CCCB BANCORP, INC.

2024 ANNUAL REPORT

CCCB BANCORP, INC.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024 and 2023

CONSOLIDATED FINANCIAL STATEMENTS

CCCB BANCORP, INC.

December 31, 2024 and 2023

CONTENTS **PAGE**

SNODGRASS
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
CCCB Bancorp, Inc.
Clarion, Pennsylvania

Opinion

We have audited the accompanying consolidated financial statements of CCCB Bancorp, Inc. and subsidiary (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023; the related consolidated statements of income, comprehensive (loss) income, changes in stockholders' equity, and cash flows for the years then ended; and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

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S.R. Snodgrass, P.C. d/b/a S.R. Snodgrass, A.C. in West Virginia

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

S.R. Snodgrass P.C.

Cranberry Township, Pennsylvania
March 28, 2025

CONSOLIDATED BALANCE SHEETS

CCCB BANCORP, INC.

	December 31, 2024	December 31, 2023
ASSETS		
Cash and due from banks	**$ 2,014,851**	$ 1,628,010
Interest bearing deposits with banks	**933,881**	1,619,247
Cash and cash equivalents	**2,948,732**	3,247,257
Certificates of deposit	**100,000**	100,000
Investment securities available for sale	**23,472,209**	24,652,534
Restricted bank stock, at cost	**862,700**	1,493,600
Loans receivable, net of allowance for credit losses of $1,487,482 in 2024 and $1,489,205 in 2023	**191,709,321**	183,329,516
Premises and equipment, net	**2,764,986**	2,940,551
Right-of-use asset	**617,392**	651,563
Bank-owned life insurance	**5,081,343**	4,378,894
Net deferred taxes	**1,775,143**	1,515,798
Other assets	**3,684,203**	3,296,743
Total Assets	**$ 233,016,029**	$ 225,606,456
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits		
Non-interest bearing	**$ 45,637,230**	$ 46,407,951
Interest bearing	**168,655,429**	147,356,287
Total deposits	**214,292,659**	193,764,238
Federal Home Loan Bank advances	**-**	12,500,000
Lease liability	**631,905**	658,820
Accrued interest and other liabilities	**2,299,663**	2,149,741
Total liabilities	**217,224,227**	209,072,799
Stockholders' Equity		
Preferred stock: 1,000,000 shares authorized, no shares issued	**-**	-
Common stock; par value $1; 10,000,000 shares authorized; 1,665,667 issued and outstanding in 2024 and 2023	**1,665,667**	1,665,667
Surplus	**10,647,455**	10,647,455
Retained earnings	**7,738,362**	7,828,130
Accumulated other comprehensive loss	**(4,259,682)**	(3,607,595)
Total stockholders' equity	**15,791,802**	16,533,657
Total Liabilities and Stockholders' Equity	**$ 233,016,029**	$ 225,606,456

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

CCCB BANCORP, INC.

	Years Ended December 31, 2024	2023
Interest Income		
Loans, including fees	**$ 11,240,696**	$ 9,527,159
Taxable securities	**365,504**	336,094
Tax exempt securities	**417,425**	411,901
Interest bearing deposits	**70,915**	101,775
Total interest income	**12,094,540**	10,376,929
Interest Expense		
Deposits	**5,324,480**	3,015,864
Federal Home Loan Bank advances	**284,474**	437,163
Total interest expense	**5,608,954**	3,453,027
Net Interest Income	**6,485,586**	6,923,902
Provision (Recovery) for Credit Losses	**37,000**	(19,500)
Net Interest Income after Provision (Recovery) for Credit Losses	**6,448,586**	6,943,402
Other Income		
Service fees	**154,966**	126,226
Bank owned life insurance	**102,449**	101,725
Net losses on sales of loans held for sale	**(3,301)**	-
Net losses on sales of securities available for sale	**-**	(5,796)
Other	**270,140**	257,375
Total other income	**524,254**	479,530
Other Expenses		
Salaries and employee benefits	**3,655,223**	3,762,165
Professional fees	**185,644**	184,073
FDIC insurance	**148,257**	110,446
Occupancy and equipment	**723,436**	701,943
Data processing	**1,007,278**	977,042
Other (see Note 12)	**1,178,324**	1,288,149
Total other expenses	**6,898,162**	7,023,818
Income Before Income Tax Benefit Expense	**74,678**	399,114
Income Tax Benefit	**(85,404)**	(11,519)
Net Income	**$ 160,082**	$ 410,633
Earnings per Common Share	**$ 0.10**	$ 0.25

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

CCCB BANCORP, INC.

	Years Ended December 31, 2024	2023
Net income	**$ 160,082**	$ 410,633
Unrealized holding (loss) gain on available for sale securities	**(832,627)**	1,150,907
Reclassification adjustment for losses on securities available for sale realized in net income	**-**	5,796
Net unrealized (loss) gain	**(832,627)**	1,156,703
Tax effect	**174,853**	(242,907)
Net-of-tax amount	**(657,774)**	913,796
Amortization of prior service cost	**7,200**	7,200
Tax effect	**(1,512)**	(1,512)
Net-of-tax amount	**5,688**	5,688
Other comprehensive (loss) income	**(652,086)**	919,484
Total comprehensive (loss) income	**$ (492,004)**	$ 1,330,117

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

CCCB BANCORP, INC.

For the Years Ended December 31, 2024 and 2023

	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at January 1, 2023	1,665,667	10,647,455	7,828,365	(4,527,079)	15,614,408
Cumulative effect of adoption of ASU 2016-13	-	-	(44,421)	-	(44,421)
Net income	-	-	410,633	-	410,633
Cash dividend, $0.22 per share	-	-	(366,447)	-	(366,447)
Other comprehensive income	-	-	-	919,484	919,484
Balance at December 31, 2023	$ 1,665,667	$ 10,647,455	$ 7,828,130	$ (3,607,595)	$ 16,533,657
Net income	**-**	**-**	**160,082**	**-**	**160,082**
Cash dividend, $0.15 per share	**-**	**-**	**(249,850)**	**-**	**(249,850)**
Other comprehensive loss	**-**	**-**	**-**	**(652,087)**	**(652,087)**
Balance at December 31, 2024	**$ 1,665,667**	**$ 10,647,455**	**$ 7,738,362**	**$ (4,259,682)**	**$ 15,791,802**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

CCCB BANCORP, INC.

For the Years Ended December 31, 2024 and 2023

	For the Years Ended December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 160,082	$ 410,633
Adjustments to reconcile net income to net cash (used for) provided by operating activities:		
Depreciation	315,187	297,078
Net amortization of premiums and discounts	(10,638)	(2,777)
Net losses on securities available for sale	-	5,796
Provision (Recovery) for credit losses	37,000	(19,500)
Net losses on sale of loans held for sale	3,301	-
Deferred taxes	(86,003)	(8,724)
Earnings on bank owned life insurance	(102,449)	(101,725)
Earnings on investment contract	(9,271)	(10,580)
Change in:		
Deferred loan fees	55,850	52,433
Other assets	(378,188)	(270,577)
Accrued interest and other liabilities	157,178	434,988
Net cash provided by operating activities	142,049	787,045
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of available for sale securities	(1,500,000)	(404,482)
Proceeds from sales of securities available for sale	-	539,204
Maturities and calls of available for sale securities	1,428,571	-
Principal payments from mortgage-backed securities	436,962	511,001
Purchase of restricted bank stock	(1,798,500)	(1,916,700)
Redemption or call of restricted bank stock	2,429,400	1,631,700
Purchases of certificates of deposit	-	(100,000)
Maturities of certificates of deposit	-	100,000
Loan originations and repayments, net	(8,475,956)	(13,578,359)
Purchase of bank owned life insurance	(600,000)	-
Purchases of premises and equipment	(139,622)	(412,178)
Net cash used on investing activities	(8,219,145)	(13,629,814)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in deposits	20,528,421	4,214,405
Repayment of FHLB borrowings	(12,500,000)	(145,751,000)
Proceeds fom FHLB borrowings	-	152,251,000
Cash dividends paid on common stock	(249,850)	(366,447)
Net cash provided by financing activities	7,778,571	10,347,958
Decrease in cash and cash equivalents	(298,525)	(2,494,811)
Cash and cash equivalents at Beginning of Year	3,247,257	5,742,068
Cash and cash equivalents at End of Year	$ 2,948,732	$ 3,247,257
SUPPLEMENTAL DISCLOSURES		
Interest paid	$ 5,467,496	$ 3,220,515
Income taxes paid	-	91,674

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CCCB BANCORP, INC.

For the Years Ended December 31, 2024 and 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Organization: CCCB Bancorp, Inc. (the "Company"), headquartered in Clarion, Pennsylvania, is a Pennsylvania corporation and bank holding company incorporated on August 1, 2020. The Company was formed to serve as the stock holding company for Clarion County Community Bank (the "Bank") which provides a full range of retail and commercial financial products and services to customers in western Pennsylvania. The Bank received its Pennsylvania banking charter on January 6, 2004. The Bank was incorporated under the laws of the Commonwealth of Pennsylvania on June 18, 2003, to operate as a state-chartered banking institution. The Bank opened for business on January 8, 2004, and currently has five locations; the main office in Clarion, Pennsylvania, and full-service branch offices in New Bethlehem, Pennsylvania, Rimersburg, Pennsylvania, Franklin, Pennsylvania, and Erie, Pennsylvania.

Nature of Operations: The Company, through the Bank, provides financial services through its offices in Clarion County, Venango County and Erie County. Its primary deposit products are checking, savings, and term certificate accounts, and its primary lending products are residential mortgage, commercial real estate, commercial, and consumer loans. Substantially all loans are secured by specific items of collateral including business assets, consumer assets, and commercial and residential real estate. Commercial loans are expected to be repaid from cash flow from operations of businesses.

Principles of Consolidation: The consolidated financial statements include CCCB Bancorp, Inc. and its wholly owned subsidiary, Clarion County Community Bank. Intercompany transactions and balances have been eliminated in consolidation.

Subsequent Events: The Company has evaluated subsequent events for recognition and disclosure through March 28, 2025, which is the date the financial statements were available to be issued.

Use of Estimates: To prepare financial statements in conformity with U.S. generally accepted accounting principles, management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided, and actual results could differ.

Cash Flows: Cash and cash equivalents include cash, deposits with other financial institutions with original maturities less than 90 days, and federal funds sold.

Certificates of Deposit: Certificates of deposit in other financial institutions are carried at cost.

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

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Credit Losses – Available-for-Sale Securities: The Bank measures expected credit losses on available-for-sale debt securities when the Bank does not intend to sell, or when it is not more likely than not that it will be required to sell, the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For available-for-sale debt securities that do not meet the aforementioned criteria, the Bank evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Bank considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this evaluation indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, equal to the amount that the fair value is less than the amortized cost basis.

Economic forecast data is utilized to calculate the present value of expected cash flows. The Bank obtains its forecast data through a subscription to a widely recognized and relied-upon company that publishes various forecast scenarios. Management evaluates the various scenarios to determine a reasonable and supportable scenario and utilizes a single scenario in the model. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive (loss) income.

The allowance for credit losses on available-for-sale debt securities is included within investment securities available-for-sale on the consolidated balance sheet. Changes in the allowance for credit losses are recorded within provision for credit losses on the consolidated statement of income. Losses are charged against the allowance when the Bank believes the collectability of an available-for-sale security is in jeopardy or when either of the criteria regarding intent or requirement to sell is met.

Accrued interest receivable on available-for-sale debt securities totaled $157,669 and $152,618 at December 31, 2024 and 2023, respectively, and is included within other assets on the consolidated balance sheet. This amount is excluded from the estimate of expected credit losses. Available-for-sale debt securities are typically classified as nonaccrual when the contractual payment of principal or interest has become 90 days past due or management has serious doubts about the further collectability of principal or interest. When available-for-sale debt securities are placed on nonaccrual status, unpaid interest credited to income is reversed.

Loans Held for Sale: Mortgage loans originated and intended for sale in the secondary market are carried at the lower of aggregate cost or fair value, as determined by outstanding commitments from investors. Net unrealized losses, if any, are recorded as a valuation allowance and charged to earnings. There were no loans held for sale at December 31, 2024 and 2023.

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

Loans: Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, less deferred loan fees and costs, and an allowance for credit losses. Interest income is accrued on the unpaid principal balance. Loan

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

origination fees, net of certain direct origination costs, are deferred and recognized in interest income using the level-yield method without anticipating prepayments.

Interest income on loans is discontinued at the time the loan is 90 days delinquent unless the loan is well-secured and in process of collection. Past due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged-off at an earlier date if collection of principal or interest is considered doubtful. Nonaccrual loans and loans past due 90 or more days still on accrual include both smaller balance homogeneous loans that are collectively evaluated and individually evaluated loans.

All interest accrued but not received for loans placed on nonaccrual is reversed against interest income. Interest received on such loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured. A loan is moved to non-accrual status in accordance with the Company's policy, typically after 90 days of non-payment.

Allowance for Credit Losses – Loans: The allowance for credit losses (ACL) is a valuation reserve established and maintained by charges against income and is deducted from the amortized cost basis of loans to present the net amount expected to be collected on the loans. Loans, or portions thereof, are charged off against the ACL when they are deemed uncollectible. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

The ACL is an estimate of expected credit losses, measured over the contractual life of a loan, that considers our historical loss experience, current conditions, and forecasts of future economic conditions. Determination of an appropriate ACL is inherently subjective and may have significant changes from period to period.

The methodology for determining the ACL has two main components: evaluation of expected credit losses for certain groups of homogeneous loans that share similar risk characteristics and evaluation of loans that do not share risk characteristics with other loans.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The Bank has identified the following portfolio segments (commercial, commercial real estate, residential real estate, consumer auto and other consumer) and measures the allowance for credit losses using the Weighted-Average Remaining Maturity, (WARM) Life methodology.

Historical credit loss experience is the basis for the estimation of expected credit losses. The Bank applies historical loss rates to pools of loans with similar risk characteristics. After consideration of the historic loss calculation, management applies qualitative adjustments to reflect the current conditions and reasonable and supportable forecasts not already reflected in the historical loss information at the balance sheet date. A reasonable and supportable forecast adjustment is based on PA unemployment rate, loan exceptions at origination, segment percentage increase, prime rate changes, nonaccrual loans, loan segment to total loans, average net losses and management judgment. For periods beyond our reasonable and supportable forecast, we revert to historical loss rates utilizing a straight-line method over a one-year reversion period. The qualitative adjustments for current conditions are based upon changes in lending policies and practices, experience and ability of lending staff, quality of the bank’s loan review system, value of underlying collateral, the existence of, and changes in concentrations and other external

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

factors. These modified historical loss rates are multiplied by the outstanding principal balance of each loan to calculate a required reserve.

The Bank has elected to exclude accrued interest receivable of $607,062 and $560,730 at December 31, 2024 and 2023, respectively from the measurement of its ACL. When a loan is placed on non-accrual status, any outstanding accrued interest is reversed against interest income.

The ACL for individual loans begins with the use of normal credit review procedures to identify whether a loan no longer shares similar risk characteristics with other pooled loans and therefore should be individually assessed. We evaluate all commercial loans that meet the following criteria: 1) substandard, doubtful and nonperforming loans when repayment is expected to be provided substantially through the operation or sale of the collateral, 2) when it is determined that foreclosure is probable, 3) when it is determined by management that a loan does not share similar risk characteristics with other loans. Specific reserves are established based on the following three acceptable methods for measuring the ACL: 1) the present value of expected future cash flows discounted at the loan's original effective interest rate; 2) the loan's observable market price; or 3) the fair value of the collateral when the loan is collateral dependent. Our individual loan evaluations consist primarily of the fair value of collateral method because most of our loans are collateral dependent. Collateral values are discounted to consider disposition costs when appropriate. A specific reserve is established or a charge-off is taken if the fair value of the loan is less than the loan balance.

Allowance for Credit Losses on Off-Balance-Sheet Credit Exposures: The Bank estimates expected credit losses over the contractual period in which the Bank is exposed to credit risk via a contractual obligation to extend credit unless that obligation is unconditionally cancellable by the Bank. The allowance for credit losses on off-balance sheet credit exposures is reported in other liabilities and adjusted through provision for credit losses. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life.

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

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Servicing fee income, which is reported on the income statement as other non-interest income, is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal or a fixed amount per loan and are recorded as income when earned.

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

Premises and Equipment: Land is carried at cost. Premises and equipment are stated at cost less accumulated depreciation. Buildings and related components are depreciated using the straight-line method for 30 years. Furniture, fixtures, and equipment are depreciated using the straight-line method with useful lives ranging from 3 to 10 years. Expenses for maintenance and repairs are charged against income as occurred. Costs of major additions and improvements are capitalized.

Restricted Bank Stock: The Bank is a member of the Federal Home Loan Bank of Pittsburgh (FHLB). Members are required to own a certain amount of stock based on the level of borrowings and other factors, and may invest in additional amounts. The Bank is a member of the Atlantic Community Bankers Bank (ACBB) of Camp Hill, Pennsylvania. Members are required to own a certain amount of stock. FHLB and ACBB stock are carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. Both cash and stock dividends are reported as income.

Bank-Owned Life Insurance: The Bank purchased life insurance policies on certain key executives. Bank owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement. The Bank is the sole beneficiary, without further encumbrance, of the insurance proceeds aside from split dollar agreements promising death benefits of $500,000 to the beneficiaries of two executive officers of the Bank and $150,000 to the beneficiaries of three senior officers of the Bank while under Bank employment. As the officer's projected mortality extends beyond Bank's expected employment, no accrual has been established for this potential benefit.

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

Retirement Plans: Employee 401(k) and profit sharing plan expense is the amount of matching contributions. Supplemental retirement plan expense allocates the benefits over the years of service.

Income Taxes: Income tax expense is the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax bases of assets

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount more likely than not to be realized.

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

The Company recognizes interest and/or penalties related to income tax matters in income tax expense.

Advertising Costs: Advertising costs are expensed as incurred and recorded in other expenses.

Earnings Per Share: Basic earnings per share is calculated as net income divided by the weighted-average number of common shares outstanding during the period.

Comprehensive Income (Loss): Comprehensive income (loss) consists of net income and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains and losses on securities available for sale and changes in the funded status of the supplemental retirement plan, which are recognized as separate components of stockholders’ equity.

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

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

Transfer of Financial Assets: Transfers of financial assets, typically residential real estate loans for the Bank, are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Bank, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Bank does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Segment Reporting: While the chief decision-makers monitor the revenue streams of the various products and services, operations are managed and financial performance is evaluated on a Company-wide basis. The Company has identified the Bank as the only reporting segment, as more fully disclosed in Note 20 Segment Reporting.

Reclassifications: Some items in the prior year financial statements were reclassified to conform to the current presentation. Reclassifications had no effect on prior year net income or stockholders' equity.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Pronouncements Adopted in 2024: On January 1, 2024, the Company adopted ASU 2023-07, *Segment Reporting* (Topic 280): Improvements to Reportable Segment Disclosures, which requires public entities to disclose information about their reportable segments' significant expenses on an interim and annual basis. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. Public entities are required to adopt the changes retrospectively, recasting each prior-period disclosure for which a comparative income statement is presented in the period of adoption. See note 20 for the required disclosures from this adoption.

NOTE 2 – REVENUE RECOGNITION

Revenue recognition under Topic 606 does not apply to revenue associated with financial instruments, including revenue from loans and securities. In addition, certain noninterest income streams such as fees associated with mortgage servicing rights, bank-owned life insurance and financial guarantees are also not in scope of the new guidance. Topic 606 is applicable to noninterest revenue streams such as deposit related fees, interchange fees and merchant income. Noninterest revenue streams in-scope of Topic 606 are discussed below.

Service Charges on Deposit Accounts

Service charges on deposit accounts consist of overdraft charges, monthly service fees, check orders, and other deposit account related fees. The Company's performance obligation for monthly service fees is generally satisfied, and the related revenue recognized, over the period in which the service is provided. Check orders and other deposit account related fees are largely transactional based: and therefore, the Company's performance obligation is satisfied, and related revenue recognized, at a point in time. Payment for service charges on deposit accounts is primarily received immediately or in the following month through a direct charge to customers' accounts.

Fees, exchange, and other service charges

This is primarily comprised of debit card income, ATM fees, merchant services income, and other service charges. Debit card income is primarily comprised of interchange fees earned whenever the Company's debit and credit cards are processed through card payment networks such as Visa. ATM fees are primarily generated when a Company cardholder uses a non-Company ATM or a non-Company cardholder uses a Company ATM. Other service charges include cashier's checks, check charges and other services. The Company's performance obligation for fees, exchange, and other service charges are largely satisfied, and related revenue recognized, when the services are rendered or upon completion. Payment is typically received immediately or in the following month.

NOTE 3 – INVESTMENT SECURITIES

The following table summarizes the amortized cost and fair value of investment securities at December 31, 2024 and 2023, and the corresponding amounts of gross unrealized gains and losses.

	December 31, 2024				
Available for Sale:	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
U.S. government sponsored entities and agencies	**$ 7,204,238**	**$ -**	**$ (1,203,042)**	**$ -**	**$ 6,001,196**
State and municipal bonds-tax free	**17,583,936**	**185**	**(3,395,654)**	**-**	**14,188,467**
Residential mortgage-backed securities	**4,050,438**	**-**	**(767,892)**	**-**	**3,282,546**
	$ 28,838,612	**$ 185**	**$ (5,366,588)**	**$ -**	**$ 23,472,209**

	December 31, 2023				
Available for Sale:	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
U.S. government sponsored entities and agencies	$ 7,187,330	$ -	$ (1,198,691)	$ -	$ 5,988,639
State and municipal bonds-tax free	17,567,015	745	(2,611,967)	-	14,955,793
Residential mortgage-backed securities	4,431,965	-	(723,863)	-	3,708,102
Securities held to maturity	$ 29,186,310	$ 745	$ (4,534,521)	$ -	$ 24,652,534

There were no sales of securities in the year ended December 31, 2024.

The proceeds from the sales of securities and the associated gross gains and losses for the year ended December 31, 2023, are listed below.

	2023
Proceeds	$ 539,204
Gross gains	-
Gross losses	(5,796)

The tax benefit related to the net realized loss was $1,217.

NOTE 3 – INVESTMENT SECURITIES (Continued)

As a member of the Federal Home Loan Bank of Pittsburgh (FHLB), the Bank is required to maintain a minimum amount of FHLB stock. The minimum amount is calculated based on the level of the Bank's assets, residential real estate loans, and FHLB advances. At December 31, 2024 and 2023, the Bank held $797,700 and $1,428,600 respectively, of FHLB stock, which is carried at cost.

Management evaluates the FHLB stock for impairment in accordance with accounting guidance issued by the Financial Accounting Standards Board. Management's determination of whether this investment is impaired is based on their assessment of the ultimate recoverability of their cost basis rather than by recognizing temporary declines in value. The determination of whether a decline affects the ultimate recoverability of their cost basis is influenced by criteria such as (1) the significance of the decline in net assets of the FHLB as compared to the capital stock amount for the FHLB and the length of time this situation has persisted, (2) commitments by the FHLB to make payments required by law or regulation and the level of such payments in relation to the operating performance of the FHLB, and (3) the impact of legislative and regulatory changes on institutions and, accordingly, on the customer base of the FHLB. Management believes no impairment charge is necessary related to the FHLB stock as of December 31, 2024 or 2023.

The amortized cost and fair value of investment securities by contractual maturity are shown below.

Actual investment maturities will differ from contractual maturities because issuers have the right to call or prepay obligations with or without call or prepayment penalties. Securities not due at a single maturity date are shown separate.

The following table summarizes the amortized cost and fair value maturities of debt securities available for sale at December 31, 2024.

	December 31, 2024	
	Amortized Cost	**Fair Value**
Debt securities available for sale		
Due after one year through five years	**1,500,291**	1,333,350
Due after five years through ten years	**5,291,250**	4,475,596
Due after ten years	**17,996,633**	14,380,717
Residential mortgage-backed securities	**4,050,438**	3,282,546
	$ 28,838,612	$ 23,472,209

NOTE 3 – INVESTMENT SECURITIES (Continued)

The following table summarizes investment securities with unrealized losses at December 31, 2024 by major security type and length of time in a continuous unrealized loss position:

	December 31, 2024					
	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government sponsored entities and agencies	$ 566,279	$ (5,150)	$ 5,434,917	$ (1,197,892)	$ 6,001,196	$ (1,203,042)
State and municipal bonds-tax free	1,370,073	(49,928)	12,448,210	(3,345,726)	13,818,283	(3,395,654)
Residential mortgage-backed securities	-	-	3,282,546	(767,892)	3,282,546	(767,892)
	$ 1,936,352	$ (55,078)	$ 21,165,673	$ (5,311,510)	$ 23,102,025	$ (5,366,588)

The following table summarizes investment securities with unrealized losses at December 31, 2023 by major security type and length of time in a continuous unrealized loss position:

	December 31, 2023					
	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government sponsored entities and agencies	$ -	$ -	$ 5,988,639	$ (1,198,691)	$ 5,988,639	$ (1,198,691)
State and municipal bonds-tax free	312,657	(26,678)	12,852,309	(2,585,289)	13,164,966	(2,611,967)
Residential mortgage-backed securities	-	-	3,708,103	(723,863)	3,708,103	(723,863)
	$ 312,657	$ (26,678)	$ 22,549,051	$ (4,507,843)	$ 22,861,708	$ (4,534,521)

Unrealized losses on the 63 securities at December 31, 2024 have not been recognized into income because the securities are of high credit quality (rated AA or higher), management does not intend to sell and it is not more likely than not that management would be required to sell the securities prior to their anticipated recoveries, and the decline in fair value is largely due to changes in interest rates and other market conditions. The fair value is expected to recover as the securities approach their maturities. The Bank has not recorded an allowance for credit losses at December 31, 2024 or 2023.

All of the mortgage-backed and agency securities held by the Bank were issued by U.S. government-sponsored entities and agencies, institutions that the government has affirmed its commitment to support.

The Bank has pledged investment securities with an approximate carrying value of $10,559,022 and $8,867,000 as of December 31, 2024 and 2023, respectively, to qualify for fiduciary powers in securing public monies as required by law and for other purposes.

NOTE 4 – LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

Loans at year-end were as follows:

	2024	2023
Commercial	**$ 18,254,397**	$ 17,041,372
Commercial real estate	**135,157,143**	129,844,287
Residential real estate	**32,225,142**	31,408,214
Consumer:		
Auto	**3,627,296**	2,857,604
Other	**4,333,538**	4,012,108
	193,597,516	185,163,585
Net deferred loan fees	**(400,713)**	(344,864)
Allowance for credit losses	**(1,487,482)**	(1,489,205)
Loans receivable, net	**$ 191,709,321**	$ 183,329,516

The following tables present the activity in the allowance for credit losses by portfolio segment for the years ended December 31, 2024 and 2023:

December 31, 2024	**Commercial**	**Commercial Real Estate**	**Residential Real Estate**	**Consumer Auto**	**Consumer Other**	**Unallocated**	**Total**
Allowance for credit losses:							
Beginning balance, January 1, 2024	**$ 230,000**	**$ 767,205**	**$ 210,000**	**$ 15,000**	**$ 16,000**	**$ 251,000**	**$ 1,489,205**
Provision (recovery) for credit losses	**122,613**	**94,277**	**26,000**	**(9,310)**	**2,420**	**(199,000)**	**37,000**
Loans charged-off	**(50,613)**	**-**	**-**	**(3,271)**	**(419)**	**-**	**(54,303)**
Recoveries	**-**	**-**	**-**	**15,580**	**-**	**-**	**15,580**
Total ending balance, December 31, 2024	**$ 302,000**	**$ 861,482**	**$ 236,000**	**$ 17,999**	**$ 18,001**	**$ 52,000**	**$ 1,487,482**

December 31, 2023	Commercial	Commercial Real Estate	Residential Real Estate	Consumer Auto	Consumer Other	Unallocated	Total
Allowance for credit losses:							
Beginning balance, January 1, 2023	$ 298,849	$ 697,710	$ 115,650	$ 11,753	$ 26,443	$ 323,366	$ 1,473,771
Impact of adopting ASC 326	(81,849)	93,290	89,350	1,247	(13,443)	(32,366)	56,229
Provision (recovery) for credit losses	31,947	(23,795)	5,000	4,348	3,000	(40,000)	(19,500)
Loans charged-off	(53,411)	-	-	(4,423)	-	-	(57,834)
Recoveries	34,464	-	-	2,075	-	-	36,539
Total ending balance, December 31, 2023	$ 230,000	$ 767,205	$ 210,000	$ 15,000	$ 16,000	$ 251,000	$ 1,489,205

NOTE 4 – LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (Continued)

The Bank maintained an unallocated reserve for the years ended December 31, 2024 and 2023 to account for potential losses related to the expansion into Erie county, where no historical data is available to estimate losses.

Accrued interest receivable on loans totaled $607,062 and $560,730 at December 31, 2024 and 2023, respectively.

The following tables present the amortized cost basis of loans on nonaccrual status and loans past due 90 days or more still accruing interest as of December 31, 2024 and 2023:

2024	Nonaccrual with no ACL	Nonaccrual with ACL	Total Nonaccrual	Loans Past Due Over 90 Days Still Accruing	Total Nonperforming
Commercial Real Estate	325,518	30,572	356,090	-	356,090
Residential Real Estate	29,065	78,693	107,758	-	107,758
Consumer	9,259	29,242	38,501	-	38,501
Total	$ 363,842	$ 138,507	$ 502,349	$ -	$ 502,349

2023	Nonaccrual with no ACL	Nonaccrual with ACL	Total Nonaccrual	Loans Past Due Over 90 Days Still Accruing	Total Nonperforming
Commercial Real Estate	$ 63,886	$ 7,668	$ 71,554	$ -	$ 71,554
Residential Real Estate	365,373	152,786	518,159	-	518,159
Total	429,259	$ 160,454	$ 589,713	$ -	$ 589,713

As of December 31, 2024 and 2023, there were no loans past due 90 days or more and still accruing.

The following tables present the aging of the recorded investment in loans as of December 31, 2024 and 2023 by class of loan:

2024	Total	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due	Total Past Due	Loans Not Past Due
Commercial	$ 18,254,397	$ 96,834	$ -	$ -	$ 96,834	$ 18,157,563
Commercial real estate	135,157,143	333,106	-	356,090	689,196	134,467,947
Residential real estate	32,225,142	499,224	192,689	107,758	799,671	31,425,471
Consumer:						
Auto	3,627,296	-	-	-	-	3,627,296
Other	4,333,538	18,759	-	38,501	57,260	4,276,278
Total	$ 193,597,516	$ 947,923	$ 192,689	$ 502,349	$ 1,642,961	$ 191,954,555

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CCCB BANCORP, INC.

For the Years Ended December 31, 2024 and 2023

NOTE 4 – LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (Continued)

2023	Total	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due	Total Past Due	Loans Not Past Due
Commercial	$ 17,041,372	$ 27,021	$ -	$ -	$ 27,021	$ 17,014,351
Commercial real estate	129,844,287	-	-	71,554	71,554	129,772,733
Residential real estate	31,408,214	131,771	97,942	441,095	670,808	30,737,406
Consumer:						
Auto	2,857,604	14,370	-	-	14,370	2,843,234
Other	4,012,108	27,408	830	-	28,238	3,983,870
Total	$ 185,163,585	$ 200,570	$ 98,772	$ 512,649	$ 811,991	$ 184,351,594

Credit Quality Indicators:

The Bank categorizes commercial and commercial real estate loans into risk categories based on relative information about the ability of borrowers to service their debt, such as current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Bank analyzes loans individually by classifying the loans as to credit risk. This analysis typically uses the following definitions for risk ratings:

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

Substandard. Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

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

Loans not meeting the criteria above that are analyzed individually as part of the above described process are considered to be pass rated loans. Loans listed as not rated are evaluated for credit quality based on aging status, which was previously presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CCCB BANCORP, INC.

For the Years Ended December 31, 2024 and 2023

NOTE 4 – LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (Continued)

The following tables summarize the aggregate pass and criticized categories of: special mention, substandard, and doubtful within the internal risk rating system as of December 31, 2024 and 2023:

	Term Loans Amortized Costs Basis by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	
December 31, 2024	2024	2023	2022	2021	2020	Prior			Total
Commercial									
Risk Rating									
Pass	$ 4,225,349	$ 4,488,127	$ 1,937,958	$ 2,197,991	$ 2,281,993	$ 2,735,684	$ -	$ -	$ 17,867,102
Special Mention	-	-	-	-	-	387,295	-	-	387,295
Substandard	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-
Total	$ 4,225,349	$ 4,488,127	$ 1,937,958	$ 2,197,991	$ 2,281,993	$ 3,122,979	$ -	$ -	$ 18,254,397
Commercial									
Current period gross charge-offs	$ -	$ -	$ 27,611	$ -	$ -	$ 23,002	$ -	$ -	$ 50,613
Commercial real estate									
Risk Rating									
Pass	$ 19,502,614	$ 23,924,794	$ 27,124,410	$ 19,190,375	$ 21,265,366	$ 23,567,355	$ -	$ -	$ 134,574,914
Special Mention	-	-	-	-	-	226,140	-	-	226,140
Substandard	-	-	-	-	-	356,089	-	-	356,089
Doubtful	-	-	-	-	-	-	-	-	-
Total	$ 19,502,614	$ 23,924,794	$ 27,124,410	$ 19,190,375	$ 21,265,366	$ 24,149,584	$ -	$ -	$ 135,157,143
Commercial real estate									
Current period gross charge-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total									
Risk Rating									
Pass	$ 23,727,963	$ 28,412,921	$ 29,062,368	$ 21,388,366	$ 23,547,359	$ 26,303,039	$ -	$ -	$ 152,442,016
Special Mention	-	-	-	-	-	613,435	-	-	613,435
Substandard	-	-	-	-	-	356,089	-	-	356,089
Doubtful	-	-	-	-	-	-	-	-	-
Total	$ 23,727,963	$ 28,412,921	$ 29,062,368	$ 21,388,366	$ 23,547,359	$ 27,272,563	$ -	$ -	$ 153,411,540

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CCCB BANCORP, INC.

For the Years Ended December 31, 2024 and 2023

NOTE 4 – LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (Continued)

	Term Loans Amortized Costs Basis by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	
December 31, 2023	2023	2022	2021	2020	2019	Prior			Total
Commercial									
Risk Rating									
Pass	$ 5,247,372	$ 2,438,715	$ 2,332,322	$ 2,776,240	$ 1,963,006	$ 1,874,025	$ -	$ -	$ 16,631,680
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	409,692	-	-	409,692
Doubtful	-	-	-	-	-	-	-	-	-
Total	$ 5,247,372	$ 2,438,715	$ 2,332,322	$ 2,776,240	$ 1,963,006	$ 2,283,717	$ -	$ -	$ 17,041,372
Commercial									
Current period gross charge-offs	$ -	$ -	$ -	$ 53,411	$ -	$ -	$ -	$ -	$ 53,411
Commercial real estate									
Risk Rating									
Pass	$ 26,376,527	$ 28,898,292	$ 20,789,579	$ 23,854,869	$ 7,751,990	$ 21,670,969	$ -	$ -	$ 129,342,226
Special Mention	-	-	-	-	-	270,715	-	-	270,715
Substandard	-	-	-	-	-	231,346	-	-	231,346
Doubtful	-	-	-	-	-	-	-	-	-
Total	$ 26,376,527	$ 28,898,292	$ 20,789,579	$ 23,854,869	$ 7,751,990	$ 22,173,030	$ -	$ -	$ 129,844,287
Commercial real estate									
Current period gross charge-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total									
Risk Rating									
Pass	$ 31,623,899	$ 31,337,007	$ 23,121,901	$ 26,631,109	$ 9,714,996	$ 23,544,994	$ -	$ -	$ 145,973,906
Special Mention	-	-	-	-	-	270,715	-	-	270,715
Substandard	-	-	-	-	-	641,038	-	-	641,038
Doubtful	-	-	-	-	-	-	-	-	-
Total	$ 31,623,899	$ 31,337,007	$ 23,121,901	$ 26,631,109	$ 9,714,996	$ 24,456,747	$ -	$ -	$ 146,885,659

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CCCB BANCORP, INC.

For the Years Ended December 31, 2024 and 2023

NOTE 4 – LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (Continued)

The following table presents the recorded investment in residential real estate and consumer loans based on performing status as of December 31, 2024 and 2023:

December 31, 2024	Term Loans Amortized Costs Basis by Origination Year 2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Residential real estate									
Payment Performance									
Performing	$ 3,517,536	$ 3,103,515	$ 5,626,477	$ 5,489,613	$ 3,160,869	$ 11,219,375	$ -	$ -	$ 32,117,385
Nonperforming	-	-	-	-	-	107,757	-	-	107,757
Total	$ 3,517,536	$ 3,103,515	$ 5,626,477	$ 5,489,613	$ 3,160,869	$ 11,327,132	$ -	$ -	$ 32,225,142
Residential real estate									
Current period gross charge-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Consumer Auto									
Payment Performance									
Performing	$ 1,945,013	$ 916,545	$ 478,601	$ 194,704	$ 40,649	$ 13,283	$ -	$ -	$ 3,588,795
Nonperforming	-	-	-	-	-	38,501	-	-	38,501
Total	$ 1,945,013	$ 916,545	$ 478,601	$ 194,704	$ 40,649	$ 51,784	$ -	$ -	$ 3,627,296
Consumer Auto									
Current period gross charge-offs	$ -	$ -	$ 3,271	$ -	$ -	$ -	$ -	$ -	$ 3,271
Consumer other									
Payment Performance									
Performing	$ 1,155,580	$ 555,769	$ 437,132	$ 454,157	$ 498,527	$ 1,232,373	$ -	$ -	$ 4,333,538
Nonperforming	-	-	-	-	-	-	-	-	-
Total	$ 1,155,580	$ 555,769	$ 437,132	$ 454,157	$ 498,527	$ 1,232,373	$ -	$ -	$ 4,333,538
Consumer other									
Current period gross charge-offs	$ -	$ -	$ -	$ -	$ -	$ 419	$ -	$ -	$ 419
Total									
Payment Performance									
Performing	$ 6,618,129	$ 4,575,829	$ 6,542,210	$ 6,138,474	$ 3,700,045	$ 12,465,031	$ -	$ -	$ 40,039,718
Nonperforming	-	-	-	-	-	146,258	-	-	146,258
Total	$ 6,618,129	$ 4,575,829	$ 6,542,210	$ 6,138,474	$ 3,700,045	$ 12,611,289	$ -	$ -	$ 40,185,976

NOTE 4 – LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (Continued)

December 31, 2023	Term Loans Amortized Costs Basis by Origination Year 2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Residential real estate									
Payment Performance									
Performing	$ 3,231,931	$ 5,987,674	$ 5,773,715	$ 3,261,296	$ 3,394,467	$ 9,240,972	$ -	$ -	$ 30,890,055
Nonperforming	-	-	-	-	116,452	401,707	-	-	518,159
Total	$ 3,231,931	$ 5,987,674	$ 5,773,715	$ 3,261,296	$ 3,510,919	$ 9,642,679	$ -	$ -	$ 31,408,214
Residential real estate									
Current period gross charge-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Consumer Auto									
Payment Performance									
Performing	$ 1,294,226	$ 881,626	$ 408,842	$ 118,787	$ 152,435	$ 1,688	$ -	$ -	$ 2,857,604
Nonperforming	-	-	-	-	-	-	-	-	-
Total	$ 1,294,226	$ 881,626	$ 408,842	$ 118,787	$ 152,435	$ 1,688	$ -	$ -	$ 2,857,604
Consumer Auto									
Current period gross charge-offs	$ -	$ -	$ -	$ -	$ 245	$ -	$ -	$ -	$ 245
Consumer other									
Payment Performance									
Performing	$ 757,344	$ 526,121	$ 605,850	$ 609,953	$ 244,673	$ 1,268,167	$ -	$ -	$ 4,012,108
Nonperforming	-	-	-	-	-	-	-	-	-
Total	$ 757,344	$ 526,121	$ 605,850	$ 609,953	$ 244,673	$ 1,268,167	$ -	$ -	$ 4,012,108
Consumer other									
Current period gross charge-offs	$ -	$ -	$ 3,092	$ -	$ 1,089	$ -	$ -	$ -	$ 4,181
Total									
Payment Performance									
Performing	$ 5,283,501	$ 7,395,421	$ 6,788,407	$ 3,990,036	$ 3,791,575	$ 10,510,827	$ -	$ -	$ 37,759,767
Nonperforming	-	-	-	-	116,452	401,707	-	-	518,159
Total	$ 5,283,501	$ 7,395,421	$ 6,788,407	$ 3,990,036	$ 3,908,027	$ 10,912,534	$ -	$ -	$ 38,277,926

NOTE 5 – OTHER REAL ESTATE OWNED (OREO)

Other real estate owned acquired in settlement of loans are carried at fair value, less estimated costs to sell. At December 31, 2024 and 2023, there were no assets that were foreclosed on or received via a deed in lieu transaction prior to the period end included with the other real estate owned. As of December 31, 2024, the Bank had initiated formal foreclosure proceedings on consumer residential mortgages, which have not yet been transferred into foreclosed assets, of $107,757.

NOTE 6 — LOAN SERVICING

Mortgage loans serviced for others are not reported as assets. The principal balances of these loans at years ended December 31, 2024 and 2023 are $16,816,000 and $18,386,000, respectively. Servicing fees totaled $44,780 and $47,568 for the years ended December 31, 2024 and 2023, respectively.

Custodial escrow balances maintained in connection with serviced loans were $265,215 and $281,081 at year end 2024 and 2023, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CCCB BANCORP, INC.

For the Years Ended December 31, 2024 and 2023

NOTE 6 – LOAN SERVICING (Continued)

Activity for loan servicing rights reported in other assets follows:

	2024	2023
Beginning of year	$ **113,069**	$ 138,951
Additions	**4,670**	6,087
Disposals	**(7,971)**	(8,481)
Amortized to expense	**(22,133)**	(23,489)
Change in valuation allowance	**-**	-
End of year	$ **87,635**	$ 113,068

NOTE 7 – PREMISES AND EQUIPMENT

Year-end premises and equipment were as follows:

	2024	2023
Land	$ **783,274**	$ 783,274
Buildings and improvements	**2,712,548**	2,712,548
Furniture and equipment	**2,474,866**	2,378,779
Leasehold improvements	**37,388**	37,388
Construction in progress	**43,534**	-
	6,051,610	5,911,989
Accumulated depreciation	**(3,286,624)**	(2,971,438)
End of year	$ **2,764,986**	$ 2,940,551

Depreciation expense was $315,187 and $297,078 for 2024 and 2023, respectively.

NOTE 7 – PREMISES AND EQUIPMENT, NET (Continued)

Leases

A lease is defined as a contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. The Bank recorded Right of Use (ROU) assets of $617,392 and $651,563 and corresponding lease liabilities in the amount of $631,905 and $658,820, in 2024 and 2023, respectively, that are included in other assets and other liabilities on the consolidated balance sheet. The lease agreements are accounted for as operating leases.

The Bank's leases consist of real estate property for its offices with terms extending through 2037.

The following table represents the consolidated balance sheet classification of the Bank's ROU asset and lease liability. The Bank elected not to include short-term leases (i.e., leases with initial terms of twelve months or less) on the consolidated balance sheet.

Future minimum payments for the operating lease with an initial or remaining term of one year or more as of December 31, 2024 were as follows:

Year Ended December 31:		**Operating Leases**
2025	$	**58,146**
2026		**58,146**
2027		**58,146**
2028		**65,123**
2029		**65,123**
2030 & After		**560,057**
Total Future Minium Lease Payments		**864,741**
Present Value Discounted Interest		**(232,836)**
Present Value of Net Future Minium Lease Payments	$	**631,905**

The calculated amount of the ROU asset and lease liability in the table above is impacted by the length of the lease term and the discount rate used to present value the minimum lease payments. The Bank utilized its incremental borrowing rate at lease inception, on a collateralized basis, over a similar term, as the rate implicit in the lease was not readily determinable. The weighted-average life of the remaining leases is 180 months. The discount rates used on the lease in 2024 and 2023 is 4.83%.

NOTE 8 – DEPOSITS

The following table presents a breakdown of deposit types at December 31, 2024 and 2023:

	2024	2023
Non-interest bearing	$ **45,637,230**	$ 46,407,951
Interest bearing:		
Demand deposit	**10,977,109**	10,511,903
Money market deposit account	**23,081,661**	24,517,993
Savings	**17,953,141**	20,554,519
Certificates of Deposit	**116,643,518**	91,771,872
Total interest bearing	**168,655,429**	147,356,287
Total deposits	$ **214,292,659**	$ 193,764,238

Scheduled maturities of time deposits over the next five years as of December 31, 2024 were as follows:

	Amount	Percent
2025	$ **107,099,183**	**91.8** %
2026	**7,300,481**	**6.3**
2027	**1,105,107**	**0.9**
2028	**726,500**	**0.6**
2029	**412,247**	**0.4**
	$ **116,643,518**	**100.0** %

The Bank had time deposits that meet or exceed the FDIC limit of $250,000, amounting to $30,484,600 and $19,012,072 at December 31, 2024 and 2023, respectively.

NOTE 9 – FEDERAL HOME LOAN BANK ADVANCES

At December 31, 2023, the Bank had FHLB advances outstanding as follows:

	2023
Maturities January 2, 2024, through July 8, 2024, fixed rates at rates from 0.54% to 5.75%, weighted average 5.20%.	**$12,500,000**

There were no FHLB advances outstanding at December 31, 2024.

NOTE 9 – FEDERAL HOME LOAN BANK ADVANCES (Continued)

Each advance is payable at its maturity date, with a prepayment penalty. Based on available collateral and the Bank's holdings of FHLB stock, the Bank is eligible to borrow up to a total of $93.4 million at December 31, 2024

NOTE 10 – INCOME TAXES

The income taxes provision (benefit) for the years ended December 31, 2024 and 2023 consists of the following:

	2024	2023
Current	**$ 599**	$ (2,795)
Deferred	**(86,003)**	(8,724)
	$ (85,404)	$ (11,519)

The differences between the expected and actual tax provision expressed as percentages of income before income tax for the years ended December 31, 2024 and 2023 are as follows:

	2024		2023	
	Amount	% of Pre-tax Income	Amount	% of Pre-tax Income
Provision at statutory rate	**$ 15,682**	**21.0 %**	$ 83,814	21.0 %
Tax-exempt interest income, net of disallowed interest expense	**(91,747)**	**(122.9)**	(86,499)	(21.7)
Earnings from bank-owned life insurance	**(21,514)**	**(28.8)**	(21,362)	(5.4)
Other, net	**12,175**	**16.3**	12,528	3.1
Actual tax (benefit) and effective rate	**$ (85,404)**	**(114.4) %**	$ (11,519)	(3.0) %

NOTE 10 – INCOME TAXES (Continued)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of December 31, 2024 and 2023 are as follows:

	2024	2023
Deferred tax assets:		
Allowance for credit losses	**$ 274,301**	$ 266,479
Federal charitable contribution carryforward	**16,630**	8,790
Net operating loss carryforward	**16,086**	25,299
Accrued supplemental retirement	**283,481**	269,159
Unrealized losses on securities	**1,126,945**	952,093
Nonaccrual loan interest	**8,162**	17,834
Deferred loan origination fees	**84,149**	72,421
Reserve for PA Shares Tax	**-**	5,880
Organizational costs	**19,594**	21,446
Lease liability	**132,700**	138,352
Total deferred tax assets	**1,962,048**	1,777,753
Deferred tax liabilities:		
Mortgage servicing rights	**(18,404)**	(23,744)
Premises and equipment	**(38,851)**	(101,383)
Right of use asset	**(129,652)**	(136,828)
Total deferred tax liabilities	**(186,907)**	(261,955)
Net deferred tax asset	**$ 1,775,141**	$ 1,515,798

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods which the deferred tax assets are deductible, management believes it is more likely than not the Bank will realize the benefits of these deductible differences. The amount of the deferred tax asset considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced.

There were no unrecognized tax benefits recorded as of December 31, 2024 and 2023; as a result, no provision has been taken in the financial statements for possible interest and penalties related to unrecognized tax benefits, and the Bank has not recorded an accrual for the payment of interest and penalties as of December 31, 2024 and 2023. The Bank does not expect the amount of unrecognized tax benefits to materially change in the next twelve months.

NOTE 10 – INCOME TAXES (continued)

The Bank is subject to U.S. Federal income tax as well as a capital-based franchise tax in the State of Pennsylvania. The Bank is no longer subject to examination by the taxing authorities for 2020 and prior.

NOTE 11 – EMPLOYEE RETIREMENT PLANS

The Bank sponsors a 401(k) Profit Sharing Plan for the benefit of its employees, substantially all of whom are eligible to participate after meeting minimum qualifying standards. The Plan permits employees to make elective contributions to the Plan through pre-tax payroll deductions. The Bank has elected to make matching contributions on behalf of participating employees of 25% of employee contributions to the plan, up to 4% of their total wages. The Bank incurred expense for matching contributions to the plan, totaling $19,014 and $20,019 in 2024 and 2023, respectively.

The Bank maintains a supplemental employee retirement plan for certain executive officers of the Bank. These executive officers will receive 30% of their final base salary annually for fifteen years, beginning with the later of retirement or age 65 subject to vesting provisions for years of service. The plan requires ten years of service to be fully vested. Total expense related to the plan for the years ended December 31, 2024 and 2023 was $33,676 and $69,528, respectively. The accrued supplemental retirement liability for this plan was $1,093,917 and $1,067,441 at December 31, 2024 and 2023, respectively. Amortization of prior service cost for the years ended December 31, 2024 and 2023 was $7,200. At December 31, 2024, the unamortized prior service cost from the supplemental retirement plan was $25,600, for an after-tax amount of $20,224, recorded in accumulated other comprehensive loss.

The Bank initiated a supplemental employee retirement plan for certain senior officers of the Bank on March 1, 2019. These senior officers will receive 20% of their final base salary annually for fifteen years beginning with the later of retirement or age 65 subject to vesting provisions for years of service. The plan requires seven years of service to be fully vested. Total expense related to the plan for the years ended December 31, 2024 and 2023 was $41,724 and $48,516, respectively. The accrued supplemental retirement liability for this plan for the years ended December 31, 2024 and 2023 was $255,991 and $214,267, respectively.

NOTE 12 – OTHER EXPENSES

Other expenses are as follows:

	2024	2023
Advertising	**$ 66,786**	$ 171,882
Pennsylvania bank shares tax	**124,947**	124,947
Charitable contributions	**37,333**	41,857
Postage and courier	**88,565**	85,242
Stationary and printing	**136,887**	162,919
Telephone	**91,105**	72,156
Directors fees	**244,250**	234,200
Insurance	**94,695**	91,340
Miscellaneous	**293,756**	303,606
	$ 1,178,324	$ 1,288,149

NOTE 13 – FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK

Some financial instruments, such as loan commitments, credit lines, letters of credit, and overdraft protection, are issued to meet customer financing needs. These are agreements to provide credit or to support the credit of others, as long as conditions established in the contract are met, and usually have expiration dates. Commitments may expire without being used. Off-balance-sheet risk to credit loss exists up to the face amount of these instruments, although material losses are not anticipated. The same credit policies are used to make such commitments as are used for loans, including obtaining collateral at exercise of the commitment.

The contractual amounts of financial instruments with off-balance-sheet risk at year end were as follows:

	2024 Fixed Rate	**2024 Variable Rate**	**2023 Fixed Rate**	**2023 Variable Rate**
Commitments to make loans	**$ 458,000**	**$ 1,905,000**	$ 1,505,000	$ 2,198,400
Unused lines of credit	**365,000**	**20,899,000**	313,000	21,181,900
Standby letters of credit	**11,000**	**-**	21,000	-

Commitments to make loans are generally made for periods of 90 days or less. The fixed rate loan commitments at December 31, 2024, have interest rates ranging from 6.50% to 7.75% and maturities ranging from ten years to thirty years. The fixed rate loan commitments at December 31, 2023, had interest rates ranging from 6.50% to 8.00% and maturities ranging from ten years to thirty years.

NOTE 14 – CONCENTRATIONS, RISKS AND UNCERTAINTIES

The Bank primarily grants loans to customers in Clarion, Armstrong, Venango and Erie counties of Pennsylvania and maintains a diversified loan portfolio. The ability of its debtors to honor their contracts is not substantially dependent on any particular economic business sector.

The Bank has certain risks associated with deposit concentrations. The Bank had 117 accounts greater than $250,000, representing $62.9 million in deposits as of December 31, 2024 (29.3% of deposits as of December 31, 2024). As of December 31, 2023, the Bank had 85 accounts greater than $250,000, representing $52.4 million in deposits (27.0% of deposits as of December 31, 2023).

At December 31, 2024, approximately $1.0 million of the Bank's cash and cash equivalents was maintained at various financial institutions in amounts that exceeded the $250,000 limit on FDIC insured accounts. At December 31, 2023, approximately $1.4 million of the Bank's cash and cash equivalents was maintained at various financial institutions in amounts that exceeded the $250,000 limit on FDIC insured accounts.

The Bank is involved in various legal actions from normal business activities. Management believes that any liability arising from such actions will not have a material effect on the Bank’s financial position.

NOTE 15 – RELATED PARTIES

Certain executive officers, directors, and principal shareholders of the Bank, and companies in which they have beneficial ownership, were indebted (including loans, available lines of credit, open letters of credit, and third-party co-signors) to the Bank. Activity during 2024 and 2023 are as follows:

	Years Ended December 31,	
	2024	2023
Beginning balance	**$ 1,893,936**	$ 1,590,817
New loans	**-**	403,025
Repayments	**(79,236)**	(99,906)
Ending balance	**$ 1,814,700**	$ 1,893,936

There were no letters of credit to related parties in 2024.

Deposits from principal officers, directors, and their affiliates at year-end 2024 and 2023 were $7.9 million and $6.5 million, respectively.

NOTE 16 – REGULATORY MATTERS

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory-and possible additional discretionary-actions by regulators that, if undertaken, could have a direct material effect on the Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items, as calculated under U.S. GAAP, regulatory reporting requirements, and regulatory capital standards. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Management believes, as of December 31, 2024, that the Company and the Bank meet all capital adequacy requirements to which they are subject.

In November 2019, federal bank regulatory agencies finalized a rule that simplifies capital requirements for community banks by allowing them to optionally adopt a simple leverage ratio to measure capital adequacy, which removes requirements for calculating and reporting risk-based capital ratios for a qualifying community bank that has less than $10 billion in total consolidated assets, limited amounts of off-balance-sheet exposures and trading assets and liabilities, and a leverage ratio greater than 9 percent. The community bank leverage ratio framework was effective on January 1, 2020. The Company elected to adopt the optional community bank leverage ratio framework in the first quarter of 2020.

The leverage ratios of the Bank at December 31, 2024 and 2023, are as follows:

	Actual		For Capital Adequacy Purposes		Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(Dollars in thousands)			
As of December 31, 2024:						
Tier 1 capital (to average assets)	**$ 20,043**	**8.41%**	**$ 9,532**	**4.0%**	**$ 11,915**	**5.0%**
As of December 31, 2023:						
Tier 1 capital (to average assets)	$ 20,133	8.81%	$ 9,144	4.0%	$ 11,430	5.0%

Banking regulations limit the amount of dividends that may be paid without prior approval of regulatory agencies. Under these regulations, the amount of dividends that may be paid in any calendar year is limited to the current year's net profits, combined with the retained net profits of the preceding two years, subject to the capital requirements described above. Under Pennsylvania law, the Bank is only permitted to pay cash dividends equal to the retained earnings at the Bank.

NOTE 17 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

> Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
>
> Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
>
> Level 3 – Significant unobservable inputs that reflect a bank's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Bank used the following methods and significant assumptions to estimate the fair value of each type of financial instrument:

<u>Investment Securities Available for Sale</u>: The fair values for investment securities are determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on market prices of similar securities (Level 2). For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3).

<u>Collateral Dependent Loans</u>: The fair value of collateral dependent loans with specific allocations of the allowance for credit losses is generally based on recent real estate appraisals. These appraisals may utilize a single valuation approach or a combination of approaches, including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available for similar loans and collateral underlying such loans. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value. Non-real estate collateral may be valued using an appraisal, net book value per the borrower's financial statements, or aging reports, adjusted or discounted based on management's historical knowledge, changes in market conditions from the time of the valuation, and management's expertise and knowledge of the client and client's business, resulting in a Level 3 fair value classification. Collateral dependent loans are evaluated on a quarterly basis for additional impairment and adjusted accordingly.

Appraisals for both collateral-dependent loans are performed by certified general appraisers (for commercial properties) or certified residential appraisers (for residential properties) whose qualifications and licenses have been reviewed and verified by the Bank. Once received, the Appraisal Review Officer reviews the assumptions and approaches utilized.

NOTE 17 – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis at December 31, 2024, are summarized below:

Description	**December 31, 2024 Carrying Value**	**(Level 1) Quoted Prices in Active Markets for Identical Assets**	**(Level 2) Significant Other Observable Inputs**	**(Level 3) Significant Unobservable Inputs**
Investment securities available for sale:				
US government sponsored entities and agencies	**$ 6,001,196**	**$ 6,001,196**	**$ -**	**$ -**
State and municipal bonds-tax-free	**14,188,467**	**-**	**14,188,467**	**-**
Residential mortgage-backed securities	**3,282,546**	**-**	**3,282,546**	**-**
Total investment securities available-for-sale	**$ 23,472,209**	**$ 6,001,196**	**$ 17,471,013**	**$ -**

Assets and liabilities measured at fair value on a recurring basis at December 31, 2023 are summarized below:

Description	December 31, 2023 Carrying Value	(Level 1) Quoted Prices in Active Markets for Identical Assets	(Level 2) Significant Other Observable Inputs	(Level 3) Significant Unobservable Inputs
Investment securities available for sale:				
US government sponsored entities and agencies	$ 5,988,639	$ 5,988,639	$ -	$ -
State and municipal bonds-tax-free	14,955,793	-	14,955,793	-
Residential mortgage-backed securities	3,708,102	-	3,708,102	-
Total investment securities available-for-sale	$ 24,652,534	$ 5,988,639	$ 18,663,895	$ -

NOTE 17 – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Assets measured at fair value on a nonrecurring basis at December 31, 2024 and 2023 are summarized below:

Description	**December 31, 2024 Carrying Value**	**(Level 1) Quoted Prices in Active Markets for Identical Assets**	**(Level 2) Significant Other Observable Inputs**	**(Level 3) Significant Unobservable Inputs**
Collateral Dependent:				
Commercial	**$ 176,440**	**$ -**	**$ -**	**$ 176,440**
Commercial real estate	**10,647**	**-**	**-**	**10,647**
Residential real estate	**47,200**	**-**	**-**	**47,200**
Consumer	**28,749**	**-**	**-**	**28,749**

Description	December 31, 2023 Carrying Value	(Level 1) Quoted Prices in Active Markets for Identical Assets	(Level 2) Significant Other Observable Inputs	(Level 3) Significant Unobservable Inputs
Collateral Dependent:				
Commercial	$ 195,145	$ -	$ -	$ 195,145
Commercial real estate	30,481	-	-	30,481
Residential real estate	120,543	-	-	120,543

Collateral dependent loans reported at fair value, which are measured for impairment using the fair value of the collateral for collateral dependent loans, had a recorded investment of $516,945, with an allowance for credit loss of $253,909 at December 31, 2024. At December 31, 2023, impaired loans reported at fair value had a carrying amount of $597,329, with a valuation allowance of $251,160.

The following table presents quantitative information about level 3 fair value measurements for financial instruments measured at fair value on a non-recurring basis at December 31, 2024 and 2023:

2024

	Fair Value	**Valuation Techniques**	**Unobservable Inputs**	**Weighted Average**
Collateral Dependent	**$ 263,036**	**Sales comparison approach**	**Adjustment for differences between comparable sales**	**49% (5% - 75% range)**

2023

	Fair Value	Valuation Techniques	Unobservable Inputs	Weighted Average
Collateral Dependent	$ 225,626	Sales comparison approach	Adjustment for differences between comparable sales	61% (5% - 97% range)

NOTE 17 – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The carrying amount and fair values of financial instruments not reported at fair value for December 31, 2024 and 2023, were as follows:

2024

Financial assets:	Carrying Amount	Fair Value	Level I	Level II	Level III
Certificates of deposit	$ 100,000	$ 101,175	$ -	$ -	$ 101,175
Loans receivable, net	191,709,321	188,731,316	-	-	188,731,316
Financial liabilities:					
Deposits	$ 214,443,437	$ 214,748,400	$ 97,800,400	$ -	$ 116,948,000
FHLB Advances	-	-	-	-	-

2023

Financial assets:	Carrying Amount	Fair Value	Level I	Level II	Level III
Certificates of deposit	$ 100,000	$ 100,324	$ -	$ -	$ 100,324
Loans receivable, net	183,329,516	176,836,000	-	-	176,836,000
Financial liabilities:					
Deposits	$ 193,764,238	$ 192,906,490	$ 101,992,490	$ -	$ 90,914,000
FHLB Advances	12,500,000	12,500,000	-	-	12,500,000

For cash and cash equivalents, restricted bank stock, bank-owned life insurance, accrued interest receivable, and accrued interest payable, the carrying value is a reasonable estimate of fair value, and is considered a Level 1 measurement.

NOTE 18 – EARNINGS PER COMMON SHARE

The factors used in the earnings per common share computation follows:

	2024	2023
Net income	**$ 160,082**	$ 410,633
Weighted average common shares outstanding	**1,665,667**	1,665,667
Earnings per common share	**$ 0.10**	$ 0.25

NOTE 19 – ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

The following is changes in accumulated other comprehensive (loss) income by component, net of tax, for the year ended December 31, 2024:

		Unrealized Gains and Losses on Available-for-Sale Securities	Prior Service Cost on Supplemental Retirement Plan	Total
December 31, 2024				
Beginning balance	$	**(3,581,683) $**	**(25,912) $**	**(3,607,595)**
Other comprehensive (loss) income before reclassification		**(657,775)**	**-**	**(657,775)**
Amounts reclassified from accumulated other comprehensive gain		**-**	**5,688**	**5,688**
Net current period other comprehensive income		**(657,775)**	**5,688**	**(652,087)**
Ending balance	$	**(4,239,458) $**	**(20,224) $**	**(4,259,682)**

The following is changes in accumulated other comprehensive loss by component, net of tax, for the year ended December 31, 2023:

		Unrealized Gains and Losses on Available-for-Sale Securities	Prior Service Cost on Supplemental Retirement Plan	Total
December 31, 2023				
Beginning balance	$	(4,495,479) $	(31,600) $	(4,527,079)
Other comprehensive income before reclassification		909,217	-	909,217
Amounts reclassified from accumulated other comprehensive loss		4,579	5,688	10,267
Net current period other comprehensive income/(loss)		913,796	5,688	919,484
Ending balance	$	(3,581,683) $	(25,912) $	(3,607,595)

NOTE 19 – ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME (Continued)

The following table presents current period reclassifications out of accumulated other comprehensive loss and its impact on net income for the years ended December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Net loss on securities available for sale	**$ -**	$ (5,796)
Income tax expense	**-**	1,217
Reclassified amount, net of tax	**$ -**	$ (4,579)
Prior service cost on supplemental retirement plan (recorded in salaries and employee benefits)	**$ (7,200)**	$ (7,200)
Income tax benefit	**1,512**	1,512
Reclassified amount, net of tax	**$ (5,688)**	$ (5,688)

NOTE 20 – SEGMENT REPORTING

ASC Topic 280 – Segment Reporting identifies operating segments as components of an enterprise that are evaluated regularly by the Corporation's Chief Operating Decision Maker, our Chief Executive Officer, in deciding how to develop strategy, allocate resources and assess performance.

While the Company monitors the revenue streams of the various products and services, operations are managed, and financial performance is evaluated on an entity-wide basis. The Corporation provides a variety of financial services to individuals and small businesses in New Bethlehem, Rimersburg, Franklin, Erie and the surrounding communities through its branch network. Its primary deposit products are checking, savings and term certificate accounts, and its primary lending products are commercial, residential and construction mortgages, small business and consumer loans.

Management has determined that the Company has one reportable segment consisting of Community Banking. Operating segments are aggregated into one segment, as operating results for all segments are similar. Accordingly, all the financial service operations are considered by management to be aggregated in one reportable operating segment.

The accounting policies for the Community Banking segment are the same as those of our consolidated entity.

The Chief Operating Decision Maker assesses performance and decides how to allocate resources based on net income that also is reported on the income statement as consolidated net income. The measure of segment assets is reported on the balance sheet as total consolidated assets.

NOTE 20 – SEGMENT REPORTING (Continued)

Net income is used to monitor budget versus actual results. The Chief Operating Decision Maker uses two primary performance measures to gauge performance: return on average assets (ROA) and return on average equity (ROE). ROA measures how efficiently a bank generates income based on the amount of assets or size of a company. ROE measures the efficiency of a company in generating income based on the amount of equity or capital utilized. The Chief Operating Decision Maker also uses net income in competitive analysis by benchmarking to the Company's competitors.

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SHAREHOLDER INFORMATION

Headquarters – Clarion
333 W. Main Street
Clarion, PA 16214
Telephone (814) 226-6000

New Bethlehem Office
308 Broad Street
New Bethlehem, PA 16242
Telephone (814) 275-1806

Rimersburg Office
592 Main Street
Rimersburg, PA 16248
Telephone (814) 473-3000

Franklin Office
1272 Elk Street
Franklin, PA 16323
Telephone (814) 437-1000

Erie Office
2157 W. 8th Street
Erie, PA 16505
Telephone: (582) 852-2001

website: www.clarionbank.com

Stock Listing

CCCB Bancorp, Inc.'s Common Stock is traded on the over-the counter market under the symbol "CCYY".

Auditors

S.R. Snodgrass P.C.
2009 Mackenzie Way
Suite 340
Cranberry Township, PA 16066

Board of Directors

William E. Hager III, Chairman of the Board of the Company and the Bank – Attorney in private practice

J. Todd Bish - Licensed chiropractor owning and operating Bish Chiropractic Center

Susanne A. Burns - Pennsylvania-certified real estate appraiser for Burns & Burns Associates, Inc. and licensed real estate broker

J. Fred Cherico - President and Chief Operating Officer of Computer Support Associates, a designer and manager of computer networks

Rodney R. Flick – Chief Executive Officer and Secretary of C.B.F. Contracting, Inc., a commercial and industrial construction company

Stephen J. Jaworski – Retired dentist and past owner of the dental practice, Stephen J. Jaworski DMD

James L. Kifer - President, Chief Executive Officer and Chief Financial Officer of the Company and the Bank

Mark V. Neiswonger –Retired insurance agent and past owner and operator of the Neiswonger Insurance Agency Inc.

Thomas B. Ray - President of Thomas G. Ray, Inc. and Avonelle, Inc., companies engaged in the supermarket business

Richard A. Shirey - Owner of Shirey Farms dairy farm and ECM Exploration, a natural gas production company

Executive Officers

James L. Kifer

President, Chief Executive Officer and Chief Financial Officer

Michael Fornof

Executive Vice President and Chief Credit Officer

Registrar and Transfer Agent

Shareholders who wish to change the name, address or ownership of stock, report lost stock certificates, or consolidate stock accounts should contact:

Continental Stock Transfer and Trust Company
Attn: Shareholder Relations
1 State Street, 30th Floor
New York, NY 10004
Telephone (800) 509-5586

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CCCB BANCORP, INC.

CLARION COUNTY

COMMUNITY BANK

Corporate Office: 333 W. Main Street, Clarion, Pennsylvania 16214 - (814) 226-6000
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