

# BANCNOTES



CITIZENS&NORTHERN  
CORPORATION

C&N'S FOURTH QUARTER REPORT

## DEAR SHAREHOLDER:

The presidential election in November was the highlight event during the fourth quarter and the results will significantly impact the economy and many other issues in the coming years. There will be cross-currents created by the new administration's approach in the near-term, but over time, policies that support business and ease regulation will benefit our customers, communities, and C&N. Leading up to the election, the economy, inflation and labor markets were all relatively steady. The Fed reduced its target fed funds rate from 5.00% to 4.50% with .25% cuts at its meetings in November and December. As short-term rates came down, yields on longer-term bonds increased .50% to .75% during the quarter on concerns that inflation will persist and further rate cuts may be delayed.

C&N finished the year with a strong fourth quarter and some momentum in core earnings. Net income for the quarter was \$8,174,000 or \$.53 per share, up from \$6,365,000 or \$.41 per share in the third quarter 2024, and \$4,261,000 or \$.28 per share in the fourth quarter 2023.

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**“C&N FINISHED THE YEAR WITH A STRONG FOURTH QUARTER AND SOME MOMENTUM IN CORE EARNINGS.”**

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While fourth quarter 2024 earnings were supported by a credit (reduction in expense) to the provision for credit losses, core earnings growth picked up during the quarter compared to the third quarter of 2024 and the fourth quarter of 2023. Net interest income was up on both a quarter-over-quarter basis and compared to fourth quarter 2023, and there are signs that our net interest margin is

poised to improve following some compression over the past two years. Our team has done good work to grow deposits which has improved the mix and cost of funding that supports ongoing loan growth.

In addition, trust revenue, brokerage commissions, and mortgage related fees are the drivers of growth in core noninterest income. These business lines have been important during 2024 as we remain focused on creating value and deepening relationships with our customers, while adding strength and diversity to our revenue streams. It is also noteworthy that noninterest expenses were essentially unchanged compared to both the third quarter of 2024 and the fourth quarter of 2023. One of our key objectives during 2024 was to slow the growth rate of expenses to improve productivity and operating efficiency. Keeping expenses flat for the year was a very good first step.

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



An important element of improving productivity is continuing to create value and a great experience for our customers. In many cases, this means connecting the enhanced capacity we possess in our new products and platforms to customer needs in ways that make it easy to do business with C&N. It also leverages the many investments we have made in recent years to support future growth.

During the fourth quarter, we advanced the capabilities of our new digital account opening platform. Launched last spring, this powerful tool is one that we'll continue to

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Connect with us:

Client Care Center:  
1.877.838.2517

C&N Financial Services:  
1.866.ASK.CNFS

Wealth Management:  
1.800.487.8784



# BUSINESS&CULTURE

## APPLAUD&APPRECIATE WEEK

At C&N, we believe that a strong team is the foundation of our success, and Applaud&Appreciate Week is our opportunity to recognize and celebrate the people who make it all possible. From October 28 to November 1, we came together to celebrate our team with a series of engaging activities that reinforced our strong culture and commitment to one another.

Each day featured a unique theme designed to promote camaraderie and appreciation. From showcasing C&N pride with branded apparel to supporting community causes, engaging in team challenges, and embracing the spirit of Halloween, the week was filled with energy and enthusiasm. Friendly competitions, interactive activities, and daily prizes added

to the excitement, with team members earning rewards ranging from C&N-branded clothing to fun seasonal gifts. These activities sparked joy and excitement while also strengthening the teamwork and innovation that drive our success.

Beyond the festivities, the week served as a meaningful reminder that our team's passion, collaboration, and dedication to our customers and communities are what set us apart. Taking time to celebrate and appreciate one another strengthens our team and fuels the culture that makes C&N a great place to work.

Thank you to everyone who participated and made Applaud&Appreciate Week a memorable celebration of the values that define C&N.

## A HOLIDAY TRADITION OF COMMUNITY

Once again, C&N teammates embraced the holiday spirit, coming together to volunteer for the Salvation Army's annual bell-ringing campaign. In Hornell, Sayre, and Mansfield, dozens of dedicated C&N team members braved the frigid temperatures, spreading cheer and raising vital funds to support our communities.

This cherished tradition is one C&N has proudly participated in for over 20 years, demonstrating our unwavering commitment to giving back. A special shoutout goes to our Sayre team, who went above and beyond to win the "Battle of the Banks" award by raising over \$3,000 during

their shifts—a testament to their generosity and community spirit.

We're grateful to all who volunteered and helped make a difference this holiday season!



## APPLAUD&APPRECIATE THEME DAYS

### Monday - Swag Day



### Tuesday - Support the Cause



### Wednesday - Personality Day



### Thursday - Halloween



### Friday - Superhero Day

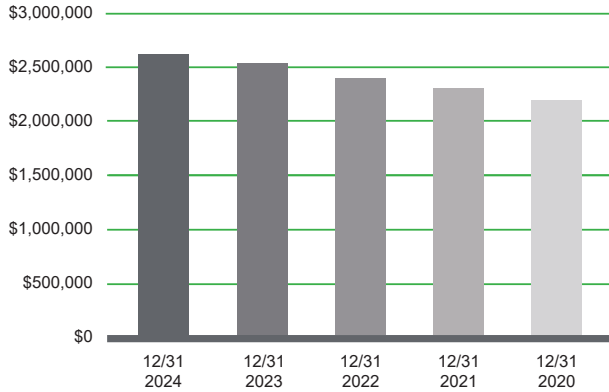


# DOLLARS&SENSE



Below are unaudited financial highlights. Additional details on our Fourth 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](http://cnbankpa.com/bancnotes). The full unaudited financial results press release is available at [cnbankpa.com/Press-Releases](http://cnbankpa.com/Press-Releases).

## TOTAL ASSETS (In Thousands)



## TABLE INFORMATION (In Thousands)

	12/31 2024	12/31 2023	12/31 2022	12/31 2021	12/31 2020
Total Assets	\$2,610,653	\$2,515,584	\$2,454,307	\$2,327,648	\$2,239,100

## Q4 HIGHLIGHTS (In Thousands, Except Per Share Data)

	Q-4 2024	Q-4 2023	\$ INCREASE (DECREASE)	% INCREASE (DECREASE)
Net Income	\$8,174	\$4,261	\$3,913	91.83%
Net Income - Diluted Per Share	\$0.53	\$0.28	\$0.25	89.29%
Dividends Per Share	\$0.28	\$0.28	\$0.00	0.00%

## YEARS ENDED (In Thousands, Except Per Share Data)

	12/31 2024	12/31 2023	\$ INCREASE (DECREASE)	% INCREASE (DECREASE)
Total Assets	\$2,610,653	\$2,515,584	\$95,069	3.78%
Net Income	\$25,958	\$24,148	\$1,810	7.50%
Net Income - Diluted Per Share	\$1.69	\$1.57	\$0.12	7.64%
Dividends Per Share	\$1.12	\$1.12	\$0.00	0.00%

## Citizens & Northern Corporation (CZNC)

DATE	OPEN	HIGH	LOW	CLOSE	VOLUME
12/31/24	\$18.49	\$18.67	\$18.30	\$18.60	40,300

# NEW&EXCITING

## STREAMLINE ESCROW AND RENT MANAGEMENT

C&N has partnered with ZSuite Tech to provide innovative tools that simplify financial operations for local businesses. Tailored for industries like real estate, property management, law firms, and municipalities, ZSuite's platform offers streamlined solutions for escrow account management, rent collection, and security deposits.

**ZEscrow** is a modern escrow and subaccounting service that accommodates a wide range of businesses and special use cases, and is accessible through

your C&N digital banking. With ZEscrow, you can manage and monitor your accounts online 24/7, automate workflows, and ensure regulatory compliance—all while saving time and reducing administrative tasks.

**ZRent** makes it easy for you to self-manage your rent collection process using an easy-to-use online portal. You can easily invite your tenants to set up their payments on the portal and even accept combined payments for rent-splitting scenarios.

To learn more, visit [cnbankpa.com/ZSuite](http://cnbankpa.com/ZSuite) or call 888.322.2193. Let C&N and ZSuite transform the way you manage your business finances!



Learn more at [cnbankpa.com/ZSuite](http://cnbankpa.com/ZSuite)

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leverage in 2025 to offer customers a quick and easy account-opening process. In addition, our Merchant Services team continued to build out our host of commercial offerings. This lineup now includes products like Clover, our all-in-one business platform, and ZEscrow, especially designed to simplify the management of escrow accounts and support the needs of property managers with multiple tenants. Our teams are now positioned to offer customers tailored solutions utilizing these sophisticated, but very practical tools.

Meanwhile, our teams continue to rally around our Giving Back, Giving Together program, with over \$57,000 raised for our current Standing Strong

Against Cancer cause. In the past few months, our teammates have taken every opportunity to partner with their communities on their fundraising efforts through various events including purse bingos, trivia nights and community meals.

2023 and 2024 were both challenging years as the Fed's dramatic increase in short term rates and the bank failures in 2023 created uncertainty about the economy and the stability of the banking system. C&N has navigated this environment very well and sustained a strong capital position, improved liquidity position, and stable credit profile. Reflecting this ongoing strength and confidence in the future, on January 23, 2025,

C&N's Board of Directors declared a regular quarterly cash dividend of \$0.28 per share, payable on February 14, 2025, to shareholders of record as of February 3, 2025.

As always, C&N remains committed to creating value for our customers, communities and shareholders. We appreciate your continued support as we look forward to an exciting 2025!



J. Bradley Scovill  
President and CEO