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Citizens National Bank

- Headquartered in Meridian, Mississippi
- \$1.6 Billion in Total Assets
 - 8th Largest Bank in Mississippi
- 27 Full-service Branches in Mississippi
- Leadership
 - Archie McDonnell (CEO)
 - Hampton Thames (President)
 - Jeremy Stringer (CFO)
 - Kelly Menard (Vice President Compliance Manager)

A special thank you to Vanda and Michelle for their help.



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National Bank

*The Power of Local*SM
Member FDIC

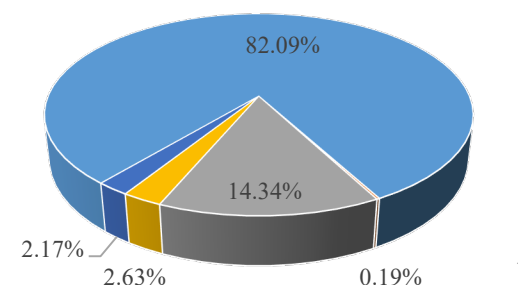
Citizens National Bank Financial Data

(\$ in millions)	2017	2018	2019
Employees	321	322	320
Total Assets	\$1,331.49	\$1,349.16	\$1,432.48
<i>Total Assets (Growth)</i>	<i>1.22%</i>	<i>1.33%</i>	<i>6.17%</i>
Earning Assets	\$1,254	\$1,273	\$1,344
<i>Earning Assets (Growth)</i>	<i>1.26%</i>	<i>1.52%</i>	<i>5.58%</i>
Tier 1 Capital	\$133.12	\$138.11	\$153.83
<i>Tier 1 Capital (Growth)</i>	<i>2.93%</i>	<i>3.75%</i>	<i>11.38%</i>
Interest Income	\$49.23	\$54.42	\$60.35
<i>Interest Income (Growth)</i>	<i>9.47%</i>	<i>10.49%</i>	<i>10.89%</i>
Non-Interest Income	\$17.71	\$18.38	\$19.14
Interest Expense	\$4,572	\$7,496	\$12,029
Non-Interest Expense	\$37.37	\$39.02	\$39.62
Net Income	\$23.40	\$25.09	\$26.46
<i>Net Income (Growth)</i>	<i>23.91%</i>	<i>7.22%</i>	<i>5.47%</i>



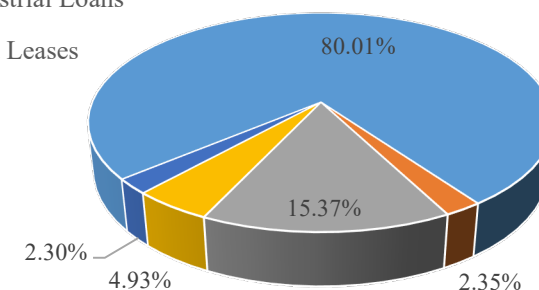
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CNB Loan Portfolio Composition (2019)



- All Real Estate Loans
- Farm Loans
- Commercial and Industrial Loans
- Loans to individuals
- Total Other Loans and Leases

Peer Group Loan Portfolio Composition (2019)



Citizens National Bank

BSA/AML

Compliance Assessment



- Compliance costs are “scaled fixed costs”
 - As CNB grows, so will the bank’s compliance costs
- Current compliance software is described as “the Cadillac” of BSA/AML systems
 - Judicious use of software allowed for redeployment of employee time for SAR investigation, not just reporting
- Banks are the “eyes and ears” of BSA/AML

Citizens National Bank BSA/AML

Technology, Innovation, and Collaboration



- Using the current software is about finding the “sweet spot” for the system to trigger alerts
- Regulators could help with collaboration efforts
- CNB has established a strong, foundational relationship with local law enforcement as well as the attorney general’s office
- Would like a backflow from the government and regulators to the bank on preventing fraud, implementing a clear two-way street

Citizens National Bank

BSA/AML



Policy Recommendation and The Future

- BSA and AML are black and white with conditions surrounding SARs
- There is a lack of information directing banks on how to implement these regulations in a real-world environment
- Clarifying the timing and process of how to perform these regulatory activities is necessary to ensure proper compliance
- Requirements for Customer Identification Programs (CIP) are very broad



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