



BANCNOTES

C&N'S FOURTH QUARTER REPORT

CITIZENS&NORTHERN CORPORATION

Touch to Begin

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PRESIDENT&CEO

Dear Shareholder:

2022 was a year of continued growth and transformation for C&N. Despite the ongoing challenges posed by the pandemic and a predicted recession, we've remained in a strong position, living out our mission of "Creating value through lifelong relationships."

In the fourth quarter of 2022, we achieved net income of \$7.8 million, an increase of 6.4% compared to the same period in 2021. This solid financial performance is a result of our continued focus on providing excellent service, building meaningful relationships, and investing in technology and infrastructure to improve our operations and enhance the customer experience.

As we look to 2023, we remain committed to delivering sound financial results and providing value to our shareholders. We will continue to advance on our strategic priorities by enhancing our lending services, increasing our digital banking capabilities, and prioritizing employee training and development.

One of our major initiatives for 2023 is expanding our lending services to small businesses in our communities. We understand the importance of supporting local enterprise and value occasions to partner with them, providing the financial support they need to be successful. While our business model is designed to expand and deepen relationships with those in existing markets, our move into southeastern and southcentral Pennsylvania provides numerous possibilities for new connections.

We are also strengthening our digital banking capabilities to provide our customers with the convenience and flexibility they need to manage their finances on the go. With an expanding array of products and services, coupled with investments in our digital delivery channels, we are well-prepared to meet our customers' varied needs in this area.

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INSPIRE&INNOVATE IMPACTful Awards

This fall, C&N recognized our teammates accomplishments during their week long virtual event week, Applaud&Appreciate.

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DOLLARS&SENSE Fourth Quarter Financial Highlights

View our unaudited financial highlights. For additional details on our performance, visit the Investor Relations section at cnbankpa.com/bancnotes.

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TRUST&PROTECT Cybersecurity Tips for 2023

Cybersecurity risks have grown just as rapidly as technology has and online scam artists are always finding new ways to lower a system's defenses.

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COMMUNITY&COMMITMENT Giving Back, Giving Together Teams Support Local Emergency Services

C&N teammates have raised over \$50,000 for 44 local Emergency Services organizations.

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CONGRATULATIONS TO OUR AUDIT, COMPLIANCE & RISK DEPARTMENT

Our Audit, Compliance & Risk team was selected as the winner for both the High Performing Team Award, selected by our Executive Leadership Team, and the peer nominated Best Team Partner Award.

Pictured (from left):

Back row: Samantha Pecynski, Julie Lane, Sonya Route, John Reber, Alassa Nudd, Elijah Compton

Front row: Sara Heatley, Christina Moyer, Laeken Cook, Pete Boergermann

Not Pictured: Sharon Tapp & Kathy Yiggle



IMPACTFUL AWARDS

SPIRIT OF SERVICE AWARD WINNERS (PEER NOMINATED)

We all work with someone who makes coming to work a positive & happier experience. This award recognizes those who have a positive attitude and show care and support for their teammates and customers.



Cody Bowen,
AVP/ Training and Development Manager (left) presented by Tracy Watkins (right).



Riley Collins,
Programming & System Support Analyst (center) presented by Travis Marzo (left) and Janice Wilcox (right).



Joy Klun,
Loan Support Specialist (center) presented by her team members.



Justin Martin,
Loan Servicing Manager (right) presented by Gwen Plaskin (left).



Gwen Plaskin,
AVP/Regional Treasury Management (right) presented by Aaron Waldon (left).

TOP PERFORMER AWARD WINNER (MANAGER NOMINATED)

Recipients of this award were recommended by their supervisors to recognize teammates who displayed excellence in hitting their goals and driving the mission of the bank.



Janet Nitka, SVP/Senior Commercial Lending Relationship Manager (center) presented by Kelley Cwiklinski (left) and Blair Rush (right).

GROWTH AWARD WINNER (MANAGER NOMINATED)

This award recognized team members who showed tremendous improvement in achieving their goals, learning new skills & showing initiative to improve and learn from their team members.



Christina Riccio, Consumer Loan Servicing Specialist (center) presented by Gwen Plaskin (left) and Justin Martin (right).

Below are unaudited financial highlights. Additional details on our Fourth Quarter financial results can be found on the Investor Relations section by scanning the QR code or visiting cnbankpa.com/bancnotes. The full unaudited financial results press release is available at cnbankpa.com/Press-Releases.



TOTAL ASSETS (In Thousands)

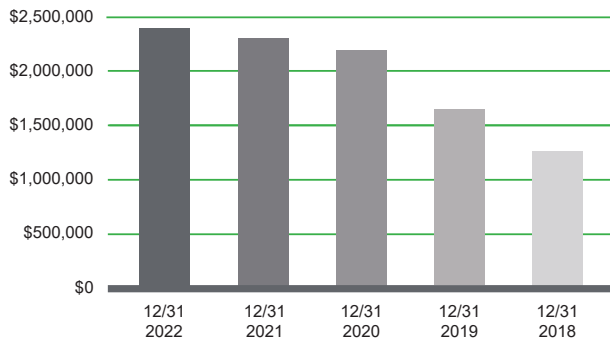


TABLE INFORMATION (In Thousands)

	12/31 2022	12/31 2021	12/31 2020	12/31 2019	12/31 2018
Total Assets	\$2,454,307	\$2,327,648	\$2,239,100	\$1,654,145	\$1,290,893

Q4 HIGHLIGHTS (In Thousands, Except Per Share Data)

	Q-4 2022	Q-4 2021	\$ INCREASE (DECREASE)	% INCREASE (DECREASE)
Net Income	\$7,779	\$7,308	\$471	6.44%
Net Income - Diluted Per Share	\$0.50	\$0.46	\$0.04	8.70%
Dividends Per Share	\$0.28	\$0.28	\$0.00	0.00%

YEARS ENDED (In Thousands, Except Per Share Data)

	12/31 2022	12/31 2021	\$ INCREASE (DECREASE)	% INCREASE (DECREASE)
Total Assets	\$ 2,454,307	\$2,327,648	\$26,659	5.44%
Net Income	\$26,618	\$30,554	\$(3,936)	(12.88)%
Net Income - Diluted Per Share	\$1.71	\$1.92	\$(0.21)	(10.94)%
Dividends Per Share	\$1.12	\$1.11	\$0.01	0.90%

Citizens & Northern Corporation (CZNC)

DATE	OPEN	HIGH	LOW	CLOSE	VOLUME
12.30.22	22.85	22.95	22.67	22.86	20,000

COMMUNITY&COMMITMENT

Giving Back, Giving Together Teams Support Emergency Services

Few realize that the emergency services we need in our communities during a crisis are having an emergency of their own.

- **96.8%** of fire departments in Pennsylvania & **90.2%** in New York rely on volunteers to service their community.*



- In 2019, the number of volunteer firefighters reached a **low**, while handling **three times** the call volume. In addition to a lack

of help, fire departments are dealing with an increase in costs.*

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TRUST&PROTECT

50 Cybersecurity Tips for 2023

Cybersecurity risks have grown just as rapidly as technology has and online scam artists are always finding new ways to lower a system's defenses.

Ramping up your cybersecurity awareness means learning how to

stay safe online and it's the best way to keep your personal information (and money) safe from scammers. Visit grco.de/security2023 for 50 helpful online safety tips to help you form cyber-safe habits or scan the QR code with your device's camera.



c/o American Stock Transfer
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INSPIRE&INNOVATE

Giving Back, Giving Together Teams Support Emergency Services

- A fire truck can easily cost **over half a million dollars** while the cost to train and equip each firefighter averages around \$20,000.*

Since June, our C&N teammates have raised over \$50,000 to support the local fire & emergency services organizations listed. Join us in keeping these vital services strong in all our communities by visiting qrco.de/GBGT2023.

Statistics according to US Fire Administration.

PRESIDENT & CEO

Quarterly Shareholder Letter

(continued from cover page)

We will also continue to help build and enrich our local communities through programs like Giving Back, Giving Together, which, since its inception in 2015, has raised over half a million dollars to support services vital to maintaining a flourishing community.

Finally, we are pursuing additional employee training and development opportunities to ensure that our team has the skills and knowledge they need to provide excellent customer service and support our business growth.

Looking ahead, we will continue to live out our values and mission, steadily building our capacity and taking proactive measures to provide customized financial solutions. By staying grounded in our purpose, equipped for connection, and poised for innovation, we will continue to create value for all our stakeholders and discover new ways to grow even stronger together. As always, we thank you for your support!



J. Bradley Scovill
President and CEO