

CITIZENS BANCORP INVESTMENT, INC.

May 14, 2025

Dear Stockholder:

Citizens Bancorp Investment, Inc. reported earnings of \$4.3 million for the first quarter of 2025. Fully diluted earnings per share were \$0.72 versus \$0.54 for the first quarter of 2024. Growth in the loan portfolio and improving loan yields combined for a strong first quarter of 2025 compared to 2024. Further, securities income and yields improved year-over-year as maturing, lower-yielding securities were replaced by higher yielding securities. Also, the moderating rate environment has continued to cause deposit cost increases to begin to slow. Consequently, our board of directors ***approved a dividend of \$0.19 per share***, to shareholders of record on May 6, 2025, payable May 13, 2025. Enclosed is a check or notice of direct deposit for your dividend.

Earnings for the first three months of 2025 of \$4.3 million compared to \$3.2 million in 2024, a 32.3% increase. The increase in earnings was due principally to a \$2.4 million increase in net interest income. Loan balances increased \$98 million and loan yields increased by 0.45%, contributing significantly to a 17.3% increase in interest income. Interest expense increased 11.3% as increases in rates continue to moderate. Non-interest income decreased 4.8% largely due to decreases in mortgage servicing income; changes in interest rates from 2024 levels caused a decline in the value of the mortgage servicing portfolio. The mortgage origination business continues to experience low volume due to relatively higher mortgage rates. Non-interest expenses increased by 10.7% primarily due to continued wage pressures caused by inflation and localized competition for banking talent. The loan loss provision decreased 37.3% as several quarters of strong additions to our allowance have provided adequate coverage for loan losses; Net charge-offs were 0.03% of average loans in the first quarter of 2025 compared to 0.0% in 2024.

Total assets grew \$125.7 million to \$1.70 billion as of March 31, 2025, versus \$1.58 billion at March 31, 2024, an 8.0% increase. Total deposits were \$1.40 billion at March 31, 2025, a 1.93% increase versus 2024. Total loans were \$1.17 billion at March 31, 2025, a 9.1% increase versus 2024. Citizens Bancorp's capital remained strong at \$153.4 million at March 31, 2025, representing 9.02% of total assets. Capital increased 14.1% from March 2024 due to the retention of earnings and growth in the market value of the securities portfolio. On the back page of this letter are the financial highlights for the quarter.

Our officers generated \$98 million in loan growth year-over-year as the loan production came from within our major markets. Despite lending rates that are still relatively high, Citizens Bank is continuing to generate good loan growth. Our loan demand has continued to be strong, and moderating interest rates bode well for an improving net interest margin and earnings.

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 is focusing a renewed effort on our growth markets due to our

solid loan base and excellent growth prospects. The bank expects to add experienced bankers to our team to take advantage of that growth. Thus, Management and our Board of Directors remain bullish on the economic prospects for our communities and our bank.

Please call us if we can help you with your banking needs.

Very truly yours,

A handwritten signature in black ink, appearing to read "Peter G. Williston", with a long horizontal flourish extending to the right.

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

Enclosure

Citizens Bancorp Investment, Inc.

Consolidated Balance Sheet (Unaudited)

(In Thousands, Except Per Share Data)

	March 31 2025	March 31 2024
Assets		
Cash and Due from Banks - Noninterest-bearing	26,539	21,141
Due from Banks - Interest-bearing	12,161	14,248
Securities in Available for Sale	396,668	376,866
Federal Funds Sold	1,000	1,000
Loans and Leases	1,172,818	1,074,828
Less: Allowance for Loan & Lease Losses	(12,926)	(11,757)
Loans and Leases - Net of Allowance	1,159,892	1,063,071
Fixed Assets	19,455	19,982
Goodwill and Other Intangible Assets	21,807	22,159
Cash Surrender Value of Life Insurance	29,896	28,048
Annuity Investments	3,411	3,528
Accrued Interest Receivable	8,261	7,523
Other Real Estate	-	-
Other Assets	22,227	18,014
Total Assets	\$ 1,701,317	\$ 1,575,580
Liabilities		
Deposits - Noninterest-bearing	227,747	237,130
Deposits - Interest-bearing	1,171,116	1,135,292
Total Deposits	1,398,863	1,372,422
FHLB Borrowing and Other Borrowings	139,658	60,259
Other Liabilities	9,388	8,441
Total Liabilities	1,547,909	1,441,122
Stockholders' Equity		
Common Stock at Par	295	295
Surplus	8,328	8,255
Undivided Profits / Retained Earnings	167,125	154,148
Accumulated Other Comprehensive Income	(22,340)	(28,240)
Total Stockholder's Equity	153,408	134,458
Total Liabilities and Stockholder's Equity	\$ 1,701,317	\$ 1,575,580

Common Stock Information

Common Shares Outstanding	5,900,815	5,900,815
Book Value Per Share	\$ 26.00	\$ 22.79
Tangible Book Value Per Share	\$ 22.30	\$ 19.03
Stock Price at End of Quarter	\$ 28.00	\$ 35.50

Capital Ratios

Equity to Assets Ratio	9.02%	8.53%
Tangible Equity to Assets Ratio	7.74%	7.13%

Asset Quality Ratios

Net Charge-Offs to Average Loans (Annualized)	0.03%	0.00%
Allowance for Loan Losses to Loans	1.10%	1.09%

Citizens Bancorp Investment, Inc.
Consolidated Statements of Income (Unaudited)
(In Thousands, Except Per Share Data)

	Three Months Ended	
	March 31 2025	March 31 2024
Interest Income		
Interest Income and Fees on Loans	19,868	16,945
Interest Income on Interest-bearing Bank Balances	85	145
Interest Income on Securities	2,706	2,271
Interest Income on Federal Funds Sold	1	3
Other Interest Income	161	92
Total Interest Income	22,821	19,456
Interest Expense		
Interest Expense on Deposits	7,722	7,609
Interest Expense on Federal Funds Purchased	13	4
Interest Expense on Borrowings	1,541	718
Total Interest Expense	9,276	8,331
Net Interest Income	13,545	11,125
Provision for Loan Losses	296	472
Net Interest Income after Provision	13,249	10,653
Noninterest Income		
Gain on Sale of Loans Held for Sale	82	37
Debit and ATM Card Income	963	952
Service Charges & OD Fees on Deposits	834	870
Earnings on BOLI and Annuity Contracts	188	204
Net Servicing Income	169	288
Other noninterest income	107	110
Total Noninterest Income	2,343	2,460
Security Gains & Losses	-	-
Noninterest Expense		
Salaries & Employee Benefits	5,952	5,444
Premises & Fixed Asset Expense	888	863
Data Processing	537	471
Professional Fees	276	275
Debit Card and ATM Expense	444	443
Other Noninterest Expense	1,971	1,600
Total Noninterest Expense	10,068	9,096
Net Income or (Loss) before Income Taxes	5,524	4,017
Unrealized Holding Gains or Losses MES	7	6
Provision for Income Taxes	1,249	786
Net Income or (Loss)	\$ 4,282	\$ 3,237
Performance Ratios		
Net Income Per Share (Basic)	\$ 0.73	\$ 0.55
Net Income Per Share (Fully Diluted)	\$ 0.72	\$ 0.54
Return on Average Assets	1.03%	0.83%
Return on Average Equity	11.61%	9.69%
Net Interest Margin (FTE)	3.45%	3.03%
Efficiency Ratio	63.4%	67.0%