BANCNOTES

Dear Shareholder:

I am pleased to report C&N's second quarter results reflecting a very positive bounce-back from an earnings perspective. We achieved solid revenue growth, net interest margin expansion and loan recoveries in excess of charge-offs. You can see the positive contribution of the Susquehanna Community Bank (SCB) acquisition in the $11.5 million increase in year-to-date pre-tax, pre-provision net revenue (PPNR) over the amount for the first six months of 2025 and in the continued improvement in the efficiency ratio to 60% for the second quarter 2026. These results highlight the fundamental strength of the company and positive trends over the past year.

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Net income was $14.1 million, or $0.79 per share for the second quarter 2026 as compared to $273,000, or $0.02 per diluted share in the first quarter 2026 and $6.1 million or $0.40 per share in the second quarter 2025. Net income through June 30, 2026, was $14.3 million or $0.81 per share, up from $12,410,000, or $0.80 earnings per share for the first six months of 2025.

PPNR, a non-GAAP financial measure that measures the strength of C&N's core earnings from recurring operations independent of credit volatility, was $15,815,000 for the second quarter 2026 as compared to $14,142,000 for the first quarter 2026 and $10,273,000 for the second quarter 2025. PPNR was $29,957,000 for the six months ended June 30, 2026 as compared to $18,424,000 for the six months ended June 30, 2025. Growth through the SCB acquisition combined with an expanding net interest margin and disciplined management of expenses supported these results.

The primary driver of earnings growth during the quarter and compared to last year was higher net interest income which increased by $1,164,000 in the second quarter 2026 over the first quarter 2026 and $8,476,000 over the total for second quarter 2025. For the first six months of 2026, net interest income was $16,955,000 higher than in the corresponding period of 2025. The net interest margin increased to 4.07% for the second quarter 2026 from 3.98% for the first quarter 2026 and 3.52% for the second quarter 2025. The net interest margin increased to 4.02% for the first six months of 2026 from 3.45% for the corresponding period of 2025.

Revenue growth was also supported by increased noninterest income generated from a number of sources including wealth management, gains from the sale of mortgage loans, and service charges on deposit accounts. These diverse revenue streams illustrate the value of our relationship model and reduce our reliance on any specific business line, making C&N more resilient through economic and rate cycles.

As mentioned earlier, C&N's efficiency ratio improved to 60% during the second quarter. While this continues a trend that began in 2024, we have realized significant operating leverage through the acquisition and integration of SCB. This additional scale has enabled C&N to more fully utilize investments in people and technology made over the past several years.

We made some progress in the second quarter on problem loan workouts as evidenced by our net recoveries and slightly improved non-performing loans and non-performing

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Welcoming Our New GBGT Cause: Supporting Individuals with Disabilities

Since 2015, C&N's Giving Back, Giving Together (GBGT) campaign has united teammates, shareholders, customers and community partners around a different cause each year. As we close one chapter and begin another, we're proud to reflect on the impact we made together while introducing the next focus of our year-long community initiative.

Closing the Chapter:
Honoring Our Heroes

Over the past year, GBGT proudly supported local active-duty military servicemembers and veterans. Through donations, volunteer efforts and community partnerships, we helped provide essential resources while honoring the courage, commitment and sacrifice of those who have served our country.

Thank you to every teammate, shareholder, customer and community partner who contributed through donations, volunteerism or advocacy. Your generosity made a meaningful difference throughout the communities we serve.

Welcoming Our New Cause:
Supporting Individuals with Disabilities

This year, Giving Back, Giving Together is focused on supporting individuals with disabilities across our footprint.

Strong communities are built when everyone has the opportunity to belong, contribute and thrive. Through fundraising, volunteerism, awareness initiatives and community partnerships, we'll support organizations that help individuals with disabilities live, work, learn and participate fully in community life.

Together, we're investing in stronger, more inclusive communities where everyone has the opportunity to thrive.

A Decade of Impact

Since launching in March 2015, GBGT has become a hallmark of C&N's employee-driven commitment to community. To date, C&N teams have contributed:

$971,809
in monetary donations

2,010
volunteer hours

45,924
item donations

As we begin this new chapter supporting individuals with disabilities, we invite everyone to join us in continuing this tradition of giving back.

Learn more at
cnbankpa.com/GBGT

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.

TOTAL ASSETS

(In Thousands)

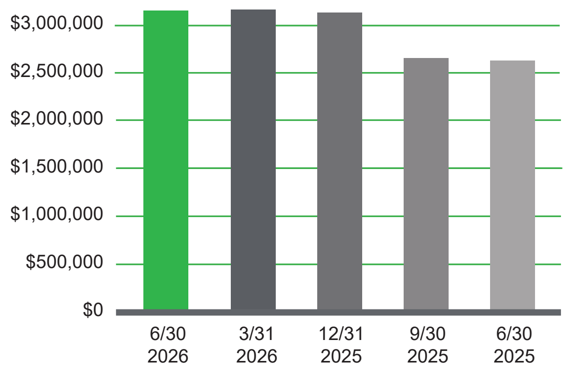

TABLE INFORMATION (In Thousands)	6/30 2026	3/31 2026	12/31 2025	9/30 2025	6/30 2025
Total Assets	$3,151,984	$3,164,340	$3,132,469	$2,664,033	$2,610,875

Q2 HIGHLIGHTS (In Thousands, Except Per Share Data)	Q-2 2026	Q-2 2025	$ INCREASE (DECREASE)	% INCREASE (DECREASE)
Net Income	$14,057	$6,117	$7,940	129.80%
Net Income Diluted Per Share	$0.79	$0.40	$0.39	97.50%
Dividends Per Share	$0.28	$0.28	$0.00	0.00%
Loans, Net	$2,316,264	$1,897,559	$418,705	22.07%
Total Assets	$3,151,984	$2,610,875	$541,109	20.73%
Deposits	$2,603,735	$2,109,776	$493,959	23.41%
Total Stockholders' Equity	$346,139	$286,357	$59,782	20.88%

Citizens & Northern Corporation (CZNC)

DATE	OPEN	HIGH	LOW	CLOSE	VOLUME
6/30/26	$23.36	$23.38	$23.10	$23.31	43,876

NEW & INNOVATIVE

Teen $teps Program Simplified to Better Serve Our Young Customers

C&N recently refreshed its Teen $teps financial education program to make it easier and more engaging for participants. Based on feedback from customers and teammates, the program now centers on two concise Banzai financial education courses that teach practical skills such as budgeting, saving, goal setting and online safety.

The streamlined approach reduces the time required to complete the program while continuing to encourage strong financial habits among young people. As part of C&N's Centsable Financial Wellness initiative, Teen $teps remains focused on helping the next generation build confidence with money and prepare for future financial success.

Learn more at **cnbankpa.com/Teen-Steps**

CITIZENS & NORTHERN
CORPORATION

EQ
PO Box 500
Newark, NJ 07101

BANCNOTES
C&N's Second Quarter Report

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assets ratios. Management expects this progress to continue over the next several quarters. C&N recorded a credit for credit losses (reduction in expense) of $1,846,000 in the second quarter 2026 as compared to a provision for credit losses of $13,602,000 in the first quarter 2026. The allowance for credit losses at June 30, 2026, stands at 1.39% of gross loans outstanding as compared to 1.42% at the end of the first quarter and 1.13% at June 30, 2025.

For additional details regarding our quarterly financial results, please scan the QR Code.

Overall, business activity was steady during the second quarter. Competition for deposits remains intense, and we continue to drive modest growth. While total loans receivable decreased at June 30, 2026 as compared to the prior quarter-end and year-end amounts due to pay-offs of a few larger commercial purpose loans, originations were reasonably strong and based on our pipelines, we are optimistic about the prospects for profitable loan growth in the second half of this year. Further, we experienced solid growth in our wealth management business due to business development efforts and increased market valuations.

I'm excited to announce that we welcomed Bill Van Sant to the C&N Team in May as EVP and Chief Wealth Management Officer. Bill joins our executive team with 25 years of experience in the wealth business in community banking. We expect his leadership to help drive continued growth and success in this important business line.

Finally, consistent with the strong second quarter performance and our confidence in the future profitable growth of the Company, on July 23, 2026, C&N's Board of Directors declared a regular quarterly cash dividend of $0.28 per share payable August 14, 2026, to shareholders of record as of August 3, 2026.

Please take time to review the rest of this quarterly report for other news about what's happening at C&N.

Thank you for your ongoing support.

J. Bradley Scovill
President and CEO