

# Citizens B & T Holdings, Inc. - \$30 Million 10NC5 F2F Subordinated Debt

## Recent Community Bank Transaction



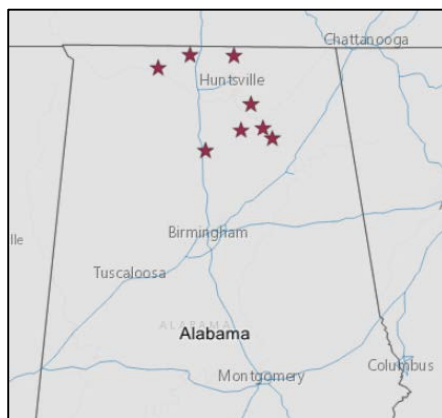
**\$30 Million 10 Year, Non-call 5  
4.00% Subordinated Notes**

BBB by Egan-Jones Ratings Company

**BREAN CAPITAL**

Sole Placement Agent

April 20, 2020



### Brean Capital Team

Michael Coogan, CFA      Blair Brantley, CFA  
Managing Director      Managing Director  
(903) 253-6998      (804) 938-9413  
MCoogan@breancapital.com      BBrantley@breancapital.com

Osnat Naporano  
Managing Director  
(917) 297-3413  
ONaporano@breancapital.com

### Issuance Rationale

- Proceeds will be used to support future growth, repay extant debt, and general corporate purposes.
- 10 year, non-call 5 fixed to floating subordinated debt at attractive coupon.
- 2x oversubscribed and upsized to the maximum size desired by the issuer.

### Transaction Highlights

- \$720 million asset bank with eight strategic branch locations across Northern Alabama with expansion efforts in place to further enhance the franchise.
- Strong credit metrics that compare favorably to peers driven by disciplined and conservative underwriting standards – *loss content has averaged 19 bps since 2016.*
- Attractive, sticky deposit base – *94% core deposits with 30 bps cost of funds.*
- Diversified loan portfolio with an attractive yield.
- Recent CDFI designation and growing residential mortgage effort provide additional levers to diversify revenues.

dollars in (000's)


Balance Sheet	2016Y	2017Y	2018Y	2019Y	2020Y
Total Assets	\$414,180	\$452,039	\$519,569	\$559,654	\$719,870
Ann'd. Asset Growth Rate (%)	8.9	9.1	14.9	7.7	28.6
Total Loans	\$271,580	\$298,425	\$322,946	\$359,075	\$410,852
Ann'd. Loan Growth Rate (%)	8.2	9.9	8.2	11.2	14.4
Total Deposits	\$345,704	\$389,190	\$438,259	\$476,600	\$607,080
Ann'd. Deposit Growth Rate (%)	10.3	12.6	12.6	8.8	27.4
Loans/Deposits (%)	78.6	76.7	73.7	75.3	67.7

Profitability	2016Y	2017Y	2018Y	2019Y	2020Y
Net Income	\$3,131	\$3,486	\$4,778	\$6,006	\$6,006
ROAA (%)	0.80	0.80	0.99	1.14	0.91
ROAE (%)	8.4	8.2	10.9	11.6	9.7
Net Interest Margin (%)	3.94	3.90	3.69	3.78	3.42
Yield/ Cost Spread (%)	3.77	3.46	3.49	3.23	3.23
Efficiency Ratio (FTE) (%)	69.3	68.5	71.0	65.1	68.1

Source: S&P Global Market Intelligence


# Capital Markets Footprint

Brean has Raised \$500+ Million for its Community Bank Clients



**\$100 Million 5.50% 10NC5 F2F**

- BBB+ rating from KBRA
- Total Assets: \$7.3B



**\$20 Million 6.25% 10NC5 F2F**

- BBB+ rating HoldCo from EJR
- Total Assets: \$1.2B




**\$12 Million 7.00% 5 Year Bullet**

- BBB+ rating HoldCo from EJR
- Total Assets: \$980M




**\$10 Million 5.75% 5 Year Bullet**

- A- rating HoldCo from EJR
- Total Assets: \$1.1B



**\$50 Million 4.25% 5 Year Bullet**

- A- rating HoldCo from EJR
- Total Assets: \$4.9B



**\$175 Million 4.00% 10NC5 F2F**

- A- rating HoldCo from EJR
- Total Assets: \$20.2B




**\$10 Million 6.5% 10 Year Bullet**

- A- rating HoldCo from EJR
- Total Assets: \$490M



**\$15 Million 6.375% 10 NC5 FFL**

- Nonrated
- Total Assets: \$1.3B



**\$25 Million 7.00% 5 Year Bullet**

- BBB rating HoldCo from EJR
- Total Assets: \$800M



**\$15 Million 5.50% 10NC5 F2F**

- BBB+ rating from EJR
- Total Assets: \$1.2B




**\$5 Million 5.50% 10NC5 F2F**

- Nonrated
- Total Assets: \$740M




**\$20 Million 6.75% 5 Year Bullet**

- BBB- rating from EJR
- Total Assets: \$1.3B



**\$24 Million 5.25% 10NC5 F2F**

- BBB rating from EJR
- Total Assets: \$650M




**\$15 Million 4.25% 10NC5 F2F**

- BBB+ rating from EJR
- Total Assets: \$525M




**\$10 Million 5.00% 5 Year Bullet**

- Nonrated
- Total Assets: \$420M




**\$20 Million 5.25% 10NC5 F2F**

- BBB+ rating from EJR
- Total Assets: \$480M



**\$60 Million 6.00% 5 Year Bullet**

- BBB rating from EJR
- Total Assets: \$928M



**\$30 Million 4.00% 10NC5 F2F**

- BBB rating from EJR
- Total Assets: \$720M

## Disclaimer

All materials, including proposed terms and conditions, are indicative and for discussion purposes only. Finalized terms and conditions are subject to further discussions and negotiation and will be evidenced by a formal agreement. Opinions expressed are our present opinions only and are subject to change without further notice. The information contained herein is confidential. By accepting this information, the recipient agrees that it will, and it will cause its directors, partners, officers, employees, and representatives to use the information only to evaluate its potential interest in the strategies described herein and for no other purpose and will not divulge any such information to any other party. Any reproduction of this information, in whole or in part, is prohibited. Except in so far as required to do so to comply with applicable law or regulation, express or implied, no warranty whatsoever, including but not limited to, warranties as to quality, accuracy, performance, timeliness, continued availability or completeness of any information contained herein is made. Opinions expressed herein are current opinions only as of the date indicated. Any historical price(s) or value(s) are also as of the date indicated. We are under no obligation to update opinions or other information. The information contained herein has been prepared solely for informational purpose and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any trading strategy. Brean Capital, LLC does not provide accounting, tax, or legal advice, however, you should be aware that any purposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and or counsel.