

Consolidated Report of Condition

December 31, 2017

Dollar Amounts in Thousands

	Prior Year 2016	Current Year 2017
Assets		
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin.....	12,861	17,382
Interest-bearing balances.....	66,393	72,154
Securities:		
Held-to-maturity securities.....	0	0
Available-for-sale securities.....	120,803	124,016
Federal funds sold and securities purchased under agreements to resell:		
Federal funds sold.....	0	0
Securities purchased under agreements to resell.....	0	0
Loans and lease financing receivables:		
Loans and leases held for sale.....	0	0
Loans and leases held for investment.....	471,661	505,190
LESS: Allowance for loan and lease losses.....	6,050	6,304
Loans and leases held for investment, net of allowance.....	465,611	498,886
Trading assets.....	0	0
Premises and fixed assets (including capitalized leases).....	16,023	15,795
Other real estate owned.....	4,552	4,441
Investments in unconsolidated subsidiaries and associated companies.....	0	0
Direct and indirect investments in real estate ventures.....	0	0
Intangible assets:		
Goodwill.....	7,672	7,672
Other intangible assets.....	286	295
Other assets.....	13,983	18,301
Total assets.....	708,184	758,942
Liabilities		
Deposits:		
In domestic offices.....	627,836	676,214
Noninterest-bearing.....	182,044	175,317
Interest-bearing.....	445,792	500,897
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased.....	0	0
Securities sold under agreements to repurchase.....	501	507
Trading liabilities.....	0	0
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases).....	18,162	14,789
Subordinated notes and debentures.....	0	0
Other liabilities.....	957	1,012
Total liabilities.....	647,456	692,522
Equity Capital		
Bank Equity Capital		
Perpetual preferred stock and related surplus.....	0	0
Common stock.....	495	495
Surplus (excludes all surplus related to preferred stock).....	47,171	52,671
Retained earnings.....	14,643	13,884
Accumulated other comprehensive income.....	(1,582)	(630)
Other equity capital components.....	0	0
Total bank equity capital.....	60,727	66,420
Noncontrolling (minority) interests in consolidated subsidiaries.....	0	0
Total equity capital.....	60,727	66,420
Total liabilities and equity capital.....	708,183	758,942

2017 ANNUAL DISCLOSURE STATEMENT NOTICE OF AVAILABILITY

In accordance with Federal regulation, this bank will provide an Annual Disclosure Statement to our customers, shareholders, and the general public, upon request, containing the bank's financial information for the last two years. This information will be updated annually and made available on or before March 31, 2018.

To request a copy

of the Annual Disclosure Statement, please contact:

Citizens Alliance Bank

Attn: Finance and Accounting Department

PO Box 430

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