



PUBLIC DISCLOSURE

June 06, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Citizens Bank & Trust, Inc.
Charter Number 713138

12255 South Main Street
Trenton, GA 30752

Office of the Comptroller of the Currency

Three Ravinia Drive
Suite 550
Atlanta, GA 30346

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, nor should it 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.

INSTITUTION'S CRA RATING: This institution is rated Outstanding.

State Name: Georgia Rating: Outstanding

State Name: Alabama Rating: Outstanding

Citizens Bank & Trust is responsive to the credit needs of the community, including low- and moderate-income individuals in its assessment area. The major factors that support this rating include:

- The bank's loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition and assessment area credit needs.
- The bank originated a majority of its loans within the assessment area.
- The distribution of loans represents an excellent penetration among individuals of different income levels, and an excellent penetration of loans among businesses of different sizes.
- There is an excellent dispersion of HMDA loans in both Georgia and Alabama among census tracts of different income levels.

Scope of Examination

This Performance Evaluation is an assessment of Citizens National Bank (CB&T) ability to meet the credit needs of its community. CB&T was evaluated using the Small Bank examination procedures, which includes a lending test. The lending test evaluates a bank's record of helping to meet the credit needs of its assessment area (AA) through its lending activities. This evaluation covers the period from September 30, 2009 to December 30, 2015. We tested the integrity of internal loan and Home Mortgage Disclosure Act (HMDA) data in February 2016. The data was determined to be reliable for purposes of evaluating the bank's CRA performance.

Residential real estate and business loans are the bank's primary loan products. To evaluate performance under the lending test, we reviewed residential loans originated between January 1, 2014 and December 31, 2015. This information was derived from the bank's HMDA reported data. We also reviewed a sample of business loans originated during the same period.

Description of Institution

CB&T is a wholly owned subsidiary of Tag Bancshares, Inc., a one-bank holding company. CB&T is a federally chartered stock savings institution headquartered in Trenton, Dade County, Georgia. The main office is a full-service banking location with an on-site automated teller machine (ATM). The bank also operates two full-service branches in Lookout Mountain, Georgia and Higdon, Alabama. As of December 31, 2015, CB&T reported total assets of \$99 million and total equity capital of \$11 million.

CB&T is a traditional stock association that offers a wide range of products and services to its local customer base. The bank meets the needs of the local community through the offering of residential real estate loans, consumer loans, and commercial loans.

Loan Portfolio Summary by Loan Product December 31, 2015		
Loan Type	\$(000's)	%
1-4 family construction loans	1,326	2.13
Other construction loan	3,698	5.94
Loans secured by farmland	0	0
Loans secured by 1-4 family residential closed-end loans	33,460	53.75
Loans secured by 1-4 family residential open-end loans	0	0
Loans secured by multifamily	0	0
Loans Secured by nonfarm nonresidential properties	6,299	10.12
Commercial and industrial loans	2,928	4.70
Automobile loans	6,171	9.91
Other consumer loans	8,364	13.44
Total loans	62,246	100

Source: Consolidated Report of Condition and Income for Citizens Bank & Trust

There are no legal or financial impediments that would hinder the bank's ability to meet the credit needs of the community. The bank was rated Outstanding at its last CRA examination dated September 28, 2009.

Description of Assessment Areas

CB&T defines its assessment areas (AA) as Dade and Walker Counties (the Georgia assessment area) and Jackson County (the Alabama assessment area). Dade and Walker Counties are part of the Chattanooga, TN – Georgia Metropolitan Statistical Area (MSA), and Jackson County is a part of the Scottsboro, AL Metropolitan Statistical Area. The assessment areas meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income geography. CB&T has the fourth highest share of deposits in the AA at 12.23 percent.

Georgia AA

The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geography. There are no low-income census tracts (CT), seven moderate-income CTs, eight middle-income CTs and two upper-income CTs

Dade County, GA

Dade County is located in Georgia's extreme northeastern corner and covers 174 square miles. The county seat is Trenton. According to the 2010 U.S. Census, there were 16,633 people residing in the county. The medium income for a household in the county was \$38,797, and the per capita personal income was \$26,057. As of April 2015, the unemployment rate for Dade County is 5.2 percent.

Vanguard National Trailer Company is the largest employer. The general banking needs usually include access to additional capital and startup capital for business/general contractors.

Walker County, GA

Walker County is located in the northwestern part of Georgia. The county seat is Lafayette. The average household income for Walker County is \$40,349, with a medium income of \$39,668. The county labor force consists of 35,291 people. Approximately 35 percent of the local jobs are in the service industry and 32 percent are in manufacturing.

Walker County's largest employers are Roper – gas & electric ranges and cooktops and SI, Inc. – reinforced fiber, woven carpet backing, geotextile & nonwoven fabric.

Community Contact

During our examination, we discussed the local economic conditions and community credit needs with a non-profit community organization. Through our contact, we found that the primary credit needs in the Dade County community are home improvement loans. The contact stated that affordable housing was also a need of the community.

Alabama AA

The bank defines its AA in Alabama as Jackson County. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geography. Jackson County is located in the Alabama non-MSA. There are ten middle-income CTs and one upper-income CT. There are no low- or moderate- income CTs. CB&T has the smallest percent of deposits in this AA at 1.57 percent. There are seven banks with a larger share of deposits.

Jackson County, Alabama

Jackson County is located in the far northeast corner of the state of Alabama. As of the updated 2015 U.S. Census, the population was 52,419. Jackson County is comprised of three cities, Bridgeport, Scottsboro, and Stevenson). The county seat is Scottsboro. Jackson County comprises the Scottsboro, AL Micropolitan Statistical Area, which is also included in the Chattanooga-Cleveland-Dalton, TN-GA-AL Combined Statistical Area.

Jackson County is the fifth-largest county in Alabama by total area and much of it is located in the Appalachian Mountains. The median income for a household in Jackson County is \$32,020, and the median income for a family is \$38,082. The per capita income for Jackson County was \$16,000. Approximately 10.3 percent of families and 13.7 percent of the population were below the poverty line. The unemployment rate was 4.8 percent as of April 2015.

Community Contact

During our examination, we discussed the local economic conditions and community credit needs with a non-profit community organization. According to the contact, top employers in Jackson County include Beaulieu Bridgeport Personnel (carpet backings), HTPG (commercial refrigeration), Maples Industries (rugs and carpets), and Lozier Corporation (store fixtures). The contact stated that sock mills left the area a few years ago resulting in large unemployment. The contact also indicated that since 2014, unemployment has decreased in the county, though new housing starts remain low. The primary credit needs are home improvement loans and affordable mortgages for purchase of existing residential properties

Conclusions with Respect to Performance Criteria**Loan-to-Deposit Ratio**

CB&T's average loan-to-deposit (LTD) ratio is more than reasonable, and demonstrates the bank's commitment to lend within its AA. The average LTD ratio was calculated by averaging the bank's LTD ratios over the past twenty-five business quarters ending September 30, 2015. During this period, CB&T's LTD ratio averaged 74.67 percent, with a quarterly high of 86.13 percent and a quarterly low of 66.19 percent. We selected three similarly situated banks within the bank's AA. Over the same review period, the similarly situated banks have a combined average LTD ratio of 57.72 percent, which is significantly lower than CB&T's average LTD ratio.

Lending in Assessment Area

CB&T originated a majority of its business loans by number and dollar amount to borrowers within its AA. For the period reviewed, 76 percent of the loans by number and 62 percent of the loans by dollar were originated within the bank's AAs. The following table reflects the home mortgage and small business loans originated inside and outside of the assessment area by number and dollar amount.

Table 1 - Lending in the Georgia and Alabama Assessment Areas										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%		%	
Home Purchase	61	78.21	17	21.79	78	4,127	70.35	1,739	29.65	5,866
Home Improvement	123	73.65	44	26.35	167	1,399	54.58	1,164	45.42	2,563
Refinance	247	76.00	78	24.00	325	17,380	76.30	5,398	23.70	22,778
Small Business	15	68.18	7	31.82	22	1,329,504	61.84	820,278	38.16	2,149,782
Totals	446	75.34	146	24.66	592	1,352,410	62.01	828,579	37.99	2,180,989

Source: 2014 and 2015 HMDA data; Sample of Small Business loans.

State Rating

CRA Rating for Georgia: Outstanding

Citizens Bank & Trust is responsive to the credit needs of the community, including low- and moderate-income individuals in its Georgia AA. The major factors that support this rating include:

- The distribution of loans represents an excellent penetration among individuals of different income levels, and an excellent penetration of loans among businesses of different sizes.
- There is an excellent dispersion of residential real estate and small business lending among census tracts of different income levels.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Overall, the distribution of loans among borrowers of different income levels and businesses of different sizes is excellent given the bank's performance context.

Residential Real Estate Lending

We analyzed residential real estate lending using borrower income compared to the median family income (MFI) levels based on the U.S Census Bureau. The updated MFI figures were \$54,200 for 2014 and \$59,000 for 2015. Approximately 14.97 percent of the families in this AA live below the poverty level.

The distribution of home mortgage loans reflects an excellent penetration among borrowers of different income levels. The bank's number of home purchase loans to low-income borrowers is lower than the demographic comparators. However, home improvement lending for low-income borrowers exceeds the demographic comparator and home refinance lending is near the demographic comparator. With respect to the lending penetration among moderate-income borrowers, home mortgage lending exceeds the demographics for home purchase, home improvement, and home refinance. The bank's performance is shown in the following table:

Table 2A - Borrower Distribution of Residential Real Estate Loans in the Georgia AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	23.57	10.00	22.86	23.33	20.55	23.33	33.02	36.67
Home Improvement	23.57	26.15	22.86	26.15	20.55	20.00	33.02	23.08
Refinance	23.57	19.74	22.86	23.03	20.55	19.08	33.02	34.21

Source: 2014 and 2015 HMDA; U.S. Census Data. (No income information available for 6.67% of home purchase, 4.62% of home improvement, and 3.94% of refinance loans made by the Bank)

We also considered the aggregate performance of other lenders originating HMDA-reportable home mortgages within the Georgia AA. CB&T's origination of home purchase, home improvement, and home refinance loans significantly exceeds the average performance of other lenders within the AA. The exception is home purchase lending to low-income borrowers, which reflects the bank's performance is near the performance of lenders in the area. This information is presented in the table below:

Table 2B - Borrower Distribution of Residential Real Estate Loans in the Georgia AA compared to Peer Aggregate Data								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	Bank Aggregate	% of Number of Loans	Bank Aggregate	% of Number of Loans	Bank Aggregate	% of Number of Loans	Bank Aggregate	% of Number of Loans
Home Purchase	10.23	10.00	21.70	23.33	19.85	23.33	26.02	36.67
Home Improvement	21.08	26.15	20.54	26.15	23.78	20.00	25.95	23.08
Home Refinance	9.56	19.74	21.13	23.03	17.48	19.08	30.57	34.21

Source: 2014 and 2015 HMDA data; Aggregate HMDA data for peer banks. (No income information available for 6.67% of home purchase, 4.62% of home improvement, and 3.94% of home refinance loans made by the Bank. No income information available for 22.2% of home purchase, 8.64% of home improvement, and 21.26% of refinance loans made by peer banks)

Business Loans

The sampled loans reflect an excellent distribution of lending to businesses with gross annual revenues less than \$1 million. Specifically, 100 percent of the bank's loans by number were made to businesses with gross annual revenues of \$1 million or less. The bank's performance is shown in the following table:

Table 2C - Borrower Distribution of Loans to Businesses in the Georgia AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	79.90	3.22	16.88	100.00
% of Bank Loans in AA by Number	100	0	0	100.00
% of Bank Loans in AA by Dollar	100	0	0	100.00

Source: Sample of Business loans

Geographic Distribution of Loans

The geographic distribution analysis that follows depicts an excellent penetration of residential real estate lending throughout the bank's AA. There is also excellent penetration of small business lending throughout the bank's AA.

Residential Real Estate

This analysis compares the percentage of home loan originations in census tracts of different income levels to the percentage of owner-occupied housing units (OOHUs) located within those areas.

Overall, the distribution of home mortgages compared to demographic data reflects an excellent dispersion among census tracts of income levels. There are no low-income census tracts in the Georgia AA. CB&T's overall record of home mortgage lending in moderate-income census tracts exceeds area demographics. The results of this analysis are presented in the following table.

Table 3A - Geographic Distribution of Residential Real Estate Loans in the Georgia AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% of Number of Loans						
Home Purchase	0.00	0.00	42.97	53.33	49.34	16.67	7.69	30.00
Home Improvement	0.00	0.00	42.97	50.77	49.34	20.00	7.69	29.23
Refinance	0.00	0.00	42.97	63.16	49.34	13.82	7.69	23.02

Source: 2014 and 2015 HMDA data; U.S. Census Data.

We also considered the aggregate performance of other lenders originating HMDA-reportable home mortgages within the Georgia AA. CB&T's origination of home purchase, home

improvement, and home refinance loans significantly exceeds the aggregate performance of other lenders within the assessment area.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans
Home Purchase	0.00	0.00	39.70	53.33	50.55	16.67	9.75	30.00
Home Improvement	0.00	0.00	44.32	50.77	39.46	20.00	16.22	29.23
Home Refinance	0.00	0.00	44.03	63.16	46.54	13.82	9.43	23.02

Source: 2014 and 2015 HMDA data; Aggregate HMDA data for peer banks.

Business Loans

The following table presents an analysis of CB&T's small business lending in census tracts of different income levels. Information in the table reflects an excellent penetration of small business lending in the moderate-income census tracts when compared to the percentage of businesses located in those census tracts.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Business	% of Number of Loans	% of AA Business	% of Number of Loans	% of AA Business	% of Number of Loans	% of AA Business	% of Number of Loans
Small Business	0.00	0.00	45.45	65.00	45.75	10.00	8.80	25.00

Source: Sample of Business Loans

State of Alabama

CRA Rating for Alabama: Outstanding

Citizens Bank & Trust is responsive to the credit needs of the community, including low- and moderate-income individuals in its Alabama AA. The major factors that support this rating include:

- The distribution of loans represents an excellent penetration among individuals of different income levels, and an excellent penetration of loans among businesses of different sizes.
- There are no low- or moderate-income census tracts located in the Alabama AA. Therefore, a meaningful analysis of the geographic distribution of loans could not be performed.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Overall, the distribution of loans among borrowers of different income levels and businesses of different sizes is excellent given the bank's performance context.

Home Mortgage Loans

We analyzed residential real estate lending using borrower income compared to the median family income (MFI) levels based on the U.S Census Bureau. The updated MFI figures were \$46,300 for 2014 and \$47,000 for 2015. Approximately 18.71 percent of the families in this AA live below the poverty level.

The distribution of home mortgage loans reflects an excellent penetration among borrowers of different income levels. The bank's number of home purchase loans to low-income borrowers is lower than the demographic comparators. However, home improvement lending for low-income borrowers exceeds the demographic comparator and home refinance lending is near the demographic comparator. With respect to the lending penetration among moderate-income borrowers, home mortgage lending is near to the demographic comparator for home purchase loans, and exceeds the demographics for home improvement and home refinance lending. The bank's performance is shown in the following table:

Table 4A - Borrower Distribution of Residential Real Estate Loans in the Alabama AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	20.45	0.00	16.47	16.13	22.41	35.48	40.67	48.39
Home Improvement	20.45	22.41	16.47	32.76	22.41	24.14	40.67	18.97
Home Refinance	20.45	14.74	16.47	22.11	22.41	25.26	40.67	37.89

Source: 2014 and 2015 HMDA data; U.S. Census Data. (No income information was available for 1.72% of the Bank's home improvement loans.)

We also considered the aggregate performance of other lenders originating HMDA-reportable loans within the Alabama AA. CB&T's origination of home improvement and home refinance loans significantly exceeds the aggregate performance of other lenders within the AA. The bank's origination of home purchase loans is near the performance of other lenders within the AA. This information is presented in the below table.

Table 4B - Borrower Distribution of Residential Real Estate Loans in the Alabama AA compared to Peer Aggregate Data								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans
Home Purchase	4.43	0.00	18.75	16.13	25.52	35.48	32.55	48.39
Home Improvement	17.50	22.41	26.25	32.76	20.00	24.14	33.75	18.97
Home Refinance	7.77	14.74	11.80	22.11	17.16	25.26	47.72	37.89

Source: 2014 and 2015 HMDA data; Aggregate HMDA data. (No income information available for 18.75% of home purchase, 2.5% of home improvement, and 15.55% of home refinance loans made by the Bank. No income information available for 1.72% of the home improvement loans made by peer banks.)

Business Loans

The sampled loans reflect an excellent distribution of lending to businesses with gross annual revenues less than \$1 million. Specifically, 100 percent of the bank's loans by number were made to businesses with gross annual revenues of \$1 million or less. The bank's performance is shown in the following table:

Table 4C - Borrower Distribution of Loans to Businesses in the Alabama AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	78.37	3.51	18.12	100.00
% of Bank Loans in AA by Number	100	0	0	100.00
% of Bank Loans in AA by Dollar	100	0	0	100.00

Source: Sample of Business Loans

Geographic Distribution of Loans

There are no low- or moderate-income census tracts located in the Alabama AA. Therefore, a meaningful analysis of the geographic distribution of loans could not be performed.

Responses to Complaints

CB&T has not received any complaints during this evaluation period directly related to CRA performance.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c), or 12 CFR 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.