



DEAR SHAREHOLDER:

Ongoing headlines and political drama created a noisy operating environment during the second quarter of 2025. Despite this distraction, there has been legislative and regulatory progress that supports the banking industry and that has contributed to a reasonably positive economy. The recently enacted One Big Beautiful Bill codified tax policy and spending priorities that impact every sector of the economy, while reducing the regulatory burden faced by financial institutions. While we believe the impact is positive overall, the long-term effects of this legislation will become clearer over the next 12-24 months.

Uncertainty about the resolution of tariffs and trade policy is ongoing and impacting businesses in unique ways. Economic growth picked up during the quarter and the current rate of

“AS ALWAYS, OUR FOCUS REMAINS CLEAR: PROVIDING STEADY, RELATIONSHIP-DRIVEN BANKING IN EVERY COMMUNITY WE SERVE.”

inflation is moderating, however the cost of housing and basic living expenses remain headwinds for future activity. The Fed held interest rates steady at 4.25%-4.5% in the past quarter with no expected rate drops until later in the year when there is more clarity on inflation.

As always, our focus remains clear: providing steady, relationship-driven banking in every community we serve. Our second-quarter performance reflects the strength of that model. Net income was \$6,117,000, or \$0.40 diluted earnings per share for the second quarter 2025 as compared to \$6,293,000, or

\$0.41 per diluted share in the first quarter 2025 and \$6,113,000, or \$0.40 per diluted share in the second quarter 2024.

Core operating performance, as measured by PPNR, continued to improve, supported by increased net interest margin, fee income growth, and controlled operating expenses. Reflecting confidence in this performance, on July 24, 2025, C&N's Board of Directors declared a regular quarterly cash dividend of \$.28 per share, payable on August 15, 2025, to shareholders of record as of August 4, 2025.

For a more detailed discussion of our quarterly results, see the press release linked in the QR code.



As announced in our April letter, we are moving forward with our acquisition of Susquehanna Community Bank (SCB), a six hundred-million-dollar community bank headquartered in West Milton, PA. With the anticipated legal closing of the deal set for early fourth quarter, our teams are fully engaged in aligning operational processes and systems and securing shareholder and regulatory approval. The dedication, collaboration, and professionalism shown across the C&N and SCB teams in this effort has been inspiring. We recognize this integration is more than a merger of systems - it is a merger of cultures, values, and shared purpose and we're confident we are on the right path. Learn more about the C&N and SCB integration in our “New&Innovative” section.

While our teams work diligently to prepare for SCB to come on board, activity throughout the rest of our footprint has not slowed. Our newly renovated Newtown office in Bucks County is now open, offering a welcoming, open layout and private offices for personalized financial consultations.

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BUSINESS & CULTURE



GIVING BACK, GIVING TOGETHER: HONORING OUR HEROES IN 2025

As of June 1, C&N's Giving Back, Giving Together (GBGT) campaign has proudly kicked off a new cause to support local active-duty military servicemembers and veterans. These brave individuals have made incredible sacrifices to protect our freedoms, and now it's our turn to give back in meaningful ways.

Last year, thanks to your generosity, we raised **\$108,555** in monetary donations, collected **2,127** item donations, and gave **164** volunteer hours to fight cancer in our communities. Now, we're coming together once again to make an impact – this time by providing essential support for servicemembers and veterans, from basic necessities and care packages to programs and resources that help ease the transition back to civilian life.

Whether it's ensuring a veteran has access to medical care and housing or sending care packages to servicemembers far from home, every effort shows them they are appreciated and never forgotten. Your

support helps remind our heroes that their service matters every single day.

Join us as we celebrate what we accomplished last year and honor those who have served and continue to serve our country through this year's campaign.



Learn how to get involved at
cnbankpa.com/GBGT



THE GBGT IMPACT SINCE 2015:



\$852,287
Monetary Donations



1,649
Volunteer Hours



42,209
Item Donations

OUR 2025 GBGT PARTNERING ORGANIZATIONS

- American Legion Auxiliary Unit 49
- American Legion Post 84
- Birmingham Burd Post 1425
- CVMA- Combat Veterans Motorcycle Association
- Doylestown Post 175 Veterans of Foreign Wars
- Glenn Hope Care Farm
- Goodies for our Troops
- Herbert Lee Webster Post 235
- Mansfield Memorial VFW Post 6757 & Auxillary
- Military Share - American Legion Post 573
- Northern Tier Veterans
- Rides 4 Vets
- Salute 2 Service
- VFW Auxillary Robert F. Snyder Post 6755
- VFW Post 7878 Valley Forge
- Wellsboro VFW Post 4907
- Blue Star Mothers of America - North Central PA 12
- God's Country Trout Unlimited - Project Healing Waters Fly Fishing

DOLLARS&SENSE

Below are unaudited financial highlights. Additional details on our Second Quarter financial results can be found on the Investor Relations section of our website 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.

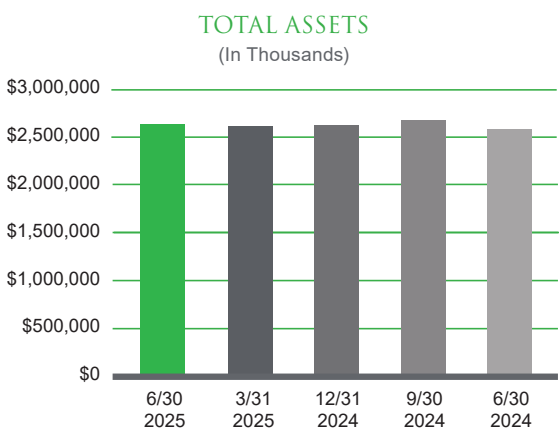


TABLE INFORMATION
(In Thousands)

| | 6/30 2025 | 3/31 2025 | 12/31 2024 | 9/30 2024 | 6/30 2024 |
|--------------|-------------|-------------|-------------|-------------|-------------|
| Total Assets | \$2,610,875 | \$2,609,228 | \$2,610,653 | \$2,670,822 | \$2,593,122 |

Q2 HIGHLIGHTS
(In Thousands, Except Per Share Data)

| | Q-2 2025 | Q-2 2024 | \$ INCREASE (DECREASE) | % INCREASE (DECREASE) |
|------------------------------|-------------|-------------|------------------------|-----------------------|
| Net Income | \$6,117 | \$6,113 | \$4 | 0.07% |
| Net Income Diluted Per Share | \$0.40 | \$0.40 | \$0.00 | 0.00% |
| Dividends Per Share | \$0.28 | \$0.28 | \$0.00 | 0.00% |
| Loans, Net | \$1,897,559 | \$1,872,825 | \$24,734 | 1.32% |
| Total Assets | \$2,610,875 | \$2,593,122 | \$17,753 | 0.68% |
| Deposits | \$2,109,776 | \$2,059,309 | \$50,467 | 2.45% |
| Total Stockholders' Equity | \$286,357 | \$263,221 | \$23,136 | 8.79% |

Citizens & Northern Corporation (CZNC)

| DATE | OPEN | HIGH | LOW | CLOSE | VOLUME |
|---------|---------|---------|---------|---------|--------|
| 6/30/25 | \$19.19 | \$19.25 | \$18.93 | \$18.94 | 28,000 |

NEW&INNOVATIVE



As announced in late April, we are excited to share that C&N has entered into an agreement to acquire Susquehanna Community Financial, Inc., expanding our presence further into Central Pennsylvania. This merger will grow our total assets to over \$3.2 billion, strengthen our branch network, and create new opportunities to serve our communities.

Under the terms of the agreement,

Susquehanna shareholders will receive 0.80 shares of C&N stock for each SQCF share, and they will own about 13% of the combined company. The merger is expected to be accretive to earnings by approximately 17% in 2026, supporting continued growth and stability for our shareholders.

We believe this combination is a strong cultural and strategic fit. As CEO Brad Scovill shared,

“This merger unites two customer-focused community banks and positions us well for the future.”

Pending regulatory and shareholder approvals, the merger is expected to close in late 2025.

Read the full press release by following the QR code below.



cnbankpa.com/press-releases

BANCNOTES

C&N'S SECOND QUARTER REPORT

(continued from cover page)

We are also investing in key people to ensure our customers experience the personal service that defines C&N, in branch or online. In June we celebrated Regional Market Leader Rachael Clark in her promotion to Senior Vice President of our Northcentral Region. Over the past four years, Rachael has served C&N with a collaborative approach and commitment to C&N's relationship model that has energized the region's growth, brand recognition and relationship development.

C&N Wealth Management continues to develop its ability to deliver a holistic, client-centric investment experience in existing and emerging markets with the addition of new teammates. In June we welcomed Debra ("Deb") Anderson as our Senior Retirement Services Client

Relationship Manager. With over 19 years of relationship management experience, Deb will enhance our offerings in the 401(K) space and will add value to plan participants and sponsors.

The Wealth Management team is further strengthened by the addition of Ashley Miller ChFC®, as Senior Vice President and Wealth Management Market Executive. With over 18 years of fiduciary experience, her role will include building and leading teams, collaborating across departments, and elevating C&N's presence in our established Northcentral Region and emerging SCB market.

Our update would not be complete without acknowledging the ways our teams have been showing up for their communities through our Giving Back, Giving Together

program. After raising over \$108,000 for local cancer patients with our "Standing Strong Against Cancer" initiative, on June 1st we transitioned to our new "Honoring Our Heroes" cause, supporting military servicemembers. We can't wait to see how our teams will pull together to serve those who serve our country. Look for updates in our future letters.

Thank you for your continued trust and confidence in C&N. As we look to the next quarter, we remain optimistic about new opportunities to create value for our customers, communities, and shareholders.



J. Bradley Scovill
President and CEO