



PUBLIC DISCLOSURE

July 08, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Citizens National Bank
Charter Number 13443

201 West Main Street
Henderson, TX 75653-1009

Office of the Comptroller of the Currency

1800 NW Loop 281
Suite 306
Longview, TX 75604-2516

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Satisfactory**.

The following table indicates the performance level of **Citizens National Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Citizens National Bank) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- A majority of loans are extended within Citizens National Bank’s Assessment Areas (AAs).
- Lending levels for home mortgage, small business, and small farm loans reflect a good responsiveness to credit needs within the AAs. Community development lending had a neutral impact on the overall lending test.
- The geographic distribution of home mortgage loans and small business loans throughout the AAs is good. In addition, the distribution of loans to borrowers of different incomes is good.
- The level of qualified community development investments, grants, and donations represents a good responsiveness to identified community development needs. Ongoing investment in a subsidiary community development corporation provided a neutral impact on the overall investment test.
- Citizens National Bank’s delivery systems are good with branches accessible in all geographies and a number of branches located in low to moderate-income census tracts. The level of community development services is good and Citizens National Bank participates in a broad range of activities designed to assist low to moderate-income families.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development.

Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder' and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states

within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

Citizens National Bank (CNB) is an intrastate financial institution headquartered in Henderson, Texas. It is one of the largest locally owned community banks in the area with total assets of \$1.27 billion as of March 31, 2014. CNB is wholly owned by Henderson Citizens Bancshares. CNB has two subsidiaries, HCB Insurance Agency and CNB Community Development Corporation. There were two merger activities during this rating period. In February 2013, CNB merged with White Oak State Bank. In September 2013, CNB merged with East Texas National Bank Palestine.

CNB is a full service community bank providing financial products and services to consumers and businesses. The bank offers a wide array of loan and deposit products to its customers. CNB has 26 locations in 18 cities and 10 counties in East and Central Texas. In addition, the bank has 29 automatic teller machines (ATMs) and employs bilingual Spanish speaking employees to assist a growing Hispanic community. CNB's business hours are equitable and do not hinder any particular group or class of individuals. Seven of the bank's branches are located in low to moderate-income census tracts with remaining branches located in middle or upper-income census tracts.

The bank's market encompasses a large portion of Northeast Texas and a portion of Central Texas. Major markets served include portions of the Longview metropolitan statistical area (MSA) and Tyler MSA, Texas, with branch locations in smaller communities throughout Northeast and into Central Texas. The bank has designated five assessment areas (AAs) for meeting the goals of the Community Reinvestment Act. These AAs include whole counties and are identified as Gregg/Rusk (Gregg and Rusk Counties), Henderson/Anderson/Navarro/Limestone (Henderson, Anderson, Navarro, Limestone Counties), Tyler (Smith county), Harrison/Marion (Harrison and Marion Counties), and Walker (Walker County).

As of March 31, 2014, CNB's loan portfolio totaled \$669 million and reported total deposits of \$1,131 million, yielding a loan-to-deposit ratio of 59 percent. The chart below reflects the distribution of loans by category as of March 31, 2014.

Loan Category	\$ (000)	%
Residential Real Estate	\$273,741	40.91%
Commercial Real Estate	\$112,606	16.83%
Commercial Loans	\$91,200	13.63%
Agricultural Loans	\$101,840	15.22%
Consumer Loans	\$51,016	7.62%
Other Loans	\$38,757	5.79%
Total	\$669,160	100.00%

There are no legal, financial or other factors impeding CNB's ability to meet the credit needs in its AAs. CNB's CRA performance was rated "Satisfactory" at the previous CRA examination dated April 4, 2011. OCC records and the bank's CRA public file indicate there have been no complaints related to the bank's CRA performance over the supervisory cycle. CNB's tier 1 capital equaled \$108.3 million, representing 8.78 percent of adjusted average assets as of March 31, 2014.

Scope of the Evaluation

Evaluation Period/Products Evaluated

Conclusions regarding the Lending Test are based on residential mortgages and small business loans originated in 2012 and 2013. Data on residential mortgages was obtained from reports required by the Home Mortgage Disclosure Act (HMDA). The community development lending performance analysis considered loans made since the previous CRA examination and includes loans made in 2012 and 2013.

Residential real estate lending is a primary product line of CNB. Residential real estate lending represents 41 percent of CNB's loan portfolio by dollar volume and carried the most weight in assessing lending performance. Small business lending is also a significant lending product and received significant weighting in evaluating lending performance. CNB originated \$83 million in small business loans during the evaluation period. Origination of small farm and multifamily loans are significantly less in volume and does not carry significant weight in the lending test.

The Investment Test included a review of investments and donations made within the AAs that meet the definition of community development investments. The Service Test included a review of delivery systems as well as retail and community development services provided in CNB's AAs. The evaluation period for investment and services test is April 5, 2011 through July 7, 2014.

Data Integrity

A Data Integrity review was conducted in July 2013 to determine CNB's accuracy in reporting HMDA, small business, and community development loans. A sample of loans originated in 2012 and 2013 were reviewed for data integrity. The sampled loans revealed that HMDA data reported during the evaluation period is reliable. Additional data integrity of small business and community development loans was performed during this examination, with the bank taking actions to ensure data integrity. A sample of community development investments and services was reviewed to ensure they meet the definition of community development.

Selection of Areas for Full-Scope Review

CNB has designated five AAs for meeting the goals of the Community Reinvestment Act. The bank has designated five AAs for CRA purposes. The AAs are delineated by whole counties. The AAs are identified as Gregg/Rusk (Gregg and Rusk Counties), Henderson/Anderson/Navarro/Limestone (Henderson, Anderson, Navarro, and Limestone Counties), Tyler (Smith county), Harrison/Marion (Harrison and Marion Counties), and Walker (Walker County). Gregg/Rusk AA is a portion of Longview Metropolitan Statistical Areas, excluding Upshur County in which the bank has no branch. Tyler AA is also designated as Metropolitan Statistical Area.

A full-scope review was conducted on the Gregg/Rusk and Henderson/Anderson/Navarro/Limestone AAs. A substantial majority of loans and deposits are generated in these AAs. The full-scope review will include analysis of numerical data for each AA and include a qualitative analysis of the bank's performance. A limited-scope review was performed of the Tyler, Harrison/Marion, and Walker AAs due to the limited loan and deposit volume. The review will be limited to analysis of numerical data for the AAs. The following chart contains a breakout of loans, deposits, and branches within each AA.

Assessment Area Weighting			
Assessment Area	% of Reported Loans (\$)	% of Deposits	% of Branches
Gregg/Rusk	37.82%	56.06%	46.15%
Henderson/Anderson/Navarro/Limestone	22.24%	25.30%	26.92%
Tyler	27.59%	3.55%	11.54%
Harrison/Marion	11.66%	11.65%	11.54%
Walker	0.69%	3.44%	3.85%

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. To determine a rating for CNB under the lending test, we reviewed home mortgages and small loans to businesses. The analysis of multifamily loans and small loans to farms was limited as they were not a primary loan product.

Other

Community credit needs in the AAs were determined by reviewing recent market demographic information and community contacts conducted by the OCC in connection with this and other CRA evaluations of banks operating in the same AAs. A review of community contact forms indicates a need for small business loans and programs to attract new businesses to provide employment opportunities. While area unemployment rates are trending down, there continues to be a need for good paying jobs. There was also an identified need for affordable residential properties and rental housing. Inventory of available lower-cost housing is limited. Community contacts reported that area banks are active and responsive to community needs.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal Savings Association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in the Gregg/Rusk metropolitan AA and the Henderson/Anderson/Navarro/Limestone nonmetropolitan AA is good.

Lending levels for home mortgage loans and small loans to businesses reflect good responsiveness to AA credit needs. A majority of the bank's loans are made in CNB's AAs. In addition, the geographic distribution of loans reflects good penetration and performance for lending to borrowers of different incomes is good.

Lending Activity

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's lending activity.

Lending activity is good based on the level of home mortgage loans and small loans to businesses extended in the full-scope AAs. The lending activity analysis is based primarily on loans directly originated or purchased by CNB.

Home mortgage loans represented 59 percent of loans evaluated by number of loans, while small loans to businesses represented 34 percent. Small farm loans represented 7 percent. Given CNB's lending focus, home mortgage loans and small loans to businesses carry more weight in the overall conclusions.

Gregg/Rusk AA

Lending levels in the Gregg/Rusk AA reflect good responsiveness to AA credit needs. Approximately 43.86 percent of the loans evaluated were originated in this AA, while approximately 56.06 percent of the bank's deposits are located in this AA. The performance in this area carries the most weight in the lending conclusions.

Home mortgage lending levels are good. CNB ranked seventh in the AA for home purchase loans with a market share of 4.27 percent, first for home improvement loans at 45.27 percent, and seventh for home mortgage refinance loans at 3.30 percent for loans originated during 2012 and 2013. This level of market share reflects good performance based on CNB's deposit market share. CNB ranked second in the AA for deposits out of twenty-seven institutions, with a market share of 15.56 percent.

Small business loan levels are good. CNB ranked ninth in the AA with a market share of 4.84 percent.

CNB ranks first in the AA with a market share of 53.92 percent in farm loans. However, this is not meaningful since the overall level of farm loans is small in this market.

Henderson/Anderson/Navarro/Limestone AA

Lending levels in the Henderson/Anderson/Navarro/Limestone AA reflect good responsiveness to AA credit needs. Approximately 24.65 percent of the loans evaluated were originated in this AA, while 25.30 percent of the bank's deposits are located in this AA.

Home mortgage lending levels are good. CNB ranked eighth in this AA for home purchase loans with a market share of 2.43 percent, first for home improvement loans at 25.94 percent, and fourteenth for home mortgage refinance loans at 1.57 percent for loans originated during 2012 and 2013. This level of market share reflects good performance based on CNB's deposit market share. CNB ranked fourth in the AA for deposits out of twenty-six institutions, with a market share of 6.95 percent.

Small business loan levels are good. CNB ranked ninth in the AA with a market share of 4.25 percent.

CNB ranked fourth in the AA with a market share of 13.11 percent in farm loans. However, this is not meaningful since the overall level of farm loans is small in this market.

Distribution of Loans by Income Level of the Geography

The geographic distribution of loans is good. Performance for residential real estate loans is good with good performance in all AAs receiving a full scope review. Small loans to businesses also demonstrate good performance in all AAs.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage originations and purchases. The Henderson/Anderson/Navarro/Limestone AA does not have any low-income geographies so the analysis in this AA is based on lending in the moderate-income geographies.

The geographic distribution of home mortgage loans is good. A geographical analysis of multifamily loans would not be meaningful, due to the minimal number of originations.

Gregg/Rusk AA

Performance for home purchase loans is good. The percentage of bank loans originated in low-income tracts at 1.05 percent is near to the percentage of available owner-occupied housing at 1.17 percent. In addition, the percentage of bank loans originated in moderate-income tracts at 16.32 percent exceeds the percentage of available owner occupied housing at 15.82 percent. CNB's market share in low and moderate-income tracts is excellent at 18.18 and 6.07 percent, respectively, when compared to their overall market share at 4.27 percent.

Performance for home improvement loans is excellent. The percentage of bank loans originated in both low and moderate-income tracts are near to the percentage of available owner-occupied housing. Home improvement loans originated in low-income tracts equaled 0.72 percent, compared to the percentage of available owner occupied housing at 1.17 percent. Home improvement loans originated in moderate-income tracts equaled 11.78 percent, compared to the percentage of available owner-occupied housing at 15.82 percent. CNB's market share in low and moderate-income tracts is excellent at 66.67 percent and 38.33 percent, respectively, compared to their overall market share at 45.27 percent.

Performance for home refinance loans is adequate. The percentage of bank loans originated in low-income geographies at 1.96 percent exceeds the percentage of owner-occupied houses at 1.17 percent. The percentage of bank originations in moderate-income geographies at 4.90 percent is less than the percentage of owner occupied housing at 15.82 percent. CNB's market share in low-income tracts is excellent at 40.00 percent and adequate in moderate-income tracts at 2.84 percent, compared to their overall market share of 3.30 percent.

Henderson/Anderson/Navarro/Limestone AA

Performance for home purchase loans is good. The percentage of bank loans originated in moderate-income geographies at 10.08 percent exceeds the percentage of owner-occupied housing at 9.96 percent. The bank's market share in moderate-income tracts is good at 2.76 percent, compared to their overall market share of 2.43 percent. This AA does not have any low-income geographies.

Performance for home improvement loans is excellent. The percentage of home improvement loans in moderate-income geographies at 20.89 percent substantially exceeds the percentage of owner-occupied housing at 9.96 percent. CNB's market share in moderate-income geographies is excellent at 30.77 percent, compared to their overall market share of 25.94 percent.

Performance for home refinance loans is adequate. Home refinance loans originated in moderate-income geographies at 3.08 percent is less than the percentage of owner-occupied housing at 9.96 percent. CNB's market share in moderate-income tracts is adequate at 1.00 percent, compared to their overall market share of 1.57 percent.

Small Loans to Businesses

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's originations/purchase of small loans to businesses.

CNB's geographic distribution of small loans to businesses is adequate based on reasonable dispersion in the Gregg/Rusk AA and good dispersion in the Henderson/Anderson/Navarro/Limestone AA.

Gregg/Rusk AA

The geographic dispersion of small loans to businesses is adequate in the AA. The percentage of loans originated in low-income geographies at 0.28 percent is near to the percentage of businesses at 0.65 percent. The percentage of loans originated in moderate-income tracts at 14.33 percent is less than the percentage of businesses at 27.56 percent. CNB's market share is adequate at 4.76 percent in low-income geographies and 2.45 percent in moderate-income geographies, compared to their overall market share of 4.84 percent.

Henderson/Anderson/Navarro/Limestone AA

The geographic distribution of loans to small businesses in the AA is good. There are no low-income geographies in this AA. Small business loans originated in moderate-income geographies at 10.00 percent is near to the percentage of small businesses located in moderate-income tracts at 11.40 percent. CNB's market share in moderate-income tracts is good at 4.52 percent, compared to their overall market share of 4.25 percent.

Lending Gap Analysis

No unexplained conspicuous lending gaps were identified.

Inside/Outside Ratio

CNB's performance of lending inside its AA is outstanding, with a substantial majority of loans extended within its AA. Lending inside the AA is analyzed bank-wide and not by individual AAs. The analysis includes loans originated and purchased during 2012 and 2013 for residential real estate loans, small loans to businesses, and small loans to farms. This performance has a positive impact on the geographic distribution of lending conclusions.

Ninety percent of loans by number and eighty-four percent of loans by dollar amount were made within the bank's AAs. When broken down by loan type, performance is consistent with the overall performance with a majority of residential real estate loans, small loans to businesses, and small loans to farms generated within the AAs.

Distribution of Loans by Income Level of the Borrower

The distribution of loans by borrower income is good. Performance is good for both residential real estate lending and small loans to businesses based on performance in the AAs receiving a full scope review.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Gregg/Rusk AA

The distribution of home purchase loans reflects adequate performance among borrowers of different income levels. The penetration to low-income borrowers at 5.71 percent is lower than the AAs percentage of low-income families at 21.51 percent, while the penetration to moderate-income borrowers at 17.71 percent is near to the percentage of moderate-income families at 17.88 percent. Citizen's market share is good for both low and moderate-income borrowers. Mitigating the lower percentage of loans to low-income families is the fact that many of the low-income families do not present legitimate opportunities for CNB to make residential real estate loans. In the Gregg/Rusk AA, 14.22 percent of households report incomes below poverty levels and are not likely to qualify for a residential mortgage. The median housing value of \$103 thousand also prevents many families in the low-income category from being able to afford home purchases.

The distribution of home improvement loans represents excellent performance. The penetration to low-income borrowers at 17.12 percent is near to the AA's percentage of low-income borrowers at 21.51 percent. The penetration to moderate-income borrowers at 24.57 percent exceeds the percentage of moderate-income families at 17.88 percent. The bank's market share for both low and moderate-income borrowers is excellent at 67.31 percent and 59.77 percent, respectively.

The distribution of home refinance loans is adequate. The penetration for low-income borrowers at 2.04 percent is significantly lower than the percentage of low-income families at 21.51 percent. The

penetration to moderate-income borrowers at 6.12 percent is lower than the percentage of moderate-income families at 17.88 percent. The bank's market share for both low and moderate-income borrowers is adequate.

Henderson/Anderson/Navarro/Limestone AA

The distribution of home purchase loans represents good performance. The percentage of home purchase loans to low-income borrowers at 4.42 percent is significantly lower than the 19.81 percent of low-income families. The penetration of home purchase loans to moderate-income borrowers at 14.16 percent is near to the percentage of moderate-income families at 17.79 percent. CNB's market share is adequate for low-income borrowers and good for moderate-income borrowers. Mitigating the lower ratios for low-income borrowers is the fact that many of the low-income families may not present home mortgage lending opportunities. In the AA, 16.73 percent of households live below the poverty level and are not likely to qualify for home mortgage products. In this AA, the median housing value is \$83 thousand. Based on the median housing costs, purchasing a home is unlikely for a significant portion of low-income families.

The distribution of home improvement loans represents excellent performance. The percentage of home improvement loans to low-income borrowers at 15.38 percent is near to the 19.81 percent of low-income families. The penetration of home improvement loans to moderate-income borrowers at 21.79 percent exceeds the percentage of moderate-income families at 17.79 percent. CNB's market share is excellent for both low and moderate-income borrowers.

The distribution of home refinance loans represents adequate performance. The penetration to low-income borrowers at 3.57 percent is significantly lower than the 19.81 percent of low-income families. The penetration to moderate-income borrowers at 3.57 percent is also significantly lower than the percentage of moderate-income families at 17.79 percent. The market share for lending to both low and moderate-income borrowers is weak based on market information. Mitigating factors for the weaker performance are the factors outlined above.

Small Loans to Businesses

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The borrower distribution of small loans to businesses is good based on good performance in all full-scope AAs.

Gregg/Rusk AA

The borrower distribution of small loans to businesses is good. CNB's percentage of loans to businesses with revenues of \$1 million or less at 70.31 percent is near to the percentage of AA businesses at 71.36 percent. CNB's market share for loans to businesses with revenues of \$1 million or less is also good at 12.29 percent.

Henderson/Anderson/Navarro/Limestone AA

The borrower distribution of small loans to businesses is good. CNB's percentage of loans to businesses with revenues of \$1 million or less at 71.92 percent is near to the percentage of AA businesses with revenues of \$1 million or less at 74.28 percent. CNB's market share is also good for loans to businesses with revenues of \$1 million or less at 11.11 percent.

Community Development Lending

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. However, the table does not separately list CD loans.

Community development lending has a neutral impact on the overall lending test. During the evaluation period, CNB extended two community development loans in the Gregg/Rusk AA. No community development loans were originated in the other AAs.

Product Innovation and Flexibility

While CNB offers flexible loan programs, this activity had a neutral impact on the overall assessment due to the limited number of loan originations. Programs include both small business loans and home mortgage loans with flexible underwriting terms.

Home mortgage loans with flexible underwriting criteria are offered to low and moderate-income individuals who may not otherwise qualify for conventional financing. The CDC originated eighteen loans totaling \$869 thousand during 2012 and 2013.

CNB's Community Development Corporation (CDC) also offers small business loans with flexible terms for low to moderate-income owners. Loans range from \$500 to \$5 thousand through the "Unique Business Loan Program" and the "Micro Loan Program." No loans have been funded through these programs.

Conclusions for Areas Receiving Limited-Scope Reviews

Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

Based on limited-scope reviews, the bank's performance under the lending test is not inconsistent with that of the bank's overall performance.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in Gregg/Rusk metropolitan AA and the Henderson/Anderson/Navarro/Limestone nonmetropolitan AA are satisfactory.

Evaluation of a bank's performance under this test considers the number and amount of investments; the extent that the investments meet the credit and community development needs of an AA; the extent that the investments are not routinely made by others; and the complexity or innovation displayed in the investment. Qualified investments include investments that meet the definition of community development and include investment securities, equity investments, grants, and donations.

CNB has invested in several Small Business Investment Corporations (SBIC) funds. These privately-owned managed investment funds make investments in qualifying small businesses under a financial assistance program of the Small Business Administration and promote economic development. Each of the SBICs make investments in the region that includes the bank's AA. During this evaluation period, CNB invested \$429 thousand and credit for the qualified investment was equally distributed among the AAs.

CNB has a subsidiary, CNB Community Development Corporation (CDC). The mission of the CDC is to provide affordable residential home purchase mortgages and home improvement loans to low and moderate-income families within the bank's AA. The CDC offers lower closing costs and reduced down payment requirements for loans it originates. Lending officers qualified to make these loans are located within each AA. During the evaluation period, the CDC funded twenty-six loans totaling \$1.349 million to low and moderate-income applicants.

CNB invested \$150 thousand in capital into the CDC since the last CRA examination. The bank is committed to inject capital as needed in the CDC. Based on the dollar volume of loans extended in each AA during the evaluation period, a proportional capital investment credit for each AA was allocated to the bank's qualified investments.

Due to limited opportunities for CNB to make qualified investments within the AAs, consideration was also given to the volume of qualified investments it made regionally and provided a positive impact in the investment test. During the current evaluation period, CNB purchased qualified investments totaling \$10.443 million or 9.64 percent of tier 1 capital. These regional investments were primarily school bonds in which the funds are used to construct and renovate public schools in Texas in which a majority of the student body is economically disadvantaged.

CNB investments and donations are not complex. However, the investment in CNB Community Development Corporation, which provides affordable mortgages to low and moderate-income families is considered innovative and is not an investment that is routinely made by other banks.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Gregg/Rusk AA

CNB has made a satisfactory level of qualified community development investments in the Gregg/Rusk AA during the evaluation period. Current period qualified investments and donations totaled \$2.259 million, representing 2.09 percent of tier 1 capital. Citizens National Bank's qualifying investments in the AA are centered in a local school bond, in which the majority of students are economically disadvantaged, and a government agency bond issued for the purposes of affordable housing.

Qualified investments also include donations made to organizations within the AA that promote community development. CNB made numerous donations that totaled \$91 thousand to qualified programs that meet the definition of community development.

CNB made capital investments in CDC during the evaluation period. Based on the volume of residential loans extended to low and moderate-income families in the AA the bank's investment in the CDC totaled \$36 thousand.

Henderson/Anderson/Navarro/Limestone

CNB has made a low level of qualified community development investments in the Henderson/Anderson/Navarro/Limestone AA during the evaluation period. Current period qualified investments and donations totaled \$767 thousand, representing 0.71 percent of tier 1 capital. CNB's qualifying investment in the AA was limited to an investment in a senior housing crime prevention foundation that was secured with a qualifying bond used to provide affordable housing. The bank sponsors a nursing home in the AA, which receives the services of the foundation.

Qualified investments also include donations made to organizations within the AA that promote community development. CNB made donations that totaled \$9 thousand to qualified programs that meet the definition of community development.

CNB made capital investments in CDC during the evaluation period. Based on the volume of residential loans extended to low and moderate-income families in the AA the bank's investment in the CDC totaled \$36 thousand.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the CNB's performance under the investment test in the Tyler AA is consistent with the bank's performance in those AAs receiving Full-Scope reviews. In the Harrison/Marion and the Walker AAs, the bank's performance is weaker than those AAs receiving Full-Scope reviews. These AAs represent a small segment of the bank's market and opportunities for community development investments are limited. Refer to Table 14 in Appendix C for facts and data that support these conclusions.

SERVICE TEST**Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the metropolitan Gregg/Rusk AA and the nonmetropolitan Henderson/Anderson/Navarro/Limestone AA are good.

Retail Banking Services

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

CNB's delivery systems are accessible essentially to all geographies and individuals of different income levels throughout all AAs. Following is a discussion of each branch location.

Gregg/Rusk AA

CNB operates twelve full service locations and thirteen ATMs in the Gregg/Rusk AA. There are one low-income tract, nine moderate-income tracts, twenty-one middle-income tracts, and six upper-income tracts located in the Longview AA, with one census tract not applicable. Two branches are located in a moderate-income tract with other locations offering easy access to both low and moderate-income tracts.

Henderson/Anderson/Navarro/Limestone AA

CNB operates seven full service offices and seven ATMs within the Henderson/Anderson/Navarro/Limestone AA. The Henderson/Anderson/Navarro/Limestone AA includes no low-income tracts, six moderate-income tracts, thirty middle-income tracts, and ten upper-income tracts. Two branches are located within a moderate-income tract with other locations offering easy access to the moderate-income tracts.

CNB opened the following branches since the prior Community Reinvestment Act Examination April 4, 2011: Longview Convenience Center; White Oak; Pine Tree; Longview Downtown; Palestine; Huntsville; Mexia; and Tyler Front Street. Three of these branches are in moderate-income tracts and one branch is in a low-income tract. All branches opened offer easy access to low and moderate-income tracts. There were no branches closed since the prior Community Reinvestment Act Examination.

A wide range of financial services are available at each branch and is consistent throughout the bank's branch network. These include numerous mortgage products and loan programs for small business and consumers of all types. Deposit products are also available, including low-cost and free checking, mobile banking, text banking, and remote deposit capture. In addition, a wide range of banking products are available to commercial customers, including free checking, treasury management tools, online banking, mobile banking, text banking, and remote deposit capture.

Community Development Services

CNB has demonstrated a good record of providing community development services throughout each of its assessment areas. Bank officers and employees provide financial and managerial expertise to numerous service organizations in the assessment areas, serving in officer and director positions for those organizations.

CNB continues to provide financial literacy and service programs throughout the assessment areas. The bank has sponsored financial literacy training for organizations such as Mobil Mexican Consulate in partnership with Boys and Girls Club of Tyler, Longview, and Rusk County; school programs through the bank's Early Savers Program throughout Rusk County schools; Longview ISD LEAD Academy Empowerment Seminars, an academic alternative program; FDIC's Money Smart Program presented to several schools; and Junior Achievement programs. The school training is primarily within economically disadvantaged school districts and serves low to moderate-income families. In addition, the bank-sponsored financial literacy training was provided at local churches that were within low to moderate-income tracts or economically distressed middle-income tracts and serve low to moderate-income individuals. Affordable housing First Time Home Buyer training was provided by the bank in all assessment areas of the bank and was accessible to low to moderate-income individuals.

CNB is an ongoing sponsor for the Kilgore College Small Business Development Center (SCDC). The SBDC assists individuals in starting small businesses through training and education classes which teach how to put together a business plan, complete applications and present credit worthy loan requests. CNB continues to provide scholarships annually to individuals attempting to start their own business. Additionally, a CNB employee served as the instructor for this course. Also, the bank participates in course training at the Tyler Junior College Small Business Development Training, with one CNB employee teaching classes in financing small businesses, accounting, and taxes.

CNB Community Development Corporation is a subsidiary of CNB. The CDC finances the rehabilitation and development of affordable housing for low and moderate-income persons and the start up or expansion of small and minority-owned businesses. Several CNB employees serve on the Board of the CDC. The CDC recently developed two new innovative small business loan programs designed to assist low to moderate-income small business owners by providing loans and basic banking services to establish or expand businesses.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in Tyler, Harrison/Marion, and Walker AAs are consistent with the bank's overall "High Satisfactory" performance under the Service Test. Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD Loans): (01/01/2012 to 12/31/2013) Investment and Service Tests and CD Loans: (04/05/2011 to 07/07/2014)	
Financial Institution	Products Reviewed	
Citizens National Bank (CNB) 201 West Main Street Henderson, Texas 75653	Residential mortgage loans, small business loans, community development loans, investments, donations	
Affiliate(s)	Affiliate Relationship	Products Reviewed
<i>[Instructions: Provide only if affiliate products are reviewed.]</i> CNB Community Development Corporation	Subsidiary	Residential mortgage loans
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Gregg/Rusk AA Henderson/Anderson/Navarro/Limestone AA Tyler AA Harrison/Marion AA Walker AA	Full-Scope Full-Scope Limited-Scope Limited-Scope Limited-Scope	

Appendix B: Market Profiles for Full-Scope Areas

Gregg/Rusk (Gregg and Rusk Counties, part of Longview MSA)

Demographic Information for Full-Scope Area: Gregg and Rusk Counties						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	38	2.63	23.68	55.26	15.79	2.63
Population by Geography	175,060	1.73	22.28	56.50	19.49	0.00
Owner-Occupied Housing by Geography	42,531	1.17	15.82	60.71	22.30	0.00
Businesses by Geography	16,293	0.65	27.56	50.17	21.49	0.13
Farms by Geography	514	0.39	13.81	62.65	22.96	0.19
Family Distribution by Income Level	43,993	21.51	17.88	19.98	40.62	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	17,330	2.63	28.42	53.90	15.05	0.00
Median Family Income	= \$54,648					
HUD Adjusted Median Family Income for 2013	= \$54,200					
Households Below the Poverty Level	= 14%					
				Median Housing Value	= \$103,498	
				Unemployment Rate	= 3.19%	

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 U.S. Census, and 2013 HUD updated MFI.

The Gregg/Rusk AA area is a single assessment area located in Northeast Texas. The AA includes the counties of Gregg and Rusk, Texas in their entireties. Gregg and Rusk Counties is a portion of the Longview, Texas Metropolitan Statistical Area along with Upshur County, Texas. CNB has elected to exclude Upshur County from the AA as the bank has no branches or ATMs located within that county. There are thirty-eight census tracts located within the designated AA. The AA contains one low-income census tract, nine moderate-income census tracts, twenty-one middle-income census tracts, and six upper-income census tracts, with one census tract not applicable. The AA consists of whole census tracts and does not arbitrarily exclude any low or moderate-income geographies.

CNB is the second largest deposit holder in the AA with 15.6 percent of the market share. Major cities in the AA include Longview and Henderson, Texas. Competition is high from both larger local institutions as well as regional and national institutions. Competitors for market share include Texas Bank and Trust, Austin Bank, Capital One, JP Morgan Chase, and Texas Bank. CNB is a full service bank offering traditional deposit, lending, investment, fiduciary, and insurance services. The primary business focus of the bank is meeting consumer and small business deposit, service, and lending needs. The markets in the Gregg/Rusk AA present greater opportunity for commercial lending than other AAs served by the bank.

Economic trends in the AA are stable. Unemployment rates for the AA are below the state averages of 6.8 and 6.3 percent for 2012 and 2013, respectively. For 2012 and 2013, Gregg County unemployment rates were 5.7 and 5.5 percent and Rusk County unemployment rates were 6.2 and 6.1 percent,

respectively. Oil and gas production and service industries are performing well, resulting in the lower unemployment levels. Data from the 2010 Census reflects 14.22 percent of the population is below the poverty line and 37.46 percent of the population is not in the workforce.

Major employers in Gregg County include Good Shepherd Medical Center, Trinity Rail LLC, Eastman Chemical, Wal-Mart Stores, Inc., Longview Regional Medical Center, and Diagnostic Clinic of Longview. Major employers in Rusk County include Bradshaw State Jail Facility, East Texas ISF (Correctional Facility), East Texas Medical Center Henderson, Luminant Mining Co., Pioneer Drilling, and Wal-Mart Stores, Inc. State and local government functions, including the education system, are also a large employer in each county.

A community contact was interviewed in Longview, Texas. The contact indicated a need for small business loans and loan programs for economic development to aid in job creation. In addition, other information reviewed indicated a need for affordable housing (owner-occupied & rental) and home improvement loans for low and moderate-income families. The community contact reported that area financial institutions are responsive and do a good job meeting the community’s credit needs.

Henderson/Anderson/Navarro/Limestone (Henderson, Anderson, Navarro, and Limestone Counties)

Demographic Information for Full-Scope Area: Henderson, Anderson, Navarro, and Limestone Counties						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	46	0.00	13.04	65.22	21.74	0.00
Population by Geography	208,109	0.00	11.74	66.32	21.93	0.00
Owner-Occupied Housing by Geography	53,968	0.00	9.96	70.98	19.06	0.00
Businesses by Geography	15,063	0.00	11.40	74.23	14.37	0.00
Farms by Geography	916	0.00	5.79	76.20	18.01	0.00
Family Distribution by Income Level	50,197	19.81	17.78	20.14	42.27	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	18,871	0.00	16.49	68.85	14.66	0.00
Median Family Income	= \$48,160			Median Housing Value	= \$83,476	
HUD Adjusted Median Family Income for 2013	= \$50,500			Unemployment Rate	= 3.12%	
Households Below the Poverty Level	=17%					

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2010 U.S. Census, and 2013 HUD updated MFI.

This AA is comprised of Henderson, Anderson, Navarro, and Limestone Counties in their entirety. The AA contains forty-six census tracts. There are no low-income census tracts, six moderate-income tracts, thirty middle-income tracts, and ten upper-income census tracts. The assessment area consists of whole counties and census tracts and does not arbitrarily exclude any low or moderate-income geographies.

CNB is the fourth largest deposit holder in the AA with 6.95 percent of the market share. Competition is high from both local institutions as well as regional and national institutions. Competitors for market share include Prosperity Bank, First State Bank, Community National Bank and Trust of Texas, Austin Bank, Capital One, and JP Morgan Chase. CNB is a full service bank offering traditional deposit, lending, investment, fiduciary, and insurance services. The primary business focus of the bank is meeting consumer and small business deposit, service, and lending needs.

Economic trends in the AA are stable. Unemployment rates in Anderson, Henderson and Navarro Counties are above the state averages of 6.8 and 6.3 percent for 2012 and 2013. Anderson County unemployment rates for 2012 and 2013 are 7.7 and 7.2 percent, respectively. The unemployment rates for 2012 and 2013 in Henderson County, TX are 7.3 and 6.9 percent, respectively. Navarro County unemployment rates for 2012 and 2013 are 7.7 and 7.1 percent, respectively. The unemployment rates for 2012 and 2013 in Limestone County, TX are lower than the state average at 6.1 and 6.0 percent, respectively. The U.S. 2010 census data reflects 16.73 percent of the population is below the poverty line and 46.49 percent of the population is not in the workforce.

Larger cities in the combined AA include Athens, Palestine, Corsicana, and Mexia, Texas. The largest employers in Henderson County are East Texas Medical Center and Dallas Manufacturing. The largest employers in Anderson County are Texas Department of Criminal Justice and Palestine Regional Medical Center. The largest employers in Navarro County are Russell Stover Candies, Navarro Regional Hospital, and Navarro College. Manufacturing and mining, oil and gas extraction, medical field professionals and support staff are the largest industries in Limestone County. Wal-Mart Stores, Inc., state and local government functions, including the education system, are also large employers in each county.

A community contact from Athens, Texas was interviewed. The contact indicated a need for small business loans. The community contact reported that area financial institutions are responsive and do a good job meeting the community's credit needs.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

Table 1. Lending Volume - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 1. Other Products - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.

Table 2. Geographic Distribution of Home Purchase Loans - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

Table 3. Geographic Distribution of Home Improvement Loans - See Table 2.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans - See Table 2.

Table 5. Geographic Distribution of Multifamily Loans - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

Table 6. Geographic Distribution of Small Loans to Businesses - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage

distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

Table 7. Geographic Distribution of Small Loans to Farms - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

Table 8. Borrower Distribution of Home Purchase Loans - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.

Table 9. Borrower Distribution of Home Improvement Loans - See Table 8.

Table 10. Borrower Distribution of Refinance Loans - See Table 8.

Table 11. Borrower Distribution of Small Loans to Businesses - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

Table 12. Borrower Distribution of Small Loans to Farms - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

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Table 1. Lending Volume

LENDING VOLUME												
Geography: TEXAS												
Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013												
Assessment Area (2013):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
CNB Henderson Gregg/Rusk AA - 2010 Census	43.86	708	44,552	357	30,403	111	2,340	2	427	1,178	77,722	56.06
CNB Henderson Henderson/Anderson/Navarro/Limestone AA - 2010 Census	24.65	343	29,783	260	14,908	59	777	0	0	662	45,468	25.30
Limited Review:												
CNB Henderson Tyler AA - 2010 Census	17.46	342	41,949	118	14,306	9	140	0	0	469	56,395	3.55
CNB Henderson Harrison/Marion AA - 2010 Census	13.40	188	11,068	161	12,513	11	256	0	0	360	23,837	11.65
CNB Henderson Walker AA - 2010 Census	0.63	5	478	10	888	2	41	0	0	17	1,407	3.44

* Loan Data as of December 31, 2013. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2012 to December 31, 2013.

*** Deposit Data as of July 14, 2014. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															Geography: TEXAS					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ¹													
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp									
Full Review:																								
CNB Henderson Gregg/Rusk AA - 2010 Census	190	38.00	1.17	1.05	15.82	16.32	60.71	73.16	22.30	9.47	4.27	18.18	6.07	5.57	1.23									
CNB Henderson Henderson/Anderson/Navarro/Limestone AA - 2010 Census	119	23.80	0.00	0.00	9.96	10.08	70.98	68.07	19.06	21.85	2.43	0.00	2.76	2.23	3.04									
Limited Review:																								
CNB Henderson Tyler AA - 2010 Census	145	29.00	1.20	2.07	21.75	13.10	42.20	34.48	34.85	50.34	1.76	10.00	2.09	1.69	1.64									
CNB Henderson Harrison/Marion AA – 2010 Census	46	9.20	0.00	0.00	18.96	15.22	36.46	34.78	44.58	50.00	1.55	0.00	0.00	1.98	1.72									
CNB Henderson Walker AA - 2010 Census	0	0.00	5.59	0.00	6.19	0.00	50.77	0.00	37.45	0.00	0.00	0.00	0.00	0.00	0.00									

¹ Based on 2012 Peer Mortgage Data (USPR)

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: TEXAS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013						Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
CNB Henderson Gregg/Rusk AA - 2010 Census	416	52.07	1.17	0.72	15.82	11.78	60.71	84.13	22.30	3.37	45.27	66.67	38.33	53.56	11.59	
CNB Henderson Henderson/Anderson/Navarro/Limestone AA - 2010 Census	158	19.77	0.00	0.00	9.96	20.89	70.98	64.56	19.06	14.56	25.94	0.00	30.77	23.39	36.11	
Limited Review:																
CNB Henderson Tyler AA - 2010 Census	109	13.64	1.20	0.00	21.75	14.68	42.20	33.03	34.85	52.29	20.85	0.00	24.24	17.46	23.97	
CNB Henderson Harrison/Marion AA – 2010 Census	114	14.27	0.00	0.00	18.96	26.32	36.46	41.23	44.58	32.46	34.21	0.00	44.12	38.78	26.09	
CNB Henderson Walker AA - 2010 Census	2	0.25	5.59	0.00	6.19	0.00	50.77	100.00	37.45	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2012 Peer Mortgage Data (USPR)

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: TEXAS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
CNB Henderson Gregg/Rusk AA - 2010 Census	102	35.66	1.17	1.96	15.82	4.90	60.71	84.31	22.30	8.82	3.30	40.00	2.84	4.98	0.68	
CNB Henderson Henderson/Anderson/Navarro/Limestone AA - 2010 Census	65	22.73	0.00	0.00	9.96	3.08	70.98	69.23	19.06	27.69	1.57	0.00	1.00	1.67	1.34	
Limited Review:																
CNB Henderson Tyler AA - 2010 Census	88	30.77	1.20	1.14	21.75	14.77	42.20	31.82	34.85	52.27	2.05	0.00	3.95	1.18	2.46	
CNB Henderson Harrison/Marion AA - 2010 Census	28	9.79	0.00	0.00	18.96	32.14	36.46	35.71	44.58	32.14	2.53	0.00	6.33	3.03	1.64	
CNB Henderson Walker AA - 2010 Census	3	1.05	5.59	0.00	6.19	0.00	50.77	0.00	37.45	100.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2012 Peer Mortgage Data (USPR)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY															Geography: TEXAS		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
Full Review:																					
CNB Henderson Gregg/Rusk AA - 2010 Census	0	0.00	1.24	0.00	24.78	0.00	53.06	0.00	20.93	0.00	0.00	0.00	0.00	0.00	0.00						
CNB Henderson Henderson/Anderson/Navarro/Limestone AA - 2010 Census	1	100.00	0.00	0.00	18.58	0.00	68.63	0.00	12.79	100.00	0.00	0.00	0.00	0.00	0.00						
Limited Review:																					
CNB Henderson Tyler AA - 2010 Census	0	0.00	8.79	0.00	24.01	0.00	37.46	0.00	29.74	0.00	0.00	0.00	0.00	0.00	0.00						
CNB Henderson Harrison/Marion AA - 2010 Census	0	0.00	0.00	0.00	26.87	0.00	32.86	0.00	40.27	0.00	0.00	0.00	0.00	0.00	0.00						
CNB Henderson Walker AA - 2010 Census	0	0.00	33.96	0.00	35.74	0.00	24.17	0.00	6.14	0.00	0.00	0.00	0.00	0.00	0.00						

* Based on 2012 Peer Mortgage Data (USPR)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

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Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: TEXAS					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans						
Full Review:																
CNB Henderson Gregg/Rusk AA - 2010 Census	356	39.34	0.65	0.28	27.56	14.33	50.17	75.00	21.49	10.39	4.84	4.76	2.45	8.31	1.94	
CNB Henderson Henderson/Anderson/Navarro/Limestone AA - 2010 Census	260	28.73	0.00	0.00	11.40	10.00	74.23	82.69	14.37	7.31	4.25	0.00	4.52	5.27	2.84	
Limited Review:																
CNB Henderson Tyler AA - 2010 Census	118	13.04	7.18	5.93	19.53	20.34	36.42	35.59	36.72	38.14	0.98	1.45	1.08	0.69	1.13	
CNB Henderson Harrison/Marion AA - 2010 Census	161	17.79	0.00	0.00	29.60	27.95	30.06	36.02	40.34	36.02	6.22	0.00	8.00	7.83	5.10	
CNB Henderson Walker AA - 2010 Census	10	1.10	6.00	10.00	14.77	10.00	46.44	40.00	32.78	40.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2012 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2013).

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Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: TEXAS		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
Full Review:																					
CNB Henderson Gregg/Rusk AA - 2010 Census	111	57.81	0.39	0.00	13.81	4.50	62.65	93.69	22.96	1.80	53.92	0.00	28.57	64.56	0.00						
CNB Henderson Henderson/Anderson/Navarro/Limestone AA - 2010 Census	59	30.73	0.00	0.00	5.79	6.78	76.20	61.02	18.01	32.20	13.11	0.00	100.00	13.51	12.31						
Limited Review:																					
CNB Henderson Tyler AA - 2010 Census	9	4.69	1.67	0.00	20.02	11.11	46.25	66.67	32.06	22.22	5.41	0.00	5.88	8.57	0.00						
CNB Henderson Harrison/Marion AA - 2010 Census	11	5.73	0.00	0.00	15.77	9.09	37.84	45.45	46.40	45.45	13.16	0.00	16.67	15.38	14.29						
CNB Henderson Walker AA - 2010 Census	2	1.04	3.05	0.00	6.71	0.00	53.66	50.00	36.59	50.00	0.00	0.00	0.00	0.00	0.00						

* Based on 2012 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2013).

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Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: TEXAS					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share*				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families ¹	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
CNB Henderson Gregg/Rusk AA - 2010 Census	190	38.00	21.51	5.71	17.88	17.71	19.98	17.71	40.62	58.86	4.27	5.32	4.19	2.73	5.08	
CNB Henderson Henderson/Anderson/Navarro/Limestone AA - 2010 Census	119	23.80	19.81	4.42	17.79	14.16	20.14	13.27	42.27	68.14	2.59	0.00	2.30	1.40	3.24	
Limited Review:																
CNB Henderson Tyler AA - 2010 Census	145	29.00	21.56	13.38	17.22	18.31	19.54	19.72	41.68	48.59	1.97	3.57	2.03	1.84	1.83	
CNB Henderson Harrison/Marion AA - 2010 Census	46	9.20	20.53	2.33	15.73	9.30	18.22	27.91	45.52	60.47	1.50	4.76	2.99	0.55	1.51	
CNB Henderson Walker AA - 2010 Census	0	0.00	22.89	0.00	17.93	0.00	18.03	0.00	41.15	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2012 Peer Mortgage Data (USPR)

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 5.4% of loans originated and purchased by bank.

¹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT												Geography: TEXAS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*									
	#	% of Total**	% Families**	% BANK Loans****	% Families ²	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp					
Full Review:																				
CNB Henderson Gregg/Rusk AA - 2010 Census	416	52.07	21.51	17.12	17.88	24.57	19.98	20.84	40.62	37.47	45.64	67.31	59.77	37.78	37.68					
CNB Henderson Henderson/Anderson/Navarro/Limestone AA - 2010 Census	158	19.77	19.81	15.38	17.79	21.79	20.14	17.95	42.27	44.87	27.08	44.44	35.29	19.61	23.65					
Limited Review:																				
CNB Henderson Tyler AA - 2010 Census	109	13.64	21.56	5.61	17.22	9.35	19.54	19.63	41.68	65.42	21.89	18.75	21.21	13.79	25.32					
CNB Henderson Harrison/Marion AA - 2010 Census	114	14.27	20.53	12.39	15.73	23.01	18.22	26.55	45.52	38.05	35.14	45.45	56.25	48.28	26.09					
CNB Henderson Walker AA - 2010 Census	2	0.25	22.89	0.00	17.93	50.00	18.03	50.00	41.15	0.00	0.00	0.00	0.00	0.00	0.00					

* Based on 2012 Peer Mortgage Data (USPR)

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 2.3% of loans originated and purchased by bank.

² Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE												Geography: TEXAS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share ¹									
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ³	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp					
Full Review:																				
CNB Henderson Gregg/Rusk AA - 2010 Census	102	35.66	21.51	2.04	17.88	6.12	19.98	22.45	40.62	69.39	3.82	3.13	2.72	3.78	4.17					
CNB Henderson Henderson/Anderson/Navarro/Limestone AA - 2010 Census	65	22.73	19.81	3.57	17.79	3.57	20.14	21.43	42.27	71.43	1.73	0.00	0.00	2.66	1.81					
Limited Review:																				
CNB Henderson Tyler AA - 2010 Census	88	30.77	21.56	4.55	17.22	10.23	19.54	21.59	41.68	63.64	2.41	2.88	1.61	2.57	2.44					
CNB Henderson Harrison/Marion AA - 2010 Census	28	9.79	20.53	0.00	15.73	14.29	18.22	33.33	45.52	52.38	2.12	0.00	5.66	4.30	1.24					
CNB Henderson Walker AA - 2010 Census	3	1.05	22.89	0.00	17.93	33.33	18.03	0.00	41.15	66.67	0.00	0.00	0.00	0.00	0.00					

¹ Based on 2012 Peer Mortgage Data (USPR)

^{**} Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

^{***} Percentage of Families is based on the 2010 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 7.0% of loans originated and purchased by bank.

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES									
Geography: TEXAS					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
CNB Henderson Gregg/Rusk AA - 2010 Census	357	39.40	71.36	70.31	80.11	11.48	8.40	4.84	12.29
CNB Henderson Henderson/Anderson/Navarro/Limestone AA - 2010 Census	260	28.70	74.28	71.92	86.15	9.62	4.23	4.25	11.11
Limited Review:									
CNB Henderson Tyler AA - 2010 Census	118	13.02	73.83	59.32	72.03	14.41	13.56	0.98	2.44
CNB Henderson Harrison/Marion AA – 2010 Census	161	17.77	73.87	73.91	81.99	10.56	7.45	6.22	14.26
CNB Henderson Walker AA - 2010 Census	10	1.10	72.45	50.00	60.00	30.00	10.00	0.00	0.00

* Based on 2012 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2013).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

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Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: TEXAS			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
CNB Henderson Gregg/Rusk AA - 2010 Census	111	57.81	97.86	99.10	97.30	2.70	0.00	53.92	63.95
CNB Henderson Henderson/Anderson/Navarro/Limestone AA - 2010 Census	59	30.73	98.25	98.31	100.00	0.00	0.00	13.11	19.83
Limited Review:									
CNB Henderson Tyler AA - 2010 Census	9	4.69	97.50	100.00	100.00	0.00	0.00	5.41	7.41
CNB Henderson Harrison/Marion AA – 2010 Census	11	5.73	100.00	90.91	100.00	0.00	0.00	13.16	23.81
CNB Henderson Walker AA - 2010 Census	2	1.04	96.34	100.00	100.00	0.00	0.00	0.00	0.00

* Based on 2012 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2013).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

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Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: All Assessment Areas				Evaluation Period: April 12, 2011 to July 8, 2014			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
CNB Henderson Gregg/Rusk AA - 2010 Census	2	\$32	266	\$2,259	268	\$2,291	41.36%	0	0
CNB Henderson Henderson/Anderson/ Navarro/Limestone AA - 2010 Census	2	\$32	53	\$767	55	\$799	14.43%	0	0
Limited Review:									
CNB Henderson Tyler AA - 2010 Census	2	\$32	45	\$2,137	47	\$2,169	39.16%	0	0
CNB Henderson Harrison/Marion AA – 2010 Census	2	\$32	44	\$130	46	162	2.92%	0	0
CNB Henderson Walker AA - 2010 Census	2	\$32	5	\$86	7	\$118	2.13%	0	0
<i>Qualified Investments made outside of AA's</i>	1	\$685	79	\$10,443	80	\$11,128			

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS DECEMBER 31, 2013				Geography: CITIZENS NATIONAL BANK				Evaluation Period: JANUARY 1, 2012 TO									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
CNB Henderson Gregg/Rusk AA - 2010 Census	56.06	12	46.15	0	16.67	66.67	16.67	4	0	0	+2	+1	+1	1.73	22.28	56.50	19.49
CNB Henderson Henderson/Anderson/Navarro/Limestone AA - 2010 Census	25.30	7	26.92	0	28.57	57.14	14.29	2	0	0	+1	+1	0	0	11.74	66.32	21.93
Limited Review:																	
CNB Henderson Tyler AA - 2010 Census	3.55	3	11.54	33.33	0	0	66.67	1	0	+1	0	0	0	3.33	26.76	39.09	30.82
CNB Henderson Harrison/Marion AA - 2010 Census	11.65	3	11.54	0	66.67	33.33	0	0	0	0	0	0	0	0	20.74	35.01	44.25
CNB Henderson Walker AA - 2010 Census	3.44	1	3.85	0	0	100	0	1	0	0	0	+1	0	10.85	15.98	45.95	27.22

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Distribution of Branch and ATM Delivery System

Distribution of Branch and ATM Delivery System				Geography: CITIZENS NATIONAL BANK				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013									
MA/Assessment Area:	Deposits	Branches						ATMs				Population					
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				#of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
CNB Henderson Gregg/Rusk AA - 2010 Census	56.06	12	46.15	0	16.67	66.67	16.67	13	44.83	0.00	15.38	69.24	15.38	1.73	22.28	56.50	19.49
CNB Henderson Henderson/Anderson/Navarro/Limestone AA - 2010 Census	25.30	7	26.92	0	28.57	57.14	14.29	7	24.14	0	28.57	57.14	14.29	0	11.74	66.32	21.93
Limited Review:																	
CNB Henderson Tyler AA - 2010 Census	3.55	3	11.54	33.33	0	0	66.67	3	10.34	33.33	0	0	66.67	3.33	26.76	39.09	30.82
CNB Henderson Harrison/Marion AA – 2010 Census	11.65	3	11.54	0	66.67	33.33	0	5	17.24	0	40.00	40.00	20.00	0	20.74	35.01	44.25
CNB Henderson Walker AA - 2010 Census	3.44	1	3.85	0	0	100	0	1	3.45	0	0	100	0	10.85	15.98	45.95	27.22

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CNB Henderson Tyler MSA - 2010 Census

Demographic Information for Limited Scope Area: CNB Henderson Tyler MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	41	4.88	29.27	34.15	29.27	2.44
Population by Geography	209,714	3.33	26.76	39.09	30.82	0.00
Owner-Occupied Housing by Geography	53,032	1.20	21.75	42.20	34.85	0.00
Business by Geography	20,242	7.18	19.53	36.42	36.72	0.15
Farms by Geography	839	1.67	20.02	46.25	32.06	0.00
Family Distribution by Income Level	53,113	21.56	17.22	19.54	41.68	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	20,598	4.99	38.12	37.21	19.68	0.00
Median Family Income	57,225	Median Housing Value		123,758		
HUD Adjusted Median Family Income for 2013	64,200	Unemployment Rate (2010 US Census)		3.49%		
Households Below Poverty Level	15%					

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2010 US Census and 2013 HUD updated MFI

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CNB Henderson Harrison/Marion Counties – 2010 Census

Demographic Information for Limited Scope Area: CNB Henderson Harrison Marion Counties 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	18	0.00	27.78	33.33	38.89	0.00
Population by Geography	76,177	0.00	20.74	35.01	44.25	0.00
Owner-Occupied Housing by Geography	20,971	0.00	18.96	36.46	44.58	0.00
Business by Geography	6,227	0.00	29.60	30.06	40.34	0.00
Farms by Geography	222	0.00	15.77	37.84	46.40	0.00
Family Distribution by Income Level	19,656	20.53	15.73	18.22	45.52	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	7,127	0.00	32.06	37.56	30.38	0.00
Median Family Income	48,160	Median Housing Value		90,229		
HUD Adjusted Median Family Income for 2013	50,500	Unemployment Rate (2010 US Census)		3.84%		
Households Below Poverty Level	16%					

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2013 HUD updated MFI

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CNB Henderson Walker County 2010 Census

Demographic Information for Limited Scope Area: CNB Henderson Walker Cty 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	10	10.00	20.00	50.00	20.00	0.00
Population by Geography	67,861	10.85	15.98	45.95	27.22	0.00
Owner-Occupied Housing by Geography	11,534	5.59	6.19	50.77	37.45	0.00
Business by Geography	3,865	6.00	14.77	46.44	32.78	0.00
Farms by Geography	164	3.05	6.71	53.66	36.59	0.00
Family Distribution by Income Level	11,356	22.89	17.93	18.03	41.15	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	4,635	16.50	18.25	44.72	20.52	0.00
Median Family Income		48,160	Median Housing Value		101,483	
HUD Adjusted Median Family Income for 2013		50,500	Unemployment Rate (2010 US		2.39%	
Households Below Poverty Level		26%	Census)			

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2010 US Census and 2013 HUD updated MFI

