

# BANCNOTES

## Dear Shareholder:

C&N's first quarter earnings were well below expectations, mainly due to a significant charge related to one of our largest loans. Having said that, our fundamentals remain very strong, with solid PPNR performance highlighted by 14 basis points of net interest margin expansion and strong capital and liquidity profiles. While our non-performing asset level is somewhat elevated in comparison to that of our peers, we maintain a comparatively higher

“LOOKING FORWARD, WE REMAIN CONFIDENT IN OUR ABILITY TO EXECUTE OUR STRATEGY FOR PROFITABLE GROWTH.”

allowance for credit losses as a percentage of total loans, and we continue to make methodical progress in executing prudent workout strategies for all of our larger nonperforming loans. Looking forward, we remain confident in our ability to execute our strategy for profitable growth.

Net income for the first quarter of 2026 was \$273,000, or \$0.02 per diluted share, compared to \$4.5 million in the fourth quarter of 2025 and \$6.3 million in the first quarter of 2025. The primary reason for this decline was a higher provision for credit losses driven by the large commercial real estate relationship mentioned above. Following the loss of a key tenant and an updated

appraisal, we took a partial charge-off and moved the loan to nonaccrual status during the quarter.

Stepping back from this one credit, our core earnings remain strong. Pre-tax, pre-provision net revenue (PPNR), which measures the strength of C&N's core earnings from recurring operations independent of credit volatility, was consistent with fourth quarter 2025 results and significantly higher than the first quarter of 2025. Net interest income remained steady on a linked-quarter basis and increased meaningfully year-over-year, while the net interest margin continued a year-long trend of expansion during the quarter. This ongoing improvement reflects the benefits of our balance sheet positioning, disciplined pricing, and focus on core deposit funding, as well as the earnings power created through the SCB acquisition.

Loan growth continued in the first quarter, building on the momentum from the Susquehanna acquisition, with gains across major lending categories. Deposits remained stable overall, with typical seasonal fluctuations, and continue to reflect a strong core funding base.

Credit metrics were impacted by the commercial real estate relationship noted above, resulting in higher nonperforming assets and an increase in the allowance for credit losses. We are confident that our reserve levels are appropriate, and we are actively managing these exposures with a focus on long-term value recovery.

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## TEACHING CHILDREN TO SAVE: AN ANNUAL FAVORITE

Each year, our teams look forward to spending time with students, whether that means visiting local classrooms or welcoming classes into our branches. These moments give us the opportunity to share the importance of saving early and help young people begin building healthy financial habits that can last a lifetime. We focus on making these lessons simple, engaging and easy to carry into everyday life.

To continue those conversations beyond the classroom, our C&N Speaker Series brings these lessons directly

into schools and community settings, offering age-appropriate, real-world insights on saving, budgeting and making smart financial choices. It's a hands-on way to connect students and groups with practical guidance they can use right away.

If you're interested in having someone from C&N speak with your students or group, we invite you to fill out our speaker series form.



Learn more at [cnbankpa.com/SpeakerSeries](https://cnbankpa.com/SpeakerSeries)



**Wellsboro:** Rachel Brill and Sabrina Bubeck visited Charlotte Lappla Elementary School and presented to 175 kindergarten and first grade students.



**Lewisburg:** Randy Baldwin and Kellsie Starks (not pictured) presented to students in the Donald Heiter Community Center



**Emporium:** Renee Newton, Alyssa Morey, Carly Reigel and Kristen Summerson welcomed Woodland Elementary's third grade class. They taught the importance of saving money and provided a tour of the branch.



### SUBMIT YOUR PHOTO FOR THE 2027 C&N CALENDAR

Calling all photographers, it's time to show us the beauty of the C&N region. Submit your scenic landscape photos for a chance to be featured in our 2027 calendar, with one grand prize winner taking home \$300.

Entering is easy, and you can submit your photos online, in person at any C&N location or by mail. While most entries come from talented amateurs, professional photographers and C&N teammates are welcome to participate as well, making this a true community showcase.



Learn more at [cnbankpa.com/Calendar](https://cnbankpa.com/Calendar)

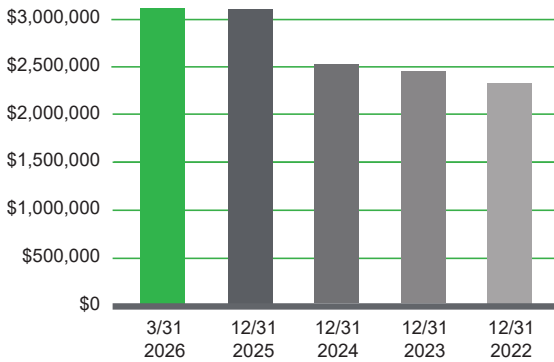


# DOLLARS & SENSE

Below are unaudited financial highlights. Additional details on our First 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)

	3/31 2026	12/31 2025	12/31 2024	12/31 2023	12/31 2022
Total Assets	\$3,164,340	\$3,132,469	\$2,610,653	\$2,515,584	\$2,454,307

**Q1 HIGHLIGHTS**  
(In Thousands, Except Per Share Data)

	Q-1 2026	Q-1 2025	\$ INCREASE (DECREASE)	% INCREASE (DECREASE)
Net Income	\$273	\$6,293	(\$6,020)	(95.66)%
Net Income Diluted Per Share	\$0.02	\$0.41	(\$0.39)	(95.12)%
Dividends Per Share	\$0.28	\$0.28	\$0.00	0.00%
Loans, Net	\$2,351,018	\$1,878,260	\$472,758	25.17%
Total Assets	\$3,164,340	\$2,609,228	\$555,112	21.27%
Deposits	\$2,600,053	\$2,102,141	\$497,912	23.69%
Total Stockholders' Equity	\$335,564	\$281,831	\$53,733	19.07%

**Citizens & Northern Corporation (CZNC)**

DATE	OPEN	HIGH	LOW	CLOSE	VOLUME
3/31/26	\$22.47	\$22.68	\$22.14	\$22.34	49,984



# NEW & INNOVATIVE

## ZELLE: COMING SOON

A new way to send and receive money is coming to C&N digital banking. With the introduction of Zelle®, customers will soon be able to send money quickly and securely to friends, family and others they trust, all directly from their C&N account. It's a fast, convenient solution that keeps everything in one place and reflects the continued evolution of our digital banking experience.

As part of this transition, our current person-to-person payment service, PeoplePay, will be discontinued on May 29. Customers can continue using PeoplePay in

the meantime and will be able to enroll in Zelle once it becomes available.



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## BANCNOTES

C&N'S FIRST QUARTER REPORT

*(continued from cover page)*

Noninterest income remained a steady contributor, with growth over the past year across several fee-based businesses. Expenses declined from the fourth quarter 2025 which included merger-related and other non-recurring costs. While the absolute level of expenses were higher than a year ago due to the addition of Susquehanna, the efficiency ratio improved to 62% from 70% in the first quarter 2025, reflecting the benefits of scale achieved through the SCB acquisition.

Our balance sheet remains strong. We ended the quarter with continued growth in assets, solid

liquidity, and capital levels that exceed all regulatory requirements. These fundamentals support a company that is positioned for growth and resilient as we manage through ongoing volatility in the economic environment.

For a more detailed review of our financials, please scan the QR code.



As you continue through this edition of BanCNotes, you'll find stories that highlight the ways C&N continues to invest in our communities, strengthen customer relationships and enhance the

banking experience with the addition of Zelle®. Each reflects our ongoing commitment to delivering meaningful value while supporting the communities we're proud to call home.

Finally, on behalf of the C&N Team, thank you for your continued support as we drive to create long-term value for our shareholders.

A handwritten signature in black ink, reading "J. Bradley Scovill".

J. Bradley Scovill  
President and CEO