

CITIZENS HOLDING COMPANY REPORTS EARNINGS

PHILADELPHIA, Miss.—(BUSINESS WIRE)—October 28, 2025--Citizens Holding Company (the “Company”) (OTCQX:CIZN) announced today results of operations for the three and nine months ended September 30, 2025.

(in thousands, except share and per share data)

Net income for the three months ended September 30, 2025 was \$2,357, or \$0.42 per share-basic and diluted, a linked-quarter increase of \$509, or 27.6%, from a net income of \$1,848, or \$0.33 per share-basic and diluted, for the three months ended June 30, 2025. Net income increased \$2,039, or 641.23%, from net income of \$318, or \$0.06, per share-basic and diluted for the same quarter in 2024.

Net income for the nine months ended September 30, 2025 was \$6,057, or \$1.08 per share-basic and diluted, an increase of \$1,884, or 45.1%, from net income of \$4,173, or \$0.74, per share-basic and diluted, for the same period in 2024. See supplemental information for additional disclosures.

Third Quarter Highlights

- Net interest margin (“NIM”) increased 12 basis points (“bps) to 3.20% for the three months ended September 30, 2025 from 3.08% for the three months ended June 30, 2025 and increased 56 bps from 2.52% for the three months ended September 30, 2024.
- Total loans held for investment (LHFI), as of September 30, 2025 totaled \$831,202 an increase of \$13,210, or 1.6%, compared to June 30, 2025, and an increase of \$119,568, or 16.8% compared to September 30, 2024.
- Credit quality continues to remain solid with total non-performing assets (“NPA”) to loans at 85 bps at September 30, 2025 compared to 84 bps at June 30, 2025. Total non-performing assets increased \$330, or 4.9%, to \$7,063 at September 30, 2025, compared to \$6,733 at June 30, 2025, and increased \$1,933, or 37.7%, compared to \$5,130 at September 30, 2024.
- Allowance for credit losses (“ACL”) to loans was 1.04% at September 30, 2025 compared to 1.00% in the prior quarter and 0.96% the same period a year ago.
- Tangible book value per common share, as of September 30, 2025 was \$7.96, and increase of \$1.29 compared to \$6.67 as of June 30, 2025 and an increase of \$1.35 compared to \$6.61 as of September 30, 2024.

Chief Executive Officer (“CEO”) Commentary

Stacy Brantley, President and Chief Executive Officer of Citizens Holding Company stated, “I’m excited to report our earnings for the quarter which reflect continued progress and execution of our strategic plan. Our banking team produced strong directional results growing our margin, profitability, loans, credit reserves, and capital. The Company’s year to date net interest margin expanded 6 bps over the prior quarter and 56 bps over the same quarter for the prior year to 3.08%. As a result, net income for the quarter was up 27.6% over prior quarter and approximately 87% over organic earnings from the same quarter prior year, netting out bond losses recorded at liquidation during the period.

Loan growth continues to be the primary driver of net interest margin expansion and net income growth. Loan growth for the quarter was \$13.21MM or 1.6% over the prior quarter-end and \$119.6MM or 16.82% over the same quarter of the year. While we expect continued loan growth, we do anticipate slower growth in the next few quarters as pipelines remain solid but have shallowed. We were able to decrease our cost of funds by 3 bps during the quarter while increasing the yield on earning assets by 1 bp. Strengthened focus on disciplined CD pricing, retail deposit gathering, and treasury sales are the primary drivers contributing to lower cost of funds. We will continue to seek sound loan growth and low-cost deposits focusing on outstanding client service.

“Credit metrics remain strong with past dues and non-performing loans well within management established targets. The Company increased its ACL as a percentage of LHFI by 4 bps over the prior quarter-end to 1.04%. Provision for credit losses for the quarter was \$551 versus \$489 for the prior quarter and \$0 for the linked prior quarter. This reflects the Company’s commitment to strengthen its balance sheet and fund reserves to accommodate loan growth.”

“The Company’s success remains rooted in its culture of service. Our growth and improved profitability are direct outtakes of our focus on and commitment to our culture and to outstanding service. Realignment of Risk Management and Human Resources through expansion of our management team is focused on driving culture forward in our organization and ensuring risk management infrastructure is well positioned to accommodate growth. The restructuring of our balance sheet over the last few quarters has driven improved profitability and allowed the company to grow capital while funding reserves through provisioning. We have implemented this restructuring with a parallel focus on building strong infrastructure and risk management practices. I look forward to continuing our momentum into the fourth quarter and delivering much improved results to our shareholders as we wrap up 2025.”

Financial Condition and Results of Operations

Loans and Deposits

Total loans outstanding, net of unearned income, as of September 30, 2025 totaled \$831,202 compared to \$817,992 at June 30, 2025 and \$711,544 as of September 30, 2024.

Total deposits as of September 30, 2025 were \$1,182,358 compared to \$1,265,573 at June 30, 2025 and \$1,092,738 as of September 30, 2024. The Company continues to focus on core deposit growth to not only fund future loan growth but to also minimize cost of funds.

Net Interest Income

Net interest income for the three months ended September 30, 2025 was \$10,952, an increase of \$255, or 2.5%, compared to \$10,697 for the three months ended June 30, 2025, and an increase of \$2,195, or 25.0%, compared to \$8,757 for the three months ended September 30 2024. NIM was 3.20% for the three months ended September 30, 2025 compared to 3.08% for the three months ended June 30, 2025 and 2.52% for the same period in 2024.

The linked-quarter increase in net interest income is primarily a result of the increase in interest income of \$413, or 2.3%, offset by an increase in interest expense of \$158, or 2.3%, compared to the three months ended June 30, 2025. The increase from the same period ended September 30, 2024 is due to both an increase in interest income of \$895, or 5.2% and a decrease in interest expense of \$1,300, or 15.4%.

Net interest income for the nine months ended September 30, 2025 increased \$6,414, or 25.3%, to \$31,762 from \$25,347 for the same period in 2024. The year-to-date NIM was 3.08% as of September 30, 2025 compared to 3.02% at June 30, 2025 and 2.50% for the same period in 2024.

The increase in net interest income for the nine months ended September 30, 2025 is attributable to both increases in interest income and decreases in interest expense when compared to the same period in 2024. Interest income increased \$3,823, or 7.73% when compared to the same period in 2024. This increase is primarily the result of interest income on loans, including fees, increasing \$7,879, or 23.4%, from \$33,697 to \$41,576 for the same period. Additionally, interest expense decreased \$2,592, or 10.8%, to \$21,503 for the nine months ended September 30, 2025 from \$24,095 for the same period in 2024.

Credit Quality

The Company's NPAs to loans was 85 bps at September 30, 2025 compared to 84 bps at June 30, 2025. Total non-performing assets increased \$330, or 4.9%, to \$7,063 at September 30, 2025, compared to \$6,733 at June 30, 2025, and increased \$1,933, or 37.7%, compared to \$5,130 at September 30, 2024. The increase in NPAs relates to the foreclosure of 2 relationships totaling \$929 partially offset by paydowns on nonaccrual loans.

Net losses were \$141 for the nine months ended September 30, 2025. Year-to-date net losses to average loans were 0.02% at September 30, 2025 compared to 0.00% at September 30, 2024.

The provision for credit losses ("PCL") for the three months ended September 30, 2025 was \$551 compared to \$489 for the linked quarter and \$490 for the same period a year ago. The PCL was primarily driven by loan growth coupled with qualitative factor adjustments due to the current economic uncertainty. The ACL to LHF1 increased 4 bps to 1.04% at September 30, 2025 from 1.00% at June 30, 2025 and 8 bps from 0.96% at September 30, 2024.

Liquidity and Capital

The Company manages a variety of liquidity metrics with the most pertinent metric being on-balance sheet ("OBS") liquidity. The Company maintained a strong liquidity position with OBS liquidity of 14.9% at September 30, 2025.

In addition to the Company OBS liquidity, the Company has a variety of off-balance sheet sources should funding needs arise. The capacity to borrow from wholesale funding sources totaling \$569,000, which consists of the following:

- \$210,000 from the Federal Home Loan Bank of Dallas ("FHLB")
- Approximately \$211,000 in brokered deposit availability
- \$98,000 of off-balance sheet deposits held in the IntraFi Network's ICS deposit program
- \$50,000 in availability with our correspondent Fed Funds lines

Additionally, the Company could provide additional collateral to the FHLB to increase the capacity there, should that avenue be needed.

The Company and the Bank remain in a strong capital position and well-capitalized. A comparison of the various regulatory ratios for the Company and the Bank are noted below:

	September 30, 2025	June 30, 2025	September 30, 2024
Citizens Holding Company			
Tier 1 leverage ratio	7.44%	7.34%	7.21%
Common Equity tier 1 capital ratio	10.90%	10.77%	11.39%
Tier 1 risk-based capital ratio	10.90%	10.77%	11.39%
Total risk-based capital ratio	11.80%	11.62%	12.18%
The Citizens Bank			
Tier 1 leverage ratio	8.30%	8.25%	8.24%
Common Equity tier 1 capital ratio	12.08%	12.01%	12.91%
Tier 1 risk-based capital ratio	12.08%	12.01%	12.91%
Total risk-based capital ratio	12.97%	12.86%	13.69%

Noninterest Income

Noninterest income increased for the three months ended September 30, 2025, by \$392, or 15.2%, compared to the three months ended June 30, 2025, and increased by \$1,644, or 123.9%, compared to the same period in 2024.

The increase quarter-over-quarter is primarily due to service charges on deposit accounts increasing \$452, or 46.3%, to \$1,428 for the three months ended September 30, 2025 from \$976 for the three months ended June 30, 2025. Included in the increase of service charges on deposit accounts was an increase in overdraft charges of \$94, or 14.0% to \$767 for the three months ended September 30, 2025 from \$673 for the three months ended June 30, 2025.

Noninterest income decreased for the nine months ended September 30, 2025, by (\$1,033), or (10.9)%, from \$9,504 to \$8,471 for the nine months ended September 30, 2024.

The decrease year-over-year is primarily attributed to a gain from a sale-leaseback transaction in the first quarter of 2024 resulting in a gain of \$4,535 which was offset by net losses of securities sold totaling (\$2,562) during the nine months ended September 30, 2024. Additionally, no securities have been sold during the nine months ended September 30, 2025.

Noninterest Expense

Noninterest expense increased for the three months ended September 30, 2025, by \$239, or 2.3%, compared to the three months ended June 30, 2025 and increased by \$879, or 8.9%, compared to the same period in 2024.

Noninterest expense increased for the nine months ended September 30, 2025 by \$2,260, or 7.8%, compared to the same period in 2024.

The increase year-over-year is primarily due to salaries and employee benefits increasing by \$1,300, or 8.75%, to \$16,163 for the nine months ended September 30, 2025 from \$14,863 for the nine months ended September 30, 2024. The Bank is committed to recruiting and retaining top talent in its strategic markets.

Dividends

The Company has paid aggregate cash dividends in the amount of \$226, or \$0.04 per share, during the nine-month period ended September 30, 2025 compared to \$2,705, or \$0.48 per share, for the same period in 2024.

Citizens Holding Company
Financial Highlights
(amounts in thousands, except share and per share data)

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2025	June 30, 2025	September 30, 2024	September 30, 2025	September 30 2024
INTEREST INCOME					
Loans, including fees	\$ 14,315	\$ 13,865	\$ 12,090	\$ 41,576	\$ 33,697
Investment securities	3,275	3,358	3,439	10,082	9,498
Other interest	528	482	1,694	1,607	6,247
	<u>18,118</u>	<u>17,705</u>	<u>17,223</u>	<u>53,265</u>	<u>49,442</u>
INTEREST EXPENSE					
Deposits	4,709	4,610	5,214	13,660	15,714
Other borrowed funds	2,457	2,398	3,252	7,843	8,381
	<u>7,166</u>	<u>7,008</u>	<u>8,466</u>	<u>21,503</u>	<u>24,095</u>
NET INTEREST INCOME	10,952	10,697	8,757	31,762	25,347
PCL	551	489	-	1,679	490
NET INTEREST INCOME AFTER PCL	10,401	10,206	8,757	30,083	24,857
NONINTEREST INCOME					
Service charges on deposit accounts	1,428	976	1,108	3,418	3,134
Other service charges and fees	1,087	1,156	910	3,330	3,095
Net losses on sales of securities	-	-	(988)	-	(2,562)
Gain on disposition of asset	-	-	-	-	4,535
Other noninterest income	456	448	297	1,723	1,338
	<u>2,971</u>	<u>2,579</u>	<u>1,327</u>	<u>8,471</u>	<u>9,504</u>
NONINTEREST EXPENSE					
Salaries and employee benefits	5,541	5,336	5,042	16,163	14,863
Occupancy expense	1,143	621	1,857	3,308	3,061
Technology Expense	1,838	2,318	1,184	5,682	5,739
Other noninterest expense	2,192	2,201	1,753	6,197	5,428
	<u>10,715</u>	<u>10,476</u>	<u>9,836</u>	<u>31,351</u>	<u>29,091</u>
NET INCOME BEFORE TAXES	2,658	2,309	248	7,203	5,270
INCOME TAX EXPENSE (BENEFIT)	301	460	(70)	1,146	1,097
NET INCOME	<u>\$ 2,357</u>	<u>\$ 1,848</u>	<u>\$ 318</u>	<u>\$ 6,057</u>	<u>\$ 4,173</u>
Earnings per share - basic	<u>\$ 0.42</u>	<u>\$ 0.33</u>	<u>\$ 0.06</u>	<u>\$ 1.08</u>	<u>\$ 0.74</u>
Earnings per share - diluted	<u>\$ 0.42</u>	<u>\$ 0.33</u>	<u>\$ 0.06</u>	<u>\$ 1.08</u>	<u>\$ 0.74</u>
Dividends paid	<u>\$ -</u>	<u>\$ 0.02</u>	<u>\$ 0.16</u>	<u>\$ 0.04</u>	<u>\$ 0.48</u>
Average shares outstanding - basic	5,627,244	5,627,244	5,612,570	5,621,924	5,608,746
Average shares outstanding - diluted	5,630,639	5,630,639	5,612,570	5,626,279	5,609,999

Citizens Holding Company
Financial Highlights
Balance Sheet

<i>(in thousands)</i>	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)	Change	% Change	June 30, 2025 (Audited)	Change	% Change
Assets							
Cash and due from banks	\$ 15,321	\$ 18,336	\$ (3,015)	-16.44%	\$ 24,350	\$ (9,029)	-37.08%
Interest bearing deposits with other banks	113,727	86,772	27,005	31.14%	158,483	(44,756)	-28.24%
Cash and cash equivalents	129,047	105,057	23,990	22.83%	182,833	(53,786)	-29.42%
Investment securities held-to-maturity, at amortized cost	357,028	374,633	(17,606)	-4.70%	361,740	(4,712)	-1.30%
Investment securities available-for-sale, at fair value	174,562	180,750	(6,188)	-3.42%	174,470	92	0.05%
Loans held for investment (LHFI) (1)	831,202	711,544	119,568	16.82%	817,992	13,210	1.61%
Less allowance for credit losses (ACL), LHFI (1)	8,611	6,853	1,758	25.66%	8,180	431	5.27%
Net LHFI	822,591	704,691	117,900	16.73%	809,813	12,778	1.58%
Premises and equipment, net	20,185	20,217	(32)	-0.16%	20,253	(68)	-0.33%
Other real estate owned, net	1,939	967	972	100.55%	1,014	925	91.19%
Accrued interest receivable	5,524	4,902	622	12.69%	5,732	(208)	-3.63%
Cash surrender value of life insurance	26,058	26,753	(695)	-2.60%	26,651	(593)	-2.22%
Deferred tax assets, net	25,884	25,832	52	0.20%	27,267	(1,383)	-5.07%
Identifiable intangible assets, net	13,140	13,249	(109)	-0.83%	13,167	(27)	-0.21%
Other assets	17,244	18,746	(1,503)	-8.02%	17,484	(240)	-1.38%
Total Assets	\$ 1,593,202	\$ 1,475,798	\$ 117,404	7.96%	\$ 1,640,424	\$ (47,222)	-2.88%
Liabilities and Shareholders' Equity							
Liabilities							
Deposits:							
Non-interest bearing deposits	\$ 283,066	\$ 252,309	\$ 30,756	12.19%	\$ 292,339	\$ (9,273)	-3.17%
Interest bearing deposits	899,293	840,429	58,864	7.00%	973,234	(73,941)	-7.60%
Total deposits	1,182,358	1,092,738	89,620	8.20%	1,265,573	(83,215)	-6.58%
Securities sold under agreement to repurchase	313,475	290,841	22,635	7.78%	284,646	28,829	10.13%
Borrowings on secured line of credit	13,900	15,500	(1,600)	-10.32%	13,900	-	0.00%
Deferred compensation payable	9,494	9,655	(161)	-1.67%	9,511	(17)	-0.18%
Other liabilities	15,834	16,547	(713)	-4.31%	15,911	(77)	-0.49%
Total liabilities	1,535,601	1,425,281	109,780	7.70%	1,589,541	(54,480)	-3.43%
Shareholders' Equity							
Common stock, \$0.20 par value, 22,500,000 shares authorized, Issued and outstanding: 5,653,753 shares – September 30, 2025; 5,637,061 shares – September 30, 2024; and 5,653,753 shares – June 30, 2025	1,129	1,125	4	0.32%	1,128	1	0.05%
Additional paid-in capital	18,786	18,672	113	0.61%	18,759	27	0.14%
Accumulated other comprehensive loss, net of tax benefit of \$22,847 at September 30, 2025, \$23,305 at September 30, 2024; and \$24,715 at June 30, 2025	(68,841)	(70,102)	1,261	-1.80%	(73,714)	4,873	-6.61%
Retained earnings	107,068	100,822	18,672	6.19%	104,711	2,357	2.25%
Total shareholders' equity	58,141	50,517	7,623	15.09%	50,884	7,257	14.26%
Total liabilities and shareholders' equity	\$ 1,593,202	\$ 1,475,798	\$ 117,404	7.96%	\$ 1,640,424	\$ (47,223)	-2.88%

SELECTED FINANCIAL INFORMATION

Dollars in thousands, except per share data	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)	September 30, 2024 (Unaudited)
Per Share Data			
Basic Earnings per Common Share	\$ 0.42	\$ 0.33	\$ 0.06
Diluted Earnings per Common Share	0.42	0.33	0.06
Dividends per Common Share	-	0.02	0.16
Book Value per Common Share	10.28	9.00	8.96
Book Value per Common Share (ex-OCI)	22.46	22.10	21.40
TBV per Common Share	7.96	6.67	6.61
TBV per Common Share (ex-OCI)	20.14	19.71	19.05
Closing Market Price per Common Share	6.60	8.45	9.03
Closing Price to TBV	82.80%	126.66%	241.67%
Average Diluted Shares Outstanding	5,630,639	5,630,639	5,612,570
End of Period Common Shares Outstanding	5,653,753	5,653,753	5,637,061
Annualized Performance Ratios			
Return on Average Assets	0.54%	0.49%	0.38%
Return on Average Equity	15.97%	14.91%	12.10%
Equity/Assets	3.65%	3.10%	3.42%
Equity/Assets (ex-OCI)	7.97%	7.60%	8.17%
Yield on Earning Assets	5.07%	5.06%	4.79%
Cost of Funds	2.45%	2.48%	2.77%
Net Interest Margin	3.08%	3.02%	2.50%
Credit Metrics			
Allowance for Loan Losses to Total Loans	1.04%	1.00%	0.96%
Non-performing assets to loans	0.85%	0.84%	0.73%

SUPPLEMENTAL INFORMATION

NET INCOME, CORE

	For the Three Months Ending			For the Nine Months Ending	
	September 30, 2025	June 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
NET INCOME (GAAP)	\$ 2,357	\$ 1,848	\$ 318	\$ 6,057	\$ 4,173
Gain on sale-leaseback transaction	-	-	-	-	(4,535)
Loss on sale of securities	-	-	988	-	2,562
Gain on proceeds from BOLI policy	(300)	-	-	(554)	-
Tax Expense (Benefit)	(75)	-	(247)	(138)	492
NET INCOME, CORE	\$ 1,982	\$ 1,848	\$ 1,059	\$ 5,365	\$ 3,416

Citizens Holding Company is a one-bank holding company and the parent company of the Bank, both headquartered in Philadelphia, Mississippi. The Bank currently has locations in fourteen counties throughout the state of Mississippi. In addition to full service commercial banking, the Company offers mortgage loans, title insurance services through third party partnerships and a full range of Internet banking services including online banking, bill pay and cash management services for businesses. Internet services are available at the Bank web site, www.thecitizensbankphila.com. Citizens Holding Company stock is listed on the OTCQX Best Market and is traded under the symbol CIZN. The Company's transfer agent is American Stock Transfer & Trust Company. Investor relations information may be obtained at the corporate website, <https://www.thecitizensbankphila.com/investor-relations>.

Cautionary Note Regarding Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts included in this release regarding the Company's financial position, results of operations, business strategies, plans, objectives and expectations for future operations, are forward looking statements. The Company can give no assurances that the assumptions upon which such forward-looking statements are based will prove to have been correct. Forward-looking statements speak only as of the date they are made. The Company does not undertake a duty to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made. Such forward-looking statements are subject to certain risks, uncertainties and assumptions. The risks and uncertainties that may affect the operation, performance, development and results of the Company's and the Bank's business include, but are not limited to, the following: (a) the risk of adverse changes in business conditions in the banking industry generally and in the specific markets in which the Company operates; (b) our ability to mitigate our risk exposures; (c) changes in the legislative and regulatory environment that negatively impact the Company and Bank through increased operating expenses; (d) increased competition from other financial institutions; (e) the impact of technological advances; (f) expectations about the movement of interest rates, including actions that may be taken by the Federal Reserve Board in response to changing economic conditions; (g) changes in asset quality and loan demand; (h) expectations about overall economic strength and the performance of the economics in the Company's market area; and (i) other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission. Should one or more of these risks materialize or should any such underlying assumptions prove to be significantly different, actual results may vary significantly from those anticipated, estimated, projected or expected.

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