

PUBLIC DISCLOSURE

September 3, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

CNB Bank
Certificate Number: 13876

31 South Second Street
Clearfield, Pennsylvania 16830

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

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New York, New York 10118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION’S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

The Lending Test is rated High Satisfactory.

- Lending levels reflect good responsiveness to assessment area credit needs.
- A high percentage of loans are made in the institution’s assessment areas.
- The geographic distribution of loans reflects excellent penetration throughout the assessment areas.
- The distribution of loans reflects good penetration among retail customers of different income levels and businesses customers of different size.
- The bank uses innovative and flexible lending practices in order to serve assessment area credit needs.
- The bank is a leader in making community development loans.
- The institution exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and very small businesses, consistent with safe and sound banking practices.

The Investment Test is rated High Satisfactory.

- The bank has a significant level of qualified community development investments and grants.

- The bank exhibits good responsiveness to credit and community economic development needs.
- The institution occasionally uses innovative and/or complex investments to support community development initiatives.

The Service Test is rated High Satisfactory.

- Delivery systems are accessible to essentially all portions of the bank’s assessment areas.
- To the extent changes have been made, the bank’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals.
- Services do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies or low- and moderate-income individuals.
- The institution provides a relatively high level community development services.

DESCRIPTION OF INSTITUTION

Background

CNB Bank (CNB) is a commercial bank headquartered in Clearfield, Pennsylvania (PA). The bank is a wholly owned subsidiary of CNB Financial Corporation. The bank has one subsidiary, CNB Management Co, LLC based in Wilmington, Delaware, which maintains internal trust preferred securities. Additional subsidiaries of CNB Financial Corporation include Holiday Financial Services Corporation, CNB Insurance Agency, CNB Securities Corporation, and CNB Capital Trusts II and III. Holiday Financial Services Corporation offers personal loans. CNB Insurance Agency provides fixed annuity products. CNB Securities Corporation maintains investments in debt securities and other prudent investment vehicles. CNB Capital Trusts II and III were formed for the sole purpose of issuing and selling securities representing undivided beneficial interests in the assets of the trusts and investing the proceeds in subordinated debentures.

CNB received a Satisfactory rating at its previous Federal Deposit Insurance Corporation (FDIC) Performance Evaluation, dated November 29, 2021, based on Interagency Large Institution Examination Procedures.

Operations

CNB operates 55 branches throughout its combined assessment area, which comprises areas in Pennsylvania (PA), Ohio (OH), New York (NY), and Virginia (VA). Although this evaluation references the institution as CNB regardless of geographic location, the bank markets its services under distinct branded divisions, as follows:

- CNB Bank – Under this name, the bank operates 20 branch offices within the PA counties of Blair, Clearfield, Centre, Cambria, Elk, Indiana, Jefferson, and McKean;
- ERIEBANK – Under this name, the bank operates 13 branches, including 8 branch offices within the PA counties of Crawford, Erie, and Warren and 5 branch offices within the OH counties of Cuyahoga, Lake and Ashtabula;

- FCBank – Under this name, the bank operates 7 branch offices within the OH counties of Crawford, Franklin, Knox, Morrow, and Richland;
- BankOnBuffalo – Under this name, the bank operates 13 branch offices, including a mobile branch, and one loan production office (LPO) within the NY counties of Erie, and Niagara, and Ontario; and
- Ridge View Bank – Under this name, the bank operates 2 branches and 2 LPOs within the VA counties of Franklin, Salem City, Montgomery and Roanoke City.

CNB added 10 new full-service locations, including 2 in PA, 4 in OH, 2 in NY, and 2 in VA, during the evaluation period, which includes a mobile branch serving multiple locations. The bank also opened three LPOs during the period; one of these LPOs closed during the evaluation period. There were no other closures during the evaluation period. One LPO was upgraded to a full-service branch at the end of the evaluation period. This location will not be considered in this evaluation as it had no impact on bank performance during the period. Refer to each assessment area description for additional details.

CNB offers a full line of credit products, deposit products, and convenience services. The primary credit products are secured loans for commercial real estate and one-to-four family residential real estate. The bank's product offerings include fixed and variable rate one-to-four family mortgages, personal auto loans, and home equity, personal, and commercial term loans and lines of credit. The bank offers additional services including electronic banking, remote deposit, mobile banking, debit cards, and CNB-branded credit cards through a third party.

Ability and Capacity

As of June 30, 2024, the bank reported total assets of \$5.9 billion, including total loans of \$4.5 billion and securities totaling \$709.6 million. Bank deposits totaled \$5.2 billion. During the evaluation period, total assets increased 14.4 percent, total loans increased 28.7 percent, and securities increased 5.2 percent. The following table illustrates the loan portfolio composition as of June 30, 2024.

Loan Portfolio Distribution as of 06/30/2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	395,110	8.8
Secured by Farmland	32,212	0.7
Secured by 1-4 Family Residential Properties	1,248,908	27.9
Secured by Multifamily (5 or more) Residential Properties	324,092	7.3
Secured by Nonfarm Nonresidential Properties	1,513,369	33.9
Total Real Estate Loans	3,513,691	78.6
Commercial and Industrial Loans	659,407	14.7
Agricultural Production and Other Loans to Farmers	1,561	0.0
Consumer Loans	105,317	2.4
Obligations of State and Political Subdivisions in the U.S.	150,482	3.4
Other Loans	39,327	0.9
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	4,469,785	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREAS

Since the previous CRA evaluation, the bank removed both Ashland and Medina Counties in OH from the combined assessment area. CNB does not maintain a branch in these counties and has limited lending and deposit activity in this area. Except for Cambria County in PA, where the bank designates 5 of 42 census tracts, CNB designates full counties within the combined assessment area. Having opened branches in VA in 2023, CNB added the Roanoke, VA MSA assessment area, resulting in a new VA Rated Area for the current evaluation.

The table below details the counties, census tracts, and branches within CNB’s combined assessment area. Refer to the rated and assessment area sections for additional descriptions of economic and demographic data.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
PA Rated Area:			
PA Non-MSA	Clearfield, Crawford, Elk, Indiana, Jefferson, McKean, and Warren	114	18
Erie, PA MSA	Erie	74	5
State College, PA MSA	Centre	41	3
Johnstown, PA MSA	Cambria	5	1

Description of Assessment Areas			
Altoona, PA MSA	Blair	38	1
OH Rated Area:			
Columbus, OH MSA	Morrow, Delaware, Franklin	377	4
Cleveland-Elyria, OH MSA	Lake, Cuyahoga, Geauga, Lorain	589	4
OH Non-MSA	Crawford, Marion, Knox, Ashtabula	74	3
Mansfield, OH MSA	Richland	30	1
NY Rated Area:			
Buffalo-Cheektowaga, NY MSA	Eric, Niagara	327	13
VA Rated Area:			
Roanoke, VA MSA	Botetourt, Craig, Roanoke County (includes Salem City and Roanoke City), Franklin County	78	2
Totals		1,747	55
<i>Source: Bank Data, FDIC Bankfind, 2020 U.S. Census</i>			

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation, dated November 29, 2021, to the current evaluation, dated September 3, 2024. To evaluate CNB's Community Reinvestment Act (CRA) performance, examiners used Interagency Large Institution Examination Procedures. These procedures include the Lending Test, the Investment Test, and the Service Test. Examiners weigh the bank's performance under the Lending Test more heavily than performance under the Investment and Service Tests when arriving at the overall rating. This evaluation does not include any lending activities performed by affiliates.

Within PA, examiners selected the PA Non-MSA assessment area for full-scope review, since this area contains the largest volume of lending, deposits, and branches. Additionally, in PA, examiners selected the State College, PA MSA assessment area for full-scope review, since this area received limited-scope review at each of the previous two CRA evaluations. Within OH, examiners selected the Cleveland-Elyria, OH MSA assessment area for full-scope review. This assessment area had the greatest share of loans and deposits in the state of OH. Within NY, examiners selected the Buffalo-Cheektowaga, NY MSA assessment area for full-scope review. This is the bank's only assessment area in NY. Within VA, examiners selected the Roanoke, VA MSA assessment area for full-scope review. Similarly, this is the only assessment area in VA. The six remaining assessment areas received limited scope reviews, as these areas generally have limited lending and deposit activity. Despite higher lending and deposit activity in the Erie, PA MSA and Columbus, OH MSA assessment areas, examiners conducted limited scope reviews due to minimal changes in assessment area characteristics. Considering the number of loans, deposits, and branches in each rated area, examiners gave greatest weight to PA, followed by OH and NY with similar weight, and lastly VA.

The following table illustrates the breakdown of loans, deposits, and branches by assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
PA Non-MSA	453,784	24.3	2,039,268	40.5	18	32.7
Erie, PA MSA	236,607	12.6	813,392	16.2	5	9.1
State College, PA MSA	50,469	2.7	84,167	1.7	3	5.5
Johnstown, PA MSA	11,359	0.6	66,121	1.3	1	1.8
Altoona, PA MSA	25,329	1.4	53,004	1.1	1	1.8
Pennsylvania Subtotal	777,548	41.6	3,055,952	60.8	28	50.9
Columbus, OH MSA	230,801	12.3	250,070	5.0	4	7.3
Cleveland-Elyria, OH MSA	380,815	20.4	327,798	6.5	4	7.3
OH Non-MSA	53,638	2.9	263,877	5.2	3	5.5
Mansfield, OH MSA	7,937	0.4	29,121	0.6	1	1.8
Ohio Subtotal	673,191	36.0	870,866	17.3	12	21.9
Buffalo-Cheektowaga, NY MSA	319,394	17.1	1,041,156	20.7	13	23.6
New York Subtotal	319,394	17.1	1,041,156	20.7	13	23.6
Roanoke, VA MSA	101,073	5.4	64,640	1.3	2	3.6
Virginia Subtotal	101,073	5.4	64,640	1.3	2	3.6
Total	1,871,206	100.0	5,032,614	100.0	55	100.0

Source: Bank Data; Loan amounts based on home mortgage, small business, and small farm loans reported during 2021, 2022, and 2023; FDIC Summary of Deposits (6/30/2024). Due to rounding, totals may not equal 100.0%.

Activities Reviewed

Examiners determined that the bank’s major product lines are home mortgage and small business loans. This conclusion considered the bank’s business strategy and the number and dollar volume of loans originated and purchased during the evaluation period.

The bank’s record of originating home mortgage loans generally contributed greater weight to overall conclusions due to the larger volume of loans when compared to small business lending across each year of the evaluation period. See assessment area discussions for relevant exceptions. No other loan types, such as small farm loans or consumer loans, represent a major product line. Therefore, they provided no material support for ratings and are not presented. CNB originated 19 small farm loans totaling \$2.4 million in 2021, 13 small farm loans totaling \$1.8 million in 2022, and 8 small farm loans totaling \$1.0 million in 2023. Small farm loans are only included within the assessment area concentration criterion for this evaluation.

This evaluation considered all home mortgage loans reported on the bank’s 2021, 2022, and 2023 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). For 2021, the bank reported 2,619 loans totaling \$633.6 million; for 2022, the bank reported 2,615 loans totaling \$728.4 million; for 2023, the bank reported 1,710 loans totaling \$331.0 million. For comparison purposes, examiners reviewed aggregate HMDA data for 2021, 2022, and 2023, which consists of all institutions subject to HMDA data collection requirements that reported loans in CNB’s assessment areas. For additional standards of comparison, examiners reviewed data from the United States (U.S.) Census Bureau. Specifically, examiners compared CNB’s home mortgage

lending performance in 2021 to the 2015 American Community Survey (ACS) data, and in 2022 and 2023 to the 2020 U.S. Census data.

This evaluation also considered all small business loans reported on the bank's 2021, 2022, and 2023 CRA Loan Registers. For 2021, the bank reported 2,163 loans totaling \$286.9 million; for 2022, the bank reported 806 loans totaling \$149.8 million; and for 2023, the bank reported 599 loans totaling \$101.6 million. Examiners attributed the higher level of lending in 2021 to CNB's participation in the Small Business Administration's (SBA) Paycheck Protection Program (PPP). For comparison purposes, examiners reviewed 2021 and 2022 aggregate data for small business loans, which consists of all institutions subject to CRA data collection requirements that reported these loans in CNB's assessment areas. The 2023 aggregate small business data was not available as of the date of this evaluation. Examiners also reviewed 2021, 2022, and 2023 D&B business demographic data to provide additional standards of comparison for CNB's small business lending performance.

Although examiners analyzed and may comment on all three years of data provided, the 2021 lending data does not materially vary from other years and does not warrant presentation of an additional year of data. Therefore, except for the assessment area concentration criterion, examiners presented only 2022 and 2023 data within the performance evaluation tables.

For the Lending Test, examiners reviewed both the number and dollar volume of home mortgage and small business loans. Although the number and dollar volume are presented, examiners emphasized performance by number since the number of loans is a better indicator of the number of individuals and businesses served.

For the Lending, Investment, and Service Tests, bank management provided data on innovative and flexible lending practices, community development loans, qualified investments, and community development services since the prior CRA evaluation dated November 29, 2021.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test performance in the combined assessment area is rated "High Satisfactory." The Lending Activity, Geographic Distribution, and Community Development Loan performance supports this conclusion.

Lending Activity

The bank's lending levels reflect good responsiveness to assessment area credit needs within the combined assessment area. During the review period (2021-2023), the bank made 9,428 home mortgage, small business, and small farm loans totaling approximately \$1.9 billion. Home mortgage loans totaled 6,175 for \$1.4 billion, small business loans totaled 3,218 for \$472.9 million, and small farm loans totaled 35 for \$4.1 million. Examiners attributed a significant decline in number of small business loans after 2021 to the end of the bank's participation in the SBA's PPP program resulting from the COVID-19 Pandemic.

Assessment Area Concentration

CNB made a high percentage of home mortgage, small business, and small farm loans, by number and dollar volume, within its combined assessment area. Refer to the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2021	2,384	91.0	235	9.0	2,619	551,510,570	87.0	82,132,699	13.0	633,643,270
2022	2,306	88.2	309	11.8	2,615	590,331,365	81.0	138,067,073	19.0	728,398,438
2023	1,485	86.8	225	13.2	1,710	255,922,983	77.3	75,032,957	22.7	330,955,939
Subtotal	6,175	88.9	769	11.1	6,944	1,397,764,918	82.6	295,232,729	17.4	1,692,997,647
Small Business										
2021	1,974	91.3	189	8.7	2,163	252,330,000	87.9	34,574,000	12.1	286,904,000
2022	707	87.7	99	12.3	806	133,304,000	89.0	16,499,000	11.0	149,803,000
2023	537	89.6	62	10.4	599	87,236,000	85.9	14,373,000	14.1	101,609,000
Subtotal	3,218	90.2	350	9.8	3,568	472,870,000	87.8	65,446,000	12.2	538,316,000
Small Farm										
2021	16	84.2	3	15.8	19	1,960,000	82.7	410,000	17.3	2,370,000
2022	11	84.6	2	15.4	13	1,104,000	62.4	665,000	37.6	1,769,000
2023	8	100.0	0	0.0	8	1,043,000	100.0	0	0.0	1,043,000
Subtotal	35	87.5	5	12.5	40	4,107,000	79.3	1,075,000	20.7	5,182,000
Total	9,428	89.3	1,124	10.7	10,552	1,874,741,918	83.8	361,753,729	16.2	2,236,495,647
<i>Source: Bank Data. Due to rounding, totals may not equal 100.0%. Dollar amounts for Small Business, Small Farm and Consumer loans are multiplied by 1000.</i>										

Geographic Distribution

The geographic distribution of loans reflects excellent penetration throughout the combined assessment area. The bank’s performance in the PA rated area primarily supports this conclusion, as this area received the most weight. Additionally, CNB was a top lender within low- and moderate-income geographies within its most heavily weighted assessment area in PA. The bank’s performance in the OH rated area is slightly below overall performance, while performance in the New York and VA Rated Areas are below overall performance.

Borrower Profile

The distribution of borrowers reflects good penetration among retail customers of different income levels and business customers of different size in the combined assessment area. The bank’s good performance of home mortgage and small business loans within the PA rated area primarily supports this conclusion. Performance in the OH and NY rated areas was slightly below overall performance, while performance in the VA rated area was below overall performance.

Innovative or Flexible Lending Practices

CNB uses innovative and flexible lending products to serve assessment area credit needs. CNB originated 1,133 for \$83.9 million using flexible loan programs. This represents a decrease from the previous evaluation, when the bank originated 1,476 for \$140.8 million. At the prior examination, the bank originated a substantial amount of SBA PPP loans, which were not applicable during this evaluation period. As a result, both number and dollar volume decreased.

The table below illustrates the bank’s flexible lending programs that are available throughout the bank’s combined assessment area.

Innovative or Flexible Lending Programs										
Type of Program	11/29/2021-12/31/2021		2022		2023		1/1/2024-9/3/2024		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Home Mortgage:										
In-House – FTHB	47	5,276	173	21,731	115	12,751	50	6,469	385	46,277
HomePossible / FFD / FTHB	0	0	0	0	0	0	1	171	1	171
First Responders Program / FTHB	1	150	9	1,468	3	449	4	711	17	2,777
HomeOne / FFD / FTHB	5	488	14	1,750	6	790	4	887	29	3,915
FHLB First Front Door (FFD)	0	0	0	0	0	0	1	67	1	67
Community Home Loan / FFD (CNB)	1	88	8	563	2	182	1	88	12	921
Loan Modifications	0	0	1	106	5	270	1	47	7	422
Consumer:	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Small Dollar Loan (\$0-\$1,000)	23	14	127	82	158	103	84	54	392	253
Small Dollar Loan (\$1,001-\$2500)	21	47	81	179	71	158	35	73	208	456
New Start Loan	5	2	19	7	11	4	2	1	37	13
Small Business:	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
SBA	9	7,282	6	11,697	8	\$5,598	9	2,582	32	27,159
Banking on Business Program	3	231	0	0	3	310	6	1,059	12	1,600
Totals	115	13,577	438	37,581	382	20,613	198	12,208	1,133	83,979
<i>Source: Bank Data</i>										

The following highlights the various innovative and/or flexible lending programs offered by the Bank.

Home Mortgage Loan Programs

CNB offers its own *First Time Homebuyers Program* through two options, both of which waive the loan processing fee. One option permits a five percent down payment without requiring private mortgage insurance. The second option is a 5/5 adjustable-rate loan, which offers a fixed rate for

five years and then adjusts to a new variable rate every five years following the fixed rate period. In addition, this option allows a three percent down payment. During the review period, the bank originated 385 loans totaling \$46.2 million under this program.

CNB also offers *Freddie Mac HomeOne* loans, a loan program that serves the needs of many first-time homebuyers and no cash-out refinance borrowers, offering a loan down payment of three percent. The program does not include risk-based credit scoring underwriting factors and requires homebuyer education for at least one borrower when all occupying borrowers are first time homebuyers. During the review period, the bank originated 29 loans totaling \$3.9 million under this program.

During the review period, CNB introduced the *Community Home Loan Program* for home purchase, refinance, or cash out refinancing for low- or moderate- income homebuyers. If the property is in a low- or moderate- income tract and the borrower's income is 80 percent or less than Median Family Income (MFI), the borrower will receive a \$1,500 lender credit for three percent down or \$2,000 for five percent down towards closing costs. The bank originated 12 loans totaling \$920,970 under this program.

Consumer Loan Programs

CNB offers a New Start Loan, which is designed to help customers who have overdrawn their checking accounts and cannot repay the full amount. The loans are unsecured lines of credit under \$400 and are interest free. During the review period, the bank originated 37 loans totaling approximately \$12,696 under this program.

Small Business Loan Programs

CNB participates in the Small Business Administration (SBA) Loan Guaranty Program 7(a). The 7(a) program is the primary business loan assistance program available to small businesses from the SBA. Funds are primarily for start-up business costs to companies whose annual sales are \$5 million or less or do not exceed \$6 million in tangible net worth. The business receives a loan from its lender with a 7(a) structure and the lender gets an SBA guaranty on a portion of this loan. During the review period, the bank originated 32 loans totaling \$27.2 million under this program.

CNB participates in the Banking on Business (BOB) program. This program, offered to members of the Federal Home Loan Bank of Pittsburgh through the Community Investment Department, specifically targets small businesses. The program's objective is to assist in the growth and development of small businesses, including both start-up and expansion phases of the business. During the review period, the bank utilized the BOB program for 12 small business loans totaling \$1.6 million.

Community Development Loans

CNB is a leader in making community development loans within the combined assessment area. During the evaluation period, the bank originated 68 community development loans totaling \$191.5 million. This level of activity represents 3.5 percent of average total assets and 4.6 percent of average total loans. This is an increase from the previous CRA evaluation, where the bank

originated 52 community development loans totaling \$153.8 million. Examiners considered CNB’s level of community development loans to be relatively high at the last evaluation.

Since CNB was responsive to community development needs and opportunities within the combined assessment area, examiners also considered 14 community development loans totaling \$37.0 million that benefitted the broader statewide area in PA, OH, NY and VA.

The following table illustrates the bank’s community development lending activity by rated area and by community development purpose. Additional details and specific examples are contained within the sections for the individual assessment areas.

Community Development Lending by Rated Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Pennsylvania	8	1,255	2	9,231	3	4,229	2	8,967	15	23,682
Ohio	15	24,157	2	2,980	13	38,916	3	13,511	33	79,564
New York	2	756	2	8,225	8	40,038	1	9,604	13	58,623
Virginia	1	301	2	700	4	28,675	0	0	7	29,676
Total	26	26,469	8	21,136	28	111,858	6	32,082	68	191,545

Source: Bank Data

Summarized below are notable examples of the bank’s community development loans in the bank’s statewide areas:

- In 2022, CNB originated a \$2.5 million affordable housing loan to purchase a 96-unit, multifamily property located in Mahoning County, OH. All unit rents were below Fair Market Rent (FMR). This loan supports affordable housing efforts in a low-income census tract within the regional area.
- In 2024, CNB funded a \$9.6 million loan for the rehabilitation of four historical commercial buildings in Downtown Rochester into affordable housing apartments and commercial spaces. The buildings were located in an area designated as part of New York State’s Downtown Revitalization Initiative (DRI). The DRI is part of an economic development program designed to transform neighborhoods into vibrant centers of life and attract redevelopment and businesses following the challenges caused by the COVID-19 pandemic. As a result, this loan supports revitalization of a low-income area.
- In 2024, the bank originated a \$200,000 loan to a community service organization that provides food, clothing, household items, and financial aid to vulnerable people in Bedford County, Virginia.

INVESTMENT TEST

CNB demonstrates “High Satisfactory” performance in the combined assessment area for the Investment Test. The Investment and Grant Activity performance primarily support this

conclusion. The bank’s overall performance in the PA, OH, NY, and VA Rated Areas is consistent with this conclusion. See each rated area for more details.

Investment and Grant Activity

CNB has a significant level of qualified community development investments and grants. The bank initiated 338 qualified investments totaling \$87.2 million during the evaluation period. Qualified investments and donations funded since the previous evaluation were considered under this criterion, as well as qualifying investments purchased prior to this evaluation that were still outstanding as of the evaluation date. Regional and Statewide investments benefit multiple assessment areas but primarily targeted the bank’s assessment areas, particularly investments supporting affordable housing initiatives in the PA Rated Area.

At the prior evaluation, the institution received consideration for 196 investments and donations totaling \$62.2 million. CNB’s current qualified investment volume represents 1.6 percent of average total assets and 11.5 percent of average total securities as of June 30, 2024. These ratios are similar to the prior evaluation when they were 1.6 percent and 10.8 percent, respectively. Additional information regarding qualified investments made in each assessment area is discussed in the applicable assessment area sections of the evaluation.

Qualified Investments by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Pennsylvania	4	1	86	1,754	5	1,715	7	1,114	102	4,584
Ohio	11	20,434	56	2,199	16	13,438	4	1,539	87	37,610
New York	7	2,488	66	2,326	16	111	9	1,082	98	6,007
Virginia	3	5,992	4	6	1	2	1	5	9	6,005
Regional/Statewide	23	19,242	14	1,226	2	6,469	1	4,054	40	30,991
Nationwide	1	807	1	1,153	0	0	0	0	2	1,960
Total	49	48,964	227	8,664	40	21,735	22	7,794	338	87,157

Source: Bank Data; Due to rounding, totals may not equal 100.0%

Responsiveness to Credit and Community Development Needs

CNB exhibits good responsiveness to credit and community economic development needs within each assessment area. Management has primarily made investments that promote affordable housing, an identified credit needs within the bank’s assessment areas.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives. CNB’s investments primarily include municipal housing bonds that are not considered innovative or complex.

SERVICE TEST

CNB demonstrates “High Satisfactory” performance for the Service Test in the combined assessment area. Accessibility of Delivery Systems and Community Development Services

primarily support this conclusion. The bank’s overall performance in the PA, OH, and NY Rated Areas is consistent with this conclusion. The VA Rated Area is below this performance. See each rated area for more details. The following sections detail the bank's performance under each Service Test performance factor.

Accessibility of Delivery Systems

CNB’s delivery systems are accessible to essentially all portions of the institution’s assessment areas. The bank currently operates 55 branches, 76 enhanced teller machines (ETMs), and 10 ATMs located throughout the combined assessment area in PA, OH, NY, and VA. Of the total branches, 28 (51.8 percent) are in the PA Rated Area, 12 (20.4 percent) are in the OH Rated Area, 13 (24.1 percent) are in the NY Rated Area, and 2 (3.7 percent) in the VA Rated Area. Of the 55 branch locations, 16 (29.1 percent) branches are located in low- or moderate-income census tracts. ETMs offer traditional drive-up banking services and add the ability to talk with a banker remotely in real time through interactive video. The bank branded these locations as SMART Stations. These stations offer traditional teller transactions with expanded operational hours. The following table illustrates the distribution of branches and ETMs/ATMs by census tract income level compared to the census tract population distributions. For additional information on the distribution of branches and ETMs/ATMs, refer to the individual assessment areas under the Service Test.

Branch and ATM Distribution by Geography Income Level												
Assessment Area: Combined												
Tract Income Level	Census Tracts		Population		Branches		ETMs/ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	210	12.0	568,664	9.0	3	5.5	4	4.7	2*	20.0	0	0.0
Moderate	376	21.5	1,197,816	18.9	13	23.6	20	23.3	0	0.0	0	0.0
Middle	681	39.0	2,597,966	41.1	25	45.5	36	41.9	3	30.0	0	0.0
Upper	422	24.2	1,846,274	29.2	14	25.5	26	30.2	5	50.0	0	0.0
NA	58	3.3	116,389	1.8	0	0.0	0	0.0	0	0.0	0	0.0
Totals	1,747	100.0	6,327,109	100.0	55	100.0	86	100.0	10	100.0	0	100.0

*Source: 2020 U.S. Census & Bank Data
 Due to rounding, totals may not equal 100.0%
 Includes the mobile branch.

Changes in Branch Locations

To the extent changes have been made, CNB's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the review period, CNB opened ten new branches, nine traditional branches and one mobile branch. Of the nine traditional branches opened, one branch is located in a low-income census tract, three are located in middle-income census tracts, and five are located in upper-income census tracts. The mobile branch provides banking services to four locations, two of which are located in low-income census tracts and two of which are located in moderate-income census tracts.

Additionally, the bank opened four loan production offices. One loan production office, located in an upper-income census tract, opened in December 2021 and closed in July 2023. Another loan production office, located in an upper-income census tract, became a full-service location on August 26, 2024. This location is outside of the existing assessment area and will not be included in the evaluation as a branch. There is insufficient time and activity to impact the current evaluation. The bank closed one stand-alone ATM during the evaluation period, which was located in a middle-income census tract. For further details on changes in branch locations, please refer to the description for each rated area.

Reasonableness of Business Hours and Services

CNB's services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. In addition to traditional branch and ATM services, the bank offers alternative banking services such as telephone banking, online banking, mobile banking, and digital payments that increase accessibility of retail banking services. For additional information on the distribution of branches and ATMs, refer to the individual assessment areas under the Service Test.

Community Development Services

The bank provides a relatively high level of community development services, primarily through Board of Director participation and committee involvement with community development organizations. With a majority of the banking activities occurring in Pennsylvania, the performance in the PA Rated Area supports this rating. Bank representatives provided 4,689 hours of service for 216 instances of financial expertise or technical assistance to community development-related organizations within the combined assessment area.

The bank's community development service performance exceeded the previous evaluation where bank representatives provided 161 instances of financial expertise or technical assistance. The following table details community development services by rated area and community development purpose. Additional details for each assessment area are contained within the sections for the individual assessment areas.

Community Development Services by Rated Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Pennsylvania	276	1,984	238	518	3,016
Ohio	203	537	26	0	766
New York	45	609	0	51	705
Virginia	0	202	0	0	202
Regional Activities	0	0	0	0	0
Nationwide Activities	0	0	0	0	0
Total	524	3,332	264	569	4,689
<i>Source: Bank Data</i>					

Other Community Development Services

- CNB provides Interest On Lawyers’ Trust Accounts (IOLTA) to its customers. The purpose of the IOLTA is to provide funding for civil legal services for the poor, projects to improve the administration of justice, and education of laypersons in law-related areas. This program provides legal services, health care facilities, and youth centers targeted to low- and moderate-income individuals and families. As of August 26, 2024, the bank maintains 159 IOLTAs totaling \$24.6 million.
- CNB partners with the FHLB of Pittsburgh, which provides Affordable Housing Program (AHP) grants to FHLB members. The grants help the member partner with community developers and public agencies to develop affordable housing in local communities. These grants support the development of housing targeted to underserved populations that include very low-income households, individuals with special needs, homeless individuals, and veterans. During the evaluation period, CNB supported grants for two affordable housing projects in Pennsylvania totaling over \$820,000.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

CNB’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

PENNSYLVANIA

CRA RATING FOR PENNSYLVANIA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PENNSYLVANIA

CNB designates five assessment areas in PA. Collectively, these assessment areas are referred to as the PA rated area. The bank operates 28 branches in PA. The bank's operations in the PA rated area represent 62.2 percent of its total in-assessment area lending (by number), 60.8 percent of total deposits, and 50.9 percent of total branches. The bank made no changes to this assessment area since the previous CRA evaluation. Refer to the overall Description of Assessment Areas section for additional information on this assessment area.

Economic and Demographic Data

The PA rated area includes 272 census tracts with the following income characteristics, according to the 2020 U.S. Census:

- 11 low-income tracts;
- 48 moderate-income tracts;
- 162 middle-income tracts;
- 43 upper-income tracts; and
- 8 census tracts with no income designation.

The following table illustrates select demographic characteristics of the PA rated area.

Demographic Information of the Assessment Area						
PA Rated Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	272	4.0	17.6	59.6	15.8	2.9
Population by Geography	973,679	3.1	14.7	61.0	18.2	3.0
Housing Units by Geography	463,257	2.5	15.8	63.4	17.1	1.2
Owner-Occupied Units by Geography	278,483	1.2	12.4	66.9	19.5	0.1
Occupied Rental Units by Geography	118,053	5.6	23.1	53.4	14.3	3.6
Vacant Units by Geography	66,721	2.5	17.2	66.6	12.1	1.5
Businesses by Geography	84,717	3.4	16.3	57.8	20.2	2.3
Farms by Geography	3,158	0.8	10.3	72.5	16.1	0.3
Family Distribution by Income Level	245,739	19.8	18.8	22.2	39.3	0.0
Household Distribution by Income Level	396,536	24.4	16.4	17.7	41.5	0.0
Median Family Income MSA - 11020 Altoona, PA MSA		\$67,495	Median Housing Value			\$137,728
Median Family Income MSA - 21500 Erie, PA MSA		\$68,789	Median Gross Rent			\$779
Median Family Income MSA - 27780 Johnstown, PA MSA		\$65,560	Families Below Poverty Level			8.8%
Median Family Income MSA - 44300 State College, PA MSA		\$90,415	Median Family Income Non-MSAs PA			\$65,202
<i>Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 463,257 housing units in the PA rated area. Of these, 60.1 percent are owner-occupied, 25.5 percent are rental units, and 14.4 percent are vacant. The Geographic Distribution criterion compares home mortgage lending performance to the distribution of owner-occupied housing units.

Examiners used the 2022 and 2023 FFIEC Updated MFI to analyze home mortgage lending under the Borrower Profile Criterion. The following table presents the low-, moderate-, middle-, and upper-income categories in each assessment area within PA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Altoona, PA MSA Median Family Income (11020)				
2022 (\$72,400)	<\$36,200	\$36,200 to <\$57,920	\$57,920 to <\$86,880	≥\$86,880
2023 (\$81,100)	<\$40,550	\$40,550 to <\$64,880	\$64,880 to <\$97,320	≥\$97,320
Erie, PA MSA Median Family Income (21500)				
2022 (\$75,000)	<\$37,500	\$37,500 to <\$60,000	\$60,000 to <\$90,000	≥\$90,000
2023 (\$82,100)	<\$41,050	\$41,050 to <\$65,680	\$65,680 to <\$98,520	≥\$98,520
Johnstown, PA MSA Median Family Income (27780)				
2022 (\$73,900)	<\$36,950	\$36,950 to <\$59,120	\$59,120 to <\$88,680	≥\$88,680
2023 (\$80,900)	<\$40,450	\$40,450 to <\$64,720	\$64,720 to <\$97,080	≥\$97,080
State College, PA MSA Median Family Income (44300)				
2022 (\$97,300)	<\$48,650	\$48,650 to <\$77,840	\$77,840 to <\$116,760	≥\$116,760
2023 (\$115,500)	<\$57,750	\$57,750 to <\$92,400	\$92,400 to <\$138,600	≥\$138,600
PA NA Median Family Income (99999)				
2022 (\$72,900)	<\$36,450	\$36,450 to <\$58,320	\$58,320 to <\$87,480	≥\$87,480
2023 (\$77,800)	<\$38,900	\$38,900 to <\$62,240	\$62,240 to <\$93,360	≥\$93,360
<i>Source: FFIEC</i>				

According to the 2023 D&B data, there were 84,717 businesses in the PA rated area. These businesses have the following Gross Annual Revenue (GAR) characteristics:

- 85.7 percent have GARs \$1 million or less;
- 4.1 percent have GARs greater than \$1 million; and
- 10.2 percent have unknown revenues.

The Borrower Profile criterion compares the distribution of small business loans to businesses by GAR level. Service industries represent the largest portion of businesses at 39.1 percent; followed by non-classifiable establishments (14.9 percent), retail trade (12.6 percent); and finance, insurance, and real estate (9.7 percent). In addition, 66.3 percent of businesses have four or fewer employees and 89.8 percent operate from a single location.

During the evaluation period, the unemployment rates within the PA rated area varied from a high of 6.3 percent (August 2022) in Cambria County to a low of 1.9 percent (April 2024) in Centre County. The counties within the PA rated area generally experienced gradual declines in unemployment rates during the evaluation period, with a recent rise in second quarter 2024. Most counties exhibited slightly higher unemployment rates than those at the PA state level. The following table summarizes unemployment data from the Bureau of Labor Statistics at county, state, and national levels.

Unemployment Rates				
Area	2021	2022	2023	June 2024
	%	%	%	%
Blair County	3.7	3.5	2.8	3.7
Cambria County	4.4	4.2	3.6	4.8
Centre County	2.9	2.7	2.2	3.3
Clearfield County	4.6	4.6	3.5	4.0
Crawford County	4.0	3.8	3.3	3.9
Elk County	4.2	3.5	3.1	4.2
Erie County	4.4	3.9	3.2	3.9
Indiana County	4.3	4.1	3.5	4.9
Jefferson County	4.1	4.0	3.5	4.0
McKean County	4.5	4.6	3.8	4.2
Warren County	4.2	4.3	3.2	3.7
PA Statewide	3.7	3.3	2.9	3.7
National Average	3.9	3.5	3.7	4.1

Source: Bureau of Labor Statistics (Year End).

Competition

The assessment area is competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2024, there were 39 financial institutions operating 341 branches within the PA rated area. Of these institutions, CNB ranked 4th with a 10.2 percent deposit market share.

There is a moderately high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2023, 406 lenders reported a total of 15,992 residential mortgage loans originated or purchased. CNB ranked 2nd among this group of lenders, with a market share of 5.9 percent.

There is a moderate level of competition for small business loans. In 2022, 124 lenders reported a total of 15,551 small business loans originated or purchased. CNB ranked 12th among this group of lenders, with a market share of 2.2 percent. The top five lenders, all larger national banks, captured 55.3 percent of the market share.

SCOPE OF EVALUATION – PENNSYLVANIA

This portion of the evaluation considers activity within the PA rated area. Refer to the overall Scope of Evaluation section for additional information on products reviewed, timeframe of review, and weighting of products. Within the PA rated area, the bank’s performance in the PA Non-MSA assessment area carries the most weight, since this assessment area contained the largest percentage of loans, branches, and deposits.

CONCLUSIONS ON PERFORMANCE CRITERIA IN PENNSYLVANIA

LENDING TEST

The Lending Test Performance in the PA rated area is “High Satisfactory.” The Lending Test performance is generally consistent throughout the PA assessment areas. However, the performance in the Johnstown, PA MSA and the Altoona, PA MSA assessment areas is below the performance in the PA rated area.

Lending Activity

The bank’s lending levels reflect good responsiveness to assessment area credit needs. During the review period (2021-2023), the bank made 5,870 home mortgage, small business, and small farm loans totaling approximately \$781.0 million within the PA rated area. This total includes 4,093 home mortgage loans totaling \$574.3 million, 1,774 small business loans totaling \$206.5 million, and 3 small farm loans totaling \$176,000. After 2021, the number of small business loans originated and purchased declined significantly following the conclusion of the SBA’s PPP program.

Geographic Distribution

The geographic distribution of loans reflects excellent penetration throughout the PA rated area. The bank’s excellent performance of home mortgage lending in the PA Non-MSA assessment area primarily supports this conclusion, as this area received the most weight in the overall analysis. The bank’s excellent performance of home mortgage lending in the State College, PA MSA assessment area additionally supports the conclusion.

Borrower Profile

The distribution of borrowers reflects good penetration among retail customers of different income levels and business customers of different size. The bank’s good performance of home mortgage and small business lending in the PA Non-MSA assessment area primarily supports this conclusion, as this area received the most weight in the overall analysis. The bank’s good performance of home mortgage and small business lending in the State College, PA MSA assessment area additionally supports the conclusion.

Innovative or Flexible Lending Practices

CNB uses innovative and flexible lending practices in order to serve assessment area credit needs. The FHLB’s First Front Door program is specific to the PA rated area.

Community Development Loans

CNB has a relatively high level of community development loans. The bank made 15 qualified community development loans totaling \$23.7 million within the PA rated area, particularly within the PA Non-MSA. The dollar volume of community development loans has decreased since the previous evaluation. Specifically, CNB’s prior evaluation included 14 qualified community development loans totaling approximately \$40.2 million.

The following table illustrates the bank’s community development lending activity by assessment area and by community development purpose. As noted, the bank did not originate any community development loans within the State College, PA MSA, Johnstown, PA MSA or Altoona, PA MSA

assessment areas. For details and examples of community development loans originated during the evaluation period, please refer to the individual assessment areas.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
PA Non-MSA	5	712	2	9,231	2	2,729	0	0	9	12,672
Erie, PA MSA	1	304	0	0	1	1,500	2	8,967	4	10,771
State College, PA MSA	0	0	0	0	0	0	0	0	0	0
Johnstown, PA MSA	0	0	0	0	0	0	0	0	0	0
Altoona, PA MSA	0	0	0	0	0	0	0	0	0	0
Statewide Activities	2	239	0	0	0	0	0	0	2	239
Total	8	1,255	2	9,231	3	4,229	2	8,967	15	23,683
<i>Source: Bank Data</i>										

INVESTMENT TEST

CNB’s overall Investment Test performance rating is “High Satisfactory” for the PA rated area. The following sections detail the bank's performance under each Service Test factor. Regional and statewide investment and grant activity that benefit each assessment area in the rated area primarily support this rating. Performance is inconsistent throughout the PA assessment areas.

Investment and Grant Activity

The bank has a significant level of qualified community development investments and grants, although rarely in a leadership position. During the evaluation period, CNB purchased three qualified investments totaling \$497,000, retained four investments from a prior period with a current book value of \$3.4 million, and made qualified donations totaling \$663,000. During the evaluation period, the bank purchased five MBSs for \$3.2 million that benefitted affordable housing in all five assessment areas in Pennsylvania. Because the credit needs of the assessment area are substantially met, the bank received credit for investments and grants benefitting the broader PA Rated Area. During the evaluation period, the bank maintained \$16.1 million in investments and grants benefitting the broader regional and statewide Pennsylvania area inclusive of the bank’s five assessment areas in the rated area.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
PA Non-MSA	3	1	52	1,445	2	60	4	43	61	1,549
Erie, PA MSA	1	0 (<1)	21	281	2	1,653	3	1071	27	3,005
State College, PA MSA	0	0	9	24	1	3	0	0	10	27
Johnstown, PA MSA	0	0	0	0	0	0	0	0	0	0
Altoona, PA MSA	0	0	4	4	0	0	0	0	4	4
Statewide/Regional	10	8,534	8	1,072	2	6,469	0	0	20	16,075
Total	14	8,535	94	2,826	7	8,185	7	1,114	122	20,660
<i>Source: Bank Data</i>										

Responsiveness to Credit and Community Development Needs

CNB exhibits good responsiveness to the credit and community development needs. Performance in the PA Non-MSA and Erie, PA MSA Assessment Areas primarily support this rating.

Community Development Initiatives

The bank occasionally uses innovative and or complex investments to support community development initiatives.

SERVICE TEST

CNB’s overall Service Test performance rating is “High Satisfactory” for the PA rated area. The following sections detail the bank’s performance under each Service Test factor. Performance is inconsistent throughout the PA assessment areas.

Accessibility of Delivery Systems

The bank’s delivery systems are accessible to all portions of this assessment area, and consistent with other CNB assessment areas. The bank operates 28 full-service branches, 29 ETMs, and 6 ATMs in this rated area. Of the full-service locations, 1 is located in a low-income census tract, 7 are located in moderate-income census tracts, 16 are located in middle-income tracts, and 4 are located in upper-income census tracts. All but two branches offer an ETM, which allows customers to access bank services beyond the hours offered by branch staff. Three branches, including the two without an ETM, have an ATM available for customers. Alternative banking services including internet banking, mobile banking, telephone banking, and participation in two national shared ATM networks enhance customers’ ability to access banking services.

Changes in Branch Locations

To the extent changes have been made, the institution’s opening of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, CNB opened two full-service branches, one in July 2022 located in an upper-income census tract and one in May 2024 in a middle-income census tract. During the evaluation period, the bank closed a stand-alone ATM located in a middle-income census tract in August 2024.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low-and moderate-income geographies and/or individuals. Lobby and drive-through hours are generally 9:00 a.m. to 4:00 p.m. Monday through Friday, and 9:00 a.m. to 12:00 p.m. on Saturday. All but five branches have drive-through service with similar hours of operation. Customers may access the bank’s ETMs between 7:00 a.m. to 7:00 p.m. Monday through Friday and between 8:00 a.m. through 3:00 p.m. on Saturdays. There are slight differences by branch that do not inconvenience access to branch services. The hours and days of operations and the services offered vary slightly for each assessment area.

Community Development Services

The bank provided a relatively high level of community development services. The bank provided 143 instances totaling 3,016 hours supporting community service organizations. The services primarily provided community services targeted to low- and moderate-income individuals, including financial education. Additional details for each assessment area are contained within the sections for the individual assessment areas.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
PA Non-MSA	194	1,701	171	386	2,452
Erie, PA MSA	12	250	44	118	424
State College, PA MSA	70	33	23	14	140
Johnstown, PA MSA	0	0	0	0	0
Altoona, PA MSA	0	0	0	0	0
Statewide Activities	0	0	0	0	0
Regional Activities	0	0	0	0	0
Total	276	1,984	238	518	3,016
<i>Source: Bank Data</i>					

PA NON-MSA ASSESSMENT AREA – Full Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN PA NON-MSA ASSESSMENT AREA

This assessment area contains all 114 census tracts in Clearfield, Crawford, Elk, Indiana, Jefferson, McKean, and Warren counties in PA. None of these counties are located within an MSA. The delineation of this area is unchanged from the prior CRA evaluation. The assessment area includes 0 low-income tracts, 15 moderate-income, 89 middle-income, 9 upper-income, and 1 census tract with no income designation. In 2021, the agencies designated 8 census tracts in Elk County as distressed, middle-income, nonmetropolitan census tracts. In 2023 and 2024, the agencies designated 15 census tracts in Clearfield County, and 10 census tracts in McKean County, as distressed, middle-income, nonmetropolitan census tracts. Most tracts were designated as distressed

due to high unemployment rates at least 1.5 times the national average. The assessment area contains 18 of the bank’s 55 branch offices, 18 of the bank’s 76 ETMs, and 5 of the bank’s ATMs. This assessment area accounted for 42.8 percent of total in-assessment area loans by number of loans, 40.5 percent of total deposits, and 32.7 percent of bank branches.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the PA Non-MSA assessment area.

Demographic Information of the Assessment Area						
PA-Non MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	114	0.0	13.2	78.1	7.9	0.9
Population by Geography	402,247	0.0	11.0	78.0	9.4	1.5
Housing Units by Geography	208,711	0.0	11.8	78.6	8.9	0.7
Owner-Occupied Units by Geography	124,753	0.0	9.3	81.5	9.1	0.1
Occupied Rental Units by Geography	42,773	0.0	17.3	70.7	9.5	2.4
Vacant Units by Geography	41,185	0.0	13.5	77.9	7.6	0.9
Businesses by Geography	33,439	0.0	14.0	74.9	9.9	1.2
Farms by Geography	1,494	0.0	7.6	84.5	7.8	0.0
Family Distribution by Income Level	106,882	19.7	19.4	22.5	38.5	0.0
Household Distribution by Income Level	167,526	24.3	16.9	18.4	40.4	0.0
Median Family Income Non-MSAs - PA		\$65,202	Median Housing Value			\$108,808
Families Below Poverty Level		8.8%	Median Gross Rent			\$682

Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. () The NA category consists of geographies that have not been assigned an income classification.*

There are 208,711 housing units in the assessment area. Of these, 59.8 percent are owner-occupied, 20.5 percent are rental units, and 19.7 are vacant. This data reflects the opportunity to make home mortgage loans in the assessment area.

According to 2023 D&B data, there were 33,439 businesses in the assessment area having the following revenue characteristics:

- 84.7 percent have GARs of \$1 million or less;
- 4.2 percent have GARs greater than \$1 million; and,
- 11.1 percent have unknown revenues.

Service industries represent the largest portion of businesses at 37.8 percent; followed by non-classifiable establishments (13.3 percent), retail trade (13.1 percent); and finance, insurance, and

real estate (8.3 percent). In addition, 67.6 percent of businesses have four or fewer employees and 89.5 percent operate from a single location.

Competition

The assessment area is somewhat competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2024, there were 20 financial institutions operating 123 branches within the PA Non-MSA assessment area. Of these institutions, CNB ranked 3rd with a 17.1 percent deposit market share.

There is a competitive market for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2023, 262 lenders reported a total of 6,376 residential mortgage loans originated or purchased. CNB ranked 1st among this group of lenders, with a market share of 10.8 percent.

There is a moderate level of competition for small business loans. In 2022, 95 lenders reported a total of 5,801 small business loans originated or purchased. CNB ranked 6th among this group of lenders, with a market share of 4.0 percent. The top five lenders, all larger national banks, captured 54.5 percent of the market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. Information obtained reflects the responsiveness of local financial institutions to credit and community development needs, and opportunities for participation in related activities.

Examiners reviewed a recent contact of a nonprofit organization operating in Warren County, PA. The organization offers a variety of services to combat poverty in the area. According to the contact, affordable housing, including renovation of existing housing stock, is a key need in the assessment area. The contact additionally emphasized opportunities available for financial education and literacy. Finally, the contact communicated that significant populations in the area have either poor or absent credit histories.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic data, the primary credit and community development needs of the assessment area are affordable housing and revitalization and stabilization. Low median family incomes in this assessment area support this conclusion. Additionally, there are numerous distressed, middle-income nonmetropolitan census tracts within the PA Non-MSA assessment area. The presence of these tracts presents community development opportunities to attract new, or retain existing, residents and businesses to the area. Since these tracts were designated as distressed by the FFIEC for high unemployment, opportunities for job training programs may be available. In response to information provided by the community contact, examiners recognize an additional need for financial education, credit counseling services, and credit building products.

CONCLUSIONS ON PERFORMANCE CRITERIA IN PA NON-MSA ASSESSMENT AREA

LENDING TEST

CNB demonstrated good performance under the Lending Test. The Lending Activity, Borrower Profile, and Community Development Loan performance support this conclusion.

Lending Activity

The bank's lending levels reflect good responsiveness to the PA Non-MSA assessment area credit needs. During the review period (2021-2023), the bank made 4,026 home mortgage, small business, and small farm loans totaling approximately \$453.8 million inside the assessment area. Home mortgage loans totaled 2,883 for \$328.3 million, small business loans totaled 1,140 for \$125.3 million, and small farm loans totaled 3 for \$176.0 thousand. Examiners attributed a significant decline in small business loans after 2021 to the end of CNB's participation in the SBA's PPP program.

Geographic Distribution

The geographic distribution of loans reflects excellent penetration throughout the assessment area. The bank's excellent performance of home mortgage lending supports this conclusion. Examiners focused on the percentage, by number of loans, in the low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of loans reflects excellent penetration throughout the assessment area.

In 2021, CNB's performance of home mortgage lending was above both the aggregate and demographic data for low- and moderate-income census tracts. The U.S. Census Bureau's 2020 census revised the income characteristics of the PA Non-MSA census tracts, resulting in no low-income tract designations in 2022 or 2023. Therefore, performance is primarily driven by moderate-income tracts in 2022 and 2023.

In moderate-income tracts, the bank exceeded both the aggregate and demographic data for 2022 and 2023. CNB's performance increased from 2022 to 2023, even as aggregate performance fell during the same period. Market share data reflect that CNB was the top lender, ranked 1st, for home mortgage loans made in moderate-income geographies within the assessment area for both years.

Geographic Distribution of Home Mortgage Loans						
PA Non-MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
Moderate						
2022	9.3	9.7	121	11.3	11,545	9.3
2023	9.3	9.4	95	13.7	10,274	14.5
Middle						
2022	81.5	78.9	864	80.4	99,498	80.1
2023	81.5	79.5	548	79.3	52,343	73.7
Upper						
2022	9.1	11.3	89	8.3	13,184	10.6
2023	9.1	10.9	47	6.8	8,211	11.6
Not Available						
2022	0.1	0.2	0	0.0	0	0.0
2023	0.1	0.2	1	0.1	171	0.2
Totals						
2022	100.0	100.0	1,074	100.0	124,227	100.0
2023	100.0	100.0	691	100.0	70,998	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area.

In 2021, the bank's performance of small business loans in low-income census tracts exceeded both aggregate and demographic data. CNB was a top lender in these tracts in 2021, ranking 2nd in market share by count and outperforming larger, national banks. Within moderate-income census tracts in 2021, the bank's performance trailed aggregate and demographic data. As previously mentioned, the 2020 US Census resulted in no low-income census tract designations for 2022 and 2023.

As reflected in the table below, the bank's performance of small business loans in moderate-income census tracts trailed the aggregate and was below demographic data in 2022. However, CNB was a top performer among community banks who made loans in moderate-income tracts, based on Peer Small Business Data. In 2023, performance improved and aligned with demographic data.

Geographic Distribution of Small Business Loans						
PA-Non MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Moderate						
2022	14.1	11.6	22	9.5	6,554	19.1
2023	14.0	--	30	14.8	3,412	17.0
Middle						
2022	74.9	78.6	192	83.1	25,702	75.0
2023	74.9	--	162	79.8	15,808	78.8
Upper						
2022	9.8	9.0	17	7.4	1,999	5.8
2023	9.9	--	10	4.9	598	3.0
Not Available						
2022	1.3	0.8	0	0.0	0	0.0
2023	1.2	--	1	0.5	250	1.2
Totals						
2022	100.0	100.0	231	100.0	34,255	100.0
2023	100.0	--	203	100.0	20,068	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Borrower Profile

The distribution of borrowers reflects good penetration among retail customers of different income levels and businesses of different size. The bank's good performance of both home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. Examiners also focused on the percentage by number of small business loans to businesses with GARs of \$1 million or less.

Home Mortgage Loans

The distribution of borrowers reflects good penetration among retail customers of different income levels.

In 2022, CNB's performance of home mortgage lending to low-income borrowers was similar to aggregate data, but below demographics. According to Peer Mortgage data, CNB was the top ranked lender, by number of loans, to low-income borrowers in the assessment area in 2022. In 2023, CNB's performance declined, trailing the aggregate and remaining below demographic data. Similarly, the bank maintained a strong market share as the 3rd ranked lender to low-income borrowers. Although the bank's performance is below demographics in each year, a low-income family in the assessment area, with an income less than \$38,900, would not likely qualify for a

mortgage under conventional underwriting standards. The median housing value of \$108,808 supports this conclusion. These data help explain the difference between aggregate bank performance with the percentage of families at this income level.

For moderate-income borrowers in 2022, CNB’s performance was below aggregate, while trailing demographic data; however, performance improved in 2023 when the bank’s performance aligned with demographic data and remained below aggregate. During these years, CNB maintained the 1st and 2nd market rank, respectively, for moderate-income borrowers in the assessment area.

Considering CNB’s favorable market rank as a top lender in the assessment area to low- and moderate-income borrowers, performance is good.

Distribution of Home Mortgage Loans by Borrower Income Level						
PA Non-MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	19.7	10.2	105	9.8	6,286	5.1
2023	19.7	9.9	58	8.4	3,063	4.3
Moderate						
2022	19.4	23.5	198	18.4	16,322	13.1
2023	19.4	24.1	140	20.3	9,270	13.1
Middle						
2022	22.5	22.3	216	20.1	20,569	16.6
2023	22.5	23.9	151	21.9	13,312	18.8
Upper						
2022	38.5	32.2	461	42.9	67,769	54.6
2023	38.5	30.5	282	40.8	37,265	52.5
Not Available						
2022	0.0	11.8	94	8.8	13,282	10.7
2023	0.0	11.7	60	8.7	8,087	11.4
Totals						
2022	100.0	100.0	1,074	100.0	124,227	100.0
2023	100.0	100.0	691	100.0	70,998	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Small Business Loans

The distribution of borrowers reflects good penetration among business customers of different size.

In 2021, the bank’s performance of small businesses loans to businesses with GARs less than or equal to \$1 million exceeded aggregate data, but trailed demographics. As reflected in the table

below, in 2022, performance remained above aggregate and trailed demographics. In 2023, performance declined and continued to trail demographics.

Distribution of Small Business Loans by Gross Annual Revenue Category						
PA Non-MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	84.3	59.8	170	73.6	19,101	55.8
2023	84.7	--	143	70.4	10,049	50.1
>\$1,000,000						
2022	4.4	--	59	25.5	14,880	43.4
2023	4.2	--	54	26.6	8,949	44.6
Revenue Not Available						
2022	11.3	--	2	0.9	274	0.8
2023	11.1	--	6	3.0	1,070	5.3
Totals						
2022	100.0	100.0	231	100.0	34,255	100.0
2023	100.0	--	203	100.0	20,068	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.

Innovative or Flexible Lending Practices

CNB uses innovative and flexible lending practices in order to serve assessment area needs.

Community Development Loans

CNB made a relatively high level of community development loans in the PA Non-MSA assessment area. During the review period, CNB originated nine community development loans totaling approximately \$12.7 million. The dollar volume of community development loans has increased since the previous evaluation. Specifically, CNB’s prior evaluation included seven community development loans totaling approximately \$9.1 million. The following table illustrates the bank’s community development lending activity in the PA Non-MSA assessment area by activity year and by community development purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
11/29/2021-12/31/2021	0	0	0	0	0	0	0	0	0	0
2022	3	476	2	9,231	0	0	0	0	5	9,707
2023	1	206	0	0	0	0	0	0	1	206
1/1/2024-9/3/2024	1	30	0	0	2	2,729	0	0	3	2,759
Total	5	712	2	9,231	2	2,729	0	0	9	12,672
<i>Source: Bank Data</i>										

Summarized below are notable examples of the bank’s qualified community development loans in the PA Non-MSA assessment area.

- In 2022, CNB provided a \$42,000 loan for a new work vehicle to a nonprofit that manages low-income, affordable housing properties in Central Pennsylvania. The organization provides affordable housing by increasing the number of safe and affordable homes through homeowner rehabilitation projects and through obtaining and/or constructing new properties targeting low-income individuals and families.
- In 2022, CNB funded a \$336,000 loan to purchase and renovate a property that includes a multifamily dwelling and a duplex. All unit rents are below FMR. As such, this loan promotes affordable housing efforts in the area.
- In 2024, CNB originated a \$1.2 million loan to a manufacturing business, which qualifies as a small business under the SBA size standards, located in a distressed, middle-income census tract. This loan promotes economic development by retaining jobs for the nine low- and moderate-income workers employed by the business.

INVESTMENT TEST

CNB demonstrates “High Satisfactory” performance under the Investment Test in the PA Non-MSA Assessment Area. Investment and grant activity performance primarily supports this rating. Examiners considered the extent of bank operations within the rated area to reach this conclusion.

Investment and Grant Activity

CNB has a significant level of qualified community development investments and grants, rarely in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, the bank purchased three investments for \$630,000, retained one investment from a prior period with a current book balance of \$711,000, and made 53 direct grants for \$208,000.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	1	711	0	0	0	0	1	711
11/29/2021 – 12/31/2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	5	538	0	0	0	0	5	538
2023	0	0	2	92	0	0	0	0	2	92
1/1/2024 – 9/3/2024	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	8	1,341	0	0	0	0	8	1,341
Qualified Grants & Donations	3	1	44	104	2	60	4	43	53	208
Total	3	1	52	1,445	2	60	4	43	61	1,549
<i>Source: Bank Data</i>										

During the review period, CNB made \$1.2 million of qualifying contributions to local schools through the Educational Improvement Tax Credit (EITC) Program. The PA Department of Community and Economic Development (PA DCED) offers this program, which assists low- and moderate-income youth with the cost of attending school.

Responsiveness to Credit and Community Development Needs

CNB exhibits adequate responsiveness to the credit and community development needs. The bank invested in MBSs to support affordable housing, an identified credit need within the assessment area.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives. CNB’s investments primarily include municipal housing and school district bonds that are not considered innovative or complex.

SERVICE TEST

CNB demonstrates “High Satisfactory” performance in the Service Test for the PA Non-MSA assessment area. The following sections detail the bank's performance under each Service Test factor.

Accessibility of Delivery Systems

The bank’s delivery systems are accessible to all portions of this assessment area, and consistent with other CNB assessment areas. The bank operates 18 full-service branches, 18 ETMs, and 6 ATMs in this rated area. Of the full-service locations, 5 (27.8 percent) are in moderate-income census tracts. There are no locations in a low-income census tract. All but four branches offer one or more ETMs, which allows customers to access bank services beyond the hours offered by branch staff. The four branches without an ETM have an ATM available for customers. In addition to the full-service branches, the bank operates 1 ATM-only location. Alternative banking services including internet banking, mobile banking, telephone banking, and participation in two national shared ATM networks enhance customers’ ability to access banking services.

Branch and ATM Distribution by Geography Income Level												
Assessment Area: Pennsylvania Non-MSA AA												
Tract Income Level	Census Tracts		Population		Branches		ETMs /ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	15	13.2	44,391	11.0	5	27.8	9	37.5	0	0.0	0	0.0
Middle	89	78.1	313,889	78.0	12	66.7	14	58.3	0	0.0	0	0.0
Upper	9	7.9	37,979	9.4	1	5.6	1	4.2	0	0.0	0	0.0
NA	1	0.9	5,988	1.5	0	0.0	0	0.0	0	0.0	0	0.0
Totals	114	100.0	402,247	100.0	18	100.0	24	100.0	0	0.0	0	0.0

*Source: 2020 U.S. Census & Bank Data
Due to rounding, totals may not equal 100.0%*

Changes in Branch Locations

To the extent changes have been made, the institution’s opening of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, no branches were opened or closed within the assessment area.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low-and moderate-income geographies and/or individuals. Lobby and drive-through hours are 9:00 a.m. to 4:00 p.m. or 5:00 p.m. Monday through Thursday, 9:00 a.m. to 4:00 p.m. to 6:00 p.m. Friday, and 9:00 a.m. to 12:00 p.m. on Saturday. Customers may access the bank’s ETMs between 7:00 a.m. to 7:00 p.m. Monday through Friday and between 8:00 a.m. through 3:00 p.m. on Saturdays. The hours and days of operations and the services offered vary slightly from other assessment areas, but do not inconvenience customer access.

Community Development Services

The bank is a leader in providing community development services in the PA Non-MSA assessment area. The bank provided 103 instances totaling 2,452 hours primarily supporting community service organizations. The services provided community services, such as food, shelter, counseling services, and financial education, targeted to low- and moderate-income individuals.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
11/29/2021 – 12/31/2021	0	9	0	12	21
2022	98	935	21	58	1,112
2023	30	576	43	85	734
1/1/2024 – 9/3/2024	66	181	107	231	585
Total	194	1,701	171	386	2,452
<i>Source: Bank Data</i>					

Examples of community development services that directly benefitted the assessment area during the review period include:

- During the evaluation period, four employees provided 97 hours of service as a Board member for a non-profit organization supporting community services. The organization provides housing for orphans and family services including adoption and foster care programs.
- During the evaluation period, multiple employees provided 1,245 hours of financial instruction to area schools. The training supports community service as it was provided to students attending schools with a majority of students eligible for the free and reduced cost lunch program, which is an indication that the program benefits low- and moderate-income individuals.
- During the evaluation period, two employees provided 66 hours of service as Board Members for an agency that provides oversight for local affordable housing facilities in Clearfield County. The housing projects target low-income individuals and families.

STATE COLLEGE, PA MSA ASSESSMENT AREA – Full Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN STATE COLLEGE, PA MSA ASSESSMENT AREA

This assessment area contains all 41 census tracts in Centre County, PA. The designation is unchanged from the previous evaluation. The State College, PA MSA assessment area consists of 1 low-income tract, 8 moderate-income tracts, 19 middle-income tracts, 9 upper-income tracts, and 4 tracts with no income designation. This assessment area accounted for 3.0 percent of total in-assessment area loans by number of loans, 1.7 percent of total deposits, and 5.5 percent of bank branches.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
State College, PA MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	41	2.4	19.5	46.3	22.0	9.8
Population by Geography	158,172	3.6	14.7	49.2	20.8	11.6
Housing Units by Geography	67,062	0.2	17.5	56.2	21.7	4.4
Owner-Occupied Units by Geography	37,083	0.0	16.8	59.9	23.2	0.1
Occupied Rental Units by Geography	22,297	0.5	17.3	51.4	19.9	10.8
Vacant Units by Geography	7,682	0.6	21.8	52.4	19.2	6.0
Businesses by Geography	14,846	1.4	16.7	48.1	26.8	7.0
Farms by Geography	574	0.2	19.0	60.8	19.9	0.2
Family Distribution by Income Level	33,317	18.2	19.0	23.2	39.5	0.0
Household Distribution by Income Level	59,380	25.9	15.0	17.0	42.1	0.0
Median Family Income MSA - 44300 State College, PA MSA		\$90,415	Median Housing Value			\$252,762
Families Below Poverty Level		4.6%	Median Gross Rent			\$1,017
<i>Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 67,062 housing units in the assessment area. Of these, 55.3 percent are owner-occupied, 33.2 percent are rental units, and 11.5 percent are vacant.

According to 2023 D&B data, there were 14,846 businesses in the assessment area having the following revenue characteristics:

- 87.2 percent have GARs of \$1 million or less;
- 3.2 percent have GARs greater than \$1 million; and
- 9.6 percent have unknown revenues.

Service industries represent the largest portion of businesses at 43.0 percent; followed by non-classifiable establishments (17.3 percent), retail trade (10.6 percent); and finance, insurance, and real estate (10.2 percent). In addition, 65.3 percent of businesses have four or fewer employees and 90.3 percent operate from a single location.

Competition

The State College, PA MSA assessment area is a moderately competitive market for financial services. According to FDIC Summary of Deposits as of June 30, 2024, there were 16 institutions that operated 45 branch locations within the assessment area. Of these institutions, CNB ranked 12th with a 1.9 percent deposit market share.

There is a moderate level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2023, 184 lenders reported 2,416 home mortgage

loans originated or purchased. CNB ranked 14th with a market share of 2.4 percent by number of loans.

Similarly, there is a moderate level of competition for small business loans. In 2022, 67 lenders reported 2,286 small business loans originated or purchased. Among these lenders, CNB ranked 18th with a 0.8 percent market share by number of loans. The top five lenders in the market, all larger national banks, captured 63.6 percent of the market share by number of loans.

Community Contact

Examiners reviewed a contact performed during the evaluation period with the Director of an affordable housing organization serving Centre County. The contact explained that the State College, PA MSA has expensive housing costs and limited land available for development due to the proximity of the Pennsylvania State University campus. According to the contact, these circumstances exacerbate the need for affordable housing. Specifically, the contact emphasized the need for multi-unit housing to address needs of small families and single individuals. The contact spoke positively of area financial institutions' efforts to address these credit and community development needs.

Credit and Community Development Needs and Opportunities

Considering information from the community contacts, bank management, and demographic data, the primary credit and community development need is affordable housing. The area's high median housing value, at \$252,762, supports this conclusion. As reflected by the community contact, there are opportunities for local financial institutions to participate in affordable housing projects and provide financial expertise by serving on Boards and committees.

CONCLUSIONS ON PERFORMANCE CRITERIA IN STATE COLLEGE, PA MSA ASSESSMENT AREA

LENDING TEST

CNB demonstrated good performance under the Lending Test. The Lending Activity and Borrower Profile performance support this conclusion.

Lending Activity

The bank's lending levels reflect good responsiveness to the State College, PA MSA assessment area credit needs. During the review period (2021-2023), the bank made 285 home mortgage and small business loans totaling approximately \$50.5 million inside this assessment area. Home mortgage loans totaled 214 for \$42.5 million and small business loans totaled 71 for \$7.9 million. CNB did not originate or purchase any small farm loans in this assessment area during the review period.

Geographic Distribution

The geographic distribution of loans reflects excellent penetration throughout the assessment area. The bank's excellent performance of home mortgage lending primarily supports this conclusion. Examiners focused on the percentage of loans, by number, in the low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent penetration through the assessment area.

According to the 2020 U.S. Census, there was a single low-income census tract designated within the State College, PA MSA assessment area. However, there were no owner-occupied housing units within this census tract, which sits on the campus of Pennsylvania State University. Since there were no owner-occupied housing units and analysis would not result in meaningful conclusions, examiners did not evaluate lending performance in low-income tracts.

For moderate-income census tracts, CNB’s performance of home mortgage loans significantly exceeded aggregate and demographic data for 2022 and 2023. Performance was consistent in 2021.

Geographic Distribution of Home Mortgage Loans						
State College, PA MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
Moderate						
2022	16.8	16.3	35	45.5	3,648	16.8
2023	16.8	17.0	21	36.2	2,308	22.9
Middle						
2022	59.9	57.6	38	49.4	16,817	77.4
2023	59.9	57.9	24	41.4	3,207	31.9
Upper						
2022	23.2	25.7	4	5.2	1,261	5.8
2023	23.2	24.7	12	20.7	4,222	42.0
Not Available						
2022	0.1	0.4	0	0.0	0	0.0
2023	0.1	0.4	1	1.7	326	3.2
Totals						
2022	100.0	100.0	77	100.0	21,726	100.0
2023	100.0	100.0	58	100.0	10,064	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The geographic distribution of loans reflects good penetration throughout the assessment area.

The bank made no loans in low-income census tracts during any year in the evaluation period. As previously mentioned, there is only a single low-income tract in the assessment area. The tract contains very few businesses, which reflects highly limited opportunities to originate or purchase small business loans within this tract category. Aggregate lenders also did not originate any small business loans in the low-income census tract in 2021 or 2022.

In 2021, the bank’s performance of small business lending in moderate-income census tracts exceeded demographic and aggregate data. As reflected in the table below, the bank’s performance continued to exceed demographics and aggregate data in 2022. Performance declined in 2023 and trailed demographic data. By number, the bank made a low volume of small business loans in all geographies comprising the State College, PA MSA assessment area.

Geographic Distribution of Small Business Loans						
State College, PA MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	1.0	0.0	0	0.0	0	0.0
2023	1.4	--	0	0.0	0	0.0
Moderate						
2022	16.5	15.9	8	44.4	1,766	78.8
2023	16.7	--	2	13.3	38	2.7
Middle						
2022	48.2	54.0	9	50.0	406	18.1
2023	48.1	--	12	80.0	1,056	74.9
Upper						
2022	26.8	25.4	1	5.6	68	3.0
2023	26.8	--	1	6.7	315	22.4
Not Available						
2022	7.4	4.6	0	0.0	0	0.0
2023	7.0	--	0	0.0	0	0.0
Totals						
2022	100.0	100.0	18	100.0	2,240	100.0
2023	100.0	--	15	100.0	1,409	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Borrower Profile

The distribution of borrowers reflects good penetration among retail customers of different income levels and business customers of different size. The bank’s good performance of both home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers.

Examiners also focused on the percentage by number of small business loans to businesses with GARs of \$1 million or less.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects good penetration through the assessment area.

In 2022 and 2023, the bank's performance of home mortgage lending to low-income borrowers exceeded the aggregate but trailed demographic data. Although the bank's level of lending activity trailed demographics, a low-income family in the assessment area, with an income less than \$57,750 would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$252,762. These data help explain the difference between the bank and aggregate performance with the demographic percentage of low-income families.

Among moderate income census tracts, the bank's performance was below both demographic and aggregate data in 2022. In 2023, the bank's performance improved, aligning with the demographic data and trailing the aggregate data. Further supporting the good performance, the bank's level of lending exceeded the aggregate data for low- and moderate-income borrowers in 2021.

Distribution of Home Mortgage Loans by Borrower Income Level						
State College, PA MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	18.2	9.7	12	15.6	869	4.0
2023	18.2	13.2	9	15.5	664	6.6
Moderate						
2022	19.0	18.9	11	14.3	898	4.1
2023	19.0	22.6	11	19.0	1,629	16.2
Middle						
2022	23.2	23.9	22	28.6	2,651	12.2
2023	23.2	23.1	15	25.9	2,083	20.7
Upper						
2022	39.5	38.4	27	35.1	4,444	20.5
2023	39.5	31.8	19	32.8	5,018	49.9
Not Available						
2022	0.0	9.1	5	6.5	12,864	59.2
2023	0.0	9.3	4	6.9	671	6.7
Totals						
2022	100.0	100.0	77	100.0	21,726	100.0
2023	100.0	100.0	58	100.0	10,063	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Small Business Loans

The distribution of borrowers reflects good penetration among businesses of different sizes. In 2021, the bank's performance of small business loans to businesses with GARs less than or equal to \$1 million was below demographics but exceeded aggregate data. In 2022, performance remained above aggregate and below demographics. In 2023, performance increased while remaining below the demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category						
State College, PA MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	86.8	52.0	11	61.1	1,075	48.0
2023	87.2	--	10	66.7	679	48.2
>\$1,000,000						
2022	3.3	--	7	38.9	1,165	52.0
2023	3.1	--	5	33.3	730	51.8
Revenue Not Available						
2022	10.0	--	0	0.0	0	0.0
2023	9.6	--	0	0.0	0	0.0
Totals						
2022	100.0	100.0	18	100.0	2,240	100.0
2023	100.0	--	15	100.0	1,409	100.0
<i>Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Innovative or Flexible Lending Practices

CNB uses innovative and flexible lending practices in order to serve the assessment area needs.

Community Development Loans

CNB did not originate community development loans benefitting this assessment area.

INVESTMENT TEST

CNB demonstrated “Low Satisfactory” performance under the Investment Test in the State College, PA MSA Assessment Area. The performance as described under the Responsiveness to Credit and Community Development Needs and Community Development Initiatives sections primarily support this rating.

Investment and Grant Activity

CNB has a good level of qualified community development investments and grants, rarely in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, the bank made no direct investments within the assessment area and made 10 direct grants for \$27,000.

Qualified Investments										
State College, PA MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
11/29/2021 – 12/31/2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0
1/1/2024 – 9/3/2024	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0	0
Qualified Grants & Donations	0	0	9	24	1	3	0	0	10	27
Total	0	0	9	24	1	3	0	0	10	27
<i>Source: Bank Data</i>										

During the review period, the bank made \$24,000 in donations to various non-profit organizations that provide community services, such as affordable housing and food and counseling services to low- and moderate-income individuals in this assessment area.

Responsiveness to Credit and Community Development Needs

CNB exhibits adequate responsiveness to credit and community development needs. The bank invested in MBSs to support affordable housing, an identified credit need within the assessment area.

Community Development Initiatives

The bank occasionally uses innovative and or complex investments to support community development initiatives. CNB’s investments primarily include municipal housing and school district bonds that are not considered innovative or complex.

SERVICE TEST

CNB demonstrates “Low Satisfactory” performance under the Service Test in the State College, PA MSA Assessment Area. Community Development Services and Changes in Branch Locations drive this rating.

Accessibility of Delivery Systems

CNB’s delivery systems are reasonably accessible to essentially all portions of the assessment area. The bank currently operates 3 branches and 4 ETMs in the area. Of the 3 branch locations, 1 (33.3 percent) branch is in a moderate-income census tract, and there are no branches in a low-income census tract. The branch distribution and alternative delivery systems are consistent with the overall institution. Two branches offer ETMs, which allows customers to access bank services beyond the hours offered by branch staff. The branch without an ETM is relatively close in location to one of the other branches. Alternative banking services including internet banking, mobile banking, telephone banking, and participation in two national shared ATM networks that enhance customers’ ability to access banking services.

Branch and ATM Distribution by Geography Income Level												
State College, PA MSA Assessment Area												
Tract Income Level	Census Tracts		Population		Branches		ETMs /ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	1	2.4	5,753	3.6	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	8	19.5	23,325	14.8	1	33.3	1	25.0	0	0.0	0	0.0
Middle	19	46.3	77,865	49.2	1	33.3	3	75.0	1	50.0	0	0.0
Upper	9	22.0	32,842	20.8	1	33.3	0	0.0	1	50.0	0	0.0
NA	4	9.8	18,387	11.6	0	0.0	0	0.0	0	0.0	0	0.0
Totals	41	100.0	158,172	100.0	3	100.0	4	100.00	2	100.0	0	0.0

*Source: 2020 U.S. Census & Bank Data
Due to rounding, totals may not equal 100.0%*

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, CNB opened two full-service branches in the area. One branch, opened in July 2024, is in an upper-income census tract. Another branch, opened in May 2024, is in a middle-income census tract.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low-and moderate-income geographies and/or individuals. Branch hours are 9:00 a.m. to 4:00 p.m. Monday through Friday. Two branches offer extended Friday hours. All branches are closed on Saturday. Customers may access the bank’s ETMs between 7:00 a.m. to 7:00 p.m. Monday through Friday and between 8:00 a.m. through 3:00 p.m. on Saturdays. The hours and days of operations and the services offered vary slightly from other assessment areas, but do not inconvenience customer access.

Community Development Services

The bank provided an adequate level of community development services in the State College MSA assessment area. The bank provided 13 instances totaling 140 hours of service. The service hours primarily supported affordable housing benefitting low- and moderate-income individuals or families.

Community Development Services					
State College, PA MSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
11/29/2021 – 12/31/2021	0	0	0	0	0
2022	23	24	4	12	63
2023	36	9	13	2	60
1/1/2024 – 9/3/2024	11	0	6	0	17
Total	70	33	23	14	140
<i>Source: Bank Data</i>					

Examples of community development services that directly benefitted the assessment area during the review period include:

- During the review period, one employee provided 23 hours of service as a Board member for a non-profit organization supporting economic development. The organization supports start-up businesses that can lead to job creation targeted to low- and moderate-income individuals.
- During the review period, two employees provided 70 hours of service as a Board member and Finance Committee member for a non-profit organization supporting affordable housing. The non-profit organization supports efforts to assist and guide families and individuals to achieve independent living. The services are targeted to low- and moderate-income individuals.

OTHER ASSESSMENT AREAS – Limited Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSEMENT AREAS

Assessment Area	Lending Test	Investment Test	Service Test
Erie, PA MSA	Consistent	Below	Consistent
Johnstown, PA MSA	Below	Below	Below
Altoona, PA MSA	Below	Below	Below

Erie, PA MSA

The Erie, PA MSA assessment area represents the bank’s presence in Erie County. The following table shows loans, investment, and service activity within the Erie, PA MSA assessment area. Lending activity is from 2021 through 2023, while community development activity is from November 29, 2021, through September 3, 2024.

Activity	#	\$ (000s)
Home Mortgage Loans	763	177,170
Small Business Loans	445	59,437
Community Development Loans	4	10,771
Investments (New)	7	230
Investments (Prior Period) *	3	2,720
Donations	17	54
CD Services (hours)	375	NA
<i>Source: Bank Data. * Data included within the PA statewide area investments.</i>		
<i>"--" data not available</i>		

Altoona, PA MSA

The Altoona, PA MSA assessment area represents the bank's presence in Blair County. The following table shows loans, investment, and service activity within the Altoona, PA MSA assessment area. Lending activity is from 2021 through 2023, while community development activity is from November 29, 2021 through September 3, 2024.

Activity	#	\$ (000s)
Home Mortgage Loans	132	17,567
Small Business Loans	100	11,297
Community Development Loans	0	0
Investments (New)	0	0
Investments (Prior Period) *	0	0
Donations	4	4
CD Services (hours)	0	0
<i>Source: Bank Data. * Data included within the PA statewide area investments.</i>		
<i>"--" data not available</i>		

Johnstown, PA MSA

The Johnstown, PA MSA assessment area represents the bank's presence in Cambria County. The following table shows loans, investment, and service activity within the Johnstown, PA MSA assessment area. Lending activity is from 2021 through 2023, while community development activity is from November 29, 2021 through September 3, 2024.

Activity	#	\$ (000s)
Home Mortgage Loans	101	8,692
Small Business Loans	18	2,667
Community Development Loans	0	0
Investments (New)	0	0
Investments (Prior Period) *	0	0
Donations	0	0
CD Services (hours)	0	0
<i>Source: Bank Data. * Data included within the PA statewide area investments.</i>		
<i>"--" data not available</i>		

Examiners also considered MBS purchases during the period. A less than majority portion of two purchased MBS investments supported \$178,543 of the total securities valued at \$6.0 million. The assessment area also benefited from regional investments that included this assessment area.

Erie, PA MSA Assessment Area

Geographic Distribution
Home Mortgage Loans

Geographic Distribution of Home Mortgage Loans						
Erie, PA MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	3.6	2.5	3	1.1	206	0.4
2023	3.6	2.8	3	2.1	214	0.6
Moderate						
2022	14.9	13.8	28	10.1	9,582	16.4
2023	14.9	15.1	7	4.8	3,706	11.2
Middle						
2022	45.5	45.1	99	35.6	15,725	27.0
2023	45.5	45.5	50	34.5	7,665	23.1
Upper						
2022	35.8	38.3	145	52.2	32,214	55.3
2023	35.8	36.4	85	58.6	21,622	65.1
Not Available						
2022	0.2	0.3	3	1.1	577	1.0
2023	0.2	0.2	0	0.0	0	0.0
Totals						
2022	100.0	100.0	278	100.0	58,304	100.0
2023	100.0	100.0	145	100.0	33,207	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Small Business Loans

Geographic Distribution of Small Business Loans						
Erie, PA MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	10.5	8.1	5	8.1	1,502	11.3
2023	10.4	--	7	10.8	1,620	13.9
Moderate						
2022	17.8	15.1	11	17.7	2,428	18.2
2023	17.7	--	7	10.8	2,297	19.7
Middle						
2022	37.6	40.2	31	50.0	5,430	40.8
2023	37.3	--	22	33.8	3,407	29.3
Upper						
2022	32.8	34.2	15	24.2	3,945	29.7
2023	32.4	--	28	43.1	4,222	36.3
Not Available						
2022	1.4	2.5	0	0.0	0	0.0
2023	2.3	--	1	1.5	100	0.9
Totals						
2022	100.0	100.0	62	100.0	13,305	100.0
2023	100.0	--	65	100.0	11,646	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Borrower Profile
Home Mortgage Loans

Distribution of Home Mortgage Loans by Borrower Income Level						
Erie, PA MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	20.5	9.2	23	8.3	1,857	3.2
2023	20.5	10.0	3	2.1	240	0.7
Moderate						
2022	17.7	20.2	33	11.9	3,441	5.9
2023	17.7	22.3	20	13.8	1,696	5.1
Middle						
2022	21.5	23.3	42	15.1	6,197	10.6
2023	21.5	24.2	27	18.6	2,332	7.0
Upper						
2022	40.3	36.1	146	52.5	33,391	57.3
2023	40.3	31.4	83	57.2	19,027	57.3
Not Available						
2022	0.0	11.2	34	12.2	13,419	23.0
2023	0.0	12.1	12	8.3	9,911	29.8
Totals						
2022	100.0	100.0	278	100.0	58,304	100.0
2023	100.0	100.0	145	100.0	33,207	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category						
Erie, PA MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	85.5	53.7	42	67.7	7,526	56.6
2023	86.2	--	35	53.8	4,607	39.6
>\$1,000,000						
2022	4.9	--	20	32.3	5,779	43.4
2023	4.5	--	26	40.0	6,685	57.4
Revenue Not Available						
2022	9.6	--	0	0.0	0	0.0
2023	9.2	--	4	6.2	354	3.0
Totals						
2022	100.0	100.0	62	100.0	13,305	100.0
2023	100.0	--	65	100.0	11,646	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.

Altoona, PA MSA Assessment Area
Geographic Distribution
Home Mortgage Loans

Geographic Distribution of Home Mortgage Loans						
Altoona, PA MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	1.5	1.0	3	5.8	517	7.7
2023	1.5	1.1	0	0.0	0	0.0
Moderate						
2022	15.5	15.3	7	13.5	1,231	18.4
2023	15.5	17.0	5	18.5	233	13.6
Middle						
2022	61.3	59.4	26	50.0	2,715	40.7
2023	61.3	59.0	15	55.6	1,051	61.3
Upper						
2022	21.7	24.3	16	30.8	2,213	33.2
2023	21.7	23.0	7	25.9	430	25.1
Not Available						
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
Totals						
2022	100.0	100.0	52	100.0	6,676	100.0
2023	100.0	100.0	27	100.0	1,714	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Small Business Loans

Geographic Distribution of Small Business Loans						
Altoona, PA MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	1.9	0.8	0	0.0	0	0.0
2023	1.9	--	0	0.0	0	0.0
Moderate						
2022	21.1	18.7	4	17.4	266	7.3
2023	21.0	--	3	18.8	164	6.5
Middle						
2022	58.5	61.3	15	65.2	2,800	77.0
2023	58.5	--	12	75.0	2,355	92.8
Upper						
2022	18.5	19.2	4	17.4	569	15.7
2023	18.6	--	1	6.2	20	0.8
Not Available						
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Totals						
2022	100.0	100.0	23	100.0	3,635	100.0
2023	100.0	--	16	100.0	2,539	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Home Mortgage Loans

Distribution of Home Mortgage Loans by Borrower Income Level						
Altoona, PA MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	20.1	10.8	2	3.8	75	1.1
2023	20.1	10.8	3	11.1	119	6.9
Moderate						
2022	18.7	20.9	11	21.2	1,116	16.7
2023	18.7	22.5	6	22.2	306	17.9
Middle						
2022	21.3	22.7	9	17.3	1,033	15.5
2023	21.3	21.6	4	14.8	268	15.6
Upper						
2022	39.8	33.5	23	44.2	3,442	51.6
2023	39.8	31.2	12	44.4	920	53.7
Not Available						
2022	0.0	12.2	7	13.5	1,010	15.1
2023	0.0	13.8	2	7.4	101	5.9
Totals						
2022	100.0	100.0	52	100.0	6,676	100.0
2023	100.0	100.0	27	100.0	1,714	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category						
Altoona, PA MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	85.3	55.9	10	43.5	1,024	28.2
2023	85.6	--	5	31.3	234	9.2
>\$1,000,000						
2022	4.4	--	12	52.2	2,534	69.7
2023	4.3	--	11	68.8	2,305	90.8
Revenue Not Available						
2022	10.3	--	1	4.3	77	2.1
2023	10.1	--	0	0.0	0	0.0
Totals						
2022	100.0	100.0	23	100.0	3,635	100.0
2023	100.0	--	16	100.0	2,539	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.

Johnstown, PA MSA Assessment Area

Geographic Distribution

The assessment area does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile
Home Mortgage Loans

Distribution of Home Mortgage Loans by Borrower Income Level						
Johnstown, PA MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	19.9	12.0	1	3.2	38	1.6
2023	19.9	10.0	1	5.0	102	5.7
Moderate						
2022	19.3	21.7	8	25.8	337	14.0
2023	19.3	25.7	9	45.0	686	38.1
Middle						
2022	23.3	22.8	7	22.6	761	31.5
2023	23.3	23.3	5	25.0	285	15.8
Upper						
2022	37.6	35.7	12	38.7	1,166	48.2
2023	37.6	32.6	5	25.0	729	40.5
Not Available						
2022	0.0	7.8	3	9.7	115	4.8
2023	0.0	8.5	0	0.0	0	0.0
Totals						
2022	100.0	100.0	31	100.0	2,417	100.0
2023	100.0	100.0	20	100.0	1,802	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category						
Johnstown, PA MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	86.3	58.9	2	66.7	139	48.6
2023	86.3	--	1	25.0	204	10.3
>\$1,000,000						
2022	3.9	--	1	33.3	147	51.4
2023	3.8	--	3	75.0	1,768	89.7
Revenue Not Available						
2022	9.8	--	0	0.0	0	0.0
2023	9.9	--	0	0.0	0	0.0
Totals						
2022	100.0	100.0	3	100.0	286	100.0
2023	100.0	--	4	100.0	1,972	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.

OHIO

CRA RATING FOR OHIO: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN OHIO

CNB designated four assessment areas in OH. Collectively, the four assessment areas are referred to as the OH rated area. The bank operates 12 branches in OH. The bank's operations in the OH rated area represent 18.5 percent of its total in-assessment area lending (by number), 17.3 percent of total deposits, and 21.9 percent of total branches. Since the previous evaluation, the bank removed Medina County from the Cleveland OH MSA assessment area and Ashland County from the OH Non-MSA Assessment Area. Refer to the overall Description of Assessment Areas section for additional information on this assessment area.

Economic and Demographic Data

The OH rated area includes 1,070 census tracts. According to the 2020 U.S. Census, these tracts have the following income characteristics:

- 150 low-income tracts;
- 243 moderate-income tracts;
- 359 middle-income tracts;
- 281 upper-income tracts; and
- 37 tracts with no income designation.

The following table illustrates select demographic characteristics of the OH rated area.

Demographic Information of the Assessment Area						
OH Rated Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,070	14.0	22.7	33.6	26.3	3.5
Population by Geography	3,871,277	10.2	20.3	35.8	32.0	1.8
Housing Units by Geography	1,712,987	11.8	22.0	35.5	29.2	1.6
Owner-Occupied Units by Geography	960,739	5.7	16.7	39.6	37.3	0.7
Occupied Rental Units by Geography	597,629	18.7	29.1	30.7	18.9	2.6
Vacant Units by Geography	154,619	22.9	27.5	28.2	18.2	3.3
Businesses by Geography	642,842	9.2	17.1	29.7	42.4	1.7
Farms by Geography	13,665	6.1	15.5	38.4	39.2	0.7
Family Distribution by Income Level	930,122	22.6	17.4	19.9	40.0	0.0
Household Distribution by Income Level	1,558,368	25.0	16.3	17.5	41.2	0.0
Median Family Income MSA - 17460 Cleveland-Elyria, OH MSA		\$76,766	Median Housing Value			\$167,484
Median Family Income MSA - 18140 Columbus, OH MSA		\$84,088	Median Gross Rent			\$912
Median Family Income MSA - 31900 Mansfield, OH MSA		\$63,284	Families Below Poverty Level			10.2%
Median Family Income Non-MSAs - OH		\$66,684				
<i>Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 1,712,987 housing units. Of these, 56.1 percent are owner-occupied, 34.9 are rental occupied units, and 9.0 are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

Examiners used the 2022 and 2023 FFIEC-updated MFI to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Cleveland-Elyria, OH MSA Median Family Income (17460)				
2022 (\$85,400)	<\$42,700	\$42,700 to <\$68,320	\$68,320 to <\$102,480	≥\$102,480
2023 (\$94,000)	<\$47,000	\$47,000 to <\$75,200	\$75,200 to <\$112,800	≥\$112,800
Columbus, OH MSA Median Family Income (18140)				
2022 (\$95,600)	<\$47,800	\$47,800 to <\$76,480	\$76,480 to <\$114,720	≥\$114,720
2023 (\$100,900)	<\$50,450	\$50,450 to <\$80,720	\$80,720 to <\$121,080	≥\$121,080
Mansfield, OH MSA Median Family Income (31900)				
2022 (\$70,700)	<\$35,350	\$35,350 to <\$56,560	\$56,560 to <\$84,840	≥\$84,840
2023 (\$75,000)	<\$37,500	\$37,500 to <\$60,000	\$60,000 to <\$90,000	≥\$90,000
OH NA Median Family Income (99999)				
2022 (\$74,900)	<\$37,450	\$37,450 to <\$59,920	\$59,920 to <\$89,880	≥\$89,880
2023 (\$79,500)	<\$39,750	\$39,750 to <\$63,600	\$63,600 to <\$95,400	≥\$95,400
<i>Source: FFIEC</i>				

According to 2023 D&B data, there were 642,842 businesses, having the following revenue characteristics:

- 91.7 percent have GARs of \$1 million or less;
- 2.5 percent have GARs greater than \$1 million; and
- 5.8 percent have unknown revenues.

The Borrower Profile criterion compares the distribution of small business loans to businesses by GAR level. Service industries represent the largest portion of businesses at 33.4 percent; followed by non-classifiable establishments (28.8 percent), finance, insurance, and real estate 11.2 percent), and retail trade (8.9 percent). In addition, 60.0 percent of businesses have four or fewer employees and 94.6 percent operate from a single location.

During the evaluation period, the unemployment rates within the OH rated area varied from a high of 7.0 percent (July 2022) in Marion County to a low of 2.3 percent (November 2023) in Geauga County. The counties within the OH rated area generally experienced gradual declines in unemployment rates during the evaluation period, with a recent rise in second quarter 2024. Most counties exhibited slightly higher unemployment rates than those at the OH state level. The following table summarizes unemployment data from the Bureau of Labor Statistics at county, state, and national levels.

Unemployment Rates				
Area	2021	2022	2023	June 2024
	%	%	%	%
Ashtabula County	4.1	4.1	3.8	5.8
Crawford County	4.2	4.2	3.7	5.8
Cuyahoga County	4.4	3.4	3.2	4.7
Delaware County	2.4	2.6	2.4	4.5
Franklin County	2.9	3.0	2.7	4.9
Geauga County	3.5	2.8	2.7	4.0
Knox County	3.1	3.1	2.8	4.9
Lake County	3.8	3.2	2.9	4.1
Lorain County	4.2	3.4	3.2	4.6
Marion County	3.3	3.3	3.1	5.3
Morrow County	3.4	3.6	3.1	5.1
Richland County	4.1	4.4	3.8	5.7
OH Statewide	3.5	3.4	3.1	5.1
National Average	3.9	3.5	3.7	4.1

Source: Bureau of Labor Statistics (Year End). YTD 2024 figures as of June 2024.

Competition

The assessment area is competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2024, there were 70 financial institutions operating 934 branches within the OH rated area. Of these institutions, CNB ranked 18th with a 0.4 percent deposit market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2023, 679 lenders reported a total of 87,888 residential mortgage loans originated or purchased. CNB ranked 83rd among this group of lenders, with a market share of 0.2 percent.

There is a moderate level of competition for small business loans. In 2022, 193 lenders reported a total of 86,326 small business loans originated or purchased. CNB ranked 26th among this group of lenders, with a market share of 0.2 percent. The top five lenders, all larger national banks, captured 63.6 percent of the market share.

SCOPE OF EVALUATION – OHIO

This portion of the evaluation considers activity within the OH Rated Area. Refer to the overall Scope of Evaluation section for additional information on products reviewed, timeframe of review, and weighting of products. Within the OH Rated Area, the bank’s performance in the Cleveland-Elyria, OH MSA assessment area carries the most weight, since this assessment area contained the largest percentage of loans, branches, and deposits.

CONCLUSIONS ON PERFORMANCE CRITERIA IN OHIO

LENDING TEST

The Lending Test performance in the OH rated area is “Low Satisfactory.” The Lending Test performance is generally consistent throughout the OH assessment areas.

Lending Activity

The bank’s lending levels reflect good responsiveness to assessment area credit needs. During the review period (2021-2023), the bank made 1,743 home mortgage, small business, and small farm loans totaling approximately \$673.2 million within the OH rated area. This total includes 903 home mortgage loans totaling \$515.3 million, 811 small business loans totaling \$154.9 million, and 29 small farm loans totaling \$2.9 million. After 2021, the number of small business loans originated and purchased declined significantly following the conclusion of the SBA’s PPP program.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the OH rated area. The bank’s good performance of small business and home mortgage lending in the Cleveland-Elyria, OH MSA assessment area primarily supports this conclusion, since this area received the most weight as the only full-scope assessment area selected for OH.

Borrower Profile

The distribution of borrowers reflects poor penetration among retail customers of different income levels and business customers of different size. The bank’s poor performance of home mortgage lending in the Cleveland-Elyria, OH MSA assessment area primarily supports this conclusion, since this area received the most weight as the only full-scope assessment area selected for OH.

Innovative or Flexible Lending Practices

CNB uses innovative and flexible lending practices to address the credit needs of low- and moderate-income individual and geographies in the assessment area.

Community Development Loans

The bank is a leader in making community development loans within the OH rated area. The bank made 33 qualified community development loans totaling \$79.5 million. The number of community development loans has increased since the previous evaluation. Specifically, CNB’s prior evaluation included 30 community development loans totaling approximately \$75.7 million.

The following table illustrates the bank’s community development lending activity by assessment area and by community development purpose. As noted, the bank did not originate any community development loans within the Mansfield, OH MSA assessment area.

Although six community development loans totaling approximately \$12.6 million benefitted a broader statewide area, examiners considered these loans as qualified community development loans as the bank has been responsive to other community development needs and opportunities in the OH rated area. For example, the bank originated five multifamily affordable housing loans totaling \$12.1 million in OH counties outside the OH rated area. In each instance, the majority or all

rents were below fair market rent for the area. For details and examples of community development loans originated during the evaluation period, please refer to the individual assessment areas.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Columbus, OH MSA	2	4,500	1	850	1	11,000	1	6,553	5	22,903
Cleveland-Elyria, OH MSA	7	7,249	1	2,130	11	27,412	1	1,258	20	38,049
OH Non-MSA	1	319	0	0	0	0	1	5,700	2	6,019
Mansfield, OH MSA	0	0	0	0	0	0	0	0	0	0
Statewide Activities	5	12,089	0	0	1	504	0	0	6	12,593
Total	15	24,157	2	2,980	13	38,916	3	13,511	33	79,564

Source: Bank Data

INVESTMENT TEST

CNB demonstrated “High Satisfactory” performance under the Investment Test for the OH Rated Area. Examiners considered the extent of bank operations within the rated area to reach this conclusion. Performance is inconsistent throughout the OH assessment areas. Refer to each assessment area for more details.

Investment and Grant Activity

The bank has a significant level of qualified community development investments and grants. During the evaluation period, CNB purchased six qualified investments totaling \$18.9 million, maintained ten investments from a prior period with a current book value of \$18.5 million, and made 71 qualified donations for \$213,000 within the rated area. Because the credit needs of the assessment area are substantially met, the bank received credit for eight qualified investments and grants for \$9.7 million that benefit the broader OH statewide area.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Columbus, OH MSA	4	3,459	8	19	5	11,865	-	-	17	15,343
Cleveland-Elyria, OH MSA	7	16,976	47	2,178	9	1,566	4	1,539	67	22,259
OH Non-MSA	-	-	1	2	2	7	-	-	3	9
Mansfield, OH MSA	0	0	0	0	0	0	0	0	0	0
Statewide Activities	7	9,648	1	2	0	0	0	0	8	9,650
Total	18	30,083	57	2,201	16	13,438	4	1,539	95	47,261

Source: Bank Data

Responsiveness to Credit and Community Development Needs

CNB exhibits good responsiveness to the credit and community development needs. The community contact noted the need for affordable housing. During the evaluation period, a majority of community development investment and grant activity addressed this community need.

Community Development Initiatives

The bank occasionally uses innovative and or complex investments to support community development initiatives.

SERVICE TEST

CNB demonstrates “High Satisfactory” performance for the Service Test in the OH Rated Area. The bank’s performance in the Cleveland-Elyria, OH MSA primarily drives the rating. Performance is consistent throughout the OH assessment areas.

Accessibility of Delivery Systems

CNB’s delivery systems are reasonably accessible to essentially all portions of the OH Rated Area. The bank currently operates 12 branches, 26 ETMs, and 1 ATMs located in the area. Of the 12 branch locations, 3 (25.0 percent) are in moderate-income census tracts and there are no branches in a low-income census tract. For additional information on the distribution of branches and ETMs/ATMs, refer to the individual assessment areas under the Service Test. The branch distribution and alternative delivery systems are consistent with the overall institution.

Branch and ATM Distribution by Geography Income Level												
Tract Income Level	Census Tracts		Population		Branches		ETMs /ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	150	14.0	394,151	10.2	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	243	22.7	785,737	20.3	3	25.0	6	22.2	0	0.0	0	0.0
Middle	359	33.6	1,385,426	35.8	5	41.7	8	33.3	1	25.0	0	0.0
Upper	281	26.3	1,237,847	32.0	4	33.3	12	44.4	3	75.0	0	0.0
NA	37	3.5	68,116	1.8	0	0.0	0	0.0	0	0.0	0	0.0
Totals	1,070	100.0	3,871,277	100.0	12	100.0	26	100.0	4	100.0	0	100.0

*Source: 2020 U.S. Census & Bank Data
Due to rounding, totals may not equal 100.0%*

Changes in Branch Locations

To the extent changes have been made, the institution’s opening of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. CNB opened four full-service offices during the evaluation period. One is located in a middle-income census tract and three are located in upper-income census tracts. No branches closed during the evaluation period.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low-and moderate-income geographies and/or individuals. Lobby and drive-through hours are 8:30 a.m. or 9:00 a.m. to 4:00 p.m. or 4:30 p.m. Monday through Thursday, 8:30 a.m. or 9:00 a.m. to 5:00 p.m. Friday, and 8:30 a.m. or 9:00 a.m. to 12:00 p.m. or 1:00 p.m. on Saturday. Customers may access the bank’s ETMs between 7:00 a.m. to 7:00 p.m. Monday through Friday and between 8:00 a.m. through 3:00 p.m. on Saturdays. The hours and days of operations and the services offered vary slightly from other assessment areas, but do not inconvenience customer access.

Community Development Services

The bank provided a relatively high level of community development services in the rated area. The bank provided 37 instances totaling 759 hours supporting community development. The services primarily provided community services targeted to low- and moderate-income individuals, including financial education. Additional details for each assessment area are contained within the sections for the individual assessment areas.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Columbus, OH MSA	197	218	0	0	415
Cleveland-Elyria, OH MSA	6	231	19	0	256
OH Non-MSA	0	88	0	0	88
Mansfield, OH MSA	0	0	0	0	0
Statewide Activities	0	0	0	0	0
Regional Activities	0	0	0	0	0
Total	203	537	19	0	759
<i>Source: Bank Data</i>					

CLEVELAND-ELYRIA, OH MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN CLEVELAND-ELYRIA, OH MSA ASSESSMENT AREA

This assessment area includes all 589 census tracts in Lake, Cuyahoga, Geauga, and Lorain counties in the Cleveland-Elyria, OH MSA #17410. Since the previous evaluation, the bank removed Medina County, OH from this assessment area. CNB does not operate a branch in this county and has limited lending and deposit activity in this area. The Cleveland-Elyria, OH MSA assessment area consists of 89 low-income, 129 moderate-income, 195 middle-income, 151 upper-income, and 25 tracts with no income designation. The assessment area contains 4 of the bank’s 55 branch offices and 12 of the bank’s 76 ETMs. This assessment area accounted for 7.3 percent of total in-assessment area loans by number of loans, 6.5 percent of total deposits, and 7.3 percent of bank branches.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the Cleveland-Elyria, OH MSA assessment area.

Demographic Information of the Assessment Area						
Cleveland-Elyria, OH MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	589	15.1	21.9	33.1	25.6	4.2
Population by Geography	1,905,781	10.9	19.7	35.5	32.5	1.5
Housing Units by Geography	890,271	13.2	21.9	33.9	28.8	2.1
Owner-Occupied Units by Geography	507,666	6.3	16.3	39.4	37.0	1.0
Occupied Rental Units by Geography	293,727	21.4	29.8	27.6	17.8	3.5
Vacant Units by Geography	88,878	25.6	28.1	23.6	18.8	3.9
Businesses by Geography	329,294	10.0	17.1	27.5	43.6	1.9
Farms by Geography	6,350	7.1	16.1	36.0	40.1	0.7
Family Distribution by Income Level	465,844	23.4	17.3	19.4	39.9	0.0
Household Distribution by Income Level	801,393	26.1	16.0	16.8	41.1	0.0
Median Family Income MSA - 17460 Cleveland-Elyria, OH MSA		\$76,766	Median Housing Value			\$150,509
Families Below Poverty Level		10.6%	Median Gross Rent			\$851

Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. () The NA category consists of geographies that have not been assigned an income classification.*

There are 890,271 housing units in the assessment area. Of these, 57.0 percent are owner-occupied, 33.0 percent are rental units, and 10.0 percent are vacant.

According to 2023 D&B data, there were 329,294 businesses in the assessment area having the following revenue characteristics.

- 91.8 percent have GARs \$1 million or less;
- 2.8 percent have GARs greater than \$1 million; and
- 5.4 percent have unknown revenues.

Service industries represent the largest portion of businesses at 33.2 percent; followed by non-classifiable establishments (29.3 percent); finance, insurance, and real estate (11.3 percent); and retail trade (8.9 percent). In addition, 59.6 percent of businesses have four or fewer employees and 94.8 percent operate from a single location.

Competition

The Cleveland-Elyria, OH MSA assessment area is a competitive market for financial services. According to FDIC Summary of Deposits as of June 30, 2024, there were 34 institutions that

operated 480 branch locations within the assessment area. Of these institutions, CNB ranked 16th with a 0.3 percent deposit market share.

There is a high level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2023, 532 lenders reported 42,721 home mortgage loans originated or purchased. CNB ranked 83rd with a market share of only 0.1 percent by number of loans.

There is a moderately high level of competition for small business loans. In 2022, 157 lenders reported 42,717 small business loans originated or purchased. Among these lenders, CNB ranked 27th with a 0.3 percent market share by number of loans.

Community Contact

As part of the evaluation process examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. Information obtained reflects the responsiveness of local financial institutions to credit and community development needs, and opportunities for participation in related activities.

Examiners reviewed a recent community contact of a housing organization in the Cleveland-Elyria, OH MSA assessment area. The organization focuses on leading coalitions to bring housing-based programs and creative policy solutions to support residents in achieving housing stability and economic mobility. The contact identified that there continues to be lack of access to loans for home purchase and home repair, particularly in minority communities. In communities where home values have not recovered from the foreclosure crisis, there is a lack of access to low dollar home purchase loans which is undermining affordable home ownership opportunities. Additionally, out-of-state investors are willing to pay cash for low priced homes. This, combined with a lack of access to home purchase loans, are contributing to a decline of homeownership.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic data, the bank's overall assessment area has specific credit and community development needs. Demand for affordable housing and other community support exist throughout the assessment area. Exploring partnerships and outreach programs with financial institutions to increase accessibility to homeownership is needed, as well as more robust marketing campaigns.

CONCLUSIONS ON PERFORMANCE CRITERIA IN CLEVELAND-ELYRIA, OH MSA ASSESSMENT AREA

LENDING TEST

CNB demonstrated adequate performance under the Lending Test. The Geographic Distribution and Community Development Loan performance support this conclusion.

Lending Activity

The bank's lending levels reflect good responsiveness to the Cleveland-Elyria, OH MSA assessment area credit needs. During the review period (2021-2023), the bank made 698 home mortgage and

small business loans totaling approximately \$380.2 million inside this assessment area. Home mortgage loans totaled 289 for \$287.2 million and small business loans totaled 409 for \$93.0 million.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the assessment area. The bank's good performance of home mortgage and small business lending support this conclusion. Examiners focused on the percentage of loans, by number, in the low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of loans reflects good penetration throughout the assessment area.

For low-income census tracts in 2021, the bank's performance of home mortgage loans exceeded both demographic and aggregate data. As show in the table below, in 2022, the bank's performance declined, trailing both demographic and aggregate data. In 2023, the bank made no loans in low-income census tracts; however, only 6.3 percent of owner-occupied housing units are located within low-income census tracts. Performance is reasonable given the limited opportunities.

For moderate-income census tracts in 2021, the bank's performance was below aggregate and demographic data. In 2022, the bank's performance improved and exceeded both demographic and aggregate data. Notably, in 2022, the dollar volume of home mortgage lending in moderate tracts significantly increased by approximately \$60.0 million from the prior year. In 2023, the bank's performance continued to exceed demographic and aggregate data, even in light of significant competition for home mortgage loans in the assessment area.

Geographic Distribution of Home Mortgage Loans							
Cleveland-Elyria, OH MSA Assessment Area							
Tract Income Level		% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2022	6.3	5.0	4	3.8	14,735	12.6
	2023	6.3	5.7	0	0.0	0	0.0
Moderate							
	2022	16.3	15.3	22	20.8	65,501	55.9
	2023	16.3	16.7	12	22.2	2,982	8.0
Middle							
	2022	39.4	40.6	24	22.6	14,862	12.7
	2023	39.4	40.8	16	29.6	7,214	19.3
Upper							
	2022	37.0	38.5	55	51.9	20,428	17.4
	2023	37.0	36.1	26	48.1	27,243	72.8
Not Available							
	2022	1.0	0.5	1	0.9	1,551	1.3
	2023	1.0	0.7	0	0.0	0	0.0
Totals							
	2022	100.0	100.0	106	100.0	117,076	100.0
	2023	100.0	100.0	54	100.0	37,439	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>							

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area.

In 2021, the bank's performance was below aggregate and demographic data for low-income census tracts. In 2022, performance improved, but remained below demographic and aggregate data. In 2023, performance further improved and was similar to demographic data.

In 2021, the bank's performance within moderate-income census tracts was below demographic and aggregate data; however, in 2022, the bank's performance significantly improved, exceeding both demographic and aggregate data. During this year, the bank was a top lender among community banks within moderate-income census tracts. In 2023, performance slightly decline but remained similar to demographic data. Considering the limited opportunity by dispersion of businesses, competition, and market share data, CNB's performance reflects good penetration.

Geographic Distribution of Small Business Loans							
Cleveland-Elyria, OH MSA Assessment Area							
Tract Income Level		% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2022	10.0	8.1	6	5.7	2,774	10.7
	2023	10.0	--	8	9.8	2,166	12.4
Moderate							
	2022	16.9	15.9	21	19.8	5,879	22.8
	2023	17.1	--	13	15.9	2,397	13.7
Middle							
	2022	26.9	30.3	40	37.7	8,644	33.5
	2023	27.5	--	28	34.1	6,325	36.2
Upper							
	2022	44.1	44.3	39	36.8	8,515	33.0
	2023	43.6	--	33	40.2	6,574	37.6
Not Available							
	2022	2.0	1.4	0	0.0	0	0.0
	2023	1.9	--	0	0.0	0	0.0
Totals							
	2022	100.0	100.0	106	100.0	25,812	100.0
	2023	100.0	--	82	100.0	17,462	100.0

*Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Borrower Profile

The distribution of borrowers reflects poor penetration among retail customers of different income levels and business customers of different size. The bank's poor performance of home mortgage lending primarily supports this conclusion. Examiners focused on the percentage of loans, by number, to low- and moderate-income borrowers.

Home Mortgage Loans

The distribution of borrowers reflects poor penetration among retail customers of different income levels.

In 2022, the bank's performance of lending to low-income borrowers was below demographic and aggregate data. In 2023, performance was similar and again below both comparators. Similarly, the bank was significantly below demographic and aggregate data to moderate-income borrowers in 2022 and 2023. Despite a significant population of loans present for which income was not available and significant competition in the mortgage market in this assessment area, the bank originated few loans to low- and moderate-income borrowers but was still able to adequately serve

upper-income individuals. Therefore, performance is poor. The bank's performance in 2021 was similar to the bank's poor performance in 2022 and 2023.

Distribution of Home Mortgage Loans by Borrower Income Level						
Cleveland-Elyria, OH MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	23.4	10.1	4	3.8	372	0.3
2023	23.4	10.9	3	5.6	85	0.2
Moderate						
2022	17.3	21.5	7	6.6	521	0.4
2023	17.3	23.0	4	7.4	310	0.8
Middle						
2022	19.4	20.8	10	9.4	1,524	1.3
2023	19.4	20.2	7	13.0	649	1.7
Upper						
2022	39.9	32.9	46	43.4	19,250	16.4
2023	39.9	30.4	21	38.9	7,631	20.4
Not Available						
2022	0.0	14.6	39	36.8	95,409	81.5
2023	0.0	15.6	19	35.2	28,764	76.8
Totals						
2022	100.0	100.0	106	100.0	117,076	100.0
2023	100.0	100.0	54	100.0	37,439	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The distribution of borrowers reflects adequate penetration among business customers of different size.

In 2021, the bank's performance of small business loans to businesses with GARs less than or equal to \$1 million was above aggregate, but below demographic data. In 2022, performance declined, trailing aggregate data and remaining below demographics. Performance improved in 2023, while remaining below demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Cleveland-Elyria, OH MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	91.2	50.6	51	48.1	10,923	42.3
2023	91.8	--	49	59.8	8,835	50.6
>\$1,000,000						
2022	3.1	--	54	50.9	14,687	56.9
2023	2.8	--	28	34.1	7,290	41.7
Revenue Not Available						
2022	5.6	--	1	0.9	202	0.8
2023	5.4	--	5	6.1	1,337	7.7
Totals						
2022	100.0	100.0	106	100.0	25,812	100.0
2023	100.0	--	82	100.0	17,462	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.

Innovative or Flexible Lending Practices

CNB uses innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals and geographies throughout the assessment area.

Community Development Loans

CNB is a leader in making community development loans in the Cleveland-Elyria, OH MSA assessment area. During the review period, CNB originated 20 community development loans totaling \$38.0 million. The number and dollar volume of community development loans has significantly increased since the previous evaluation. Specifically, CNB's prior evaluation included 11 community development loan totaling approximately \$26.2 million. The following table illustrates the bank's community development lending activity in the Cleveland-Elyria, OH assessment area by activity year and by community development purpose.

Community Development Lending										
Cleveland-Elyria, OH MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
11/29/2021-12/31/2021	1	392	0	0	0	0	1	1,258	2	1,650
2022	2	202	1	2,130	3	6,856	0	0	6	9,188
2023	0	0	0	0	4	6,131	0	0	4	6,131
1/1/2024-9/3/2024	4	6,655	0	0	4	14,425	0	0	8	21,080
Total	7	7,249	1	2,130	11	27,412	1	1,258	20	38,049
<i>Source: Bank Data</i>										

Summarized below are notable examples of the bank’s qualified community development loans in the Cleveland-Elyria, OH MSA assessment area.

- In 2023, the bank originated a loan totaling approximately \$1.6 million to purchase and renovate a commercial real estate property located in a moderate-income tract. This loan promotes economic development and retains jobs for lower-income employees engaged in renting or leasing real estate to others.
- In 2022, the bank refinanced a loan totaling \$2.0 million to a small business making revenue of under the SBA threshold. The loan is to expand and improve commercial industrial property located in a low-income census tract. The loan promoted economic development since the employee wages of jobs retained will attract and retain low- and moderate-income employees. The building is also surrounded by low- and moderate-income census tracts.

INVESTMENT TEST

CNB demonstrated good performance under the Investment Test in the Cleveland-Elyria, OH MSA Assessment Area. Investment and grant activity performance primarily supports this rating. Examiners considered the extent of bank operations within the rated area to reach this conclusion.

Investment and Grant Activity

CNB had a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, the bank purchased four investments for \$14.7 million, retained 5 investments from a prior period with a current book balance of \$7.4 million, and made 58 direct grants for \$155,250.

Qualified Investments										
Cleveland-Elyria, OH MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	2,260	2	2,072	1	1,531	1	1,526	5	7,389
11/29/2021 – 12/31/2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0
1/1/2024 – 9/3/2024	4	14,715	0	0	0	0	0	0	4	14,715
Subtotal	5	16,975	2	2,072	1	1,531	1	1,526	9	22,104
Qualified Grants & Donations	2	1	45	106	8	35	3	14	58	155
Total	7	16,976	47	2,178	9	1,566	4	1,539	67	22,259

Source: Bank Data

During the review period, the bank invested \$4.2 million in a Low-Income Housing Tax Credit (LIHTC) qualified project which benefits the Cleveland-Elyria, OH MSA assessment area.

Responsiveness to Credit and Community Development Needs

CNB exhibits good responsiveness to the credit and community development needs of the assessment area. Management continues to make significant investments that promote affordable housing, an identified credit need within the bank’s assessment areas.

Community Development Initiatives

CNB occasionally uses innovative and/or complex investments to support community development initiatives. CNB’s investments primarily include municipal housing and general obligation municipal bonds that are not considered innovative or complex.

SERVICE TEST

CNB performance for the Service Test is rated "High Satisfactory" within the Cleveland-Elyria, OH MSA Assessment Area. Community Development Services and Reasonableness of Business Hours and Services primarily drive this rating.

Accessibility of Delivery Systems

CNB’s delivery systems are reasonably accessible to essentially to all portions of this assessment area, and consistent with other CNB assessment areas. The bank currently operates 4 branches and 12 ETMs in the area. All locations are in upper-income census tracts, but in close proximity to some low- and moderate-income tracts in the City of Cleveland. The branch distribution and alternative delivery systems are consistent with the overall institution.

Branch and ATM Distribution by Geography Income Level												
Cleveland-Elyria, OH MSA Assessment Area												
Tract Income Level	Census Tracts		Population		Branches		ETMs /ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	89	15.1	206,889	10.9	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	129	21.9	375,862	19.7	0	0.0	0	0.0	0	0.0	0	0.0
Middle	195	33.1	676,431	35.5	0	0.0	0	0.0	0	0.0	0	0.0
Upper	151	25.6	618,535	32.5	4	100.0	12	100.0	3	100.0	0	0.0
NA	25	4.2	28,064	1.5	0	0.0	0	0.0	0	0.0	0	0.0
Totals	589	100.0	1,905,781	100.0	4	100.0	12	100.0	3	100.0	0	0.0

*Source: 2020 U.S. Census & Bank Data
Due to rounding, totals may not equal 100.0%*

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low-and moderate-income geographies and/or to low-and moderate-income individuals. CNB opened three branches in the assessment area during the evaluation period. While no branches are in low- or moderate-income census tracts, two of the new branches are relatively near low- and moderate-income census tracts.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low-and moderate-income geographies and/or individuals. Lobby and drive-through hours are 8:30 a.m. or 9:00 a.m. to 4:30 p.m. Monday through Thursday, 8:30 a.m. or 9:00 a.m. to 5:00 p.m. Friday, and 9:00 a.m. to 12:00 p.m. or 1:00 p.m. on Saturday. Customers may access the bank’s ETMs between 7:00 a.m. to 7:00 p.m. Monday through Friday and between 8:00 a.m. through 3:00 p.m. on Saturdays. The hours and days of operations and the services offered vary slightly from other assessment areas, but do not inconvenience customer access.

Community Development Services

The bank provided a relatively high level of community development services considering the extent of operations in the Cleveland-Elyria, OH MSA assessment area. The bank provided 19 instances totaling 256 hours of service. A majority of the service hours supported community services benefitting low- and moderate-income individuals or families.

Community Development Services – Cleveland-Elyria, OH MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
11/29/2021 – 12/31/2021	0	0	2	0	2
2022	0	21	0	0	21
2023	0	158	15	0	173
YTD 2024	6	52	2	0	60
Total	6	231	19	0	256
<i>Source: Bank Data</i>					

Examples of community development services that directly benefitted the assessment area during the review period include:

- During the review period, one employee provided 53 hours of service as a Board member for an organization providing community services. The organization provides financial literacy training services targeted to low-income individuals and families.
- During the review period, two employees provided 94 hours of service as Board members for a non-profit organization supporting community services. The organization supports efforts to provide aid to homeless individuals in the area benefitting low- and moderate-income individuals.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

Assessment Area	Lending Test	Investment Test	Service Test
Columbus, OH MSA	Consistent	Exceeds	Consistent
OH Non-MSA	Consistent	Consistent	Below
Mansfield, OH MSA	Below	Below	Below

Columbus, OH MSA

The Columbus, OH MSA assessment area represents the bank’s presence in Delaware, Franklin, and Morrow Counties. The following table shows loans, investment, and service activity within the Columbus, OH MSA assessment area. Lending activity is from 2021 through 2023, while community development activity is from November 29, 2021, through September 3, 2024.

Activity	#	\$ (000s)
Home Mortgage Loans	375	189,875
Small Business Loans	218	40,253
Community Development Loans	5	22,903
Investments (New)	2	4,223
Investments (Prior Period) *	5	11,071
Donations	10	49
CD Services (hours)	415	-
<i>Source: Bank Data. * Data included within the PA statewide area investments. "--" data not available</i>		

OH Non-MSA

The OH Non-MSA assessment area represents the bank’s presence in Ashtabula, Crawford, Know and Marion Counties. The following table shows loans, investment, and service activity within the OH Non-MSA assessment area. Lending activity is from 2021 through 2023, while community development activity is from November 29, 2021 through September 3, 2024.

Activity	#	\$ (000s)
Home Mortgage Loans	216	32,812
Small Business Loans	161	18,984
Community Development Loans	2	6,019
Investments (New)	0	0
Investments (Prior Period) *	0	0
Donations	3	9
CD Services (hours)	0	0
<i>Source: Bank Data. * Data included within the PA statewide area investments. "--" data not available</i>		

Mansfield, OH MSA

The Mansfield, OH MSA assessment area represents the bank’s presence in Richland County. The following table shows loans, investment, and service activity within the Mansfield, OH MSA assessment area. Lending activity is from 2021 through 2023, while community development activity is from November 29, 2021 through September 3, 2024.

Activity	#	\$ (000s)
Home Mortgage Loans	23	5,406
Small Business Loans	23	2,431
Community Development Loans	0	0
Investments (New)	0	0
Investments (Prior Period) *	0	0
Donations	0	0
CD Services (hours)	0	0
<i>Source: Bank Data. * Data included within the PA statewide area investments. "--" data not available</i>		

Columbus, OH MSA
Geographic Distribution
Home Mortgage Loans

Geographic Distribution of Home Mortgage Loans						
Columbus, OH MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	5.7	7.0	9	6.3	1,488	1.2
2023	5.7	7.8	0	0.0	0	0.0
Moderate						
2022	16.6	15.5	27	19.0	36,019	29.9
2023	16.6	16.7	19	30.6	2,123	18.1
Middle						
2022	34.3	34.0	33	23.2	13,729	11.4
2023	34.3	35.2	9	14.5	1,116	9.5
Upper						
2022	43.0	42.8	71	50.0	15,876	13.2
2023	43.0	39.7	34	54.8	8,471	72.3
Not Available						
2022	0.3	0.6	2	1.4	53,200	44.2
2023	0.3	0.6	0	0.0	0	0.0
Totals						
2022	100.0	100.0	142	100.0	120,313	100.0
2023	100.0	100.0	62	100.0	11,710	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Small Business Loans

Geographic Distribution of Small Business Loans						
Columbus, OH MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	9.2	8.1	5	10.9	1,517	13.8
2023	9.2	--	1	3.8	340	4.3
Moderate						
2022	16.0	14.9	2	4.3	900	8.2
2023	16.2	--	6	23.1	2,755	34.9
Middle						
2022	29.2	30.1	20	43.5	2,915	26.4
2023	29.2	--	8	30.8	2,906	36.9
Upper						
2022	44.0	45.9	19	41.3	5,698	51.7
2023	43.9	--	11	42.3	1,882	23.9
Not Available						
2022	1.6	1.0	0	0.0	0	0.0
2023	1.5	--	0	0.0	0	0.0
Totals						
2022	100.0	100.0	46	100.0	11,030	100.0
2023	100.0	--	26	100.0	7,883	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Borrower Profile
Home Mortgage Loans

Distribution of Home Mortgage Loans by Borrower Income Level						
Columbus, OH MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	22.2	8.5	10	7.0	926	0.8
2023	22.2	7.7	3	4.8	107	0.9
Moderate						
2022	17.0	18.8	15	10.6	1,894	1.6
2023	17.0	19.1	8	12.9	465	4.0
Middle						
2022	19.7	20.4	16	11.3	2,599	2.2
2023	19.7	21.2	15	24.2	1,499	12.8
Upper						
2022	41.1	36.6	74	52.1	16,322	13.6
2023	41.1	36.9	33	53.2	9,285	79.3
Not Available						
2022	0.0	15.6	27	19.0	98,572	81.9
2023	0.0	15.1	3	4.8	354	3.0
Totals						
2022	100.0	100.0	142	100.0	120,313	100.0
2023	100.0	100.0	62	100.0	11,710	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category						
Columbus, OH MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	91.6	51.9	23	50.0	5,344	48.5
2023	92.1	--	10	38.5	2,294	29.1
>\$1,000,000						
2022	2.5	--	23	50.0	5,686	51.6
2023	2.2	--	14	53.8	4,419	56.1
Revenue Not Available						
2022	5.9	--	0	0.0	0	0.0
2023	5.7	--	2	7.7	1,170	14.8
Totals						
2022	100.0	100.0	46	100.0	11,030	100.0
2023	100.0	--	26	100.0	7,883	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.

OH Non-MSA Assessment Area
Geographic Distribution
Home Mortgage Loans

Geographic Distribution of Home Mortgage Loans						
OH Non-MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	0.6	0.5	0	0.0	0	0.0
2023	0.6	1.0	0	0.0	0	0.0
Moderate						
2022	23.0	22.9	14	16.7	902	8.2
2023	23.0	24.5	9	20.0	425	6.3
Middle						
2022	59.4	56.9	54	64.3	8,130	74.2
2023	59.4	55.8	28	62.2	5,211	76.9
Upper						
2022	16.3	19.0	16	19.0	1,932	17.6
2023	16.3	18.3	8	17.8	1,139	16.8
Not Available						
2022	0.7	0.7	0	0.0	0	0.0
2023	0.7	0.5	0	0.0	0	0.0
Totals						
2022	100.0	100.0	84	100.0	10,963	100.0
2023	100.0	100.0	45	100.0	6,775	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Small Business Loans

Geographic Distribution of Small Business Loans						
OH Non-MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	0.3	0.1	0	0.0	0	0.0
2023	0.3	--	0	0.0	0	0.0
Moderate						
2022	25.2	22.2	7	23.3	1,275	23.8
2023	25.0	--	7	46.7	1,301	46.8
Middle						
2022	59.0	60.7	18	60.0	3,740	69.8
2023	58.8	--	8	53.3	1,478	53.2
Upper						
2022	14.9	16.3	5	16.7	342	6.4
2023	15.2	--	0	0.0	0	0.0
Not Available						
2022	0.6	0.7	0	0.0	0	0.0
2023	0.7	--	0	0.0	0	0.0
Totals						
2022	100.0	100.0	30	100.0	5,357	100.0
2023	100.0	--	15	100.0	2,779	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Borrower Profile
Home Mortgage Loans

Distribution of Home Mortgage Loans by Borrower Income Level						
OH Non-MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	20.9	11.3	9	10.7	680	6.2
2023	20.9	10.1	5	11.1	241	3.6
Moderate						
2022	20.1	24.5	9	10.7	569	5.2
2023	20.1	25.9	7	15.6	546	8.1
Middle						
2022	23.6	23.7	19	22.6	1,860	17.0
2023	23.6	23.4	12	26.7	1,162	17.2
Upper						
2022	35.4	27.4	43	51.2	7,620	69.5
2023	35.4	27.6	15	33.3	3,685	54.4
Not Available						
2022	0.0	13.1	4	4.8	236	2.1
2023	0.0	13.0	6	13.3	1,141	16.8
Totals						
2022	100.0	100.0	84	100.0	10,963	100.0
2023	100.0	100.0	45	100.0	6,775	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category						
OH Non-MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	86.2	56.1	18	60.0	2,283	42.6
2023	87.5	--	9	60.0	1,542	55.5
>\$1,000,000						
2022	3.5	--	12	40.0	3,074	57.4
2023	3.1	--	6	40.0	1,237	44.5
Revenue Not Available						
2022	10.3	--	0	0.0	0	0.0
2023	9.4	--	0	0.0	0	0.0
Totals						
2022	100.0	100.0	30	100.0	5,357	100.0
2023	100.0	--	15	100.0	2,779	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.

Mansfield, OH MSA Assessment Area
Geographic Distribution
Home Mortgage Loans

Geographic Distribution of Home Mortgage Loans							
Mansfield, OH MSA Assessment Area							
Tract Income Level		% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2022	6.9	6.6	0	0.0	0	0.0
	2023	6.9	7.5	0	0.0	0	0.0
Moderate							
	2022	9.1	10.0	0	0.0	0	0.0
	2023	9.1	9.8	0	0.0	0	0.0
Middle							
	2022	55.1	53.0	4	66.7	243	76.3
	2023	55.1	53.2	4	57.1	3,423	87.6
Upper							
	2022	28.9	30.5	2	33.3	76	23.7
	2023	28.9	29.6	3	42.9	485	12.4
Not Available							
	2022	0.0	0.0	0	0.0	0	0.0
	2023	0.0	0.0	0	0.0	0	0.0
Totals							
	2022	100.0	100.0	6	100.0	319	100.0
	2023	100.0	100.0	7	100.0	3,908	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>							

Small Business Loans

Geographic Distribution of Small Business Loans						
Mansfield, OH MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	4.9	4.3	0	0.0	0	0.0
2023	5.0	--	0	0.0	0	0.0
Moderate						
2022	22.5	19.0	0	0.0	0	0.0
2023	21.8	--	0	0.0	0	0.0
Middle						
2022	42.7	46.4	5	71.4	1,050	93.3
2023	43.4	--	0	0.0	0	0.0
Upper						
2022	28.7	28.8	2	28.6	75	6.7
2023	28.6	--	0	0.0	0	0.0
Not Available						
2022	1.3	1.6	0	0.0	0	0.0
2023	1.1	--	2	100.0	350	100.0
Totals						
2022	100.0	100.0	7	100.0	1,125	100.0
2023	100.0	--	2	100.0	350	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Borrower Profile
Home Mortgage Loans

Distribution of Home Mortgage Loans by Borrower Income Level						
Mansfield, OH MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	20.5	9.4	1	16.7	60	18.8
2023	20.5	8.3	0	0.0	0	0.0
Moderate						
2022	17.1	21.5	1	16.7	100	31.4
2023	17.1	23.2	0	0.0	0	0.0
Middle						
2022	22.6	24.2	1	16.7	32	10.0
2023	22.6	24.6	2	28.6	320	8.2
Upper						
2022	39.8	29.4	2	33.3	84	26.2
2023	39.8	31.4	3	42.9	472	12.1
Not Available						
2022	0.0	15.4	1	16.7	43	13.5
2023	0.0	12.5	2	28.6	3,116	79.7
Totals						
2022	100.0	100.0	6	100.0	319	100.0
2023	100.0	100.0	7	100.0	3,908	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category						
Mansfield, OH MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	85.6	56.0	5	71.4	275	24.4
2023	86.9	--	2	100.0	350	100.0
>\$1,000,000						
2022	3.7	--	2	28.6	850	75.6
2023	3.3	--	0	0.0	0	0.0
Revenue Not Available						
2022	10.6	--	0	0.0	0	0.0
2023	9.8	--	0	0.0	0	0.0
Totals						
2022	100.0	100.0	7	100.0	1,125	100.0
2023	100.0	--	2	100.0	350	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.

NEW YORK

CRA RATING FOR NEW YORK: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW YORK

CNB designated one assessment area in NY. This CRA Performance Evaluation references the single assessment area as the NY rated area. The bank operates 13 branches in NY. The bank's operations in the NY rated area represent 15.2 percent of its total in-assessment area lending by number, 20.7 percent of total deposits, and 23.6 percent of total branches. The bank made no changes to this assessment area since the previous CRA evaluation. Refer to the overall Description of Assessment Areas section for additional information on this assessment area.

Economic and Demographic Data

The NY rated area includes all 327 census tracts in Erie and Niagara counties, which are located in the Buffalo-Cheektowaga, NY MSA #15380. There have been no changes to this assessment area since the previous evaluation. The NY rated area consists of 45 low-income (13.8 percent), 66 moderate-income (20.2 percent), 129 middle-income (39.5 percent), 74 upper-income (22.6 percent), and 13 census tracts (4.0 percent) with no income designation.

The following table illustrates select demographic characteristics of the NY rated area.

Demographic Information of the Assessment Area						
NY Rated Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	327	13.8	20.2	39.4	22.6	4.0
Population by Geography	1,166,902	11.2	16.8	42.1	28.3	1.6
Housing Units by Geography	530,247	11.2	18.0	43.3	26.7	0.8
Owner-Occupied Units by Geography	319,246	5.3	13.9	47.6	32.8	0.4
Occupied Rental Units by Geography	163,686	19.4	24.2	37.2	18.0	1.3
Vacant Units by Geography	47,315	23.4	24.2	34.8	15.7	2.0
Businesses by Geography	114,389	8.6	15.2	40.5	32.0	3.7
Farms by Geography	2,758	3.3	10.0	48.5	37.1	0.9
Family Distribution by Income Level	283,682	22.1	16.9	20.9	40.1	0.0
Household Distribution by Income Level	482,932	25.3	15.5	16.9	42.3	0.0
Median Family Income MSA - 15380 Buffalo-Cheektowaga, NY MSA		\$79,486	Median Housing Value			\$160,216
Families Below Poverty Level		9.5%	Median Gross Rent			\$841

Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. () The NA category consists of geographies that have not been assigned an income classification.*

There are 530,247 housing units in the rated area. Of these, 60.2 percent are owner-occupied, 30.9 percent are rental units, and 8.9 percent are vacant.

Examiners used the 2022 and 2023 FFIEC-updated MFI to analyze home mortgage loans under the Borrower Profile Criterion. The following table presents the low-, moderate-, middle-, and upper-income categories for the NY rated area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Buffalo-Cheektowaga, NY MSA Median Family Income (15380)				
2022 (\$87,700)	<\$43,850	\$43,850 to <\$70,160	\$70,160 to <\$105,240	≥\$105,240
2023 (\$93,900)	<\$46,950	\$46,950 to <\$75,120	\$75,120 to <\$112,680	≥\$112,680

Source: FFIEC

According to 2023 D&B data, there were 114,389 businesses in the NY rated area having the following revenue characteristics.

- 88.0 percent have GARs \$1 million or less;
- 3.8 percent have GARs greater than \$1 million; and
- 8.2 percent have unknown revenues.

Service industries represent the largest portion of businesses at 35.2 percent; followed by non-classifiable establishments (25.3 percent); retail trade (11.4 percent); and finance, insurance, and real estate (9.4 percent). In addition, 58.7 percent of businesses have four or fewer employees and 91.6 percent operate from a single location.

During the evaluation period, the unemployment rates within the NY rated area varied from a high of 5.4 percent (February 2024) in Niagara County to a low of 3.0 percent (April 2023) in Erie County. The counties comprising the NY rated area generally experienced lower unemployment rates than those of NY statewide. The following table summarizes unemployment data from the Bureau of Labor Statistics at county, state, and national levels.

Unemployment Rates				
Area	2021	2022	2023	June 2024
	%	%	%	%
Erie County	3.3	3.4	4.4	3.9
Niagara County	3.6	3.8	4.8	3.9
NY Statewide	4.9	3.9	4.4	4.3
National Average	3.9	3.5	3.7	4.1

Source: Bureau of Labor Statistics (Year End). YTD 2024 figures as of June 2024.

Competition

The NY Rated Area is a moderately competitive market for financial services. According to FDIC Summary of Deposits as of June 30, 2023, there were 18 institutions that operated 239 branch locations within the assessment area. Of these institutions, CNB ranked 8th with a 1.4 percent deposit market share.

There is a moderate level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2023, 250 lenders reported 20,729 home mortgage loans originated or purchased. The top eight lenders captured 52.0 percent of the market share. CNB ranked 20th with a market share of 1.4 percent by number of loans.

Similarly, there is a moderate level of competition for small business loans. In 2022, 114 lenders reported 21,525 small business loans originated or purchased. Among these lenders, CNB ranked 24th with a 0.5 percent market share by number of loans.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. Information obtained reflects the responsiveness of local financial institutions to credit and community development needs, and opportunities for participation in related activities.

Examiners reviewed two existing contacts completed during the evaluation period. First, examiners reviewed a contact with the Director of a community development corporation operating within an impoverished area of Buffalo, NY. The contact identified a critical need for affordable housing,

and a secondary need for essential healthcare services and community services for area youth. The contact explained that affordable housing stock is aging, blighted, and in short supply. Furthermore, the contact stated that targeted job training is needed to staff skilled jobs in the area, as well as financial literacy training.

Second, examiners reviewed a contact with a community services organization serving Erie and Niagara counties. The organization operates a food pantry and offers a job training program. The contact explained the organization's need for grants to fund its operation. According to the contact, there is a community service need for meals in the area due to the expiration of Supplemental Nutrition Assistance Program (SNAP) program benefits in 2023. The program provided food benefits to low-income families to supplement their grocery budget so they can afford the nutritious food essential to health and well-being.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic data, the primary credit and community development needs of the assessment area are affordable housing and community services. A relatively high poverty rate in the assessment area, at 9.5 percent, supports this conclusion. Considering the percentage of low- and moderate-income families and programs presented by the community contacts, there are opportunities for local financial institutions to conduct community development activities in this assessment area.

SCOPE OF EVALUATION – NEW YORK

The scope is similar to the overall scope discussed previously, except that this portion of the evaluation only considers assessment area activity within NY. Please refer to the overall discussion for more information on the products reviewed, review timeframe and weighting of products. This state accounts for a smaller portion of lending and other activities compared to PA and OH.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NEW YORK

LENDING TEST

The Lending Test performance in the NY rated area is “Low Satisfactory”. The bank's adequate performance under the Borrower and Geographic Distribution criterion supports this conclusion.

Lending Activity

The bank's lending levels reflect adequate responsiveness to the NY rated area credit needs. During the review period (2021-2023), the bank originated 1,429 home mortgage and small business loans totaling approximately \$319.4 million inside the NY rated area. The bank did not originate any small farm loans within the NY rated during the review period. The number of home mortgage loans totaled 981 for approximately \$244.7 million and small business loans totaled 448 for approximately \$74.6 million.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. The bank's adequate performance of home mortgage and small business lending supports this

conclusion. Examiners focused on the percentage of loans by number in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area.

Low-income census tracts contain only 5.3 percent of owner-occupied housing stock, which reflects the limited opportunity to make home mortgage loans in these tracts. As reflected in the table below, CNB's performance trailed both demographic and aggregate data in 2022 and 2023. The trailing performance was consistent with 2021 data; however, the bank originated a significant dollar volume of home mortgage loans in low-income tracts at \$13.3 million.

Within moderate-income census tracts, the bank's performance similarly trailed both demographic and aggregate data in 2022. Performance was similar in 2023 but declined further below the aggregate. By dollar volume, the bank made a significant dollar volume of loans in moderate income tracts in 2021, at 8.6 million, and in 2022, at \$15.4 million.

Considering the performance trailing aggregate and demographic data, dollar volume of lending, and competition in this assessment area, performance is adequate.

Geographic Distribution of Home Mortgage Loans							
Buffalo Cheektowaga NY MSA Assessment Area							
Tract Income Level		% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2022	5.3	4.1	8	2.1	2,410	2.3
	2023	5.3	5.0	7	2.5	721	1.3
Moderate							
	2022	14.0	12.8	33	8.8	15,376	14.8
	2023	14.0	14.3	24	8.6	3,424	6.4
Middle							
	2022	47.6	47.6	151	40.2	26,057	25.1
	2023	47.6	47.4	118	42.1	21,291	39.8
Upper							
	2022	32.8	35.1	184	48.9	59,899	57.7
	2023	32.8	32.9	129	46.1	27,767	52.0
Not Available							
	2022	0.4	0.4	0	0.0	0	0.0
	2023	0.4	0.4	2	0.7	237	0.4
Totals							
	2022	100.0	100.0	376	100.0	103,742	100.0
	2023	100.0	100.0	280	100.0	53,439	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>							

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area.

Within low-income census tracts, the bank's performance trailed demographic and aggregate data in 2022. In 2023, performance declined to only two loans, falling below demographics. Notably, less than 9.0 percent of businesses were located in low-income tracts during these years, which reflects the limited opportunity to made small business loans.

In moderate-income tracts, the bank's performance exceeded demographic and aggregate data in 2022. In 2023, performance declined, falling below demographics. This level of lending is consistent with adequate performance.

Geographic Distribution of Small Business Loans Buffalo-Cheektowaga, NY MSA Assessment Area							
Tract Income Level		% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2022	8.2	7.9	5	5.2	1,960	8.8
	2023	8.6	--	2	3.7	312	3.1
Moderate							
	2022	15.2	15.0	18	18.6	5,746	25.9
	2023	15.2	--	5	9.3	1,106	11.0
Middle							
	2022	41.3	41.0	31	32.0	6,187	27.9
	2023	40.5	--	23	42.6	4,625	45.9
Upper							
	2022	32.3	34.0	40	41.2	7,569	34.2
	2023	32.0	--	22	40.7	3,226	32.0
Not Available							
	2022	2.9	2.1	3	3.1	701	3.2
	2023	3.7	--	2	3.7	815	8.1
Totals							
	2022	100.0	100.0	97	100.0	22,163	100.0
	2023	100.0	--	54	100.0	10,084	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Borrower Profile

The distribution of borrowers reflects adequate penetration among individuals of different income levels and businesses of different size in the assessment area. The bank's adequate performance of home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. Examiners also focused on the percentage by numbers of small business loans made to businesses with GARs of \$1 million or less.

Home Mortgage Loans

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels.

Among low-income borrowers in 2022, the bank's performance was below both demographic and aggregate data. In 2023, performance was consistent and remained below demographic and aggregate data. Although the bank's level of lending activity is well below the demographics, a low-income family in the assessment area, with an income less than \$46,950 would not likely

qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$160,216.

Among moderate-income borrowers, the bank’s performance of home mortgage lending trailed demographic data for each year during the evaluation period, while remaining below aggregate data. Considering market share data, CNB’s performance in 2022 and 2023 was within the top three community banks for making home mortgage loans to moderate-income borrowers in the assessment area. The bank faces competition in this market from larger, national banks, credit unions, and mortgage companies.

Distribution of Home Mortgage Loans by Borrower Income Level						
Buffalo-Cheektowaga, NY MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	22.1	9.5	15	4.0	1,444	1.4
2023	22.1	9.1	11	3.9	854	1.6
Moderate						
2022	16.9	23.0	61	16.2	7,341	7.1
2023	16.9	23.1	42	15.0	4,814	9.0
Middle						
2022	20.9	23.5	74	19.7	10,175	9.8
2023	20.9	22.9	62	22.1	7,346	13.7
Upper						
2022	40.1	31.2	198	52.7	45,599	44.0
2023	40.1	31.1	154	55.0	37,181	69.6
Not Available						
2022	0.0	12.8	28	7.4	39,184	37.8
2023	0.0	13.7	11	3.9	3,244	6.1
Totals						
2022	100.0	100.0	376	100.0	103,742	100.0
2023	100.0	100.0	280	100.0	53,439	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Small Business Loans

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among business customers of different size. Examiners compared the bank’s small business lending to demographic and aggregate lending data.

In 2021, the bank made 178 small business loans to businesses with GARs less than or equal to \$1 million. Examiners attributed this higher lending volume to CNB’s participation in the SBA’s PPP

program. Although the level of lending was higher in 2021 compared to later years in the evaluation period, the 2021 performance was similarly above aggregate and below demographics.

As shown in the following table, the bank’s performance of lending to businesses with GARs less than or equal to \$1 million exceeded aggregate performance in 2022 but was below demographics. In 2023, CNB’s performance declined and remained below demographics.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Buffalo-Cheektowaga, NY MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	85.2	49.2	57	58.8	12,407	56.0
2023	88.0	--	26	48.1	3,993	39.6
>\$1,000,000						
2022	4.7	--	39	40.2	9,724	43.9
2023	3.8	--	27	50.0	5,842	57.9
Revenue Not Available						
2022	10.1	--	1	1.0	32	0.1
2023	8.2	--	1	1.9	249	2.5
Totals						
2022	100.0	100.0	97	100.0	22,163	100.0
2023	100.0	--	54	100.0	10,084	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.

Innovative or Flexible Lending Practices

CNB uses innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals and geographies throughout this assessment area. The Community Home Loan, an in-house mortgage product, and the Freddie Mac HomePossible mortgage product is specific to the NY rated area.

Community Development Loans

CNB is a leader in originating community development loans within the NY rated area. During the review period, CNB originated 13 community development loans totaling \$58.6 million. The number and dollar volume of community development loans has significantly increased since the previous evaluation. Specifically, CNB’s prior evaluation included seven community development loans totaling approximately \$35.9 million. The following table illustrates the bank’s community development lending activity in the NY rated area by activity year and by community development purpose.

Community Development Lending										
Buffalo-Cheektowaga, NY MSA Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Buffalo, Cheektowaga, NY	2	756	2	8,225	6	35,378	0	0	10	44,359
Statewide Activities	0	0	0	0	2	4,660	1	9,604	3	14,264
Total	2	756	2	8,225	8	40,038	1	9,604	13	58,623
<i>Source: Bank Data</i>										

Summarized below are notable examples of the bank’s qualified community development loans in the NY rated area.

- In 2022, the bank originated a \$6.7 million dollar loan to provide funding to construct a medical office building that will be leased to two medical services businesses. The property is located in a moderate-income geography and will ensure that two medical organizations will be servicing this low- and moderate-income area. The first tenant is providing orthopedic care, surgery, and rehab. The second tenant is providing radiology services such as MRIs, ultrasound, x-rays, and other services. Both accept Medicaid.
- In 2022, the bank originated a \$12.5 million dollar loan to construct a new hotel in an unknown income tract that is fully surrounded by low- and moderate-income census tracts. The construction is receiving multiple grants as it will promote economic development and create/sustain jobs in the area. This will create new jobs for those found in low- and moderate-income areas immediately surrounding the tract and bring tourism to the area.

INVESTMENT TEST

CNB demonstrated “High Satisfactory” performance under the Investment Test in the NY Rated Area. Investment and grant activity performance primarily supports this rating. Examiners considered the extent of bank operations within the rated area to reach this conclusion.

Investment and Grant Activity

The bank has a significant level of qualified community development investments and grants in the NY Rated Area. During the evaluation period, CNB purchased three new qualified investments totaling \$2.5 million, retained eight investments totaling \$3.3 million from prior periods, and made 87 qualified donations for \$239,000 within the rated area. Examiners also considered six community development investments and grants made for \$4.2 million that benefit the broader regional and statewide area.

Qualified Investments										
Buffalo-Cheektowaga, NY MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	1,021	1	1,156	0	0	6	1,079	8	3,256
11/29/2021 – 12/31/2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	2	1,052	0	0	0	0	2	1,052
2023	0	0	0	0	0	0	0	0	0	0
1/1/2024 – 9/3/2024	1	1,460	0	0	0	0	0	0	1	1,460
Statewide	0	0	4	147	0	0	1	4,054	5	4,201
Subtotal	2	2,481	7	2,355	0	0	7	5,133	16	9,969
Qualified Grants & Donations	5	7	63	118	16	111	3	3	87	239
Statewide	0	0	1	5	0	0	0	0	1	5
Total	6	1,028	71	2,478	16	111	10	5,136	104	10,213
<i>Source: Bank Data</i>										

Below are some notable examples of the bank’s community development investments that directly benefitted this assessment area during the review period.

- During the review period, the bank purchased two school district bonds totaling approximately \$1.1 million. The school has a majority of students receiving free or reduced-price lunches.
- In 2024, CNB invested approximately \$4.1 million in an equity fund that is designed to transform a long-blighted corner in Rochester, NY into commercial space and affordable housing. Renovation of these buildings is part of the State of NY Downtown Revitalization Initiative.

Responsiveness to Credit and Community Development Needs

CNB exhibits good responsiveness to the credit and community development needs within the NY Rated Area. The community contacts noted the need for affordable housing and community services. During the period, the bank provided 65 instances of new investments and grants totaling \$1.1 million addressing these community needs within the assessment area. One new community development investment and 5 grants provided \$1.0 million for affordable housing efforts targeted to individuals and families in need of housing and community services.

Community Development Initiatives

The bank occasionally uses innovative and or complex investments to support community development initiatives.

SERVICE TEST

CNB demonstrates “High Satisfactory” performance for the Service Test within the NY Rated Area. The bank’s performance in all service test criteria support the rating. The rating is an improvement

from the previous evaluation that assigned the service test with a “Low Satisfactory” rating for the NY Rated Area.

Accessibility of Delivery Systems

The bank’s delivery systems are accessible to essentially all portions of this assessment area, and consistent with other CNB assessment areas. The bank operates 13 branches, including 12 full-service branches and 1 mobile branch, in this assessment area. Of the 12 full-service locations, 3 (23.1 percent) are in a moderate- and 2 (15.4 percent) are in a low-income census tract. The mobile branch serves four different locations, two moderate- and two low-income census tracts. In the following table, it is included in the branch data as located in a low-income census tract. The branches are in reasonable proximity to a majority of low- and moderate-income census tracts in Erie and Niagara Counties. All but two branches offer an ETM, which allows customers to access bank services beyond the hours offered by branch staff. Three branches, including the two without an ETM, have an ATM available for customers. Alternative banking services including internet banking, mobile banking, telephone banking, and participation in two national shared ATM networks enhance customers’ ability to access banking services.

Branch and ATM Distribution by Geography Income Level												
Assessment Area: Buffalo-Cheektowaga, NY MSA Assessment Area												
Tract Income Level	Census Tracts		Population		Branches		ETMs /ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	45	13.8	130,966	11.2	2*	15.4	3*	21.4	2*	100.0	0	0.0
Moderate	66	20.2	195,882	16.8	3	23.1	3	21.4	0	0.0	0	0.0
Middle	129	39.4	491,016	42.1	3	23.1	3	21.4	0	0.0	0	0.0
Upper	74	22.6	330,052	28.3	5	38.5	5	35.7	0	0.0	0	0.0
NA	13	4.0	18,986	1.6	0	0.0	0	0.0	0	0.0	0	0.0
Totals	327	100.0	1,166,902	100.0	13	100.0	14	100.0	2	0.0	0	0.0

*Source: 2020 U.S. Census & Bank Data
 Due to rounding, totals may not equal 100.0%
 Includes the mobile branch

Changes in Branch Locations

To the extent changes have been made, the institution’s opening of branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, CNB opened one full-service branch in May 2022 located in a low-income census tract. In addition, a mobile banking service opened in November 2022 serving two locations, one low- and one moderate-income census tract. The service was expanded in September 2023 to serve a total of four locations, two low- and two moderate-income census tracts.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low-and moderate-income geographies and/or individuals. Lobby and drive-through hours are 9:00 a.m. to 4:00 p.m. Monday through Wednesday, 9:00 a.m. to 5:00 p.m. Thursday, 9:00 a.m. to 6:00 p.m. Friday, and 9:00 a.m. to 12:00 p.m. on Saturday. Customers may access the bank’s ETMs between 7:00 a.m. to 7:00 p.m. Monday through Friday and between 8:00 a.m. through 3:00 p.m. on Saturdays. The mobile bank service is open to customers in four separate locations weekdays except for Thursday with varying hours of operation. The hours and days of operations and the services offered for all locations vary slightly from other assessment areas, but do not inconvenience customer access.

Community Development Services

The bank provided a relatively high level of community development services. The bank provided 28 instances totaling 705 hours supporting community service organizations. The services primarily provided community services targeted to low- and moderate-income individuals, including financial education. By providing community services, the bank is providing resources to address an identified community need.

Community Development Services					
Buffalo-Cheektowaga, NY MSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
11/29/2021 – 12/31/2021	0	24	0	0	24
2022	48	95	0	0	95
2023	45	320	0	48	413
YTD 2024	0	170	0	3	173
Total	45	609	0	51	705
<i>Source: Bank Data</i>					

Examples of a community development services that directly benefitted the assessment area during the review period include:

- During the review period, one employee provided 62 hours of service as a Board member for an organization providing community services. The organization operates a charter school primarily serving low- and moderate-income students.
- During the review period, two employees served as Board members for an organization supporting affordable housing. The organization works to develop affordable housing opportunities that transform distressed communities and benefit low- and moderate-income families.

VIRGINIA

CRA RATING FOR VIRGINIA: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN VIRGINIA

CNB designated one assessment area in VA. This CRA Performance Evaluation references the single assessment area as the VA rated area. The bank operates 2 branches in Virginia. The bank's operations in the VA rated area represent 4.1 percent of its total in-assessment area lending by number, 1.3 percent of total deposits, and 3.6 percent of total branches. Refer to the overall Description of Assessment Areas section for additional information on this assessment area.

Economic and Demographic Data

The VA rated area includes all 78 census tracts in Botetourt, Craig, Roanoke, and Franklin counties. Roanoke County includes Salem City and Roanoke City. The counties comprise the Roanoke, VA MSA #40220. CNB added the Roanoke, VA MSA assessment area in 2023, which resulted in a new rated area for the current evaluation. The VA rated area comprises 4 low-income (5.1 percent), 19 moderate-income (24.4 percent), 31 middle-income (39.7 percent), 24 upper-income (30.8 percent), and no census tracts without an income designation. The following table illustrates select demographic characteristics of the VA rated area.

Demographic Information of the Assessment Area						
VA Rated Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	78	5.1	24.4	39.7	30.8	0.0
Population by Geography	315,251	4.3	23.0	40.6	32.1	0.0
Housing Units by Geography	146,679	4.3	23.0	42.2	30.5	0.0
Owner-Occupied Units by Geography	88,119	2.0	20.5	42.5	35.0	0.0
Occupied Rental Units by Geography	39,805	9.3	28.7	42.6	19.4	0.0
Vacant Units by Geography	18,755	4.4	22.2	40.1	33.3	0.0
Businesses by Geography	39,412	3.5	20.8	37.3	38.3	0.0
Farms by Geography	1,465	2.5	16.7	47.5	33.2	0.0
Family Distribution by Income Level	79,352	20.6	18.0	20.3	41.1	0.0
Household Distribution by Income Level	127,924	24.9	14.5	18.9	41.7	0.0
Median Family Income MSA - 40220 Roanoke, VA MSA		\$73,561	Median Housing Value			\$200,196
Families Below Poverty Level		8.8%	Median Gross Rent			\$847

Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. () The NA category consists of geographies that have not been assigned an income classification.*

There are 146,679 housing units in the VA rated area. Of these, 60.1 percent are owner-occupied, 27.1 percent are rental units, and 12.8 are vacant.

Examiners used the 2022 and 2023 FFIEC-updated MFI to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories for the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Roanoke, VA MSA Median Family Income (40220)				
2022 (\$86,200)	<\$43,100	\$43,100 to <\$68,960	\$68,960 to <\$103,440	≥\$103,440
2023 (\$90,900)	<\$45,450	\$45,450 to <\$72,720	\$72,720 to <\$109,080	≥\$109,080

Source: FFIEC

According to 2023 D&B data, there were 39,412 businesses in the rated area having the following revenue characteristics.

- 89.3 percent have GARs of \$1 million or less;
- 2.7 percent have GARs greater than \$1 million; and
- 8.0 percent have unknown revenues.

Service industries represent the largest portion of businesses at 35.3 percent; followed by non-classifiable establishments (22.6 percent); finance, insurance, and real estate (12.2 percent); and retail trade (10.1 percent). In addition, 63.2 percent of businesses have four or fewer employees and 92.3 percent operate from a single location.

During the evaluation period, the unemployment rates within the VA rated area varied from a high of 3.6 percent (August 2022 and July 2023) in Craig County to a low of 1.7 percent (November 2021) in Botetourt and Roanoke Counties. The unemployment rates in the counties comprising the VA rated area gradually declined throughout the evaluation period. The following table summarizes unemployment data from the Bureau of Labor Statistics at county, state, and national levels.

Unemployment Rates				
Area	2021	2022	2023	June 2024
	%	%	%	%
Botetourt County	2.0	2.2	2.3	2.7
Craig County	2.3	2.6	3.1	3.3
Franklin County	2.4	2.5	2.7	3.2
Roanoke County	2.1	2.2	2.4	2.8
VA Statewide	2.7	2.5	2.7	3.0
National Average	3.9	3.5	3.7	4.1

Source: Bureau of Labor Statistics (Year End). YTD 2024 figures as of June 2024.

Competition

The VA Rated Area is a moderately competitive market for financial services. According to FDIC Summary of Deposits as of June 30, 2024, there were 16 institutions that operated 94 branch locations within the rated area. Of these institutions, CNB ranked 13th with a 0.7 percent deposit market share.

There is a moderate level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2023, 304 lenders reported 7,181 home mortgage loans originated or purchased. CNB ranked 20th with a 1.3 percent market share by number of loans. The top ten lenders combined for 47.7 percent of all lending.

Similarly, there is a moderate level of competition for small business loans in the market. In 2022, 85 lenders reported 6,257 small business loans originated or purchased. Among these lenders, CNB ranked 14th with a 1.3 percent market share by number of loans. The top ten lenders, primarily national and regional lenders, combined for 80.4 percent of all small business loans making it a competitive market for the remaining small business opportunities.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. Information obtained reflects the

responsiveness of local financial institutions to credit and community development needs, and opportunities for participation in related activities.

Examiners reviewed a recent contact with the Director of an organization focusing on economic development within Botetourt County. According to the contact, the county is experiencing positive economic conditions, and small businesses provide most of the employment in the area. The contact described a need for affordable housing due to limited growth in new housing stock. With respect to small business loans, the contact noted a need for microloans under \$10,000, technical assistance, and improved effectiveness of special lending programs, such as SBA.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic data, the primary credit and community development needs of the assessment area are affordable housing and small business loans. The need for affordable housing is supported by the area's high median housing value at \$200,196. There are specific opportunities to meet the needs of very small businesses, who demand microloans of less than \$10,000.

SCOPE OF EVALUATION – VIRGINIA

CNB entered the Virginia market in June 2021 with its fifth community banking division, Ridge View Bank. The bank opened two commercial loan production offices in 2021. These locations included the Roanoke LPO, opened in October 2021, and the Smith Mountain Lake LPO, opened in December 2021. The Smith Mountain Lake LPO later closed in mid-2023. As previously mentioned, the bank opened two full-service branches in the Roanoke, VA MSA in February and June of 2023. Additionally, the Blacksburg, VA commercial LPO opened in 2024. Since CNB did not have a full-service branch presence in the VA rated area until 2023, examiners emphasized performance in this year for each criterion. Although the bank made a similar number of home mortgage and small business loans in the VA rated area during the evaluation period, examiners gave greater weight to home mortgage loans. This conclusion considered CNB's overall lending focus and the significantly higher dollar volume of home mortgage loans when compared to small business loans originated and purchased in the rated area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN VIRGINIA

LENDING TEST

CNB demonstrated "Low Satisfactory" performance under the Lending Test in the VA Rated Area. The bank's collective performance under all the performance criteria supports this conclusion.

Lending Activity

The bank's lending activity reflects adequate responsiveness to the credit needs of the VA Rated Area. Throughout the review period, the bank originated 3.7 percent of all loans, by number, in this assessment area. The bank made 198 home mortgage loans, totaling \$63.4 million and 185 small business loans totaling \$36.7 million in the assessment area during the period.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. The bank's adequate performance of home mortgage loans primarily supports this conclusion. Examiners focused on the percentage of loans by number in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area.

CNB made only one loan in low-income census tracts in 2022 and no loans in these tracts in 2023. The VA rated area includes only four low-income census tracts. The low percentage of owner-occupied housing units, at just 2.0 percent, reflects the highly limited opportunity to originate or purchase home mortgage loans in these tracts.

Among moderate-income tracts, the bank's performance was below aggregate and demographic data in 2022 and 2023. However, CNB opened its full-service branches in the VA rated area recently within the evaluation period in February and June of 2023. The bank's limited full-service operations during 2023 likely impacted performance as the bank sought to establish itself as a mortgage lender in the new market. Given these limitations, combined with the lending performance in the moderate-income tracts, the performance is adequate.

Geographic Distribution of Home Mortgage Loans						
Roanoke, VA MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	2.0	2.2	1	1.3	90	0.4
2023	2.0	2.7	0	0.0	0	0.0
Moderate						
2022	20.5	20.7	10	12.5	1,867	7.6
2023	20.5	22.1	12	12.5	1,526	6.1
Middle						
2022	42.5	39.1	38	47.5	9,624	39.2
2023	42.5	39.1	32	33.3	8,294	33.4
Upper						
2022	35.0	38.0	31	38.8	12,988	52.9
2023	35.0	36.1	52	54.2	15,049	60.5
Not Available						
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
Totals						
2022	100.0	100.0	80	100.0	24,569	100.0
2023	100.0	100.0	96	100.0	24,869	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The geographic distribution of small business loans reflects poor penetration through the rated area, particularly to low- or moderate-income geographies.

Within low-income census tracts, the bank made one small business loan in 2022 and none in 2023. This performance was below demographic and aggregate lending data. However, only 3.5 percent of businesses were in the four low-income tracts within the assessment area, reflecting limited opportunity to make small business loans in these tracts.

In moderate-income tracts in 2022, the bank's performance of small business loans was below aggregate and demographic data. In 2023, the bank's level of lending declined by number of loans and remained below demographic data. Despite opening full-service branch locations later in the evaluation period, CNB had an existing market presence in the Roanoke MSA through commercial-focused LPOs and demonstrated an ability to penetrate this market within the middle- and upper-income tracts, making more than 50 loans in 2023 in these tracts. Considering the opportunity to

originate loans and the bank’s established commercial presence in this assessment area, performance is poor.

Geographic Distribution of Small Business Loans						
Roanoke, VA MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	3.5	3.7	1	1.2	50	0.4
2023	3.5	--	0	0.0	0	0.0
Moderate						
2022	20.6	18.6	6	7.1	1,920	13.6
2023	20.8	--	4	7.3	915	8.3
Middle						
2022	37.4	39.7	43	51.2	8,022	56.9
2023	37.3	--	30	54.5	6,048	54.8
Upper						
2022	38.4	38.0	34	40.5	4,104	29.1
2023	38.3	--	21	38.2	4,081	37.0
Not Available						
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Totals						
2022	100.0	100.0	84	100.0	14,096	100.0
2023	100.0	--	55	100.0	11,044	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Borrower Profile

The distribution of borrowers reflects poor penetration among retail customers of different income levels and business customers of different size. The bank’s poor performance of home mortgage lending primarily supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. Examiners also focused on the percentage by numbers of small business loans made to businesses with GARs of \$1 million or less.

Home Mortgage Loans

The distribution of borrowers reflects poor penetration among retail customers of different income levels.

In 2022, CNB’s performance of home mortgage loans was below aggregate and demographic data within low-income census tracts. In 2023, performance improved but remained below each comparator. For moderate-income tracts, the bank’s performance was below demographic and

aggregate data in 2022. Performance declined in 2023 to levels significantly below each comparator.

Considering the low number of loans, compared to the opportunity to make home mortgage loans to low- and moderate-income borrowers within the rated area, performance is poor.

Distribution of Home Mortgage Loans by Borrower Income Level						
Roanoke, VA MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	20.6	11.6	3	3.8	270	1.1
2023	20.6	10.3	6	6.3	766	3.1
Moderate						
2022	18.0	21.2	9	11.3	1,137	4.6
2023	18.0	22.0	5	5.2	675	2.7
Middle						
2022	20.3	20.7	7	8.8	1,462	6.0
2023	20.3	21.6	19	19.8	3,798	15.3
Upper						
2022	41.1	29.3	29	36.3	14,721	59.9
2023	41.1	29.4	50	52.1	17,347	69.8
Not Available						
2022	0.0	17.2	32	40.0	6,980	28.4
2023	0.0	16.6	16	16.7	2,284	9.2
Totals						
2022	100.0	100.0	80	100.0	24,569	100.0
2023	100.0	100.0	96	100.0	24,870	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Small Business Loans

The distribution of small business loans reflects adequate penetration of loans to businesses with GARs less than or equal to \$1 million. Examiners compared the bank’s small business lending to demographic and aggregate data, as available.

The bank’s performance of lending to businesses with GARs less than or equal to \$1 million was similar to aggregate lending data in 2022; however, performance is below demographics. In 2023, CNB’s performance of lending activity to businesses with GARs less than or equal to \$1 million declined and remained below demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Roanoke, VA MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	88.1	54.5	46	54.8	8,430	59.8
2023	89.3	--	30	54.5	5,437	49.2
>\$1,000,000						
2022	3.0	--	37	44.0	5,256	37.3
2023	2.7	--	22	40.0	3,698	33.5
Revenue Not Available						
2022	8.9	--	1	1.2	410	2.9
2023	8.0	--	3	5.5	1,909	17.3
Totals						
2022	100.0	100.0	84	100.0	14,096	100.0
2023	100.0	--	55	100.0	11,044	100.0

Source: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.

Innovative or Flexible Lending Practices

The bank uses innovative and/or flexible lending practices to serve the assessment area credit needs.

Community Development Loans

The institution has made a relatively high level of community development loans when considering the assessment area was added during the evaluation period. During the review period, CNB originated seven community development loans totaling \$29.7 million, including four loans totaling \$28.7 million supporting economic development and two loans totaling \$700,000 supporting community services.

INVESTMENT TEST

CNB demonstrated “High Satisfactory” performance under the Investment Test in the VA Rated Area. Investment and grant activity performance primarily supports this rating. Examiners considered the extent of bank operations within the rated area to reach this conclusion.

Investment and Grant Activity

The bank has a significant level of qualified community development investments and grants in the VA Rated Area. During the evaluation period, CNB purchased two new qualified investments totaling \$6.0 million and made seven qualified donations for \$14,000 within the rated area. Examiners also considered six community development investments made for \$1.1 million that benefit affordable housing in the broader regional and statewide area.

Qualified Investments										
Roanoke, VA MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
11/29/2021 – 12/31/2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0
1/1/2024 – 9/3/2024	2	5,991	0	0	0	0	0	0	2	5,991
Statewide	6	1,060	0	0	0	0	0	0	6	1,060
Subtotal	8	7,051	0	0	0	0	0	0	8	7,051
Qualified Grants & Donations	1	1	4	6	1	2	1	5	7	14
Total	9	7,052	4	6	1	2	1	5	15	8,065

Source: Bank Data

During the review period, CNB purchased two Federal Home Loan Mortgage Corporation (FHLMC) MBS totaling approximately \$6.0 million which benefitted low- and moderate-income families in the Roanoke, VA MSA assessment area.

Responsiveness to Credit and Community Development Needs

CNB exhibits adequate responsiveness to credit and community development needs. The community contact noted the need for affordable housing. One community development investment and several grants provided funds for affordable housing efforts and community services targeted to individuals and families in need of housing.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives.

SERVICE TEST

CNB demonstrates “Low Satisfactory” performance for the Service Test within the VA Rated Area. CNB entered this market during the evaluation period, which enhanced banking services to an area with a low volume of competition.

Accessibility of Delivery Systems

The bank’s delivery systems are reasonably accessible to essentially all portions of this assessment area. The bank operates two branches in this assessment area, one located in an upper-income census tract and one in a middle-income census tract. The branches are in reasonable proximity to multiple low- and moderate-income census tracts in Roanoke City. Each branch offers three ETMs, which allows customers to access bank services beyond the hours offered by branch staff. Alternative banking services including internet banking, mobile banking, telephone banking, and

participation in two national shared ATM networks enhance customers’ ability to access banking services. CNB also operates two LPOs in the area that offer commercial loan services.

Branch and ATM Distribution by Geography Income Level												
Tract Income Level	Census Tracts		Population		Branches		ETMs /ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	4	5.1	13,484	4.3	0	0.00	0	0.00	0	0.00	0	0.0
Moderate	19	24.4	72,631	23.0	0	0.00	0	0.00	0	0.00	0	0.0
Middle	31	39.7	128,013	40.6	1	50.0	3	50.0	1	50.0	0	0.0
Upper	24	30.8	101,123	32.1	1	50.0	3	50.0	1	50.0	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	78	100.0	315,251	100.0	2	100.0	6	100.0	2	100.0	0	100.0

*Source: 2020 U.S. Census & Bank Data
Due to rounding, totals may not equal 100.0%*

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. CNB opened two LPOs in 2021 to enter the Roanoke market. In 2023, the bank expanded services by opening two full-service branch offices, one in an upper- and one in a middle-income census tract. CNB closed one of the original LPOs and opened an LPO at a new location in April 2024. Both current LPOs are in middle-income census tracts.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low-and moderate-income geographies and/or individuals. Branch hours are 9:00 a.m. to 5:00 p.m. Monday through Friday and closed on Saturday. Customers may access the bank’s ETMs between 7:00 a.m. to 7:00 p.m. Monday through Friday and between 8:00 a.m. through 3:00 p.m. on Saturdays. The branch hours are slightly different than other assessment areas but are reasonable for customer access.

Community Development Services

The bank provided an adequate level of community development services considering the extent of operations in the VA Rated Area. The bank provided eight instances totaling 202 hours of service. All the service hours supported community services benefitting low- and moderate-income individuals or families.

Community Development Services					
Roanoke, VA MSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2022	0	81	0	0	81
2023	0	80	0	0	80
YTD 2024	0	41	0	0	41
Total	0	202	0	0	202
<i>Source: Bank Data</i>					

A primary example of a community development service that directly benefitted the assessment area during the review period is multiple bank employees spending 140 hours presenting financial literacy materials to five schools within the area. A majority of students attending these schools qualified for the free lunch program.

APPENDICES

LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

CNB Bank	
<p>Scope of Examination: Full-scope reviews were performed on the following assessment areas within the noted rated areas:</p> <ul style="list-style-type: none"> State of Pennsylvania: <ul style="list-style-type: none"> PA Non-MSA Assessment Area State College, PA MSA Assessment Area State of Ohio: <ul style="list-style-type: none"> Cleveland-Elyria, OH MSA Assessment Area State of New York: <ul style="list-style-type: none"> Buffalo-Cheektowaga, NY MSA Assessment Area State of Virginia: <ul style="list-style-type: none"> Roanoke, VA MSA Assessment Area <p>Limited-scope reviews were performed on the following assessment areas within the noted rated areas:</p> <ul style="list-style-type: none"> State of Pennsylvania: <ul style="list-style-type: none"> Erie, PA MSA Assessment Area Altoona, PA MSA Assessment Area Johnstown, PA MSA Assessment Area State of Ohio: <ul style="list-style-type: none"> Columbus, OH MSA Assessment Area OH Non-MSA Assessment Area Mansfield, OH MSA Assessment Area 	
Time Period Reviewed:	11/29/21 to 9/3/24
<p>Products Reviewed:</p> <p>Home Mortgage Loans: 01/01/2021 – 12/31/2023 Small Business Loans: 01/01/2021 – 12/31/2023</p>	

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
Pennsylvania	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Ohio	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
New York	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Virginia	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS

Erie, PA MSA

This assessment area includes all 74 census tracts in Erie County, which comprises the Erie, PA MSA #21500. The bank’s delineation of this assessment area is unchanged from the prior evaluation. This assessment area consists of 9 low-income, 17 moderate- income, 27 middle-income, 18 upper-income, and 3 census tracts with no income designation. The assessment area contains 5 of the bank’s 55 branch offices and 6 of the bank’s 76 ETMs. This assessment area accounted for 12.8 percent of total in-assessment area loans by number of loans, 16.2 percent of total deposits, and 9.1 percent of bank branches. The bank operated one stand-alone ATM in a middle income-census tract during the evaluation period until it was closed in August 2024.

Based on 2020 US Census Data, the following table illustrates select demographic characteristics of the Erie, PA MSA assessment area.

Demographic Information of the Assessment Area						
Erie, PA MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	74	12.2	23.0	36.5	24.3	4.1
Population by Geography	270,876	8.1	18.9	41.0	30.2	1.8
Housing Units by Geography	121,613	8.4	20.6	41.4	28.6	1.0
Owner-Occupied Units by Geography	73,941	3.6	14.9	45.5	35.8	0.2
Occupied Rental Units by Geography	36,447	16.5	30.2	34.5	16.4	2.3
Vacant Units by Geography	11,225	14.1	26.7	36.6	21.0	1.6
Businesses by Geography	23,939	10.4	17.7	37.3	32.4	2.3
Farms by Geography	663	3.5	10.4	50.7	34.1	1.4
Family Distribution by Income Level	67,922	20.5	17.7	21.5	40.3	0.0
Household Distribution by Income Level	110,388	24.7	15.9	17.4	42.0	0.0
Median Family Income MSA - 21500 Erie, PA MSA		\$68,789	Median Housing Value			\$131,448
Families Below Poverty Level		10.4%	Median Gross Rent			\$764
<i>Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Altoona, PA MSA

This assessment area includes all 38 census tracts in Blair County, which comprises the Altoona, PA MSA #11020. The bank’s delineation of this assessment area is unchanged from the prior evaluation. This assessment area consists of 1 low-income, 8 moderate-income, 22 middle-income 7 upper-income, and no census tracts without an income designation. The assessment area contains 1 of the bank’s 55 branch offices and 1 of the bank’s 76 ETMs. This assessment area accounted for 2.2 percent of total in-assessment area loans by number, 1.1 percent of total deposits, and 1.8

percent of bank branches. There were no changes to branch locations in this assessment area during the evaluation period.

The following table illustrates select demographic characteristics of the Altoona, PA MSA assessment area.

Demographic Information of the Assessment Area						
Altoona, PA MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	38	2.6	21.1	57.9	18.4	0.0
Population by Geography	122,822	1.9	20.1	58.0	20.0	0.0
Housing Units by Geography	56,960	1.9	20.7	57.4	20.0	0.0
Owner-Occupied Units by Geography	36,288	1.5	15.5	61.3	21.7	0.0
Occupied Rental Units by Geography	15,359	3.1	32.2	49.1	15.6	0.0
Vacant Units by Geography	5,313	1.1	23.4	54.5	21.0	0.0
Businesses by Geography	11,248	1.9	21.0	58.5	18.6	0.0
Farms by Geography	347	0.3	9.5	74.9	15.3	0.0
Family Distribution by Income Level	32,357	20.1	18.7	21.3	39.8	0.0
Household Distribution by Income Level	51,647	23.5	17.1	16.8	42.6	0.0
Median Family Income MSA - 11020 Altoona, PA MSA		\$67,495	Median Housing Value			\$128,133
Families Below Poverty Level		9.8%	Median Gross Rent			\$750

Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. () The NA category consists of geographies that have not been assigned an income classification.*

Johnstown, PA MSA

This assessment area includes 5 of 42 census tracts in Cambria County, which comprises the Johnstown, PA MSA #27780. All five census tracts (100.0 percent) are designated as middle-income tracts. The bank’s delineation of this assessment area is unchanged from the prior evaluation. The assessment area contains 1 of the bank’s 55 branch offices and 1 of the bank’s 11 ATMs. This assessment area accounted for 1.3 percent of total in-assessment area loans, 1.3 percent of total deposits, and 1.8 percent of bank branches.

The following table illustrates select demographic characteristics of the Johnstown, PA MSA assessment area.

Demographic Information of the Assessment Area						
Johnstown, PA MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	100.0	0.0	0.0
Population by Geography	19,562	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	8,911	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	6,418	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,177	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	1,316	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,245	0.0	0.0	100.0	0.0	0.0
Farms by Geography	80	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	5,261	19.9	19.3	23.3	37.6	0.0
Household Distribution by Income Level	7,595	19.1	16.7	18.7	45.5	0.0
Median Family Income MSA - 27780 Johnstown, PA MSA		\$65,560	Median Housing Value			\$96,426
Families Below Poverty Level		7.7%	Median Gross Rent			\$577
<i>Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Columbus, OH MSA

This assessment area includes all 377 census tracts in Morrow, Delaware, and Franklin Counties, which comprise a portion of the Columbus, OH MSA #18140. The bank's delineation of this assessment area is unchanged from the prior evaluation. This assessment area consists of 57 low-income, 85 moderate-income, 111 middle-income, 116 upper-income, and 8 census tracts with no income designation. The assessment area contains 4 of the bank's 55 branch offices and 8 of the bank's 76 ETMs. The bank opened one new branch in a middle-income census tract during the period. This assessment area accounted for 6.3 percent of total in-assessment area loans, 5.0 percent of total deposits, and 7.3 percent of bank branches

The following table illustrates select demographic characteristics of the Columbus, OH MSA assessment area.

Demographic Information of the Assessment Area						
Columbus, OH MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	377	15.1	22.5	29.4	30.8	2.1
Population by Geography	1,572,881	11.1	20.5	31.8	35.0	1.7
Housing Units by Geography	648,547	11.9	21.3	32.6	32.9	1.2
Owner-Occupied Units by Geography	346,948	5.7	16.6	34.3	43.0	0.3
Occupied Rental Units by Geography	256,874	17.8	27.2	31.6	21.5	2.0
Vacant Units by Geography	44,725	26.5	24.2	25.0	20.9	3.3
Businesses by Geography	277,722	9.2	16.2	29.2	43.9	1.5
Farms by Geography	5,131	7.0	17.0	30.6	44.6	0.7
Family Distribution by Income Level	366,695	22.2	17.0	19.7	41.1	0.0
Household Distribution by Income Level	603,822	23.7	16.5	18.1	41.7	0.0
Median Family Income MSA - 18140 Columbus, OH MSA		\$84,088	Median Housing Value			\$204,256
Families Below Poverty Level		9.5%	Median Gross Rent			\$1,020
<i>Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

OH Non-MSA

This assessment area includes all 74 census tracts within Ashtabula, Crawford, Knox, and Marion Counties, which are all located outside of any MSA. Since the previous CRA evaluation, management removed Ashland County from the assessment area because the bank does not maintain a branch in this county and has limited lending and deposit activity. The OH Non-MSA assessment area consists of 1 low-income, 22 moderate-income, 40 middle-income, 8 upper-income, and 3 census tracts with no income designation. The assessment area contains 3 of the bank's 55 branch offices and 6 of the bank's 76 ETMs. This assessment area accounted for 4.3 percent of total in-assessment area loans, 5.2 percent of total deposits, and 5.5 percent of bank branches.

The following table illustrates select demographic characteristics of the OH Non-MSA assessment area.

Demographic Information of the Assessment Area						
OH Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	74	1.4	29.7	54.1	10.8	4.1
Population by Geography	267,679	0.8	26.2	55.9	13.9	3.1
Housing Units by Geography	120,020	0.8	28.4	56.4	13.7	0.6
Owner-Occupied Units by Geography	73,363	0.6	23.0	59.4	16.3	0.7
Occupied Rental Units by Geography	30,823	1.1	40.0	48.7	9.6	0.6
Vacant Units by Geography	15,834	1.3	30.8	57.7	10.0	0.3
Businesses by Geography	23,702	0.3	25.0	58.8	15.2	0.7
Farms by Geography	1,608	0.2	10.6	66.5	21.7	1.1
Family Distribution by Income Level	67,448	20.9	20.1	23.6	35.4	0.0
Household Distribution by Income Level	104,186	24.9	17.4	19.2	38.6	0.0
Median Family Income Non-MSAs - OH		\$66,684	Median Housing Value			\$121,699
Families Below Poverty Level		10.8%	Median Gross Rent			\$719

Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. () The NA category consists of geographies that have not been assigned an income classification.*

Mansfield, OH MSA Assessment Area

This assessment area includes all 30 census tracts in Richland County, which comprises the Mansfield, OH MSA #31900. The bank's delineation of this assessment area is unchanged from the prior evaluation. This assessment area consists of 3 low-income, 7 moderate-income, 13 middle-income, 6 upper-income, and 1 census tract with no income designation. The assessment area contains 1 of the bank's 55 branch offices and 1 of the bank's 11 ATMs. This assessment area accounted for 0.5 percent of total in-assessment area loans by number of loans, 0.6 percent of total deposits, and 1.8 percent of bank branches.

Based on 2020 US Census Data, the following table illustrates select demographic characteristics of the Mansfield OH MSA assessment area.

Demographic Information of the Assessment Area						
Mansfield, OH MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	30	10.0	23.3	43.3	20.0	3.3
Population by Geography	124,936	8.6	14.2	47.9	25.3	4.0
Housing Units by Geography	54,149	10.2	16.7	49.0	24.0	0.1
Owner-Occupied Units by Geography	32,762	6.9	9.1	55.1	28.9	0.0
Occupied Rental Units by Geography	16,205	16.5	26.4	38.4	18.5	0.1
Vacant Units by Geography	5,182	11.5	35.1	43.9	9.3	0.2
Businesses by Geography	12,124	5.0	21.8	43.4	28.6	1.1
Farms by Geography	576	4.2	9.0	56.3	30.6	0.0
Family Distribution by Income Level	30,135	20.5	17.1	22.6	39.8	0.0
Household Distribution by Income Level	48,967	23.5	16.5	18.6	41.5	0.0
Median Family Income MSA - 31900 Mansfield, OH MSA		\$63,284	Median Housing Value			\$107,645
Families Below Poverty Level		10.0%	Median Gross Rent			\$674

Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. () The NA category consists of geographies that have not been assigned an income classification.*

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.