

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

DANA F. ANDREWS

*Chairman, CNB Corporation
Chairman, Citizens National Bank
President, Sturgeon River Pottery, Inc.*

SCOTT D. LANDON

*Vice Chairman, CNB Corporation
Vice Chairman, Citizens National Bank
President, Landon Auto Parts*

R. JEFFERY SWADLING

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

STEPHANIE V. BALDWIN

President, Edgewater Design Group

MELISSA K. BRIDGES

Attorney, Bodman LLP

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*

CHRISTOPHER B. SHEPLER

President, Shepler's Mackinac Island Ferry Service

RICK A. TROMBLE

Owner, Tromble Bay Farms

DIRECTORS EMERITI

STEVEN J. BAKER, D.V.M.
JAMES C. CONBOY, JR.
THOMAS J. ELLENBERGER
SUSAN A. ENO
BRIAN B. EWBANK
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. GODZIK *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 94 year tradition continues

STATEMENT OF CONDITION

June 30, 2025



August 8, 2025

Dear Shareholder,

CNB Corporation (Corporation) is pleased to announce the Board of Directors approved a cash dividend to the shareholders. Please find enclosed a \$0.40 per share dividend to shareholders of record on July 24, 2025. The financial performance for the Corporation and its subsidiary, Citizens National Bank (Bank) from the 2nd quarter of 2025 is outlined below:

- As mentioned in the 1st quarter Statement of Condition, investment maturities and deposit growth allowed the Bank to pay down its borrowings earlier than planned. Since then, the Bank has utilized smaller, short-term borrowings to manage the balance sheet. As a result, borrowings have declined by \$51.25 million year-over-year.
- The Bank's loan portfolio continues to grow, increasing by \$6.98 million compared to the same period last year.
- Higher interest income from loans and decreased interest expense deriving from the reduction of Bank debt, resulted in an increase of \$877,000 in net interest income year-over-year.
- The net result of the Bank's 2025 activities was an increase in net income of \$168,000 through the 2nd quarter as compared to the same period in 2024, an improvement of 12.3%.
- Driven by lower market rates and investment maturities of \$12.3 million, the Bank's AOCI continues to improve. This, coupled with steady earnings, resulted in a year-over-year increase of \$8.6 million in total shareholders' equity.

I would like to congratulate Stephanie V. Baldwin and Melissa K. Bridges on their re-election to the Corporation's Board of Directors at the annual shareholder meeting. They each offer invaluable professional expertise, and I value the opportunity to seek their counsel well into the future. In preparation for retirement, Rick A. Tromble has stepped down as Board Chairman but continues his service as a board director. I would like to express my gratitude to Rick for his steady guidance over the years. The directors have unanimously elected Dana F. Andrews as the new Chairman and Scott D. Landon as Vice Chairman. A sincere congratulations to everyone!

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

| | June 30, | |
|---|------------|------------|
| ASSETS | 2025 | 2024 |
| Cash and due from banks | \$ 8,731 | \$ 7,820 |
| Interest-bearing deposits with other financial institutions | 135 | 4,552 |
| Federal funds sold | 964 | 1,927 |
| Total cash and cash equivalents | 9,830 | 14,299 |
| Time deposits with other financial institutions | 3,697 | 5,918 |
| Securities available for sale | 174,661 | 187,275 |
| Securities held to maturity | 5,489 | 6,047 |
| Other securities | 3,689 | 2,820 |
| Total investment securities | 183,839 | 196,142 |
| Loans held for sale | 887 | 465 |
| Loans | 245,198 | 238,217 |
| Less: allowance for credit losses | (3,430) | (3,500) |
| Net loans | 242,655 | 235,182 |
| Premises and equipment, net | 10,997 | 11,168 |
| ORE Properties | 0 | 572 |
| Other assets | 18,228 | 19,391 |
| Total assets | \$469,246 | \$482,672 |
| LIABILITIES | | |
| Deposits: | | |
| Noninterest-bearing demand | \$ 157,544 | \$ 146,448 |
| Interest-bearing deposits | 282,884 | 264,701 |
| Total deposits | 440,428 | 411,149 |
| Fed funds purchased | 5,750 | 57,000 |
| Accrued and other liabilities | 6,562 | 6,613 |
| Total liabilities | 452,740 | 474,762 |
| SHAREHOLDERS' EQUITY | | |
| Common stock | 3,027 | 3,027 |
| Additional paid-in capital | 19,472 | 19,472 |
| Retained earnings | 15,621 | 13,328 |
| Total shareholders' equity before AOCI adjustment | 38,120 | 35,827 |
| Accumulated other Comprehensive Income/(Loss), net (AOCI) | (21,614) | (27,917) |
| Total shareholders' equity | 16,506 | 7,910 |
| Total liabilities and shareholders' equity | \$469,246 | \$482,672 |

CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

In thousands of dollars, except per share data

| | For the six months ended June 30, | | |
|--|-----------------------------------|----------|----------|
| INTEREST INCOME | 2025 | 2024 | 2023 |
| Interest and fees on loans | \$ 7,344 | \$ 6,507 | \$ 5,455 |
| Interest on securities: | | | |
| Taxable | 1,660 | 1,811 | 1,898 |
| Tax exempt | 130 | 144 | 151 |
| Other interest income | 275 | 533 | 285 |
| Total interest income | 9,409 | 8,995 | 7,789 |
| INTEREST EXPENSE | 1,597 | 2,060 | 827 |
| NET INTEREST INCOME | 7,812 | 6,935 | 6,962 |
| Provision for credit losses | 45 | 0 | 64 |
| NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES | 7,767 | 6,935 | 6,898 |
| NONINTEREST INCOME | | | |
| Service charges and fees | 729 | 726 | 725 |
| Net gain from sale of loans | 81 | 224 | 135 |
| Net gain on sale of assets | 0 | 3 | 0 |
| Loan servicing income, net | 168 | 173 | 5 |
| Other income | 200 | 81 | 209 |
| Total noninterest income | 1,178 | 1,207 | 1,074 |
| NONINTEREST EXPENSES | | | |
| Salaries and benefits | 3,980 | 3,570 | 3,359 |
| Occupancy and equipment | 1,077 | 883 | 682 |
| FDIC insurance premiums | 151 | 167 | 173 |
| Other expenses | 1,852 | 1,862 | 1,799 |
| Total noninterest expenses | 7,060 | 6,482 | 6,013 |
| INCOME BEFORE INCOME TAXES | 1,885 | 1,660 | 1,959 |
| Income tax expense | 346 | 289 | 362 |
| NET INCOME | \$ 1,539 | \$ 1,371 | \$ 1,597 |
| BASIC NET INCOME PER SHARE | \$ 1.27 | \$ 1.13 | \$ 1.32 |