UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2026
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 offices)
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

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The number of shares outstanding of the issuer's common stock as of May 6, 2026:

COMMON STOCK, NO PAR VALUE PER SHARE: 29,629,013 SHARES

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FINANCIAL INFORMATION

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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 the financial condition, liquidity, results of operations, future performance and business of CNB Financial Corporation (the "Corporation"). 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 the Corporation'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." The Corporation'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.

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 loan 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 the Corporation'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. The Corporation undertakes no obligation to publicly update or revise any forward-looking statements included in this Quarterly Report on Form 10-Q, 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.

Part I Financial Information

Item 1. Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEETS
Dollars in thousands, except share data

	(unaudited) March 31, 2026	December 31, 2025
ASSETS		
Cash and cash equivalents due from banks	$ 78,740	$ 78,197
Interest-bearing deposits with Federal Reserve	517,652	441,501
Interest-bearing deposits with other financial institutions	6,068	8,198
Total cash and cash equivalents	602,460	527,896
Debt securities available-for-sale, at fair value (amortized cost of $734,788 and $618,912, respectively)	695,532	584,330
Debt securities held-to-maturity, at amortized cost (fair value of $212,570 and $229,694, respectively)	225,193	242,138
Equity securities	10,904	10,865
Loans held for sale	280	2,517
Loans receivable		
Syndicated loans	78,341	70,798
Loans	6,355,679	6,422,942
Total loans receivable	6,434,020	6,493,740
Less: allowance for credit losses	(67,055)	(67,055)
Net loans receivable	6,366,965	6,426,685
FHLB and other restricted stock holdings and investments	75,493	58,547
Premises and equipment, net	88,895	90,220
Operating & finance lease right-of-use assets	57,407	58,293
Bank owned life insurance	160,488	159,502
Mortgage servicing rights	2,542	2,608
Goodwill and other intangibles	88,512	88,512
Core deposit intangible, net	32,688	33,693
Accrued interest receivable and other assets	107,537	110,629
Total Assets	$ 8,514,896	$ 8,396,435
LIABILITIES AND SHAREHOLDERS' EQUITY		
Non-interest-bearing demand deposits	$ 1,125,257	$ 1,092,076
Interest-bearing demand deposits	1,015,327	1,014,606
Savings	3,846,595	3,822,639
Certificates of deposit	1,153,097	1,097,788
Total deposits	7,140,276	7,027,109
Short-term borrowings	164,000	164,000
Deposits held for sale	89,923	88,119
Subordinated debentures	20,620	20,620
Subordinated notes, net of unamortized issuance costs	84,950	84,874
Operating lease liabilities	43,101	43,747
Accrued interest payable and other liabilities	82,925	95,839
Total liabilities	7,625,795	7,524,308
Commitments and contingent liabilities		
Preferred stock, Series A non-cumulative perpetual, $0 par value; $1,000 liquidation preference; shares authorized 60,375; Shares issued 60,375 at March 31, 2026 and December 31, 2025	57,785	57,785
Common stock, no par value; 50,000,000 shares authorized; Shares issued 29,761,611 at March 31, 2026 and 29,594,933 at December 31, 2025	—	—
Additional paid in capital	423,292	422,653
Retained earnings	445,265	424,935
Treasury stock, at cost (130,555 shares at March 31, 2026 and 121,581 shares December 31, 2025)	(2,971)	(2,581)
Accumulated other comprehensive loss	(34,270)	(30,665)
Total shareholders' equity	889,101	872,127
Total Liabilities and Shareholders' Equity	$ 8,514,896	$ 8,396,435

See Notes to Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (unaudited)
Dollars in thousands, except per share data

	Three Months Ended March 31,	
	2026	2025
INTEREST AND DIVIDEND INCOME:		
Loans receivable including fees		
Interest and fees on loans receivable	$ 101,327	$ 72,379
Securities:		
Taxable	10,147	9,745
Tax-exempt	148	156
Dividends	416	99
Total interest and dividend income	112,038	82,379
INTEREST EXPENSE:		
Deposits	35,967	32,634
Borrowed funds and finance lease liabilities	1,702	236
Subordinated notes and debentures	1,046	1,078
Total interest expense	38,715	33,948
NET INTEREST INCOME	73,323	48,431
PROVISION FOR CREDIT LOSS EXPENSE	998	1,556
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSS EXPENSE	72,325	46,875
NON-INTEREST INCOME:		
Service charges on deposit accounts	2,034	1,714
Other service charges and fees	422	510
Wealth and asset management fees	2,357	1,796
Net realized gains on available-for-sale securities (includes $331 and $0 accumulated other comprehensive income reclassifications for net realized gains on available-for-sale securities, respectively)	331	—
Net realized and unrealized gains on equity securities	(89)	(249)
Mortgage banking	341	96
Bank owned life insurance	986	760
Card processing and interchange income	2,586	2,107
Other non-interest income	1,030	1,773
Total non-interest income	9,998	8,507
NON-INTEREST EXPENSES:		
Compensation and benefits	24,983	20,564
Net occupancy expense	5,449	4,038
Amortization of core deposit intangible	1,005	17
Technology expense	7,181	5,378
State and local taxes	821	1,292
Legal, professional, and examination fees	772	849
Advertising	788	514
FDIC insurance premiums	807	985
Card processing and interchange expenses	1,507	1,160
Merger and integration costs	—	1,529
Other non-interest expenses	5,874	4,712
Total non-interest expenses	49,187	41,038
INCOME BEFORE INCOME TAXES	33,136	14,344
INCOME TAX EXPENSE (includes $70 and $0 income tax expense from reclassification items, respectively)	6,100	2,863
NET INCOME	27,036	11,481
PREFERRED STOCK DIVIDENDS	1,075	1,075
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	$ 25,961	$ 10,406
AVERAGE COMMON SHARES OUTSTANDING:		
Basic	29,317,224	20,866,970
Diluted	29,439,453	20,925,388
PER COMMON SHARE DATA:		
Basic Earnings Per Common Share	$ 0.88	$ 0.50
Diluted Earnings Per Common Share	$ 0.88	$ 0.50
Cash Dividends Declared	$ 0.190	$ 0.180

See Notes to Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)
Dollars in thousands

	Three Months Ended March 31,	
	2026	2025
NET INCOME	$ 27,036	$ 11,481
Other comprehensive income (loss), net of tax:		
Net change in debt securities:		
Unrealized holding gains (losses) on available-for-sale securities arising during the period, net of benefit (tax) of $912 and $(1,841), respectively	(3,431)	6,924
Amortization of unrealized losses from held-to-maturity securities, net of tax of $(23) and $(37), respectively	87	137
Reclassification adjustment for realized gains included in net income, net of tax of $70 and $0, respectively	(261)	—
	(3,605)	7,061
Other comprehensive income (loss)	(3,605)	7,061
COMPREHENSIVE INCOME	$ 23,431	$ 18,542

See Notes to Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)
Dollars in thousands, except share and per share data

	Preferred Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total Share-holders' Equity
Balance, January 1, 2026	$ 57,785	$ 422,653	$ 424,935	$ (2,581)	$ (30,665)	$ 872,127
Net income			27,036			27,036
Other comprehensive loss					(3,605)	(3,605)
Forfeiture of restricted stock award grants (8,364 shares)		131		(131)		—
Performance based restricted stock award grants (15,294 shares)		(283)		283		—
Stock-based compensation expense		791				791
Purchase of treasury stock for the purpose of tax withholding related to restricted stock award vesting (17,716 shares)				(491)		(491)
Purchase of treasury stock for the purpose of tax withholding related to performance based restricted stock award vesting (1,812 shares)				(51)		(51)
Preferred cash dividend declared			(1,075)			(1,075)
Cash dividends declared ($0.19 per common share)			(5,631)			(5,631)
Balance, March 31, 2026	$ 57,785	$ 423,292	$ 445,265	$ (2,971)	$ (34,270)	$ 889,101
Balance, January 1, 2025	$ 57,785	$ 219,876	$ 381,296	$ (4,689)	$ (43,573)	$ 610,695
Net income			11,481			11,481
Other comprehensive income					7,061	7,061
Forfeiture of restricted stock award grants (3,558 shares)		90		(90)		—
Performance based restricted stock award grants (8,916 shares)		(167)		167		—
Stock-based compensation expense		455				455
Purchase of treasury stock for the purpose of tax withholding related to restricted stock award vesting (11,145 shares)				(282)		(282)
Purchase of treasury stock for the purpose of tax withholding related to performance based restricted stock award vesting (1,960 shares)				(50)		(50)
Preferred cash dividend declared			(1,075)			(1,075)
Cash dividends declared ($0.18 per common share)			(3,777)			(3,777)
Balance, March 31, 2025	$ 57,785	$ 220,254	$ 387,925	$ (4,944)	$ (36,512)	$ 624,508

See Notes to Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
Dollars in thousands

	Three Months Ended March 31,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 27,036	$ 11,481
Adjustments to reconcile net income to net cash provided by operations:		
Provision for credit loss expense	998	1,556
Depreciation and amortization of premises and equipment, operating leases assets, core deposit intangible, and mortgage servicing rights	3,644	2,059
Accretion of securities, deferred loan fees and costs, net yield and credit mark on acquired loans, and unearned income	(4,578)	(1,605)
Net amortization of deferred costs on borrowings	76	76
Net realized gains on sales of available-for-sale securities	(331)	—
Net realized and unrealized losses on equity securities	89	249
Gain on sale of loans held for sale	(356)	(34)
Net (gains) losses on dispositions of premises and equipment and foreclosed assets	16	(13)
Proceeds from sale of loans held for sale	9,350	2,750
Origination of loans held for sale	(7,778)	(2,848)
Income on bank owned life insurance	(986)	(760)
Restricted stock compensation expense	791	455
Change in:		
Accrued interest receivable and other assets	3,779	(667)
Accrued interest payable, lease liabilities, and other liabilities	(12,560)	(1,100)
NET CASH PROVIDED BY OPERATING ACTIVITIES	19,190	11,599
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from maturities, prepayments and calls of available-for-sale securities	27,875	19,608
Proceeds from sales of available-for-sale securities	36,670	—
Purchase of available-for-sale securities	(179,896)	(58,805)
Proceeds from maturities, prepayments and calls of held-to-maturity securities	17,129	24,167
Purchase of equity securities	(128)	(86)
Net decrease (increase) in loans receivable	63,252	(1,258)
Purchase of FHLB, other equity, and restricted equity interests	(16,946)	(1,142)
Purchase of premises and equipment	(362)	(1,721)
Proceeds from the sale of premises and equipment and foreclosed assets	57	1,230
NET CASH USED BY INVESTING ACTIVITIES	(52,349)	(18,007)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase in checking, money market and savings accounts	57,858	73,972
Net increase in certificates of deposit	55,309	14,742
Net increase in deposits held for sale	1,804	—
Purchase of treasury stock	(542)	(332)
Cash dividends paid, common stock	(5,631)	(3,777)
Cash dividends paid, preferred stock	(1,075)	(1,075)
NET CASH PROVIDED BY FINANCING ACTIVITIES	107,723	83,530
NET INCREASE IN CASH AND CASH EQUIVALENTS	74,564	77,122
CASH AND CASH EQUIVALENTS, Beginning	527,896	443,035
CASH AND CASH EQUIVALENTS, Ending	$ 602,460	$ 520,157

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited) (continued)
Dollars in thousands

	Three Months Ended March 31,	
	2026	2025
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 37,391	$ 33,782
Income taxes	356	389
SUPPLEMENTAL NONCASH DISCLOSURES:		
Transfers to other real estate owned	$ 760	$ 366
Transfers from loans held for sale to loans held for investment	866	—
Grant of performance based restricted stock awards from treasury stock	283	167
Restricted stock forfeiture	131	90
Lease liabilities arising from obtaining right-of-use assets	155	—

See Notes to Condensed Consolidated Financial Statements

CNB FINANCIAL CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURE RULES

Nature of Operations

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 Presentation

The accompanying condensed consolidated financial statements have been prepared pursuant to rules and regulations of the Securities and Exchange Commission (the "SEC") and in compliance with U.S. generally accepted accounting principles ("GAAP"). Because this report is based on an interim period, certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with GAAP have been condensed or omitted.

In the opinion of management of the registrant, the accompanying condensed consolidated financial statements as of March 31, 2026 and for the three months ended March 31, 2026 and 2025 include all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the financial condition and the results of operations for the periods presented. The financial performance reported for the Corporation for the three months ended March 31, 2026 is not necessarily indicative of the results to be expected for the full year.

This information should be read in conjunction with the Corporation's Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Form 10-K"). Certain amounts appearing in the condensed consolidated financial statements and notes thereto for prior periods may be reclassified to conform with the current presentation. If there are reclassifications, the reclassifications had no effect on net income or shareholders' equity as previously reported. Dollar amounts in tables are stated in thousands, except for per share amounts.

Use of Estimates

To prepare financial statements in conformity with GAAP, management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the condensed consolidated financial statements and the disclosures provided and future results could differ.

Goodwill Assessment

The Corporation's policy is to test goodwill for impairment annually on November 30 or on an interim basis if an event triggering impairment may have occurred. At March 31, 2026, the Corporation had goodwill of $88.4 million, including $44.6 million related to the acquisition of ESSA Bancorp, Inc. ("ESSA"). . Management evaluated current conditions and concluded there have been no significant changes in the economic environment or future projections since the annual goodwill impairment test performed as of November 30, 2025 and therefore, believes that there is no impairment as of March 31, 2026. Management will continue to evaluate the economic conditions at future reporting periods for applicable changes.

2. RECENT ACCOUNTING PRONOUNCEMENTS

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 ASU is effective for annual periods beginning after December 15, 2024, and interim periods within those annual periods. 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 amendments in ASU 2025-02 are effective immediately upon issuance. 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 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.

Accounting Standards Adopted in 2026

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.

Accounting Pronouncements Pending Adoption

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. The Corporation is evaluating the effect that ASU 2023-06 will have on its condensed 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, in the notes to financial statements, of specified information about certain costs and expenses. The amendments require that at each interim and annual reporting period an entity: (1) disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities ("DD&A") (or other amounts of depletion expense) included in each relevant expense caption. A "relevant expense caption" is an expense caption presented on the face of the income statement within continuing operations that contains any of the expense categories listed in (a)–(e), (2) include certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements, (3) disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, and (4) disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. An entity is not precluded from providing additional voluntary disclosures that may provide investors with additional decision-useful information. 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 is to 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 condensed 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 2024-03 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 2025-06, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software." This ASU removed the language around project stages that was used to assess when costs could be capitalized for an internal-use software. The update also requires internal-use software to be disclosed under the ASC 360 Property, Plant, and Equipment guidance. This ASU is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. The Corporation is evaluating the effect that ASU 2025-06 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 and interim disclosures requirements, and establishes a principle under which an entity must disclose events occuring 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.

3. BUSINESS COMBINATION

On July 23, 2025, the Corporation completed its previously announced acquisition of 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 March 31, 2026 and December 31, 2025. Merger and integration related costs associated with the Merger were zero and $1.5 million for the three months ended March 31, 2026 and 2025, 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 condensed 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 Note 1, "Summary of Significant Accounting Policies." 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 were 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.

4. SECURITIES

Debt securities available-for-sale ("AFS") at March 31, 2026 and December 31, 2025 were as follows:

	March 31, 2026				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance For Credit Losses	Fair Value
U.S. Government sponsored entities	$ 98,859	$ —	$ (1,000)	$ —	$ 97,859
State & political subdivisions	95,432	28	(9,064)	—	86,396
Residential & multi-family mortgage	491,697	278	(27,939)	—	464,036
Corporate notes & bonds	41,538	282	(1,447)	—	40,373
Pooled SBA	7,262	1	(395)	—	6,868
Total	$ 734,788	$ 589	$ (39,845)	$ —	$ 695,532

	December 31, 2025				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance For Credit Losses	Fair Value
U.S. Government 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

Debt securities held-to-maturity ("HTM") at March 31, 2026 and December 31, 2025 were as follows:

	March 31, 2026				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance For Credit Losses	Fair Value
U.S. Government sponsored entities	$ 162,621	$ —	$ (5,804)	$ —	$ 156,817
Residential & multi-family mortgage	62,572	—	(6,819)	—	55,753
Total	$ 225,193	$ —	$ (12,623)	$ —	$ 212,570

	December 31, 2025				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance For Credit Losses	Fair Value
U.S. Government 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

Information pertaining to security sales on AFS securities is as follows:

	Proceeds	Gross Gains	Gross Losses
Three months ended March 31, 2026	$ 36,670	$ 331	$ —
Three months ended March 31, 2025	—	—	—

The tax provision related to these net realized gains (losses) was $70 thousand for the three months ended March 31, 2026 and zero for the three months ended March 31, 2025, respectively.

The table below illustrates the maturity distribution of debt securities at amortized cost and fair value as of March 31, 2026:

	Available-for-sale		Held-to-maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
1 year or less	$ 7,420	$ 7,392	$ 82,771	$ 81,826
1 year – 5 years	81,352	78,198	70,870	66,987
5 years – 10 years	132,271	127,593	8,980	8,003
After 10 years	14,786	11,445	—	—
	235,829	224,628	162,621	156,816
Residential & multi-family mortgage	491,697	464,036	62,572	55,754
Pooled SBA	7,262	6,868	—	—
Total debt securities	$ 734,788	$ 695,532	$ 225,193	$ 212,570

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

On March 31, 2026 and December 31, 2025, securities carried at $712.7 million and $583.8 million, respectively, were pledged to secure public deposits and for other purposes as provided by law.

At March 31, 2026 and December 31, 2025, there were no holdings of securities of any one issuer, other than the U.S. Government sponsored entities, in an amount greater than 10% of shareholders' equity. The Corporation's residential and multi-family mortgage securities are issued by government sponsored entities.

AFS debt securities with unrealized losses at March 31, 2026 and December 31, 2025, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, were as follows:

March 31, 2026

	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. Government sponsored entities	$ 97,859	$ (1,000)	$ —	$ —	$ 97,859	$ (1,000)
State & political subdivisions	6,291	(29)	73,196	(9,035)	79,487	(9,064)
Residential & multi-family mortgage	280,110	(4,311)	137,764	(23,628)	417,874	(27,939)
Corporate notes and bonds	7,707	(290)	19,938	(1,157)	27,645	(1,447)
Pooled SBA	200	(1)	6,461	(394)	6,661	(395)
	$ 392,167	$ (5,631)	$ 237,359	$ (34,214)	$ 629,526	$ (39,845)

December 31, 2025

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
U.S. Government 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 and bonds	13,146	(333)	24,175	(1,419)	37,321	(1,752)
Pooled SBA	57	(1)	6,876	(379)	6,933	(380)
	$ 181,474	$ (1,386)	$ 249,568	$ (34,017)	$ 431,042	$ (35,403)

HTM debt securities with unrealized losses at March 31, 2026 and December 31, 2025, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, were as follows:

March 31, 2026

	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. Government sponsored entities	$ —	$ —	$ 156,817	$ (5,804)	$ 156,817	$ (5,804)
Residential & multi-family mortgage	—	—	55,753	(6,819)	55,753	(6,819)
	$ —	$ —	$ 212,570	$ (12,623)	$ 212,570	$ (12,623)

December 31, 2025

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
U.S. Government sponsored entities	$ —	$ —	$ 171,508	$ (6,061)	$ 171,508	$ (6,061)
Residential & multi-family mortgage	—	—	58,186	(6,383)	58,186	(6,383)
	$ —	$ —	$ 229,694	$ (12,444)	$ 229,694	$ (12,444)

At March 31, 2026 and December 31, 2025, management performed an assessment for possible impairment related to credit losses of the Corporation's debt securities, relying on information obtained from various sources, including publicly available financial data, ratings by external agencies, brokers and other sources. Based on the results of the assessment, management believes there is no credit related impairment of these debt securities at March 31, 2026 and December 31, 2025.

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 the issuer's 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 March 31, 2026.

As of March 31, 2026 and December 31, 2025, management concluded the debt securities described in the previous paragraphs 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.

The Corporation does not intend to sell and it is not more likely than not that it will be required to sell the securities in an unrealized loss position before recovery of its amortized cost basis.

Equity securities at March 31, 2026 and December 31, 2025 were as follows:

	March 31, 2026	December 31, 2025
Corporate equity securities	$ 4,686	$ 4,745
Mutual funds	3,972	3,792
Money market funds	247	245
Corporate notes	1,999	2,083
Total	$ 10,904	$ 10,865

5. LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

Total net loans receivable at March 31, 2026 and December 31, 2025 are summarized as follows:

	March 31, 2026	Percentage of Total	December 31, 2025	Percentage of Total
Farmland	$ 27,049	0.42 %	$ 27,583	0.43 %
Owner-occupied, nonfarm nonresidential properties	630,332	9.80	636,444	9.80
Agricultural production and other loans to farmers	6,053	0.09	5,989	0.09
Loans to depository institutions	—	—	2,439	0.04
Commercial and Industrial	814,246	12.66	778,978	12.00
Obligations (other than securities and leases) of states and political subdivisions	169,180	2.63	171,486	2.64
Other loans	47,344	0.74	47,719	0.74
Other construction loans and all land development and other land loans	423,467	6.58	366,174	5.64
Multifamily (5 or more) residential properties	645,921	10.04	709,832	10.93
Non-owner occupied, nonfarm nonresidential properties	1,368,029	21.26	1,419,643	21.86
1-4 Family Construction	33,131	0.52	41,659	0.64
Home equity lines of credit	257,851	4.01	250,823	3.86
Residential Mortgages secured by first liens	1,746,877	27.15	1,763,071	27.15
Residential Mortgages secured by junior liens	132,593	2.06	140,790	2.17
Other revolving credit plans	51,529	0.80	48,953	0.75
Automobile	16,784	0.26	17,037	0.26
Other consumer	49,092	0.76	51,474	0.79
Credit cards	14,315	0.22	13,276	0.20
Overdrafts	227	—	370	0.01
Total loans receivable	$ 6,434,020	100.00 %	$ 6,493,740	100.00 %
Less: Allowance for credit losses	(67,055)		(67,055)	
Loans receivable, net	$ 6,366,965		$ 6,426,685	
Net deferred loan origination fees (costs) included in the above loan table	$ (628)		$ (259)	

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 $78.3 million and $70.8 million as of March 31, 2026 and December 31, 2025, respectively.

Transactions in the allowance for credit losses for the three months ended March 31, 2026 were as follows:

	Beginning Allowance	(Charge-offs)	Recoveries	Provision (Benefit) for Credit Losses on Loans Receivable[1]	Ending Allowance
Farmland	$ 162	$ —	$ —	$ (1)	$ 161
Owner-occupied, nonfarmnonresidential properties	6,176	(47)	—	32	6,161
Agricultural production and other loans to farmers	37	—	—	1	38
Loans to depository institutions	20	—	—	(20)	—
Commercial and Industrial	9,360	(108)	45	851	10,148
Obligations (other than securities and leases) of states and political subdivisions	1,823	—	—	(53)	1,770
Other loans	454	—	—	—	454
Other construction loans and all land development and other land loans	4,366	—	—	342	4,708
Multifamily (5 or more) residential properties	4,314	—	—	(153)	4,161
Non-owner occupied, nonfarmnonresidential properties	15,467	—	3	(465)	15,005
1-4 Family Construction	350	—	—	(71)	279
Home equity lines of credit	1,884	—	—	213	2,097
Residential Mortgages secured by first liens	15,910	(73)	2	(477)	15,362
Residential Mortgages secured by junior liens	1,732	—	—	(149)	1,583
Other revolving credit plans	1,222	(26)	19	199	1,414
Automobile	207	(3)	3	(1)	206
Other consumer	3,056	(489)	21	499	3,087
Credit cards	146	(90)	7	131	194
Overdrafts	369	(174)	26	6	227
Total loans	$ 67,055	$ (1,010)	$ 126	$ 884	$ 67,055

[1] Excludes provision for credit losses related to unfunded commitments. Note 10, "Off-Balance Sheet Commitments and Contingencies," to the condensed 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 three months ended March 31, 2025 were as follows:

	Beginning Allowance	(Charge-offs)	Recoveries	Provision (Benefit) for Credit Losses on Loans Receivable[1]	Ending Allowance
Farmland	$ 167	$ —	$ —	$ (6)	$ 161
Owner-occupied, nonfarmnonresidential properties	5,696	(23)	14	140	5,827
Agricultural production and other loans to farmers	37	—	—	2	39
Commercial and Industrial	7,759	(650)	—	101	7,210
Obligations (other than securities and leases) of states and political subdivisions	1,369	—	—	2	1,371
Other loans	329	—	—	(3)	326
Other construction loans and all land development and other land loans	2,571	—	—	(2)	2,569
Multifamily (5 or more) residential properties	2,969	—	—	123	3,092
Non-owner occupied, nonfarmnonresidential properties	10,110	—	—	62	10,172
1-4 Family Construction	198	—	—	(76)	122
Home equity lines of credit	1,340	—	—	224	1,564
Residential Mortgages secured by first liens	8,958	(34)	—	175	9,099
Residential Mortgages secured by junior liens	1,343	—	—	108	1,451
Other revolving credit plans	960	(3)	1	(103)	855
Automobile	275	—	—	(13)	262
Other consumer	2,892	(567)	12	584	2,921
Credit cards	127	(122)	4	116	125
Overdrafts	257	(98)	27	5	191
Total loans	$ 47,357	$ (1,497)	$ 58	$ 1,439	$ 47,357

[1] Excludes provision for credit losses related to unfunded commitments. Note 10, "Off-Balance Sheet Commitments and Contingencies," to the condensed consolidated financial statements provides more detail concerning the provision for credit losses related to unfunded commitments of the Corporation.

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 three months ended March 31, 2026, the allowance for credit losses remained unchanged, reflecting stable credit quality in the loan portfolio. Significant uncertainty persists in the domestic and global economic environment due to changes in U.S. tariffs and related actions by U.S. trading partners, elevated interest rates, inflationary pressures, fluctuating consumer confidence, and geopolitical events. The Corporation continues to monitor these conditions and other economic factors that may affect the financial strength of corporate and consumer borrowers, and management will update its estimate of expected credit losses as additional information becomes available.

Provision for credit losses was $998 thousand for the three months ended March 31, 2026, compared to $1.6 million for the three months ended March 31, 2025. The decrease in provision for credit losses was primarily due to a decrease in the loan portfolio, coupled with lower loan net charge-offs. In addition, included in the provision for credit losses for the three months ended March 31, 2026 was a provision of $114 thousand related to the allowance for unfunded commitments compared to $117 thousand provision, related to the allowance for unfunded commitments for the three months ended March 31, 2025.

The following tables present the amortized cost basis of loans receivable on nonaccrual status and loans receivable past due over 89 days still accruing as of March 31, 2026 and December 31, 2025, respectively:

	March 31, 2026		
	Nonaccrual	Nonaccrual With No Allowance for Credit Loss	Loans Receivable Past Due over 89 Days Still Accruing
Farmland	$ 594	$ 594	$ —
Owner-occupied, nonfarm nonresidential properties	8,753	8,057	—
Commercial and Industrial	10,125	8,602	—
Other construction loans and all land development and other land loans	4,036	367	—
Multifamily (5 or more) residential properties	782	137	—
Non-owner occupied, nonfarm nonresidential properties	4,987	2,787	—
Home equity lines of credit	2,018	2,018	—
Residential Mortgages secured by first liens	13,040	13,040	1
Residential Mortgages secured by junior liens	1,024	1,024	—
Other revolving credit plans	52	52	—
Automobile	88	88	—
Other consumer	640	640	—
Credit cards	—	—	105
Total	$ 46,139	$ 37,406	$ 106

	December 31, 2025		
	Nonaccrual	Nonaccrual With No Allowance for Credit Loss	Loans Receivable 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	$ 39,845	$ 31,151	$ 42

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

The following table presents the amortized cost basis of loans receivable that are individually evaluated and collateral-dependent by class of loans as of March 31, 2026:

	Real Estate Collateral	Non-Real Estate Collateral
Farmland	$ 273	$ —
Owner-occupied, nonfarm nonresidential properties	2,315	—
Commercial and Industrial	366	2,937
Other construction loans and all land development and other land loans	3,669	—
Multifamily (5 or more) residential properties	782	—
Non-owner occupied, nonfarm nonresidential properties	2,200	—
Home equity lines of credit	1,002	—
Residential Mortgages secured by first liens	2,423	—
Residential Mortgages secured by junior liens	391	—
Total	$ 13,421	$ 2,937

The following table presents the amortized cost basis of loans receivable that are individually evaluated and collateral-dependent by class of loans as of 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	$ 14,071	$ 3,045

The following table presents the aging of the amortized cost basis in past-due loans receivable as of March 31, 2026 by class of loans:

	30 - 59 Days Past Due	60 - 89 Days Past Due	Greater Than 89 Days Past Due	Total Past Due	Loans Receivable Not Past Due	Total
Farmland	$ —	$ 358	$ 255	$ 613	$ 26,436	$ 27,049
Owner-occupied, nonfarm nonresidential properties	904	821	5,745	7,470	622,862	630,332
Agricultural production and other loans to farmers	—	—	—	—	6,053	6,053
Loans to depository institutions	—	—	—	—	—	—
Commercial and Industrial	745	605	8,004	9,354	804,892	814,246
Obligations (other than securities and leases) of states and political subdivisions	—	—	—	—	169,180	169,180
Other loans	—	—	—	—	47,344	47,344
Other construction loans and all land development and other land loans	174	—	1,565	1,739	421,728	423,467
Multifamily (5 or more) residential properties	437	—	645	1,082	644,839	645,921
Non-owner occupied, nonfarm nonresidential properties	669	200	2,256	3,125	1,364,904	1,368,029
1-4 Family Construction	—	—	—	—	33,131	33,131
Home equity lines of credit	349	1,007	493	1,849	256,002	257,851
Residential Mortgages secured by first liens	13,968	3,758	6,272	23,998	1,722,879	1,746,877
Residential Mortgages secured by junior liens	298	48	180	526	132,067	132,593
Other revolving credit plans	13	10	37	60	51,469	51,529
Automobile	120	115	58	293	16,491	16,784
Other consumer	459	345	299	1,103	47,989	49,092
Credit cards	73	48	105	226	14,089	14,315
Overdrafts	—	—	—	—	227	227
Total	$ 18,209	$ 7,315	$ 25,914	$ 51,438	$ 6,382,582	$ 6,434,020

The following table presents the aging of the amortized cost basis in past-due loans receivable 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 Receivable 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	$ 26,328	$ 15,554	$ 20,969	$ 62,851	$ 6,430,889	$ 6,493,740

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 March 31, 2026 that were both experiencing financial difficulty and modified during the three months ended March 31, 2026, by class and by type of modification. 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
Commercial and Industrial	$ —	$ —	$ 136	$ —	$ —	— %
Other construction loans and all land development and other land loans	—	143	—	—	—	—
Total	$ —	$ 143	$ 136	$ —	$ —	— %

The following table presents the amortized cost basis of loans at March 31, 2025 that were both experiencing financial difficulty and modified during the three months ended March 31, 2025, by class and by type of modification. 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
Commercial and Industrial	$ —	$ 6,961	$ 166	$ —	$ —	1.0 %
Other construction loans and all land development and other land loans	—	—	10,115	—	—	3.5
Non-owner occupied, nonfarm nonresidential properties	—	—	1,962	—	—	0.2
Total	$ —	$ 6,961	$ 12,243	$ —	$ —	0.4 %

The Corporation had no 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 twelve months ended March 31, 2026:

	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	$ 2,174	$ —	$ —	$ —	$ —
Commercial and Industrial	136	—	—	—	—
Other construction loans and all land development and other land loans	2,440	—	—	—	—
Multifamily (5 or more) residential properties	—	137	—	—	137
Non-owner occupied, nonfarm nonresidential properties	2,200	—	—	—	—
Residential Mortgages secured by first liens	200	—	—	—	—
Residential Mortgages secured by junior liens	392	—	—	—	—
Total	$ 7,542	$ 137	$ —	$ —	$ 137

The following table presents the performance of such loans that have been modified during the twelve months ended March 31, 2025:

	Current	30 - 59 Days Past Due	60 - 89 Days Past Due	Greater Than 89 Days Past Due	Total Past Due
Farmland	$ 1,041	$ —	$ —	$ —	$ —
Owner-occupied, nonfarm nonresidential properties	696	—	—	—	—
Commercial and Industrial	7,127	—	—	—	—
Other construction loans and all land development and other land loans	10,115	—	—	—	—
Non-owner occupied, nonfarm nonresidential properties	7,186	—	—	—	—
Residential Mortgages secured by first liens	350	—	—	—	—
Residential Mortgages secured by junior liens	28	—	—	—	—
Total	$ 26,543	$ —	$ —	$ —	$ —

The following table presents the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty for the three months ended March 31, 2026:

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

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

	Principal Forgiveness	Weighted Average Term Extension (in years)	Weighted Average Interest Rate Reduction
Commercial and Industrial	$ —	0.96	— %
Other construction loans and all land development and other land loans	—	0.75	—
Non-owner occupied, nonfarm nonresidential properties	—	0.50	—
Total	$ —	0.71	— %

There were no loans that had a payment default during the three months ended March 31, 2026 and were modified in the twelve months prior to that default to borrowers experiencing financial difficulty.

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

If the Corporation determines that a modified loan (or portion of a loan) has subsequently been deemed uncollectible, the loan (or a portion of the loan) is written off and the amortized cost basis of the loan is reduced by the uncollectible amount and the allowance for credit losses is adjusted by the same amount.

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.

	March 31, 2026					
		Non-Pass Rated				
	Pass	Special Mention	Substandard	Doubtful	Total Non-Pass	Total
Farmland	$ 21,674	$ —	$ 5,375	$ —	$ 5,375	$ 27,049
Owner-occupied, nonfarm nonresidential properties	594,612	7,223	28,497	—	35,720	630,332
Agricultural production and other loans to farmers	6,053	—	—	—	—	6,053
Loans to depository institutions	—	—	—	—	—	—
Commercial and Industrial	753,023	5,714	55,509	—	61,223	814,246
Obligations (other than securities and leases) of states and political subdivisions	169,180	—	—	—	—	169,180
Other loans	46,194	1,150	—	—	1,150	47,344
Other construction loans and all land development and other land loans	416,995	2,660	3,812	—	6,472	423,467
Multifamily (5 or more) residential properties	637,892	3,300	4,729	—	8,029	645,921
Non-owner occupied, nonfarm nonresidential properties	1,337,374	10,782	19,873	—	30,655	1,368,029
Total	$ 3,982,997	$ 30,829	$ 117,795	$ —	$ 148,624	$ 4,131,621

	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	$ 4,023,480	$ 24,038	$ 118,769	$ —	$ 142,807	$ 4,166,287

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 March 31, 2026. Current period originations may include modifications.

	Term Loans Amortized Cost Basis by Origination Year								
	2026	2025	2024	2023	2022	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Farmland									
Risk rating									
Pass	$ 252	$ 3,730	$ 122	$ 745	$ 4,565	$ 11,809	$ 451	$ —	$ 21,674
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	155	100	4,739	381	—	—	5,375
Total	$ 252	$ 3,730	$ 277	$ 845	$ 9,304	$ 12,190	$ 451	$ —	$ 27,049
Current period gross write offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Owner-occupied, nonfarm nonresidential properties									
Risk rating									
Pass	$ 11,853	$ 74,103	$ 80,309	$ 69,030	$ 111,188	$ 232,752	$ 15,377	$ —	$ 594,612
Special mention	27	1,215	—	2,464	233	2,928	356	—	7,223
Substandard	—	99	14,652	2,002	6,387	4,551	806	—	28,497
Total	$ 11,880	$ 75,417	$ 94,961	$ 73,496	$ 117,808	$ 240,231	$ 16,539	$ —	$ 630,332
Current period gross write offs	$ —	$ —	$ —	$ —	$ 42	$ 5	$ —	$ —	$ 47
Agricultural production and other loans to farmers									
Risk rating									
Pass	$ —	$ 52	$ 4,767	$ 393	$ —	$ 31	$ 810	$ —	$ 6,053
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	$ —	$ 52	$ 4,767	$ 393	$ —	$ 31	$ 810	$ —	$ 6,053
Current period gross write offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Loans to depository institutions									
Risk rating									
Pass	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Current period gross write offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial and Industrial									
Risk rating									
Pass	$ 73,640	$ 118,629	$ 100,580	$ 25,208	$ 65,863	$ 55,554	$ 313,549	$ —	$ 753,023
Special mention	—	18	409	30	—	1,183	4,074	—	5,714
Substandard	133	1,526	228	3,808	12,417	1,490	35,907	—	55,509
Total	$ 73,773	$ 120,173	$ 101,217	$ 29,046	$ 78,280	$ 58,227	$ 353,530	$ —	$ 814,246
Current period gross write offs	$ —	$ —	$ 37	$ —	$ 71	$ —	$ —	$ —	$ 108
Obligations (other than securities and leases) of states and political subdivisions									
Risk rating									
Pass	$ 703	$ 1,122	$ 6,260	$ 30,708	$ 17,900	$ 109,044	$ 3,443	$ —	$ 169,180
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	$ 703	$ 1,122	$ 6,260	$ 30,708	$ 17,900	$ 109,044	$ 3,443	$ —	$ 169,180
Current period gross write offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

	Term Loans Amortized Cost Basis by Origination Year								
	2026	2025	2024	2023	2022	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Other loans									
Risk rating									
Pass	$ 200	$ 23,281	$ 819	$ 2,885	$ 11,728	$ 5,567	$ 1,714	$ —	$ 46,194
Special mention	—	—	—	—	—	—	1,150	—	1,150
Substandard	—	—	—	—	—	—	—	—	—
Total	$ 200	$ 23,281	$ 819	$ 2,885	$ 11,728	$ 5,567	$ 2,864	$ —	$ 47,344
Current period gross write offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other construction loans and all land development and other land loans									
Risk rating									
Pass	$ 13,155	$ 154,533	$ 108,836	$ 72,238	$ 36,351	$ 6,195	$ 25,687	$ —	$ 416,995
Special mention	—	2,660	—	—	—	—	—	—	2,660
Substandard	—	—	2,297	—	143	1,372	—	—	3,812
Total	$ 13,155	$ 157,193	$ 111,133	$ 72,238	$ 36,494	$ 7,567	$ 25,687	$ —	$ 423,467
Current period gross write offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Multifamily (5 or more) residential properties									
Risk rating									
Pass	$ 5,044	$ 123,085	$ 43,504	$ 88,189	$ 252,264	$ 123,170	$ 2,636	$ —	$ 637,892
Special mention	—	—	—	—	—	3,300	—	—	3,300
Substandard	—	3,947	—	137	—	645	—	—	4,729
Total	$ 5,044	$ 127,032	$ 43,504	$ 88,326	$ 252,264	$ 127,115	$ 2,636	$ —	$ 645,921
Current period gross write offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Non-owner occupied, nonfarm nonresidential properties									
Risk rating									
Pass	$ 18,597	$ 155,713	$ 173,050	$ 214,382	$ 373,403	$ 388,447	$ 13,782	$ —	$ 1,337,374
Special mention	—	10,112	—	57	205	—	408	—	10,782
Substandard	—	62	13,630	739	468	4,974	—	—	19,873
Total	$ 18,597	$ 165,887	$ 186,680	$ 215,178	$ 374,076	$ 393,421	$ 14,190	$ —	$ 1,368,029
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, 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 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.

	March 31, 2026			December 31, 2025		
	Performing	Nonperforming	Total	Performing	Nonperforming	Total
1-4 Family Construction	$ 33,131	$ —	$ 33,131	$ 41,659	$ —	$ 41,659
Home equity lines of credit	255,833	2,018	257,851	248,819	2,004	250,823
Residential Mortgages secured by first liens	1,733,837	13,040	1,746,877	1,750,100	12,971	1,763,071
Residential Mortgages secured by junior liens	131,569	1,024	132,593	139,702	1,088	140,790
Other revolving credit plans	51,477	52	51,529	48,912	41	48,953
Automobile	16,696	88	16,784	16,982	55	17,037
Other consumer	48,452	640	49,092	50,740	734	51,474
Total	$ 2,270,995	$ 16,862	$ 2,287,857	$ 2,296,914	$ 16,893	$ 2,313,807

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 March 31, 2026. Current period originations may include modifications.

	Term Loans Amortized Cost Basis by Origination Year								
	2026	2025	2024	2023	2022	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
1-4 Family Construction									
Payment performance									
Performing	$ 1,242	$ 15,837	$ 12,678	$ 3,322	$ —	$ 38	$ 14	$ —	$ 33,131
Nonperforming	—	—	—	—	—	—	—	—	—
Total	$ 1,242	$ 15,837	$ 12,678	$ 3,322	$ —	$ 38	$ 14	$ —	$ 33,131
Current period gross write offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Home equity lines of credit									
Payment performance									
Performing	$ 13,746	$ 74,912	$ 46,028	$ 25,312	$ 29,345	$ 49,508	$ 9,025	$ 7,957	$ 255,833
Nonperforming	—	—	—	—	—	32	35	1,951	2,018
Total	$ 13,746	$ 74,912	$ 46,028	$ 25,312	$ 29,345	$ 49,540	$ 9,060	$ 9,908	$ 257,851
Current period gross write offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential mortgages secured by first lien									
Payment performance									
Performing	$ 29,445	$ 180,985	$ 181,552	$ 190,491	$ 344,037	$ 804,775	$ 2,552	$ —	$ 1,733,837
Nonperforming	—	26	579	3,196	2,363	6,876	—	—	13,040
Total	$ 29,445	$ 181,011	$ 182,131	$ 193,687	$ 346,400	$ 811,651	$ 2,552	$ —	$ 1,746,877
Current period gross write offs	$ —	$ —	$ —	$ —	$ 72	$ 1	$ —	$ —	$ 73
Residential mortgages secured by junior liens									
Payment performance									
Performing	$ 5,511	$ 27,382	$ 22,701	$ 24,004	$ 25,512	$ 24,710	$ 1,749	$ —	$ 131,569
Nonperforming	—	392	44	180	45	305	58	—	1,024
Total	$ 5,511	$ 27,774	$ 22,745	$ 24,184	$ 25,557	$ 25,015	$ 1,807	$ —	$ 132,593
Current period gross write offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other revolving credit plans									
Payment performance									
Performing	$ 2,408	$ 8,575	$ 6,397	$ 5,229	$ 6,521	$ 22,347	$ —	$ —	$ 51,477
Nonperforming	—	—	4	2	6	40	—	—	52
Total	$ 2,408	$ 8,575	$ 6,401	$ 5,231	$ 6,527	$ 22,387	$ —	$ —	$ 51,529
Current period gross write offs	$ —	$ —	$ —	$ —	$ 4	$ 22	$ —	$ —	$ 26
Automobile									
Payment performance									
Performing	$ 1,790	$ 4,541	$ 3,595	$ 4,143	$ 1,651	$ 976	$ —	$ —	$ 16,696
Nonperforming	—	—	23	11	53	1	—	—	88
Total	$ 1,790	$ 4,541	$ 3,618	$ 4,154	$ 1,704	$ 977	$ —	$ —	$ 16,784
Current period gross write offs	$ —	$ 3	$ —	$ —	$ —	$ —	$ —	$ —	$ 3
Other consumer									
Payment performance									
Performing	$ 3,956	$ 18,765	$ 13,071	$ 5,906	$ 2,188	$ 4,566	$ —	$ —	$ 48,452
Nonperforming	—	141	253	101	73	72	—	—	640
Total	$ 3,956	$ 18,906	$ 13,324	$ 6,007	$ 2,261	$ 4,638	$ —	$ —	$ 49,092
Current period gross write offs	$ —	$ 136	$ 201	$ 113	$ 27	$ 12	$ —	$ —	$ 489

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.

	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

	March 31, 2026	December 31, 2025
Credit card		
Payment performance		
Performing	$ 14,210	$ 13,234
Nonperforming	105	42
Total	$ 14,315	$ 13,276
Current period gross write offs	$ 90	$ 502

Holiday's loan portfolio, included in other consumer loans above, is summarized as follows at March 31, 2026 and December 31, 2025:

	March 31, 2026	December 31, 2025
Gross other consumer	$ 9,934	$ 12,746
Less: other consumer unearned discounts	(1,006)	(1,489)
Total other consumer loans, net of unearned discounts	$ 8,928	$ 11,257

6. 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 condensed 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	March 31, 2026	December 31, 2025
Assets:			
Operating lease assets	Operating lease right-of-use assets	$ 40,118	$ 40,876
Finance lease assets	Finance lease right-of-use assets	17,289	17,417
Finance lease assets	Premises and equipment, net [1]	54	71
Total leased assets		$ 57,461	$ 58,364
Liabilities:			
Operating lease liabilities	Operating lease liabilities	$ 43,101	$ 43,747
Finance lease liabilities	Accrued interest payable and other liabilities	18,026	18,051
Total leased liabilities		$ 61,127	$ 61,798

[1] Finance lease assets are recorded net of accumulated amortization of $1.2 million as of March 31, 2026 and $1.1 million as of December 31, 2025.

The components of the Corporation's net lease expense for the three months ended March 31, 2026 and 2025, respectively, were as follows:

Lease Cost	Classification	Three Months Ended March 31, 2026	2025
Operating lease cost	Net occupancy expense	$ 1,047	$ 790
Variable lease cost	Net occupancy expense	76	49
Finance lease cost:			
Amortization of leased assets	Net occupancy expense	146	147
Interest on lease liabilities	Interest expense - borrowed funds	236	236
Sublease income [1]	Net occupancy expense	(28)	(26)
Net lease cost		$ 1,477	$ 1,196

[1] Sublease income excludes rental income fromowned properties.

The following table sets forth future minimum rental payments under noncancellable leases with initial terms in excess of one year as of March 31, 2026:

Maturity of Lease Liabilities as of March 31, 2026	Operating Leases [1]	Finance Leases	Total
2026	$ 2,774	$ 779	$ 3,553
2027	3,408	934	4,342
2028	3,357	978	4,335
2029	3,196	978	4,174
2030	3,156	978	4,134
After 2030	53,821	37,156	90,977
Total lease payments	69,712	41,803	111,515
Less: Interest	26,611	23,777	50,388
Present value of lease liabilities	$ 43,101	$ 18,026	$ 61,127

[1] Operating lease payments include payments related to options to extend lease terms that are reasonably certain ofbeing exercised.

Lease terms and discount rates related to the Corporation's lease liabilities as of March 31, 2026 and December 31, 2025 were as follows:

Lease Term and Discount Rate	March 31, 2026	December 31, 2025
Weighted-average remaining lease term (years)		
Operating leases	21.5	21.6
Finance leases	33.7	33.9
Weighted-average discount rate		
Operating leases	4.38 %	4.33 %
Finance leases	5.29 %	5.32 %

Other information related to the Corporation's lease liabilities as of March 31, 2026 and 2025, respectively, was as follows:

Other Information	March 31, 2026	March 31, 2025
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 494	$ 286

7. DEPOSITS

The following table reflects time certificates of deposit accounts included in total deposits and their remaining maturities at March 31, 2026:

Time deposits maturing:	
2026	$ 808,966
2027	287,802
2028	37,483
2029	10,122
2030	5,803
Thereafter	2,921
	$ 1,153,097

Certificates of deposits of $250 thousand or more totaled $201.4 million and $194.3 million at March 31, 2026 and December 31, 2025, respectively.

The Corporation had $303.2 million in brokered deposits as of March 31, 2026 compared to $254.8 million at December 31, 2025. In addition, the Corporation had $917.9 million and $1.1 billion in reciprocal deposits at March 31, 2026 and December 31, 2025, respectively.

8. BORROWINGS

At March 31, 2026 and December 31, 2025, the Corporation had available one $10.0 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 under the line of credit at March 31, 2026 and December 31, 2025.

Federal Home Loan Bank Borrowings

The Bank has the ability to borrow funds from the Federal Home Loan Bank of Pittsburgh ("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 March 31, 2026, and December 31, 2025 were $3.5 billion and $3.6 billion, respectively. The Bank could obtain advances of up to approximately $1.9 billion from the FHLB at March 31, 2026 and $1.9 billion at December 31, 2025.

At March 31, 2026 and December 31, 2025, outstanding advances from the FHLB were as follows:

	March 31, 2026	December 31, 2025
Open Repo borrowing at an interest rate of 3.97% and 3.93% at March 31, 2026 and December 31, 2025, respectfully. The maximum amount of the Open Repo borrowing available is $250,000.	$ 164,000	$ 164,000
Total	$ 164,000	$ 164,000

At March 31, 2026 and December 31, 2025, municipal deposit letters of credit issued by the FHLB on behalf of the Bank naming applicable municipalities as beneficiaries were $224.8 million and $260.1 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 March 31, 2026, the Bank had borrowing capacity through the Federal Reserve BIC program of $206.1 million. Borrowings under the BIC program are overnight advances with interest chargeable at the discount window ("primary credit") borrowing rate. At March 31, 2026, the Bank had pledged certain qualifying loans with an unpaid principal balance of $225.6 million and securities with a carrying value of $62.2 million as collateral.

At March 31, 2026 and December 31, 2025, the Bank had no borrowings from the Federal Reserve BIC program and discount window.

Other Borrowings

At March 31, 2026 and December 31, 2025, 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 upon 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 5.49% at March 31, 2026 and 5.53% at December 31, 2025. 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 $0.1 million as of March 31, 2026 and December 31, 2025, respectively.

9. RELATED PARTY TRANSACTIONS

Some of the Corporation's directors, executive officers, and their related interests had transactions with the Bank in the ordinary course of business. All loan and deposit transactions were made on substantially the same terms, such as interest rates and collateral, as those prevailing at the time for comparable transactions. In the opinion of management, these transactions do not involve more than the normal risk of collectability nor do they present other unfavorable features. It is anticipated that similar transactions will be entered into in the future.

Loans to principal officers, directors, and their affiliates during the three months ended March 31, 2026 were as follows:

Beginning balance	$	40,617
New loans and advances		232
Effect of changes in composition of related parties		309
Repayments		(1,210)
Ending balance	$	39,948

Deposits from directors, executive officers, and their affiliates were $13.1 million and $13.3 million at March 31, 2026 and December 31, 2025, respectively.

10. 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 condensed 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 March 31, 2026 and December 31, 2025, 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 13, "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 March 31, 2026 and December 31, 2025 were as follows:

	March 31, 2026		December 31, 2025	
	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate
Commitments to extended credit	$ 125,165	$ 485,604	$ 137,684	$ 535,116
Unused lines of credit	55,927	1,053,424	71,368	1,049,890
Standby letters of credit	23,630	10,502	24,136	12,322

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 5, "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 three months ended March 31, 2026 and 2025, respectively:

	Three Months Ended March 31,	
	2026	2025
Beginning balance	$ 1,152	$ 944
Provision for credit losses on unfunded loan commitments [1]	114	117
Ending balance	$ 1,266	$ 1,061

[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 condensed consolidated balance sheet, as of March 31, 2026 and December 31, 2025 were $26.7 million and $27.7 million, respectively. Unfunded capital commitments in investments in SBICs and CDEs totaled $8.0 million and $12.2 million as of March 31, 2026 and December 31, 2025, 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 condensed consolidated balance sheet, as of March 31, 2026 and December 31, 2025 were $8.2 million and $6.8 million, respectively. The related amortization for the three months ended March 31, 2026 and 2025 was $282 thousand and $172 thousand, respectively. Unfunded commitments, reported in accrued interest payable and other liabilities on the condensed consolidated balance sheets, as of March 31, 2026 and December 31, 2025 were $225 thousand and $1.0 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 condensed consolidated balance sheet, as of both March 31, 2026 and December 31, 2025 were $4.1 million. The investments do not have any related amortization for the three months ended March 31, 2026 and 2025. Unfunded commitments, reported in accrued interest payable and other liabilities on the condensed consolidated balance sheets, as of March 31, 2026 and December 31, 2025 were $2.4 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.

11. STOCK 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 generally one-third or one-fourth of the granted restricted shares per year, beginning one year after the grant date, with 100% vesting on the third or fourth 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.

At March 31, 2026, there was no unrecognized compensation cost related to stock-based compensation awarded under this plan and, except for the time-based and performance-based restricted stock awards disclosed below and in previous filings, no other stock-based compensation was granted during the three months ended March 31, 2026 and 2025.

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 $791 thousand for the three months ended March 31, 2026, and $455 thousand for the three months ended March 31, 2025. The total income tax benefit related to the recognized compensation cost of vested restricted stock awards was $166 thousand for the three months ended March 31, 2026, and $96 thousand for the three months ended March 31, 2025.

A summary of changes in time-based unvested restricted stock awards for the three months ended March 31, 2026 follows:

	Shares	Per Share Weighted Average Grant Date Fair Value
Unvested at beginning of period	247,184	$ 22.50
Granted	170,302	27.70
Forfeited	(8,364)	24.79
Vested	(98,827)	22.85
Unvested at end of period	310,295	$ 25.18

As of March 31, 2026 and December 31, 2025, there was $7.4 million and $3.6 million, respectively, of total unrecognized compensation cost related to non-vested shares granted under the 2025 Stock Incentive Plan. The fair value of shares vested was $2.7 million during the three months ended March 31, 2026, respectively and $1.5 million during the three months ended March 31, 2025, respectively.

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. In 2026, awards representing a maximum of 48,848 shares in aggregate were granted to key employees. In 2025, awards representing a maximum of 55,575 shares in aggregate were granted to key employees. In 2024, awards representing a maximum of 44,988 shares in aggregate were granted to key employees.

In 2026, the 2023 PBRSAs were fully earned and in 2026, 15,294 shares were fully distributed. The fair value of the shares distributed in 2025 was $424 thousand.

12. EARNINGS PER COMMON SHARE

Basic earnings per common share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the applicable period, excluding outstanding participating securities. Diluted earnings per common share is computed using the weighted average number of common shares determined for the basic computation plus the dilutive effect of potential common shares issuable under certain stock compensation plans. For the three months ended March 31, 2026 and 2025, there were no outstanding stock options to include in the diluted earnings per common share calculations.

Unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and are included in the computation of earnings per common share pursuant to the two-class method. The Corporation has determined that its outstanding non-vested time-based restricted stock awards are participating securities.

The computation of basic and diluted earnings per common share is shown below:

	Three Months Ended March 31,	
	2026	2025
Basic earnings per common share computation:		
Net income per condensed consolidated statements of income	$ 25,961	$ 10,406
Net earnings allocated to participating securities	(237)	(57)
Net earnings allocated to common stock	$ 25,724	$ 10,349
Distributed earnings allocated to common stock	$ 5,572	$ 3,756
Undistributed earnings allocated to common stock	20,152	6,593
Net earnings allocated to common stock	$ 25,724	$ 10,349
Weighted average common shares outstanding, including shares considered participating securities	29,576	20,981
Less: Average participating securities	(259)	(114)
Weighted average shares	29,317	20,867
Basic earnings per common share	$ 0.88	$ 0.50
Diluted earnings per common share computation:		
Net earnings allocated to common stock	$ 25,724	$ 10,349
Weighted average common shares outstanding for basic earnings per common share	29,317	20,867
Add: Dilutive effect of stock compensation	122	58
Weighted average shares and dilutive potential common shares	29,439	20,925
Diluted earnings per common share	$ 0.88	$ 0.50

13. DERIVATIVE INSTRUMENTS

As of March 31, 2026 and December 31, 2025, 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.

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 of $523 thousand as of March 31, 2026 and $1.3 million as of December 31, 2025. This balance is included in cash and cash equivalents due from banks on the condensed consolidated balance sheets. The Corporation received cash collateral from another financial institution with a balance $3.3 million as of March 31, 2026 and $2.6 million balance as of December 31, 2025. This balance is included in interest bearing deposits on the condensed 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.

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 condensed consolidated balance sheet as of March 31, 2026 and December 31, 2025:

			Fair Value			
	Notional Amount		Asset		Liability	
March 31, 2026	$ 174,897	$	5,198	(a)	$ 5,198	(b)
December 31, 2025	$ 181,171	$	5,873	(a)	$ 5,873	(b)

(a) Reported in accrued interest receivable and other assets within the condensed consolidated balance sheets
(b) Reported in accrued interest payable and other liabilities within the condensed 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, 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 $64.8 million as of March 31, 2026 and $53.1 million as of December 31, 2025.

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 $28.6 million as of March 31, 2026 and $28.7 million as of December 31, 2025.

The fair value of the RPAs swaps was $22 thousand and $18 thousand as of March 31, 2026 and December 31, 2025, respectively, and is reported in accrued interest payable and other liabilities within the condensed consolidated balance sheets.

14. 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 are as follows at March 31, 2026 and December 31, 2025:

		Fair Value Measurements at March 31, 2026 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	$ 97,859	$ 68,072	$ 29,787	$ —
States and political subdivisions	86,396	—	86,396	—
Residential and multi-family mortgage	464,036	—	464,036	—
Corporate notes and bonds	40,373	—	40,373	—
Pooled SBA	6,868	—	6,868	—
Total Securities Available-For-Sale	$ 695,532	$ 68,072	$ 627,460	$ —
Interest Rate swaps	$ 5,198	$ —	$ 5,198	$ —
Equity Securities:				
Corporate equity securities	$ 4,686	$ 4,686	$ —	$ —
Mutual funds	3,972	3,972	—	—
Money market funds	247	247	—	—
Corporate notes	1,999	—	1,999	—
Total Equity Securities	$ 10,904	$ 8,905	$ 1,999	$ —
Liabilities:				
Interest Rate Swaps	$ (5,198)	$ —	$ (5,198)	$ —

		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)	$ —

Assets and liabilities measured at fair value on a non-recurring basis are as follows at March 31, 2026 and December 31, 2025:

		Fair Value Measurements at March 31, 2026 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:				
Collateral-dependent loans receivable:				
Farmland	$ 273	$ —	$ —	$ 273
Owner-occupied, nonfarm nonresidential properties	1,955	—	—	1,955
Commercial and industrial	2,730	—	—	2,730
Other construction loans and all land development loans and other land loans	2,543	—	—	2,543
Multifamily (5 or more) residential properties	632	—	—	632
Non-owner occupied, nonfarm nonresidential	1,063	—	—	1,063
Home equity lines of credit	1,002	—	—	1,002
Residential mortgages secured by first liens	2,423	—	—	2,423
Residential mortgages secured by junior liens	391	—	—	391

		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:				
Collateral-dependent loans receivable:				
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

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 March 31, 2026:

	Fair value	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
Collateral-dependent loans receivable:				
Farmland	$ 273	Valuation of third party appraisal on underlying collateral	Loss severity rates	27% (27%)
Owner-occupied, nonfarm nonresidential properties	1,955	Valuation of third party appraisal on underlying collateral	Loss severity rates	15%-100% (45%)
Commercial and industrial	2,730	Valuation of third party appraisal on underlying collateral	Loss severity rates	4%-100% (35%)
Other construction loans and all land development loans and other land loans	2,543	Valuation of third party appraisal on underlying collateral	Loss severity rates	32%-40% (37%)
Multifamily (5 or more) residential properties	632	Valuation of third party appraisal on underlying collateral	Loss severity rates	27%-32% (31%)
Non-owner occupied, nonfarm nonresidential	1,063	Valuation of third party appraisal on underlying collateral	Loss severity rates	87% (87%)
Home equity lines of credit	1,002	Valuation of third party appraisal on underlying collateral	Loss severity rates	15%-22% (17%)
Residential Mortgages secured by first liens	2,423	Valuation of third party appraisal on underlying collateral	Loss severity rates	15%-27% (17%)
Residential mortgages secured by junior liens	391	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, 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%)

Fair Value of Financial Instruments

The following table presents the carrying amount and fair value of financial instruments at March 31, 2026:

	Carrying Amount	Fair Value Measurement Using: Level 1	Level 2	Level 3	Total Fair Value
ASSETS					
Cash and cash equivalents	$ 602,460	$ 602,460	$ —	$ —	$ 602,460
Debt securities available-for-sale	695,532	68,072	627,460	—	695,532
Debt securities held-to-maturity	225,193	53,676	158,894	—	212,570
Equity securities	10,904	8,905	1,999	—	10,904
Loans held for sale	280	—	278	—	278
Net loans receivable	6,366,965	—	—	6,385,256	6,385,256
FHLB and other restricted stock holdings and investments	75,493	n/a	n/a	n/a	n/a
Interest rate swaps	5,198	—	5,198	—	5,198
Accrued interest receivable	34,148	687	3,108	30,353	34,148
LIABILITIES					
Deposits	$ (7,140,276)	$ (5,987,179)	$ (1,148,128)	$ —	$ (7,135,307)
Short-term borrowings	(164,000)	—	(164,032)	—	(164,032)
Subordinated notes and debentures	(105,570)	—	(118,748)	—	(118,748)
Deposits held for sale	(89,923)	(72,371)	(17,476)	—	(89,847)
Interest rate swaps	(5,198)	—	(5,198)	—	(5,198)
Accrued interest payable	(8,648)	—	(8,648)	—	(8,648)

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)

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.

15. 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 Chief Operating Decision Maker ("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.

	Three Months Ended March 31,	
	2026	2025
INTEREST AND DIVIDEND INCOME:		
Loans including fees		
Interest and fees on loans	$ 101,327	$ 72,379
Investment Securities	10,711	10,000
Total interest and dividend income	112,038	82,379
Interest Expense:		
Deposits	35,967	32,634
Borrowed funds and finance lease liabilities	2,748	1,314
Total interest expense	38,715	33,948
NET INTEREST INCOME	73,323	48,431
PROVISION FOR CREDIT LOSS EXPENSE	998	1,556
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSS EXPENSE	72,325	46,875
NON-INTEREST INCOME:		
Service charges on deposit accounts	2,034	1,714
Other service charges and fees	422	510
Wealth and asset management fees	2,357	1,796
Net realized and unrealized gains (losses) on securities	242	(249)
Mortgage banking	341	96
Bank owned life insurance	986	760
Card processing and interchange income	2,586	2,107
Other non-interest income	1,030	1,773
Total non-interest income	9,998	8,507
NON-INTEREST EXPENSES:		
Salaries	16,944	13,726
Incentive	1,889	1,768
Benefits	6,150	5,070
Net occupancy expense	5,449	4,038
Amortization of core deposit intangible	1,005	17
Technology expense	7,181	5,378
State and local taxes	821	1,292
Legal, professional and examination fees	772	849
Advertising	788	514
FDIC insurance	807	985
Card processing and interchange expenses	1,507	1,160
Merger and integration costs	—	1,529
Other non-interest expenses	5,874	4,712
Total non-interest expenses	49,187	41,038
INCOME BEFORE INCOME TAXES	33,136	14,344
INCOME TAX EXPENSE	6,100	2,863
SEGMENT NET INCOME	$ 27,036	$ 11,481

ITEM 2
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL OVERVIEW

The following discussion and analysis of the condensed consolidated financial statements of the Corporation is presented to provide insight into management's assessment of financial results. The terms "we", "us" and "our" refer to CNB Financial Corporation and its subsidiaries. The financial condition and results of operations of the Corporation and its consolidated subsidiaries are not necessarily indicative of future performance.

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. 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, instead of the Federal Deposit Insurance Corporation.

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 Financial Services Corporation, incorporated in Pennsylvania, offers small balance unsecured loans and secured loans, primarily collateralized by automobiles and equipment, to borrowers with higher risk characteristics.

The following discussion should be read in conjunction with the Corporation's consolidated financial statements and notes thereto for the year ended December 31, 2025, included the 2025 Form 10-K, and in conjunction with the condensed consolidated financial statements and notes thereto included in Item 1 of this report. Operating results for the three months ended March 31, 2026 are not necessarily indicative of the results for the full year ending December 31, 2026, or any future period.

RECENT EVENTS

On July 23, 2025, the Corporation completed its acquisition of ESSA Bancorp, Inc. (“ESSA”), which added total assets, net of estimated purchase accounting fair value adjustments, of $2.1 billion, comprised primarily of $1.7 billion in loans. The acquisition also added $1.5 billion in deposits to CNB Bank's funding base as the transaction added 20 offices to CNB Bank’s branch network and extended its operating footprint into the Northeastern Pennsylvania Region including the Lehigh Valley of Pennsylvania.

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 include:

- Merger transaction related expenses, net of tax;
- Income available to common (excluding merger transaction related expenses);
- Tangible book value per common share;
- Tangible common equity;
- Tangible common equity/tangible assets;
- Efficiency ratio (fully tax-equivalent basis) and efficiency ratio (fully tax-equivalent basis and excluding merger and integration costs);
- Net interest margin (fully tax-equivalent basis) and net interest margin, excluding purchase accounting loan accretion (fully tax-equivalent basis);
- Basic and diluted earnings per share (excluding merger transaction related expenses);
- Return on average equity (excluding merger transaction related expenses); and
- Return on average tangible common equity and return on average tangible common equity (excluding merger transaction related expenses).

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.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaled $602.5 million at March 31, 2026, including additional excess liquidity of $517.7 million held at the Federal Reserve, compared to $527.9 million at December 31, 2025. These excess funds, when combined with collective contingent liquidity resources of $6.2 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 the total available liquidity sources for the Corporation to be approximately 5.3 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 combined totaled $706.4 million and $595.2 million at March 31, 2026 and December 31, 2025, respectively. At March 31, 2026, the total balance of investments classified as HTM debt securities was $225.2 million compared to $242.1 million at December 31, 2025.

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 4, "Securities," to the condensed 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 March 31, 2026. 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.

	March 31, 2026									
	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	$ 2,132	3.55 %	$ 14,403	3.60 %	$ 81,324	4.18 %	$ —	—%	$ 97,859	4.08 %
State and Political Subdivisions	4,269	3.19	47,745	2.09	22,937	2.55	11,445	2.33	86,396	2.30
Residential and multi-family mortgage	37	1.93	7,049	2.15	14,608	1.75	442,342	3.78	464,036	3.69
Corporate notes and bonds	991	4.43	16,050	6.79	23,332	5.01	—	—	40,373	5.70
Pooled SBA	—	—	1,085	3.90	4,812	2.27	971	2.07	6,868	2.50
Total	$ 7,429	3.45 %	$ 86,332	3.24 %	$ 147,013	3.75 %	$ 454,758	3.74 %	$ 695,532	3.68 %

The following table summarizes the maturity distribution schedule with corresponding weighted-average yields of HTM debt securities as of March 31, 2026:

	March 31, 2026									
	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	$ 82,771	1.58 %	$ 70,870	1.67 %	$ 8,980	2.27 %	$ —	—%	$ 162,621	1.66 %
Residential and multi-family mortgage	46	2.76	58	3.25	3,313	2.87	59,155	2.57	62,572	2.59
Total	$ 82,817	1.58 %	$ 70,928	1.67 %	$ 12,293	2.43 %	$ 59,155	2.57 %	$ 225,193	1.92 %

The following table summarizes the weighted average modified duration of AFS securities as of March 31, 2026:

	Weighted Average Modified Duration (in Years)
U.S. Government Sponsored Entities	5.43
State and Political Subdivisions	4.37
Residential and multi-family mortgage	4.56
Corporate notes and bonds	4.12
Pooled SBA	2.33
Total	4.61

The following table summarizes the weighted average modified duration of securities HTM as of March 31, 2026:

	Weighted Average Modified Duration (in Years)
U.S. Government Sponsored Entities	1.67
Residential and multi-family mortgage	4.81
Total	2.54

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

The Corporation's securities portfolio serves as a source of liquidity, provides collateral for pledging requirements, and generates interest income. The Corporation monitors the earnings performance and the effectiveness of the liquidity of the securities portfolio on a regular basis through meetings of the Asset/Liability Committee ("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 the Corporation's customers.

LOANS RECEIVABLE

Note 5, "Loans Receivable and Allowance for Credit Losses," to the condensed consolidated financial statements provides more detail concerning the loan portfolio of the Corporation.

Excluding $78.3 million of syndicated loan balances, total loans were $6.4 billion as of March 31, 2026. Organic loans decreased $67.3 million, or 1.05% year to date decrease (4.25% annualized), from December 31, 2025. The decrease in loans for the three months ended March 31, 2026 compared to December 31, 2025 was primarily driven by an increased level of commercial real estate ("CRE") loan prepayments, including full repayments of $71.4 million of CRE loans acquired in 2025 as a result of the ESSA acquisition, and a full payoff of $40.0 million of the Corporation's largest office building loan related to a CRE property in the BankOnBuffalo division.

At March 31, 2026, the Corporation's condensed consolidated balance sheet reflected an increase in syndicated lending balances of $7.5 million compared to December 31, 2025. The syndicated loan portfolio totaled $78.3 million, or 1.22% of total loans, at March 31, 2026, compared to $70.8 million, or 1.09% of total loans at December 31, 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 complements the Corporation's loan growth from its in-market customer relationships. The Corporation's portfolio of syndicated credits includes only commercial and industrial loans and no CRE exposure.

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 with 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 March 31, 2026, 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 in the ESSA acquisition, as well as notable early payoffs of larger CRE credits occurring in the first quarter of 2026 as previously noted:

- Commercial office loans:
  - There were 142 outstanding loans, totaling $146.7 million, or 2.28% of total loans outstanding;
  - There were two nonaccrual commercial office loans that totaled $2.1 million, or 1.44% of total commercial office loans outstanding;
  - There were three past-due commercial office loans that totaled $2.3 million, or 1.58% of the total commercial office loans outstanding; and
  - The average outstanding balance per commercial office loan was $1.0 million.

- Commercial hospitality loans:
  - There were 158 outstanding loans, totaling $346.5 million, or 5.39% 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 $2.2 million.

- Commercial multifamily loans:
  - There were 352 outstanding loans, totaling $558.2 million, or 8.68% of total loans outstanding;
  - There were two nonaccrual commercial multifamily loans that totaled $782 thousand, or 0.14% of total multifamily loans outstanding;
  - There were four past-due commercial multifamily loan that totaled $1.1 million, or 0.19% 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 March 31, 2026:

	March 31, 2026
Commercial Office	
Geographic Region:	
Buffalo, NY	23.67 %
Cleveland, OH	21.27
Allentown-Bethlehem-Easton, PA	8.79
Cincinnati, OH	7.40
Erie-Meadville, PA	3.89
All other geographical regions	34.98
Total Commercial Office	100.00 %
Commercial Hospitality	
Geographic Region:	
Buffalo, NY	17.52 %
Pittsburgh, PA	13.83
Columbus, OH	13.76
Cleveland, OH	8.65
Roanoke, VA	8.08
All other geographical regions	38.16
Total Commercial Hospitality	100.00 %
Commercial Multifamily	
Geographic Region:	
Cleveland, OH	25.42 %
Buffalo, NY	19.65
Allentown-Bethlehem-Easton, PA	15.21
Philadelphia, PA	10.19
Columbus, OH	8.45
All other geographical regions	21.08
Total Commercial Multifamily	100.00 %

As of March 31, 2026, 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.

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 March 31, 2026. 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.

	March 31, 2026				
	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	$ 2,078	$ 5,009	$ —	$ 7,951
Owner-occupied, nonfarmnonresidential properties	8,088	51,670	42,033	2,071	103,862
Agricultural production and other loans to farmers	27	35	—	7	69
Loans to depository institutions	—	—	—	—	—
Commercial and Industrial	27,112	184,664	100,471	37,221	349,468
Obligations (other than securities and leases) of states and political subdivisions	5,397	17,130	103,761	7,382	133,670
Other loans	19	767	35,201	359	36,346
Other construction loans and all land development and other land loans [1]	21,989	56,648	8,092	4,603	91,332
Multifamily (5 or more) residential properties	41,962	143,112	16,081	7,144	208,299
Non-owner occupied, nonfarmnonresidential properties	94,999	242,108	92,937	879	430,923
1-4 Family Construction [1]	1,484	2,712	—	6,432	10,628
Home equity lines of credit	2	175	555	34,459	35,191
Residential Mortgages secured by first liens	7,270	59,940	322,736	574,567	964,513
Residential Mortgages secured by junior liens	193	11,022	80,336	26,964	118,515
Other revolving credit plans	4	3	5	—	12
Automobile	412	13,084	3,288	—	16,784
Other consumer	4,173	24,830	8,787	10,874	48,664
Credit cards	—	—	—	—	—
Overdrafts	—	—	—	—	—
Total	$ 213,995	$ 809,978	$ 819,292	$ 712,962	$ 2,556,227
Loans Receivable with Variable or Floating Interest Rate					
Farmland	$ 3,752	$ 1,603	$ 6,704	$ 7,039	$ 19,098
Owner-occupied, nonfarmnonresidential properties	55,642	80,492	340,954	49,382	526,470
Agricultural production and other loans to farmers	798	442	4,744	—	5,984
Loans to depository institutions	—	—	—	—	—
Commercial and Industrial	307,809	82,372	68,446	6,151	464,778
Obligations (other than securities and leases) of states and political subdivisions	3,394	2,952	14,055	15,109	35,510
Other loans	2,857	641	7,500	—	10,998
Other construction loans and all land development and other land loans [1]	119,356	128,170	48,366	36,243	332,135
Multifamily (5 or more) residential properties	77,650	76,148	278,003	5,821	437,622
Non-owner occupied, nonfarmnonresidential properties	120,157	263,951	506,959	46,039	937,106
1-4 Family Construction [1]	14,838	3,348	2,018	2,299	22,503
Home equity lines of credit	8,753	8,231	38,869	166,807	222,660
Residential Mortgages secured by first liens	16,322	32,311	143,817	589,914	782,364
Residential Mortgages secured by junior liens	1,389	1,214	9,675	1,800	14,078
Other revolving credit plans	3,798	2,599	43,981	1,139	51,517
Automobile	—	—	—	—	—
Other consumer	206	109	57	56	428
Credit cards	14,315	—	—	—	14,315
Overdrafts	227	—	—	—	227
Total	$ 751,263	$ 684,583	$ 1,514,148	$ 927,799	$ 3,877,793

[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.

Loans Receivable Concentration

At March 31, 2026, no industry concentration existed which exceeded 10% of the total loan portfolio.

Loans Receivable Credit Quality

The following table presents information concerning the loan portfolio delinquency and other nonperforming assets at March 31, 2026 and December 31, 2025:

	March 31, 2026	December 31, 2025
Nonaccrual loans	$ 46,139	$ 39,845
Accrual loans greater than 90 days past due	106	42
Total nonperforming loans	46,245	39,887
Other real estate owned	2,930	2,280
Total nonperforming assets	$ 49,175	$ 42,167
Total loans receivable	$ 6,434,020	$ 6,493,740
Nonaccrual loans as a percentage of total loans receivable	0.72 %	0.61 %
Total assets	$ 8,514,896	$ 8,396,435
Nonperforming assets as a percentage of total assets	0.58 %	0.50 %
Allowance for credit losses on loans receivable	$ 67,055	$ 67,055
Allowance for credit losses / Total loans	1.04 %	1.03 %
Ratio of allowance for credit losses to nonaccrual loans	145.33 %	168.29 %

Total nonperforming assets were $49.2 million, or 0.58% of total assets, as of March 31, 2026, compared to $42.2 million, or 0.50% of total assets, as of December 31, 2025. In addition, the allowance for credit losses as a percentage of nonaccrual loans was 145.33% at March 31, 2026, compared to 168.29% at December 31, 2025. The increase in nonperforming assets for the three months ended March 31, 2026, compared to December 31, 2025 was primarily driven by one commercial relationship.

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 quarterly 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," to the consolidated financial statements in the 2025 Form 10-K and Note 5, "Loans Receivable and Allowance for Credit Losses," to these condensed consolidated financial statements elsewhere in this report.

The tables below provide an allocation of the allowance for credit losses on loans receivable by loan portfolio segment at March 31, 2026 and December 31, 2025; however, allocation of a portion of the allowance for credit losses to one segment does not preclude its availability to absorb losses in other segments.

	March 31, 2026			
	Amount of Allowance Allocated	Percent of Loans in Each Category to Total Loans Receivable	Total Loans Receivable	Ratio of Allowance Allocated to Loans Receivable in Each Category
Farmland	$ 161	0.42 %	$ 27,049	0.60 %
Owner-occupied, nonfarm nonresidential properties	6,161	9.80	630,332	0.98
Agricultural production and other loans to farmers	38	0.09	6,053	0.63
Loans to depository institutions	—	—	—	—
Commercial and Industrial	10,148	12.66	814,246	1.25
Obligations (other than securities and leases) of states and political subdivisions	1,770	2.63	169,180	1.05
Other loans	454	0.74	47,344	0.96
Other construction loans and all land development and other land loans	4,708	6.58	423,467	1.11
Multifamily (5 or more) residential properties	4,161	10.04	645,921	0.64
Non-owner occupied, nonfarm nonresidential properties	15,005	21.26	1,368,029	1.10
1-4 Family Construction	279	0.52	33,131	0.84
Home equity lines of credit	2,097	4.01	257,851	0.81
Residential Mortgages secured by first liens	15,362	27.15	1,746,877	0.88
Residential Mortgages secured by junior liens	1,583	2.06	132,593	1.19
Other revolving credit plans	1,414	0.80	51,529	2.74
Automobile	206	0.26	16,784	1.23
Other consumer	3,087	0.76	49,092	6.29
Credit cards	194	0.22	14,315	1.36
Overdrafts	227	—	227	100.00
Total	$ 67,055	100.00 %	$ 6,434,020	1.04 %

	December 31, 2025			
	Amount of Allowance Allocated	Percent of Loans in Each Category to Total Loans Receivable	Total Loans Receivable	Ratio of Allowance Allocated to Loans Receivable 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	$ 67,055	100.00 %	$ 6,493,740	1.03 %

The allowance for credit losses measured as a percentage of total loans receivable was 1.04% as of March 31, 2026 and 1.03% as of December 31, 2025.

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 three months ended March 31, 2026, the allowance for credit losses remained unchanged, reflecting stable credit quality in the loan portfolio. Significant uncertainty persists in the domestic and global economic environment due to changes in U.S. tariffs and related actions by U.S. trading partners, elevated interest rates, inflationary pressures, fluctuating consumer confidence, and geopolitical events. The Corporation continues to monitor these conditions and other economic factors that may affect the financial strength of corporate and consumer borrowers, and management will update its estimate of expected credit losses as additional information becomes available.

Note 5, "Loans Receivable and Allowance for Credit Losses," to the condensed consolidated financial statements provides further disclosure of loan balances by portfolio segment as of March 31, 2026 and December 31, 2025.

Additional information related to provision for credit loss expense and net charge-offs and recoveries for the three months ended March 31, 2026 and 2025 is presented in the tables below.

	Three Months Ended March 31, 2026			
	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	$ (1)	$ —	$ 27,271	— %
Owner-occupied, nonfarm nonresidential properties	32	(47)	631,879	(0.03)
Agricultural production and other loans to farmers	1	—	6,054	—
Loans to depository institutions	(20)	—	1,200	—
Commercial and Industrial	851	(63)	803,889	(0.03)
Obligations (other than securities and leases) of states and political subdivisions	(53)	—	169,909	—
Other loans	—	—	47,952	—
Other construction loans and all land development and other land loans	342	—	403,904	—
Multifamily (5 or more) residential properties	(153)	—	687,701	—
Non-owner occupied, nonfarm nonresidential properties	(465)	3	1,383,719	—
1-4 Family Construction	(71)	—	38,168	—
Home equity lines of credit	213	—	254,688	—
Residential Mortgages secured by first liens	(477)	(71)	1,750,854	(0.02)
Residential Mortgages secured by junior liens	(149)	—	138,463	—
Other revolving credit plans	199	(7)	49,818	(0.06)
Automobile	(1)	—	16,864	—
Other consumer	499	(468)	50,569	(3.75)
Credit cards	131	(83)	14,758	(2.28)
Overdrafts	6	(148)	266	(225.65)
Total	$ 884	$ (884)	$ 6,477,926	(0.06)%

[1] Excludes provision for credit losses related to unfunded commitments. Note 10, "Off-Balance Sheet Commitments and Contingencies," to the condensed consolidated financial statements provides more detail concerning the provision for credit losses related to unfunded commitments of the Corporation.

	Three Months Ended March 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	$ (6)	$ —	$ 30,912	— %
Owner-occupied, nonfarm nonresidential properties	140	(9)	530,038	(0.01)
Agricultural production and other loans to farmers	2	—	6,574	—
Commercial and Industrial	101	(650)	727,769	(0.36)
Obligations (other than securities and leases) of states and political subdivisions	2	—	142,098	—
Other loans	(3)	—	28,932	—
Other construction loans and all land development and other land loans	(2)	—	277,841	—
Multifamily (5 or more) residential properties	123	—	402,532	—
Non-owner occupied, nonfarm nonresidential properties	62	—	1,006,641	—
1-4 Family Construction	(76)	—	20,584	—
Home equity lines of credit	224	—	172,126	—
Residential Mortgages secured by first liens	175	(34)	1,014,716	(0.01)
Residential Mortgages secured by junior liens	108	—	106,878	—
Other revolving credit plans	(103)	(2)	36,608	(0.02)
Automobile	(13)	—	20,314	—
Other consumer	584	(555)	52,237	(4.31)
Credit cards	116	(118)	14,352	(3.33)
Overdrafts	5	(71)	243	(118.50)
Total	$ 1,439	$ (1,439)	$ 4,591,395	(0.13)%

[1] Excludes provision for credit losses related to unfunded commitments. Note 10, "Off-Balance Sheet Commitments and Contingencies," to the condensed consolidated financial statements provides more detail concerning the provision for credit losses related to unfunded commitments of the Corporation.

Provision for credit losses was $998 thousand for the three months ended March 31,2026, compared to $1.6 million for the three months ended March 31, 2025, respectively. The decrease in provision for credit losses was primarily due to a decrease in the loan portfolio, coupled with lower loan net charge-offs. In addition, included in the provision for credit losses for the three months ended March 31, 2026 was a provision of $114 thousand related to the allowance for unfunded commitments compared to $117 thousand provision, related to the allowance for unfunded commitments for the three months ended March 31, 2025.

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.

	March 31, 2026	Percent of Deposits in Each Category to Total Deposits	December 31, 2025	Percent of Deposits in Each Category to Total Deposits	Percentage Change in Each Category 2026 vs. 2025
Demand, non-interest-bearing	$ 1,125,257	15.76 %	$ 1,092,076	15.54 %	3.0%
Demand, interest-bearing	1,015,327	14.22	1,014,606	14.44	0.1
Savings deposits	3,846,595	53.87	3,822,639	54.40	0.6
Time deposits	1,153,097	16.15	1,097,788	15.62	5.0
Total deposits	$ 7,140,276	100.00 %	$ 7,027,109	100.00 %	1.6%

At March 31, 2026, total deposits were $7.1 billion. Including $89.9 million in deposits classified as held for sale, organic deposit growth for the quarter totaled $115.0 million, or 1.62%, from December 31, 2025. The quarter-over-quarter increase in organic deposit balances as of March 31, 2026, compared to December 31, 2025, was driven primarily by expanded Treasury Management activity among municipal deposit relationships, supplemented by growth in corporate and wholesale deposits.

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

	Three Months Ended March 31,			
	2026		2025	
	Average Amount	Annual Rate	Average Amount	Annual Rate
Demand, non-interest-bearing	$ 1,124,770	—%	$ 814,441	—%
Demand, interest-bearing	1,015,629	0.93	704,874	0.88
Savings deposits	3,819,819	2.52	3,131,697	3.09
Time deposits	1,109,982	3.61	738,129	3.99
Total	$ 7,070,200		$ 5,389,141	

The following table presents additional information about our March 31, 2026 and December 31, 2025 deposits:

	March 31, 2026	December 31, 2025
Time deposits not covered by deposit insurance	$ 74,151	$ 75,807
Total deposits not covered by deposit insurance	2,113,531	2,006,055

At March 31, 2026, the total estimated uninsured deposits for the Bank were approximately $2.1 billion, or approximately 29.11% of total Bank deposits. However, when excluding $32.1 million of affiliate company deposits and $808.1 million of pledged-investment collateralized deposits, the adjusted amount and percentage of total estimated uninsured deposits was approximately $1.3 billion, or approximately 17.54% of total Bank deposits as of March 31, 2026.

At December 31, 2025, the total estimated uninsured deposits for the Bank were approximately $2.0 billion, or approximately 28.13% of total 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 Bank deposits as of December 31, 2025.

Scheduled maturities of time deposits not covered by deposit insurance at March 31, 2026 were as follows:

	March 31, 2026
3 months or less	$ 12,508
Over 3 through 6 months	21,402
Over 6 through 12 months	19,527
Over 12 months	20,714
Total	$ 74,151

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

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 twelve months ended March 31, 2027 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 the balance between 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 March 31, 2026, the Corporation's cash and cash equivalents position was approximately $602.5 million, including liquidity of $517.7 million held at the Federal Reserve. These excess funds, when combined with $6.2 billion in (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 the total available liquidity sources for the Corporation to be approximately 5.3 times the estimated amount of adjusted uninsured deposit balances discussed above.

The following table summarizes the Corporation's net available liquidity and borrowing capacities as of March 31, 2026:

	Net Available
FHLB borrowing capacity [1]	$ 1,864,316
Federal Reserve borrowing capacity [2]	367,740
Brokered deposits [3]	2,594,469
Other third-party funding channels [3] [4]	1,412,443
Total net available liquidity and borrowing capacity	$ 6,238,968

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

As of March 31, 2026, 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 condensed consolidated financial statements elsewhere in this report for the expected timing of such payments as of March 31, 2026. The Corporation's material contractual obligations as of March 31, 2026 consisted of (i) long-term borrowings - Note 8, "Borrowings," (ii) operating leases - Note 6, "Leases," (iii) time deposits with stated maturity dates - Note 7, "Deposits," and (iv) commitments to extend credit and standby letters of credit - Note 10, "Off-Balance Sheet Commitments and Contingencies."

Shareholders' Equity, Capital Ratios and Metrics

As of March 31, 2026, the Corporation's total shareholders' equity was $889.1 million, representing an increase of $17.0 million, or 1.95%, from December 31, 2025, primarily due to an increase in additional paid in capital related to the ESSA acquisition, growth in earnings, and a decrease in accumulated other comprehensive loss, partially offset by the payment of common and preferred stock dividends to shareholders.

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 March 31, 2026, all of the Corporation's capital ratios exceeded regulatory "well-capitalized" levels. The Corporation's capital ratios and book value per common share at March 31, 2026 and December 31, 2025 were as follows:

	March 31, 2026	December 31, 2025
Total risk-based ratio	15.23 %	14.78 %
Tier 1 risk-based ratio	13.03 %	12.65 %
Common equity tier 1 ratio	11.81 %	11.44 %
Tier 1 leverage ratio	10.03 %	9.87 %
Common shareholders' equity/total assets	9.76 %	9.70 %
Tangible common equity/tangible assets[(1)]	8.46 %	8.36 %
Book value per common share	$ 28.06	$ 27.63
Tangible book value per common share[(1)]	$ 23.97	$ 23.48

[(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 is 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 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

At March 31, 2026, the Corporation's pre-tax net unrealized losses on the combined portfolios of available-for-sale and held-to-maturity securities totaled approximately $51.9 million, or 5.83% of total shareholders' equity, compared to $47.0 million, or 5.39% of total shareholders' equity at December 31, 2025. The change in unrealized losses was primarily due to changes in the yield curve, coupled with the Corporation's scheduled bond maturities, which were all realized at par. Importantly, all regulatory capital ratios for the Corporation would exceed regulatory "well-capitalized" levels as of both March 31, 2026 and December 31, 2025 if the net unrealized losses at the respective dates were fully recognized.

AVERAGE BALANCES, INTEREST RATES AND YIELDS

The loans receivable 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 receivable. The allowance for credit losses was calculated by pooling loans of similar credit risk characteristics and credit monitoring procedures. See Note 5, "Loans Receivable and Allowance for Credit Losses," for more information about pooling of loans receivable 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 three months ended March 31, 2026 and 2025:

	Average Balances, Income and Interest Rates on a Taxable Equivalent Basis					
	For the Three Months Ended,					
	March 31, 2026			March 31, 2025		
	Average Balance	Annual Rate	Interest Inc./Exp.	Average Balance	Annual Rate	Interest Inc./Exp.
ASSETS:						
Securities:						
Taxable [1] [4]	$ 869,333	3.13 %	$ 6,940	$ 765,654	2.73 %	$ 5,461
Tax-exempt [1] [2] [4]	24,006	2.82	175	25,345	2.69	181
Equity securities [1] [2]	29,305	6.32	457	7,428	5.84	107
Total securities [4]	922,644	3.22	7,572	798,427	2.75	5,749
Loans receivable:						
Commercial [2] [3]	1,758,527	6.76	29,300	1,466,323	6.74	24,369
Commercial & residential mortgages and loans held for sale [2] [3]	4,586,641	6.09	68,907	3,001,317	6.02	44,572
Consumer [3]	132,758	10.54	3,451	123,755	12.01	3,665
Total loans receivable [3]	6,477,926	6.36	101,658	4,591,395	6.41	72,606
Interest-bearing deposits with the Federal Reserve and other financial institutions	361,022	3.60	3,206	413,704	4.20	4,284
Total earning assets	7,761,592	5.85	$ 112,436	5,803,526	5.73	$ 82,639
Non-interest-bearing assets:						
Cash and cash equivalents due from banks	78,471			58,152		
Premises and equipment	147,949			129,188		
Other assets	444,142			277,051		
Allowance for credit losses	(67,028)			(47,342)		
Total non-interest-bearing assets	603,534			417,049		
TOTAL ASSETS	$ 8,365,126			$ 6,220,575		
LIABILITIES AND SHAREHOLDERS' EQUITY:						
Demand—interest-bearing	$ 1,015,629	0.93 %	$ 2,331	$ 704,874	0.88 %	$ 1,527
Savings	3,819,819	2.52	23,763	3,131,697	3.09	23,840
Time	1,109,982	3.61	9,873	738,129	3.99	7,267
Total interest-bearing deposits	5,945,430	2.45	35,967	4,574,700	2.89	32,634
Short-term borrowings	164,000	3.63	1,466	—	0.00	—
Finance lease liabilities	18,038	5.31	236	15,143	6.32	236
Subordinated notes and debentures	105,532	4.02	1,046	105,228	4.15	1,078
Total interest-bearing liabilities	6,233,000	2.52	$ 38,715	4,695,071	2.93	$ 33,948
Demand—non-interest-bearing	1,124,770			814,441		
Other liabilities	120,531			91,654		
Total liabilities	7,478,301			5,601,166		
Shareholders' equity	886,825			619,409		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 8,365,126			$ 6,220,575		
Interest income/Earning assets		5.85 %	$ 112,436		5.73 %	$ 82,639
Interest expense/Interest-bearing liabilities		2.52	38,715		2.93	33,948
Net interest spread		3.33 %	$ 73,721		2.80 %	$ 48,691
Interest income/Earning assets		5.85 %	$ 112,436		5.73 %	$ 82,639
Interest expense/Earning assets		2.01	38,715		2.36	33,948
Net interest margin (fully tax-equivalent)		3.84 %	$ 73,721		3.37 %	$ 48,691

[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 three months ended March 31, 2026 and 2025 was $398 thousand and $260 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 securities and amortized cost of HTM securities. Average yield has been computed using amortized cost average balance for AFS and HTM securities. The adjustment to the average balance for securities in the calculation of average yield for the three months ended March 31, 2026 and 2025 was $(32.2) million and $(48.1) million, respectively.

VOLUME ANALYSIS OF CHANGES IN NET INTEREST INCOME

The following table presents the change in net interest income for the three months ended March 31, 2026 and 2025:

Net Interest Income Rate-Volume Variance	For Three Months Ended March 31, 2026 over (under) March 31, 2025 Due to Change In (1)		
	Volume	Rate	Net
Assets			
Securities:			
Taxable	$ 622	$ 857	$ 1,479
Tax-exempt (2)	(14)	8	(6)
Equity securities (2)	315	35	350
Total securities	923	900	1,823
Loans receivable:			
Commercial (2)	4,844	87	4,931
Mortgage (2) (3)	23,543	792	24,335
Consumer	267	(481)	(214)
Total loans receivable	28,654	398	29,052
Other earning assets	(544)	(534)	(1,078)
Total Earning Assets	$ 29,033	$ 764	$ 29,797
Liabilities and Shareholders' Equity			
Interest-Bearing Deposits			
Demand – interest-bearing	$ 679	$ 125	$ 804
Savings	5,292	(5,369)	(77)
Time	3,646	(1,040)	2,606
Total interest-bearing deposits	9,617	(6,284)	3,333
Short-Term Borrowings	1,466	—	1,466
Finance lease liabilities	45	(45)	—
Subordinated debentures	2	(34)	(32)
Total Interest-Bearing Liabilities	$ 11,130	$ (6,363)	$ 4,767
Change in Net Interest Income	$ 17,903	$ 7,127	$ 25,030

(1) Changes in interest income or expense not arising solely as a result of volume or rate variances are allocated to volume changes.
(2) Changes in interest income on tax-exempt securities and loans receivable are presented on a fully taxable-equivalent basis, using the Corporation's marginal federal income tax rate of 21% for the three months ended March 31, 2026 and March 31, 2025.
(3) Includes loans held for sale.

RESULTS OF OPERATIONS
Three Months Ended March 31, 2026 and 2025

OVERVIEW

Net income available to common shareholders ("earnings") was $26.0 million, or $0.88 per diluted share, for the three months ended March 31, 2026, compared to $10.4 million, or $0.50 per diluted share, for the three months ended March 31, 2025. Excluding after-tax merger transaction related expenses, a non-GAAP measure, earnings were $11.9 million, or $0.57 per diluted share, for the three months ended March 31, 2025. Earnings for the three months ended March 31, 2026 increased $14.1 million, or $0.31 per diluted share, a 54.39% increase compared to adjusted earnings per share for the three months ended March 31, 2025, due primarily to the overall impact of the acquisition of ESSA.

Annualized return on average equity was 12.36% and 7.52% for the three months ended March 31, 2026 and March 31, 2025, respectively. Excluding after-tax merger transaction related expenses, annualized return on average equity was 8.49% for the three months ended March 31, 2025. Annualized return on average tangible common equity, a non-GAAP measure, was 14.89% and 8.15% for the three months ended March 31, 2026 and March 31, 2025, respectively. Excluding after-tax merger transaction related expenses, annualized return on average tangible common equity was 9.32% for the three months ended March 31, 2025.

The Corporation's efficiency ratio was 59.03% and 72.07% for the three months ended March 31, 2026 and March 31, 2025, respectively, and 57.32% and 71.28%, respectively, on a fully tax-equivalent basis, a non-GAAP measure. Excluding merger and integration costs, the efficiency ratio on fully tax-equivalent basis was 68.62% for the three months ended March 31, 2025.

NET INTEREST INCOME

Net interest income was $73.3 million for the three months ended March 31, 2026, compared to $48.4 million for the three months ended March 31, 2025. When comparing the first quarter of 2026 to the first quarter of 2025, the increase in net interest income of $24.9 million, or 51.40%, was primarily due to the acquisition of ESSA, including $3.0 million in purchase accounting loan accretion. This accretion reflects the recognition of fair value marks on acquired loans, which are accreted into interest income over the expected life of the assets.

Net interest margin was 3.83% and 3.38% for the three months ended March 31, 2026 and March 31, 2025, respectively. Net interest margin on a fully tax-equivalent basis, a non-GAAP measure, was 3.84% and 3.37% for the three months ended March 31, 2026 and March 31, 2025, respectively. Excluding the $3.0 million in purchase accounting loan accretion in the first quarter of 2026, the net interest margin on a fully tax-equivalent basis for the three months ended March 31, 2026 was 3.68%.

The yield on earning assets of 5.85% for the three months ended March 31, 2026 increase 12 basis points compared to the three months ended March 31, 2025. The increase in yield in the first quarter of 2026 compared to the first quarter of 2025 was primarily attributable to year-over-year loan growth and the impact from the ESSA acquisition.

PROVISION FOR CREDIT LOSSES

The provision for credit losses was $998 thousand and $1.6 million for the three months ended March 31, 2026 and March 31, 2025, respectively.

Management believes the charges to the provision for credit losses for the three months ended March 31, 2026 were appropriate and the allowance for credit losses was adequate to absorb current expected credit losses in the loan portfolio at March 31, 2026.

NON-INTEREST INCOME

Total non-interest income was $10.0 million for the three months ended March 31, 2026, compared to $8.5 million for the three months ended March 31, 2025. The year-over-year increase in non-interest income was driven by increases in wealth and asset management fees, card processing and interchange income, and net realized gains on available-for-sale securities, partially offset by a decrease in other non-interest income resulting from lower pass-through income from small business investment companies ("SBICs").

NON-INTEREST EXPENSE

For the three months ended March 31, 2026, total non-interest expense was $49.2 million, compared to $41.0 million for the three months ended March 31, 2025. Excluding merger and integration costs, total non-interest expense for the three months ended March 31, 2025 was $39.5 million. Excluding merger costs, the $9.7 million increase in non-interest expense compared to the three months ended March 31, 2025 was primarily driven by employees, facilities, required software licensing and core accounting system volume fee increases, and other costs added from the acquisition of ESSA.

INCOME TAX EXPENSE

Income tax expense for the three months ended March 31, 2026 was $6.1 million, representing an 18.41% effective tax rate, compared to $2.9 million, representing a 19.96% effective tax rate, for the three months ended March 31, 2025.

OFF-BALANCE SHEET ARRANGEMENTS

In the normal course of business, the Corporation enters into various transactions, which, in accordance with GAAP, are not included in its condensed consolidated balance sheets. The Corporation enters into these transactions to meet the financing needs of its customers. These transactions include commitments to extend credit and standby and commercial letters of credit, which involve, to varying degrees, elements of credit risk and interest rate risk in excess of the amounts recognized in the condensed consolidated balance sheets. For further information, see Note 10, "Off-Balance Sheet Commitments and Contingencies," to the condensed consolidated financial statements.

CRITICAL ACCOUNTING POLICIES

The Corporation's accounting and reporting policies are in accordance with GAAP and conform to general practices within the financial services industry. Accounting and reporting practices for the allowance for credit losses and the fair value of assets acquired and liabilities assumed in connection with business combinations, including the associated goodwill and intangibles that was recorded, required the use of material estimates. Application of assumptions different than those used by management could result in material changes in the Corporation's financial position or results of operations. Note 1, "Summary of Significant Accounting Policies," and Note 4, "Loans Receivable and Allowance for Credit Losses," of the 2025 Form 10-K provide additional detail with regard to the Corporation's accounting for the allowance for credit losses and loans receivable. There have been no significant changes in the application of accounting policies since December 31, 2025.

NON-GAAP FINANCIAL MEASURES

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

	(unaudited) Three Months Ended March 31,	
	2026	2025
Calculation of merger transaction related expenses, net of tax (non-GAAP)[1]:		
Merger transaction related expenses - non deductible	$ —	$ 1,327
Merger transaction related expenses - deductible	—	202
Statutory federal tax rate	21 %	21 %
Tax benefit of merger and integration costs	—	42
Merger transaction related expenses - deductible, net of tax	—	160
Merger transaction related expenses, net of tax (non-GAAP)	$ —	$ 1,487

[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.

	(unaudited) Three Months Ended March 31,	
	2026	2025
Calculation of net income available to common (GAAP):		
Net income	$ 27,036	$ 11,481
Less: preferred stock dividends	1,075	1,075
Net income available to common shareholders	$ 25,961	$ 10,406
Adjusted calculation of net income available to common (non-GAAP):		
Net income available to common shareholders	$ 25,961	$ 10,406
Add: merger transaction related expenses, net of tax (non-GAAP)	—	1,487
Adjusted net income available to common shareholders (non-GAAP):	$ 25,961	$ 11,893

NON-GAAP FINANCIAL MEASURES (continued)

	(unaudited) March 31, 2026	(unaudited) December 31, 2025
Calculation of tangible book value per common share and tangible common equity/tangible assets (non-GAAP):		
Shareholders' equity	$ 889,101	$ 872,127
Less: preferred equity	57,785	57,785
Common shareholders' equity	831,316	814,342
Less: goodwill and other intangibles	88,512	88,512
Less: core deposit intangible	32,688	33,693
Tangible common equity (non-GAAP)	$ 710,116	$ 692,137
Total assets	$ 8,514,896	$ 8,396,435
Less: goodwill and other intangibles	88,512	88,512
Less: core deposit intangible	32,688	33,693
Tangible assets (non-GAAP)	$ 8,393,696	$ 8,274,230
Ending shares outstanding	29,631,056	29,473,352
Book value per common share (GAAP)	$ 28.06	$ 27.63
Tangible book value per common share (non-GAAP)	$ 23.97	$ 23.48
Common shareholders' equity / Total assets (GAAP)	9.76 %	9.70 %
Tangible common equity / Tangible assets (non-GAAP)	8.46 %	8.36 %

	(unaudited) Three Months Ended March 31,	
	2026	2025
Calculation of efficiency ratio:		
Non-interest expense	$ 49,187	$ 41,038
Non-interest income	$ 9,998	$ 8,507
Net interest income	73,323	48,431
Total revenue	$ 83,321	$ 56,938
Efficiency ratio	59.03 %	72.07 %
Calculation of efficiency ratio (fully tax equivalent basis) (non-GAAP):		
Non-interest expense	$ 49,187	$ 41,038
Less: core deposit intangible amortization	1,005	17
Adjusted non-interest expense (non-GAAP)	$ 48,182	$ 41,021
Non-interest income	$ 9,998	$ 8,507
Net interest income	$ 73,323	$ 48,431
Less: tax exempt investment and loan income, net of TEFRA (non-GAAP)	1,965	1,464
Add: tax exempt investment and loan income (fully tax equivalent basis) (non-GAAP)	2,704	2,076
Adjusted net interest income (fully tax equivalent basis) (non-GAAP)	74,062	49,043
Adjusted net revenue (fully tax equivalent basis) (non-GAAP)	$ 84,060	$ 57,550
Efficiency ratio (fully tax equivalent basis) (non-GAAP)	57.32 %	71.28 %
Adjusted calculation of efficiency ratio (fully tax equivalent basis) (non-GAAP):		
Adjusted non-interest expense (non-GAAP)	$ 48,182	$ 41,021
Less: merger and integration costs (non-GAAP)	—	1,529
Adjusted non-interest expense (non-GAAP)	$ 48,182	$ 39,492
Adjusted net revenue (fully tax equivalent basis) (non-GAAP)	$ 84,060	$ 57,550
Adjusted efficiency ratio (fully tax equivalent basis) (non-GAAP)	57.32 %	68.62 %

NON-GAAP FINANCIAL MEASURES (continued)

	(unaudited) Three Months Ended March 31,	
	2026	**2025**
Calculation of net interest margin:		
Interest income	$ 112,038	$ 82,379
Interest expense	38,715	33,948
Net interest income	$ 73,323	$ 48,431
Average total earning assets	$ 7,761,592	$ 5,803,526
Net interest margin (GAAP) (annualized)	3.83 %	3.38 %
Calculation of net interest margin (fully tax equivalent basis) (non-GAAP):		
Interest income	$ 112,038	$ 82,379
Tax equivalent adjustment (non-GAAP)	398	260
Adjusted interest income (fully tax equivalent basis) (non-GAAP)	112,436	82,639
Interest expense	38,715	33,948
Net interest income (fully tax equivalent basis) (non-GAAP)	$ 73,721	$ 48,691
Average total earning assets	$ 7,761,592	$ 5,803,526
Less: average mark to market adjustment on investments (non-GAAP)	(32,170)	(48,070)
Adjusted average total earning assets, net of mark to market (non-GAAP)	$ 7,793,762	$ 5,851,596
Net interest margin, fully tax equivalent basis (non-GAAP) (annualized)	3.84 %	3.37 %
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)	$ 73,721	$ 48,691
Less: purchase accounting loan accretion	(3,040)	—
Adjusted net interest income (fully tax equivalent basis) (non-GAAP)	$ 70,681	$ 48,691
Adjusted average total earning assets, net of mark to market (non-GAAP)	$ 7,793,762	$ 5,851,596
Adjusted net interest margin, fully tax equivalent basis (non-GAAP) (annualized)	3.68 %	3.37 %

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

NON-GAAP FINANCIAL MEASURES (continued)

	(unaudited) Three Months Ended March 31,	
	2026	2025
Basic earnings per common share computation:		
Net income available to common shareholders	$ 25,961	$ 10,406
Less: net income available to common shareholders allocated to participating securities	237	57
Net income available to common shareholders allocated to common stock	$ 25,724	$ 10,349
Weighted average common shares outstanding, including shares considered participating securities	29,576	20,981
Less: average participating securities	259	114
Weighted average shares	29,317	20,867
Basic earnings per common share	$ 0.88	$ 0.50
Diluted earnings per common share computation:		
Net income available to common shareholders allocated to common stock	$ 25,724	$ 10,349
Weighted average common shares outstanding for basic earnings per common share	29,317	20,867
Add: dilutive effect of stock compensation	122	58
Weighted average shares and dilutive potential common shares	29,439	20,925
Diluted earnings per common share	$ 0.88	$ 0.50
Adjusted basic earnings per common share computation (non-GAAP):		
Net income available to common shareholders	$ 25,961	$ 10,406
Add: merger transaction related expenses, net of tax (non-GAAP)	—	1,487
Less: net income available to common shareholders allocated to participating securities	237	57
Less: adjustment to net income available to common shareholders allocated to participating securities for merger transaction related expenses, net of tax (non-GAAP)	—	8
Adjusted net income available to common shareholders allocated to common stock (non-GAAP)	$ 25,724	$ 11,828
Weighted average common shares outstanding, including shares considered participating securities	29,576	20,981
Less: Average participating securities	259	114
Weighted average shares	29,317	20,867
Adjusted basic earnings per common share (non-GAAP)	$ 0.88	$ 0.57
Adjusted diluted earnings per common share computation (non-GAAP):		
Adjusted net income available to common shareholders allocated to common stock (non-GAAP)	$ 25,724	$ 11,828
Weighted average common shares outstanding for basic earnings per common share	29,317	20,867
Add: dilutive effect of stock compensation	122	58
Weighted average shares and dilutive potential common shares	29,439	20,925
Adjusted diluted earnings per common share (non-GAAP)	$ 0.88	$ 0.57

NON-GAAP FINANCIAL MEASURES (continued)

	(unaudited) Three Months Ended March 31,	
	2026	**2025**
Calculation of return on average tangible common equity (non-GAAP):		
Net income	$ 27,036	$ 11,481
Less: preferred stock dividends	1,075	1,075
Net income available to common shareholders	$ 25,961	$ 10,406
Average shareholders' equity	$ 886,825	$ 619,409
Less: average goodwill & intangibles	121,859	44,074
Less: average preferred equity	57,785	57,785
Average tangible common shareholders' equity (non-GAAP)	$ 707,181	$ 517,550
Return on average equity (GAAP) (annualized)	12.36 %	7.52 %
Return on average common equity (GAAP) (annualized)	12.70 %	7.51 %
Return on average tangible common equity (non-GAAP) (annualized)	14.89 %	8.15 %
Adjusted calculation of return on average equity (non-GAAP):		
Net income	$ 27,036	$ 11,481
Add: merger transaction related expenses, net of tax (non-GAAP)	—	1,487
Adjusted net income (non-GAAP)	$ 27,036	$ 12,968
Average shareholders' equity	$ 886,825	$ 619,409
Adjusted return on average equity (non-GAAP) (annualized)	12.36 %	8.49 %
Adjusted calculation of return on average tangible common equity (non-GAAP):		
Net income available to common shareholders	$ 25,961	$ 10,406
Add: merger transaction related expenses, net of tax (non-GAAP)	—	1,487
Adjusted net income available to common shareholders	$ 25,961	$ 11,893
Average tangible common shareholders' equity (non-GAAP)	$ 707,181	$ 517,550
Adjusted return on average tangible common equity (non-GAAP) (annualized)	14.89 %	9.32 %

ITEM 3

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	
	March 31, 2026	December 31, 2025
+300 basis points	0.4%	1.6%
+200 basis points	0.7%	1.5%
+100 basis points	0.5%	1.0%
-100 basis points	(0.9)%	(1.8)%
-200 basis points	(0.1)%	(2.0)%
-300 basis points	0.6%	(2.8)%

At March 31, 2026, the Corporation has approximately $3.9 billion in outstanding loans receivable balances that are rate sensitive balances over the next twelve months.

ITEM 4

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.

There was no significant change in the Corporation's internal control over financial reporting that occurred during the quarter ended March 31, 2026 that has materially affected, or that is reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no 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 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed in Part I, Item 1A of the 2025 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

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 March 31, 2026.

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]
January 1 – 31, 2026	—	$ —	—	500,000
February 1 – 28, 2026	—	—	—	500,000
March 1 – 31, 2026	—	—	—	500,000
Total	—	$ —	—	500,000

[1] On June 23, 2025, the Corporation received acknowledgement from the Federal Reserve Bank of the Corporation's 2025 Common Share Repurchase Program (the "Plan"). The Corporation's Board of Directors previously approved the Plan, subject to the Federal Reserve Bank's response, authorizing the repurchase from time to time by the Corporation of up to 500,000 shares of the Corporation's common stock, no par value per share, provided that the aggregate purchase price of shares of common stock repurchased does not exceed $15,000,000. Pursuant to the Plan, repurchases of common stock, if any, are authorized to be made during the period beginning on June 23, 2025 (the date on which the Corporation received acknowledgement from the 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 of the Securities Exchange Act of 1934, as amended, and the rules and regulations 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 of March 31, 2026, there were 500,000 shares remaining for repurchase under the Plan.

Additionally, during the quarter ended March 31, 2026, 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.

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.

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.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the quarter ended March 31, 2026, none of the Corporation's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Corporation securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

ITEM 6. EXHIBITS

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 Corporation'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 Corporation'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)
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, 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, 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
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
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and included in Exhibit 101)

SIGNATURES

Pursuant to the requirements 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: May 6, 2026

/s/ Michael D. Peduzzi
Michael D. Peduzzi
President and Chief Executive Officer
(Principal Executive Officer)

DATE: May 6, 2026

/s/ Tito L. Lima
Tito L. Lima
Treasurer
(Principal Financial and Accounting Officer)