

FOR IMMEDIATE RELEASE

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Citizens Bancorp Investment, Inc. Reports Earnings for Third Quarter 2024

Lafayette, TN (October 17, 2024) – Citizens Bancorp Investment, Inc. (“Citizens”), the parent company of Citizens Bank of Lafayette (“Citizens Bank”), reported earnings of \$4.0 million for the third quarter of 2024. Fully diluted earnings per share were \$0.68 versus \$0.56 for the third quarter 2023 and \$0.69 for the second quarter 2024.

“We are pleased to report increased earnings for the third quarter,” said Pete Williston, Chief Executive Officer of Citizens. “Citizens Bank continues to improve its margin in spite of higher deposit and borrowing costs. Loan income continues to increase faster than deposit expense.”

Net income increased 19.6% from third quarter 2023 earnings of \$3.38 million. Earnings for 2024 year-to-date were \$11.4 million compared to \$10.9 million in 2023, a 4.6% increase. Earnings for the third quarter of 2024 decreased 1.5% compared to the second quarter 2024 earnings of \$4.1 million.

Total assets were \$1.66 billion at September 30, 2024 versus \$1.51 billion in 2023, a 10.1% increase. Total deposits were \$1.36 billion at September 30, 2024, a 2.5% increase versus 2023. Total loans were \$1.14 billion at September 30, 2024, a 13.7% increase versus 2023. The bank’s loan officers continued to originate good quality loans at current market rates in 2024, thus causing a \$137 million increase in loan balances year over year.

Net interest income for the quarter increased 11.75% compared to the third quarter of 2023 due primarily to a 28.4% increase in interest and fees on loans year over year. The increase in interest income was partially offset by a 36.9% increase in interest expense on deposits and a 17.2% increase in borrowing costs year over year. While the current high interest rates continue to maintain significant challenges for the net interest margin, the bank’s significant growth in loans at current market rates over the past twelve months has begun to expand the margin.

During the third quarter of 2024, Management disposed of foreclosed real estate in a transaction that had a slight impact on the net interest margin in both the second and third quarters of 2024. Excluding this impact, the margin improved to 3.22% compared to 3.13% in the second quarter of 2024.

Non-interest income for the third quarter increased 1.7% compared to 2023 due primarily to a 113.6% increase in life insurance income. However, the Bank experienced a \$270,000 decline in mortgage servicing income due to lower market rates and the resulting decline in the value of mortgage servicing rights. Due to the current level of mortgage rates, mortgage volume for purchases continues to be extremely modest. Non-interest expenses increased 5.1% year over year primarily due to higher salary and benefit costs. During the quarter, the bank consolidated the operations of one branch into a nearby branch and announced the consolidation of another branch scheduled for the fourth quarter of 2024. Both consolidations will improve efficiency and ultimately lower costs.

The growth in loans has challenged the bank’s liquidity; however, the 2.5% increase in deposits, or \$34 million year over year, along with \$86 million growth in borrowings has helped support that loan growth. While competition for deposits is strong, Citizens Bank has been able to meet customers’ needs.

Citizens Bancorp’s capital remained strong at \$149.7 million at September 30, 2024; this represents 9.01% of total assets. Capital increased 26.0% from September 2023 levels due to a 51.0% reduction in the net unrealized losses in investment portfolio values, as well as retention of earnings, net of dividends. While capital is still impacted by net unrealized securities losses, Management expects to hold the securities and does not expect to realize those losses.

“While deposit costs continue to be high, we have begun to see increases in our net interest margin in the past six months,” said Tommy Anderton, President of Citizens. “Loan yields are strong as newer loans are being booked at market rates. Further the Federal Reserve’s recent decision to lower interest rates marks the beginning of improving spreads on our core business. Management and our Board of Directors remain bullish on the economic prospects for our communities and our bank.”

The Citizens board of directors also approved a dividend of \$0.18 per share, to shareholders of record on October 30, 2024, payable on November 6, 2024.

About Citizens Bancorp Investment, Inc.

Citizens Bancorp Investment, Inc., is the bank holding company for Citizens Bank of Lafayette. Citizens Bank is a state-chartered banking corporation founded in 1909 and currently operates 21 banking locations in 12 counties in Middle Tennessee. For additional information, visit www.citizens-bank.org

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