



**2024**  
**ANNUAL**  
**REPORT**





## VISION STATEMENT

The Citizens Bank will remain a high performing locally owned and operated community bank. We will strive to be the Bank of choice for customers and the employer of choice for bankers in our communities. We will continually pursue opportunities for growth organically and through acquisitions with strategic discipline. We will not sacrifice long-term performance or our mission for the sake of growth.

## MISSION STATEMENT

The Citizens Bank's mission is to consistently increase shareholder value focused on soundness, profitability and growth by providing superior customer service and competitive Banking products to sustain long term relationships with our "stakeholders" which includes customers, employees, and the communities we serve.

## CORE VALUES

- Customer Service
- Soundness & Profitability
- Community Reputation
- Community Engagement
- Collaborative and Inclusive
- Employee Engagement
- Honesty and Integrity
- Work Environment

## SLOGAN

Solid Traditions. Smart Solutions.





To Our Shareholders and Friends:

We are pleased to present this annual report of the financial condition of Citizens Bancshares Corporation, and its wholly owned subsidiary, The Citizens Bank (collectively, the “Company”). In 2024 uncertainty was more prevalent than usual economically, politically, and even socially. Regulatory requirements slated to become effective in 2025 have recently been rescinded; however, not before requiring significant planning and management attention during 2024. Interest rate expectations reversed course, and the Fed pivoted to monetary easing, enacting a 1% cut to the federal funds rate by the end of 2024.

I am happy to report that your Company (“TCB”) performed well in 2024. During 2023 earnings were exceptional, resulting in the 6th consecutive year of back-to-back record earnings and making 2023 the most profitable year in the Company’s 81-year history. While our 2024 earnings did not surpass 2023, we are very pleased with the results. We had reduced Net Interest Income as a result of our strong liquidity position in conjunction with the Fed cutting rates. We also had increased Non-Interest Expense due to reinvestment in technology and in our branch footprint with an eye towards future growth. However, we were able to partially offset these expenses with other revenue sources. We continued to maintain a strong Net Interest Margin and were able to maintain our strong base of low-cost deposit funding despite the increased competition. We ended the year with an ROA of 1.02% which is higher than many of our peers.

**TCB’s conservative and simple approach to banking kept us strong amid uncertainty and industry challenges.** At TCB our strategy is to gather low-cost deposits, make loans, collect the loans we make, and invest excess cash into Fed Funds, government bonds, and securities, with limited duration risk. We focus on soundness, profitability, and growth, in that order. We will not sacrifice long term performance for the sake of growth.

During 2024, we continued to make significant investments in operations and technology. We implemented Banno, a new online banking system, with many new features and functionality. Fraud and cybersecurity continued to be a major challenge in 2024, with no signs of slowing down and we expect this to become even more challenging going forward. We incurred significant expenditures during 2024 in preparation for a 2025 core banking software upgrade. These investments in customer facing technology and product capability are a market demand that requires constant human capital , management attention, and capital expenditures. Continued investment is essential to remain relevant with customer demands and maintain operational safeguards.

I am proud of our employees’ performance in 2024. **We continue to maintain pristine credit quality, protect our data, and thwart endless efforts by criminals using increasing sophistication to commit fraudulent transactions.** Our disciplined and conservative approach to enterprise risk management has proven to be the best deterrent and is engrained in our culture. Our success in 2024 and in previous years is a direct result of our employees’ commitment, hard work, and dedication to our customers, the Company, and to each other.

Net income for the year was \$10.3 Million, compared to \$11.2 Million in 2023. Basic earnings per share for 2024 were \$5.21 as compared to \$5.67 in 2023. The decrease in net income was primarily driven by an increase in interest expense. As a result of this performance, we were able to increase our annual dividend to \$0.42 per share during the fourth quarter of 2024.

Total assets of the Company as of 12/31/2024 were \$1.03 Billion compared to \$964 Million at year-end 2023. Total deposits were \$917 Million compared to \$853 Million at year-end 2023. Loans net of

unearned income and the allowance for loan losses totaled \$570 Million as of 12/31/2024, compared to \$538 Million at year-end 2023. The Company’s capital position remained strong as of 12/31/2024, with Shareholders’ Equity increasing to \$85 Million as compared to \$77 Million at year-end 2023. Book value per share was \$43.52 as of 12/31/2024, as compared to \$39.14 at year-end 2023. The rapid increase in interest rates at the beginning of this rate cycle caused declines in Shareholder’s Equity and Book Value due to declines in the fair value of investment securities available-for-sale and are indicative of market forces impacting most banks in the face of rapidly rising rates. These declines, although still present, have moderated. Our investment securities continue to be highly rated; we believe these declines are temporary and fully anticipate that our investment securities will perform as originally expected.

**The loan portfolio continued to perform exceptionally well in 2024, indicative of our strong credit culture.** The allowance for credit losses totaled \$6.3 Million or 1.09% of total loans and is considered more than adequate in our current credit cycle. Nonperforming loans to total loans as of 12/31/2024 was 0.13% compared to 0.09% at the end of 2023. Net loan charge-offs to average total loans was 0.04% at year-end 2024, compared to 0.011% at year-end 2023.

The interest rate environment will loom large in 2025, just as it did in 2024. With increasing competition for deposits, earnings could be more challenging in 2025 than they were in 2024. We expect our mortgage lending business to continue to be soft in 2025 due to higher mortgage rates. Competitors with high loan to deposit ratios, are forced to chase liquidity and funding for their loan portfolio and will have few choices other than to offer higher deposit rates.

We currently have two new branch locations opening during 2025 in addition to a major upgrade to our core banking software. Expenses associated with these projects have and will impact earnings but are critical to continued long term growth and technology needs. To remain relevant in our industry, more investments in technology, enterprise risk management, and human capital is essential. The market demands all the products and technology available at big banks, regardless of size. We must become more efficient which usually means economies of scale created by growth. However, growth must be balanced with increasing shareholder value. We will continue to pursue growth both organically and through acquisitions without sacrificing long term soundness or profitability for the sake of growth.

**On behalf of our employees, customers, and the community, thank you for being a shareholder.** We never forget that The Citizens Bank exists because of our shareholders, Board of Directors, employees, and most of all, our customers. As always, we welcome your comments and suggestions. Please do not hesitate to call me if I can be of service in any way.

Sincerely,



Thomas Bouchette  
President  
Chief Operating Officer





CBC Selected Financial Highlights  
Dec 2021 - Dec 2024

For the Year <i>(in Thousands)</i>	Dec 2021	Dec 2022	Dec 2023	Dec 2024
Total Revenue	30,001	37,878	53,011	57,075
Net income	6,524	7,356	11,166	10,255

Per common share (\$)

Earnings per share - basic	3.31	3.74	5.67	5.21
Earnings per share - diluted	3.19	3.60	5.47	5.03
Book value per share	36.81	33.79	39.14	43.52
Common stock closing price	28.00	30.05	28.00	29.30

Financial ratios (%)

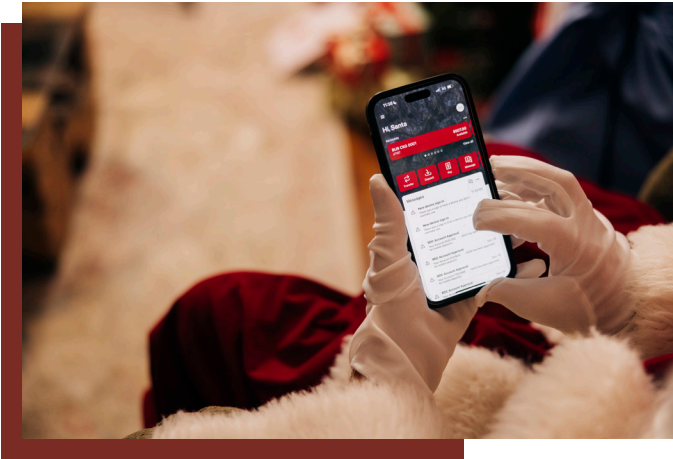
Return on average assets	0.86%	0.79%	1.14%	1.02%
Return on average equity	9.22%	11.15%	15.99%	12.58%
Net interest margin	3.05%	3.20%	3.90%	3.75%
Efficiency ratio	71.75%	73.82%	67.41%	69.78%

At December 31  
*(in Thousands)*

Total Assets	795,004	1,000,170	963,522	1,033,028
Total Loans	381,105	516,675	544,063	575,852
Allowance for Credit Losses	4,869	4,898	5,899	6,310
Total Deposits	687,561	896,963	853,131	916,685
Shareholders' equity	72,469	66,525	77,226	84,921
Weighted average common shares outstanding - basic	1,968,755	1,968,755	1,970,400	1,966,990



PROJECT HIGHLIGHTS



Digital Banking Update

We are pleased to announce the successful transition to our upgraded digital banking platform, a milestone that reflects our commitment to innovation and providing enhanced services to our customers. By leveraging cutting-edge technology, we have streamlined our digital banking services, offering seamless access to accounts, faster transactions, and a more personalized banking experience. We are confident that this platform will drive growth, foster deeper customer engagement, and position us as a leader in the modern banking landscape.

Operations Support Focus

In the past year, we have made substantial investments in improving Operations Support (OS) through increased allocation of capital, talent, and technology. The primary challenge faced during this period was the diversion of management focus from revenue-generating activities (RGA). Nevertheless, we have achieved significant advancements in OS. Moving forward, we will continue engaging in discussions with employees across all departments and business lines to identify more efficient processes and explore opportunities to expand our product offerings to better serve our customers.

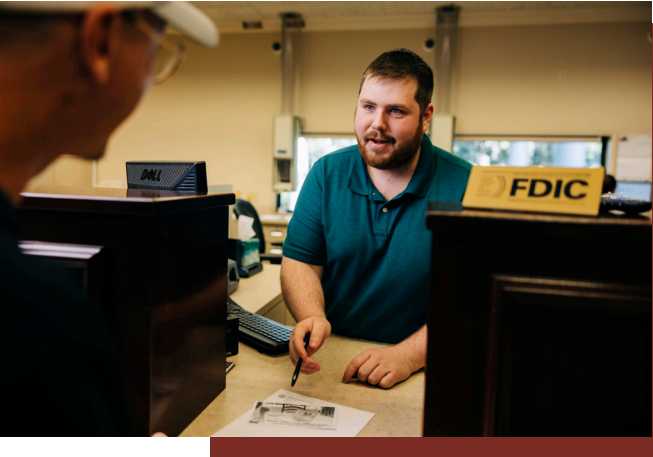


Loan Production and Underwriting Focus

We will provide greater clarity in defining the roles of Business Bankers and Branch Managers since highest return on time invested lies in growing new deposits and loans. However, these roles face the challenge of managing staff, addressing customer issues, and handling tasks that limit their ability to focus on new business acquisition or loan underwriting. As with operational processes, we will identify and eliminate redundant steps in credit procedures. Every hour spent on data generation, reports, forms, or inefficient processes represents an opportunity lost to engage with customers or prospects and drive revenue growth.

Deposit Gathering Focus

For the foreseeable future, the spread on liquid deposits is comparable to the rates we aimed to achieve on loans in recent years. Our branches must prioritize customer service and the growth of checking accounts. Business Bankers will be expected to treat the generation of business deposit accounts with equal importance as loans. To enhance focus, we are restructuring branch management to reduce distractions for the Business Banking team. Additionally, we have hired a facilities manager to oversee ATM operations and address other branch facility concerns.





# COMMUNITY HIGHLIGHTS



TCB Bankers Wendy Conner, Tony Franks and Dawn Garrity represented The Citizens Bank as sponsors of the Hobcaw Barony Hunt Breakfast.



TCB Bankers attended the Women in Banking Leadership Symposium hosted by the South Carolina Bankers Association.



Richie McCutcheon was awarded the 2024 IBSC Leadership Award!



We celebrated Teach Children to Save Day speaking to first graders about saving money and safe places to keep money.

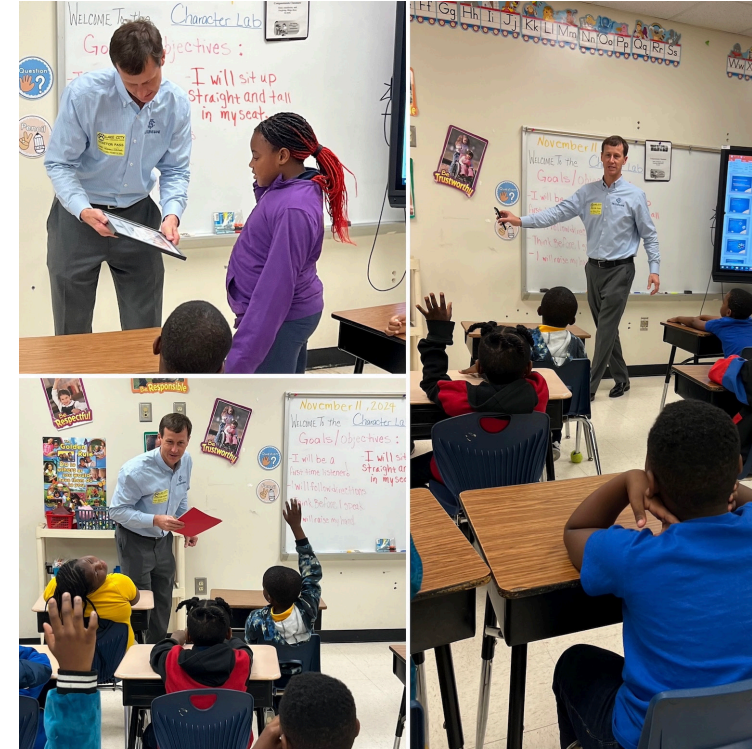


The Lake City Branch participates in a town-wide art festival each year.



Employees of the Pamplico Highway branch of The Citizens Bank read to students during Read Across America Week.

# COMMUNITY HIGHLIGHTS



The Citizens Bank is dedicated to being a community bank! Robert Phillips visited a local school to teach about Teach Children to Save Day.



The Citizens Bank is proud to be a community bank and sponsor sports teams around the area.



The Hartsville Branch sponsored Roastin' with Rotary, held by the Hartsville Rotary Club. They also participated as a Chef Sponsor & won "Best Side Award" for their taco bar!



The Citizens Bank made a \$1,000 donation to the Susan G Komen Breast Cancer Donation in honor of Branch Manager Susie Alexander!



Congratulations to our very own Margi Fleming for receiving the American Bankers Association Emerging Leader Award!

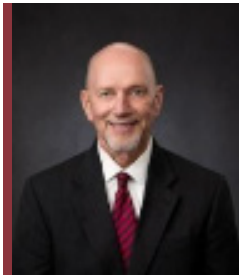


# BOARD OF DIRECTORS

THE CITIZENS BANK



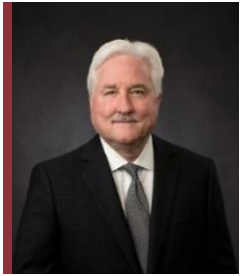
**Robert W. Askins**  
General Contractor  
RW Askins Construction, Inc.



**R. Ashley Wheeler, Jr.**  
Executive Vice President



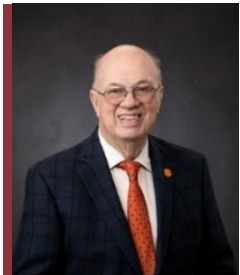
**Joseph L. Bostick, Jr.**  
Retired Oil Distributor



**Samuel A. Rodgers Jr.**  
Executive Vice President  
Carolina Eastern, Inc.



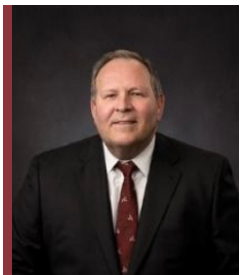
**Thomas Bouchette**  
President  
Chief Operating Officer



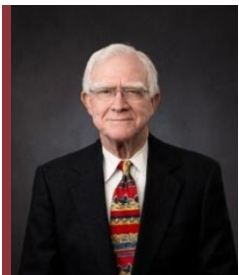
**Gosnold G. Segars**  
President  
G. Graham Segars & Sons, Inc.  
Real Estate Brokerage



**H. Blake Gibbons, Jr.**  
Vice Chairman



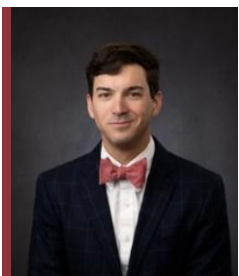
**C. Dorn Smith, III, M.D.**  
Chief Executive Officer &  
Chairman of the Board  
Cardio Thoracic Surgeon



**Michael L. Hodge, M.D. FAAN**  
Neurologist  
McLeod Health



**Philip M. Smith**  
Retired Bank Officer



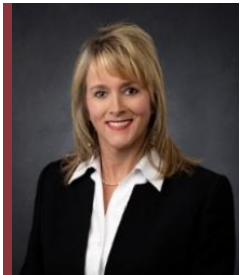
**James H. Johnson**  
Owner  
Coastal Indian Motorcycle

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CITIZENS BANCSHARES CORPORATION



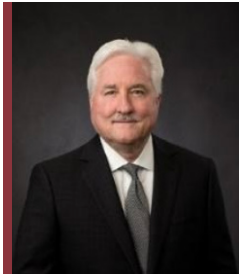
**Robert W. Askins**  
General Contractor  
RW Askins Construction, Inc.



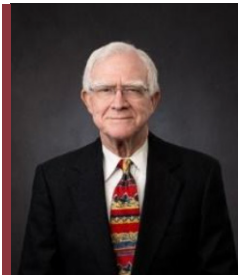
**Dawn M. Munn**  
Pharmacy Manager  
Health Care Partners of SC



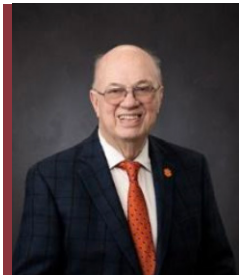
**Joseph L. Bostick, Jr.**  
Retired Oil Distributor



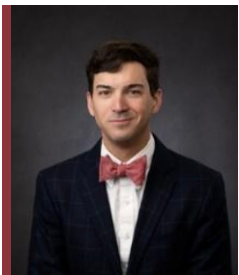
**Samuel A. Rodgers Jr.**  
Executive Vice President  
Carolina Eastern, Inc.



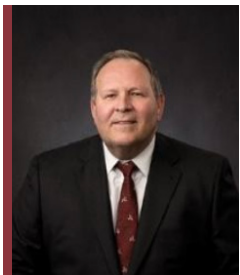
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**C. Dorn Smith, III, M.D.**  
Chief Executive Officer &  
Chairman of the Board  
Cardio Thoracic Surgeon

Not Pictured:

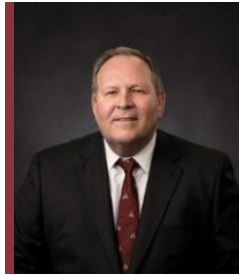
**Dixie S. Bullock**  
Director

**Andrew B. Smith**  
Director



# EXECUTIVE OFFICERS

THE CITIZENS BANK



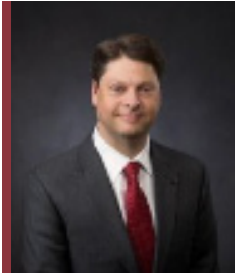
**C. Dorn Smith, III, M.D.**  
Chief Executive Officer &  
Chairman of the Board  
Cardio Thoracic Surgeon



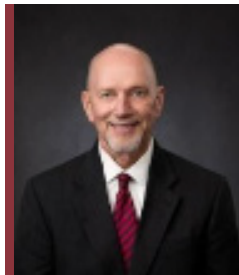
**H. Blake Gibbons, Jr.**  
Vice Chairman



**Thomas Bouchette**  
President  
Chief Operating Officer



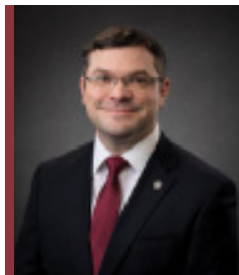
**James E. Roberts, II**  
Executive Vice President  
Chief Financial Officer



**R. Ashley Wheeler, Jr.**  
Executive Vice President



**James B. Smith**  
Executive Vice President  
Regional Executive &  
Mortgage Director



**Kevin R. Gause**  
Senior Vice President  
Chief Lending Officer



**Richard W. McCutcheon**  
Senior Vice President



**Angela S. Langley**  
Senior Vice President  
Chief Credit Officer

# OFFICERS

## Corporate Office

C. Dorn Smith, III | Chief Executive Officer  
H. Blake Gibbons, Jr. | Vice Chairman  
Thomas Bouchette | President  
James E. Roberts, II | Executive Vice President  
R. Ashley Wheeler, Jr. | Executive Vice President  
Kevin R. Gause | Senior Vice President  
Angela S. Langley | Senior Vice President  
Margi M. Fleming | Senior Vice President  
Sherry D. Coker | Vice President  
Robert F. Dukes, Jr. | Vice President  
Sherry P. Matthews | Assistant Vice President  
P. Ross Johnson | Vice President  
Sherry P. Weaver | Assistant Vice President  
Kate Elizabeth Martin | Legal Counsel & Special Assets Officer

## Operations Center

Tiffany P. Sugg | Senior Vice President  
Teresa L. Floyd | Vice President  
Cheryl A. Matthews | Vice President  
Thomas D. Ham, II | Vice President  
Leah C. Hancock | Vice President  
Eric M. Pagan | Assistant Vice President  
Amanda W. Odom | Assistant Vice President

## Olanta Branch

Jessica L. Craft | Banking Officer

## Turbeville Branch

Susan H. Alexander | Vice President

## Lynchburg Branch/Operations Annex

Glenn D. Buddin, Jr | Senior Vice President  
McKayla C. Shaw | Asst. AML/CFT Officer

## Lake City Branch

Richard W. McCutcheon | Senior Vice President  
Robert S. Phillips, II | Vice President

## Sumter Branch

Paul E. Robbins | Senior Vice President  
Samuel T. Dubose | Vice President

## Pawleys Island Branch

Joel W. Odom | Senior Vice President  
Elliott S. Koonce | Vice President  
Dawn K. Garrity | Vice President  
Lee A. Franks | Vice President

## Timmonsville Branch

Sharon L. Greene | Vice President

## St. George Branch

Gregory P. Shuler | Vice President

## Florence-Pamplico Hwy Branch

Adam V. Gamble | Vice President  
Pamela M. Turner | Vice President

## Florence-Palmetto Street Branch

John L. Hanna | Senior Vice President  
Dalton C. Coursey | Banking Officer  
Robin A. Poston | Banking Officer

## Pamplico Branch

Tammy H. Jones | Banking Officer

## Johnsonville Branch

Ronald L. Coker, Jr. | Assistant Vice President

## Georgetown Branch

Hope W. Rodgers | Vice President

## Kingstree Branch

R. Conrad Kellahan | Vice President  
Glenda B. Miller | Banking Officer

## Murrells Inlet Branch

Tanya L. Yow | Assistant Vice President

## Hartsville Branch

J. Darrell Cassidy | Senior Vice President  
William M. Scarborough, Jr. | Vice President  
Lindsey R. Mullis - Banking Officer

## McBee Branch

Denise L. Tedder | Banking Officer

## Camden Branch

Jason B. Hutto | Senior Vice President

## Lexington LPO

Kevin R. Gause | Acting Manager

## Carolina Forest Branch

Jennifer A. Scialabba | Assistant Vice President

## North Myrtle Beach Branch

Joshua C. Wise | Senior Vice President  
K. Gretchen Floyd | Vice President  
Kimberly B. Rue | Assistant Vice President  
Kyle D. Tuil | Assistant Vice President

## Myrtle Beach - International Drive Branch

James B. Smith | Executive Vice President  
M. Nicole Rabon | Vice President

## North Myrtle Beach – Windy Hill Branch

Kasey J. Cesario | Assistant Vice President

## Myrtle Beach – Farrow Commons Branch

Jeana R. Tart-Williams | Vice President  
Jolene L. Campbell | Vice President

## Andrews Branch

Melissa B. Butler | Vice President