



## Statements of Condition

1st Quarter

2017

March 31st



### TO OUR SHAREHOLDERS, CUSTOMERS, AND FRIENDS:

We are pleased to report Citizens Bancorp's financial results for the three months ended March 31, 2017 and 2016, respectively. 2017 year-to-date net income was approximately \$1.3 million, representing an increase of \$283 thousand or 28% over the same period in 2016. This bottom-line growth was achieved through continued growth in our securities portfolio coupled with consistent growth in our loan portfolio, resulting in nearly equal increases in both investment and loan interest income.

Total assets were \$728 million as of March 31, 2017, increasing \$76 million or 12% during the previous twelve months. This expansion was driven by increases in our deposit base, up \$69 million or 13% over the prior year. Loan volumes continue to expand in line with our historical pace, increasing \$30 million or 9% over the previous 12 months. Excess liquidity remains invested in a conservative mix of U.S. government-issued securities.

As our economy improves and our country emerges from a decade of extremely low interest rates, modest measured increases by the Federal Reserve are welcome news and cause for cautious optimism. Our commitment remains anchored in our conservative operating methodology. Our loan portfolio is solid and our balance sheet is strong. We have extensive liquidity and ample operating capital. We are honored to have an exceptional team of employees who deliver excellence to our customers and the communities that we serve. Your institution remains a safe and sound investment and is well positioned for the years ahead.

Thank you for your support and continued loyalty,

Gordon Zimmerman  
President/CEO

## CONSOLIDATED BALANCE SHEETS

Unaudited  
(Dollars in thousands)

	AT MARCH 31,	
	2017	2016
<b>ASSETS</b>		
Cash and due from banks	\$ 18,086	\$ 15,383
Interest-bearing deposits in banks	38,555	82,377
Securities	259,448	179,687
Loans, net	374,047	344,378
Bank-owned life insurance	15,131	10,629
Accrued interest receivable	2,269	1,978
Other real estate owned	888	1,964
Premises and equipment, net	11,928	11,935
Other assets	7,862	3,800
<b>Total assets</b>	<b>\$ 728,214</b>	<b>\$ 652,131</b>
<b>LIABILITIES</b>		
Deposits	\$ 607,966	\$ 539,221
Repurchase agreements	41,133	40,224
Other liabilities	8,702	5,041
<b>Total liabilities</b>	<b>657,801</b>	<b>584,486</b>
<b>SHAREHOLDERS' EQUITY</b>		
Series A preferred stock	2,224	2,272
Common stock	41,422	40,798
Retained earnings	27,758	24,466
Accumulated other comprehensive income	(991)	109
<b>Total shareholders' equity</b>	<b>70,413</b>	<b>67,645</b>
<b>Total liabilities &amp; shareholders' equity</b>	<b>\$ 728,214</b>	<b>\$ 652,131</b>

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)

As of March 31	2017	2016	2015
Net Income	\$ 1,302	\$ 1,019	\$ 870
Total Assets	\$ 728,214	\$ 652,131	\$ 587,025
Total Deposits	\$ 607,966	\$ 539,221	\$ 478,902
Total Net Loans	\$ 374,047	\$ 344,378	\$ 342,468

Rev. 4/17

## CONSOLIDATED STATEMENTS OF INCOME

Unaudited  
(Dollars in thousands, except per share data)

	THREE MONTHS ENDED MARCH 31,	
	2017	2016
<b>INTEREST INCOME</b>		
Loans	\$ 5,111	\$ 4,833
Securities	715	453
Interest-bearing deposits in banks	133	86
<b>Total interest income</b>	<b>5,959</b>	<b>5,372</b>
<b>INTEREST EXPENSE</b>		
Deposits	115	107
Repurchase agreements	19	15
<b>Total interest expense</b>	<b>134</b>	<b>122</b>
<b>NET INTEREST INCOME</b>	<b>5,825</b>	<b>5,250</b>
Provision for loan losses	300	150
<b>Net interest income after provision</b>	<b>5,525</b>	<b>5,100</b>
<b>NONINTEREST INCOME</b>		
Service charges on deposit accounts	227	228
BankCard income	233	225
Other noninterest income	293	206
<b>Total noninterest income</b>	<b>753</b>	<b>659</b>
<b>NONINTEREST EXPENSE</b>		
Salaries and employee benefits	2,959	2,814
Occupancy and equipment	392	463
Data processing expense	193	194
Other noninterest expense	716	652
<b>Total noninterest expense</b>	<b>4,260</b>	<b>4,123</b>
Income before taxes	2,018	1,636
Provision for income taxes	716	617
<b>NET INCOME</b>	<b>\$ 1,302</b>	<b>\$ 1,019</b>
<b>BASIC EARNINGS PER COMMON SHARE</b>		
Basic	\$ 0.22	\$ 0.18

## SHAREHOLDER INFORMATION

Shareholder Relations:

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