

FOR IMMEDIATE RELEASE

East Texas Financial Corporation to Consolidate its Affiliated Depository Institutions, Citizens Bank and Gladewater National Bank

Kilgore, Texas, June 21, 2018 – East Texas Financial Corporation, the parent company of Citizens Bank, headquartered in Kilgore, Texas, and the majority owner of Gladewater National Bank, headquartered in Gladewater, Texas, today announced the signing of a definitive agreement providing for the merger of Gladewater National Bank with and into Citizens Bank.

The combined bank, which will operate under the name Citizens Bank, will have total assets of approximately \$425 million and will continue to serve the organization’s traditional East Texas markets through 11 full-service branches, including its home office, which will remain in Kilgore, Texas, one loan and deposit production office located in Plano, Texas, and one limited service facility located in Gladewater, Texas. Larry T. Long will continue to serve as the Chairman of the Board and Sammy York will continue to serve as the President and Chief Executive Officer of the combined bank. Luke Kimbrough, the President of Gladewater National Bank will become Chief Executive Officer of the Gladewater Banking Center of Citizens Bank.

“We are very excited about this opportunity to consolidate our banking organization,” said Larry T. Long, President and Chief Executive Officer of East Texas Financial Corporation and Chairman of the Board of Citizens Bank. “Our consolidation will result in a stronger bank with broader market presence, greater lending capabilities, increased capital levels and more efficient, centralized operations. But most importantly, the move will enable us to better serve our customers with a superior level of products, services and care regardless of their location.”

“This consolidation of our banking institutions is an excellent growth opportunity to further expand our footprint in the dynamic North East Texas market, complementing our strong presence in the East and Southeast, Texas markets,” said Sammy York, Vice President of East Texas Financial Corporation and President and Chief Executive Officer of Citizens Bank. Mr. York added, “Our combined bank will continue to have the same friendly people and the same commitment to superior service to our customers and involvement in the community, but with the added resources of a larger consolidated banking organization.” “Bringing together our two banks will help provide our customers and employees a broader suite of products and services, state-of-the-art mobile banking, increased branch locations and greater financial strength to execute our strategy” said Luke Kimbrough, President of Gladewater National Bank.

The merger has been unanimously approved by the boards of directors of East Texas Financial Corporation, Citizens Bank and Gladewater National Bank and is expected to close during the third quarter of 2018, although delays may occur. The transaction is subject to customary closing conditions, including the approval by Gladewater National Bank’s shareholders and the receipt of customary regulatory approvals. The banks will continue to operate independently until the merger is completed.

About East Texas Financial Corporation

East Texas Financial Corporation is a Texas-based financial services and bank holding company with approximately \$438.3 million in total consolidated assets as of March 30, 2018. East Texas Financial Corporation owns 100% of Citizens Bank and approximately 94.3% of Gladewater National Bank. Through its subsidiary banks, East Texas Financial Corporation operates as an independent community bank, seeking to be an institution of excellence by providing the highest quality financial products and

services to its customers and creating the opportunity for personal and professional growth to its employees. The website for Citizens Bank is found at www.citizensbanktx.com and the website for Gladewater National Bank is found at www.gladewaternational.com.

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