

CITIZENS HOLDING COMPANY REPORTS EARNINGS

PHILADELPHIA, Miss.—(BUSINESS WIRE)—April 24, 2026--Citizens Holding Company (the “Company”) (OTCQX:CIZN) announced today results of operations for the three months ended March 31, 2026.

(in thousands, except share and per share data)

Net income for the three months ended March 31, 2026, was \$1,886 or \$0.33 per share-basic and diluted, a linked-quarter decrease of \$193, or 9.3%, from net income of \$2,079, or \$0.37 per share-basic and diluted, for the three months ended December 31, 2025. Net income increased \$36, or 2.0%, from net income of \$1,850, or \$0.33, per share-basic and diluted for the same quarter in 2025. Excluding the one-time, non-core transactions, core net income decreased \$264 or 14.3%, to \$1,586 from \$1,850 compared to the same quarter in 2025. See net income, core reconciliation at the end of the release.

First Quarter Highlights

- Net interest margin (“NIM”) increased 9 basis points (“bps”) to 3.34% for the three months ended March 31, 2026, from 3.25% for the three months ended December 31, 2025, and increased 37 bps from 2.97% for the three months ended March 31, 2025.
- The Company closed on a \$5,000 term loan and a \$5,000 line of credit of which \$4,000 was contributed to The Citizens Bank (the Bank) to support growth and enhance regulatory capital ratios.
- Credit quality continues to remain solid with total non-performing assets (“NPA”) to loans at 73 bps at March 31, 2026, compared to 66 bps at December 31, 2025. Total non-performing assets increased \$553, or 9.9%, to \$6,137 at March 31, 2026, compared to \$5,584 at December 31, 2025, and increased \$826, or 15.6%, compared to \$5,311 at March 31, 2025.
- Allowance for credit losses (“ACL”) to loans was 1.05% at March 31, 2026 compared to 1.06% in the prior quarter and 0.95% the same period a year ago.
- Tangible book value per common share, as of March 31, 2026, was \$8.89, an increase of \$0.22 compared to \$8.67 as of December 31, 2025, and an increase of \$2.26 compared to \$6.63 as of March 31, 2025.

Chief Executive Officer (“CEO”) Commentary

Stacy Brantley, President and Chief Executive Officer of Citizens Holding Company (the “Company”) and The Citizens Bank of Philadelphia (the “Bank”) stated, “I’m proud of the progress made by our team and the disciplined efforts to fortify the Company’s balance sheet and strengthen earnings. The first quarter of 2026 was pivotal as the Company was able to inject capital into the Bank, inching closer to strategic capital levels. We will continue to focus on strengthening capital over the remainder of 2026, better positioning the Company to take advantage of current and future opportunities.”

“The Bank’s net interest margin was 3.34% for the quarter, expanding 9 bps over the prior quarter and 37 bps over the same quarter for the prior year. Margin expansion was primarily driven by lower funding costs during the quarter. Interest income was relatively flat, mirroring the Bank’s loan portfolio, which increased 0.4% over the prior quarter. Solid loan production during the quarter was offset by a few large commercial loan payoffs totaling approximately 5.3% of the portfolio. However, our banking teams have built a solid loan pipeline entering the second quarter and we expect loan growth to accelerate and further expand the net interest margin.”

“The Company made significant progress toward key strategic goals during the quarter, especially with respect to capital and net interest margin. Stronger capital, reduced funding costs, and enhanced core earnings are the result of persistent efforts by our banking teams and Company leadership and are the foundation of future growth and expanded profitability. We will continue to seek solid organic growth by recruiting talented bankers and focusing on support of and investment in our banking teams and communities.”

Financial Condition and Results of Operations

Loans and Deposits

Total loans outstanding, net of unearned income, at March 31, 2026, totaled \$844,491, an increase of \$3,355 or 0.4% compared to \$841,136 at December 31, 2025, and \$802,754, an increase of \$41,737 or 5.2% at March 31, 2025. The Company had approximately \$45,000 in loan payoffs during the quarter ended March 31, 2026 causing the loan growth to be flat quarter-over-quarter (“Q-O-Q”) but loan demand remains strong across the Company’s footprint.

Total deposits as of March 31, 2026, were \$1,344,544, an increase of \$7,261, or 0.5%, compared to \$1,337,282 at December 31, 2025, and an increase of \$114,284, or 9.3%, compared to \$1,230,259 at March 31, 2025. The Company continues to focus on core deposit growth to not only fund future loan growth but to also minimize cost of funds.

Non-interest bearing deposits increased \$5,502, or 1.9%, compared to \$285,291 at December 31, 2025 and increased \$20,983, or 7.8%, compared to the same quarter in 2025.

Net Interest Income

Net interest income for the three months ended March 31, 2026, was \$11,293, a decrease of \$91, or 0.8%, compared to \$11,384 for the three months ended December 31, 2025, and an increase of \$1,180, or 11.7%, compared to \$10,113 for the three months ended March 31, 2025. Net interest margin was 3.34% for the three months ended March 31, 2026, compared to 3.25% for the three months ended December 31, 2025, and 2.97% for the same period in 2025.

The linked-quarter decrease in net interest income was primarily driven by the decrease in interest income of \$784, or 4.3%, which was largely offset by the decrease in interest expense of \$692, or 10.0%, compared to the three months ended December 31, 2025. The decrease in both interest income and interest expense was primarily attributable to the Federal Reserve's interest rate policy during the fourth quarter of 2025.

Compared to the same period ended March 31, 2025, the increase in net interest income was due to both an increase in interest income of \$40, or 0.3%, and a decrease in interest expense of \$1,139, or 15.5%.

Within interest expense, costs on other borrowed funds declined \$581, or 44.6%, to \$722 for the three months ended March 31, 2026, compared to \$1,303 for the prior quarter, and declined \$2,266, or 75.8%, from \$2,988 for the same period in 2025. This decrease reflects the Bank's continued reduction in its reliance on repurchase agreements.

Deposit interest expense decreased \$111, or 2.0%, to \$5,468 compared to \$5,579 for the three months ended December 31, 2025, but increased \$1,127, or 25.9%, from \$4,341 for the same period in 2025. The more gradual linked-quarter decline in deposit costs reflects a shift in the Bank's funding mix from short-term borrowings toward ICS reciprocal deposits, which generally reprice at a slower pace than repurchase funding.

Credit Quality

The Company's non-performing assets to loans ratio was 73 basis points at March 31, 2026, compared to 66 basis points at December 31, 2025. Total non-performing assets increased \$553, or 9.9%, to \$6,137 at March 31, 2026, compared to \$5,584 at December 31, 2025, and increased \$826, or 15.6%, compared to \$5,311 at March 31, 2025.

Net charge-offs during the quarter were attributable to a single credit relationship and were not indicative of broad-based deterioration across the loan portfolio. Net charge-offs were \$1,074 for the three months ended March 31, 2026. Year-to-date net charge-offs (recoveries) to average loans were 0.13% at March 31, 2026, compared to (0.02)% at March 31, 2025.

The provision for credit losses ("PCL") for the three months ended March 31, 2026, was \$1,303, representing an increase of \$721, or 123.9%, from the prior quarter and an increase of \$665, or 104.2%, from the same period a year ago. The increase in PCL during the quarter was primarily driven by a higher specific reserve associated with a single loan relationship within the commercial and industrial loan segment. This increase was isolated in nature and did not reflect broad-based deterioration in the loan portfolio, as overall credit metrics remained stable. The allowance for credit losses ("ACL") to loans held for investment ("LHFI") decreased 1 basis point to 1.05% at March 31, 2026, from 1.06% at December 31, 2025, and increased 10 basis points from 0.95% at March 31, 2025.

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 14.1% at March 31, 2026.

In addition to OBS liquidity, the Company has access to a range of off-balance sheet funding sources to address potential liquidity needs. Total available capacity from wholesale funding sources was approximately \$801,000 at March 31, 2026, consisting of the following:

- \$231,000 from the Federal Home Loan Bank of Dallas ("FHLB")
- Approximately \$245,000 in brokered deposit availability
- \$275,000 of off-balance sheet deposits held in the IntraFi Network's ICS deposit program
- \$50,000 in availability with our correspondent Fed Funds lines

In addition, the Company has the ability to pledge additional collateral to the FHLB to further increase borrowing capacity, if needed. The Company and the Bank continue to maintain a strong capital position and remain well-capitalized. A comparison of key regulatory capital ratios for the Company and the Bank is provided below.

	March 31, 2026	December 31, 2025	March 31, 2025
Citizens Holding Company			
Tier 1 leverage ratio	7.89%	7.62%	7.22%
Common Equity tier 1 capital ratio	10.99%	11.01%	10.69%
Tier 1 risk-based capital ratio	10.99%	11.01%	10.69%
Total risk-based capital ratio	11.96%	11.95%	11.51%
The Citizens Bank			
Tier 1 leverage ratio	8.97%	8.45%	8.16%
Common Equity tier 1 capital ratio	12.42%	12.13%	11.99%
Tier 1 risk-based capital ratio	12.42%	12.13%	11.99%
Total risk-based capital ratio	13.39%	13.06%	12.81%

Noninterest Income

Noninterest income increased for the three months ended March 31, 2026, by \$416, or 15.7%, compared to the three months ended December 31, 2025, and increased by \$145, or 4.9%, compared to the same period in 2025.

The increase in quarter-over-quarter is primarily due to the increase in other noninterest income of \$453, or 121.7%, to \$826 for the three months ending March 31, 2026, from \$373 for the three months ending December 31, 2025. The increase from the quarter ended December 31, 2025 was primarily due to a gain of \$300 related to the payout of a bank-owned life insurance policy.

Noninterest Expense

Noninterest expense decreased for the three months ending March 31, 2026, by \$252, or 2.3%, compared to the three months ending December 31, 2025, and increased by \$696, or 6.8%, compared to the same period in 2025.

The increase year-over-year is primarily due to an increase in salaries and employee benefits expense of \$411, or 7.8% as the Company continues to support the strategic hires made throughout 2025.

Effective Tax Rate

The effective tax rate for the three months ended March 31, 2026, was 14.2%, compared to 11.3% for the three months ended December 31, 2025, and 17.2% for the same period in 2025.

The effective tax rate declined on a year-over-year basis primarily due to the Bank's investment in Mississippi New Market Tax Credits entered into during the third quarter of 2025 coupled with the receipt of tax-free life insurance proceeds.

Compared to the three months ended December 31, 2025, the linked-quarter increase in the effective tax rate reflects changes in the level of pre-tax income and the timing and recognition of tax credit benefits during the period.

Dividends

The Company did not pay cash dividends during the three-month period ended March 31, 2026, compared to \$113, or \$0.02 per share, for the same period in 2025.

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

	For the Three Months Ended		
	March 31 2026	December 31, 2025	March 31, 2025
INTEREST INCOME			
Loans, including fees	\$ 14,444	\$ 14,820	\$ 13,396
Investment securities	2,803	3,063	3,449
Other interest	235	383	597
	17,482	18,266	17,442
INTEREST EXPENSE			
Deposits	5,468	5,579	4,341
Other borrowed funds	722	1,303	2,988
	6,190	6,882	7,329
NET INTEREST INCOME	11,293	11,384	10,113
PCL	1,303	582	638
NET INTEREST INCOME AFTER PCL	9,990	10,802	9,475
NONINTEREST INCOME			
Service charges on deposit accounts	1,125	1,139	1,014
Other service charges and fees	1,113	1,149	1,132
Loss on sales of securities	-	(11)	-
Other noninterest income	826	373	774
	3,065	2,649	2,920
NONINTEREST EXPENSE			
Salaries and employee benefits	5,671	5,725	5,260
Occupancy expense	1,134	1,115	1,098
Technology Expense	1,219	1,124	1,162
Other noninterest expense	2,833	3,144	2,640
	10,856	11,108	10,160
NET INCOME BEFORE TAXES	2,196	2,343	2,235
INCOME TAX EXPENSE	313	264	385
NET INCOME	\$ 1,886	\$ 2,079	\$ 1,850
Earnings per share - basic	\$ 0.33	\$ 0.37	\$ 0.33
Earnings per share - diluted	\$ 0.33	\$ 0.37	\$ 0.33
Dividends paid	\$ -	\$ -	\$ 0.16
Average shares outstanding - basic	5,674,990	5,653,753	5,612,570
Average shares outstanding - diluted	5,690,353	5,661,502	5,624,012

Citizens Holding Company
Financial Highlights
Balance Sheet

<i>(in thousands)</i>	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	Change	% Change	December 31, 2025 (Audited)	Change	% Change
Assets							
Cash and due from banks	\$ 23,200	\$ 16,553	\$ 6,647	40.16%	\$ 17,140	\$ 6,060	35.36%
Interest bearing deposits with other banks	66,513	113,846	(47,333)	-41.58	113,727	19,134	40.39
Cash and cash equivalents	89,714	130,399	(40,685)	-31.20	64,519	25,195	39.05
Investment securities held-to-maturity, at amortized cost	348,191	366,229	(18,038)	-4.93	375,028	(4,134)	-1.17
Investment securities available-for-sale, at fair value	146,138	182,791	(36,653)	-20.05	174,562	(6,281)	-4.12
Loans held for investment (LHFI)	844,491	802,754	41,737	5.20	841,136	3,355	0.40
Less allowance for credit losses (ACL), LHFI	8,875	7,620	1,255	16.47	8,611	(70)	0.78
Net LHFI	835,616	795,134	40,482	5.09	832,191	3,285	0.39
Premises and equipment, net	19,976	19,962	12	0.06	20,191	(217)	-1.08
Other real estate owned, net	1,596	1,186	410	34.55	1,839	(243)	-13.20
Accrued interest receivable	5,274	5,522	(248)	-4.49	5,774	(500)	-8.65
Cash surrender value of life insurance	25,764	26,498	(734)	-2.77	26,336	(573)	-2.17
Deferred tax assets, net	25,392	26,772	(1,379)	-5.15	25,244	148	0.59
Identifiable intangible assets, net	13,085	13,195	(109)	-0.83	13,112	(27)	-0.21
Other assets	17,724	16,669	1,055	6.33%	17,373	351	2.02
Total Assets	\$ 1,528,470	\$ 1,584,357	\$ (55,889)	-3.53%	\$ 1,511,324	\$ 17,004	1.13%
Liabilities and Shareholders' Equity							
Liabilities							
Deposits:							
Non-interest bearing deposits	\$ 290,793	\$ 269,810	\$ 20,983	7.78%	\$ 285,291	\$ 5,502	1.93
Interest bearing deposits	1,053,751	960,449	93,302	9.71	1,051,991	1,759	0.17
Total deposits	1,344,544	1,230,259	114,285	9.29	1,337,282	7,261	0.54
Securities sold under agreement to repurchase	78,921	265,926	(187,005)	-70.32	313,475	4,698	6.33
Borrowings on secured line of credit	18,050	14,700	3,350	22.79	13,475	4,575	33.95
Deferred compensation payable	9,416	9,529	(112)	-1.18	9,477	(61)	-0.64
Other liabilities	13,907	13,355	552	4.13	14,736	(829)	-5.62
Total liabilities	1,464,838	1,533,769	(68,932)	-4.49	1,449,193	15,644	-1.08
Shareholders' Equity							
Common stock, \$0.20 par value, 22,500,000 shares authorized, Issued and outstanding: 5,685,361 shares – March 31, 2026 5,637,061 shares – March 31, 2025; and 5,655,753 shares – December 31, 2025	1,129	1,125	4	0.32	1,129	-	0.00
Additional paid-in capital	18,853	18,724	129	0.69	18,819	34	0.18
Accumulated other comprehensive loss, net of tax benefit of \$22,361 at March 31, 2026, \$22,108 at December 31, 2025; and \$23,900 at March 31, 2025	(67,393)	(72,335)	4,842	-6.70	(66,976)	(418)	0.62
Retained earnings	111,045	102,974	8,068	7.84	109,159	1,883	1.73
Total shareholders' equity	63,630	50,588	13,042	25.78	62,130	1,500	2.41
Total liabilities and shareholders' equity	\$ 1,528,470	\$ 1,584,357	\$ (55,889)	-3.53%	\$ 1,511,324	\$ 17,144	1.13%

SELECTED FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED

Dollars in thousands, except per share data	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited)
Per Share Data			
Basic Earnings per Common Share	\$ 0.33	\$ 0.37	\$ 0.33
Diluted Earnings per Common Share	0.33	0.37	0.33
Dividends per Common Share	-	-	0.02
Book Value per Common Share	11.19	10.99	8.97
Book Value per Common Share (ex-OCI)	23.05	22.84	21.79
TBV per Common Share	8.89	8.67	6.63
TBV per Common Share (ex-OCI)	20.74	20.52	19.45
Closing Market Price per Common Share	9.00	7.91	8.08
Closing Price to TBV	101.23%	91.23%	121.53%
End of Period Common Shares Outstanding	5,685,361	5,653,753	5,637,061
Annualized Performance Ratios			
Return on Average Assets	0.51%	0.54%	0.50%
Return on Average Equity	11.91%	15.29%	15.15%
Equity/Assets	4.16%	4.11%	3.19%
Equity/Assets (ex-OCI)	8.57%	8.54%	7.74%
Yield on Earning Assets	5.13%	5.09%	5.05%
Cost of Funds	2.25%	2.36%	2.53%
Net Interest Margin	3.34%	3.25%	2.97%
Credit Metrics			
Allowance for Loan Losses to Total Loans	1.05%	1.06%	0.95%
Non-performing assets to loans	0.73%	0.66%	0.63%

SUPPLEMENTAL INFORMATION

NET INCOME, CORE

	For the Three Months Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
NET INCOME (GAAP)	\$ 1,886	\$ 2,079	\$ 1,850
Write-down of bank-owned property	-	253	-
Loss on sale of securities	-	(11)	-
Gain on proceeds from BOLI policy	(300)	-	-
Tax Benefit	-	(60)	-
NET INCOME, CORE	\$ 1,586	\$ 2,261	\$ 1,850

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 Equiniti Trust Company LLC. 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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