

**CITIZENS BANCSHARES  
CORPORATION**

**FOR IMMEDIATE RELEASE**

**Citizens Bancshares Corporation Reports First Quarter 2026 Performance**

- **Total revenues were \$10.9 million, consistent with \$11.0 million in the prior year period, reflecting a stable revenue base amid a dynamic rate environment.**
- **Total average earning assets grew by \$18.1 million, or 2.5%, year over year, and by \$15.1 million, or 2.0%, over the prior quarter, demonstrating continued balance sheet expansion.**
- **Pre-tax return on average assets was 1.82%, supported by \$16.9 million, or 2.20%, growth in average assets year over year.**
- **Investment income increased by \$303,000 to \$2,881,000, with a portfolio book yield of 4.10%, partially offsetting the impact of the Federal Reserve's rate cuts on net interest income.**
- **Net income per diluted common share was \$1.23, compared to \$1.45 in the first quarter of 2025, reflecting the lagged impact of the Federal Reserve's 75-basis-point rate cuts and continued strategic investment.**
- **Annual dividend increased 9% to \$1.20 per common share, underscoring the Company's commitment to returning value to shareholders.**
- **Efficiency ratio of 60%, reflecting disciplined expense management while continuing to invest in people, technology, and facilities.**
- **Capital ratios remain well above regulatory requirements at both the Company and Bank levels.**

Citizens Bancshares Corporation (OTCID: CZBS), the parent company of Citizens Trust Bank (CTB), today announced financial results for the first quarter ended March 31, 2026. The Company delivered solid performance in a challenging and dynamic economic environment, demonstrating the resilience of its core business and the strength of its community banking franchise.

Net income before preferred dividends for the first quarter of 2026 was \$2.8 million, compared to \$3.2 million for the same period last year. The year-over-year decrease reflects the full-period impact of the Federal Reserve's 75-basis-point rate reductions, which compressed net interest income, as well as the Company's deliberate investments in technology modernization, talent development, and facility upgrades. These initiatives are designed to strengthen the Company's brand, enhance the customer experience, and drive sustainable long-term growth.

Net income available to common shareholders was \$2.2 million, or \$1.23 per diluted common share, compared to \$2.7 million, or \$1.45 per diluted common share, in the first quarter of 2025. Preferred dividends totaled \$559,000, compared to \$546,000 in the prior year period.

"We are pleased with our solid start to the year, which reflects the strength of our business and the dedication of our teams," said Ms. Cynthia N. Day, President and Chief Executive Officer. "While we remain mindful of the broader economic challenges, we are committed to staying proactive, agile, and customer-focused as we execute on our strategic objectives and position the company for long-term success."

The Board of Directors authorized a share repurchase program for up to \$4 million, effective through December 2026. This program reflects the Board's confidence in the Company's intrinsic value and long-term financial outlook.

The annual dividend was increased 9% to \$1.20 per common share, reinforcing the Company's track record of disciplined capital return. Capital levels at both the Company and Bank remain well above all applicable regulatory thresholds, providing ample flexibility to support growth, absorb stress, and return capital to shareholders

Other financial highlights:

- Total net average loans decreased 3.5% over the three-month period, aligning with management's strategic focus on deep-impact loans, which are typically smaller in size.
- Nonperforming assets represented 1.22% of total assets at the consolidated Company level and 0.71% at Citizens Trust Bank. A loan loss provision of \$127,000 was recorded in the first quarter of 2026; no provision was required in the same period last year. The allowance for loan credit losses stood at \$8.8 million as of March 31, 2026, compared to \$10.6 million one year earlier and \$8.7 million at December 31, 2025. Management considers the allowance adequate as of period end.
- The Company maintains a strong and stable core deposit base anchored by a meaningful proportion of noninterest-bearing deposits. Average deposits grew \$3.8 million year over year and \$4.9 million over the prior quarter, reflecting continued customer loyalty and new account growth.
- Noninterest income grew 3% year over year in the first quarter of 2026, reflecting an increase in other diversified income streams offset by a decline in deposit service charges.
- Noninterest expense increased \$369,000 compared to the first quarter of 2025, driven by targeted investments in technology modernization, process optimization, talent development, and facility upgrades. These investments are expected to improve operational efficiency and support long-term growth.
- The cost of funds declined to 0.91% from 0.94% year over year. This favorable funding cost profile reflects the makeup of the Company's deposit base and the depth and loyalty of its customers.

<b>(In thousands, except per share data)</b>	<b>1st Quarter 2026</b>	<b>1st Quarter 2025</b>	<b>Change</b>
<b>Income Statement</b>			
Net income available to common shareholders	\$ 2,226	\$ 2,684	-17%
Net income per diluted common share	1.23	1.45	-15%
Total revenues	10,862	10,971	-1%
Provision for credit losses	127	-	100%
Noninterest income	1,185	1,155	3%
Noninterest expense	5,411	5,042	7%
<b>Balance Sheet</b>			
Average loans, net	381,156	401,710	-5%
Average deposits	581,644	577,858	1%
<b>Capital</b>			
Total capital (to risk weighted assets)	45%	42%	
Tier 1 capital (to risk weighted assets)	44%	41%	
Tier 1 Common equity (to risk weighted assets)	17%	15%	
Tier 1 capital (to average assets)	26%	25%	

Citizens Bancshares Corporation (OTCID: CZBS) is the parent company of Citizens Trust Bank, one of the nation's premier minority-owned financial institutions. Citizens Trust Bank is dedicated to growing communities and enhancing the lives of the families it serves, offering a full range of banking products and services across the United States. The Bank's common stock is traded over-the-counter under the symbol CZBS. For more information [www.CTBconnect.com](http://www.CTBconnect.com).

Certain statements in this press release constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those expressed or implied in these statements due to a variety of factors, risks, and uncertainties, including but not limited to changes in interest rates, economic conditions, regulatory requirements, and competitive dynamics. Citizens Bancshares Corporation undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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