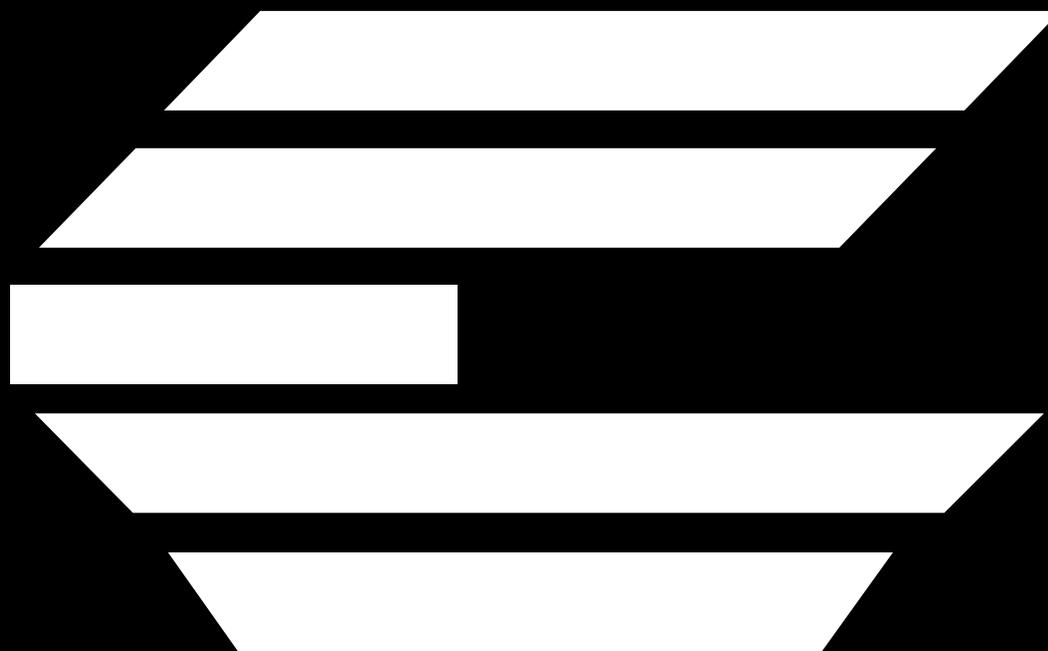


CITIZENS
NATIONAL BANK
“Your Kind of Bank”

Annual Report
2012



BOSSIER

MAIN OFFICE

2711 E. TEXAS STREET
BOSSIER CITY, LA 71111
PHONE: (318) 747-6000

STOCKWELL ROAD BRANCH

700 STOCKWELL ROAD
BOSSIER CITY, LA 71111
PHONE: (318) 629-2240

BENTON ROAD BRANCH

2005 BENTON ROAD
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PHONE: (318) 747-8888

SHREVEPORT

MANSFIELD ROAD BRANCH

9237 MANSFIELD ROAD
SHREVEPORT, LA 71118
PHONE: (318) 688-2265

EAST 70TH STREET BRANCH

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DOWNTOWN BRANCH

330 MARSHALL STREET, STE. 120
BEAIRD TOWER
SHREVEPORT, LA 71101
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HOMER

600 E. MAIN ST
HOMER, LA 71040
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PLAIN DEALING

102 N. FORREST ROAD
PLAIN DEALING, LA 71064
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MANSFIELD BRANCH

94 POLK STREET
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SPRINGHILL OFFICE

405 S. ARKANSAS STREET
SPRINGHILL, LA 71075
PHONE: (318) 539-5656

SPRINGHILL - PINE PLAZA

601 S. ARKANSAS STREET
SPRINGHILL, LA 71075
PHONE: (318) 539-5726

MINDEN - HOMER ROAD

1176 HOMER ROAD
MINDEN, LA 71055
PHONE: (318) 382-0080

MINDEN - DOWNTOWN

704 MAIN STREET
MINDEN, LA 71055
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HAUGHTON BRANCH

401 W. MCKINLEY AVE
HAUGHTON, LA 71037
PHONE: (318) 949-0422

HAYNESVILLE

9865 HWY 79
HAYNESVILLE, LA 71038
PHONE: (318) 624-9898

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A Letter from the President & Chief Executive Officer

In November 2011, we completed our merger with Citizens Bank & Trust of Springhill, Louisiana. Those locations that were previously Citizens Bank & Trust have become branches of Citizens National Bank, N.A. The process of merging the companies involves more than changing the name of the bank. Management must deal with combining the thousands of accounts, merging the operating systems, and blending the employees and the cultures of the two organizations. The year of 2012 was the completion of that process as we move forward as a stronger company ready for the opportunities that lie ahead.

The year of 2012 has continued to see an economy that on the national scene is still trying to recover from the credit calamity that occurred several years ago. While we were fortunate in Northwest Louisiana to have avoided the serious credit issues, we are confronted with a historically low interest rate environment. Like most commercial banks in this country, the largest earning asset is our loan portfolio. This current flat rate environment has continued to create a challenge for us to maintain our net interest margin so that we can continue to provide our shareholders with the rate of return they expect and deserve.

As a result of the continued outstanding efforts by our employees, we have successfully met our objectives for 2012. We again exceeded our objective of a 1% Re-

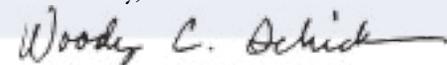
turn on Average Assets. Our bank had net income after tax of over \$7 Million. All of our financial highlights are covered in detail in that section of this Annual Report.

“The difference in banks lies in the manner in which customers are treated”. We discuss this all of the time as a company and repeat it on a regular basis at our employee meetings. Our existence is based on how well we treat our customers. Hopefully, if we do our job, you will tell your friends and neighbors that there is something special about the bank where you do business.

I want to acknowledge our Employees, Shareholders and Board of Directors for the loyal support to our company. We appreciate each of you, our customers that allow us the opportunity to help you with your financial objectives. If we can focus on helping our customers achieve success with their financial objectives, then we in turn will be successful as a company.

2012 was another successful year for Citizens National Bank, N.A. and we are excited about the future and proving every day that we are “Your Kind of Bank”.

Sincerely,



Woody Schick,

President & Chief Executive Officer



A Letter from the Chairman of the Board

Despite the many economic challenges of 2012, Citizens National Bank continued to deliver exceptional value to our customers and shareholders. We were recognized again as one of the top community banks in the United States, an important accomplishment and quite an impressive statement for our customers and shareholders.

Importantly, we enjoyed a great first year of business since the 2011 merger. Citizens strategic plan, put in place by our management team headed by President and CEO Woody Schick, stayed on course and again we enjoyed controlled growth. This growth included an increased customer base in all our lines of business and an overall performance that, in some aspects, was ahead of the industry.

Our success can again be attributed to our super-community banking model, which allows us to balance our small bank customer service and deep market knowledge with our bank product offerings. This enables us to compete with all banks in pricing and services rendered.

Citizens National Bank has long operated from a position of strength, built on our solid asset quality, judicious expense

management and superior customer service. As we begin another year we will continue to develop new products designed to assist in customer growth and customer service.

I believe that the New Year will bring a vibrant banking industry and Citizens is well positioned to be one of the winners in a more focused and competitive environment.

We appreciate your support and look forward to the challenges and opportunities of the upcoming year. With our management team and our loyal employees, the future looks bright for Citizens National Bank. Thank you for your years of support and it is a continued blessing for me to serve as your Chairman.

Sincerely,

John McConathy,
Chairman of the Board

Statement of Income & Expenses

	2012	2011	2010	2009
INTEREST INCOME				
LOANS:				
Individuals, Partnerships & Corporations	25,993,693	23,085,358	17,751,393	15,788,175
INVESTMENT SECURITIES:				
Taxable	1,319,426	1,602,145	1,544,240	2,041,943
Non-taxable	1,107,610	747,781	395,089	258,939
Dividends	75,284	39,376	34,307	30,264
Income from Sale of Federal Funds	0	14,416	2,072	6,071
Interest on Deposits with Banks	53,645	64,197	32,487	9,008
EREST TOTAL INTEREST INCOME	28,549,658	25,553,273	19,759,588	18,135,030
INTEREST EXPENSE				
Deposits	2,442,088	3,015,824	2,616,502	2,570,974
Federal Funds Purchased	1,143	5,727	7,564	44,056
Other Borrowings	19,622	61,400	97,847	139,350
TOTAL INTEREST EXPENSE	2,462,853	3,082,951	2,721,913	2,754,380
NET INTEREST INCOME	26,086,805	22,470,322	17,037,675	15,380,650
Less: Allocation for Loan Losses	1,273,000	750,000	720,000	720,000
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOSSES				
Adjusted	24,813,805	21,720,322	16,317,675	14,660,650
OTHER REVENUES AND EXPENSES				
Commissions, Fees and Other Income	6,657,330	5,681,141	2,462,531	2,253,695
Gains (Losses) on Securities Transactions	233,387	480,402	300,788	3,673
Total Other Expenses before Income Tax	21,804,726	19,288,095	13,089,894	11,900,820
INCOME BEFORE FEDERAL INCOME TAX	9,899,796	8,593,770	5,991,100	5,017,198
Federal Income Taxes	2,894,874	2,700,000	1,900,000	1,670,000
Net Income After Federal Income Taxes	7,004,922	5,893,770	4,091,100	3,347,198

Financial Highlights

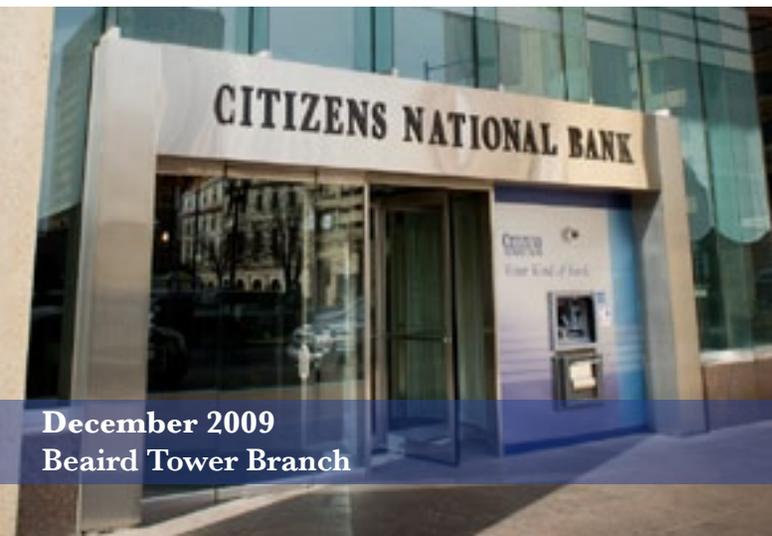
ASSETS	2012	2011	2010	2009
Cash & Due From Banks	34,504,779	63,533,077	32,740,843	34,134,536
Investment Securities	140,453,221	113,671,672	66,961,959	52,667,524
Federal Funds Sold		0	0	3,500,000
Federal Reserve Bank Stock/FHLB/FNBB/BIC	2,296,369	1,808,210	1,542,700	1,991,300
Loans, Net of Provision for Possible Loan Losses	474,395,603	445,879,667	299,402,473	257,971,929
Fixed Assets	16,557,212	17,306,093	10,654,169	9,875,664
Interest Earned, Not Collected	2,723,906	2,421,688	1,599,284	1,226,039
Customer Liability on Letters of Credit Outstanding	2,063,836	2,090,651	1,376,229	1,321,252
Other Assets	22,377,619	22,462,234	9,685,011	8,096,327
TOTAL ASSETS	695,372,545	669,173,292	423,962,668	370,784,571
LIABILITIES				
Deposits	596,972,396	589,183,411	377,090,335	319,205,330
Federal Funds Purchased	10,000,000	0	0	8,000,000
Other Borrowings	0	1,246,775	2,275,337	3,268,236
Letters of Credit Outstanding	2,063,836	2,090,651	1,376,229	1,321,252
Other Liabilities	12,518,212	10,931,231	6,085,579	5,398,64
TOTAL LIABILITIES	621,554,444	603,452,068	386,827,480	337,193,463
CAPITAL ACCOUNTS				
Capital Stock	2,425,500	2,425,500	2,425,500	2,425,500
Surplus	71,392,601	63,295,724	34,709,688	31,165,608
TOTAL CAPITAL ACCOUNTS	73,818,101	65,721,224	37,135,188	33,591,108
TOTAL LIABILITIES & CAPITAL ACCOUNTS	695,372,545	669,173,292	423,962,668	370,784,571

Total Assets Increased By:	3.92%	\$26,199,253
Net Loans Increased By:	6.40%	\$28,515,936
Total Deposits Increase By:	1.32%	\$7,788,985
Total Net Income Increased By:	18.85%	\$1,111,152

Strategic Plan

According to Business Dictionary,

“ Strategic Planning is a systematic process of envisioning a desired future, and translating this vision into broadly defined goals or objectives and a sequence of steps to achieve them. ”



December 2009
Beaird Tower Branch



October 2010
Desoto Branch

“Your Kind of Bank”

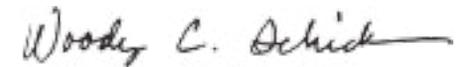
I became your President and Chief Executive Officer in September 2008. At the end of that year, we developed the initial Strategic Plan for the bank. The Executive Management reviews the strategies on a regular basis to measure the accomplishment and achievement of the goals. We meet periodically with the Board of Directors to review the direction of the bank and the strategic objectives.

In December 2009, we expanded our presence with the opening of our seventh branch located at the Beaird Tower in downtown Shreveport. The following October we added the eighth branch with the opening of our Desoto Parish Branch in Mansfield, Louisiana. In December 2010 we entered into the definitive agreement

to merge with the Citizens Bank & Trust of Springhill, Louisiana and consummated that agreement when we merged the two banks in November 2011. We expanded our offerings of financial products when we opened the Citizens National Investment Services in November 2011. Our Investment Services office is located in the Beaird Tower adjacent to the Downtown Shreveport Branch. In March of 2013, we will be opening the new 4300 square foot branch in Springhill, Louisiana.

The Strategic Plan that began in 2008 is updated on an annual basis. The Executive Management, Employees and Board of Directors are committed to moving the bank forward. Since the inception of the bank, our primary

pledge has centered on serving our customers and communities. The bank will continue to look at opportunities in Northwest Louisiana to expand our presence. As the adage goes, “If you are not moving forward, you are falling behind”. Our commitment remains to move the company forward with a clear vision of future objectives.



Woody Schick,
President & Chief Executive Officer



November 2011
Citizens National Investment Services



March 2013
Springhill Branch

Board of Directors



John R. McConathy
Chairman of the Board



Will Hubbard
Vice Chairman of the Board



Woody Schick
President
Chief Executive Officer



L. Clary Anthony, Jr.



David Fite



Jay Hearnberger



Glenn Jackson



Wayne McMahan



J. Kevin McCotter



Mark Montgomery



Robert Garland



John Garmany



G. Kent Gibson



Edward R. Glover



Gerald Hawkins



James W. Ramsey



Dr. James W. Rogers



Ronnie D. Sheffield



Dr. James P. Williams



M. Dennis Wilson, CPA

Advisory Directors



Thomas Boggs



Bill Carter



Anthony Manuel



Raymond Robertson



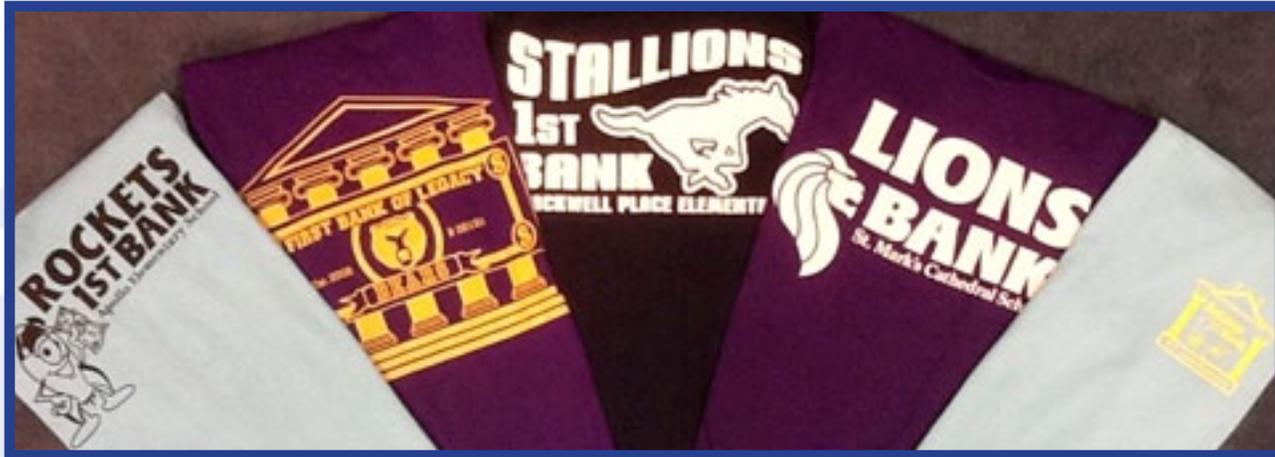
Charles S. Sentell III

Director Emeritus



L. Clary Anthony, Sr

Community Involvement



Bank@School

Community Involvement



Operation Santa Claus



BPC Foundation



Celebrate Barksdale



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