PUBLIC DISCLOSURE

December 30, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

ConnectOne Bank
Certificate Number: 57919

301 Sylvan Avenue
Englewood Cliffs, New Jersey 07632

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

350 Fifth Avenue, Suite 1200
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		X	
High Satisfactory			
Low Satisfactory	X		X
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 Low Satisfactory.

- Lending levels reflect adequate responsiveness to the credit needs of the assessment areas.

- A high percentage of loans are made in the institution's assessment areas.

- The geographic distribution of loans reflects adequate penetration throughout the assessment areas.

- The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among business customers of different sizes and retail customers of different income levels.

- The institution uses innovative and/or flexible lending practices in order to serve the credit needs of the assessment areas.

- This institution is a leader in making community development loans.

The Investment Test is rated Outstanding.

- The institution has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

- The institution exhibits excellent responsiveness to credit and community development needs.

- The institution rarely uses innovative and/or complex investments to support community development initiatives.

The Service Test is rated Low Satisfactory.

- Delivery systems are reasonably accessible to essentially all portions of the institution's assessment areas.

- To the extent that changes have been made, the institution's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

- 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.

- The institution provides an adequate level of community development services.

DESCRIPTION OF INSTITUTION

Background

ConnectOne Bank (CNOB) is a state-chartered financial institution headquartered in Englewood Cliffs, New Jersey (NJ). CNOB is a wholly owned subsidiary of ConnectOne Bancorp, Inc., a one-bank holding company that is also headquartered in Englewood Cliffs, NJ. The bank has 14 non-bank subsidiaries and affiliates that do not engage in retail banking activities.

On June 1, 2025, CNOB acquired First National Bank of Long Island (FNBLI), a $4.1 billion national bank, and all its 37 branches. Two weeks after the acquisition, CNOB closed one former FNBLI branch location in an upper-income tract in New York County, New York (NY). The remaining 36 acquired branches are located in Kings County, NY (1); Nassau County, NY (16); Queens County, NY (3); and Suffolk County, NY (16).

CNOB received a "Satisfactory" rating from the Federal Deposit Insurance Corporation (FDIC) during its prior Community Reinvestment Act (CRA) Performance Evaluation dated October 24, 2022, using Interagency Large Institution Examination Procedures. FNBLI received a "Satisfactory" CRA rating from the Office of the Comptroller of the Currency during its prior CRA Performance Evaluation dated April 1, 2024, using Interagency Large Institution Examination Procedures.

Operations

CNOB operates 60 full-service branches in its assessment areas, with 14 branches in NJ, 45 branches in NY, and 1 branch in Florida (FL). The bank also operates one commercial loan production office (LPO) in Oakland, NJ and one in Orlando, FL.

During the review period, in addition to closing one FNBLI branch in New York County, NY, CNOB closed one branch in Bergen County, NJ and one branch in Suffolk County, NY. The bank also opened two branches in Suffolk County, NY. None of these branch openings or closings were located in low- or moderate-income census tracts. The bank also relocated the Cresskill branch in Bergen County, NJ, to a different address located in the same upper-income census tract.

CNOB offers residential, consumer, agricultural, and commercial loans. CNOB's primary business focus is commercial, multifamily real estate, and 1-4 family residential lending. The institution offers various consumer and commercial deposit products including checking, savings, money market accounts, and certificates of deposit. The bank also offers investment advisory and trust services. Alternative banking services include telephone banking, internet banking, mobile banking, electronic bill pay, Zelle, 51 deposit-taking automated teller machines (ATMs), and 5 non-deposit-taking ATMs.

Ability and Capacity

As of September 30, 2025, assets totaled $14.0 billion, including loans totaling $11.3 billion and securities totaling $1.3 billion. Deposits totaled approximately $11.4 billion as of the same date.

Since the previous evaluation, CNOB's total assets increased by 58.6 percent, total loans increased by 55.3 percent, total securities increased by 85.3 percent, and total deposit increased by 69.7 percent. These large increases were primarily due to the June 2025 FNBLI merger and normal business growth.

The following table illustrates the composition of CNOB's loan portfolio as of September 30, 2025.

Loan Portfolio Distribution as of 9/30/2025		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	1,023,892	9.1
Secured by Farmland	13,342	0.1
Secured by 1-4 Family Residential Properties	1,581,005	14.0
Secured by Multifamily (5 or more) Residential Properties	3,420,465	30.3
Secured by Nonfarm Nonresidential Properties	3,788,107	33.5
Total Real Estate Loans	**9,826,811**	**87.0**
Commercial and Industrial Loans	1,124,355	9.9
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	995	<0.1
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	355,970	3.1
Lease Financing Receivable (net of unearned income)	0	0
Less: Unearned Income	4,495	(<0.1)
Total Loans	**11,303,636**	**100.0**
Source: Reports of Condition and Income		

Examiners did not identify any financial, legal, or other impediments that affected the bank's ability to meet the credit needs of the assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. CNOB designates the following three assessment areas:

Multistate MSA 35620: This assessment area includes the NJ counties of Bergen, Essex, Hudson, Middlesex, Monmouth, Morris, Passaic, Somerset, and Union, and the NY counties of Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk, and Westchester.

Middlesex, Monmouth, and Somerset Counties are part of Metropolitan Division (MD) 29484 (Lakewood-New Brunswick, NJ). Nassau and Suffolk Counties compose MD 35004 (Nassau County-Suffolk County, NY). Essex, Morris, and Union Counties are part of MD 35084 (Newark, NJ). Bergen, Hudson, Passaic, Bronx, Kings, New York, Queens, Richmond, Rockland, and Westchester Counties are part of MD 35614 (New York-Jersey City-White Plains, NY-NJ). These four MDs are part of the larger Multistate Metropolitan Statistical Area (MSA) 35620 (New York-Newark-Jersey City, NY-NJ).

State of Florida: This assessment area consists of all tracts in Palm Beach County, FL, which is located in MD 48424 (West Palm Beach-Boca Raton-Delray Beach, FL).

State of New York: This assessment area consists of all tracts in Orange County, NY, which is located in MSA 28880 (Kiryas Joel-Poughkeepsie-Newburgh, NY).

Based on the location of the bank's branches, each assessment area is also a rated area. Please refer to the rated area sections for additional demographic and economic information on each area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated October 24, 2022, to the current evaluation dated December 30, 2025. Examiners used the Federal Financial Institution Examination Council's (FFIEC's) Large Institution CRA Examination Procedures to evaluate CNOB's CRA Performance. These procedures include the Lending, Investment, and Service Tests. Please refer to the appendices for a complete description of the testing criteria.

As noted previously, the bank operates with three assessment areas that each represent a rated area. The Interstate Banking and Branching Efficiency Act requires separate discussions and ratings of CRA performance in each state and each Multistate MSA in which the bank has at least one branch in each state. As such, examiners used full-scope procedures to evaluate and rate CNOB's performance in the Multistate MSA 35620, State of Florida, and the State of New York. Examiners refer to the Multistate MSA 35620, State of Florida, and State of New York as the bank's combined assessment area. Further, examiners are required by the CRA to review the bank's performance and assign an overall CRA rating in the bank's combined assessment area. The Multistate MSA 35620 rated area received the greatest weight when determining the overall rating, as this area accounted for a vast majority of the bank's loans, deposits, and branch office locations, followed by the State of Florida, then the State of New York.

Activities Reviewed

CNOB's major product lines, considering its business strategy and the number and dollar volume of loans originated during the evaluation period, are small business and home mortgage loans. No other loan types, such as small farm or consumer loans, represent a major product line or provide material support for conclusions or ratings; therefore, examiners did not present these products.

To evaluate CNOB's small business lending performance, examiners analyzed and presented data reported on the bank's 2022, 2023, and 2024 CRA Loan Registers. CNOB reported 211 small business loans totaling $94.8 million in 2022, 186 small business loans totaling $74.0 million in

2023, and 173 small business loans totaling $72.4 million in 2024. Examiners used aggregate small business lending data and D&B demographic data for comparison purposes.

This evaluation also analyzed and presented home mortgage loans that CNOB reported on its 2022, 2023, and 2024 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. CNOB reported 346 home mortgage loans totaling $775.4 million in 2022, 53 home mortgage loans totaling $54.8 million in 2023, and 65 home mortgage loans totaling $114.4 million in 2024. Examiners attributed the decline in HMDA loans, in part, to the high-interest rate environment and a decrease in the bank's multifamily lending as a percentage of overall home mortgage lending from 2022 to 2024. Examiners used aggregate HMDA data and 2020 U.S. Census data for comparison purposes.

This evaluation presents the number and dollar volume of loans. Examiners emphasized performance by the number of loans because this is a better indicator of the number of individuals and businesses served. Small business loans contributed more weight than home mortgage loans in arriving at overall conclusions given the bank's business strategy and the number of loans originated over the evaluation period.

The evaluation of the bank's community development loans, investments, and services includes all of CNOB's qualified activities since the prior evaluation to the current evaluation date of December 30, 2025. Examiners considered community development loans acquired as part of the June 2025 FNBLI acquisition in CNOB's Lending Test. The Lending Test also considered loans originated through the bank's innovative and flexible lending programs since the previous evaluation. The Investment Test includes investments and grants made during the current evaluation period and the current book value of any qualified investments outstanding from the prior evaluation and those acquired from the June 2025 FNBLI acquisition.

The Service Test includes all community development and retail services the bank has provided since the prior evaluation. Examiners evaluated the bank's retail delivery systems, including branches and alternative channels, and assessed the impact of any changes to the branch network during the review period. This evaluation considered the bank's retail banking products and services designed for low- and moderate-income individuals and small businesses, including offerings tailored to address specific needs within the assessment areas.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test is rated "Low Satisfactory". CNOB's performance in the more heavily weighted Multistate MSA 35620 rated area primarily supports this rating. The bank's performance in the State of Florida and State of New York rated areas are below the overall performance. The following sections discuss the bank's overall performance in the combined assessment area under each Lending Test criterion. Refer to the individual rated area sections for detailed discussions on the bank's Lending Test performance in each area.

Lending Activity

CNOB's lending levels reflect adequate responsiveness to the credit needs of the assessment areas. This performance criterion considered CNOB's lending in relation to its financial condition and resources. Lending activity in the Multistate MSA 35620 rated area primarily supports this rating. As of September 30, 2025, loans totaled $11.3 billion and comprised 80.7 percent of total assets and 98.9 percent of total deposits, which is a slight decrease when compared to the concentration at the previous evaluation.

The bank's lending levels within the Multistate MSA 35620 and the State of New York rated areas decreased since the previous evaluation. Examiners did not analyze the bank's performance in the State of Florida at the prior evaluation because it had not been part of the assessment area for at least one year at that time. During the current evaluation, CNOB originated or purchased 169 small business loans totaling $72.5 million in 2022, 148 small business loans totaling $52.6 million in 2023, and 143 small business loans totaling $53.8 million in 2024 in the assessment areas. CNOB originated or purchased 294 home mortgage loans totaling $633.1 million in 2022, 42 home mortgage loans totaling $29.6 million in 2023, and 56 home mortgage loans totaling $84.6 million in 2024 in the assessment areas.

Refer to the rated areas sections for detailed performance discussions, including relevant context, trends, and market share information.

Assessment Area Concentration

The bank made a high percentage of loans in its assessment areas. Please refer to the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total #**	**Dollars Amount of Loans $(000s)**				**Total $(000s)**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**		**$**	**%**	**$**	**%**	
Small Business										
2022	169	80.1	42	19.9	211	72,512	76.5	22,282	23.5	94,794
2023	148	79.6	38	20.4	186	52,630	71.1	21,414	28.9	74,044
2024	143	82.7	30	17.3	173	53,791	74.3	18,579	25.7	72,370
Subtotal	**460**	**80.7**	**110**	**19.3**	**570**	**178,933**	**74.2**	**62,275**	**25.8**	**241,208**
Home Mortgage										
2022	294	85.0	52	15.0	346	633,130	81.6	142,290	18.4	775,420
2023	42	79.2	11	20.8	53	29,550	54.0	25,215	46.0	54,765
2024	56	86.2	9	13.8	65	84,600	74.0	29,785	26.0	114,385
Subtotal	**392**	**84.5**	**72**	**15.5**	**464**	**747,280**	**79.1**	**197,290**	**20.9**	**944,570**
Total	**852**	**82.4**	**182**	**17.6**	**1,034**	**926,213**	**78.1**	**259,565**	**21.9**	**1,185,778**
Source: HMDA Reported Data; CRA Reported Data *Due to rounding, totals may not equal 100.0%*										

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment areas. CNOB's performance in the Multistate MSA 35620 rated area is consistent with overall performance. Due to the low volume of loans in the State of Florida and the State of New York rated areas throughout the evaluation period, examiners could not draw meaningful conclusions on the geographic distribution of loans in these rated areas. Please refer to the individual rated area sections for details.

Borrower Profile

The distribution of borrowers reflects poor penetration among businesses of different revenue sizes and retail customers of different income levels. CNOB's performance in the Multistate MSA 35620 rated area is consistent with overall performance. Due to the low volume of loans in the State of Florida and the State of New York rated areas throughout the evaluation period, examiners could not draw meaningful borrower profile conclusions in these rated areas. Please refer to the individual rated area sections for details.

Innovative or Flexible Lending Practices

CNOB uses innovative and/or flexible lending practices to serve the credit needs of its assessment areas. During the evaluation period, CNOB originated 130 loans totaling $77.4 million using innovative or flexible loan programs. The following table reflects the number and dollar volume of activity under each innovative or flexible lending program.

Innovative or Flexible Lending Programs										
Type of Program	2022 (Partial)		2023		2024		YTD 2025		Totals	
	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)
NJEDA	0	0	0	0	1	1,200	0	0	1	1,200
SBA 7(a) Standard	4	504	32	12,739	28	11,833	55	30,676	119	55,752
SBA 504	0	0	4	7,763	4	6,435	2	6,200	10	20,398
Totals	**4**	**504**	**36**	**20,502**	**33**	**19,468**	**57**	**36,876**	**130**	**77,350**
Source: Bank Data										

With the exception of the New Jersey Economic Development Authority (NJEDA) loan program offered only in the Multistate MSA 35620 rated area, the Small Business Administration (SBA) loan programs are offered institution wide in all rated areas. Below are the bank's innovative or flexible loan programs offered institution wide.

- ***SBA 7(a) Standard Loan Program*** – SBA-guaranteed loans provide small business financing with more flexible terms than traditional business loans. CNOB is a Preferred Lender that participates in the SBA 7(a) Standard Loan Program. This program guarantees up to 75 percent of loans ranging from $350,001 to $5.0 million.

- ***SBA 504*** – The SBA 504 loan program is an economic development program offering small business financing focused on creating jobs and promoting job growth. This program provides approved small businesses long-term, fixed-interest rate financing up to $5.5 million for major fixed assets, such as land and buildings.

Community Development Loans

CNOB is a leader in making community development loans. CNOB's community development lending activity in the Multistate MSA 35620 rated area primarily supports this conclusion, as this area received the most weight. The bank's performance in the State of Florida and State of New York rated areas are below the overall performance.

During the evaluation period, CNOB originated or purchased 118 community development loans totaling approximately $410.0 million. This level of activity represents 3.9 percent of average total assets and 4.7 percent of average total loans since the prior evaluation. Compared to the prior evaluation, CNOB's performance decreased 25.3 percent by number and increased 6.8 percent by dollar amount. Community development loans primarily supported affordable housing in the Multistate MSA 35620 rated area. As CNOB was responsive to the community development needs and opportunities in its assessment areas, examiners also considered 10 loans totaling $28.9 million that benefitted the broader statewide and regional areas.

Although not reflected in the table below, examiners also considered two letters of credit made by the bank, one in 2023 for $1.8 million and one in 2024 for $1.4 million, that supported revitalization or stabilization.

Compared to two similarly situated banks, CNOB's performance exceeded both institutions by number and one institution by dollar amount. The following tables display the bank's community development lending by year, rated area, and purpose.

Community Development Lending

Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)
2022 (Partial)	4	5,038	0	0	1	23,000	0	0	**5**	**28,038**
2023	8	20,522	2	6,400	17	69,181	2	3,012	**29**	**99,115**
2024	15	28,600	3	33,150	11	36,549	1	1,100	**30**	**99,399**
YTD 2025	38	120,600	1	18,625	11	30,214	4	14,000	**54**	**183,439**
Total	**65**	**174,760**	**6**	**58,175**	**40**	**158,944**	**7**	**18,112**	**118**	**409,991**

Source: Bank Data

Community Development Lending by Rated Area										
Rated Area	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Multistate MSA 35620	61	160,410	6	58,175	34	144,415	7	18,112	**108**	**381,112**
State of Florida	0	0	0	0	0	0	0	0	**0**	**0**
State of New York	0	0	0	0	0	0	0	0	**0**	**0**
Statewide Activities	4	14,350	0	0	3	4,550	0	0	**7**	**18,900**
Regional Activities	0	0	0	0	3	9,979	0	0	**3**	**9,979**
Total	**65**	**174,760**	**6**	**58,175**	**40**	**158,944**	**7**	**18,112**	**118**	**409,991**
Source: Bank Data										

Below are notable examples of CNOB's community development loans that benefitted the broader statewide area.

- In 2023, CNOB made a $1.4 million SBA 7(a) loan to finance the expansion of a supermarket located in a moderate-income census tract in Collier County, FL. Proceeds support economic development through the retention of 23 low- and moderate-income employees.

- In 2025, CNOB made a $3.1 million SBA 7(a) loan to finance the acquisition of a restaurant in the Western Connecticut Planning Region. Proceeds primarily support economic development through the retention of jobs for low- and moderate-income individuals.

- In 2025, CNOB made a $10.5 million loan to finance the purchase of a 94-unit multifamily complex in Burlington County, NJ. The majority of units offer rents below the county's fair market rents as determined by the Department of Housing and Urban Development (HUD). Proceeds support affordable housing.

INVESTMENT TEST

The Investment Test is rated "Outstanding". CNOB's performance in the more heavily weighted Multistate MSA 35620 rated area primarily supports this rating. The bank's performance in the State of Florida and State of New York rated areas are below the overall performance. The following sections discuss the bank's overall performance in the combined assessment area under each Investment Test criterion. Refer to the individual rated areas for detailed discussions on the bank's Investment Test performance in each area.

Investment and Grant Activity

CNOB has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors. The bank made 221 qualified investments totaling $97.4 million during the evaluation period, which includes 30 prior period investments with current book values totaling $58.0 million, 29 current period investments totaling $39.1 million, and 162 qualified donations totaling $334,000.

Since the prior evaluation, qualified investment activity represents 0.9 percent of average total assets and 13.5 percent of average total securities. Compared to the prior evaluation, qualified investments, grants, and donations increased 95.6 percent by number and more than doubled by dollar amount. Compared to two similarly situated banks, CNOB's investment performance exceeded one institution by percentage of average total assets and exceeded both institutions by percentage of average total securities.

CNOB's investments and donations by dollar volume primarily supported affordable housing initiatives that benefit low- and moderate-income individuals, and by number, primarily supported community organizations that serve low- and moderate-income individuals and families. The following tables display qualified investments and donations by year, rated area, and purpose.

Qualified Investments										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Prior Period	29	56,009	0	0	1	2,000	0	0	**30**	**58,009**
2022 (Partial)	2	3,126	0	0	0	0	0	0	**2**	**3,126**
2023	4	7,396	0	0	0	0	0	0	**4**	**7,396**
2024	16	20,497	0	0	0	0	0	0	**16**	**20,497**
YTD 2025	7	8,085	0	0	0	0	0	0	**7**	**8,085**
Subtotal	**58**	**95,113**	**0**	**0**	**1**	**2,000**	**0**	**0**	**59**	**97,113**
Qualified Grants & Donations	7	17	151	302	3	5	1	10	**162**	**334**
Total	**65**	**95,130**	**151**	**302**	**4**	**2,005**	**1**	**10**	**221**	**97,447**
Source: Bank Data										

Qualified Investments by Rated Area										
Rated Area	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Multistate MSA 35620	51	78,050	124	266	4	2,005	0	0	**179**	**80,321**
State of Florida	5	7,381	10	15	0	0	0	0	**15**	**7,396**
State of New York	9	9,699	9	5	0	0	0	0	**18**	**9,704**
Statewide Activities	0	0	8	16	0	0	1	10	**9**	**26**
Regional Activities	0	0	0	0	0	0	0	0	**0**	**0**
Total	**65**	**95,130**	**151**	**302**	**4**	**2,005**	**1**	**10**	**221**	**97,447**
Source: Bank Data										

Below are notable examples of the bank's qualified investments and donations that benefitted the broader statewide area.

- In 2025, CNOB donated $10,000 to an organization located in a low-income census tract in close proximity to a NY Opportunity Zone. The organization works with local government initiatives to attract and retain new and existing businesses in low- and moderate-income areas in Dutchess County, NY, and surrounding areas. Proceeds supported revitalization or stabilization.

- From 2023 through 2025, CNOB made three donations totaling $1,500 to a nonprofit organization located in Hunterdon County, NJ. The organization supplies food to financially insecure low- and moderate-income individuals throughout the state of NJ. Proceeds supported community services.

- From 2024 through 2025, CNOB made two donations totaling $1,800 to a nonprofit organization located in Hunterdon County, NJ. The organization offers drug and alcohol recovery programs primarily to low- and moderate-income individuals. Proceeds supported community services.

Responsiveness to Credit and Community Development Needs

CNOB's qualified investments and donations exhibit excellent responsiveness to the credit and community development needs of the assessment area. Of the total dollar amount of qualified investments and donations, 97.6 percent benefited affordable housing. These investments demonstrate the bank's responsiveness to the needs and opportunities for affordable housing in the assessment area. Affordable housing was identified as a primary community development need by multiple community contacts.

Community Development Initiatives

CNOB rarely uses innovative or complex investments to support community development initiatives. While the bank's qualified investments were responsive to community development needs, they were not particularly innovative or complex.

SERVICE TEST

The Service Test is rated "Low Satisfactory". The bank's performance under the Community Development Services criterion primarily supports this conclusion. The bank's performance in the Multistate MSA 35620 and State of Florida rated areas are consistent with overall performance. Performance in the State of New York rated area is below overall performance. The following sections discuss the bank's overall performance in the combined assessment area under each Service Test criterion. Refer to the individual rated area sections for detailed discussions on the bank's Service Test performance in each area.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the institution's combined assessment area. CNOB operates 60 full-service branches and 56 ATMs, of which 51 are deposit-taking and 5 are non-deposit taking. While the bank does not operate any branches or ATMs in low-income census tracts, CNOB operates five branches that are in census tracts that are adjacent to, and can reasonably serve, low-income census tracts. These branches are accessible to residents in low-income tracts and allow individuals living in these areas access to the bank's branches.

The distribution of branches and ATMs in moderate-income census tracts trails area demographics. However, 16 branches located in middle- and upper-income census tracts are contiguous to moderate-income census tracts. These branches are accessible to residents in moderate-income tracts and allow individuals living in these areas access to the bank's branches.

The following table displays census tracts, population, branches, and ATMs by tract income level.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	**Census Tracts**		**Population**		**Branches**		**ATMs**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low	518	10.1	2,298,224	11.0	0	0.0	0	0.0
Moderate	1,105	21.5	4,677,720	22.3	9	15.0	8	14.3
Middle	1,684	32.7	6,805,932	32.5	27	45.0	28	50.0
Upper	1,638	31.8	6,980,607	33.3	23	38.3	20	35.7
NA	207	4.0	204,888	1.0	1	1.7	0	0.0
Total	**5,152**	**100.0**	**20,967,371**	**100.0**	**60**	**100.0**	**56**	**100.0**
Source: 2020 U.S. Census; Bank Data								

In addition, CNOB has multiple alternative delivery systems that improve accessibility for its products and services for all geographies, including low- and moderate-income areas and to low- and moderate-income individuals. These systems include bill pay and free online, mobile, and telephone banking. Online banking allows customers to see account balances and statements, view transaction history, set up personalized alerts, order checks, and issue stop payments. Mobile banking adds a feature to deposit checks using a smartphone camera. Telephone banking allows customers to request balances, transfer funds, check account information, and make bill and loan payments using a toll-free number available 24/7. The website includes financial calculators. Additionally, CNOB maintains a partnership with AllPoint to offer access to over 55,000 surcharge-free ATMs worldwide with a Visa debit card. These alternative delivery systems reduce the need for customers that experience traveling difficulties to visit a physical branch location.

The bank also operates two commercial LPOs, with one in Oakland, NJ and one in Orlando, FL. The Oakland, NJ LPO is located in an upper-income census tract in the Multistate MSA 35620 rated area and is not contiguous to any low- or moderate-income tracts. The Orlando, FL LPO in not located in the bank's assessment area.

Please refer to the individual rated areas for additional details on the bank's branch and ATM distribution in each area.

Changes in Branch Locations

To the extent that changes have been made, the institution's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals.

Since the prior evaluation, CNOB opened two branches in middle-income census tracts. In addition, the bank closed one branch in a middle-income census tract and one branch in an upper-income tract. The bank also relocated the Cresskill branch in Bergen County, NJ to a different address located in the same upper-income census tract.

As mentioned previously, CNOB acquired FNBLI and all its 37 branches on June 1, 2025. Two weeks after the acquisition, CNOB closed one FNBLI branch location in an upper-income tract in New York County, NY. Of the remaining 36 acquired branches, 4 are in moderate-income tracts, 21 are in middle-income tracts, and 11 are in upper-income tracts. All changes in branch locations occurred in the Multistate MSA 36520 rated area only. The Multistate MSA 35620 rated area section provides additional details regarding changes in branch locations.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the combined assessment area, particularly low- and moderate-income geographies and/or individuals. Loan and deposit offerings are the same across all branches. Lobby hours generally begin between 8:00 a.m. and 9:00 a.m. and conclude between 4:00 p.m. to 6:00 p.m. on weekdays. Seven branches that operate from 8:30 a.m. to 4:00 p.m. offer extended hours on Fridays until 6:00 p.m., 13 branches offer Saturday hours from 9:00 a.m. to 1:00 p.m., and 33 branches offer drive-up services with hours similar to lobby hours. The days and hours of operation of the bank's branches are consistent with those of other banks operating within the assessment areas.

Of the nine branches located in moderate-income census tracts, one branch operates from 8:30 a.m. to 4:00 p.m. Monday through Thursday, 8:30 a.m. to 6.00 p.m. on Friday, and 9:00 a.m. to 1:00 p.m. on Saturday. Five branches operate from 9:00 a.m. to 5:00 p.m. Monday through Friday, and three operate from 8:30 a.m. to 4:00 p.m. Monday through Friday. Six of these branches offer drive-up services. The individual rated area sections provide additional details regarding business hours and services.

Community Development Services

CNOB provided an adequate level of community development services in the combined assessment area. During the evaluation period, CNOB provided 68 instances of community development services totaling 622.3 hours to 23 different organizations. The number of total services increased 33.3 percent from the prior evaluation period, at which time the bank provided 51 services, which was considered an adequate level. Employees served in leadership roles that primarily supported community services in the Multistate MSA 35620 rated area. The bank's community development services were primarily responsive to the community service and affordable housing needs and opportunities in the combined assessment area.

Compared to two similarly situated banks, CNOB's performance trailed both institutions by number of services. The following tables reflect the bank's qualified community development services by year, rated area, and purpose.

Community Development Services					
Activity Year	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Totals**
	#	#	#	#	#
2022 (Partial)	2	4	0	0	**6**
2023	5	3	2	0	**10**
2024	5	16	1	0	**22**
YTD 2025	4	20	5	1	**30**
Total	**16**	**43**	**8**	**1**	**68**
Source: Bank Data					

Community Development Services by Rated Area					
Rated Area	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Totals**
	#	#	#	#	#
Multistate MSA 35620	16	30	8	0	**54**
State of Florida	0	10	0	0	**10**
State of New York	0	3	0	0	**3**
Statewide Activities	0	0	0	1	**1**
Regional Activities	0	0	0	0	**0**
Total	**16**	**43**	**8**	**1**	**68**
Source: Bank Data					

Below is the one qualified community development service that benefited the broader statewide area.

- In 2025, a Vice President served on the Board of an organization located in a low-income census tract in Dutchess County, NY. The organization helps attract new, or retain existing, businesses to a NY Opportunity Zone by providing technical assistance to recently formed or relocated small businesses. The service totaled one hour.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

MULTISTATE MSA 35620

CRA RATING FOR MULTISTATE MSA 35620: SATISFACTORY

The Lending Test is rated: Low Satisfactory
The Investment Test is rated: Outstanding
The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MULTISTATE MSA 35620

Within the Multistate MSA 35620 rated area, the bank has one assessment area consisting of all tracts in the NJ counties of Bergen, Essex, Hudson, Middlesex, Monmouth, Morris, Passaic, Somerset, and Union, and the NY counties of Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk, and Westchester. The bank operates 58 of its 60 branches throughout this assessment area. This assessment area accounts for 97.2 percent of total in-assessment area loans by number, 95.4 percent of total deposits by dollar amount, and 96.7 percent of total branches.

Refer to the overall Scope of Evaluation section for data sources used for examiner analysis in this section.

Economic and Demographic Data

Due to 2020 U.S. Census changes, the number of census tracts increased by 375 since the prior evaluation. The Multistate MSA 35620 assessment area's 4,687 census tracts reflect the following income designations:

- 483 low-income census tracts,
- 990 moderate-income census tracts,
- 1,527 middle-income census tracts,
- 1,495 upper-income census tracts, and
- 192 census tracts with no income designation.

There are 22 municipalities within this assessment area that participate in the NJ Urban Enterprise Zone (UEZ) Program. This program helps stimulate and revitalize the local economies of often low-income, moderate-income, and distressed areas in NJ by offering tax benefits to businesses and customers.

Additionally, there are 41 NJ municipalities within the assessment area designated by the federal government as Opportunity Zones (OZs), and 9 NY counties within the assessment area that contain areas designated as OZs. This program encourages investments to low-income and rural communities by offering capital gains tax benefits to private investors. Investors can support economic development through contributions to the Qualified Opportunity Fund.

The following table illustrates select demographic characteristics for this assessment area.

Demographic Information of the Assessment Area Multistate MSA 35620						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**N/A* % of #**
Geographies (Census Tracts)	4,687	10.3	21.1	32.6	31.9	4.1
Population by Geography	19,073,870	11.4	21.9	32.1	33.7	1.0
Housing Units by Geography	7,280,909	10.8	20.8	31.6	35.9	0.9
Owner-Occupied Units by Geography	3,326,285	2.8	13.6	36.9	46.3	0.4
Occupied Rental Units by Geography	3,350,352	19.1	27.9	26.8	25.0	1.3
Vacant Units by Geography	604,272	8.9	21.0	29.6	39.2	1.3
Businesses by Geography	3,097,986	8.0	17.5	30.0	42.2	2.3
Farms by Geography	7,916	4.5	12.1	28.2	53.2	2.0
Family Distribution by Income Level	4,373,317	24.6	15.7	17.6	42.2	0.0
Household Distribution by Income Level	6,676,637	27.2	14.1	15.6	43.1	0.0
Median Family Income MD - 29484 Lakewood-New Brunswick, NJ MD		$113,495	Median Housing Value			$566,892
Median Family Income MD - 35004 Nassau County-Suffolk County, NY MD		$130,301	Median Gross Rent			$1,565
Median Family Income MD - 35084 Newark, NJ MD		$107,827	Families Below Poverty Level			9.6%
Median Family Income MD - 35614 New York-Jersey City-White Plains, NY-NJ MD		$85,483				
Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

The Geographic Distribution criterion for small business loans considers the distribution of businesses by census tract income level within this assessment area. According to 2024 D&B data, 8.0 percent of businesses are in low-income census tracts, and 17.5 percent of businesses are in moderate-income census tracts. This suggests limited opportunities to originate small business loans in low-income tracts and moderate opportunities in the moderate-income census tracts.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units within this assessment area, which contains approximately 7.3 million housing units. Of these, 45.7 percent are owner-occupied, 46.0 percent are occupied rental units, and 8.3 percent are vacant. Owner-occupied housing units reflect the opportunity institutions have to originate 1-4 family residential mortgage loans. As shown in the table above, only 2.8 percent of total owner-occupied housing units are located in low-income geographies and 13.6 percent are located in moderate-income geographies. By comparison, 19.1 percent of occupied rental units are located in low-income geographies and 27.9 percent are located in moderate-income geographies. This data suggests that there are limited opportunities for lenders to originate 1-4 family residential loans in the low- and moderate-income geographies.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by Gross Annual Revenue (GAR) level. According to 2024 D&B data, approximately

3.1 million non-farm businesses operate in the Multistate MSA 35620 assessment area. The following reflects the GARs for these businesses.

- 92.9 percent have GARs of $1.0 million or less,
- 2.5 percent have GARs of more than $1.0 million, and
- 4.7 percent have unknown revenues.

Non-classifiable establishments represent the largest portion of businesses (32.1 percent); followed by professional, scientific, and technical services (10.0 percent); other services except public administration (6.9 percent); retail trade (6.7 percent); and administrative and support and waste management and remediation services (6.2 percent).

The Borrower Profile criterion compares home mortgage lending to the percentage of low- and moderate-income families in the assessment area. Demographic data shows that 24.6 percent of families are low-income and 15.7 percent are moderate-income. Additionally, 9.6 percent of families are below the poverty level. This data suggests that these families may face difficulties qualifying for a home mortgage or supporting a monthly mortgage payment, especially considering the assessment area's median home value of $566,892.

The FFIEC calculates adjusted median family income figures annually. Examiners used the FFIEC-updated median family income data to analyze home mortgage loans under the Borrower Profile criterion. The following table presents median family income ranges in the assessment area.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
Lakewood-New Brunswick, NJ MD Median Family Income (29484)				
2024 ($135,900)	<$67,950	$67,950 To <$108,720	$108,720 To <$163,080	>=$163,080
Nassau County-Suffolk County, NY MD Median Family Income (35004)				
2022 ($146,400)	<$73,200	$73,200 To <$117,120	$117,120 To <$175,680	>=$175,680
2023 ($156,300)	<$78,150	$78,150 To <$125,040	$125,040 To <$187,560	>=$187,560
2024 ($156,200)	<$78,100	$78,100 To <$124,960	$124,960 To <$187,440	>=$187,440
New Brunswick-Lakewood, NJ MD Median Family Income (35154)				
2022 ($128,300)	<$64,150	$64,150 To <$102,640	$102,640 To <$153,960	>=$153,960
2023 ($135,300)	<$67,650	$67,650 To <$108,240	$108,240 To <$162,360	>=$162,360
New York-Jersey City-White Plains, NY-NJ MD Median Family Income (35614)				
2022 ($99,000)	<$49,500	$49,500 To <$79,200	$79,200 To <$118,800	>=$118,800
2023 ($99,300)	<$49,650	$49,650 To <$79,440	$79,440 To <$119,160	>=$119,160
2024 ($101,900)	<$50,950	$50,950 To <$81,520	$81,520 To <$122,280	>=$122,280
Newark, NJ MD Median Family Income (35084)				
2024 ($133,300)	<$66,650	$66,650 To <$106,640	$106,640 To <$159,960	>=$159,960
Newark, NJ-PA MD Median Family Income (35084)				
2022 ($116,900)	<$58,450	$58,450 To <$93,520	$93,520 To <$140,280	>=$140,280
2023 ($126,100)	<$63,050	$63,050 To <$100,880	$100,880 To <$151,320	>=$151,320
Source: FFIEC				

Data obtained from the U.S. Bureau of Labor Statistics indicate that unemployment rates at both the county and state levels fluctuated over the evaluation period. Unemployment rates increased among all NJ counties across the evaluation period, while rates among five NY counties and the State of New York decreased overall. As of September 2025, the unemployment rate in the State of NY is slightly below the national average, whereas the state of NJ surpasses the national average by 0.6 percentage points. The following table presents annual and current unemployment rates for all counties in Multistate MSA 35620 assessment area, as well as the state and national levels since 2022.

Unemployment Rates				
Area	2022	2023	2024	September 2025
	%	%	%	%
Bergen County, NJ	3.3	3.6	3.7	4.2
Essex County, NJ	4.5	5.1	5.5	6.2
Hudson County, NJ	3.6	4.0	4.2	4.7
Middlesex County, NJ	3.7	4.2	4.5	5.2
Monmouth County, NJ	3.6	3.9	4.1	4.6
Morris County, NJ	3.1	3.5	3.7	4.3
Passaic County, NJ	4.5	5.0	5.3	5.9
Somerset County, NJ	3.1	3.5	3.8	4.5
Union County, NJ	4.0	4.5	4.8	5.5
Bronx County, NY	8.0	6.7	6.9	6.7
Kings County, NY	5.7	5.1	5.4	5.1
Nassau County, NY	3.0	3.1	3.3	3.3
New York County, NY	4.8	4.5	4.8	4.6
Queens County, NY	5.3	4.5	4.7	4.5
Richmond County, NY	5.4	4.6	4.7	4.5
Rockland County, NY	2.9	3.0	3.2	3.2
Suffolk County, NY	3.2	3.3	3.5	3.5
Westchester County, NY	3.0	3.0	3.3	3.3
State of New Jersey	3.9	4.3	4.5	4.8
State of New York	4.3	4.0	4.3	4.1
National Average	3.6	3.6	4.0	4.2
Source: Bureau of Labor Statistics				

Competition

There is strong competition for financial services in this assessment area. According to the 2025 FDIC Deposit Market Share data, 149 financial institutions operated 4,153 branches within the assessment area. Of these institutions, CNOB ranked 25th in total deposits, with a 0.4 percent market share.

Aggregate lending data reflects a significant level of competition for small business loans in the assessment area. Based on 2024 market share data, 341 lenders originated or purchased 766,672 small business loans in the assessment area. The top five lenders accounted for 51.9 percent of the market share based on the number of loans originated or purchased. CNOB ranked 71st with less than 0.1 percent market share in the assessment area.

Additionally, aggregate lending data reflects a significant level of competition for home mortgage loans in the assessment area. Based on 2024 market share data, 737 lenders originated or purchased 208,817 home mortgage loans in the assessment area. The top five lenders accounted for 18.5 percent of the market share based on the number of loans originated or purchased. CNOB ranked 273rd with less than a 0.1 percent market share in the assessment area.

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. This information helps to determine whether local financial institutions are responsive to these needs. Additionally, it shows what types of credit and community development opportunities are available.

Examiners reviewed a recent contact with a representative from an organization that provides affordable housing resources and financial services in Somerset County, NJ. The organization's primary purpose is to educate low- to moderate-income individuals on the home buying process. The contact identified affordable housing as an ongoing issue as housing prices continue to rise. The representative suggested an increase in homebuyer's seminars and local financial education classes. The contact had a generally positive perception of the performance of local institutions and acknowledged efforts to provide funding and educate community members.

Additionally, examiners reviewed a recent contact with a representative of a business organization in Middlesex County, NJ. The organization connects small businesses with financial institutions to secure additional funding and resources. The contact identified home prices and living costs as a primary concern for the area. The contact recognized a lack of opportunities for institutions to participate in financial literacy events locally. Finally, the contact indicated a need for funding from a broader range of banks, such as multiple banks participating on a loan. The contact noted that this would allow a borrower to obtain a higher loan amount than a single bank could offer. Overall, the contact had a generally positive perception of the performance of local institutions.

Credit and Community Development Needs and Opportunities

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that affordable housing is the primary community development need, and participation loans are the primary credit need. The increase in housing costs and limited availability reflects the need for affordable housing. Additionally, there are opportunities for financial institutions to provide financial literacy events that would benefit low- and moderate-income individuals and families seeking information on affordable housing resources.

SCOPE OF EVALUATION – MULTISTATE MSA 35620

This portion of the evaluation considers activity within the Multistate MSA 35620 assessment area. Examiners used full-scope examination procedures to evaluate the bank's performance within this assessment area. The products, weighting, and timeframes noted in the overall Scope of Evaluation section apply to this area-level analysis.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MULTISTATE MSA 35620

LENDING TEST

CNOB is rated "Low Satisfactory" in the Lending Test for the Multistate MSA 35620 assessment area. The bank's performance under the Lending Activity and Geographic Distribution criterion primarily support this conclusion. The following sections detail the bank's performance under each Lending Test component.

Lending Activity

Lending levels reflect adequate responsiveness to assessment area credit needs. This conclusion considered the institution's size, loan portfolio composition, and competition level.

CNOB reported 161 small business loans totaling $68.5 million in 2022, 145 small business loans totaling $51.9 million in 2023, and 142 small business loans totaling $53.3 million in 2024 in this assessment area. In 2024, by number of loans, CNOB ranked 71st out of 341 lenders that reported at least one small business loan in the assessment area, with less than a 0.1 percent market share. The top ranked lenders included business credit card lenders and large national banks.

CNOB reported 283 home mortgage loans totaling $617.5 million in 2022, 41 home mortgage loans totaling $29.5 million in 2023, and 56 home mortgage loans totaling $84.6 million in 2024 in this assessment area. Examiners attribute the decline in home mortgage loans over the evaluation period to the high-interest rate environment and a decline in multifamily lending as a percentage of overall home mortgage lending. In 2024, by number of loans, CNOB ranked 273rd out of 737 lenders that reported at least one home mortgage loan in the assessment area, with less than 0.1 percent market share. The top ranked lenders included large national banks and mortgage companies.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. CNOB's adequate penetration of small business loans primarily supports this conclusion. Examiners focused on the number of loans in low- and moderate-income census tracts.

Small Business Loans
The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Among low-income census tracts, CNOB's small business lending performance slightly trailed area demographics and aggregate data in 2022 and 2024. The bank's performance in low-income census tracts declined in 2023 and trailed both area demographics and aggregate data. According to 2024 market share data, only 135 of 341 lenders originated or purchased at least one loan in the area's low-income census tracts. CNOB ranked 69th with less than a 0.1 percent market share. This is consistent with CNOB's overall rank (71st) and market share (0.1 percent) in this assessment area. In addition, CNOB ranked 5th among similarly situated community banks. The top ten lenders, all significantly larger regional and national banks, accounted for 88.9 percent of total loans in low-income geographies.

Among moderate-income census tracts, CNOB's performance slightly trailed area demographics and aggregate data in 2022 and 2023. The bank's performance declined steeply in 2024. Overall, these trends and comparisons reflect adequate performance.

The following table reflects the distribution of small business loans by census tract income level.

Geographic Distribution of Small Business Loans Multistate MSA 35620						
Tract Income Level	**% of Businesses**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2022	7.8	7.0	8	5.0	3,405	5.0
2023	8.0	7.4	5	3.4	1,808	3.5
2024	8.0	7.6	8	5.6	3,019	5.7
Moderate						
2022	17.1	16.7	25	15.5	12,010	17.5
2023	17.3	16.9	23	15.9	11,713	22.6
2024	17.5	16.4	9	6.3	4,618	8.7
Middle						
2022	29.8	30.9	40	24.8	17,493	25.5
2023	29.9	30.6	27	18.6	12,339	23.8
2024	30.0	30.2	34	23.9	15,489	29.1
Upper						
2022	42.9	43.1	85	52.8	33,321	48.6
2023	42.4	42.8	89	61.4	25,453	49.0
2024	42.2	43.5	85	59.9	25,585	48.0
NA						
2022	2.4	2.4	3	1.9	2,305	3.4
2023	2.4	2.4	1	0.7	580	1.1
2024	2.3	2.3	6	4.2	4,580	8.6
Totals						
2022	**100.0**	**100.0**	**161**	**100.0**	**68,534**	**100.0**
2023	**100.0**	**100.0**	**145**	**100.0**	**51,893**	**100.0**
2024	**100.0**	**100.0**	**142**	**100.0**	**53,291**	**100.0**
Source: 2022, 2023, and 2024 D&B Data; CRA Reported Data; 2022, 2023, and 2024 CRA Aggregate Data *Due to rounding, totals may not equal 100.0%*						

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects good penetration throughout the assessment area. Despite a decline in loan volume throughout the evaluation period, CNOB's performance among low-income census tracts exceeded area demographics and aggregate data. Among moderate-income census tracts, CNOB's performance exceeded area demographics and aggregate data in 2022. CNOB's performance trended downwards trailing area demographics and aggregate data in 2023 and 2024.

The following table reflects the distribution of home mortgage loans by tract income level.

Geographic Distribution of Home Mortgage Loans Multistate MSA 35620						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2022	2.8	3.9	37	13.1	77,155	12.5
2023	2.8	4.3	3	7.3	2,185	7.4
2024	2.8	4.4	3	5.4	3,115	3.7
Moderate						
2022	13.6	14.2	70	24.7	180,750	29.3
2023	13.6	14.6	5	12.2	8,095	27.5
2024	13.6	15.2	5	8.9	8,315	9.8
Middle						
2022	36.9	34.9	72	25.4	174,230	28.2
2023	36.9	34.1	14	34.1	7,420	25.2
2024	36.9	35.1	17	30.4	17,165	20.3
Upper						
2022	46.3	46.5	102	36.0	183,530	29.7
2023	46.3	46.6	19	46.3	11,775	39.9
2024	46.3	44.9	31	55.4	56,005	66.2
NA						
2022	0.4	0.5	2	0.7	1,840	0.3
2023	0.4	0.5	0	0.0	0	0.0
2024	0.4	0.4	0	0.0	0	0.0
Totals						
2022	**100.0**	**100.0**	**283**	**100.0**	**617,505**	**100.0**
2023	**100.0**	**100.0**	**41**	**100.0**	**29,475**	**100.0**
2024	**100.0**	**100.0**	**56**	**100.0**	**84,600**	**100.0**
Source: 2020 U.S. Census; Bank Data, 2022, 2023, and 2024 HMDA Aggregate Data *Due to rounding, totals may not equal 100.0%*						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among business customers of different sizes and retail customers of different income levels. The bank's poor small business and home mortgage lending performance supports this conclusion. Examiners focused on the number of small business loans to businesses with GARs of $1.0 million or less and the number of home mortgage loans to low- and moderate-income borrowers.

Small Business Loans

The distribution of borrowers reflects poor penetration among business customers of different sizes. In 2022, CNOB's performance among businesses with GARs of $1.0 million or less exceeded aggregate data but fell significantly below area demographics. CNOB's lending among those businesses exhibited a downwards trend across 2023 and 2024, with performance trailing aggregate data and significantly trailing area demographics each year.

The following table reflects the distribution of the bank's small business loans by revenue category.

Distribution of Small Business Loans by Gross Annual Revenue Category Multistate MSA 35620						
Gross Revenue Level	**% of Businesses**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
≤ $1,000,000						
2022	92.6	49.6	90	55.9	42,539	62.1
2023	93.3	53.7	64	44.1	20,405	39.3
2024	92.9	53.7	43	30.3	15,372	28.8
> $1,000,000						
2022	2.9	--	71	44.1	25,995	37.9
2023	2.6	--	81	55.9	31,488	60.7
2024	2.5	--	99	69.7	37,919	71.2
Revenue Not Available						
2022	4.5	--	0	0.0	0	0.0
2023	4.1	--	0	0.0	0	0.0
2024	4.7	--	0	0.0	0	0.0
Total						
2022	**100.0**	**100.0**	**161**	**100.0**	**68,534**	**100.0**
2023	**100.0**	**100.0**	**145**	**100.0**	**51,893**	**100.0**
2024	**100.0**	**100.0**	**142**	**100.0**	**53,291**	**100.0**
Source: 2022, 2023 and 2024 D&B Data; Bank Data; 2022, 2023, and 2024 CRA Aggregate Data; "--" data not available Due to rounding, totals may not equal 100.0%						

Home Mortgage Loans

The distribution of borrowers reflects poor penetration among retail customers of different income levels. CNOB's performance among low- and moderate-income borrowers trailed area demographics and aggregate data throughout the evaluation period.

The following table reflects the distribution of home mortgage loans by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level Multistate MSA 35620						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2022	24.6	4.4	1	0.4	105	<0.1
2023	24.6	3.6	0	0.0	0	0.0
2024	24.6	4.0	0	0.0	0	0.0
Moderate						
2022	15.7	14.3	3	1.1	525	0.1
2023	15.7	11.2	1	2.4	35	0.1
2024	15.7	10.6	3	5.4	175	0.2
Middle						
2022	17.6	21.0	6	2.1	2,740	0.4
2023	17.6	18.7	4	9.8	400	1.4
2024	17.6	19.9	3	5.4	825	1.0
Upper						
2022	42.2	45.7	53	18.7	30,565	4.9
2023	42.2	43.0	18	43.9	12,750	43.3
2024	42.2	48.5	28	50.0	18,560	21.9
Income Not Available						
2022	0.0	14.6	220	77.7	583,570	94.5
2023	0.0	23.5	18	43.9	16,290	55.3
2024	0.0	17.1	22	39.3	65,040	76.9
Total						
2022	**100.0**	**100.0**	**283**	**100.0**	**617,505**	**100.0**
2023	**100.0**	**100.0**	**41**	**100.0**	**29,475**	**100.0**
2024	**100.0**	**100.0**	**56**	**100.0**	**84,600**	**100.0**
Source: 2020 U.S. Census; Bank Data, 2022, 2023, and 2024 HMDA Aggregate Data *Due to rounding, totals may not equal 100.0%*						

Innovative and Flexible Lending Practices

CNOB uses innovative and/or flexible lending practices to serve the credit needs of its assessment areas. In addition to the SBA loan programs discussed in the overall Innovative or Flexible Lending Practices section, the bank offers the NJEDA program only within the Multistate MSA 35620 rated area. The bank made one loan totaling $1.2 million under this program during the evaluation period. Below is a description of the program.

- ***New Jersey Economic Development Authority*** – The NJEDA Premier Lender Program offers low-cost financing and guarantees to eligible businesses that commit to the retention and/or creation of one new full-time job for every $65,000 of NJEDA exposure within two years.

Community Development Loans

The institution is a leader in making community development loans. During the evaluation period, CNOB made 108 community development loans totaling $381.1 million. Compared to the previous evaluation, community development loans decreased 28.5 percent by number and increased 1.7 percent by dollar amount. The bank's community development loans were particularly responsive to affordable housing needs in this assessment area, which was identified as a primary community development need by a community contact.

The following table displays community development loans by activity year and purpose.

Community Development Lending Multistate MSA 35620										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
2022 (Partial)	4	5,038	0	0	1	23,000	0	0	**5**	**28,038**
2023	6	18,622	2	6,400	15	66,481	2	3,012	**25**	**94,515**
2024	15	28,600	3	33,150	11	36,549	1	1,100	**30**	**99,399**
YTD 2025	36	108,150	1	18,625	7	18,385	4	14,000	**48**	**159,160**
Total	**61**	**160,410**	**6**	**58,175**	**34**	**144,415**	**7**	**18,112**	**108**	**381,112**
Source: Bank Data										

Below are notable examples of community development loans.

- In 2023, CNOB made a $5.3 million loan to refinance properties designated for transitory housing for the homeless. The properties are located in a moderate-income census tract in Kings County, NY. Proceeds primarily support community services.

- In 2024, CNOB made a $2.8 million loan to a small business located in Passaic County, NJ. The business meets the SBA's size eligibility criteria. Proceeds support the retention of six low- and moderate-income employees and the creation of three jobs for low- and moderate-income employees. This loan supports economic development.

- In 2025, CNOB made a $3.5 million loan to refinance debt incurred for the purchase of a restaurant. The loan is located in a moderate-income census tract and UEZ in Hudson County, NJ. Proceeds support revitalization or stabilization.

- In 2025, CNOB made a $16.5 million loan to refinance multifamily buildings containing 72 units located in Rockland County, NY. The majority of units offer rents below the county's fair market rent as determined by HUD. Proceeds supported affordable housing.

INVESTMENT TEST

CNOB is rated "Outstanding" in the Investment Test for the Multistate MSA 35620 assessment area. The excellent level of qualified community development investments and grants and excellent responsiveness to credit and community development needs support this rating. The following sections discuss the bank's performance under each Investment Test criterion.

Investment and Grant Activity

The bank has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not provided by private investors. The bank's $80.3 million in qualified investments includes 30 prior period investments with current book values totaling $58.0 million, 15 current period investments totaling $22.0 million, and 134 donations totaling $288,000. Compared to the prior evaluation, total qualified investments and donations increased 58.4 percent by number and 82.1 percent by dollar amount. The 2025 merger with FNBLI contributed to the increase in prior period investments since the prior evaluation, as examiners considered the current book value of qualified investments made by FNBLI that remained outstanding.

The following table shows qualified investments and donations by activity year and purpose.

Qualified Investments Multistate MSA 35620										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Prior Period	29	56,009	0	0	1	2,000	0	0	**30**	**58,009**
2022 (Partial)	2	3,126	0	0	0	0	0	0	**2**	**3,126**
2023	1	3,972	0	0	0	0	0	0	**1**	**3,972**
2024	9	11,281	0	0	0	0	0	0	**9**	**11,281**
YTD 2025	3	3,645	0	0	0	0	0	0	**3**	**3,645**
Subtotal	**44**	**78,033**	**0**	**0**	**1**	**2,000**	**0**	**0**	**45**	**80,033**
Qualified Grants & Donations	7	17	124	266	3	5	0	0	**134**	**288**
Total	**51**	**78,050**	**124**	**266**	**4**	**2,005**	**0**	**0**	**179**	**80,321**
Source: Bank Data										

Below are notable examples of the bank's qualified investments and donations.

- CNOB maintained a prior period investment with a current book value of $2 million to a Community Development Financial Institution located in Queens County, NY. This investment primarily supports economic development.

- From 2022 through 2025, CNOB invested in or acquired a total of 15 new mortgage-backed securities totaling $22.0 million. The securities comprise 96 loans to low- and moderate-income borrowers located primarily in the Multistate MSA 35620 assessment area. Proceeds support affordable housing.

- From 2023 through 2025, CNOB made five donations totaling $33,500 to a nonprofit organization located in a moderate-income census tract in Kings County, NY. The organization offers community services programs, such as homelessness prevention, computer literacy, and food assistance, primarily to low- and moderate-income individuals. The donations primarily support community services.

- From 2024 through 2025, CNOB made three donations totaling $7,500 to an organization located in Morris County, NJ. The organization has a defined mission of serving low- and moderate-income individuals through home construction. The donations support affordable housing.

Responsiveness to Credit and Community Development Needs

CNOB exhibits excellent responsiveness to credit and community development needs. A significant majority of qualified investments supported affordable housing for low- and moderate-income borrowers. Of the $80.0 million in investments, 97.5 percent by dollar volume supported affordable housing initiatives. Additionally, qualified donations primarily supported community services for low- and moderate-income individuals. These investments and donations demonstrate the bank's responsiveness to identified community development needs and opportunities in the Multistate MSA 35620 assessment area.

Community Development Initiatives

CNOB rarely uses innovative and/or complex investments to support community development initiatives. While the bank's qualified investments were responsive to identified community development needs in the assessment area, they were not particularly innovative or complex.

SERVICE TEST

CNOB is rated "Low Satisfactory" in the Service Test for the Multistate MSA 35620 assessment area. The bank's performance under the Community Development Services criterion primarily supports this conclusion. The following sections discuss the bank's performance under each Service Test criterion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the assessment area. CNOB operates 58 full-service branches and 55 ATMs in this assessment area, of which 50 are deposit taking and 5 are non-deposit taking. While CNOB does not operate branches or ATMs in the low-income census tracts, the bank operates three branches in moderate-income census tracts and one branch in a middle-income census tract that are contiguous to low-income census tracts. These branches are accessible to residents in the low-income census tracts and allow individuals living in these areas access to the bank's branches.

Among moderate-income census tracts, the bank's dispersion of branches and ATMs is below area demographics. However, 16 bank branches in middle- and upper-income census tracts are contiguous to moderate-income census tracts. These branches are accessible to residents in the moderate-income census tracts and allow individuals living in these areas access to the bank's branches.

In addition, two branches in moderate-income tracts are located in UEZs and one branch in a moderate-income tract is located in an OZ. These branches are located in areas designated for investment by the state and federal government. The bank's branch presence in these areas provides banking services to these underserved communities.

The bank also operates a commercial LPO in Oakland, NJ within the assessment area. The LPO is in an upper-income tract and is not contiguous to low- or moderate-income tracts. Alternative banking services are consistent with those discussed at the institution level. These alternative delivery systems provide customers with remote access to banking services.

The following table shows census tracts, population, branches, and ATMs by tract income level.

Branch and ATM Distribution by Geography Income Level Multistate MSA 35620								
Tract Income Level	**Census Tracts**		**Population**		**Branches**		**ATMs**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low	483	10.3	2,164,391	11.4	0	0.0	0	0.0
Moderate	990	21.1	4,178,962	21.9	7	12.1	7	12.7
Middle	1,527	32.6	6,121,045	32.1	27	46.6	28	50.9
Upper	1,495	31.9	6,420,063	33.7	23	39.7	20	36.4
NA	192	4.1	189,409	1.0	1	1.7	0	0.0
Total	**4,687**	**100.0**	**19,073,870**	**100.0**	**58**	**100.0**	**55**	**100.0**
Source: 2020 U.S. Census; Bank Data								

Changes in Branch Locations

To the extent that changes have been made, CNOB's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals.

Since the prior evaluation, CNOB opened two branches in middle-income census tracts in Suffolk County. In addition, the bank closed one branch in a middle-income census tract in Suffolk County and one branch in an upper-income tract in Bergen County. Although the branch closure in Suffolk County was in a middle-income tract, the branch was in a census tract contiguous to a moderate-income census tract. Specifically, the closed branch location was located 2.6 road miles from the border of this moderate-income tract. CNOB maintains an existing full-service branch (Melville branch) that is located 1.8 road miles from the closed branch and 1.0 road mile from the moderate-income tract. The branch closure has a limited effect on the moderate-income tract given the close proximity of the Melville branch. The branch closure in Bergen County was not in reasonable proximity to any low- or moderate-income census tracts. The bank also relocated the Cresskill branch in Bergen County, NJ, to a different address located in the same upper-income census tract.

CNOB acquired 37 FNBLI branches after merging with the institution on June 1, 2025. CNOB closed one former FNBLI branch in an upper-income tract in New York County, NY, two weeks after the merger. Of the remaining 36 acquired branches, 4 are in moderate-income tracts, 21 are in middle-income tracts, and 11 are in upper-income tracts.

Of the 2 new branches and 32 acquired branches located in middle- and upper-income census tracts, 13 branches are located in census tracts that are contiguous to moderate-income census tracts, and 1 branch is located in a census tract that is contiguous to low- and moderate-income census tracts.

The net effect of branch openings, closings, and acquisitions is an additional 36 branches, including 4 branches in moderate-income tracts.

<u>Reasonableness of Business Hours and Services</u>

Services and business hours do not vary in a way that inconveniences certain portions of the Multistate MSA 35620 assessment area, particularly low- and moderate-income geographies and/or individuals. Lobby hours vary, beginning between 8:00 a.m. to 9:00 a.m. and ending between 4:00 p.m. to 6:00 p.m. on weekdays. Thirty-seven branches operate from 8:30 a.m. to 4:00 p.m., which are the most common hours. Thirty-two branches offer drive-up services matching branch hours, 13 branches offer Saturday hours from 9:00 a.m. to 1:00 p.m., and 7 branches that operate from 8:30 a.m. to 4:00 p.m. offer extended hours on Fridays until 6:00 p.m.

Of the seven branches located in moderate-income census tracts, four operate from 8:30 a.m. to 4:00 p.m., and three operate from 9:00 a.m. to 5:00 p.m. on weekdays. One branch offers extended hours until 6:00 p.m. on Friday and is open from 9:00 a.m. to 1:00 p.m. on Saturday. In addition, five branches in moderate-income tracts offer drive-up services.

Of the four branches located in moderate- or middle-income census tracts that are contiguous to low-income census tracts, two operate from 9:00 a.m. to 5:00 p.m., and two operate from 8:30 a.m. to 4:00 p.m. on weekdays. Three of these branches offer drive-up services, and two offer both extended Friday hours and Saturday hours.

Of the 16 branches located in middle- or upper-income census tracts that are contiguous to moderate-income census tracts, 14 operate from 8:30 a.m. to 4:00 p.m., 1 operates from 9:00 a.m. to 5:00 p.m., and 1 operates from 8:00 a.m. to 6:00 p.m. on weekdays. Seven of these branches offer drive-up services, three branches offer extended Friday hours, and four offer Saturday hours.

Loan and deposit products offered are consistent with those discussed at the institution level.

<u>Community Development Services</u>

CNOB provides an adequate level of community development services in the Multistate MSA 35620 assessment area. The bank provided 54 community development services totaling 546.8 hours to 18 different organizations. This activity accounts for 79.4 percent of the bank's total qualified community development services. Compared to the prior evaluation, the number of services increased by 8.0 percent, or four services. Employees served in leadership roles that primarily supported community services.

The following table reflects the bank's community development services by year and purpose.

Community Development Services Multistate MSA 35620					
Activity Year	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Totals**
	#	**#**	**#**	**#**	**#**
2022 (Partial)	2	4	0	0	**6**
2023	5	3	2	0	**10**
2024	5	12	1	0	**18**
YTD 2025	4	11	5	0	**20**
Total	**16**	**30**	**8**	**0**	**54**
Source: Bank Data					

Below are notable examples of community development services.

- In 2022, a Senior Vice President served on the Board and fundraised for a nonprofit organization located in a low-income census tract in Essex County, NJ. The organization provides shelter for low- and moderate-income individuals experiencing homelessness or drug addiction. This service primarily supports community services.

- In 2023, an employee served on the Board for a nonprofit organization located in Kings County, NY. The organization promotes permanent job creation by providing technical assistance to start-ups or recently formed small businesses. This service primarily supports economic development.

- Throughout the evaluation period, a Vice President served on the Board for an organization that provides home ownership counseling to primarily low- and moderate-income home buyers. Additionally, the employee provided financial literacy education to first-time homebuyers quarterly. The organization is located in a moderate-income census tract in Queens County, NY.

STATE OF FLORIDA

CRA RATING FOR THE STATE OF FLORIDA: <u>NEEDS TO IMPROVE</u>

The Lending Test is rated: <u>Needs to Improve</u>
The Investment Test is rated: <u>Low Satisfactory</u>
The Service Test is rated: <u>Low Satisfactory</u>

DESCRIPTION OF INSTITUTION'S OPERATIONS IN STATE OF FLORIDA

Within the State of Florida rated area, the bank has one assessment area consisting of all tracts in Palm Beach County, FL, which is in MD 48424 (West Palm Beach-Boca Raton-Delray Beach, FL). The bank operates one branch within this assessment area. This assessment area accounts for 2.1 percent of in-assessment area loans by number, 3.1 percent of deposits by dollar amount, and 1.7 percent of branches.

Refer to the overall Scope of Evaluation section for data sources used for examiner analysis in this section.

<u>Economic and Demographic Data</u>

The assessment area's 373 census tracts reflect the following income designations:

- 25 low-income census tracts,
- 98 moderate-income census tracts,
- 110 middle-income census tracts,
- 125 upper-income census tracts, and
- 15 census tracts with no income designation.

The following table illustrates select demographic characteristics for this assessment area.

Demographic Information of the Assessment Area State of Florida						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**N/A* % of #**
Geographies (Census Tracts)	373	6.7	26.3	29.5	33.5	4.0
Population by Geography	1,492,191	5.9	28.6	32.2	32.3	1.0
Housing Units by Geography	690,075	5.4	26.4	32.2	35.0	1.1
Owner-Occupied Units by Geography	391,273	3.3	22.1	34.7	39.1	0.8
Occupied Rental Units by Geography	174,325	9.9	37.9	29.5	21.3	1.4
Vacant Units by Geography	124,477	5.6	23.8	27.8	40.8	2.0
Businesses by Geography	358,375	4.1	23.4	30.0	40.4	2.1
Farms by Geography	2,098	2.9	13.4	33.4	49.2	1.1
Family Distribution by Income Level	351,887	22.2	17.5	18.6	41.8	0.0
Household Distribution by Income Level	565,598	24.2	16.4	16.9	42.4	0.0
Median Family Income MD - 48424 West Palm Beach-Boca Raton-Delray Beach, FL MD		$79,785	Median Housing Value			$ 321,748
			Median Gross Rent			$1,472
			Families Below Poverty Level			8.0%
Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

The Geographic Distribution for small business loans considers the distribution of businesses by census tract income level within this assessment area. According to 2024 D&B data, 4.1 percent of businesses are located in low-income census tracts, and 23.4 percent of businesses are in moderate-income census tracts. This suggests limited opportunities to originate small business loans in low-income tracts and moderate opportunities in the moderate-income census tracts.

The Geographic Distribution criterion for home mortgage loans analyzes the distribution of owner-occupied housing units within this assessment area, which contains 690,075 housing units. Of these, 56.7 percent are owner-occupied, 25.3 percent are occupied rental units, and 18.0 percent are vacant. Owner-occupied housing units reflect the opportunity institutions have to originate 1-4 family residential mortgage loans. As shown in the table above, only 3.3 percent of total owner-occupied housing units are located in low-income geographies and 22.1 percent are located in moderate-income geographies. By comparison, 9.9 percent of occupied rental units are located in low-income geographies and 37.9 percent are located in moderate-income geographies. This data suggests that there are limited opportunities for lenders to originate 1-4 family residential loans in the low-income geography and moderate opportunities in moderate-income geographies.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR level. According to 2024 D&B data, 358,375 non-farm businesses operate in the State of Florida assessment area. The following reflects the GARs for these businesses.

- 93.3 percent have GARs of $1.0 million or less,
- 1.6 percent have GARs of more than $1.0 million, and
- 5.1 percent have unknown revenues.

Non-classifiable establishments represent the largest portion of businesses (29.7 percent); followed by professional, scientific, and technical services (11.5 percent); administrative and support and waste management (9.0 percent); other services except public administration (7.9 percent); and health care and social assistance (6.0 percent).

The Borrower Profile criterion compares home mortgage lending to the percentage of low- and moderate-income families in the assessment area. Demographic data shows that 22.2 percent of families are low-income and 17.5 percent are moderate-income. Additionally, 8.0 percent of families are below the poverty level. This data suggests that these families may face difficulties qualifying for a home mortgage or supporting a monthly mortgage payment, especially considering the assessment area's median home value of $321,748.

Examiners used the FFIEC-updated median family income data to analyze home mortgage loans under the Borrower Profile criterion. The following table presents median family income ranges in the assessment area.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
West Palm Beach-Boca Raton-Boynton Beach, FL MD Median Family Income (48424)				
2022 ($90,300)	<$45,150	$45,150 To <$72,240	$72,240 To <$108,360	>=$108,360
2023 ($98,300)	<$49,150	$49,150 To <$78,640	$78,640 To <$117,960	>=$117,960
West Palm Beach-Boca Raton-Delray Beach, FL MD Median Family Income (48424)				
2024 ($104,000)	<$52,000	$52,000 To <$83,200	$83,200 To <$124,800	>=$124,800
Source: FFIEC				

Data obtained from the U.S. Bureau of Labor Statistics indicate that unemployment rates across Palm Beach County, as well as the state and national levels, remained steady until slight increases began in 2024. The unemployment rates in Palm Beach County and the State of Florida currently remain slightly under the national average. The following table presents annual and current unemployment rates for Palm Beach County, as well as the state and national levels since 2022.

Unemployment Rates				
Area	**2022**	**2023**	**2024**	**September 2025**
	%	**%**	**%**	**%**
Palm Beach County, FL	3.0	3.0	3.3	3.8
State of Florida	3.0	3.0	3.4	3.7
National Average	3.6	3.6	4.0	4.2
Source: Bureau of Labor Statistics				

Competition

There is strong competition for financial services in this assessment area. According to the 2025 FDIC Deposit Market Share data, 55 financial institutions operated 382 branches within the assessment area. Of these institutions, CNOB ranked 24th in total deposits, with a 0.6 percent market share.

Aggregate lending data reflects a significant level of competition for small business loans in the assessment area. Based on 2024 market share data, 184 lenders originated or purchased 84,395 small business loans in the assessment area. The top five lenders accounted for 73.5 percent of the market share based on the number of loans originated or purchased. CNOB ranked 134th with less than a 0.1 percent market share in the assessment area.

Additionally, aggregate lending data reflects a significant level of competition for home mortgage loans in the assessment area. Based on 2024 market share data, 751 lenders originated or purchased 32,337 home mortgage loans in the assessment area. The top five lenders accounted for 20.6 percent of the market share based on the number of loans originated or purchased. CNOB did not make any home mortgage loans in the assessment area in 2024; and therefore, does not have a market share rank for 2024.

Community Contacts

As part of the evaluation process, examiners contact third parties that are active in the assessment area to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what types of credit and community development opportunities are available.

Examiners reviewed a recent contact with a representative from an organization that promotes affordable housing, community services, and economic development in West Palm Beach and Palm Beach County. The organization partners with small businesses that need financing and spurs private investment in areas that are in need of redevelopment. The contact identified a demand for affordable housing units; however, high interest rates and high construction costs have limited the construction of these units. The contact stated that potential homeowners still need traditional financing from banks, and borrowers experience difficulties closing funding gaps to cover projects' construction costs. The contact observed that larger projects are funded by larger institutions and noted that banks of all sizes are involved in economic development.

Examiners also conducted an interview with a representative from a nonprofit organization in Palm Beach County. The contact expressed that the Palm Beach area is attractive to both people and businesses for its high quality of life, as well as its low tax structure and small regulatory impediments. The contact mentioned that the county government has several programs in place to increase access to low- and moderate-income housing but that it is still critical for financial institutions to provide low-cost mortgage loans to low- and moderate-income borrowers and fund the development of transportation infrastructure. Regarding economic development, the contact believes that all banks are adequately meeting the business needs of most borrowers.

Credit and Community Development Needs and Opportunities

Considering information from community contacts, bank management, and demographic and economic data, examiners determined that affordable housing is the major community development need for the area. According to the "Current and 10-Year Affordable Housing Demand Report for Palm Beach County" by the Palm Beach County Board of County Commissioners, the affordable housing crisis has worsened since the COVID pandemic as both owner and renter prices have increased, in addition to the county's population growth outpacing the new housing construction activity. This report and the above information supports affordable housing as the primary community development need and availability of affordable housing loans as the primary credit need.

SCOPE OF EVALUATION – STATE OF FLORIDA

This portion of the evaluation considers activity within the State of Florida assessment area. Examiners used full-scope examination procedures to evaluate the bank's performance in this assessment area. The products, weighting, and timeframes noted in the overall Scope of Evaluation section apply to this area-level analysis.

CONCLUSIONS ON PERFORMANCE CRITERIA IN STATE OF FLORIDA

LENDING TEST

CNOB is rated "Needs to Improve" in the Lending Test for the State of Florida assessment area. The bank's performance under the Lending Activity and Community Development Loans criteria supports this conclusion. The following sections detail the bank's performance under each Lending Test criterion.

Lending Activity

Lending levels reflect poor responsiveness to the State of Florida assessment area credit needs considering the institution's size, loan portfolio composition, and competition level.

CNOB reported seven small business loans totaling $3.9 million in 2022, two small business loans totaling $682,000 in 2023, and one small business loan totaling $500,000 in 2024. In 2024, CNOB ranked 134th out of 184 lenders that reported at least one originated or purchased small business loan in the assessment area, with less than a 0.1 percent market share.

CNOB reported eight home mortgage loans totaling $11.6 million within this assessment area in 2022. CNOB did not report any home mortgage loans in 2023 and 2024. As a result, CNOB did not receive a market share ranking for 2024.

Geographic Distribution

Due to CNOB's low volume of loans in the State of Florida assessment area throughout the evaluation period, examiners could not draw meaningful conclusions on the geographic distribution of loans.

Small Business Loans
In 2022, CNOB originated one small business loan totaling $638,000 in a low-income tract, one small business loan totaling $500,000 in a moderate-income tract, and five small business loans totaling $2.8 million in upper-income tracts. In 2023, CNOB made one small business loan totaling $432,000 in a moderate-income tract and one small business loan totaling $250,000 in an upper-income tract. In 2024, CNOB made one small business loan totaling $500,000 in a moderate-income tract. Given the limited data, examiners could not draw meaningful conclusions on CNOB's penetration of small business loans by tract income level.

Home Mortgage Loans
In 2022, CNOB originated two home mortgage loans totaling $2.2 million in moderate-income tracts, one home mortgage loan totaling $925,000 in a middle-income tract, and five home mortgage loans totaling $8.5 million in upper-income tracts. There were no home mortgage loans made in the assessment area in 2023 and 2024. Given the limited data, examiners could not draw meaningful conclusions on CNOB's penetration of home mortgage loans by tract income level.

Borrower Profile

Due to CNOB's low volume of loans in the State of Florida assessment area throughout the evaluation period, examiners could not draw meaningful borrower profile conclusions.

Small Business Loans
In 2022, CNOB made four loans totaling $1.5 million to businesses with GARs of $1.0 million or less and three loans totaling $2.4 million to businesses with GARs over $1.0 million. In 2023, CNOB made one loan totaling $432,000 to a business with GARs of $1.0 million or less and one loan totaling $250,000 to a business with GARs over $1.0 million. In 2024, CNOB made one loan totaling $500,000 to a business with GARs over $1.0 million. Given the limited data, examiners could not draw meaningful conclusions on CNOB's penetration of loans by gross revenue level.

Home Mortgage Loans
In 2022, CNOB originated three home mortgage loans totaling $3.3 million to upper-income borrowers and five home mortgage loans totaling $8.3 million to borrowers with incomes not available. There were no home mortgage loans made in 2023 and 2024. Given the limited data, examiners could not draw meaningful conclusions.

Community Development Loans

The institution has made few, if any, community development loans. CNOB did not make any community development loans in this assessment area over the evaluation period.

INVESTMENT TEST

CNOB is rated "Low Satisfactory" in the Investment Test for the State of Florida assessment area. The bank's adequate level of qualified community development investments and grants primarily supports this conclusion. The following sections discuss the bank's performance under each Investment Test criterion.

Investment and Grant Activity

CNOB has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not provided by private investors. The bank's $7.4 million in qualified investments included 5 current period investments totaling approximately $7.4 million and 10 donations totaling $15,000. This is the first evaluation that assesses the bank's performance in the State of Florida assessment area; therefore, a comparison to the bank's prior performance in this area is not possible.

The following table displays qualified investments and grants by year and community development purpose.

Qualified Investments State of Florida										
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**
2022 (Partial)	0	0	0	0	0	0	0	0	**0**	**0**
2023	1	1,129	0	0	0	0	0	0	**1**	**1,129**
2024	4	6,252	0	0	0	0	0	0	**4**	**6,252**
YTD 2025	0	0	0	0	0	0	0	0	**0**	**0**
Subtotal	**5**	**7,381**	**0**	**0**	**0**	**0**	**0**	**0**	**5**	**7,381**
Qualified Grants & Donations	0	0	10	15	0	0	0	0	**10**	**15**
Total	**5**	**7,381**	**10**	**15**	**0**	**0**	**0**	**0**	**15**	**7,396**
Source: Bank Data										

Below are notable examples of the bank's qualified investment activity.

- During 2023 and 2024, CNOB invested in five mortgage-backed securities totaling $7.4 million. The securities comprise 42 loans to low- and moderate-income borrowers located primarily in Palm Beach County. Proceeds support affordable housing.

- In 2023, CNOB made three donations totaling $1,000 to an organization that publishes financial literacy educational materials. The donations supported 360 financial literacy workbooks for 2 Palm Beach County schools at which the majority of students qualify for free or reduced-price meals under the U.S. Department of Agriculture's National School Lunch Program. Proceeds support community services.

- In 2025, CNOB donated $1,000 to a nonprofit organization located in a moderate-income census tract in Palm Beach County. The donation supported a food drive that primarily targeted low- and moderate-income individuals experiencing financial insecurity. Proceeds supported community services.

Responsiveness to Credit and Community Development Needs

CNOB exhibits adequate responsiveness to credit and community development needs. All current period investments supported affordable housing for low- and moderate-income individuals, which was identified as a primary community development need by the community contacts. Additionally, donations primarily supported community services for low- and moderate-income individuals. These investments demonstrate the bank's responsiveness to identified community development needs and opportunities in the State of Florida assessment area.

Community Development Initiatives

CNOB rarely uses innovative or complex investments to support community development initiatives in the State of Florida assessment area.

SERVICE TEST

CNOB is rated "Low Satisfactory" in the Service Test for the State of Florida assessment area. The bank's performance under the Community Development Services criterion primarily supports this conclusion. The following sections discuss the bank's performance under each Service Test criterion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the institution's assessment area. CNOB operates one full-service branch in this assessment area, located in a moderate-income census tract. The branch's census tract is contiguous to two other moderate-income census tracts. There are no ATMs in the assessment area. While CNOB does not operate any branches in the low-income census tracts, the West Palm Beach branch is contiguous to two low-income census tracts. The branch is also located 0.6 road miles away from the nearest low-income census tract. This branch is accessible to residents in these low-income census tracts and allows individuals living in those tracts to access the bank's branches. Aside from the lack of ATMs, alternative banking services are consistent with those discussed at the institution level. While the bank maintains a commercial LPO in Orlando, FL, it is not within the bank's assessment area.

The following table illustrates census tracts, population, branches, and ATMs by tract income level.

Branch and ATM Distribution by Geography Income Level State of Florida								
Tract Income Level	**Census Tracts**		**Population**		**Branches**		**ATMs**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low	25	6.7	87,659	5.9	0	0.0	0	0.0
Moderate	98	26.3	426,440	28.6	1	100.0	0	0.0
Middle	110	29.5	480,583	32.2	0	0.0	0	0.0
Upper	125	33.5	482,030	32.3	0	0.0	0	0.0
NA	15	4.0	15,479	1.0	0	0.0	0	0.0
Total	**373**	**100.0**	**1,492,191**	**100.0**	**1**	**100.0**	**0**	**0.0**
Source: 2020 U.S. Census; Bank Data								

Changes in Branch Locations

During the evaluation period, CNOB did not open or close branches in this 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. There is one branch in this assessment area that operates lobby hours from 9:00 a.m. to 5:00 p.m. Monday through Friday. The branch does not offer drive-up services or Saturday hours; however, this branch's weekday hours are longer than the majority of CNOB's branches in other assessment areas that operate from 8:30 a.m. to 4:00 p.m. The branch is in a moderate-income census tract and is contiguous to two other moderate-income census tracts and two low-income census tracts.

Community Development Services

CNOB provides an adequate level of community development services in the assessment area. The bank provided 10 community development services totaling 59 hours to 3 different organizations. This consisted of 3 services totaling 23 hours in 2024 and 7 services totaling 36 hours in 2025. Employees served in leadership roles that supported community services.

Below is a notable example of the bank's community development services.

- In 2024 and 2025, two employees hosted six financial literacy programs for an organization that designs educational programs for Palm Beach County schools. Of the targeted schools, the majority of students qualify for free- or reduced-price meals under the U.S. Department of Agriculture's National School Lunch Program and eligibility standards determined by the Florida Department of Education.

STATE OF NEW YORK

CRA RATING FOR STATE OF NEW YORK: NEEDS TO IMPROVE

The Lending Test is rated: Needs to Improve
The Investment Test is rated: Low Satisfactory
The Service Test is rated: Needs to Improve

DESCRIPTION OF INSTITUTION'S OPERATIONS IN STATE OF NEW YORK

Within the State of New York rated area, the bank has one assessment area consisting of all tracts in Orange County, NY, which is in the Kiryas Joel-Poughkeepsie-Newburgh, NY MSA 28880. The bank operates 1 of its 60 branches in this assessment area. This assessment area accounts for 0.6 percent of in-assessment area loans by number, 1.5 percent of deposits by dollar amount, and 1.7 percent of branches.

Refer to the overall Scope of Evaluation section for data sources used in examiner analysis in this section.

Economic and Demographic Data

Due to 2020 U.S. Census changes, the number of census tracts increased by 13 since the prior evaluation. The State of New York assessment area's 92 census tracts reflect the following income designations:

- 10 low-income census tracts,
- 17 moderate-income census tracts,
- 47 middle-income census tracts, and
- 18 upper-income census tracts.

Additionally, there are three municipalities within the assessment area designated by the federal government as OZs.

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

Demographic Information of the Assessment Area State of New York						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**N/A* % of #**
Geographies (Census Tracts)	92	10.9	18.5	51.1	19.6	0.0
Population by Geography	401,310	11.5	18.0	50.9	19.6	0.0
Housing Units by Geography	144,264	8.6	19.1	53.3	19.1	0.0
Owner-Occupied Units by Geography	88,453	3.6	14.4	57.9	24.1	0.0
Occupied Rental Units by Geography	41,975	18.2	28.1	43.6	10.1	0.0
Vacant Units by Geography	13,836	10.8	21.7	53.1	14.4	0.0
Businesses by Geography	50,750	13.1	16.1	49.1	21.7	0.0
Farms by Geography	654	1.2	7.2	57.0	34.6	0.0
Family Distribution by Income Level	91,759	22.6	17.4	21.8	38.2	0.0
Household Distribution by Income Level	130,428	26.0	14.7	17.9	41.5	0.0
Median Family Income MSA - 28880 Kiryas Joel-Poughkeepsie-Newburgh, NY MSA		$100,123	Median Housing Value			$ 274,765
			Median Gross Rent			$1,345
			Families Below Poverty Level			8.0%
Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

The Geographic Distribution criterion for small business loans considers the distribution of businesses by census tract income level within this assessment area. According to 2024 D&B data, 13.1 percent of businesses are located in low-income census tracts, and 16.1 percent of businesses are located in moderate-income tracts. This suggests moderate opportunities to originate small business loans in low- and moderate-income census tracts.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. The assessment area contains 144,264 housing units. Of these, 61.3 percent are owner-occupied, 29.1 percent are rental units, and 9.6 percent are vacant units. Owner-occupied housing units provide an indication of the opportunity institutions have to originate 1-4 family residential mortgage loans. As shown in the table above, 3.6 percent of owner-occupied units are in low-income census tracts and 14.4 percent are in moderate-income census tracts. In contrast, 18.2 percent of occupied rental units are in low-income census tracts and 28.1 percent are in moderate-income census tracts. This data suggests that there are limited opportunities for lenders to originate 1-4 family residential loans in the low-income geography and moderate opportunities in moderate-income geographies.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR level. According to 2024 D&B data, 50,750 non-farm businesses operate in the assessment area. The following reflects the GARs for these businesses.

- 91.4 percent have GARs of $1.0 million or less,
- 2.2 percent have GARs of more than $1.0 million, and
- 6.4 percent have unknown revenues.

Non-classifiable establishments represent the largest portion of businesses (29.5 percent); followed by professional, scientific, and technical services (9.1 percent); construction (8.1 percent); retail trade (7.6 percent); and other services except public administration (7.2 percent). In addition, 62.5 percent of the area's businesses have four or fewer employees and 94.6 percent operate from a single location.

The Borrower Profile criterion compares home mortgage lending to the percentage of low- and moderate-income families in the assessment area. The table above shows that 22.6 percent of families are low-income, and 17.4 percent are moderate-income. Additionally, 8.0 percent of families are below the poverty level. This data suggests that these families may face difficulties qualifying for a home mortgage loan or supporting a monthly mortgage payment, especially given the median housing value of $274,765 in the assessment area. This data reflects potential challenges lenders face in originating loans to low- and moderate-income borrowers.

Examiners used the FFIEC-updated median family income data to analyze home mortgage loans under the Borrower Profile criterion. The following table presents median family income ranges in the assessment area.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
Poughkeepsie-Newburgh-Middletown, NY MSA Median Family Income (39100)				
2022 ($115,700)	<$57,850	$57,850 To <$92,560	$92,560 To <$138,840	>=$138,840
2023 ($119,600)	<$59,800	$59,800 To <$95,680	$95,680 To <$143,520	>=$143,520
Kiryas Joel-Poughkeepsie-Newburgh, NY MSA Median Family Income (28880)				
2024 ($114,800)	<$57,400	$57,400 To <$91,840	$91,840 To <$137,760	>=$137,760
Source: FFIEC				

Data obtained from the U.S. Bureau of Labor Statistics indicate that unemployment rates in Orange County have shown a steady increase since 2022, however the current rate is below the state and national average. The following table presents annual and current unemployment rates for Orange County, as well as the state and national levels since 2022.

Unemployment Rates				
Area	**2022**	**2023**	**2024**	**September 2025**
	%	**%**	**%**	**%**
Orange County, NY	3.4	3.5	3.7	3.9
State of New York	4.3	4.0	4.3	4.1
National Average	3.6	3.6	4.0	4.2
Source: Bureau of Labor Statistics				

Competition

There is a moderate level of competition for financial services in this assessment area. According to 2025 FDIC Deposit Market Share Data, 22 financial institutions operated 85 branches within the assessment area. Of these institutions, CNOB ranked 13th with a 1.6 percent market share. The top five institutions based on deposit market share were JPMorgan Chase Bank, National Association (N.A.) (22.3 percent), TD Bank, N.A. (14.6 percent), Orange Bank & Trust Company (10.0 percent), Manufacturers and Traders Trust Company (7.9 percent), and Walden Savings Bank (7.0 percent).

Aggregate lending data reflects a moderate level of competition for small business loans in the assessment area. Based on 2024 market share data, 97 lenders originated or purchased 16,111 small business loans in the assessment area. The top five lenders accounted for 74.1 percent of the market share based on the number of loans originated or purchased. CNOB did not make any small business loans in the assessment area in 2024; therefore, the bank did not receive a market share ranking for 2024.

Additionally, aggregate lending data reflects a moderate level of competition for home mortgage loans in the assessment area. Based on 2024 market share data, 244 lenders originated or purchased 7,614 home mortgage loans in the assessment area. The top five lenders accounted for 33.6 percent of the market share based on the number of loans originated or purchased. CNOB did make any home mortgage loans in the assessment area in 2024; therefore, the bank did not receive a market share ranking for 2024.

Community Contact

As part of the evaluation process, examiners contact third parties that are active in the assessment area to assist in identifying credit and community development needs. This information helps to determine whether local financial institutions are responsive to those needs. Additionally, it shows what types of credit and community development opportunities are available.

Examiners reviewed a recent contact made with a representative from a small business development organization that serves Orange County. Working with area banks, chambers of commerce, and others who refer clients, the organization provides advice on opportunities that exist with SBA loan programs within the county. The contact stated that small businesses have a demand for smaller micro loans of $200,000 or less. Speaking to economic conditions within the county, the contact noted that the migration of people out of cities into counties upstate caused housing prices to double. The contact noted that, as the demand for housing increased, development expanded into the county. According to the contact, although some projects allocate units for affordable housing, low-income residents in the county continue to find housing unaffordable.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing is the primary community development need in the assessment area, while affordable home loans and micro loans at or below $200,000 for small businesses represent the primary credit needs.

SCOPE OF EVALUATION – STATE OF NEW YORK

This portion of the evaluation considers activity within the State of New York assessment area. Examiners used full-scope examination procedures to evaluate the bank's performance in the assessment area. The products, weighting, and timeframes noted in the overall Scope of Evaluation section apply to this area-level analysis.

CONCLUSIONS ON PERFORMANCE CRITERIA IN STATE OF NEW YORK

LENDING TEST

CNOB is rated "Needs to Improve" in the Lending Test for the State of New York assessment area. The bank's performance under the Lending Activity and Community Development Loans criteria supports this conclusion. The following sections detail the bank's performance under each Lending Test criterion.

Lending Activity

CNOB's lending levels reflect poor responsiveness to assessment area credit needs. This conclusion considered the institution's size, loan portfolio composition, and competition level.

CNOB reported one small business loan totaling $50,000 in 2022, one small business loan totaling $55,000 in 2023, and no small business loans in 2024. As a result, CNOB did not receive a market share ranking for 2024.

CNOB reported three home mortgage loans totaling $4.0 million in 2022, one home mortgage loan totaling $75,000 in 2023, and no home mortgage loans in 2024. As a result, CNOB did not receive a market share ranking for 2024.

Geographic Distribution

Due to CNOB's low volume of loans in the State of New York assessment area throughout the evaluation period, examiners could not draw meaningful conclusions on the geographic distribution of loans.

Small Business Loans
CNOB originated one small business loan totaling $50,000 in a moderate-income tract in 2022, and one small business loan totaling $55,000 in a middle-income tract in 2023. There were no loans made in 2024. The small volume of small business loans in this assessment area in 2022, 2023, and 2024 did not allow for meaningful conclusions under this criterion.

Home Mortgage Loans
In 2022, CNOB originated one home mortgage totaling $3.0 million in a low-income tract, one home mortgage loan totaling $485,000 in a moderate-income tract, and one home mortgage loan

totaling $485,000 in a middle-income tract. In 2023, CNOB originated one home mortgage totaling $75,000 in a middle-income tract. In 2024, CNOB did not originate any home mortgage loans in this assessment area. The small volume of home mortgage loans in this assessment area in 2022, 2023, and 2024 did not allow for meaningful conclusions under this criterion.

Borrower Profile

Due to CNOB's low volume of loans in the State of New York assessment area throughout the evaluation period, examiners could not draw meaningful conclusions on the distribution of loans by borrower income level.

Small Business Loans

In 2022, CNOB originated one small business loan totaling $50,000 to a business with GAR of $1.0 million or less. In 2023, the bank originated one small business loan totaling $55,000 to a business with GAR greater than $1,000,000. CNOB did not make any small business loans in this assessment area in 2024. The small volume of small business loans in this assessment area in 2022, 2023, and 2024 did not allow for meaningful conclusions under this criterion.

Home Mortgage Loans

In 2022, CNOB originated three loans totaling $4.0 million where the income of the borrower was not reported. In 2023, the bank originated one loan totaling $75,000 to a middle-income borrower. There were no home mortgage loans made in this assessment area in 2024. The small volume of home mortgage loans in this assessment area in 2022, 2023, and 2024 did not allow for meaningful conclusions under this criterion.

Community Development Loans

The institution has made few, if any, community development loans. CNOB did not make any community development loans in this assessment area.

INVESTMENT TEST

CNOB is rated "Low Satisfactory" in the Investment Test for the State of New York assessment area. The bank's adequate level of qualified community development investments and grants primarily supported this conclusion. The following sections discuss the bank's performance under each Investment Test criterion.

Investment and Grant Activity

CNOB has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not provided by private investors. The bank's $9.7 million in qualified investments included 9 new investments totaling $9.7 million and 9 donations totaling $5,000. CNOB's performance represents a significant increase from the prior evaluation, where the bank made no qualified investments and donations in this assessment area.

The following tables reflects the institution's qualified investments and grants by year and community development purpose.

Qualified Investments State of New York										
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**
2022 (Partial)	0	0	0	0	0	0	0	0	**0**	**0**
2023	2	2,294	0	0	0	0	0	0	**2**	**2,294**
2024	3	2,965	0	0	0	0	0	0	**3**	**2,965**
YTD 2025	4	4,440	0	0	0	0	0	0	**4**	**4,440**
Subtotal	**9**	**9,699**	**0**	**0**	**0**	**0**	**0**	**0**	**9**	**9,699**
Qualified Grants & Donations	0	0	9	5	0	0	0	0	**9**	**5**
Total	**9**	**9,699**	**9**	**5**	**0**	**0**	**0**	**0**	**18**	**9,704**
Source: Bank Data										

Below are notable examples of CNOB's qualified investment activities made during the evaluation period.

- From 2023 through 2025, CNOB invested in nine mortgage-backed securities totaling $9.7 million. The securities comprise 42 loans to low- and moderate-income borrowers located primarily in Orange County, NY. Proceeds support affordable housing.

- In 2023, CNOB made seven donations totaling $2,330 to an organization that supplies financial literacy educational materials to schools located in Orange County, NY. The donations supported 905 textbooks for 4 schools where the majority of students qualify for free or reduced-price meals under the U.S. Department of Agriculture's National School Lunch Program. The donations support community services.

- In 2023, the bank donated $1,199 to a nonprofit organization that serves Orange County, NY. The organization provides food to financially insecure low- and moderate-income families. The donations support community services.

<u>Responsiveness to Credit and Community Development Needs</u>

CNOB exhibits adequate responsiveness to credit and community development needs. All current period qualified investments supported affordable housing for low- and moderate-income individuals. Additionally, all donations supported community services for primarily low- and moderate-income families. These investments demonstrate the bank's responsiveness to identified community development needs and opportunities, particularly affordable housing during a period of high housing prices, in the assessment area.

Community Development Initiatives

CNOB rarely uses innovative and/or complex investments to support community development initiatives. While the bank's qualified investments were responsive to community development needs, they were not particularly innovative or complex.

SERVICE TEST

CNOB is rated "Needs to Improve" in the Service Test for this assessment area. The bank's performance under the Community Development Services criterion primarily supports this conclusion. The following sections discuss the bank's performance under each Service Test criterion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the institution's assessment area. CNOB operates one full-service branch and one deposit-taking ATM in a moderate-income census tract within the assessment area. The branch's census tract is contiguous to four other moderate-income census tracts. While the bank does not operate any branches or ATMs in low-income census tracts, customers can access alternative banking services such as online banking to gain access to their accounts. Alternative banking services are consistent with those discussed at the institution level.

The following table illustrates census tracts, population, branches, and ATMs by tract income level.

Branch and ATM Distribution by Geography Income Level
State of New York

Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	10	10.9	46,174	11.5	0	0.0	0	0.0
Moderate	17	18.5	72,318	18.0	1	100.0	1	100.0
Middle	47	51.1	204,304	50.9	0	0.0	0	0.0
Upper	18	19.6	78,514	19.6	0	0.0	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	**92**	**100.0**	**401,310**	**100.0**	**1**	**100.0**	**1**	**100.0**

Source: 2020 U.S. Census; Bank Data

Changes in Branch Locations

During the evaluation period, CNOB did not open or close branches in this assessment area.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the State of New York assessment area, particularly low- and moderate-income geographies and/or individuals. There is one branch in this assessment area that operates lobby and drive-up hours from 9:00 a.m. to 5:00 p.m. Monday through Friday. The branch does not offer Saturday hours; however, this branch's weekday hours are longer than the majority of CNOB's branches in other assessment areas that operate from 8:30 a.m. to 4:00 p.m. The branch is located in a moderate-income census tract and is contiguous to four other moderate-income census tracts.

Community Development Services

CNOB provides a limited level of community development services in the State of New York assessment area. CNOB provided 3 community development services totaling 15.5 hours to 2 different organizations. In 2024, two employees presented financial literacy topics to low- and moderate-income seniors. In 2025, five employees hosted two financial literacy workshops in a moderate-income census tract at a school where the majority of students are eligible for free or reduced lunches. Compared to the prior evaluation, the number of services increased by two. All employees served in leadership roles that primarily supported community services.

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

ConnectOne Bank	
Scope of Examination: Full scope reviews were performed on the following assessment areas: • Multistate MSA 35620 • State of Florida • State of New York	
Time Period Reviewed:	10/24/22 to 12/30/25
Products Reviewed: Small Business Loans: 1/1/22 – 12/31/24 Home Mortgage Loans: 1/1/22 – 12/31/24 Community Development Activities: 10/24/22 – 12/30/25	

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
Multistate MSA 35620	Low Satisfactory	Outstanding	Low Satisfactory	Satisfactory
State of Florida	Needs to Improve	Low Satisfactory	Low Satisfactory	Needs to Improve
State of New York	Needs to Improve	Low Satisfactory	Needs to Improve	Needs to Improve

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.