

**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*
AMANDA J. NICHOLSON *Vice President, Retail Banking*

BUSINESS BANKING:

NICOLE M. DRAKE *Senior Vice President*
TIMOTHY J. TIMMER *Vice President*
STEPHEN J. DALY *Vice President*
ADAM B. CUSHMAN *Cash Management Officer*

RESIDENTIAL BANKING:

STEPHEN J. CRUSOE *Senior Vice President*
SHARON L. COPPERNOLL *Vice President*
MICHELLE M. MILLER *Vice President*
REGINA H. PATTON *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*
LORA L. FRYE *Branch Manager & Officer*
MEMORY L. MASSEY *Fraud Mitigation 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

December 31, 2024



February 14, 2025

Dear Shareholder,

CNB Corporation (Corporation) is pleased to announce the Board of Directors approved the continuation of two cash dividends payable to shareholders of record as of January 23, 2025. The enclosed represents a regular dividend of \$0.40 per share and a special dividend of \$0.10 per share. The financial highlights from the 4th quarter of 2024 for the Corporation and its subsidiary, Citizens National Bank (Bank), are summarized below:

In 2024, the Bank decreased investment securities \$24.2 million year-over-year; these matured investments were utilized to support loan growth of \$9.8 million and contribute to a reduction in debt of \$28.0 million. The Bank successfully grew interest-bearing deposits by \$26.8 million through a special certificate of deposit program, which was partially offset by an anticipated cannibalization of non-interest-bearing deposits totaling \$11.4 million. The combined outcome was an increase of \$15.4 million in total deposits for the year.


Loan growth was a significant driver of the \$2.5 million increase in total interest income, effectively offsetting the impact of interest expenses associated with bank borrowings and certificate of deposit specials. The result was an increase of \$712,000 in net interest income compared to the previous year.

The year-over-year increase in noninterest expenses was primarily due to higher salaries and benefits, which underscores the Bank's ongoing commitment to attracting and retaining key personnel. Secondly, the rise in occupancy and equipment costs was largely attributable to the opening of the Petoskey branch in early 2024. The Corporation's total activities for 2024 concluded with a total net income of \$3.2 million and an increased Total Shareholder Equity of \$1.4 million.

Staff promotions during the quarter include Sharon Coppernoll to Vice President, Residential Banking; Stephen Daly to Vice President, Business Banking; Regina Patton to Vice President, Residential Banking; Michelle Miller to Vice President, Residential Banking; Adam Cushman to Cash Management Officer; Lora Frye to Branch Manager and Officer; and Memory Massey to Fraud Mitigation Officer.

Planning for the 2025 Annual Meeting of Shareholders has commenced, and information regarding the meeting will be sent out in early April. I hope all of you can join us.

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

Sincerely,


Matthew E. Keene
 President & CEO

CONSOLIDATED BALANCE SHEET

(UNAUDITED)

In thousands of dollars

	December 31,	
ASSETS	2024	2023
Cash and due from banks	\$ 7,177	\$ 6,965
Interest-bearing deposits with other financial institutions	8,347	3,068
Federal funds sold	3,351	2,611
Total cash and cash equivalents	18,875	12,644
Time deposits with other financial institutions	3,697	6,167
Securities available for sale	178,261	202,135
Securities held to maturity	6,156	6,672
Other securities	2,820	2,634
Total investment securities	187,237	211,441
Loans held for sale	714	1,019
Loans	239,092	229,332
Less: allowance for credit losses	(3,413)	(3,488)
Net loans	236,393	226,863
Premises and equipment, net	11,158	9,747
Other assets	19,216	19,555
Total assets	\$476,576	\$486,417
LIABILITIES		
Deposits:		
Noninterest-bearing demand	\$ 140,250	\$ 151,680
Interest-bearing deposits	284,653	257,854
Total deposits	424,903	409,534
Brokered deposits	0	5,000
Fed funds purchased	34,000	57,000
Accrued and other liabilities	7,350	5,921
Total liabilities	466,253	477,455
SHAREHOLDERS' EQUITY		
Common stock	3,027	3,027
Additional paid-in capital	19,472	19,472
Retained earnings	14,687	12,562
Total shareholders' equity before AOCI adjustment	37,186	35,061
Accumulated other Comprehensive Income/(Loss), net (AOCI)	(26,863)	(26,099)
Total shareholders' equity	10,323	8,962
Total liabilities and shareholders' equity	\$476,576	\$486,417

CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

In thousands of dollars, except per share data

	For the twelve months ended December 31,		
INTEREST INCOME	2024	2023	2022
Interest and fees on loans	\$ 13,710	\$ 11,572	\$ 9,145
Interest on securities:			
Taxable	3,535	3,734	3,972
Tax exempt	284	316	313
Other interest income	1,183	621	556
Total interest income	18,712	16,243	13,986
INTEREST EXPENSE	4,059	2,302	645
NET INTEREST INCOME	14,653	13,941	13,341
Provision for credit losses	27	64	0
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	14,626	13,877	13,341
NONINTEREST INCOME			
Service charges and fees	1,550	1,528	1,365
Net gain from sale of loans	265	400	497
Net gain on sale of assets	69	0	439
Loan servicing income, net	371	173	34
Other income	461	235	494
Total noninterest income	2,716	2,336	2,829
NONINTEREST EXPENSES			
Salaries and benefits	7,542	6,621	6,711
Occupancy and equipment	1,854	1,332	1,315
FDIC insurance premiums	337	343	343
Other expenses	3,678	3,565	3,225
Total noninterest expenses	13,411	11,861	11,594
INCOME BEFORE INCOME TAXES	3,931	4,352	4,576
Income tax expense	717	814	865
NET INCOME	\$ 3,214	\$ 3,538	\$ 3,711
BASIC NET INCOME PER SHARE	\$ 2.65	\$ 2.92	\$ 3.07