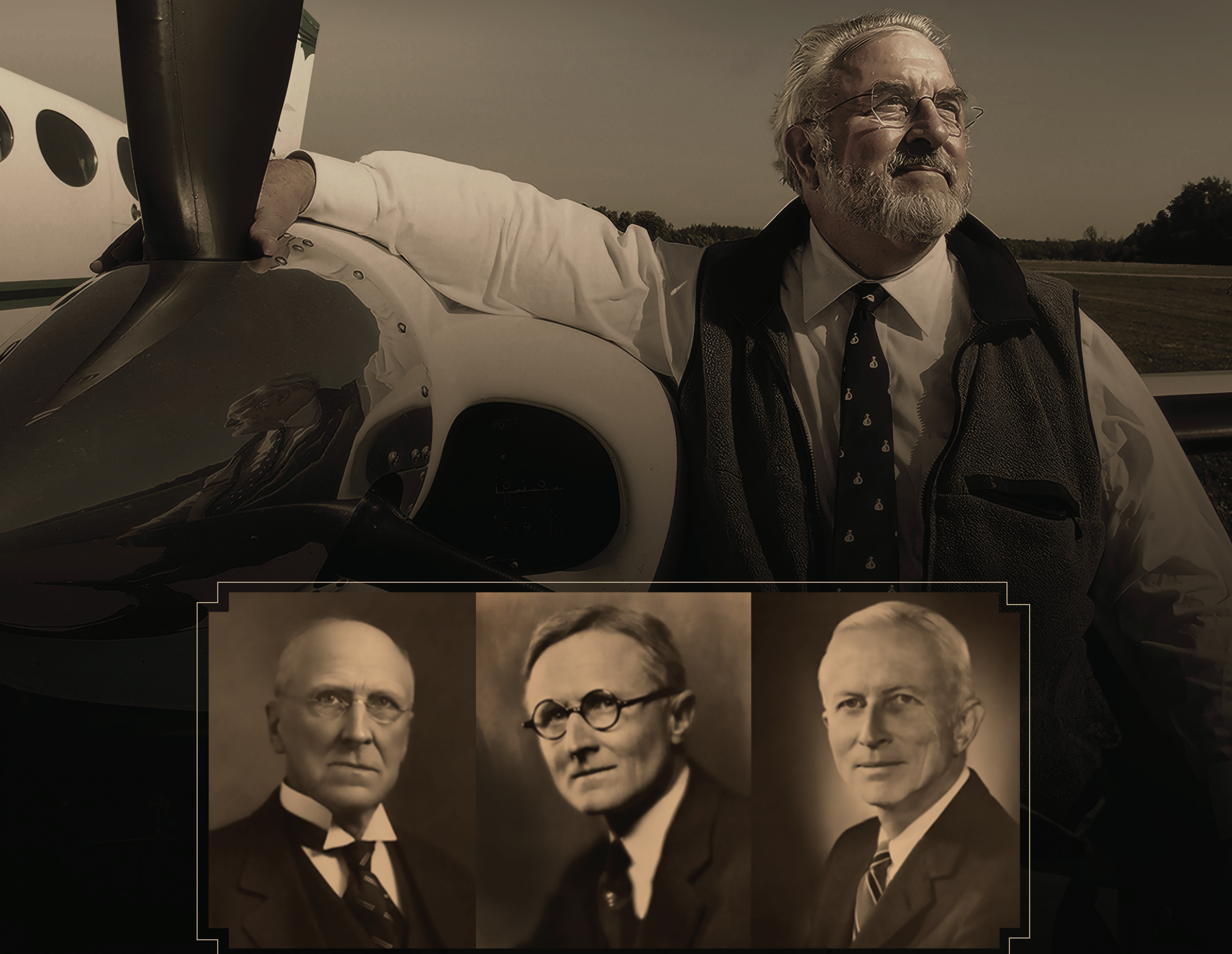
2024 ANNUAL REPORT & FINANCIAL STATEMENTS

Building on the legacy of leaders.

George W. Hamlin, IV • 1941-2024



Canandaigua National Corporation

Thank you for your distinguished leadership, loyalty, and indelible legacy.

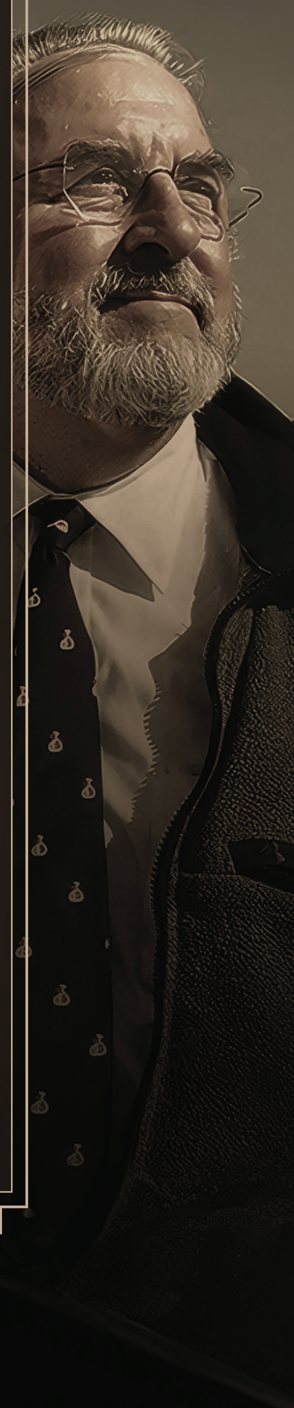
GEORGE W. HAMLIN, IV • 1941-2024

2024 marked the passing of our dedicated and respected former President and CEO, George W. Hamlin, IV, who passed away October 24 at the age of 83 in his home. Mr. Hamlin played an integral role with Canandaigua National Bank & Trust for 45 years through an era of unprecedented growth and was a distinguished pillar of the community.

"To put it mildly, my father was larger than life," said Frank Hamlin, III, Mr. Hamlin's son who has served as President and CEO of Canandaigua National Bank & Trust since 2012. "He was a true renaissance man whose passion thrived in so many different areas. But he had no greater passion than the one held for this company and the people under his charge. And that passion stemmed from a very basic philosophy that banking is a people business, not a money business. It will forever be a cornerstone of my father's legacy, and we will be forever grateful."

George understood community banking, and banking for the community. He believed strongly that CNB should help its customers meet their financial goals and the financial health of the bank would follow naturally.

~ He proudly wore his love for the bank on his lapel ~



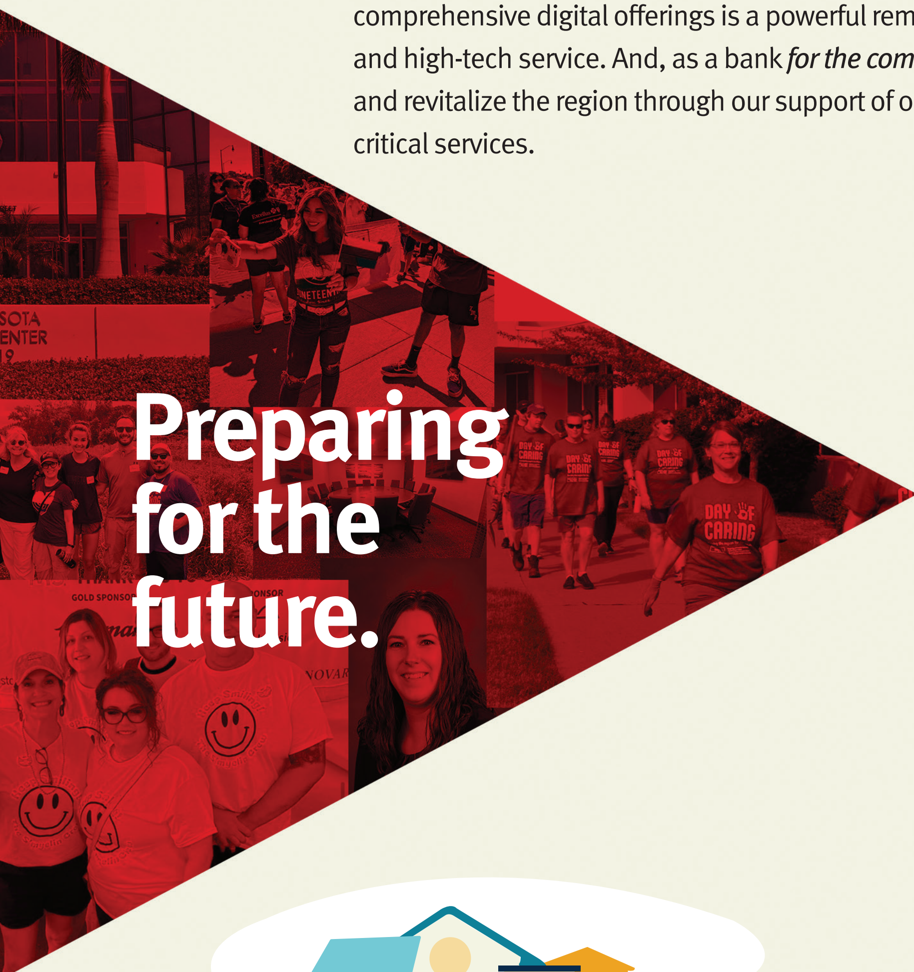
Past Presidents (from left to right): Frank H. Hamlin; George Hamlin; Arthur S. Hamlin | Cover photo: Kimberly McKinzie

Solving for today.

Empowering

Our ability to *solve for the now* through our exceptional employees and comprehensive digital offerings is a powerful reminder of our high-touch and high-tech service. And, as a bank *for the community,* we help stabilize and revitalize the region through our support of organizations that deliver critical services.

Preparing for the future.



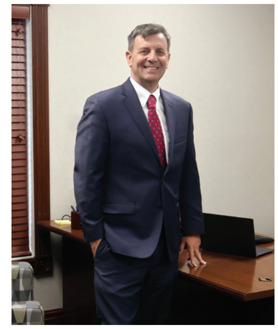
Expanding

From Syracuse to Sarasota, growth and expansion are underway. We are excited to open our first Bank Office in Syracuse in 2025, with additional locations the following year. In Florida, we have relocated our office to the Sarasota City Center to better accommodate our continued growth in that market.

Evolving

Our success, which has spanned well over a century, speaks to our willingness and ability to evolve. We leverage the power of collaboration, local decision-making, and a focus on the customer to build a path toward financial health and success for those we serve now and in the future.

February 01, 2025



A message from
Frank H. Hamlin, III,
President and CEO

Dear Fellow Shareholders:

The passing of our former President and CEO, and of course my father, George W. Hamlin, IV, this past October was a tremendous loss for our organization and my family. I thank you all deeply for your touching outreach and support during this time. One of the key legacies Dad leaves is how well he prepared us for this eventuality and how he helped ensure we were on strong and stable footings to carry on successfully into the future. When I took over as President and CEO over a decade ago, we agreed that the best chance for a successful transition to occur would be for me to be able to do it my way, not under his thumb or with the expectation of following exactly in his footsteps. He held up his end of that bargain far better than I could have reasonably expected, and I am forever grateful for that.

Turning a Corner, Moving Ahead

These were the first words that came to the forefront of my mind when reflecting on the 2024 year and forming expectations for 2025. Emerging from a period of unique and especially challenging economic and interest rate environments for the banking industry is a welcomed sight for sore eyes, even with my recognition and gratefulness for how well our organization has performed, financially and otherwise, on a relative and absolute basis during this time.

2024 was another fascinating exercise in managing changes in rates, both on the liability and asset side of our balance sheet, to protect our overall profitability. Deposit and wholesale funding borrowing rates and associated interest expense continued to rise, but have stabilized. This was slightly more than offset by the increase to interest income. Lower yielding assets continued to roll off our balance sheet and were able to be replaced through the origination of higher yielding assets. This has started to lift our net interest margin, which is expected to continue to an even greater extent throughout 2025.

Emerging from challenging economic and interest rate environments.

The Federal Reserve cut the federal funds rate a total of 1% (100 basis points) during 2024 to a range of 4.25% - 4.50% to end the year. Holding off on further decreases during 2024, and further uncertainty on whether, and to what extent, decreases may come during 2025, is mainly attributable to strong economic growth, low unemployment rates, and ongoing concerns over the ability to keep inflation down.

Summary Financial Results

Net income remained relatively unchanged at $44.6 million, lower than 2023 by $0.1 million. However, earnings per share increased by $0.24 per share, or 1.0%, to $24.12, due to share repurchases over the year. Primary drivers include an increase in net interest income of $3.6 million, supplemented by an increase in non-interest income of $3.4 million, offset by increases in operating expenses of $6.8 million. Return on average assets for 2024 was 0.90%, while return on average equity was 12.57% and the efficiency ratio was 65.15%.

Loans grew $104 million (3%) during 2024, demonstrating both our commitment to the community and the reinvestment of our assets at higher rates. This growth, combined with positive impacts of elevated interest rates, led to a $28 million (13%) increase in total interest income. Total deposits, excluding brokered deposits, increased $260 million (8%). For the second year in a row, our interest expense (cost of funding) increased, albeit at a slower pace ($25 million or 29%). The increase in trust and investment services income of $2.6 million, or 10%, generated from our wealth management line of business following another year of exceptional returns in the stock markets, was the largest contributor to the overall increase in non-interest income. An increase in salaries and employee benefits expenses of $8.7 million (14%) was the largest component of the overall increase in operating expenses. $6.9 million of this was because of a lower amount of favorability included in 2024 compared to 2023, resulting from the decreases in our stock price in both years. This lowered the values of executive deferred compensation (stock appreciation rights) granted over the course of numerous prior years and lowers the expense within this line of our income statements. The remainder of the increase is due to providing ongoing raises and investments in the benefits of our employees, while successfully stemming the tide from recent prior years of headcount growth (slight decrease in total employees during 2024 occurred from not replacing all positions that left the organization during the year).

Stock Prices

The overall operating performance and financial results of our organization over the past handful of years have landed within a relatively narrow range, despite the highly unique and volatile economic and interest rate environments during this period. Our stock price, however, has fluctuated with a much higher level of volatility ($221.03 at the end of 2020, peaking at $351.25 at the end of 2022, and then falling to $205.85 by the end of 2024). This has been a disconnect from both the financial results over the period and the longer-term track record of the stock price (steady increases at a more moderate and somewhat predictable level).

Sustained increases in dividends.

The vast majority of shareholders have continued to hold their shares and have continued to benefit from sustained increases in dividends ($7.00 per share during 2020, increasing by 30% to $9.10 per share during 2024). Over the five-year period of 2020-2024, only 140,395 shares (7% of total shares) have traded hands through the sealed-bid public auctions administered by the Bank's Trust Department.

When the stock price increased significantly over the first three years of this period, net income increased from $42.3 million in 2020 to $47.9 million in 2022. The economy was booming and the recovery coming out of the peak of the pandemic was faster and stronger than most expected. Money supply had expanded due to federal stimulus programs and monetary policy actions, resulting in more excess cash sitting on the sidelines (or more specifically, in your deposit accounts held with us, thank you very much!). Fewer shareholders needed or wanted to sell shares (only 63,603 or 45% of the 140,395 shares sold during the five-year period were sold during these three years), and more buyers were wanting to buy shares and were willing to do so at higher prices.

I offer several likely contributors to the significant decrease of the stock price over the past two years. First, a rarity took place whereby net income decreased, albeit at a relatively moderate level of 6.5%, to $44.7 million in 2023, and then finished at a similar level of $44.6 in 2024. Second, higher uncertainty and risks to financials across the banking industry and the overall economy emerged as high levels of inflation turned out to be more persistent than transitory. When the Federal Reserve completed rapid increases in interest rates and tightened money supply, several large regional banks failed, and the probability of an eventual recession rose. Third, changes in good old-fashioned supply and demand dynamics occurred. Sellers were willing to sell a higher number of shares at lower prices than the prior years, and buyers were willing to purchase a lower number of shares at lower prices. 76,792, or 55% of the 140,395 shares sold during the five-year period were sold during these two years. The bad news for sellers during these two years is they did not receive prices at the peak level from 2022. The good news is their shares were able to be sold within reasonable timeframes. For new and remaining shareholders, encouraging evidence of the ability to obtain liquidity through the sale of your shares, if desired, even during an unusual and unique period, was provided.

I will stay far away from providing any buy or sell recommendations for our stock, providing forward guidance or an estimate of enterprise value. However, I will confidently point out that the investments we've made in technology and our workforce (572 total employees to start 2020, 652 to finish 2024), along with the plans we recently announced of our impending expansion into the Syracuse market, demonstrate very clearly our commitment to continuing to deliver strong financial results and shareholder value to you over many future years!

In-Person Services & Relationship Banking–Alive & Well!

In navigating now, the third year of a challenging macroeconomic environment, the value of what our bank provides is even more pronounced. Even as we improve and evolve our digital journey for customers, our ability to provide the tried-and-true approach of exceptional in-person service and education remains relevant and strong. Our ability to solve for the now is a powerful reminder of our meaningful, trust-based banking relationships, of which nothing can replace or replicate. Proof of this plays out every day in our twenty-five community banking offices—just ask Kim Brewer, Manager of our Bloomfield office. Assistant Manager, Kristen Littlefield, brought in a significant new account by taking the time and care to meet in person with potential customers, a husband and wife. Kristen not only explained the bank's full range of services, but she demonstrated how we could make a difference in their lives. Not long after the meeting, the couple moved their accounts from another institution to ours and a new banking relationship was born. Stories like that, layered with our expertise and breadth of services, including digital offerings, demonstrate our ability to overcome a less than favorable economic climate.

Community Engagement

I am immensely proud to share that in 2024 we supported a record number of community groups and nonprofit organizations from local food pantries to Go for Gold, a youth financial education program, and a trade school scholarship. We also implemented the first ever grant administered by our employee-led giving committee, Community Connections. The CNB 1Community Grant supported workforce development for people of different abilities at Homesteads for Hope in Greece. Our employees play a significant role in our community engagement—which includes this committee, volunteering, and representing the bank at several events throughout the community.

Supporting and celebrating our community.

We also hosted a record number of events: employee celebrations, our annual customer appreciation picnic, and numerous educational seminars, along with the community-wide memorial service honoring my father. Supporting and celebrating our community is, and will continue to be, at the core of who we are.

Our Brand

We continue to differentiate ourselves from our competitors by partnering with our customers to build a solid financial foundation, so they have more options now and in the future. Our empowered and knowledgeable employees leverage the power of collaboration, local decision-making, and customer focus to build a path toward financial health and success. We look forward to providing our unique brand strengths as we reach more individuals, businesses, and partners in our current market area and those in our areas of expansion.

Our Retirees

This year we celebrated the retirements of several employees, which are detailed later in this report. I thank each of them for their years of service and their collective contributions. I also want to give special recognition to longtime and history-making CNC Board Member Caroline (Tarry) Shipley on her retirement as a Director, after 44 years of dedication. Please join me in congratulating each of them on their exceptional achievements.

The Year Ahead

As we start the new year, there is a great deal of optimism around the U.S. economy and the prospects for another year of solid growth coupled with low unemployment. While many consumers are still struggling with higher prices, economic forecasters tell us we are likely to see inflation continue to moderate, albeit stubbornly. Additionally, even with inflation still above the Federal Reserve's target, we have had 20 consecutive months of wage gains that were above the inflation rate, leaving consumers with incremental income above rising prices.

We drew on that economic resiliency, focusing on building new relationships within the business community where there had been a marked withdrawal of lenders during the peak of the rates cycle. Having adapted to the new competitive deposit environment, we extended what would have been lending relationships to banking relationships, with new business-centric deposit offerings. As our competitors began to return to the market, we adjusted our strategy and product features to ensure continued success. With plans to enter the Syracuse market this year, we will take these learnings with us as we expand.

Gauging what may come out of Washington on the political front is difficult, to say the least, but there appears to be a strong emphasis on pro-growth, business-friendly policies, which may extend the current economic cycle. Despite the Federal Reserve's move to lower interest rates, bond yields on intermediate and longer-term maturities moved higher over the course of the year. After starting the year at 3.8%, the yield on the 10-year Treasury was over 4.5% by year end. There are concerns around the government's fiscal sustainability as it continues to produce deficits even in the best of times. While the trajectory of short-term rates is likely lower over the course of this year, longer-term rates may stay anchored where they are, or even drift higher on anxiety over fiscal deficits and sticky inflation.

By design, the duration of our various lending portfolios is relatively short, allowing us to reinvest our capital at current rates quickly and thus protect our margins. For 2025, we expect decreasing deposit rates as the mix of deposit products shifts away from time deposits with longer terms. Liability rates may remain elevated, though. Overall, we expect an interest rate backdrop that is well supportive of margin expansion and earnings growth. We are ever mindful that handling competitive forces, as demonstrated by our ability to maintain our deposit base, is something that can be lost if we are not good caretakers.

Looking ahead with a great deal of optimism.

While the Federal Reserve's focus will be on signals in the data and movement toward their new long-term inflation target of 2.5%, we are excited to introduce our value proposition to Syracuse. With new markets come a new set of local preferences and ways of doing business. Executing on our plan announced this past September, and with nearly 30 years separating our last large geographic expansion from this one, our shareholders and the prudent, opportunistic commitment of capital take center stage for 2025.

Thank you for being part of our journey as we turn the corner on 2024 and move ahead.

Sincerely,

Frank H. Hamlin III

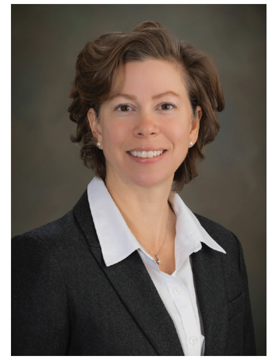
Frank H. Hamlin, III
President and CEO

Our Shareholder Relations Team

Canandaigua National Corporation (CNC) is the holding company for The Canandaigua National Bank & Trust Company (CNB) and Canandaigua National Trust Company of Florida (CNTF). In combination, these companies and their subsidiaries provide a full range of financial services, including banking, trust, lending, mortgage services, investment management, and insurance services to individuals, corporations, and municipalities.

CNB is an independent community bank and a member of the FDIC. Consistent with our strategy as a community bank, we make decisions locally, based on what's best for our valued customers, the communities we serve, our employees, and our shareholders.

As one of CNC's constituents, shareholders are an important part of our past success and bright future. Many of our shareholders are also colleagues, community members, and customers who have been a part of the CNC family for generations.



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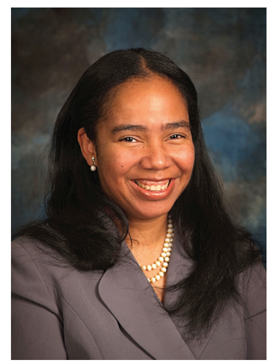

Kirsten Johnson
Shareholder Relations &
FLACE Client Service Coordinator
(585) 394-4260 x 36067
KJohnson@CNBank.com

2024 Shareholder Team

The Shareholder Relations Team is dedicated to assisting current and prospective shareholders with inquiries and a variety of other shareholder-related activities. That may include buying, selling, and gifting shares; tax cost basis research; dividend payment details; updating contact information; exchanging physical certificates for book entry statements; and all general CNC questions.

2024 Shareholder Updates

The Shareholder Relations page is located on the Canandaigua National Bank & Trust website at CNBank.com/ShareholderRelations. On this page, you will find the last auction stock price, recent high/low bids, the date of our next stock auction, dividend information, and more. This information is regularly updated and available online for your convenience.

In 2024 we conducted a Shareholder survey to gather feedback on a variety of key areas. Thank you to those who participated in the survey. We appreciate your valuable insights and will use this information to continue to enhance our shareholder experience.

The Shareholder Advisory Group has also provided some valuable insights, guidance, and feedback, as we continue to develop our overall shareholder experience. Finally, please take a moment and provide us with your current email address and phone number so we can stay in touch with you: **cncshareholderrelations@CNBank.com.**

Your Shareholder Relations Team is located at:
CNB Main Office, Wealth Management Suite, 72 South Main Street, Canandaigua, NY 14424

CANANDAIGUA NATIONAL CORPORATION

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Internet: www.cnbank.com

2024 Annual Report

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Annual Meeting

The Annual Meeting of Shareholders of Canandaigua National Corporation (the Company) will be held virtually via live webcast on the website www.cesonlineservices.com/cnnd25_vm and in person in the George W. Hamlin, IV Community Board Room on the second floor of the Main Office at 72 South Main Street, Canandaigua, NY; Wednesday, April 23, 2025 at 1:00 p.m.

Note: To participate via webcast, a shareholder must pre-register at www.cesonlineservices.com/cnnd25_vm no later than 1:00 p.m. Eastern Time, Tuesday, April 22, 2025.

Presented below is a summary of selected financial highlights to display a snapshot of our performance for the past five years. Balance sheet information is as of the year end, while income statement and average balance information is for the full-year period. This and all information concerning our financial performance should be read in conjunction with the Consolidated Financial Statements and Notes thereto.

Additional information on the Company's Common Stock, including quarterly high, low, and weighted average sales prices associated with sealed-bid public auctions administered by the Bank's Trust Department is available on the Company's website. (https://www.cnbank.com/Your_Bank/About_Us/CNC_Financials/)

Financial Highlights
(Dollars in thousands except per share data)

	2024	% Change	2023	2022	2021	2020
Income Statement Information:						
Net interest income	$ 137,060	2.7 %	133,470	144,109	127,396	108,044
Provision for credit losses	9,342	21.5 %	7,691	5,195	7,416	13,592
Non-interest income (1)	54,223	6.6 %	50,845	50,734	56,346	59,738
Operating expenses	124,663	5.8 %	117,841	126,001	117,577	99,091
Income taxes	12,671	(9.8)%	14,046	15,787	14,000	12,829
Net income attributable to CNC	44,602	(0.3)%	44,731	47,854	44,744	42,265
Balance Sheet Data - Period End:						
Investments (2)	$ 975,701	(4.7)%	1,023,323	1,100,384	836,170	415,321
Loans, net	3,762,863	2.6 %	3,665,963	3,440,716	3,152,407	2,951,484
Assets	5,058,649	3.6 %	4,883,787	4,747,541	4,160,371	3,635,357
Deposits	3,999,410	11.5 %	3,586,978	3,762,068	3,515,990	2,965,948
Borrowings	550,000	(32.2)%	810,800	528,200	200,000	250,000
Equity	376,138	8.2 %	347,576	312,559	318,713	295,747
Balance Sheet Data - Average:						
Investments (2)	$ 954,577	(7.4)%	1,031,388	1,010,851	636,456	391,105
Loans, net	3,711,288	3.2 %	3,596,930	3,317,597	3,106,898	2,805,615
Assets	4,955,059	1.8 %	4,866,726	4,529,920	3,942,058	3,419,157
Deposits	3,720,890	1.9 %	3,649,897	3,727,581	3,306,531	2,741,807
Borrowings	731,058	(2.3)%	748,593	364,555	219,304	269,668
Equity	354,948	9.8 %	323,201	312,339	307,135	277,867
Asset Under Administration: (3)						
Market value	$ 4,851,924	6.5 %	4,555,708	4,238,899	4,670,290	3,953,176
Per Share Data:						
Net income, basic	$ 24.15	0.7 %	23.99	25.51	23.90	22.57
Net income, diluted	24.12	1.0 %	23.88	25.38	23.77	22.43
Cash dividends	9.10	1.1 %	9.00	8.70	7.60	7.00
Book Value	205.22	9.5 %	187.34	166.88	169.94	158.09
Closing stock price (4)	205.85	(16.6)%	246.93	351.25	301.54	221.03
Weighted average shares - diluted	1,849,071	(1.3)%	1,873,023	1,885,391	1,882,449	1,883,922
Other ratios:						
Return on average assets	0.90 %	(2.2)%	0.92 %	1.06 %	1.14 %	1.24 %
Return on average equity	12.57 %	(9.2)%	13.84 %	15.32 %	14.57 %	15.21 %
Return on beginning equity	12.83 %	(10.3)%	14.31 %	15.01 %	15.13 %	15.89 %
Dividend payout	37.72 %	0.1 %	37.69 %	34.28 %	31.97 %	31.20 %
Average equity to average assets	7.16 %	7.8 %	6.64 %	6.90 %	7.79 %	8.13 %
Net interest margin	2.90 %	0.7 %	2.88 %	3.36 %	3.40 %	3.37 %
Efficiency (5)	65.15 %	1.8 %	63.97 %	64.30 %	63.94 %	59.03 %
Employees (year end)						
Total	652	(2.4)%	668	650	622	580
FTE's	619	(2.1)%	632	617	589	549

(1) 2020 includes a $8.1 million gain on sale attributed to OBS.

(2) Includes the Company's investment in Federal Reserve Bank stock and Federal Home Loan Bank stock.

(3) These assets are held in a fiduciary or agency capacity for clients and are not included in our balance sheet.

(4) Price is based upon last sealed-bid auction of the respective year, administered by the Bank's Trust Department.

(5) Operating expenses, exclusive of intangible amortization, divided by total revenues.

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Canandaigua National Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Canandaigua National Corporation and Subsidiaries (the “Company”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of income, comprehensive income, stockholders’ equity, and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the accompanying consolidated 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.

We also have audited, in accordance with auditing standards generally accepted in the United States of America, the Company’s internal control over financial reporting as of December 31, 2024, based on criteria established in the *Internal Control—Integrated Framework* (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) relevant to reporting objectives for the express purpose of meeting the regulatory requirements of Section 112 of the Federal Deposit Insurance Corporation Improvement Act (FDICIA) and our report dated February 26, 2025 expressed an unmodified opinion.

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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Crowe LLP

Crowe LLP

Livingston, New Jersey
February 26, 2025

CANANDAIGUA NATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2024 and 2023
(dollars in thousands, except share data)

		2024	2023
Assets			
Cash and due from banks	$	50,558	48,646
Interest-bearing deposits with other financial institutions		128,022	5,061
Federal funds sold		244	343
Cash and cash equivalents		178,824	54,050
Securities:			
- Debt, Available for sale, at fair value (amortized cost $519,467 and $544,394 respectively), net of allowance for credit losses of $0 and $0, respectively		489,541	504,642
- Debt, Held-to-maturity (fair value of $380,228 and $416,604, respectively) respectively), net of allowance for credit losses of $0 and $0, respectively		448,527	478,997
- Equity, at fair value		7,714	7,780
Loans held for sale		7,444	4,182
Loans, gross		3,802,467	3,701,644
Allowance for credit losses		(39,604)	(35,681)
Loans - net		3,762,863	3,665,963
Premises and equipment – net		25,237	26,412
Accrued interest receivable		19,890	17,770
Federal Home Loan Bank stock and Federal Reserve Bank stock		29,919	31,904
Goodwill		8,818	8,818
Other assets		79,872	83,269
Total Assets	$	5,058,649	4,883,787
Liabilities and Stockholders' Equity			
Deposits:			
Demand			
Non-interest bearing	$	879,866	827,385
Interest bearing		367,553	389,514
Savings and money market		1,555,618	1,387,841
Time		1,196,373	982,238
Total deposits		3,999,410	3,586,978
Borrowings		550,000	810,800
Junior subordinated debentures		51,547	51,547
Accrued interest payable and other liabilities		81,554	86,886
Total Liabilities		4,682,511	4,536,211
Stockholders' Equity:			
Canandaigua National Corporation stockholders' equity:			
Preferred stock, $.01 par value; 4,000,000 shares authorized, no shares issued or outstanding		-	-
Common stock, $5.00 par value; 16,000,000 shares authorized, 1,946,496 shares issued		9,732	9,732
Additional paid-in-capital		14,307	14,194
Retained earnings		401,674	374,859
Treasury stock, at cost (115,121 shares and 92,803 shares, respectively)		(25,510)	(19,719)
Accumulated other comprehensive loss, net		(24,364)	(31,797)
Total Canandaigua National Corporation Stockholders' Equity		375,839	347,269
Noncontrolling interests		299	307
Total Stockholders' Equity		376,138	347,576
Total Liabilities and Stockholders' Equity	$	5,058,649	4,883,787

See accompanying notes to consolidated financial statements.

CANANDAIGUA NATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
Years ended December 31, 2024 and 2023
(dollars in thousands, except per share data)

		2024	2023
Interest income:			
Loans, including fees	$	221,001	195,100
Securities		23,154	23,955
Federal funds sold		31	22
Interest-bearing deposits with other financial institutions		3,855	674
Total interest income		248,041	219,751
Interest expense:			
Deposits		77,590	52,833
Borrowings		29,784	29,961
Junior subordinated debentures		3,607	3,487
Total interest expense		110,981	86,281
Net interest income		137,060	133,470
Provision for credit losses		9,342	7,691
Net interest income after provision for credit losses		127,718	125,779
Non-interest income:			
Service charges on deposit accounts		20,389	20,051
Trust and investment services		28,182	25,629
Net gain on sale of mortgage loans		874	201
Loan servicing, net		1,394	1,378
Loan-related fees		369	315
Gain (Loss) on securities transactions, net		1	(1)
Other non-interest income		3,014	3,272
Total non-interest income		54,223	50,845
Operating expenses:			
Salaries and employee benefits		71,230	62,564
Technology and data processing		19,110	17,324
Occupancy, net		10,816	10,627
Professional and other services		5,924	6,570
Marketing and public relations		2,429	3,077
FDIC insurance		3,791	3,657
Office supplies, printing and postage		1,871	2,648
Other real estate operations		37	13
Other operating expenses		9,455	11,361
Total operating expenses		124,663	117,841
Income before income taxes		57,278	58,783
Income taxes		12,671	14,046
Net income		44,607	44,737
Net income attributable to noncontrolling interests		5	6
Net income attributable to Canandaigua National Corporation	$	44,602	44,731
Basic earnings per share	$	24.15	23.99
Diluted earnings per share	$	24.12	23.88

See accompanying notes to consolidated financial statements.

CANANDAIGUA NATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Years ended December 31, 2024 and 2023
(dollars in thousands)

		2024	2023
Net income	$	44,607	44,737
Other comprehensive income:			
Unrealized net security gains arising during the year, net of taxes of ($2,524) and ($3,783) respectively		7,302	10,940
Amortization of unrealized net losses on held-to-maturity securities transferred from available-for-sale securities, net of taxes of $45 and $45 respectively		131	132
Other comprehensive income:		7,433	11,072
Total comprehensive income	$	52,040	55,809
Comprehensive income attributable to the noncontrolling interests	$	5	6
Comprehensive income attributable to the Company	$	52,035	55,803

See accompanying notes to consolidated financial statements.

CANANDAIGUA NATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years ended December 31, 2024 and 2023
(dollars in thousands, except share data)

	Number of Shares Outstanding		Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Non controlling Interests	Total
Balance at December 31, 2022	1,871,098	$	9,732	13,845	345,957	(14,417)	(42,869)	311	312,559
Cumulative effect of change in accounting principle - Topic 326			-	-	1,103	-	-	-	1,103
Balance at January 1, 2023 as adjusted	1,871,098		9,732	13,845	347,060	(14,417)	(42,869)	311	313,662
Total comprehensive income			-	-	44,731	-	11,072	6	55,809
Purchase of treasury stock	(20,354)					(5,679)			(5,679)
Shares issued as compensation	849			159		123			282
Exercise of stock options and Stock Appreciation Rights	2,285			190	(126)	334			398
Cash dividends declared ($9.00 per share)					(16,806)				(16,806)
Stock Repurchase	(185)					(80)			(80)
Purchase of noncontrolling interest								(4)	(4)
Dividend to noncontrolling interests								(6)	(6)
Balance at December 31, 2023	1,853,693	$	9,732	14,194	374,859	(19,719)	(31,797)	307	347,576
Total comprehensive income			-	-	44,602	-	7,433	5	52,040
Purchase of treasury stock	(34,261)					(7,546)			(7,546)
Shares issued as compensation	1,276			113		192			305
Exercise of stock options and Stock Appreciation Rights	10,667			-	(950)	1,563			613
Cash dividends declared ($9.10 per share)					(16,837)				(16,837)
Purchase of noncontrolling interest								(8)	(8)
Dividend to noncontrolling interests								(5)	(5)
Balance at December 31, 2024	1,831,375	$	9,732	14,307	401,674	(25,510)	(24,364)	299	376,138

See accompanying notes to consolidated financial statements.

CANANDAIGUA NATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2024 and 2023
(dollars in thousands)

		2024		2023
Cash flow from operating activities:				
Net income	$	44,607	$	44,737
Adjustments to reconcile net income to net cash				
provided by operating activities:				
Depreciation, amortization and accretion		17,769		19,399
Provision for credit losses		9,342		7,691
(Gain) loss on security transactions, net		(1)		1
Loss on sale of fixed and other assets and other real estate, net		(361)		(69)
Deferred income taxes		235		3,462
Gain on sale of mortgage loans, net		(874)		(201)
Originations of loans held for sale		(122,784)		(79,466)
Proceeds from sale of loans held for sale		119,928		76,671
Change in other assets		7,140		9,453
Change in other liabilities		(9,637)		(7,378)
Loss (Gain) on equity securities		66		(107)
Termination of ROU Asset and Lease Liability		-		(1,779)
Net change in operating lease right-of-use assets and liabilities		64		2,017
Net cash provided by operating activities		65,494		74,431
Cash flow from investing activities:				
Debt Securities, available-for-sale:				
Proceeds from maturities and calls		99,506		60,824
Purchases		(80,425)		(16,257)
Debt Securities, held to maturity:				
Proceeds from maturities and calls		50,760		48,490
Purchases		(20,435)		(789)
Loan originations in excess of principal collections, net		(119,334)		(244,378)
Purchase of premises and equipment, net		(1,657)		(6,748)
Redemption (Purchase) of Federal Home Loan Bank and Federal Reserve		1,985		(9,586)
Proceeds from sale of other real estate		726		120
Net cash used in investing activities		(68,874)		(168,324)
Cash flow from financing activities:				
Net increase (decrease) in demand, savings and money market deposits		198,297		(398,258)
Net increase in time deposits		214,135		223,168
Change in overnight and short-term borrowings, net		(210,800)		82,600
(Repayments) proceeds from long-term borrowings		(50,000)		200,000
Stock repurchase		-		(80)
Exercise of stock options		613		398
Payments to acquire treasury stock		(7,546)		(5,679)
Proceeds from issuance of treasury stock under stock option plan		305		282
Change in noncontrolling interest, net		(8)		(4)
Dividends paid		(16,842)		(16,812)
Net cash provided by financing activities		128,154		85,615
Net increase (decrease) in cash and cash equivalents		124,774		(8,278)
Cash & cash equivalents - beginning of period		54,050		62,328
Cash and cash equivalents - end of period	$	178,824	$	54,050
Interest paid				
Interest paid	$	111,419	$	80,775
Income taxes paid		10,526		11,347
Supplemental schedule of noncash investing activities				
Real estate acquired in settlement of loans	$	145	$	224

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies

Business

Canandaigua National Corporation (the Parent) and subsidiaries (the Company) provide a full range of financial services, including banking, trust, investment, and insurance services to individuals, corporations, and municipalities. The Company is subject to competition from other financial services and commercial companies in various regulated and unregulated industries. The Company and its subsidiaries are subject to the regulations of certain federal and state agencies and undergo regular examinations by those regulatory authorities.

Basis of Presentation

The Consolidated Financial Statements include the accounts of the Parent and its wholly- and majority-owned subsidiaries. Its principal operations comprise the activities of The Canandaigua National Bank and Trust Company (the Bank), CNB Mortgage Company (CNBM), and Canandaigua National Trust Company of Florida (CNTF). All significant intercompany accounts and transactions have been eliminated in consolidation. The Company accounts for investments in less-than-majority-owned entities under the equity method. The Consolidated Financial Statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles and conform to predominant practices within the financial services industry.

In preparing the Consolidated Financial Statements, management made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Amounts in prior years' Consolidated Financial Statements are reclassified whenever necessary to conform to the current year's presentation with no changes to net income or equity.

The Company has evaluated subsequent events through February 26, 2025, the date the financial statements were made available to be issued.

Adoption of New Accounting Standards

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting - Improvements to Reportable Segment Disclosures (Topic 280), to improve reportable segment disclosures by requiring entities to disclose significant expense categories and amounts for each reportable segment, where significant expense categories are defined as those that are regularly reported to an entity's chief operating decision-maker and included in a segment's reported measures of profit or loss. The Company adopted this ASU as of December 31, 2024. As the Company has only one reportable segment, adoption of this ASU did not have material effect on the Company's consolidated financial statements. See Note 20 for additional segment disclosures required by this ASU.

Operating Segments

The Company's business is conducted through a single business segment. 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. Discrete financial information is not available other than on a company-wide basis. Accordingly, all of the final financial service operations are considered by management to be aggregated in one reportable operating segment.

Cash Equivalents

For the purpose of reporting cash flows, cash and cash equivalents include cash, interest-bearing deposits with other financial institutions with maturities fewer than 90 days, and federal funds sold.

Interest-Bearing Deposits with Other Financial Institutions

Interest-bearing deposits with other financial institutions mature within one year and are carried at cost.

Securities

The Company classifies its securities as debt securities available for sale, debt securities held to maturity, or equity securities. Debt securities held to maturity are those that the Company has the ability and intent to hold until maturity. Debt securities held to maturity are recorded at amortized cost.

Equity securities with readily determinable fair values are measured at fair value with changes in fair value recognized in other non-interest income within the consolidated statements of income.

The Company has made an accounting policy election to exclude accrued interest from the amortized cost basis of debt securities. The Company also excludes accrued interest from the estimate of credit losses on debt securities.

A debt security is placed on nonaccrual status at the time any principal or interest payments become more than 90 days delinquent or if full collection of interest or principal becomes uncertain. Accrued interest for a debt security placed on nonaccrual is reversed against interest income. There were no debt securities on nonaccrual status as of December 31, 2024 and December 31, 2023 and, therefore there was no accrued interest related to debt securities reversed against income for 2024 and 2023.

For available for sale debt securities in an unrealized loss position, management first assesses whether the Company intends to sell, or if it is likely that the Company 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 a provision for credit losses charged to earnings. For debt securities available for sale that do not meet either of these criteria, management evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers both quantitative and qualitative factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of the cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income (loss), net of tax. The Company elected the practical expedient of zero loss estimates for securities issued by U.S. government entities and agencies. These securities are either explicitly or implicitly guaranteed by the U.S. government, are highly rated by major agencies and have a long history of no credit losses.

Changes in allowance for credit losses are recorded as provision for, or reversal of, credit loss expense. Losses are charged against the allowance when management believes the uncollectibility of an available for sale security is confirmed or when either of the criteria regarding intent or requirement to sell is met.

Management measures expected credit losses on held-to-maturity debt securities on a collective basis by major security type. Accrued interest receivable on held-to-maturity debt securities are excluded from the estimate of credit losses. Other held to maturity securities include state and municipal obligations and corporate obligations, which are highly rated securities. State and municipal obligations are securities issued by state and local governments for various purposes. The Company is not aware of any information subsequent to the purchase of any state and municipal obligation that indicates an inability of the issuer to meet all of its financial commitments.

Interest income and dividends are recognized when earned. Premiums and discounts are amortized or accreted over the life of the related security as an adjustment to yield using the interest method. Realized gains and losses are included in earnings and are determined using the specific identification method.

Loans Held for Sale

Loans held for sale are carried at the lower of cost or fair value. Fair value is determined by outstanding commitments from investor and net unrealized losses, if any, are recorded as a valuation allowance and charged to earnings.

Gains and losses on loan sales are based on the difference between the selling price and carrying value of the related loan sold. In instances where servicing rights are retained, the carrying value of loans sold is reduced by the amount allocated to the servicing right.

Loans

Loans, other than loans designated as held for sale, are stated at the principal amount outstanding net of deferred origination fees and costs. Interest and deferred fees and costs on loans are credited to income based on the effective interest method.

The accrual of interest on commercial and real estate loans is generally discontinued, and previously accrued interest is reversed, when the loans become 90 days delinquent or sooner when, in management's judgment, the collection of principal and interest is uncertain. Loans are returned to accrual status when the doubt no longer exists about the loan's collectability and the borrower has demonstrated a sustained period of timely payment history. Specifically, the borrower will have resumed paying the full amount of scheduled interest and principal payments; all principal and interest amounts contractually due (including arrearages) are reasonably assured of repayment within a reasonable period (six months); and there is a sustained period of repayment performance (generally a minimum of six months) by the borrower, in accordance with the contractual terms involving payments of cash or cash equivalents. Interest on consumer loans is accrued until the loan becomes 120 days past due at which time principal and interest are generally charged off.

All interest accrued but not received for loans placed on nonaccrual are 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 at which time all previously reversed interest is recognized as income.

Allowance for Credit Losses - Loans

The allowance for credit losses ("ACL") is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. The ACL on loans is increased through a provision for credit losses recognized in the Consolidated Statements of Income and by recoveries of amounts previously charged-off. The ACL on loans is reduced by charge-offs on loans. Loan charge-offs are recognized when management believes the collectability of the principal balance outstanding is unlikely. Full or partial charge-offs on collateral-dependent individually analyzed loans are generally recognized when the collateral is deemed to be insufficient to support the carrying value of the loan.

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. The historical loss experience is determined by portfolio segment and the Company uses a discounted cash flow (DCF) methodology to estimate credit losses over the expected life of the loan. This actual loss experience is adjusted by other qualitative factors based on the risks present for each portfolio segment. These qualitative factors include consideration of the following: levels of and trends in delinquencies and changes in collateral values; changes in lending policies, procedures and practices; experience, ability and depth of lending management and other relevant staffing and experience; changes in the quality of loan review system; national and local economic trends and conditions; effect of legal and regulatory factors; and effects of changes in credit concentrations.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. Pooled loan portfolio segments include commercial and industrial, commercial mortgage, residential first-lien mortgages, residential junior lien mortgages, indirect and consumer loans. The risk characteristics of each of the identified portfolio segments are as follows:

Commercial and Industrial Loans: These loans generally include term loans and lines of credit. Such loans are made available to businesses for working capital (including inventory and receivables), business expansion (including acquisition of real estate, expansion and improvements) and equipment purchases. As a general practice, a collateral lien is placed on equipment or other assets owned by the borrower. These loans carry a higher risk than commercial real estate loans by the nature of the underlying collateral, which can be business assets such as equipment and accounts receivable. To reduce the risk, management also attempts to secure secondary collateral, such as real estate, and obtain personal guarantees of the borrowers. To further reduce risk and enhance liquidity, these loans generally carry variable rates of interest, repricing in three- to five-year periods, and have a maturity of five years or less. Lines of credit generally have terms of one year or less and carry floating rates of interest (e.g., prime plus a margin).

Commercial Mortgages: Commercial real estate loans are made to finance the purchases of real property which generally consists of real estate with completed structures. These commercial real estate loans are secured by first liens on the real estate, which may include apartments, commercial structures housing businesses, healthcare facilities, and other non-owner-occupied facilities. These loans are considered by the Company to be less risky than commercial and industrial loans, since they are secured by real estate and buildings. The loans typically have adjustable interest rates, repricing in three- to five-year periods, and require principal payments over a 10- to 25-year period. Many of these loans include call provisions within 10 to 15 years of their origination. The Company's underwriting analysis includes credit verification, independent appraisals, a review of the borrower's financial condition, and the underlying cash flows. These loans are typically originated in amounts of no more than 80% of the appraised value of the property serving as collateral, however, policy allows for 85% of loan-to-value.

Residential First-Lien Mortgages: The Company originates adjustable-rate and fixed-rate, one-to-four-family residential real estate loans for the construction, purchase or refinancing of a mortgage. These loans are collateralized by owner- and non-owner-occupied properties. They are amortized over five to 30 years. Substantially all residential loans secured by first mortgage liens are originated by CNB Mortgage and sold to either the Bank or third-party investors. Generally, fixed-rate mortgage loans with a maturity or call date of ten years or less are retained in the Company's portfolio. For longer term, fixed-rate residential mortgages, the Company generally retains the servicing, but sells the right to receive principal and interest to Freddie Mac. All loans not retained in the portfolio or sold to Freddie Mac are sold to unrelated third parties with servicing released. This practice allows the Company to manage interest rate risk, liquidity risk, and credit risk. From time to time, the Company may also purchase residential mortgage loans which are originated and serviced by third parties. In an effort to manage risk of loss and strengthen secondary market liquidity opportunities, management typically uses secondary market underwriting, appraisal, and servicing guidelines. Loans on one-to-four-family residential real estate are mostly originated in amounts of no more than 85% of appraised value or have private mortgage insurance. Mortgage title insurance and hazard insurance are normally required. Construction loans have a unique risk, because they are secured by an incomplete dwelling. This risk is reduced through periodic site inspections, including at each loan draw period.

Residential Junior-Lien Mortgages: The Company originates home equity lines of credit and second mortgage loans (loans secured by a second (junior) lien position on one-to-four-family residential real estate). These loans carry a higher risk than first mortgage residential loans as they are in a second position relating to collateral. Risk is reduced through underwriting criteria, which include credit verification, appraisals, a review of the borrower's financial condition, and personal cash flows. A security interest, with title insurance, when necessary, is taken in the underlying real estate.

Indirect Lending: The Company funds indirect loans - loans processed by vehicle dealers on behalf of the Company. These loans carry a fixed rate of interest with principal repayment terms typically ranging from one to seven years, based upon the nature of the vehicle, the size of the loan, and the credit score of the borrower. Although secured by a vehicle these loans carry a higher risk of loss than real estate secured loans, particularly in the early years of the loan, because vehicles are depreciating assets whose value declines over time, and at a more rapid rate than the related loan's principal balance.

Other Consumer Loans: The Company funds a variety of other consumer loans, including automobile loans, recreational vehicle loans, boat loans, aircraft loans, home improvement loans, and personal loans (collateralized and uncollateralized). Most of these loans carry a fixed rate of interest with principal repayment terms typically ranging from one to ten years, based upon the nature of the collateral and the size of the loan. The majority of consumer loans are underwritten on a secured basis using the underlying collateral being financed or a customer's deposit account. A small amount of loans are unsecured, which carry a higher risk of loss.

Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are not also included in the collective evaluation. For loans that are individually analyzed, the ACL is measured using a discounted cash flow (DCF) method based upon the loan's contractual effective interest rate, or at the loan's observable market price, or, if the loan is collateral dependent, at the fair value of the collateral. Factors management considers when measuring the extent of expected credit loss include payment status, collateral value, borrower financial condition, guarantor support and the probability of collecting scheduled principal and interest payments when due. For collateral dependent loans for which repayment is to be provided substantially through the sale of the collateral, management adjusts the fair value for estimated costs to sell. For collateral dependent loans for which repayment is to be provided substantially through the operation of the collateral, estimated costs to sell are not incorporated into the measurement. Management may also adjust appraised values to reflect estimated market value declines or apply other discounts to appraised values for unobservable factors resulting from its knowledge of circumstances associated with the collateral.

The Company has made an accounting policy election to exclude accrued interest from the amortized cost basis of loans and the Company also excludes accrued interest from the estimate of credit losses on loans.

Allowance for Credit Losses on Unfunded Commitments

The ACL on unfunded commitments is management's estimate of expected credit losses over the expected contractual term (or life) in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. Unfunded commitments for home equity lines of credit and commercial demand loans are considered unconditionally cancellable for regulatory capital purposes and, therefore, are excluded from the calculation to estimate the ACL on unfunded commitments. For each portfolio, estimated loss rates and funding factors are applied to the corresponding balance of unfunded commitments. For each portfolio, the estimated loss rates applied to unfunded commitments are the same quantitative and qualitative loss rates applied to the corresponding on-balance sheet amounts in determining the ACL on loans. The estimated funding factor applied to unfunded commitments represents the likelihood that the funding will occur and is based upon the Company's average historical utilization rate for each portfolio.

The ACL on unfunded commitments is included in other liabilities in the Consolidated Balance Sheets. The ACL on unfunded commitments is adjusted through a provision for credit losses recognized in the Consolidated Statements of Income.

Premises and Equipment

Land is carried at cost. Land improvements, buildings, leasehold improvements and equipment are carried at cost, less accumulated depreciation and amortization. Depreciation is computed using straight-line and accelerated methods over the estimated useful lives of the assets, three to twenty-five years. Amortization of leasehold improvements is provided over the lesser of the term of the lease, including renewal options, when applicable, or the estimated useful lives of the assets.

Transfers of Financial Assets

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

Federal Home Loan Bank (FHLB) Stock

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

Federal Reserve Bank (FRB) Stock

The Bank is a member of its regional Federal Reserve Bank. FRB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on the likelihood of ultimate recovery of par value. Both cash and stock dividends are reported as income.

Other Real Estate

Other real estate acquired through foreclosure or deed in lieu of foreclosure (other real estate) is included in other assets, upon receipt of title, and is recorded at the lower of the unpaid loan balance on the property at the date of transfer, or fair value, less estimated costs to sell. Adjustments made to the value at transfer are charged to the allowance for loan losses. After transfer, the property is carried at the lower of cost or fair value less estimated costs to sell. Adjustments to the carrying values of such properties that result from subsequent declines in value are charged to operations in the period in which the decline occurs. Operating earnings and costs associated with the properties are charged to other non-interest income and operating expense as incurred. Gains or losses on the sale of other real estate are included in results of operations when the sale occurs.

Loan Servicing Assets

The Company services first-lien, residential loans for the Federal Home Loan Mortgage Company (FHLMC or Freddie Mac) and certain commercial loans as lead participant. The associated servicing rights (assets) entitle the Company to a future stream of cash flows based on the outstanding principal balance of the loans and contractual servicing fees. Failure to service the loans in accordance with contractual requirements may lead to a termination of the servicing rights and the loss of future servicing fees.

The Company services all loans for FHLMC on a non-recourse basis; therefore, its credit risk is limited to temporary advances of funds to FHLMC, while FHLMC retains all credit risk associated with the loans. Commercial loans are serviced on a non-recourse basis, whereby the Company is subject to credit losses only to the extent of the proportionate share of the loan's principal balance owned. The Company's contract to sell loans to FHLMC and to the Federal Housing Administration (FHA) via third parties contain certain representations and warranties that if not met by the Company would require the repurchase of such loans. The Company has not historically been subject to a material volume of repurchases nor is it as of the current year end.

Loan servicing assets are amortized to loan servicing income in the statement of income. In computing amortization expense, the Company uses historical prepayment rates for similar loan pools and applies this amortization rate to each pool. If prepayments occur at a rate different than the applied rate, the Company adjusts the specific pool's amortization in the period in which the change occurs.

For purposes of evaluating and measuring impairment of loan servicing rights, the Company stratifies these assets based on predominant risk characteristics of the underlying loans that are expected to have the most impact on projected prepayments, cost of servicing, and other factors affecting future cash flows associated with the servicing rights, such as loan type, rate, and term. The amount of impairment recognized is the amount by which the carrying value of the loan servicing rights for a stratum exceeds fair value. Impairment is recognized through the income statement.

Goodwill

Goodwill has an indefinite useful life and is not amortized but is tested for impairment. Goodwill impairment tests are performed on an annual basis or when events or circumstances dictate. A qualitative assessment of goodwill is first performed factoring company-specific and economic characteristics that might impact its carrying value. If the assessment indicates goodwill might be impaired, a quantitative test is performed in which the fair value of the reporting unit with goodwill is compared to the carrying amount of that reporting unit in order to determine if impairment is indicated. If so, the implied fair value of the reporting unit is compared to its carrying amount and an impairment loss is measured by the excess of the carrying value over fair value. Fair value of the reporting unit is estimated using a weighted average of market-based analysis and discounted cash-flow income analysis.

Stock-Based Compensation

Stock-based compensation expense is recognized in the consolidated statements of income over the awards' vesting period based on the fair value of the award at the grant date.

The Company accounts for the liability associated with its stock appreciation rights plan at fair value which is re-measured quarterly. Fair value is measured using the Black-Scholes-Merton option pricing model. The associated compensation expense or credit reported in the statement of income represents the change in the remeasured liability.

Income Taxes

The Company and its wholly-owned subsidiaries file income tax returns in the U.S. Federal jurisdiction and in the states of New York and Florida. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

The Company recognizes interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense.

Derivative Financial Instruments

Derivatives are recognized as either assets or liabilities in the consolidated balance sheets and are measured at fair value. If certain conditions are met, a derivative may be specifically designated as: (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment; (b) a hedge of the exposure to variable cash flows of a forecasted transaction; or (c) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available for sale security, or a foreign currency denominated forecasted transaction. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. At inception of the hedge, management establishes the application of hedge accounting and the method it will use for assessing the effectiveness of the hedging derivative and the measurement approach for determining the ineffective aspect of the hedge. These are consistent with management's approach to managing risk.

The Company's derivative financial instruments include: (1) commitments to originate fixed-rate residential real estate loans to be held for sale; (2) commitments to sell fixed-rate residential loans; and (3) interest rate swap agreements.

Commitments to originate and commitments to sell fixed-rate residential real estate loans are recorded in the consolidated balance sheet at estimated fair value. Neither of these derivative instruments are considered hedges; therefore, periodic changes in the fair value of these instruments are recognized in mortgage banking income in the period in which the change occurs. However, due to the minimal volume and short-term nature of these instruments, the fair value and the net impact of change in fair value from the instruments' was inconsequential and not recorded at December 31, 2024 and 2023.

The Company has utilized interest rate swap agreements as part of its management of interest rate risk to modify the repricing characteristics of its floating-rate junior subordinated debentures. For swap agreements, amounts receivable or payable are recognized as accrued under the terms of the agreement, and the net differential is recorded as an adjustment to interest expense of the related debentures. Interest rate swap agreements are designated as cash flow hedges. Therefore, the effective portion of the swaps' unrealized gain or loss was initially recorded as a component of other comprehensive income, and subsequent effective portions are recognized in interest expense. The ineffective portion of the unrealized gain or loss, if any, is reported in other operating income. Swaps utilized in this manor have matured, and there are no active swaps of this nature as of December 31, 2024.

The Company also utilizes interest rate swap agreements for certain variable rate commercial loans whereby the Company and borrowers enter into interest rate swap agreements that result in borrowers paying a fixed rate to the Company and the Company paying a variable rate to borrowers. The transaction allows the borrower to effectively convert a variable rate loan to a fixed rate. The Company then enters into separate interest rate swap agreements having exact opposite matching terms with another financial institution. The Company does not designate either interest rate swap as hedging instruments. Because the terms of the swaps with the borrower and the other financial institution offset each other, with the only difference being counterparty credit risk, changes in the fair value of the underlying derivative contracts are not materially different and do not significantly impact the Company's results of operation. Notional values associated with the interest rate swaps, under agreements with both borrowers and other financial institutions, amounted to $378.6 million and $328.1 million as of December 31, 2024 and 2023, respectively. The fair value is recorded in other assets and other liabilities on the Consolidated Balance Sheets.

Accumulated Other Comprehensive Loss

The Company's comprehensive income consists of net income, changes in the net unrealized holding gains and losses of securities available for sale, and amortization of unrealized net losses on held-to-maturity securities transferred from available-for-sale. Accumulated other comprehensive loss on the consolidated statements of stockholders' equity is presented net of taxes.

Treasury Stock

Treasury stock is carried on the consolidated balance sheets at cost as a reduction of stockholders' equity. Shares are released from treasury at original cost on a first-in, first-out basis, with any gain on the sale reflected as an adjustment to additional paid-in capital. Losses are reflected as an adjustment to additional paid-in capital to the extent of gains previously recognized, otherwise as an adjustment to retained earnings.

Trust and Investment Services Income

Assets held in fiduciary or agency capacity for clients are not included in the accompanying consolidated balance sheets, since such assets are not assets of the Company. Fees are calculated based generally upon the market value of the underlying assets. Fee income is recognized when earned, and is not subject to return-performance contingencies.

Earnings Per Share

Basic earnings per share is calculated by dividing net income available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share includes the maximum dilutive effect of stock issuable upon exercise of stock options.

(2) Securities

Amortized cost, gross unrealized and unrecognized gains (gross unrealized and unrecognized losses), and fair value of debt securities available-for-sale and debt securities held-to-maturity at December 31, 2024 are summarized as follows:

		2024				
		Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance for Credit Losses	Fair Value
Debt Securities Available for Sale:						
U.S. Treasury	$	3,529	-	(5)	-	3,524
U.S. government sponsored enterprise obligations		447,042	16	(27,526)	-	419,532
State and municipal obligations		62,896	-	(2,220)	-	60,676
Corporate obligations		6,000	-	(191)	-	5,809
Total Debt Securities Available for Sale	$	519,467	16	(29,942)	-	489,541
Debt Securities Held to Maturity:		Amortized Cost	Unrecognized Gains	Unrecognized Losses	Allowance for Credit Losses	Fair Value
U.S. government sponsored enterprise obligations	$	447,517	-	(68,308)	-	379,209
State and municipal obligations		893	2	-	-	895
Corporate obligations		117	14	(7)	-	124
Total Debt Securities Held to Maturity	$	448,527	16	(68,315)	-	380,228

The amortized cost and fair value of debt securities by years to maturity as of December 31, 2024, is as follows (in thousands). Maturities of amortizing securities are classified in accordance with their contractual repayment schedules. Expected maturities will differ from contractual maturities since issuers may have the right to call or prepay obligations without penalties.

		Available for Sale		Held to Maturity	
		Amortized Cost	Fair Value	Amortized Cost	Fair Value
Years					
Under 1	$	95,728	94,475	893	895
1 to 5		305,348	284,340	1	1
5 to 10		94,049	87,250	17,705	16,313
10 and over		24,342	23,476	429,928	363,019
Total	$	519,467	489,541	448,527	380,228

Amortized cost, gross unrealized gains and unrecognized gains (gross unrealized losses and unrecognized losses), and fair value of debt securities available-for-sale and debt securities held-to-maturity at December 31, 2023 are summarized as follows:

	2023				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance for Credit Losses	Fair Value
Debt Securities Available for Sale:					
U.S. Treasury	$ 7,528	-	(172)	-	7,356
U.S. government sponsored enterprise obligations	430,702	36	(35,093)	-	395,645
State and municipal obligations	100,164	-	(3,503)	-	96,661
Corporate obligations	6,000	-	(1,020)	-	4,980
Total Debt Securities Available for Sale	$ 544,394	36	(39,788)	-	504,642

Debt Securities Held to Maturity:	Amortized Cost	Unrecognized Gains	Unrecognized Losses	Allowance For Credit Losses	Fair Value
U.S. government sponsored enterprise obligations	$ 477,728	-	(62,411)	-	415,317
State and municipal obligations	1,124	4	(5)	-	1,123
Corporate obligations	145	20	(1)	-	164
Total Debt Securities Held to Maturity	$ 478,997	24	(62,417)	-	416,604

At December 31, 2024, and 2023, securities at amortized cost of $584.0 million and $811.0 million, respectively, were pledged to secure municipal deposits and for other purposes required or permitted by law.

No debt securities available-for-sale or debt securities held-to-maturity were sold in 2024 or 2023.

Interest on securities segregated between taxable interest and tax-exempt interest for the years ended December 31, 2024 and 2023, follows (in thousands):

	2024	2023
Taxable	$ 22,186	22,491
Tax-exempt	968	1,464
Total	$ 23,154	23,955

The following table presents the fair value of securities with gross unrealized or unrecognized losses at December 31, 2024, aggregated by category and length of time that individual securities have been in a continuous loss position (in thousands).

	Less than 12 months		Over 12 months		Total	
Debt Securities Available for Sale	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury	$ 207	-	2,995	(5)	3,202	(5)
U.S. government sponsored enterprise obligations	72,163	(345)	342,900	(27,181)	415,063	(27,526)
State and municipal obligations	102	-	60,574	(2,220)	60,676	(2,220)
Corporate obligations	-	-	5,809	(191)	5,809	(191)
Total temporarily impaired debt securities	$ 72,472	(345)	412,278	(29,597)	484,750	(29,942)
Debt Securities Held to Maturity	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses
U.S. government sponsored enterprise obligations	$ 18,720	(310)	360,488	(67,998)	379,208	(68,308)
Corporate and foreign obligations	17	(1)	59	(6)	76	(7)
Total temporarily impaired debt securities	$ 18,737	(311)	360,547	(68,004)	379,284	(68,315)

The following table presents the fair value of securities with gross unrealized or unrecognized losses at December 31, 2023, aggregated by category and length of time that individual securities have been in a continuous loss position (in thousands).

	Less than 12 months		Over 12 months		Total	
Debt Securities Available for Sale	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury	$ 108	-	7,142	(172)	7,250	(172)
U.S. government sponsored enterprise obligations	24,214	(110)	369,418	(34,983)	393,632	(35,093)
State and municipal obligations	-	-	96,556	(3,503)	96,556	(3,503)
Corporate obligations	-	-	4,980	(1,020)	4,980	(1,020)
Total temporarily impaired debt securities	$ 24,322	(110)	478,096	(39,678)	502,418	(39,788)

Debt Securities Held to Maturity		**Fair Value**	**Unrecognized Losses**	**Fair Value**	**Unrecognized Losses**	**Fair Value**	**Unrecognized Losses**
U.S. government sponsored enterprise obligations	$	-	-	415,317	(62,411)	415,317	(62,411)
State and municipal obligations		-	-	1,123	(5)	1,123	(5)
Corporate and foreign obligations		-	-	164	(1)	164	(1)
Total temporarily impaired debt securities	$	-	-	416,604	(62,417)	416,604	(62,417)

Available for sale securities are evaluated to determine if a decline in fair value below the amortized cost basis has resulted from a credit loss or from other factors. An impairment related to credit factors would be recorded through an allowance for credit losses. The allowance is limited to the amount by which the security's amortized cost basis exceeds the fair value. An impairment that has not been recorded through an allowance for credit losses shall be recorded through other comprehensive income (loss), net of applicable taxes. Investment securities will be written down to fair value through the Consolidated Statement of Income if management intends to sell, or may be required to sell, the securities before they recover in value. The issuers of these securities continue to make timely principal and interest payments and none of these securities were past due or were placed in nonaccrual status at December 31, 2024. Management believes that the unrealized losses on these securities are a function of changes in market interest rates and credit spreads, not changes in credit quality. No allowance for credit losses was recorded at December 31, 2024 and 2023 on available for sale securities.

At December 31, 2024, the held to maturity securities portfolio consisted of agency securities, corporate obligations, and state and municipal obligations. Agency securities are issued by U.S. government agencies and are implicitly guaranteed by the U.S. government. The state and municipal obligations and corporate obligations are highly rated by major rating agencies and have a long history of no credit losses. The Company regularly monitors the obligations of state and political subdivisions sector of the market and reviews collectability including such factors as the financial condition of the issuers as well as credit ratings in effect as of the reporting period. No allowance for credit losses was recorded at December 31, 2024 and 2023 on held to maturity securities.

At both December 31, 2024 and 2023, there were no holdings of securities of any one issuer, other than the U.S. Government and its agencies, in an amount greater than 10% of shareholders' equity.

(3) Loans and Allowance for Credit Losses

Loans

The Company's market area is generally Ontario County and Monroe County of New York State. Substantially all loans are made in this market area. Accordingly, the ultimate collectability of a significant portion of the Company's loan portfolio is susceptible to changes in the economic conditions in this area. The Company's concentrations of credit risk are as disclosed in the following table of loan classifications. The concentrations of credit risk in related loan commitments and letters of credit parallel the loan classifications reflected. Other than general economic risks, management is not aware of any material concentrations of credit risk to any industry or individual borrower.

The major classifications of loans at December 31, 2024 and 2023, are as follows (in thousands):

		2024	**2023**
Commercial and industrial	$	529,282	508,449
Mortgages:			
Commercial mortgage		1,179,742	1,088,995
Residential mortgage - first lien		1,001,661	918,941
Residential mortgage - junior lien		201,887	175,452
Indirect consumer lending		813,504	924,371
Consumer - Other		50,871	55,273
Total loans		3,776,947	3,671,481
Plus: Net deferred loan costs		25,520	30,163
Less: Allowance for loan losses		(39,604)	(35,681)
Loans, net	$	3,762,863	3,665,963

Commercial loan participations serviced for others amounted to $127.9 million and $133.6 at December 31, 2024 and 2023, respectively. Residential mortgage loans serviced for Freddie Mac, amounted to $709.2 million and $725.0 million at December 31, 2024 and 2023, respectively. None of these loans are included in the Consolidated Financial Statements or the tables within this Note.

Certain executive officers, directors and their business interests are customers of the Company. Borrowings by these related parties amounted to $5.3 million and $5.5 million at December 31, 2024 and 2023, respectively. During 2024, new borrowings amounted to $0.9 million (including borrowings of executive officers and directors that were outstanding at the time of their election), and repayments and other reductions were $1.1 million.

Allowance for Credit Losses

The following tables present an analysis of the allowance for credit losses by loan type, including a summary of the loan types individually and collectively evaluated for impairment as of December 31, 2024 and 2023, respectively (in thousands). Notwithstanding the estimated allocations set forth in any table, the entirety of the allowance is available to absorb losses in any portfolio. Loan balances exclude $25.5 million and $30.2 million of net deferred loan costs as of December 31, 2024 and December 31, 2023, respectively.

		2024						
		Commercial and industrial	Commercial mortgage	Residential mortgage - first lien	Residential mortgage - junior lien	Indirect	Consumer - other	Total
Beginning Balance	$	6,483	11,884	9,412	649	6,322	931	35,681
Charge-offs		(1,368)	-	(73)	-	(6,291)	(2,976)	(10,708)
Recoveries		680	-	73	-	2,860	1,758	5,371
Provision		3,187	(68)	1,189	128	3,779	1,045	9,260
Ending Balance	$	8,982	11,816	10,601	777	6,670	758	39,604
of which:								
Amount of allowance for loans individually evaluated for impairment	$	2,661	1,769	62	-	-	-	4,492
Amount of allowance for loans collectively evaluated for impairment	$	6,321	10,047	10,539	777	6,669	759	35,112
Balance of loans individually evaluated for impairment	$	3,282	26,447	1,573	-	-	-	31,302
Balance of loans collectively evaluated for impairment	$	526,000	1,153,295	1,000,088	201,887	813,504	50,871	3,745,645

		2023						
		Commercial and industrial	Commercial mortgage	Residential mortgage - first lien	Residential mortgage - junior lien	Indirect	Consumer - other	Total
Beginning Balance, prior to adoption of ASC 326	$	4,930	3,911	2,909	313	22,483	2,249	36,795
Impact of adopting ASC 326		1,686	5,922	5,188	185	(15,359)	(879)	(3,257)
Charge-offs		(1,474)	-	(229)	(5)	(9,412)	(1,839)	(12,959)
Recoveries		892	-	-	1	4,167	2,230	7,290
Provision	$	449	2,051	1,544	155	4,443	(830)	7,812
Ending Balance	$	6,483	11,884	9,412	649	6,322	931	35,681
of which:								
Amount of allowance for loans individually evaluated for impairment	$	79	2,156	-	-	-	-	2,235
Amount of allowance for loans collectively evaluated for impairment	$	6,404	9,728	9,413	649	6,322	931	33,446
Balance of loans individually evaluated for impairment	$	602	8,760	-	-	-	-	9,362
Balance of loans collectively evaluated for impairment	$	507,847	1,080,235	918,941	175,452	924,371	55,273	3,662,119

The following tables present, as of December 31, 2024 and December 31, 2023, additional details about the loan portfolio in the form of an aging analysis. Amounts exclude deferred fees and costs (in thousands).

	2024							
	30-59 Days Past Due	60-89 Days Past Due	90 Days Or Greater (1)	Total Past Due	Current	Total Loans	> 90 Days and Accruing	Non-Accrual Loans
Commercial and industrial	$ 2,472	472	4,362	7,306	521,976	529,282	91	4,271
Commercial mortgages	1,646	105	27,139	28,890	1,150,852	1,179,742	-	27,139
Residential - first lien	7,517	1,812	8,007	17,336	984,325	1,001,661	1,481	6,526
Residential - junior lien	1,911	590	558	3,059	198,828	201,887	100	458
Consumer:								
Indirect	11,642	3,440	1,036	16,118	797,386	813,504	1,036	-
Other	487	160	139	786	50,085	50,871	139	-
Total	$ 25,675	6,579	41,241	73,495	3,703,452	3,776,947	2,847	38,394

(1) Amounts include Non-Accrual loans

	2023							
	30-59 Days Past Due	60-89 Days Past Due	90 Days Or Greater (1)	Total Past Due	Current	Total Loans	> 90 Days and Accruing	Non-Accrual Loans
Commercial and industrial	$ 1,927	330	722	2,979	505,470	508,449	44	678
Commercial mortgages	114	-	8,826	8,940	1,080,055	1,088,995	-	8,826
Residential - first lien	1,784	106	4,465	6,355	912,586	918,941	-	4,465
Residential - junior lien	1,962	166	247	2,375	173,077	175,452	-	247
Consumer:								
Indirect	12,345	2,365	592	15,302	909,069	924,371	592	-
Other	585	119	67	771	54,502	55,273	67	-
Total	$ 18,717	3,086	14,919	36,722	3,634,759	3,671,481	703	14,216

(1) Amounts include Non-Accrual loans

Loans are generally placed on nonaccrual status when contractual payments become 90 or more days past due or when the Company does not expect to receive all P&I payments owed substantially in accordance with the terms of the loan agreement, regardless of past due status. Loans that become 90 days past due but are well secured and in the process of collection, may remain on accrual status. Nonaccrual loans are generally returned to accrual status when all payments due are brought current and the Company expects to receive all remaining P&I payments owed substantially in accordance with the terms of the loan agreement. Payments received in cash on nonaccrual loans, including both the principal and interest portions of those payments, are generally applied to reduce the carrying value of the loan. The Company did not recognize interest income on non-accrual loans during the years ended December 31, 2024 and 2023.

The following tables present information relating to the Company's nonaccrual loans as of December 31, 2024 and 2023 (in thousands):

	2024		
	Nonperforming loans	Nonperforming loans with no allowance	90+ Days and Accruing
Commercial and industrial	$ 4,271	$ 989	$ 91
Commercial mortgages	27,139	18,726	-
Residential - first lien	6,526	5,969	1,481
Residential - junior lien	458	-	100
Consumer:			
Indirect	-	-	1,036
Other	-	-	139
Total	$ 38,394	$ 25,684	$ 2,847

	2023		
	Nonperforming loans	Nonperforming loans with no allowance	90+ Days and Accruing
Commercial and industrial	$ 678	$ 403	$ 44
Commercial mortgages	8,826	2,512	-
Residential - first lien	4,465	-	-
Residential - junior lien	247	-	-
Consumer:			
Indirect	-	-	592
Other	-	-	67
Total	$ 14,216	$ 2,915	$ 703

The following tables present the amortized cost basis of collateral-dependent loans by class of loans as of December 31, 2024 and 2023 (in thousands):

		2024	
		Balance	**Related Allowance**
Commercial and industrial (1)	$	3,282	2,661
Commercial mortgages (2)		26,447	1,769
Residential - first lien (3)		1,573	62
Total	$	31,302	4,492

(1) Secured by real estate and business assets.
(2) Secured by commercial real estate.
(3) Secured by residential real estate.

		2023	
		Balance	**Related Allowance**
Commercial and industrial (1)	$	602	79
Commercial mortgages (2)		8,760	2,156
Total	$	9,362	2,235

(1) Secured by residential real estate.
(2) Secured by commercial real estate.

In monitoring the credit quality of the portfolio, management applies a credit quality indicator to substantially all commercial loan relationships over $0.75 million. These quality indicators range from one through eight in increasing risk of loss. These ratings are used as inputs to the calculation of the allowance for loan losses. Loans rated 1 through 4 are generally allocated a lesser percentage allocation in the allowance for loan losses than loans rated from 5 through 8. Residential Mortgage Loans are generally rated 9 and Consumer Loans are generally not rated, unless they are used to partially collateralize commercial loans, in which case they carry the rating of the respective commercial loan relationship, or if management wishes to recognize a well-defined weakness or loss potential to more accurately reflect credit risk. Unrated loans, including performing commercial loan relationships less than $0.75 million, are allocated a percentage of the allowance for loan losses on a pooled basis.

Loans risk rated 5 are currently protected but are potentially weak. These loans, in management's judgment, constitute an undue and unwarranted credit risk but not to the point of justifying a classification of substandard. The credit risk may be relatively minor yet constitute an unwarranted risk in light of the circumstances surrounding a specific asset. Loans in this category have potential weaknesses which may, if not checked or corrected, weaken the loan or inadequately protect the Bank's credit position at some future date. This might include loans which the lending officer may be unable to supervise properly because of: lack of expertise, inadequate loan agreement, the poor condition of or lack of control over collateral, failure to obtain proper documentation or any other deviations from prudent lending practices. Economic or market conditions which may, in the future, affect the obligor may warrant special mention of the asset. Loans for which an adverse trend in the borrower's operations or an imbalanced position in the balance sheet which has not reached a point where the liquidation is jeopardized may be included in this classification.

Loans risk rated 6 are considered substandard. A substandard loan is inadequately protected by the sound worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected. Loss potential, while existing in the aggregate amount of substandard loans, does not have to exist in individual loans classified substandard. Residential mortgages are not subject to substandard classification unless the following well defined weaknesses have occurred: the ability of the borrower to repay the debt is questionable as evidenced by delinquency of 90 days, and repayment of the debt is dependent on the sale of the underlying real estate.

Loans risk rated 7 are categorized as doubtful. These loans have all the weaknesses inherent in one classified substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. The possibility of loss is extremely high but because of certain important and reasonably specific pending factors which may work to the advantage and strengthening of the loan, its classification as an estimated loss is deferred until its more exact status may be determined. Pending factors include proposed merger, acquisition, or liquidation procedures, capital injection, perfecting liens on additional collateral and refinancing plans. The entire amount of the loan might not be classified as doubtful when collection of a specific portion appears highly probable. Loans are generally not classified doubtful for an extended period of time (i.e., over a year).

Loans classified 8, or loss, are considered uncollectible and of such little value that their continuance as bankable assets is not warranted. This classification does not mean that the asset has absolutely no recovery or salvage value, but rather it is not practical or desirable to defer writing off this basically worthless asset even though partial recovery may be affected in the future. Losses are taken in the period in which they surface as uncollectible.

Loans in category 9 and unrated are evaluated for credit quality after origination principally based upon delinquency status, but may also include credit scores and collateral valuations.

The following tables present the risk category of loans and current period gross charge-offs as of December 31, 2024 and 2023 by loan segment and vintage year (in thousands):

	Term Loans by Origination Year for Fiscal Years ended December 31, 2024						
	2024	**2023**	**2022**	**2021**	**2020**	**Prior to 2020**	**Total**
Commercial and industrial							
Pass-Rated	$ 49,450	47,403	63,469	39,474	33,206	141,677	374,679
5-Special Mention	250	-	1,074	340	1,104	1,711	4,479
6-Substandard	726	1,616	899	49	153	388	3,831
7-Doubtful	431	94	-	-	669	-	1,194
9 and not rated	27,752	37,804	23,265	17,218	11,534	27,526	145,099
Total Commercial and Industrial	78,609	86,917	88,707	57,081	46,666	171,302	529,282
Commercial and industrial current period gross charge-offs	-	389	319	188	248	224	1,368
Commercial mortgage							
Pass-Rated	130,218	140,732	152,708	190,588	136,598	256,503	1,007,347
5-Special Mention	-	-	245	-	-	10,145	10,390
6-Substandard	666	4,090	5,702	13,133	-	11,076	34,667
7-Doubtful	-	-	662	-	-	-	662
9 and not rated	29,844	14,190	17,740	17,771	13,396	33,735	126,676
Total Commercial mortgage	160,728	159,012	177,057	221,492	149,994	311,459	1,179,742
Commercial Mortgage current period gross charge-offs	-	-	-	-	-	-	-
Residential mortgage - first lien							
Pass-Rated	2,407	5,189	2,543	12,209	5,368	4,853	32,569
6-Substandard	-	1,040	973	1,074	327	3,112	6,526
9 and not rated	165,552	174,360	207,546	130,272	99,430	185,406	962,566
Total Residential mortgage - first lien	167,959	180,589	211,062	143,555	105,125	193,371	1,001,661
Residential mortgage - first lien current period gross charge-offs	-	-	-	-	-	73	73
Residential mortgage - junior lien							
Pass-Rated	-	919	-	-	11,340	1,624	13,883
6-Substandard	-	-	142	83	56	177	458
9 and not rated	32,966	36,240	21,135	17,067	17,606	62,532	187,546
Total Residential mortgage - junior lien	32,966	37,159	21,277	17,150	29,002	64,333	201,887
Residential mortgage - junior lien current period gross charge-offs	-	-	-	-	-	-	-
Consumer							
Automobile - indirect							
9 and not rated	240,983	197,707	177,069	142,876	45,382	9,487	813,504
Automobile - indirect current period gross charge-offs	314	936	2,117	1,803	646	475	6,291
Other							
Pass-Rated	2,522	1,971	6,358	484	612	2,222	14,169
9 and not rated	7,368	7,830	7,077	6,042	5,708	2,677	36,702
Total Other	9,890	9,801	13,435	6,526	6,320	4,899	50,871
Other indirect period gross charge offs	184	539	1,411	336	101	405	2,976
Total Loans	$ 691,135	671,185	688,607	588,680	382,489	754,851	3,776,947
Total Chage-Offs	$ 498	1,864	3,847	2,327	995	1,177	10,708

	Term Loans by Origination Year for Fiscal Years ended December 31, 2023						
	2023	2022	2021	2020	2019	Prior to 2019	Total
Commercial and industrial							
Pass-Rated	$ 46,112	59,388	49,418	37,529	45,766	109,445	347,658
5-Special Mention	4,219	-	-	-	-	-	4,219
6-Substandard	-	25	51	162	24	1,283	1,545
9 and not rated	48,669	32,002	23,843	17,681	9,336	23,496	155,027
Total Commercial and Industrial	99,000	91,415	73,312	55,372	55,126	134,224	508,449
Commercial and industrial current period							
gross charge-offs	-	206	366	255	159	488	1,474
Commercial mortgage							
Pass-Rated	149,920	155,835	198,251	148,173	106,638	177,602	936,419
5-Special Mention	-	-	13,275	-	-	14,279	27,554
6-Substandard	-	6,315	-	-	526	6,141	12,982
9 and not rated	16,230	22,937	19,330	13,019	10,270	30,254	112,040
Total Commercial mortgage	166,150	185,087	230,856	161,192	117,434	228,276	1,088,995
Commercial Mortgage current period							
gross charge-offs	-	-	-	-	-	-	-
Residential mortgage - first lien							
Pass-Rated	4,850	2,791	12,968	6,387	1,314	5,429	33,739
5-Special Mention	-	-	-	-	-	434	434
6-Substandard	-	154	711	-	397	3,203	4,465
9 and not rated	192,418	223,973	139,940	108,217	63,286	152,469	880,303
Total Residential mortgage - first lien	197,268	226,918	153,619	114,604	64,997	161,535	918,941
Residential mortgage - first lien current							
period gross charge-offs	-	-	229	-	-	-	229
Residential mortgage - junior lien							
Pass-Rated	634	-	-	11,723	-	1,718	14,075
6-Substandard	-	-	61	58	-	127	246
9 and not rated	31,000	23,628	17,871	17,777	9,318	61,537	161,131
Total Residential mortgage - junior lien	31,634	23,628	17,932	29,558	9,318	63,382	175,452
Residential mortgage - junior lien current							
period gross charge-offs	-	-	-	-	-	5	5
Consumer							
Automobile - indirect							
9 and not rated	281,609	270,447	241,003	94,935	27,297	9,080	924,371
Automobile - indirect current period	-	-	-	-	-	-	-
gross charge-offs	312	2,775	3,705	1,800	416	404	9,412
Other	-	-	-	-	-	-	-
Pass-Rated	2,384	5,562	194	1,531	263	2,541	12,475
9 and not rated	11,899	10,491	9,271	7,600	808	2,729	42,798
Total Other	14,283	16,053	9,465	9,131	1,071	5,270	55,273
Other indirect period gross charge offs	9	205	849	327	226	223	1,839
Total Loans	$ 789,944	813,548	726,187	464,792	275,243	601,767	3,671,481
Total Chage-Offs	$ 321	3,186	5,149	2,382	801	1,120	12,959

Loan Modifications Made to Borrowers Experiencing Financial Difficulty

Occasionally, the Company modifies loans to borrowers in financial distress by providing principal forgiveness, term extension, an other-than-insignificant payment delay or interest rate reduction. When principal forgiveness is provided, the amount of forgiveness is charged off against the allowance for credit losses.
In some cases, the Company provides multiple types of concessions on one loan. Typically, one type of concession, such as term extension, is granted initially. If the borrower continues to experience financial difficulty, another concession, such as principal forgiveness, may be granted.

The following tables present (in thousands) the amortized cost basis of loans at December 31, 2024 and 2023 that were both experiencing financial difficulty and modified during the year ended December 31, 2024 and 2023, by class and by type of modification. The percentage of the amortized cost basis of loans that were modified to borrowers in financial distress as compared to the book value of each class of financing receivable is also presented below:

	2024						
	Payment Delay	Term Extension	Interest Rate Reduction	Combination Interest Rate Reduction and Payment Delay	Combination Payment Delay and Term Extension	Total	Total Class of Financing Receivable
Commercial and Industrial	$ 229	265	-	-	-	494	0.09%
Commercial mortgages	5,736	9,919	-	3,554	-	19,209	1.62%
Residential - first lien	-	156	-	-	111	267	0.03%
Residential - junior lien	1	-	-	-	-	1	0.00%
Consumer - indirect	-	904	-	10	-	914	0.11%
Consumer - other	-	5	74	-	-	79	0.16%
Total	5,966	11,249	74	3,564	111	20,964	0.55%

	2023						
	Payment Delay	Term Extension	Interest Rate Reduction	Combination Interest Rate Reduction and Payment Delay	Combination Payment Delay and Term Extension	Total	Total Class of Financing Receivable
Commercial mortgages	$ 6,315	5,053	-	-	-	11,368	1.04%
Residential - first lien	30	872	-	-	-	902	0.10%
Consumer - indirect	-	1,208	-	-	-	1,208	0.13%
Consumer - other	-	4	-	-	-	4	0.01%
Total	6,345	7,137	-	-	-	13,482	0.36%

There were $0.5 million in commitments to lend additional funds to borrowers experiencing financial difficulty whose terms have been restructured as of December 31, 2024. There were no commitments to lend additional funds to these borrowers as of December 31, 2023.

All loans to borrowers experiencing financial difficulty that have been modified during the years ended December 31, 2024 and 2023 were current to their contractual payments as of December 31, 2024 and 2023 with the exception of $7.7 million and $0.6 million, respectively, in commercial and consumer loans that were in the 30 to 89 days past due category.

For restructured loans, a subsequent payment default is defined in terms of delinquency, when a principal or interest payment is 90 days past due or classified into non-accrual status during the reporting period. Of the loans restructured during the years ended December 31, 2024 and 2023 (since adoption of ASU 2022-02), there were no subsequent defaults as of December 31, 2024 and 2023.

Allowance for Credit Losses for Unfunded Commitments

The Company has recorded an ACL for unfunded credit commitments, which is recorded in other liabilities. The provision is recorded within the provision for credit losses on the Company's consolidated statements of income. The following tables present the allowance for credit losses for unfunded commitments for the years ended December 31, 2024 and 2023 (dollars in thousands):

	2024	2023
Balance as of beginning of period	$ 1,624	-
Day 1 effect of CECL	-	1,745
Provision for (reversal of) credit losses - unfunded commitments	82	(121)
Balance as of end of period	1,706	1,624

Components of Provision for Credit Losses

The following tables summarize the provision for credit losses for the years ended December 31, 2024 and 2023 (dollars in thousands):

		2024	2023
Provision for credit losses - loans	$	9,260	7,812
Provision for (reversal of) credit losses - unfunded commitments		82	(121)
Provision for credit losses		9,342	7,691

(4) Premises and Equipment

A summary of premises and equipment at December 31, 2024 and 2023, follows (in thousands):

		2024	2023
Land and land improvements	$	2,218	2,218
Buildings and leasehold improvements		40,093	39,707
Furniture, fixtures and equipment		28,297	28,086
Projects in process		8,862	8,586
		79,470	78,597
Less accumulated depreciation		54,233	52,185
Premises and equipment - net	$	25,237	26,412

Depreciation expense amounted to $2.8 million for both of the years ended December 31, 2024 and 2023.

(5) Goodwill and Intangibles Assets

At December 31, 2024, the Company's reporting unit had positive equity and the Company elected to perform a qualitative assessment to determine if it was more likely than not that the fair value of the reporting units exceeds its carrying value, including goodwill. As a result of the qualitative assessment, it was more likely than not that fair value of the reporting unit exceeded the carrying value, resulting in no impairment.

(6) Deposits

At December 31, 2024 the scheduled maturity of time deposits was as follows (in thousands):

2025	$	1,117,321
2026		75,338
2027		3,714
	$	1,196,373

Time deposits of $250,000 or more amounted to $541.1 million at December 31, 2024, and $447.1 million at December 31, 2023.

(7) Borrowings

There were no overnight borrowings from the Federal Reserve Bank of New York discount window for the year ended December 31, 2024. Overnight borrowings from the Federal Reserve Bank of New York discount window amounted to $10.8 million, carrying an interest rate of 5.5%, for the year ended December 31, 2023.

There were no short term borrowings from the Federal Reserve Bank of New York through the Bank Term Funding Program (BTFP), which was introduced by the Federal Reserve Board in 2023, for the year ended December 31, 2024. Short term borrowings under BTFP amounted to $200 million carrying an interest rate of 4.89% for the year ended December 31, 2023.
Borrowings from the Federal Home Loan Bank of New York amounted to $550.0 million and $600.0 million for the years ended December 31, 2024 and 2023, respectively. At December 31, 2024 and 2023, there were no overnight borrowings from the Federal Home Loan Bank.

The following tables summarize the Federal Home Loan Bank of New York term borrowings as of December 31, 2024 and 2023:

December 31, 2024
(in thousands)

Type	Maturity Date	Interest Rate		Amount
Term	February 6, 2025	1.82%	$	50,000
Term	November 13, 2025	4.39%		100,000
Term	May 13, 2026	4.33%		100,000
Term	August 10, 2026	3.39%		50,000
Term	November 13, 2026	4.22%		50,000
Term	April 13, 2027	4.23%		50,000
Term	August 10, 2027	3.27%		100,000
Term	December 20, 2027	4.14%		50,000
			$	550,000

December 31, 2023
(in thousands)

Type	Maturity Date	Interest Rate		Amount
Term	February 6, 2024	2.67%		50,000
Term	February 6, 2025	1.82%		50,000
Term	November 13, 2025	4.39%		100,000
Term	May 13, 2026	4.33%		100,000
Term	August 10, 2026	3.39%		50,000
Term	November 13, 2026	4.22%		50,000
Term	April 13, 2027	4.23%		50,000
Term	August 10, 2027	3.27%		100,000
Term	December 20, 2027	4.14%		50,000
			$	600,000

Advances under the overnight line of credit with the FHLB of New York are payable on demand and generally bear interest at the federal funds rate plus 0.10% - 0.20%. The Company also has access to the FHLB's Term Advance Program, which allows the Bank to borrow at various terms and rates, subject to the Bank's pledging of eligible collateral. Advances under the Federal Reserve Bank of New York are payable the following business day and bear interest at the Federal Reserve Bank of New York's discount rate for primary credit, which is generally 0.00% to 1.00% above the target federal funds rate.

The following table presents information about the Company's available lines of credit and related loan collateral at December 31, 2024 (in thousands). Amounts utilized include borrowings and undrawn letters of credit.

	Amount Utilized	Unused	Collateralized by	Carrying Value of Collateral
Federal Home Loan Bank of New York	$ 550,000	$ 339,167	Residential mortgages	$ 644,745
			Commercial mortgages	$ 404,101
			Securities	$ 154,049
			FHLB stock	$ 28,146
Federal Reserve Bank	$ -	$ 1,357,927	Indirect automobile loans	$ 497,955
			Commercial loans	$ 735,854
			Securities	$ 124,118
			FRB Stock	$ 1,773

(8) Junior Subordinated Debentures and Interest Rate Swap Agreements

In June 2006, the Company issued $30.9 million of unsecured, 30-year floating rate junior subordinated deferrable interest debentures (T2) through a wholly owned business trust. The debentures were issued at a floating rate of 3-month Libor plus a margin of 1.40%. In 2023, the margin was converted to the secured overnight financing rate (SOFR) plus a spread adjustment of .26%, plus a margin of 1.40%, adjustable quarterly (6.02% at December 31, 2024). The debentures final maturity is June 2036, and became callable, in whole or in part, at par after June 2012 at the Company's option, and subject to Federal Reserve Bank of New York approval. Interest is paid quarterly. Interest payments can be deferred for up to five years but would restrict the Company's ability to pay dividends. At December 31, 2024, these debentures were considered Tier 1 Capital for regulatory purposes.

In September 2007, the Company issued $20.6 million of unsecured, 30-year floating rate junior subordinated deferrable interest debentures (T3) through a wholly owned business trust. The terms of the debenture are similar to T2, except that the margin is 1.44%, adjustable quarterly (6.06% at December 31, 2024) and final maturity is December, 2037.

(9) Income Taxes

The components of income tax expense relating to income from operations for each of the years ended December 31, follows (in thousands):

	2024	2023
Current:		
Federal	$ 10,438	9,174
State	1,998	1,410
	12,436	10,584
Deferred:		
Federal	182	2,409
State	53	1,053
	235	3,462
	$ 12,671	14,046

Income tax expense differed from the amounts computed by applying the applicable U.S. Federal corporate tax rates to pretax income from operations for each of the years ended December 31, follows (dollars in thousands):

	2024	2023
Tax expense at statutory rate of 21%	$ 12,030	12,346
Tax-exempt interest	(203)	(307)
Interest expense disallowance	52	55
State taxes, net of Federal benefit	1,620	1,946
Stock options	(408)	(79)
Nondeductible operating expenses	48	25
Change in valuation allowance for deferred tax assets	(2)	(2)
Other	(466)	62
Total	$ 12,671	14,046
Effective tax rate	22.1%	23.9%

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, follows (dollars in thousands):

	2024	2023
Deferred tax assets:		
Allowance for credit losses	$ 10,515	9,495
Incentive stock and retirement plans	699	1,912
Depreciation	738	382
Non-controlling interest	(358)	47
Unrealized loss on available-for-sale securities	8,346	10,891
Net operating loss carryforwards	363	418
Right of use liability	7,822	6,747
Other	643	699
Deferred tax assets before allowance	28,768	30,591
Valuation allowance	(40)	(42)
Deferred tax assets	28,728	30,549

Deferred tax liabilities:		
Loan servicing rights	612	672
Intangible assets, net	2,245	2,245
Prepaid expenses	1,682	1,934
Deferred gain on sale of investments	2,800	2,800
Right of use asset	7,544	6,485
Other	255	-
Deferred tax liabilities	15,138	14,136
Net deferred tax asset	$ 13,590	16,413

Net deferred tax assets are included in other assets. Realization of deferred tax assets is dependent upon the generation of future taxable income or the existence of sufficient taxable income within the carryback period. A valuation allowance is provided when it is more likely than not that some portion of the deferred tax assets will not be realized. In assessing the need for a valuation allowance, management considers the scheduled reversal of deferred tax liabilities, the level of historical taxable income, and projected future taxable income over the periods in which the temporary differences comprising the deferred tax assets are deductible. Based on its assessment, management determined that a valuation allowance was needed for the federal net operating loss and mortgage recording tax credit carryforwards. The federal net operating loss (NOL) carryforwards of approximately $1.7 million, which begin to expire in 2031, were generated by a nonbank subsidiary before the subsidiary was included in the Company's consolidated federal tax return. Therefore, their utilization is limited under the Internal Revenue Code and related Treasury Regulations.

The Company recognizes interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. No material amount of interest expense was recognized during 2024 and 2023, for any unrecognized tax benefits. The Company is not subject to U.S. Federal tax examinations or state tax examinations for years before 2018.

(10) Stockholder's Equity

Payment of dividends by the Bank to the Company is limited or restricted in certain circumstances. According to federal banking law, the approval of the Office of the Comptroller of the Currency (OCC) is required for the declaration of dividends in any year in which dividends exceed the total of net income for that year plus retained income for the preceding two years. At December 31, 2024, approximately $82.6 million was available for dividends to the Company without the approval of the OCC. Payment of dividends by the Company's non-bank trust subsidiaries are also restricted by the OCC, its regulator. No dividends are available for payment by these companies without regulatory approval.

In 2024, the Company paid a $4.50 per share dividend on common stock to shareholders on February 2, 2024 and a $4.60 per share dividend on common stock to shareholders on August 2, 2024. In 2023, the Company paid a $4.50 per share dividend on common stock to shareholders on February 3, 2023 and a $4.50 per share dividend on common stock to shareholders on August 4, 2023.

(11) Earnings Per Share

Basic and diluted earnings per share for the years ended December 31, 2024 and 2023, were computed as follows (in thousands, except share and per-share data):

	2024	2023
Basic Earnings Per Share:		
Net income applicable to Canandaigua National Corporation	$ 44,602	44,731
Weighted average common shares outstanding	1,847,038	1,864,430
Basic earnings per share	$ 24.15	23.99
Diluted Earnings Per Share:		
Net income applicable to Canandaigua National Corporation	$ 44,602	44,731
Weighted average common shares outstanding	1,847,038	1,864,430
Effect of assumed exercise of stock options	2,034	8,593
Total	1,849,071	1,873,023
Diluted earnings per share	$ 24.12	23.88

(12) Retirement Plans

Defined Benefit Plan

The Company has a combined profit sharing and 401(k) Plan covering substantially all employees upon completion of 1,000 hours of service. Contributions to the Plan are determined annually by the Company's Board of Directors. The Plan is subject to a minimum contribution of 3% of eligible compensation. It is the Company's policy to annually fund current costs as they accrue. Expenses of the Plan amounted to $3.5 million, and $4.4 million, for the years ended December 31, 2024 and 2023, respectively.

Employee Stock Ownership Plan

The Company has an employee stock ownership plan (ESOP) for employees of the Company. Annual contributions are made at the discretion of the Board of Directors. ESOP expense amounted to $0.6 and $0.5 million, for the years ended December 31, 2024 and 2023, respectively. Shares distributed to a participant upon termination of service are subject to a put option whereby the participant may cause the ESOP's Trust to purchase the shares at fair value. At both December 31, 2024 and 2023 the ESOP held 29,560, of which all are allocated to participants, with an estimated fair value, at the respective dates, of $6.1 million and $7.3 million.

Supplemental Executive Retirement Plans

The Company has two unfunded, non-qualified, supplemental executive retirement plans (SERP) covering certain executives designed to compensate for the portion of cash compensation unable to be included in the profit sharing and 401(k) plan, because of limitations of the plan's design and of the Internal Revenue Code. The Company had accrued a liability of $0.7 and $2.0 million at December 31, 2024 and 2023, respectively, for these SERPs. Expenses of these SERP's amounted to $.08 million and $0.04 million for years ended 2024 and 2023, respectively.

(13) Stock-Based Compensation

The Company has granted stock options and Stock Appreciation Rights (SARs) for executives, which are described below.
Amounts recognized in the Consolidated Financial Statements with respect to these grants are as follows (in thousands):

		2024	2023
Stock options	$	-	-
Stock appreciation rights		(2,233)	(9,019)
Pre-tax cost of stock-based compensation included in salaries and employee benefits expenses	$	(2,233)	(9,019)
Amount of related income tax benefit recognized in net income	$	581	2,345

Stock Option Plan

The Company's stock option plan authorized grants of options to purchase up to 192,000 shares of common stock. All 192,000 options available were granted by year-end 2004. There are no future expenses associated with the unvested options. The options were granted with an exercise price equal to the fair value of the common stock on the grant date based on the most recent public stock sale known to the Company immediately preceding the grant. The options are exercisable either five years from the date of grant, or at the later of age 55 or 15 years of continuous employment with the Company, or at normal retirement age (65).

The following summarizes outstanding and exercisable options at December 31, 2024:

	# Shares Subject to Options		Weighted Average Exercise Price
Options outstanding at beginning of the year	10,667	$	57.39
Granted	-	$	-
Exercised	10,667	$	57.39
Expired	-	$	-
Forfeited	-	$	-
Options outstanding at year end	-	$	-
Options exercisable at year end	-	$	-
Options available for future grants	none		

As of December 31, 2024, all outstanding options were exercised. The intrinsic value of options exercised during the years ended December 31, 2024 and 2023 was $1.9 million and $0.4 million, respectively. No options were forfeited in 2024 or 2023.

The source of shares issued upon exercise has historically been treasury shares. From time to time, the Company has purchased shares for treasury to be used for these exercises. The amount of shares, timing and cost of these purchases could not be determined, as the Company did not know when and in what quantity participants would exercise their options.

Stock Appreciation Rights

The number of stock appreciation rights (SARs) issued is based upon a formula utilizing the compensation of the grantees and actual return on beginning equity relative to the budgeted return for each year. SARs represent the right to receive payment in cash or stock (SARs granted from 2021-2024 may only receive payment in cash), at the Compensation Committee of the Board of Director's option, equal to the amount, if any, by which the market value per share of common stock on the date of exercise exceeds the SARs grant price. Long-term SARs (LTS) are exercisable at the later of age 55 or after 15 years of continuous employment with the Company. Medium-term SARs (MTS) are exercisable five years from the date of grant. The vesting schedule is consistent with the time periods in which the SARs become exercisable. The following summarizes the activity of these rights as of and for the year ended December 31, 2024.

	Long-term SARs			Medium-term SARs		
	# Rights		Weighted Average Grant Price	# Rights		Weighted Average Grant Price
Rights outstanding at January 1, 2024	65,224	$	196.84	60,933	$	203.46
Granted	6,426	$	246.93	4,284	$	246.93
Exercised	6,110	$	117.41	5,913	$	158.67
Forfeited	6,601	$	224.84	2,992	$	245.66
Expired	-	$	-	-	$	-
Rights outstanding at December 31, 2024	58,939	$	192.70	56,312	$	202.64
Rights exercisable at December 31, 2024	14,744	$	198.21	29,988	$	170.15

In February 2024, certain executives were awarded a total of 6,426 long-term SARs and 4,284 medium-term SARs, all at a grant price of $246.93 per share, the then-current market value (based on the most recent public stock sale administered by the Trust Department known to the Company immediately preceding the effective grant date) of the Company's common stock.

During 2024, 6,110 long-term SARs were exercised with a fair value of $787,000, and 5,913 medium-term SARs were exercised with a fair value of $401,000. The Company did not settle nor issue SARs in Company stock during 2024. During 2023, 15,606 long-term SARs were exercised with a fair value of $2,570,000, and 8,853 medium-term SARs were exercised with a fair value of $1,651,000. The Company settled 8,003 long-term SARs and 7,140 medium-term SARs in Company's stock. This resulted in issuance of 1,068 shares of Company's stock during the year ended December 31, 2023. The fair value of awards vested during years ended December 31, 2024 and 2023, amounted to $416,000 and $2,326,000, respectively. During 2024, 6,601 long-term SARs were forfeited with a fair value of $117,000 and 2,992 medium-term SARs were forfeited with a fair value of $94,000. No SARs were forfeited in 2023. At December 31, 2024 the intrinsic value of exercisable long term SARs and medium term SARs were $113,000 and $1,071,000 respectively.

The weighted average estimated per-right fair values, as of December 31, 2024 and 2023, are presented below. Fair value was estimated using the Black-Scholes-Merton option-pricing model with the following assumptions. No forfeitures are assumed, as generally none are anticipated for the current outstanding awards.

	2024		2023	
Right Type	LTS	MTS	LTS	MTS
Per-right fair value	$25.98	$21.88	$53.11	$48.87
Expected dividend yield	4.13%	4.13%	3.15%	3.15%
Risk-free interest rate	4.38%	4.38%	3.84%	3.84%
Expected Life	4.9 years	4.9 years	4.9 years	4.9 years
Volatility	13.41%	13.41%	12.44%	12.44%

Long-term SAR's outstanding and medium-term SARs outstanding (both exercisable and unexercisable) at December 31, 2024, had exercise prices ranging from $78.98 to $351.25. The weighted average expected life of these rights is five years. Since these rights have no stated expiration date, the expected life is calculated as the number of years from the balance sheet date to the grantee's 60th birthday, which is the historical life for similar past rights. Based upon current assumptions, the estimated compensation cost related to non-vested rights not yet recognized is $0.8 million, which is expected to be recognized over a weighted average period of five years. The Company had accrued a liability of $2.1 million and $5.5 million at December 31, 2024 and 2023, respectively, representing the accumulated fair-value vested obligation of these rights under the plan.

(14) Leases

The Company’s lease portfolio consists primarily of operating leases for real estate property for branches, ATM locations, and office space, with contractual terms expiring from 2025 to 2038. Lease contracts may include one or more renewal options that allow the Company to extend the lease term, typically from one year to five years per each renewal option. The exercise of lease options are generally at the discretion of the Company. None of the Company’s leases contain residual value guarantees, substantial restrictions, or covenants.

Supplemental balance sheet information related to the Company's leases as of December 31, 2024 and 2023 are as follows (in thousands):

		2024	2023
Operating lease ROU assets, net of accumulated amortization	$	29,638	25,479
Operating lease liabilities		30,730	26,507
Weighted average remaining lease term (in years)		10	9
Weighted average discount rate		3.26%	2.62%

The components of lease expense are as follows (in thousands):

December 31,		2024	2023
Fixed payment operating lease expense	$	3,847	3,675
Variable payment operating lease expense		1	1
Short-term lease expense		9	8

Supplemental cash flow information related to the Company's leases as of December 31, 2024 and 2023 are as follows (in thousands):

		2024	2023
Cash paid for amounts included in the measurement of lease liabilities	$	3,784	3,433
Amortization of ROU assets		3,295	2,945
ROU assets obtained in exchange for new operating lease liabilities		6,562	-

The following table presents a maturity analysis of the Company's operating lease liability (in thousands):

Years ending December 31,		Amount
2025	$	3,863
2026		4,146
2027		4,074
2028		3,828
2029		3,481
2030 and after		16,572
Total future lease payments		35,964
Less: imputed interest		5,234
Total operating lease liabilities	$	30,730

(15) Commitments and Contingencies

In the normal course of business, various commitments and contingent liabilities are outstanding. The following table presents the notional amount of the Company's significant commitments and their respective carrying amount, where applicable, for the years ended December 31, 2024 and December 31, 2023. Most of these commitments are not included in the Company's Consolidated Balance Sheets (in thousands).

		2024		2023	
		Notional Amount	Carrying Amount	Notional Amount	Carrying Amount
Commitments to extend credit:					
Commercial lines of credit	$	367,396	-	366,925	-
Commercial real estate and construction		100,741	-	70,813	-
Residential real estate at fixed rates		8,693	-	6,354	-
Home equity lines of credit		570,790	-	519,370	-
Unsecured personal lines of credit		25,235	-	25,745	-
Standby and commercial letters of credit		8,305	(125)	7,963	(119)
Commitments to sell real estate loans		7,444	-	4,182	-

Commitments to extend credit are agreements to lend to customers and generally have fixed expiration dates or other termination clauses that may require payment of a fee, the amount of which is immaterial. Standby and commercial letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party and also require payment of a fee. Standby letters of credit generally are contingent upon the failure of the customer to perform according to the terms of an underlying contract with a third party, whereas commercial letters of credit are issued to facilitate commerce and typically result in the commitment being funded when the underlying transaction is consummated between the customer and third party. Because many commitments and almost all letters of credit expire without being funded in whole or in part, the notional amounts are not estimates of future cash flows. The credit risk associated with commitments to extend credit and standby and commercial letters of credit is essentially the same as that involved with extending loans to customers and is subject to normal credit policies. The Company's credit policy generally requires customers to provide collateral, usually in the form of customers' operating assets or property, prior to disbursement of approved loans.

Commitments to originate fixed-rate loans are made when a borrower executes a rate-lock agreement. At the time of execution, the Company generally charges a rate-lock fee, which approximates the fair value of the Company's commitment. These commitments usually have terms ranging from 45 to 90 days. Concurrently, the Company enters into commitments to sell certain fixed-rate residential real estate loans (usually those subject to the foregoing rate-locks). The fair value of these commitments are inconsequential as of December 31, 2024 and December 31, 2023.

The Company has committed $3.0 million as a limited partnership investment to Cephas Capital Partners, II and $3.0 million to Cephas Capital Partners, III. This Small Business Investment Company (SBIC) is a community-bank backed mezzanine finance company. At December 31, 2024, the Company has remaining unfunded commitments of $1.5 million with Cephas Capital Partners, II and $1.0 million with Cephas Partners III. These investments are carried in Other Assets on the Consolidated Balance Sheets.

In the normal course of business, the Company has various contingent liabilities outstanding that are not included in the Consolidated Financial Statements. Management does not anticipate any material losses as a result of these contingent liabilities.

(16) Regulatory Matters

The Company and its subsidiaries are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory - and possibly additional discretionary - actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and its subsidiaries must meet specific capital guidelines that involve quantitative measures of the Company's and Bank's assets, liabilities, and certain off-balance-sheet items calculated under regulatory accounting practices. The capital amounts and classifications are also subject to qualitative judgments by regulators about components, risk weightings, and other factors. Management believes, as of December 31, 2024, that the Company and Bank met all capital adequacy requirements to which they are subject. The Company’s trust subsidiary, Canandaigua National Trust Company of Florida, must also meet minimum capital requirements as set forth by their regulators. As of December 31, 2024, it complied with its minimum capital requirements.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. At year-end 2024 and 2023, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the institution’s category.

	Regulatory Capital as of December 31, 2024								
	Actual			Required for Adequacy Purposes			To Be Well Capitalized Under Prompt Corrective Action Regulations		
(Dollars in thousands)	Amount		Ratio	Amount		Ratio	Amount		Ratio
Leverage capital (Tier 1) as percent of average assets:									
Company	$	442,932	8.91%	$	198,945	4.00%		N/A	N/A
Bank	$	424,326	8.54%	$	198,718	4.00%	$	248,397	5.00%
As percent of risk-weighted, period-end assets									
Core capital (Common Equity Tier 1)									
Company	$	391,385	10.51%	$	260,576	7.00%		N/A	N/A
Bank	$	424,326	11.43%	$	259,816	7.00%	$	241,258	6.50%
Core capital (Tier 1)									
Company	$	442,932	11.90%	$	316,414	8.50%		N/A	N/A
Bank	$	424,326	11.43%	$	315,491	8.50%	$	296,932	8.00%
Total capital (Tiers 1 and 2)									
Company	$	484,242	13.01%	$	390,864	10.50%		N/A	N/A
Bank	$	465,636	12.55%	$	389,724	10.50%	$	371,166	10.00%

	Regulatory Capital as of December 31, 2023								
	Actual			Required for Adequacy Purposes			To Be Well Capitalized Under Prompt Corrective Action Regulations		
(Dollars in thousands)	Amount		Ratio	Amount		Ratio	Amount		Ratio
Leverage capital (Tier 1) as percent of average assets:									
Company	$	421,795	8.61%	$	195,943	4.00%		N/A	N/A
Bank	$	403,187	8.26%	$	195,328	4.00%	$	244,160	5.00%
As percent of risk-weighted, period-end assets									
Core capital (Common Equity Tier 1)									
Company	$	370,248	10.10%	$	256,621	7.00%		N/A	N/A
Bank	$	403,187	11.03%	$	255,986	7.00%	$	237,701	6.50%
Core capital (Tier 1)									
Company	$	421,795	11.51%	$	311,611	8.50%		N/A	N/A
Bank	$	403,187	11.03%	$	310,840	8.50%	$	292,555	8.00%
Total capital (Tiers 1 and 2)									
Company	$	459,100	12.52%	$	384,932	10.50%		N/A	N/A
Bank	$	440,492	12.05%	$	383,979	10.50%	$	365,694	10.00%

(17) Fair Values of Financial Instruments

Current accounting pronouncements require disclosure of the estimated fair value of financial instruments. Fair value is generally defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly, non-distressed sale between market participants at the measurement date. With the exception of certain marketable securities and one-to-four-family residential mortgage loans originated for sale, the Company's financial instruments are not readily marketable and market prices do not exist. The Company, in attempting to comply with accounting disclosure pronouncements, has not attempted to market its financial instruments to potential buyers, if any exist. Since negotiated prices in illiquid markets depend upon the then present motivations of the buyer and seller, it is reasonable to assume that actual sales prices could vary widely from any estimate of fair value made without the benefit of negotiations. Additionally, changes in market interest rates can dramatically impact the value of financial instruments in a short period of time. Finally, the Company expects to retain substantially all assets and liabilities measured at fair value to their maturity or call date. Accordingly, the fair values disclosed herein are unlikely to represent the instruments' liquidation values, and do not, with the exception of securities, consider exit costs, since they cannot be reasonably estimated by management.

Accounting principles establish a three-level valuation hierarchy for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows.

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The estimated fair values and the valuation hierarchy of the Company's financial instruments as of December 31, 2024 and December 31, 2023 are as follows (in thousands):

			2024		2023	
Financial Assets:	Fair Value Hierarchy		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and equivalents	1	$	178,824	178,824	54,050	54,050
Equity securities	1		7,714	7,714	7,780	7,780
Debt securities, available-for-sale	1, 2		489,541	489,541	504,642	504,642
Debt securities, held-to-maturity	2		448,527	380,228	478,997	416,604
FHLB stock and Federal Reserve Bank stock	N/A		29,919	N/A	31,904	N/A
Loans held for sale	2		7,444	7,388	4,182	4,265
Loans-net	3		3,762,863	3,643,368	3,665,963	3,535,824
Financial Liabilities:						
Deposits:						
Demand, savings and money market accounts	1	$	2,803,037	2,803,037	2,604,740	2,604,740
Time deposits	2		1,196,373	1,197,931	982,238	982,955
Borrowings	2		550,000	539,294	810,800	798,753
Junior subordinated debentures	2		51,547	51,090	51,547	51,096
Other financial instruments:						
Letters of credit	2	$	125	125	119	119

(18) Fair Values Measurements

The following table presents for each of the fair-value hierarchy levels discussed in the previous Note and the Company’s assets and liabilities that are measured at fair value on a recurring and non-recurring basis at December 31, 2024 and December 31, 2023 by caption on the Consolidated Balance Sheet (dollars in thousands).

		2024			
		Quoted market prices in active markets (Level 1)	Internal models with significant observable market parameters (Level 2)	Internal models with significant unobservable market parameters (Level 3)	Total carrying value in the Consolidated Balance Sheet
Measured on a recurring basis:					
Assets					
Debt securities available-for-sale:					
U.S. Treasury	$	3,524	-	-	3,524
U.S. government sponsored enterprise obligations		-	419,532	-	419,532
State and municipal obligation		-	60,676	-	60,676
Equity securities		7,714	-	-	7,714
Corporate obligations		-	5,809	-	5,809
Interest rate swap agreements - non-designated		-	21,475	-	21,475
Total assets	$	11,238	507,492	-	518,730
Liabilities					
Interest rate swap agreements - non-designated		-	21,475	-	21,475
Letters of credit	$	-	125	-	125
Total liabilities	$	-	21,600	-	21,600
Measured on a non-recurring basis:					
Assets					
Loans					
Individually analyzed collateral dependent loans	$	-	-	7,761	7,761
Other assets					
Other real estate owned		-	-	-	-
Total assets	$	-	-	7,761	7,761

	2023			
	Quoted market prices in active markets (Level 1)	**Internal models with significant observable market parameters (Level 2)**	**Internal models with significant unobservable market parameters (Level 3)**	**Total carrying value in the Consolidated Balance Sheet**
Measured on a recurring basis:				
Assets				
Debt securities available-for-sale:				
U.S. Treasury	$ 7,356	-	-	7,356
U.S. government sponsored enterprise obligations	-	395,645	-	395,645
State and municipal obligation	-	96,661	-	96,661
Equity securities	7,780	-	-	7,780
Corporate obligations	-	4,980	-	4,980
Interest rate swap agreements - non-designated	-	21,500	-	21,500
Total assets	$ 15,136	518,786	-	533,922
Liabilities				
Interest rate swap agreements - non-designated	-	21,500	-	21,500
Letters of credit	-	119	-	119
Total liabilities	$ -	21,619	-	21,619
Measured on a non-recurring basis:				
Assets				
Collateral dependent impaired loans	$ -	-	4,354	4,354
Other assets				
Other real estate owned	-	-	221	221
Total assets	$ -	-	4,575	4,575

Individually Analyzed Loans and Other Real Estate

The Company values individually analyzed loans and other real estate owned at the time the loan is identified as individually analyzed or when title to the property passes to the Company. The fair values of such loans and real estate owned are estimated using Level 3 inputs in the fair value hierarchy. Each loan's collateral and real estate property has a unique appraisal and management's consideration of any discount of the value is based on factors unique to each individually analyzed collateral dependent loan and real estate property. In estimating fair value, management may use the most recent available appraisal or may obtain an updated appraisal when, in management's judgment, conditions have changed such that the most recent appraisal may not be reflective of current fair value. The significant unobservable input in determining the fair value is management's subjective discount on appraisals of the collateral securing the loan or real estate property, which ranges from 10%-50%. Collateral for individually analyzed loans may consist of real estate and/or business assets including equipment, inventory and/or accounts receivable and the value of these assets is determined based on appraisals by qualified licensed appraisers hired by the Company. Appraised and reported values may be discounted based on management's historical knowledge, changes in market conditions from the time of valuation, estimated costs to sell, and/or management's expertise and knowledge of the client and the client's business.

Securities

Fair values for securities are determined using independent pricing services and market-participating brokers, or matrix models using observable inputs. The pricing service and brokers use a variety of techniques to arrive at fair value including market maker bids, quotes and pricing models. Inputs to their pricing models include recent trades, benchmark interest rates, spreads, and actual and projected cash flows. Management obtains a single market quote or price estimate for each security. None of the quotes or estimates is considered a binding quote, as management would only request a binding quote if management had the positive intent to sell the securities in the foreseeable future and management believed the price quoted represented one from a market participant with the intent and the ability to purchase. Management evaluates the supplied price quotes against expectations of general price trends associated with changes in the yield curve and by comparing prices to the last period's price quote. Management employs an internal matrix model for non-traded municipal securities. The matrix model considers observable inputs, such as benchmark interest rates and spreads.

Fair values for equity securities that are recorded at fair market value, are determined by quoted market prices in active markets, if available (Level 1). The equity securities change in fair market value is recorded in the income statement.

Interest Rate Swap Agreements (Swaps)

The fair value of swaps is the amount the Company would expect to pay to terminate the agreements and is based upon the present value of expected future cash flows using the 3-month CME Term SOFR and Wall Street Journal Prime swap curves, the bases for the underlying interest rates.

(19) Revenue from Contracts with Customers

All of the Company's revenue from contracts with customers within the scope of ASC 606 is recognized as non-interest income in the Consolidated Statement of Income.

The following table presents the sources of non-interest income for the periods ending December 31, 2024 and 2023, respectively (in thousands):

	2024	2023
Non-interest income:		
Service charges on deposit accounts	$ 20,389	$ 20,051
Trust and Investment Services	28,182	25,629
Net gain on sales of mortgage loans[a]	874	201
Loan servicing, net[a]	1,394	1,378
Loan-related fees[a]	369	315
Loss of securities transactions, net[a]	1	(1)
Other non-interest income[b]	3,014	3,272
Total non-interest income	$ 54,223	$ 50,845

(a) Outside of the scope of ASC 606
(b) Other non-interest income is made up of many small insignificant items, the largest of which is swap fees, which is outside the scope of ASC 606.

Non-interest income streams in-scope of Topic 606 are discussed below.

Service Charges on Deposit Accounts
Service charges on deposit accounts consist of non-transactional fees, such as account maintenance and dormancy fees, and transaction-based fees, such as ATM, wire transfer, and foreign exchange fees. The Company's performance obligation for non-transactional fees is generally satisfied, and the related revenue recognized, over the period in which the service is provided. The Company's performance obligation for transaction-based fees 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. The non-transactional fees for 2024 and 2023 were $1.5 million in each year of the total service charges on deposits. The Company may, from time to time, waive certain fees (e.g., NSF fee) for the customers but generally do not reduce the transaction price to reflect variability for future reversals due to the insignificance of the amounts. Waiver of fees reduces the revenue in the period the waiver is granted to the customer.

Trust and Investment Services (Wealth Management)
Trust and investment services (Wealth Management) charges customers a fee based upon an agreed percentage of assets under management, based on market value. The Company's performance obligation is generally satisfied over time and the resulting fees are recognized on a monthly or quarterly basis. Wealth Management has a "Pledge of Accountability" under which fees earned could be reimbursed to the customer in the event of poor customer service. The reimbursement is not based on account performance and is only tied to quality of customer service. Due to the immaterial nature and infrequent nature, these reimbursed amounts do not reduce the transaction price. The reimbursement reduces the revenue in the period of the reimbursement to the customer.

Gains/Losses on Sales of Other Real Estate ("ORE")
The Company records a gain or loss from the sale of other real estate when control of the property transfers to the buyer, which generally occurs at the time of an executed deed. Gain/Losses on the sales of ORE falls within the scope of ASC 606, if the Company finances the transaction. Under ASC 606, if the Company finances the sale of ORE to the buyer, the Company is required to assess whether the buyer is committed to perform their obligations under the contract and whether the collectability of the transaction price is probable. Once these criteria are met, the ORE asset is derecognized and the gain or loss on sale is recorded upon the transfer of control of the property to the buyer. In determining the gain or loss on the sale, the Company adjusts the transaction price and related gain (loss) on sale if a significant financing component is present. Generally, the Company does not finance the sale of ORE properties.

(20) Segment Information

The Company's reportable segment is determined by the Chief Financial Officer, who is designated as the chief operating decision maker, based upon information provided about the Company's products and services offered, primarily banking operations. The segment is also distinguished by the level of information provided to the chief operating decision maker, who uses this information to review performance of various components, such as branches, wealth management component, and mortgage banking component, which are then aggregated. The chief operating decision maker will evaluate the financial performance of the Company's business components such as by evaluating revenue streams, significant expenses, and budget to actual results in assessing the Company's segment and in the determination of allocating resources. The chief operating decision maker uses revenue streams to evaluate product pricing and significant expenses to assess performance and evaluate return on assets. The chief operating decision maker uses consolidated net income to benchmark the Company against its competitors. The benchmarking analysis coupled with monitoring of budget to actual results are used to assess performance and to establish compensation. Loans, investments, and deposits provide the revenues in the banking operation. Interest expense, provision for credit losses, and salaries and employee benefits provide the significant expense in the banking operation. All of the Company's operations are domestic.

Accounting policies for segments are the same as those described in Note 1. Segment performance is evaluated using consolidated net income. Information reported internally for performance assessment by the chief operating decision maker follows, inclusive of reconciliations of significant segment totals to the financial statements (dollars in thousands):

2024		Banking Segment
Total interest income	$	248,041
Reconciliation of revenue		
Total non-interest income		54,223
Total consolidated revenues	$	302,264
Less:		
Total interest expense		110,981
Segment net interest income and non-interest income	$	191,283
Less:		
Provision for credit losses		9,342
Salaries and employee benefits expense		71,230
Other segment items (1)		53,433
Income tax expense		12,671
Segment net income/consolidated net income	$	44,607
Other		
Depreciation and amortization	$	3,533
Segment assets/consolidated assets	$	5,058,649

(1) Other segment items include expenses for technology, professional services, occupancy and overhead.

2023		Banking Segment
Total interest income	$	219,751
Reconciliation of revenue		
Total non-interest income		50,845
Total consolidated revenues	$	270,596
Less:		
Total interest expense		86,281
Segment net interest income and non-interest income	$	184,315
Less:		
Provision for credit losses		7,691
Salaries and employee benefits expense		62,564
Other segment items (1)		55,277
Income tax expense		14,046
Segment net income/consolidated net income	$	44,737
Other segment disclosures		
Depreciation and amortization	$	3,558
Segment assets/consolidated assets	$	4,883,787

(1) Other segment items include expenses for technology, professional services, occupancy and overhead.

Board of Directors

The Canandaigua National Corporation and Canandaigua National Bank & Trust Board of Directors is composed of distinguished, local community members. We are honored to have their insights, participation, and support.

Sitting: *Robert G. Sheridan, Sue S. Stewart, Michael C. Goonan, Erika J. Duthiers, Daniel P. Fuller* ***Standing:*** *Lawrence A. Heilbronner-Kolthoff, Richard J. Plympton, Gary L. Babbitt, James H. Watters, Thomas S. Richards, Frank H. Hamlin, III*

Gary L. Babbitt
Canandaigua National Corporation
Director, January 1, 2019-present
The Canandaigua National Bank & Trust Company*
Director, January 1, 2019-present
Executive Vice President and Chief Lending Officer, 2008-December 31, 2019
Senior Vice President, Commercial Services, 2006-2007
Vice President, Commercial Services Officer, 1996-2005
CNB Mortgage Company,**
Director, Secretary, and Executive Vice President, March 21, 2018-December 31, 2019
Empire State Certified Development Company, Director, 2011-2019
ARC of Monroe County
Finance Committee Member, 1992-2018

Erika J. Duthiers, Esq.
Canandaigua National Corporation
Director, December 21, 2022-present
The Canandaigua National Bank & Trust Company*
Director, December 21, 2022-present
Rochester Institute of Technology
Associate Vice President of Compliance and Ethics and Deputy General Counsel, 2009-present
The Strong National Museum of Play
Trustee, 2016-present
Monroe County Bar Association
Trustee, 2017-2020
Young Women's College Prep Charter School of Rochester
Trustee, 2010-2018

Daniel P. Fuller
Canandaigua National Corporation
Vice Chairman of the Board, January 1, 2011-present
Chairman of the Board, 2008-2010
Director, 1996-present
The Canandaigua National Bank & Trust Company*
Vice Chairman of the Board, January 1, 2011-present
Chairman of the Board, 2008-2010
Director, 1996-present
Bristol Mountain Ski Resort
President and General Manager, December 1984-present
Roseland Waterpark
General Manager, 2003-present
Ski Areas of New York (SANY)
Director and Treasurer, 1990-present
SANY PAC
Treasurer, 2022-present
Finger Lakes Visitors Connection
Director, 2019-present
SnoCountry Ski Areas Association
Director
UR Thompson Health System
Director
University of Rochester Medical Center
Director

Board of Directors, cont.

Michael C. Goonan
Canandaigua National Corporation,
Chairman of the Board, July 19, 2023-present
Director, 2015-present
The Canandaigua National Bank & Trust Company*
Chairman of the Board, July 19, 2023-present
Director, 2015-present
University of Rochester Medical Center
Senior Financial Advisor, 2015-2021
Vice President and CFO, 1995-2015
Strong Memorial Hospital
Financial Operations, 1984-1995
Peat, Marwick, Mitchell & Co.
Consultant, 1975-1984
Golisano Children's Hospital at Strong
Director
St. John Fisher College
Trustee Emeritus
Catholic Family Center
Honorary Member, Board of Directors
Pluta Cancer Center Foundation
Director
Church of the Transfiguration
Parish Council Member

Frank H. Hamlin, III, JD
Canandaigua National Corporation
Director, President, and CEO, March 29, 2013-present
Director and President, January 1, 2011-present
Director, 2004-present
The Canandaigua National Bank & Trust Company*
Director, President, and CEO, March 29, 2013-present
Director and President, January 1, 2011-present
Director, 2004-present
CNB Mortgage Company**
Director and CEO, March 21, 2018-present
Chairman of the Board and CEO, June 27, 2013-March 20, 2018
Director, January 1, 2011-present
CNB Insurance Agency**
Director, President, and CEO, April 24, 2013-present
Director and President, 2011-present
Canandaigua National Trust Company of Florida*
Director and CEO, June 11, 2015-present
Director, President, and CEO, June 11, 2015-May 8, 2019
Director, 2011-June 10, 2015
Canandaigua Area Development Corporation
Director and President, 2023-present
Family Counseling Service of the Finger Lakes
Director, 2022-present
New York Bankers Association
Director, 2013-present
United Way
Campaign Chair, 2022-2023
UR Thompson Health System
Director, 2013-2021
WBI OBS Financial, LLC
Manager and CEO, 2011-February 29, 2020
OBS Holdings, Inc.
Director, 2016-February 29, 2020
Genesee Valley Trust Company
Director, 2011-March 1, 2018
Croucher, Jones & Johns
Of Counsel, 2007-2010
Attorney, June 2001-2007

Lawrence A. Heilbronner-Kolthoff, CPA
Canandaigua National Corporation
Director, December 10, 2014-present
Treasurer, Executive Vice President, and CFO, January 2014-December 31, 2018
Executive Vice President, CFO, and Principal Accounting Officer, 2007-2013
Senior Vice President, CFO, and Principal Accounting Officer, 2004-2006
The Canandaigua National Bank & Trust Company*
Director, December 10, 2014-present
Executive Vice President, CFO, and Cashier, January 2012-December 31, 2018
Executive Vice President and CFO, 2007-December 31, 2018
Senior Vice President and CFO, 2004-2006
Vice President, Finance, 1998-2004
Canandaigua National Trust Company of Florida*
Director, April 25, 2019-present
Audit Committee Member, 2020-present
Executive Vice President and CFO, 2009-December 31, 2018
Heilbronner Consulting
Owner and Principal, November 28, 2018-present
HH LLC
Owner and Principal, February 1, 2023-present
CNB Mortgage Company,**
Director, Treasurer, Executive Vice President, and CFO, 2002-December 31, 2018
CNB Insurance Agency**
Director, April 11, 2012-April 24, 2019
Director, Treasurer, and Executive Vice President, April 9, 2014-December 31, 2018
Director and Secretary, April 11, 2012-April 8, 2014
Executive Vice President, February 12, 2007-April 10, 2012
Genesee Valley Trust Company
Director and Treasurer, 2008-March 1, 2018
WBI OBS Financial, LLC
Manager, 2011-December 31, 2018
OBS Holdings, Inc.
Chairman, 2015-December 31,2018
Director, 2011-2015

Board of Directors, cont.

Richard J. Plympton
Canandaigua National Corporation
Director, April 29, 2020-present
The Canandaigua National Bank & Trust Company*
Director, April 29, 2020-present
Optimax Systems, Inc.
CEO, January 2013-December 2024
CEO and Vice President of Sales, 1999-2013
Quality Control Manager, 1995-1999
Finger Lakes Advanced Manufacturers' Enterprise
Interim Chairman
ANSI Optics and Electro-Optics Standards Council
Director and Treasurer
The Optica Foundation
Director
Quantum Loop Solutions
Director and Treasurer
AmeriCOM
Director and Secretary
NY SWIB
Director
Business Leaders United
Executive Committee Member
Rochester Philanthropy University of Rochester
Council Member
Finger Lakes Workforce Investment Board
Past Chairman

Thomas S. Richards, JD
Director, Canandaigua National Corporation,
2004-2010 and January 15, 2014-present
The Canandaigua National Bank & Trust Company*
2004-2010 and January 15, 2014-present
Attorney, retired
City of Rochester
Mayor, 2011-2013
City of Rochester
Corporation Counsel, January 1, 2006-November 2010
RGS Energy Group, Inc., and Rochester Gas & Electric Corp.
Chairman, President, and CEO, 1998-2002
University of Rochester Medical Center
Director, 2004-present
University of Rochester
Trustee Emeritus, 2004-present
Rochester Institute of Technology
Trustee Emeritus, 2000-present
Rochester Area Community Foundation
Director and Audit Committee Member, 2015-present
Sands Family Supporting Foundation
Director, 2017-present
Seneca Waterways Council, Boy Scouts of America
Director, 2014-present
Rochester Schools Modernization Program
Director, 2015-present

Robert G. Sheridan
Canandaigua National Corporation
Director, 1992-present
Director and Secretary, 1992-2011
The Canandaigua National Bank & Trust Company*
Director, 1992-present
Executive Vice President, Cashier, and CRA Officer, 2007-2011
Senior Vice President and Cashier, 1989-2006
CNB Mortgage Company**
Director and Secretary, 1998-March 21, 2018
President, 2002-August 31, 2011
Genesee Valley Trust Company
Director, 2008-December 31, 2011
Canandaigua Country Club
Director and Past President, 1985-1990 and 2016-2020

Sue S. Stewart, JD
Canandaigua National Corporation
Director, 2000-present
The Canandaigua National Bank & Trust Company*
Director, 2000-present
Attorney, retired
University of Rochester
Senior Vice President and General Counsel, 2003-2012
Nixon Peabody LLP
Partner, 1978-2001
Managing Partner, Rochester Office, 1998-2000
John L. Wehle Sr. Foundation
Trustee and Audit Committee Member
United Way of Greater Rochester
Former Director
National Center for Education and the Economy
Co-Chair of Board of Trustees and Audit Committee Member, 1997-2021

James H. Watters, PhD
Canandaigua National Corporation
Director, November 13, 2019-present
The Canandaigua National Bank & Trust Company*
Director, November 13, 2019-present
Rochester Institute of Technology
Senior Vice President and Treasurer, Finance and Administration, 1994-present
Rochester Institute of Technology Global
Vice Chairman
Rochester Philharmonic Orchestra
Director
Broadstone Net Lease
Director, 2007-present
New York Kitchen
Director and Audit Committee Member, 2008-present
Vnomics Corp.
Director, 2014-present
Greater Rochester Health Foundation
Director, 2009-2019

Emeritus Board Members: James S. Fralick, Alan J. Stone

* Wholly owned subsidiary of Canandaigua National Corporation ** Wholly owned subsidiary of Canandaigua National Bank & Trust

Longtime, History-Making CNC Board Member Retires

Caroline Shipley

Director
Canandaigua National Corporation

After four decades of dedicated service, Caroline (Tarry) Croucher Shipley has resigned as Director on the Board of Canandaigua National Corporation. Shipley broke ground as the first woman on the board when she joined in 1984.

“Being ‘the first’ was almost indescribable. I am hopeful I paved the way, not just for women within the bank, but also for women in local leadership,” said Shipley.

CNC President and CEO Frank Hamlin said Shipley’s contributions were integral to the bank’s success. “Her dedication and attention to detail made her an ideal chairperson for the Audit committee, a position she held for years. I thank Tarry for her advice and counsel and years of dedication to Canandaigua National Bank & Trust.”

Shipley called her service to the CNC board a “highlight” of her career. “I witnessed explosive growth and vitality. The number of offices and range of services more than doubled. The bank has remained steadfast, navigating multiple challenging periods in the national economy. CNB is a first-rate competitor, and it is a thrill to have been a part of this organization. I value the professional relationships I have developed throughout the years with fellow Directors and staff. I will miss each of you and my involvement with the Bank.”

~ Thank you, Tarry, for a lifetime of service! ~

Canandaigua National Corporation and Canandaigua National Bank and Trust–Subsidiary Officers and Directors

Canandaigua National Trust Company of Florida (CNTF) Officers

Frank H. Hamlin, III, JD, Chief Executive Officer
Salvatore (Sam) Guerrieri, Jr., President
Vincent K. Yacuzzo, Executive Vice President–Chief Financial Officer
Jennifer N. Weidner, Esq., Senior Vice President–General Counsel and Corporate Secretary
Dawn C. Priolo, Senior Vice President–Treasurer
Mark Buonaugurio, Senior Vice President–Senior Wealth Advisor
Maria E. Caton, CFP®, ChSNC®, AAMS®, Senior Vice President–Manager of Financial Planning Services
Jillian E. Dart, Esq., CTFA, Senior Vice President–Senior Trust Officer and Group Manager
Suzanne Ellin, Esq., CPA, CGMA, CTFA, CFP®, Senior Vice President–Trust Officer
Amy K. Boyd Ertel, Esq., CTFA, Senior Vice President–Senior Trust Officer and Team Leader
Jason W. Fitzgerald, CFP®, Senior Vice President–Senior Wealth Advisor
Ramona Green, CTFA, Senior Vice President–Trust Officer
Laurie A. Haelen, AIF®, Senior Vice President–Director of Wealth Solutions
Stephen C. Krauss, CFA®, Senior Vice President–Senior Wealth Advisor
Adam R. Leszyk, CFP®, Senior Vice President–Senior Wealth Advisor and Team Leader
James F. Lieb, CTFA, Senior Vice President–Senior Trust Officer
Stephen R. Livingston, CFIRS, Senior Vice President–Chief Compliance Officer
Rita Nischal, Esq., Senior Vice President–Corporate Counsel
Tamra A.B. O'Donnell, Senior Vice President–Director of Corporate Marketing
Joy Ryen Plotnik, Esq., Senior Vice President–Senior Trust Officer
Kurt E. Rosen, Senior Vice President–Wealth Business Administration
Louis B. Rossetti, Senior Vice President–Senior Trust Officer
Stephen A. Rossi, CFA®, CFP®, ChFC®, Senior Vice President–Senior Equity Strategist
Ginny Ryan, Senior Vice President–Director of Community Engagement
Megan F. Barkley, Esq., Vice President–TrustOfficer
Nancy E. Bowes, CFP®, Vice President–Wealth Advisor
Angela Webster Carlson, Vice President–Wealth Advisor
Donna Cator, CFP®, CDFA, Vice President–Wealth Advisor
Ana Cruz, Vice President–Trust Officer
David P. Guzzetta, AFIM, CFMC®, Vice President–Wealth Advisor
Charlene S. Johnson, CPC, QPA, QKA, QPFC, TGPC, ERPA, Vice President–Retirement Services Officer
Deana M. King, Vice President–Fiduciary Compliance Manager
Mark S. Mazzochetti, CISP, Vice President–Retirement Services Officer
Lindsay A. Morrow, Vice President–Corporate Events Manager
Andrew W. Murray, Vice President–Wealth Advisor
Greg Pilato, CRPS®, Vice President–Wealth Advisor
Kevin Rankin, Vice President–Senior Wealth Advisor and Team Lead
Michael D. Schiller, CFP®, Vice President–Wealth Advisor
Linda J. Shannon, CAMS, CFE, Vice President–BSA/AML Compliance Officer
Matthew P. Sorce, CFP®, Vice President–Wealth Advisor
Amy E. Wallace, Vice President–Business Development Officer and Regional Manager
M. Beth Uhlen, CPA, Vice President–Wealth Operations Manager
Alexander V. Bell, Assistant Vice President–Wealth Advisor
Erica B. Guilfoyle, Assistant Vice President–Fiduciary Compliance Officer
Catherine M. Burnett, Bank Officer–Wealth Operations Assistant Manager

CNTF Board of Directors

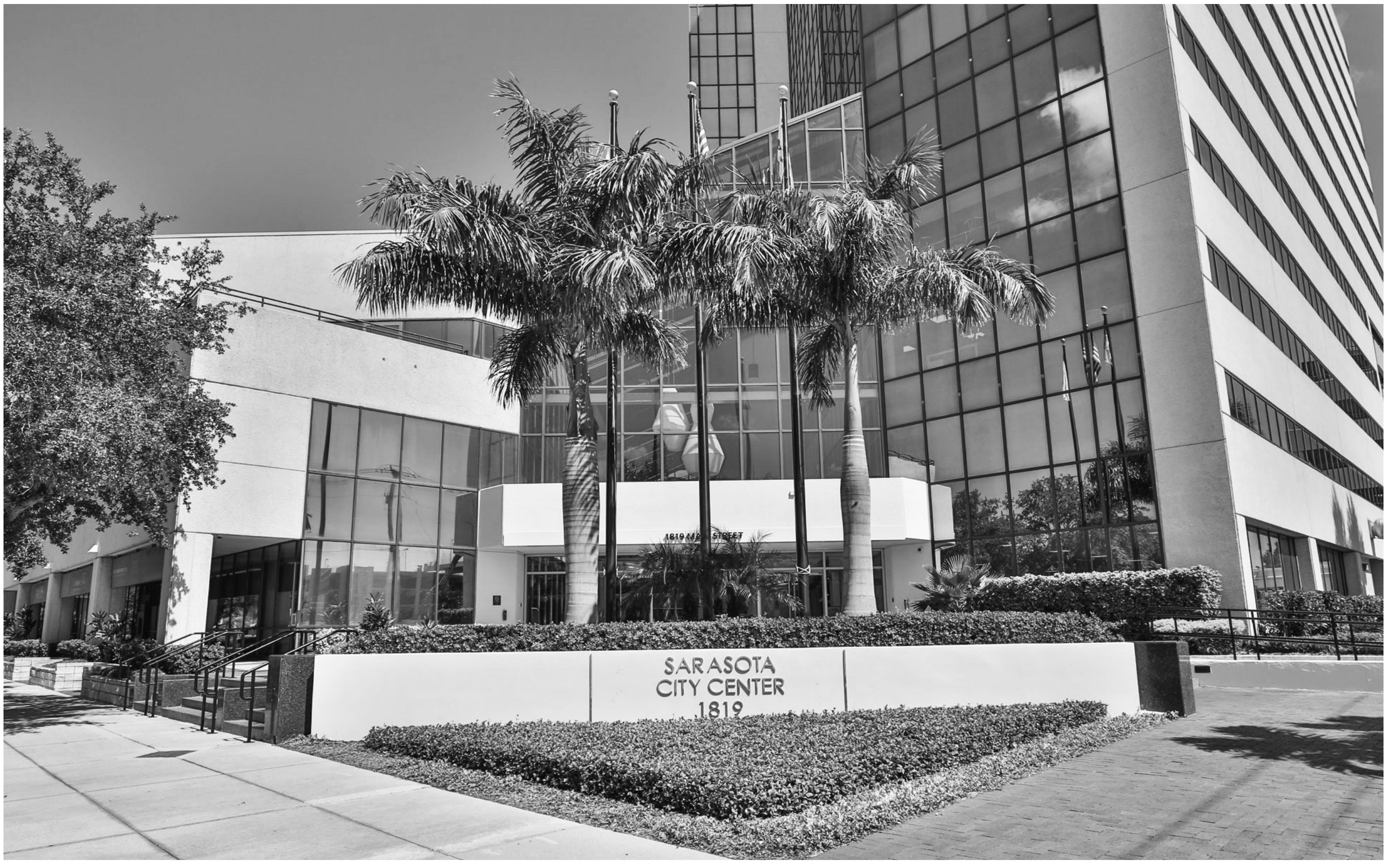
Mary Braxton-Joseph, Director
Salvatore (Sam) Guerrieri, Jr., Director
Frank H. Hamlin, III, JD, Director
Garth C. Harding, Director and Vice Chairman
Lawrence A. Heilbronner-Kolthoff, CPA, Director
Christine L. Jennings, Director and Chairwoman of the Board
Nelle Miller, Director
Bernice W. Skirboll, Director
Janice A. Zarro, Director

CNB Insurance Agency Directors and Officers

David W. Gibbons, Director, Chairman of the Board, and Senior Vice President
Salvatore (Sam) Guerrieri, Jr., Director and Executive Vice President
Frank H. Hamlin, III, JD, Director, President, and Chief Executive Officer
Rita Nischal, Esq., Director, Senior Vice President and Property Casualty Broker
Jennifer N. Weidner, Esq., Director, Secretary, and Senior Vice President
Vincent K. Yacuzzo, Director, Treasurer, Executive Vice President, and Chief Financial Officer
Kurt E. Rosen, Senior Vice President–Wealth Business Administration
Jerry W. Lack, CLTC®, ChFC®, Director, Vice President–Wealth Insurance Advisor

Home Town Funding, Inc., d/b/a CNB Mortgage Company Directors and Officers

Salvatore (Sam) Guerrieri, Jr., Director and Executive Vice President
Frank H. Hamlin, III, JD, Director and Chief Executive Officer
Brian E. Pasley, Director, Chairman of the Board
Karen C. Serinis, Director
Vincent K. Yacuzzo, Director, Treasurer, Executive Vice President, and Chief Financial Officer
Charles J. Vita, Director, Secretary, Executive Vice President and Chief Lending Officer
Christopher R. Spaker, President
Dana Lazenby, Senior Vice President–Mortgage Operations Manager
Kelly R. Crane, Vice President–Mortgage Compliance Officer
Kelly Masline, Vice President–Mortgage Loan Underwriter Supervisor
Michael Woodworth, Assistant Vice President–Mortgage Loan Processing Supervisor and Underwriter



CNTF Office Expansion

Canandaigua National Trust Company of Florida saw a significant expansion in 2024, moving to a new location three times larger than the original office that opened in 2009.

The expansion represents the latest milestone for the wealth and trust office. "Overall, our Sarasota office represents 12% of our assets under management with sizable potential for growth," said Sam Guerrieri, Executive Vice President of Wealth Brands. "I'm immensely proud of the team's accomplishments and enthused about the future."

The new space at Sarasota City Center, 1819 Main Street, is just a few blocks from the original location.

Canandaigua National Corporation and Canandaigua National Bank and Trust Officers

Canandaigua National Corporation Officers
Frank H. Hamlin, III, JD, President and Chief Executive Officer
Vincent K. Yacuzzo, Executive Vice President–Chief Financial Officer and Treasurer
Jennifer N. Weidner, Esq., Secretary, Senior Vice President–General Counsel

Canandaigua National Bank and Trust Officers
Office of the President
Frank H. Hamlin, III, JD, President and Chief Executive Officer
Rita Nischal, Esq., Senior Vice President–Corporate Counsel
Devin L. Palmer, Esq., Senior Vice President–Corporate Counsel
Jennifer N. Weidner, Esq., Senior Vice President–General Counsel

Audit
Michelle A. LaMachia, CFSA®, CFIRSTM®, Senior Vice President–Chief Auditor
Steven N. Branca, CPA, CMA, Vice President–Audit Manager
Elizabeth (Libby) Fisher, Assistant Vice President–Assistant Audit Manager
Scott Scarcelli, Bank Officer–Audit Team Lead
Linda M. Schnitzler, Bank Officer–Senior Auditor

Business Banking
Susan C. DiProjetto, Senior Vice President–Business Banking Sales Manager
Alyssa M. Corbett, Vice President–Business Banking Officer
Paul E. Hohensee, Vice President–Business Banking Officer
Terry M. Kelley Jr., Vice President–Business Banking Officer
Michael D. O'Donnell, Vice President–Business Banking Officer
John G. Savino, Vice President–Business Banking Officer
James D. Schrader, Vice President–Business Banking Officer
Chad Zimmerman, Assistant Vice President–Business Banking Officer

Commercial Services
Charles J. Vita, Executive Vice President–Chief Lending Officer
Bethany L. Arnold, Senior Vice President–Cash Management Manager
Mary Kay Bashaw, Senior Vice President–Government Banking
Lindsay R. Tiballi, Vice President–Senior Commercial Operations Manager
Tracie G. Evans, Assistant Vice President–Cash Management Technical Supervisor
Andrea V. O'Sullivan, Assistant Vice President–Government Banking Business Development Representative

Jeffrey W. Barker, Senior Vice President–Group Manager, Business Banking and Resource Recovery
Kevin M. Galka, Vice President–Business Banking Portfolio Manager and Underwriter
Ann M. Lyon, Vice President–Resource Recovery Manager
Joshua R. Maxwell, Assistant Vice President–Business Banking Portfolio Manager and Underwriter
Dillon Maxwell, Bank Officer–Business Banking Portfolio Manager and Underwriter
Marc J. Ferenchak, Bank Officer–Resource Recovery Portfolio Administrator
Brenda S. Whitney, Bank Officer–Resource Recovery Advisor
Alyssa I. James, Bank Officer–Resource Recovery Assistant Manager
Heidi A. Walter, Bank Officer–Resource Recovery Portfolio Administrator

Brendon S. Crossing, Senior Vice President–Group Manager, Commercial Services
Kevin A. DiGiacomo, Senior Vice President–Group Manager, Commercial Services
Jason P. Tonkery, Senior Vice President–Group Manager, Commercial Services
Kyle P. Ackart, Vice President–Commercial Services Officer
Alexander J. Broccuto, II, Vice President–Commercial Services Officer
Joshua R. Burden, Vice President–Commercial Services Officer
Jason A. DeWitt, Vice President–Commercial Services Officer
Paul M. Gatto, Vice President–Commercial Services Officer
Gregory L. Helmer, Vice President–Commercial Services Officer
Timothy R. Johnson, Vice President–Commercial Services Officer
Eric W. Koehler, Vice President–Commercial Services Officer
Lindsay M. Mohr, Vice President–Commercial Services Officer

Compliance
Stephen R. Livingston, CFIRS®, Senior Vice President–Chief Compliance Officer
Jane E. Kehoe, Vice President–Bank Compliance Officer
Deana King, CFIRS®, Vice President–Fiduciary Compliance Manager
Cori Ann S. Zinter, AML/CA, CAMS, CRCM, CFCS, CFE, Vice President–Bank Compliance Officer
Erica B. Guilfoyle, Assistant Vice President–Fiduciary Compliance Officer

Consumer Lending
Ralph Achille, Senior Vice President–Consumer Lending Group Manager
Kathleen Amberge, Senior Vice President–Consumer Lending Group Manager
Cheryl A. Hurd, Vice President–Senior Consumer Underwriter
Steven P. O'Neil, Vice President–Indirect Lending Manager
Kathleen E. Roos, Assistant Vice President–Consumer Lending Operations Manager
Brian C. Murphy, Bank Officer–Home Equity Supervisor

Corporate Risk
Michelle L. Pedzich, SHRM-SCP, Executive Vice President–Chief Risk and Human Resources Officer
A. Rosamond Zatyko, Executive Vice President–Chief Administrative Officer
Todd M. Billcliff, CFE, Vice President–Director of Corporate Risk
Linda J. Shannon, CAMS, CFE, Vice President–BSA/AML Compliance Officer
Christopher Evans, Assistant Vice President–Enterprise and Model Risk Officer
Samantha S. Hudson, CBAP, CAMS, CFE, Assistant Vice President–Assistant BSA/AML Compliance Officer
Ryan Kaiser, CFE, Assistant Vice President–Fraud Risk Manager
Rebecca A. Long, Assistant Vice President–Digital Banking Risk Officer
Gina C. Jacques, CFE, CAMS, Bank Officer–Fraud Investigator

Officers, cont.

Credit Risk

Charleen H. Cordaro, Senior Vice President–Chief Credit Risk Officer
Susan E. Davis, Vice President–Collateral Control Manager
Julie A. Gunkler, Vice President–Senior Portfolio Credit Risk Manager
Jodi L. Houlihan, Vice President–Credit Review Manager
Sarah E. Housel, Vice President– Credit Review Manager
Thomas M. Rogers, Vice President–Risk Rating Model Manager/Senior Commercial Loan Reviewer
Joan M. Grambo, Assistant Vice President–Appraisal Review Program Manager
Michael J. Martin, Assistant Vice President–Credit Review Manager
Howard E. Allen, Bank Officer–Credit Analyst
Jason Cornwell, Bank Officer–Credit Analyst
Jason Natale, Bank Officer–Credit Analyst
Alex G. Pierce, Bank Officer–Credit Analyst
Lindsay M. Rinaldo, Bank Officer–Credit Analyst
Kevin H. Roat, Bank Officer–Credit Analyst
Joseph M. Terruli, Bank Officer–Credit Analyst

Finance and Operations

Vincent K. Yacuzzo, Executive Vice President–Chief Financial Officer
Thomas G. Gorsky, Senior Vice President–Director of Finance
Dana I. Mayeu, Senior Vice President– Chief Accounting Officer and Controller
Dawn C. Priolo, Senior Vice President–Treasurer
Barbara A. Wagner, Senior Vice President–Director of Operations
Jason A. Ingalls, CCBSO, Vice President–Facilities and Physical Security Manager
Heather N. Sullivan, Vice President–Shareholder Relations Manager
Kathryn E. Applegate, Assistant Vice President–Assistant Controller
Oren Haray, Assistant Vice President–Finance Manager
Jeffrey A. Holman, Assistant Vice President–Bank Operations Manager
Jeffrey M. Ashline, Bank Officer–Facilities Project Manager and Architectural Designer
Sarah M Black, Bank Officer–Loan Operations Supervisor
Joseph A. Hernandez, Bank Officer–Physical Security Officer
Eva M. Lynd Jones, Bank Officer–Loan Operations Assistant Manager
Mary K. Mott, Bank Officer–Accounting Supervisor
Shannon L. Nemitz, Bank Officer–Bank Operations Specialist
Lisa Newton, Bank Officer–Bank Operations Supervisor
Sean Quinlan, Bank Officer–Facilities Supervisor

Human Resources

Christine M. Whitfield, SHRM-CP, Senior Vice President–Director of Human Resources
Kathleen L. O'Loughlin, Vice President–Total Rewards Manager
Lauren A. Sebring, Vice President–Manager of Talent
Jacqueline Canham, Bank Officer–Senior Benefits Administrator
Sarah M. Ridder, SHRM-CP, Bank Officer–Senior Human Resources Business Partner

Information Security

Deborah A. Cragg, GSTRT, CRISC®, CDPSE™, CISM®, CISSP®, CRVPM® V, C-VMPRA, PMP®, ITIL® v3, Senior Vice President–Chief Information Security Officer
John B. Folkerts, CISSP®, Vice President–Information Security Manager
Greig W. Holman, CRVPM® IV, CBCP, Assistant Vice President–Business Continuity Program Manager
Ryan P. Connolly, CRISC®, CySA+, Bank Officer–Lead Information Security Risk Analyst
Ashley M. DiDia, Bank Officer–Third Party Risk Program Manager

Information Technology

Michael A. Mandrino, Senior Vice President–Senior Technology Advisor
Todd M. Mihaly, Senior Vice President–IT Director, IT Support Services
J. Brian Nolan, Senior Vice President–IT Director, Business Applications and Development
Andrew J. Shafer, Senior Vice President–IT Director, Infrastructure and Security
David M. Spina, Assistant Vice President –Senior IT Manager, Business Intelligence and Application Development
Donald A. Barkley, Bank Officer–IT Manager, Core Banking Applications
Gabriel W. Del Vecchio, Bank Officer–Senior Business Intelligence Engineer
Robert J. Gardner, Bank Officer–IT Manager, Infrastructure
David G. Garner, Bank Officer–IT Manager, Desktop Support
Joseph S. Legan, Bank Officer–IT Manager, End User Support
Matthew Y. O'Hara, Bank Officer–IT Manager, Salesforce Platform
Chris Shopp, Bank Officer–IT Manager, Cyber Security
Michael B. Whipple, Bank Officer–IT Manager, Business Analyst

Marketing and Corporate Communications

Tamra A. B. O'Donnell, Senior Vice President–Director of Corporate Marketing
Ginny A. Ryan, Senior Vice President–Director of Community Engagement
Peter Horvath, Vice President–Market Research and Insights Manager
Lindsay A. Morrow, Vice President–Corporate Events Manager
Denise E. Cheatle, Assistant Vice President–Field Marketing Manager
Paul M. Gangarossa, Assistant Vice President–Communications Manager
Kelley N. Nolan, Assistant Vice President–Marketing Operations Manager
Kelly M. Sheridan, Assistant Vice President–Digital Marketing Manager

Product Management

Anna M. Andrews, Senior Vice President–Director of Product Management
Glenn R. Colliss, Vice President–Senior Product Manager
Manuela H. Eckert, Vice President–Senior Product Manager
Jamie N. Marano, Vice President–Senior Product Manager

Officers, cont.

Project Management Office

Lynn Imagna, Senior Vice President–Project Management Office Director and Senior IT Project Manager
Patricia L. Pape, Vice President–IT Project Manager
Urvi R. Desai, Assistant Vice President–Project Management Operations Manager
Ann Marie Kearney, Assistant Vice President–Senior IT Project Manager
Christopher Shashaty, Assistant Vice President–Senior IT Project Manager
Mary Ellen Travers, Assistant Vice President–Senior IT Project Manager
Christine E. Langan, Bank Officer–IT Project Manager
Anne M. Leet-Curran, Bank Officer–Senior IT Project Manager
James K. McGurn, Bank Officer–IT Project Manager

Retail Banking

Gwendolen A. Crawford, Executive Vice President–Chief Retail Banking Officer
Rhonda D. Ball, Senior Vice President–Retail Regional Manager
Katie Gross, Senior Vice President–Retail Regional Manager
Samantha A. Johnson, Senior Vice President–Retail Regional Manager
Christopher M. Keys, Senior Vice President–Retail Regional Manager
Christine E. Ensslin, Vice President–Retail Operations Manager
Selvia Hanna, Vice President–Community Reinvestment Act (CRA) Officer and Retail Services Coordinator
Brian E. Pasley, Bank Officer–Community Reinvestment Act (CRA) Officer
Julie Pearl, Bank Officer–Retail Operations Assistant Manager
Karen C. Serinis, Bank Officer—Senior Advisor

Wealth Management

Salvatore (Sam) Guerrieri, Jr., Executive Vice President– Wealth Management, Marketing, Product Management, and Community Engagement
Roberta L. Van Winkle, Senior Vice President–Senior Private Banker and Team Lead

Laurie A. Haelen, AIF®, Senior Vice President–Director of Wealth Solutions
Mark G. Buonaugurio, Senior Vice President–Senior Wealth Advisor
Maria E. Caton, CFP®, ChSNC®, AAMS®, Senior Vice President–Manager of Financial Planning Services
Jason W. Fitzgerald, CFP®, Senior Vice President–Senior Wealth Advisor
Denise A. Kelly-Dohse, CFP®, Senior Vice President–Senior Wealth Advisor and Team Lead
Stephen C. Krauss, CFA®, Senior Vice President–Senior Wealth Advisor
Adam R. Leszyk, CFP®, Senior Vice President–Senior Wealth Advisor and Team Lead
Brian J. Murphy, CIMA, Senior Vice President–Chief Investment Strategist
Stephen A. Rossi, CFA®, CFP®, ChFC, Senior Vice President–Senior Equity Strategist
James P. Terwilliger, PhD, CFP®, Senior Vice President–Senior Planning Advisor
Nancy E. Bowes, CFP®, Vice President–Wealth Advisor
Donna L. Cator, CFP®, CDFA, Vice President–Wealth Planning Advisor
David P. Guzzetta, AFIMTM, CMFC®, Vice President–Wealth Advisor
Charlene S. Johnson, CPC, QPA, QKA, QPFC, TGPC, ERPA, Vice President–Senior Retirement Consultant
Andrew W. Murray, Vice President–Wealth Advisor
Gregory S. Pilato, CRPS®, AWMA®, Vice President–Wealth Advisor
Kevin B. Rankin, Vice President–Senior Wealth Advisor and Team Lead
Michael D. Schiller, CFP®, Vice President–Wealth Advisor
Matthew Sorce, CFP®, Vice President–Wealth Advisor
Dustin L. Baker, Assistant Vice President–Wealth Advisor
Alexander V. Bell, Assistant Vice President–Wealth Advisor
Norton A. Suda, CFP®, ChFC®, RICP®, Assistant Vice President–Wealth Advisor
Heather Aspenleiter, Bank Officer–Wealth Associate Supervisor
Kirsten S. Johnson, Bank Officer–Shareholder Relations and FLACE Client Service Coordinator
Dario J. Saccente, Bank Officer–Wealth Advisor

Jillian E. Dart, Esq., CTFA, AEP®, Senior Vice President–Senior Trust Officer and Group Manager
Amy K. Boyd Ertel, Esq., CTFA, Senior Vice President–Senior Trust Officer and Team Leader
Ramona Green, CTFA, SeniorVice President—Trust Officer
James F. Lieb, CTFA, Senior Vice President–Senior Trust Officer
Joy Ryen Plotnik, Esq., Senior Vice President–Senior Trust Officer
Louis B. Rossetti, CTFA, Senior Vice President–Senior Trust Officer
Megan F. Barkley, Esq., Vice President–Trust Officer
Iva D. Doser, Vice President–Trust Officer
Kevin D. Kinney, CTFA, Vice President–Trust Officer
Bowee Clark, Bank Officer–Trust Associate Supervisor
Rebecca M. Leusch, Bank Officer–Trust Officer

David W. Gibbons, CRPC, Senior Vice President–Director of Business Development
Russell Corona, CFP®, Vice President–Senior Financial Advisor and Team Lead
Jeffrey G. Humbert, CFP®, Vice President–Senior Financial Advisor and Team Lead
Jerry W. Lack, CLTC®, ChFC®, CLU®, Vice President–Wealth Insurance Advisor
Margaret W. Whelehan, CFP®, CDFA®, Vice President–Financial Advisor
Aaron C. Brown, Assistant Vice President–Financial Advisor
Ashley D'Agostino, ChFC®, Assistant Vice President–Financial Advisor
Jered P. Maloney, Assistant Vice President–Financial Advisor
Tammy S. Langdon, Bank Officer–Business Development Specialist

Kurt E. Rosen, Senior Vice President–Wealth Business Administration
Mark S. Mazzochetti, CISP, Vice President–Retirement Services Officer
M. Beth Uhlen, CPA, Vice President–Wealth Operations Manager
Catherine M. Burnett, Bank Officer–Wealth Operations Assistant Manager
Eileen M. Treat, Bank Officer–Fiduciary Compliance Analyst

Community Banking Offices

Bloomfield
Kimberly Brewer, Assistant Vice President–Community Office Manager
Kristen Littlefield, Community Office Assistant Manager

Brighton
Matthew Alexander, Assistant Vice President–Community Office Manager
Heather Walk, Community Office Assistant Manager

Brockport
Casey Rizzo, Assistant Vice President–Community Office Manager
Daniella Mendez, Community Office Assistant Manager

Canandaigua–Lakeshore
Kimberly Sorel, Vice President–Community Office Manager
Andrew Bolton, Community Office Assistant Manager

Canandaigua–Main Office
Deborah Rought, Vice President–Community Office Manager
Michelle Stevens, Vice President–Community Office Manager
Brittany Naughton, Community Office Assistant Manager

Chili
Suzanne M. Wedgwood, Vice President–Community Office Manager
Tristen Mandara, Community Office Assistant Manager

Customer Call Center
Sarah Coriale, Assistant Vice President–Call Center Manager
Garrett Hafler, Assistant Manager
Tyler Rossiter, Assistant Manager
Thomas Telfer, Assistant Manager

Farmington
Kelly Cochrane, Community Office Assistant Manager

Geneva
Diana Perry, Assistant Vice President–Community Office Manager
Polly Clark, Community Office Assistant Manager

Greece–Latta and Long Pond
Christopher Guck, Assistant Vice President–Community Office Manager
Donna Kretchmer, Community Office Assistant Manager

Greece–Ridge
Javier Quintana, Vice President–Community Office Manager
Catherine Funston, Community Office Assistant Manager

Henrietta
Carol Love, Vice President–Community Office Manager
Liliana Patino, Community Office Assistant Manager

Honeoye
Amy Force, Assistant Vice President–Community Office Manager
Patricia Lang, Community Office Assistant Manager

Honeoye Falls
Steve Benz, Vice President–Community Office Manager
Ruth Smith, Community Office Assistant Manager

Irondequoit
Gail Bellucco, Vice President–Community Office Manager
Andrea Gillette, Community Office Assistant Manager

Manchester-Shortsville
Melissa DeSain, Assistant Vice President–Community Office Manager
Amy Eagley, Community Office Assistant Manager

Mendon
Aaron Gillette, Assistant Vice President–Community Office Manager
Amanda Steele, Community Office Assistant Manager

Penfield
Amity Decker, Assistant Vice President–Community Office Manager
Simran Saggu, Community Office Assistant Manager

Perinton
Christopher Pedrone, Vice President–Community Office Manager
Elizabeth Yeager, Community Office Assistant Manager

Pittsford
Harry Gibbs, Vice President–Community Office Manager
Jaimie Mulliger, Community Office Assistant Manager

Rochester–Alexander Park
Jessica Young Carbonel, Assistant Vice President–Community Office Manager
Jesse Jankowski, Community Office Assistant Manager

Rochester–College Town
Emma Netto, Vice President–Community Office Manager
Kyle Duthoy, Community Office Assistant Manager

Rochester–East Main
Louis P. Nau, Vice President–Community Office Manager
Nicholas Movalli, Community Office Assistant Manager

Victor
Kristy Merriman, Assistant Vice President–Community Office Manager
Brianna Michielsen, Community Office Assistant Manager

Webster–BayTowne
Demet Guler, Assistant Vice President–Community Office Manager
Danorah Cox, Community Office Assistant Manager

Webster–Jackson-Ridge
Joseph Maggio, Vice President–Community Office Manager
Nicole Stackhouse, Community Office Assistant Manager

Community Advisory Committees

Bloomfield Office
Kimberly Brewer*
Sandra "Sandy" S. Jackson
Kyle T. Marianacci
Carolyn Redmond
Ben Testa

Brighton Office
Matthew Alexander*
Margaret "Peggy" Growney
Paul Guglielmo
James D. Ryan, Jr.
Richard B. Yates

Brockport Office
Janet Campbell
Lisa E. Ireland
Josephine C. Matela
Mary McCrank
Casey Rizzo*
Chris Wiest

Canandaigua Lakeshore/ Main Offices
David S. Brassie, CPA
Denise Chaapel
Edward "Russ" C. Kenyon, Esq.
Frank S. Macri
Ellen Polimeni
Kimberly Sorel*
Michelle Stevens*

Chili Office
Dr. Steven M. Ess, DC
Debra Rinck
Suzanne Wedgwood*
James Wehrle

Farmington Office
Lorene Benson
Ronald L. Brand
Kelly Cochrane*
Dr. Anne P. Fessler, DVM
Michael Manikowski
Barbara A. Years

Geneva Office
Donald Cass
Antonio Gomez
Stephanie Hamlin Hesler
Diana Perry*
Marisa Przepiora

Greece–Latta and Long Pond Office
Christopher Guck*
David Perotto
Tom Petrella
William "Bill" E. Selke

Greece–Ridge Office
Carl Forty
Javier Quintana*
Joseph "Joe" E. Robach

Henrietta Office
Jason DiBiase
Carol Love*
Jeff Morgan
Doug Spiker

Honeoye Office
Michael P. Dougherty
Amy Force*
Kristine A. Singer

Honeoye Falls Office
Steve Benz*
John T. Harris
Joseph Notar, Jr.
Barry I. Shapiro

Irondequoit Office
Gail Bellucco*
Scott C. Hermann
Charles Hinkel

Manchester-Shortsville Office
Melissa Desain*
Rosanna "Rose" Foster
Jeff Gallahan
Jeffrey Graff

Mendon Office
Aaron Gillette*
Kenneth R. Kraus, Esq.
Kyle Stevens

Penfield Office
Randy Barkin
Amity Decker*
Andrew Randisi
Kim Rose

Perinton Office
Daniel F. Dwyer
Shawn Goburn
Paul Maciaszek
Christopher Pedrone*
Scott Winner

Pittsford Office
Harry Gibbs*

Rochester–Alexander Park Office
Jessica Young Carbonel*
Louis Maier
Peter S. Mohr
Christopher Rush

Rochester–College Town Office
John W. Bryant
Robert DeNero, DC
Anjan K. Ganguly, Esq.
Emma Netto*

Rochester–East Main Office
Andrew A. Costanza
Jennifer R. Jones, CPA
Louis Nau*

Victor Office
Donald J. Culeton
Mark Hamilton
Mike Kauffman
Kristy Merriman*
Dawn A. Santiago Marullo

Webster–BayTowne Office
Ken Aufsesser
Adam Brozowitz
Demet Guler*

Webster–Jackson-Ridge Office
Elena M. Bernardi, CPA
Scott Gosert
Joseph Maggio*
Michael Richards

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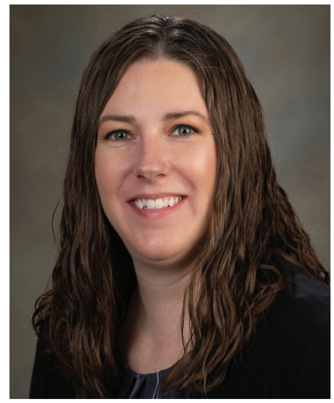
Meg Fuller
Barry Shapiro
Michael Steger
Heather Sullivan***
Rich Walters

*Community Office Manager
** Executive Vice President - Wealth Brands
*** Shareholder Relations Manager

The Arthur S. Hamlin Award for Excellence

Congratulations to This Year's Recipient: Eva Lynd



"It was such an honor just to be nominated for the ASH award, let alone win it! I love what I do, so to be recognized by my peers and knowing that I have made an impact makes me proud of everything that I have accomplished so far. I am so blessed to work with such an amazing group of people at CNB and to work for an organization that truly cares for its employees, community, and customers."

— *Eva Lynd, Bank Officer, Loan Operations Assistant Manager*

Each year, the bank recognizes the outstanding contribution of one of its employees with the Arthur S. Hamlin Award. Employees are encouraged to nominate one of their peers who has demonstrated exceptional performance and dedication to the bank.

2024 Nominees

Ryan Connolly
Amity Decker
Tracie Evans
Matt Holloway
Cheryl Hurd
Anne Leet-Curran
Elsie Mannix
Kelly Masline
Kat Roos
Michelle Stevens

Past Recipients

Lindsay Mohr 2022
Joseph Legan 2021
Jan Schrader 2021
Jeffrey A. Holman 2020
Samantha A. Johnson 2019
Diana Wright 2018
Dana Mayeu 2017
Shannon Nemitz 2016
Gehrig Lohrmann 2015
Rebecca Long 2014
Lauren Kolb 2013
Kathy Amberge 2012
Brendon Crossing 2011
Darlene Rogers 2011
Lori R. Ellis 2010
Kathleen A. Housel 2009
Chris Keys 2008
Barbara Finch 2007
Jim Terwilliger 2006
Brenda Whitney 2006
Vicki Mandrino 2005
Michael Mandrino 2004
Tamra O'Donnell 2004
Lisa Blakesley 2003
Jason Ingalls 2002
Brenda Stoker 2001
Lena Hayes 2000
Dawn Phelps 1999
M. Beth Uhlen 1998
Kathy Lafler 1997
Jeannie Blance 1996
Amy Eagley 1995
Regina Kesel 1995
Susan Foose 1994
Kathleen Corry 1993
James Roth 1992
Michael O'Donnell 1991
Jerry Drake 1990
Linda Keyes 1989

Community Engagement

We are proud to support organizations that help build a more vital community.

In 2024, those efforts resulted in support of a record 523 organizations through sponsorships, contributions, and employee volunteering. We also launched our first ever 1Community Grant selected by our employee-led giving committee, Community Connections.

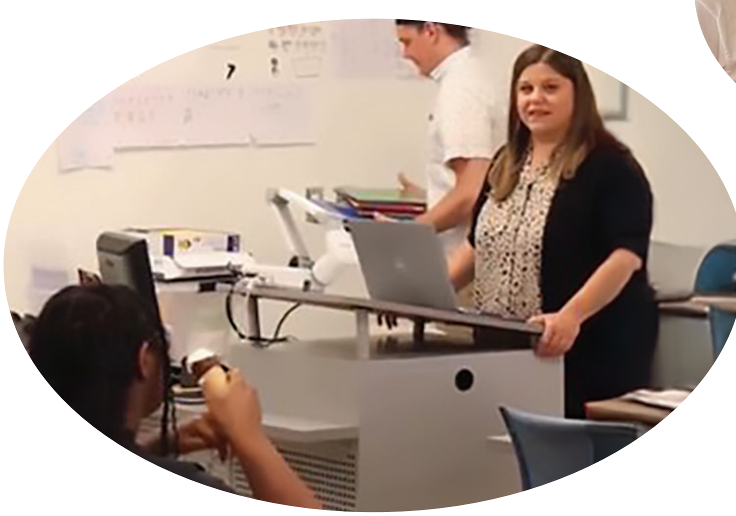
2024 Supported
523
organizations and nonprofits in Monroe, Ontario, and Florida's Gulf Coast.

Human Services

How we support

- Event sponsorships
- Employee volunteerism
- Our 25 Community Offices
- Community Connections–
  our employee-led philanthropy
- Charitable gifts that support housing, job development, financial literacy, urgent needs, and arts/culture

Volunteering

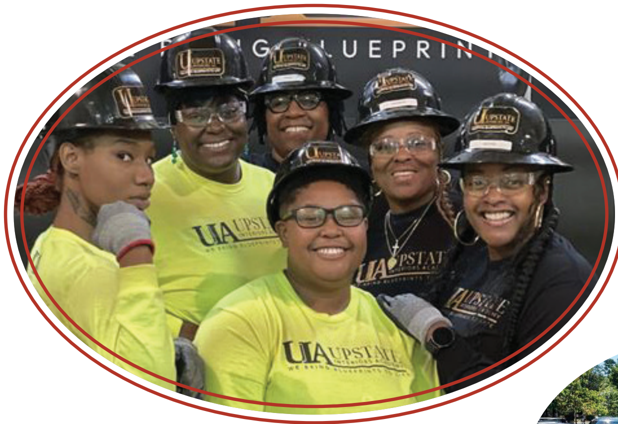


Financial Education

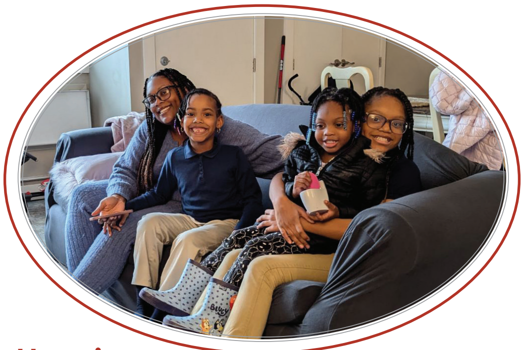
#CNBCARES

CNB employees not only prove banking is a people business, they lead the way!

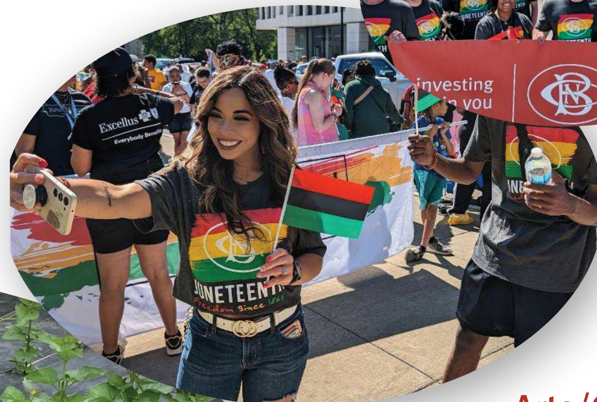
We're proud to support and celebrate our community.



Workforce Development



Housing



Arts/Culture

Employee-Led Philanthropy

One of the things that makes our bank unique is our philanthropy, led by 16 employees from different lines of business.

Each year, the Community Connections Committee is provided a budget and empowered to select organizations that align with the bank's philanthropic mission. In 2024, the committee launched its first ever 1Community Grant to support an organization committed to employment opportunities for young adults with developmental challenges. Homesteads for Hope, a community farm "where people of all abilities find purpose," was selected to receive the $13,000 grant and committee members were invited to spend the day working alongside apprentices at the farm.

CNB Celebrates Success in 2024

We are honored to be recognized with several awards for our people, services, and philanthropy.

CNB was honored with multiple awards acknowledging our products and services, training programs, corporate culture, leadership, and innovation. :: In the category of Mortgage Lending Company, CNB was voted as a **Finalist** by the area's readers for the *Democrat and Chronicle's Rochester's Choice Awards*. :: CNB was voted the winner in the category of **Best Bank** and **Best Investment Firm** for the *Democrat and Chronicle's Rochester's Choice Awards*. It's the Rochester community's chance to share their appreciation and commitment to the businesses they favor most. :: CNB was awarded 2024 *Best of the Finger Lakes Awards* in two Finance categories: **Bank** and **Financial Planning Services**. The awards were presented by *Messenger Post Media* and celebrate the best businesses, organizations, people, and more that YOU think deserve to be named the best! :: *RBJ Reader Rankings* has recognized CNB as best in the Rochester area in three categories: **Best Business Banking, Best Wealth Management, Best Overall Company to Work For** (501-1000).

THE POWERLIST
ROCHESTER BUSINESS JOURNAL
BANKING & FINANCE

Rochester Business Journal's 2024 Power List President and CEO Frank Hamlin

CNB President and CEO Frank Hamlin has been listed on the Rochester Business Journal's 2024 Power List, a compilation of the most influential power players in the Greater Rochester area.

Rochester Business Journal Reader Ranking Awards

Top Winner:
Best Business Banking

Winner: Mortgage Company

Winner: Wealth Management

Democrat and Chronicle Community Choice Awards

Winner: Best Bank

Finalist: Mortgage Company

Newsweek's America's Best Regional Banks and Credit Unions

Association of Fundraising Professionals of Genesee Valley

2024
Ten Star AFP Chapter

Outstanding Corporation

Thank You for Your Service

We would like to acknowledge the following colleagues who retired from CNB in 2024. We are grateful for the contributions they made throughout the years. The longevity of our employees is a shining example of CNB's outstanding culture and we are pleased to highlight these individuals' exceptionally long careers. After all, it is our people who make the difference.

Congratulations on your retirement!

Kathleen Amberge	27 years
Mary Kay Bashaw	35 years
Donna Hudson	24 years
Barbara Kimber	10 years
Michael Mallaber	26 years
Karen Robida	26 years
Darlene Rogers	35 years
Deborah Rought	25 years
Lee Ann Tai	10 years
Ayse Tirnova	15 years
Kurt Wiechmann	22 years

Kathy Amberge

Senior Vice President,
Consumer Lending

Kathy Amberge's banking career spanned more than four decades, the majority of which was spent with her dedicated service to Canandaigua National Bank & Trust.

She joined the bank in 1998 as Community Office Manager, Webster BayTowne and was instrumental in the bank's growth.

"She was a force in Retail Banking; a strong role model who led by example and served as one of the pillars in the bank's explosive and very successful expansion into Monroe County," recalled Karen Serinis, retired Executive Vice President of Retail Banking.

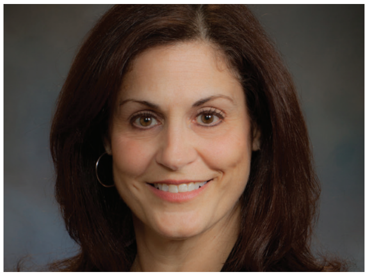
Amberge served as a Retail Regional Manager for 15 years until joining Consumer Lending as Group Manager in 2020.

Amberge said she considered it a blessing to have spent most of her career at CNB. "I have watched the bank grow from that in which people in Monroe County thought it was a 'new' bank to the well-respected, highly regarded organization it is today in many markets. It has been rewarding and fun to be a part of such phenomenal growth."

Karen Serinis said Amberge represents the best of the bank. "A consummate professional, an empathetic leader, and a strong advocate for the right thing, always," said Serinis of her friend and former colleague.

In her retirement Amberge says she plans to travel and spend time with her family including two grandchildren.

~ Thank you for your service, Kathy. Best of luck to you! ~



Mary Kay Bashaw

Senior Vice President,
Government Banking

Mary Kay Bashaw played a key role in driving initiatives and growth in the Government Banking business. She was a valued and trusted member of the CNB family for over 35 years.

“She has always had the right balance between what is best for the bank and for her cherished customers. Mary Kay is beloved by her long-standing customers whom she really considered as friends and will be sorely missed by them,” said Andrea O’Sullivan, Assistant Vice President, Government Banking.

Mary Kay began her career as a Municipal Investment Officer in the (then) Trust and Investment Department. When that function moved to Finance in 2010, Mary Kay moved with it and became a Vice President in Government Banking. Three years later, she was made Bank Treasurer and Senior Vice President, Government Banking. She continued to grow and deepen customer relationships, as well as build our internal teams and program to provide best in class service, in her role as Senior Vice President - Government Banking within Commercial Services since 2021.

“Serving as manager of Government Banking has given me a unique perspective on how our partnerships with local governments enrich the lives of those we serve. I’ve had the privilege not only of working with incredible customers, but also of forming lasting friendships with many of them. I am deeply grateful to CNB for providing me with a fulfilling career and for fostering so many meaningful relationships along the way,” reflected Mary Kay.

No matter the role, she is known for consistently demonstrating professionalism, a commitment to service excellence and a dedication to our community, customers, and the bank.

Andrea O’Sullivan says Mary Kay was also known for her “fabulous laugh,” which will be missed at the bank!

~ Congratulations, Mary Kay, and thank you! ~

Mike Mallaber

Senior Vice President,
Commercial Services

Mike Mallaber played an instrumental part in the growth of Commercial Services. He joined the bank more than 25 years ago when it was a fraction of the size it is today. "Over the years, Mike helped us build out into Monroe County and assist in growth and development of our business especially in commercial real estate," said Charlie Vita, Chief Lending Officer, who applauded Mike's successful career and contributions.

Mike shared that it is amazing to think about the organic growth the bank has experienced over his quarter century of service. "I was very fortunate to be a part of the bank's accelerated expansion into Monroe County, which truly made us one of the premier community banks in the region. I have appreciated the many strong personal relationships I have established and hope to continue for many years to come."

Throughout his career, Mike oversaw small to mid-sized companies in the community with a business development focus in commercial and industrial sectors as well as commercial real estate.

In retirement, Mike has some exciting trips planned and wants to spend more time with his growing family, especially his three granddaughters who are now in the area.

~ Thank you, Mike, for your dedication and service. Enjoy this new chapter! ~

1960 – 2024

In Memoriam

Pam Shuman

In July, Pam Shuman, a Financial Services Representative at our Jackson-Ridge Community Office passed away. Pam was an accomplished veteran of the banking industry who became part of the CNB family in 2015.

"Her knowledge and experience were second to none," recalled Joe Maggio, VP, Manager of the Jackson-Ridge office, "but what people remember Pam for most is her positive presence. She loved what she did, always had a smile on her face, and truly made everyone's day better by just being Pam."

Pam was known for her generosity to co-workers, famous Christmas cookies, and her love of the Buffalo Bills. She is survived by her husband and daughters.

"Anyone lucky enough to have met Pam knows how truly missed she will be."
Joe Maggio, VP, Jackson-Ridge Community Office Manager

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IN MEMORIAM

Mr. Hamlin was born in Canandaigua, NY, on June 29, 1941. He went on to graduate from Yale University with a degree in physics in 1963. While he was there, he performed with the Whiffenpoofs, the school's famous a cappella group, traveling the world, singing for kings and queens along the way. That pursuit reflected his lifelong passion for music and the arts.

From there, Mr. Hamlin embraced his love of flying and joined the U.S. Air Force, where he served three tours in Vietnam, completing more than 100 combat missions. An incredible pilot, he ultimately received the Distinguished Flying Cross, along with 10 air medals. After his combat service concluded, he was invited to the prestigious Top Gun flight academy where he finished at the top of his class. His love of flying continued as he maintained his pilot's license and became one of the biggest supporters for the creation and expansion of the Canandaigua Airport.

After his service to our country, Mr. Hamlin returned to academia and enrolled at the University of Virginia Law School and graduated in 1973. He practiced law in the Rochester, NY area with Nixon, Hargrave, Devans, and Doyle for nearly six years before joining Canandaigua National Bank & Trust in 1979 as President and CEO.

Mr. Hamlin will be remembered as a patriot and for his steadfast commitment to Canandaigua and the Greater Rochester community. He provided his unwavering support with his time, outstanding guidance, and contributions.

"When you have a leader that is so passionate about an organization, that passion permeates throughout—its board, its leadership team, its employees and even its customers," said Mike Goonan, Chairman of the Board at Canandaigua National Corporation. "George brought that passion to Canandaigua National Bank and to the community."

In 2023, we celebrated the dedication of the George W. Hamlin, IV Community Boardroom in his honor at our Canandaigua headquarters.