

**CITIZENS AND NORTHERN CORPORATION**

	CPP Disbursement Date 01/16/2009	RSSD (Holding Company) 1143623	Number of Insured Depository Institutions 2	
<b>Selected balance and off-balance sheet items</b>	<b>2008</b> \$ millions	<b>2009</b> \$ millions	%chg from prev	
<b>Assets</b>	\$1,273	\$1,327	4.2%	
Loans	\$744	\$722	-3.0%	
<i>Construction &amp; development</i>	\$25	\$27	6.9%	
<i>Closed-end 1-4 family residential</i>	\$395	\$377	-4.6%	
<i>Home equity</i>	\$21	\$24	10.7%	
<i>Credit card</i>	\$0	\$0	-33.3%	
<i>Other consumer</i>	\$25	\$18	-28.9%	
<i>Commercial &amp; Industrial</i>	\$48	\$50	3.0%	
<i>Commercial real estate</i>	\$166	\$163	-1.5%	
Unused commitments	\$154	\$158	2.1%	
Securitization outstanding principal	\$0	\$1		
Mortgage-backed securities (GSE and private issue)	\$242	\$220	-9.3%	
Asset-backed securities	\$0	\$0		
Other securities	\$158	\$168	6.3%	
Cash & balances due	\$23	\$91	292.6%	
<b>Residential mortgage originations</b>				
<i>Closed-end mortgage originated for sale (quarter)</i>	\$1	\$3	106.0%	
<i>Open-end HELOC originated for sale (quarter)</i>	\$0	\$0		
<i>Closed-end mortgage originations sold (quarter)</i>	\$1	\$2	77.5%	
<i>Open-end HELOC originations sold (quarter)</i>	\$0	\$0		
<b>Liabilities</b>	\$1,172	\$1,186	1.2%	
Deposits	\$864	\$929	7.5%	
Total other borrowings	\$299	\$251	-16.1%	
FHLB advances	\$150	\$104	-30.8%	
<b>Equity</b>				
Equity capital at quarter end	\$102	\$141	38.7%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$43	NA	
<b>Performance Ratios</b>				
Tier 1 leverage ratio	8.6%	9.0%	--	
Tier 1 risk based capital ratio	11.9%	15.3%	--	
Total risk based capital ratio	12.8%	16.4%	--	
Return on equity <sup>1</sup>	8.0%	15.8%	--	
Return on assets <sup>1</sup>	0.6%	1.4%	--	
Net interest margin <sup>1</sup>	3.9%	3.6%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	92.4%	90.6%	--	
Loss provision to net charge-offs (qtr)	27.2%	257.1%	--	
Net charge-offs to average loans and leases <sup>1</sup>	0.5%	0.0%	--	
<sup>1</sup> Quarterly, annualized.				
	<b>Noncurrent Loans</b>		<b>Gross Charge-Offs</b>	
<b>Asset Quality (% of Total Loan Type)</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>
<i>Construction &amp; development</i>	0.1%	0.9%	0.0%	0.0%
<i>Closed-end 1-4 family residential</i>	0.7%	1.1%	0.0%	0.0%
<i>Home equity</i>	0.2%	0.1%	0.0%	0.1%
<i>Credit card</i>	0.0%	0.0%	22.9%	0.0%
<i>Other consumer</i>	0.8%	0.4%	0.3%	0.3%
<i>Commercial &amp; Industrial</i>	5.0%	1.7%	0.0%	0.0%
<i>Commercial real estate</i>	1.9%	1.7%	0.4%	0.0%
<i>Total loans</i>	1.1%	1.3%	0.1%	0.0%