

CNB COMMUNITY BANCORP, INC. REPORTS SECOND QUARTER 2025 RESULTS

HILLSDALE, Michigan, July 11, 2025 – CNB Community Bancorp, Inc. (OTCQX: CNBB), the parent company of County National Bank, today announced earnings for the three and six months ended June 30, 2025. Earnings during the second quarter of 2025 totaled \$3.0 million, an increase of \$82,000 or 2.8% compared to the \$2.9 million earned during the three months ended June 30, 2024. The increase in net income was the result of an increase in net interest income as well as noninterest income, specifically driven by an increase of \$220,000 in Wealth Management income somewhat offset by increases in noninterest expense associated with compensation and benefits as well as occupancy and equipment expenses. Basic earnings per share for CNB Community Bancorp, Inc. (the “Company”) increased to \$1.48 during the three months ended June 30, 2025, up \$0.13 from \$1.35 for the second quarter of 2024. For the six months ended June 30, 2025, the Company reported net income of \$5.7 million, which was consistent with the \$5.7 million earned during the six months ended June 30, 2024, predominately resultant from an increase in Wealth Management income and net interest income offset by increases in employee, data communications, and fixed asset costs. Basic earnings per share increased to \$2.78 during the six months ended June 30, 2025, up \$0.17 from \$2.61 for the first six months of 2024.

The annualized return on average assets (“ROA”) decreased to 0.95% for the three months ended June 30, 2025, down a single basis point from 0.96% for the three months ended June 30, 2024. The annualized return on average equity (“ROE”) decreased to 11.71% for the current quarter, down from 11.98% for the second quarter of 2024. ROA declined to 0.89% for the six months ended June 30, 2025, down three basis points from the 0.92% during the first six months of 2024. ROE was 11.27% during the first half of 2025, down from 11.73% during the six-month period ended June 30, 2024. Book value per share increased to \$51.15 at June 30, 2025, up \$5.01 from \$46.14 at June 30, 2024.

Joseph R. Williams, President and Chief Executive Officer of CNB Community Bancorp, Inc. and County National Bank, commented, “Our ongoing financial strength fortifies us as we navigate the current turbulent economic and political times. This financial strength allows CNB to continue to gather deposits and lend them out in all of the communities we serve. Furthermore, we have built a solid capital position, which allows for the recent increases in dividends to our shareholders, thus continuing a tradition of providing those shareholders a quality return on their investments. We inherently believe that our community banking philosophy and passionate focus on meeting clients' needs are instrumental to our continued success thus our bankers will continue to consult with all current and potential clients on their businesses and remain steadfast with our focus of growing our communities.”

Financial Highlights

- Total assets increased \$32.3 million from June 30, 2024, or 2.6%, to \$1.28 billion, and decreased by \$4.7 million, or 0.4% from December 31, 2024.
- Net loans increased \$47.8 million, or 4.7%, to \$1.06 billion at June 30, 2025, compared to \$1.01 billion at June 30, 2024, and increased \$23.9 million, or 2.3%, from December 31, 2024.
- Total deposits increased \$56.3 million, or 5.4%, to \$1.10 billion at June 30, 2025, from \$1.05 billion at June 30, 2024, and increased \$4.9 million, or 0.4%, from December 31, 2024.
- Book value per share increased \$5.01, or 10.9%, to \$51.15 at June 30, 2025, up from \$46.14 at June 30, 2024 and up \$2.50 from \$48.65 at December 31, 2024.
- Total equity increased \$4.4 million to \$104.8 million from June 30, 2024.
- Net income increased \$82,000, or 2.8%, to \$3.0 million in the second quarter of 2025, and basic EPS increased \$0.13, or 9.3%, to \$1.48 from \$1.35 in the second quarter of 2024.
- Net interest income for the second quarter of 2025 increased \$782,000 to \$11.7 million from the second quarter of 2024.
- Pre-tax, pre-provision income increased to \$3.9 million in the second quarter of 2025 from \$3.8 in the second quarter of 2024 or 3.0%.

Balance Sheet Review

The Company’s assets totaled \$1.28 billion at June 30, 2025 and December 31, 2024, respectively, compared to \$1.24 billion at June 30, 2024. The change in composition of assets was predominately related to the fluctuation in investable assets as funding of the asset side of the balance sheet has varied with cash and investments continuing to be repositioned to new credits.

Net loans totaled \$1.06 billion at June 30, 2025, compared to \$1.03 billion at December 31, 2024, and \$1.01 billion at June 30, 2024. The loan portfolio at June 30, 2025 included: \$604.3 million in commercial real estate loans, \$246.4 million in commercial loans, \$179.9 in residential real estate loans, and \$38.7 million in consumer loans.

Nonperforming assets (which are comprised entirely of nonperforming loans) at June 30, 2025 and June 30, 2024 were \$7.0 million compared to \$6.8 million at December 31, 2024. Nonperforming assets as a percentage of total assets were 0.55% at June 30, 2025, 0.53% at December 31, 2024, and 0.56% at June 30, 2024.

Nonperforming loans at June 30, 2025 were \$7.0 million, an increase of \$241,000, or 3.5%, from the \$6.8 million balance at December 31, 2024, and flat to the \$7.0 million at June 30, 2024. Nonperforming loans as a percentage of total loans increased to 0.66% at June 30, 2025, compared to 0.65% at December 31, 2024, and decreased from 0.68% at June 30, 2024. The level of nonperforming remains consistent as CNB works through a few larger credits that comprise a significant portion of this total.

During the second quarter of 2025, a provision for credit losses of \$146,000 was recorded, which is a decrease of \$4,000 from a provision of \$150,000 recorded during the second quarter of 2024. Net charge-offs totaled \$783,000 during the second quarter of 2025 compared to \$50,000 in the second quarter of 2024.

Net charge-offs (annualized) as a percentage of average loans was 0.30% for second quarter of 2025, which was an increase from the net charge-offs of 0.02% in the second quarter of 2024. The allowance for credit losses totaled \$13.0 million at June 30, 2025 compared to \$13.2 million at December 31, 2024, and \$13.4 million at June 30, 2024. The allowance for credit losses as a percentage of total loans was 1.21% at June 30, 2025, which is a decrease from 1.26% as of December 31, 2024, and 1.31% at June 30, 2024. The change in the allowance is primarily resultant from the Bank charging off portions of nonperforming credits based upon updated collateral or updated financials from these credits. Therefore, there are minimal remaining specific reserves on these nonperforming credits. The allowance will continue to be adjusted based upon the current and forward-looking issues identified within the portfolio.

Total investment securities, exclusive of the Federal Home Loan Bank of Indianapolis, Federal Reserve Bank and other stock without readily determined fair value, aggregated to \$119.5 million at June 30, 2025, a decrease of 6.0% from \$127.1 million at December 31, 2024, and 25.8% from \$160.9 million at June 30, 2024. While continued growth of the loan portfolio remains the primary focus for Bank management, the Bank will continue to manage the securities portfolio through prudent investment in securities that align with the Bank's investment criteria when excess cash is available.

Noninterest bearing deposits have increased by \$5.2 million (2.4%) from \$218.6 million at December 31, 2024, and decreased \$234,000 (0.1%) from \$224.0 million one year ago. Interest bearing deposits have slightly decreased from \$878.6 million at December 31, 2024 to \$878.3 million at June 30, 2025, but have increased from \$821.7 million at June 30, 2024. The fluctuation and shift in the make-up of deposits results from multiple factors including the ongoing efforts by our employees, the rate environment and the needs of our clients. The expectation remains that competition and the rate environment will further impact the amount and type of deposits within the balance sheet.

The Company's outstanding borrowings decreased by \$13.6 million to \$58.5 million at June 30, 2025 compared to \$72.1 million at December 31, 2024 and by \$30.0 million from \$88.5 million at June 30, 2024. The decrease from year-end 2024 was due to normal paydown of senior debt at the holding company and a maturity of short-term funding of CNB's loan growth. The year-over-year decrease was a combination of the aforementioned short-term funding of loan growth (\$12.5 million) maturing in 2025, short-term funding related to a hedge position (\$21.5 million) maturing in 2024, partially offset by the increase in senior debt at the holding company (\$6 million) taken out in the third quarter of 2024 reduced by normal paydowns.

Total shareholders' equity increased by \$5.2 million (5.1%) from \$99.6 million at December 31, 2024, and increased by \$4.4 million (4.3%) from \$100.4 million one year ago. The \$5.2 million increase was mainly related to earnings during 2025 of \$5.7 million as well as an increase in comprehensive income from temporary market value adjustments to the securities portfolio of \$700,000, partially offset by cash dividends of \$0.61 per share totaling approximately \$1.3 million. On a year-over-year basis, the increase of \$4.4 million in equity was predominately related to income of \$11.6 million, an increase in common stock from vesting of restricted shares of \$609,000, as well as \$715,000 from an increase in OCI from temporary market value adjustments to the securities portfolio. These increases were partially offset by \$2.9 million in dividends paid and the holding company's repurchase of \$5.7 million in shares outstanding during the third quarter of 2024.

Net Interest Income and Net Interest Margin

Net interest income was \$11.7 million for the quarter ended June 30, 2025, up \$782,000, or 7.2%, from \$10.9 million during the second quarter of 2024, and for the six months ended June 30, 2025, net interest income increased \$1.5 million (7.3%) to \$23.0 million from \$21.5 million for the six months ended June 30, 2024. Interest income for the second quarter of 2025 increased \$1.4 million (9.1%) to \$17.5 million from \$16.1 million for the second quarter of 2024, and for the six months ended June 30, 2025, interest income increased \$2.5 million (7.9%) to \$34.8 million from \$32.3 million for the six months ended June 30, 2024, mainly due to

increases in rate and volume in commercial real estate credits. Interest expense for the second quarter of 2025 increased \$676,000 (13.1%) to \$5.8 million from \$5.2 million for the second quarter of 2024, and for the six months ended June 30, 2025, increased \$982,000 (10.0%) to \$11.8 million from \$10.8 million for the six months ended June 30, 2024, which was which was predominately resultant from a combination of growth in deposits and consistently higher rates paid across interest-bearing deposit accounts.

Net interest margin is net interest income expressed as a percentage of average interest-earning assets. For the quarter ended June 30, 2025, the net interest margin on a fully taxable equivalent basis increased to 3.91% from 3.74% from the second quarter of 2024, and for the six months ended June 30, 2025, increased to 3.81% from 3.65% for the six months ended June 30, 2024. Much of the change in margin has been a product of the market rates continuing to rise with the yield on earning assets improving to 5.72% in the second quarter of 2025 from 5.48% during that same period in 2024, while year-to-date 2025 improved to 5.69% compared to 5.45% in 2024. Over the second quarter of 2025, the cost of funds decreased five basis points to 1.96% from 2.01% while the year-to-date 2025 cost of funds is 1.99% down a single basis point from the 2.00% for the first half of 2024.

Noninterest Income/Expense

During the three months ended June 30, 2025, noninterest income totaled \$2.2 million, an increase of \$204,000 (10.2%) from the three months ended June 30, 2024 and was \$4.3 million, an increase of \$281,000 (7.1%), for the six months ended June 30, 2025 from the six months ended June 30, 2024. From a quarter-over-quarter and year-over-year comparison, the increases in noninterest income of \$204,000 and \$281,000, respectively, were predominately driven by increases in Wealth Management fees of \$220,000 and \$397,000, respectively. These increases were somewhat offset by decreases in income from the gain on sale of loans.

Noninterest expense totaled \$10.0 million during the three months ended June 30, 2025, an increase of \$872,000 (9.6%) from the second quarter of 2024 and there was an increase of \$1.7 million (9.7%) from \$18.1 million for the six months ended June 30, 2024, to \$19.8 million for the same period in 2025. The largest components of the increase in quarter-over-quarter noninterest expense were increases in salaries and employee benefits of \$553,000 related to an increase in the number of employees along with additional benefits expense from insurance and incentives, as well as an occupancy and equipment expense increase of \$163,000 related to additional sites being placed into operations and refurbishment of existing sites. For the first half of 2025, salaries and employee benefits increased \$1.1 million and occupancy and equipment expense increased \$335,000 from the first half of 2024. These were the most impactful increases and were primarily due to the aforementioned increases in the number of employees, increasing salaries and benefits, and expansion and maintenance of CNB's infrastructure.

About CNB Community Bancorp Inc.

CNB Community Bancorp, Inc. (OTCQX:CNBB) is a one-bank holding company formed in 2005. Its subsidiary bank, County National Bank, is a nationally chartered full-service bank, which has served its local communities since its founding in 1934. CNB Community Bancorp, Inc. is headquartered in Hillsdale, Michigan and through its subsidiary bank offers banking products along with investment management and trust services to communities located throughout southern Michigan.

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Safe Harbor Statement

This news release and other releases and reports issued by the Company may contain "forward-looking statements." The Company cautions readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The Company is including this statement for purposes of taking advantage of the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995.

CNB Community Bancorp, Inc.
Condensed Consolidated Balance Sheets (Unaudited)

(Dollars in thousands)

	June 30, 2025	December 31, 2024	June 30, 2024
ASSETS			
Cash and due from banks	\$ 49,806	\$ 71,681	\$ 24,298
Debt securities	119,084	126,700	160,587
Marketable equity securities	389	397	356
Loans & leases:			
Commercial	246,411	244,964	247,188
Commercial real estate	604,320	591,981	567,314
Residential real estate	179,935	170,632	167,320
Consumer and other	38,706	38,357	40,404
Deferred loan and lease origination costs, net	511	349	293
Allowance for credit losses	(12,957)	(13,234)	(13,387)
Loans and leases, net	1,056,926	1,033,049	1,009,132
Loans held for sale	871	1,019	1,696
Bank premises and equipment, net	11,456	11,347	11,592
Bank-owned life insurance	17,371	17,100	16,831
Goodwill	2,591	2,591	2,591
Other assets	17,070	16,409	16,156
Total assets	\$ 1,275,564	\$ 1,280,293	\$ 1,243,239
LIABILITIES			
Deposits:			
Noninterest-bearing	\$ 223,757	\$ 218,553	\$ 223,991
Money market and interest checking	562,177	552,253	500,562
Savings	138,208	141,763	147,004
Time	177,892	184,566	174,165
Total deposits	1,102,034	1,097,135	1,045,722
Borrowings	58,504	72,092	88,452
Accrued interest and other liabilities	10,266	11,417	8,638
Total liabilities	1,170,804	1,180,644	1,142,812
SHAREHOLDERS' EQUITY			
Common stock	\$ 11,952	\$ 11,310	\$ 16,895
Unearned restricted stock awards	(1,715)	(1,073)	(1,605)
Retained earnings	96,637	92,226	87,966
Accumulated other comprehensive income (loss)	(2,114)	(2,814)	(2,829)
Total shareholders' equity	104,760	99,649	100,427
Total liabilities and shareholders' equity	\$ 1,275,564	\$ 1,280,293	\$ 1,243,239

Ratios:

Nonperforming loans and leases to total loans and leases	0.66 %	0.65 %	0.68 %
Quarterly net charge-offs to average loans and leases (annualized)	0.30 %	0.26 %	0.02 %
Allowance for credit losses to total loans and leases	1.21 %	1.26 %	1.31 %
Book value per share (includes only vested stock)	\$ 51.15	\$ 48.65	\$ 46.14
Nonperforming loans	\$ 7,049	\$ 6,808	\$ 7,011
Nonperforming assets	\$ 7,049	\$ 6,808	\$ 7,011

CNB Community Bancorp, Inc.
Condensed Consolidated Statements of Income (Unaudited)

(Dollars in thousands, except per share data)

	Second Quarter 2025	Second Quarter 2024	% Change	For the Six Months Ended June 30,		% Change
	2025	2024		2025	2024	
Interest income	\$ 17,530	\$ 16,072	9.1%	\$ 34,814	\$ 32,267	7.9%
Interest expense	5,829	5,153	13.1%	11,790	10,808	10.0%
Net interest income	11,701	10,919	7.2%	23,024	21,459	7.3%
Provision for credit losses	146	150	(2.7%)	336	275	22.2%
Noninterest income:						
Service charges on deposit accounts	311	317	(1.7%)	605	629	(3.7%)
ATM service charges	608	619	(1.7%)	1,161	1,184	(1.9%)
Gain on sale of loans	116	144	(19.4%)	235	295	(20.4%)
Wealth Management	796	576	38.1%	1,511	1,114	35.6%
Other noninterest income	381	352	8.3%	739	748	(1.2%)
Total noninterest income	2,212	2,008	10.2%	4,251	3,970	7.1%
Noninterest expense:						
Compensation and benefits	5,686	5,133	10.8%	11,316	10,211	10.8%
Occupancy and equipment	1,590	1,427	11.4%	3,221	2,886	11.6%
ATM Expenses	474	397	19.4%	889	774	14.8%
Marketing and public relations	222	251	(11.6%)	445	509	(12.7%)
Professional services	247	193	27.5%	490	381	28.4%
Data Communications	503	441	14.2%	986	882	11.9%
Other expense	1,271	1,279	(0.6%)	2,502	2,451	2.1%
Total noninterest expense	9,993	9,121	9.6%	19,849	18,094	9.7%
Income before provision for income taxes	3,774	3,656	3.3%	7,090	7,060	0.4%
Provision for income taxes	752	716	5.0%	1,406	1,376	2.2%
Net income	\$ 3,022	\$ 2,940	2.8%	\$ 5,684	\$ 5,684	0.0%
Basic earnings per share*	\$ 1.48	\$ 1.35	9.3%	\$ 2.78	\$ 2.61	6.3%
Net interest margin as a percentage of average earning assets (fully taxable equivalent) (Bank Level)	3.91%	3.74%		3.81%	3.65%	
Return on average assets (ROA)	0.95%	0.96%		0.89%	0.92%	
Return on average equity (ROE)	11.71%	11.98%		11.27%	11.73%	

NOTES:

*Includes only vested stock