



2024

CITIZENS BANCORP ANNUAL REPORT



CITIZENS BANK

CITIZENS BANK FAMILY

BANK OF CELINA • LIBERTY STATE BANK
SMITH COUNTY BANK • TRADERS BANK
AMERICAN BANK & TRUST

A stylized, light blue graphic of two hands shaking, centered in the background. The hands are rendered with simple outlines and are positioned in a way that suggests a firm handshake.

www.citizens-bank.org



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LETTER TO SHAREHOLDERS

March 2025

To Our Shareholders,

Increased Earnings and Dividends

Citizens Bancorp Investment, Inc., reported **net income of \$16.2 million for 2024**, compared to \$14.7 million in 2023, a 10.6% increase. Fully diluted earnings per share were \$2.73 for the year versus \$2.45 for 2023. Our return on average equity was 11.60% for 2024, and our return on average assets was 1.01%. At its January board meeting, our Board of Directors also approved a quarterly dividend of \$0.19 per share, a 5.6% increase compared to the dividend paid in November 2024; this marks the **twelfth consecutive annual increase in dividends by the company**.

Management Succession

We are also pleased to announce that on January 6, 2025, Rich Greslick joined our company and bank as CEO Designate. Greslick's hiring is part of the company's management succession efforts wherein he will work closely with me, our management team, and the Board of Directors until my retirement on June 30, 2026. Rich is a seasoned banking professional with over 26 years of community banking experience and comes from CNB Bank in Clearfield, Pennsylvania, where he served as Senior Executive Vice President and Chief Operating Officer. During his tenure at CNB Bank, a \$5.8 billion institution, Rich played a pivotal role in the bank's expansion across Pennsylvania, Ohio, New York, and Virginia, while preserving the community bank culture that was so vital to its identity. His extensive expertise spans financial operations, acquisitions, and de novo branching. We are blessed to have Rich on our team!

Financial Results

Net interest income increased \$4.2 million, or 9.4%, in 2024 compared to 2023. Higher volumes of loans at higher rates produced \$16.1 million more in interest and fees on loans in 2024 compared to 2023. This was partially offset by \$12.2 million in higher costs on deposits and borrowings. Our officers and employees did an excellent job growing loans by 11.8% in a rate environment that remained relatively high. This loan growth allowed the bank to start 2025 with \$1.17 billion in loans at higher loan yields. As a result, the net interest margin improved to 3.19% in 2024 compared to 3.12% in 2023. As the Federal Reserve expects interest rates to remain at current levels for the near term, this rate environment is allowing loans to reprice to higher rates. However, there is continued pressure on deposit rates, thereby keeping funding costs higher than desired.

Non-interest income for 2024 increased 7.0% compared to 2023 due primarily to a 59.5% increase in life insurance income. Debit card income also increased 2.8% in 2024 compared to 2023. Non-interest expense increased 5.2% to \$36.8 million due primarily to higher employee costs. Provision for loan losses increased 82.5% to \$1.77 million, due to providing adequate reserves for the larger loan portfolio. Net charge-offs in 2024 were low at 0.03% of average loans. Our allowance for loan losses was strong at 1.10% of loans.

Federal Reserve Bank interest rate increases in 2022 and 2023 have significantly reduced purchase mortgage activity. While the Fed rate decreases in the fall of 2024 have led to slightly improved mortgage application volume, mortgage volume for purchases continues to be modest; however, our servicing portfolio of approximately \$225 million in secondary market loans continues to produce fee income and provide cross-selling opportunities.

Total assets grew \$118.2 million to \$1.67 billion at December 31, 2024, compared to December 31, 2023, a 7.6% increase. Total deposits were \$1.37 billion at December 31, 2024, a 2.9% increase versus 2023. Total loans were \$1.17 billion at December 31, 2024, an 11.8% increase versus 2023. Most of the growth occurred in real estate loans, especially in developments in and around the Nashville MSA, as well as in residential mortgage portfolio loans. Citizens Bancorp's capital remained strong at \$145.8 million at December 31, 2024, or 8.73% of total assets. Capital increased 8.6% from December 2023 levels due to retention of earnings, net of dividends.

Banking Challenges

After several years of extremely low rates, the ensuing rapidly rising rates brought on by the Fed created significant pressure on deposit rates. Also, the growth in the economy extracted a lot of liquidity from the banking industry as investors sought new opportunities. Liquidity in banking is a challenge requiring daily monitoring, continual review of deposit products and marketing, and constant assessment of our deposit rate structure. Conversely, loan growth has been strong as we have grown our loan portfolio by \$357 million over for the past three years. Larger capacity, additional loan officers, and an improved economy contributed to that growth. Nevertheless, management has focused keenly on maintaining credit quality. While we have certain customers that are currently stressed, a recent loan portfolio review reinforced our belief that our credit quality is good. Regardless, we will continue to focus on making quality loans, improving problem credits, and generating more deposits to fund the loan growth.

Technology Improvements

Citizens Bank continues to embrace technological opportunities to improve and expand our banking offerings. Our management is currently working on an online account opening system and a new loan origination system to allow existing and prospective customers to open new accounts and apply for loans with our bank from anywhere. Both the loan and account opening systems will be accessible from the bank's website. Management is also working on a new branch communication network that will improve reliability, system backup, and reduce costs, in addition to a new customer service technology that could improve remote service capabilities, service hours and staffing requirements.

Rebranding

In the spring of 2023, management and the Board of Directors made the decision to re-brand the bank under one name. While the names unique to each bank location maintained a longstanding familiarity in each community, the marketing challenges, operational issues, lack of brand awareness, and customer confusion with six different names outweighed the benefits of retaining legacy bank names. We are currently working with Financial Marketing Solutions on the development of the marketing plan, and as of this writing, we expect the new name and brand to be rolled out in the third quarter of 2025. A new brand will touch everything: advertising, branch signage, customer statements, debit cards, legal documents – everything will be impacted. We are excited about the ability to promote one name, sell one bank's story, and unite our team under one message about how we can help our customers and our communities. As one teammate recently said, "One band, one sound." And we're confident you're going to like what you hear!

Closing Thoughts

Our officers and staff worked extremely hard to generate quality loan growth of \$122.9 million at favorable interest rates in 2024, and that loan growth should produce solid revenue for several years. With moderating interest rates and previously booked loans repricing to higher interest rates, our net interest margin should continue to improve. Middle Tennessee continues to be a strong growth area with a diverse economy and employer base. While the current banking market in our trade area is very competitive, our bankers enjoy excellent reputations in our markets. Management and our Board of Directors remain bullish on the economic prospects for our communities and our bank. The bank is in a good position with excellent earnings, strong credit quality, and dedicated employees.

Trading in our stock continues on OTCQX under the "ticker" symbol CBTN. During 2024, the stock price declined to a low of \$21.76; however it has rebounded with the most recent sale of CBTN at \$29 per share. Management is having discussions with market makers in our stock, as well as officials at the OTC Markets Group to improve the visibility of the company and our stock.

We appreciate your investment in and support for our company. Please refer your family and friends to us for their banking needs.



Peter G. Williston
Chief Executive Officer
Citizens Bancorp Investment, Inc.



ABOUT US

Citizens Bank of Lafayette, TN, opened for business with \$12,000 capital provided by local community investors.

1909

Bank's total assets reach \$14 million.

1973

Citizens Bank acquires Bank of Celina.

1987

Citizens Bank acquires Liberty State Bank.

1998

Citizens Bank merges with Traders Bank.

2015

The bank's total assets reach almost \$1.7 billion with 20 locations in Middle Tennessee.

2024

1931

The bank survived the Great Depression and was strong enough to acquire the Farmers and Merchants Bank in Lafayette.

1974

Citizens Bank operated from a single location in 1974, when it opened its first branch.

1993

Citizens Bank acquires Smith County Bank.

2009

Citizens Bank acquires Gainesboro branch.

2020

Citizens Bank acquires American Bank & Trust.

CORE VALUES



COMMUNITY

We are the leaders in making our community a better place.



INTEGRITY

We always do the right thing.



RESPECT

We contribute to a fun, safe, and respectful work environment.



LEADERSHIP

We have a "how can we" attitude.



TEAMWORK

We own our results and our customers' experience.



COMMUNICATION

We make timely, well-informed decisions.



GROWTH

We create significant value for our shareholders.



SERVICE

We find great joy in helping our customers succeed.



TECHNOLOGY/INNOVATION

We embrace and promote innovation and technology to better serve customers and to stay competitive in the market.



DIVERSITY

We value and respect the differences of all our employees and customers and their backgrounds.

MEETING THE NEEDS OF OUR COMMUNITY

Citizens Bank has always been dedicated to addressing the varied needs of the communities we serve. We take pride in being partners in the success of local businesses, customers, and the broader economy. Our team members not only work in these communities but also reside within them, ensuring that our commitment is both personal and deeply ingrained.

One of the primary ways Citizens Bank supports local businesses is through customized financial solutions. Recognizing that each business has its own unique requirements, we offer a diverse range of products and services tailored to meet those specific needs. Whether it's providing working capital, financing expansion projects, or delivering cash management solutions, we are devoted to helping our local businesses prosper.

In addition to our support for businesses, we also focus on fulfilling the needs of our customers. From personal banking services to business banking and mortgages, we provide a comprehensive suite of products designed to help individuals reach their financial goals. Our unwavering commitment to exceptional customer service ensures that every client receives the attention and support they rightfully deserve.

Citizens Bank takes pride in being a trusted partner within the communities we serve. Through our dedication to supporting local businesses, customers, and the local economy, we aim to create a positive impact that reaches far beyond traditional banking services. Together, we can cultivate stronger, more vibrant communities for future generations.



INVESTING IN OUR FUTURE... IN OUR COMMUNITIES

Citizens Bank is not merely a financial institution; it serves as a cornerstone of support and a catalyst for positive transformation within the communities it serves. Through a diverse array of initiatives and programs, Citizens Bank invests in the welfare and prosperity of these communities, promoting growth and opportunities for everyone. Our comprehensive investment approach includes financial literacy programs, philanthropic contributions, and community development projects, showcasing a steadfast commitment to making a significant impact where it truly matters.

Recognizing the importance of financial education, Citizens Bank collaborates with local schools to offer financial literacy programs and resources. Our LiFE Program is an innovative, web-based platform designed to impart essential financial concepts, including banking, budgeting, and investments. This complimentary program monitors student progress and awards a Certification of Financial Literacy, equipping the next generation with vital skills for a brighter financial future.

Citizens Bank is wholeheartedly committed to a wide range of community projects that positively affect the lives of others. From providing financial assistance to the Ronald McDonald House, which serves as a haven for families with seriously ill children receiving treatment at nearby hospitals, to supporting local animal shelters and rescue organizations, Citizens Bank's commitment to community welfare is boundless. Tragically, the bank recently lost a valued employee who had spent much of his childhood at the Shriner's Hospital. He passed away in a car wreck while traveling to work. In his memory, employees rallied together to raise funds for the hospital that supported him as a child. These examples illustrate just a few of the numerous ways Citizens Bank invests in and uplifts the communities it serves, making a tangible difference in the lives of individuals and families across the nation.



BOARD OF DIRECTORS

Thomas E. Anderton

*President, Citizens Bancorp Investment, Inc.,
and Citizens Bank, Shelbyville, TN*

Joe M. Carter

Banker (retired), Lafayette, TN

Chad A. Gilbert

Construction/Real Estate, Cookeville, TN

Richard L. Greslick, Jr.

*CEO Designate, Citizens Bancorp Investment, Inc.,
and Citizens Bank, Gallatin, TN*

Eugene R. London, Jr.

*Systems Integration/Modeling & Simulation, Inc.,
Tullahoma, TN*

Jon Alan Long

Dentist, Carthage, TN

Marty Maynard

*Chairman, Citizens Bancorp Investment, Inc., and
Citizens Bank/Real Estate, Livingston, TN*

Cynthia A. McClard

*Pharmacy Consultant/Store Owner,
Brentwood, TN*

Tony H. Polston

BD Polston Building Supply, Lafayette, TN

M. Todd Reese

Reese's Piggly Wiggly, Lafayette, TN

Mike Whittemore

Banker (retired), Lafayette, TN

Peter G. Williston

*CEO, Citizens Bancorp Investment, Inc.,
and Citizens Bank, Lafayette, TN*

SENIOR MANAGEMENT

Thomas E. Anderton

President

A. Joseph Butaud, Jr.

SVP/Chief Credit Officer

Kayla Day Givens

VP/Marketing

Richard L. Greslick, Jr.

CEO Designate

Jason L. Hall

SVP/Chief Retail Officer

Kevin L. Miller

EVP/Chief Information Officer

Cecilia L. Russell

SVP/Chief Risk Officer

Ryan T. Smith

EVP/Chief Banking Officer

Patty Snyder

AVP/Human Resources

Arthur O. Taylor

EVP/Chief Financial Officer

Peter G. Williston

Chief Executive Officer

ADVISORY BOARD MEMBERS

ALEXANDRIA/SMITHVILLE

Matt Boss

Rhonda Caplinger

Sean Driver

Mike Eaton

Rebecca Hendrixson

Shycottia Orrand

Monica Reynolds

Josh Tramel

C.D. Webb

CARTHAGE/GORDONSVILLE

Joe Epps

Kenneth Frye

Karen Hackett

Jason Hall

Chris McCall

Pat Nixon

Tom White

Bryan Wright

Kevin Young

LEBANON

Chris Crowell

Ron Harrison

John Henderick

Kristy Ingram

Brody Kane

Jatinda Kumar

Rodger Mitchell

David Penuel

Kenny Sallis

Mark Vastola

GAINESBORO/CELINA

Mike Bailey

Jay Cassetty

Wes Cassetty

Richard Chaffin

Jeff Collier

Kevin Donaldson

Jerry Driver

Donnie Elkins

Joe Halfacre

Jeanette Hansel

Linda Key

James Robert Montgomery

Alan West

Russell West

LIVINGSTON/COOKEVILLE

David Buckner

Wes Burnett

Cigi England

Tony Horn

Suzann Howard

Mickey Ledbetter

James Massengille

Clint Melton

Michael Melton

Crystal Odom

Buck Parsons

Brandon Rigsby

James Scarlett

Ryan Smith

Ray Wear

Konstantin Yepifantsev

MANCHESTER/SHELBYVILLE/TULLAHOMA/WINCHESTER

Tommy Anderton

Russ Barrett

Mary Beard

Jeremy Bell

Andy Bobo

Rob Brainard

Max Christopher

Tom Copeland

Chad Grimes

Tommy Hodges

John McCord

Joe Orr

Stephen Philpot

David Smith

Donna Stone

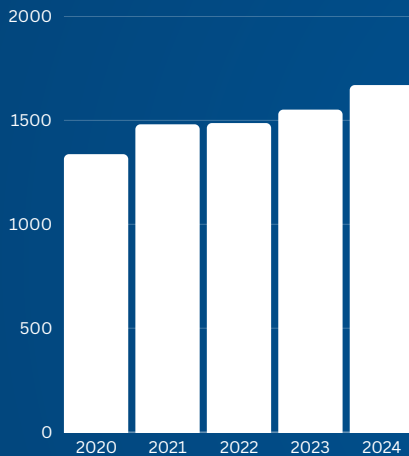
SUMMARY FINANCIAL RESULTS

– Historical Performance –

2024 TOTAL ASSETS

(MILLIONS)

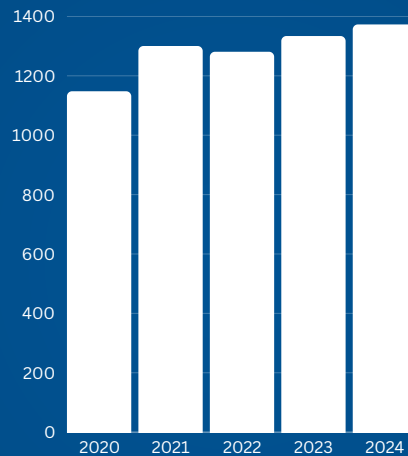
\$1,669.8



2024 TOTAL DEPOSITS

(MILLIONS)

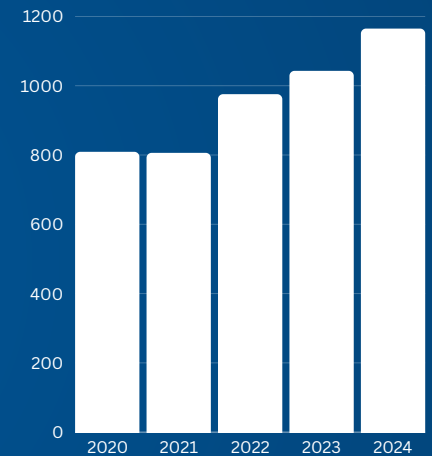
\$1,373.0



2024 GROSS LOANS

(MILLIONS)

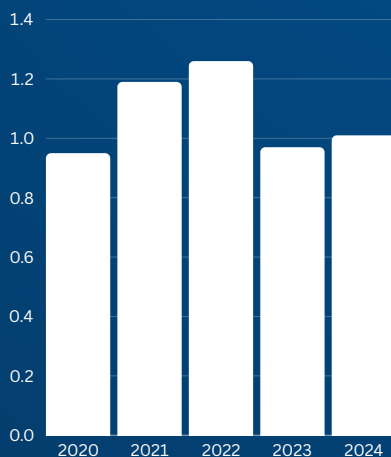
\$1,164.9



2024 RETURN ON AVERAGE ASSETS

(PERCENTAGE)

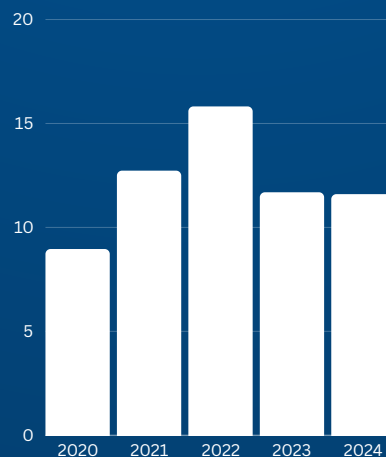
1.01%



2024 RETURN ON AVERAGE EQUITY

(PERCENTAGE)

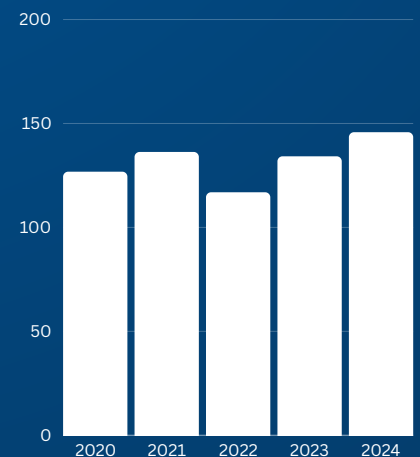
11.6%



2024 STOCKHOLDERS' EQUITY

(MILLIONS)

\$145.8



CITIZENS BANCORP INVESTMENT, INC.

BALANCE SHEET

(UNAUDITED)

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

12/31/2024

12/31/2023

Net Loans and Leases - Held for Investments	\$ 1,152,071	\$ 1,031,450
Securities	386,527	377,005
Interest-bearing Deposits in Financial Institutions	4,054	16,918
Restricted Equity Securities	7,271	4,440
Federal Funds Sold	1,000	1,000
Loans Held for Sale	1,033	142
Total Earning Assets	\$1,551,956	\$1,430,955
Cash and Noninterest-bearing Due from Banks	21,600	25,681
Premises and Fixed Assets	19,608	19,926
Other Real Estate	-	-
Intangible Assets	21,807	22,085
Other Assets	54,877	53,004
TOTAL ASSETS	\$ 1,669,848	\$ 1,551,651
Demand Deposits - Non-interest-bearing	\$ 221,935	\$ 245,143
Demand Deposits - Interest-bearing	258,962	285,702
Money Market and Savings Accounts	238,655	226,075
Certificates of Deposit and IRAs	653,435	576,970
Total Deposits	\$ 1,372,987	\$ 1,333,890
Federal Funds Purchased	\$ -	\$ -
Notes Payable	6,176	9,262
Federal Home Loan Bank Advances	134,905	65,072
Other Liabilities	9,998	9,197
Total Liabilities	\$ 1,524,066	\$ 1,417,421
Common Stock, Surplus, and Retained Earnings	\$ 172,559	\$ 160,585
Accumulated Other Comprehensive Income	(26,777)	(26,355)
Total Capital	\$ 145,782	\$ 134,230
TOTAL LIABILITIES AND CAPITAL	\$ 1,669,848	\$ 1,551,651

CITIZENS BANCORP INVESTMENT, INC.

INCOME STATEMENT

(UNAUDITED)

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)			12/31/2024	12/31/2023
Interest Income - Loans			\$ 74,290	\$ 58,234
Interest Income - Securities			9,825	9,187
Interest Income - Federal Funds Sold and Other			772	1,068
Total Interest Income			\$ 84,887	\$ 68,489
Interest Expense - Interest-bearing Demand Deposits			\$ 1,277	\$ 1,489
Interest Expense - Money Market Accounts & Savings			2,953	1,722
Interest Expense - Certificates of Deposit & IRAs			27,454	17,345
Interest Expense - Notes Payable & Other Borrowings			4,519	3,421
Total Interest Expense			\$ 36,203	\$ 23,977
Net Interest Income			\$ 48,684	\$ 44,512
Provision for Loan Losses			\$ 1,774	\$ 972
Noninterest Income			\$ 8,094	\$ 7,641
Security Gains or (Losses)			-	-
Noninterest Expense			(34,945)	(33,320)
Net Income Before Taxes			\$ 20,059	\$ 17,861
Unrealized Holding Loss on Marketable Equity Securities			5	(3)
Income Taxes			3,825	3,178
Net Income After Taxes			\$ 16,239	\$ 14,680
ROA			1.01%	0.97%
ROE			11.60%	11.69%
Earnings Per Share (fully diluted)			\$2.73	\$2.45

The audited financial statements will be available after the 2025 shareholders meeting on April 22, 2025, by contacting Citizens Bank at 866-666-2195, or by accessing the Investor Relations tab at www.citizens-bank.org.

**CITIZENS BANK****Lafayette Main Office**

400 Highway 52 West
Lafayette, TN 37083
(615) 666-2195

Gainesboro

116 South Grundy Quarles Highway
Gainesboro, TN 38562
(931) 268-2141

Lafayette Public Square

201 West Locust Street
Lafayette, TN 37083
(615) 666-2196

Lafayette Scottsville Road

1108 Scottsville Road
Lafayette, TN 37083
(615) 666-4677

Red Boiling Springs

32 Carthage Road
Red Boiling Springs, TN 37150
(615) 699-2205

Westmoreland

990 New Highway 52
Westmoreland, TN 37186
(615) 644-2119

**BANK OF CELINA****Celina**

101 East Lake Avenue
Celina, TN 38551
(931) 243-3161

**SMITH COUNTY BANK****Carthage**

50 North Main Street
Carthage, TN 37030
(615) 735-2800

Gordonsville

411 Gordonsville Highway
Gordonsville, TN 38563
(615) 683-1919

**LIBERTY STATE BANK****Alexandria**

100 North Public Square
Alexandria, TN 37012
(615) 529-2375

Smithville

735 South Congress Blvd.
Smithville, TN 37166
(615) 597-2265

Lebanon N. Cumberland

214 North Cumberland Street
Lebanon, TN 37087
(615) 449-4441

Lebanon West Main

1035 West Main Street
Lebanon, TN 37087
(615) 444-4166

**TRADERS BANK****Manchester**

1207 Hillsboro Boulevard
Manchester, TN 37355
(931) 728-1474

Shelbyville

1602 North Main Street
Shelbyville, TN 37160
(931) 680-3500

Tullahoma

120 North Jackson Street
Tullahoma, TN 37388
(931) 455-3426

Winchester

2695 Decherd Boulevard
Winchester, TN 37398
(931) 967-3755

**AMERICAN
BANK & TRUST****Cookeville Neal Street**

1450 Neal Street
Cookeville, TN 38501
(931) 526-4800

Cookeville Willow Avenue

123 North Willow Avenue
Cookeville, TN 38501
(931) 646-4950

Livingston

808 West Main Street
Livingston, TN 38570
(931) 728-1474

CORPORATE INFORMATION

Stock Listing

OTCQX

Ticker Symbol: CBTN

Stock Registrar & Transfer Agent

Broadridge Corporate Issuer Solutions
1155 Long Island Avenue
Edgewood, NY 11717-8309

Outside Counsel

K&L Gates LLP
501 Commerce Street, Suite 1500
Nashville, TN 37203

External Auditors

Maggart & Associates, CPAs
1201 Demonbreun Street, Suite 1220
Nashville, TN 37203-3140



CITIZENS BANCORP 2024



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