

## Dear Shareholders, Clients, Employees and Friends:

2020 was unquestionably a unique and challenging year. Our market, along with most of the country, was shut down during the month of April, and many parts of the country remained shut down throughout the year. Our local economy began to reopen in May, and by July many of our local businesses were busy once again. We were fortunate that our market recovered much quicker than most, but challenges still persisted. As most businesses, we were constantly dealing with staffing and operational issues due to COVID-19. One huge operational issue we had to overcome was the rollout of the Paycheck Protection Program (PPP) passed by the U.S. Congress in April 2020.

We had employees who volunteered to work weekends, late nights and, in some cases, all night to ensure our clients' PPP loans were processed. Our team is committed to great client service, and this has never been more apparent than during the beginning of COVID-19. In total, we processed 980 PPP loans for a total of \$71,163,480 in 2020. We quickly implemented changes in our branches to ensure our employees and clients were safe. We could not be prouder of our team's commitment and hard work during 2020. Community banks are critical to the economic viability and success of any community, and our resolve to serving ours has only grown stronger during the COVID-19 pandemic. We are here, in good times and bad, doing everything possible to support local jobs, our economy and you.

Unsurprisingly, both CNB and our communities relied heavily on our remote digital services throughout this year, and we want to continue to encourage the use of our robust suite of services during the rest of the pandemic in order to stay safe and healthy. Our online and mobile banking are safe and available 24/7. You also have the option to use our lobbies, drive-thrus, ATMs and our call center at (865) 429-7521 if the need arises. With 22 branches and a strong digital offering, our convenience is unmatched.

Despite the challenges of COVID-19, 2020 was a strong year for us. We are a 5-Star bank as rated by BauerFinancial – the highest rating available. CNB is financially strong and operating well above our regulatory capital requirements. During 2020, CNB posted earnings resulting in an ROA of 1.81% and ROE of 16.09%. Strong earnings are critical for a bank to grow its capital, allowing for continued growth in loans and deposits. In March 2020, we opened a new branch inside Food City on Teaster Lane in Pigeon Forge, making it our 22nd branch location. We launched a new line of checking account products as well, offering a powerful new way to save money with benefits using the CNB +Perks app.

Because of your trust in CNB, we are able to provide the support our community needs every year. We value that trust and take our responsibility to our communities seriously. We were able to donate approximately \$211,000 to local organizations and area schools thanks to your support.

CNB is proud to be a locally owned community bank built on the foundation of relationships and trust. On behalf of our Board of Directors and our experienced team of bankers, we are thankful that you have chosen CNB as your bank. We know you have a choice and are grateful that you place your trust in CNB. We appreciate the opportunity to be your financial partner and look forward to a great 2021.

*David C. Verble*

David C. Verble  
Chief Executive Officer

*Jason A. Holliman*

Jason A. Holliman  
President

## A Sample of Our Community Involvement and Support

ALPS Adult Day Services  
Alzheimer's Tennessee, Inc.  
American Business Women's Association  
American Cancer Society  
Angel Wings Memory Gowns  
Arrowmont School of Arts and Crafts  
Boy Scouts of America  
Boys & Girls Club of Dumplin Valley  
Boys & Girls Club of the Smoky Mountains  
Daily Bread Community Kitchen  
Dandridge Lions Club  
Dr. Robert F. Thomas Foundation Inc.  
Ducks Unlimited Inc.  
Economic Development Alliance of Jefferson County  
Encore Theatrical Company  
Firehouse Public Safety Foundation  
Fort Sanders Foundation  
Friends of the Great Smoky Mountains  
Gatlinburg Firefighters Association  
Gatlinburg Hospitality Association Inc.  
Gatlinburg Rotary International Inc.  
Helen Ross McNabb Foundation  
Humane Society of Jefferson County  
King Family Library  
Kiwanis Club of Sevierville  
Kiwanis of Morristown  
Knoxville Habitat for Humanity  
Lakeway CASA  
Leadership Sevier  
Ministerial Association Temporary Shelter (MATS)  
Morristown AM Rotary  
Morristown Leadership  
Mountain Hope Good Shepherd Clinic  
Pigeon Forge Hospitality Association  
Ronald McDonald House of Knoxville  
Santa Fund  
Senior Citizens Home Assistance  
Senior Housing Crime Prevention Foundation, Inc.  
Sevier County 4-H Club  
Sevier County Economic Development  
Sevier County Humane Society  
Sevier County Partners in Progress Education Fund  
Sevier County Ruritan Club  
Sevier County Special Olympics  
Sevierville Hospitality Association  
Sevierville Rotary Club  
Sevierville Sunrise Rotary Club  
Smoky Mountain Area Rescue Ministries  
Smoky Mountain Children's Home  
Smoky Mountain Tourism Development Authority  
Smoky Mountain Young Life  
Susan G. Komen® East Tennessee  
Tennessee 4-H Foundation  
The Dollywood Foundation  
United Way of Hamblen County  
United Way of Sevier County

### SEVIERVILLE

200 Forks of the River Pkwy  
801 Dolly Parton Pkwy  
305 New Riverside Dr  
\*706 Winfield Dunn Pkwy, beside Kroger  
\*1414 Pkwy, inside Walmart  
\*741 Dolly Parton Pkwy, inside Food City  
\*2339 Newport Hwy, inside Food City

### PIGEON FORGE

2661 Pkwy  
\*220 Wears Valley Rd, inside Kroger  
\*3064 Teaster Ln, inside Food City

### GATLINBURG

906 East Pkwy  
110 Cherokee Orchard Rd

### SEYMOUR

10641 Chapman Hwy  
\*10721 Chapman Hwy, Ste 1, beside Kroger

### KODAK

3014 Winfield Dunn Pkwy  
\*2946 Winfield Dunn Pkwy, inside Food City

### MORRISTOWN

4320 Evan Greene Plaza

### JEFFERSON COUNTY

720 South Hwy 92, Dandridge  
2002 Walnut St, White Pine  
\*1507 O'Dell Ave, inside Food City, Jefferson City

### KNOX COUNTY

813 Huckleberry Ln, Strawberry Plains  
\*7420 Chapman Hwy, inside Walmart, Knoxville

\*Open Mon-Fri 10am-7pm and Sat 9am-2pm

### CNB Call Center

(865) 429-7521

### Wealth Management Center

(865) 429-7916

### Courthouse Title & Escrow, LLC

(865) 286-8016



**CITIZENS  
NATIONAL  
BANK**  
MEMBER FDIC

(865) 453-9031  
CNBTN.com



# 2020 ANNUAL REPORT

*Proudly Serving Our Communities*



**CITIZENS  
NATIONAL  
BANK**  
MEMBER FDIC



# Mission Statement

Our mission is to provide a positive and distinctive banking environment by exceeding **Our Clients'** expectations with every interaction; serving **Our Communities** with an unwavering commitment, economically or otherwise, as a proud corporate citizen; ensuring **Our People** have the opportunity to grow personally and professionally; and providing **Our Shareholders** the benefits and rewards of ownership through enhanced enterprise value.

## Board of Directors

**Billy G. Kilpatrick**  
Chairman of the Board, Citizens National Bank  
**Lynn T. Webb**  
Vice Chairman of the Board, Citizens National Bank  
**Logan Coykendall**  
President, Hospitality Solutions, Inc.  
**Jason Holliman**  
President, Citizens National Bank

**Kevin Kilpatrick**  
Vice President, The Apple Barn and Cider Mill, Inc.  
**Douglas Swaggerty**  
President and CEO, Swaggerty Sausage Company  
**Kyle Swaggerty**  
Chairman, Swaggerty Sausage Company  
**David C. Verble**  
Chief Executive Officer, Citizens National Bank

**Larry Waters**  
Mayor, Sevier County  
**Daniel Webb**  
Secretary of the Board, Citizens National Bank

## Officers

**Billy G. Kilpatrick** Chairman of the Board  
**Lynn T. Webb** Vice Chairman of the Board  
**Daniel L. Webb** Secretary of the Board  
**David C. Verble** Chief Executive Officer  
**Jason Holliman** President  
**James K. Porter Jr.** Executive Vice President & Chief Lending Officer  
**Anthony Ray** Senior Vice President & Chief Financial Officer  
**Pamela S. Ihli** Senior Vice President & Chief Technology Officer  
**David S. Reagan** Senior Vice President & Loan Officer  
**Terry Hackney** Senior Vice President & Loan Officer  
**Kendall Polk** Senior Vice President & Loan Officer  
**Rodney E. Tarwater** Senior Vice President & Loan Officer  
**Wes Farragut** Senior Vice President & Loan Officer  
**Steve Jenkins** Senior Vice President & Loan Officer  
**Trey Atchley** Senior Vice President & Loan Officer  
**Chris Horn** Senior Vice President & Market President, Hamblen and Jefferson Counties  
**Mark Davis** Vice President & Auditor  
**Greta Cole** Vice President & Branch Manager  
**Kim Brackins** Vice President & Deposit Operations Manager  
**Angie Taylor** Vice President & Director of Training  
**Jason Stansbury** Vice President & Information Systems Officer

**Greg Griffith** Vice President & Investment Center Manager  
**Nicholas Huskey** Vice President & Loan Officer  
**Lisa Young** Vice President & Loan Officer  
**Trevor Long** Vice President & Loan Officer  
**Sharon Greene** Vice President & Mortgage Banking Sales Manager  
**Lois A. Ownby** Vice President & Mortgage Loans Officer  
**Chris Hubbard** Vice President & Risk Officer  
**Jeremy Carrigan** Vice President & Senior Information Security Officer  
**Hope Sellars** Vice President & Treasury Manager  
**Melissa Moon** Assistant Vice President & Branch Administrator  
**Amy Bryant** Assistant Vice President & Branch Manager  
**Christi Sutton** Assistant Vice President & Branch Manager  
**Christine Williams** Assistant Vice President & Branch Manager  
**Chuck Godfrey** Assistant Vice President & Branch Manager  
**David Moore** Assistant Vice President & Branch Manager  
**Hannah Peterman** Assistant Vice President & Branch Manager  
**Nicole Dome** Assistant Vice President & Branch Manager  
**Sandy Blazier** Assistant Vice President & Branch Manager  
**Sandy McCarter** Assistant Vice President & Branch Manager  
**Sheila Webber** Assistant Vice President & Branch Manager  
**Chrissy Cowan** Assistant Vice President & Centralized Loans Processing Manager  
**Kurt Meyers** Assistant Vice President & Collateral Risk and Appraisal Manager  
**Amy Ray** Assistant Vice President & Compliance/BSA Officer

**Jennifer D. Huskey** Assistant Vice President & Corporate Cash Management  
**Rebekah Moore** Assistant Vice President & Director of Credit Administration  
**Selena Farragut** Assistant Vice President & Human Resources Director  
**Neal Smelcer** Assistant Vice President & Information Systems Administrator  
**Jodi Ramsey** Assistant Vice President & Marketing Director  
**Janice Parker** Assistant Vice President & Operational Accounts & Compliance  
**Ashley Byrd** Assistant Vice President & Retail Branch Administrator  
**Julie Christensen** Assistant Vice President & Security & Fraud Risk Management  
**Susie Baisden** Banking Officer & Accounts Payable and Purchasing  
**Allen Edmundson** Banking Officer & Assistant Auditor  
**Adriane Bunch** Banking Officer & Assistant Branch Manager  
**Courtney Young** Banking Officer & Assistant Branch Manager  
**Daniel McNeely** Banking Officer & Assistant Branch Manager  
**Jennifer Heinrich** Banking Officer & Assistant Branch Manager  
**Jeremy Irick** Banking Officer & Assistant Branch Manager  
**Kellie Strange** Banking Officer & Assistant Branch Manager  
**Melissa Dixon** Banking Officer & Assistant Branch Manager  
**Paul Henry** Banking Officer & Assistant Controller  
**Carrie Strickland** Banking Officer & Assistant Human Resources Director  
**Chris Thompson** Banking Officer & ATM Coordinator  
**Mackenzie Roberts** Banking Officer & Call Center Manager  
**Becky Parrott** Banking Officer & Central Information File Specialist  
**Irene Schoofs** Banking Officer & Centralized Loans Processing Assistant

**Kim Ball** Banking Officer & Collections  
**Missy Douglas** Banking Officer & Deposit Operations Support Specialist  
**Jennifer DeFOE** Banking Officer & Executive and Board Assistant  
**Anthony McCarter** Banking Officer & Facilities Manager  
**Drew Taylor** Banking Officer & Information Security Analyst  
**Donna Wlas** Banking Officer & Items Processing Manager  
**Blake Maples** Banking Officer & Loan Officer  
**Roxanne Prince** Banking Officer & Loan Officer  
**Loren Van Fossen** Banking Officer & Loan Review Officer  
**Connie Frye** Banking Officer & Mortgage Loan Processor  
**Pam Hembree** Banking Officer & Mortgage Loan Processor  
**Rebecca Gado** Banking Officer & Operations System Administrator  
**Julie Vogel** Banking Officer & Relationship Banker  
**Betty Hall** Banking Officer & Retail Branch Manager  
**Brandon Ownby** Banking Officer & Retail Branch Manager  
**Chad Dellinger** Banking Officer & Retail Branch Manager  
**Cletus "CJ" Tate** Banking Officer & Retail Branch Manager  
**Lisa Brown** Banking Officer & Retail Branch Manager  
**Shawn Miller** Banking Officer & Retail Branch Manager  
**Laura Hass** Banking Officer

ASSETS	12/31/2020	12/31/2019
Cash and Due from Banks	\$ 190,339,157	\$ 85,271,431
Investment Securities	115,825,257	143,338,121
Loans, Net	909,199,699	829,324,945
Bank Premises and Equipment	15,245,392	14,905,980
Other Assets	50,830,517	36,165,545
<b>Total Assets</b>	<b>\$ 1,281,440,022</b>	<b>\$ 1,109,006,022</b>

LIABILITIES AND STOCKHOLDER'S EQUITY	12/31/2020	12/31/2019
DEPOSITS AND OTHER LIABILITIES:		
Deposits	\$ 1,126,815,559	\$ 967,252,739
Other Liabilities	13,892,209	12,644,646
<b>Total Liabilities</b>	<b>1,140,707,768</b>	<b>979,897,385</b>

STOCKHOLDER'S EQUITY:	12/31/2020	12/31/2019
Common Stock	700,000	700,000
Additional Paid-in Capital	25,600,000	25,600,000
Retained Earnings	110,225,871	100,654,399
Accumulated Other Comprehensive Income	4,206,383	2,154,238
<b>Total Stockholder's Equity</b>	<b>140,732,254</b>	<b>129,108,637</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>\$ 1,281,440,022</b>	<b>\$ 1,109,006,022</b>

