

# 2021 Annual Shareholder Meeting

April 19, 2021



# Don Walsworth

## Chairman



# Citizens Bancshares Directors

- Don Walsworth, Chairman
- Roger Arwood, CEO
- Spencer Cohn
- Edward Douglas
- James Gegg
- Gene Millard
- David Neal
- W.L. “Barry” Orscheln
- Patrick Thorne
- Don Walsworth, Jr.
- William Young

# Jon Appleby

## Chief Financial Officer



	<u>2020 Actual</u>	<u>2019 Actual</u>	<u>Favorable/ (Unfavorable)</u>
<b><u>Summary Income Statement</u></b>			
Interest Income	30,615	34,773	(4,158)
Interest Expense	(6,087)	(7,859)	1,772
<b>Net Interest Income</b>	<b>24,528</b>	<b>26,914</b>	<b>(2,386)</b>
Fee Income	8,578	8,982	(404)
Non-Interest Expense	(27,667)	(27,891)	224
<b>Pre Tax/Gain/Credit Income</b>	<b>5,314</b>	<b>7,809</b>	<b>(2,495)</b>
Loan Loss Provision	(3,376)	(120)	(3,256)
Net Forclosed Real Estate Expense	(125)	(76)	(49)
Gain/(Loss) on Sale	341	334	7
<b>Pre Tax Income</b>	<b>2,279</b>	<b>8,143</b>	<b>(5,864)</b>
Taxes	(364)	(1,930)	1,566
<b>Net Income</b>	<b>1,915</b>	<b>6,213</b>	<b>(4,298)</b>

**Selected Ratios**

Net Interest Margin (Bank)	2.86%	3.58%	-0.72%
ROA	0.20%	0.73%	-0.53%
ROE	1.98%	6.90%	-4.92%

	2020 Actual	2019 Actual	\$ Change	% Change
<b>Summary Balance Sheet</b>				
Cash	196,163	96,893	99,270	102.5%
Securities	193,436	139,256	54,180	38.9%
Total Loans	545,514	600,133	(54,619)	-9.1%
Allowance for Loan Loss	(9,126)	(6,566)	(2,560)	39.0%
ORE/OPE	6,896	7,744	(848)	-11.0%
Other Assets	55,528	60,108	(4,580)	-7.6%
<b>Total Assets</b>	<b>988,411</b>	<b>897,568</b>	<b>90,843</b>	<b>10.1%</b>
DDA	213,068	145,891	67,177	46.0%
NOW Accounts	181,323	154,941	26,382	17.0%
MMDA/Savings	159,721	124,540	35,181	28.2%
Public Funds	111,616	96,215	15,401	16.0%
Time Deposits	177,137	246,361	(69,224)	-28.1%
Total Deposits	842,865	767,948	74,917	9.8%
Repo Agreements	26,046	15,453	10,593	68.5%
FHLB Borrowings	0	0	0	N/A
Subordinated Debt	12,500	12,500	0	0.0%
Other Liabilities	6,381	7,895	(1,514)	-19.2%
Capital	100,619	93,772	6,847	7.3%
<b>Total Liabilities &amp; Capital</b>	<b>988,411</b>	<b>897,568</b>	<b>90,843</b>	<b>10.1%</b>

**Selected Ratios**

Gross Loans / Deposits	64.72%	78.15%	-13.43%
Allowance / Gross Loans	1.67%	1.09%	0.58%
Capital / Assets	10.18%	10.45%	-0.27%
Non-Performing Loans/Loans	1.97%	0.31%	1.66%

# Shareholder Equity

	12/31/2020	12/31/2019	Change
Common Equity (in 000's)	95,041	92,861	2,180
Intangible Assets	-2,704	-2,791	87
Net Tangible Book Value	92,337	90,070	2,267
<b>Net Tangible Book Value per Share</b>	<b>\$39.34</b>	<b>\$38.38</b>	<b>\$0.96</b>
Share Count <sup>1</sup>	2,346,915	2,346,915	0

<sup>1</sup>601,657 shares are non-voting.

# Regulatory Capital

<i>(in 000's)</i>	Citizens Bancshares Co		Citizens Bank & Trust	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Total Equity	\$100,619	\$93,772	\$105,807	\$100,251
Tier 1 Disallowances	(12,530)	(8,074)	(8,281)	(125)
<b>Total Tier 1 Capital</b>	<b>\$88,089</b>	<b>\$85,698</b>	<b>\$97,526</b>	<b>\$97,335</b>
Tier 1 Capital Ratio	<b>9.10%</b>	<b>9.99%</b>	<b>10.08%</b>	<b>11.34%</b>
Risk Based Capital Ratio	16.80%	14.78%	16.33%	14.66%
Common Equity Tier 1 Ratio	13.62%	12.09%	15.08%	13.73%
<i>Well Capitalized:</i>				
Tier 1 Capital Ratio	5.00%		5.00%	
Risk Based Capital Ratio	10.00%		10.00%	
Common Equity Tier 1	6.50%		6.50%	



# Roger Arwood

## Chief Executive Officer



# COVID-19 Environment

- **Capital and Liquidity** positions provide a strong foundation for managing through economic downturn
- **Priorities:**
  1. **Health and safety of our CBT Team**
  2. **Provide excellent client service**
  3. **Keep CBT strong by conserving bank resources**
- Successful rollout of PPP participation for CBT clients
- Successful transition to remote workforce
- Drive-throughs remain open, limited lobby access
- Assess impact and revise our plans by 3Q2021

# 2020 Results

- CBT is a high-quality bank delivering high-quality banking and financial service experiences
- CBT pivoted to COVID 19 environment using continuity plans / remote workforce
- CBC Net Income After Tax \$1.9 million in 2020 (1Q21 NIAT was \$2.4 million)
- Deposits of \$843 million were up \$75 million
- Wealth Assets Under Management of \$334 million up \$17 million
- \$30 million in new SBA Payroll Protection Loans made in 2020 – saving 3,533 jobs
- RSM financial statement audit of CBC for 2020 was unqualified and had no exceptions
- CBT continued Leading Financial Literacy marketplace education

Questions?



# Don Walsworth

## Chairman



# Election Results



# Board Meeting to Follow





800-634-6203 | [GoCitizens.bank](https://www.GoCitizens.bank)