

FOR IMMEDIATE RELEASE

Citizens Bancshares Corporation Announces Fourth Quarter and Full Year 2023 Results

- **Revenues up 12% and 35% for the fourth quarter and the year, respectively, over the same periods a year ago**
- **Net income for the fourth quarter consistent with the prior year**
- **Historic level of net income for the year of \$12 million, an increase of 30% year-over-year**
- **Net income per diluted common share of \$1.81 for the fourth quarter and \$6.10 for the year, up 4% and 35%, respectively, compared to the same periods a year ago**
- **Annual dividend increased by 50% to \$0.75 per common share**
- **A highly efficient operation with an efficiency ratio of 50.5% for the year**
- **Rated by S&P Global as #28 in the 100 Best Performing U.S. Community Banks of 2023 under \$3 Billion in Assets**

ATLANTA, March 30, 2024 -- Citizens Bancshares Corporation (OTC Pick: CZBS) (the "Company"), the parent company of Citizens Trust Bank ("CTB"), announced its fourth quarter 2023 net income before preferred dividends of \$3.6 million consistent with the prior year. Factors impacting the fourth quarter include an increased loan loss provision due to growth in loans outstanding and the normalization of funding costs. Net income available to common shareholders for the fourth quarter of 2023 and 2022 was consistent at \$3.5 million, or \$1.81 and \$1.74 per diluted common share, respectively.

For the year ended December 31, 2023, the Company reported net income before preferred dividends of \$12.3 million compared to \$9.4 million for the same period in 2022. Net income available to common shareholders for the year ended December 31, 2023, was \$12.0 million, or \$6.10 per diluted common share, compared to \$9.2 million, or \$4.51 per diluted common share, reported in 2022.

Ms. Cynthia N. Day, President and Chief Executive Officer, commented, "We are proud to announce a solid quarter of financial results and another year of record performance. We continue to execute our strategic initiatives and benefit from favorable trends in earning assets, solid credit quality, and strong relationships with our customers, thus yielding a strong core deposit base. Our fundamentals are solid, and we are confident in our ability to continue to deliver value to our clients and shareholders. Lastly, we are extremely honored to be recognized by S&P Global as #28 in the 100 "Best Performing U.S. Community Banks of 2023 under \$3 billion in assets", further affirming our record year. We will build on this momentum by continuing to focus on enhancing the lives of our customers every day while continuing to grow our business."

Other financial highlights:

- Total net loans outstanding at December 31, 2023, was \$371 million, a new record, compared to \$338 million for the same period in 2022.
- For the year ended 2023, a provision for credit losses of \$3.7 million was charged against operating earnings compared to \$160,000 in 2022. This was primarily due to the growth in loans at the Bank and a \$3 million provision at CTB Financial Services, LLC, related to a participation loan with a banking consortium that is in workout.
- Asset quality, as measured by nonperforming assets, was 1.03% of total assets at the Company and 0.24% at the Bank.

- The Bank continues to have a stable core deposit base with a high percentage of noninterest-bearing deposits. Year-to-date, total average deposits decreased by \$64.1 million, primarily due to one depositor.
- During the fourth quarter of 2023, the net interest margin on a fully tax equivalent basis increased to 4.90% compared to 4.37% for the same period last year. On a year-over-year basis, it increased to 4.85% compared to 3.28% in 2022.
- Total noninterest income increased by \$593,000 in the fourth quarter of 2023 and decreased by approximately \$1 million for the full year 2023 compared to the same three and twelve-month period last year, respectively. The fluctuations are due primarily to the timing of recognizing grants from BEA and CDFI. Grants received for the three and twelve-month period in 2023 were \$437,000 and \$937,000, respectively, compared to \$2.0 million received in 2022.
- Noninterest expense increased by \$475,000 in the fourth quarter of 2023 and \$2.4 million for the full year 2023 compared to the same three and twelve-month periods last year, respectively. The increases were primarily due to growth related expenses in salaries and benefits, technology, business development, and marketing costs. The Company's efficiency was 50.5% at December 31, 2023.
- Capital levels remain well above regulatory capitalization standards. At December 31, 2023, both the Company and the Bank's capital positions exceeded the well-capitalized levels required by regulation.

(In thousands, except per share data)	4th Quarter 2023	4th Quarter 2022	Change	Full Year 2023	Full Year 2022	Change
Income Statement						
Net income available to common shareholders	\$ 3,532	\$ 3,545	(0.4%)	\$12,025	\$9,206	30.6%
Net income per diluted common share	1.81	1.74	4.0%	6.10	4.51	35.3%
Total revenues	10,876	9,713	12.0%	41,698	30,904	34.9%
Provision for credit losses	308	-	-%	3,679	160	2199.4%
Noninterest income	1,724	1,131	52.4%	5,502	6,548	(16.0%)
Noninterest expense	5,089	4,614	10.3%	20,077	17,693	13.5%
Balance Sheet						
Average loans, net	373,569	339,553	10.0%			
Average deposits	527,054	619,273	(14.9%)			
Capital						
Total capital (to risk weighted assets)	43%	48%				
Tier 1 capital (to risk weighted assets)	42%	48%				
Tier 1 Common equity (to risk weighted assets)	14%	16%				
Tier 1 capital (to average assets)	25%	23%				

Citizens Trust Bank prides itself on offering its customers a full range of quality products and services throughout the United States. Our mission is dedicated to growing communities and enhancing the lives of the families we serve. Through its parent company, Citizens Bancshares Corporation, the Bank offers its common stock over-the-counter to the public under the trading symbol CZBS. The Bank's website is www.CTBconnect.com.

Certain statements in this press release may be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Due to various factors, risks, and uncertainties, actual results may differ materially from those included in these statements.

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