

# Citizens National Bank

is solution oriented and dedicated to maintaining a positive economic impact in the communities we serve. We remain committed to the development and growth of successful businesses, to creating more opportunities for our customers and maintaining solid financial strength for our shareholders.

CITIZENS NATIONAL BANK **LOCATIONS**

**CITIZENS**



# CITIZENS NATIONAL BANK

CITIZENS  
NATIONAL BANK

*Your Kind of Bank*



## BOSSIER CITY

### MAIN OFFICE

2711 E. Texas Street  
(318) 747-6000

### BENTON ROAD

2005 Benton Road  
(318) 747-8888

## SHREVEPORT

### MANSFIELD ROAD

9237 Mansfield Road  
(318) 688-2265

### EAST 70TH STREET

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

### SOUTHEAST SHREVEPORT

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

### MANSFIELD

94 Polk Street  
(318) 872-0044

### HAUGHTON

401 W. McKinley Ave  
(318) 949-0422

### HAYNESVILLE

9865 Hwy 79  
(318) 624-9898

### MINDEN

1176 Homer Road  
(318) 382-0080

### SPRINGHILL

18 Machen Drive  
(318) 539-5656



*“For as long as any of us can recall, Citizens National Bank has been “Your Kind of Bank.” Our commitment to that ideal has never been stronger.*”

## A LETTER FROM THE PRESIDENT & CHIEF EXECUTIVE OFFICER

Fellow Shareholders,

What an unbelievable year 2016 turned out to be. Not just for our Bank, but for our region, state and nation. I cannot recall a year in which we observed such wide spread change in such a short period of time. Opportunity always presents itself when change takes place and personally, it is impossible for me to fully express my sincerest appreciation to our shareholders and Board of Directors for giving me the opportunity to lead our Company as President and Chief Executive Officer. Rarely does someone get the chance to realize their dream. Citizens has given me just that chance.

The shareholders of Citizens National Bancshares of Bossier, Inc. will be pleased to hear of the financial success achieved by the Bank last year. In a year where there were distractions from our mission, Citizens was able to post its largest operating profit in its thirty one year history. Additionally, in the fourth quarter, we administered a stock repurchase program which gave shareholders the opportunity to diversify their portfolio or address liquidity needs. This reduction in the number of outstanding shares provides enhanced value to our remaining shareholders. Last year's success can be directly attributed to a supportive shareholder base, a committed Board of Directors, a dedicated staff and a community which appreciates the Citizens Way of doing business in Northwest Louisiana.

Citizens' continued success is a function of our ability to retain and recruit top talent, provide an unmatched customer experience and adapt to the ever changing landscape of the financial services industry. Already this year we have been able to attract a number of new team members to prepare for our projected growth, introduce a series of innovative financial products and services and reposition resources to maximize our strategic efficiencies. In spite of the positive momentum we are achieving in 2017, this year has begun with an unexpected challenge for our Bank. While we are not able to comment specifically on these challenges, you should be aware of pending litigation that could result in an unusual loan loss expense for 2017. Even though management is confident in the ultimate successful resolution of these matters, we have taken a conservative accounting approach to dealing with them during the first quarter.

We are grateful for the confidence you have shown in our Bank as a shareholder and customer. It is of utmost importance to us to be an integral financial partner to you and your business. If there is anything we can do to help, please let us know how we may be of service to you. Also, the trust you place in us represents one of the best marketing opportunities we have. Please consider referring Citizens to those in your circle of influence. As you value us, we value your input and welcome the opportunity to discuss any recommendations for other business development opportunities you may have.

For as long as any of us can recall, Citizens National Bank has been "Your Kind of Bank." Our commitment to that ideal has never been stronger. As we continually look for ways to enhance our shareholders' value, improve our customers' experience and effectively invest in the communities we serve, we will not lose sight of the values that have brought us success. We are confident in our vision for the Company and are committed to being the Best Bank we can be. We look forward to serving you and our communities for many years to come.

With warmest regards,



Jason D. Smith  
President & Chief Executive Officer

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

The commitment to every community we serve started over 30 years ago. That commitment has grown and continues today. On behalf of our Board of Directors, I want to thank each of you, our customers, for allowing Citizens National Bank the opportunity of providing financial services to you, your families and your businesses. We know you have a choice on where to bank and it is a privilege to be able to serve you.

Our Board is dedicated to serving our communities and being a responsible community partner. Our success in these endeavors can be contributed to our wonderful employees and the dedication of our board members. From our first location in Bossier Parish we have expanded to now serve the 5 parishes in Northwest Louisiana: Caddo, Bossier, Claiborne, Webster and Desoto.

I want to personally thank our customers and shareholders for the loyalty and trust you have shown Citizens National Bank throughout our history. Our focus will continue to be servicing our customers, supporting our communities and maximizing the return to our shareholders. Your success is our success.

Sincerely,

A handwritten signature in white ink, appearing to read "Will Hubbard", is positioned above the typed name.

WILL HUBBARD  
CHAIRMAN OF THE BOARD OF DIRECTORS

*I want to thank each of you, our customers, for allowing Citizens National Bank the opportunity of providing financial services to you, your families and your businesses.*



## STATEMENT OF INCOME & EXPENSES

INTEREST INCOME	2016	2015	2014	2013
<b>LOANS:</b>				
Individuals, Partnerships & Corporations	31,237,623	30,206,284	28,720,529	27,652,538
<b>INVESTMENT SECURITIES:</b>				
Taxable	2,022,450	2,415,157	2,405,460	2,248,853
Non-Taxable	1,906,161	1,583,997	1,415,332	1,176,077
Dividends	79,885	74,642	78,597	73,533
<b>Interest on Deposits with Banks</b>	164,389	76,412	45,206	56,580
<b>TOTAL INTEREST INCOME</b>	<b>35,410,508</b>	<b>34,356,492</b>	<b>32,665,124</b>	<b>31,207,581</b>

INTEREST EXPENSE	2016	2015	2014	2013
Deposits	2,278,506	1,963,917	1,828,190	2,084,638
Federal Funds Purchased	4	40	26	879
Other Borrowings	126,943	56,006	64,851	60,040
<b>TOTAL INTEREST EXPENSE</b>	<b>2,405,453</b>	<b>2,019,963</b>	<b>1,893,067</b>	<b>2,145,557</b>

NET INTEREST INCOME	2016	2015	2014	2013
Less: Allocation for Loan Losses	1,276,900	1,100,000	1,122,000	900,000

NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOSSES	2016	2015	2014	2013
Adjusted	31,728,155	31,236,529	29,650,057	28,162,024

OTHER REVENUES AND EXPENSES	2016	2015	2014	2013
Commissions, Fees and Other Income	6,246,224	5,958,440	5,484,770	5,679,501
Gains (Losses) on Securities Transactions	894,820	185,282	697,062	327,215
Total Other Expenses before Income Tax	26,293,297	24,642,684	23,090,265	22,425,886

<b>INCOME BEFORE FEDERAL INCOME TAX</b>	<b>12,575,902</b>	<b>12,737,567</b>	<b>12,741,624</b>	<b>11,742,854</b>
Federal Income Taxes	3,445,721	3,646,481	3,622,794	3,538,073
Net Income After Federal Income Taxes	9,130,181	9,091,086	9,118,830	8,204,781

## FINANCIAL HIGHLIGHTS

ASSETS	2016	2015	2014	2013
Cash & Due From Banks	46,760,209	36,097,391	54,973,022	35,806,979
Investment Securities	175,282,421	166,720,127	163,101,983	156,558,255
Other Investments	4,195,690	8,884,849	8,509,010	3,398,163
Loans, Net of Provision for Possible Loan Losses	611,153,854	587,162,613	543,955,154	504,723,994
Fixed Assets	15,464,335	16,305,187	16,760,223	17,396,836
Interest Earned, Not Collected	3,215,206	3,168,355	2,834,916	2,727,083
Other Assets	28,880,135	26,490,014	25,279,007	23,220,783
<b>TOTAL ASSETS</b>	<b>884,951,850</b>	<b>844,828,536</b>	<b>815,413,315</b>	<b>743,832,093</b>

LIABILITIES	2016	2015	2014	2013
Deposits	780,108,868	731,630,932	712,604,671	654,167,318
Other Liabilities	16,302,509	14,622,839	13,244,660	11,909,745
<b>TOTAL LIABILITIES</b>	<b>796,411,377</b>	<b>746,253,771</b>	<b>725,849,331</b>	<b>666,077,063</b>

CAPITAL ACCOUNTS	2016	2015	2014	2013
Capital Stock	2,425,500	2,425,500	2,425,500	2,425,500
Surplus	86,114,973	96,149,265	87,138,484	75,329,530
<b>TOTAL CAPITAL ACCOUNTS</b>	<b>88,540,473</b>	<b>98,574,765</b>	<b>89,563,984</b>	<b>77,755,030</b>

<b>TOTAL LIABILITIES &amp; CAPITAL ACCOUNTS</b>	<b>884,951,850</b>	<b>844,828,536</b>	<b>815,413,315</b>	<b>743,832,093</b>
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**TOTAL ASSETS  
INCREASED BY:**

**4.75%**  
\$40,123,314

**NET LOANS  
INCREASED BY:**

**4.09%**  
\$23,991,241

**TOTAL DEPOSITS  
INCREASED BY:**

**6.63%**  
\$48,477,936

**TOTAL NET INCOME  
INCREASED BY:**

**0.43%**  
\$39,095



**Will Hubbard**  
*Board Member Since 1990*  
*Chairman of the Board*



**M. Dennis Wilson**  
*Board Member Since 1985*  
*Vice Chairman of the Board*



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

# 2017 BOARD OF DIRECTORS



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



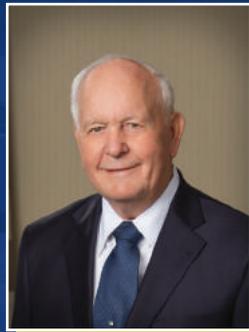
**Jason Smith**  
*President/CEO*  
*Citizens National Bank*



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



**Sherb Sentell**  
*Board Member Since 2016*  
*Minden-Ward 1 City Judge*



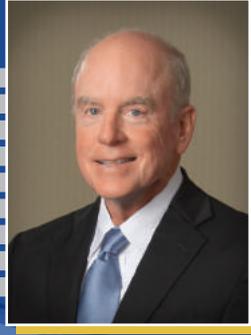
**James W. Rogers**  
*Board Member Since 1985*  
*Retired Dentist*



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



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



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



**G. Kent Gibson**  
*Board Member Since 1998*  
*Retired Banker*

*It won't ever be  
our goal to be the  
biggest. Instead we  
will focus on being  
the best.*



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



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



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



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



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



## THE EXECUTIVE MANAGEMENT TEAM

**Standing:** Jimmy Keel, Executive Vice President & Chief Operating Officer; Jason Smith, President & Chief Executive Officer; Lyle Jeansonne, Executive Vice President & Chief Credit Officer; Donnie Faith, Senior Vice President & Chief Technology Officer. **Seated:** Charles C. Coleman, Executive Vice President Business Banking; Tommy Boggs, Executive Vice President Retail Banking; Chris Willcox, Senior Vice President & Chief Financial Officer; Mark Johnson, Executive Vice President Loan Review, Audit & Compliance.



# BUILDING FOR THE FUTURE

There is an exciting, new “business as usual” atmosphere emerging and Citizens National Bank is on board. We have been and will always be a leader in building community successes. We’re focused on understanding and delivering on our customer’s financial needs while meeting tomorrow’s challenges head on. As we look forward to the future, CNB will continue to improve the banking customer experience.



**Grant Nuckolls**  
Owner Twisted Root



**Jennifer Thurman**  
Owner State Farm



**Kevin Hudson, Ran Falbaum, Brandon Hudson**  
Owners, On-Site Secure Shredding



**Matt Locke**  
Locke Homes

**Craig Wallace**  
Director of Operations

**Cole Lollar, CNB**  
VP Business Banking

**Sarah Ardis**  
Director of  
Development and  
Community Relations

**Donna Otwell**  
Office Manager

**Kim Bailey, CNB**  
Senior Vice President

## LENDING A HAND

The Rescue Mission is just one of many non-profit organizations Citizens National Bank is involved with, both from a financial and lending a helping hand. Other organizations are Operation Santa Claus, Robinson Rescue, United Way Northwest LA, Goodwill Northwest LA, Bossier Council on Aging, Caddo Council on Aging, and Girls on the Run.

What keeps a community strong and vibrant? At Citizens National Bank, we believe it starts with being an active, responsible corporate citizen. Investing time and energy is just as important as making a charitable contribution. What's more, by setting a positive example and providing support, we encourage our employees and those in the communities we serve to do the same. Citizens National Bank is dedicated to supporting worthwhile organizations and causes throughout Louisiana. It's an investment we are honored to make.

