

Letter to the Shareholders

To our Shareholders, Customers and Friends:

We are extremely pleased to report that 2019 was an exceptional year for Citizens Bancorp. Continued strong economic conditions throughout our communities combined with the unwavering commitment to our conservative community bank fundamentals delivered outstanding financial performance. These results are driven by our Corporate Culture and the straightforward principal of “doing the right thing”; for our customers, our employees, our communities and our shareholders. This Corporate Culture has been the foundation of our institution for over 62 years and drives every decision we make.

Asset growth was nominal in 2019, with total assets finishing at \$790 million, net loans at \$409 million, and total deposits at \$658 million. While our regional economy remains strong, our disciplined approach follows conservative fundamentals and low leverage. This commitment results in lower growth during times of peak economic cycles. Our balance sheet remains structured with strong liquidity and a contrarian loan to deposit ratio of 62.2% as of December 31, 2019.

2019 was a record year in terms of dollars earned for Citizens Bancorp. Strong economic conditions, multiple rate increases over the past several years by the Federal Reserve, and excellent loan quality coupled with strong treasury management resulted in net income of \$10.5 million, an 12.6% increase over that of the prior year. 2019 total shareholders' equity increased \$11 million or 14.0% net of the Board's declaration of our 61st consecutive annual dividend, which increased to \$0.60 per common share and was paid during January of 2020. 2019 return on average assets (ROA) rose to 1.34% and return on average equity (ROE) was 12.14%.

These results are not possible without the continued steadfast commitment from our 175 dedicated Team Members who serve our customers and communities across Oregon. Together with our loyal Board of Directors we are proud to deliver on our simple Mission, to remain an independent high-performing community bank that is owned, directed and operated by those who reside in the communities we serve.

Thank you for your continued support.

Gordon Zimmerman

President/CEO

Bill Humphreys Sr.

Chairman of the Board