

CITIZENS&NORTHERN

CORPORATION

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C&N DECLARES DIVIDEND AND ANNOUNCES FOURTH QUARTER 2024 UNAUDITED FINANCIAL RESULTS FOR IMMEDIATE RELEASE:

Wellsboro, PA – Citizens & Northern Corporation (“C&N”) (NASDAQ: CZNC) announced its most recent dividend declaration and its unaudited, consolidated financial results for the three-month and annual periods ended December 31, 2024. C&N’s principal activity is community banking, and the largest subsidiary is Citizens & Northern Bank (the “Bank”).

Highlights:

- Net income was \$8,174,000, or \$0.53 diluted earnings per share for the fourth quarter 2024, up from \$6,365,000, or \$0.41 per diluted share in the third quarter 2024, and up from \$4,261,000, or \$0.28 per diluted share in the fourth quarter 2023. Net income for the year ended December 31, 2024 was \$25,958,000, or \$1.69 diluted earnings per share, up from \$24,148,000, or \$1.57 diluted earnings per share for the year ended December 31, 2023. In the fourth quarter 2023, C&N repositioned its available-for-sale securities portfolio and its investments in bank-owned life insurance (“BOLI”) resulting in a net charge to earnings of approximately \$1,253,000, or \$0.08 per diluted share in the fourth quarter 2023.
- In the fourth quarter 2024, net interest income was \$317,000 higher than in the third quarter 2024 and \$879,000 higher than in the fourth quarter 2023. The net interest margin was 3.30% in the fourth quarter 2024 as compared to 3.29% in the third quarter 2024 and 3.31% in the fourth quarter 2023. For the year ended December 31, 2024, net interest income was \$1,285,000 lower than in 2023. The net interest margin was 3.30% for the year ended December 31, 2024, down from 3.47% in 2023.
- There was a credit for credit losses (reduction in expense) of \$531,000 in the fourth quarter 2024 as compared to a provision for credit losses of \$1,207,000 in the third quarter 2024 and a provision for credit losses of \$951,000 in the fourth quarter 2023. For the year ended December 31, 2024, the provision for credit losses was \$2,195,000 as compared to \$186,000 for the year ended December 31, 2023. The allowance for credit losses (“ACL”) on loans was 1.06% of gross loans receivable at December 31, 2024, 1.08% at September 30, 2024 and 1.04% at December 31, 2023.
- Total loans receivable were \$3,084,000 higher at December 31, 2024 compared to September 30, 2024. Average loans receivable increased 1.0% (annualized) during the fourth quarter 2024 from the third quarter 2024. Average loans receivable were higher by 5.0% for the year ended December 31, 2024, as compared to 2023.
- Nonperforming loans totaled \$24.0 million, or 1.26% of total loans, at December 31, 2024, down from \$24.5 million, or 1.29% of total loans, at September 30, 2024 and up from \$18.4 million, or 0.99% of total loans, at December 31, 2023. Total nonperforming assets were 0.92% of total assets at both December 31, 2024 and September 30, 2024, up from 0.75% at December 31, 2023.
- Deposits totaled \$2,093,909,000 at December 31, 2024, down \$41,970,000 (2.0%) from \$2,135,879,000 at September 30, 2024, including a decrease in brokered deposits of \$21,030,000. Average total deposits increased 8.1% (annualized) during the fourth quarter 2024 from the third quarter 2024 and were 4.3% higher for the year ended December 31, 2024, as compared to the year ended December 31, 2023.
- At December 31, 2024, estimated uninsured and uncollateralized deposits totaled 22.3% of the Bank’s total deposits. C&N maintains highly liquid sources of available funds, including unused borrowing capacity with the Federal Home Loan Bank of Pittsburgh and the Federal Reserve Bank of Philadelphia and available federal funds lines with other banks, as well as available-for-sale debt securities with a fair value in excess of collateral obligations. At December 31, 2024, available funding from these sources totaled 170.7% of uninsured deposits and 229.4% of uninsured and uncollateralized deposits.

Dividend Declared and Unaudited Financial Information

On January 23, 2025, C&N's Board of Directors declared a regular quarterly cash dividend of \$0.28 per share. The dividend is payable on February 14, 2025 to shareholders of record as of February 3, 2025.

Highlights related to C&N's fourth quarter and December 31, 2024 annual unaudited U.S. GAAP earnings results as compared to results for the third quarter 2024, fourth quarter 2023 and the year ended December 31, 2023 are presented below.

Fourth Quarter 2024 as Compared to Third Quarter 2024

Net income was \$8,174,000, or \$0.53 per diluted share, for the fourth quarter 2024 as compared to \$6,365,000, or \$0.41 per diluted share, for the third quarter 2024. Significant variances were as follows:

- Net interest income of \$20,473,000 in the fourth quarter 2024 increased \$317,000 from the third quarter 2024. Average total earning assets increased \$30,193,000 from the prior quarter, as average interest-bearing due from banks increased \$30,118,000. Average total deposits increased \$42,115,000, while average total borrowed funds decreased \$22,869,000. The net interest margin was 3.30% in the fourth quarter 2024, up 0.01% from 3.29% in the third quarter 2024. The net interest spread increased 0.04%, as the average rate on interest-bearing liabilities decreased 0.06% and the average yield on earning assets decreased 0.02%.
- For the quarter ended December 31, 2024, there was a credit for credit losses (a reduction in expense) of \$531,000, compared to a provision for credit losses of \$1,207,000 in the third quarter 2024. The credit for the fourth quarter 2024 included a credit related to loans receivable of \$393,000 and a credit related to off-balance sheet exposures of \$138,000. The credit in the fourth quarter 2024 included the impact of decreases in the ACL from a decrease in estimated future net charge-offs related to an economic forecast and a decrease in C&N's average net charge-off experience partially offset by an increase in the ACL related to changes in qualitative factors. Net charge-offs totaled \$14,000 in the fourth quarter 2024 as compared to \$1,237,000 in the third quarter 2024. The ACL on loans was 1.06% of gross loans receivable at December 31, 2024 and 1.08% September 30, 2024.
- Noninterest income of \$7,547,000 in the fourth quarter 2024 increased \$414,000 from the third quarter 2024 amount. Brokerage and insurance revenue of \$682,000 increased \$159,000, loan servicing fees, net of \$215,000 increased \$141,000 from the third quarter 2024, including an increase of \$8,000 in the fair value of servicing rights as compared to a decrease of \$129,000 in the prior quarter and trust revenue of \$2,071,000 increased \$125,000 from the third quarter 2024.
- Noninterest expense of \$18,430,000 in the fourth quarter 2024 increased \$161,000 from the third quarter 2024 amount. Significant variances included the following:
 - Salaries and employee benefits expense of \$11,470,000 increased \$595,000 from the third quarter 2024, including an increase in health insurance expense of \$561,000 resulting from an increase in claims incurred on C&N's partially self-insured plan.
 - Other noninterest expense of \$2,425,000 decreased \$212,000 from the third quarter 2024. Within this category, credit card reward redemption expense decreased \$147,000 and attorney fees decreased \$106,000 compared to the third quarter 2024.
 - Automated teller machine and interchange expense of \$348,000 decreased \$162,000 from the third quarter 2024, including the impact of incentive-related credits offset against a portion of expense in the fourth quarter 2024.
- The income tax provision of \$1,947,000, or 19.2% of pre-tax income for the fourth quarter 2024 increased \$499,000 from \$1,448,000, or 18.5% of pre-tax income, for the third quarter 2024 reflecting an increase in pre-tax income for the quarter.

Fourth Quarter 2024 as Compared to Fourth Quarter 2023

Fourth quarter 2024 net income was \$8,174,000, or \$0.53 per diluted share, as compared to \$4,261,000, or \$0.28 per diluted share, in the fourth quarter 2023. As previously described, in December 2023, C&N repositioned its available-for-sale securities portfolio and its investments in BOLI resulting in a net charge to earnings of approximately \$1,253,000, or \$0.08 per diluted share in the fourth quarter 2023. Significant variances were as follows:

- Net interest income of \$20,473,000 in the fourth quarter 2024 was \$879,000 higher than in the fourth quarter 2023. Average earning assets were \$121,959,000 higher in the fourth quarter 2024 as compared to the fourth quarter 2023 as average total deposits increased \$109,831,000. The net interest margin was 3.30% in the fourth quarter 2024 as compared to 3.31% in the fourth quarter 2023. The interest rate spread decreased 0.06%, as the average rate on interest-bearing liabilities increased 0.32%, while the average yield on earning assets increased 0.26%.
- The credit for credit losses was \$531,000 for the fourth quarter 2024, as described in more detail above, compared to a provision for credit losses of \$951,000 in the fourth quarter 2023. The ACL as a percentage of gross loans receivable decreased to 1.06% at December 31, 2024 as compared to 1.08% at September 30, 2024. In comparison, in the fourth quarter 2023, the ACL increased to 1.04% as a percentage of gross loans receivable at December 31, 2023 from 0.99% at September 30, 2023.
- Noninterest income of \$7,547,000 in the fourth quarter 2024 decreased \$1,173,000 from the fourth quarter 2023 amount excluding realized losses on securities. Significant variances included the following:
 - Earnings from the increase in cash surrender value of life insurance of \$458,000 decreased \$1,795,000 from the fourth quarter 2023 as the fourth quarter 2023 included the recognition of \$2,100,000 in income from a one-time enhancement on a purchase of BOLI. Excluding the impact of income from the enhancement in 2023, earnings from the increase in cash surrender value of life insurance increased \$305,000 reflecting the increase in the average balance of BOLI to \$50,923,000 in the fourth quarter 2024 from \$32,980,000 in the fourth quarter 2023.
 - Brokerage and insurance revenue of \$682,000 increased \$196,000 due to an increase in sales volume.
 - Trust revenue of \$2,071,000 increased \$158,000 consistent with appreciation in the trading prices of many U.S. equity securities and includes revenue from new business.
 - Net gains from sale of loans of \$372,000 increased \$99,000 from the fourth quarter 2023, reflecting an increase in volume of residential mortgage loans sold.
 - Service charges on deposit accounts of \$1,531,000 increased \$85,000 reflecting an increase in volume of fees.
 - Loan servicing fees, net of \$215,000 increased \$79,000, including an increase in the fair value of servicing rights of \$8,000 in the fourth quarter 2024 as compared to a decrease of \$64,000 in the fourth quarter 2023.
- There were no net losses on available-for-sale debt securities in fourth quarter 2024 compared to \$3,042,000 in the fourth quarter 2023. C&N sold available-for-sale debt securities with an amortized cost basis of \$45.5 million in December 2023 in connection with a repositioning of available-for-sale securities and BOLI investments.
- Noninterest expense of \$18,430,000 in the fourth quarter 2024 increased \$31,000 from the fourth quarter 2023. Significant variances included the following:

- Other noninterest expense of \$2,425,000 decreased \$365,000 from the fourth quarter 2023. Included in this category was other operational losses which for the fourth quarter 2023 included an accrued charge of \$427,000 related to a trust department tax compliance matter with no comparable amount in the fourth quarter 2024.
- Salaries and employee benefits expense of \$11,470,000 increased \$357,000, including an increase of \$454,000 in cash and stock-based incentive compensation and an increase of \$140,000 in wealth management-related commissions while expense related to the Employee Stock Ownership Plan decreased \$137,000.
- The income tax provision of \$1,947,000, or 19.2% of pre-tax income, for the fourth quarter 2024 increased \$286,000 from \$1,661,000 or 28.0% of pre-tax income, for the fourth quarter 2023 consistent with the increase in pre-tax income. The higher effective tax rate in the fourth quarter 2023 reflects the net impact of a tax charge of \$950,000 from the initiated surrender of BOLI partially offset by the non-taxable income of \$2,100,000 from the one-time enhancement on the purchase of BOLI.

Year Ended December 31, 2024 as Compared to Year Ended December 31, 2023

Net income for the year ended December 31, 2024 was \$25,958,000, or \$1.69 per diluted share, as compared to \$24,148,000, or \$1.57 per diluted share, for the year ended December 31, 2023. As previously described, results for 2023 included the impact of a \$1,253,000 charge, which reduced diluted earnings per share by \$0.08, related to the repositioning of available-for-sale securities and BOLI. Significant variances were as follows:

- Net interest income totaled \$79,115,000 for the year ended December 31, 2024, a decrease of \$1,285,000 from 2023. The net interest margin was 3.30% in 2024, down from 3.47% in 2023. The interest rate spread decreased 0.32%, as the average rate on interest-bearing liabilities was higher by 0.75% while the average yield on earning assets increased 0.43%. Average total earning assets increased \$81,866,000. Average total loans increased \$88,973,000 (5.0%) and average total deposits increased \$85,644,000 (4.3%).
- For the year ended December 31, 2024, the provision for credit losses was \$2,195,000, compared to \$186,000 in 2023. For the year ended December 31, 2024, the provision related to loans receivable included the impact of a net increase in the ACL related to qualitative factors, partially offset by a decrease in total specific allowances on individual loans and decreases in other components of the ACL. The ACL increased \$827,000 to 1.06% of loans receivable at December 31, 2024 as compared to 1.04% at December 31, 2023. For the year ended December 31, 2024, net charge-offs totaled \$1,603,000, or 0.09% of average loans receivable as compared to \$264,000 or 0.01% of gross loans receivable for 2023.
- Noninterest income totaled \$29,209,000 for the year ended December 31, 2024, up \$1,756,000 from the total excluding related losses on securities for the year ended December 31, 2023. Significant variances included the following:
 - Earnings from the increase in cash surrender value of life insurance of \$1,830,000 decreased \$873,000 in 2024 from 2023. Included in 2023 was income from a one-time enhancement of \$2,100,000 on BOLI purchased in December 2023. Excluding the impact of the income from the enhancement in 2023, earnings from the increase in cash surrender value of life insurance increased \$1,227,000 reflecting the increase in the average balance of BOLI to \$51,465,000 in 2024 from \$31,808,000 in 2023.
 - Other noninterest income of \$5,230,000 increased \$620,000 as dividends on FHLB-Pittsburgh and Federal Reserve stock totaled \$1,743,000, an increase of \$451,000, and income from tax credits related to donations increased \$77,000.
 - Brokerage and insurance revenue of \$2,271,000 increased \$596,000 due to an increase in sales volume.

- Trust revenue of \$7,928,000 increased \$515,000, consistent with appreciation in the trading prices of many U.S. equity securities and includes revenue from new business.
- Net gains from sale of loans of \$1,158,000 increased \$435,000, reflecting an increase in volume of residential mortgage loans sold.
- Service charges on deposit accounts of \$5,867,000 increased \$300,000 reflecting an increase in volume of fees.
- There were no net gains or losses on available-for-sale debt securities for the year ended December 31, 2024 compared to net losses on available-for-sale debt securities of \$3,036,000 for the year ended December 31, 2023. The net losses on available-for-sale debt securities of \$3,036,000 for the year ended December 31, 2023 were primarily from sales in the fourth quarter 2023 related to the repositioning of the portfolio.
- Noninterest expense totaled \$74,258,000 for the year ended December 31, 2024, an increase of \$110,000 from the total for the year ended December 31, 2023. Significant variances included the following:
 - Other noninterest expense of \$10,361,000 decreased \$872,000. Within this category, significant variances included the following:
 - Other operational losses included a net decrease in expense of \$407,000 to \$98,000 in other losses in 2024 from expense of \$505,000 in 2023. Included in 2023 was \$427,000 related to the previously referenced trust department tax compliance matter.
 - In 2024, there was a reduction in expense of \$527,000 related to the defined benefit postretirement medical benefit plan, including a curtailment of \$469,000 related to plan adjustments in the first quarter 2024. In comparison, in 2023, there was a reduction in expense associated with the postretirement plan of \$19,000.
 - Donations expense increased \$195,000 from 2023 including an increase of \$133,000 in PA Educational Improvement Tax Credit Program donations and \$50,000 in 2024 donations to benefit Northern Tier and Northcentral PA communities impacted by storm damage.
 - Professional fees of \$2,175,000 decreased \$322,000 as 2023 included \$389,000 of conversion costs related to a change in Wealth Management platform for providing brokerage and investment advisory services.
 - Salaries and employee benefits expense of \$44,930,000 increased \$735,000, including an increase of \$905,000 in cash and stock-based incentive compensation, an increase in base salaries expense of \$630,000, or 2.1%, and an increase of \$253,000 in wealth management-related commissions while there were decreases in expense related to the Employee Stock Ownership Plan of \$579,000, health insurance expense of \$361,000 and the Supplemental Executive Retirement Plan of \$267,000.
- The income tax provision of \$5,913,000, or 18.6% of pre-tax income for the year ended December 31, 2024 decreased \$422,000 from \$6,335,000, or 20.8% of pre-tax income for the year ended December 31, 2023. The higher effective tax rate in 2023 included the net impact of a tax charge of \$950,000 related to the initiated surrender of BOLI, partially offset by the non-taxable income of \$2,100,000 from the one-time enhancement on the purchase of BOLI.

Other Information:

Changes in other unaudited financial information are as follows:

- Total assets amounted to \$2,610,653,000 at December 31, 2024, down from \$2,670,822,000 at September 30, 2024 and up from \$2,515,584,000 at December 31, 2023.

- Cash and due from banks totaled \$126,174,000 at December 31, 2024, down from \$184,213,000 at September 30, 2024 and up from \$56,878,000 at December 31, 2023.
- The fair value of available-for-sale debt securities at December 31, 2024 was lower than the amortized cost basis by \$47,543,000 or 10.6%. In comparison, the aggregate unrealized loss position was \$38,970,000 (8.7%) at September 30, 2024 and \$49,213,000 (10.6%) at December 31, 2023. The unrealized loss position of the portfolio has resulted from an increase in interest rates as compared to rates when the securities were purchased. The volatility in the fair value of the portfolio has resulted from changes in interest rates. Management reviewed the available-for-sale debt securities as of December 31, 2024 and concluded, as of such date, that there were no credit-related declines in fair value and no allowance for credit losses was recorded as of December 31, 2024.
- Gross loans receivable totaled \$1,895,848,000 at December 31, 2024, an increase of \$3,084,000 from total loans at September 30, 2024 and an increase of \$47,709,000 (2.6%) from total loans at December 31, 2023. In comparing outstanding balances at December 31, 2024 and 2023, total commercial loans were up \$49,632,000 (3.6%), reflecting growth in owner occupied commercial real estate loans of \$23,825,000, other commercial loans of \$23,584,000 and non-owner occupied commercial real estate loans of \$2,223,000. Within non-owner occupied commercial real estate loans, multi-family residential loans increased \$41,098,000 reflecting the completion of several C&N financed construction projects in 2024. Total outstanding residential mortgage loans were down \$5,705,000 (1.4%), and total consumer loans increased \$3,782,000 (6.3%). The outstanding balance of residential mortgage loans originated and serviced by C&N that have been sold to third parties was \$329.8 million at December 31, 2024, up \$6.5 million (2.0%) from December 31, 2023.
- At December 31, 2024, the recorded investment in non-owner occupied commercial real estate loans for which the primary purpose is utilization of office space by third parties was \$102,831,000, or 5.4% of gross loans receivable. At December 31, 2024, within this segment there were two loans with a total recorded investment of \$3,147,000 in nonaccrual status with no specific allowances. During the third quarter 2024, there was a partial charge-off of \$640,000 on one of the office loans in nonaccrual status. The charge-off resulted from a decrease in the appraised value of property which is the primary source of collateral. At December 31, 2024, the carrying value of this loan was \$1,814,000. The remainder of the non-owner occupied commercial real estate loans with a primary purpose of office space utilization were in accrual status with no specific allowance at December 31, 2024.
- Total nonperforming assets as a percentage of total assets was 0.92% at December 31, 2024 and September 30, 2024, up from 0.75% at December 31, 2023. Total nonperforming assets were \$24.1 million at December 31, 2024, down from \$24.6 million at September 30, 2024 and up from \$18.8 million at December 31, 2023. The increase in nonperforming assets at December 31, 2024 as compared to December 31, 2023 included the impact of classifying commercial construction and land loans to two borrowers with carrying balance totaling \$6.7 million at December 31, 2024 as nonaccrual. Based on management's assessment, there was no valuation allowance on these loans at December 31, 2024.
- Deposits totaled \$2,093,909,000 at December 31, 2024, down \$41,970,000 (2.0%) from \$2,135,879,000 at September 30, 2024, including a decrease in brokered deposits of \$21,030,000. Total deposits were up \$79,103,000 (3.9%) at December 31, 2024 as compared to December 31, 2023, despite a decrease in brokered deposits of \$40,348,000. At December 31, 2024, C&N's estimated uninsured deposits totaled \$632.8 million, or 30.0% of the Bank's total deposits, as compared to \$592.2 million, or 29.2% of the Bank's total deposits at December 31, 2023. Included in uninsured deposits are deposits collateralized by securities (almost exclusively municipal deposits) totaling \$162.0 million, or 7.7% of the Bank's total deposits, at December 31, 2024 as compared to \$151.0 million, or 7.4% of the Bank's total deposits at December 31, 2023.
- C&N maintained highly liquid sources of available funds totaling \$1.1 billion at December 31, 2024, including unused borrowing capacity with the Federal Home Loan Bank of Pittsburgh of \$750.0 million, unused availability on the Federal Reserve Bank of Philadelphia's discount window of \$18.1 million, available federal funds lines with other banks of \$75 million and available-for-sale debt securities with a fair value in excess of collateral obligations of \$236.9 million. At December 31, 2024, available funding from these sources totaled 170.7% of uninsured deposits, and 229.4% of uninsured and uncollateralized deposits.

- The outstanding balance of borrowed funds, including Federal Home Loan Bank advances, repurchase agreements, senior notes and subordinated debt, totaled \$207,669,000 at December 31, 2024, down \$18,058,000 from September 30, 2024 and down \$4,090,000 from December 31, 2023.
- Total stockholders' equity was \$275,284,000 at December 31, 2024, down from \$277,305,000 at September 30, 2024 and up from \$262,381,000 at December 31, 2023. Within stockholders' equity, the portion of accumulated other comprehensive loss related to available-for-sale debt securities was \$37,084,000 at December 31, 2024, \$30,396,000 at September 30, 2024 and \$38,878,000 at December 31, 2023. The volatility in stockholders' equity related to accumulated other comprehensive loss from available-for-sale debt securities has been caused by fluctuations in interest rates including overall increases in rates as compared to market rates when most of C&N's securities were purchased. Accumulated other comprehensive loss is excluded from C&N's regulatory capital ratios.
- On September 25, 2023, the Corporation announced a new treasury stock repurchase program. Under this program, C&N is authorized to repurchase up to 750,000 shares of its common stock. There were no shares repurchased during the three-month period ended December 31, 2024. During the year ended December 31, 2024, 26,034 shares were repurchased for a total cost of \$443,000, at an average price of \$17.02 per share. At December 31, 2024, there were 723,966 shares available to be repurchased under the program.
- Citizens & Northern Bank is subject to various regulatory capital requirements. At December 31, 2024, Citizens & Northern Bank maintains regulatory capital ratios that exceed all capital adequacy requirements. Management expects the Bank to remain well-capitalized for the foreseeable future.
- Trust assets under management by C&N's Wealth Management Group amounted to \$1,347,853,000 at December 31, 2024, down 0.8% from \$1,359,023,000 at September 30, 2024, and up 13.4% from \$1,188,082,000 at December 31, 2023. Fluctuations in values of assets under management reflect the impact of market volatility.
- Under U.S. GAAP, interest income on tax-exempt securities and loans are reported at their nominal amounts, with the tax benefit accounted for as a reduction in the income tax provision. C&N presents certain analyses and ratios with net interest income determined on a fully taxable-equivalent basis, which are non-GAAP financial measures as presented. C&N believes presentation of net interest income on a fully taxable-equivalent basis provides investors with meaningful information for purposes of comparing the returns on tax-exempt securities and loans with returns on taxable securities and loans. The excess of net interest income on a fully taxable-equivalent basis over the amounts reported under U.S. GAAP was \$217,000, \$205,000 and \$199,000 for the fourth quarter 2024, third quarter 2024 and fourth quarter 2023, respectively. The excess of net interest income on a fully taxable-equivalent basis over the amounts reported under U.S. GAAP was \$819,000 for the year ended December 31, 2024 and \$919,000 for the year ended December 31, 2023.

Citizens & Northern Corporation is the bank holding company for Citizens & Northern Bank, headquartered in Wellsboro, Pennsylvania which operates 28 banking offices located in Bradford, Bucks, Cameron, Chester, Lycoming, Potter, Sullivan, Tioga, York and Lancaster Counties in Pennsylvania and Steuben County in New York, as well as a loan production office in Elmira, New York. Citizens & Northern Corporation trades on NASDAQ under the symbol "CZNC." For more information about Citizens & Northern Bank and Citizens & Northern Corporation, visit www.cnbkpa.com.

Safe Harbor Statement: Except for historical information contained herein, the matters discussed in this release are forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty, including without limitation, the following: changes in monetary and fiscal policies of the Federal Reserve Board and the U.S. Government, particularly related to changes in interest rates; changes in general economic conditions; the potential for adverse developments in the banking industry that could have a negative impact on customer confidence, sources of liquidity and capital funding, and regulatory responses to such developments; C&N's credit standards and its on-going credit assessment processes might not protect it from significant credit losses; legislative or regulatory changes; downturn in demand for loan, deposit and other financial services in C&N's market area; increased competition from other banks and non-bank providers of financial services; technological changes and increased technology-related costs; information security breach or other technology difficulties or failures; changes in accounting principles, or the application of generally accepted accounting principles; and fraud and cyber malfunction risks as usage of artificial intelligence continues to expand. Citizens & Northern disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

EXHIBIT 99.2 – Supplemental, Unaudited Financial Information

CITIZENS&NORTHERN CORPORATION

CONDENSED, CONSOLIDATED EARNINGS INFORMATION

(Dollars In Thousands, Except Per Share Data)

(Unaudited)

	4TH QUARTER 2024	4TH QUARTER 2023	\$ Incr. (Decr.)	% Incr. (Decr.)
Interest and Dividend Income	\$ 33,329	\$ 30,236	\$ 3,093	10.23 %
Interest Expense	12,856	10,642	2,214	20.80 %
Net Interest Income	20,473	19,594	879	4.49 %
(Credit) Provision for Credit Losses	(531)	951	(1,482)	(155.84)%
Net Interest Income After (Credit) Provision for Credit Losses	21,004	18,643	2,361	12.66 %
Noninterest Income	7,547	8,720	(1,173)	(13.45)%
Net Realized Losses on Available-for-sale Debt Securities	0	(3,042)	3,042	(100.00)%
Noninterest Expense	18,430	18,399	31	0.17 %
Income Before Income Tax Provision	10,121	5,922	4,199	70.91 %
Income Tax Provision	1,947	1,661	286	17.22 %
Net Income	\$ 8,174	\$ 4,261	\$ 3,913	91.83 %
Net Income Attributable to Common Shares (1)	\$ 8,103	\$ 4,231	\$ 3,872	91.52 %
PER COMMON SHARE DATA:				
Net Income - Basic	\$ 0.53	\$ 0.28	\$ 0.25	89.29 %
Net Income - Diluted	\$ 0.53	\$ 0.28	\$ 0.25	89.29 %
Dividends Per Share	\$ 0.28	\$ 0.28	\$ 0.00	0.00 %
Number of Shares Used in Computation - Basic	15,287,462	15,175,013		
Number of Shares Used in Computation - Diluted	15,287,462	15,175,013		

	YEAR ENDED DECEMBER 31,		\$ Incr. (Decr.)	% Incr. (Decr.)
	2024	2023		
Interest and Dividend Income	\$ 128,078	\$ 113,504	\$ 14,574	12.84 %
Interest Expense	48,963	33,104	15,859	47.91 %
Net Interest Income	79,115	80,400	(1,285)	(1.60)%
Provision for Credit Losses	2,195	186	2,009	1,080.11 %
Net Interest Income After Provision for Credit Losses	76,920	80,214	(3,294)	(4.11)%
Noninterest Income	29,209	27,453	1,756	6.40 %
Net Realized Losses on Available-for-sale Debt Securities	0	(3,036)	3,036	(100.00)%
Noninterest Expense	74,258	74,148	110	0.15 %
Income Before Income Tax Provision	31,871	30,483	1,388	4.55 %
Income Tax Provision	5,913	6,335	(422)	(6.66)%
Net Income	\$ 25,958	\$ 24,148	\$ 1,810	7.50 %
Net Income Attributable to Common Shares (1)	\$ 25,747	\$ 23,962	\$ 1,785	7.45 %
PER COMMON SHARE DATA:				
Net Income - Basic	\$ 1.69	\$ 1.57	\$ 0.12	7.64 %
Net Income - Diluted	\$ 1.69	\$ 1.57	\$ 0.12	7.64 %
Dividends Per Share	\$ 1.12	\$ 1.12	\$ 0.00	0.00 %
Number of Shares Used in Computation - Basic	15,262,504	15,241,859		
Number of Shares Used in Computation - Diluted	15,262,504	15,241,859		

- (1) Basic and diluted net income per common share are determined based on net income less earnings allocated to nonvested restricted shares with nonforfeitable dividends.

CONDENSED, CONSOLIDATED BALANCE SHEET DATA
(Dollars In Thousands)
(Unaudited)

	December 31, 2024	December 31, 2023	\$ Incr. (Decr.)	% Incr. (Decr.)
ASSETS				
Cash & Due from Banks	\$ 126,174	\$ 56,878	\$ 69,296	121.83 %
Available-for-sale Debt Securities	402,380	415,755	(13,375)	(3.22)%
Loans, Net	1,875,813	1,828,931	46,882	2.56 %
Bank-Owned Life Insurance	51,214	63,674	(12,460)	(19.57)%
Bank Premises and Equipment, Net	21,338	21,632	(294)	(1.36)%
Deferred Tax Asset, Net	19,098	17,441	1,657	9.50 %
Intangible Assets	54,585	54,974	(389)	(0.71)%
Other Assets	60,051	56,299	3,752	6.66 %
TOTAL ASSETS	\$ 2,610,653	\$ 2,515,584	\$ 95,069	3.78 %
LIABILITIES				
Deposits	\$ 2,093,909	\$ 2,014,806	\$ 79,103	3.93 %
Borrowed Funds - Federal Home Loan Bank and Repurchase Agreements	167,939	172,211	(4,272)	(2.48)%
Senior Notes, Net	14,899	14,831	68	0.46 %
Subordinated Debt, Net	24,831	24,717	114	0.46 %
Other Liabilities	33,791	26,638	7,153	26.85 %
TOTAL LIABILITIES	2,335,369	2,253,203	82,166	3.65 %
STOCKHOLDERS' EQUITY				
Common Stockholders' Equity, Excluding Accumulated Other Comprehensive Loss	312,045	300,818	11,227	3.73 %
Accumulated Other Comprehensive Loss:				
Net Unrealized Losses on Available-for-sale Debt Securities	(37,084)	(38,878)	1,794	(4.61)%
Defined Benefit Plans	323	441	(118)	(26.76)%
TOTAL STOCKHOLDERS' EQUITY	275,284	262,381	12,903	4.92 %
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 2,610,653	\$ 2,515,584	\$ 95,069	3.78 %

CONDENSED, CONSOLIDATED FINANCIAL HIGHLIGHTS
(Dollars In Thousands, Except Per Share Data)
(Unaudited)

	FOR THE THREE MONTHS ENDED December 31,		% INCREASE (DECREASE)
	2024	2023	
EARNINGS PERFORMANCE			
Net Income	\$ 8,174	\$ 4,261	91.83 %
Return on Average Assets (Annualized)	1.24 %	0.69 %	79.71 %
Return on Average Equity (Annualized)	11.87 %	7.03 %	68.85 %

PRE-TAX, PRE-PROVISION NET REVENUE ("PPNR") - NON-GAAP (a)

	2024	2023	% INCREASE (DECREASE)
PPNR	\$ 9,807	\$ 8,014	22.37 %
PPNR (Annualized) as a % of Average Assets	1.48 %	1.29 %	14.73 %
PPNR (Annualized) as a % of Average Equity	14.24 %	13.22 %	7.72 %

	AS OF OR FOR THE YEAR ENDED December 31,		% INCREASE (DECREASE)
	2024	2023	
EARNINGS PERFORMANCE - U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP")			
Net Income	\$ 25,958	\$ 24,148	7.50 %
Return on Average Assets (Annualized)	1.00 %	0.98 %	2.04 %
Return on Average Equity (Annualized)	9.76 %	9.72 %	0.41 %

PPNR - NON-GAAP (a)

	2024	2023	% INCREASE (DECREASE)
PPNR	\$ 34,885	\$ 32,524	7.26 %
PPNR (Annualized) as a % of Average Assets	1.35 %	1.32 %	2.27 %
PPNR (Annualized) as a % of Average Equity	13.12 %	13.09 %	0.23 %

BALANCE SHEET HIGHLIGHTS

	2024	2023	% INCREASE (DECREASE)
Total Assets	\$ 2,610,653	\$ 2,515,584	3.78 %
Available-for-Sale Debt Securities	402,380	415,755	(3.22)%
Loans, Net	1,875,813	1,828,931	2.56 %
Allowance for Credit Losses:			
Allowance for Credit Losses on Loans	20,035	19,208	4.31 %
Allowance for Credit Losses on Off-Balance Sheet Exposures	455	690	(34.06)%
Deposits	2,093,909	2,014,806	3.93 %

OFF-BALANCE SHEET

	2024	2023	% INCREASE (DECREASE)
Outstanding Balance of Mortgage Loans Sold with Servicing Retained	\$ 329,766	\$ 323,298	2.00 %
Trust Assets Under Management	1,347,853	1,188,082	13.45 %

STOCKHOLDERS' VALUE (PER COMMON SHARE)

	2024	2023	% INCREASE (DECREASE)
Net Income - Basic	\$ 1.69	\$ 1.57	7.64 %
Net Income - Diluted	\$ 1.69	\$ 1.57	7.64 %
Dividends	\$ 1.12	\$ 1.12	0.00 %
Common Book Value	\$ 17.84	\$ 17.15	4.02 %
Tangible Common Book Value - NON-GAAP (b)	\$ 14.30	\$ 13.56	5.46 %
Market Value (Last Trade)	\$ 18.60	\$ 22.43	(17.08)%
Market Value / Common Book Value	104.26 %	130.79 %	(20.28)%
Market Value / Tangible Common Book Value - NON-GAAP (b)	130.07 %	165.41 %	(21.37)%
Price Earnings Multiple	11.01	14.29	(22.95)%
Dividend Yield (Annualized)	6.02 %	4.99 %	20.64 %
Common Shares Outstanding, End of Period	15,433,494	15,295,135	0.90 %

CONDENSED, CONSOLIDATED FINANCIAL HIGHLIGHTS (Continued)
(Dollars In Thousands, Except Per Share Data)
(Unaudited)

	AS OF OR FOR THE YEAR ENDED December 31,		% INCREASE (DECREASE)
	2024	2023	
SAFETY AND SOUNDNESS			
Tangible Common Equity / Tangible Assets (b)	8.63 %	8.43 %	2.37 %
Nonperforming Assets / Total Assets	0.92 %	0.75 %	22.67 %
Allowance for Credit Losses / Total Loans	1.06 %	1.04 %	1.92 %
Total Risk Based Capital Ratio (c)	15.95 %	15.69 %	1.66 %
Tier 1 Risk Based Capital Ratio (c)	13.56 %	13.28 %	2.11 %
Common Equity Tier 1 Risk Based Capital Ratio (c)	13.56 %	13.28 %	2.11 %
Leverage Ratio (c)	9.80 %	9.88 %	(0.81)%
AVERAGE BALANCES			
Average Assets	\$ 2,583,106	\$ 2,462,856	4.88 %
Average Equity	\$ 265,884	\$ 248,494	7.00 %
EFFICIENCY RATIO - NON-GAAP (d)			
Net Interest Income on a Fully Taxable-Equivalent Basis (d)	\$ 79,934	\$ 81,319	(1.70)%
Noninterest Income, Excluding Net Realized Losses on Available-for-sale Debt Securities	29,209	27,453	6.40
Less: Enhancement Fee Included in Noninterest Income Related to Purchase of Bank-Owned Life Insurance	0	(2,100)	(100.00)%
Total (1)	\$ 109,143	\$ 106,672	2.32 %
Noninterest Expense (2)	\$ 74,258	\$ 74,148	0.15 %
Efficiency Ratio = (2)/(1)	68.04 %	69.51 %	(2.11)%

- (a) PPNR includes net interest income plus noninterest income minus total noninterest expense but excludes provision (credit) for credit losses, realized gains or losses on securities, the income tax provision and nonrecurring items included in earnings. Management believes disclosure of PPNR provides useful information for evaluating C&N's financial performance without the impact of realized gains or losses on securities or unusual items or events that may obscure trends in C&N's underlying performance. This non-GAAP data should be considered in addition to results prepared in accordance with GAAP, and is not a substitute for, or superior to, GAAP results. A reconciliation of this non-GAAP measure to the comparable GAAP measure is provided below under the table "PPNR- NON- GAAP RECONCILIATION."
- (b) Tangible common book value per share, tangible common equity as a percentage of tangible assets and market value as a percentage of tangible common book value are non-GAAP ratios. Management believes this non-GAAP information is helpful in evaluating the strength of the C&N's capital and in providing an alternative, conservative valuation of C&N's net worth. The ratios shown above are based on the following calculations of tangible assets and tangible common equity:

Total Assets	\$ 2,610,653	\$ 2,515,584
Less: Intangible Assets, Primarily Goodwill	(54,585)	(54,974)
Tangible Assets	\$ 2,556,068	\$ 2,460,610
Total Stockholders' Equity	\$ 275,284	\$ 262,381
Less: Intangible Assets, Primarily Goodwill	(54,585)	(54,974)
Tangible Common Equity (3)	\$ 220,699	\$ 207,407
Common Shares Outstanding, End of Period (4)	15,433,494	15,295,135
Tangible Common Book Value per Share = (3)/(4)	\$ 14.30	\$ 13.56

- (c) Capital ratios for the most recent period are estimated.
- (d) The efficiency ratio is a non-GAAP ratio that is calculated as shown above. For purposes of calculating the efficiency ratio, net interest income on a fully taxable-equivalent basis includes amounts of interest income on tax-exempt securities and loans that have been increased to a fully taxable-equivalent basis, using C&N's marginal federal income tax rate of 21%. A reconciliation of net interest income under U.S. GAAP as compared to net interest income as adjusted to a fully taxable-equivalent basis is provided below under the table "COMPARISON OF INTEREST INCOME AND EXPENSE."

**QUARTERLY CONDENSED, CONSOLIDATED
INCOME STATEMENT INFORMATION**
(Dollars In Thousands, Except Per Share Data)
(Unaudited)

	For the Three Months Ended:				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Interest income	\$ 33,329	\$ 33,087	\$ 31,326	\$ 30,336	\$ 30,236
Interest expense	12,856	12,931	11,881	11,295	10,642
Net interest income	20,473	20,156	19,445	19,041	19,594
(Credit) provision for credit losses	(531)	1,207	565	954	951
Net interest income after (credit) provision for credit losses	21,004	18,949	18,880	18,087	18,643
Noninterest income	7,547	7,133	7,854	6,675	8,720
Net realized (losses) on securities	0	0	0	0	(3,042)
Noninterest expense	18,430	18,269	19,255	18,304	18,399
Income before income tax provision	10,121	7,813	7,479	6,458	5,922
Income tax provision	1,947	1,448	1,366	1,152	1,661
Net income	\$ 8,174	\$ 6,365	\$ 6,113	\$ 5,306	\$ 4,261
Net income attributable to common shares	\$ 8,103	\$ 6,311	\$ 6,066	\$ 5,267	\$ 4,231
Basic earnings per common share	\$ 0.53	\$ 0.41	\$ 0.40	\$ 0.35	\$ 0.28
Diluted earnings per common share	\$ 0.53	\$ 0.41	\$ 0.40	\$ 0.35	\$ 0.28

**QUARTERLY CONDENSED, CONSOLIDATED
BALANCE SHEET INFORMATION
(In Thousands) (Unaudited)**

	As of: Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023
ASSETS					
Cash & Due from Banks	\$ 126,174	\$ 184,213	\$ 100,412	\$ 46,448	\$ 56,878
Available-for-Sale Debt Securities	402,380	408,422	401,145	405,094	415,755
Loans, Net	1,875,813	1,872,322	1,872,825	1,852,426	1,828,931
Bank-Owned Life Insurance	51,214	50,757	50,301	49,857	63,674
Bank Premises and Equipment, Net	21,338	21,537	21,966	21,852	21,632
Deferred Tax Asset, Net	19,098	17,047	18,375	17,703	17,441
Intangible Assets	54,585	54,682	54,779	54,877	54,974
Other Assets	60,051	61,842	73,319	73,280	56,299
TOTAL ASSETS	\$ 2,610,653	\$ 2,670,822	\$ 2,593,122	\$ 2,521,537	\$ 2,515,584
LIABILITIES					
Deposits (1)	\$ 2,093,909	\$ 2,135,879	\$ 2,059,309	\$ 1,995,903	\$ 2,014,806
Borrowed Funds - Federal Home Loan Bank and Repurchase Agreements	167,939	186,043	202,523	197,655	172,211
Senior Notes, Net	14,899	14,882	14,865	14,848	14,831
Subordinated Debt, Net	24,831	24,802	24,773	24,745	24,717
Other Liabilities	33,791	31,911	28,431	26,730	26,638
TOTAL LIABILITIES	2,335,369	2,393,517	2,329,901	2,259,881	2,253,203
STOCKHOLDERS' EQUITY					
Common Stockholders' Equity, Excluding Accumulated Other Comprehensive Loss	312,045	307,369	304,582	302,362	300,818
Accumulated Other Comprehensive Loss:					
Net Unrealized Losses on Available-for-sale Debt Securities	(37,084)	(30,396)	(41,710)	(41,071)	(38,878)
Defined Benefit Plans	323	332	349	365	441
TOTAL STOCKHOLDERS' EQUITY	275,284	277,305	263,221	261,656	262,381
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 2,610,653	\$ 2,670,822	\$ 2,593,122	\$ 2,521,537	\$ 2,515,584
(1) Brokered Deposits (Included in Total Deposits)	\$ 24,021	\$ 45,051	\$ 59,501	\$ 69,391	\$ 64,369

AVAILABLE-FOR-SALE DEBT SECURITIES
(In Thousands)

	December 31, 2024		September 30, 2024		December 31, 2023	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Obligations of the U.S. Treasury	\$ 8,067	\$ 7,118	\$ 8,072	\$ 7,321	\$ 12,325	\$ 11,290
Obligations of U.S. Government agencies	10,154	9,025	10,271	9,376	11,119	9,946
Bank holding company debt securities	28,958	25,246	28,956	23,949	28,952	23,500
Obligations of states and political subdivisions:						
Tax-exempt	111,995	101,302	113,093	104,936	113,464	104,199
Taxable	51,147	42,506	55,182	48,434	58,720	50,111
Mortgage-backed securities issued or guaranteed by U.S. Government agencies or sponsored agencies:						
Residential pass-through securities	104,378	94,414	101,545	94,053	105,549	95,405
Residential collateralized mortgage obligations	53,389	49,894	48,251	45,601	50,212	46,462
Commercial mortgage-backed securities	73,470	64,501	73,695	66,390	76,412	66,682
Private label commercial mortgage-backed securities	8,365	8,374	8,327	8,362	8,215	8,160
Total Available-for-Sale Debt Securities	<u>\$ 449,923</u>	<u>\$ 402,380</u>	<u>\$ 447,392</u>	<u>\$ 408,422</u>	<u>\$ 464,968</u>	<u>\$ 415,755</u>

SUMMARY OF LOANS BY TYPE
(Excludes Loans Held for Sale)
(In Thousands)

	December 31, 2024	September 30, 2024	December 31, 2023
Commercial real estate - non-owner occupied:			
Non-owner occupied	\$ 471,171	\$ 470,383	\$ 499,104
Multi-family (5 or more) residential	105,174	87,487	64,076
1-4 Family - commercial purpose	163,220	163,233	174,162
Total commercial real estate - non-owner occupied	<u>739,565</u>	<u>721,103</u>	<u>737,342</u>
Commercial real estate - owner occupied	<u>261,071</u>	<u>266,477</u>	<u>237,246</u>
All other commercial loans:			
Commercial and industrial	96,665	93,205	78,832
Commercial lines of credit	120,078	128,461	117,236
Political subdivisions	94,009	85,479	79,031
Commercial construction and land	92,741	105,255	104,123
Other commercial loans	19,784	19,585	20,471
Total all other commercial loans	<u>423,277</u>	<u>431,985</u>	<u>399,693</u>
Residential mortgage loans:			
1-4 Family - residential	383,797	383,482	389,262
1-4 Family residential construction	24,212	23,947	24,452
Total residential mortgage	<u>408,009</u>	<u>407,429</u>	<u>413,714</u>
Consumer loans:			
Consumer lines of credit (including HELCs)	47,196	43,624	41,503
All other consumer	16,730	22,146	18,641
Total consumer	<u>63,926</u>	<u>65,770</u>	<u>60,144</u>
Total	<u>1,895,848</u>	<u>1,892,764</u>	<u>1,848,139</u>
Less: allowance for credit losses on loans	<u>(20,035)</u>	<u>(20,442)</u>	<u>(19,208)</u>
Loans, net	<u>\$ 1,875,813</u>	<u>\$ 1,872,322</u>	<u>\$ 1,828,931</u>

NON-OWNER OCCUPIED COMMERCIAL REAL ESTATE
(In Thousands)

Loan Type	December 31, 2024	% of Non-owner Occupied CRE	% of Total Loans
Office	\$ 102,831	21.8 %	5.4 %
Retail	96,142	20.4 %	5.1 %
Industrial	79,839	16.9 %	4.2 %
Hotels	70,229	14.9 %	3.7 %
Mixed Use	60,837	12.9 %	3.2 %
Other	61,293	13.0 %	3.2 %
Total Non-owner Occupied CRE Loans	<u>\$ 471,171</u>		
Total Gross Loans	<u>\$ 1,895,848</u>		

PAST DUE LOANS AND NONPERFORMING ASSETS
(Dollars In Thousands)

	December 31, 2024	September 30, 2024	December 31, 2023
Loans individually evaluated with a valuation allowance	\$ 258	\$ 1,622	\$ 7,786
Loans individually evaluated without a valuation allowance	18,843	18,069	3,478
Total individually evaluated loans	<u>\$ 19,101</u>	<u>\$ 19,691</u>	<u>\$ 11,264</u>
Total loans past due 30-89 days and still accruing	<u>\$ 5,658</u>	<u>\$ 15,906</u>	<u>\$ 9,275</u>
Nonperforming assets:			
Total nonaccrual loans	\$ 23,842	\$ 24,401	\$ 15,177
Total loans past due 90 days or more and still accruing	119	56	3,190
Total nonperforming loans	23,961	24,457	18,367
Foreclosed assets held for sale (real estate)	181	181	478
Total nonperforming assets	<u>\$ 24,142</u>	<u>\$ 24,638</u>	<u>\$ 18,845</u>
Total nonperforming loans as a % of total loans	1.26 %	1.29 %	0.99 %
Total nonperforming assets as a % of assets	0.92 %	0.92 %	0.75 %
Allowance for credit losses as a % of total loans	1.06 %	1.08 %	1.04 %

ANALYSIS OF THE ALLOWANCE FOR CREDIT LOSSES ON LOANS
(In Thousands)

	3 Months Ended December 31, 2024	3 Months Ended September 30, 2024	Year Ended December 31, 2024	Year Ended December 31, 2023
Balance, beginning of period	\$ 20,442	\$ 20,382	\$ 19,208	\$ 16,615
Adoption of ASU 2016-13 (CECL)	0	0	0	2,104
Charge-offs	(32)	(1,268)	(1,716)	(356)
Recoveries	18	31	113	92
Net charge-offs	(14)	(1,237)	(1,603)	(264)
(Credit) provision for credit losses on loans	(393)	1,297	2,430	753
Balance, end of period	<u>\$ 20,035</u>	<u>\$ 20,442</u>	<u>\$ 20,035</u>	<u>\$ 19,208</u>
Net charge-offs as a % of average gross loans			0.09 %	0.01 %

ANALYSIS OF THE (CREDIT) PROVISION FOR CREDIT LOSSES
(In Thousands)

	3 Months Ended December 31, 2024	3 Months Ended September 30, 2024	Year Ended December 31, 2024	Year Ended December 31, 2023
Provision (credit) for credit losses:				
Loans receivable	\$ (393)	\$ 1,297	\$ 2,430	\$ 753
Off-balance sheet exposures	(138)	(90)	(235)	(567)
Total (credit) provision for credit losses	<u>\$ (531)</u>	<u>\$ 1,207</u>	<u>\$ 2,195</u>	<u>\$ 186</u>

PPNR NON- GAAP RECONCILIATION
(In Thousands)

	Three Months Ended			Year Ended	
	December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Calculation of PPNR:					
Net Income (GAAP)	\$ 8,174	\$ 6,365	\$ 4,261	\$ 25,958	\$ 24,148
Add: Provision for income taxes	1,947	1,448	1,661	5,913	6,335
Add: (Credit) provision for credit losses	(531)	1,207	951	2,195	186
Less: Enhancement fee included in noninterest income related to purchase of Bank-Owned Life Insurance	0	0	(2,100)	0	(2,100)
Add: Realized losses on available-for-sale securities debt securities	0	0	3,042	0	3,036
Add: Adjustments to reflect net interest income on a fully taxable-equivalent basis	217	205	199	819	919
PPNR (non-GAAP)	<u>\$ 9,807</u>	<u>\$ 9,225</u>	<u>\$ 8,014</u>	<u>\$ 34,885</u>	<u>\$ 32,524</u>

COMPARISON OF INTEREST INCOME AND EXPENSE
(In Thousands)

	December 31, 2024	Three Months Ended September 30, 2024	December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
INTEREST INCOME					
Interest-bearing due from banks	\$ 1,786	\$ 1,622	\$ 447	\$ 4,307	\$ 1,379
Available-for-sale debt securities:					
Taxable	2,184	2,136	2,115	8,593	8,555
Tax-exempt	644	638	654	2,531	2,815
Total available-for-sale debt securities	2,828	2,774	2,769	11,124	11,370
Loans receivable:					
Taxable	28,104	28,099	26,532	110,396	98,846
Tax-exempt	795	749	663	2,944	2,764
Total loans receivable	28,899	28,848	27,195	113,340	101,610
Other earning assets	33	48	24	126	64
Total Interest Income	33,546	33,292	30,435	128,897	114,423
INTEREST EXPENSE					
Interest-bearing deposits:					
Interest checking	3,269	3,240	2,809	12,151	7,668
Money market	2,333	2,159	2,032	8,589	5,686
Savings	50	50	57	207	243
Time deposits	4,931	4,963	3,742	18,253	10,636
Total interest-bearing deposits	10,583	10,412	8,640	39,200	24,233
Borrowed funds:					
Short-term	27	184	322	1,168	3,240
Long-term - FHLB advances	1,894	1,983	1,329	7,188	4,230
Senior notes, net	121	120	120	481	479
Subordinated debt, net	231	232	231	926	922
Total borrowed funds	2,273	2,519	2,002	9,763	8,871
Total Interest Expense	12,856	12,931	10,642	48,963	33,104
Net Interest Income	\$ 20,690	\$ 20,361	\$ 19,793	\$ 79,934	\$ 81,319

Note: Interest income from tax-exempt securities and loans has been adjusted to a fully taxable-equivalent basis, using C&N's marginal federal income tax rate of 21%. The following table is a reconciliation of net interest income under U.S. GAAP as compared to net interest income as adjusted to a fully taxable-equivalent basis.

(In Thousands)	December 31, 2024	Three Months Ended September 30, 2024	December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
Net Interest Income Under U.S. GAAP	\$ 20,473	\$ 20,156	\$ 19,594	\$ 79,115	\$ 80,400
Add: fully taxable-equivalent interest income adjustment from tax-exempt securities	69	66	74	271	388
Add: fully taxable-equivalent interest income adjustment from tax-exempt loans	148	139	125	548	531
Net Interest Income as adjusted to a fully taxable-equivalent basis	\$ 20,690	\$ 20,361	\$ 19,793	\$ 79,934	\$ 81,319

ANALYSIS OF AVERAGE DAILY BALANCES AND RATES
(Dollars in Thousands)

	3 Months Ended 12/31/2024 Average Balance	Rate of Return/ Cost of Funds %	3 Months Ended 9/30/2024 Average Balance	Rate of Return/ Cost of Funds %	3 Months Ended 12/31/2023 Average Balance	Rate of Return/ Cost of Funds %
EARNING ASSETS						
Interest-bearing due from banks	\$ 150,003	4.74 %	\$ 119,885	5.38 %	\$ 37,555	4.72 %
Available-for-sale debt securities, at amortized cost:						
Taxable	333,376	2.61 %	336,246	2.53 %	372,797	2.25 %
Tax-exempt	112,686	2.27 %	113,514	2.24 %	121,143	2.14 %
Total available-for-sale debt securities	446,062	2.52 %	449,760	2.45 %	493,940	2.22 %
Loans receivable:						
Taxable	1,800,732	6.21 %	1,797,224	6.22 %	1,752,047	6.01 %
Tax-exempt	92,440	3.42 %	91,246	3.27 %	84,349	3.12 %
Total loans receivable	1,893,172	6.07 %	1,888,470	6.08 %	1,836,396	5.88 %
Other earning assets	2,147	6.11 %	3,076	6.21 %	1,534	6.21 %
Total Earning Assets	2,491,384	5.36 %	2,461,191	5.38 %	2,369,425	5.10 %
Cash	20,988		24,987		21,019	
Unrealized loss on securities	(42,753)		(47,806)		(72,605)	
Allowance for credit losses	(20,750)		(20,643)		(18,575)	
Bank-owned life insurance	50,923		50,470		32,980	
Bank premises and equipment	21,488		21,793		21,532	
Intangible assets	54,632		54,730		55,025	
Other assets	70,976		73,320		78,558	
Total Assets	\$ 2,646,888		\$ 2,618,042		\$ 2,487,359	
INTEREST-BEARING LIABILITIES						
Interest-bearing deposits:						
Interest checking	\$ 573,133	2.27 %	\$ 543,288	2.37 %	\$ 521,432	2.14 %
Money market	373,558	2.48 %	356,487	2.41 %	354,854	2.27 %
Savings	193,554	0.10 %	198,312	0.10 %	218,810	0.10 %
Time deposits	490,363	4.00 %	485,708	4.07 %	429,898	3.45 %
Total interest-bearing deposits	1,630,608	2.58 %	1,583,795	2.62 %	1,524,994	2.25 %
Borrowed funds:						
Short-term	3,852	2.79 %	15,038	4.87 %	24,196	5.28 %
Long-term - FHLB advances	169,346	4.45 %	181,075	4.36 %	132,089	3.99 %
Senior notes, net	14,889	3.23 %	14,875	3.21 %	14,822	3.21 %
Subordinated debt, net	24,819	3.70 %	24,787	3.72 %	24,704	3.71 %
Total borrowed funds	212,906	4.25 %	235,775	4.25 %	195,811	4.06 %
Total Interest-bearing Liabilities	1,843,514	2.77 %	1,819,570	2.83 %	1,720,805	2.45 %
Demand deposits	496,161		500,859		491,944	
Other liabilities	31,763		29,226		32,122	
Total Liabilities	2,371,438		2,349,655		2,244,871	
Stockholders' equity, excluding accumulated other comprehensive loss	308,472		305,808		299,401	
Accumulated other comprehensive loss	(33,022)		(37,421)		(56,913)	
Total Stockholders' Equity	275,450		268,387		242,488	
Total Liabilities and Stockholders' Equity	\$ 2,646,888		\$ 2,618,042		\$ 2,487,359	
Interest Rate Spread		2.59 %		2.55 %		2.65 %
Net Interest Income/Earning Assets		3.30 %		3.29 %		3.31 %
Total Deposits (Interest-bearing and Demand)	\$ 2,126,769		\$ 2,084,654		\$ 2,016,938	

- (1) Annualized rates of return on tax-exempt securities and loans are presented on a fully taxable-equivalent basis, using C&N's marginal federal income tax rate of 21%.
- (2) Nonaccrual loans have been included with loans for the purpose of analyzing net interest earnings.
- (3) Rates of return on earning assets and costs of funds have been presented on an annualized basis.

ANALYSIS OF AVERAGE DAILY BALANCES AND RATES
(Dollars in Thousands)

	Year Ended 12/31/2024 Average Balance	Rate of Return/ Cost of Funds %	Year Ended 12/31/2023 Average Balance	Rate of Return/ Cost of Funds%
EARNING ASSETS				
Interest-bearing due from banks	\$ 86,703	4.97 %	\$ 32,709	4.22 %
Available-for-sale debt securities, at amortized cost:				
Taxable	340,339	2.52 %	389,456	2.20 %
Tax-exempt	113,121	2.24 %	125,920	2.24 %
Total available-for-sale debt securities	453,460	2.45 %	515,376	2.21 %
Loans receivable:				
Taxable	1,791,187	6.16 %	1,703,839	5.80 %
Tax-exempt	89,935	3.27 %	88,310	3.12 %
Total loans receivable	1,881,122	6.03 %	1,792,149	5.67 %
Other earning assets	2,198	5.73 %	1,383	4.63 %
Total Earning Assets	2,423,483	5.32 %	2,341,617	4.89 %
Cash	22,209		22,108	
Unrealized loss on securities	(49,520)		(63,118)	
Allowance for credit losses	(20,294)		(18,498)	
Bank-owned life insurance	51,465		31,808	
Bank premises and equipment	21,765		21,330	
Intangible assets	54,778		55,176	
Other assets	79,220		72,433	
Total Assets	\$ 2,583,106		\$ 2,462,856	
INTEREST-BEARING LIABILITIES				
Interest-bearing deposits:				
Interest checking	\$ 537,233	2.26 %	\$ 488,761	1.57 %
Money market	358,274	2.40 %	347,130	1.64 %
Savings	203,129	0.10 %	238,760	0.10 %
Time deposits	465,882	3.92 %	381,488	2.79 %
Total interest-bearing deposits	1,564,518	2.51 %	1,456,139	1.66 %
Borrowed funds:				
Short-term	22,743	5.14 %	62,926	5.15 %
Long-term - FHLB advances	167,181	4.30 %	110,943	3.81 %
Senior notes, net	14,865	3.24 %	14,798	3.24 %
Subordinated debt, net	24,774	3.74 %	24,662	3.74 %
Total borrowed funds	229,563	4.25 %	213,329	4.16 %
Total Interest-bearing Liabilities	1,794,081	2.73 %	1,669,468	1.98 %
Demand deposits	493,052		515,787	
Other liabilities	30,089		29,107	
Total Liabilities	2,317,222		2,214,362	
Stockholders' equity, excluding accumulated other comprehensive loss	304,532		297,894	
Accumulated other comprehensive loss	(38,648)		(49,400)	
Total Stockholders' Equity	265,884		248,494	
Total Liabilities and Stockholders' Equity	\$ 2,583,106		\$ 2,462,856	
Interest Rate Spread		2.59 %		2.91 %
Net Interest Income/Earning Assets		3.30 %		3.47 %
Total Deposits (Interest-bearing and Demand)	\$ 2,057,570		\$ 1,971,926	

(1) Annualized rates of return on tax-exempt securities and loans are presented on a fully taxable-equivalent basis, using C&N's marginal federal income tax rate of 21%.

(2) Nonaccrual loans have been included with loans for the purpose of analyzing net interest earnings.

COMPARISON OF NONINTEREST INCOME
(In Thousands)

	Three Months Ended			Year Ended	
	December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Trust revenue	\$ 2,071	\$ 1,946	\$ 1,913	\$ 7,928	\$ 7,413
Brokerage and insurance revenue	682	523	486	2,271	1,675
Service charges on deposit accounts	1,531	1,546	1,446	5,867	5,567
Interchange revenue from debit card transactions	1,071	1,103	1,045	4,276	4,160
Net gains from sales of loans	372	360	273	1,158	723
Loan servicing fees, net	215	74	136	649	602
Increase in cash surrender value of life insurance	458	458	2,253	1,830	2,703
Other noninterest income	1,147	1,123	1,168	5,230	4,610
Total noninterest income, excluding realized losses on securities, net	<u>\$ 7,547</u>	<u>\$ 7,133</u>	<u>\$ 8,720</u>	<u>\$ 29,209</u>	<u>\$ 27,453</u>

COMPARISON OF NONINTEREST EXPENSE
(In Thousands)

	Three Months Ended			Year Ended	
	December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Salaries and employee benefits	\$ 11,470	\$ 10,875	\$ 11,113	\$ 44,930	\$ 44,195
Net occupancy and equipment expense	1,313	1,377	1,364	5,473	5,357
Data processing and telecommunications expenses	1,891	1,882	1,923	7,768	7,582
Automated teller machine and interchange expense	348	510	308	1,818	1,682
Pennsylvania shares tax	433	433	392	1,733	1,602
Professional fees	550	555	509	2,175	2,497
Other noninterest expense	2,425	2,637	2,790	10,361	11,233
Total noninterest expense	<u>\$ 18,430</u>	<u>\$ 18,269</u>	<u>\$ 18,399</u>	<u>\$ 74,258</u>	<u>\$ 74,148</u>

LIQUIDITY INFORMATION
(In Thousands)

Available Credit Facilities

	Outstanding			Available			Total Credit		
	Dec. 31, 2024	September 30, 2024	Dec. 31, 2023	Dec. 31, 2024	September 30, 2024	Dec. 31, 2023	Dec. 31, 2024	September 30, 2024	Dec. 31, 2023
Federal Home Loan Bank of Pittsburgh	\$ 188,692	\$ 207,858	\$ 189,021	\$ 749,999	\$ 737,284	\$ 737,824	\$ 938,691	\$ 945,142	\$ 926,845
Federal Reserve Bank Discount Window	0	0	0	18,093	18,602	19,982	18,093	18,602	19,982
Other correspondent banks	0	0	0	75,000	75,000	75,000	75,000	75,000	75,000
Total credit facilities	<u>\$ 188,692</u>	<u>\$ 207,858</u>	<u>\$ 189,021</u>	<u>\$ 843,092</u>	<u>\$ 830,886</u>	<u>\$ 832,806</u>	<u>\$ 1,031,784</u>	<u>\$ 1,038,744</u>	<u>\$ 1,021,827</u>

Uninsured Deposits Information

	December 31, 2024	September 30, 2024	December 31, 2023
Total Deposits - C&N Bank	<u>\$ 2,111,547</u>	<u>\$ 2,152,136</u>	<u>\$ 2,030,909</u>

Estimated Total Uninsured Deposits	\$ 632,804	\$ 655,569	\$ 592,206
Portion of Uninsured Deposits that are			
Collateralized	161,958	183,274	151,031
Uninsured and Uncollateralized Deposits	<u>\$ 470,846</u>	<u>\$ 472,295</u>	<u>\$ 441,175</u>

**Uninsured and Uncollateralized Deposits as
a % of Total Deposits**

	<u>22.3 %</u>	<u>21.9 %</u>	<u>21.7 %</u>
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Available Funding from Credit Facilities	\$ 843,092	\$ 830,886	\$ 832,806
Fair Value of Available-for-sale Debt			
Securities in Excess of Pledging Obligations	236,945	223,060	256,058
Highly Liquid Available Funding	<u>\$ 1,080,037</u>	<u>\$ 1,053,946</u>	<u>\$ 1,088,864</u>

**Highly Liquid Available Funding as a % of
Uninsured Deposits**

	<u>170.7 %</u>	<u>160.8 %</u>	<u>183.9 %</u>
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**Highly Liquid Available Funding as a % of
Uninsured and Uncollateralized Deposits**

	<u>229.4 %</u>	<u>223.2 %</u>	<u>246.8 %</u>
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