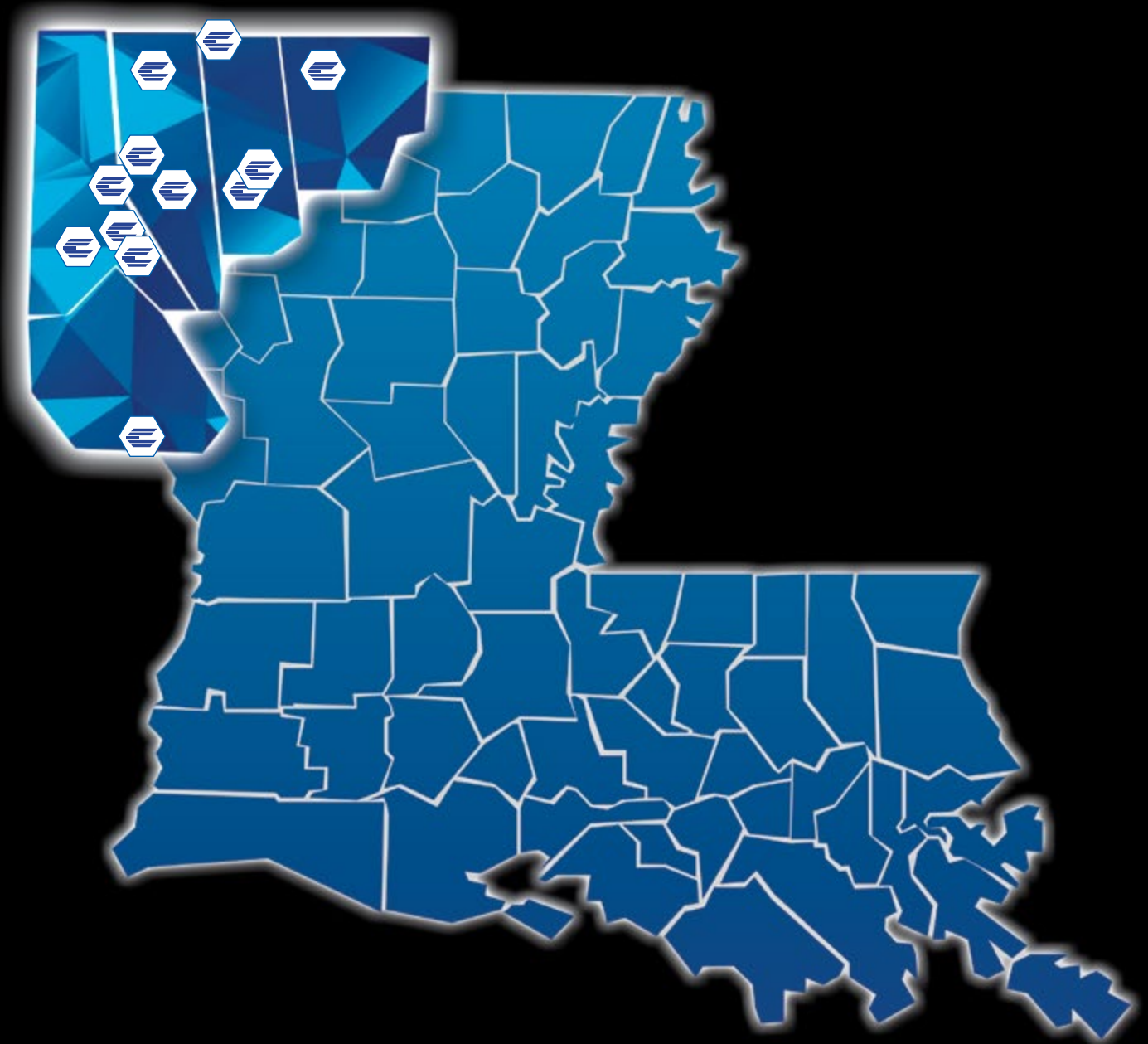




CITIZENS NATIONAL BANK | 2015 ANNUAL REPORT

*“Your Kind of Bank.”*



## **Bossier City**

**Main Office**  
2711 E. Texas Street  
(318) 747-6000

**Benton Road**  
2005 Benton Road  
(318) 747-8888

## **Minden**

**Downtown**  
704 Main Street  
(318) 371-2265

**Homer Road**  
1176 Homer Road  
(318) 382-0080

## **Shreveport**

**Mansfield Road**  
9237 Mansfield Road  
(318) 688-2265

**East 70th Street**  
1545 E. 70th Street  
(318) 797-7707

**Ellerbe Road**  
9220 Ellerbe Road, Ste. 800  
Ellerbe Village  
(318) 629-0010

**Beaird Tower**  
**Downtown Shreveport**  
330 Marshall Street, Ste. 120  
Beaird Tower  
(318) 629-3921

## **Other Locations**

**Plain Dealing**  
102 N. Forrest Road  
(318) 326-5544

**Desoto Parish**  
94 Polk Street  
Mansfield, LA 71052  
(318) 872-0044

**Haughton**  
401 W. McKinley Ave  
(318) 949-0422

**Haynesville**  
9865 Hwy 79  
(318) 624-9898

**Springhill**  
18 Machen Drive  
(318) 539-5656

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## *A LETTER FROM THE PRESIDENT & CEO*

**2015 was a year that we continued to experience the challenges of a flat interest rate environment. There was the additional shock being felt from the plunging price in the Oil and Gas sector. It appears that most experts are predicting the Oil and Gas prices will continue to be between \$30.00 to \$50.00 a barrel for 2016. While Citizens National Bank has less than 4% of our total loans to the oil and gas sector, the low prices still have an effect on our overall economy.**

Your bank managed the year of 2015 with controlled growth and another year of excellent returns. Total assets grew from \$818,660,260 to the year end total of \$849,195,142, and total loans grew from \$544,474,071 to \$587,590,604. We were able to have net income after tax of \$9,091,086 which represents a Return on Average Assets of 1.10% (according to data from Sheshunoff & Co Investment Banking only 28% of the over 6,000 banks in the United States exceeded a 1% Return on Average Assets as of September 30, 2015 Median Data, % of average assets). We are proud of our performance in the current environment.

**“Our bank is committed to being a responsible corporate citizen and to being involved in the communities we serve.”**

For the last 7 consecutive years our bank has been named in the Top 200 community banks and thrifts as ranked by three-year average ROAE (return on average equity) by American Banker Magazine. We have also received a Five Star rating from Bauer Financial, Inc which is the highest rating and reflects the bank to be one of the strongest in the nation. The bank received an A+ rating from DepositAccounts.com which places the bank in the highest tier (top 10%) of the approximately 13,000 federally insured banks and credit unions nationwide, in terms of financial health. All of these accomplishments are a testament to the outstanding employees that continue to strive to make Citizens National Bank, N.A. “Your kind of Bank”.

In September of 2016 it will have been my privilege to serve as President and Chief Executive Officer for 8 years. The bank has experienced many

successes in this time and we intend on continuing that path of controlled growth. The future of Community Banks continue to be the challenge of obtaining enough size to be able to make a return to our shareholders and cover the extra cost of regulation and compliance.

Our bank is positive about the future because we believe our business model is built around exceptional customer service in our community of North Louisiana. We continue to maintain our position in Bossier Parish as the #1 bank by market share reflected by the FDIC (Federal Deposit Insurance Corporation Summary of Deposits) with 26.20% of the market.

The bank will be opening a new branch in early summer of 2016 at 9220 Ellerbe Road, Shreveport, Louisiana. Southeast Shreveport continues to have positive growth and we felt a need to have a location in that area of Caddo Parish. We are excited about this new opportunity to expand our footprint in Caddo Parish. This Ellerbe Road corridor with the new “Super Kroger” coming at the corner of Ellerbe Road and Flournoy Lucas will be a high growth area for the next several years.

We want to thank our many customers for choosing Citizens National Bank to be your bank. Our bank is committed to being a responsible corporate citizen and to being involved in the communities we serve. I look forward to another successful year in 2016 and hope we have an opportunity to show you why Citizens National Bank is “Your Kind of Bank”.

SINCERELY,

*Woody C. Schick*

WOODY C. SCHICK, PRESIDENT & CEO



## ***THE EXECUTIVE MANAGEMENT TEAM***

**The Citizens National Bank Executive Team consists of Woody Schick, Chief Executive Officer and seven Executive Vice Presidents. Each Executive Vice President is responsible for a particular division of the bank.**

The Executive Vice Presidents include G. Kent Gibson, Chief Operating Officer; Jim Keel, Chief Financial Officer; Lyle Jeansonne, Chief Credit Officer; Jason D. Smith, Business Banking; Tommy Boggs, Retail Banking; Mark Johnson, Loan Review; and Chris Willcox, Cashier and Secretary to the Executive.



## ***A LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS***

On behalf of our Board of Directors I want to thank each of our customers that allow Citizens National Bank to provide you with financial services. We know you have a choice on where you elect to do your banking and it is a privilege to be able to serve you.

Our Board has been dedicated to serving our community and being a responsible community partner. We believe we have done this now for over 30 years. The successes we have experienced have been a combination of many factors: great employees, a dedicated Board of Directors, and being founded in Bossier Parish. From our beginning in Bossier Parish we have expanded to now serve the 5 parishes in Northwest Louisiana of Caddo, Bossier, Claiborne, Webster, and DeSoto.

The Board of Directors continue to have the commitment that started over 30 years ago to have a

bank that would provide an outstanding service to the community we serve. While we have expanded the community we serve, we have maintained that commitment.

I want to personally thank our customers and Shareholders for allowing our bank to serve you. Our focus will continue to be maximizing the return to our shareholder while we continue to serve our community.

SINCERELY,

WILL HUBBARD, CHAIRMAN  
OF THE BOARD OF DIRECTORS

# THE BOARD OF DIRECTORS



**L. Clary Anthony, Jr.**  
Board Member Since 1993  
Retired Timber Man



**David Fite**  
Board Member Since 2009  
Oil & Gas Investments



**Robert Garland**  
Board Member Since 1982  
Retired Forester



**John W. Garmany**  
Board Member Since 2009  
Retired Banker



**G. Kent Gibson**  
Board Member Since 1998  
EVP & COO,  
Citizens National Bank



**John McConathy**  
Board Member Since 1985  
Retired Superintendent  
Bossier Parish School Board



**J. Kevin McCotter**  
Board Member Since 2003  
McCotter Public  
Strategies, LLC



**Wayne McMahan**  
Board Member Since 2001  
McMahan Veterinary Clinic



**Mark L. Montgomery**  
Board Member Since 1985  
Real Estate



**James W. Rogers**  
Board Member Since 1985  
Retired Dentist



**Edward R. Glover**  
Board Member Since 1985  
Retired Banker



**Gerald Hawkins**  
Board Member Since 2002  
Investor



**Jay Hearnberger**  
Board Member Since 2001  
Real Estate



**Will Hubbard**  
Board Member Since 1990  
Retired Banker



**Glenn Jackson**  
Board Member Since 2005  
Retired Banker



**Woody Schick**  
Board Member Since 2008  
President & CEO,  
Citizens National Bank



**Ronnie Sheffield**  
Board Member Since 1991  
Retired Banker



**James P. Williams**  
Board Member Since 1998  
Anesthesiologist



**M. Dennis Wilson**  
Board Member Since 1985  
Certified Public Accountant

# STATEMENT OF INCOME & EXPENSES

# FINANCIAL HIGHLIGHTS

	2015	2014	2013	2012
<b>INTEREST INCOME</b>				
<b>LOANS:</b>				
Individuals, Partnerships & Corporations	30,206,284	28,720,529	27,652,538	25,993,693
<b>INVESTMENT SECURITIES:</b>				
Taxable	2,415,157	2,405,460	2,248,853	1,319,426
Non-taxable	1,583,997	1,415,332	1,176,077	1,107,610
Dividends	74,642	78,597	73,533	75,284
Income from Sale of Federal Funds	0	0	0	0
Interest on Deposits with Banks	76,412	45,206	56,580	53,645
<b>TOTAL INTEREST INCOME</b>	<b>34,356,492</b>	<b>32,665,124</b>	<b>31,207,581</b>	<b>28,549,658</b>
<b>INTEREST EXPENSE</b>				
Deposits	1,963,917	1,828,190	2,084,638	2,442,088
Federal Funds Purchased	40	26	879	1,143
Other Borrowings	56,006	64,851	60,040	19,622
<b>TOTAL INTEREST EXPENSE</b>	<b>2,019,963</b>	<b>1,893,067</b>	<b>2,145,557</b>	<b>2,462,853</b>
<b>NET INTEREST INCOME</b>	32,336,529	30,772,057	29,062,024	26,086,805
Less: Allocation for Loan Losses	1,100,000	1,122,000	900,000	1,273,000
<b>NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOSSES</b>				
Adjusted	31,236,529	29,650,057	28,162,024	24,813,805
<b>OTHER REVENUES AND EXPENSES</b>				
Commissions, Fees and Other Income	5,958,440	5,484,770	5,679,501	6,657,330
Gains (Losses) on Securities Transactions	185,282	697,062	327,215	233,387
Total Other Expenses before Income Tax	24,642,684	23,090,265	22,425,886	21,804,726
<b>INCOME BEFORE FEDERAL INCOME TAX</b>	<b>12,737,567</b>	<b>12,741,624</b>	<b>11,742,854</b>	<b>9,899,796</b>
Federal Income Taxes	3,646,481	3,622,794	3,538,073	2,894,874
Net Income After Federal Income Taxes	9,091,086	9,118,830	8,204,781	7,004,922

	2015	2014	2013	2012
<b>ASSETS</b>				
Cash & Due From Banks	36,097,391	54,973,022	35,806,979	34,504,779
Investment Securities	166,720,127	163,101,983	156,558,255	140,453,221
Federal Funds Sold	0	0	0	0
Federal Reserve Bank Stock/FHLB/FNBB/BIC	8,884,849	8,509,010	3,398,163	2,296,369
Loans, Net of Provision for Possible Loan Losses	587,162,613	543,955,154	504,723,994	474,395,603
Fixed Assets	16,305,187	16,760,223	17,396,836	16,557,212
Interest Earned, Not Collected	3,168,355	2,834,916	2,727,083	2,723,906
Other Assets	26,490,014	25,279,007	23,220,783	22,377,619
<b>TOTAL ASSETS</b>	<b>844,828,536</b>	<b>815,413,315</b>	<b>743,832,093</b>	<b>693,308,709</b>
<b>LIABILITIES</b>				
Deposits	731,630,932	712,604,671	654,167,318	596,972,396
Federal Funds Purchased	0	0	0	10,000,000
Other Borrowings	0	0	0	0
Other Liabilities	14,622,841	13,244,660	11,909,745	12,518,212
<b>TOTAL LIABILITIES</b>	<b>746,253,773</b>	<b>725,849,331</b>	<b>666,077,063</b>	<b>619,490,608</b>
<b>CAPITAL ACCOUNTS</b>				
Capital Stock	2,425,500	2,425,500	2,425,500	2,425,500
Surplus	96,149,265	87,138,484	75,329,530	71,392,601
<b>TOTAL CAPITAL ACCOUNTS</b>	<b>98,574,765</b>	<b>89,563,984</b>	<b>77,755,030</b>	<b>73,818,101</b>
<b>TOTAL LIABILITIES &amp; CAPITAL ACCOUNTS</b>	<b>844,828,538</b>	<b>815,413,315</b>	<b>743,832,093</b>	<b>693,308,709</b>

Total Assets  
Increased By  
**3.61%**  
\$29,415,223

Net Loans  
Increased By  
**7.94%**  
\$43,207,459

Total Deposits  
Increased By  
**2.67%**  
\$19,026,261

Total Net Income  
Increased By  
**-0.30%**  
-\$27,744

# CITIZENS NATIONAL INVESTMENT SERVICES

## *CITIZENS NATIONAL INVESTMENT SERVICES*



We started Citizens National Investment Services almost four years ago. The bank believed we needed to offer our customers other investment options beyond traditional banking in an environment that was consistent with the level of customer service that we strive to maintain within the bank. The Investment Services is located in Downtown Shreveport in the Beard Tower at 330 Marshall Street adjacent to our Beard Tower Branch.

*From Left: Debbie Rolland, Financial Advisor;  
Tim Chance, Financial Advisor*



