

CITIZENS BANCSHARES
CORPORATION

SINCE 1921

Strong
Foundation.
Stronger
Future.

Building
our story.



2025 ANNUAL REPORT

Building our story

One Milestone, One Bold Step Forward

This year reflects steady progress rooted in purpose and partnership. From the beginning, our vision has been clear: to grow alongside the people and communities we serve. Your story is our story, and that belief continues to guide how we lead, invest, and deliver results.

Meaningful milestones and bold, disciplined steps strengthened our foundation and positioned the bank for long-term success. These highlights capture the results of this approach—demonstrating how vision, thoughtful strategy and responsible growth translate into sustainable performance and shared success.

*Front cover: Cynthia N. Day, President and CEO of
Citizens Bancshares Corporation and Citizens Trust Bank*

Record dividend of
\$1.10 per share,
up **10% year over year**



Tier 1 and Total
Capital Ratios of
45% and **47%**

Pre-tax **ROA** of **1.76%**
for the Company and
2.35% for the Bank

Nonperforming
loans at **0.92%** of
total assets

Shareholders Message 2025

Dear Valued Shareholders,

As we move into 2026, I extend my sincere appreciation for your continued trust and partnership. The Company stands on one of the strongest foundations in its history, defined by disciplined financial performance, strategic clarity, and an unwavering commitment to the communities we were founded to serve. Because of your confidence, we are able to balance purpose with performance and impact with accountability.

While we are pleased with our performance in 2025, we remain equally focused on positioning the Company for sustainable growth in a dynamic and evolving environment. We delivered a record dividend of \$1.10 per share, up 10% from the prior year, alongside earnings per share of \$4.72 and pre-tax earnings of \$13.8 million.

Our profitability remained strong, with a pre-tax return on average assets of 1.76% for the Company and 2.35% for the Bank, while maintaining a disciplined operating profile. Our balance sheet remains a source of strength, supported by a Tier 1 Capital Ratio of 45% and a Total Capital Ratio of 47%, positioning us well above regulatory requirements and many peers.

While asset growth was modest at 0.39%, net loans declined 6.73% year over year, and deposits declined 1.60%, driven primarily by strategic actions and client-specific activity rather than any underlying weakness in the business. Asset quality remains a hallmark of our performance, with nonperforming loans at 0.92% of total assets, underscoring the health and resilience of our portfolio.

Operating with Discipline in a Changing Environment

While overall performance remained strong, 2025 was not without its challenges. We continued to navigate industry-wide headwinds in a dynamic, evolving environment shaped by shifting monetary policy and ongoing economic uncertainty. Margin compression persisted, driven by three interest rate cuts at the end of 2024, with the full impact realized in 2025, followed by three additional rate cuts late in 2025. Additionally, competition for deposits impacted cost of funding. These dynamics contributed to an increase in interest expense of approximately \$1.8 million and a decline in net interest margin from 4.86% to 4.44%. However, our margin remains strong relative to peers.

Encouragingly, the cost of funds is beginning to stabilize, which can provide a more positive outlook moving forward, absent further shifts in interest rates or broader economic conditions.

Earnings were also affected by a \$4.2 million charge-off related to a legacy loan acquired through a broker relationship. Over the past 2 years, our earnings have been impacted by two loans from this broker, and are not indicative of our broader portfolio. No additional exposure to this broker remains. Overall, our loan portfolio remains healthy and well-positioned.

Lending trends in 2025 reflected a deliberate and enhanced focus on deep impact lending, aligned with the objectives of the Emergency Capital Investment Program (ECIP) and the Company's mission. These loans are typically smaller in size and serve customers



ECIP is more than a program—it is a strategic commitment to financial inclusion, responsible growth, and shared prosperity.

who are more sensitive to inflationary pressures, which moderated demand during the current year. While this focus impacted overall loan growth, it directly supports our mission and reinforces our long-standing commitment to serving communities where access to capital is most needed.

The modest decline in deposits was primarily driven by the utilization of funds by a small number of large customers for operational purposes, rather than the loss of customer relationships, reflecting the continued strength and stability of our core deposit base.

From Performance to Purposeful Growth

The strength of our financial performance provides the foundation for executing on our strategic priorities with clarity. As we look ahead, we remain focused on driving long-term value through a balanced approach: strengthening our core business, growing with discipline, deepening our community impact with ECIP, elevating the customer experience, and deploying capital that creates value for both our shareholders and the communities we serve.

Advancing Community Impact and Shareholder Value Through ECIP

A defining element of our strategy continues to be our participation in the U.S. Treasury's Emergency Capital Investment Program (ECIP). This investment not only reinforces our capital strength, but also serves as a catalyst for expanding lending and economic opportunities in low- and moderate-income communities while generating long-term value for shareholders.

We believe we are well positioned to meet ECIP requirements, and are pleased with our performance in community lending, small business financing, and financial inclusion. A majority of our loan portfolio remains dedicated to mission-aligned and community-focused lending.

Our focus is intentional: deploy capital that both strengthens communities and drives sustainable financial performance. ECIP is not simply a program, it is a strategic lever that enhances our ability to expand our lending impact, grow responsibly, and create durable shareholder value.



Capital Strength as a Strategic Advantage

Our ability to deliver both impact and performance is anchored in strength.

We remain firmly committed to maintaining a strong capital foundation. Well-capitalized levels provide resilience across economic cycles, reinforce regulatory standing, and enable us to serve our customers and communities with confidence. Capital strength remains the cornerstone of every strategic decision we make.

Strengthening Our Core Business and Driving Growth

At the center of our strategy is a clear priority: strengthening and growing our core business by expanding high-quality loans and deepening core deposit relationships.

We are executing this strategy with discipline, advancing loan growth that balances community impact and portfolio diversification while maintaining strong credit quality and risk standards. At the same time, we are focused on building a stable and growing deposit base through deeper customer relationships, enhanced engagement, and digital capabilities that improve access, convenience, and service delivery.

Our approach is fundamentally relationship-driven and anchored in sustainable organic growth. We are focused on deepening wallet share with existing customers, expanding product utilization, and strengthening connections across our client base while leveraging digital investments to extend our reach beyond our traditional footprint.

In parallel, we will opportunistically explore merger and acquisition opportunities that align with our strategic priorities and culture. Our approach remains disciplined and patient, focused on transactions that enhance scale, capabilities, market presence, and community impact while meeting our return thresholds and risk standards. Importantly, M&A remains an option, not an obligation, and will be pursued only when it strengthens long-term shareholder value.

Strength in loans and deposits remains foundational, not only for supporting the communities we serve, but also for driving consistent earnings, improving funding stability, and enhancing long-term value.

Our mission-driven approach ensures growth is not measured by scale alone, but by the opportunity we help create for others.

Investing with Purpose for Long-Term Performance

We will reinvest in the future to strengthen the Company's long-term competitiveness and position for sustainable growth. These investments will focus on innovation, technology modernization, process optimization, and talent development.

In 2026, we advanced this strategy through the launch of an Enterprise Technology & Innovation (ETI) team, continued automation initiatives, the ongoing implementation of the nCino loan platform software, and broader enterprise modernization efforts, including exploration of artificial intelligence within our operating environment. Together, these initiatives are expected to enhance productivity, improve agility and scalability, strengthen risk management, and elevate the customer experience.

Importantly, these investments will enable our bankers to deepen relationships, better serve the evolving needs of our customers and communities, and drive sustainable operating leverage.

Investing in the Future While Honoring Our Mission

As we continue to evolve, our mission remains constant.

We are modernizing the Company from the inside out by enhancing digital account opening, strengthening biometric security, advancing fraud prevention, and leveraging data-driven insights to better serve our customers. These investments ensure that customers, regardless of location, can engage with us securely, efficiently, and confidently.

In 2026, we are expanding our **"Your Story Is Our Story"** initiative to more directly connect our financial solutions to measurable community outcomes. This next phase reflects our mission and our growing capacity to make a meaningful difference.

Our strategy is clear: strengthen our core business, invest in technology and talent, and grow with discipline for the future.





By aligning performance with purpose, we are transforming everyday financial decisions into lasting community impact.

By aligning our lending with investments in education, homeownership, and small business development, we are transforming everyday financial decisions into shared progress. This is how we create impact, not in isolation, but in partnership with the communities we serve.

Delivering Consistent Shareholder Returns

We remain committed to delivering consistent and meaningful returns to our shareholders. Our capital strategy includes returning capital through dividends and, when appropriate, share repurchases balanced with reinvestment and growth priorities.

This strategic approach reflects our confidence in the Company's performance and our commitment to enhancing long-term shareholder value while preserving financial strength and flexibility.

Looking Ahead with Clarity and Confidence

Our priorities for the year ahead are clear: strengthen and grow our core business, advance digital transformation, modernize operations, enhance the customer experience, and maintain best-in-class governance, compliance, and risk management.

To our shareholders, thank you for your continued confidence in our strategy and stewardship. Your support enables us to invest in the future, deploy capital responsibly, and expand opportunity across the communities we serve.

As we look ahead, one truth remains constant:

When we build together, we rise together.

Our foundation is strong.

Our strategy is clear.

And our future continues to grow stronger.

Sincerely,



A handwritten signature in black ink that reads "Cynthia N. Day".

Cynthia N. Day
President and CEO
Citizens Bancshares Corporation
and Citizens Trust Bank



A handwritten signature in black ink that reads "Ray M. Robinson".

Ray M. Robinson
Chairman of the Board
Citizens Bancshares Corporation

Financials

SELECTED CONSOLIDATED FINANCIAL DATA FOR CITIZENS BANCSHARES CORPORATION

As of and for the years ended December 31,
(amounts in thousands, except per share data and financial ratios)

	2025	2024	2023
STATEMENT OF INCOME DATA:			
Net interest income	\$32,613	\$34,967	\$34,222
Income before income tax expense	\$13,768	\$16,724	\$15,969
Net income	\$10,586	\$12,877	\$12,295
Net income available to common shareholders	\$8,384	\$11,608	\$12,025
PER SHARE DATA:			
Net income per common share—basic	\$4.72	\$6.47	\$6.27
Book value per common share	\$41.47	\$35.55	\$30.34
Cash dividends paid per common share	\$1.10	\$1.00	\$0.75
BALANCE SHEET DATA:			
Loans, net of unearned income	\$388,854	\$418,196	\$378,717
Deposits	\$590,388	\$599,989	\$554,796
Advances from Federal Home Loan Bank	\$18	\$42	\$65
Total assets	\$803,043	\$799,902	\$745,638
Average stockholders' equity	\$193,194	\$181,905	\$173,229
Average assets	\$783,224	\$759,119	\$738,278
RATIOS:			
Income before income tax expense to average assets	1.76%	2.20%	2.16%
Net income to average assets	1.35%	1.70%	1.67%
Net income to average stockholders' equity	5.48%	7.08%	7.10%
Dividend payout ratio per common share	23.46%	15.39%	12.41%
Average stockholders' equity to average assets	24.67%	23.96%	23.46%
Tier 1 capital ratio (to risk weighted assets)	45%	40%	42%
Total capital ratio	47%	42%	43%

Citizens Bancshares Corporation and Subsidiaries

Report on Consolidated Financial Statements

As of and for the years ended December 31, 2025 and 2024

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Citizens Bancshares Corporation and Subsidiaries

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Independent Auditor's Report

Board of Directors
Citizens Bancshares Corporation and Subsidiaries
Atlanta, Georgia

Opinion

We have audited the consolidated financial statements of Citizens Bancshares Corporation and its Subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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Auditor's Responsibilities for the Audit of the Financial Statements, Continued

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Columbia, South Carolina
April 16, 2026

Citizens Bancshares Corporation and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and due from banks	\$ 2,188,284	\$ 2,168,991
Federal funds sold	36,736,669	35,200,342
Interest bearing deposits with banks	<u>61,874,342</u>	<u>52,734,276</u>
Cash and cash equivalents	<u>100,799,295</u>	<u>90,103,609</u>
Certificates of deposits from other financial institutions	2,242,000	250,000
Investment securities available-for-sale at fair value (amortized cost of \$284,322,166 and \$272,484,040, respectively)	276,667,727	258,323,234
Other investments	1,074,650	949,550
Loans receivable, net of allowance for credit losses of \$8,734,753 and \$10,636,747 at December 31, 2025 and 2024, respectively	380,118,776	407,558,807
Premises and equipment, net of accumulated depreciation	5,092,155	5,714,275
Cash surrender value of life insurance	22,048,342	21,361,615
Other real estate owned	830,531	565,531
Right-of-use asset	634,679	927,489
Other assets	<u>13,534,507</u>	<u>14,148,135</u>
Total assets	<u>\$ 803,042,662</u>	<u>\$ 799,902,245</u>
Liabilities		
Deposits		
Noninterest-bearing deposits	\$ 192,643,896	\$ 228,619,180
Interest-bearing deposits	<u>397,743,692</u>	<u>371,369,993</u>
Total deposits	<u>590,387,588</u>	<u>599,989,173</u>
Accrued expenses and other liabilities	7,144,883	8,502,799
Bank owned life insurance liability	4,301,218	3,967,043
Lease liability	771,383	1,135,327
Advances from the Federal Home Loan Bank (FHLB)	<u>18,061</u>	<u>41,725</u>
Total liabilities	<u>602,623,133</u>	<u>613,636,067</u>
Commitments and contingencies (Note 9)		
Stockholders' equity		
Preferred stock, \$1,000 par value; 10,000,000 total shares authorized; 127,700 and 122,700 shares issued and outstanding at December 31, 2025 and 2024, respectively	127,700,000	122,700,000
Common stock, \$1 par value; 20,000,000 shares authorized; 2,521,099 and 2,496,466 shares issued at December 31, 2025 and 2024, respectively	2,521,099	2,496,466
Nonvested restricted common stock	(1,535,413)	(1,251,492)
Additional paid-in capital	12,558,466	11,288,067
Retained earnings	80,572,570	74,154,823
Treasury stock, at cost, 767,518 and 708,635 shares at December 31, 2025 and 2024, respectively	(15,782,868)	(12,562,522)
Accumulated other comprehensive loss	<u>(5,614,325)</u>	<u>(10,559,164)</u>
Total stockholders' equity	<u>200,419,529</u>	<u>186,266,178</u>
Total liabilities and stockholders' equity	<u>\$ 803,042,662</u>	<u>\$ 799,902,245</u>

See Notes to Consolidated Financial Statements

Citizens Bancshares Corporation and Subsidiaries

Consolidated Statements of Income

For the years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Interest income		
Loans, including fees	\$ 25,338,728	\$ 25,973,193
Investment securities:		
Taxable	10,550,047	8,311,667
Non-taxable	61,894	60,827
Dividends	64,505	66,128
Federal funds sold	1,577,558	1,810,330
Interest-bearing deposits	<u>1,939,040</u>	<u>3,850,503</u>
Total interest income	<u>39,531,772</u>	<u>40,072,648</u>
Interest expense		
Deposits	6,917,959	5,105,788
Other borrowings	<u>1,269</u>	<u>-</u>
Total interest expense	<u>6,919,228</u>	<u>5,105,788</u>
Net interest income	32,612,544	34,966,860
Provision for credit losses	<u>3,517,637</u>	<u>3,476,283</u>
Net interest income after provision for credit losses	<u>29,094,907</u>	<u>31,490,577</u>
Noninterest income		
Service charges on deposit accounts	1,409,370	1,485,596
Debit and credit card income	1,105,551	1,174,090
Loss on sale of other real estate owned	-	(1,675)
Gain on sale of repossessed assets	5,189	-
Gain on sale of premises and equipment	448,300	1,006
Mortgage origination fees	387,070	206,768
Income and fees from automated teller machines (ATMs)	115,665	117,447
Investment fee income	487,600	504,543
Income from cash surrender value of life insurance	686,727	442,343
Other operating income	<u>417,654</u>	<u>673,925</u>
Total noninterest income	<u>5,063,126</u>	<u>4,604,043</u>
Noninterest expense		
Salaries and employee benefits	10,504,334	10,152,812
Occupancy and equipment	1,815,309	1,845,317
Other real estate owned	62,408	2,564
Data processing expense	1,177,502	1,272,342
Professional services	1,233,159	1,293,006
Other benefit expense	557,433	270,835
Other operating expenses	<u>5,039,443</u>	<u>4,533,822</u>
Total noninterest expense	<u>20,389,589</u>	<u>19,370,698</u>
Income before income tax expense	13,768,444	16,723,922
Income tax expense	<u>3,182,724</u>	<u>3,846,483</u>
Net income	<u>10,585,720</u>	<u>12,877,439</u>
Preferred stock dividends	<u>(2,201,361)</u>	<u>(1,269,533)</u>
Net income available to common shareholders	<u>\$ 8,384,359</u>	<u>\$ 11,607,906</u>
Net income per common share - basic	<u>\$ 4.72</u>	<u>\$ 6.47</u>
Net income per common share - diluted	<u>\$ 4.56</u>	<u>\$ 6.24</u>
Weighted average outstanding shares		
Basic	1,774,803	1,794,859
Diluted	1,837,801	1,859,449

See Notes to Consolidated Financial Statements

Citizens Bancshares Corporation and Subsidiaries**Consolidated Statements of Comprehensive Income****For the years ended December 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Net income	\$ 10,585,720	\$ 12,877,439
Other comprehensive income (loss)		
Unrealized holding gains (losses) arising during the period	6,506,367	(999,151)
Tax effect	<u>(1,561,528)</u>	<u>239,827</u>
Other comprehensive income (loss), net of tax	<u>4,944,839</u>	<u>(759,324)</u>
Comprehensive income	<u>\$ 15,530,559</u>	<u>\$ 12,118,115</u>

See Notes to Consolidated Financial Statements

Citizens Bancshares Corporation and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity
For the years ended December 31, 2025 and 2024

	Preferred Stock		Common Stock		Nonvested Restricted Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total
	Shares	Amount	Shares	Amount				Shares	Amount		
Balance, December 31, 2023	122,700	\$ 122,700,000	2,475,766	\$ 2,475,766	\$ (790,391)	\$ 10,111,562	\$ 64,333,865	(688,573)	\$ (12,103,923)	\$ (9,799,840)	\$ 176,927,039
Net income	-	-	-	-	-	-	12,877,439	-	-	-	12,877,439
Other comprehensive loss	-	-	-	-	-	-	-	-	-	(759,324)	(759,324)
Net change in restricted stock	-	-	-	-	(461,101)	793,810	-	-	-	-	332,709
Purchase of treasury stock	-	-	-	-	-	-	-	(20,062)	(458,599)	-	(458,599)
Issuance of common stock	-	-	20,700	20,700	-	382,695	-	-	-	-	403,395
Dividends paid on common stock	-	-	-	-	-	-	(1,786,948)	-	-	-	(1,786,948)
Dividends paid on preferred stock	-	-	-	-	-	-	(1,269,533)	-	-	-	(1,269,533)
Balance, December 31, 2024	122,700	\$ 122,700,000	2,496,466	\$ 2,496,466	\$ (1,251,492)	\$ 11,288,067	\$ 74,154,823	(708,635)	\$ (12,562,522)	\$ (10,559,164)	\$ 186,266,178
Net income	-	-	-	-	-	-	10,585,720	-	-	-	10,585,720
Other comprehensive income	-	-	-	-	-	-	-	-	-	4,944,839	4,944,839
Net change in restricted stock	-	-	-	-	(283,921)	784,960	-	-	-	-	501,039
Purchase of treasury stock	-	-	-	-	-	-	-	(58,883)	(3,220,346)	-	(3,220,346)
Issuance of common stock	-	-	24,633	24,633	-	485,439	-	-	-	-	510,072
Issuance of preferred stock	5,000	5,000,000	-	-	-	-	-	-	-	-	5,000,000
Dividends paid on common stock	-	-	-	-	-	-	(1,966,612)	-	-	-	(1,966,612)
Dividends paid on preferred stock	-	-	-	-	-	-	(2,201,361)	-	-	-	(2,201,361)
Balance, December 31, 2025	127,700	\$ 127,700,000	2,521,099	\$ 2,521,099	\$ (1,535,413)	\$ 12,558,466	\$ 80,572,570	(767,518)	\$ (15,782,868)	\$ (5,614,325)	\$ 200,419,529

See Notes to Consolidated Financial Statements

See Notes to Consolidated Financial Statements

Citizens Bancshares Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Net income	\$ 10,585,720	\$ 12,877,439
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	3,517,637	3,476,283
Depreciation	635,180	658,733
Amortization and accretion of investment securities available-for-sale, net	(999,548)	(435,767)
Write-down of other real estate owned	-	14,249
Deferred income tax expense (benefit)	618,196	(618,196)
Loss on sale of other real estate owned	-	1,675
Gain on sale of repossessed assets	(5,189)	-
Gain on sale of premises and equipment	(448,300)	(1,006)
Restricted stock compensation, net	1,011,111	736,104
Change in cash surrender value of life insurance	(686,727)	(442,343)
Change in assets and liabilities:		
Change in other assets and right-of-use asset	(1,290,097)	(851,989)
Change in accrued expenses, other liabilities, and lease liabilities	(1,387,685)	(245,464)
Net cash provided by operating activities	<u>11,550,298</u>	<u>15,169,718</u>
Cash flows from investing activities		
Net change in certificates of deposit from other financial institutions	(1,992,000)	-
Proceeds from maturities and paydowns of securities available-for-sale	47,675,471	63,999,390
Purchases of securities available-for-sale	(58,514,049)	(123,678,026)
Net change in other investments	(125,100)	45,800
Net decrease/(increase) in loans to customers	23,607,394	(40,477,991)
Purchases of premises and equipment	(46,912)	(329,555)
Proceeds from sale of premises and equipment	482,152	-
Purchases of life insurance policies	-	(9,000,000)
Proceeds from the sale of repossessed assets	22,000	-
Proceeds from the sale of other real estate owned	50,000	10,325
Net cash provided by (used in) investing activities	<u>11,158,956</u>	<u>(109,430,057)</u>
Cash flows from financing activities		
Net change in deposits	(9,601,585)	45,193,620
Net decrease in Federal Home Loan Bank advances	(23,664)	(23,196)
Issuance of preferred stock	5,000,000	-
Common stock dividend paid	(1,966,612)	(1,786,948)
Preferred stock dividend paid	(2,201,361)	(1,269,533)
Purchase of treasury stock	(3,220,346)	(458,599)
Net cash (used in) provided by financing activities	<u>(12,013,568)</u>	<u>41,655,344</u>
Net increase (decrease) in cash and cash equivalents	10,695,686	(52,604,995)
Cash and cash equivalents, beginning of year	<u>90,103,609</u>	<u>142,708,604</u>
Cash and cash equivalents, end of year	<u>\$ 100,799,295</u>	<u>\$ 90,103,609</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	<u>\$ 6,822,565</u>	<u>\$ 5,662,244</u>
Income taxes	<u>\$ 3,618,000</u>	<u>\$ 4,587,000</u>
Supplemental schedule of non-cash investing and financing activities		
Change in unrealized losses on investment securities available-for-sale	<u>\$ 6,506,367</u>	<u>\$ (999,151)</u>
Transfer of loans to other real estate owned	<u>\$ 315,000</u>	<u>\$ 591,780</u>

See Notes to Consolidated Financial Statements

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 1. Summary of Significant Accounting Policies

Business:

Citizens Bancshares Corporation is a holding company that provides a full range of commercial banking services to individual and corporate customers in its primary market areas, metropolitan Atlanta, Georgia, and Birmingham and Eutaw, Alabama, through its wholly owned subsidiary, Citizens Trust Bank (the "Bank" and together the "Company"). The Bank operates under a state charter and serves its customers through five full-service branches in metropolitan Atlanta, one full-service branch in Birmingham, Alabama, and one full-service branch in Eutaw, Alabama. All significant intercompany accounts and transactions have been eliminated in consolidation. On May 4, 2023, Citizens Bancshares Corporation formed a new subsidiary, CTB Financial Services, LLC, to provide mortgage loans, small business financing, and financial literacy education.

Basis of presentation:

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and with general practices within the banking industry. In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts in the consolidated financial statements. Actual results could differ significantly from those estimates. Material estimates common to the banking industry that are particularly susceptible to significant change in the near term are the allowance for credit losses, allowance for unfunded commitments, the valuation of allowances associated with the recognition of deferred tax assets, valuation of investment securities and the value of foreclosed real estate assets.

Cash and cash equivalents:

Cash and cash equivalents include cash on hand and amounts due from banks, interest-bearing deposits with banks and federal funds sold. The Federal Reserve Bank (the "FRB") periodically requires the Company to maintain a required cash reserve balance on deposit with the FRB, based on the Company's daily average balance with the FRB. There was no reserve requirement as of December 31, 2025 and 2024.

Interest-bearing deposits with banks:

Substantially all of the Company's interest-bearing deposits with banks represent funds maintained on deposit at the FRB and the Federal Home Loan Bank of Atlanta (FHLB). These funds fluctuate daily and are used to manage the Company's liquidity and borrowing position. Funds can be withdrawn daily from this account and accordingly, the carrying amount of this account is at cost which is deemed to be a reasonable estimate of fair value.

Other investments:

Other investments consist of FHLB stock and FRB stock which are restricted and have no readily determinable market value. These investments are carried at cost.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 1. Summary of Significant Accounting Policies, Continued

Investment securities:

The Company classifies investments in one of three categories based on management's intent upon purchase: held-to-maturity securities which are reported at amortized cost, trading securities which are reported at fair value with unrealized holding gains and losses included in earnings, and available-for-sale securities which are recorded at fair value with unrealized holding gains and losses included as a component of accumulated other comprehensive income (loss). The Company had no investment securities classified as trading or held-to-maturity at December 31, 2025 or 2024.

Premiums and discounts on available-for-sale securities are amortized or accreted using a method which approximates a level yield. Amortization and accretion of premiums and discounts are presented within interest income from investment securities on the Consolidated Statements of Income.

Gains and losses on sales of investment securities are recognized upon disposition, based on the adjusted cost of the specific security. Management evaluates all available-for-sale debt securities in an unrealized loss position on a quarterly basis. With available-for-sale debt securities, the security is written down to fair value with the entire loss recorded in earnings if the Company intends to sell the security or it is more likely than not that the Company will be required to sell the security. If the above criteria is not met for available-for-sale debt securities and the decline in fair value is the result of credit losses, an allowance for credit losses is recorded based on the difference between the present value of expected cash flows and the amortized cost basis of the security. There was no allowance for credit losses for securities recorded during 2025 or 2024.

Loans receivable and allowance for credit losses:

Loans are reported at principal amounts outstanding plus direct origination costs, net of loan fees and any direct charge-offs. Interest income is recognized over the term of the loan based on the principal amount outstanding. Loan fees and certain direct origination costs are deferred and amortized over the estimated terms of the loans using the level yield method. Premiums and discounts on loans purchased are amortized and accreted using the level yield method over the estimated remaining life of the loan purchased. The accretion and amortization of loan fees, origination costs, and premiums and discounts are included within loan interest income on the Consolidated Statements of Income.

Management considers a loan to be individually evaluated when, based on current information and events, there is a potential that all amounts due according to the contractual terms of the loan may not be collected. Individually evaluated loans are measured based on the present value of expected future cash flows, discounted at the loan's effective interest rate, at the loan's observable market price, or the fair value of the collateral less estimated disposal costs if the loan is collateral dependent.

Loans are generally placed on nonaccrual status when the full and timely collection of principal or interest becomes uncertain or the loan becomes contractually in default for 90 days, 120 days for consumer loans, or more as to either principal or interest, unless the loan is well collateralized and in the process of collection. When a loan is placed on nonaccrual status, current period accrued and uncollected interest is charged-off against interest income on loans unless management believes the accrued interest is recoverable through the liquidation of collateral. Loans are returned to accrual status when payment has been made according to the terms and conditions of the loan for a continuous six-month period.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 1. Summary of Significant Accounting Policies, Continued

Loans receivable and allowance for credit losses, continued:

Management is using the Discounted Cash Flow (DCF) method for the majority of its loan portfolio. This methodology was chosen as it allows for incorporating a reasonable and supportable forecast, the analysis aligns well with other calculations outside the ACL estimation, and peer data is available for certain inputs (loss rates). The discounted cash flow methodology determines the loss estimate by calculating the value of expected cash flows over the life of the loan and comparing it to the current balance outstanding of the loan. Expected losses are calculated via a gross loss rate and recovery rate assumption. Expected losses are calculated using regression modeling. Independent variables used in the regression model include the Company's own data and peer institution data from FFIEC Call Report filings. Management prioritized internal data but uses relevant peer data due to statistical relevance concerns, historical data limitations and the inability to secure through the cycle loan level data. Modeling the allowance for credit losses requires incorporating expected prepayments/curtailments into the model. Peer data, provided by a third-party model provider/expert is used to develop benchmark prepayment and curtailment rates, which are used due to historical data constraints. Management has identified a correlation between historical loss experience and the average unemployment rate for the Company's primary markets: Atlanta and Birmingham. Management has elected to forecast lifetime credit losses using this correlation. Future losses will be calculated using the forecasted unemployment rate for the next four quarters. For the remaining amortization period, the forecast reverts to historical loss rates on a straight-line basis.

Management has elected to use the Weighted Average Remaining Life (WARM) methodology for its credit card and mortgage loans serviced by others loan portfolios. This methodology is appropriate due to the uniformity of underwriting, similarity of life of loan, prepayment and curtailment rates, and availability of relevant data. This methodology calculates expected losses by applying an average annual charge-off rate that is determined by using historical loss information. The weighted average of the assets' contractual terms is used to estimate the pool's remaining contractual term. The expected loss is calculated using the average annual net-charge-off rates and the amortization-adjusted remaining life with qualitative factor adjustments. Loss rates are calculated using the following approaches: most recent four quarter, three-year rolling average and average loan balance. These three views allow for a review of current loss, recent prior loss and loss over a longer period. There have been no changes to either methodology since adoption on January 1, 2023.

Additionally, the allowance for credit losses calculation includes subjective adjustments for qualitative risk factors that are likely to cause estimated credit losses to differ from historical experience. These qualitative adjustments may increase or reduce reserve levels and include adjustments for changes in lending policies and procedures, asset quality and portfolio trends, loan portfolio growth, industry concentrations, trends in underlying collateral, lending management experience and risk tolerance, loan review and audit results, external factors and economic conditions not already captured.

Loans that do not share risk characteristics are evaluated on an individual basis. When the borrower is experiencing financial difficulty and repayment is expected to be provided through operation or sale of the collateral, the expected credit losses are based on the fair value of collateral at the reporting date, adjusted for selling costs as appropriate.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 1. Summary of Significant Accounting Policies, Continued

Loans receivable and allowance for credit losses, continued:

The allowance for credit losses is maintained at a level that management believes is adequate to cover management's estimate of lifetime credit losses inherent in loans as of the balance sheet date. The allowance for credit losses is a valuation allowance for estimated credit losses inherent in the loan portfolio, increased by the provision for credit losses and decreased by charge-offs, net of recoveries. The allowance for credit losses is estimated by management using relevant available information, from both internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged off. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries are credited to the allowance for credit losses.

Allowance for credit losses – unfunded commitments:

Financial instruments include off-balance sheet credit instruments, such as commitments to make loans and commercial letters of credit issued to meet customer financing needs. The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for off-balance sheet loan commitments is represented by the contractual amount of those instruments. Such financial instruments are recorded when they are funded.

The Company records an allowance for credit losses on off-balance sheet credit exposures, unless the commitments to extend credit are unconditionally cancelable, through a provision for (reversal of) unfunded commitments in the Company's consolidated statements of income. The allowance for credit losses on off-balance sheet credit exposures is estimated by loan segment at each balance sheet date under the current expected credit loss model using the same methodologies as portfolio loans, taking into consideration the likelihood that funding will occur as well as any third-party guarantees.

Premises and equipment:

Premises and equipment are stated at cost less accumulated depreciation which is computed using the straight-line method over the estimated useful lives of the related assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in earnings for the period. The costs of maintenance and repairs, which do not improve or extend the useful life of the respective assets, are charged to earnings as incurred, whereas significant renewals and improvements are capitalized. The range of estimated useful lives for premises and equipment is as follows:

Buildings and improvements	5 - 40 years
Furniture and equipment	3 - 10 years

Leases:

In accordance with Accounting Standards Codification (ASC) 842 "Leases", the Company determines if a contractual arrangement is a lease at inception. Operating leases are included as operating right-of-use (ROU) assets. ROU assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Currently, the Company has no finance leases.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 1. Summary of Significant Accounting Policies, Continued

Other real estate owned:

Other real estate owned (OREO) is reported at the lower of cost or fair value minus estimated disposal costs, determined based on current appraisals, comparable sales, and other estimates of value obtained mainly from independent sources. Any excess of the loan balance at the time of foreclosure over the fair value of the real estate collateral is recognized as a charge-off against the allowance for credit losses. Any subsequent declines in value are charged to earnings. The Company had other real estate owned valued at \$830,531 and \$565,531 as of December 31, 2025, and 2024, respectively.

The following summarizes the activity in other real estate owned for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 565,531	\$ -
Additions	315,000	577,531
Sales	<u>(50,000)</u>	<u>(12,000)</u>
Balance, end of year	<u>\$ 830,531</u>	<u>\$ 565,531</u>

Goodwill:

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in a business combination. Goodwill is not amortized but tested for impairment on an annual basis, or more often, if events or circumstances indicate there may be impairment. Goodwill impairment exists when a reporting unit's carrying value of goodwill exceeds its implied fair value. Authoritative guidance governing the impairment testing of goodwill permits an entity to first perform a qualitative assessment to evaluate whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, based on this assessment, the entity concludes that it is more likely than not that goodwill is impaired, or if the qualitative assessment is not performed, the entity is required to perform a quantitative goodwill impairment test. Under ASU 2017-04, the quantitative test consists of a single step in which the fair value of the reporting unit is compared with its carrying amount, including goodwill. If the carrying amount exceeds the fair value, an impairment loss is recognized in an amount equal to the excess, limited to the total amount of goodwill allocated to the reporting unit. If the fair value equals or exceeds the carrying amount, no impairment is recognized and no further testing is required. An impairment charge is recognized if the carrying value of the reporting unit's goodwill exceeds its implied fair value. The Company has performed the annual impairment analysis as of December 31, 2025, and concluded no impairment exists. The carrying amount of goodwill was \$362,139 as of December 31, 2025 and 2024, respectively, and is included within other assets on the Consolidated Balance Sheets.

Income taxes:

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the assets and liabilities are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income tax expense in the period that includes the enactment date.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 1. Summary of Significant Accounting Policies, Continued

Income taxes, continued:

In the event the future tax consequences of differences between the financial reporting basis and the tax basis of the Company's assets and liabilities result in deferred tax assets, an evaluation of the probability of being able to realize the future benefits indicated by such assets is required. A valuation allowance is provided for the portion of a deferred tax asset when it is more likely than not that some portion or all of the deferred tax asset will not be realized.

Preferred stock:

During June 2022, the Company sold 95,700 shares of Series G Preferred Stock. The stock was issued to the United States Department of the Treasury (U.S. Treasury) through their Emergency Capital Investment Program (ECIP). Dividends on the Series G Preferred Stock are noncumulative. The dividend rate is determined by a schedule set by the U.S. Treasury and can vary depending on whether the Company meets certain lending thresholds. Dividends start to accrue after the second year the shares are outstanding and are paid quarterly. In 2025, the Company paid dividends on Series G Preferred Stock at an annual rate of 2.00%. In September 2025, the Company issued 5,000 shares of its noncumulative Series I Preferred Stock.

The following table summarizes the various series of preferred stock issued:

	<u>Shares</u>
Series D	5,000
Series E	11,500
Series F	5,500
Series G	95,700
Series H	5,000
Series I	<u>5,000</u>
Total	<u><u>127,700</u></u>

Series D, E, F, H, and I have identical terms. They are noncumulative, and the holders are entitled to receive dividends at an annual rate of 1% of the purchase share price if and when a common stock dividend is declared by the Company.

Net income available to common stockholders:

Basic net income, or earnings, per common share (EPS) is computed based on net income available to common stockholders divided by the weighted average number of common shares outstanding. Diluted EPS is computed based on net income available to common stockholders divided by the weighted average number of common and potential common share equivalents. The only potential common share equivalents are those related to nonvested restricted stock grants.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 1. Summary of Significant Accounting Policies, Continued

Stock-based compensation:

The market price of the Company's common stock is utilized at the date of grant for the determination of fair value for restricted stock awards. Compensation expense is recognized over the required service period, generally defined as the vesting period, using the market share price on the grant date. The unrecognized expense related to granted and unvested restricted stock totaled \$1,535,000 and \$1,251,000 as of December 31, 2025 and 2024, respectively. There were 24,633 shares that fully vested and were exercised in 2025, compared to 20,700 shares that fully vested and were exercised in 2024.

In 2021, 17,500 nonvested restricted shares of common stock were granted to certain officers and the CEO at a grant price of \$13.75. These shares vested 100% (cliff vesting) on May 26, 2024.

In 2022, 20,000 nonvested restricted shares of common stock were granted to certain officers and the CEO at a grant price of \$10.46. These shares vested 100% (cliff vesting) on May 26, 2025.

In 2023, 20,500 nonvested restricted shares of common stock were granted to certain officers and the CEO at a grant price of \$36.85. These shares will vest 100% (cliff vesting) on May 25, 2026. Additionally, 4,200 nonvested restricted shares of common stock were granted on May 25, 2023, to members of the Board of Directors, excluding the CEO, at the same grant price of \$36.85. These shares vested on May 25, 2024. Furthermore, 1,000 nonvested restricted shares of common stock were granted on October 26, 2023, to a member of the Board of Directors at a grant price of \$35.50. These shares vested on May 26, 2024.

In 2024, 20,500 nonvested restricted shares of common stock were granted to certain officers and the CEO at a grant price of \$47.40. One-third of these shares will vest annually on the anniversary of the issuance date, May 23. All shares will be fully vested by May 23, 2027. Additionally, 4,200 nonvested restricted shares of common stock were granted to members of the Board of Directors, excluding the CEO, on May 23, 2024, at the same grant price of \$47.40. These shares vested on May 23, 2025.

In 2025, 20,500 nonvested restricted shares of common stock were granted to certain officers and the CEO at a grant price of \$48.28. One-third of these shares will vest annually on the anniversary of the issuance date, May 22. All shares will be fully vested by May 22, 2028. Additionally, 4,800 nonvested restricted shares of common stock were granted to members of the Board of Directors, excluding the CEO, on May 22, 2025, at the same grant price of \$48.28. These shares vest on May 22, 2026. Furthermore, 1,000 nonvested restricted shares of common stock were also granted on May 22, 2025, to two members of the Board of Directors at the same grant price of \$48.28. One-third of these shares will vest annually on the anniversary of the issuance date, May 22.

Comprehensive income:

The Company reports comprehensive income in accordance with ASC 220, Comprehensive Income. ASC 220 requires that all items classified as comprehensive income under accounting standards be reported in a financial statement that is presented with the same prominence as other financial statements. These disclosure requirements are included in the Company's Consolidated Statements of Comprehensive Income. The only component of comprehensive income pertains to the change in the value of available-for-sale securities.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 1. Summary of Significant Accounting Policies, Continued

Fair values of financial instruments:

ASC 820, *Fair Value Measurements and Disclosures*, requires disclosure of fair value information for financial instruments, whether or not recognized in the balance sheet, when it is practicable to estimate the fair value. ASC 820 defines a financial instrument as cash, evidence of an ownership interest in an entity, or contractual obligations that require the exchange of cash or other financial instruments. Certain items are specifically excluded from the disclosure requirements, including the Company's common stock. In addition, nonfinancial instruments, such as premises and equipment, as well as other assets and liabilities, are not subject to the disclosure requirements.

Risks and uncertainties:

In the normal course of its business, the Bank encounters two significant types of risks: economic and regulatory. There are three main components of economic risk: interest rate risk, credit risk, and market risk.

The Bank is subject to interest rate risk to the extent that its interest-bearing liabilities mature or reprice at different speeds or on different bases than its interest-earning assets. Credit risk is the risk of default in the Bank's loan portfolio arising from a borrower's inability or unwillingness to make contractually required payments. Market risk reflects changes in the value of collateral underlying loans receivable and the valuation of real estate held by the Bank.

The Bank is subject to the regulations of various governmental agencies. These regulations can and do change significantly from period to period. The Bank also undergoes periodic examinations by the regulatory agencies, which may subject it to further changes with respect to asset valuations, amounts of required loss allowances, and operating restrictions from the regulators' judgments based on information available to them at the time of their examination.

Revenue recognition:

In accordance with ASC Topic 606, *Revenue from Contracts with Customers*, revenues are recognized when control of promised goods or services is transferred to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of Topic 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Company satisfies a performance obligation. A description of the Company's revenue streams accounted for under ASC 606 follows:

Service charges on deposit accounts: The Company earns fees from its deposit customers for transaction-based, account maintenance, and overdraft services. Transaction-based fees are recognized at the time the transaction is executed, as that is the point in time the Company fulfills the customer's request. Overdraft fees are recognized at the time the overdraft occurs. Service charges on deposits are automatically deducted from the customer's account balance daily.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 1. Summary of Significant Accounting Policies, Continued

Revenue recognition, continued:

Debit and credit card income: The Company earns interchange fees from debit and credit cardholder transactions conducted through payment networks. Interchange fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, with the transaction processing services provided to the cardholder. Fees are recognized on a daily basis.

Income and fees from automated teller machines (ATMs): The Company earns fees from its established ATM network. Fees are charged to non-customers of the Company who access the Company's network utilizing a debit card or credit card issued by another financial institution. The Company also earns fees when its customers use another financial institution's ATM network. Fees are recognized at the time of the transaction.

Gain on sale of other real estate owned (OREO): Gains/losses on the sale of OREO are included in noninterest income and are generally recognized when the performance obligation is complete. This is typically at delivery of control over the property to the buyer at the time of each real estate closing.

Recently adopted accounting pronouncements:

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This amendment is intended to enhance the transparency and decision usefulness of income tax disclosures by requiring public business entities to disclose additional information in specified categories with respect to the reconciliation of the effective tax rate to the statutory rate for federal, state, and foreign income taxes. It also requires greater detail about individual reconciling items in the rate reconciliation to the extent the impact of those items exceeds a specified threshold. For public business entities, the amendments became effective for annual periods beginning after December 15, 2024. See footnote 7 for details.

Recently issued accounting pronouncements:

The following is a summary of recent authoritative pronouncements that could impact the accounting, reporting, or disclosure of financial information by the Company:

ASU 2024 - 03, Income Statement Reporting Comprehensive Income - Expense Disaggregation Disclosures: In January 2025, the FASB issued ASU 2025-01 to amend the effective date of ASU 2024 - 03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. The update focuses on improving transparency by requiring entities to disclose significant natural expense categories within functional expense line items, such as employee compensation, depreciation, amortization, and inventory costs. These amendments are intended to provide more consistent and decision-useful information to financial statement users. The Company does not expect these amendments to have a material effect on its financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Bank's financial position, results of operations or cash flows.

Reclassifications:

Certain prior year amounts have been reclassified to conform to the 2025 presentation. Such reclassifications had no impact on net income or stockholders' equity as previously reported.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 2. Investment Securities

Securities available-for-sale consisted of the following:

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Municipal securities	\$ 13,208,489	\$ 472	\$ (573,407)	\$ 12,635,554
U.S. Treasury securities	8,505,359	20,833	-	8,526,192
Agency securities	16,777,500	-	(809,667)	15,967,833
Mortgage-backed securities	235,635,300	834,256	(6,887,760)	229,581,796
Corporate securities	10,195,518	146,641	(385,807)	9,956,352
	<u>\$ 284,322,166</u>	<u>\$ 1,002,202</u>	<u>\$ (8,656,641)</u>	<u>\$ 276,667,727</u>

	December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Municipal securities	\$ 13,600,649	\$ 305	\$ (1,057,259)	\$ 12,543,695
U.S. Treasury securities	26,482,935	28,521	(78,174)	26,433,282
Agency securities	19,093,129	-	(1,256,703)	17,836,426
Mortgage-backed securities	203,091,551	80,348	(11,332,276)	191,839,623
Corporate securities	10,215,776	17,244	(562,812)	9,670,208
	<u>\$ 272,484,040</u>	<u>\$ 126,418</u>	<u>\$ (14,287,224)</u>	<u>\$ 258,323,234</u>

The Company did not have an allowance for credit losses on securities available-for-sale as of December 31, 2025 and 2024.

The amortized costs and fair values of investment securities at December 31, 2025, by contractual maturity, are shown below. Mortgage-backed securities are classified by their contractual maturity; however, expected maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Securities Available-for-sale	
	Amortized Cost	Estimated Fair Value
Due within one year	\$ 12,293,044	\$ 12,297,990
Due after one year but within five years	16,381,599	16,014,548
Due after five years but within ten years	15,223,725	14,031,194
Due after ten years	4,788,498	4,742,199
Mortgage-backed securities	<u>235,635,300</u>	<u>229,581,796</u>
Total	<u>\$ 284,322,166</u>	<u>\$ 276,667,727</u>

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 2. Investment Securities, Continued

There were no securities sold in 2025 or 2024. Investment securities with carrying values of approximately \$84.9 million and \$77.1 million at December 31, 2025 and 2024, respectively, were pledged to secure public funds on deposit, for other purposes as required by law, and advances through the FHLB.

The following table shows the gross unrealized losses and estimated fair value of available-for-sale securities for which an allowance for credit losses has not been recorded aggregated by category and length of time that securities have been in a continuous unrealized loss position at December 31, 2025 and December 31, 2024.

	December 31, 2025					
	Less Than Twelve Months		Twelve Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Municipal securities	\$ 541,536	\$ (3,649)	\$ 11,538,545	\$ (569,758)	\$ 12,080,081	\$ (573,407)
Agency securities	2,369,003	(1,422)	13,598,830	(808,245)	15,967,833	(809,667)
Mortgage-backed securities	45,198,832	(366,070)	102,513,613	(6,521,690)	147,712,445	(6,887,760)
Corporate securities	-	-	4,215,919	(385,807)	4,215,919	(385,807)
	<u>\$ 48,109,371</u>	<u>\$ (371,141)</u>	<u>\$131,866,907</u>	<u>\$ (8,285,500)</u>	<u>\$179,976,278</u>	<u>\$ (8,656,641)</u>

	December 31, 2024					
	Less Than Twelve Months		Twelve Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Municipal securities	\$ 367,212	\$ (710)	\$ 11,621,179	\$ (1,056,549)	\$ 11,988,391	\$ (1,057,259)
U.S. Treasury securities	-	-	14,905,469	(78,174)	14,905,469	(78,174)
Agency securities	5,653,590	(15,496)	12,182,836	(1,241,207)	17,836,426	(1,256,703)
Mortgage-backed securities	100,859,713	(1,961,346)	74,595,926	(9,370,930)	175,455,639	(11,332,276)
Corporate securities	2,562,459	(1,838)	4,171,379	(560,974)	6,733,838	(562,812)
	<u>\$109,442,974</u>	<u>\$ (1,979,390)</u>	<u>\$117,476,789</u>	<u>\$ (12,307,834)</u>	<u>\$226,919,763</u>	<u>\$ (14,287,224)</u>

Unrealized losses on the available-for-sale portfolio have not been recognized into income because the issuer(s) of bonds are of high credit quality (rated AA or higher), management does not intend to sell and it is likely that management will not be required to sell the securities prior to their anticipated recovery, and the decline in fair value is largely due to changes in interest rates and other market conditions. The issuers continue to make timely principal and interest payments on the bonds. The fair value is expected to recover as the bonds approach maturity. Three corporate securities, fourteen municipal securities, seven agency securities, and thirty-eight private label mortgage-backed securities have unrealized losses as of December 31, 2025.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 2. Investment Securities, Continued

The Company uses prices from third party pricing services and, to a lesser extent, indicative (non-binding) quotes from third party brokers, to measure fair value of our investment securities. Fair values of the investment securities portfolio could decline in the future if the underlying performance of the collateral for collateralized mortgage obligations or other securities deteriorates, and the levels do not provide sufficient protection for contractual principal and interest. As a result, there is risk that future credit loss may occur in the future.

The Company's investment portfolio consists principally of obligations of the United States, its agencies or its corporations and general obligation and revenue municipal securities. In the opinion of management, there is no concentration of credit risk in its investment portfolio. The Company places its deposits and correspondent accounts with and sells its federal funds to high quality institutions. Management does not believe credit risk associated with correspondent accounts to be significant.

Note 3. Loans Receivable and Allowance for Credit Losses

The major classification of loans receivable are summarized as follows at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Commercial, financial and agricultural	\$ 101,078,193	\$ 106,527,205
Construction and development	31,590,364	43,752,545
Residential first mortgages	70,925,815	82,324,733
HELOCs and equity	6,505,936	7,503,075
Commercial real estate	157,731,676	160,954,976
Consumer and other	<u>21,021,545</u>	<u>17,133,020</u>
	388,853,529	418,195,554
Allowance for credit losses	<u>(8,734,753)</u>	<u>(10,636,747)</u>
Total loans	<u>\$ 380,118,776</u>	<u>\$ 407,558,807</u>

As of December 31, 2025 and 2024, the balance of overdrafts was approximately \$82,000 and \$341,000, respectively. Overdrafts are reclassified to the Consumer and other loan segment above.

Concentrations - The Company's concentrations of credit risk are as follows:

A substantial portion of the Company's loan portfolio is collateralized by real estate in the metropolitan Atlanta and Birmingham markets. Accordingly, the ultimate collectability of a substantial portion of the Company's loan portfolio is susceptible to changes in market conditions in the metropolitan Atlanta and Birmingham areas.

- The Company's loans to area churches were approximately \$40.6 million and \$47.8 million at December 31, 2025 and 2024, respectively, which are generally secured by real estate.
- The Company's loans to area hotels were approximately \$25.6 million and \$20.7 million at December 31, 2025 and 2024, respectively, which are generally secured by real estate.
- The Company's loans to area office buildings were approximately \$27.0 million and \$25.9 million at December 31, 2025 and 2024, respectively, which are generally secured by real estate.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 3. Loans Receivable and Allowance for Credit Losses, Continued

The following is an aging analysis of the Company's loan portfolio at December 31, 2025 and 2024:

December 31, 2025						
	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due and Still Accruing	Nonaccrual	Current	Total Loans Receivable
Commercial, financial and agricultural	\$ 118,196	\$ 106,277	\$ 107,091	\$ 4,687,369	\$ 96,059,260	\$ 101,078,193
Construction and development	-	-	-	-	31,590,364	31,590,364
Residential first mortgages	345,266	121,743	-	1,381,392	69,077,414	70,925,815
HELOCs and equity	-	34,496	-	409,926	6,061,514	6,505,936
Commercial real estate	1,623,970	24,285	-	841,662	155,241,759	157,731,676
Consumer and other	119,861	16,720	67,495	101,991	20,715,478	21,021,545
	<u>\$ 2,207,293</u>	<u>\$ 303,521</u>	<u>\$ 174,586</u>	<u>\$ 7,422,340</u>	<u>\$ 380,369,759</u>	<u>\$ 388,853,529</u>

December 31, 2024						
	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due and Still Accruing	Nonaccrual	Current	Total Loans Receivable
Commercial, financial and agricultural	\$ 101,689	\$ 29,983	\$ 2,784	\$ 6,256,716	\$ 100,136,033	\$ 106,527,205
Construction and development	-	-	-	130,621	43,621,924	43,752,545
Residential first mortgages	829,177	262,762	-	2,422,569	78,810,225	82,324,733
HELOCs and equity	-	72,382	-	179,547	7,251,146	7,503,075
Commercial real estate	129,643	-	-	3,264,106	157,561,227	160,954,976
Consumer and other	78,949	38,452	37,441	82,259	16,895,919	17,133,020
	<u>\$ 1,139,458</u>	<u>\$ 403,579</u>	<u>\$ 40,225</u>	<u>\$ 12,335,818</u>	<u>\$ 404,276,474</u>	<u>\$ 418,195,554</u>

Each of our portfolio segments and the classes within those segments are subject to risks that could have an adverse impact on the credit quality of our loan portfolio. Management has identified the most significant risks as described below which are generally similar among our segments and classes. While the list is not exhaustive, it provides a description of the risks that management has determined are the most significant.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 3. Loans Receivable and Allowance for Credit Losses, Continued

Commercial, financial and agricultural loans - We centrally underwrite each of our commercial loans based primarily upon the customer's ability to generate the required cash flow to service the debt in accordance with the contractual terms and conditions of the loan agreement. We endeavor to gain a complete understanding of our borrower's businesses including the experience and background of the principals. To the extent that the loan is secured by collateral, which is a predominant feature of the majority of our commercial loans, we gain an understanding of the likely value of the collateral and what level of strength the collateral brings to the loan transaction. To the extent that the principals or other parties provide personal guarantees, we analyze the relative financial strength and liquidity of each guarantor. Common risks to each class of commercial loans include risks that are not specific to individual transactions such as general economic conditions within our markets, as well as risks that are specific to each transaction including demand for products and services, personal events such as disability or change in marital status, and reductions in the value of our collateral. Due to the concentration of loans in the metro Atlanta and Birmingham areas, we are susceptible to changes in market and economic conditions of these areas.

Construction and development - Real estate construction loans are highly dependent on the supply and demand for residential and commercial real estate in the markets we serve as well as the demand for newly constructed commercial space and residential homes and lots that our customers are developing. Continuing deterioration in demand could result in significant decreases in the underlying collateral values and make repayment of the outstanding loans more difficult for our customers. Real estate construction loans can experience delays in completion and cost overruns that exceed the borrower's financial ability to complete the project.

Residential first mortgages - Real estate residential loans are to individuals and are secured by 1-4 family residential property. Significant and rapid declines in real estate values can result in residential mortgage loan borrowers having debt levels in excess of the current market value of the collateral.

HELOCs and equity - This portfolio consists of revolving lines of credit secured by a 1-4 family residence and loans secured by 1-4 family residences where the lien is in a junior position.

Commercial real estate - Real estate commercial loans consist of loans secured by multifamily housing, commercial non-owner and owner occupied and other commercial real estate loans. The primary risk associated with multifamily loans is the ability of the income-producing property that collateralizes the loan to produce adequate cash flow to service the debt. High unemployment or generally weak economic conditions may result in our customer having to provide rental rate concessions to achieve adequate occupancy rates. Commercial owner-occupied and other commercial real estate loans are primarily dependent on the ability of our customers to achieve business results consistent with those projected at loan origination resulting in cash flow sufficient to service the debt. To the extent that a customer's business results are significantly unfavorable versus the original projections, the ability for our loan to be serviced on a basis consistent with the contractual terms may be at risk. These loans are primarily secured by real property and can include other collateral such as personal guarantees, personal property, or business assets such as inventory or accounts receivable. As such, it is possible that the liquidation of the collateral will not fully satisfy the obligation. Also, due to the concentration of loans in the metro Atlanta and Birmingham areas, we are susceptible to changes in market and economic conditions of these areas.

Consumer and other - The installment loan portfolio includes loans secured by personal property such as automobiles, marketable securities, other titled recreational vehicles and motorcycles, as well as unsecured consumer debt. The value of underlying collateral within this class is especially volatile due to potential rapid depreciation in values since date of loan origination in excess of principal repayment.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 3. Loans Receivable and Allowance for Credit Losses, Continued

Risk categories - The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. Loans classified as substandard or special mention are reviewed quarterly by the Company for further deterioration or improvement to determine if appropriately classified and individually evaluated, if necessary. All other loan relationships greater than \$750,000 are reviewed at least annually to determine the appropriate loan grading. In addition, during the renewal process of any loan, as well as if a loan becomes past due, the Company will evaluate the loan grade.

Loans excluded from the scope of the annual review process above are generally classified as pass credits until:

(a) they become past due; (b) management becomes aware of deterioration in the creditworthiness of the borrower; or (c) the customer contacts the Company for a modification. In these circumstances, the loan is specifically evaluated for potential classification as to special mention, substandard, or charged off. The Company uses the following definitions for risk ratings:

Pass: Loans considered pass are not past due and are not exhibiting any deterioration in the credit worthiness of the borrower.

Special Mention: Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Classified: Classified loans are rated substandard or doubtful on the Company's risk rating methodology and are defined as follows:

- **Substandard:** Loans classified as substandard are inadequately protected by the current net worth and payment capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.
- **Doubtful:** Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 3. Loans Receivable and Allowance for Credit Losses, Continued

The following table presents the Company's recorded investment in loans by credit quality indicators by year of origination as of December 31, 2025 (in thousands).

	Term Loans by Year of Origination				Revolving	Total
	2025	2024	2023	Prior		
Commercial, financial and agricultural						
Pass	\$ 31,670	\$ 26,829	\$ 16,922	\$ 12,916	\$ 6,107	\$ 94,444
Special Mention	173	1,420	4,112	10	226	5,941
Classified	146	125	254	35	133	693
Total commercial, financial and agricultural	<u>\$ 31,989</u>	<u>\$ 28,374</u>	<u>\$ 21,288</u>	<u>\$ 12,961</u>	<u>\$ 6,466</u>	<u>\$101,078</u>
Current period gross write-offs	\$ 6,091	\$ -	\$ 5	\$ 83	\$ -	\$ 6,179
Construction and development						
Pass	\$ 2,800	\$ 12,316	\$ 9,105	\$ 1,739	\$ 1,419	\$ 27,379
Special Mention	-	3,820	-	-	-	3,820
Classified	-	-	391	-	-	391
Total construction and development	<u>\$ 2,800</u>	<u>\$ 16,136</u>	<u>\$ 9,496</u>	<u>\$ 1,739</u>	<u>\$ 1,419</u>	<u>\$ 31,590</u>
Current period gross write-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential first mortgages						
Pass	\$ 5,781	\$ 18,234	\$ 1,027	\$ 41,748	\$ 221	\$ 67,011
Special Mention	234	112	1,061	1,282	96	2,785
Classified	690	-	-	282	158	1,130
Total residential first mortgages	<u>\$ 6,705</u>	<u>\$ 18,346</u>	<u>\$ 2,088</u>	<u>\$ 43,312</u>	<u>\$ 475</u>	<u>\$ 70,926</u>
Current period gross write-offs	\$ 24	\$ -	\$ -	\$ -	\$ -	\$ 24
HELOCs and equity						
Pass	\$ 168	\$ 538	\$ 100	\$ 82	\$ 4,900	\$ 5,788
Special Mention	276	-	16	-	152	444
Classified	-	-	37	-	237	274
Total HELOCs and equity	<u>\$ 444</u>	<u>\$ 538</u>	<u>\$ 153</u>	<u>\$ 82</u>	<u>\$ 5,289</u>	<u>\$ 6,506</u>
Current period gross write-offs	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 1
Commercial real estate						
Pass	\$ 10,970	\$ 22,924	\$ 33,046	\$ 48,369	\$ 2,582	\$117,891
Special Mention	9,086	2,156	6,062	18,879	510	36,693
Classified	1,611	47	805	606	79	3,148
Total commercial real estate	<u>\$ 21,667</u>	<u>\$ 25,127</u>	<u>\$ 39,913</u>	<u>\$ 67,854</u>	<u>\$ 3,171</u>	<u>\$157,732</u>
Current period gross write-offs	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ 34
Consumer and other						
Pass	\$ 8,316	\$ 6,016	\$ 3,565	\$ 477	\$ 2,226	\$ 20,600
Special Mention	8	1	60	86	9	164
Classified	23	-	40	15	180	258
Total consumer and other	<u>\$ 8,347</u>	<u>\$ 6,017</u>	<u>\$ 3,665</u>	<u>\$ 578</u>	<u>\$ 2,415</u>	<u>\$ 21,022</u>
Current period gross write-offs	\$ 251	\$ 49	\$ 10	\$ -	\$ -	\$ 310

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 3. Loans Receivable and Allowance for Credit Losses, Continued

The following table presents the Company's recorded investment in loans by credit quality indicators by year of origination as of December 31, 2024 (in thousands).

	Term Loans by Year of Origination				Revolving	Total
	2024	2023	2022	Prior		
Commercial, financial and agricultural						
Pass	\$ 46,392	\$ 19,396	\$ 13,947	\$ 7,620	\$ 8,246	\$ 95,601
Special Mention	20	4,207	-	8	243	4,478
Classified	118	6,283	18	29	-	6,448
Total commercial, financial and agricultural	<u>\$ 46,530</u>	<u>\$ 29,886</u>	<u>\$ 13,965</u>	<u>\$ 7,657</u>	<u>\$ 8,489</u>	<u>\$106,527</u>
Current period gross write-offs	\$ -	\$ 5	\$ 80	\$ 27	\$ -	\$ 112
Construction and development						
Pass	\$ 1,297	\$ 22,823	\$ 13,490	\$ 4,390	\$ 1,104	\$ 43,104
Special Mention	-	-	-	-	-	-
Classified	518	-	-	131	-	649
Total construction and development	<u>\$ 1,815</u>	<u>\$ 22,823</u>	<u>\$ 13,490</u>	<u>\$ 4,521</u>	<u>\$ 1,104</u>	<u>\$ 43,753</u>
Current period gross write-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential first mortgages						
Pass	\$ 27,369	\$ 1,437	\$ 4,916	\$ 41,641	\$ 1,974	\$ 77,337
Special Mention	675	638	246	733	-	2,292
Classified	2,168	173	-	54	301	2,696
Total residential first mortgages	<u>\$ 30,212</u>	<u>\$ 2,248</u>	<u>\$ 5,162</u>	<u>\$ 42,428</u>	<u>\$ 2,275</u>	<u>\$ 82,325</u>
Current period gross write-offs	\$ -	\$ -	\$ -	\$ 40	\$ -	\$ 40
HELOCs and equity						
Pass	\$ 601	\$ 400	\$ 37	\$ 113	\$ 5,969	\$ 7,120
Special Mention	-	-	-	-	120	120
Classified	-	44	-	5	214	263
Total HELOCs and equity	<u>\$ 601</u>	<u>\$ 444</u>	<u>\$ 37</u>	<u>\$ 118</u>	<u>\$ 6,303</u>	<u>\$ 7,503</u>
Current period gross write-offs	\$ -	\$ -	\$ -	\$ -	\$ 13	\$ 13
Commercial real estate						
Pass	\$ 24,049	\$ 28,880	\$ 28,278	\$ 34,772	\$ 5,098	\$121,077
Special Mention	5,643	4,606	11,285	11,040	107	32,681
Classified	2,417	1,267	981	2,269	263	7,197
Total commercial real estate	<u>\$ 32,109</u>	<u>\$ 34,753</u>	<u>\$ 40,544</u>	<u>\$ 48,081</u>	<u>\$ 5,468</u>	<u>\$160,955</u>
Current period gross write-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consumer and other						
Pass	\$ 8,346	\$ 4,725	\$ 626	\$ 313	\$ 2,817	\$ 16,827
Special Mention	6	66	66	45	-	183
Classified	42	25	-	16	40	123
Total consumer and other	<u>\$ 8,394</u>	<u>\$ 4,816</u>	<u>\$ 692</u>	<u>\$ 374</u>	<u>\$ 2,857</u>	<u>\$ 17,133</u>
Current period gross write-offs	\$ 49	\$ 10	\$ -	\$ 30	\$ 238	\$ 327

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 3. Loans Receivable and Allowance for Credit Losses, Continued

The following table is a summary of the Company's nonaccrual loans by major categories for the periods indicated.

	<u>December 31, 2025</u>		
	<u>Nonaccrual Loans with no Allowance</u>	<u>Nonaccrual Loans with an Allowance</u>	<u>Total Nonaccrual Loans</u>
Commercial, financial and agricultural	\$ 312,125	\$ 4,375,244	\$ 4,687,369
Residential first mortgages	1,381,392	-	1,381,392
HELOCs and equity	409,926	-	409,926
Commercial real estate	841,662	-	841,662
Consumer and other	101,991	-	101,991
Total	<u>\$ 3,047,096</u>	<u>\$ 4,375,244</u>	<u>\$ 7,422,340</u>
	<u>December 31, 2024</u>		
	<u>Nonaccrual Loans with no Allowance</u>	<u>Nonaccrual Loans with an Allowance</u>	<u>Total Nonaccrual Loans</u>
Commercial, financial and agricultural	\$ 308,316	\$ 5,948,400	\$ 6,256,716
Construction and development	-	130,621	130,621
Residential first mortgages	2,181,377	241,192	2,422,569
HELOCs and equity	179,547	-	179,547
Commercial real estate	3,144,106	120,000	3,264,106
Consumer and other	82,259	-	82,259
Total	<u>\$ 5,895,605</u>	<u>\$ 6,440,213</u>	<u>\$ 12,335,818</u>

The Company did not recognize any interest income on nonaccrual loans during the year ended December 31, 2025, while \$51,000 was recognized during the year ended December 31, 2024. The Company has made certain loans where the interest is prepaid by the guarantor. When the loan is placed on non-accrual status, the prepaid interest is recognized, and the guarantor pays the principal. The Company has determined that nonaccrual loans that are capable of repayment or are below the threshold for individual evaluation per company policy are excluded from individual evaluation unless it is determined that these loans exhibit risk characteristics that differ from those of the collective loan pool.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 3. Loans Receivable and Allowance for Credit Losses, Continued

The following table represents the accrued interest receivables written off by reversing interest income during the years ended December 31, 2025 and 2024.

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Commercial, financial and agricultural	\$ 106,307	\$ 16,235
Construction and development	-	2,176
Residential first mortgages	48,372	42,142
HELOCs and equity	20,647	7,503
Commercial real estate	94,119	105,218
Consumer and other	<u>3,050</u>	<u>3,517</u>
Total loans	<u>\$ 272,495</u>	<u>\$ 176,791</u>

Collateral dependent loans:

The Company has certain loans for which repayment is dependent upon the operation or sale of collateral, as the borrower is experiencing financial difficulty. The underlying collateral can vary based upon the type of loan. The following provides more detail about the types of collateral that secure collateral-dependent loans:

Commercial real estate loans can be secured by either owner-occupied commercial real estate or non-owner-occupied investment commercial real estate. Typically, owner-occupied commercial real estate loans are secured by office buildings, warehouses, manufacturing facilities and other commercial and industrial properties occupied by operating companies. Non-owner-occupied commercial real estate loans are generally secured by office buildings and complexes, retail facilities, multifamily complexes, land under development, industrial properties, as well as other commercial or industrial real estate. Residential real estate loans are typically secured by first mortgages, and in some cases could be secured by a second mortgage. Home equity lines of credit are generally secured by second mortgages on residential real estate property. Consumer loans are generally secured by automobiles, motorcycles, recreational vehicles and other personal property. Some consumer loans are unsecured and have no underlying collateral.

The following table details the amortized cost of collateral dependent loans.

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Commercial, financial and agricultural	\$ 4,786,541	\$ 10,389,152
Construction and development	390,485	648,269
Residential first mortgages	950,120	2,722,179
HELOCs and equity	410,107	173,844
Commercial real estate	4,505,507	6,860,491
Consumer and other	<u>29,129</u>	<u>14,547</u>
Total loans	<u>\$ 11,071,889</u>	<u>\$ 20,808,482</u>

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 3. Loans Receivable and Allowance for Credit Losses, Continued

Collateral dependent loans, continued:

The Company designates individually evaluated loans on nonaccrual status as collateral-dependent loans, as well as other loans that management of the Company designates as having higher risk. Collateral-dependent loans are loans for which the repayment is expected to be provided substantially through the operation or sale of the collateral and the borrower is experiencing financial difficulty. These loans do not share common risk characteristics and are not included within the collectively evaluated loans for determining the allowance for credit losses. Under CECL, for collateral-dependent loans, the Company has adopted the practical expedient to measure the allowance for credit losses based on the fair value of collateral. The allowance for credit losses is calculated on an individual loan basis based on the shortfall between the fair value of the loan's collateral, which is adjusted for liquidation costs/discounts, and amortized cost. If the fair value of the collateral exceeds the amortized cost, no allowance is required.

Reserves associated with collateral-dependent loans were \$4.3 million and \$5.9 million as of December 31, 2025 and 2024, respectively.

The following table summarizes the activity related to the allowance for credit losses for the year ended December 31, 2025 (in thousands).

Allowance for credit losses:	Commercial, financial and agricultural	Construction and development	Residential first mortgages	HELOC's and equity	Commercial real estate	Consumer and other	Total
Balance, December 31, 2024 \$	6,772	\$ 1,030	\$ 727	\$ 22	\$ 1,760	\$ 326	\$ 10,637
Charge-offs	(6,179)	-	(24)	(1)	(34)	(310)	(6,548)
Recoveries	1,012	-	-	-	37	79	1,128
Provision for credit losses	3,149	-	24	1	34	310	3,518
Balance, December 31, 2025 \$	<u>4,754</u>	<u>\$ 1,030</u>	<u>\$ 727</u>	<u>\$ 22</u>	<u>\$ 1,797</u>	<u>\$ 405</u>	<u>\$ 8,735</u>

The following table summarizes the activity related to the allowance for credit losses for the year ended December 31, 2024 (in thousands).

Allowance for credit losses:	Commercial, financial and agricultural	Construction and development	Residential first mortgages	HELOC's and equity	Commercial real estate	Consumer and other	Total
Balance, December 31, 2023 \$	3,791	\$ 1,030	\$ 723	\$ 28	\$ 1,762	\$ 234	\$ 7,568
Charge-offs	(112)	-	(40)	(13)	-	(327)	(492)
Recoveries	-	-	27	34	6	18	85
Provision for credit losses	3,093	-	17	(27)	(8)	402	3,476
Balance, December 31, 2024 \$	<u>6,772</u>	<u>\$ 1,030</u>	<u>\$ 727</u>	<u>\$ 22</u>	<u>\$ 1,760</u>	<u>\$ 326</u>	<u>\$ 10,637</u>

Modifications made to borrowers experiencing financial difficulty:

The allowance for credit losses incorporates an estimate of lifetime expected credit losses and is recorded on each asset upon asset origination or acquisition. The starting point for the estimate of the allowance for credit losses is historical loss information, which includes losses from modifications of receivables to borrowers experiencing financial difficulty. An assessment of whether a borrower is experiencing financial difficulty is made on the date of a modification.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 3. Loans Receivable and Allowance for Credit Losses, Continued

Modifications made to borrowers experiencing financial difficulty, continued:

Because the effect of most modifications made to borrowers experiencing financial difficulty is already included in the allowance for credit losses because of the measurement methodologies used to estimate the allowance, a change to the allowance for credit losses is generally not recorded upon modification. Occasionally, the Company modifies loans by providing principal forgiveness on certain of its real estate loans. When principal forgiveness is provided, the amortized cost basis of the asset is written off against the allowance for credit losses. The amount of the principal forgiveness is deemed to be uncollectible; therefore, that portion of the loan is written off, resulting in a reduction of the amortized cost basis and a corresponding adjustment to the allowance for credit losses.

In some cases, the Company will modify a certain loan by providing multiple types of concessions. Typically, one type of concession, such as a term extension, is granted initially. If the borrower continues to experience financial difficulty, another concession, such as principal forgiveness, may be granted. For the real estate loans included in the "combination" columns below, multiple types of modifications have been made on the same loan within the current reporting period. The combination is at least two of the following: a term extension, and interest rate reduction. No modifications involved principal forgiveness.

The following tables show the amortized cost basis of the loans modified to borrowers experiencing financial difficulty, disaggregated by class of loans and type of concession granted and describes the financial effect of the modifications made to borrowers experiencing financial difficulty as of December 31, 2025:

	Amortized Cost Basis	% of Total Loan Type	Interest Rate Reduction
			Financial Effect
Commercial, financial and agriculture	\$ 118,159	0.11%	Reduced weighted average contractual interest rate from 8.75% to 3.00%
Consumer and other	<u>30,794</u>	0.15%	
Total	<u>\$ 148,953</u>		

	Amortized Cost Basis	% of Total Loan Type	Combination - Term Extension and Interest Rate Reduction
			Financial Effect
HELOCs and equity	\$ 317,774	4.88%	Added weighted-average 12 months to life of loans Reduced weighted-average contractual interest rate from 8.50% to 3.00%
Commercial real estate	<u>2,111,760</u>	1.34%	
Total	<u>\$ 2,429,534</u>		

The Company did not commit to lend additional amounts to the borrowers included in the previous tables.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 3. Loans Receivable and Allowance for Credit Losses, Continued

Modifications made to borrowers experiencing financial difficulty, continued:

The Company closely monitors the performance of the loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table depicts the performance of loans that have been modified during the year ended December 31, 2025:

	<u>Payment Status (Amortized Cost Basis)</u>		
	<u>Current</u>	<u>30-89 Days Past Due</u>	<u>90+ Days Past Due</u>
Commercial, financial and agriculture	\$ 118,159	\$ -	\$ -
HELOC & equity	265,627	52,147	-
Commercial real estate	2,111,760	-	-
Consumer and other	30,794	-	-
Total	<u>\$ 2,526,340</u>	<u>\$ 52,147</u>	<u>\$ -</u>

The following tables show the amortized cost basis of the loans modified to borrowers experiencing financial difficulty, disaggregated by class of loans and type of concession granted and describes the financial effect of the modifications made to borrowers experiencing financial difficulty as of December 31, 2024:

	<u>Amortized Cost Basis</u>	<u>% of Total Loan Type</u>	<u>Interest Rate Reduction</u>
			<u>Financial Effect</u>
Commercial real estate	<u>\$ 104,001</u>	0.07%	Reduced weighted average contractual interest rate from 8.00% to 2.00%
Total	<u>\$ 104,001</u>		

	<u>Amortized Cost Basis</u>	<u>% of Total Loan Type</u>	<u>Combination - Term Extension and Interest Rate Reduction</u>
			<u>Financial Effect</u>
Residential first mortgages	<u>\$ 1,953,520</u>	2.4%	Added weighted-average 14 months to life of loans. Reduced weighted-average contractual interest rate from 8.50% to 5.00%.
Total	<u>\$ 1,953,520</u>		

The Company did not commit to lend additional amounts to the borrowers included in the previous tables.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 3. Loans Receivable and Allowance for Credit Losses, Continued

Modifications made to borrowers experiencing financial difficulty, continued:

The Company closely monitors the performance of the loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table depicts the performance of loans that have been modified during the year ended December 31, 2024:

	<u>Payment Status (Amortized Cost Basis)</u>		
	<u>Current</u>	<u>30-89 Days Past Due</u>	<u>90+ Days Past Due</u>
Residential first mortgages	\$ 1,953,520	\$ -	\$ -
Commercial real estate	104,001	-	-
Total	<u>\$ 2,057,521</u>	<u>\$ -</u>	<u>\$ -</u>

Unfunded commitments:

The Company maintains an allowance for off-balance sheet credit exposures such as unfunded balances for existing lines of credit, commitments to extend future credit, as well as both standby and commercial letters of credit when there is a contractual obligation to extend credit and when this extension of credit is not unconditionally cancellable (i.e., the commitment cannot be canceled at any time). The allowance for off-balance sheet credit exposures is adjusted as a provision for credit loss expense. The estimate includes consideration of the likelihood that funding will occur, which is based on a historical funding study derived from internal information, and an estimate of expected credit losses on commitments expected to be funded over its estimated life, which are the same loss rates that are used in computing the allowance for credit losses on loans and are discussed in Note 3. The allowance for credit losses for unfunded loan commitments of approximately \$407,000 at December 31, 2025 and December 31, 2024, is separately classified on the Consolidated Balance Sheet as Other Liabilities.

The following table presents the balance and activity in the allowance for credit losses for unfunded loan commitments as of December 31, 2025 and 2024:

	<u>Total Allowance for Credit Losses – Unfunded Commitments</u>	
	<u>2025</u>	<u>2024</u>
Balance, beginning of period	\$ 406,525	\$ 406,525
Provision for unfunded commitments	-	-
Balance, end of period	<u>\$ 406,525</u>	<u>\$ 406,525</u>

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 4. Premises and Equipment

Premises and equipment consisted of the following at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Land	\$ 2,212,250	\$ 2,212,250
Buildings and improvements	9,241,698	9,250,697
Furniture and equipment	<u>10,819,450</u>	<u>10,851,020</u>
Total	22,273,398	22,313,967
Less accumulated depreciation	<u>(17,181,243)</u>	<u>(16,599,692)</u>
Premises and equipment, net	<u>\$ 5,092,155</u>	<u>\$ 5,714,275</u>

Depreciation expense for the years ended December 31, 2025, and 2024, was approximately \$635,000 and \$659,000, respectively. In 2025, certain land improvements along with an easement were sold for a gain of \$448,000.

Note 5. Deposits

The following is a summary of interest-bearing deposits at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
NOW and money market accounts	\$ 223,142,415	\$ 195,145,748
Savings accounts	59,579,060	61,536,626
Time deposits of \$250,000 or more	10,054,835	11,246,674
Other time deposits	<u>104,967,382</u>	<u>103,440,945</u>
	<u>\$ 397,743,692</u>	<u>\$ 371,369,993</u>

As of December 31, 2025, the Bank had two deposit relationships that accounted for approximately 11.4% of total deposits. At December 31, 2024, the Bank had two deposit relationships, which comprised approximately 11.2% of total deposits.

The Company participates in the Certificate of Deposit Account Registry Services (CDARS), a program that allows its customers to benefit from FDIC insurance coverage on their time deposits in excess of the \$250,000 limit. The Company had approximately \$80,033,000 and \$77,962,000 in CDARS deposits at December 31, 2025 and 2024, respectively.

At December 31, 2025, the scheduled maturities of time deposits were as follows:

2026	\$106,101,160
2027	4,154,401
2028	2,396,133
2029	1,409,509
2030 and after	<u>961,014</u>
	<u>\$115,022,217</u>

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 6. Borrowings

Federal Home Loan Bank Advances:

In August 2006, the Company received an Affordable Housing Program Award (AHP) for \$400,000. The AHP is a principal reducing credit with an interest rate of 0% and had a remaining balance of approximately \$18,000 and \$42,000 at December 31, 2025 and 2024, respectively. These advances are collateralized by FHLB stock, a blanket lien on the residential first mortgages, certain commercial real estate loans, and investment securities. As of December 31, 2025 and 2024, total loans pledged to FHLB as collateral were approximately \$107.0 and \$93.4 million, respectively.

As of December 31, 2025 and 2024, maturities of the Company's Federal Home Loan Bank advances are as follows:

<u>Maturity</u>	<u>Rate</u>	<u>2025</u>	<u>2024</u>
August 2026 ⁽¹⁾	0.00%	\$ 18,061	\$ 41,725
		<u>\$ 18,061</u>	<u>\$ 41,725</u>

(1) This advance is an AHP award used to subsidize loans for homeownership or rental initiatives. The AHP is a principal reducing credit, scheduled to mature on August 17, 2026, with an interest rate of zero.

At December 31, 2025, the Company had a \$230.2 million line of credit facility with the FHLB, of which \$36.0 million was used for advances of \$18,000 and a letter of credit to secure public deposits in the amount of \$36.0 million. The Company also had \$93.5 million of borrowing capacity at the Federal Reserve Bank discount window, collateralized by commercial real estate and consumer loans. As of December 31, 2025, and 2024, total pledged loans to the Federal Reserve Bank were approximately \$121.2 million and \$130.1 million, respectively. Additionally, as of December 31, 2025, and 2024, the Company had an unsecured federal funds line of credit of \$9.0 million.

Note 7. Income Taxes

Income tax expense is summarized as follows for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Current tax expense		
Federal	\$ 2,327,265	\$ 3,736,903
State	<u>237,263</u>	<u>727,776</u>
	<u>2,564,528</u>	<u>4,464,679</u>
Deferred tax benefit		
Federal	498,000	(455,050)
State	<u>120,196</u>	<u>(163,146)</u>
	<u>618,196</u>	<u>(618,196)</u>
Total income tax expense	<u>\$ 3,182,724</u>	<u>\$ 3,846,483</u>

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 7. Income Taxes, Continued

A reconciliation between the income tax expense and the amount computed by applying the Federal statutory rate of 21% for the years ended December 31, 2025 and 2024 to income before income taxes follows:

	For the year ended December 31,			
	2025		2024	
	Amount	Percent	Amount	Percent
Tax expense at statutory rate	\$ 2,891,373	21.00%	\$ 3,512,024	21.00%
State income taxes, net of federal benefit *	282,393	2.05%	446,058	2.67%
Nontaxable and nondeductible items:				
Tax exempt interest income, net of disallowed interest expense	(22,248)	(0.16)%	(27,535)	(0.16)%
Cash surrender value of life insurance income	(144,213)	(1.05)%	(92,892)	(0.56)%
Impact of tax rate change on deferred taxes	24,243	0.18%	26,830	0.16%
Other items, net	151,176	1.10%	(18,002)	(0.11)%
Total	\$ 3,182,724	23.12%	\$ 3,846,483	23.00%

* State taxes in Georgia make up the majority (greater than 50 percent) of the tax effect in this category.

The components of the net deferred tax asset is as follows as of December 31, 2025 and 2024:

	2025	2024
Deferred tax assets		
Net unrealized loss on securities available-for-sale	\$ 2,040,115	\$ 3,601,643
Allowance for credit losses	2,212,397	2,710,210
Unfunded commitments	102,200	103,257
Nonaccrual loan interest	133,104	84,333
Deferred compensation	1,650,885	1,621,614
Deferred revenue	1,487	4,693
Depreciation	10,809	7,376
Leases	34,368	52,791
Gross deferred tax assets	6,185,365	8,185,917
Deferred tax liabilities		
Deferred loan costs	352,494	458,180
Other	291,733	6,875
Gross deferred tax liabilities	644,227	465,055
Net deferred tax asset	\$ 5,541,138	\$ 7,720,862

Management currently considers it more likely than not that all related deferred tax assets will be realized; thus, no valuation allowance has been provided.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 7. Income Taxes, Continued

Income taxes paid (net of refunds received) were as follows:

	<u>2025</u>	<u>2024</u>
Income taxes paid (received)		
Federal taxes paid	\$ 3,140,000	\$ 3,880,000
State and city taxes paid		
Georgia	355,000	595,000
Other	123,000	112,000
Total state and city taxes paid	478,000	707,000
Total taxes paid (received)	<u>\$ 3,618,000</u>	<u>\$ 4,587,000</u>

Tax returns for 2022 and subsequent years are subject to examination by taxing authorities.

The Company believes that its income tax filing positions taken or expected to be taken in its tax returns will more likely than not be sustained upon audit by the taxing authorities and does not anticipate any adjustments that will result in a material adverse impact on the Company's financial condition, results of operations, or cash flow. Therefore, no reserves for uncertain income tax positions have been recorded.

Note 8. Employee Benefits

Defined contribution plan:

The Company sponsors a defined contribution 401(k) plan that covers nearly all full-time employees. Employee contributions are voluntary. The Company matches 50% of employee contributions, up to a maximum of 6% of compensation. During the years ended December 31, 2025, and 2024, the Company recognized approximately \$250,000 and \$242,000 in expenses related to this plan, respectively. Previously, the Company had Post Retirement Benefit Plans that provided retirement benefits to certain officers, board members, certain former officers, and former board members. The Bank also has a Life Insurance Endorsement Method Split Dollar Plan ("Split Dollar Life Insurance Plan") for the same participants, which provides death benefits to their designated beneficiaries by endorsing a portion of the death benefit otherwise payable to the Bank. Under the Post Retirement Benefit and Split Dollar Life Insurance Plans ("the Plans"), the Board purchased life insurance contracts on certain participants. During 2008, the Bank discontinued participation in The Plans and converted certain key officers and active board members into a defined Supplemental Retirement Benefit Plan (SERP) and certain key officers into a Life Insurance Bonus Plan ("the Bonus Plan"). Upon completion of the conversion, most key officers and active Board members who participated in the Split Dollar Life Insurance Plan surrendered their interest in the plan's death benefit portion.

For the SERP and the Post Retirement Benefit Plans, the Company recognized approximately \$557,000 and \$271,000 in noninterest expenses for the years ended December 31, 2025 and 2024, respectively. The Company recognized approximately \$687,000 and \$442,000 in noninterest income related to the insurance contracts for the years ended December 31, 2025 and 2024, respectively. For the Bonus Plan, the Company incurred approximately \$15,000 and \$53,000 in salaries and employee benefits expense for the years ended December 31, 2025 and 2024, respectively.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 8. Employee Benefits, Continued

Defined contribution plan, continued:

The increase in cash surrender value for the contracts of participants remaining in the Post Retirement Benefit Plan, minus the Bank's premiums, represents the Bank's annual contribution to the Post Retirement Benefit Plans. If the insurance contracts do not generate positive returns, the Bank has no obligation to contribute to the Post Retirement Benefit Plan. There were no new purchases of life insurance contracts during the year ending December 31, 2025. In contrast, the Company purchased \$9.0 million in additional life insurance contracts on certain participants during the year ended December 31, 2024. As of December 31, 2025 and 2024, the cash surrender value of these insurance contracts was approximately \$22.0 million and \$21.4 million, respectively.

Note 9. Commitments and Contingencies

Credit commitments and commercial letters:

The Company, in the normal course of business, is a party to financial instruments with off-balance sheet risk used to meet the financing needs of its customers. These financial instruments include commitments to extend credit and commercial letters of credit.

Commitments to extend credit are agreements to lend to a customer, provided there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, and residential and commercial real estate. Commercial letters of credit are commitments issued by the Company to guarantee funding to a third party on behalf of a customer. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets. The contract amounts of those instruments reflect the extent of the Company's involvement in particular classes of financial instruments.

The Company's exposure to credit loss if the other party defaults on commitments to extend credit and commercial letters of credit is indicated by the contractual amount of those instruments. The Company applies the same credit policies to commitments and conditional obligations related to off-balance sheet financial instruments as it does for the financial instruments recorded in the consolidated balance sheets.

	<u>2025</u>	<u>2024</u>
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit	\$ 48,353,852	\$ 65,285,735
Commercial letters of credit	\$ 23,755	\$ 23,755

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 9. Commitments and Contingencies, Continued

Leases:

As of December 31, 2025, the Company had an operating right-of-use (ROU) asset of \$635,000 and an operating lease liability of \$771,000. The lease for the Company's headquarters commenced on November 1, 2015, with a term of 12 years and 2 months. The lease requires monthly payments starting at \$26,291 for the first year, increasing by 3% per year thereafter. The Company received a twenty-month rental abatement as of the lease commencement. The liability amount was determined by calculating the present value of the annual cash lease payments at a 4.25% discount rate. As of December 31, 2025, future minimum lease payments under all noncancelable lease agreements, inclusive of sales tax and maintenance costs for the next five years are as follows:

2026	\$	415,344
2027		389,482
2028		-
Total undisclosed lease payments		804,826
Less: effect of discounting		33,443
Present value of estimated lease payments	\$	<u>771,383</u>

Rent expense in 2025 and 2024 was approximately \$334,000 and \$336,000, respectively, and was recorded in occupancy and equipment expense within the Consolidated Statements of Income.

Legal:

The Company is subject to claims and lawsuits which arise primarily in the ordinary course of business. Management is not aware of any legal proceedings, which would have a material adverse effect on the financial position or operating results of the Company.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 10. Net Income Per Common and Common Equivalent Share

Basic and diluted net income per common and potential common share has been calculated based on the weighted average number of shares outstanding. Nonvested restricted shares with only a vesting period as service requirement are considered to be dilutive for purposes of calculating diluted earnings per share below. The following schedule reconciles the numerators and denominator of the basic and diluted net income per common and potential common share for the years ended December 31, 2025 and 2024.

	<u>Year ended December 31, 2025</u>		
	<u>Net Income (Numerator)</u>	<u>Shares (Denominator)</u>	<u>Per Share Amount</u>
Basic earnings per share available to common stockholders	\$ 8,384,359	1,774,803	\$ 4.72
Effect of dilutive securities			
nonvested restricted common shares	-	62,998	0.16
Diluted earnings per share	<u>\$ 8,384,359</u>	<u>1,837,801</u>	<u>\$ 4.56</u>
	<u>Year ended December 31, 2024</u>		
	<u>Net Income (Numerator)</u>	<u>Shares (Denominator)</u>	<u>Per Share Amount</u>
Basic earnings per share available to common stockholders	\$ 11,607,906	1,794,859	\$ 6.47
Effect of dilutive securities			
nonvested restricted common shares	-	64,590	0.23
Diluted earnings per share	<u>\$ 11,607,906</u>	<u>1,859,449</u>	<u>\$ 6.24</u>

Note 11. Fair Value Measurements

Generally Accepted Accounting Principles (GAAP) provide a framework for measuring and disclosing fair value which requires disclosures about the fair value of assets and liabilities recognized in the balance sheet, whether the measurements are made on a recurring basis (for example, available-for-sale investment securities) or on a nonrecurring basis (for example, individually evaluated loans).

Fair value is defined as the exchange in price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 11. Fair Value Measurements, Continued

The Company utilizes fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Securities available-for-sale are recorded at fair value on a recurring basis. Additionally, from time to time, the Company may be required to record at fair value other assets on a nonrecurring basis, such as loans held for sale, loans held for investment and certain other assets. These nonrecurring fair value adjustments typically involve application of lower of cost or market accounting or write-downs of individual assets.

Fair value hierarchy:

The Company groups assets and liabilities at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine the fair value. These levels are:

- Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include the use of option pricing models, discounted cash flow models and similar techniques.

Following is a description of valuation methodologies used for assets and liabilities recorded at fair value.

Investment securities available-for-sale: Investment securities available-for-sale are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions and other factors such as credit loss assumptions. Level 1 securities include those traded on an active exchange such as the New York Stock Exchange. Level 2 securities include Treasury securities that are traded by dealers or brokers in active over-the-counter markets and money market funds, mortgage-backed securities issued by government sponsored entities, municipal bonds and corporate debt securities. Securities classified as Level 3 include asset-backed securities in less liquid markets.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 11. Fair Value Measurements, Continued

Individually evaluated loans: The Company does not record loans at fair value on a recurring basis, however, from time to time, a loan is considered individually evaluated and an allowance for credit loss is established. The fair value of individually evaluated loans is estimated using one of several methods, including the collateral value, market value of similar debt, enterprise value, liquidation value and discounted cash flows. Those individually evaluated loans not requiring a specific allowance represent loans for which the fair value of expected repayments or collateral exceed the recorded investment in such loans. Individually evaluated loans for which an allowance is established based on the fair value of collateral require classification in the fair value hierarchy. When the fair value of the collateral is based on an observable market price or a current appraised value, the Company records the loan as nonrecurring Level 2. When an appraised value is not available or management determines the fair value of the collateral is further impaired below the appraised value and there is no observable market price, the Company records the loan as nonrecurring Level 3.

Other real estate owned: Foreclosed assets are adjusted to fair value upon transfer of the loans to other real estate owned. Real estate acquired in settlement of loans is recorded initially at estimated fair value of the property less estimated selling costs at the date of foreclosure. The initial recorded value may be subsequently reduced by additional allowances, which are charges to earnings if the estimated fair value of the property less estimated selling costs declines below the initial recorded value. Fair value is based upon independent market prices, appraised values of the collateral or management's estimation of the value of the collateral. When the fair value of the collateral is based on an observable market price or a current appraised value, the Company records the foreclosed asset as nonrecurring Level 2. When an appraised value is not available or management determines the fair value of the collateral is further impaired below the appraised value and there is no observable market price, the Company records the foreclosed asset as nonrecurring Level 3.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 11. Fair Value Measurements, Continued

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy:

	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Recurring basis				
Securities available-for-sale				
Municipal securities	\$ 12,635,554	\$ -	\$ 12,635,554	\$ -
U.S. Treasury securities	8,526,192	-	8,526,192	-
Agency securities	15,967,833	-	15,967,833	-
Mortgage-backed securities	229,581,796	-	229,581,796	-
Corporate securities	<u>9,956,352</u>	-	<u>9,956,352</u>	-
Total	<u>\$ 276,667,727</u>	<u>\$ -</u>	<u>\$ 276,667,727</u>	<u>\$ -</u>
Nonrecurring basis				
Other real estate owned	\$ 830,531	\$ -	\$ -	\$ 830,531
Individually evaluated loans				
Commercial, financial and agricultural	457,157	-	-	457,157
Construction and development	390,485	-	-	390,485
Residential first mortgages	946,225	-	-	946,225
HELOCs and equity	410,107	-	-	410,107
Commercial real estate	4,505,507	-	-	4,505,507
Consumer and other	<u>29,129</u>	-	-	<u>29,129</u>
Total	<u>\$ 6,738,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,738,610</u>
December 31, 2024				
	Total	Level 1	Level 2	Level 3
Recurring basis				
Securities available-for-sale				
Municipal securities	\$ 12,543,695	\$ -	\$ 12,543,695	\$ -
U.S. Treasury securities	26,433,282	-	26,433,282	-
Agency securities	17,836,426	-	17,836,426	-
Mortgage-backed securities	191,839,623	-	191,839,623	-
Corporate securities	<u>9,670,208</u>	-	<u>9,670,208</u>	-
Total	<u>\$ 258,323,234</u>	<u>\$ -</u>	<u>\$ 258,323,234</u>	<u>\$ -</u>
Nonrecurring basis				
Other real estate owned	\$ 565,531	\$ -	\$ -	\$ 565,531
Individually evaluated loans				
Commercial, financial and agricultural	4,543,391	-	-	4,543,391
Construction and development	633,679	-	-	633,679
Residential first mortgages	2,651,255	-	-	2,651,255
HELOCs and equity	173,894	-	-	173,894
Commercial real estate	6,740,491	-	-	6,740,491
Consumer and other	<u>14,547</u>	-	-	<u>14,547</u>
Total	<u>\$ 14,757,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,757,257</u>

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 11. Fair Value Measurements, Continued

Following are disclosures of fair value information about financial instruments, whether or not recognized on the balance sheet, for which it is practicable to estimate that value. The assumptions used in the estimation of the fair values are based on estimates using discounted cash flows and other valuation techniques. The use of discounted cash flows can be significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. The following disclosures should not be considered an estimate of the liquidation value of the Company, but rather a good-faith estimate of the increase or decrease in the value of financial instruments held by the Company since purchase, origination, or issuance.

Cash, Due from Banks, Federal Funds Sold, Interest-Bearing Deposits with Banks and Certificates of Deposits - Fair value equals the carrying value of such assets due to their nature and is classified as Level 1.

Investment Securities - Fair value of investment securities is based on quoted market prices and is classified as Level 2.

Other Investments - The carrying amount of other investments approximates its fair value and is classified as Level 1.

Loans - The Company's loan portfolio is initially fair valued using a segmented approach. The Company divides its loan portfolio into the following categories: variable rate loans, individually evaluated loans and all other loans.

For variable-rate loans that reprice frequently and have no significant change in credit risk, fair values approximate carrying values. Fair values for individually evaluated loans are estimated using discounted cash flow models or based on the fair value of the underlying collateral.

Deposits - The fair value of demand deposits, savings accounts, and certain money market deposits is the amount payable on demand at the reporting date. The fair value of fixed rate certificates of deposit is estimated by discounting the future cash flows using the rates currently offered for deposits of similar remaining maturities and is classified as Level 2.

Notes Payable and Advances from Federal Home Loan Bank - The fair values of notes payable and advances from the Federal Home Loan Bank are estimated by discounting the future cash flows using the rates currently available to the Company for debt with similar remaining maturities and terms and are classified as Level 2.

Commitments to Extend Credit and Commercial Letters of Credit - Because commitments to extend credit and commercial letters of credit are made using variable rates, or are recently executed, the contract value is a reasonable estimate of fair value.

Limitations - Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. Because no market exists for a significant portion of the Company's financial instruments, fair value estimates are based on many judgments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates. Fair value estimates are based on existing on and off-balance-sheet financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments, for example, premises and equipment. In addition, the tax ramifications related to the realization of the unrealized gains and losses can have a significant effect on fair value estimates and have not been considered in the estimates.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 12. Stockholders' Equity

Capital Adequacy - The Company and the Bank are subject to various regulatory capital requirements administered by state and federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of the Company's assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The Company's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Company to maintain minimum amounts and ratios (set forth in the table below) of total and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I capital (as defined) to average assets (as defined). Management believes, as of December 31, 2025, the Company meets all capital adequacy requirements to which it is subject.

As of December 31, 2025, the Bank was considered "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as "well capitalized," the Bank must maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios as set forth in the following table.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 12. Stockholders' Equity, Continued

The Company's and the Bank's actual capital amounts and ratios as of December 31, 2025 are also presented in the table below (in thousands):

	Actual		For Capital Adequacy Purposes		To Be Well-Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2025						
Total capital (to risk-weighted assets)						
Consolidated	\$ 211,380	46.6%	\$ 36,261	8.0%	\$ N/A	N/A
Bank	112,096	25.2%	35,636	8.0%	44,544	10.0%
Tier I common equity (to risk weighted assets)						
Consolidated	77,972	17.2%	20,397	4.5%	N/A	N/A
Bank	107,049	24.0%	20,045	4.5%	28,954	6.5%
Tier I capital (to risk weighted assets)						
Consolidated	205,672	45.4%	27,196	6.0%	N/A	N/A
Bank	107,049	24.0%	26,727	6.0%	35,636	8.0%
Tier I capital (to average assets)						
Consolidated	205,672	26.0%	31,588	4.0%	N/A	N/A
Bank	107,049	13.7%	31,297	4.0%	39,121	5.0%
December 31, 2024						
Total capital (to risk-weighted assets)						
Consolidated	\$ 202,610	41.6%	\$ 38,949	8.0%	\$ N/A	N/A
Bank	101,104	21.2%	38,222	8.0%	47,778	10.0%
Tier I common equity (to risk weighted assets)						
Consolidated	73,763	15.2%	21,909	4.5%	N/A	N/A
Bank	96,009	20.1%	21,500	4.5%	31,056	6.5%
Tier I capital (to risk weighted assets)						
Consolidated	196,463	40.4%	29,212	6.0%	N/A	N/A
Bank	96,009	20.1%	28,667	6.0%	38,222	8.0%
Tier I capital (to average assets)						
Consolidated	196,463	24.9%	31,614	4.0%	N/A	N/A
Bank	96,009	12.2%	31,371	4.0%	39,213	5.0%

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 12. Stockholders' Equity, Continued

Dividend Limitation - The amount of dividends paid by the Bank to the Company or paid by the Company to its stockholders is limited by various banking regulatory agencies. Any such dividends will be subject to maintenance of required capital levels. The Georgia Department of Banking and Finance must approve dividend payments that would exceed 50% of the Bank's net income for the prior year to the Company.

The Company paid dividends of \$2.0 million and \$1.8 million on its common stock in 2025 and 2024, respectively. The annual dividend payout rate was \$1.10 and \$1.00 per common share in 2025 and 2024, respectively.

Basel III - Effective January 1, 2015, Basel III rules on the Company and the Bank became effective and the regulation now also requires the Company to maintain a minimum amount and ratio of common equity Tier 1 capital to risk weighted assets.

Note 13. Equity Incentive Plan

The Company awards restricted stock grants to directors and certain officers as a long-term incentive. Nonvested restricted stock for the years ended December 31, 2025 and 2024 is summarized in the following table.

	2025		2024	
	Shares	Weighted Average Grant-Date Fair Value	Shares	Weighted Average Grant-Date Fair Value
Nonvested at January 1	65,200	\$ 32.75	63,200	\$ 22.08
Granted	27,300	48.48	24,700	47.40
Vested	(24,633)	16.87	(20,700)	18.98
Forfeited	(6,400)	10.46	(2,000)	13.75
Nonvested at December 31	<u>61,467</u>	<u>\$ 44.59</u>	<u>65,200</u>	<u>\$ 32.75</u>

The vesting schedule for these shares as of December 31, 2025 is as follows:

	Shares
2026	39,634
2027	14,333
2028	<u>7,500</u>
Total	<u>\$ 61,467</u>

Note 14. Related Party Transactions

Certain parties (principally certain directors and executive officers of the Company, their immediate families, and their business interests) were loan customers of and had other transactions in the normal course of business with the Company. Related party loans are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated persons and do not involve more than the normal risk of collectability.

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 14. Related Party Transactions, Continued

The following table summarizes related party loans:

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	\$ 11,720,366	\$ 12,060,877
New loans or advances	887,960	286,488
Repayments	<u>(988,094)</u>	<u>(627,000)</u>
Balance at the end of the year	<u>\$ 11,620,232</u>	<u>\$ 11,720,365</u>

Deposits by directors, including their affiliates and executive officers, were approximately \$16.2 million and \$34.7 million at December 31, 2025 and 2024, respectively.

Note 15. Supplementary Income Statement Information

Components of other operating expenses were disaggregated further for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Stationery and supplies	\$ 85,264	\$ 91,024
Telephone	355,590	371,733
FDIC insurance premium	336,000	336,000
Security and protection expense	416,021	394,034
Advertising and marketing	272,436	202,736
ATM charges	216,000	222,827
Business development	88,496	158,382
Subscription dues	268,325	214,302
Software subscriptions	732,665	520,715
Other miscellaneous expenses	<u>2,268,646</u>	<u>2,022,069</u>
Total	<u>\$ 5,039,443</u>	<u>\$ 4,533,822</u>

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 16. Citizens Bancshares Corporation (Parent Company Only)

Presented below are the condensed financial statements for Citizens Bancshares Corporation (Parent Company Only).

Condensed Balance Sheets

	<u>As of</u> <u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Assets		
Cash	\$ 85,327,881	\$ 93,060,756
Investment in banking subsidiary	101,796,252	85,812,133
Investment in non-banking subsidiary	12,240,138	6,660,275
Other assets	<u>1,066,444</u>	<u>769,743</u>
Total assets	<u>\$ 200,430,715</u>	<u>\$ 186,302,907</u>
Liabilities and Stockholders' Equity		
Other liabilities	\$ 11,186	\$ 36,729
Stockholders' equity	<u>200,419,529</u>	<u>186,266,178</u>
Total liabilities and stockholders' equity	<u>\$ 200,430,715</u>	<u>\$ 186,302,907</u>

Condensed Statements of Income

	<u>For the years ended</u> <u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Income	\$ 8,002,300	\$ 6,172,000
Expenses	<u>1,323,652</u>	<u>1,084,604</u>
Income before tax benefit and equity in undistributed earnings of subsidiaries	6,678,648	5,087,396
Income tax benefit	<u>287,929</u>	<u>249,459</u>
Income before equity in undistributed earnings of the subsidiaries	6,966,577	5,336,855
Equity in undistributed earnings of the banking subsidiary	6,039,281	9,877,457
Equity in undistributed earnings of the non-banking subsidiary	<u>(2,420,138)</u>	<u>(2,336,873)</u>
Net income	<u>\$ 10,585,720</u>	<u>\$ 12,877,439</u>

Citizens Bancshares Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 16. Citizens Bancshares Corporation (Parent Company Only), Continued

Condensed Statements of Cash Flows

	For the years ended	
	December 31,	
	2025	2024
Operating activities		
Net income	\$ 10,585,720	\$ 12,877,439
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in undistributed earnings of subsidiaries	(3,619,143)	(7,540,584)
Restricted stock-based compensation plan	1,011,111	736,104
Change in other assets	(296,701)	(240,686)
Change in other liabilities	(25,543)	23,254
Net cash provided by operating activities	<u>7,655,444</u>	<u>5,855,527</u>
Investing activities		
Investment in subsidiaries	(13,000,000)	(1,500,000)
Financing activities		
Common stock dividend paid	(1,966,612)	(1,786,948)
Preferred stock dividend paid	(2,201,361)	(1,269,533)
Issuance of preferred stock	5,000,000	-
Purchase of treasury stock	(3,220,346)	(458,599)
Net cash (used in) financing activities	<u>(2,388,319)</u>	<u>(3,515,080)</u>
Net (decrease) increase in cash	(7,732,875)	840,447
Cash, beginning of year	<u>93,060,756</u>	<u>92,220,309</u>
Cash, end of year	<u>\$ 85,327,881</u>	<u>\$ 93,060,756</u>

Note 17. Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date.

The Company has disclosed its investment portfolio position in Note 2. There has been no significant deterioration in the investment portfolio through the date of issuance of the consolidated financial statements.

Management has reviewed events occurring through April 16, 2026, the date the financial statements were available to be issued, and no items were noted requiring accrual or disclosure.

Stockholders Information

Corporate Headquarters

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www.ctbconnect.com
678.406.4000

Mailing Address

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Corporation
Post Office Box 56943
Atlanta, Georgia 30343

Notice of Annual Meeting

May 27, 2026, 11:00 a.m. ET
Citizens Trust Bank
Corporate Headquarters
230 Peachtree Street, NW
Suite 2700
Atlanta, Georgia 30303

Transfer Agency

Computershare
Shareholder Services
1.800.568.3476
250 Royall Street
Canton, Massachusetts 02021

Board of Directors of Citizens Bancshares Corporation

RAY M. ROBINSON

Chairman of the Board
Citizens Bancshares Corporation
President Emeritus
East Lake Golf Club

CYNTHIA N. DAY

President and CEO
Citizens Bancshares Corporation and Citizens Trust Bank

JOHN H. DWYER

Retired President
AT&T Prepaid and Cricket Wireless

STEPHEN A. ELMORE, SR.

Managing Principal
Elmore CPAs, LLC

C. HOWIE HODGES, II

Chief Executive Officer,
CH Hodges, Inc.

C. DAVID MOODY, JR.

Chief Executive Officer
C.D. Moody Construction Company, Inc.

H. JEROME RUSSELL, JR.

President
H.J. Russell and Company
Russell New Urban Development, LLC

JAMES E. WILLIAMS

Chairman
Immersive Solutions

ALICIA V. J. WILSON

Chief Audit Officer and Vice President of Internal Audit
Southwire

Principal Officers of Citizens Trust Bank

CYNTHIA N. DAY

President and Chief Executive Officer

SAMUEL J. COX

Executive Vice President/ Chief Financial Officer

FREDERICK L. DANIELS, JR.

Executive Vice President/Chief Credit Officer

FARRAND O. LOGAN

Executive Vice President/Chief Lending Officer/
Director of Sales and Business Development

WALVID D. KING, SR.

Alabama Market President

IRIS D. GOODLY

Senior Vice President/Director of Client Services
and Operations

WANDA F. NESBIT

Senior Vice President/Human Resources Director

LINDSAY J. SMITH

Chief Risk Officer



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Locations

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East Point

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Panola

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Stonecrest, GA 30058

Rockbridge

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Stone Mountain, GA 30087

Westside

Main Office
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ALABAMA

Birmingham Headquarters

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Eutaw

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