

**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*

JOSEPH D. KOSANKE*

CPA, Nieland & Kosanke, P.C.

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.

* Citizens National Bank Director

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*
TRISHA M. DOBIAS *Vice President, Human Resources*
MARILY J. GALLOWAY *Vice President,
Operations, Compliance & Risk Officer*
AMANDA J. GODZIK *Vice President, Retail Banking*

BUSINESS BANKING:

NICOLE M. DRAKE *Senior Vice President*
STEPHEN J. DALY *Vice President*
JENNIFER R. OPIE *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:

KARI M. KORTZ *Vice President, Controller*
SHERI L. POPP *Assistant Vice President, Credit Officer*
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*
FELIX M. SMITH *Information Security & Technology Officer*
JESSICA K. SMITH-SCHLEY *Associate AML/CFT 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 95 year tradition continues

STATEMENT OF CONDITION

March 31, 2026





May 8, 2026

Dear Shareholder,

Amid ongoing global uncertainty, I want to assure you your community bank remains safe, sound, and financially strong. The momentum from our solid 2025 performance has continued into 2026, as demonstrated by the following 1st quarter financial highlights for CNB Corporation (Corporation) and its subsidiary, Citizens National Bank (Bank):

- Our strategic focus on deepening customer relationships has resulted in year-over-year loan portfolio growth of 7.3%.
- In alignment with the Bank's balance sheet strategy, total investment securities decreased by \$16.9MM compared to the previous year. Proceeds from investment payments and maturities continue to be strategically reallocated to support loan growth and liquidity needs.
- Higher loan interest & fee income has more than offset the impact of declining income in our smaller securities portfolio, resulting in a \$125,000 increase in total interest income year over year.
 - This increase, along with a \$285,000 reduction in interest expense—primarily due to the reduction in short-term borrowings—led to a \$410,000 improvement in net interest income year-over-year.
- As a result of the Bank's strong performance, Q1 net income increased by \$93,000 over the previous year.
- Consequently, basic net income per share continues to rise steadily, driven by sustained improvements in Bank profitability.
- Finally, shareholders' equity maintains an upward trend, with a 55.3% increase year-over-year. This growth was fueled by improvements in the unrealized loss on the Bank's investment portfolio and robust earnings.

In January, Vice President Timothy J. Timmer retired after thirty-five years of dedicated service in banking, with twenty-five of those years devoted to the northern Michigan community. Throughout his career, Tim was known for his integrity and deep commitment to the individuals and businesses that he served. His contributions have had a meaningful impact on the Bank and the community, and I wish him the very best in this well-earned next chapter.

The Annual Meeting of Shareholders will take place on Tuesday, May 19th at Loft Events on Main in Cheboygan. We will be holding a reception following the meeting. I hope to see you all there. At this meeting, we will acknowledge the retirement of Rick A. Tromble, who has served as a director for fourteen years, including four years as our chairman. We are grateful for his dedication and leadership and wish him a fulfilling and enjoyable retirement.

As always, I encourage open dialogue and welcome your questions and feedback regarding the Bank or the Corporation. Please feel free to call or stop by at any time.

Sincerely,

Matthew E. Keene
President & CEO

CONSOLIDATED BALANCE SHEET

(UNAUDITED)

In thousands of dollars

	March 31,	
ASSETS	2026	2025
Cash and due from banks	\$ 4,540	\$ 4,748
Interest-bearing deposits with other financial institutions	480	3,154
Federal funds sold	1,284	341
Total cash and cash equivalents	6,304	8,243
Time deposits with other financial institutions	3,207	3,697
Securities available for sale	162,139	178,060
Securities held to maturity	5,212	5,970
Other securities	3,509	3,689
Total investment securities	170,860	187,719
Loans held for sale	1,398	1,349
Loans	257,141	239,749
Less: allowance for credit losses	(3,535)	(3,400)
Net loans	255,004	237,698
Premises and equipment, net	10,812	11,032
Other assets	17,761	18,838
Total assets	\$463,948	\$467,227
LIABILITIES		
Deposits:		
Noninterest-bearing demand	\$ 149,367	\$ 144,256
Interest-bearing deposits	284,624	302,905
Total deposits	433,991	447,161
Fed funds purchased	1,217	0
Accrued and other liabilities	6,749	5,906
Total liabilities	441,957	453,067
SHAREHOLDERS' EQUITY		
Common stock	3,027	3,027
Additional paid-in capital	19,472	19,472
Retained earnings	17,685	14,832
Total shareholders' equity before AOCI adjustment	40,184	37,331
Accumulated other Comprehensive Income/(Loss), net (AOCI)	(18,193)	(23,171)
Total shareholders' equity	21,991	14,160
Total liabilities and shareholders' equity	\$463,948	\$467,227

CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

In thousands of dollars, except per share data

	For the three months ended March 31,		
INTEREST INCOME	2026	2025	2024
Interest and fees on loans	\$ 3,922	\$ 3,585	\$ 3,152
Interest on securities:			
Taxable	769	830	919
Tax exempt	61	67	72
Other interest income	65	210	227
Total interest income	4,817	4,692	4,370
INTEREST EXPENSE	511	796	982
NET INTEREST INCOME	4,306	3,896	3,388
Provision for credit losses	23	8	0
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	4,283	3,888	3,388
NONINTEREST INCOME			
Service charges and fees	319	341	341
Net gain from sale of loans	68	99	117
Net gain on sale of assets	0	0	3
Loan servicing income, net	93	84	67
Other income	109	52	62
Total noninterest income	589	576	590
NONINTEREST EXPENSES			
Salaries and benefits	2,168	2,031	1,826
Occupancy and equipment	518	510	392
FDIC insurance premiums	73	78	82
Other expenses	1,079	925	894
Total noninterest expenses	3,838	3,544	3,194
INCOME BEFORE INCOME TAXES	1,034	920	784
Income tax expense	191	170	129
NET INCOME	\$ 843	\$ 750	\$ 655
BASIC NET INCOME PER SHARE	\$ 0.70	\$ 0.62	\$ 0.54