets acquired and liabilities assumed:

*Cash and cash equivalents*: The fair value was determined to approximate the carrying amount based on the short-term nature of these assets.

*Debt securities AFS*: The fair value of the investment portfolio was based on quoted market prices and dealer quotes and pricing obtained from independent pricing services. Following the completion of the Merger, the Corporation sold approximately $204.1 million of $229.1 million in debt securities it acquired through the Merger. These debt securities were sold at fair value and therefore no gain or loss was recognized upon the sale.

*Loans receivable*: The fair value of loans acquired from ESSA were estimated using the discounted cash flow method on an individual loan basis. To estimate the value of the loans, each loans' contractual cash flows were projected, adjusted for expected prepayments and credit losses. Assumptions for credit losses were based off the risk characteristics of each loan. For loans specifically evaluated by the Corporation, credit losses were based on the estimated loss identified by the Corporation. The projected cash flows were then discounted to present value using a discount rate based on the relative risk of the cash flows.

Effective January 1, 2025, the Corporation early adopted ASU 2025-08 (Topic 326) on a prospective basis, see Summary of Significant Accounting Policies footnote. The Corporation first assessed which of the acquired loans have experienced more than insignificant credit deterioration since origination. These loans are deemed to be Purchased Credit Deteriorated ("PCD") and are recorded at the amount paid. An allowance for credit loss is determined using the same methodology as other loans held for investment. The initial allowance for credit losses determined on a collective basis is allocated to individual loans. The sum of the loan's purchase price and allowance for credit losses becomes its initial amortized cost basis. The difference between the initial amortized cost basis and the par value of the loan is a noncredit discount or premium, which is amortized into interest income over the life of the loan. Subsequent changes to the allowance for credit losses are recorded through the provision for credit loss expense.

The Corporation evaluated acquired loans for deterioration in credit quality based on any of, but not limited to, the following: (1) non-accrual status; (2) modifications for borrowers experiencing financial difficulty; (3) risk ratings of watch, special mention, substandard or doubtful; and (4) loans greater than 60 days past due.

Of the $1.7 billion net loans held for investment acquired, $138.6 million were identified as PCD loans on the acquisition date. The following table provides a summary of these PCD loans at acquisition:

| | July 23, 2025 |
|---|---|
| Par value of acquired loans at acquisition | $ 144,573 |
| Allowance for credit losses at acquisition | (1,857) |
| Non-credit discount at acquisition | (4,121) |
| Total merger consideration | $ 138,595 |

Non-PCD loans acquired were considered Purchased Seasoned Loans ("PSL") and are recognized using the gross-up approach. In connection with the adoption of ASU 2025-08, the Corporation recorded a $16.4 million allowance for credit losses on these loans by adding the allowance to the purchase price and establishing a new amortized cost basis; no provision expense was recorded at the date of acquisition. The Corporation elected for PSLs estimated using non-DCF methods to measure the subsequent allowance related to the ESSA transaction on amortized cost basis.

*Premises and equipment*: The fair value of bank premises and equipment held for use was valued by obtaining recent market data for similar property types with adjustments for characteristics of individual properties. The Corporation acquired 20 branches from ESSA, 10 of which were owned premises.

*Operating lease right of use ("ROU") assets and lease liabilities*: The fair value of the lease ROU assets was measured at an amount equal to the lease liability and evaluated for favorable or unfavorable lease terms when compared with market terms on a lease-by-lease basis.

*Accrued interest receivable and other assets*: Consists mainly of accrued interest receivable, other accounts receivable, defined benefit pension assets, and deferred tax assets. The accrued interest receivable and accounts receivable was fair valued based on the cash value expected to be received. The defined benefit pension asset was recorded at its acquisition-date fair value, representing the excess of plan assets over the projected benefit obligation. Deferred taxes represent the expected book and tax differences which approximate fair value.

*FHLB interests*: Included in the identifiable assets acquired is FHLB stock, which represents the acquired entity's required membership stock in the Federal Home Loan Bank system, carried at par value (cost) with no readily determinable fair market value, consistent with ASC 942-325.

*Bank owned life insurance ("BOLI")*: The fair value of BOLI is carried at its current cash surrender value, which is the most reasonable estimate of fair value.

*Core deposit intangibles ("CDI")*: CDI represents the future economic benefit of acquired customer deposits. The fair value of the CDI was estimated based on a discounted cash flow methodology that incorporated expected customer attrition rates, cost of deposit base, net maintenance cost associated with customer deposits, and the cost for alternative funding sources. The discount rates used were based on market rates. The core deposit intangible asset is amortized over its estimated useful life, which is approximately 10 years.

*Deposits*: The fair value of interest bearing and non-interest bearing deposits is the amount payable on demand at the acquisition date. The fair value of time deposits was estimated using a discounted cash flow calculation that includes a market rate analysis of the current rates offered by market participants for certificates of deposits that mature in the same period.

*Short-term Borrowings*: Acquired other borrowings consisted of FHLB short-term borrowings with maturities less than 12 months. The carrying amount of short-term borrowings was determined to approximate fair value. Subsequent to the completion of the acquisition, the Corporation repaid $273.0 million of $437.0 million in FHLB borrowings.

*Accrued interest payable and other liabilities*: Accrued interest payable and other liabilities were fair valued using the expected amount of cash to be paid.

*Supplemental Pro Forma Financial Information*

The following table presents for illustrative purposes only certain pro forma information as if the Corporation had acquired ESSA on January 1, 2024. These results combine the historical results of ESSA in the Corporation's Consolidated Statements of Income and while certain adjustments were made for the estimated impact of certain fair value adjustments and other acquisition-related activity, they are not indicative of what would have occurred had the acquisition taken place on January 1, 2024. No adjustments have been made to the pro forma results regarding possible revenue enhancements, provision for credit losses, or expense efficiencies. Pro forma adjustments below include the net impact of ESSA's accretion and the elimination of merger-related costs, as disclosed below. The Corporation expects to achieve further operating cost savings and other business synergies, as a result of the acquisitions, which are not reflected in the pro forma amounts below (dollars in thousands):

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| | *(Unaudited)* | *(Unaudited)* |
| Total revenues[1] | $ 334,764 | $ 315,577 |
| Net income available to common shareholders | $ 90,290 | $ 82,250 |

[1] Includes net interest income and non-interest income.

Merger-related costs were $28.5 million for the year ended December 31, 2025. Merger-related costs include costs such as employee severance, professional fees, system conversion, and lease and contract termination expenses, which have been expensed as incurred, and are recorded in “Merger and integration costs” on the Corporation’s Consolidated Statements of Income.

The Corporation’s operating results for the year ended December 31, 2025 include the operating results of the acquired assets and assumed liabilities of ESSA subsequent to the acquisition on July 23, 2025. Due to the merging of certain processes and the conversion of ESSA systems during the fourth quarter of 2025, historical reporting for the former ESSA operations is impracticable and thus disclosures of the revenue from the assets acquired and income before income taxes is impracticable for the period subsequent to acquisition.

### 3. Securities

AFS debt securities at December 31, 2025 and 2024 were as follows:

| | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Allowance For Credit Losses | Fair Value |
| U.S. Gov't sponsored entities | $ 113,211 | $ 100 | $ (216) | $ — | $ 113,095 |
| State & political subdivisions | 96,607 | 47 | (8,806) | — | 87,848 |
| Residential & multi-family mortgage | 352,004 | 492 | (24,249) | — | 328,247 |
| Corporate notes & bonds | 49,512 | 180 | (1,752) | — | 47,940 |
| Pooled SBA | 7,578 | 2 | (380) | — | 7,200 |
| Total | $ 618,912 | $ 821 | $ (35,403) | $ — | $ 584,330 |

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Allowance For Credit Losses | Fair Value |
| U.S. Gov't sponsored entities | $ 14,795 | $ 17 | $ (2) | $ — | $ 14,810 |
| State & political subdivisions | 104,025 | 11 | (13,080) | — | 90,956 |
| Residential & multi-family mortgage | 352,983 | 60 | (34,133) | — | 318,910 |
| Corporate notes & bonds | 39,022 | — | (3,812) | — | 35,210 |
| Pooled SBA | 9,398 | — | (738) | — | 8,660 |
| Total | $ 520,223 | $ 88 | $ (51,765) | $ — | $ 468,546 |

HTM debt securities at December 31, 2025 and 2024 are as follows:

| | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Allowance For Credit Losses | Fair Value |
| U.S. Gov't sponsored entities | $ 177,569 | $ — | $ (6,061) | $ — | $ 171,508 |
| Residential & multi-family mortgage | 64,569 | — | (6,383) | — | 58,186 |
| Total | $ 242,138 | $ — | $ (12,444) | $ — | $ 229,694 |

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Allowance For Credit Losses | Fair Value |
| U.S. Gov't sponsored entities | $ 229,504 | $ — | $ (13,354) | $ — | $ 216,150 |
| Residential & multi-family mortgage | 76,577 | — | (9,757) | — | 66,820 |
| Total | $ 306,081 | $ — | $ (23,111) | $ — | $ 282,970 |

Information pertaining to AFS security sales is as follows:

| Year ended December 31 | Proceeds | Gross Gains | Gross Losses |
|---|---|---|---|
| 2025 | 340,966 | 1,168 | — |
| 2024 | 806 | 83 | 9 |
| 2023 | 13,151 | 52 | — |

The tax provision related to these net realized gains at December 31, 2025, 2024, and 2023 were $245 thousand, $16 thousand, and $11 thousand, respectively.

The following is a schedule of the contractual maturity of AFS and HTM debt securities, excluding equity securities, at December 31, 2025:

| | Available-for-sale | | Held-to-maturity | |
|---|---|---|---|---|
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| 1 year or less | $ 4,909 | $ 4,896 | $ 74,674 | $ 73,844 |
| 1 year – 5 years | 79,832 | 76,806 | 88,997 | 85,233 |
| 5 years – 10 years | 159,798 | 155,601 | 13,898 | 12,431 |
| After 10 years | 14,791 | 11,580 | — | — |
| | 259,330 | 248,883 | 177,569 | 171,508 |
| Residential and multi-family mortgage | 352,004 | 328,247 | 64,569 | 58,186 |
| Pooled SBA | 7,578 | 7,200 | — | — |
| Total debt securities | $ 618,912 | $ 584,330 | $ 242,138 | $ 229,694 |

Mortgage securities and pooled SBA securities are not due at a single date; periodic payments are received based on the payment patterns of the underlying collateral.

On December 31, 2025 and 2024, securities carried at $583.8 million and $443.9 million, respectively, were pledged to secure public deposits and for other purposes as provided by law.

At December 31, 2025 and 2024, there were no holdings of securities by any one issuer, other than U.S. Government sponsored entities, in an amount greater than 10% of shareholders' equity.

AFS debt securities with unrealized losses at December 31, 2025 and 2024, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, were as follows:

| **December 31, 2025** | **Less than 12 Months** | | **12 Months or More** | | **Total** | |
|---|---|---|---|---|---|---|
| Description of Securities | Fair Value | Unrealized Loss | Fair Value | Unrealized Loss | Fair Value | Unrealized Loss |
| U.S. Gov't sponsored entities | $ 42,705 | $ (216) | $ — | $ — | $ 42,705 | $ (216) |
| State & political subdivisions | 2,380 | (1) | 75,516 | (8,805) | 77,896 | (8,806) |
| Residential & multi-family mortgage | 123,186 | (835) | 143,001 | (23,414) | 266,187 | (24,249) |
| Corporate notes & bonds | 13,146 | (333) | 24,175 | (1,419) | 37,321 | (1,752) |
| Pooled SBA | 57 | (1) | 6,876 | (379) | 6,933 | (380) |
| Total | $ 181,474 | $ (1,386) | $ 249,568 | $ (34,017) | $ 431,042 | $ (35,403) |

| **December 31, 2024** | **Less than 12 Months** | | **12 Months or More** | | **Total** | |
|---|---|---|---|---|---|---|
| Description of Securities | Fair Value | Unrealized Loss | Fair Value | Unrealized Loss | Fair Value | Unrealized Loss |
| U.S. Gov't sponsored entities | $ 249 | $ (1) | $ 3,340 | $ (1) | $ 3,589 | $ (2) |
| State & political subdivisions | 6,519 | (90) | 80,172 | (12,990) | 86,691 | (13,080) |
| Residential and multi-family mortgage | 118,057 | (810) | 159,576 | (33,323) | 277,633 | (34,133) |
| Corporate notes & bonds | 987 | (13) | 34,224 | (3,799) | 35,211 | (3,812) |
| Pooled SBA | 410 | (2) | 8,250 | (736) | 8,660 | (738) |
| Total | $ 126,222 | $ (916) | $ 285,562 | $ (50,849) | $ 411,784 | $ (51,765) |

HTM debt securities with unrealized losses at December 31, 2025 and 2024, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, were as follows:

| **December 31, 2025** | **Less than 12 Months** | | **12 Months or More** | | **Total** | |
|---|---|---|---|---|---|---|
| Description of Securities | Fair Value | Unrealized Loss | Fair Value | Unrealized Loss | Fair Value | Unrealized Loss |
| U.S. Gov't sponsored entities | $ — | $ — | $ 171,508 | $ (6,061) | $ 171,508 | $ (6,061) |
| Residential & multi-family mortgage | — | — | 58,186 | (6,383) | 58,186 | (6,383) |
| Total | $ — | $ — | $ 229,694 | $ (12,444) | $ 229,694 | $ (12,444) |

| December 31, 2024 | Less than 12 Months | | 12 Months or More | | Total | |
|---|---|---|---|---|---|---|
| Description of Securities | Fair Value | Unrealized Loss | Fair Value | Unrealized Loss | Fair Value | Unrealized Loss |
| U.S. Gov't sponsored entities | $ — | $ — | $ 216,150 | $ (13,354) | $ 216,150 | $ (13,354) |
| State & political subdivisions | — | — | 66,820 | (9,757) | 66,820 | (9,757) |
| Total | $ — | $ — | $ 282,970 | $ (23,111) | $ 282,970 | $ (23,111) |

The Corporation evaluates securities for possible credit allowance on a quarterly basis, or more frequently when economic or market conditions warrant such an evaluation.

As of December 31, 2025 and 2024, management performed an assessment for allowance for credit losses on the Corporation's AFS debt securities in an unrealized loss position and as of December 31, 2025 management performed an assessment for allowance for credit losses on the Corporation's HTM debt securities.

First an assessment was performed to determine if the Corporation intends to sell, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost. Management determined it does not intend to sell and will not be required to sell any of the securities before recovery of its amortized cost. Next, management performed an evaluation relying on information obtained from various sources, including publicly available financial data, ratings by external agencies, brokers and other sources. For the securities that comprise corporate notes and bonds and the securities that are issued by state and political subdivisions, management monitors publicly available financial information, such as filings with the Securities and Exchange Commission, in order to evaluate the securities credit quality and ability to repay its debt obligations. For financial institution issuers, management monitors information from quarterly "call" report filings that are used to generate Uniform Bank Performance Reports. All other securities that were in an unrealized loss position at the balance sheet date were reviewed by management, and issuer-specific documents were reviewed as appropriate given the following considerations; the financial condition and near-term prospects of the issuer and whether downgrades by bond rating agencies have occurred. Based on the results of the assessment, management believes the decline in fair value is not the result of credit losses. As a result no credit allowance is required as of December 31, 2025.

As of December 31, 2025 and 2024 management concluded that the securities described in the previous paragraph did not decline in fair value due to credit factors for the following reasons:

- There is no indication of any significant deterioration of the creditworthiness of the institutions that issued the securities.
- All contractual interest payments on the securities have been received as scheduled, and no information has come to management's attention through the processes previously described which would lead to a conclusion that future contractual payments will not be timely received.

In addition, the rise in interest rates is the primary driver of the decline in fair value below amortized cost as of December 31, 2025.

Equity securities at December 31, 2025 and 2024 were as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Corporate equity securities | $ 4,745 | $ 6,542 |
| Mutual funds | 3,792 | 1,936 |
| Money market | 245 | 287 |
| Corporate notes | 2,083 | 1,691 |
| Total | $ 10,865 | $ 10,456 |

**4. Loans Receivable and Allowance for Credit Losses**

Total net loans receivable at December 31, 2025 and 2024 are summarized as follows:

| | 2025 | Percentage of Total | 2024 | Percentage of Total |
|---|---|---|---|---|
| Farmland | $ 27,583 | 0.43 % | $ 31,099 | 0.67 % |
| Owner-occupied, nonfarm nonresidential properties | 636,444 | 9.80 | 515,208 | 11.18 |
| Agricultural production and other loans to farmers | 5,989 | 0.09 | 6,492 | 0.14 |
| Loans to depository institutions | 2,439 | 0.04 | — | — |
| Commercial and Industrial | 778,978 | 12.00 | 718,775 | 15.60 |
| Obligations (other than securities and leases) of states and political subdivisions | 171,486 | 2.64 | 140,430 | 3.05 |
| Other loans | 47,719 | 0.74 | 28,110 | 0.61 |
| Other construction loans and all land development and other land loans | 366,174 | 5.64 | 282,912 | 6.14 |
| Multifamily (5 or more) residential properties | 709,832 | 10.93 | 411,146 | 8.92 |
| Non-owner occupied, nonfarm nonresidential properties | 1,419,643 | 21.86 | 1,033,541 | 22.42 |
| 1-4 Family Construction | 41,659 | 0.64 | 26,431 | 0.57 |
| Home equity lines of credit | 250,823 | 3.86 | 166,327 | 3.61 |
| Residential Mortgages secured by first liens | 1,763,071 | 27.15 | 1,012,746 | 21.97 |
| Residential Mortgages secured by junior liens | 140,790 | 2.17 | 106,462 | 2.31 |
| Other revolving credit plans | 48,953 | 0.75 | 41,095 | 0.89 |
| Automobile | 17,037 | 0.26 | 20,961 | 0.45 |
| Other consumer | 51,474 | 0.79 | 53,821 | 1.17 |
| Credit cards | 13,276 | 0.20 | 13,143 | 0.29 |
| Overdrafts | 370 | 0.01 | 257 | 0.01 |
| Total loans | $ 6,493,740 | 100.00 % | $ 4,608,956 | 100.00 % |
| Less: Allowance for credit losses | (67,055) | | (47,357) | |
| Loans, net | $ 6,426,685 | | $ 4,561,599 | |
| | | | | |
| Net deferred loan origination fees (costs) included in the above loan table | $ (259) | | $ 49 | |

The Corporation's outstanding loans receivable and related unfunded commitments are primarily concentrated within Central, Northwest and Northeast regions of Pennsylvania, Central and Northeast Ohio, Western New York and Southwest Virginia. The Bank attempts to limit concentrations within specific industries by utilizing dollar limitations to single industries or customers, and by entering into participation agreements with third parties. Collateral requirements are established based on management's assessment of the customer. The Corporation maintains lending policies to control the quality of the loan portfolio. These policies delegate the authority to extend loans under specific guidelines and underwriting standards. These policies are prepared by the Corporation's management and reviewed and approved annually by the Corporation's Board of Directors.

Syndicated loans, net of deferred fees and costs, are included in the commercial and industrial classification and totaled $70.8 million and $79.9 million as of December 31, 2025 and 2024, respectively.

Transactions in the allowance for credit losses for the year ended December 31, 2025 were as follows:

| | Beginning Allowance | Initial Allowance on ESSA PCD and PSL Acquired Loans | (Charge-offs) | Recoveries | Provision (Benefit) for Credit Losses on Loans Receivable[1] | Ending Allowance |
|---|---|---|---|---|---|---|
| Farmland | $ 167 | $ — | $ — | $ — | $ (5) | $ 162 |
| Owner-occupied, nonfarmnonresidential properties | 5,696 | 1,288 | (1,516) | 55 | 653 | 6,176 |
| Agricultural production and other loans to farmers | 37 | — | — | — | — | 37 |
| Loans to depository institutions | — | 58 | — | — | (38) | 20 |
| Commercial and Industrial | 7,759 | 573 | (1,038) | 104 | 1,962 | 9,360 |
| Obligations (other than securities and leases) of states and political subdivisions | 1,369 | 571 | — | — | (117) | 1,823 |
| Other loans | 329 | — | — | — | 125 | 454 |
| Other construction loans and all land development and other land loans | 2,571 | 1,016 | — | — | 779 | 4,366 |
| Multifamily (5 or more) residential properties | 2,969 | 1,632 | (1,072) | — | 785 | 4,314 |
| Non-owner occupied, nonfarmnonresidential properties | 10,110 | 3,073 | — | — | 2,284 | 15,467 |
| 1-4 Family Construction | 198 | 367 | — | — | (215) | 350 |
| Home equity lines of credit | 1,340 | 214 | (70) | 10 | 390 | 1,884 |
| Residential Mortgages secured by first liens | 8,958 | 8,748 | (352) | 1 | (1,445) | 15,910 |
| Residential Mortgages secured by junior liens | 1,343 | 604 | (260) | — | 45 | 1,732 |
| Other revolving credit plans | 960 | — | (158) | 15 | 405 | 1,222 |
| Automobile | 275 | 5 | (52) | 6 | (27) | 207 |
| Other consumer | 2,892 | 30 | (2,199) | 92 | 2,241 | 3,056 |
| Credit cards | 127 | — | (502) | 47 | 474 | 146 |
| Overdrafts | 257 | 65 | (397) | 93 | 351 | 369 |
| Total loans | $ 47,357 | $ 18,244 | $ (7,616) | $ 423 | $ 8,647 | $ 67,055 |

[1] Excludes provision for credit losses related to unfunded commitments. Note 19, "Off-Balance Sheet Commitments and Contingencies," in the consolidated financial statements provides more detail concerning the provision for credit losses related to unfunded commitments of the Corporation.

Transactions in the allowance for credit losses for the year ended December 31, 2024 were as follows:

| | Beginning Allowance[1] | (Charge-offs) | Recoveries | Provision (Benefit) for Credit Losses on Loans Receivable[1][2] | Ending Allowance |
|---|---|---|---|---|---|
| Farmland | $ 138 | $ — | $ — | $ 29 | $ 167 |
| Owner-occupied, nonfarmnonresidential properties | 4,131 | (1,448) | 55 | 2,958 | 5,696 |
| Agricultural production and other loans to farmers | 7 | — | — | 30 | 37 |
| Commercial and Industrial | 9,500 | (2,425) | 56 | 628 | 7,759 |
| Obligations (other than securities and leases) of states and political subdivisions | 2,627 | — | — | (1,258) | 1,369 |
| Other loans | 389 | — | — | (60) | 329 |
| Other construction loans and all land development and other land loans | 2,830 | (11) | — | (248) | 2,571 |
| Multifamily (5 or more) residential properties | 1,251 | — | — | 1,718 | 2,969 |
| Non-owner occupied, nonfarmnonresidential properties | 9,783 | (974) | 53 | 1,248 | 10,110 |
| 1-4 Family Construction | 191 | — | — | 7 | 198 |
| Home equity lines of credit | 844 | — | 5 | 491 | 1,340 |
| Residential Mortgages secured by first liens | 8,274 | (79) | — | 763 | 8,958 |
| Residential Mortgages secured by junior liens | 1,487 | — | — | (144) | 1,343 |
| Other revolving credit plans | 977 | (156) | 30 | 109 | 960 |
| Automobile | 360 | (146) | 6 | 55 | 275 |
| Other consumer | 2,656 | (2,094) | 192 | 2,138 | 2,892 |
| Credit cards | 95 | (143) | 17 | 158 | 127 |
| Overdrafts | 292 | (544) | 94 | 415 | 257 |
| Total loans | $ 45,832 | $ (8,020) | $ 508 | $ 9,037 | $ 47,357 |

[1] As previously disclosed in the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, and Note 1, "Summary of Significant Accounting Policies," immaterial revisions were made to the beginning allowance column disclosure as of December 31, 2023, to reflect the revisions for the applicable portfolio segments.
[2] Excludes provision for credit losses related to unfunded commitments. Note 19, "Off-Balance Sheet Commitments and Contingencies," in the consolidated financial statements provides more detail concerning the provision for credit losses related to unfunded commitments of the Corporation.

Transactions in the allowance for credit losses for the year ended December 31, 2023 were as follows:

| | Beginning Allowance | (Charge-offs) | Recoveries | Provision (Benefit) for Credit Losses on Loans Receivable [1][2] | Ending Allowance[2] |
|---|---|---|---|---|---|
| Farmland | $ 159 | $ — | $ — | $ (21) | $ 138 |
| Owner-occupied, nonfarmnonresidential properties | 2,905 | (26) | 29 | 1,223 | 4,131 |
| Agricultural production and other loans to farmers | 6 | — | — | 1 | 7 |
| Commercial and Industrial | 9,766 | (392) | 438 | (312) | 9,500 |
| Obligations (other than securities and leases) of states and political subdivisions | 1,863 | — | — | 764 | 2,627 |
| Other loans | 456 | — | — | (67) | 389 |
| Other construction loans and all land development and other land loans | 3,253 | — | — | (423) | 2,830 |
| Multifamily (5 or more) residential properties | 2,353 | (65) | 6 | (1,043) | 1,251 |
| Non-owner occupied, nonfarmnonresidential properties | 7,653 | (694) | 10 | 2,814 | 9,783 |
| 1-4 Family Construction | 327 | — | — | (136) | 191 |
| Home equity lines of credit | 1,173 | (10) | 5 | (324) | 844 |
| Residential Mortgages secured by first liens | 8,484 | (117) | 3 | (96) | 8,274 |
| Residential Mortgages secured by junior liens | 1,035 | — | — | 452 | 1,487 |
| Other revolving credit plans | 722 | (119) | 30 | 344 | 977 |
| Automobile | 271 | (56) | 1 | 144 | 360 |
| Other consumer | 2,665 | (1,982) | 134 | 1,839 | 2,656 |
| Credit cards | 67 | (189) | 18 | 199 | 95 |
| Overdrafts | 278 | (604) | 139 | 479 | 292 |
| Total loans | $ 43,436 | $ (4,254) | $ 813 | $ 5,837 | $ 45,832 |

[1] Excludes provision for credit losses related to unfunded commitments. Note 19, "Off-Balance Sheet Commitments and Contingencies," in the consolidated financial statements provides more detail concerning the provision for credit losses related to unfunded commitments of the Corporation.
[2] As previously disclosed in the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, and Note 1, "Summary of Significant Accounting Policies," immaterial revisions were made to the provision (benefit) for credit losses on loans receivable column and ending allowance column disclosures as of December 31, 2023, to reflect the revisions for the applicable portfolio segments.

The Corporation's allowance for credit losses is influenced by loan volumes, risk rating migration, delinquency status and other conditions influencing loss expectations, such as reasonable and supportable forecasts of economic conditions.

For the year ended December 31, 2025, the increase in the allowance for credit losses was primarily driven by the Merger, including the $18.2 million in PCD and PSL allowance established on the acquisition date, as well as growth in the Corporation's loan portfolio. Significant uncertainty continues to affect both the domestic and global economic outlook due to changes in U.S. tariffs and corresponding policy actions by trading partners, persistently elevated interest rates, fluctuating consumer confidence, and ongoing geopolitical conflicts. Management will continue to proactively reassess its estimate of expected credit losses as new information becomes available.

Provision for credit losses was $8.9 million for the year ended December 31, 2025, compared to $9.2 million and $6.0 million for the years ended December 31, 2024 and 2023, respectively. Included in the provision for credit losses for the year ended December 31, 2025 was $208 thousand related to the allowance for unfunded commitments compared to $185 thousand and $156 thousand provision towards the allowance for unfunded commitments for the years ended December 31, 2024 and 2023, respectively.

The following tables present the amortized cost basis of loans on nonaccrual status and loans past due over 89 days still accruing as of December 31, 2025 and 2024, respectively:

| | December 31, 2025 | | |
|---|---|---|---|
| | Nonaccrual | Nonaccrual With No Allowance for Credit Loss | Loans Past Due over 89 Days Still Accruing |
| Farmland | $ 554 | $ 554 | $ — |
| Owner-occupied, nonfarm nonresidential properties | 5,849 | 5,153 | — |
| Commercial and Industrial | 8,856 | 8,335 | — |
| Other construction loans and all land development and other land loans | 4,011 | 378 | — |
| Multifamily (5 or more) residential properties | 799 | 155 | — |
| Non-owner occupied, nonfarm nonresidential properties | 2,883 | 470 | — |
| Home equity lines of credit | 2,004 | 2,004 | — |
| Residential Mortgages secured by first liens | 12,971 | 12,685 | — |
| Residential Mortgages secured by junior liens | 1,088 | 587 | — |
| Other revolving credit plans | 41 | 41 | — |
| Automobile | 55 | 55 | — |
| Other consumer | 734 | 734 | — |
| Credit cards | — | — | 42 |
| Total loans | $ 39,845 | $ 31,151 | $ 42 |

| | December 31, 2024 | | |
|---|---|---|---|
| | Nonaccrual | Nonaccrual With No Allowance for Credit Loss | Loans Past Due over 89 Days Still Accruing |
| Farmland | $ 522 | $ 522 | $ — |
| Owner-occupied, nonfarm nonresidential properties | 5,896 | 1,392 | — |
| Commercial and Industrial | 10,682 | 10,111 | — |
| Other construction loans and all land development and other land loans | 1,482 | 36 | — |
| Multifamily (5 or more) residential properties | 20,658 | 266 | 491 |
| Non-owner occupied, nonfarm nonresidential properties | 5,913 | 5,913 | — |
| Home equity lines of credit | 837 | 837 | — |
| Residential Mortgages secured by first liens | 9,093 | 8,311 | — |
| Residential Mortgages secured by junior liens | 271 | 271 | — |
| Other revolving credit plans | 154 | 154 | — |
| Automobile | 66 | 66 | — |
| Other consumer | 749 | 749 | — |
| Credit cards | — | — | 162 |
| Total loans | $ 56,323 | $ 28,628 | $ 653 |

All payments received while on nonaccrual status are applied against the principal balance of the loan. The Corporation does not recognize interest income while loans are on nonaccrual status.

The following tables present the amortized cost basis of loans receivable that are individually evaluated and collateral-dependent by class of loans as of December 31, 2025 and 2024, respectively:

| | December 31, 2025 | |
|---|---|---|
| | Real Estate Collateral | Non-Real Estate Collateral |
| Farmland | $ 312 | $ — |
| Owner-occupied, nonfarm nonresidential properties | 2,542 | — |
| Commercial and Industrial | 373 | 3,045 |
| Other construction loans and all land development and other land loans | 3,633 | — |
| Multifamily (5 or more) residential properties | 799 | — |
| Non-owner occupied, nonfarm nonresidential properties | 2,413 | — |
| Home equity lines of credit | 1,011 | — |
| Residential Mortgages secured by first liens | 2,487 | — |
| Residential Mortgages secured by junior liens | 501 | — |
| Total loans | $ 14,071 | $ 3,045 |

| | December 31, 2024 | |
|---|---|---|
| | Real Estate Collateral | Non-Real Estate Collateral |
| Farmland | $ 352 | $ — |
| Owner-occupied, nonfarm nonresidential properties | 4,503 | — |
| Commercial and Industrial | 258 | 2,553 |
| Other construction loans and all land development and other land loans | 1,446 | — |
| Multifamily (5 or more) residential properties | 20,658 | — |
| Non-owner occupied, nonfarm nonresidential properties | 5,224 | — |
| Home equity lines of credit | 290 | — |
| Residential Mortgages secured by first liens | 1,411 | — |
| Total loans | $ 34,142 | $ 2,553 |

The following table presents the aging of the amortized cost basis in past-due loans as of December 31, 2025 by class of loans:

| | 30 - 59 Days Past Due | 60 - 89 Days Past Due | Greater Than 89 Days Past Due | Total Past Due | Loans Not Past Due | Total |
|---|---|---|---|---|---|---|
| Farmland | $ — | $ — | $ 241 | $ 241 | $ 27,342 | $ 27,583 |
| Owner-occupied, nonfarm nonresidential properties | 3,962 | 4,316 | 2,454 | 10,732 | 625,712 | 636,444 |
| Agricultural production and other loans to farmers | — | — | — | — | 5,989 | 5,989 |
| Loans to depository institutions | — | — | — | — | 2,439 | 2,439 |
| Commercial and Industrial | 975 | 1,376 | 6,715 | 9,066 | 769,912 | 778,978 |
| Obligations (other than securities and leases) of states and political subdivisions | — | — | — | — | 171,486 | 171,486 |
| Other loans | — | — | — | — | 47,719 | 47,719 |
| Other construction loans and all land development and other land loans | 2,660 | 62 | 1,565 | 4,287 | 361,887 | 366,174 |
| Multifamily (5 or more) residential properties | — | — | 645 | 645 | 709,187 | 709,832 |
| Non-owner occupied, nonfarm nonresidential properties | 3,171 | — | — | 3,171 | 1,416,472 | 1,419,643 |
| 1-4 Family Construction | — | — | — | — | 41,659 | 41,659 |
| Home equity lines of credit | 1,115 | 373 | 801 | 2,289 | 248,534 | 250,823 |
| Residential Mortgages secured by first liens | 13,304 | 8,450 | 7,935 | 29,689 | 1,733,382 | 1,763,071 |
| Residential Mortgages secured by junior liens | 281 | 538 | 198 | 1,017 | 139,773 | 140,790 |
| Other revolving credit plans | 78 | 34 | 21 | 133 | 48,820 | 48,953 |
| Automobile | 217 | 19 | 23 | 259 | 16,778 | 17,037 |
| Other consumer | 426 | 319 | 329 | 1,074 | 50,400 | 51,474 |
| Credit cards | 139 | 67 | 42 | 248 | 13,028 | 13,276 |
| Overdrafts | — | — | — | — | 370 | 370 |
| Total loans | $ 26,328 | $ 15,554 | $ 20,969 | $ 62,851 | $ 6,430,889 | $ 6,493,740 |

The following table presents the aging of the amortized cost basis in past-due loans as of December 31, 2024 by class of loans.

| | 30 - 59 Days Past Due | 60 - 89 Days Past Due | Greater Than 89 Days Past Due | Total Past Due | Loans Not Past Due | Total |
|---|---|---|---|---|---|---|
| Farmland | $ — | $ — | $ — | $ — | $ 31,099 | $ 31,099 |
| Owner-occupied, nonfarm nonresidential properties | 77 | 1,479 | 5,030 | 6,586 | 508,622 | 515,208 |
| Agricultural production and other loans to farmers | — | — | — | — | 6,492 | 6,492 |
| Commercial and Industrial | 704 | 185 | 6,632 | 7,521 | 711,254 | 718,775 |
| Obligations (other than securities and leases) of states and political subdivisions | — | — | — | — | 140,430 | 140,430 |
| Other loans | — | — | — | — | 28,110 | 28,110 |
| Other construction loans and all land development and other land loans | — | — | 1,482 | 1,482 | 281,430 | 282,912 |
| Multifamily (5 or more) residential properties | — | 20,392 | 757 | 21,149 | 389,997 | 411,146 |
| Non-owner occupied, nonfarm nonresidential properties | — | — | — | — | 1,033,541 | 1,033,541 |
| 1-4 Family Construction | 216 | — | — | 216 | 26,215 | 26,431 |
| Home equity lines of credit | 1,006 | 387 | 323 | 1,716 | 164,611 | 166,327 |
| Residential Mortgages secured by first liens | 2,908 | 1,910 | 5,795 | 10,613 | 1,002,133 | 1,012,746 |
| Residential Mortgages secured by junior liens | 224 | 35 | 64 | 323 | 106,139 | 106,462 |
| Other revolving credit plans | 351 | 4 | 100 | 455 | 40,640 | 41,095 |
| Automobile | 135 | 3 | — | 138 | 20,823 | 20,961 |
| Other consumer | 601 | 271 | 358 | 1,230 | 52,591 | 53,821 |
| Credit cards | 97 | 115 | 162 | 374 | 12,769 | 13,143 |
| Overdrafts | — | — | — | — | 257 | 257 |
| Total loans | $ 6,319 | $ 24,781 | $ 20,703 | $ 51,803 | $ 4,557,153 | $ 4,608,956 |

Loan Modifications

Occasionally, the Corporation modifies loans to borrowers in financial distress by providing principal forgiveness, term extension, an other-than-insignificant payment delay or interest rate reduction. When principal forgiveness is provided, the amount of forgiveness is charged-off against the allowance for credit losses.

In some cases, the Corporation provides multiple types of concessions on one loan. Typically, one type of concession, such as a term extension, is granted initially. If the borrower continues to experience financial difficulty, another concession, such as principal forgiveness, may be granted. For the loans included in the "combination" columns below, multiple types of modifications have been made on the same loan within the current reporting period. The combination is at least two of the following: a term extension, principal forgiveness, an other-than-insignificant payment delay and/or an interest rate reduction.

The following table presents the amortized cost basis of loans at December 31, 2025 that were both experiencing financial difficulty and modified during the year ended December 31, 2025, by class and by type of modification that remained in effect as of December 31, 2025. The percentage of the amortized cost basis of loans that were modified to borrowers in financial distress as compared to the amortized cost basis of each class of financing receivable is also presented below:

| | Principal Forgiveness | Payment Delay | Term Extension | Interest Rate Reduction | Combination Payment Delay and Term Extension | Total Class of Financing Receivable |
|---|---|---|---|---|---|---|
| Owner-occupied, nonfarm nonresidential properties | $ — | $ 2,173 | $ — | $ — | $ — | 0.34 % |
| Commercial and Industrial | — | 165 | 139 | — | — | 0.04 |
| Other construction loans and all land development and other land loans | — | — | — | — | 2,261 | 0.60 |
| Multifamily (5 or more) residential properties | — | — | 155 | — | — | — |
| Non-owner occupied, nonfarm nonresidential properties | — | 2,412 | — | — | — | 0.17 |
| Total | $ — | $ 4,750 | $ 294 | $ — | $ 2,261 | 0.11 % |

The following table presents the amortized cost basis of loans at December 31, 2024 that were both experiencing financial difficulty and modified during the year ended December 31, 2024, by class and by type of modification that remained in effect as of December 31, 2024. The percentage of the amortized cost basis of loans that were modified to borrowers in financial distress as compared to the amortized cost basis of each class of financing receivable is also presented below:

| | Principal Forgiveness | Payment Delay | Term Extension | Interest Rate Reduction | Combination Payment Delay and Term Extension | Total Class of Financing Receivable |
|---|---|---|---|---|---|---|
| Farmland | $ — | $ 1,040 | $ — | $ — | $ — | 3.34 % |
| Owner-occupied, nonfarm nonresidential properties | — | 696 | — | — | — | 0.14 |
| Commercial and Industrial | — | — | 410 | — | — | 0.06 |
| Non-owner occupied, nonfarm nonresidential properties | — | 5,225 | — | — | — | 0.51 |
| Total | $ — | $ 6,961 | $ 410 | $ — | $ — | 0.16 % |

The Corporation has $60 thousand in unfunded available credit to customers whose loan receivables are included in the previous tables.

The Corporation closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts.

The following table presents the performance of such loans that have been modified during the year ended December 31, 2025:

| | Current | 30 - 59 Days Past Due | 60 - 89 Days Past Due | Greater Than 89 Days Past Due | Total Past Due |
|---|---|---|---|---|---|
| Owner-occupied, nonfarm nonresidential properties | $ 2,173 | $ — | $ — | $ — | $ — |
| Commercial and Industrial | 6,946 | — | — | — | — |
| Other construction loans and all land development and other land loans | 12,376 | — | — | — | — |
| Multifamily (5 or more) residential properties | 155 | — | — | — | — |
| Non-owner occupied, nonfarm nonresidential properties | 4,500 | — | — | — | — |
| Total | $ 26,150 | $ — | $ — | $ — | $ — |

The following table presents the performance of such loans that have been modified during the year ended December 31, 2024:

| | Current | 30 - 59 Days Past Due | 60 - 89 Days Past Due | Greater Than 89 Days Past Due | Total Past Due |
|---|---|---|---|---|---|
| Farmland | $ 1,040 | $ — | $ — | $ — | $ — |
| Owner-occupied, nonfarm nonresidential properties | 696 | — | — | — | — |
| Commercial and Industrial | 410 | — | — | — | — |
| Non-owner occupied, nonfarm nonresidential properties | 5,225 | — | — | — | — |
| Total | $ 7,371 | $ — | $ — | $ — | $ — |

The following table presents the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty for the year ended December 31, 2025:

| | Principal Forgiveness | Weighted Average Term Extension (in years) | Weighted Average Interest Rate Reduction |
|---|---|---|---|
| Commercial and Industrial | $ — | 0.50 | — % |
| Other construction loans and all land development and other land loans | — | 0.83 | — |
| Multifamily (5 or more) residential properties | — | 0.50 | — |
| Total | $ — | 0.79 | — % |

The following table presents the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty for the year ended December 31, 2024:

| | Principal Forgiveness | Weighted Average Term Extension (in years) | Weighted Average Interest Rate Reduction |
|---|---|---|---|
| Commercial and Industrial | $ — | 1.00 | — % |
| Total | $ — | 1.00 | — % |

There were no loans that had a payment default during the year ended December 31, 2025 and were modified in the twelve months prior to that default to borrowers experiencing financial difficulty.

*Loan Sales*

The following table presents loans sold during the year by portfolio segment:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Multifamily (5 or more) residential properties | $ 28,032 | $ — |
| Non-owner occupied, nonfarm nonresidential properties | 16,309 | — |
| Total loans sold | $ 44,341 | $ — |

*Credit Quality Indicators*

The Corporation categorizes loans receivable into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Corporation analyzes loans individually to classify the loans as to credit risk.

The Corporation uses the following definitions for risk ratings:

Special Mention: A loan classified as special mention has a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the Corporation's credit position at some future date.

Substandard: A loan classified as substandard is inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. The loan has a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. A substandard loan is characterized by the distinct possibility that the Corporation will sustain some loss if the deficiencies are not corrected.

Doubtful: A loan classified as doubtful has all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

The following tables represent the Corporation's commercial credit risk profile by risk rating. Loans receivable not rated as special mention, substandard, or doubtful are considered to be pass rated loans.

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | | Non-Pass Rated | | | | |
| | Pass | Special Mention | Substandard | Doubtful | Total Non-Pass | Total |
| Farmland | $ 22,370 | $ — | $ 5,213 | $ — | $ 5,213 | $ 27,583 |
| Owner-occupied, nonfarm nonresidential properties | 607,698 | 2,708 | 26,038 | — | 28,746 | 636,444 |
| Agricultural production and other loans to farmers | 5,989 | — | — | — | — | 5,989 |
| Loans to depository institutions | 2,439 | — | — | — | — | 2,439 |
| Commercial and Industrial | 714,190 | 5,960 | 58,828 | — | 64,788 | 778,978 |
| Obligations (other than securities and leases) of states and political subdivisions | 171,486 | — | — | — | — | 171,486 |
| Other loans | 46,569 | 1,150 | — | — | 1,150 | 47,719 |
| Other construction loans and all land development and other land loans | 362,193 | — | 3,981 | — | 3,981 | 366,174 |
| Multifamily (5 or more) residential properties | 699,736 | 3,432 | 6,664 | — | 10,096 | 709,832 |
| Non-owner occupied, nonfarm nonresidential properties | 1,390,810 | 10,788 | 18,045 | — | 28,833 | 1,419,643 |
| Total loans | $ 4,023,480 | $ 24,038 | $ 118,769 | $ — | $ 142,807 | $ 4,166,287 |

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | | Non-Pass Rated | | | | |
| | Pass | Special Mention | Substandard | Doubtful | Total Non-Pass | Total |
| Farmland | $ 25,171 | $ 5,267 | $ 661 | $ — | $ 5,928 | $ 31,099 |
| Owner-occupied, nonfarm nonresidential properties | 491,798 | 1,289 | 22,121 | — | 23,410 | 515,208 |
| Agricultural production and other loans to farmers | 6,492 | — | — | — | — | 6,492 |
| Commercial and Industrial | 654,139 | 4,321 | 60,315 | — | 64,636 | 718,775 |
| Obligations (other than securities and leases) of states and political subdivisions | 140,430 | — | — | — | — | 140,430 |
| Other loans | 28,110 | — | — | — | — | 28,110 |
| Other construction loans and all land development and other land loans | 281,466 | — | 1,446 | — | 1,446 | 282,912 |
| Multifamily (5 or more) residential properties | 385,946 | — | 25,200 | — | 25,200 | 411,146 |
| Non-owner occupied, nonfarm nonresidential properties | 1,008,507 | 4,947 | 20,087 | — | 25,034 | 1,033,541 |
| Total loans | $ 3,022,059 | $ 15,824 | $ 129,830 | $ — | $ 145,654 | $ 3,167,713 |

The following tables detail the amortized cost of loans receivable, by year of origination (for term loans) and by risk grade within each portfolio segment as of December 31, 2025. Current period originations may include modifications.

| | Term Loans Amortized Cost Basis by Origination Year | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Revolving Loans Amortized Cost Basis | Revolving Loans Converted to Term | Total |
| Farmland | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 3,753 | $ 123 | $ 852 | $ 4,898 | $ 5,664 | $ 6,500 | $ 580 | $ — | $ 22,370 |
| Special mention | — | — | — | — | — | — | — | — | — |
| Substandard | — | 163 | — | 4,618 | — | 432 | — | — | 5,213 |
| Total | $ 3,753 | $ 286 | $ 852 | $ 9,516 | $ 5,664 | $ 6,932 | $ 580 | $ — | $ 27,583 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Owner-occupied, nonfarm nonresidential properties | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 73,282 | $ 73,484 | $ 77,896 | $ 118,194 | $ 113,910 | $ 139,469 | $ 11,463 | $ — | $ 607,698 |
| Special mention | 50 | — | 226 | 236 | 337 | 1,749 | 110 | — | 2,708 |
| Substandard | 102 | 14,681 | 2,239 | 3,097 | 933 | 4,179 | 807 | — | 26,038 |
| Total | $ 73,434 | $ 88,165 | $ 80,361 | $ 121,527 | $ 115,180 | $ 145,397 | $ 12,380 | $ — | $ 636,444 |
| Current period gross write offs | $ — | $ — | $ — | $ 1,516 | $ — | $ — | $ — | $ — | $ 1,516 |
| Agricultural production and other loans to farmers | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 98 | $ 4,816 | $ 410 | $ 5 | $ 12 | $ 24 | $ 624 | $ — | $ 5,989 |
| Special mention | — | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — | — |
| Total | $ 98 | $ 4,816 | $ 410 | $ 5 | $ 12 | $ 24 | $ 624 | $ — | $ 5,989 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Loans to depository institutions | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ — | $ 2,439 | $ — | $ — | $ — | $ — | $ — | $ — | $ 2,439 |
| Special mention | — | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — | — |
| Total | $ — | $ 2,439 | $ — | $ — | $ — | $ — | $ — | $ — | $ 2,439 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Commercial and Industrial | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 133,217 | $ 109,670 | $ 38,959 | $ 81,882 | $ 44,264 | $ 31,010 | $ 275,188 | $ — | $ 714,190 |
| Special mention | 20 | 423 | 60 | — | 1,339 | 26 | 4,092 | — | 5,960 |
| Substandard | 2,250 | 274 | 3,947 | 12,928 | 407 | 925 | 38,097 | — | 58,828 |
| Total | $ 135,487 | $ 110,367 | $ 42,966 | $ 94,810 | $ 46,010 | $ 31,961 | $ 317,377 | $ — | $ 778,978 |
| Current period gross write offs | $ 22 | $ 49 | $ 98 | $ 9 | $ 26 | $ 147 | $ 656 | $ 31 | $ 1,038 |
| Obligations (other than securities and leases) of states and political subdivisions | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 933 | $ 6,563 | $ 30,181 | $ 18,655 | $ 39,626 | $ 71,173 | $ 4,355 | $ — | $ 171,486 |
| Special mention | — | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — | — |
| Total | $ 933 | $ 6,563 | $ 30,181 | $ 18,655 | $ 39,626 | $ 71,173 | $ 4,355 | $ — | $ 171,486 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |

| | Term Loans Amortized Cost Basis by Origination Year | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Revolving Loans Amortized Cost Basis | Revolving Loans Converted to Term | Total |
| Other loans | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 23,315 | $ 860 | $ 2,903 | $ 11,888 | $ 4,537 | $ 1,362 | $ 1,704 | $ — | $ 46,569 |
| Special mention | — | — | — | — | — | — | 1,150 | — | 1,150 |
| Substandard | — | — | — | — | — | — | — | — | — |
| Total | $ 23,315 | $ 860 | $ 2,903 | $ 11,888 | $ 4,537 | $ 1,362 | $ 2,854 | $ — | $ 47,719 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Other construction loans and all land development and other land loans | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 126,890 | $ 108,759 | $ 71,368 | $ 36,239 | $ 7,249 | $ 2,635 | $ 9,053 | $ — | $ 362,193 |
| Special mention | — | — | — | — | — | — | — | — | — |
| Substandard | — | 2,462 | — | 147 | — | 1,372 | — | — | 3,981 |
| Total | $ 126,890 | $ 111,221 | $ 71,368 | $ 36,386 | $ 7,249 | $ 4,007 | $ 9,053 | $ — | $ 366,174 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Multifamily (5 or more) residential properties | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 129,491 | $ 60,801 | $ 91,724 | $ 278,967 | $ 79,805 | $ 56,441 | $ 2,507 | $ — | $ 699,736 |
| Special mention | — | — | — | — | 3,432 | — | — | — | 3,432 |
| Substandard | 5,721 | — | 299 | — | 644 | — | — | — | 6,664 |
| Total | $ 135,212 | $ 60,801 | $ 92,023 | $ 278,967 | $ 83,881 | $ 56,441 | $ 2,507 | $ — | $ 709,832 |
| Current period gross write offs | $ — | $ — | $ — | $ 1,072 | $ — | $ — | $ — | $ — | $ 1,072 |
| Non-owner occupied, nonfarm nonresidential properties | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 175,561 | $ 163,033 | $ 246,911 | $ 388,071 | $ 230,700 | $ 179,764 | $ 6,770 | $ — | $ 1,390,810 |
| Special mention | 10,115 | — | 56 | 206 | — | — | 411 | — | 10,788 |
| Substandard | — | 13,340 | 744 | 471 | — | 3,490 | — | — | 18,045 |
| Total | $ 185,676 | $ 176,373 | $ 247,711 | $ 388,748 | $ 230,700 | $ 183,254 | $ 7,181 | $ — | $ 1,419,643 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |

The following tables detail the amortized cost of loans receivable, by year of origination (for term loans) and by risk grade within each portfolio segment as of December 31, 2024. Current period originations may include modifications.

| | Term Loans Amortized Cost Basis by Origination Year | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans Amortized Cost Basis | Revolving Loans Converted to Term | Total |
| Farmland | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 265 | $ 3,165 | $ 6,756 | $ 6,477 | $ 1,436 | $ 6,662 | $ 410 | $ — | $ 25,171 |
| Special mention | — | — | 5,267 | — | — | — | — | — | 5,267 |
| Substandard | 170 | — | — | — | — | 491 | — | — | 661 |
| Total | $ 435 | $ 3,165 | $ 12,023 | $ 6,477 | $ 1,436 | $ 7,153 | $ 410 | $ — | $ 31,099 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Owner-occupied, nonfarm nonresidential properties | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 74,692 | $ 62,609 | $ 114,980 | $ 98,469 | $ 39,931 | $ 90,249 | $ 10,868 | $ — | $ 491,798 |
| Special mention | — | — | — | 254 | — | 527 | 508 | — | 1,289 |
| Substandard | 14,181 | 1,114 | 4,370 | 696 | — | 1,507 | 253 | — | 22,121 |
| Total | $ 88,873 | $ 63,723 | $ 119,350 | $ 99,419 | $ 39,931 | $ 92,283 | $ 11,629 | $ — | $ 515,208 |
| Current period gross write offs | $ — | $ — | $ 750 | $ — | $ — | $ 698 | $ — | $ — | $ 1,448 |
| Agricultural production and other loans to farmers | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 5,072 | $ 473 | $ 18 | $ 26 | $ 40 | $ 148 | $ 715 | $ — | $ 6,492 |
| Special mention | — | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — | — |
| Total | $ 5,072 | $ 473 | $ 18 | $ 26 | $ 40 | $ 148 | $ 715 | $ — | $ 6,492 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Commercial and Industrial | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 148,569 | $ 44,080 | $ 104,613 | $ 63,646 | $ 24,511 | $ 18,771 | $ 249,949 | $ — | $ 654,139 |
| Special mention | 7 | 55 | 139 | 424 | 61 | 32 | 3,603 | — | 4,321 |
| Substandard | 845 | 5,145 | 10,988 | 1,461 | 49 | 1,935 | 39,892 | — | 60,315 |
| Total | $ 149,421 | $ 49,280 | $ 115,740 | $ 65,531 | $ 24,621 | $ 20,738 | $ 293,444 | $ — | $ 718,775 |
| Current period gross write offs | $ — | $ 301 | $ 116 | $ 537 | $ 1 | $ 43 | $ 1,428 | $ — | $ 2,426 |
| Obligations (other than securities and leases) of states and political subdivisions | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 7,999 | $ 24,754 | $ 15,756 | $ 30,419 | $ 11,411 | $ 45,882 | $ 4,209 | $ — | $ 140,430 |
| Special mention | — | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — | — |
| Total | $ 7,999 | $ 24,754 | $ 15,756 | $ 30,419 | $ 11,411 | $ 45,882 | $ 4,209 | $ — | $ 140,430 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Other loans | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 2,134 | $ 3,382 | $ 12,291 | $ 4,602 | $ 1,341 | $ 274 | $ 4,086 | $ — | $ 28,110 |
| Special mention | — | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — | — |
| Total | $ 2,134 | $ 3,382 | $ 12,291 | $ 4,602 | $ 1,341 | $ 274 | $ 4,086 | $ — | $ 28,110 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |

| | Term Loans Amortized Cost Basis by Origination Year | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans Amortized Cost Basis | Revolving Loans Converted to Term | Total |
| Other construction loans and all land development and other land loans | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 112,919 | $ 58,596 | $ 99,268 | $ 3,141 | $ 749 | $ 1,875 | $ 4,918 | $ — | $ 281,466 |
| Special mention | — | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | 1,446 | — | — | 1,446 |
| Total | $ 112,919 | $ 58,596 | $ 99,268 | $ 3,141 | $ 749 | $ 3,321 | $ 4,918 | $ — | $ 282,912 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ 11 | $ 11 |
| Multifamily (5 or more) residential properties | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 46,905 | $ 49,880 | $ 173,994 | $ 67,500 | $ 20,706 | $ 25,037 | $ 1,924 | $ — | $ 385,946 |
| Special mention | — | — | — | — | — | — | — | — | — |
| Substandard | — | 2,107 | 20,392 | — | 2,701 | — | — | — | 25,200 |
| Total | $ 46,905 | $ 51,987 | $ 194,386 | $ 67,500 | $ 23,407 | $ 25,037 | $ 1,924 | $ — | $ 411,146 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Non-owner occupied, nonfarm nonresidential properties | | | | | | | | | |
| Risk rating | | | | | | | | | |
| Pass | $ 141,083 | $ 190,123 | $ 320,047 | $ 183,621 | $ 38,309 | $ 127,515 | $ 7,809 | $ — | $ 1,008,507 |
| Special mention | 1,962 | — | 212 | 2,003 | — | 349 | 421 | — | 4,947 |
| Substandard | 11,469 | 762 | 689 | — | 5,225 | 1,942 | — | — | 20,087 |
| Total | $ 154,514 | $ 190,885 | $ 320,948 | $ 185,624 | $ 43,534 | $ 129,806 | $ 8,230 | $ — | $ 1,033,541 |
| Current period gross write offs | $ — | $ — | $ 33 | $ 296 | $ — | $ 625 | $ 20 | $ — | $ 974 |

The Corporation considers the performance of the loan portfolio and its impact on the allowance for credit losses. For 1-4 family construction, home equity lines of credit, residential mortgages secured by first liens, residential mortgages secured by junior liens, automobile, credit cards, other revolving credit plans and other consumer segments, the Corporation evaluates credit quality based on the performance status of the loan, which was previously presented, and by payment activity. Nonperforming loans include loans receivable on nonaccrual status and loans receivable past due over 89 days and still accruing interest.

| | December 31, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Performing | Nonperforming | Total | Performing | Nonperforming | Total |
| 1-4 Family Construction | $ 41,659 | $ — | $ 41,659 | $ 26,431 | $ — | $ 26,431 |
| Home equity lines of credit | 248,819 | 2,004 | 250,823 | 165,490 | 837 | 166,327 |
| Residential Mortgages secured by first liens | 1,750,100 | 12,971 | 1,763,071 | 1,003,653 | 9,093 | 1,012,746 |
| Residential Mortgages secured by junior liens | 139,702 | 1,088 | 140,790 | 106,191 | 271 | 106,462 |
| Other revolving credit plans | 48,912 | 41 | 48,953 | 40,941 | 154 | 41,095 |
| Automobile | 16,982 | 55 | 17,037 | 20,895 | 66 | 20,961 |
| Other consumer | 50,740 | 734 | 51,474 | 53,072 | 749 | 53,821 |
| Total loans | $ 2,296,914 | $ 16,893 | $ 2,313,807 | $ 1,416,673 | $ 11,170 | $ 1,427,843 |

The following tables detail the amortized cost of loans receivable, by year of origination (for term loans) and by payment activity within each portfolio segment as of December 31, 2025. The current period originations may include modifications, extensions and renewals.

| | Term Loans Amortized Cost Basis by Origination Year | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Revolving Loans Amortized Cost Basis | Revolving Loans Converted to Term | Total |
| 1-4 Family Construction | | | | | | | | | |
| Payment performance | | | | | | | | | |
| Performing | $ 18,062 | $ 20,514 | $ 3,043 | $ — | $ — | $ 40 | $ — | $ — | $ 41,659 |
| Nonperforming | — | — | — | — | — | — | — | — | — |
| Total | $ 18,062 | $ 20,514 | $ 3,043 | $ — | $ — | $ 40 | $ — | $ — | $ 41,659 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Home equity lines of credit | | | | | | | | | |
| Payment performance | | | | | | | | | |
| Performing | $ 73,131 | $ 48,440 | $ 27,018 | $ 31,431 | $ 10,894 | $ 41,169 | $ 10,387 | $ 6,349 | $ 248,819 |
| Nonperforming | — | — | 47 | — | — | 57 | — | 1,900 | 2,004 |
| Total | $ 73,131 | $ 48,440 | $ 27,065 | $ 31,431 | $ 10,894 | $ 41,226 | $ 10,387 | $ 8,249 | $ 250,823 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ 70 | $ — | $ — | $ 70 |
| Residential mortgages secured by first lien | | | | | | | | | |
| Payment performance | | | | | | | | | |
| Performing | $ 175,742 | $ 183,335 | $ 192,874 | $ 350,908 | $ 277,658 | $ 567,167 | $ 2,416 | $ — | $ 1,750,100 |
| Nonperforming | 31 | 616 | 3,147 | 2,318 | 1,477 | 5,382 | — | — | 12,971 |
| Total | $ 175,773 | $ 183,951 | $ 196,021 | $ 353,226 | $ 279,135 | $ 572,549 | $ 2,416 | $ — | $ 1,763,071 |
| Current period gross write offs | $ — | $ — | $ — | $ 300 | $ 32 | $ 20 | $ — | $ — | $ 352 |
| Residential mortgages secured by junior liens | | | | | | | | | |
| Payment performance | | | | | | | | | |
| Performing | $ 27,734 | $ 31,840 | $ 25,138 | $ 26,987 | $ 11,589 | $ 15,252 | $ 1,162 | $ — | $ 139,702 |
| Nonperforming | 501 | 44 | 133 | 31 | 111 | 210 | 58 | — | 1,088 |
| Total | $ 28,235 | $ 31,884 | $ 25,271 | $ 27,018 | $ 11,700 | $ 15,462 | $ 1,220 | $ — | $ 140,790 |
| Current period gross write offs | $ 260 | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ 260 |
| Other revolving credit plans | | | | | | | | | |
| Payment performance | | | | | | | | | |
| Performing | $ 9,962 | $ 4,754 | $ 4,194 | $ 6,642 | $ 2,736 | $ 20,470 | $ 154 | $ — | $ 48,912 |
| Nonperforming | — | 4 | 2 | 4 | 5 | 26 | — | — | 41 |
| Total | $ 9,962 | $ 4,758 | $ 4,196 | $ 6,646 | $ 2,741 | $ 20,496 | $ 154 | $ — | $ 48,953 |
| Current period gross write offs | $ — | $ 38 | $ 4 | $ 3 | $ 7 | $ 106 | $ — | $ — | $ 158 |
| Automobile | | | | | | | | | |
| Payment performance | | | | | | | | | |
| Performing | $ 5,071 | $ 3,973 | $ 4,780 | $ 2,028 | $ 342 | $ 788 | $ — | $ — | $ 16,982 |
| Nonperforming | — | 26 | 11 | 17 | — | 1 | — | — | 55 |
| Total | $ 5,071 | $ 3,999 | $ 4,791 | $ 2,045 | $ 342 | $ 789 | $ — | $ — | $ 17,037 |
| Current period gross write offs | $ 18 | $ 11 | $ 23 | $ — | $ — | $ — | $ — | $ — | $ 52 |
| Other consumer | | | | | | | | | |
| Payment performance | | | | | | | | | |
| Performing | $ 21,250 | $ 15,173 | $ 6,872 | $ 2,617 | $ 1,166 | $ 3,662 | $ — | $ — | $ 50,740 |
| Nonperforming | 147 | 282 | 163 | 60 | 51 | 31 | — | — | 734 |
| Total | $ 21,397 | $ 15,455 | $ 7,035 | $ 2,677 | $ 1,217 | $ 3,693 | $ — | $ — | $ 51,474 |
| Current period gross write offs | $ 141 | $ 1,068 | $ 715 | $ 188 | $ 72 | $ 15 | $ — | $ — | $ 2,199 |

The following tables detail the amortized cost of loans receivable, by year of origination (for term loans) and by payment activity within each portfolio segment as of December 31, 2024. The current period originations may include modifications, extensions and renewals.

| | Term Loans Amortized Cost Basis by Origination Year | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans Amortized Cost Basis | Revolving Loans Converted to Term | Total |
| 1-4 Family Construction | | | | | | | | | |
| Payment performance | | | | | | | | | |
| Performing | $ 21,411 | $ 3,717 | $ 1,254 | $ — | $ — | $ 49 | $ — | $ — | $ 26,431 |
| Nonperforming | — | — | — | — | — | — | — | — | — |
| Total | $ 21,411 | $ 3,717 | $ 1,254 | $ — | $ — | $ 49 | $ — | $ — | $ 26,431 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Home equity lines of credit | | | | | | | | | |
| Payment performance | | | | | | | | | |
| Performing | $ 44,573 | $ 28,211 | $ 30,557 | $ 9,440 | $ 8,106 | $ 30,649 | $ 7,993 | $ 5,961 | $ 165,490 |
| Nonperforming | — | 50 | — | — | — | — | — | 787 | 837 |
| Total | $ 44,573 | $ 28,261 | $ 30,557 | $ 9,440 | $ 8,106 | $ 30,649 | $ 7,993 | $ 6,748 | $ 166,327 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Residential mortgages secured by first lien | | | | | | | | | |
| Payment performance | | | | | | | | | |
| Performing | $ 106,278 | $ 135,898 | $ 224,633 | $ 177,756 | $ 128,924 | $ 226,926 | $ 3,238 | $ — | $ 1,003,653 |
| Nonperforming | 363 | 2,494 | 1,657 | 1,305 | 839 | 2,435 | — | — | 9,093 |
| Total | $ 106,641 | $ 138,392 | $ 226,290 | $ 179,061 | $ 129,763 | $ 229,361 | $ 3,238 | $ — | $ 1,012,746 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ 79 | $ — | $ — | $ 79 |
| Residential mortgages secured by junior liens | | | | | | | | | |
| Payment performance | | | | | | | | | |
| Performing | $ 32,777 | $ 22,256 | $ 22,931 | $ 11,769 | $ 5,695 | $ 9,465 | $ 1,298 | $ — | $ 106,191 |
| Nonperforming | 19 | 40 | 34 | 123 | — | 16 | 39 | — | 271 |
| Total | $ 32,796 | $ 22,296 | $ 22,965 | $ 11,892 | $ 5,695 | $ 9,481 | $ 1,337 | $ — | $ 106,462 |
| Current period gross write offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Other revolving credit plans | | | | | | | | | |
| Payment performance | | | | | | | | | |
| Performing | $ 10,454 | $ 5,556 | $ 6,898 | $ 2,163 | $ 5,366 | $ 10,504 | $ — | $ — | $ 40,941 |
| Nonperforming | — | — | 27 | 6 | — | 121 | — | — | 154 |
| Total | $ 10,454 | $ 5,556 | $ 6,925 | $ 2,169 | $ 5,366 | $ 10,625 | $ — | $ — | $ 41,095 |
| Current period gross write offs | $ — | $ 9 | $ — | $ 41 | $ 25 | $ 81 | $ — | $ — | $ 156 |
| Automobile | | | | | | | | | |
| Payment performance | | | | | | | | | |
| Performing | $ 5,794 | $ 8,504 | $ 3,975 | $ 1,149 | $ 664 | $ 809 | $ — | $ — | $ 20,895 |
| Nonperforming | — | 15 | 47 | — | 4 | — | — | — | 66 |
| Total | $ 5,794 | $ 8,519 | $ 4,022 | $ 1,149 | $ 668 | $ 809 | $ — | $ — | $ 20,961 |
| Current period gross write offs | $ 22 | $ 93 | $ 7 | $ 14 | $ 6 | $ 4 | $ — | $ — | $ 146 |
| Other consumer | | | | | | | | | |
| Payment performance | | | | | | | | | |
| Performing | $ 27,727 | $ 13,090 | $ 5,344 | $ 2,432 | $ 2,162 | $ 2,317 | $ — | $ — | $ 53,072 |
| Nonperforming | 219 | 368 | 82 | 67 | 8 | 5 | — | — | 749 |
| Total | $ 27,946 | $ 13,458 | $ 5,426 | $ 2,499 | $ 2,170 | $ 2,322 | $ — | $ — | $ 53,821 |
| Current period gross write offs | $ 133 | $ 1,141 | $ 630 | $ 154 | $ 24 | $ 12 | $ — | $ — | $ 2,094 |

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Credit card | | |
| Payment performance | | |
| Performing | $ 13,234 | $ 12,981 |
| Nonperforming | 42 | 162 |
| Total | $ 13,276 | $ 13,143 |
| Current period gross write offs | $ 502 | $ 143 |

Holiday's loan portfolio, included in other consumer loans above, is summarized as follows at December 31, 2025 and 2024:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Gross consumer loans | $ 12,746 | $ 27,261 |
| Less: unearned discounts | (1,489) | (4,772) |
| Total consumer loans, net of unearned discounts | $ 11,257 | $ 22,489 |

**5. Fair Value**
**Fair Value Measurement**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The following three levels of inputs are used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Corporation used the following methods and significant assumptions to estimate fair value:

Investment Securities: The fair values for investment securities are determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on market prices of similar securities (Level 2), using matrix pricing. Matrix pricing is a mathematical technique commonly used to price debt securities that are not actively traded, values debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs). For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3).

Loans Held for Sale: Loans held for sale are carried at the lower of cost or fair value, which is evaluated on a loan-level basis. The fair value of loans held for sale is determined using quoted prices for similar assets, adjusted for specific attributes of that loan or other observable market data, such as outstanding commitments from third party investors (Level 2).

Derivatives: The fair values of derivatives are based on valuation models using observable market data as of the measurement date (Level 2). The Corporation's derivatives are traded in an over-the-counter market where quoted market prices are not always available. Therefore, the fair values of derivatives are determined using quantitative models that utilize multiple market inputs. The inputs will vary based on the type of derivative, but could include interest rates, prices, and indices to generate continuous yield or pricing curves, prepayment rates, and volatility factors to value the position. The majority of market inputs are actively quoted and can be validated through external sources, including brokers, market transactions, and third-party pricing services.

Individually Evaluated Loans: The fair value of individually evaluated loans with specific allocations of the allowance for credit losses is generally based on recent real estate appraisals prepared by third-parties. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the appraisers to adjust for differences between the comparable sales and income data available. Management also adjusts appraised values based on the length of time that has passed since the appraisal date and other factors. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value. Non-real estate collateral may be valued using an appraisal, net book value per the borrower's financial statements, or aging reports, adjusted or discounted based on management's historical knowledge, changes in market conditions from the time of the valuation, and management's expertise and knowledge of the client and client's business, resulting in a Level 3 fair value classification. Individually evaluated loans are evaluated on a quarterly basis for additional impairment and adjusted in accordance with the allowance policy.

Assets and liabilities measured at fair value on a recurring basis were as follows at December 31, 2025 and 2024:

| | | Fair Value Measurements at December 31, 2025 Using | | |
|---|---|---|---|---|
| Description | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets: | | | | |
| Securities Available-For-Sale: | | | | |
| U.S. Government sponsored entities | $ 113,095 | $ 88,113 | $ 24,982 | $ — |
| States and political subdivisions | 87,848 | — | 87,848 | — |
| Residential and multi-family mortgage | 328,247 | — | 328,247 | — |
| Corporate notes and bonds | 47,940 | — | 47,940 | — |
| Pooled SBA | 7,200 | — | 7,200 | — |
| Total Securities Available-For-Sale | $ 584,330 | $ 88,113 | $ 496,217 | $ — |
| Interest rate swaps | $ 5,873 | $ — | $ 5,873 | $ — |
| Equity Securities: | | | | |
| Corporate equity securities | $ 4,745 | $ 4,745 | $ — | $ — |
| Mutual funds | 3,792 | 3,792 | — | — |
| Money market funds | 245 | 245 | — | — |
| Corporate notes | 2,083 | — | 2,083 | — |
| Total Equity Securities | $ 10,865 | $ 8,782 | $ 2,083 | $ — |
| Liabilities | | | | |
| Interest rate swaps | $ (5,873) | $ — | $ (5,873) | $ — |

| Description | Total | Fair Value Measurements at December 31, 2024 Using: Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| Assets: | | | | |
| Securities Available-For-Sale: | | | | |
| U.S. Government sponsored entities | $ 14,810 | $ 14,810 | $ — | $ — |
| States and political subdivisions | 90,956 | — | 90,956 | — |
| Residential and multi-family mortgage | 318,910 | — | 318,910 | — |
| Corporate notes and bonds | 35,210 | — | 35,210 | — |
| Pooled SBA | 8,660 | — | 8,660 | — |
| Total Securities Available-For-Sale | $ 468,546 | $ 14,810 | $ 453,736 | $ — |
| Interest rate swaps | $ 423 | $ — | $ 423 | $ — |
| Equity Securities: | | | | |
| Corporate equity securities | $ 6,542 | $ 6,542 | $ — | $ — |
| Mutual funds | 1,936 | 1,936 | — | — |
| Money market funds | 287 | 287 | — | — |
| Corporate notes | 1,691 | | 1,691 | — |
| Total Equity Securities | $ 10,456 | $ 8,765 | $ 1,691 | $ — |
| Liabilities | | | | |
| Interest rate swaps | $ (423) | $ — | $ (423) | $ — |

Assets and liabilities measured at fair value on a non-recurring basis are as follows at December 31, 2025 and 2024:

| Description | Total | Fair Value Measurements at December 31, 2025 Using: Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| Assets: | | | | |
| Collateral-dependent loans: | | | | |
| Farmland | $ 313 | $ — | $ — | $ 313 |
| Owner-occupied, nonfarm nonresidential properties | 2,192 | — | — | 2,192 |
| Commercial and industrial | 3,207 | — | — | 3,207 |
| Other construction loans and all land development loans and other land loans | 2,608 | — | — | 2,608 |
| Multifamily (5 or more) residential properties | 654 | — | — | 654 |
| Non-owner occupied, nonfarm nonresidential | 1,305 | — | — | 1,305 |
| Home equity lines of credit | 1,011 | — | — | 1,011 |
| Residential mortgages secured by first liens | 2,387 | — | — | 2,387 |
| Residential mortgages secured by junior liens | 437 | — | — | 437 |

| Description | Total | Fair Value Measurements at December 31, 2024 Using: Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| Assets: | | | | |
| Collateral-dependent loans: | | | | |
| Farmland | $ 352 | $ — | $ — | $ 352 |
| Owner-occupied, nonfarm nonresidential properties | 2,531 | — | — | 2,531 |
| Commercial and industrial | 2,334 | — | — | 2,334 |
| Other construction loans and all land development loans and other land loans | 1,196 | — | — | 1,196 |
| Multifamily (5 or more) residential properties | 19,773 | — | — | 19,773 |
| Non-owner occupied, nonfarm nonresidential | 5,225 | — | — | 5,225 |
| Home equity lines of credit | 290 | — | — | 290 |
| Residential mortgages secured by first liens | 1,173 | — | — | 1,173 |

A loan is considered to be a collateral dependent loan when, based on current information and events, the Corporation expects repayment of the financial assets to be provided substantially through the operation or sale of the collateral and the Corporation has determined that the borrower is experiencing financial difficulty as of the measurement date. The allowance for credit losses is measured by estimating the fair value of the loan based on the present value of expected cash flows, the market price of the loan, or the underlying fair value of the loan's collateral. For real estate loans, fair value of the loan's collateral is determined by third-party appraisals, which are then adjusted for the estimated selling and closing costs related to liquidation of the collateral. For this asset class, the actual valuation methods (income, sales comparable, or cost) vary based on the status of the project or property. For example, land is generally based on the sales comparable method while construction is based on the income and/or sales comparable methods. The unobservable inputs may vary depending on the individual assets with no one of the three methods being the predominant approach. The Corporation reviews the third-party appraisal for appropriateness and may adjust the value downward to consider selling and closing costs. For non-real estate loans, fair value of the loan's collateral may be determined using an appraisal, net book value per the borrower's financial statements, or aging reports, adjusted or discounted based on management's historical knowledge, changes in market conditions from the time of the valuation, and management's expertise and knowledge of the client and client's business

The following table presents quantitative information about Level 3 fair value measurements for financial instruments measured at fair value on a non-recurring basis at December 31, 2025:

| | Fair value | Valuation Technique | Unobservable Inputs | Range (Weighted Average) |
|---|---|---|---|---|
| Collateral-dependent loans receivable: | | | | |
| Farmland | $ 313 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 27% (27%) |
| Owner-occupied, nonfarm nonresidential properties | 2,192 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 15%-100% (50%) |
| Commercial and industrial | 3,207 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 10%-100% (33%) |
| Other construction loans and all land development loans and other land loans | 2,608 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 32%-38% (36%) |
| Multifamily (5 or more) residential properties | 654 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 27%-32% (31%) |
| Non-owner occupied, nonfarm nonresidential | 1,305 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 87% (87%) |
| Home equity lines of credit | 1,011 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 15%-22% (17%) |
| Residential mortgages secured by first liens | 2,387 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 15%-60% (28%) |
| Residential mortgages secured by junior liens | 437 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 17% (17%) |

The following table presents quantitative information about Level 3 fair value measurements for financial instruments measured at fair value on a non-recurring basis at December 31, 2024:

| | Fair value | Valuation Technique | Unobservable Inputs | Range (Weighted Average) |
|---|---|---|---|---|
| Collateral-dependent loans receivable: | | | | |
| Farmland | $ 352 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 37% (37%) |
| Owner-occupied, nonfarm nonresidential properties | 2,531 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 22%-44% (25%) |
| Commercial and industrial | 2,334 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 9%-100% (31%) |
| Other construction loans and all land development loans and other land loans | 1,196 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 38% (38%) |
| Multifamily (5 or more) residential properties | 19,773 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 10% (10%) |
| Non-owner occupied, nonfarm nonresidential | 5,225 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 51% (51%) |
| Home equity lines of credit | 290 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 25%-29% (28%) |
| Residential mortgages secured by first liens | 1,173 | Valuation of third party appraisal on underlying collateral | Loss severity rates | 22%-51% (34%) |

**Fair Value of Financial Instruments**

The following table presents the carrying amount and fair value of financial instruments at December 31, 2025:

| | Carrying Amount | Fair Value Measurement Using: Level 1 | Level 2 | Level 3 | Total Fair Value |
|---|---|---|---|---|---|
| Assets: | | | | | |
| Cash and cash equivalents | $ 527,896 | $ 527,896 | $ — | $ — | $ 527,896 |
| Debt securities available-for-sale | 584,330 | 88,113 | 496,217 | — | 584,330 |
| Debt securities held-to-maturity | 242,138 | 58,483 | 171,211 | — | 229,694 |
| Equity securities | 10,865 | 8,782 | 2,083 | — | 10,865 |
| Loans held for sale | 2,517 | — | 2,506 | — | 2,506 |
| Net loans receivable | 6,426,685 | — | — | 6,444,201 | 6,444,201 |
| FHLB and other restricted stock holdings and investments | 58,547 | n/a | n/a | n/a | n/a |
| Interest rate swaps | 5,873 | — | 5,873 | — | 5,873 |
| Accrued interest receivable | 34,324 | 1,078 | 2,911 | 30,335 | 34,324 |
| Liabilities: | | | | | |
| Deposits | $ (7,027,109) | $ (5,929,321) | $ (1,094,998) | $ — | $ (7,024,319) |
| Short-term borrowings | (164,000) | — | (164,145) | — | (164,145) |
| Subordinated notes and debentures | (105,494) | — | (119,450) | — | (119,450) |
| Deposits held for sale | (88,119) | (70,524) | (17,550) | — | (88,074) |
| Interest rate swaps | (5,873) | — | (5,873) | — | (5,873) |
| Accrued interest payable | (7,324) | — | (7,324) | — | (7,324) |

The following table presents the carrying amount and fair value of financial instruments at December 31, 2024:

| | Carrying Amount | Fair Value Measurement Using: Level 1 | Level 2 | Level 3 | Total Fair Value |
|---|---|---|---|---|---|
| Assets: | | | | | |
| Cash and cash equivalents | $ 443,035 | $ 443,035 | $ — | $ — | $ 443,035 |
| Debt securities available-for-sale | 468,546 | 14,810 | 453,736 | — | 468,546 |
| Debt securities held-to-maturity | 306,081 | 71,323 | 211,647 | — | 282,970 |
| Equity securities | 10,456 | 8,765 | 1,691 | — | 10,456 |
| Loans held for sale | 762 | — | 766 | — | 766 |
| Net loans receivable | 4,561,599 | — | — | 4,495,097 | 4,495,097 |
| FHLB and other restricted stock holdings and investments | 40,702 | n/a | n/a | n/a | n/a |
| Interest rate swaps | 423 | — | 423 | — | 423 |
| Accrued interest receivable | 24,739 | 385 | 2,766 | 21,588 | 24,739 |
| Liabilities: | | | | | |
| Deposits | $ (5,371,364) | $ (4,648,504) | $ (718,328) | $ — | $ (5,366,832) |
| Subordinated notes and debentures | (105,190) | — | (124,515) | — | (124,515) |
| Interest rate swaps | (423) | — | (423) | — | (423) |
| Accrued interest payable | (7,152) | — | (7,152) | — | (7,152) |

While estimates of fair value are based on management's judgment of the most appropriate factors as of the balance sheet dates, there is no assurance that the estimated fair values would have been realized if the assets had been disposed of or the liabilities settled at that date, since market values may differ depending on various circumstances. The estimated fair values would also not apply to subsequent dates. The fair value of other equity interests is based on the net asset values provided by the underlying investment partnership. ASU 2015-7 removes the requirement to categorize within the fair value hierarchy all investments measured using the net asset value per share practical expedient and related disclosures. In addition, other assets and liabilities that are not financial instruments, such as premises and equipment, are not included in the disclosures.

Also, non-financial assets such as, among other things, the estimated earnings power of core deposits, the earnings potential of trust accounts, the trained workforce, and customer goodwill, which typically are not recognized on the balance sheet, may have value but are not included in the fair value disclosures.

**6. Secondary Market Mortgage Activities**

Total loans serviced for others were $395.6 million and $264.1 million for the years ended December 31, 2025 and 2024, respectively.

The following summarizes secondary market mortgage activities for the years ended December 31, 2025, 2024, and 2023:

| | December 31, 2025 | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Loans originated for resale | $ 31,015 | $ 28,451 | $ 17,874 |
| Proceeds from sales of loans held for sale | 29,484 | 27,934 | 16,263 |
| Net gains on sales of loans held for sale | 916 | 770 | 447 |
| Loan servicing fees | 766 | 719 | 744 |

The following summarizes activity for capitalized mortgage servicing rights for the years ended December 31, 2025, 2024, and 2023:

| | December 31, 2025 | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Balance, beginning of year | $ 1,251 | $ 1,554 | $ 1,804 |
| Additions | 369 | 244 | 114 |
| Servicing rights acquired | 1,562 | — | — |
| Amortization | (574) | (547) | (364) |
| Balance, end of year | $ 2,608 | $ 1,251 | $ 1,554 |

The fair value of mortgage servicing rights is based on market prices for comparable mortgage servicing contracts, when available, or alternatively based on a valuation model that calculates the present value of estimated future net servicing income. The fair value of mortgage servicing rights was not materially different than amortized cost at December 31, 2025 and 2024, respectively. No valuation allowance was deemed necessary at December 31, 2025, 2024, and 2023. The fair value of interest rate lock commitments and forward commitments to sell loans were not material at December 31, 2025 or 2024.

**7. Premises and Equipment**

The following summarizes premises and equipment at December 31, 2025 and 2024:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Land | $ 12,133 | $ 9,043 |
| Premises and leasehold improvements | 117,653 | 92,269 |
| Furniture and equipment | 71,823 | 48,833 |
| Construction in process | 149 | 1,965 |
| | 201,758 | 152,110 |
| Less: accumulated depreciation | 111,538 | 76,099 |
| Premises and equipment, net | $ 90,220 | $ 76,011 |

Depreciation on premises and equipment amounted to $6.7 million in 2025, $5.8 million in 2024 and $5.7 million in 2023.

**8. Leases**

Operating lease assets represent the Corporation's right to use an underlying asset during the lease term and operating lease liabilities represent the Corporation's obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at lease commencement based on the present value of the remaining lease payments using a discount rate that represents the Corporation's incremental borrowing rate at the lease commencement date. Operating lease cost, which is comprised of amortization of the operating lease asset and the implicit interest accreted on the operating lease liability, is recognized on a straight-line basis over the lease term, and is recorded in net occupancy expense in the consolidated statements of income.

The Corporation leases certain full-service branch offices, land and equipment. Leases with an initial term of twelve months or less are not recorded on the balance sheet. Most leases include one or more options to renew and the exercise of the lease renewal options are at the Corporation's sole discretion. The Corporation includes lease extension and termination options in the lease term if, after considering relevant economic factors, it is reasonably certain the Corporation will exercise the option. Certain lease agreements of the Corporation include rental payments adjusted periodically for changes in the consumer price index.

| Leases | Classification | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| Assets: | | | |
| Operating lease assets | Operating lease right-of-use assets | $ 40,876 | $ 37,764 |
| Finance lease assets | Finance lease right-of-use assets | 17,417 | 14,951 |
| Finance lease assets | Premises and equipment, net [1] | 71 | 143 |
| Total leased assets | | $ 58,364 | $ 52,858 |
| | | | |
| Liabilities: | | | |
| Operating lease liabilities | Operating lease liabilities | $ 43,747 | $ 40,315 |
| Finance lease liabilities | Accrued interest payable and other liabilities | 18,051 | 15,151 |
| Total leased liabilities | | $ 61,798 | $ 55,466 |

[1] Finance lease assets are recorded net of accumulated amortization of $1.1 million and $1.1 million as of December 31, 2025 and 2024, respectively.

The components of the Corporation's net lease expense for the years ended December 31, 2025, 2024, and 2023 were as follows:

| Lease Cost | Classification | December 31, 2025 | December 31, 2024 | December 31, 2023 |
|---|---|---|---|---|
| Operating lease cost | Net occupancy expense | $ 3,575 | $ 3,066 | $ 2,963 |
| Variable lease cost | Net occupancy expense | 114 | 103 | 92 |
| Finance lease cost: | | | | |
| Amortization of leased assets | Net occupancy expense | 553 | 72 | 72 |
| Interest on lease liabilities | Interest expense - borrowed funds | 942 | 11 | 15 |
| Sublease income [1] | Net occupancy expense | (101) | (96) | (93) |
| Gain on sale-leaseback transactions | Noninterest income - other | (13) | (63) | — |
| Net lease cost | | $ 5,070 | $ 3,093 | $ 3,049 |

[1] Sublease income excludes rental income fromowned properties.

The following table sets forth future minimum rental payments under noncancelable leases with terms in excess of one year as of December 31, 2025:

| Maturity of Lease Liabilities as of December 31, 2025 | Operating Leases [1] | Finance Leases | Total |
|---|---|---|---|
| 2026 | $ 3,702 | $ 1,042 | $ 4,744 |
| 2027 | 3,413 | 934 | 4,347 |
| 2028 | 3,361 | 978 | 4,339 |
| 2029 | 3,201 | 978 | 4,179 |
| 2030 | 3,161 | 978 | 4,139 |
| After 2030 | 53,825 | 37,156 | 90,981 |
| Total lease payments | 70,663 | 42,066 | 112,729 |
| Less: Interest | 26,916 | 24,015 | 50,931 |
| Present value of lease liabilities | $ 43,747 | $ 18,051 | $ 61,798 |

[1] Operating lease payments include payments related to options to extend lease terms that are reasonably certain of being exercised and exclude zero of legally binding minimum lease payments for leases signed, but not yet commenced.

Other information related to the Corporation's lease liabilities as of December 31, 2025 and 2024 was as follows:

| Lease Term and Discount Rate | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Weighted-average remaining lease term (years) | | |
| Operating leases | 21.6 | 22.8 |
| Finance leases | 33.9 | 34.6 |
| | | |
| Weighted-average discount rate | | |
| Operating leases | 4.33 % | 4.22 % |
| Finance leases | 5.32 % | 5.24 % |

Other information related to the Corporation's lease liabilities as of December 31, 2025 and 2024 was as follows:

| Other Information | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Cash paid for amounts included in the measurement of lease liabilities | | |
| Operating cash flows used by operating leases | $ 1,463 | $ 1,052 |

**9. Goodwill and Intangible Assets**

**Goodwill**

The change in the carrying amount of goodwill for the years ended December 31, 2025 and 2024 was as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Balance, beginning of year | $ 43,749 | $ 43,749 |
| Acquired during the year | 44,638 | — |
| Balance, end of year | $ 88,387 | $ 43,749 |

Impairment exists when the carrying value of goodwill exceeds its fair value. The Corporation completed its annual goodwill impairment test as of November 30, 2025. The Corporation elected to perform a qualitative assessment to determine if it was more likely than not that the fair value exceeded its carrying value, including goodwill. The qualitative assessment indicated that it was more likely than not that the fair value exceeded its carrying value, resulting in no impairment.

**Intangible Assets**

In connection with its acquisition of ESSA Bancorp and ESSA Bank in 2025, the Corporation recorded a core deposit intangible asset of $35.3 million. During the year ended December 31, 2025, 2024, and 2023, the Corporation recorded amortization expense of $1.8 million, zero, and zero, respectively. The net carrying value at December 31, 2025 and 2024 was $33.5 million and zero, respectively. No other intangible assets were required to be recorded in connection with the acquisition of ESSA Bancorp and ESSA Bank.

In connection with its acquisition of Bank of Akron in 2020, the Corporation recorded a core deposit intangible asset of $613 thousand. During the year ended December 31, 2025, 2024, and 2023, the Corporation recorded amortization expense of $62 thousand, $73 thousand, and $84 thousand, respectively. The net carrying value at December 31, 2025 and 2024 was $144 thousand and $206 thousand, respectively. No other intangible assets were required to be recorded in connection with the acquisition of Bank of Akron.

Estimated amortization expense of core deposit intangible assets for each of the next five years is as follows:

| | | |
|---|---|---|
| 2026 | $ | 4,071 |
| 2027 | | 3,984 |
| 2028 | | 3,880 |
| 2029 | | 3,758 |
| 2030 | | 3,619 |
| Thereafter | | 14,381 |
| Total | $ | 33,693 |

In connection with the formation of Ridge View Bank, a division of the Bank, the Corporation recorded an intangible asset related to naming rights in 2023. The naming rights have an indefinite useful life. The Corporation does not amortize intangible assets with indefinite lives but assesses them for impairment annually or more frequently if events or changes in circumstances indicate potential impairment.

As of December 31, 2025, the carrying amount of naming rights intangible assets was $125 thousand and no impairment indicators were identified during the year ended December 31, 2025.

Management evaluates events or changes in circumstances that may impact the indefinite useful life assessment of the naming rights intangible asset. If impairment indicators are identified, the Corporation will perform a qualitative or quantitative impairment test, as applicable.

**10. Deposits**

The following table reflects time certificates of deposit accounts included in total deposits and their remaining maturities at December 31, 2025:

| | | |
|---|---|---|
| Time deposits maturing: | | |
| 2026 | $ | 926,712 |
| 2027 | | 139,634 |
| 2028 | | 14,025 |
| 2029 | | 10,078 |
| 2030 | | 5,927 |
| Thereafter | | 1,412 |
| Total | $ | 1,097,788 |

Certificates of deposit of $250 thousand or more totaled $194.3 million and $131.1 million at December 31, 2025 and 2024, respectively.

The Corporation had $254.8 million in brokered deposits as of December 31, 2025 compared to $185.0 million at December 31, 2024. In addition, the Corporation had $1.1 billion and $924.6 million in reciprocal deposits at December 31, 2025 and December 31, 2024, respectively.

**11. Borrowings**

At December 31, 2025 and 2024, the Corporation had available one $10 million unsecured line of credit with an unaffiliated institution. Borrowings under the line of credit bear interest at a variable rate equal to the Secured Overnight Finance Rate ("SOFR") plus 2.85%. There were no borrowings on the line of credit at December 31, 2025 and 2024.

*FHLB Borrowings*

The Bank has the ability to borrow funds from the FHLB. The Bank maintains a $250.0 million line-of-credit (Open Repo Plus) with the FHLB which is a revolving term commitment available on an overnight basis. The term of this commitment may not exceed 364 days and it reprices daily at market rates. Under terms of a blanket collateral agreement with the FHLB, the line-of-credit and long term advances are secured by FHLB stock and the Bank pledges its single-family residential mortgage loan portfolio, certain commercial real estate loans, and certain agriculture real estate loans as security for any advances.

Total loans pledged to the FHLB at December 31, 2025, and 2024, were $3.6 billion and $2.1 billion, respectively. The Bank could obtain advances of up to approximately $1.9 billion from the FHLB at December 31, 2025, and $1.2 billion at December 31, 2024.

At December 31, 2025, and December 31, 2024, outstanding advances from the FHLB were as follows:

| | 2025 | 2024 |
|---|---|---|
| Open Repo borrowing at an interest rate of 3.93% and 4.71% at December 31, 2025 and December 31, 2024. The maximum amount of the Open Repo borrowing available is $250,000. | $ 164,000 | $ — |
| Total | $ 164,000 | $ — |

At December 31, 2025 and 2024, municipal deposit letters of credit issued by the FHLB on behalf of the Bank naming applicable municipalities as beneficiaries were $260.1 million and $157.7 million, respectively. The letters of credit were utilized in place of securities pledged to the municipalities for their deposits maintained at the Bank.

*Federal Reserve Borrowings*

In June 2023, the Bank was approved by the Federal Reserve Bank of Philadelphia (the "Federal Reserve") for its Borrower-in-Custody ("BIC") program. At December 31, 2025, the Bank had borrowing capacity through the Federal Reserve BIC program of $201.2 million. Borrowings under the BIC program are overnight advances with interest chargeable at the discount window ("primary credit") borrowing rate. At December 31, 2025, the Bank has pledged certain qualifying loans with an unpaid principal balance of $211.8 million and securities with a carrying value of $62.3 million as collateral.

*Other Borrowings*

At December 31, 2025 and 2024, the Bank had no outstanding borrowings from unaffiliated institutions under overnight borrowing agreements.

*Subordinated Debentures*

In 2007, the Corporation issued two $10.0 million floating rate trust preferred securities as part of a pooled offering of such securities. The interest rate on each offering was determined quarterly and floated based on the three-month London Interbank Offered Rate ("LIBOR") plus 1.55%. Effective September 15, 2023, the interest rate calculation method was revised. The interest rate is now determined quarterly, and floats based on the three-month SOFR plus a credit spread adjustment of 0.26161% plus 1.55%. This change reflects the transition from LIBOR to SOFR as the reference rate. The all-in rate was 5.53% at December 31, 2025 and 6.17% at December 31, 2024. The Corporation issued subordinated debentures to the trusts in exchange for the proceeds of the offerings, which debentures represent the sole assets of the trusts. The subordinated debentures must be redeemed no later than 2037. The Corporation may redeem the debentures, in whole or in part, at face value at any time. The Corporation has the option to defer interest payments from time to time for a period not to exceed five consecutive years. Although the trusts are variable interest entities, the Corporation is not the primary beneficiary. As a result, because the trusts are not consolidated with the Corporation, the Corporation does not report the securities issued by the trusts as liabilities. Instead, the Corporation reports as liabilities the subordinated debentures issued by the Corporation and held by the trusts, since the liabilities are not eliminated in consolidation. The trust preferred securities were designated to qualify as Tier 1 capital under the Federal Reserve's capital guidelines.

*Subordinated Notes*

In June 2021, the Corporation sold $85.0 million aggregate principal amount of its fixed-to-floating rate subordinated notes to eligible purchasers in a private offering in reliance on the exemption from the registration requirements of Section 4(a)(2) of the Securities Act of 1933, as amended, and the provisions of Rule 506 of Regulation D thereunder. The notes will mature in June 2031, and initially bear interest at a fixed rate of 3.25% per annum, payable semi-annually in arrears, to, but excluding, June 15, 2026, and thereafter to, but excluding, the maturity date or earlier redemption, the interest rate will reset quarterly to an interest rate per annum equal to the then current three-month average SOFR plus 2.58%. The net proceeds from the sale were approximately $83.5 million, after deducting offering expenses. These subordinated notes were designed to qualify as Tier 2 capital under the Federal Reserve's capital guidelines and were given an investment grade rating of BBB- by Kroll Bond Rating Agency. The unamortized debt issuance costs were $0.1 million and $0.4 million as of December 31, 2025 and December 31, 2024, respectively.

**12. Employee Benefit Plans**

The Corporation sponsors a contributory defined contribution Section 401(k) plan. The plan permits eligible employees to make pre-tax and Roth contributions up to 70% of salary. Employees 21 years of age or over with a minimum of 90 days of service are eligible for matching contributions by the Corporation at 100% of elective contributions not to exceed 5% of plan salary. The Corporation's matching contribution and related expenses were $2.9 million, $2.4 million, and $1.8 million for the years ended December 31, 2025, 2024, and 2023, respectively. A profit sharing discretionary non-contributory pension plan component is in place for employees 21 years of age or over with a minimum of one-year with 1,000 hours of service and allows employer contributions in an amount equal to a percentage of eligible compensation plus 5.7% of the compensation in excess of $176 thousand, subject to a $350 thousand salary limit. The Corporation recognized profit sharing expense of $1.9 million, $1.4 million, and $3.6 million for the years ended December 31, 2025, 2024, and 2023 respectively.

The Corporation has adopted a non-qualified supplemental executive retirement plan ("SERP") for certain executives to compensate those executive participants in the Corporation's retirement plan whose benefits are limited by compensation limitations under current tax law. Additionally, on December 31, 2021, the Corporation adopted a Defined Contribution Plan for several employees (the "DCP"), pursuant to which the Corporation will make certain annual contributions to the DCP on the employee's behalf, which will be paid to the employee following their termination of employment from the Corporation or, if earlier, upon the employee becoming disabled. The DCP became effective as of January 2, 2022. The SERP and DCP are considered an unfunded plan for tax and ERISA purposes and all obligations arising under the SERP and DCP are payable from the general assets of the Corporation.

At December 31, 2025 and 2024, obligations of $11.0 million and $10.5 million, respectively, were included in other liabilities for the SERP and DCP. Expenses related to the SERP and DCP were $747 thousand for the year ended December 31, 2025, $866 thousand for the year ended December 31, 2024, and $565 thousand for the year ended December 31, 2023.

The Corporation has established a Survivor Benefit Plan for the benefit of outside directors. The purpose of the plan is to provide life insurance benefits to beneficiaries of the Corporation's directors who at the time of their death are participants in the plan. The plan is considered an unfunded plan for tax and ERISA purposes and all obligations arising under the plan are payable from the general assets of the Corporation. At December 31, 2025 and 2024, obligations of $1.2 million and $1.3 million, respectively, were included in other liabilities for this plan. Expenses (benefits) related to this plan were $19 thousand for the year ended December 31, 2025, $(17) thousand for the year ended December 31, 2024, and $(213) thousand for the year ended December 31, 2023.

The Corporation assumed a defined benefit pension plan (the "Pension Plan") as part of the ESSA acquisition in July 2025. The Pension Plan was amended by ESSA in 2017 to provide that no additional participants would enter the plan and no additional benefits would accrue. The Pension Plan was terminated as of December 31, 2025 and the tables below utilize plan-termination assumptions.

The following table set forth the change in plan assets and benefit obligation at December 31, 2025:

| | December 31, 2025 |
|---|---|
| Change in projected benefit obligation: | |
| Projected benefit obligation at acquisition date | $ 12,526 |
| Service cost | — |
| Interest cost | 275 |
| Plan participants' contributions | — |
| Actuarial (gain)/loss | 745 |
| Benefits Paid | (212) |
| Projected benefit obligation at end of the year | $ 13,334 |
| Change in plan assets: | |
| Fair value of plan assets at acquisition date | $ 21,352 |
| Actual return on plan assets | 369 |
| Contributions | — |
| Benefits paid | (212) |
| Fair value of plan assets at end of the year | $ 21,509 |
| Funded (unfunded) status at end of year | $ 8,175 |

The benefit obligation for the Pension Plan at December 31, 2025 was $13.3 million. The funded status of the Pension Plan was recognized in Accrued interest receivable and other assets.

Amounts not yet recognized as a component of net period pension cost at December 31, 2025:

| | December 31, 2025 |
|---|---|
| Amounts recognized in accumulated other comprehensive income consist of: | |
| Net (gain) loss | $ 715 |

The following table comprises the components of the net periodic benefit cost for the year ended December 31, 2025:

| | December 31, 2025 |
|---|---|
| Service cost | $ — |
| Interest cost | 275 |
| Expected return on plan assets | (340) |
| Net periodic benefit cost | $ (65) |

Weighted-average assumptions used to determine benefit obligations for the year ended December 31, 2025:

| | December 31, 2025 |
|---|---|
| Discount rate | 5.11 % |
| Rate of compensation increase | N/A |

Weighted-average assumptions used to determine net periodic benefit cost for the year ended December 31, 2025:

| | December 31, 2025 |
|---|---|
| Discount rate | 5.47 % |
| Expected return on plan assets | 3.90 % |
| Rate of compensation increase | N/A |

The expected return on the Pension Plan assets was estimated using the benchmarks for which current plan assets are held, as the plan was terminated as of December 31, 2025. This includes cash/money market funds and debt securities.

The Corporation's Pension Plan weighted-average asset allocations at December 31, 2025 by asset category, are as follows:

| | December 31, 2025 |
|---|---|
| Cash/Money Market Fund | 60.40 % |
| Debt securities | 39.60 % |
| Total | 100.00 % |

The asset mix is driven by the Pension Plan's termination as of December 31, 2025.

The Corporation does not expect to make any additional contributions to the Pension Plan. Estimated future benefit payments, are as follows:

| Cash flows | |
|---|---|
| Estimated benefit payments in 2026 | $ — |
| Estimated benefit payments in 2027 | 6,708 |
| Estimated benefit payments in 2028 | 7,485 |
| Estimated benefit payments in 2029 | — |
| Estimated benefit payments in 2030 | — |
| Estimated benefit payments in 2031-2035 | — |

The following table sets forth by level, within the fair value hierarchy, the Pension Plan's assets at fair value as of December 31, 2025:

| | | Fair Value Measurements at December 31, 2025 Using | | |
|---|---|---|---|---|
| Description | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investment in collective trusts: | | | | |
| Cash/Money Market | $ 12,986 | $ — | $ 12,986 | $ — |
| Debt Securities | 8,523 | — | 8,523 | — |
| Total Plan Assets | $ 21,509 | $ — | $ 21,509 | $ — |

**13. Deferred Compensation Plans**

Deferred compensation plans cover all directors and certain officers. Under the plans, the Corporation pays each participant, or their beneficiary, the value of the participant’s account over a maximum period of 10 years, beginning with the individual’s termination of service. A liability is accrued for the obligation under these plans.

A summary of changes in the deferred compensation plan liability follows:

| | December 31, 2025 | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Balance, beginning of year | $ 4,712 | $ 4,108 | $ 3,650 |
| Deferrals, dividends, and changes in fair value | 686 | 845 | 638 |
| Deferred compensation payments | (365) | (241) | (180) |
| Balance, end of year | $ 5,033 | $ 4,712 | $ 4,108 |

**14. Income Taxes**

Upon adoption of ASU 2023-09, as described in Note 1, "Summary of Significant Accounting Policies," cash paid for income taxes, net of refunds, during the year ended December 31, 2025 was as follows:

| | December 31, 2025 |
|---|---|
| Federal | $ 9,850 |
| States | |
| New York | 723 |
| Other | 76 |
| Foreign | — |
| Total cash paid for income taxes, net of refunds | $ 10,649 |

*Income Tax Matters*

Pre-tax income is entirely related to domestic activities, the Corporation did not have any foreign operations.

The following is a summary of income tax expense from continuing operations for the years ended December 31, 2025, 2024, and 2023:

| | December 31, 2025 | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Current tax expense: | | | |
| Federal | $ 10,526 | $ 12,863 | $ 11,446 |
| State | 740 | 1,104 | 1,252 |
| Total | 11,266 | 13,967 | 12,698 |
| Deferred tax expense (benefit): | | | |
| Federal | 4,828 | (1,124) | 1,110 |
| State | 240 | (59) | 1 |
| Total | 5,068 | (1,183) | 1,111 |
| Income tax expense from continuing operations | $ 16,334 | $ 12,784 | $ 13,809 |

The Corporation did not have any income tax expense (benefit) in foreign jurisdictions.

The reconciliation of income tax attributable to pre-tax income at the federal statutory tax rates to income tax expense in accordance with ASU 2023-09 is as follows:

| | December 31, 2025 | |
|---|---|---|
| | Amount | % |
| Tax computed at the statutory federal rate | $ 17,318 | 21.0 % |
| State income taxes, net of federal benefit [1] | 774 | 0.9 |
| Tax credits | | |
| Low income housing tax credits [2] | 61 | 0.1 |
| Nontaxable or nondeductible items | | |
| Tax exempt interest, net | (1,232) | (1.5) |
| Bank owned life insurance | (1,002) | (1.2) |
| Other | 463 | 0.6 |
| Other adjustments | (48) | (0.1) |
| Income tax expense | $ 16,334 | 19.8 % |

[1] State taxes in New York make up the majority (greater than 50%) of the tax effect in this category.
[2] Low income housing tax credits includes the tax credit benefit net of proportional amortization.

The reconciliation of income tax attributable to pre-tax income at the federal statutory tax rates to income tax expense before the adoption of ASU 2023-09 is as follows:

| | December 31, 2024 | % | December 31, 2023 | % |
|---|---|---|---|---|
| Tax at statutory rate | $ 14,146 | 21.0 % | $ 15,084 | 21.0 % |
| Tax exempt income, net | (1,139) | (1.7) | (1,090) | (1.5) |
| Bank owned life insurance | (653) | (1.0) | (619) | (0.9) |
| Tax credits, net of amortization | (160) | (0.2) | (173) | (0.3) |
| Effect of state tax | 826 | 1.2 | 990 | 1.4 |
| Other | (236) | (0.4) | (383) | (0.5) |
| Income tax expense | $ 12,784 | 18.9 % | $ 13,809 | 19.2 % |

The following table sets forth deferred taxes as of December 31, 2025 and 2024:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Deferred tax assets: | | |
| Allowance for credit losses | $ 14,760 | $ 10,895 |
| Fair value adjustments – business combination | 10,184 | 685 |
| Deferred compensation | 5,441 | 4,026 |
| Net operating loss carryover | 2,406 | 493 |
| Post-retirement benefits | — | 509 |
| Unrealized loss on equity securities | 203 | 197 |
| Nonaccrual loan interest | 722 | 563 |
| Accrued expenses | 2,976 | 609 |
| Deferred fees and costs | — | 25 |
| Unrealized loss on securities available-for-sale | 7,262 | 10,852 |
| Unrealized loss on securities held-to-maturity | 837 | 963 |
| Lease liability | 13,570 | 12,360 |
| Other | 598 | 547 |
| Total | 58,959 | 42,724 |
| Deferred tax liabilities: | | |
| Premises and equipment | 3,134 | 3,054 |
| Intangibles – section 197 | 2,354 | 2,475 |
| Mortgage servicing rights | 571 | 278 |
| Right of use lease asset | 12,858 | 11,839 |
| Deferred fees and costs | 195 | — |
| Partnership investments | 914 | — |
| Post-retirement benefits | 1,519 | — |
| Other | 691 | 633 |
| Total | 22,236 | 18,279 |
| Net deferred tax asset | $ 36,723 | $ 24,445 |

At December 31, 2025 and 2024, the Corporation had no unrecognized tax benefits.

At December 31, 2025, the Corporation had federal net operating loss carryforwards of $10.7 million related to the acquisition of ESSA Bancorp. The net operating loss is limited under section 382 annually but the Corporation will realize the entire benefit as there is no expiration date of this carryforward attribute.

At December 31, 2025, the Corporation had state net operating loss carryforwards with the state of New York of $4.9 million related to the acquisition of Bank of Akron, which will expire at various dates between 2023-2039. The Corporation's ability to utilize the carryforward is limited to $363 thousand per year. Due to this limitation, management determined it is more likely than not a portion of the originally acquired net operating loss will expire before utilized and wrote off $9.5 million in prior periods.

The Corporation recognizes interest and/or penalties related to income tax matters as part of income tax expense. At December 31, 2025, 2024, and 2023, there were no amounts accrued for interest and/or penalties and no amounts recorded as tax expense for the years ending December 31, 2025, 2024, and 2023.

The Corporation and its subsidiaries are subject to U.S. federal income tax, as well as filing various state returns. The Corporation is no longer subject to examinations by the taxing authorities for years prior to 2022. Tax years 2022 through 2025 are open to examination.

**15. Related Party Transactions**

Loans to principal officers, directors, and their affiliates during 2025 were as follows:

| | | |
|---|---|---|
| Beginning balance | $ | 31,689 |
| New loans and advances | | 18,936 |
| Effect of changes in composition of related parties | | 879 |
| Repayments | | (10,887) |
| Ending balance | $ | 40,617 |

Deposits from principal officers, directors, and their affiliates were $13.3 million and $12.1 million at December 31, 2025 and 2024, respectively.

**16. Stock-Based Compensation**

The Corporation has a stock incentive plan, which is administered by a committee of the Board of Directors and which permits the Corporation to provide various types of stock-based compensation to its key employees, directors, and/or consultants. In April 2025, the Corporation's shareholders approved the CNB Financial Corporation 2025 Omnibus Incentive Plan (the "2025 Stock Incentive Plan"), which replaces the CNB Financial Corporation 2019 Omnibus Incentive Plan (the "2019 Stock Incentive Plan") and provides for the issuance of up to 782,246 shares of common stock (including shares that remained available for future awards under the 2019 Stock Incentive Plan as of the effective date of the 2025 Plan and shares related to outstanding awards under the 2019 Stock Incentive Plan that may become available after expiration, forfeiture or cancellation of such awards). The 2025 Stock Incentive Plan provides for the issuance of common stock through the grant of a variety of awards, including stock options, stock appreciation rights, restricted stock units, unrestricted stock, dividend equivalent rights and other equity-based awards. The 2025 Stock Incentive Plan terminates in January 2035, unless terminated earlier by the Board of Directors.

For key employees, the vesting of time-based restricted stock is one-third, one-fourth, or one-fifth of the granted restricted shares per year, beginning one year after the grant date, with 100% vesting on the third, fourth or fifth anniversary of the grant date, respectively. Stock compensation received by non-employee directors vests in full as of the year-end of the year of grant. All stock-based compensation grants during the years ending December 31, 2025, 2024, and 2023 and outstanding at December 31, 2025, 2024, and 2023 were time-based and performance-based restricted stock.

During the years ended December 31, 2025, 2024, and 2023, the Executive Compensation and Personnel Committee of the Corporation's Board of Directors granted a total of 147,132, 130,857, and 105,185 shares, respectively, of time-based restricted common stock to certain key employees and all independent directors of the Corporation.

Compensation expense for the restricted stock awards is recognized over the requisite service period based on the fair value of the shares at the date of grant on a straight-line basis. Non-vested restricted stock awards are recorded as a reduction of additional paid-in-capital in shareholders' equity until earned. Compensation expense resulting from time-based, performance-based and director restricted stock awards was $2.7 million, $2.2 million, and $1.7 million for the years ended December 31, 2025, 2024, and 2023, respectively. The total income tax benefit related to the recognized compensation cost of vested restricted stock awards was $560 thousand, $467 thousand, and $354 thousand for the years ended December 31, 2025, 2024, and 2023, respectively.

A summary of changes in time-based unvested restricted stock awards follows:

| | Shares | | Weighted-average Grant Date Fair Value |
|---|---|---|---|
| Non-vested at January 1, 2025 | 178,556 | $ | 22.37 |
| Granted | 147,132 | | 22.82 |
| Forfeited | (16,971) | | 22.46 |
| Vested | (61,533) | | 22.91 |
| Non-vested at December 31, 2025 | 247,184 | $ | 22.50 |

As of December 31, 2025 and 2024, there was $3.6 million and $2.7 million, respectively, of total unrecognized compensation cost related to non-vested shares granted under the 2025 Stock Incentive Plan. The fair value of shares vesting during the year end December 31, 2025, 2024, and 2023 was $1.6 million, $1.4 million, and $1.0 million, respectively. As of December 31, 2025, there were zero outstanding unvested restricted stock awards granted to the Corporation's Board of Directors.

In addition to the time-based restricted stock disclosed above, the Corporation's Board of Directors grants performance-based restricted stock awards ("PBRSAs") to key employees. The number of PBRSAs will depend on certain performance conditions earned over a three year period and are also subject to service-based vesting. Awards with a maximum of 55,575 shares, 44,988 shares, and 35,129 shares in aggregate were granted to key employees in 2025, 2024, and 2023, respectively. As of December 31, 2025, there were a maximum 130,828 shares outstanding related to PBRSAs.

Total compensation expense related to the PBRSAs and included in the above compensation expense total was $591 thousand, $431 thousand and $235 thousand for 2025, 2024, and 2023, respectively. Estimated remaining unearned compensation related to PBRSAs at December 31, 2025 was $856 thousand.

In 2024, the 2022 PBRSAs were fully earned and in 2025, 8,916 shares were fully distributed. The fair value of the shares distributed in 2025 was $226 thousand. In 2023, the 2021 PBRSAs were fully earned and in 2024, 9,667 shares were fully distributed. The fair value of the shares distributed in 2024 was $206 thousand.

The number of authorized stock-based awards still available for grant as of December 31, 2025 was 592,608.

**17. Regulatory Capital Matters**

Banks and financial holding companies are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and, for the Bank, prompt corrective action ("PCA") regulations involve quantitative measures of assets, liabilities, and certain off-balance sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators. Failure to meet capital requirements can result in regulatory enforcement actions. The net unrealized gain or loss on AFS debt securities is excluded from computing regulatory capital. Management believes as of December 31, 2025 the Corporation and the Bank meet all capital adequacy requirements to which they are subject.

The PCA regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms alone do not represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion; brokered deposits may not be accepted, renewed or rolled over; and capital restoration plans are required. As of December 31, 2025 and 2024, the most recent regulatory notifications categorized the Bank as well capitalized under the PCA. There are no events or conditions since this notification that management believes have changed the Bank's capital category.

Actual and required capital amounts and ratios are presented below as of December 31, 2025 and 2024. The capital adequacy ratio includes the capital conservation buffer.

| | Actual | | For Capital Adequacy Purposes [1] | | To Be Well Capitalized Under Prompt Corrective Action Provisions | |
|---|---|---|---|---|---|---|
| | Amount | Ratio | Amount | Ratio | Amount | Ratio |
| **December 31, 2025** | | | | | | |
| Total Capital to Risk Weighted Assets | | | | | | |
| Consolidated | $ 944,527 | 14.78 % | $ 671,140 | 10.50 % | N/A | N/A |
| Bank | 905,797 | 14.22 | 668,935 | 10.50 | $ 637,081 | 10.00 % |
| Tier 1 (Core) Capital to Risk Weighted Assets | | | | | | |
| Consolidated | 808,846 | 12.65 | 543,304 | 8.50 | N/A | N/A |
| Bank | 857,160 | 13.45 | 541,519 | 8.50 | 509,665 | 8.00 |
| Common equity Tier 1 to Risk Weighted Assets | | | | | | |
| Consolidated | 731,061 | 11.44 | 447,427 | 7.00 | N/A | N/A |
| Bank | 849,781 | 13.34 | 445,957 | 7.00 | 414,103 | 6.50 |
| Tier 1 (Core) Capital to Average Assets | | | | | | |
| Consolidated | 808,846 | 9.87 | 327,934 | 4.00 | N/A | N/A |
| Bank | 857,160 | 10.50 | 326,657 | 4.00 | 408,321 | 5.00 |
| **December 31, 2024** | | | | | | |
| Total Capital to Risk Weighted Assets | | | | | | |
| Consolidated | $ 764,161 | 16.16 % | $ 496,541 | 10.50 % | N/A | N/A |
| Bank | 639,971 | 13.59 | 494,609 | 10.50 | $ 471,057 | 10.00 % |
| Tier 1 (Core) Capital to Risk Weighted Assets | | | | | | |
| Consolidated | 634,131 | 13.41 | 401,962 | 8.50 | N/A | N/A |
| Bank | 596,615 | 12.67 | 400,398 | 8.50 | 376,845 | 8.00 |
| Common equity Tier 1 to Risk Weighted Assets | | | | | | |
| Consolidated | 556,346 | 11.76 | 331,028 | 7.00 | N/A | N/A |
| Bank | 589,236 | 12.51 | 329,740 | 7.00 | 306,187 | 6.50 |
| Tier 1 (Core) Capital to Average Assets | | | | | | |
| Consolidated | 634,131 | 10.43 | 243,290 | 4.00 | N/A | N/A |
| Bank | 596,615 | 9.84 | 242,432 | 4.00 | 303,040 | 5.00 |

[1] The minimum amounts and ratios as of December 31, 2025 and 2024 include the full phase in of the capital conservation buffer of 2.5 percent required by the Basel III framework.

**18. Derivative Instruments**

On September 7, 2018, the Corporation executed an interest rate swap agreement with a 5-year term and an effective date of September 15, 2018 in order to hedge cash flows associated with $10.0 million of a subordinated note that was issued by the Corporation during 2007 and elected cash flow hedge accounting for the agreement. The Corporation's objective in using this derivative is to add stability to interest expense and to manage its exposure to interest rate risk. The interest rate swap involves the receipt of variable-rate amounts in exchange for fixed-rate payments from September 15, 2018 to September 15, 2023 without the exchange of the underlying notional amount. The swap that expired on September 15, 2023 was not renewed.

As of December 31, 2025 and 2024, no derivatives were designated as fair value hedges or hedges of net investments in foreign operations. Additionally, the Corporation does not use derivatives for trading or speculative purposes and currently does not have any derivatives that are not designated as hedges.

The following tables provide information about the amounts and locations of activity related to the interest rate swaps designated as cash flow hedges within the Corporation's consolidated balance sheet and statement of income as of December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024, and 2023:

| | Liability Derivative | | |
|---|---|---|---|
| | Balance Sheet Location | Fair value | |
| | | December 31, 2025 | December 31, 2024 |
| Interest rate contract | Accrued interest receivable (payable) and other assets (liabilities) | $— | $— |

| **For the Year Ended December 31, 2025** | (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|---|
| Interest rate contract | $— | Interest expense – subordinated debentures | $— | Other income | $— |
| **For the Year Ended December 31, 2024** | | | | | |
| Interest rate contract | — | Interest expense – subordinated debentures | — | Other income | — |
| **For the Year Ended December 31, 2023** | | | | | |
| Interest rate contract | (119) | Interest expense – subordinated debentures | 151 | Other income | — |

(a) Amount of Gain or (Loss) Recognized in Other Comprehensive Loss on Derivative (Effective Portion), net of tax
(b) Location of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income (Effective Portion)
(c) Amount of Loss Reclassified from Accumulated Other Comprehensive Loss into Income (Effective Portion)
(d) Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)
(e) Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)

Derivatives on Behalf of Customers

The Corporation entered into certain interest rate swap contracts that are not designated as hedging instruments. These derivative contracts relate to transactions in which the Corporation enters into an interest rate swap with a customer while at the same time entering into an offsetting interest rate swap with another financial institution. In connection with each swap transaction, the Corporation agrees to pay interest to the customer on a notional amount at a variable interest rate and receive interest from the customer on a similar notional amount at a fixed interest rate. Concurrently, the Corporation agrees to pay another financial institution the same fixed interest rate on the same notional amount and receive the same variable interest rate on the same notional amount. The transaction allows the Corporation's customers to effectively convert a variable rate loan to a fixed rate. Because the Corporation acts as an intermediary for its customer, changes in the fair value of the underlying derivative contracts offset each other and do not impact the Corporation's results of operations.

The Corporation pledged cash collateral to another financial institution with a balance $1.3 million as of December 31, 2025 and $173 thousand as of December 31, 2024. This balance is included in cash and due from banks on the consolidated balance sheets. The Corporation received cash collateral from another financial institution with a balance $2.6 million as of December 31, 2025 and no balance as of December 31, 2024. This balance is included in non-interest bearing deposits with other banks on the consolidated balance sheets. The Corporation may require its customers to post cash or securities as collateral on its program of back-to-back swaps depending upon the specific facts and circumstances surrounding each loan and individual swap. In addition, certain language is included in the International Swaps and Derivatives Association agreement and loan documents where, in default situations, the Corporation is permitted to access collateral supporting the loan relationship to recover any losses suffered on the derivative asset or liability. The Corporation may be required to post additional collateral to swap counterparties in the future in proportion to potential increases in unrealized loss positions. Effective on September 30, 2023, the Corporation amended all of the back-to-back swap contracts to reference the 1-month SOFR plus a credit spread adjustment of 11.448 basis points "Fallback SOFR."

The following table provides information about the amounts and locations of activity related to the back-to-back interest rate swaps within the Corporation's consolidated balance sheet as of December 31, 2025 and 2024:

| | Notional Amount | Fair Value | | | |
|---|---|---|---|---|---|
| | | Asset | | Liability | |
| **December 31, 2025** | $ 181,171 | $ 5,873 | (a) | $ 5,873 | (b) |
| **December 31, 2024** | $ 65,629 | $ 423 | (a) | $ 423 | (b) |

(a) Reported in accrued interest receivable and other assets within the consolidated balance sheets
(b) Reported in accrued interest payable and other liabilities within the consolidated balance sheets

*Risk Participation Agreements*

The Corporation's existing credit derivatives result from participation in or out of interest rate swaps provided by or to external lenders as part of loan participation arrangements, and therefore, are not used to manage interest rate risk in the Corporation's assets or liabilities. Derivatives not designated as hedges are not speculative and result from a service the Corporation provides to certain lenders which participate in loans.

The Corporation entered into Risk Participation Agreement ("RPA") swaps with other financial institutions related to loans in which the Corporation is a participant in. The RPA provides credit protection to the financial institution should the borrower fail to perform on its interest rate derivative contract with the financial institution. The notional amount of this contingent agreement is $53.1 million as of December 31, 2025 and $21.3 million as of December 31, 2024.

The Corporation entered into RPA swaps with other financial institutions related to loans in which the Corporation is a participant out. The RPA provides credit protection to the Corporation should the borrower fail to perform on its interest rate derivative contract with the financial institution. The notional amount of this contingent agreement is $28.7 million as of December 31, 2025 and $25.5 million as of December 31, 2024.

The fair value of the RPA swaps was $18 thousand and $11 thousand as of December 31, 2025 and December 31, 2024, respectively, and is reported in accrued interest payable and other liabilities within the condensed consolidated balance sheets.

**19. Off-Balance Sheet Commitments and Contingencies**

*Financial Instruments with Off-Balance Sheet Risk*

The Corporation is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets. The Corporation's exposure to credit loss in the event of nonperformance by the other party of the financial instrument for commitments to extend credit and standby letters of credit is represented by the contract or notional amount of those instruments. The Corporation uses the same credit policies for underwriting all loans, including these commitments and conditional obligations.

As of December 31, 2025 and 2024, the Corporation did not own or trade other financial instruments with significant off-balance sheet risk including derivatives such as futures, forwards, option contracts and the like, although such instruments may be appropriate to use in the future to manage interest rate risk. See Note 18, "Derivative Instruments," for a description of interest rate derivatives entered into by the Corporation.

Standby letters of credit are conditional commitments issued by the Corporation to guarantee the performance of a customer to a third party. The contract or notional amount of these instruments reflects the maximum amount of future payments that the Corporation could be required to pay under the guarantees if there were a total default by the guaranteed parties, without consideration for possible recoveries under recourse provisions or from collateral held or pledged. In addition, many of these commitments are expected to expire without being drawn upon; therefore, the total commitment amounts do not necessarily represent future cash requirements.

The Corporation's maximum obligation to extend credit for loan commitments (unfunded loans and unused lines of credit) and standby letters of credit outstanding as of December 31, 2025 and 2024 were as follows:

| | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | Fixed Rate | Variable Rate | Fixed Rate | Variable Rate |
| Commitments to make loans | $ 137,684 | $ 535,116 | $ 130,087 | $ 321,677 |
| Unused lines of credit | 71,368 | 1,049,890 | 24,037 | 851,846 |
| Standby letters of credit | 24,136 | 12,322 | 19,301 | 2,797 |

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Corporation evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Corporation upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral that is held varies but may include securities, accounts receivable, inventory, property, plant and equipment, and residential and income-producing commercial properties.

*Allowance for Credit Losses on Unfunded Loan Commitments*

The Corporation maintains an allowance for credit losses on unfunded commercial lending commitments and letters of credit to provide for the risk of loss inherent in these arrangements. The allowance is computed using a methodology similar to that used to determine the allowance for credit losses for loans receivable, modified to take into account the probability of a draw-down on the commitment. The provision for credit losses on unfunded loan commitments is included in the provision for credit losses on the Corporation's condensed consolidated statements of income. The allowance for unfunded commitments is included in other liabilities in the condensed consolidated balance sheets. Note 4, "Loans Receivable and Allowance for Credit Losses," in the condensed consolidated financial statements provides more detail concerning the provision for credit losses related to the loan portfolio of the Corporation.

The following table presents activity in the allowance for credit losses on unfunded loan commitments for the years ended December 31, 2025, 2024, and 2023, respectively:

| | Year ended December 31, | | |
|---|---|---|---|
| | 2025 | 2024 | 2023 |
| Beginning balance | $ 944 | $ 759 | $ 603 |
| Provision for credit losses on unfunded loan commitments [1] | 208 | 185 | 156 |
| Ending balance | $ 1,152 | $ 944 | $ 759 |

[1] Excludes provision for credit losses related to the loan portfolio.

*Investments in Small Business Investment Corporation and Community Development Entities*

The Corporation makes investments in limited partnerships, including certain small business investment corporations and community development entities. Capital contributions for investments in small business companies ("SBIC") and community development entities ("CDE"), reported in FHLB and other restricted stock holdings and investments on the consolidated balance sheet, as of December 31, 2025 and 2024, were $27.7 million and $23.5 million, respectively. Unfunded capital commitments in investments in SBICs and CDEs totaled $12.2 million and $8.0 million as of December 31, 2025 and 2024, respectively. These investments are accounted for under the equity method of accounting.

*Investments in Qualified Affordable Housing Project Investments*

The carrying value of investments in the low income housing partnerships, reported in FHLB and other restricted stock holdings and investments on the consolidated balance sheet, as of December 31, 2025 and 2024 were $6.8 million and $7.3 million, respectively. The related amortization for the years ended December 31, 2025 2024, and 2023 were $1.2 million, $711 thousand, and $747 thousand, respectively. Unfunded commitments, reported in accrued interest payable and other liabilities on the consolidated balance sheet, as of December 31, 2025 and 2024, were $1.0 million and $3.7 million, respectively.

*Investments in Federal and State Rehabilitation/Historic Tax Credit*

From time to time, the Corporation invests in certain limited partnerships that were formed to provide certain federal and state rehabilitation/historic tax credits. The carrying value of these investments, reported in FHLB and other restricted stock holdings and investments on the consolidated balance sheet, as of December 31, 2025 and 2024 were $4.1 million and $4.1 million, respectively. The investments do not have any related amortization for the years ended December 31, 2025, 2024, and 2023, respectively. Unfunded commitments, reported in accrued interest payable and other liabilities on the consolidated balance sheets, as of December 31, 2025 and December 31, 2024, were $3.2 million and $3.2 million, respectively.

*Litigation*

The Corporation is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position, results of operations and cash flows of the Corporation.

**20. Parent Company Only Financial Information**

**CONDENSED BALANCE SHEETS**

| | December 31, | |
|---|---|---|
| | 2025 | 2024 |
| Assets | | |
| Cash | $ 15,698 | $ 100,702 |
| Equity securities | 1,750 | 1,525 |
| Investment in bank subsidiary | 932,937 | 585,725 |
| Investment in non-bank subsidiaries | 21,326 | 25,216 |
| Deferred assets and current receivables | 4,550 | 2,021 |
| Other assets | 2,384 | 956 |
| Total assets | $ 978,645 | $ 716,145 |
| Liabilities | | |
| Subordinated notes and debentures | $ 105,494 | $ 105,190 |
| Other liabilities | 1,024 | 260 |
| Total liabilities | 106,518 | 105,450 |
| Stockholders' equity | 872,127 | 610,695 |
| Total liabilities and stockholders' equity | $ 978,645 | $ 716,145 |

**CONDENSED STATEMENTS OF INCOME**

| Income: | Year Ended December 31, 2025 | 2024 | 2023 |
|---|---|---|---|
| Dividends from: | | | |
| Bank subsidiary | $ 21,937 | $ 22,185 | $ 22,295 |
| Non-bank subsidiaries | 5,775 | 1,320 | 1,325 |
| Other | 213 | 201 | 240 |
| Total income | 27,925 | 23,706 | 23,860 |
| Expenses | (11,317) | (7,035) | (7,084) |
| Income before income taxes and equity in undistributed net income of subsidiaries: | 16,608 | 16,671 | 16,776 |
| Change in net unrealized holdings gains on equity securities not held for trading | 161 | (290) | (722) |
| Income tax benefit | 1,744 | 1,513 | 1,606 |
| Equity in undistributed net income of bank subsidiary | 51,511 | 34,755 | 38,702 |
| Equity in undistributed (distributions in excess) of net income of non-bank subsidiaries | (3,893) | 1,926 | 1,658 |
| Net income | 66,131 | 54,575 | 58,020 |
| Dividends on preferred stock | (4,302) | (4,302) | (4,302) |
| Net income available to common stockholders | $ 61,829 | $ 50,273 | $ 53,718 |
| | | | |
| Comprehensive income attributable to the parent | $ 66,131 | $ 54,575 | $ 58,020 |

| CONDENSED STATEMENTS OF CASH FLOWS | Year Ended December 31, | | |
|---|---|---|---|
| | 2025 | 2024 | 2023 |
| Net income | | | |
| Adjustments to reconcile net income to net cash provided by | $ 66,131 | $ 54,575 | $ 58,020 |
| Operating activities: | | | |
| Equity in undistributed net income of bank subsidiary | (51,511) | (34,755) | (38,702) |
| (Equity in undistributed) distributions in excess of net income of non–bank subsidiaries | 3,893 | (1,926) | (1,658) |
| Net realized and unrealized (gains) losses on equity securities | 161 | (290) | 700 |
| Increase (decrease) in other assets | 436 | 174 | (230) |
| Increase in other liabilities | 4,138 | 2,734 | 2,064 |
| Net cash provided by operating activities | 23,248 | 20,512 | 20,194 |
| Cash flows from investing activities: | | | |
| Purchase of equity securities | (18) | (20) | (41) |
| Sales and maturities of equity securities with readily determinable fair value | — | — | 296 |
| Investment in bank subsidiaries | (85,000) | — | (37,000) |
| Net cash used in investing activities | (85,018) | (20) | (36,745) |
| Cash flows from financing activities: | | | |
| Dividends paid on common stock | (18,190) | (14,912) | (14,694) |
| Dividends paid on preferred stock | (4,302) | (4,302) | (4,302) |
| Purchase of treasury stock | (742) | (1,003) | (6,858) |
| Net cash provided by financing activities | (23,234) | (20,217) | (25,854) |
| Net (decrease) increase in cash | (85,004) | 275 | (42,405) |
| Cash beginning of year | 100,702 | 100,427 | 142,832 |
| Cash end of year | $ 15,698 | $ 100,702 | $ 100,427 |

## 21. Earnings Per Share

The computation of basic and diluted earnings per common share is shown below. There were no anti-dilutive stock options for the years ended December 31, 2025, 2024, and 2023.

| | Years Ended December 31, | | |
|---|---|---|---|
| | 2025 | 2024 | 2023 |
| **Basic earnings per common share computation** | | | |
| Net income per consolidated statements of income | $ 61,829 | $ 50,273 | $ 53,718 |
| Less: Net earnings allocated to participating securities | (476) | (388) | (283) |
| Net earnings allocated to common stock | $ 61,353 | $ 49,885 | $ 53,435 |
| Distributed earnings allocated to common stock | $ 18,013 | $ 14,785 | $ 14,607 |
| Undistributed earnings allocated to common stock | 43,340 | 35,100 | 38,828 |
| Net earnings allocated to common stock | $ 61,353 | $ 49,885 | $ 53,435 |
| Weighted average common shares outstanding, including shares considered participating securities | 24,755 | 20,993 | 21,010 |
| Less: Average participating securities | (169) | (155) | (106) |
| Weighted average shares | 24,586 | 20,838 | 20,904 |
| Basic earnings per common share | $ 2.50 | $ 2.39 | $ 2.56 |
| **Diluted earnings per common share computation** | | | |
| Net earnings allocated to common stock | $ 61,353 | $ 49,885 | $ 53,435 |
| Weighted average common shares outstanding for basic earnings per common share | 24,586 | 20,838 | 20,904 |
| Add: Dilutive effects of performance based-shares | 83 | 62 | 40 |
| Weighted average shares and dilutive potential common shares | 24,669 | 20,900 | 20,944 |
| Diluted earnings per common share | $ 2.49 | $ 2.39 | $ 2.55 |

**22. Other Comprehensive Income**

Other comprehensive income components and related tax effects were as follows for the years ended December 31, 2025, 2024, and 2023:

| | December 31, 2025 | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Unrealized holding gains on available-for-sale securities | $ 18,263 | $ 2,245 | $ 7,785 |
| Less reclassification adjustment for gains recognized in earnings | (1,168) | (74) | (52) |
| Net unrealized gains | 17,095 | 2,171 | 7,733 |
| Tax effect | (3,591) | (456) | (1,624) |
| Net-of-tax amount | 13,504 | 1,715 | 6,109 |
| Amortization of unrealized gains from held-to-maturity securities | 601 | 690 | 748 |
| Tax effect | (126) | (145) | (157) |
| Net-of-tax amount | 475 | 545 | 591 |
| Actuarial gains (losses) on postemployment health care plan | (383) | 478 | (2) |
| Net amortization of transition obligation and actuarial gain | (257) | (168) | (174) |
| Net unrealized gains (losses) on postemployment health care plan | (640) | 310 | (176) |
| Tax effect | 134 | (65) | 37 |
| Net-of-tax amount | (506) | 245 | (139) |
| Net unrealized holding loss on pension plan | (715) | — | — |
| Tax effect | 150 | — | — |
| Net-of-tax amount | (565) | — | — |
| Unrealized gains on interest rate swap | — | — | — |
| Less reclassification adjustment for losses recognized in earnings | — | — | (151) |
| Net unrealized losses | — | — | (151) |
| Tax effect | — | — | 32 |
| Net-of-tax amount | — | — | (119) |
| Other comprehensive income | $ 12,908 | $ 2,505 | $ 6,442 |

The following is a summary of the change in the accumulated other comprehensive income (loss) balance, net of tax, for the years ended December 31, 2025, 2024, and 2023.

| | Balance December 31, 2024 | Comprehensive Income (Loss) | Balance December 31, 2025 |
|---|---|---|---|
| Unrealized gains (losses) on securities available-for-sale | $ (46,458) | $ 13,504 | $ (32,954) |
| Amortization of unrealized gains from held-to-maturity securities | 2,011 | 475 | 2,486 |
| Unrealized gains (losses) on postretirement benefits plan | 874 | (506) | 368 |
| Unrealized gains (losses) on pension plan | — | (565) | (565) |
| Total | $ (43,573) | $ 12,908 | $ (30,665) |

| | Balance December 31, 2023 | Comprehensive Income (Loss) | Balance December 31, 2024 |
|---|---|---|---|
| Unrealized gains on securities available-for-sale | $ (48,173) | $ 1,715 | $ (46,458) |
| Amortization of unrealized gains from held-to-maturity securities | 1,466 | 545 | 2,011 |
| Unrealized gains on postretirement benefits plan | 629 | 245 | 874 |
| Total | $ (46,078) | $ 2,505 | $ (43,573) |

| | Balance January 1, 2023 | Comprehensive Income (Loss) | Balance December 31, 2023 |
|---|---|---|---|
| Unrealized gains on securities available-for-sale | $ (54,282) | $ 6,109 | $ (48,173) |
| Amortization of unrealized gains from held-to-maturity securities | 875 | 591 | 1,466 |
| Unrealized losses on postretirement benefits plan | 768 | (139) | 629 |
| Unrealized losses on interest rate swap | 119 | (119) | — |
| Total | $ (52,520) | $ 6,442 | $ (46,078) |

**23. Segment Reporting**

The Corporation generates revenue through the operation of a full-service bank and manages the business activities on a consolidated basis. The nature of the products and services offered, and the types of customers served are similar across the geographic footprint the Bank operates in. The banking segment derives its revenue primarily through the operations as a full-service bank engaging in a full range of banking activities and services, including trust and wealth management services, for individual, business, governmental, and institutional customers. There are branch offices located in Pennsylvania, Ohio, New York and Virginia. The accounting policies of the banking segment are the same as those described in the summary of significant accounting policies. Accordingly, all of the financial service operations are considered by management to be aggregated in one reportable operating segment.

The Corporation's CODM is the Chief Executive Officer, Michael D. Peduzzi. The CODM assesses performance for the banking segment and decides how to allocate resources based on consolidated net income as reported on the income statement. The measure of segment assets is reported on the balance sheet as total consolidated assets. The CODM uses net income to evaluate overall financial performance and profitability, and it is utilized as a key metric in evaluating the achievement of the corporation's strategic plan. Net income is used to monitor budget versus actual results. The comparison of budgeted versus actual net income results are used in assessing the banking segment's performance and in establishing management's compensation.

Information reported internally for performance assessment by the CODM follows, including reconciliation to the financial statements.

| | Year ended December 31, | | |
|---|---|---|---|
| | 2025 | 2024 | 2023 |
| Interest and Dividend Income: | | | |
| Loans including fees | | | |
| Interest and fees on loans | $ 350,943 | $ 293,544 | $ 273,223 |
| Investment Securities | 41,402 | 31,926 | 20,473 |
| Total interest and dividend income | 392,345 | 325,470 | 293,696 |
| Interest Expense: | | | |
| Deposits | 140,565 | 133,493 | 97,770 |
| Borrowed funds | 9,744 | 4,508 | 6,097 |
| Total interest expense | 150,309 | 138,001 | 103,867 |
| NET INTEREST INCOME | 242,036 | 187,469 | 189,829 |
| PROVISION FOR CREDIT LOSS EXPENSE | 8,855 | 9,222 | 5,993 |
| NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSS EXPENSE | 233,181 | 178,247 | 183,836 |
| NON-INTEREST INCOME: | | | |
| Service charges on deposit accounts | 7,801 | 6,990 | 7,372 |
| Other service charges and fees | 1,862 | 2,973 | 3,010 |
| Wealth and asset management fees | 10,189 | 7,845 | 7,251 |
| Security gains (losses), net | 2,430 | 828 | (335) |
| Mortgage banking | 756 | 673 | 676 |
| Bank owned life insurance | 4,770 | 3,110 | 2,945 |
| Card processing and interchange income | 9,225 | 8,666 | 8,301 |
| Other non-interest income | 3,132 | 8,029 | 4,115 |
| Total non-interest income | 40,165 | 39,114 | 33,335 |
| NON-INTEREST EXPENSES: | | | |
| Salaries | 59,643 | 54,089 | 50,871 |
| Incentive | 9,366 | 2,465 | 2,847 |
| Benefits | 20,714 | 17,982 | 17,344 |
| Net occupancy expense | 18,222 | 14,737 | 14,509 |
| Amortization of core deposit intangible | 1,848 | 73 | 84 |
| Technology expense | 23,744 | 21,805 | 20,202 |
| State and local taxes | 5,293 | 4,726 | 4,126 |
| Legal, professional and examination fees | 4,487 | 4,217 | 4,414 |
| Advertising | 2,820 | 2,545 | 3,133 |
| FDIC insurance | 4,063 | 3,718 | 3,879 |
| Card processing and interchange expenses | 5,183 | 4,575 | 5,025 |
| Other non-interest expenses | 21,674 | 19,070 | 18,908 |
| Merger and integration costs | 13,824 | — | — |
| Total non-interest expenses | 190,881 | 150,002 | 145,342 |
| INCOME BEFORE INCOME TAXES | 82,465 | 67,359 | 71,829 |
| INCOME TAX EXPENSE | 16,334 | 12,784 | 13,809 |
| SEGMENT NET INCOME | $ 66,131 | $ 54,575 | $ 58,020 |
| | | | |
| **Reconciliation of profit or loss** | | | |
| Adjustments and reconciling items | — | — | — |
| CONSOLIDATED NET INCOME | $ 66,131 | $ 54,575 | $ 58,020 |
| | | | |
| **Reconciliation of assets** | | | |
| Adjustments and reconciling items | — | — | |
| TOTAL CONSOLIDATED ASSETS | $ 8,396,435 | $ 6,192,010 | |

**24. Quarterly Financial Data (Unaudited)**

The table below sets forth the Corporation's unaudited condensed consolidated quarterly results of operations data for the years ended December 31, 2025 and December 31, 2024 (in thousands, except per share data). In the opinion of management, all adjustments (consisting of normal recurring accruals) that are necessary for a fair presentation of the quarterly results have been reflected in the data. It is also management's opinion, however, that quarterly results of operations data are not indicative of the financial results to be achieved in succeeding years or quarters. In order to obtain a more accurate indication of performance, one should review the financial and operating results, changes in stockholders' equity and cash flows for a period of several years.

As of January 1, 2025, the Corporation adopted ASU 2025-08. Prior to the quarter ended March 31, 2025, the results were based on the applicable guidance in effect prior to the adoption of ASU 2025-08, and these results have not been restated.

| | Quarters Ended in 2025 | | | | Quarters Ended in 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Mar. 31 | June 30 | Sept. 30 | Dec. 31 | Mar. 31 | June 30 | Sept. 30 | Dec. 31 |
| Total interest and dividend income | $ 82,379 | $ 85,771 | $ 108,645 | $ 115,550 | $ 77,905 | $ 80,652 | $ 83,235 | $ 83,678 |
| Net interest income | 48,431 | 52,197 | 67,129 | 74,279 | 45,222 | 45,717 | 47,486 | 49,044 |
| Provision for credit losses | 1,556 | 4,338 | 2,069 | 892 | 1,320 | 2,591 | 2,381 | 2,930 |
| Non-interest income | 8,507 | 9,008 | 10,566 | 12,084 | 8,955 | 8,865 | 10,973 | 10,321 |
| Non-interest expense | 41,038 | 39,617 | 50,157 | 60,069 | 37,424 | 35,989 | 38,784 | 37,805 |
| Net income | 11,481 | 13,956 | 19,990 | 20,704 | 12,600 | 12,957 | 13,954 | 15,064 |
| Net income per share, basic | 0.50 | 0.61 | 0.69 | 0.67 | 0.55 | 0.57 | 0.61 | 0.67 |
| Net income per share, diluted | 0.50 | 0.61 | 0.69 | 0.66 | 0.55 | 0.56 | 0.61 | 0.66 |

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## ITEM 9A. CONTROLS AND PROCEDURES

The Corporation's management, under the supervision of and with the participation of the Corporation's Principal Executive Officer and Principal Financial Officer, has carried out an evaluation of the design and effectiveness of the Corporation's disclosure controls and procedures as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report. Based upon that evaluation, management, including the Principal Executive Officer and Principal Financial Officer, have concluded that, as of the end of such period, the Corporation's disclosure controls and procedures are effective to provide reasonable assurance that all material information required to be disclosed in reports the Corporation files or submits under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms.

On July 23, 2025, the Corporation completed the merger with ESSA. The Corporation is in the process of evaluating the existing controls and procedures of ESSA and integrating ESSA into the internal control over financial reporting. In accordance with the SEC Staff guidance permitting a company to exclude an acquired business from management's assessment of the effectiveness of internal control over financial reporting for the year in which the acquisition is completed, the Corporation has excluded ESSA from the assessment of the effectiveness of internal control over financial reporting as of December 31, 2025. The scope of management's assessment of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures as of December 31, 2025 includes all of the Corporation's consolidated operations except for those disclosure controls and procedures of ESSA that are included in the internal control over financial reporting.

**Changes in Internal Controls**

During the third quarter of 2025, ESSA merged with the Corporation. The Corporation is continuously working to integrate ESSA into its internal control over financial reporting process. Except for the changes in connection with this integration of ESSA, there were no changes in the Corporation's internal controls over financial reporting that occurred during the Corporation's most recent fiscal quarter that materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

**Management's Report on Internal Control Over Financial Reporting**

Management of the Corporation is responsible for establishing and maintaining adequate internal control over financial reporting. Management has assessed the effectiveness of internal control over financial reporting using the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Corporation's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Corporation's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Corporation are being made only in accordance with authorizations of management and directors of the Corporation; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use, or disposition of the Corporation's assets that could have a material effect on the financial statements.

On July 23, 2025, the Corporation completed the merger with ESSA. The Corporation is in the process of evaluating the existing controls and procedures of ESSA and integrating ESSA into the internal control over financial reporting. In accordance with the SEC Staff guidance permitting a company to exclude an acquired business from management's assessment of the effectiveness of internal control over financial reporting for the year in which the acquisition is completed, the Corporation has excluded ESSA from the assessment of the effectiveness of internal control over financial reporting as of December 31, 2025. ESSA represented approximately 20% of the Corporation's total assets as of December 31, 2025. The scope of management's assessment of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures as of December 31, 2025 includes all of the Corporation's consolidated operations except for those disclosure controls and procedures of ESSA that are included in the internal control over financial reporting. See "Note 2, Business Combination" for further discussion of the Merger and its impact on the Corporation's consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on the testing performed using the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), management of the Corporation believes that the Corporation's internal control over financial reporting was effective as of December 31, 2025.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by Forvis Mazars, LLP, an independent registered public accounting firm that audited the Corporation's financial statements, as stated in their report which is located in Item 8 of this Annual Report on Form 10-K.

| | |
|---|---|
| /s/ Michael D. Peduzzi | /s/ Tito L. Lima |
| President and Chief Executive Officer | Treasurer and Principal Financial Officer |
| Date: March 11, 2026 | Date: March 11, 2026 |

**ITEM 9B. OTHER INFORMATION**

During the three months ended December 31, 2025, no director or officer of the Corporation, nor the Corporation itself, adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

None.

**PART III.**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

The information required by this Item 10 is incorporated herein by reference from our definitive Proxy Statement for our 2026 Annual Meeting of Stockholders (the "2026 Proxy Statement"), which we will file with the SEC on or before 120 days after our 2025 fiscal year-end, and which will appear in the 2026 Proxy Statement under the captions "Proposal 1. Election of Directors," "Executive Officers," "Corporate Governance – Meetings and Committees of the Board – Audit Committee," "Certain Transactions," "Compensation Discussion and Analysis – Insider Trading and Reporting Compliance Policy" and "Other Matters – Delinquent Section 16(a) Reports."

The Corporation's Board of Directors has approved a Code of Ethics for Officers and Directors. The Code of Ethics can be found at the Bank's website, www.cnbbank.bank.

**ITEM 11. EXECUTIVE COMPENSATION**

Information required by this Item 11 is incorporated herein by reference from the 2026 Proxy Statement, including the information in the 2026 Proxy Statement appearing under the captions "Compensation Discussion and Analysis," "Compensation of Executive Officers," "Compensation Committee Report" and "Compensation of Directors."

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

Information required by this Item 12 is incorporated herein by reference from the 2026 Proxy Statement, including the information in the 2026 Proxy Statement appearing under the captions "Security Ownership of Certain Beneficial Owners of CNB Common Stock and CNB Management" and "Equity Compensation Plan Information."

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

Information required by this Item 13 is incorporated herein by reference from the 2026 Proxy Statement, including the information in the 2026 Proxy Statement appearing under the captions "Proposal 1. Election of Directors," "Corporate Governance" and "Certain Transactions."

**ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

Information required by this Item 14 is incorporated herein by reference from the 2026 Proxy Statement, including the information in the 2026 Proxy Statement appearing under the captions "Corporate Governance – Meetings and Committees of the Board of Directors – Audit Committee," "Proposal No. 4: Ratification of the Appointment of Independent Registered Public Accounting Firm."

## PART IV.

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) The following consolidated financial statements are set forth in Part II, Item 8:

Report of Independent Registered Public Accounting Firm
Forvis Mazars, LLP, Indianapolis, IN, (U.S. PCAOB Auditor Firm I.D.: 686);
Consolidated Balance Sheets as of December 31, 2025 and 2024
Consolidated Statements of Income and Comprehensive Income for the years ended December 31, 2025, 2024, and 2023
Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024, and 2023
Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2025, 2024, and 2023
Notes to Consolidated Financial Statements

(a)(2) Financial statement schedules are not applicable or are included in the consolidated financial statements or related notes.

(a)(3) The following exhibits are filed as a part of this report:

| Exhibit No. | Description |
|---|---|
| 2.1 | Agreement and Plan of Merger, dated as of January 9, 2025, by and among CNB Financial Corporation, CNB Bank, ESSA Bancorp, Inc. and ESSA Bank & Trust (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on January 10, 2025). |
| 3.1 | Third Amended and Restated Articles of Incorporation of CNB Financial Corporation (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on April 18, 2024) |
| 3.2 | Third Amended and Restated Bylaws of CNB Financial Corporation (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on April 18, 2024) |
| 3.3 | Amendment No. 1 to the Third Amended and Restated Bylaws of CNB Financial Corporation (incorporated by reference to Exhibit 3.1 to the Corporation's Current Report on Form 8-K filed on July 21, 2025) |
| 3.4 | Statement with Respect to Shares of 7.125% Series A Fixed-Rate Non-Cumulative Perpetual Preferred Stock, effective as of August 25, 2020 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on August 25, 2020) |
| 4.1 | Description of Registrant's Securities (incorporated by reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K filed on March 3, 2022) |
| 4.2 | Form of Certificate representing the 7.125% Series A Fixed-Rated Non-Cumulative Perpetual Preferred Stock (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on August 25, 2020) |
| 4.3 | Deposit Agreement, dated August 25, 2020, among CNB Financial Corporation, American Stock Transfer & Trust Company, LLC, and the holders from time to time of the depositary receipts described therein (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed on August 25, 2020) |
| 4.4 | Form of Depositary Receipt representing the Depositary Shares (included as Exhibit A to Exhibit 4.3 of the Registration Statement on Form 8-A filed on August 25, 2020) |
| 4.5 | Form of 3.25% Fixed-to-Floating Rate Subordinated Note due 2031 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on June 3, 2021) |
| 10.1(1) | CNB Financial Corporation 2019 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on April 18, 2019) |
| 10.2(1) | Form of CNB Financial Corporation 2019 Omnibus Incentive Plan Restricted Stock Agreement (incorporated by reference to Exhibit 10.2 to the Registrant's Annual Report on Form 10-K filed on March 3, 2023) |

| Exhibit No. | Description |
|---|---|
| 10.3(1) | Form of CNB Financial Corporation 2019 Omnibus Incentive Plan Performance Restricted Stock Agreement (incorporated by reference to Exhibit 10.3 to the Registrant's Annual Report on Form 10-K filed on March 3, 2023) |
| 10.4(1) | CNB Financial Corporation 2025 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to the Corporation's Form S-8 filed on April 15, 2025) |
| 10.5(1) | Form of CNB Financial Corporation 2025 Omnibus Incentive Plan Restricted Stock Agreement - Executive |
| 10.6(1) | Form of CNB Financial Corporation 2025 Omnibus Incentive Plan Performance Restricted Stock Agreement - Executive |
| 10.7(1) | Form of CNB Financial Corporation 2025 Omnibus Incentive Plan Restricted Stock Agreement - Director |
| 10.8(1) | Executive Employment Agreement, dated March 23, 2020, by and between CNB Financial Corporation, CNB Bank and Tito L. Lima (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on March 24, 2020) |
| 10.9(1) | Executive Employment Agreement, dated August 30, 2021, by and between CNB Financial Corporation, CNB Bank and Martin T. Griffith (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on September 3, 2021) |
| 10.10(1) | Executive Employment Agreement, dated November 27, 2023, by and between CNB Financial Corporation, CNB Bank and Michael Peduzzi (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on November 30, 2023) |
| 10.11(1) | Executive Employment Contract, dated October 7, 2015, by and between CNB Bank and Leanne D. Kassab (incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K filed on March 3, 2023) |
| 10.12(1) | Supplemental Executive Retirement Plan for Michael D. Peduzzi, effective as of January 1, 2022 (incorporated by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K filed on March 3, 2023) |
| 10.13 | Form of Subordinated Note Purchase Agreement, dated June 3, 2021, by and among CNB Financial Corporation and the Purchasers identified therein (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on June 3, 2021) |
| 10.14(1) | Defined Contribution Plan for Tito L. Lima, effective as of January 2, 2022 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 4, 2022) |
| 10.15(1) | Defined Contribution Plan for Leanne Kassab, effective as of January 1, 2022 (incorporated by reference to Exhibit 10.16 to the Registrant's Annual Report on Form 10-K filed on March 3, 2023) |
| 10.16(1) | Executive Deferred Compensation Plan, amended and restated, effective as of January 1, 2005 (incorporated by reference to Exhibit 10.17 to the Registrant's Annual Report on Form 10-K filed on March 3, 2023) |
| 10.17(1) | Executive Deferred Compensation Plan Amendment No. 1, dated as of January 19, 2015 (incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K filed on March 3, 2023) |
| 10.18(1) | Amendment No. 1 to Defined Contribution Plan for Tito L. Lima (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on October 2, 2023) |
| 10.19(1) | Amendment No. 1 to Defined Contribution Plan for Leanne Kassab (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on October 2, 2023) |

| Exhibit No. | Description |
|---|---|
| 10.20(1) | Amendment No. 1 to Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed on October 2, 2023) |
| 10.21(1) | Schedule A to Supplemental Executive Retirement Plan for Michael D. Peduzzi (incorporated by reference to Exhibit 10.7 to the Registrant's Current Report on Form 8-K filed on October 2, 2023) |
| 10.22(1) | Schedule A to Supplemental Executive Retirement Plan for Tito L. Lima (incorporated by reference to Exhibit 10.8 to the Registrant's Current Report on Form 8-K filed on October 2, 2023) |
| 10.23(1) | Schedule A to Supplemental Executive Retirement Plan for Leanne Kassab (incorporated by reference to Exhibit 10.9 to the Registrant's Current Report on Form 8-K filed on October 2, 2023) |
| 10.24(1) | Schedule A to Supplemental Executive Retirement Plan for Martin Griffith (incorporated by reference to Exhibit 10.10 to the Registrant's Current Report on Form 8-K filed on October 2, 2023) |
| 10.25(1) | Executive Employment Contract, dated September 3, 2020, by and between CNB Bank and Gregory M. Dixon (incorporated by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K filed on March 6, 2025) |
| 10.26(1) | Executive Employment Contract, dated May 18, 2021, by and between CNB Bank and Angela D. Wilcoxson (incorporated by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-K filed on March 6, 2025) |
| 10.27(1) | Defined Contribution Plan for Gregory Dixon , effective as of January 2, 2022 (incorporated by reference to Exhibit 10.24 to the Registrant's Annual Report on Form 10-K filed on March 6, 2025) |
| 19 | Insider Trading and Reporting Compliance Policy |
| 21 | List of subsidiaries of CNB Financial Corporation (incorporated by reference to Exhibit 21 to the Registrant's Annual Report on Form 10-K filed on March 3, 2023) |
| 23.1 | Consent of Forvis Mazars, LLP |
| 31.1 | Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 97.1 | Policy Relating to Recovery of Erroneously Awarded Compensation (incorporated by reference to Exhibit 97.1 to the Registrant's Annual Report on Form 10-K filed on March 7, 2024) |
| 101.INS | Inline XBRL Instance Document |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | Inline XBRL Taxonomy Extension Definitions Linkbase Document |

| Exhibit No. | Description |
|---|---|
| 101.LAB | Inline XBRL Taxonomy Extension Presentation Label Linkbase Document |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101) |

(1) Indicates a management contract or compensatory plan.

**ITEM 16. FORM 10-K SUMMARY**

None.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CNB FINANCIAL CORPORATION
(Registrant)

Date: March 11, 2026

By: /s/ Michael D. Peduzzi
MICHAEL D. PEDUZZI
President & Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 11, 2026.

/s/ Michael D. Peduzzi
MICHAEL D. PEDUZZI
President and Director
(Principal Executive Officer)

/s/ Jeffrey S. Powell
JEFFREY S. POWELL, Chairperson

/s/ Tito L. Lima
TITO L. LIMA
Treasurer
(Principal Financial and Accounting Officer)

/s/ Nicholas N. Scott
NICHOLAS N. SCOTT, Director

/s/ Daniel J. Henning
DANIEL J. HENNING, Director

/s/ Richard B. Seager
RICHARD B. SEAGER, Director

/s/ N. Michael Obi
N. MICHAEL OBI, Director

/s/ Robert C. Selig, Jr.
ROBERT C. SELIG, JR., Director

/s/ Gary S. Olson
GARY S. OLSON, Director

/s/ Francis X. Straub, III
FRANCIS X. STRAUB, III, Director

/s/ Joel E. Peterson
JOEL E. PETERSON, Director

/s/ Peter C. Varischetti
PETER C. VARISCHETTI, Director

/s/ Deborah Dick Pontzer
DEBORAH DICK PONTZER, Director

/s/ Julie M. Young
JULIE M. YOUNG, Director