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Citizens Bancshares Corporation Announces First Quarter 2024 Results

- **Net interest income increased 3% to \$8.8 million compared to \$8.6 million a year ago**
- **Total revenues expanded 9% to \$10.7 million from \$9.8 million in the first quarter of 2023**
- **Net income available to common shareholders grew 6% to \$3.6 million compared to \$3.4 million a year ago**
- **Net income per diluted common share of \$1.95 for the first quarter, up 16%, compared to the same period a year ago**
- **Return on Assets of 2.01%**
- **Annual dividend increased by 33% to \$1.00 per common share**
- **A highly efficient operation with an efficiency ratio of 49% for the first quarter**
- **Total loans rose 13% year-over-year to \$400 million, a new record**
- **Net interest margin improved to 5.01% from 4.55% compared to the prior year's first quarter**

Citizens Bancshares Corporation (OTC Pick: CZBS), the parent company of Citizens Trust Bank (CTB), announced its net income before preferred dividends for the first quarter of 2024 of \$3.7 million, a 6% increase compared to the same period last year and net income available to common shareholders of \$3.6 million compared to \$3.4 million compared to the first quarter of 2023. This represents \$1.95 and \$1.68 per diluted common share, respectively. The increase in net income is primarily attributed to an expansion in the net interest margin, driven by growth in loans outstanding and the investment portfolio, which grew by 13% and 14%, respectively. Additionally, non-interest expenses declined by 5%.

Ms. Cynthia N. Day, President and Chief Executive Officer, shared, “We are excited to announce the beginning of 2024 with another strong quarter of financial performance. We continue to see positive fundamental trends in our business yet remain vigilant of the economic environment and the potential impact on our customers. Our focus remains on being a valued partner in our customer’s success.

As we move forward in 2024, we will continue to seek growth with a high emphasis on quality. We will continue to utilize technology to improve operational efficiencies and customer engagement. The consistency and stability of our performance highlights our commitment to being a secure and reliable source of support for our customers, our community, and our shareholders.”

Other financial highlights:

- For the first quarter of 2024, a provision for credit losses of \$220,000 was charged against operating earnings compared to \$47,000 in 2023. This was primarily due to the growth in loans at the Bank.
- Asset quality, as measured by nonperforming assets, was 1.09% of total assets at the Company and 0.28% at the Bank.
- The Bank continues to have a stable core deposit base with a high percentage of noninterest-bearing deposits, totaling \$224 million as of March 31, 2024. On a quarterly average basis, total deposits decreased by \$58 million year-over-year, primarily due to a single depositor who held and withdrew funds at the end of the first quarter of 2023.
- Total noninterest income for the first quarter of 2024 of \$1 million was consistent with the prior year.

- Noninterest expenses are being closely monitored and declined by \$239,000 in the first quarter of 2024 compared to the same three-month period last year.
- Capital levels remain well capitalized with ratios exceeding regulatory requirements at both the Company and the Bank. The strong capital position provides flexibility to deploy capital for the benefit of the Company and its shareholders.

(In thousands, except per share data)	1st Quarter 2024	1st Quarter 2023	Change
Income Statement			
Net income available to common shareholders	\$ 3,615	\$ 3,412	6%
Net income per diluted common share	1.95	1.68	16%
Total revenues	10,682	9,826	9%
Provision for credit losses	220	47	368%
Noninterest income	1,030	1,056	(2%)
Noninterest expense	4,817	5,056	(5%)
Balance Sheet			
Average loans, net	372,297	342,818	9%
Average deposits	542,389	600,167	(10%)
Capital			
Total capital (to risk weighted assets)	43%	47%	
Tier 1 capital (to risk weighted assets)	42%	46%	
Tier 1 Common equity (to risk weighted assets)	15%	15%	
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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SOURCE: Citizens Bancshares Corporation