

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 CORRECTED

December 31, 2023

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

December 31, 2023



February 9, 2024

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 26, 2024. 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 2023 for the Corporation and its subsidiary, Citizens National Bank (Bank), are outlined below:

- The Bank ended 2023 with total loan growth of \$19 million, which was funded by maturities from the Bank's investment portfolio.
- The elevated rate environment continues to stifle the residential mortgage industry. As a result, the Bank saw a 19% reduction in net gain from sale of loans as compared to 2022.
- Total interest expense increased by \$1.6 million in 2023, which was offset by total interest income growth of \$2.2 million, resulting in a \$600,000 increase to total net interest income.
- The decrease in noninterest income year-over-year is due to the exclusion of the one-time gain on the sale of Bank property in 2022.
- Management's continued focus on controlling expenses, including salaries and benefits, kept total noninterest expenses to a year-over-year increase of 2.3%.
- The Bank's 4th quarter performance, along with market improvements, resulted in an increase in shareholder equity of \$8 million quarter-over-quarter and \$6.3 million year-over-year.

Staff promotions during the quarter include Regina H. Patton to Assistant Vice President, Residential Banking and Ashley R. Waldie to Residential and Consumer Banking Officer.

Preparations are underway for the planned opening of the Petoskey branch in the 1st quarter of 2024. The official announcement for the grand opening will be released in the coming weeks. We hope to see you all there.

Planning for the 2024 annual meeting of shareholders has also begun, and information regarding the meeting will be sent out in early April. I hope all of you can join us.

As always, I welcome any questions or comments concerning the Bank or the Corporation. Please feel free to call or stop by.

Sincerely,

Matthew E. Keene
President & CEO

CONSOLIDATED BALANCE SHEET

(UNAUDITED)

In thousands of dollars

	December 31,	
ASSETS	2023	2022
Cash and due from banks	\$ 6,965	\$ 8,177
Interest-bearing deposits with other financial institutions	3,068	1,960
Federal funds sold	2,611	785
Total cash and cash equivalents	12,644	10,922
Time deposits with other financial institutions	6,167	8,144
Securities available for sale	202,135	222,381
Securities held to maturity	6,672	6,476
Other securities	2,634	2,206
Total investment securities	211,441	231,063
Loans held for sale	1,019	0
Loans	229,332	210,450
Less: allowance for loan losses	(3,488)	(2,792)
Net loans	226,863	207,658
Premises and equipment, net	9,747	6,414
Other assets	19,555	19,547
Total assets	\$486,417	\$483,748
LIABILITIES		
Deposits:		
Noninterest-bearing demand	\$ 151,680	\$ 173,737
Interest-bearing deposits	257,854	301,758
Total deposits	409,534	475,495
Brokered Deposits	5,000	0
Fed Funds Purchased	57,000	0
Accrued and other liabilities	5,921	5,596
Total liabilities	477,455	481,091
SHAREHOLDERS' EQUITY		
Common Stock	3,027	3,027
Additional Paid-In Capital	19,472	19,472
Retained Earnings	12,562	10,872
Total shareholders' equity before AOCI adjustment	35,061	33,371
Accumulated other Comprehensive Income/(Loss), net (AOCI)	(26,099)	(30,714)
Total shareholders' equity	8,962	2,657
Total liabilities and shareholders' equity	\$486,417	\$483,748

CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

In thousands of dollars, except per share data

	For the twelve months ended December 31,		
INTEREST INCOME	2023	2022	2021
Interest and fees on loans	\$ 11,572	\$ 9,145	\$ 9,348
Interest on securities:			
Taxable	3,734	3,972	1,852
Tax exempt	316	313	320
Other interest income	621	556	299
Total interest income	16,243	13,986	11,819
INTEREST EXPENSE	2,302	645	617
NET INTEREST INCOME	13,941	13,341	11,202
Provision for loan losses	64	0	(250)
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	13,877	13,341	11,452
NONINTEREST INCOME			
Service charges and fees	1,528	1,365	1,249
Net gain from sale of loans	400	497	2,323
Gain on sale of assets	0	439	0
Gain (Loss) of sale of securities	0	0	122
Loan servicing income, net	173	34	(56)
Other income	235	494	769
Total noninterest income	2,336	2,829	4,407
NONINTEREST EXPENSES			
Salaries and benefits	6,621	6,711	7,026
Occupancy and equipment	1,332	1,315	1,378
FDIC insurance premiums	343	343	255
Other expenses	3,565	3,225	3,533
Total noninterest expenses	11,861	11,594	12,192
INCOME BEFORE INCOME TAXES	4,352	4,576	3,667
Income tax expense	814	865	663
NET INCOME (LOSS)	\$ 3,538	\$ 3,711	\$ 3,004
BASIC NET INCOME PER SHARE	\$ 2.92	\$ 3.07	\$ 2.48



our 93 year tradition continues

February 23, 2024

Dear Shareholder,

The December 31, 2023 Statement of Condition was reprinted to correctly reflect Retained Earnings of \$12,562 million at 12-31-2023. The initial Statement of Condition contained a typographical error resulting in reported Retained Earnings of \$125,562 million. The narrative and remaining financials within the Statement of Condition were correct, including totals. Given the confidence the communities we serve have in our organization, it was important to me this error be corrected.

Please contact me should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew E. Keene". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Matthew E. Keene
President & CEO