CAPITAL PURCHASE PROGRAM (CPP) LENDING REPORT

Name of institution: Citizens & Northern Corporation
Person to be contacted about this report: Mark Hughes
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RSSD (for Bank Holding Companies):1143623
Holding Company Docket Number (for Thrift Holding Companies):
FDIC Certificate Number (for depository institutions):

LENDING ACTIVITY (Thousands $)	2009 FEB	2009 MAR	Key	Comments
1. Loan Balances				
a. Average Consumer Loans	$415,420	$410,452		
b. Average Commercial Loans	$320,670	$319,473		
c. Total Loans (sum of lines a and b)	$736,090	$729,925		

2. General Market Commentary (optional)

The balance of loans outstanding has shrunk in the first quarter 2009. This is consistent with our results in many previous years, and reflects seasonality, as residential mortgage and commercial activity tends to be slow during the winter months in our market area of Northcentral Pennsylvania and the Southern Tier of New York State. For example, total gross loans outstanding at 3/31/08 fell to $729,876,000 from $735,941,000 at 12/31/07; however, total loans had increased to $743,544,000 by 12/31/08. Currently, our commercial lenders report a busy pipeline of activity, and we expect total loans outstanding to grow over the course of the year. Our budget for 2009 is for loan growth of $28.1 million, or 3.8%, and that is still management's "most likely scenario" for planning purposes.