

## 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 ..... *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](http://www.CNBisMyBank.com)



*our 93 year tradition continues*

# STATEMENT OF CONDITION

September 30, 2024





November 11, 2024

Dear Shareholder,

Financial performance for CNB Corporation (the Corporation) and its subsidiary Citizens National Bank (the Bank) remained healthy through the third quarter. The following are the financial highlights from the first nine months of 2024, which can be referenced in the accompanying financial statement:

- The Bank continues to focus on relationship banking, a key contributor to the \$14.5 million year-over-year loan portfolio growth.
- By design, total investment securities continue to decline as maturing investments are used to fund the Bank's loan growth and pay down the Bank's borrowings.
- Continued loan growth has led to an increase in interest income, which improved by \$1.7 million over the previous year.
- The Bank's improved interest income has been offset by a comparable increase to interest expense, primarily driven by the Bank's temporary borrowings as reflected in Fed Funds Purchased.
- Borrowings at the end of the second quarter were \$57 million. These borrowings were paid down by \$23 million during the third quarter and now stand at \$34 million, improving the Bank's interest expense going forward.
- The Bank ended the third quarter with year-to-date net income of \$2.29 million, which contributed to the \$2 million increase in retained earnings.
- The banking industry continues to feel the impact of the Federal Reserve's efforts to reduce inflation; recent changes to the Federal Reserve's monetary policy, combined with the Bank's maturing investments, have improved Total Shareholder Equity by \$15.6 million year-over-year

As always, I encourage you to call or stop by if you have any questions, comments, or concerns regarding the Bank or the Corporation. Until then, I want to wish you and your families a safe and blessed holiday season.

Sincerely,

Matthew E. Keene  
President & CEO

## CONSOLIDATED BALANCE SHEET

(UNAUDITED)

In thousands of dollars

	September 30,	
ASSETS	2024	2023
Cash and due from banks	\$ 7,063	\$ 9,801
Interest-bearing deposits with other financial institutions	29,236	18,137
Federal funds sold	7,695	3,043
Total cash and cash equivalents	43,994	30,981
Time deposits with other financial institutions	4,930	6,908
Securities available for sale	189,931	196,726
Securities held to maturity	6,186	6,702
Other securities	2,820	2,761
Total investment securities	198,937	206,189
Loans held for sale	779	1,007
Loans	240,661	226,087
Less: allowance for credit losses	(3,499)	(3,494)
Net loans	237,941	223,600
Premises and equipment, net	11,183	8,253
Other assets	17,796	21,033
Total assets	\$514,781	\$496,964
LIABILITIES		
Deposits:		
Noninterest-bearing demand	\$ 158,672	\$ 169,591
Interest-bearing deposits	301,074	283,777
Total deposits	459,746	453,368
Brokered deposits	0	9,744
Fed funds purchased	34,000	29,000
Accrued and other liabilities	6,336	5,781
Total liabilities	500,082	497,893
SHAREHOLDERS' EQUITY		
Common stock	3,027	3,027
Additional paid-in capital	19,472	19,472
Retained earnings	13,767	11,709
Total shareholders' equity before AOCI adjustment	36,266	34,208
Accumulated other Comprehensive Income/(Loss), net (AOCI)	(21,567)	(35,137)
Total shareholders' equity	14,699	(929)
Total liabilities and shareholders' equity	\$514,781	\$496,964

## CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

In thousands of dollars, except per share data

	For the nine months ended September 30,		
	2024	2023	2022
INTEREST INCOME			
Interest and fees on loans	\$ 10,075	\$ 8,483	\$ 6,546
Interest on securities:			
Taxable	2,675	2,841	2,893
Tax exempt	213	222	226
Other interest income	827	472	294
Total interest income	13,790	12,018	9,959
INTEREST EXPENSE	3,122	1,458	507
NET INTEREST INCOME	10,668	10,560	9,452
Provision for credit losses	0	64	0
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	10,668	10,496	9,452
NONINTEREST INCOME			
Service charges and fees	1,152	1,150	1,027
Net gain from sale of loans	293	282	394
Gain on sale of assets	85	0	439
Loan servicing income, net	77	12	28
Other income	428	284	392
Total noninterest income	2,035	1,728	2,280
NONINTEREST EXPENSES			
Salaries and benefits	5,512	4,996	5,097
Occupancy and equipment	1,352	989	1,010
FDIC insurance premiums	252	255	224
Other expenses	2,793	2,682	2,446
Total noninterest expenses	9,909	8,922	8,777
INCOME BEFORE INCOME TAXES	2,795	3,302	2,955
Income tax expense	500	618	550
NET INCOME	\$ 2,295	\$ 2,684	\$ 2,405
BASIC NET INCOME PER SHARE	\$ 1.90	\$ 2.22	\$ 1.99