

MOMENTUM: *The Pursuit of Excellence*



2018 EXECUTIVE TEAM



Deborah E. Scott
EVP and Director Trust Division



Harold F. Hoose, III
EVP and Director of Lending



J. Bradley Scovill
President & CEO



John M. Reber
*EVP and Director
of Risk Management*



Mark A. Hughes
EVP and Director Financial Division



Shelley L. D'Haene
*EVP and Senior
Operations Officer*



Stan R. Dunsmore
EVP and Chief Credit Officer



Thomas L. Rudy, Jr.
EVP and Director of Branch Delivery



Tracy E. Watkins
*EVP and Director of
Human Resources*

2018 CORPORATE OFFICERS

J. Bradley Scovill
President & CEO

Mark A. Hughes
Treasurer

Kimberly N. Battin
Corporate Secretary

Citizens & Northern Corporation is a bank holding company with assets of approximately \$1.3 billion and is headquartered in Wellsboro, PA. Banking services are provided by its subsidiary, Citizens & Northern Bank, from 25 banking offices in Bradford, Cameron, Lycoming, McKean, Potter, Sullivan and Tioga Counties in Pennsylvania and Steuben County in New York. Commercial, residential and consumer lending services

are offered in Elmira, NY through our loan production office. Investment products are offered through C&N Investment Services and insurance products are offered by C&N Financial Services Corp. Trust services are offered by Citizens & Northern Bank through the C&N Trust and Financial Management Group. Citizens & Northern stock trades on the NASDAQ Capital Market Securities under the symbol CZNC.

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Our Vision, Mission & Values

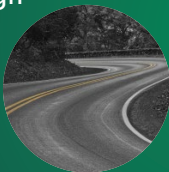
VISION

Every customer says "C&N is the ONLY bank I need."



MISSION

Creating value through lifelong relationships with our customers, our teammates, our shareholders and our communities as their resource for customized financial solutions, expertise and partnership.



VALUES

Teamwork

Together we are stronger.

Respect

Value one another.

Responsibility & Accountability

Work like you own it.

Excellence

Do your best. Every day. Every time.

Integrity

Do the right thing when no one is looking.

Client-Focus

Consider your customer in everything you do.

Have Fun

Work hard! Play hard! WIN!



**Committed to our
Communities,
Local Families
and Businesses,
Employees and
Shareholders**



Evolving digital technologies, shifting consumer preferences and increasing competition are creating new opportunities for banks. Across the globe, consumers are falling in love with services like Netflix and Amazon because of their convenience, simplicity and great customer experiences. Although this trend has made its way to the financial services industry, the demand for local brick and mortar branches is still strong. Our relationship banking model has positioned us well to maintain our leadership position in our footprint and deliver a seamless customer experience.



Physical Presence



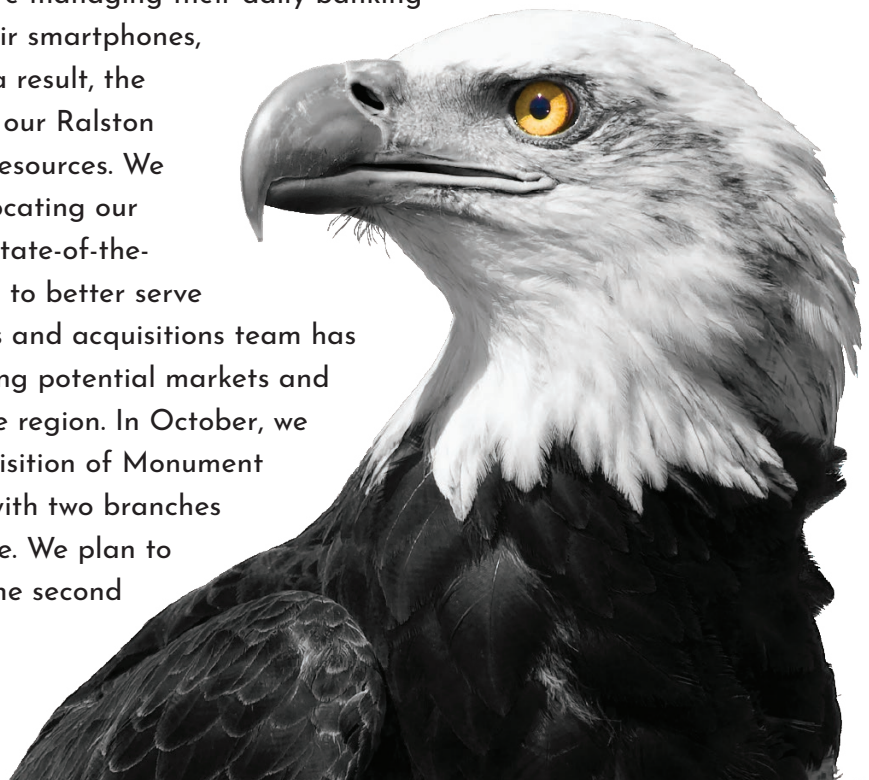
Technology



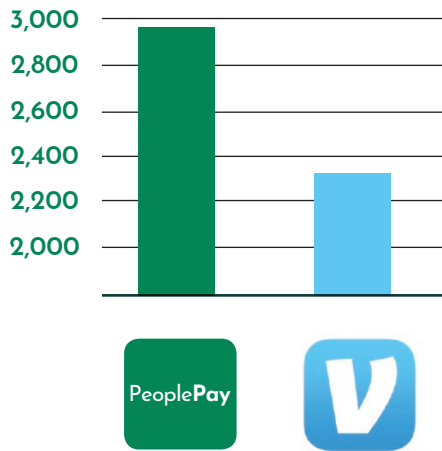
Employees

Redirecting Resources

At C&N, we are taking a proactive approach to these changes by adjusting our delivery model in a three-tiered approach; our physical presence, technology and employees. Over the last few years, there has been a drastic decrease in the number of in-branch transactions due to the increase in technology and online banking services. Many customers are managing their daily banking activities remotely from their smartphones, tablets and computers. As a result, the decision was made to close our Ralston branch and redirect these resources. We are also in the midst of relocating our Towanda branch to a new state-of-the-art facility that positions us to better serve our customers. Our mergers and acquisitions team has been hard at work evaluating potential markets and partnerships throughout the region. In October, we announced a pending acquisition of Monument Bank in Bucks County, PA with two branches and a loan production office. We plan to finalize this acquisition in the second quarter of 2019.



PeoplePay vs. Venmo Users



PeoplePay¹

Over the last few years, evaluating and investing in technology has been a primary focus. We are investing in technology that creates convenience and is relevant to the consumers in our footprint. One of the products rolled out in 2018 was a feature through online banking that allows you to send money to friends and family through email and text messages, named PeoplePay. One of the main competitors of this product is Venmo. From February - November 2018, C&N had 2,892 transactions (credits/debits) through PeoplePay and 2,321 through Venmo.

27 Mortgages processed online
20 Accounts opened online

Online beginnings²

We introduced two online applications in 2018, which include online account opening and online mortgages. Through the end of 2018, we've had over 27 mortgages processed online since it went live in September and over 20 accounts opened since mid-December. These high adoption rates prove that we are making the right investments in technology for our customers.



Cybersecurity Training

As we continue to grow our online resources, we've invested in enhanced cybersecurity training for our employees. Pete Boergemann, our Information Security Officer sends weekly updates to employees on how to identify and avoid new threats, provides online classes and employees are tested using simulated email scams. Developing our current teams and recruiting quality new employees continues to be a key priority.

¹You may be charged access rates depending on your mobile phone carrier. Check with your service provider for details. Citizens & Northern Bank will not be held responsible or make refunds for payments made for the exchange of goods or services that are unlawful or not delivered as expected. Only use PeoplePay with people you know and trust.

²Loans subject to credit approval.

The banking industry is facing numerous changes and disruptions. To stay competitive, we're taking a proactive approach and adjusting our delivery model to meet new expectations, while remaining committed to creating positive experiences and building relationships that create value for our clients.

Everything we do comes back to the people we serve and ensuring that we are achieving our desired financial targets so we are able to keep that promise in the future.

NEW for 2018

Instant Debit Cards



In early 2018, we introduced the technology to print debit cards at 10 branch locations throughout our footprint. Now, customers don't have to wait for their cards to come through the mail.

PeoplePay¹



As Citizens & Northern Bank's peer-to-peer payment feature, customers can send money to their family and friends straight from their C&N online banking or mobile app. There is no need to download a separate app and it's free to use!

Interactive Teller Machines ITMs



Now customers can experience the convenience of completing a transaction with a live person without needing to wait in the teller line. Our ITMs look like an ATM with the comfort of working with a live person.

Online Mortgages²



Customers can manage the entire home loan process online, 24 hours a day, with the confidence that comes from their local, trusted C&N lender.

Online Account Opening



Within minutes, customers can open a checking, savings or certificate of deposit online from their PC or mobile device.

Trust Online Planning Tools³



At C&N, it's important to us that our customers are prepared for the next stage in life, especially when it comes to retiring. Our Retirement Planning team reworked their online planning tool to be easier and more insightful than ever before.

Towanda Move



We are in the process of relocating our Towanda branch to a new, state-of-the-art facility that positions us to serve our customers even better.

Southern PA Expansion

We've worked hard to deliver a first-class, convenient banking experience for every customer. Over the years, we have adopted some of the latest electronic and remote banking services and we are excited to share these services with our customers in the southern part of the state.



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²Loans subject to credit approval.

³Some products are not FDIC insured or guaranteed, not a deposit or other obligation of the bank, not guaranteed by the bank and are subject to investment risk, including the possible loss of the principal amount invested and are not insured by any other federal government agency.



2018 was an outstanding year at C&N and the theme of this year’s Annual Highlights – Momentum - is most appropriate. Our efforts over the past several years to strengthen our values-based culture and business model grounded on relationships are producing current performance while we also build future capacity. Our efforts have been disciplined and persistent and progress has been steady. In 2018, C&N announced its expansion into Bucks County, PA through the pending acquisition of Monument Bank, delivered strong earnings, continued the extraordinary community engagement of the C&N Team, and provided a solid return to shareholders through price appreciation and an increased dividend. Importantly, we continued the discipline of investing in our people, technology, and data management to support strategic growth and expansion and to continue our momentum into the future.

The September announcement of the acquisition of Monument Bank is a significant event for C&N as we step out of our historic market area. We have built an exceptionally strong community banking franchise with capacity for growth. Establishing a presence in Bucks County is an initial step to leverage our strengths in a larger market with a partner that is a strong cultural fit and shares our focus on local communities. Monument’s market leadership and lending teams will remain in place and begin to utilize the products, services and other resources provided by C&N to create additional value for customers upon closing of the transaction which is expected to occur in the second quarter. We are confident this strategic move will create long term value for our shareholders as we drive growth in Bucks County and seek additional opportunities to expand into attractive markets over time.

While we have been actively pursuing expansion, our focus on deepening relationships to grow the historic franchise has not wavered. Our regional market Teams are steadily improving their effectiveness at identifying customer needs and delivering solutions from all business lines. And while these markets are not growing rapidly, there is significant opportunity to improve market share, particularly in Lycoming County in Pennsylvania and Steuben and Chemung counties in New York. This core franchise has produced excellent results and will continue to provide the foundation for growth in the years ahead.

Net income totaled \$22 million during 2018 or \$1.79 per share as compared to \$13.4 million or \$1.10 per share in

We have built an exceptionally strong community banking franchise with capacity for growth.



J. BRADLEY SCOVILL

2017. Earnings for both years were affected by the change in tax rates enacted in late 2017 and by net securities gains/losses, so it is useful to discuss our results on a pre-tax basis after adjusting for both items. With these adjustments, 2018 pre-tax income was \$24.2 million, a 19.2% increase from \$20.3 million in 2017. Sustained revenue growth was the primary driver as both net interest income and noninterest income grew at a substantially faster pace than noninterest expenses during the year. This operating leverage in our core business gained momentum in 2018.

Growth in net interest income and expansion of the net interest margin resulted from modest overall loan growth, the strength of C&N’s core deposits, and continued improvement in the mix of the balance sheet. Loan growth was muted due to lower production levels and several larger commercial loan payoffs, however the mix of new loan business and repricing in the portfolio produced higher yields and revenue. Total deposit growth was solid for the year. Demand deposits were the primary source of growth which further improved our funding mix and controlled the related costs.

Credit quality remains stable and solid as measured by our past due and non-performing loans metrics at year-end when compared to December 31, 2017. The provision was \$584,000 in 2018 compared to \$801,000 in 2017. This decrease was primarily due to a lower level of specific

reserves on commercial loans and more modest loan growth. Management maintains a robust process to determine the adequacy of the allowance that incorporates a broad range of factors.

Generation of core noninterest income is a strength for C&N and is one of the positive outcomes of our focus on developing value-based relationships with customers. Trust and brokerage revenues from our wealth management business continued to grow as we added new business and received the full year benefits of a modest fee increase implemented in mid-2017. Service charges and fees related to our core deposits, including interchange revenue from debit cards, also increased substantially. Net gains from the sale of loans declined as conforming mortgage loan originations as a percentage of total mortgage originations declined, resulting in fewer sales.

Importantly, we continued the discipline of investing in our people, technology, and data management to support strategic growth and expansion and to continue our momentum into the future.

Noninterest expenses increased approximately 7% when compared to 2017. Salaries and wages were the primary component of this growth, driven by performance-based salary adjustments, incentive compensation, and additional staff. Pensions and employee benefits declined primarily due to lower health care expenses. Data processing and telecommunications increases resulted from investment in systems and technology and their ongoing costs. Professional fees were higher due to acquisition expenses and various other projects, and the mid-year donation of the Towanda Office to a non-profit pushed contributions expense higher for the year.

Leveraging C&N's capital position and paying off our investments in C&N's capacity for growth have been important elements of our strategic plan for the past several years.



The Monument acquisition is consistent with this strategy and provides some initial leverage along with the potential for substantial future growth. Our focus has also been on producing earnings that support a strong dividend and positive stock valuation, positioning our “currency” to support our capacity for growth. 2018 earnings were exceptional and dividends per share increased from \$1.04 to \$1.08, producing a dividend yield of 4.09% based on the December 31, 2018 closing price of \$26.43 per share. This closing price was a 10.1% increase from the \$24.00 closing price a year earlier.

At its January 2019 meeting, the Board of Directors declared a regular quarterly dividend of \$.27 per share, or an annualized rate of \$1.08 per share. At the same time, the Board declared a special dividend of \$.10 per share in recognition of C&N’s overall performance in 2018 and the Company’s ongoing strength.

As we look to continue our momentum going forward, the external environment remains positive, on balance. National and regional economic growth remain solid while politics and the Federal Reserve continue to influence the broad economy and the banking industry. We foreshadowed the possibility of regulatory relief and further Fed rate hikes in the 2017 Annual Review and in 2018, both occurred. The Economic Growth, Regulatory Relief, and Consumer Protection Act (the “Act”) was signed into law in May 2018, with the goal of easing the burden imposed by the Dodd-Frank legislation passed in 2010. There are provisions in the new Act that may simplify and streamline the activities of smaller banks relating to reporting requirements, regulatory capital standards, certain lending functions, and brokered deposits. We expect to benefit from some elements of the Act immediately while others will take time to assess.

A more substantial and immediate impact was felt as the Fed raised its fed funds target rate four times in 2018 to 2.25% - 2.50%. This continued tightening of monetary policy reflected the Fed’s ongoing concern regarding inflation as the economy remained strong throughout the year. At year-end, however, Chairman Powell stated that the Fed would be patient about further increases and would be driven by economic data moving forward. While short term rates increased, longer rates decreased during the year and the yield curve flattened substantially, extending the challenging environment faced by banks to expand the net interest margin. While the rate environment has not had a significant impact on business and lending activity, management will devote significant attention to our efforts to generate deposit growth while managing the cost of funds in 2019.

During 2018, two of our Directors, R. Bruce Haner and Edward

H. Owlett, III, retired from the Board. Having served for 20 years and 24 years respectively, Bruce and Ed have provided C&N with leadership, advice, and counsel throughout their tenures. We thank them for their commitment and many contributions to C&N. We also welcomed Bobbi Kilmer to the Board. Bobbi has been the President & CEO of Claverack Rural Electric Cooperative since 2006 and comes to C&N with extensive business experience and knowledge of our regional markets. She is also serving as the Chair of the Mansfield University Council of Trustees, one of her numerous community and professional volunteer activities. We look forward to her insight and perspective as she contributes to C&N’s future success.

To continue momentum into 2019, C&N will remain committed to developing our Team and our values-based culture and sustaining performance in our core franchise. We are also excited to work through the integration activities with our partners at Monument Bank and pursue the opportunities presented by expanding into new markets. We have an engaged and motivated Team that is focused on our mission of Creating Value Through Lifelong Relationships for our customers, communities, and shareholders. I remain confident in their ability to be successful and grateful for their commitment to C&N.

Thank you to all of our shareholders for your confidence and continued support.

Bruce Scott



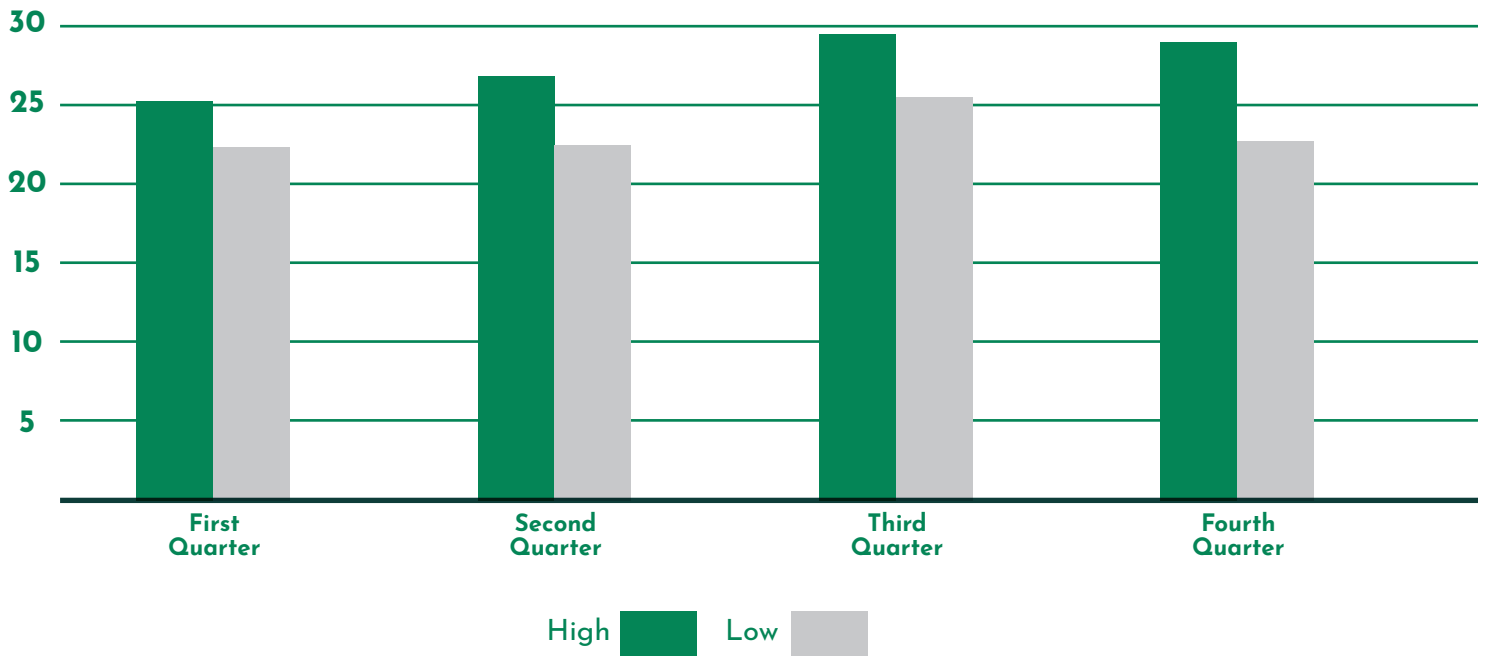
FINANCIAL PROFILE



Trades of the Corporation's stock are executed through various brokers who maintain a market in the Corporation's stock. The Corporation's stock is listed on NASDAQ Capital Market Securities with the trading symbol CZNC. The following tables show the approximate high and low sales price of the common stock during 2017 and 2018.



2018 QUARTERLY SHARE DATA

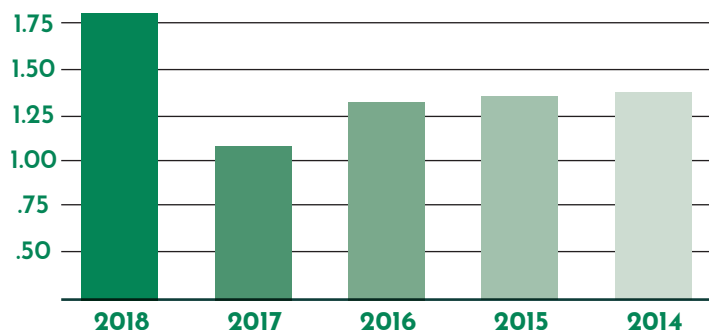


2018	High	Low	Dividend Declared per Quarter
First quarter	\$25.41	\$22.00	\$0.27
Second quarter	27.72	22.64	0.27
Third quarter	28.99	25.42	0.27
Fourth quarter	28.48	23.72	0.27

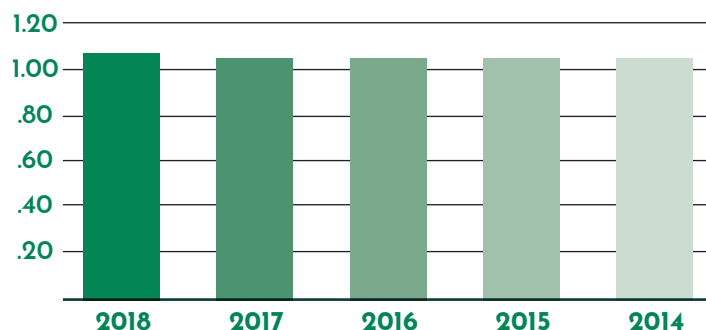
2017	High	Low	Dividend Declared per Quarter
First quarter	\$26.50	\$22.31	\$0.26
Second quarter	24.40	22.00	0.26
Third quarter	25.42	22.01	0.26
Fourth quarter	26.75	23.02	0.26

Five-Year Summary OPERATIONS COMPARISON

Diluted Earnings Per Share
(In Thousands)



Cash Dividends Declared Per Share



Income Statement (In Thousands)

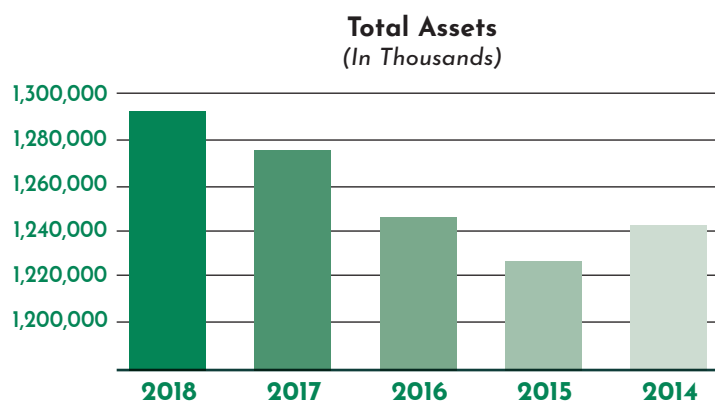
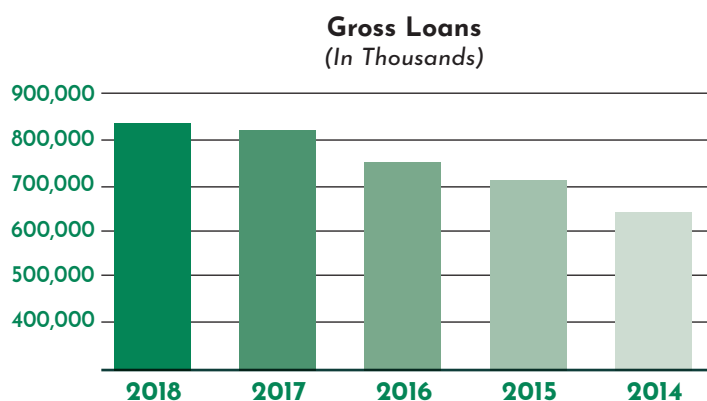
	2018	2017	2016	2015	2014
Interest and fee income	\$50,328	\$45,863	\$44,098	\$44,519	\$46,009
Interest expense	4,625	3,915	3,693	4,602	5,122
Net interest income	45,703	41,948	40,405	39,917	40,887
Provision for loan losses	584	801	1,221	845	476
Net interest income after provision for loan losses	45,119	41,147	39,184	39,072	40,411
Noninterest income excluding securities gains	18,597	16,153	15,511	15,478	15,420
Net gains on securities	2,033	257	1,158	2,861	1,104
Loss on prepayment of debt	0	0	0	2,573	0
Noninterest expense excluding loss on prepayment of debt	39,486	36,967	34,744	33,030	34,157
Income before income tax provision	26,263	20,590	21,109	21,808	22,778
Income tax provision	4,250	7,156	5,347	5,337	5,692
Net income	\$22,013	\$13,434	\$15,762	\$16,471	\$17,086
Net income attributable to common shares	\$21,903	\$13,365	\$15,677	\$16,387	\$17,009

Per Common Share Data

	2018	2017	2016	2015	2014
Basic earnings per share	\$1.79	\$1.10	\$1.30	\$1.35	\$1.38
Diluted earnings per share	\$1.79	\$1.10	\$1.30	\$1.35	\$1.38
Cash dividends declared per share	\$1.08	\$1.04	\$1.04	\$1.04	\$1.04
Book value per common share at period-end	\$16.02	\$15.43	\$15.36	\$15.39	\$15.34
Tangible book value per common share at period-end	\$15.05	\$14.45	\$14.37	\$14.41	\$14.36
Weighted average common shares outstanding - basic	12,219,209	12,115,840	12,032,820	12,149,252	12,333,933
Weighted average common shares outstanding - diluted	12,257,368	12,155,136	12,063,055	12,171,084	12,355,916

FINANCIAL PROFILE

Five-Year Summary END OF PERIOD BALANCES



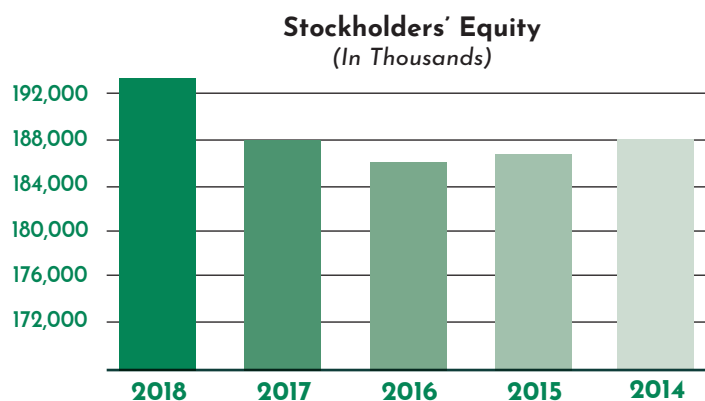
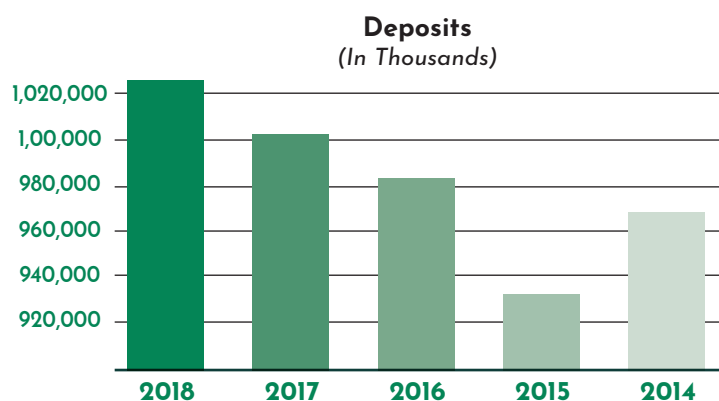
End of Period Balances (In Thousands)

	2018	2017	2016	2015	2014
Available-for-sale debt securities	\$363,273	\$355,937	\$394,106	\$417,904	\$508,153
Marketable equity securities	950	971	971	2,386	8,654
Gross loans	827,563	815,713	751,835	704,880	630,545
Allowance for loan losses	9,309	8,856	8,473	7,889	7,336
Total assets	1,290,893	1,276,959	1,242,292	1,223,417	1,241,963
Deposits	1,033,772	1,008,449	983,843	935,615	967,989
Borrowings	48,768	70,955	64,629	92,263	78,597
Stockholders' equity	197,368	188,443	186,008	187,487	188,362
Common shares outstanding	12,319,330	12,214,525	12,113,228	12,180,623	12,279,980

Average Balances (In Thousands)

	2018	2017	2016	2015	2014
Total assets	\$1,276,140	\$1,247,759	\$1,229,866	\$1,243,209	\$1,239,897
Earning assets	1,205,429	1,169,569	1,147,549	1,159,298	1,155,401
Gross loans	822,346	780,640	723,076	657,727	627,753
Deposits	1,027,831	990,917	970,447	968,201	965,418
Stockholders' equity	187,895	188,958	188,373	188,905	185,469

Five-Year Summary END OF PERIOD BALANCES



Key Ratios

	2018	2017	2016	2015	2014
Return on average assets	1.72%	1.08%	1.28%	1.32%	1.38%
Return on average equity	11.72%	7.11%	8.37%	8.72%	9.21%
Average equity to average assets	14.72%	15.14%	15.32%	15.19%	14.96%
Net interest margin (1)	3.90%	3.82%	3.76%	3.69%	3.80%
Efficiency (2)	60.19%	60.74%	59.22%	56.66%	57.59%
Cash dividends as a % of diluted earnings per share	60.34%	94.55%	80.00%	77.04%	75.36%
Tier 1 leverage	14.78%	14.23%	14.27%	14.31%	13.89%
Tier 1 risk-based capital	23.24%	21.95%	22.48%	23.29%	26.26%
Total risk-based capital	24.42%	23.07%	23.60%	24.40%	27.60%
Tangible common equity/tangible assets	14.50%	13.95%	14.15%	14.49%	14.34%
Nonperforming assets/total assets	1.37%	1.47%	1.43%	1.31%	1.34%
Nonperforming loans/total loans	1.94%	2.10%	2.07%	2.09%	2.45%
Allowance for loan losses/total loans	1.12%	1.09%	1.13%	1.12%	1.16%
Net charge-offs/average loans	0.02%	0.05%	0.09%	0.04%	0.29%

(1) Rates of return on tax-exempt securities and loans are calculated on a fully-taxable equivalent basis.

(2) The efficiency ratio is calculated by dividing: (a) total noninterest expense excluding losses from prepayment of debt, by (b) the sum of net interest income (including income from tax-exempt securities and loans on a fully-taxable equivalent basis) and noninterest income excluding securities gains or losses.

FINANCIAL PROFILE

Quarterly CONSOLIDATED FINANCIAL DATA

The following table presents summarized financial data for 2018 & 2017

2018 (In Thousands Except per Share Data) (Unaudited)	2018 1st Quarter March 31	2018 2nd Quarter June 30	2018 3rd Quarter Sept. 30	2018 4th Quarter Dec. 31
Interest income	\$11,890	\$12,334	\$12,800	\$13,304
Interest expense	993	1,079	1,241	1,312
Net interest income	10,897	11,255	11,559	11,992
Provision (credit) for loan losses	292	(20)	60	252
Net interest income after provision (credit) for loan losses	10,605	11,275	11,499	11,740
Other income	4,406	4,689	4,462	5,040
Gain on restricted equity security	0	1,750	571	0
Net losses on available-for-sale securities	0	(282)	(2)	(4)
Other expenses	9,895	9,684	9,833	10,074
Income before income tax provision	5,116	7,748	6,697	6,702
Income tax provision	741	1,377	1,111	1,021
Net income	\$4,375	\$6,371	\$5,586	\$5,681
Net income attributable to common shares	\$4,352	\$6,339	\$5,558	\$5,654
Net income per share - basic	\$0.36	\$0.52	\$0.45	\$0.46
Net income per share - diluted	\$0.36	\$0.52	\$0.45	\$0.46

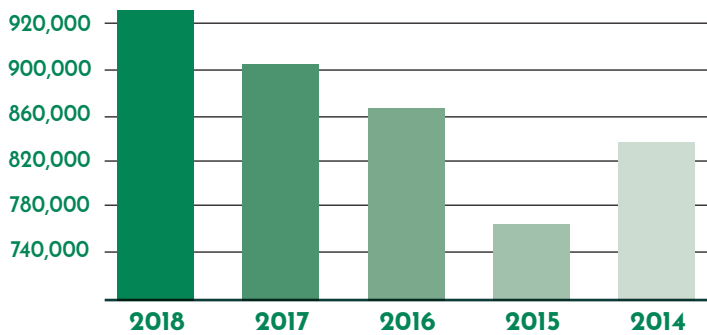
2017 (In Thousands Except per Share Data) (Unaudited)	2017 1st Quarter March 31	2017 2nd Quarter June 30	2017 3rd Quarter Sept. 30	2017 4th Quarter Dec. 31
Interest income	\$11,112	\$11,340	\$11,626	\$11,785
Interest expense	953	978	985	999
Net interest income	10,159	10,362	10,641	10,786
Provision for loan losses	452	4	322	23
Net interest income after provision for loan losses	9,707	10,358	10,319	10,763
Other income	3,864	4,106	4,066	4,117
Net gains on available-for-sale securities	145	107	5	0
Other expenses	9,298	9,076	9,192	9,401
Income before income tax provision	4,418	5,495	5,198	5,479
Income tax provision	984	1,374	1,262	3,536
Net income	\$3,434	\$4,121	\$3,936	\$1,943
Net income attributable to common shares	\$3,416	\$4,100	\$3,916	\$1,933
Net income per share - basic	\$0.28	\$0.34	\$0.32	\$0.16
Net income per share - diluted	\$0.28	\$0.34	\$0.32	\$0.16



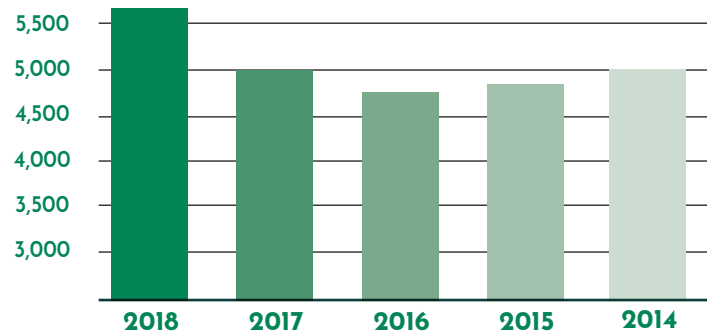
Trust and
Financial
Management
Group

a division of
CITIZENS & NORTHERN BANK
Your Bank for a Lifetime

Assets



Revenue



Trust & Financial Management *(In Thousands)*

	2018	2017	2016	2015	2014
Assets	\$862,517	\$916,580	\$879,844	\$814,788	\$825,918
Revenue	\$5,838	\$5,399	\$4,760	\$4,626	\$4,490

Investments *(In Thousands)*

	2018	2017	2016
Mutual Funds	\$506,201	\$536,731	\$507,473
Stocks	172,695	194,099	179,345
Bonds	103,037	104,184	100,249
Savings and money market funds	68,129	69,659	80,860
Miscellaneous	6,798	6,069	6,864
Real Estate	5,517	5,681	4,876
Mortgages	140	157	177
Total	\$862,517	\$916,580	\$879,844

Accounts *(In Thousands)*

	2018	2017	2016
Pension/profit sharing	\$342,501	\$374,499	\$369,916
Investment management	256,430	256,348	223,737
Trusts	176,428	185,300	177,860
Custody	79,786	93,598	98,844
Estates	4,941	4,397	7,367
Guardianships	2,431	2,438	2,120
Total	\$862,517	\$916,580	\$879,844

Some products are not FDIC insured or guaranteed, not a deposit or other obligation of the bank, not guaranteed by the bank and are subject to investment risk, including possible loss of the principal amount invested and are not insured by any other federal government agency.



**Committed to our
Communities,
Local Families
and Businesses,
Employees and
Shareholders**



Hannah J. Jackson, Robert Baker, Leslie Fassett - Monroeton Branch


Giving Back, Giving Together 2018

Giving Back, Giving Together (GBGT) began in March of 2015 as an employee-driven effort to create a positive and lasting impact on our local communities. While we were optimistic about the new program, we never expected it to gain this much momentum so quickly or to have such a substantial impact. In the first four years, our team members raised \$248,938 in monetary donations, collected 17,703 item donations and volunteered their time on 434 occasions.

For 2018, our employees voted to support education and literacy in our communities through partnerships with 23 local public libraries. Public libraries strengthen our communities by providing unique opportunities for children and adults to learn, network, connect with one another and access resources that may not be available to them otherwise. Throughout the year, our teams have organized fundraisers and volunteer outings and collected donations for our libraries. Fundraisers were primarily done during designated event weeks

occurring the last week of each quarter. On June 25, we held our largest fundraising event of the year, our 3rd annual C&N Charity Classic golf tournament, which raised over \$15,000. We finished the year with over \$65,417 in monetary donations, 3,339 items donated and volunteered on 35 occasions. We sincerely appreciate the time and effort our teammates put into this program. The success of GBGT is a direct reflection of the character of our employees and their commitment to their communities. We also thank our customers, community members, business partners and our local public libraries for sharing in our passion to give back to the communities we serve.

For 2019, C&N employees voted to take on another worthy cause that will make a positive and lasting impact in the community: Honoring our Military Veterans. This year, C&N will raise funds and awareness for local organizations that provide services for our nation's heroes.

 YEARS-AT-A-GLANCE			
	Monetary Donations	Item Donations	Volunteer Outings
2015	FEEDING OUR COMMUNITY		
	\$50,250	6,583	111
2016	VOLUNTEER EMERGENCY SERVICES		
	\$60,584	N/A	172
2017	HELPING CHILDREN IN NEED		
	\$72,687	7,781	116
2018	SUPPORTING EDUCATION AND LITERACY		
	\$65,417	3,339	35
GRAND TOTAL	\$248,938	17,703	434



C&N President and CEO, Brad Scovill with representatives from the Wimodaughian Free Library (Canisteo, NY), Howard Public Library, Knoxville Public Library, Blossburg Memorial Library, Monroeton Public Library, Towanda Public Library, Green Free Library (Wellsboro, PA), Bradford County Library (Troy, PA), Coudersport Library, Roulette Library, SW Smith Memorial Public Library (Port Allegany, PA), Allen F. Pierce Free Library (Troy, PA) and the Mansfield Free Public Library with their C&N GBGT Team Captains.



Julie Wilson and Janelle Tombs volunteered at The Green Free Library in Wellsboro for their Libraries Rock Summer Program for kids.



Will Holmes and Ellen Conboy volunteered to help at the Allen F. Pierce Library for their Holiday Book Sale.

If you would like to join us in support of this year's cause...

- Share & Like C&N's #GivingBackGivingTogether Facebook posts. We'll donate \$1 for every like, share and comment.
- Volunteer with us! Our teams coordinate with their local organizations to be directly involved.
- Visit us during our quarterly event weeks, when our offices coordinate on-site events, including fundraisers, supply drives and other activities:
 - March 25 - 30
 - June 24 - 29
 - September 23 - 28
 - December 9 - 14
- **Spread the word! Word of mouth is often the most powerful way to generate awareness.**



EMPLOYEE ACHIEVEMENTS

Citizens & Northern appreciates the commitment our employees make every day to create value for our customers, which is one reason why we build a culture that supports our team members and celebrates their achievements.

Twice a year, the employees of C&N come together to celebrate our teammates' recent successes, introduce a new service standard and have some fun and friendly competition. Our most recent event was on October 8th at Corning Community College. During this event, we heard from keynote speaker, Lee Rubin, on setting and achieving "lofty and specific" goals. He also spoke about the importance of open and honest communication in making any team a success.



IMPACT PLAYER AWARDS

The IMPACT Award recognizes six employees based not only performance but commitment. The recipients of this award not only made measurable progress, but uphold our C&N values in their interactions at every opportunity.



FALL AWARD WINNERS (from left): **Lori Brown**, Trust Officer, Towanda; **Katie Ackley**, Admin. Support, Wellsboro; **Caitlin Hilliard**, Marketing, Wellsboro; **Karen Blackwell**, Lending Quality Control, Wellsboro; **Lisa Cook**, Community Office Manager, Tioga; **Denise Manley**, Treasury Management, Wellsboro.



SPRING AWARD WINNERS (from left): **Holly Young**, Trust Administrative Asst., Wellsboro; **Cindy Raub**, Customer Service Rep, Sayre; **Bob Miller**, Facilities Management, Wellsboro; **Cindy Carll**, Commercial Lending Support Spec., Coudersport; **Sara Heatley**, Internal Auditor, Wellsboro; **Amanda Reed**, Video Client Contact Specialist Team Leader, Wellsboro.

A NIGHT IN DISGUISE ... *Masquerade Party*



SPRING TOP AWARD WINNERS (from left): **Rachel Brill**, TOP Mortgage Lender, based on production; **Darci Baird**, TOP Brokerage/Insurance Employee, based on new business; **Brian Tevlin**, TOP Trust Employee, based on new business; **Ginger Reap**, TOP Branch Lender; **Ellen Conboy**, TOP Cross Sales/New Account ratio; **Tammy Davis**, (not pictured) TOP Commercial Lender, based on loan growth.

SPOTLIGHT AWARD WINNERS

FIRST QUARTER

Amy Calkins, Frontline
Brittany Mondock, Support

SECOND QUARTER

Fawn Lynde, Frontline
Tucker Allyn, Support

THIRD QUARTER

Kim Ellis, Frontline
Myriam Laurens, Support

OUTSTANDING BRANCH

Sayre

OUTSTANDING DEPARTMENT

Deposit Operations

OUTSTANDING REGION

Far West, Coudersport, Port Allegany, Emporium, Hornell, NY & Canisteo, NY

2018 SERVICE AWARDS

30 YEARS OF SERVICE

Dianne Zimmerman, Loan Servicing Boarder, Wellsboro

25 YEARS OF SERVICE

Leslie Raymond, Customer Service Representative, Towanda
Wendy Smith, Deposit Operations Team Leader, Wellsboro

20 YEARS OF SERVICE

Peter Boergemann, VP/ IT Support Manager &
Information Security Officer
Victoria Harrison, Community Office Manager, Canisteo
Deborah Scott, EVP / Trust Division Director, Wellsboro

15 YEARS OF SERVICE

Donna Bowers, Customer Transaction Specialist, Tioga
Marla McIlvain, AVP / Trust Officer, Wellsboro
Christopher Rell, AVP / Senior Appraiser, Jersey Shore
Sharlene Wagner, Loan Servicing Escrow & Flood, Wellsboro
Tracy Watkins, EVP / Director of Human Resources, Wellsboro
Amy Wherley, Treasury & Reconciliation Accountant, Wellsboro
Nadine Wingrove, Commercial Document Preparation
Specialist, Williamsport

10 YEARS OF SERVICE

Candace Bower, Trust Administrative Assistant, Williamsport
Cassie Brelo, AVP / Branch Operations Coordinator, Wellsboro
Laeken Cook, Staff Auditor, Wellsboro
Chrissi Hume, VP / Treasury Management Coordinator,
Wellsboro,
Sara Heatley, Internal Auditor, Wellsboro
Rebecca Rodriguez, Deposit Operations Representative,
Wellsboro
Michael Strahota, Mortgage Loan Post Closer, Wellsboro

5 YEARS OF SERVICE

Linda Bowen, Loan Specialist Assistant, Sayre
Rachel Brill, Mortgage Loan Sales Officer, Sayre
Julianne Burlison, Compensation & Performance Manager,
Wellsboro
Kori Casselberry, Mortgage Loan Underwriter Team Leader,
Wellsboro
Felicia Crumb, Deposit Operations Representative, Wellsboro
Kim Ellis, Customer Transaction Specialist, Athens
Patricia Ibach, Credit Analyst, Wellsboro
Amy Long, Trust Support Manager, Wellsboro
Wesley O'Neil, Community Office Manager, Elkland
Amanda Reed, Video Client Contact Specialist Team Leader,
Wellsboro
Lynne Smith, AVP / Tax Officer, Wellsboro
Faith Sonnema, Customer Transaction Specialist, Sayre
Lorri Stocum, Customer Service Representative, Wellsboro
Amy VanBlarcom-Lackey, VP / Senior Commercial Loan Sales
Officer/Manager, Towanda
Joshua Wooten, Cash Desk Specialist, Wellsboro



May Recipients: (from left) Wesley O'Neil, Linda Bowen, Leslie Raymond, Brad Scovill, Julianne Burlison, and Sharlene Wagner.



June Recipients: (from left) Nadine Wingrove, Brad Scovill, Candace Bower, Patricia Ibach, Laeken Cook, Kim Ellis and Rachel Brill.



August Recipients: (from left) Michael Strahota, Chrissi Copp, Brad Scovill, Janet Watters, Joshua Wooten, Donna Bowers and Peter Boergemann.



December Recipients: (from left) Diane Zimmerman, Christopher Rell, Lorri Stocum, Brad Scovill, Felicia Crumb and Victoria Harrison.

TERESA (TERI) L. MITCHELL SCHOLARSHIP

Award Winners



From Left: Tracy Rooke, Angela Harlow, Sonya Route, Caitlin Hilliard, Ashley White, Michelle Rae, Patty Groover, Shelley D'Haene and Tracy Watkins

Citizens & Northern Bank recently awarded seven employees with the Teresa (Teri) L. Mitchell Scholarship. This scholarship is a legacy scholarship that keeps the spirit of Teri and her dedication to C&N alive by providing employees with paid attendance to the PA Bankers Association's Women in Banking Conference. The recipients of this award were:

- **Angela Harlow**, Community Office Manager in Knoxville
- **Ashley White**, Customer Transaction Specialist in Wysox
- **Caitlin Hilliard**, Marketing & Communication Specialist in Wellsboro
- **Michelle Rae**, Mortgage Loan Sales Officer in Towanda
- **Patty Groover**, Client Contact Center Manager in Wellsboro
- **Sonya Route**, Compliance & BSA Coordinator in Wellsboro
- **Tracy Rooke**, Trust Administrative Assistant in Coudersport

Also in attendance were Shelley D'Haene, Senior Operations Officer, and Tracy Watkins, Director of Human Resources.

The scholarship was started in memoriam of Teresa L. Mitchell, a dedicated C&N employee for 37 years, to award educational opportunities to those employees who display commitment to their ongoing professional development and a strong work ethic.

About Teri...



Teri held various positions over the course of her 37 years at C&N. Starting her career as a Bookkeeper, she also worked as a

teller in Wellsboro, and then moved to the Wire Transfer Department. As the technology and department changed over the years, Teri remained in what became the Funds Management Department and later became the Funds Management Supervisor. In recent years, Teri worked in the Accounting Department and held the position of Treasury & Reconciliation Accountant.

Teri expressed her appreciation for the educational opportunities that C&N provided her. She attended several conferences throughout her years at C&N, including the Conference for Women, NACHA's Payments Conferences, and several technical seminars related to her field of expertise.

In Memory of Linda Morse



In September 2018, one of C&N's team members passed away after a courageous fight with cancer.

Linda Morse was with C&N for six years, starting in the Client Contact Center in 2012. In 2016, she transferred to our Deposit Operations Department.

Linda brought a liveliness to the workplace and was an absolute joy to work with. She valued her relationships with team members and customers. Over the years, she was often recognized for her superior customer service by both customers and employees. Linda always put her customers first. She was a true asset to C&N and is greatly missed.

RETIREES

47 Years of Service | **Joan Blackwell**
Community Office Manager, Liberty

25 Years of Service | **Cindy Black**
Customer Service Representative, Ralston

20 Years of Service | **Janet Watters**
Customer Service Representative, Mansfield

17 Years of Service | **Laura Losinger**
Customer Service Representative, Knoxville

13 Years of Service | **Carol Ellenberger**
Customer Service Representative, Canisteo

Connect With Us

BRANCH LOCATIONS

Athens	428 S. Main Street
Canistota	3 Main Street
Coudersport	10 N. Main Street
Dushore	111 W. Main Street
East Smithfield	563 Main Street
Elkland	104 Main Street
Emporium	135 East Fourth Street
Hornell	6250 County Route 64
Jersey Shore	230 Railroad Street
Knoxville	102 East Main Street
Laporte	514 Main Street
Liberty	4534 Williamson Trail
Mansfield	1085 Main Street
Monroeton	612 James Monroe Avenue
Muncy	3461 Route 405 Highway
Old Lycoming	1510 Dewey Avenue
Port Allegany	100 Maple Street
Sayre	1827 Elmira Street
South Williamsport	2 East Mountain Avenue
Tioga	41 N. Main Street
Towanda	428 Main Street
Troy	64 Elmira Street
Wellsboro	90-92 Main Street
Williamsport	130 Court Street
Wysox	1467 Golden Mile Road

Loan Production Office

Elmira	250 E. Water Street
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CONTACT INFORMATION

Client Contact Center	877-838-2517
Online Banking	877-838-2517
Telephone Banking	877-622-5526

C&N FINANCIAL SERVICES

Wellsboro	866-ASK-CNFS
Coudersport	814-274-1929

TRUST AND FINANCIAL MANAGEMENT GROUP

Wellsboro	800-487-8784
Sayre	888-760-8192
Towanda	888-987-8784
Williamsport	866-732-7213
Canistota	607-698-4295
Coudersport	814-274-1929

DIGITAL CONNECTIONS

Email	ContactCN@cnbankpa.com
On the Web	www.cnbankpa.com
Facebook	Facebook.com/citizensandnorthernbank
LinkedIn	LinkedIn.com/company/citizens-&-northern-bank
Twitter	@cnbankpa

STOCKHOLDER INQUIRIES

A copy of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2018, as required to be filed with the Securities and Exchange Commission, will be furnished to any stockholder without charge upon written request to the Corporation's treasurer at our principal office at P.O. Box 58, Wellsboro, PA 16901.

The information is also available through the Citizens & Northern Bank website at www.cnbankpa.com and the website of the Securities and Exchange Commission at www.sec.gov.

This statement has not been reviewed or confirmed for accuracy or relevance by the Federal Deposit Insurance Corporation.

INVESTOR INFORMATION

The annual meeting of shareholders will be held at the Deane Center, 104 Main Street in Wellsboro, PA at 2:00 p.m. Thursday, April 18, 2019. General shareholder inquiries should be sent to Citizens & Northern Corporation, 90-92 Main Street, P.O. Box 58, Wellsboro, PA 16901. Our Stock Transfer Agent is American Stock Transfer & Trust Company, 6201 15th Avenue, Brooklyn, NY 11219. Telephone: 800-278-4353. Our independent auditors are Baker Tilly Virchow Krause, LLP, 1000 Commerce Park Drive, Suite 430, Williamsport, PA 17701.

2018 BOARD OF DIRECTORS

Leo F. Lambert, Chairman
*President/GM Fitzpatrick &
Lambert, Inc.*

Dennis F. Beardslee
*Owner, Terrace Lanes
Bowling Center*

Jan E. Fisher
*President/CEO UPMC
Altoona/Bedford*

Susan E. Hartley
Attorney at Law

Bobbi J. Kilmer
*President & CEO,
Claverack Rural Electric Cooperative*

Terry L. Lehman, CPA
Retired Certified Public Accountant

Frank G. Pellegrino
*Owner & Developer,
Carlton Associates, LLC*

J. Bradley Scovill
*President & CEO,
Citizens & Northern*

Leonard Simpson
*Attorney at Law and Sullivan
County District Attorney*

Aaron K. Singer
*President & CEO,
Metalkraft Industries, Inc.*

James E. Towner
*Retired General Manager,
The Scranton Times*

2018 ADVISORY BOARD

We thank our Advisory Board members for providing us with valuable insight into the communities we serve.

Bradford & Sullivan Counties

Evan R. Barnes
Casandra K. Blaney
James A. Bowen
Krystle R. Bristol
Warren J. Croft

John M. Estep
Zachary R. Gates
Ronald A. Gutosky
J. Wesley Kocsis
Dr. Stephen D. Laudermilch

Kimberly J. Mastrantonio
Jeffrey B. Paul
Taunya Knolles Rosenbloom
Damian M. Rossettie
William B. Saxe

Eric Schoonover
Mark W. Smith
L. Joseph Tomasso, Jr.
Andrew R. Wilcox
Heidi B. Wiles

Cameron, McKean & Potter Counties

John A. Abplanalp
David Mark Errick

Joseph R. Kightlinger
Lori J. Reed

Andrea F. Streich

Edwin W. Tompkins, III

Lycoming County

Thomas F. Charles
John M. Confer
Robert T. Beiter

Roger D. Jarrett
Daniel K. Mathers
Ronald W. Roan

David A. Schall
Jeffrey M. Patterson

John F. Perrotto

Tioga County

Donald R. Abplanalp
Brian A. Bicksler
Lawrence J. Connolly
Matthew S. DeCamp

Craig Eccher
Mark R. Howe
John C. Kenyon
Danielle M. Lee

Scott E. Lewis
Anthony L. Mosso
David C. Murdock
Mary C. Owlett

William W. Roosa
James H. Route, Jr.
Ray E. Wheeland

Vision

Every customer says
"C&N is the ONLY
bank I need."



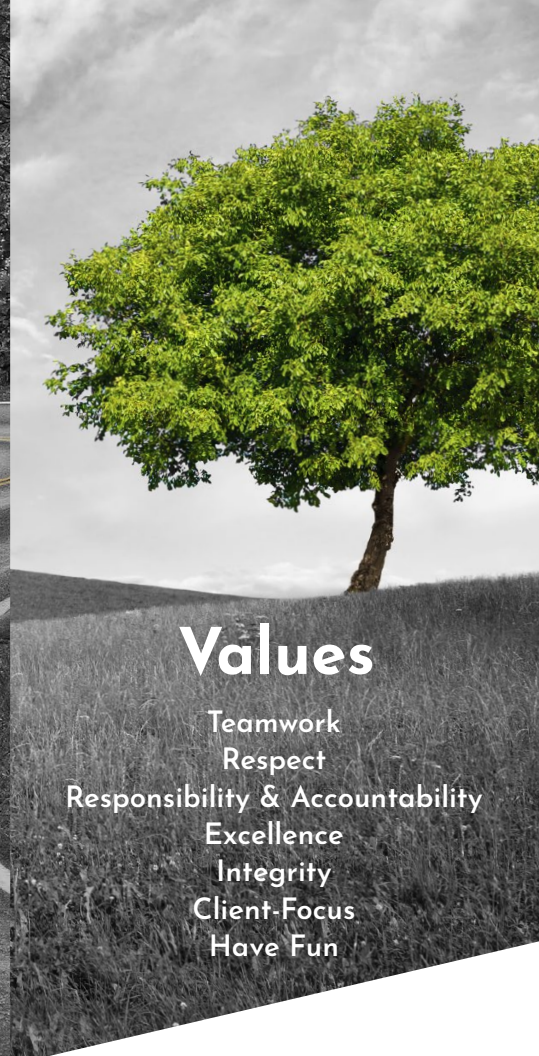
Mission

Creating value through lifelong relationships with our customers, our teammates, our shareholders and our communities as their resource for customized financial solutions, expertise and partnership.



Values

Teamwork
Respect
Responsibility & Accountability
Excellence
Integrity
Client-Focus
Have Fun



c/o American Stock Transfer & Trust Company, LLC
6201 15th Avenue • Brooklyn, NY 11219

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