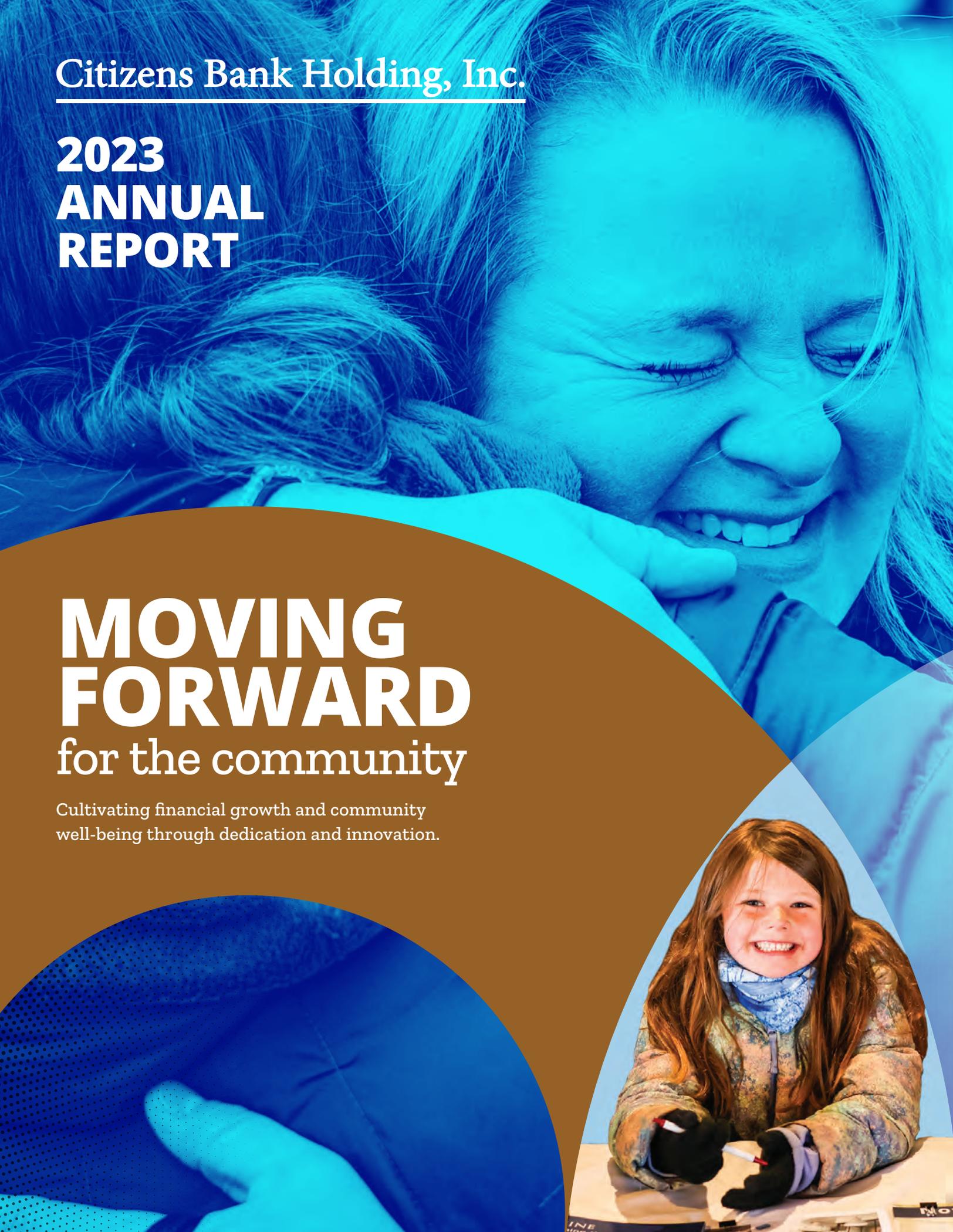


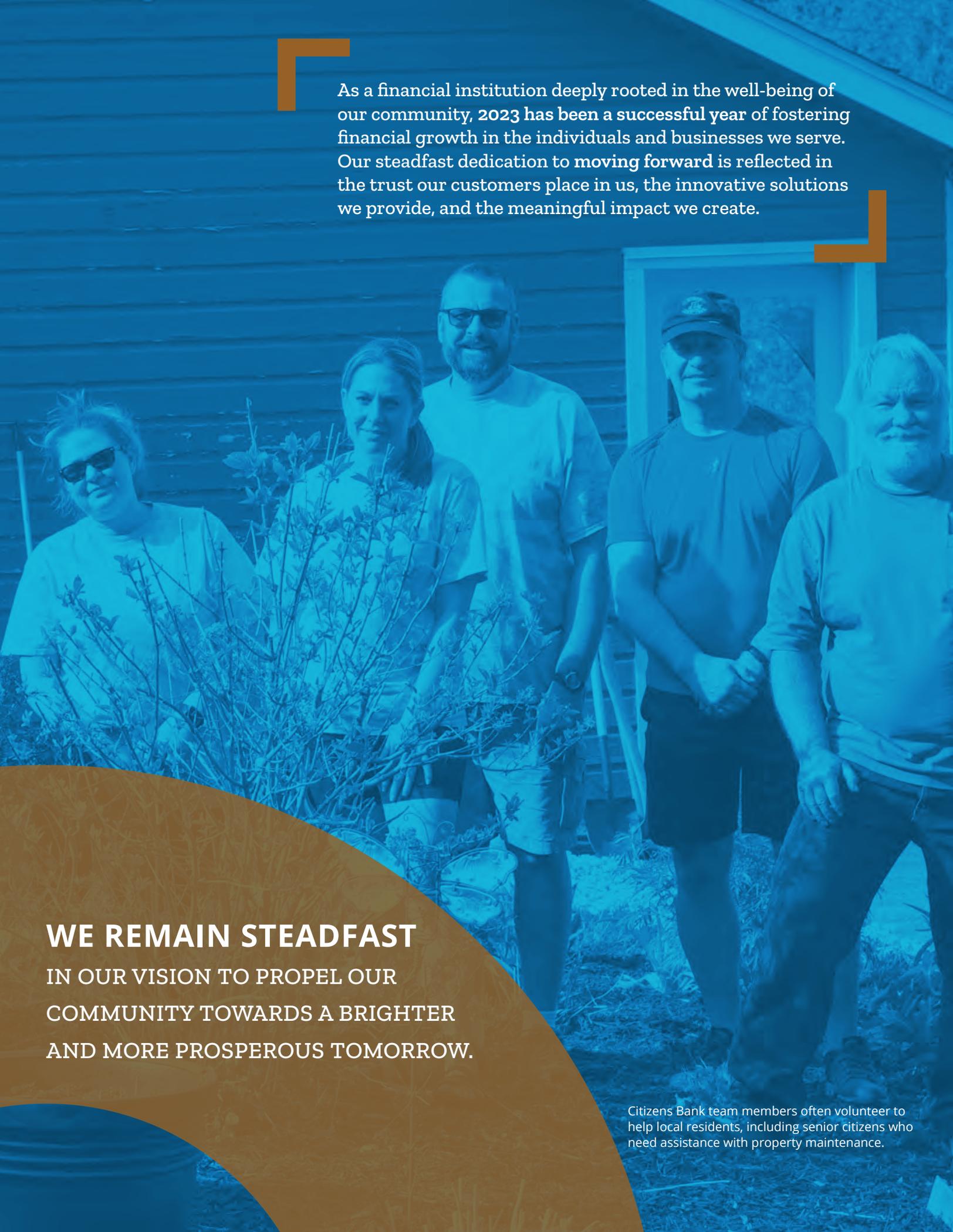
Citizens Bank Holding, Inc.

**2023
ANNUAL
REPORT**

**MOVING
FORWARD**
for the community

Cultivating financial growth and community well-being through dedication and innovation.





As a financial institution deeply rooted in the well-being of our community, 2023 has been a successful year of fostering financial growth in the individuals and businesses we serve. Our steadfast dedication to moving forward is reflected in the trust our customers place in us, the innovative solutions we provide, and the meaningful impact we create.

WE REMAIN STEADFAST
IN OUR VISION TO PROPEL OUR
COMMUNITY TOWARDS A BRIGHTER
AND MORE PROSPEROUS TOMORROW.

Citizens Bank team members often volunteer to help local residents, including senior citizens who need assistance with property maintenance.

LETTER FROM THE PRESIDENT & CEO

Greetings, Citizens Bank shareholders and stakeholders,

I am pleased to present to you the 2023 Annual Report for Citizens Bank. Despite the economic challenges faced in the past year, I am proud to report that our Bank has continued to thrive and grow, thanks to the dedication and hard work of our Bank team and the unwavering support of our shareholders.

Financial Performance

In 2023, Citizens Bank achieved strong financial performance, with Net Income exceeding \$12 million for the second consecutive year. Due to growth in both loans (4.95%) and deposits (2.10%), our Total Assets grew by 4.86%, reaching a new milestone of \$1.06 billion. The Bank's Return on Assets (ROA) of 1.20% compares favorably to our peer group of banks. We have maintained a healthy loan portfolio and a strong capital position, allowing us to support our customers and communities. The result of these positive financial achievements is that we paid a 7.1% dividend increase in 2023, which marks the 12th consecutive year of increased annual dividends.

Customer Focus

Our commitment to providing exceptional customer service remains a top priority. We have continued to invest in digital technologies to enhance the customer experience, making banking more convenient and accessible for our customers. Our digital banking platform has seen increased adoption, allowing customers to access banking services conveniently and securely from anywhere, at any time. Our efforts have been reflected in the positive feedback we have received from our customers, and we will continue to strive for excellence in this area.

We paid a 7.1% dividend increase in 2023, which marks the 12th consecutive year of increased annual dividends.

Community Engagement

At Citizens Bank, we believe in giving back to the communities we serve. Throughout the year, we have continued to support local businesses, organizations, and individuals through various initiatives and programs. We believe that our success is intrinsically linked to the prosperity of our community, and we remain dedicated to making a positive impact on the lives of those we can reach.

Outlook for the Future

As we look ahead to the future, we are optimistic about the opportunities that lie ahead. We remain committed to our vision of building meaningful relationships with people, businesses, and communities to help on their journey to financial well-being. We will continue to adapt and innovate to meet the changing needs of our customers and communities, and we will continue to focus on customer service and community engagement to drive sustainable growth and deliver value to our shareholders.

In closing, I would like to express my sincere gratitude to our shareholders for their continued support and confidence in Citizens Bank. I would also like to thank our dedicated Board of Directors and employees for their hard work and commitment, which has been instrumental in our success. Together, we have achieved great things, and I am confident that together, we will continue to succeed.



Jeffrey L. Standafer,
President & CEO

LEADERSHIP

OUR PEOPLE ARE COMMITTED TO DELIVERING EXCELLENCE IN COMMUNITY BANKING

BOARD OF DIRECTORS

Douglas R. Bruins

President (retired) - Citizens Bank

M. Scott Connor, DDS, MD

Partner - Oral and Maxillofacial Surgery Associates, Ltd.

Warren E. Hansen Jr.

Owner - Farris, Hansen & Associates, Inc.

John P. Macy

Attorney - Municipal Law & Litigation Group, S.C.

Charles O. Miller Jr.

Chairman of the Board
CEO & President (retired) - Citizens Bank

Matthew S. Moroney, JD

CEO - Wangard Partners, Inc.

Cheryl A. Sment

President - Interstate Sealant & Concrete, Inc.

Jeffrey L. Standafer

President & CEO - Citizens Bank

Ann T. Zess

President - Allan Integrated Control Systems, Inc.

SENIOR MANAGEMENT TEAM

Jeffrey L. Standafer

President & Chief Executive Officer

Stefanie Bonesteel

Senior Vice President - Marketing Manager

Brett Engelking

Senior Vice President - Business Banking Manager

Kelley Jensen

Senior Vice President - Mortgage and Consumer Lending Manager

Sarah Oberthaler

Senior Vice President - Chief Administrative Officer

Adam Raychel

Senior Vice President - Chief Financial Officer

Frank Sterbin

Senior Vice President - Chief Credit Officer

OUR VISION, MISSION & VALUES

Vision

The vision of Citizens Bank is to build meaningful relationships with people, businesses, and communities to help on their journey to financial well-being.

Mission

The mission of Citizens Bank is to combine the expertise of our team members with the convenience of technology to offer diverse products and services which will allow us to foster strong relationships within our communities, while providing a return to our shareholders.

Values

Citizens Bank believes in and aspires to create a culture that supports our team members, customers, communities, and shareholders.

LOYALTY We will consistently show our dedication to building positive and trusting relationships.

ACCOUNTABILITY Each team member will take responsibility for their role in the Bank, professional growth, and quality customer service.

COLLABORATION We will work cooperatively as a team to achieve excellence.

FINANCIAL HIGHLIGHTS

20 23

NET INCOME

\$12,135,642RETURN
ON ASSETS**1.20%**DIVIDEND
PER SHARE**\$3.75**

YEARS ENDING DECEMBER 31

(Dollars in thousands)

	2023	2022
ASSETS	\$1,059,016	\$1,009,978
GROSS LOANS	\$708,932	\$675,497
DEPOSITS	\$897,682	\$879,215
OTHER BORROWINGS	\$30,000	\$15,000
STOCKHOLDERS' EQUITY	\$127,839	\$114,201
NET INCOME	\$12,136	\$12,855
DIVIDENDS	\$2,496	\$2,333

AVERAGE BALANCES (UNAUDITED)

	2023	2022
ASSETS	\$1,007,115	\$1,016,650
GROSS LOANS	\$689,833	\$641,510
DEPOSITS	\$878,867	\$898,869
OTHER BORROWINGS	\$9,315	\$3,051
STOCKHOLDERS' EQUITY	\$116,211	\$113,367

CONSOLIDATED BALANCE SHEETS

Assets	2023	2022
Cash and Due from Banks	\$72,555,402	\$50,745,798
Federal Funds Sold	17,000	84,000
Cash and Cash Equivalents	72,572,402	50,829,798
Investment Securities:		
Available for Sale	235,001,773	243,278,675
Held to Maturity - (Fair Value \$5,809,562 and \$6,426,261 at 2023 and 2022, respectively)	5,868,944	6,508,106
Loans Held For Sale	220,000	-
Loans, Net	701,536,055	667,474,819
Premises and Equipment, Net	9,072,983	8,303,353
Other Real Estate Owned, Net	1,395,000	-
Cash Surrender Value of Bank Owned Life Insurance	19,652,603	19,118,350
Accrued Interest Receivable and Other Assets	13,695,937	14,464,403
Total Assets	\$1,059,015,697	\$1,009,977,504
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Noninterest Bearing	\$252,632,671	\$249,302,153
NOW Accounts	76,769,528	69,043,209
Money Market Accounts	220,922,301	250,109,468
Savings	164,021,881	203,857,066
Time	183,335,649	106,903,129
Total Deposits	897,682,030	879,215,025
Other Borrowings	30,000,000	15,000,000
Accrued Interest Payable and Other Liabilities	3,494,749	1,561,164
Total Liabilities	931,176,779	895,776,189
Stockholders' Equity		
Common stock, \$1 par value - 1,200,000 shares authorized and 800,000 issued - 664,556 and 667,176 shares outstanding at 2023 and 2022, respectively	800,000	800,000
Surplus	2,921,106	2,778,557
Retained Earnings	151,820,800	142,180,878
Treasury Stock, at cost, 135,444 and 132,824 shares at 2023 and 2022, respectively	(13,071,324)	(12,474,645)
Accumulated Other Comprehensive Income (Loss)	(14,631,664)	(19,083,475)
Total Stockholders' Equity	127,838,918	114,201,315
Total Liabilities and Stockholders' Equity	\$1,059,015,697	\$1,009,977,504

CONSOLIDATED STATEMENTS OF INCOME

	2023	2022
Interest and Dividend Income		
Loans, Including Fees	\$36,757,591	\$28,850,485
Investment Securities:		
Taxable	3,645,990	3,131,402
Tax Exempt	1,200,826	1,597,931
Interest Bearing Deposits	2,712,444	1,011,288
Federal Funds Sold	19,261	8,192
Total Interest and Dividend Income	44,336,112	34,599,298
Interest Expense		
Deposits and Other Borrowings	10,458,220	2,300,716
Total Interest Expense	10,458,220	2,300,716
Net Interest and Dividend Income Before Provision for Credit Losses	33,877,892	32,298,582
Provision for Credit Losses	975,000	150,000
Net Interest and Dividend Income After Provision for Credit Losses	32,902,892	32,148,582
Noninterest Income		
Service Fees	4,047,972	4,073,500
Gain on Sales of Loans	101,597	389,111
Gain (Loss) on Sales of Securities	(91,072)	6,675
Loan Servicing Income, net	414,234	346,837
Increase in Cash Surrender Value of Bank Owned Life Insurance	534,253	503,817
Other Income	98,294	146,419
Total Noninterest Income	5,105,278	5,466,359
Noninterest Expense		
Salaries	11,379,586	10,650,572
Employee Benefits	3,178,786	2,929,235
Occupancy Expenses	1,048,483	950,705
Equipment Expenses	2,871,869	2,889,932
Professional Fees	362,173	356,237
Other Expenses	3,014,809	2,894,332
Total Noninterest Expense	21,855,706	20,671,013
Income Before Income Taxes	16,152,464	16,943,928
Income Tax Expense	4,016,822	4,088,772
Net Income	\$12,135,642	\$12,855,156

SUMMARY OF OPERATIONS

(Unaudited)

(Dollars in thousands except per share data)

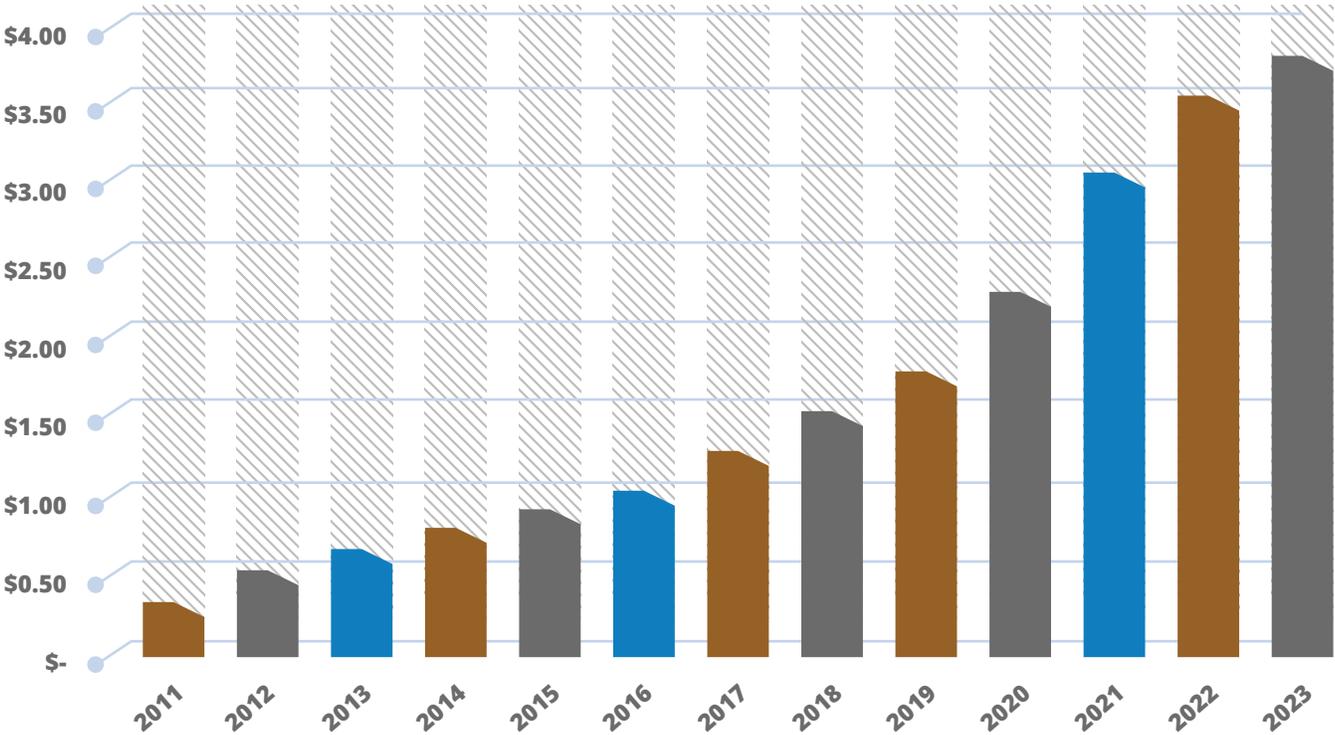
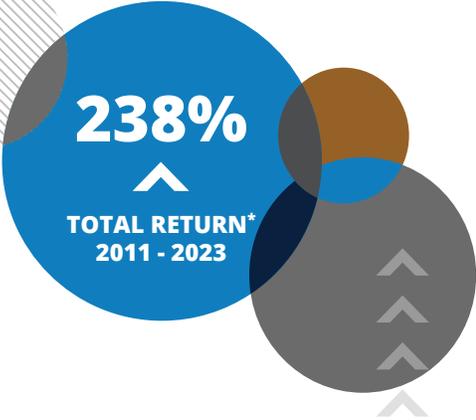
Years Ended December 31,

	2023	2022	2021	2020	2019
Summary of Consolidated Income					
Interest Income	\$44,336	\$34,599	\$32,716	\$31,781	\$31,849
Interest Expense	10,458	2,300	2,130	4,621	6,229
Net Interest Income	33,878	32,299	30,586	27,160	25,620
Provision for Loan Losses	975	150	1,140	1,905	-
Net Interest Income After Provision for Loan Losses	32,903	32,149	29,446	25,255	25,620
Non-Interest Income	5,105	5,466	8,426	10,353	6,169
Non-Interest Expense	21,856	20,671	22,261	20,230	19,117
Income (Loss) Before Income Taxes	16,152	16,944	15,611	15,378	12,672
Provision (Benefit) for Income Taxes	4,017	4,089	4,181	3,679	3,284
Net Income (Loss)	\$12,136	\$12,855	\$11,430	\$11,699	\$9,388
Year-End Assets	\$1,059,016	\$1,009,978	\$1,026,219	\$929,869	\$793,899
Average Assets	\$1,009,385	\$1,016,507	\$993,336	\$869,335	\$766,535
Year-End Equity Capital	\$127,839	\$114,201	\$123,542	\$115,708	\$103,593
Average Equity Capital	\$121,856	\$113,366	\$120,370	\$111,382	\$100,218
Return on Average Assets	1.20%	1.26%	1.15%	1.35%	1.22%
Return on Average Equity	10.72%	11.36%	9.50%	10.50%	9.37%
Book Value Per Share	\$192.54	\$171.17	\$185.28	\$173.20	\$153.70
Appraisal Value Per Share	\$196.00	\$194.00	\$199.75	\$180.00	\$173.50
Earnings (Loss) Per Share	\$18.38	\$19.28	\$17.12	\$17.42	\$13.87
Annual Dividend Per Share	\$3.75	\$3.50	\$3.00	\$2.25	\$1.75
Weighted Average Shares Outstanding	666,208	666,666	667,475	671,438	676,638

The complete, audited Consolidated Financial Statements are available upon request.

HISTORICAL INVESTMENT PERFORMANCE

ANNUAL DIVIDEND PER SHARE 2011-2023



* Total Return includes appreciation in stock value per share plus accumulated total annual dividend per share from 12/31/2011 to 12/31/2023.

Past performance does not guarantee future results.

A Focus on Education

Believing that a community bank has a responsibility to enrich its community, the team members at Citizens Bank invest their time and talents to share knowledge that helps our neighbors lead better lives.

At the forefront of our efforts are programs designed to promote financial literacy. The Ca\$h Savings Club – our children’s program that teaches kids to save with fun incentives – now has over 500 members. We regularly visit local classrooms to talk about money and banking. In 2023, we launched Real Life 101, our proprietary personal finance program geared to high school students. During an interactive simulation, students learn to manage a monthly household budget with the help of Bank volunteers.

But, we understand that the need for financial literacy education goes beyond youth. In 2023, our podcast, *A Mind for Money*, tapped into the personal experiences of our team members who learned to navigate their own financial situations such as paying for college or acting as power of attorney. To help senior citizens make solid financial decisions, our Good Life Club hosts events and shares information about topics such as scams targeted at older adults and estate planning.

In addition to promoting financial literacy, we often participate in local career days to talk about jobs in the banking industry and give presentations on business topics such as leadership and marketing.



Kelley Jensen and Stef Bonesteel guest teaching classes on leadership and sales & marketing at Waukesha South High School.



Citizens Bank’s Good Life Club holding a Tuesday Talk at Brooklife Church in Mukwonago educating attendees on protecting themselves from scams and hackers.



Brit Radloff sharing career path options available at Citizens Bank with students at the Elkhorn Area High School Career Day.



The Ca\$h Savings Club, our children’s program, has over 500 members.



Citizens Bank team members helping students at Palmyra-Eagle High/Middle School simulate financial situations during Citizens Bank Real Life 101.

MILESTONE ANNIVERSARY LUNCHEON

Each year, Citizens Bank recognizes team members celebrating milestone bank anniversaries with a special luncheon.



2023 MILESTONE ANNIVERSARIES

FRONT ROW, left to right: Jeni Mueller (15), Barb Manthey (10), Kara Pirelli (15), Hope Dirksmeyer (10), Lea Sperle (25).

BACK ROW, left to right: Adam Raychel (10), Michele Mucha (30), Sean Chandler (15), Sue van Helden (10), Jeff Standafer (host).

NOT PICTURED: Lynn Ewert (30), Kelly Demski (25), Amy Libecki (20), Jessica Lippold (10), Jessica Tess (10)



Citizens Bank Holding, Inc.

262-363-6500 | WWW.CITIZENBANK.BANK



Scan the QR code for shareholder inquiries and additional investor relations information