

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Goodhue W. Smith III

Name of the Holding Company Director and Official

President, CEO, and Secretary

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Signature of Holding Company Director and Official

3/9/2021

Date of Signature

For holding companies *not* registered with the SEC—
 Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

For Federal Reserve Bank Use Only

RSSD ID _____
 C.I. _____

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2020

Month / Day / Year

None

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

Central Texas Financial Corporation

Legal Title of Holding Company

118 S Houston

(Mailing Address of the Holding Company) Street / P.O. Box

<u>Cameron</u>	<u>TX</u>	<u>76520</u>
City	State	Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Elizabeth Blose SVP & CFO

Name Title

512/218-5120

Area Code / Phone Number / Extension

512/218-5170

Area Code / FAX Number

eblose@cnbanktexas.com

E-mail Address

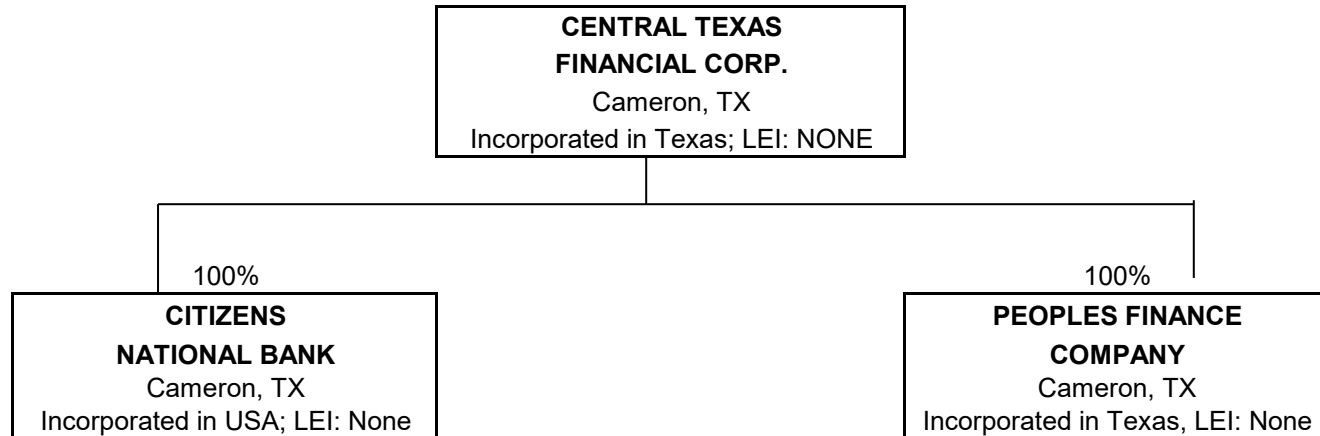
Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission?	0=No 1=Yes	<u>0</u>
In accordance with the General Instructions for this report (check only one),		
1. a letter justifying this request is being provided along with the report	<input type="checkbox"/>	
2. a letter justifying this request has been provided separately ...	<input type="checkbox"/>	
NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."		

Central Texas Financial Corp
Form FR Y-6
December 31, 2020

Report Item:

- (1)(a) The BHC is not required to prepare form 10K with the SEC.
- (1)(b) The BHC does prepare an annual report for its shareholders.
Enclosed is a copy of the annual report.
- (2)(a) Organization Chart



Central Texas Financial Corp
Form FR Y-6
December 31, 2020

(2)(b) Domestic Branch Listing

Results: A list of branches for your holding company: CENTRAL TEXAS FINANCIAL CORP. (3137729) of CAMERON, TX.
The data are as of 12/31/2020. Data reflects information that was received and processed through 01/05/2021.

Reconciliation and Verification Steps

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below
2. If required, enter the date in the **Effective Date** column

Actions

- OK:** If the branch information is correct, enter 'OK' in the **Data Action** column.
- Change:** If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.
- Close:** If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
- Delete:** If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
- Add:** If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:

To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of **Change, Close, Delete, or Add**.
The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	59352	CITIZENS NATIONAL BANK	118 SOUTH HOUSTON STREET	CAMERON	TX	76520	MILAM	UNITED STATES	Not Required	Not Required	CITIZENS NATIONAL BANK	59352	
OK		Full Service	601564	RANCH ROAD BRANCH	12128 RANCH ROAD 620 NORTH	AUSTIN	TX	78750	WILLIAMSON	UNITED STATES	Not Required	Not Required	CITIZENS NATIONAL BANK	59352	
OK		Limited Service	243553	DRIVE THRU BRANCH	500 NORTH TRAVIS STREET	CAMERON	TX	76520	MILAM	UNITED STATES	Not Required	Not Required	CITIZENS NATIONAL BANK	59352	
OK		Full Service	3295496	COUPLAND BRANCH	102 HOXIE STREET	COUPLAND	TX	78615	WILLIAMSON	UNITED STATES	Not Required	Not Required	CITIZENS NATIONAL BANK	59352	
OK		Full Service	398659	GIDDINGS BRANCH	104 WEST AUSTIN STREET	GIDDINGS	TX	78942	LEE	UNITED STATES	Not Required	Not Required	CITIZENS NATIONAL BANK	59352	
OK		Limited Service	3494301	GIDDINGS DRIVE THRU BRANCH	237 SOUTH MAIN STREET	GIDDINGS	TX	78942	LEE	UNITED STATES	Not Required	Not Required	CITIZENS NATIONAL BANK	59352	
OK		Full Service	3651467	PFLUGERVILLE BRANCH	601 FM 685	PFLUGERVILLE	TX	78660	TRAVIS	UNITED STATES	Not Required	Not Required	CITIZENS NATIONAL BANK	59352	
OK		Full Service	987763	ROCKDALE BRANCH	140 EAST CAMERON STREET	ROCKDALE	TX	76567-2924	MILAM	UNITED STATES	Not Required	Not Required	CITIZENS NATIONAL BANK	59352	
OK		Full Service	1431405	ROCKDALE WEST MOTOR BANK BRANCH	1401 WEST CAMERON STREET	ROCKDALE	TX	76567	MILAM	UNITED STATES	Not Required	Not Required	CITIZENS NATIONAL BANK	59352	
OK		Full Service	4548425	ROUND ROCK BRANCH	201 W. PALM VALLEY BLVD	ROUND ROCK	TX	78664	WILLIAMSON	UNITED STATES	Not Required	Not Required	CITIZENS NATIONAL BANK	59352	
OK		Full Service	1451029	TAYLOR BRANCH	316 NORTH MAIN STREET	TAYLOR	TX	76574	WILLIAMSON	UNITED STATES	Not Required	Not Required	CITIZENS NATIONAL BANK	59352	

Central Texas Financial Corp

**Form FR Y-6
December 31, 2020**

Report Item 3: Shareholders

(1)(a, b, c) and (2)(a, b, c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote.			Shareholders not listed in (3)(1)(a) through (3)(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year.		
(1)(a) Names & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Names & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
Goodhue W. Smith III San Antonio, TX / USA	USA	1,305 – 11.3%	N/A	N/A	N/A
Eleanor Smith Morrison Waco, TX / USA	USA	1,819 – 15.8%	N/A	N/A	N/A
Deborah Smith Quebe Waco, TX / USA	USA	2,198 – 19.1%	N/A	N/A	N/A
Hilliard Smith Ft Lauderdale, FL/ USA	USA	2,072 – 18.0%	N/A	N/A	N/A

The company has only one class of stock: common.

Report Item 4: Directors and Officers

(1) (2) (3)(a, b, c) and (4)(a, b, c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position With Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Goodhue W. Smith III San Antonio, TX / USA	Investment Banker	Director; President, CEO, and Secretary	Director & President (Peoples Finance Co) Director and Chief Investment Officer (Citizens National Bank)	President – COLM Restaurants, Inc. Director – Grinnan-Smith Interests, Inc. Director – Republic of Texas Restaurants, Inc. Director – Duncan-Smith Investments, Co. Managing Partner – Tres Hombres, Ltd. Managing Partner -- Oxsheer Management LLC	11.3%	None	COLM Restaurants, Inc. (50%) Grinnan-Smith Interests, Inc. (40%) N/A Duncan-Smith Investments, Co. (100%) Tres Hombres, Ltd. (33%) Oxsheer Management LLC (100%)

Report Item 4: Directors and Officers

(1) (2) (3)(a, b, c) and (4)(a, b, c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position With Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Goodhue W. Smith III -continued-				Partner -- Herwol Properties LTD Partner -- Riverside Building Jt Venture Partner -- Riverwalk Properties Managing Partner -- Two Tinkers, Ltd. Partner -- River Restaurants Ltd Partner -- Soggy Dollar Investments Partner -- C.V Partners Director -- QSQ Financial Corp			N/A N/A N/A Two Tinkers, Ltd. (39.5%) N/A Soggy Dollar Investments (50%) N/A QSQ Financial Corp (9%)
Eleanor Smith Morrison Waco, TX / USA	Homemaker	Principal Shareholder	N/A	N/A	15.8%	None	N/A

Report Item 4: Directors and Officers

(1) (2) (3)(a, b, c) and (4)(a, b, c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position With Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Deborah Smith Quebe Waco, TX / USA	Homemaker	Principal Shareholder	N/A	Director -- QSQ Financial Corp	19.1%	None	N/A
Hilliard Smith Ft Lauderdale, FL / USA	Self-Employed	Principal Shareholder	N/A	N/A	18.0%	None	N/A
Michael E. Vance Rockdale, TX / USA	N/A	Director; Vice President and Secretary	Director, Chairman of the Board & CEO (Citizens National Bank)	N/A	0.2%	None	N/A
Elizabeth A. Blose Austin, TX / USA	N/A	Treasurer	Director (People's Finance Co) SVP & CFO (Citizens National Bank)	N/A	0.0%	None	N/A



CENTRAL TEXAS FINANCIAL CORP.

P.O. DRAWER 111 • CAMERON, TEXAS 76520-0111 • (254) 697-6653

February 24, 2021

Dear Shareholders:

Despite the turmoil we all experienced in 2020 related to the global pandemic, it was a good year for your bank and holding company. Management skillfully handled the operational changes required throughout the year in order to maintain the safety of both our staff and clients. While lobbies were closed at times during the year, all branches are currently open and expected to remain open with appropriate safety protocols in place. Importantly, no employees experienced severe illness, and we were also able to avoid layoffs.

The bank had a strong year financially with 2020 pre-tax income of \$6.5 million compared to prior year pre-tax income of \$5.0 million. This success was due in large part to \$980,000 in fees earned from participating in the federal government's Paycheck Protection Program ("PPP"). In 2020, we made 164 PPP loans totaling over \$25 million. While management worked with some borrowers whose businesses were severely impacted by COVID-19 disruptions, we experienced no loan losses associated with these loans during the year – a testament to the bank's asset quality. \$15.6 million of PPP loans have been forgiven by the SBA and repaid to the bank. Net loans still ended the year at \$291.7 million compared to \$250.3 million in 2019. Many of the PPP loans were made to new clients who also brought new deposits to the bank. Deposits ended the year at \$455 million compared to \$396 million in 2019. Shareholder's equity was \$52.3 million versus \$47.7 million in 2019. The holding company continued to reduce its debt related to the bank's 2019 income tax conversion and debt has been reduced to \$3.03 million compared to \$4.8 million in 2019. For the first time in bank history, total assets went above \$500 million and total shareholders' equity went over \$50 million, ending the year at \$52.3 million.

While there are many reasons to hope that 2021 will bring stability, there is significant uncertainty at present. The economic recovery will largely depend on the success of the COVID-19 vaccine. US GDP contracted 3.5% in 2020 but is projected to grow at a rate up to 4.2% in 2021. However, unemployment remains high at 6.3% with a labor force participation rate of only 61.4%. Interest rates are very low and will likely remain low for at least the next 24 months. This puts pressure on the bank's net interest margin.

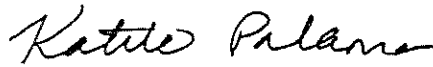
2021 also brings several notable management changes at the bank and holding company. Michael Vance announced his retirement at the end of the year and resigned from both the bank and the holding company. Steven Wise is now the bank's Chairman of the Board, CEO and President. Evan Morrison fulfilled the unexpired vacancy created by Mr. Vance's resignation at the holding

company. We are grateful for Mr. Vance's many contributions to the success of the bank over the last 27 years and wish him the best during his retirement. The bank's management team is strong and we are confident we are well positioned to handle the challenges ahead.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Evan Morrison', with a long horizontal stroke extending to the right.

Evan Morrison
Vice President

A handwritten signature in black ink, appearing to read 'Katita Palamar', written in a cursive style.

Katita Palamar
Secretary

CENTRAL TEXAS FINANCIAL CORP.

FINANCIALS

Central Texas Financial Corp
Condensed Financial Statements - Unaudited

<u>Balance Sheet</u>	December 31,	
	<u>2020</u>	<u>2019</u>
	<i>Assets</i>	
Cash	\$ 27,593	\$ 170,446
Notes receivable		321,703
Investment in subsidiaries	53,975,400	49,282,098
Property	75,384	77,100
Other Assets	545,068	119,895
Total Assets	<u>\$ 54,623,445</u>	<u>\$ 49,971,242</u>
	<i>Liabilities & Stockholders' Equity</i>	
<i>Liabilities:</i>		
Notes payable including accrued interest	\$ 3,310,294	\$ 4,783,540
Federal Income Tax Payable	10,019.26	
Deferred Tax Liabilities	96,318.27	
<i>Stockholders' equity</i>		
Common stock - \$100 Par, 100,000 shares authorized; 12,572 issued shares outstanding: 11,515 in 2020 and 11,702 in 2019	1,151,500	1,170,200
Additional paid-in capital	20,034,548	20,034,548
Retained earnings	31,411,198	25,766,892
Treasury stock, at cost: 1,057 shares in 2020 and 870 shares in 2019	(2,660,360)	(1,949,760)
Other comprehensive income	1,269,928	165,821
Total stockholders' equity	<u>51,206,814</u>	<u>45,187,702</u>
Total Liabilities & Stockholders' Equity	<u>\$ 54,623,445</u>	<u>\$ 49,971,242</u>

<u>Statement of Income</u>	For the year ended December 31,	
	<u>2020</u>	<u>2019</u>
	<i>Income</i>	
Equity in undistributed earnings	\$ 5,199,530	\$ 4,424,246
Interest income	15,380	32,187
Interest expense	101,418	115,573
Net Interest income	<u>(86,038)</u>	<u>(83,386)</u>
Dividend Income	7,350	4,580
Rental income	13,200	13,200
Other income	18,155	-
Income before Expenses	<u>5,152,196</u>	<u>4,358,640</u>
	<i>Expenses</i>	
Insurance	9,980	9,980
Other	4,764	3,253
Total expenses	<u>14,744</u>	<u>13,233</u>
Gain/(Loss) on Assets- Realized	214,996	
Gain/(Loss) on Assets- Unrealized (Fair Value)	458,658	
Federal Income Taxes (expense)	(166,802)	
Net Income	<u>\$ 5,644,306</u>	<u>\$ 4,345,407</u>

Central Texas Financial Corporation
Statement of Changes in Shareholders' Equity

	Common Stock		Additional Paid - In Capital	Retained Earnings	Other Comprehensive Income (Loss)	Treasury Stock	Stockholders' Equity
	Shares	Dollars					
BALANCE, DECEMBER 31, 2014	11,928	1,192,800	20,034,548	20,186,453	(1,090,444)	(1,289,960)	39,033,397
Issuance of Common Stock	(100)	(10,000)				(270,000)	(280,000)
CitCamCo Acquisition Equity Basis				738,164			738,164
Net change in unrealized gain on on available-for-sale securities					95,897		95,897
Cash dividends paid				(1,100,247)			(1,100,247)
Net income				3,798,054			3,798,054
BALANCE, DECEMBER 31, 2015	11,828	1,182,800	20,034,548	23,622,424	(994,547)	(1,559,960)	42,285,266
Issuance of Common Stock	(40)	(4,000)				(116,000)	(120,000)
Net change in unrealized gain on on available-for-sale securities					(1,579,227)		(1,579,227)
Cash dividends paid				(910,034)			(910,034)
Net income				3,968,126			3,968,126
BALANCE, DECEMBER 31, 2016	11,788	1,178,800	20,034,548	26,680,516	(2,573,774)	(1,675,960)	43,644,131
Issuance of Common Stock	(52)	(5,200)				(161,600)	(166,800)
Net change in unrealized gain on on available-for-sale securities					468,506		468,506
Cash dividends paid				(1,344,606)			(1,344,606)
Net income				4,313,641			4,313,641
BALANCE, DECEMBER 31, 2017	11,736	1,173,600	20,034,548	29,649,551	(2,105,268)	(1,837,560)	46,914,872
Issuance of Common Stock	(10)	(1,000)				(33,000)	(34,000)
Net change in unrealized gain on on available-for-sale securities					(116,159)		(116,159)
Cash dividends paid				(1,284,857)			(1,284,857)
Net income				5,131,077			5,131,077
BALANCE, DECEMBER 31, 2018	11,726	1,172,600	20,034,548	33,495,771	(2,221,427)	(1,870,560)	50,610,933
Issuance of Common Stock	(24)	(2,400)				(79,200)	(81,600)
Record Def Tax Liab due to C Corp Conv				(88,631)			(88,631)
Net change in unrealized gain on on available-for-sale securities					2,387,248		2,387,248
Cash dividends paid				(11,985,656)			(11,985,656)
Net income				4,345,407			4,345,407
BALANCE, DECEMBER 31, 2019	11,702	1,170,200	20,034,548	25,766,892	165,822	(1,949,760)	45,187,702
Issuance of Common Stock	(187)	(18,700)				(710,600)	(729,300)
Change in UG/(L) AFS Sec					1,104,106		1,104,106
Net Income				5,644,306			5,644,306
BALANCE, DECEMBER 31, 2020	11,515	1,151,500	20,034,548	31,411,197	1,269,928	(2,660,360)	51,206,814

CITIZENS NATIONAL BANK

FINANCIALS

Citizens National Bank
Balance Sheet - Unaudited

	December 31,	
	2020	2019
<u>Assets</u>		
Cash and due from banks - demand	\$ 5,225,063	\$ 14,232,578
Interest-bearing due from banks	37,261,204	37,938,526
<i>Investment securities held in:</i>		
Mortgage-backed securities	25,288,500	36,406,224
US Government agencies	-	-
State & political subdivisions	89,071,924	48,611,023
Corporate securities	32,829,751	39,637,981
Commercial paper	9,964,531	-
FRB and IBFC stock	118,290	118,290
Unrealized gain/(loss) on available-for-sale securities	1,607,504	241,968
Total Investment securities	158,880,500	125,015,486
Loans, less allowance for loan losses	291,719,340	250,323,650
Bank premises and equipment, net	6,957,388	8,354,729
Bank Owned Life Insurance	7,356,185	7,204,858
Accrued interest receivable and other assets	1,846,037	1,812,860
Goodwill	38,860	57,514
Total Assets	\$ 509,284,578	\$ 444,940,199
<u>Liabilities & Stockholders' Equity</u>		
<i>Liabilities:</i>		
Demand deposits:		
Non-interest bearing	\$ 117,625,681	\$ 88,354,574
Interest bearing	117,630,492	91,359,227
Total demand deposits	235,256,172	179,713,801
MMDA, savings and time deposits	220,148,043	216,258,812
Total deposits	455,404,215	395,972,613
Federal funds purchased	-	-
Accrued interest payable and other liabilities	1,589,145	1,224,666
Total liabilities	456,993,360	397,197,279
<i>Stockholders' equity:</i>		
Common stock	1,496,600	1,496,600
Surplus	1,496,600	1,496,600
Retained earnings	48,028,089	44,558,565
Unrealized gain/(loss) on AFS sec; net of deferred tax	1,269,928	191,155
Total stockholders' equity	52,291,217	47,742,920
Total Liabilities & Stockholders' Equity	\$ 509,284,578	\$ 444,940,199

Citizens National Bank
Condensed Income Statement - Unaudited

	For the Year Ended December 31,	
	2020	2019
<i>Net interest income:</i>		
Interest and fee income on loans	\$ 14,225,956	\$ 12,799,487
Interest income on investment securities and federal funds sold	2,462,845	2,931,361
Interest income on due from bank deposits	300,932	500,744
Total interest income	16,989,732	16,231,591
Interest expense on deposits	2,387,529	3,076,893
Interest expense on other borrowings	-	-
Total interest expense	2,387,529	3,076,893
Net interest income	14,602,203	13,154,698
<i>Non-interest income:</i>		
Service charges and fee income on deposits	544,517	697,105
Other fee and miscellaneous income	716,743	639,775
Trust fee income	67,475	75,685
Total non-interest income	1,328,735	1,412,565
<i>Non-interest expense:</i>		
Salaries and employee benefits	5,880,259	5,714,434
Occupancy	1,555,486	1,461,577
Data processing, software and courier	653,951	720,432
Provision for Loan/Security Loss	420,000	390,000
Other	1,089,737	1,233,943
Total non-interest expense	9,599,433	9,520,386
Income before taxes, security gains, discounted loan income and extraordinary items	6,331,505	5,046,878
Federal Income Tax	1,225,396	893,539
Gain/(Loss) on sale of assets	(76,585)	11,412
Discount recognized on purchased loans	-	-
Net Income	\$ 5,029,525	\$ 4,164,750