

**DIRECTORS - CNB CORPORATION AND
CITIZENS NATIONAL BANK**

RICK A. TROMBLE

*Chairman, CNB Corporation
Chairman, Citizens National Bank
Owner, Tromble Bay Farms*

R. JEFFERY SWADLING

*Audit Committee Chairman, CNB Corporation
Vice President, Ken's Village Market*

DANA F. ANDREWS

President, Sturgeon River Pottery, Inc.

STEPHANIE V. BALDWIN

President, Edgewater Design Group

MELISSA K. BRIDGES

Attorney, Bodman LLP

BRIAN B. EWBANK

President & COO, Stafford's Hospitality

VICTORIA J. HAND

*Retired Executive Vice President/Chief Operating Officer
Citizens National Bank*

MATTHEW E. KEENE

*President/Chief Executive Officer,
Citizens National Bank & CNB Corporation*

SCOTT D. LANDON

President, Landon Auto Parts

CHRISTOPHER B. SHEPLER

President, Shepler's Mackinac Island Ferry Service

DIRECTORS EMERITI

STEVEN J. BAKER, D.V.M.
JAMES C. CONBOY, JR.
THOMAS J. ELLENBERGER
SUSAN A. ENO
VINCENT J. HILLESHEIM
KATHLEEN A. LIEDER
THOMAS J. REDMAN
FRANCIS J. VANANTWERP, JR.

CNB CORPORATION OFFICERS

MATTHEW E. KEENE *President & Chief Executive Officer*
DAVID A. WOODS *Vice President*
JOSEPH P. GARBER *Secretary*
AMY E. ESSEX *Treasurer*

CITIZENS NATIONAL BANK OFFICERS

LEADERSHIP:

MATTHEW E. KEENE *President & Chief Executive Officer*
AMY E. ESSEX *Senior Vice President & Chief Financial Officer*
JOSEPH P. GARBER *Senior Vice President,
Chief Credit Officer & Cashier*
DAVID A. WOODS *Senior Vice President & Chief Loan Officer*
MARILY J. GALLOWAY *Vice President,
Operations, Compliance & Risk Officer*
TRISHA M. DOBIAS *Vice President, Human Resources*
VALERIE A. JONES *Vice President, Cash Management*
NANCY K. LINDSAY *Vice President, Marketing*
AMANDA J. NICHOLSON *Vice President, Retail Banking*

BUSINESS BANKING:

JOSEPH M. DALY *Senior Vice President*
NICOLE M. DRAKE *Senior Vice President*
TIMOTHY J. TIMMER *Vice President*
STEPHEN J. DALY *Assistant Vice President*
CYNTHIA D. LAMBERSON *Assistant Vice President*

RESIDENTIAL BANKING:

STEPHEN J. CRUSOE *Senior Vice President*
SHARON L. COPPERNOLL *Assistant Vice President*
MICHELLE M. MILLER *Assistant Vice President*
REGINA H. PATTON *Assistant Vice President*
ASHLEY R. WALDIE *Residential & Consumer Officer*

OPERATIONS:

QUINN C. BONNETT *Facilities Manager & Security Officer*
MAGHAN J. BROOKS *Loan Operations Officer*
LESLIE L. BUDNIK *Business Operations Officer*
SHERI L. POPP *Credit Officer*
SHERRY M. WICHLACZ *Operations Officer*

Citizens National Bank has offices in:

Cheboygan • Onaway • Mackinaw City
Pellston • Indian River • Alanson • Petoskey

You can also visit our website at

www.CNBisMyBank.com



our 93 year tradition continues

STATEMENT OF CONDITION

June 30, 2024



August 9, 2024

CONSOLIDATED BALANCE SHEET

(UNAUDITED)

In thousands of dollars

	June 30,	
ASSETS	2024	2023
Cash and due from banks	\$ 7,820	\$ 8,637
Interest-bearing deposits with other financial institutions	4,552	6,590
Federal funds sold	1,927	5,240
Total cash and cash equivalents	14,299	20,467
Time deposits with other financial institutions	5,918	7,153
Securities available for sale	187,275	211,409
Securities held to maturity	6,047	4,744
Other securities	2,820	2,630
Total investment securities	196,142	218,783
Loans held for sale	465	1,452
Loans	238,217	220,159
Less: allowance for credit losses	(3,500)	(3,527)
Net loans	235,182	218,084
Premises and equipment, net	11,168	7,218
ORE Properties	572	0
Other assets	19,391	19,053
Total assets	<u>\$482,672</u>	<u>\$490,758</u>
LIABILITIES		
Deposits:		
Noninterest-bearing demand	\$ 146,448	\$ 162,314
Interest-bearing deposits	264,701	269,133
Total deposits	411,149	431,447
Brokered Deposits	0	19,099
Fed Funds Purchased	57,000	29,000
Accrued and other liabilities	6,613	5,895
Total liabilities	474,762	485,441
SHAREHOLDERS' EQUITY		
Common Stock	3,027	3,027
Additional Paid-In Capital	19,472	19,472
Retained Earnings	13,328	11,106
Total shareholders' equity before AOCI adjustment	35,827	33,605
Accumulated other Comprehensive Income/(Loss), net (AOCI)	(27,917)	(28,288)
Total shareholders' equity	<u>7,910</u>	<u>5,317</u>
Total liabilities and shareholders' equity	<u>\$482,672</u>	<u>\$490,758</u>

CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

In thousands of dollars, except per share data

	For the six months ended June 30,		
INTEREST INCOME	2024	2023	2022
Interest and fees on loans	\$ 6,507	\$ 5,455	\$ 4,123
Interest on securities:			
Taxable	1,811	1,898	1,871
Tax exempt	144	151	149
Other interest income	533	285	126
Total interest income	8,995	7,789	6,269
INTEREST EXPENSE	2,060	827	352
NET INTEREST INCOME	6,935	6,962	5,917
Provision for credit losses	0	64	0
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES ..	6,935	6,898	5,917
NONINTEREST INCOME			
Service charges and fees	726	725	653
Net gain from sale of loans	224	135	267
Gain on sale of assets	3	0	439
Gain (Loss) of sale of securities	0	0	0
Loan servicing income, net	173	5	14
Other income	81	209	257
Total noninterest income	1,207	1,074	1,630
NONINTEREST EXPENSES			
Salaries and benefits	3,570	3,359	3,448
Occupancy and equipment	883	682	695
FDIC insurance premiums	167	173	154
Other expenses	1,862	1,799	1,753
Total noninterest expenses	6,482	6,013	6,050
INCOME BEFORE INCOME TAXES	1,660	1,959	1,497
Income tax expense	289	362	269
NET INCOME	<u>\$ 1,371</u>	<u>\$ 1,597</u>	<u>\$ 1,228</u>
BASIC NET INCOME PER SHARE	<u>\$ 1.13</u>	<u>\$ 1.32</u>	<u>\$ 1.01</u>

Dear Shareholder,

CNB Corporation (the Corporation) is pleased to announce the Board of Directors approved a cash dividend to the shareholders. The enclosed represents a \$0.40 per share dividend to shareholders of record on July 25, 2024. The financial highlights from the first six months of 2024 are outlined below:

- Citizens National Bank's (the Bank) loan portfolio continues to grow, resulting in a year-over-year increase of \$17MM.
- Total investment securities declined by \$22.6MM. These maturities were used to fund the Bank's loan growth.
- Interest income improved by \$1.2MM over the previous year, stemming from the Bank's continued loan growth.
- The Bank continues to hold \$57MM in Fed Funds Purchased to support the Bank's liquidity needs.
- Total interest expense has increased by \$1.2MM since the second quarter of 2023, resulting in a reduction in net interest income of \$27,000 year-over-year.
- Year-over-year, income from the sale of residential mortgages to the secondary market increased by \$89,000.
- Despite the substantial rise in interest expense, the Bank continues to perform well, with year-to-date net income of \$1.37MM.

I would like to congratulate the directors who were re-elected to the Corporation's Board of Directors at the annual shareholder meeting, including myself, Dana Andrews, Scott Landon and Christopher Shepler. They each contribute invaluable insight from their respective industries, and I look forward to their guidance for years to come.

As always, please feel free to call or stop by if you have any questions concerning the Bank or the Corporation.

Sincerely,

Matthew E. Keene
President & CEO