

2nd Quarter	2025	June 30
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To Our Shareholders, Customers, and Friends:

While inflation has stabilized during the first half of 2025, tariff uncertainty has not provided sufficient support for the Federal Reserve to resume interest rate reductions. The 1% reduction in rates during the second half of 2024 provided moderate relief for our customers, but further clarity on tariff impacts has kept the Federal Reserve on hold for additional rate cuts.

The Bank's earnings remain under pressure due to tepid loan demand coupled with payoffs of existing loans from sales of underlying collateral. Deposits have stabilized and are returning to historical trends, investments continue to decline with scheduled payments and maturities, and the Bank remains highly liquid with 49% of total assets in cash and securities available for sale.

Business thrives on certainty and clarity. We remain committed to our conservative community bank fundamentals, investing in the communities we serve and helping our customers navigate whatever challenges may arise.

### Select Q2 2025 Highlights:

- Net income of \$571 thousand decreased 29.2% or \$235 thousand from the prior year's \$806 thousand. This change was largely related to a decline in loan volumes impacted by customer sales of underlying collateral securing multiple loans.
- The average yield on the loan portfolio stabilized at 5.8% as of June 30, 2025, vs. 5.7% from the same period in 2024.
- Total deposits have returned to historical seasonality, increasing 4.6% or \$31.9 million at June 30, 2025.
- Total cost-of-funds declined to 0.53% as of June 30, 2025, vs. 1.18% in the same period in 2024 due to deposit growth and repayment of borrowings from the Federal Reserve's Bank Term Funding Program.
- All investment securities are held as available-for-sale and reported at fair value. The Bank has no intent to sell these securities and as such, the unrealized losses are deemed to be temporary.

### Select First Half 2025 Highlights:

- Net income of \$1.09 million decreased \$482 thousand or 30.7% from 2024's \$1.57 million. This decline was related to the decrease in loan volumes impacted by customer sales of underlying collateral.
- Total loans of \$370.4 million decreased 4.5% or \$17.5 million during the last twelve months.
- Total deposits of \$724.3 million increased 1.5% or \$10.7 million over the past twelve months, as deposits return to historical seasonality.
- Total assets of \$832.8 million decreased \$86.2 million or 9.4% from the same period in 2024, directly related to the repayment of the \$100 million borrowing from the Federal Reserve's Bank Term Funding Program in September of 2024.
- Shareholders' equity of \$80.3 million increased \$8.2 million or 11.3% over the past twelve months. Total risk-based capital of 23.8% reflects our conservative low risk and highly liquid balance sheet.

The consistent support from our long-term, loyal shareholders and customers who understand the value of a community bank remains central to our continued success. We have focused extensive efforts these past few years in the deployment of new technology that will drive efficiency and provide enhanced services to our customers. Thank you for your continued support.

Gordon Zimmerman President/CEO Eric Thompson Chairman of the Board

# CONSOLIDATED BALANCE SHEETS

Unaudited

(Dollars in thousands)

	At June 30,				
		2025		2024	
ASSETS					
Cash and due from banks	\$	19,343	\$	18,051	
Interest-bearing deposits in banks		80,076		101,202	
Securities		308,810		354,346	
Loans		370,389		387,920	
Allowance		(5,930)		(5,878)	
Loans, net of allowance		364,459		382,042	
Bank-owned life insurance		22,420		21,768	
Accrued interest receivable		3,619		4,106	
Deferred tax assets, net		15,764		18,933	
Premises and equipment, net		13,873		14,246	
Other assets		4,422		4,243	
Total assets	\$	832,786	\$	918,937	
LIABILITIES					
Deposits		724,328		713,592	
Repurchase agreements		17,722		21,294	
Other borrowings		-		100,000	
Other liabilities		10,457		11,943	
Total liabilities		752,507		846,829	
SHAREHOLDERS' EQUITY					
Series A Preferred stock		1,934		1,934	
Common stock		45,539		45,317	
Retained earnings		64,731		63,776	
Accumulated other comprehensive loss		(31,925)		(38,919)	
Total shareholders' equity		80,279		72,108	
Total liabilities & shareholders' equity	\$	832,786	\$	918,937	

Citizens Bank established October 5, 1957 Citizens Bancorp established July 1, 1997

Citizens Bancorp is the holding company for Citizens Bank

# FINANCIAL HIGHLIGHTS

(Dollars in thousands)

	At June 30,								
	2025			2024	2023				
Net Income	\$	1,087	\$	1,568	\$	1,207			
Total Assets	\$	832,786	\$	918,937	\$	1,031,248			
Total Net Loans	\$	364,459	\$	382,042	\$	392,762			
Total Deposits	\$	724,328	\$	713,592	\$	772,097			
Loan-to-Deposit Ratio		50.32%		53.54%		50.87%			
Net Interest Margin		3.66%		3.08%		3.38%			
Return on Assets		0.27%		0.31%		0.60%			
Return on Equity		2.89%		4.65%		9.53%			

# CONSOLIDATED STATEMENTS OF INCOME

#### Unaudited

(Dollars in thousands, except per share data)

(Dollars in thousands, except per share data)									
	Three Months Ended			Six Months Ended					
	June :		e 30,	30,		Jun	e 30,	30,	
		2025		2024		2025		2024	
INTEREST INCOME									
Loans	\$	5,391	\$	5,721	\$	10,749	\$	11,471	
Interest-bearing deposits in banks		619		1,844		977		4,220	
Securities		1,515		1,938		3,180		4,000	
Total interest income		7,525		9,503		14,906		19,691	
INTEREST EXPENSE									
Deposits		899		697		1,611		1,429	
Repurchase agreements		55		52		93		102	
Other borrowings		-		1,879		-		4,104	
Total interest expense		954		2,628		1,704		5,635	
Net interest income		6,571		6,875		13,202		14,056	
(Reverse) provision for credit losses		64		(11)		97		379	
Net interest income after provision		6,507		6,886		13,105		13,677	
NONINTEREST INCOME									
Service charges on deposit accounts		138		145		272		288	
Debit and ATM interchange fee income, net		215		205		394		403	
Other noninterest income		342		297		658		613	
Total noninterest income		695		647		1,324		1,304	
NONINTEREST EXPENSE									
Salaries and employee benefits		4,621		4,505		9,358		9,181	
Premises and equipment, net		434		548		929		964	
Data processing expense		276		269		584		525	
Other noninterest expense		1,229		1,181		2,317		2,348	
Total noninterest expense		6,560		6,503		13,188		13,018	
Income before taxes		642		1,030		1,241		1,963	
Provision for income taxes		71		224		154		395	
Net income	\$	571	\$	806	\$	1,087	\$	1,568	
EARNINGS PER COMMON SHARE									
Basic & Diluted		\$0.09		\$0.13		\$0.18		\$0.26	

## SHAREHOLDER INFORMATION

Shareholder Relations:

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