OPENING DOORS TOGETHER

CNB BANK SHARES, INC.

ANNUAL REPORT 2018

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WELCOME

The year 2018 marks the thirty-fifth year of your holding company's tenure as parent company of CNB Bank & Trust, NA. Yet it is 130 years since the founding of The Carlinville Bank in 1888, and 164 years since the founding of the original bank in Carrollton that is our oldest location. The doors to our customers' hopes and dreams that generations of CNB bankers have helped to open, utilizing well-designed banking products and services, are innumerable. We welcome you to review our past year through these pages, and trust you will believe, as we do, that our best years lie ahead.

CNB Customer, Brad Tullis
Owner of Hillcrest Storage in Taylorville, IL

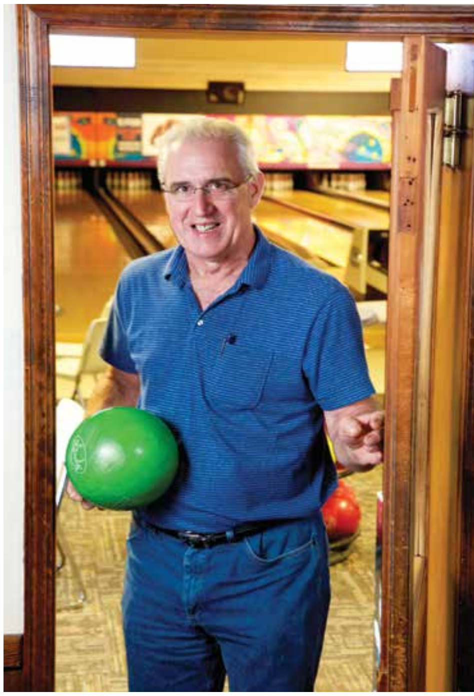
DEAR FELLOW SHAREHOLDERS,

Your bank holding company was very busy in 2018. In addition to running profitable banking operations during the year, we also closed on the acquisition of Jacksonville Bancorp, Inc., prepared for a computer conversion to consolidate our two banks, opened a new branch in the southern Cook County community of Tinley Park, and completed the steps necessary to allow trading of CNB Bank Shares, Inc. stock over the OTCQX platform.

The latter initiative began in September of 2017 with a 20 for 1 stock split, bringing the market value from nearly $340 per share to about $17 per share, a level the board believes will facilitate trading. To effectuate distribution of the additional shares into a more efficient form for trading, CNB engaged First Illinois Shareholder Services (a division of Hickory Point Bank in Decatur, IL) to serve as stock transfer agent. New shares were issued in book-entry (electronic) form, and stockholders were encouraged to also send in their paper certificates so that all their shares could be converted to book-entry.

At that time, a CUSIP (Committee on Uniform Security Identification Procedures) number was assigned to CNB Bank Shares, Inc. stock, which identifies the security as qualified for trading in book-entry form over the Depository Trust & Clearing Corporation (DTC) infrastructure. A final step was to apply and be approved for trading over an OTC (Over the Counter) Markets platform. The ticker symbol "CNBN" was assigned, and trading was then activated for CNB

HELPING TO OPEN DOORS **in our communities**

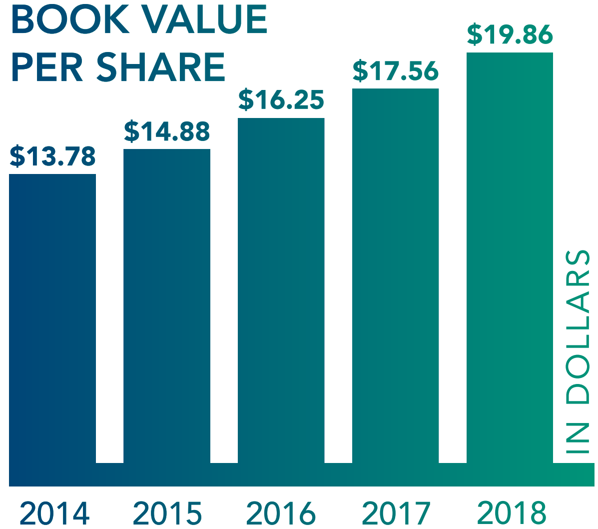


Left: CNB customers Nicole & Brad Hagen, home owners in Jerseyville, IL

Middle: CNB customer, Danny Smith, owner of DJ's Bar and Grill in Jerseyville, IL

Right: CNB customer, Don Wells, owner of Olde Bowl in Taylorville, IL

ADJUSTED BOOK VALUE PER SHARE



* Stockholders' equity adjusted by reversing net unrealized gain (or loss) on available-for-sale securities.

stock through any brokerage firm where our stockholders or outside investors choose to open an account. Yes, there are a lot of acronyms in the above explanation, yet rest assured this method of bookkeeping and trading is well-regulated and secure. From the OTCQX website: "To qualify for the OTCQX market, companies must meet high financial standards, follow best practice corporate governance, demonstrate compliance with U.S. securities laws, be current in their disclosure, and have professional third-party sponsor introduction." Our sponsor for OTCQX is the investment banking firm Keefe, Bruyette & Woods, Inc. (KBW) headquartered in New York…..please pardon an additional acronym.

KBW was also instrumental in helping us negotiate an acceptable offer for the purchase of Jacksonville Bancorp, Inc. (JSB). We had initiated discussion with JSB management several years prior, with both sides acknowledging the banks would be a "great fit" in a merger since our respective market areas and customer bases compliment each other so well. Yet our suggestion of a stock deal met with some resistance; many JSB stockholders would be more amenable to an all-cash transaction. Two years later talks resumed as KBW helped us structure the strength of our capital (including two more years of retained earnings), a reasonable level of senior debt from our correspondent bank, and a capital injection from banking asset management firm Castle Creek Capital. A definitive agreement was mutually signed in January of 2018 for CNB's purchase of 100% of the outstanding common stock of Jacksonville Bancorp, Inc. (and its wholly owned subsidiary Jacksonville Savings Bank) for cash of $36.7 million, following JSB's special dividend to their shareholders of approximately $24.4 million.

With regulatory and JSB stockholder approval in hand, we closed the transaction on June 4, 2018 (see Note 17 on page 42). A major portion of the funding came through the purchase by Castle Creek Capital Partners VI, LP of both common and non-voting preferred stock totaling nearly $29.8 million (see Note 11 on page 34). The Castle Creek investment represents a premium of 1.42 times the company's tangible book value on the closing date, at a purchase price of $19.86 per share.

As a result, our company became a two-bank holding company until which time we were prepared to merge them back into one bank. John Pietrzak of Castle Creek joined our holding company board, and has been quite insightful in sharing his knowledge

Ribbon Cutting Ceremony at the new Tinley Park location on June 26, 2018.

and experience as we grow into a billion-dollar-plus company. Rich Foss, JSB's former CEO, joined our CNB Bank & Trust board, and provides valuable continuity with JSB's history, management, and keys to success. During the second half of the year, several employees from each and every department of both banks worked together and with our mainframe computer software vendor to be ready for a conversion that would combine the data bases and financials of the banks into one. The final process of that conversion took place over the three-day weekend of February 16-18, 2019, with CNB Bank & Trust emerging as a $1.3 billion institution serving seventeen communities from Cook County, Illinois to St Louis County, Missouri.

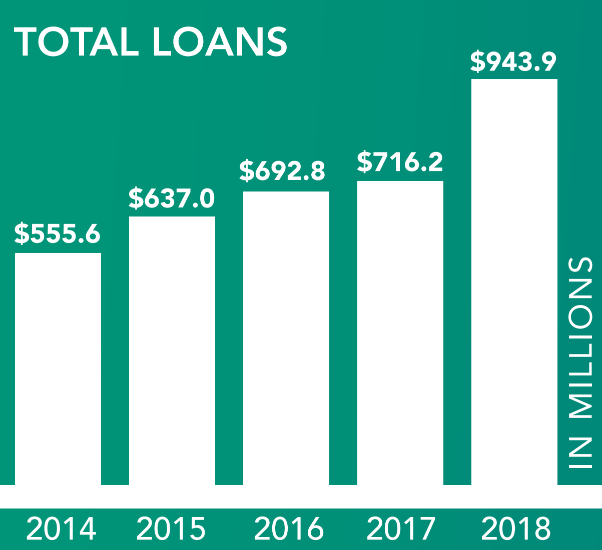
Back in 2010 when CNB consolidated the, then, four-bank holding company into one, we organized the branch structure into three regions. Region 3 was actually created that year with the opening of a new branch in Oak Forest, a community in southern Cook County. In 2014 another new branch was opened in Region 3 in the nearby community of Palos Heights. And now in April of 2018, CNB has opened its third de novo branch in the Region 3 community of Tinley Park. In each case the bank was able to remodel existing facilities and staff with local bankers. At Tinley Park a staff of seven has handled brisk account opening in both deposits ($20.5 million at 12/31/2018) and loans ($27 million at 12/31/2018), and reached profitability in November, well ahead of schedule. The entire three-branch region has grown to over $200 million in both deposits and loans at year-end, and contributed more than $2.3 million of our net profits during 2018. These more urban locations, along with our Region 2 branch in Clayton, Missouri, have helped us diversify our business with the more rural, agriculture-based communities we serve within our overall footprint.

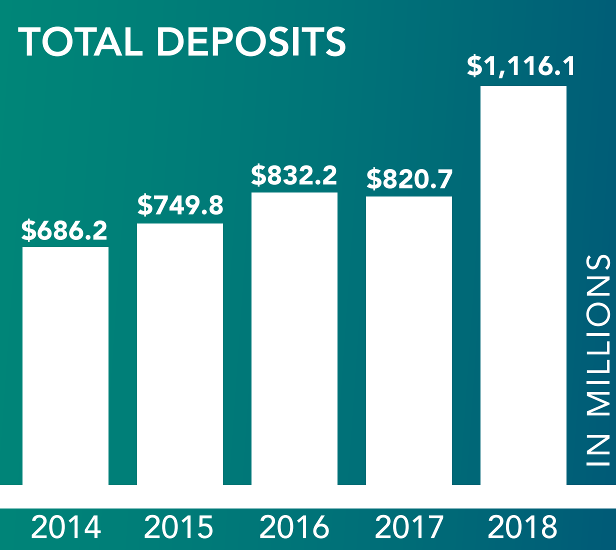
Now turning to a review of our audited financial statements beginning on page 8, it must be emphasized that comparison of the year 2018 with 2017 is distorted by the JSB acquisition. Nearly every line item of assets, liabilities, and equity show marked increase between the two year-ends, as shown on the Balance Sheets on page 9. For instance, while total loans increased nearly $228 million, the amount of net loans acquired were approximately $190 million of that total. The difference of $38 million represents "organic" growth of just over 5%. The "unamortized discount on purchased loans" will be accredited into income over the next three years. More detail for this accounting treatment is presented in Note 1 under the section titled "Loans Acquired Through Transfer" on page 16.

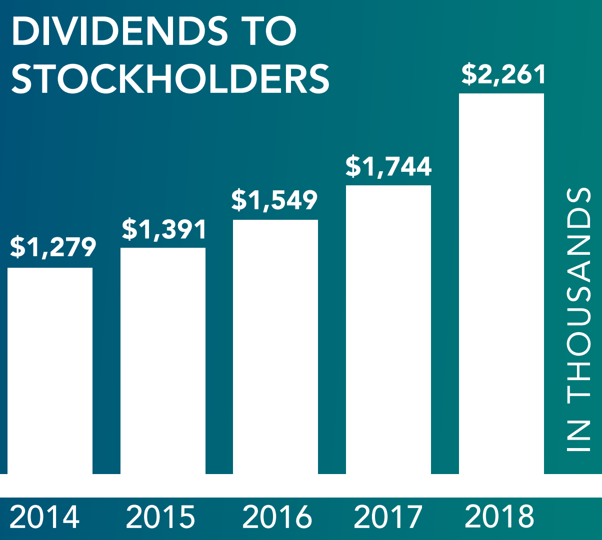
Similarly, the $295 million increase in total deposits includes acquired deposits of $273 million; so organic growth of $22 million represents a 2.3% increase in that measure. Details for the acquisition related increase in "notes payable" are presented in Note 10 on page 34.

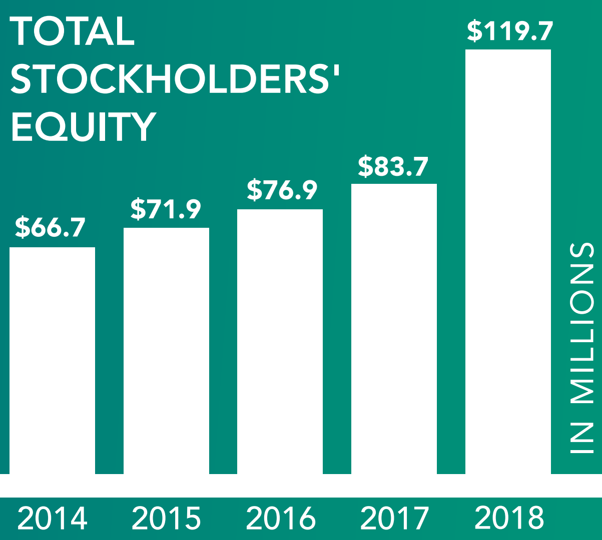
The Castle Creek capital injection of nearly $30 million that allowed for CNB's acquisition of JSB is reflected in preferred stock, common stock, and surplus. This experienced, banking-sector investor group has expressed confidence in the value of CNB's expansion in total footings and related profitability potential by investing at a 1.42 multiple of tangible book value. Our board will work with Castle Creek in the coming years to determine best strategies for continuity of capital support.

Naturally, the Statements of Income on page 10 also show significant increases in nearly every line item due to the acquisition. The main component of profitability, net interest income, shows an increase of more than 22%. Noninterest income contributions from JSB include those from fiduciary activities, mortgage banking revenues, and investment brokerage fees (part of "other noninterest income"). Yet in 2018 the improvements in these income line items are more than offset by the impact, due to the acquisition, of several "one time" increases in certain expense categories. Chief among









these are "salaries and employee benefits" that include change-in-control related accelerated benefits, as well as negotiated severance packages for JSB staff. Also, as would be expected with any acquisition and merger activity, the "legal and professional fees" expense was especially high. Other expense line items reflect increases of a larger organization. The result was a decline in "income before applicable income taxes" of more than $1 million; yet due to recent income tax reform legislation, "applicable income tax expense" declined from more than 39% effective rate in 2017 to just 23.5% in 2018, resulting in a 15% improvement in net income.

The Statements of Stockholders' Equity on page 12 shows the preferred and common stock issuance of the Castle Creek investment previously highlighted. In addition, customary stock option transactions are reflected in the purchase and sale of shares through the company's treasury. Cash dividends to shareholders were raised from $0.37 in 2017 to $0.39 in 2018, a 5.4% increase; yet total dollars paid in cash dividends went up 29.7% due to the increase in shares issued.

The Statements of Cash Flow on page 13 also reflect the major impact of stock issuance, as well as the increases in both loans and deposits. Also worth noting is the increase of 34% in "mortgage loans originated for sale in secondary market", which is encouraging in a rising rate environment, yet possible due to the residential mortgage operations of two banks.

Note 16 on page 40 reviews regulatory capital requirements. This year the ratios are broken-out for both CNB and JSB, and although the acquisition resulted in a slight decline in the ratios from 2017 levels, all capital measures continue to exceed the definitions for both "adequacy" and to be considered "well-capitalized".

Looking towards the remainder of 2019, two major economic trends are especially impacting our segment of the banking industry. First and foremost are the interest rate hikes made to-date and forecast by the U.S. Federal Reserve Bank. During and after the Great Recession, rates were pulled down so low, and held there so long, that a move towards "normalizing" levels can make it difficult for borrowers to cover increased interest costs with more static levels of revenue. It's understood that the Fed desires to rebuild a "cushion" of higher rates so that they can help moderate future economic swings, yet many economists feel the current pace of hikes is excessive.

A second trend for farmers has been depressed grain prices, particularly on soybeans. Increased tariffs have helped create an expected surplus supply, with lower prices partially bolstered by government subsidies. In general, Midwest farmers have become increasingly more adept at managing their margins with timely marketing, crop insurance, and hedging strategies. Yet the challenge remains, as input costs tend to be volatile.

Of course, there are many other factors that impact the general and local economies, too numerous for discussion here. Each year we prepare projections in the form of a budget and a capital plan that define a range of expectations. While our accountants and attorneys caution us about providing "forward-looking statements", suffice it to say that even the conservative end of our projected range for profitability in 2019 supports the increased market value of our $1.3 billion institution. We look forward to helping customers and investors alike open doors in the years ahead.

James T. Ashworth
President & Vice Chairman, CNB Bank Shares, Inc.

Shawn Davis
President & CEO, CNB Bank & Trust, N.A.
CEO, Jacksonville Savings Bank

Anywhere access to CNB Bank Shares Inc. 2018 Annual Report, online at www.cnbil.com.

Cummings, Ristau & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

The Board of Directors
CNB Bank Shares, Inc.:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of CNB Bank Shares, Inc. and subsidiaries, which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CNB Bank Shares, Inc. and subsidiaries as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Cummings, Ristau & Associates, P.C.

St. Louis, Missouri
February 19, 2019

CNB BANK SHARES, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2018 and 2017

ASSETS	**2018**	2017
Cash and due from banks (note 2)	$ **14,066,757**	32,216,948
Interest-earning deposits in other financial institutions	**66,244,670**	22,238,980
Investments in available-for-sale debt and equity securities (note 3)	**214,937,311**	148,895,251
Mortgage loans held for sale	**442,000**	469,180
Loans (notes 4 and 9)	**943,908,478**	716,150,270
Less:		
Deferred loan fees, net of related costs	**(672,993)**	(515,184)
Unamortized discount on purchased loans	**(1,830,680)**	–
Reserve for possible loan losses	**(10,382,768)**	(8,579,439)
Net loans	**931,022,037**	707,055,647
Bank premises and equipment, net (note 5)	**16,967,116**	13,157,360
Accrued interest receivable	**9,333,717**	6,971,229
Bank-owned life insurance policies (note 12)	**12,422,272**	4,901,869
Identifiable intangible assets, net of accumulated amortization of $6,900,493 and $5,471,974 at December 31, 2018 and 2017, respectively	**5,426,582**	753,816
Goodwill	**21,415,712**	4,526,325
Other assets (note 7)	**15,525,407**	4,685,030
	$ **1,307,803,581**	945,871,635

LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits (note 6):		
Noninterest-bearing	$ **185,714,853**	132,666,564
Interest-bearing	**930,382,704**	688,017,673
Total deposits	**1,116,097,557**	820,684,237
Short-term borrowings (note 8)	**25,029,171**	15,173,266
Accrued interest payable	**1,724,579**	1,056,947
Federal Home Loan Bank borrowings (note 9)	**21,666,069**	16,507,690
Notes payable (note 10)	**7,546,925**	1,846,925
Other liabilities (note 12)	**16,077,794**	6,922,172
Total liabilities	**1,188,142,095**	862,191,237
Commitments and contingencies (notes 13 and 15)		
Stockholders' equity (notes 11, 14, and 16):		
Preferred stock and related surplus, $0.01 par value; 200,000 shares authorized, 9,745 shares issued at December 31, 2018	**19,352,310**	–
Common stock, $0.05 par value; 20,000,000 shares authorized, 5,779,659 and 5,254,200 shares issued and outstanding at December 31, 2018 and 2017, respectively	**288,983**	262,710
Surplus	**19,499,123**	8,929,106
Retained earnings	**87,128,813**	79,966,720
Treasury stock, at cost – 450,707 and 476,320 shares at December 31, 2018 and 2017, respectively	**(5,524,609)**	(5,265,582)
Accumulated other comprehensive income (loss) – net unrealized holding losses on available-for-sale securities	**(1,083,134)**	(212,556)
Total stockholders' equity	**119,661,486**	83,680,398
	$ **1,307,803,581**	945,871,635

CNB BANK SHARES, INC. AND SUBSIDIARIES

Consolidated Statements of Income

Years ended December 31, 2018 and 2017

	2018	2017
Interest income:		
Interest and fees on loans (note 4)	**$ 43,485,700**	34,432,532
Interest and dividends on debt and equity securities:		
Taxable	**3,053,742**	2,159,438
Exempt from federal income taxes	**2,362,985**	1,792,681
Interest on short-term investments	**736,962**	464,968
Total interest income	**49,639,389**	38,849,619
Interest expense:		
Interest on deposits (note 6)	**8,273,617**	5,325,417
Interest on short-term borrowings (note 8)	**241,595**	66,607
Interest on longer-term Federal Home Loan Bank borrowings (note 9)	**357,595**	204,913
Interest on notes payable (note 10)	**249,025**	87,037
Total interest expense	**9,121,832**	5,683,974
Net interest income	**40,517,557**	33,165,645
Provision for possible loan losses (note 4)	**3,101,114**	2,254,528
Net interest income after provision for possible loan losses	**37,416,443**	30,911,117
Noninterest income:		
Service charges on deposit accounts	**1,775,060**	1,321,266
Card-based revenue	**1,448,937**	1,033,566
Income from fiduciary activities	**1,134,594**	1,253,545
Mortgage banking revenues	**1,423,936**	1,191,233
Increase in cash surrender value of life insurance policies	**153,621**	113,201
Net gains on sales of investment securities (note 3)	**31,066**	51,096
Other noninterest income (note 5)	**2,091,169**	841,166
Total noninterest income	**8,058,383**	5,805,073
Noninterest expense:		
Salaries and employee benefits (notes 11 and 12)	**18,666,151**	13,655,441
Occupancy and equipment expense (note 5)	**4,137,096**	3,232,416
Legal and professional fees	**3,087,661**	730,789
Postage, printing, and supplies	**702,376**	506,876
Amortization of intangible assets	**832,840**	602,833
Other real estate owned expense	**98,669**	146,125
Advertising expense	**786,299**	733,679
FDIC insurance assessments	**610,670**	554,000
Other noninterest expense	**4,228,349**	3,071,311
Total noninterest expense	**33,150,111**	23,233,470
Income before applicable income taxes	**12,324,715**	13,482,720
Applicable income tax expense (note 7)	**2,901,491**	5,290,805
Net income	**$ 9,423,224**	8,191,915

CNB BANK SHARES, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

Years ended December 31, 2018 and 2017

	2018	2017
Net income	**$ 9,423,224**	8,191,915
Other comprehensive income (loss) before tax:		
Net unrealized gains (losses) on available-for-sale debt and equity securities	**(1,070,932)**	651,730
Reclassification adjustments for net security sale gains included in noninterest income in the consolidated statements of income	**(31,066)**	(51,096)
Other comprehensive income (loss) before tax	**(1,101,998)**	600,634
Deferred tax adjustment for tax rate change relating to items in other comprehensive income	–	(34,978)
Income tax related to items of other comprehensive income (loss), net of $6,524 and $17,373 in 2018 and 2017, respectively, relating to amounts reclassified out of accumulated other comprehensive income (loss)	**231,420**	(204,216)
Total other comprehensive income (loss), net of tax	**(870,578)**	361,440
Total comprehensive income	**$ 8,552,646**	8,553,355

See accompanying notes to consolidated financial statements.

CNB BANK SHARES, INC. AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity

Years ended December 31, 2018 and 2017

	Preferred stock and related surplus	Common stock	Surplus	Retained earnings	Treasury stock	Accumulated other comprehensive loss	Total stock-holders' equity
Balance at December 31, 2016	$ –	262,710	8,678,204	73,483,743	(4,923,207)	(573,996)	76,927,454
Net income	–	–	–	8,191,915	–	–	8,191,915
Compensation expense recorded for stock options granted	–	–	26,830	–	–	–	26,830
Cash dividends paid – $0.37 per share	–	–	–	(1,743,916)	–	–	(1,743,916)
Purchase of 80,200 common shares for treasury	–	–	–	–	(1,287,637)	–	(1,287,637)
Stock options exercised – 90,040 common shares from treasury	–	–	84,044	–	945,262	–	1,029,306
Tax benefit received on sale of shares from disqualified stock options	–	–	140,028	–	–	–	140,028
Deferred tax adjustment for tax rate change relating to items in other comprehensive income	–	–	–	34,978	–	(34,978)	–
Unrealized net holding gains on available-for-sale securities, net of related tax effect	–	–	–	–	–	396,418	396,418
Balance at December 31, 2017	–	262,710	8,929,106	79,966,720	(5,265,582)	(212,556)	83,680,398
Net income	**–**	**–**	**–**	**9,423,224**	**–**	**–**	**9,423,224**
Compensation expense recorded for stock options granted	**–**	**–**	**25,342**	**–**	**–**	**–**	**25,342**
Cash dividends paid – $0.39 per share	**–**	**–**	**–**	**(2,261,131)**	**–**	**–**	**(2,261,131)**
Issuance of 9,745 shares of preferred stock	**19,352,310**	**–**	**–**	**–**	**–**	**–**	**19,352,310**
Issuance of 525,459 shares of common stock	**–**	**26,273**	**10,410,284**	**–**	**–**	**–**	**10,436,557**
Purchase of 75,027 common shares for treasury	**–**	**–**	**–**	**–**	**(1,412,143)**	**–**	**(1,412,143)**
Stock options exercised – 100,640 common shares from treasury	**–**	**–**	**134,391**	**–**	**1,153,116**	**–**	**1,287,507**
Unrealized net holding losses on available-for-sale securities, net of related tax effect	**–**	**–**	**–**	**–**	**–**	**(870,578)**	**(870,578)**
Balance at December 31, 2018	**$ 19,352,310**	**288,983**	**19,499,123**	**87,128,813**	**(5,524,609)**	**(1,083,134)**	**119,661,486**

See accompanying notes to consolidated financial statements.

CNB BANK SHARES, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Net income	$ **9,423,224**	8,191,915
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**2,586,798**	3,116,283
Provision for possible loan losses	**3,101,114**	2,254,528
Net security sale gains	**(31,066)**	(51,096)
Net cash gains on sales of mortgage loans in secondary market	**(414,873)**	(388,793)
Capitalized mortgage servicing rights	**(281,497)**	(242,195)
Net losses (gains) and write-downs on sales of other real estate owned	**(55,461)**	120,174
Deferred income tax expense (benefit)	**(5,497)**	812,845
Stock option expense	**25,342**	26,830
Increase in accrued interest receivable	**(685,063)**	(613,384)
Increase in accrued interest payable	**537,808**	245,407
Mortgage loans originated for sale in secondary market	**(32,741,956)**	(24,366,704)
Proceeds from mortgage loans sold in secondary market	**33,407,409**	24,608,293
Increase in cash surrender value of life insurance policies, net of mortality costs	**(155,618)**	(113,201)
Other operating activities, net	**(5,297,975)**	1,270,103
Net cash provided by operating activities	**9,412,689**	14,871,005
Cash flows from investing activities:		
Net cash paid for acquisition of subsidiary	**(30,044,491)**	–
Proceeds from calls and maturities of and principal payments on available-for-sale debt securities	**23,711,851**	23,489,472
Purchases of available-for-sale debt and equity securities	**(6,741,403)**	(25,685,246)
Proceeds from sales of available-for-sale debt securities	**23,648,022**	1,949,892
Redemption of Federal Home Loan Bank stock	**640,773**	806,054
Net increase in loans	**(35,832,467)**	(26,022,879)
Purchases of bank premises and equipment, net	**(1,106,640)**	(926,032)
Proceeds from sale of other real estate owned	**400,007**	214,410
Proceeds from redemption of life insurance contract	**–**	50,000
Net cash used in investing activities	**(25,324,348)**	(26,124,329)
Cash flows from financing activities:		
Net increase (decrease) in deposits	**21,951,310**	(11,485,334)
Net increase in short-term borrowings	**6,454,369**	1,031,202
Proceeds from notes payable	**6,700,000**	–
Principal payments on notes payable	**(1,000,000)**	(1,000,000)
Proceeds from Federal Home Loan Bank borrowings	**7,000,000**	11,000,000
Payments of Federal Home Loan Bank borrowings	**(26,741,621)**	(3,380,693)
Stock options exercised	**1,287,507**	1,029,306
Issuance of preferred stock	**19,352,310**	–
Issuance of common stock	**10,436,557**	–
Purchase of treasury stock	**(1,412,143)**	(1,287,637)
Dividends paid	**(2,261,131)**	(1,743,916)
Net cash provided by (used in) financing activities	**41,767,158**	(5,837,072)
Net increase (decrease) in cash and cash equivalents	**25,855,499**	(17,090,396)
Cash and cash equivalents at beginning of year	**54,455,928**	71,546,324
Cash and cash equivalents at end of year	$ **80,311,427**	54,455,928

See accompanying notes to consolidated financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CNB Bank Shares, Inc. (the Company) provides a full range of banking services to individual and corporate customers throughout south-central Illinois, suburban southwestern Chicago, and the St. Louis metropolitan area, through its wholly owned subsidiaries banks, CNB Bank & Trust, N.A. and Jacksonville Savings Bank (hereinafter referred to as "the Banks"). The Company and Banks are subject to competition from other financial and nonfinancial institutions providing financial products throughout the Company's market areas. Additionally, the Company and Banks are subject to the regulations of certain federal and state agencies and undergo periodic examinations by those regulatory agencies.

The accounting and reporting policies of the Company and Banks conform to generally accepted accounting principles within the financial services industry. In compiling the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates that are particularly susceptible to change in a short period of time include the determination of the reserve for possible loan losses; valuation of other real estate owned, stock options, and acquisition assets and liabilities; and determination of possible impairment of intangible assets. Actual results could differ from those estimates.

Following is a description of the more significant of the Company's accounting policies:

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and Banks. All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Accounting

The Company and Banks utilize the accrual basis of accounting, which includes in the total of net income all revenues earned and expenses incurred, regardless of when actual cash payments are received or paid. The Company is also required to report comprehensive income, of which net income is a component. Comprehensive income is defined as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from nonowner sources, including all changes in equity during a period, except those resulting from investments by, and distributions to, owners, and cumulative effects of any changes in accounting principles or tax benefits of capital transactions recorded directly to capital accounts. The components of accumulated other comprehensive loss are as follows at December 31, 2018 and 2017:

	2018	2017
Net unrealized losses on available-for-sale securities	**$ (1,371,056)**	(269,058)
Deferred tax effect	**287,922**	56,502
	$ (1,083,134)	(212,556)

Cash Flow Information

For purposes of the consolidated statements of cash flows, cash equivalents include cash and due from banks and interest-earning deposits in other financial institutions (all of which are payable upon demand). Certain balances maintained in other financial institutions generally exceed the level of deposits insured by the Federal Deposit Insurance Corporation. Following is certain supplemental information relating to the Company's consolidated statements of cash flows for the years ended December 31, 2018 and 2017:

	2018	2017
Cash paid for:		
Interest	**$ 8,584,024**	5,438,567
Income taxes	**3,539,000**	3,843,000
Noncash transactions:		
Transfers to other real estate owned in settlement of loans	**487,016**	325,583
Transfer to bank premises from other real estate owned	**79,865**	–
Loans made to facilitate the sale of other real estate owned	**52,003**	–
Tax benefit received on sale of shares from disqualified stock options	–	140,028

Investments in Debt and Equity Securities

The Company classifies its debt securities into one of three categories at the time of purchase: trading, available-for-sale, or held-to-maturity. Trading securities would be bought and held principally for the purpose of selling them in the near term. Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. All other debt securities not included in trading or held-to-maturity, and any equity securities, are classified as available-for-sale.

Trading and available-for-sale securities are recorded at fair value. Held-to-maturity securities (for which no securities were so designated at December 31, 2018 and 2017) would be recorded at amortized cost, adjusted for the amortization of premiums or accretion of discounts. Holding gains and losses on trading securities (for which no securities were so designated at December 31, 2018 and 2017) would be included in earnings. Unrealized holding gains and losses, net of the related tax effect, on available-for-sale securities are excluded from earnings and reported as a component of other comprehensive income in stockholders' equity until realized. Transfers of securities between categories would be recorded at fair value at the date of transfer. Unrealized holding gains and losses would be recognized in earnings for any transfers into the trading category.

Mortgage-backed securities represent participating interests in pools of long-term first mortgage loans originated and serviced by the issuers of the securities. Amortization of premiums and accretion of discounts for mortgage-backed securities are recognized as interest income using the interest method, which considers the timing and amount of prepayments of the underlying mortgages in estimating future cash flows for individual mortgage-backed securities. For other debt securities, premiums and discounts are amortized or accreted over the lives of the respective securities, with consideration of historical and estimated prepayment rates, as an adjustment to yield using the interest method. Dividend and interest income is recognized when earned. Realized gains and losses from the sale of any securities classified as available-for-sale are included in earnings and are derived using the specific identification method for determining the cost of securities sold.

Declines in the fair value of debt securities below their cost that are deemed to be other-than-temporary are reflected in operations as realized losses. In estimating other-than-temporary impairment losses, management systematically evaluates investment securities for other-than-temporary declines in fair value on a quarterly basis. The analysis requires management to consider various factors, which include the present value of the cash flows expected to be collected compared to the amortized cost of the security, the duration and magnitude of the decline in value, the financial condition of the issuer or issuers, the structure of the security, and the intent to sell the security or whether it is more likely than not that the Company would be required to sell the security before its anticipated recovery in market value.

Loans

Interest on loans is credited to income based on the principal amount outstanding. Loans are considered delinquent whenever interest and/or principal payments have not been received when due. The recognition of interest income is generally discontinued when a loan becomes 90 days delinquent or when, in management's judgment, the interest is not collectible in the normal course of business. Subsequent payments received on such loans are applied to principal if any doubt exists as to the collectibility of such principal; otherwise, such receipts are recorded as interest income. Loans are returned to accrual status when management believes full collectibility of principal and interest is expected. The Banks consider a loan impaired when all amounts due, both principal and interest, will not be collected in accordance with the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. When measuring impairment for such loans, the expected future cash flows of an impaired loan are discounted at the loan's effective interest rate. Alternatively, impairment is measured by reference to an observable market price, if one exists, or the fair value of the collateral for a collateral-dependent loan; however, the Company measures impairment based on the fair value of the collateral, using observable market prices, if foreclosure is probable.

Loan origination fees and certain direct loan origination costs are deferred and recognized as an adjustment to interest income over the lives of the related loans using the interest method.

The reserve for possible loan losses is available to absorb loan charge-offs. The reserve is increased by provisions charged to operations and is reduced by loan charge-offs less recoveries. Loans are partially or fully charged off when Bank management believes such amounts are uncollectible, either through collateral liquidation or cash payment. Management utilizes a systematic, documented approach in determining the appropriate level of the reserve for possible loan losses. The level of the reserve reflects management's continuing evaluation of industry concentrations; specific credit risks; loan loss experience; current loan portfolio quality; present economic, political, and regulatory conditions; and probable losses inherent in the current loan portfolio. The determination of the appropriate level of the reserve for possible loan losses inherently involves a degree of subjectivity and requires the Banks to make significant estimates of current credit risks and future trends, all of which may undergo material changes. Changes in economic conditions affecting borrowers, new information regarding existing loans, identification of additional problem loans, and other factors, both within and outside of the Banks' control, may require an increase in the reserve for possible loan losses.

Management believes the reserve for possible loan losses is adequate to absorb losses in the loan portfolio. While management uses available information to recognize losses on loans, future additions to the reserve may be necessary based on changes in economic conditions. Additionally, various regulatory agencies, as an integral part of the examination process, periodically review the Banks' reserve for possible loan losses. Such agencies may require the Banks to add to the reserve for possible loan losses based on their judgments and interpretations about information available to them at the time of their examinations.

Loans Acquired Through Transfer

Loans acquired through the completion of a transfer, including loans acquired in a business combination, that have evidence of deterioration of credit quality since origination and for which it is probable, at acquisition, that the Company will be unable to collect all contractually required payments receivable are initially recorded at fair value (as determined by the present value of expected future cash flows) with no valuation allowance. The difference between the undiscounted cash flows expected at acquisition and the investment in the loans, or the "accretable yield," is recognized as interest income using a model which approximates a level-yield method over the life of the loans. Contractually required payments for interest and principal that exceed the undiscounted cash flows expected at acquisition, or the "nonaccretable difference," are not recognized as a yield adjustment or as a loss accrual or a valuation allowance. Decreases in expected cash flows due to an inability to collect contractual cash flows are recognized as impairment through the provision for loan losses account. Any reserve for loan losses on these loans reflects only losses incurred after the acquisition (meaning the present value of all cash flows expected at acquisition that ultimately are not to be received). Any disposals of loans, including sales of loans, payments in full, or foreclosures, result in the removal of the loan from the loan pool at the carrying amount, with differences in actual results reflected in interest income. Following is a summary of activity in the unamortized discount on purchased loans from the Jacksonville Bancorp, Inc. acquisition in 2018 for the year ended December 31, 2018:

Original purchase discount for loans	$ 2,728,287
Accretable yield for 2018 recorded as interest income	(545,655)
Nonaccretable yield adjustment for payoff on a purchased impaired credit	(351,952)
Balance of purchase discount on loans at December 31, 2018	$ 1,830,680

Bank Premises and Equipment

Bank premises and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization of premises and equipment is computed over the expected lives of the assets or related lease term for leasehold improvements using the straight-line method. Estimated useful lives are generally 39 years for premises and 3 to 15 years for building and leasehold improvements, furniture, fixtures, and equipment. Expenditures for major renewals and improvements of bank premises and equipment are capitalized (including related interest costs), and those for maintenance and repairs are expensed as incurred.

Bank premises and equipment and other long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. In such situations, recoverability of assets to be held and used would be measured by a comparison of the carrying amount of the assets to future net cash flows expected to be generated by the assets. If such assets were considered to be impaired, the impairment to be recognized would be measured by the amount by which the carrying amount of the assets exceeded the fair value of the assets, using observable market prices. Assets to be disposed are reported at the lower of the carrying amount or fair value, less estimated selling costs.

Other Real Estate Owned

Other real estate owned represents property acquired through foreclosure, or deeded to the Banks in lieu of foreclosure, for loans on which the borrowers have defaulted as to payment of principal and interest. Properties acquired are initially recorded at the lower of the Banks' carrying amount or fair value using observable market prices (less estimated selling costs), and carried in other assets in the consolidated balance sheets. Other real estate owned (all of which was residential real estate properties) at December 31, 2018 and 2017 totaled $271,699 and $250,597, respectively. Valuations are periodically performed by management, and an allowance for losses is established by means of a charge to noninterest expense if the carrying value of a property exceeds its fair value, less estimated selling costs. Subsequent increases in the fair value less estimated selling costs are recorded through a reversal of the allowance, but not below zero. Costs related to development and improvements of property are capitalized, while costs relating to holding the property are expensed. The Banks had $44,000 of residential real estate loans in process of foreclosure at December 31, 2018, and no such foreclosures in process at December 31, 2017.

Intangible Assets

Identifiable intangible assets include the mortgage servicing rights described below under "Mortgage Banking Operations" and core deposit premiums relating to the Company's various bank acquisitions, which are being amortized into noninterest expense on straight-line and accelerated bases over periods ranging from 10 to 15 years. Amortization of the core deposit intangible assets existing at December 31, 2018 will be $489,382 in 2019, $467,784 in 2020, $467,784 in 2021, $467,784 in 2022, $467,784 in 2023, and $2,105,030 thereafter.

The excess of the Company's consideration given in each subsidiaries acquisition transaction over the fair value of the net assets acquired is recorded as goodwill, an intangible asset on the consolidated balance sheets. Goodwill is the Company's only intangible asset with an indefinite useful life, and the Company is required to test the intangible asset for impairment on an annual basis. Impairment is measured as the excess of carrying value over the fair value of an intangible asset with an indefinite life. No impairment write-downs were required in 2018 or 2017.

Federal Home Loan Bank and Federal Reserve Bank Stock

Included in other assets are the Banks' investments in the common stock of the Federal Home Loan Bank of Chicago, which is administered by the Federal Housing Finance Board, and Federal Reserve Bank stock. As member of the Federal Home Loan Bank system, the Banks are required to maintain a minimum investment in the capital stock of the Federal Home Loan Bank of Chicago. National banks are also required to maintain stock in the Federal Reserve Bank. The Federal Home Loan Bank and Federal Reserve Bank stock is recorded at cost, which represents redemption value. At December 31, 2018 and 2017, the carrying amount of this investment was $2,357,868 and $1,648,641, respectively.

Securities Sold Under Repurchase Agreements

The Banks enter into sales of securities under agreements to repurchase at specified future dates. Such repurchase agreements are considered financing arrangements and, accordingly, the obligation to repurchase assets sold is reflected as a liability in the consolidated balance sheets. Repurchase agreements are collateralized by debt securities which are under the control of the Banks.

Reserve for Unfunded Commitments

A reserve for unfunded commitments is maintained at a level believed by management to be sufficient to absorb estimated probable losses related to unfunded credit facilities (including unfunded loan commitments and letters of credit) and is included in other liabilities in the consolidated balance sheets. The determination of the appropriate level of the reserve is based upon an evaluation of the unfunded credit facilities, including an assessment of historical commitment utilization experience and credit risk grading. Net adjustments to the reserve for unfunded commitments are included in other noninterest expense in the consolidated statements of income.

Income Taxes

The Company and Banks file consolidated federal and state income tax returns. Applicable income taxes are computed based on reported income and expenses, adjusted for permanent differences between reported and taxable income. Penalties and interest assessed by income taxing authorities are included in income tax expense in the year assessed, unless such amounts relate to an uncertain tax position. The Company had no uncertain tax positions at December 31, 2018 and 2017.

The Company uses the asset and liability method of accounting for income taxes, in which deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period which includes the enactment date. Such a change occurred in 2017 with the December 22, 2017 enactment of the Tax Cuts and Jobs Act, which reduced the future federal income tax rate from 34% to 21%. The result of this revaluation was a net increase in income tax expense of $690,978 recorded in the Company's 2017 operations, which included additional income tax expense of $34,978 relating to items included in other comprehensive income.

The Company has not had its consolidated federal income tax returns examined by the taxing authorities for several years, while the State of Illinois is presently conducting an examination of the Company's 2017, 2016, and 2015 state income tax returns. The Company's consolidated federal and state income tax returns are generally subject to examination by the Internal Revenue Service and State of Illinois for three years after they are filed. The Company does not expect any material adjustments to result from the State of Illinois' current examination.

Mortgage Banking Operations

The Banks' mortgage banking operations include the origination of long-term, fixed-rate residential mortgage loans for sale in the secondary market. Upon receipt of an application for a residential real estate loan, the Banks generally lock in an interest rate with the applicable investor and, at the same time, lock into an interest rate with the customer. This practice minimizes the exposure to risk resulting from interest rate fluctuations. Upon disbursement of the loan proceeds to the customer, the loan is delivered to the applicable investor. Sales proceeds are generally received shortly thereafter. Therefore, no loans held for sale are included in the Banks' loan portfolios at any point in time, except those loans for which the sale proceeds have not yet been received. Such loans are maintained at the lower of cost or fair value, based on the outstanding commitment from the applicable investors for such loans.

Loan origination fees are recognized upon the sale of the related loans and included in the consolidated statements of income as noninterest income from mortgage banking operations. Additionally, loan administration fees, representing income earned from servicing certain loans sold in the secondary market, are calculated on the outstanding principal balances of the loans serviced and recorded as noninterest income as earned.

For certain loans sold in the secondary market, the Banks retain the rights to service such loans. Accordingly, the Banks have recognized as separate assets the rights to service mortgage loans for others at the origination date of the loan. These capitalized mortgage servicing rights are included as identifiable intangible assets in the consolidated financial statements and are reviewed on a quarterly basis for impairment, based on the estimated fair value of those rights. The value of mortgage servicing rights is determined based on the present value of estimated future cash flows, using assumptions as to a current market discount rate, prepayment speeds, and servicing costs per loan. Mortgage servicing rights are amortized in proportion to, and over the period of, estimated net servicing income.

At December 31, 2018 and 2017, the Banks serviced loans totaling $336,796,517 and $218,988,881, respectively, and the net unamortized balances of mortgage servicing rights were $961,034 and $442,105, respectively. No valuation reserve was required on the mortgage servicing rights at December 31, 2018 and 2017, as Company management believes that the 0.29% and 0.20% of total serviced loans represented by the mortgage servicing rights at December 31, 2018 and 2017, respectively, are less than the amount for which such servicing rights could be sold.

Financial Instruments

For purposes of information included in note 15 regarding disclosures about financial instruments, financial instruments are defined as cash, evidence of an ownership interest in an entity, or a contract that both (a) imposes on one entity a contractual obligation to deliver cash or another financial instrument to a second entity or to exchange other financial instruments on potentially unfavorable terms with the second entity, and (b) conveys to that second entity a contractual right to receive cash or another financial instrument from the first entity or to exchange other financial instruments on potentially favorable terms with the first entity.

Stock Options

Compensation costs relating to share-based payment transactions are recognized in the Company's consolidated financial statements over the period of service to which such compensation relates (generally the vesting period), and are measured based on the fair value of the equity or liability instruments issued. The grant date values of employee share options are estimated using option-pricing models adjusted for the unique characteristics of those instruments. If an equity award is modified after the grant date, incremental compensation cost would be recognized in an amount equal to the excess of the fair value of the modified award over the fair value of the original award immediately before the modification.

Fair Value Measurements

The Company uses fair value measurements to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods, including market, income, and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Company is required to provide the following information according to the fair value hierarchy. Financial assets and liabilities carried or reported at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

- Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

- Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or value assigned to such assets or liabilities.

While certain assets and liabilities may be recorded at the lower of cost or fair value as described above on a nonrecurring basis (e.g., impaired loans, loans held for sale, other real estate owned), the only assets or liabilities recorded at fair value on a recurring basis are the Company's Bank-owned life insurance policies and investments in available-for-sale debt and equity securities. No other assets and liabilities are recorded at fair value on a recurring or nonrecurring basis. The Bank-owned life insurance policies are valued at their cash surrender value using Level 1 valuation inputs. The Company's available-for-sale debt and equity securities are measured at fair value using Level 2 valuation inputs. For the securities valued using Level 2 inputs, the market valuation utilizes several sources which include observable inputs rather than "significant unobservable inputs" and, therefore, fall into the Level 2 category, and are based on dealer quotes, market spreads, the U.S. Treasury yield curve, trade execution data, market consensus, prepayment speeds, credit information, and the bonds' terms and conditions at the security level.

The following tables summarize the Company's assets and liabilities measured at fair value on a recurring basis as of December 31, 2018 and 2017:

	December 31, 2018			
	Quoted prices in active markets for identical assets (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total fair value**
Assets:				
Investments in available-for-sale debt and equity securities:				
Obligations of U.S. government agencies and corporations	**$ –**	**23,787,193**	**–**	**23,787,193**
Obligations of states and political subdivisions	**–**	**101,832,944**	**–**	**101,832,944**
Mortgage-backed securities	**–**	**89,107,379**	**–**	**89,107,379**
Equity securities	**–**	**209,795**	**–**	**209,795**
Total available-for-sale debt and equity securities	**–**	**214,937,311**	**–**	**214,937,311**
Life insurance policies	**12,422,272**	**–**	**–**	**12,422,272**
	$ 12,422,272	**214,937,311**	**–**	**227,359,583**

	December 31, 2017			
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Assets:				
Investments in available-for-sale debt and equity securities:				
Obligations of U.S. government agencies and corporations	$ –	23,558,492	–	23,558,492
Obligations of states and political subdivisions	–	76,634,925	–	76,634,925
Mortgage-backed securities	–	48,495,792	–	48,495,792
Equity securities	–	206,042	–	206,042
Total available-for-sale debt and equity securities	–	148,895,251	–	148,895,251
Life insurance policies	4,901,869	–	–	4,901,869
	$ 4,901,869	148,895,251	–	153,797,120

Reclassifications

Certain reclassifications have been made to the 2017 consolidated financial statement amounts to conform to the 2018 presentation. Such reclassifications have no effect on the previously reported consolidated net income or stockholders' equity.

Subsequent Events

The Company has considered all events occurring subsequent to December 31, 2018 for possible disclosure through February 19, 2019, the date these consolidated financial statements were available to be issued.

NOTE 2 – CASH AND DUE FROM BANKS

The Banks are generally required to maintain certain daily reserve balances on hand in accordance with regulatory requirements. The reserve balances maintained in accordance with such requirements at December 31, 2018 and 2017 were approximately $2,879,000 and $0, respectively.

NOTE 3 – INVESTMENTS IN DEBT AND EQUITY SECURITIES

The amortized cost, gross unrealized gains and losses, and estimated fair value of debt and equity securities classified as available-for-sale at December 31, 2018 and 2017 are as follows:

2018	**Amortized cost**	**Gross unrealized gains**	**Gross unrealized losses**	**Estimated fair value**
Obligations of U.S. government agencies and corporations	**$ 24,112,625**	**57,351**	**(382,783)**	**23,787,193**
Obligations of states and political subdivisions	**101,657,535**	**919,103**	**(743,694)**	**101,832,944**
Mortgage-backed securities	**90,328,412**	**158,215**	**(1,379,248)**	**89,107,379**
Equity securities	**209,795**	**–**	**–**	**209,795**
	$ 216,308,367	**1,134,669**	**(2,505,725)**	**214,937,311**

2017	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Obligations of U.S. government agencies and corporations	$ 23,862,855	367	(304,730)	23,558,492
Obligations of states and political subdivisions	76,153,881	917,104	(436,060)	76,634,925
Mortgage-backed securities	48,941,531	191,597	(637,336)	48,495,792
Equity securities	206,042	–	–	206,042
	$ 149,164,309	1,109,068	(1,378,126)	148,895,251

The amortized cost and estimated fair value of debt and equity securities classified as available-for-sale at December 31, 2018, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because certain issuers have the right to call or prepay obligations with or without prepayment penalties.

	Amortized cost	Estimated fair value
Due one year or less	**$ 9,303,811**	**9,316,642**
Due one year through five years	**43,089,982**	**42,737,671**
Due five years through ten years	**41,651,479**	**41,667,051**
Due after ten years	**31,724,888**	**31,898,773**
Mortgage-backed securities	**90,328,412**	**89,107,379**
Equity securities	**209,795**	**209,795**
	$ 216,308,367	**214,937,311**

Provided below is a summary of securities which were in an unrealized loss position at December 31, 2018 and 2017:

	Less than 12 months		**12 months or more**		**Total**	
2018	**Estimated fair value**	**Unrealized losses**	**Estimated fair value**	**Unrealized losses**	**Estimated fair value**	**Unrealized losses**
Obligations of U.S. government agencies and corporations	**$ 2,234,950**	**12,509**	**15,097,976**	**370,274**	**17,332,926**	**382,783**
Obligations of states and political subdivisions	**24,245,180**	**268,080**	**19,959,781**	**475,614**	**44,204,961**	**743,694**
Mortgage-backed securities	**26,234,307**	**189,569**	**31,283,713**	**1,189,679**	**57,518,020**	**1,379,248**
	$ 52,714,437	**470,158**	**66,341,470**	**2,035,567**	**119,055,907**	**2,505,725**

	Less than 12 months		12 months or more		Total	
2017	Estimated fair value	Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value	Unrealized losses
Obligations of U.S. government agencies and corporations	$ 10,731,014	110,384	11,077,494	194,346	21,808,508	304,730
Obligations of states and political subdivisions	18,135,805	169,905	6,285,146	266,155	24,420,951	436,060
Mortgage-backed securities	19,132,064	161,466	19,445,453	475,870	38,577,517	637,336
	$ 47,998,883	441,755	36,808,093	936,371	84,806,976	1,378,126

The obligations of U.S. government agencies and corporations and mortgage-backed securities with unrealized losses are primarily issued from and guaranteed by the Federal Home Loan Bank, Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation. Obligations of states and political subdivisions in an unrealized loss position are primarily comprised of bonds with adequate credit ratings, underlying collateral, and/or cash flow projections. The unrealized losses associated with these securities are not believed to be attributed to credit quality, but rather to changes in interest rates and temporary market movements. In addition, the Company does not intend to sell the securities with unrealized losses, and it is not more likely than not that the Company will be required to sell them before recovery of their amortized cost bases, which may be at maturity.

The carrying value of debt securities pledged to secure public funds, securities sold under repurchase agreements, certain short- and long-term borrowings, and for other purposes amounted to approximately $148,884,000 and $108,548,000 at December 31, 2018 and 2017, respectively. The Banks have also pledged letters of credit from the Federal Home Loan Bank of Chicago totaling $34,020,000 and $8,000,000 as additional collateral to secure public funds at December 31, 2018 and 2017, respectively.

During 2018 and 2017, certain available-for-sale securities were sold for proceeds totaling $23,648,022 and $1,949,892, respectively, resulting in gross gains of $106,995 and $54,002, respectively, and gross losses of $75,929 and $2,906, respectively.

NOTE 4 – LOANS

The composition of the loan portfolio at December 31, 2018 and 2017 is as follows:

	2018	2017
Commercial:		
Real estate	**$ 227,498,414**	178,935,183
Agricultural production	**104,647,993**	84,140,086
Other	**161,814,664**	134,205,096
Real estate:		
Construction	**50,010,853**	39,217,672
Residential	**188,431,580**	134,629,219
Farmland	**183,257,890**	133,336,874
Consumer	**28,247,084**	11,686,140
	$ 943,908,478	716,150,270

The Banks grant commercial, industrial, residential, agricultural, and consumer loans throughout south-central Illinois, suburban southwestern Chicago, and the St. Louis, Missouri metropolitan area. With the exception of agricultural credits, the Banks do not have any particular concentration of credit in any one economic sector; however, a substantial portion of the portfolio is concentrated in and secured by real estate in the Banks' market areas. The ability of the Banks' borrowers to honor their contractual obligations is dependent upon the local economies and their effect on the real estate market. Included in consumer loans are overdrafts of $282,109 and $143,870 at December 31, 2018 and 2017, respectively.

The following describe the risk characteristics relevant to each of the portfolio segments:

Commercial real estate loans are secured by various commercial property types (including office and industrial buildings, warehouses, small retail shopping centers, and various special purpose properties, including hotels, restaurants, and nursing homes), a majority of which are owner-occupied and in the Banks' market areas. The Banks originate commercial real estate loans with a typical term of three or five years with a fixed or adjustable rate feature generally tied to a designated public index. These loans are typically amortized over 15 or 25 years. Strict underwriting standards are in place that include, but are not limited to, independent appraisals, cash flow analyses, creditworthiness, experience, and management. For owner-occupied properties, the primary source of cash flow is from the ongoing operations and activities conducted by the party that owns the property. Nonowner-occupied properties are those loans where the primary source of repayment is derived from rental income associated with the property or the proceeds of the sale, refinancing, or permanent financing of the property.

Agricultural loans, i.e., those loans which fund crop production, livestock production, and capital purchases, are structured to coincide with the purpose or seasonality. Collateral support, determined repayment ability, and creditworthiness are all considered in the loan approval process.

Commercial business loans vary in type and include secured and unsecured commercial business loans for the purpose of financing equipment acquisition, expansion, working capital, and other general business purposes, including issuing letters of credit. The Company's commercial business loan portfolio is comprised of loans for a variety of purposes and generally is secured by equipment, machinery, and other business assets. The terms of these loans are generally for less than seven years. The loans are either negotiated on a fixed-rate basis or carry variable interest rates that float in accordance with a designated public index. Commercial credit decisions are based upon a complete credit review of the borrower. A determination is made as to the borrower's ability to repay in accordance with the proposed loan terms, as well as an overall assessment of the credit risks involved. Personal guarantees of borrowers are generally required. In evaluating a commercial business loan, the Banks consider debt service capabilities, actual and projected cash flows, and the borrower's inherent industry risks.

Construction lending generally involves a greater degree of risk than the Banks' other real estate lending. The construction phase of a loan generally lasts 9 to 18 months. As with the Banks' other loan types, the underwriting standards require proper loan-to-value coverage and the borrower's ability to service the debt. Prior to approval of the construction loan, the Banks determine that the borrower has the approval, capacity, and wherewithal to handle the permanent financing.

Residential real estate loans are predominantly collateralized by properties located in the Banks' market areas. The Banks adhere to strict underwriting standards that have been reviewed by the Boards of Directors and the banking regulators. The underwriting standards include, but are not limited to, repayment capacity, creditworthiness, proper loan-to-value coverage, and proper lien positions supported by title policies.

Multifamily real estate loans are generally secured by apartment buildings and rental properties. Multifamily real estate loans are typically offered with interest rates that are fixed or adjust with a designated public index. When originating multifamily real estate loans, the Banks evaluate the qualifications and financial condition of the borrower, profitability, and expertise, as well as the value and condition of the mortgaged property securing the loans. The Banks also consider the financial resources of the borrower, the borrower's experience in owning and managing similar properties, the cash flow the property generates (i.e., the gross rental income minus associated expenses), and the borrower's global obligations to determine sustainable repayment capacity. Multifamily real estate loans are carefully underwritten to determine proper valuation of the property, as well as the ability to service the debt.

Home equity lines of credit are designed for owner-occupied homes. These are typically junior liens, thus the Banks pay particular attention to the loan-to-value coverage and the debt service capacity of the borrower. Strict underwriting standards are followed to ensure safe and sound lending.

Farm real estate loans are not unique to the Banks' market areas. The underwriting criteria is much the same as for other loans; i.e., loan-to-value coverage, repayment ability, and creditworthiness are paramount. Farm real estate loans may be structured to coincide with the seasonal nature of agriculture. In determining the loan-to-value coverage, the Banks utilize appraisers that are familiar with agricultural real estate values.

Consumer loans are underwritten in a manner that verifies the borrower's capacity to pay, creditworthiness, and proper valuation of the collateral. The structure of the loan is dependent on the purpose and collateral being pledged as security.

At December 31, 2018 and 2017, the Banks had loans outstanding to the agricultural sector of $287,905,883 and $217,476,960, respectively, which comprised 30.5% and 30.4%, respectively, of the Banks' total loan portfolio. The Banks' agricultural credits are concentrated in the south-central Illinois area and are generally fully secured with either growing crops, farmland, livestock, and/or machinery and equipment. Such loans are subject to the overall national effects of the agricultural economy, as well as the local effects relating to their south-central Illinois location.

The aggregate amount of loans to executive officers and directors and loans made for the benefit of executive officers and directors was $4,700,696 and $4,180,805 at December 31, 2018 and 2017, respectively. Such loans were made in the normal course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with other persons, and did not involve more than the normal risk of collectibility. A summary of activity for loans to executive officers and directors for the year ended December 31, 2018 is as follows:

Balance, December 31, 2017	$ 4,180,805
New loans made	5,016,856
Payments received	(4,556,008)
Other changes	59,043
Balance, December 31, 2018	$ 4,700,696

Other changes represent changes due to the change in the composition of officers and directors of the Company and Banks.

Following is an analysis of the reserve for possible loan losses by loan type and those that have been specifically evaluated or evaluated in aggregate at December 31, 2018 and 2017:

	2018							
	Commercial			Real estate				
	Real estate	Agricultural production	Other	Construction	Residential	Farmland	Consumer	Total
Reserve for possible loan losses:								
Beginning balance	$ 2,270,032	1,620,986	2,568,683	354,136	971,471	530,721	263,410	8,579,439
Charge-offs	(201,144)	(460,533)	(719,580)	–	(200,939)	(1,143)	(135,755)	(1,719,094)
Recoveries	240,337	20,664	67,408	–	21,035	1,143	70,722	421,309
Provision	358,453	705,453	786,785	140,629	529,895	420,521	159,378	3,101,114
Ending balance	$ 2,667,678	1,886,570	2,703,296	494,765	1,321,462	951,242	357,755	10,382,768
Reserve allocations:								
Individually evaluated for impairment	$ 217,845	252,022	135,596	–	232,645	300,447	4,727	1,143,282
Collectively evaluated for impairment	2,449,833	1,634,548	2,567,700	494,765	1,088,817	650,795	353,028	9,239,486
Ending balance	$ 2,667,678	1,886,570	2,703,296	494,765	1,321,462	951,242	357,755	10,382,768
Loans:								
Individually evaluated for impairment	$ 16,480,565	9,292,180	11,590,753	–	3,163,645	18,005,512	28,510	58,561,165
Loans acquired with deteriorated credit quality	1,176,936	246,235	500,519	–	1,243,149	233,224	50,620	3,450,683
Collectively evaluated for impairment	209,840,913	95,109,578	149,723,392	50,010,853	184,024,786	165,019,154	28,167,954	881,896,630
Ending balance	$ 227,498,414	104,647,993	161,814,664	50,010,853	188,431,580	183,257,890	28,247,084	943,908,478

	2017							
	Commercial			Real estate				
	Real estate	Agricultural production	Other	Construction	Residential	Farmland	Consumer	Total
Reserve for possible loan losses:								
Beginning balance	$ 2,370,694	1,191,671	3,048,289	310,497	1,078,305	501,442	266,571	8,767,469
Charge-offs	(189,950)	(1,627,365)	(612,144)	–	(157,557)	–	(217,496)	(2,804,512)
Recoveries	40,467	1,350	244,687	–	50,568	–	24,882	361,954
Provision	48,821	2,055,330	(112,149)	43,639	155	29,279	189,453	2,254,528
Ending balance	$ 2,270,032	1,620,986	2,568,683	354,136	971,471	530,721	263,410	8,579,439
Reserve allocations:								
Individually evaluated for impairment	$ 71,362	345,597	91,178	–	–	–	25,913	534,050
Collectively evaluated for impairment	2,198,670	1,275,389	2,477,505	354,136	971,471	530,721	237,497	8,045,389
Ending balance	$ 2,270,032	1,620,986	2,568,683	354,136	971,471	530,721	263,410	8,579,439
Loans:								
Individually evaluated for impairment	$ 4,105,879	6,903,414	1,523,636	49,999	2,296,168	17,537,326	424,435	32,840,857
Collectively evaluated for impairment	174,829,304	77,236,672	132,681,460	39,167,673	132,333,051	115,799,548	11,261,705	683,309,413
Ending balance	$ 178,935,183	84,140,086	134,205,096	39,217,672	134,629,219	133,336,874	11,686,140	716,150,270

A summary of impaired loans by type for the years ended December 31, 2018 and 2017 is as follows:

	2018						
	Unpaid principal balance	Recorded investment with no reserve	Recorded investment with reserve	Total recorded investment	Related reserve	Average recorded investment	Interest income recognized
Commercial:							
Real estate	$ 1,804,505	562,199	1,139,056	1,701,255	217,845	1,932,790	37,733
Agricultural production	1,695,852	578,041	720,811	1,298,852	252,022	1,504,250	80,008
Other	794,753	365,842	395,661	761,503	135,596	1,351,010	37,935
Real estate:							
Construction	–	–	–	–	–	–	–
Residential	1,529,617	789,210	730,128	1,519,338	232,645	1,445,974	34,475
Farmland	1,760,032	233,224	1,526,808	1,760,032	300,447	1,055,817	52,683
Consumer	55,347	50,620	4,727	55,347	4,727	119,642	3,742
	$ 7,640,106	2,579,136	4,517,191	7,096,327	1,143,282	7,409,483	246,576

	2017						
	Unpaid principal balance	Recorded investment with no reserve	Recorded investment with reserve	Total recorded investment	Related reserve	Average recorded investment	Interest income recognized
Commercial:							
Real estate	$ 311,638	–	311,638	311,638	71,362	182,448	–
Agricultural production	1,325,566	–	1,325,863	1,325,863	345,597	1,709,700	–
Other	91,178	–	91,178	91,178	91,178	344,443	5,739
Real estate:							
Construction	–	–	–	–	–	–	–
Residential	–	–	–	–	–	56,063	–
Farmland	–	–	–	–	–	59,133	–
Consumer	132,261	66,462	42,218	108,680	25,913	88,193	–
	$ 1,860,643	66,462	1,770,897	1,837,359	534,050	2,439,980	5,739

Following is a summary of past-due loans by type and by number of days delinquent at December 31, 2018 and 2017:

	2018						
	30-59 days past due	60-89 days past due	Greater than 90 days	Total past due	Current	Total loans	Recorded investment > 90 days past due and accruing
Commercial:							
Real estate	$ 119,074	547,732	6,866,600	7,533,406	219,965,008	227,498,414	—
Agricultural production	41,340	–	939,857	981,197	103,666,796	104,647,993	—
Other	672,526	334,652	437,062	1,444,240	160,370,424	161,814,664	—
Real estate:							
Construction	–	–	80,000	80,000	49,930,853	50,010,853	—
Residential	1,931,933	441,122	792,535	3,165,590	185,265,990	188,431,580	79,189
Farmland	147,713	734,419	1,965,216	2,847,348	180,410,542	183,257,890	—
Consumer	220,132	103,289	102,977	426,398	27,820,686	28,247,084	—
	$ 3,132,718	2,161,214	11,184,247	16,478,179	927,430,299	943,908,478	79,189

	2017						
	30-59 days past due	60-89 days past due	Greater than 90 days	Total past due	Current	Total loans	Recorded investment > 90 days past due and accruing
Commercial:							
Real estate	$ 551,641	222,760	291,677	1,066,078	177,869,105	178,935,183	—
Agricultural production	355,234	–	1,143,151	1,498,385	82,641,701	84,140,086	—
Other	704,578	88,304	301,097	1,093,979	133,111,117	134,205,096	—
Real estate:							
Construction	–	–	49,999	49,999	39,167,673	39,217,672	—
Residential	941,913	538,035	798,728	2,278,676	132,350,543	134,629,219	261,497
Farmland	259,390	3,255,869	948,590	4,463,849	128,873,025	133,336,874	—
Consumer	179,430	88,717	285,329	553,476	11,132,664	11,686,140	—
	$ 2,992,186	4,193,685	3,818,571	11,004,442	705,145,828	716,150,270	261,497

Following is a summary of loans on nonaccrual status by type at December 31, 2018 and 2017:

	2018	2017
Commercial:		
Real estate	**$ 7,280,024**	847,656
Agricultural production	**2,825,020**	2,110,388
Other	**663,664**	502,745
Real estate:		
Construction	**80,000**	49,999
Residential	**2,623,445**	895,788
Farmland	**4,013,176**	1,297,297
Consumer	**294,649**	323,632
	$ 17,779,978	6,027,505

The Banks categorize loans into risk categories based on relevant information about the ability of borrowers to service their debt such as current financial information, historical payment experience, collateral support, credit documentation, public information, and current economic trends, among other factors. The Banks analyze loans individually on a continuous basis by classifying the loans as to credit risk. The Banks use the following definitions for risk ratings:

- Watch – Loans classified as watch have potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the Banks' credit position at some future date.

- Substandard – Loans classified as substandard are inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Banks will sustain some loss if the deficiencies are not corrected.

- Doubtful – Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing factors, conditions, and values, highly questionable and improbable.

Loans not meeting the criteria above that are analyzed individually as part of the above-described process are considered pass-rated loans.

The following table presents the credit risk profile of the Banks' loan portfolio based on rating category as of December 31, 2018 and 2017:

	2018							
Grade	Commercial real estate	Agricultural production	Commercial other	Real estate construction	Residential real estate	Farmland	Consumer	Total
Pass	$ 209,666,003	95,077,078	149,612,983	49,930,853	182,683,984	165,019,154	27,400,881	879,390,936
Watch	7,174,176	3,405,058	10,200,856	–	1,370,128	12,038,226	50,621	34,239,065
Substandard	10,658,235	6,165,857	2,000,825	80,000	4,377,468	6,200,510	795,582	30,278,477
Doubtful	–	–	–	–	–	–	–	–
	$ 227,498,414	104,647,993	161,814,664	50,010,853	188,431,580	183,257,890	28,247,084	943,908,478

	2017							
Grade	Commercial real estate	Agricultural production	Commercial other	Real estate construction	Residential real estate	Farmland	Consumer	Total
Pass	$ 174,829,304	77,236,672	132,681,460	39,167,673	132,333,051	115,799,548	11,261,705	683,309,413
Watch	2,432,215	2,044,721	709,222	–	1,138,074	7,673,817	71,634	14,069,683
Substandard	1,673,664	4,858,693	814,414	49,999	1,158,094	9,863,509	352,801	18,771,174
Doubtful	–	–	–	–	–	–	–	–
	$ 178,935,183	84,140,086	134,205,096	39,217,672	134,629,219	133,336,874	11,686,140	716,150,270

The Banks seek to assist customers that are experiencing financial difficulty by renegotiating loans within lending regulations and guidelines. A loan modification is considered a troubled debt restructuring when a concession has been granted to a borrower experiencing financial difficulties. The Banks' modifications generally include interest rate adjustments, and amortization and maturity date extensions. These modifications allow the borrowers short-term cash relief to allow them to improve their financial condition. The Banks' troubled debt restructured loans are considered impaired and are individually evaluated for impairment as part of the reserve for possible loan losses as described above.

The following table presents information regarding loan modifications during the years ended December 31, 2018 and 2017 which met the definition of troubled debt restructured loans.

	Year ended December 31, 2018			Year ended December 31, 2017		
	Number of loans	Pre-modification outstanding recorded balance	Post-modification outstanding recorded balance	Number of loans	Pre-modification outstanding recorded balance	Post-modification outstanding recorded balance
Commercial:						
Real estate	–	$ –	–	–	$ –	–
Other	–	–	–	–	–	–
Real estate:						
Construction	–	–	–	–	–	–
Residential	2	82,248	82,248	–	–	–
Consumer	–	–	–	–	–	–
	2	$ 82,248	82,248	–	$ –	–

No restructured loans defaulted within 12 months of their restructuring in 2018 or 2017. The Banks had no commitments to extend additional credit on any loans classified as troubled debt restructured loans at December 31, 2018.

NOTE 5 – BANK PREMISES AND EQUIPMENT

A summary of Bank premises and equipment at December 31, 2018 and 2017 is as follows:

	2018	2017
Land	**$ 2,924,113**	2,062,112
Buildings and improvements	**17,862,465**	14,817,336
Furniture, fixtures, and equipment	**10,320,826**	9,274,656
	31,107,404	26,154,104
Less accumulated depreciation and amortization	**14,140,288**	12,996,744
	$ 16,967,116	13,157,360

Amounts charged to noninterest expense for depreciation and amortization aggregated $1,234,451 and $1,079,189 for the years ended December 31, 2018 and 2017, respectively.

The Company leases certain premises and equipment under noncancelable operating lease agreements that expire at various dates through 2025. Minimum rental commitments under these noncancelable operating lease agreements at December 31, 2018, for each of the next five years, and in the aggregate, are as follows:

Year ending December 31:	
2019	$ 307,638
2020	306,762
2021	277,983
2022	284,303
2023	290,726
Thereafter	334,065
Total minimum payments required	$ 1,801,477

The Company also leases certain equipment under agreements that are cancelable with 30 to 90 days' notice. Total rent expense for 2018 and 2017 was $347,185 and $214,446, respectively.

The Banks lease a portion of their banking facilities to unaffiliated entities under noncancelable leases that expire at various dates through 2020. Minimum rental commitments under these noncancelable operating lease agreements at December 31, 2018, for each of the next two years, and in the aggregate, are as follows:

Year ending December 31:	
2019	$ 40,770
2020	27,180
Total minimum payments required	$ 67,950

The Company also leases a portion of its banking facilities under agreements that are cancelable with 30 to 90 days' notice. Total rental income for 2018 and 2017 was $28,630 and $147,119, respectively.

NOTE 6 – DEPOSITS

A summary of interest-bearing deposits at December 31, 2018 and 2017 is as follows:

	2018	2017
Interest-bearing transaction accounts	**$ 225,284,002**	130,144,983
Savings	**249,516,298**	243,486,927
Time deposits	**455,582,404**	314,385,763
	$ 930,382,704	688,017,673

Deposits of executive officers, directors, and their related interests at December 31, 2018 and 2017 totaled $2,664,608 and $1,623,883, respectively.

Interest expense on deposits for the years ended December 31, 2018 and 2017 is summarized as follows:

	2018	2017
Interest-bearing transaction accounts	**$ 1,308,439**	716,516
Savings	**1,783,227**	1,467,107
Time deposits	**5,181,951**	3,141,794
	$ 8,273,617	5,325,417

Time deposits meeting or exceeding the FDIC insurance limit of $250,000 totaled $105,117,315 and $77,309,653 at December 31, 2018 and 2017, respectively. Following are the maturities of time deposits for each of the next five years and in the aggregate at December 31, 2018:

Year ending December 31:	
2019	$ 325,939,239
2020	98,078,337
2021	21,147,140
2022	6,498,632
2023	3,919,056
	$ 455,582,404

NOTE 7 – INCOME TAXES

The components of income tax expense (benefit) for the years ended December 31, 2018 and 2017 are as follows:

	2018	2017
Current:		
Federal	**$ 1,853,957**	3,443,644
State	**1,053,031**	1,034,316
Deferred	**(5,497)**	812,845
	$ 2,901,491	5,290,805

A reconciliation of expected income tax expense computed by applying the federal statutory rates of 21% and 34% to income before applicable income taxes, for the years ended December 31, 2018 and 2017, respectively, is as follows:

	2018	2017
Expected statutory federal income tax	**$ 2,588,190**	4,584,125
Tax-exempt interest and dividend income	**(521,997)**	(687,749)
State tax, net of related federal benefit	**831,894**	682,649
Deferred tax adjustment for tax rate change	—	690,978
Other, net	**3,404**	20,802
	$ 2,901,491	5,290,805

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities at December 31, 2018 and 2017 are presented below:

	2018	2017
Deferred tax assets:		
Reserve for possible loan losses	**$ 2,732,724**	2,326,219
Deferred compensation	**2,383,928**	572,036
Purchase adjustments	**1,265,579**	—
Available-for-sale securities – net losses	**287,922**	56,502
Other, net	**465,893**	421,954
Total deferred tax assets	**7,136,046**	3,376,711
Deferred tax liabilities:		
Bank premises and equipment	**(1,240,154)**	(1,008,778)
Intangible assets	**(1,763,245)**	(197,181)
Other, net	**(238,503)**	(184,474)
Total deferred tax liabilities	**(3,241,902)**	(1,390,433)
Net deferred tax assets	**$ 3,894,144**	1,986,278

The Company is required to provide a valuation reserve on deferred tax assets when it is more likely than not that some portion of the assets will not be realized. The Company has not established a valuation reserve at December 31, 2018 and 2017, due to management's belief that all criteria for recognition have been met, including the existence of a history of taxes paid sufficient to support the realization of deferred tax assets.

NOTE 8 – SHORT-TERM BORROWINGS

Following is a summary of the Company's short-term borrowings at December 31, 2018 and 2017:

	2018	2017
Funds purchased	**$ 2,980,000**	–
Securities sold under repurchase agreements	**22,049,171**	15,173,266
	$ 25,029,171	15,173,266

Securities sold under repurchase agreements are collateralized by debt securities consisting of $28,234,054 (which includes $19,343,679 of obligations of U.S. government agencies and corporations and mortgage-backed securities, and $8,890,375 of obligations of states and political subdivisions) and $17,756,930 at December 31, 2018 and 2017, respectively. The Banks also occasionally borrow funds purchased on an overnight basis from unaffiliated financial institutions (including the Federal Home Loan Bank of Chicago) to meet short-term liquidity needs. The average balances, weighted average interest rates paid, and maximum month-end amounts outstanding for the years ended December 31, 2018 and 2017, and the average rates at each year-end for funds purchased and securities sold under repurchase agreements, are as follows:

	2018	2017
Average balance	**$ 25,173,199**	13,256,839
Weighted average interest rate paid during the year	**0.96%**	0.50%
Maximum amount outstanding at any month-end	**$ 34,290,885**	19,019,071
Average rate at end of year	**2.11%**	0.52%

NOTE 9 – FEDERAL HOME LOAN BANK BORROWINGS

At December 31, 2018, the Banks had fixed-rate advances outstanding with the Federal Home Loan Bank of Chicago, maturing as follows:

	Amount	Weighted average rate
Due in 2019	$ 2,500,000	1.76%
Due in 2020	4,166,069	1.61%
Due in 2021	9,000,000	2.36%
Due in 2022	4,000,000	1.96%
Due in 2026	2,000,000	2.06%
	$ 21,666,069	

At December 31, 2018, the Banks maintained lines of credit for $194,713,141 with the Federal Home Loan Bank of Chicago and had availability under these lines of $138,953,396. Federal Home Loan Bank of Chicago advances are secured under a blanket agreement which assigns all Federal Home Loan Bank of Chicago stock, and one- to four-family mortgage, commercial real estate, multifamily real estate, commercial, agricultural production, and farmland loans totaling $369,695,019 at December 31, 2018.

NOTE 10 – NOTES PAYABLE

Following is a summary of the Company's notes payable at December 31, 2018 and 2017:

	2018	2017
Revolving line of credit note payable	$ –	–
Term notes payable	7,546,925	1,846,925
	$ 7,546,925	1,846,925

The Company maintains three notes payable borrowing arrangements with an unaffiliated financial institution. The first term note payable had an original balance of $5,368,359, with a current balance of $846,925, matures on March 28, 2020, requires quarterly principal and interest payments of $156,718 at a fixed rate of 3.68%, with the balance due at maturity. The second term note payable has an original and current balance of $6,700,000, with interest payable quarterly, matures on May 31, 2023, and requires quarterly principal and interest payments of $213,468.07 commencing February 28, 2021, at a fixed rate of 4.89%, with the balance due at maturity. The revolving line of credit note payable has a maximum availability of $5,000,000, matures on March 28, 2019, and requires quarterly interest payments at a variable rate of interest. The line of credit note payable has not been drawn upon since the loan's inception and is fully available at December 31, 2018 for future advances.

The notes payable are secured by the common stock of CNB Bank & Trust, N.A., with a book value of $79,754,979 at December 31, 2018, and include certain restrictions that, among other things, specify minimum levels for earnings, capital, and the reserve for possible loan losses, and maximum levels for nonperforming loans. Any of the financial ratios or covenants may be waived at the discretion of the lending institution. As of December 31, 2018 and 2017, the Company was in compliance with all of the financial ratios and covenants specified in the notes payable agreements or has received a waiver from the lender. Company management does not believe the covenants will restrict its future operations. The weighted average interest rates paid on the notes payable in 2018 and 2017 were 4.61% and 3.55%, respectively.

NOTE 11 – CAPITAL STOCK

The Company has authorized 20,000,000 shares of common stock with a par value of $0.05 per share. At December 31, 2018, 5,779,659 shares were issued and outstanding (including 450,707 shares held in treasury). In 2017, a 20-for-1 common stock split, concurrent with a reduction in the par value of common stock from $1.00 to $0.05 per share, was approved by the Company's shareholders and distributed in September 2017. All share and per share amounts, and common stock outstanding for all periods presented prior to that time have been retroactively adjusted to reflect the stock split and concurrent reduction in par value.

Holders of the Company's common stock are entitled to one vote per share on all matters submitted to a shareholder vote, except that 4,000,000 shares of the authorized common shares are designated as nonvoting shares, none of which were issued at December 31, 2018. Holders of the Company's common stock are entitled to receive dividends when, as, and if declared by the Company's Board of Directors. In the event of liquidation of the Company, the holders of the Company's common stock are entitled to share ratably in the remaining assets after payment of all liabilities and any preferred stock outstanding.

The Company has authorized 200,000 shares of preferred stock, 9,745 of which has been issued at December 31, 2018, as described below. Preferred stock may be issued by the Company's Board of Directors from time to time, in series, at which time the terms of such series (par value per share, dividend rates and dates, cumulative or noncumulative, liquidation preferences, etc.) shall be fixed by the Board of Directors.

Castle Creek Transaction

On January 17, 2018, Castle Creek Capital Partners VI, LP (Castle Creek) purchased 525,459 shares of common stock and 9,745 shares of nonvoting Series A preferred stock for $10,436,557 ($19.86 per common share) and $19,352,310, respectively, from the Company. The Series A preferred stock has a par value of $0.01 per share and each share of preferred stock is convertible into 100 shares of common stock or nonvoting common stock. The purchase agreement restricts Castle Creek from purchasing more than 33.3% of the Company's total equity, and Castle Creek's ownership of voting common stock shall not exceed 9.9% of the total issued and outstanding voting common stock. Additionally, the purchase agreement provides subscription rights to Castle Creek granting it the opportunity to acquire from the Company additional Company securities to maintain its proportionate interest in the Company in the event of any offer or sale of any equity in the Company.

The Company's shareholders have approved various stock option plans under which options to purchase up to 3,400,000 shares of Company common stock were authorized for grants to directors, officers, and employees of the Company and Banks. Options to purchase Company common stock are granted at the fair value of a share of common stock on the grant date. Options granted to the officers and directors of the Company and Banks vest 20% each year and expire in ten years. At December 31, 2018, 1,623,210 options to purchase common shares are available for future grants.

A summary of the activity of nonvested options for the years ended December 31, 2018 and 2017 is as follows:

	Number of shares	Weighted average grant date fair value
Nonvested at December 31, 2016	366,580	$ 0.21
Granted	138,600	0.29
Vested	(115,100)	0.20
Forfeited	(11,260)	0.21
Nonvested at December 31, 2017	378,820	0.24
Granted	51,050	1.00
Vested	(106,490)	0.25
Forfeited	(37,030)	0.25
Nonvested at December 31, 2018	286,350	0.37

Following is a summary of stock option activity for the years ended December 31, 2018 and 2017:

	Weighted average option price per share	Number of shares	Remaining contractual term (years)	Aggregate intrinsic value per option share
Outstanding at December 31, 2016	$ 12.86	783,970		
Granted	16.90	138,600		
Exercised	11.43	(90,040)		
Forfeited	14.27	(11,260)		
Outstanding at December 31, 2017	13.68	821,270	6.31	$ 3.20
Exercisable at December 31, 2017	$ 12.22	432,160	4.59	$ 4.68
Outstanding at December 31, 2017	$ 13.68	821,270		
Granted	19.86	51,050		
Exercised	12.79	(100,640)		
Forfeited	14.55	(42,330)		
Outstanding at December 31, 2018	14.24	729,350	5.80	$ 5.62
Exercisable at December 31, 2018	$ 12.82	443,000	4.43	$ 7.04

The total intrinsic value of options exercised during 2018 and 2017 was $627,107 and $411,937, respectively. At December 31, 2018, the total unrecognized compensation expense related to nonvested stock options was $95,247, and the related weighted average period over which it is expected to be recognized is approximately 3.46 years.

During 2018 and 2017, 51,050 and 138,600 shares, respectively, were granted with weighted average per share option prices at the date of grant of $19.86 and $16.90, respectively. The fair value of such options, which is based on the market price on the date of grant, is amortized to expense over the five-year vesting period. The weighted average fair values of options granted in 2018 and 2017 were estimated to be $1.00 and $0.29, respectively, for an option to purchase one share of Company common stock; however, the Company's common stock is not actively traded on any exchange. Accordingly, the availability of fair value information for the Company's common stock is limited. Several assumptions have been made in arriving at the estimated fair value of the options outstanding at December 31, 2018 and 2017. These assumptions include no volatility in the Company's stock price, 2.18% and 2.09% dividends paid on common stock in 2018 and 2017, respectively, an expected weighted average option life of ten years, and a risk-free interest rate approximating the ten-year U.S. Treasury bond on the grant date. Any change in these assumptions could have a significant impact on the effects of determining compensation costs, as disclosed herein.

On June 30, 2018, the Company granted 73,400 stock appreciation rights to various officers and employees of the Company and Banks, with a grant date value of $19.86 per share. The stock appreciation rights provide the recipient the opportunity to share in the appreciation of the Company's common stock. Each stock appreciation right vests one-fifth on its annual anniversary date, at which time the recipient is entitled to the appreciation of the Company's common stock over the original grant date value of the Company's common stock. A liability for this appreciation will be recorded on each vesting date and, once fully vested, for any further appreciation in the Company's common stock until the stock appreciation right is exercised. Each stock appreciation right must be exercised within ten years of the grant date.

NOTE 12 – EMPLOYEE BENEFIT PLANS

The Company and Jacksonville Savings Bank maintain defined contribution 401(k) plans to provide retirement benefits to substantially all of their employees. All employees meeting certain age and service requirements are eligible to participate in the plans. Under the 401(k) plans, the Company and Jacksonville Savings Bank may make discretionary matching contributions to the plans, up to the amount of employee contributions, subject to certain limitations. Total contributions made by the Company and Jacksonville Savings Bank under these plans were $592,294 and $516,580 for the years ended December 31, 2018 and 2017, respectively.

The Company and Banks maintain incentive deferral plans for certain of their directors, allowing such directors to defer their current compensation earned as directors, with the Company or Banks agreeing to pay to such directors, or their designated beneficiaries or survivors, the total amount of deferred compensation plus accumulated interest at or following retirement. Under the plans, interest is added to the accumulated deferred compensation at a periodic compound rate equal to the Company's return on equity from the previous year. The directors are expected to continue to render their normal service as directors to the Company or Banks from the date of the plan's inception until retirement.

The incentive deferral plans stipulate that, upon disability, termination, or death prior to retirement, the affected director (or his/her designated beneficiaries or survivors) would be vested in the total deferred compensation accumulated to that date, plus compounded interest. Payments under the plan may be made in a lump sum or periodically over a specified time period, with interest.

To fund the individual agreements with each director covered under the incentive deferral plans, the Company and Banks have purchased flexible-premium universal life insurance policies on the lives of such directors, payable upon death to the Company or Banks. Each life insurance policy has a cash surrender value feature that allows the Company or Banks to receive an amount in cash upon cancelation or lapse of the policy. The cash surrender value of the policies increases monthly, based upon an interest factor, net of mortality, administration, and early termination costs that are inherent in the contracts.

The Company and Banks recognize annual compensation expense equal to the sum of the compensation deferred under the incentive deferral plans by the affected directors, plus interest applied to the accumulated balance of the deferred compensation. An amount of $7,983,727 is included in other liabilities in the consolidated balance sheet at December 31, 2018, representing the sum of all deferrals and interest additions accumulated to date.

NOTE 13 – LITIGATION

During the normal course of business, various legal claims have arisen which, in the opinion of management, will not result in any material liability to the Company.

NOTE 14 – PARENT COMPANY FINANCIAL INFORMATION

The Banks' dividends are the principal source of funds for the payment of dividends by the Company to its stockholders and for debt servicing. The Banks are subject to regulations by regulatory authorities that require the maintenance of minimum capital requirements, while CNB Bank & Trust, N.A. is also limited to the earnings of the current year and two previous years for the payment of dividends, without obtaining the prior approval of the Office of the Comptroller of the Currency.

Following are condensed balance sheets as of December 31, 2018 and 2017 and the related condensed schedules of income and cash flows (in thousands of dollars) for the years then ended of the Company (parent company only):

Condensed Balance Sheets	**2018**	2017
Assets:		
Cash	**$ 102**	24
Investment in subsidiaries banks	**124,985**	83,753
Available-for-sale equity securities	**57**	57
Life insurance policies	**696**	685
Income tax receivable	**1,733**	1,316
Property and equipment, net	**12**	19
Total assets	**$ 127,585**	85,854
Liabilities:		
Accounts payable	**$ 377**	327
Notes payable	**7,547**	1,847
Total liabilities	**7,924**	2,174
Total stockholders' equity	**119,661**	83,680
Total liabilities and stockholders' equity	**$ 127,585**	85,854

Condensed Schedules of Income	**2018**	2017
Revenue:		
Cash dividends from subsidiaries banks	**$ 12,310**	3,200
Other income	**11**	12
Total revenue	**12,321**	3,212
Expenses:		
Salaries and benefits	**25**	27
Interest expense	**249**	87
Depreciation	**7**	8
Legal and professional fees	**2,350**	147
Miscellaneous expenses	**215**	128
Total expenses	**2,846**	397
Income before income tax benefit and equity in undistributed (excess dividends over) net income of subsidiary banks	**9,475**	2,815
Income tax benefit	**865**	128
	10,340	2,943
Equity in (excess dividends over) undistributed net income of subsidiary banks	**(917)**	5,249
Net income	**$ 9,423**	8,192

Condensed Schedules of Cash Flows	**2018**	2017
Cash flows from operating activities:		
Net income	**$ 9,423**	8,192
Adjustments to reconcile net income to net cash provided by operating activities:		
Excess dividends over (undistributed) earnings of subsidiary banks	**917**	(5,249)
Increase in cash surrender value of life insurance policies	**(11)**	(12)
Depreciation	**7**	8
Stock option expense	**25**	27
Other, net	**357**	(28)
Cash provided by operating activities	**10,718**	2,938
Cash flows from investing activities		
Capital injection into subsidiary bank	**(7,000)**	–
Net cash paid for acquisition of subsidiary	**(30,044)**	–
Cash used in investing activities	**(37,044)**	–
Cash flows from financing activities:		
Principal payments on notes payable	**(1,000)**	(1,000)
Dividends paid	**(2,261)**	(1,744)
Issuance of preferred stock	**19,352**	–
Issuance of common stock	**10,437**	–
Purchase of treasury stock	**(1,412)**	(1,288)
Stock options exercised	**1,288**	1,029
Cash provided by (used in) financing activities	**26,404**	(3,003)
Net increase (decrease) in cash	**78**	(65)
Cash at beginning of year	**24**	89
Cash at end of year	**$ 102**	24

NOTE 15 – DISCLOSURES ABOUT FINANCIAL INSTRUMENTS

The Banks issue financial instruments with off-balance sheet risk in the normal course of the business of meeting the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit and may involve, to varying degrees, elements of credit risk in excess of the amounts recognized in the consolidated balance sheets. The contractual amounts of those instruments reflect the extent of involvement the Company has in particular classes of financial instruments.

The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Banks use the same credit policies in making commitments and conditional obligations as they do for financial instruments included on the consolidated balance sheets. Following is a summary of the Company's off-balance sheet financial instruments at December 31, 2018 and 2017:

	2018	2017
Financial instruments for which contractual amounts represent:		
Commitments to extend credit	**$ 158,704,742**	98,879,094
Standby letters of credit	**3,287,517**	4,307,648
	$ 161,992,259	103,186,742

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Of the total commitments to extend credit at December 31, 2018, $49,968,589 was made at fixed rates of interest. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since certain of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Banks evaluate each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Banks upon extension of credit, is based on management's credit evaluation of the borrower. Collateral held varies, but is generally residential or income-producing commercial property or equipment on which the Banks generally have a superior lien.

Standby letters of credit are conditional commitments issued by the Banks to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements and historically have not been drawn upon. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers.

NOTE 16 – REGULATORY MATTERS

The Company and Banks are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possible additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and Banks must meet specific capital guidelines that involve quantitative measures of the Company's and Banks' assets, liabilities, and certain off-balance sheet items, as calculated under regulatory accounting practices. The Company's and Banks' capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Banks to maintain minimum amounts and ratios (set forth in the table below) of Total, Tier 1, and Common Equity Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital (as defined) to average assets (as defined). By regulation, the capital adequacy guidelines for bank holding companies with total consolidated assets of less than $1 billion at the beginning of the year are applied on a bank-only basis. Accordingly, the Company's consolidated capital levels are not subject to such guidelines at December 31, 2018; however, such guidelines will become applicable in 2019. Company management believes, as of December 31, 2018, that the Company and Banks meet all capital adequacy requirements to which they are subject.

As of December 31, 2018, the most recent notification from applicable regulatory authorities categorized the Banks as well-capitalized under the regulatory framework for prompt corrective action. To be categorized as a well-capitalized bank, the Banks must maintain minimum Total risk-based, Tier 1 risk-based, Common Equity Tier 1 risk-based, and Tier 1 leverage ratios as set forth in the table below. There are no conditions or events since those notifications that Company management believes have changed the Banks' risk category.

The Banks' actual capital amounts and ratios at December 31, 2018 and 2017 are presented in the following table:

	Actual		For capital adequacy purposes		To be a well-capitalized bank under prompt corrective action provision	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(in thousands of dollars)			
Total capital (to risk-weighted assets):						
2018 – CNB Bank & Trust, N.A.	**$ 86,448**	**11.31%**	**$ 61,168**	**≥8.0%**	**$ 76,460**	**≥10.0%**
2018 – Jacksonville Savings Bank	**$ 24,558**	**11.42%**	**$ 17,197**	**≥8.0%**	**$ 21,496**	**≥10.0%**
2017 - CNB Bank & Trust, N.A.	$ 88,428	12.15%	$ 58,234	≥8.0%	$ 72,792	≥10.0%
Tier 1 capital (to risk-weighted assets):						
2018 – CNB Bank & Trust, N.A.	**$ 76,890**	**10.06%**	**$ 45,876**	**≥6.0%**	**$ 61,168**	**≥8.0%**
2018 – Jacksonville Savings Bank	**$ 23,443**	**10.91%**	**$ 12,898**	**≥6.0%**	**$ 17,197**	**≥8.0%**
2017 – CNB Bank & Trust, N.A.	$ 79,527	10.93%	$ 43,675	≥6.0%	$ 58,234	≥8.0%
Common Equity Tier 1 capital (to risk-weighted assets):						
2018 – CNB Bank & Trust, N.A.	**$ 76,890**	**10.06%**	**$ 34,407**	**≥4.5%**	**$ 49,699**	**≥6.5%**
2018 – Jacksonville Savings Bank	**$ 23,443**	**10.91%**	**$ 9,673**	**≥4.5%**	**$ 13,973**	**≥6.5%**
2017 – CNB Bank & Trust, N.A.	$ 79,527	10.93%	$ 32,756	≥4.5%	$ 47,315	≥6.5%
Tier 1 capital (to average assets):						
2018 – CNB Bank & Trust, N.A.	**$ 76,890**	**7.95%**	**$ 38,696**	**≥4.0%**	**$ 48,370**	**≥5.0%**
2018 – Jacksonville Savings Bank	**$ 23,443**	**7.96%**	**$ 11,786**	**≥4.0%**	**$ 14,733**	**≥5.0%**
2017 – CNB Bank & Trust, N.A.	$ 79,527	8.40%	$ 37,854	≥4.0%	$ 47,317	≥5.0%

NOTE 17 – ACQUISITION

On June 4, 2018, the Company purchased 100% of the outstanding capital stock of Jacksonville Bancorp, Inc., for cash of $36,700,000. The acquisition was accounted for as a purchase transaction and, accordingly, the operations of Jacksonville Bancorp, Inc. from June 4, 2018 forward are included in the Company's consolidated results of operations. The fair values of the net assets acquired from Jacksonville Bancorp, Inc. were as follows:

Cash and due from banks	$ 2,778,034
Interest-earning demand deposits in financial institutions	3,877,475
Available-for-sale debt securities	109,148,578
Mortgage loans held for sale	223,400
Loans, net (contractual amount of $193,500,730)	190,772,443
Premises and equipment	3,937,567
Other real estate owned	10,500
Other intangible assets	546,223
Accrued interest receivable	1,677,425
Bank-owned life insurance policies	7,364,785
Net deferred tax assets	1,670,949
Other assets	1,896,422
Core deposit premium	4,677,884
Total assets	328,581,685
Deposits	273,462,010
Short-term borrowings	3,401,536
Federal Home Loan Bank advances	24,900,000
Accrued interest payable	129,824
Other liabilities	6,877,702
Total liabilities	308,771,072
Net assets acquired	19,810,613
Cost of acquisition	36,700,000
Goodwill acquired	$ 16,889,387

The Company believes that the acquisition of Jacksonville Bancorp, Inc. has provided the Company with the opportunity to further expand its banking operations in the Jacksonville, Illinois market area. The resulting discounts and premiums are being amortized over the expected economic lives of the related assets and liabilities. The core deposit premium intangible asset is being amortized on an accelerated basis over its estimated useful life using an undiscounted cash flow method.

BOARD OF DIRECTORS

Board of Directors *(left to right)*: Rick Champley[2], Nancy Ruyle[1,2], Ralph Antle[1], James Ashworth[1,2], Richard Foss[2], Joe Heitz[1], John Pietrzak[1], Richard Walden (Chairman)[1,2], Shawn Davis[1,2], James Salske[2], George Yard[2], Peter Genta[1], Larry Franklin[2], John T. Boehm[2], Judith Baker[1,2]

[1] CNB Bank Shares, Inc. Board Member
[2] CNB Bank & Trust, N.A. and Jacksonville Savings Bank Board Member

OFFICER LIST

CNB Bank Shares, Inc.

James Ashworth	President & Vice Chairman
Thomas DeRobertis	Senior Vice President & Controller

CNB Bank & Trust

Shawn Davis	President & Chief Executive Officer
Larry Franklin	Executive Vice President & Chief Operating Officer

Operations

Maureen Oswald	Senior Vice President & Cashier
Kimberly Murray	Vice President of Operations
Lisa Wolf	Vice President of Computer Operations
Kent Brueggemann	Vice President & Director of Commercial Services & E-Banking
Natalie Magnuson	E-Banking Coordinator
Aaron Shipley	Project Coordinator
Matthew Turley	Vice President & Chief Information Officer
Timothy Bradshaw	Technology Officer & Security Officer
Mark Totsch	Information Security Officer

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Bradley Dobson .... Assistant Vice President & Commercial Credit & Underwriting Analyst
Jodi Simons .... Vice President of Loan Administration
Jill Plato .... Loan Administration Supervisor II
Debora Zacha .... Loan Administration Supervisor II
Roberta Wyatt .... Loan Administration Supervisor

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Anthony Heitzig .... Regional President
Gary Graham .... Regional President
Daniel Jung .... Market President
Kent Richardson .... Market President
Mark Haggard .... Market President
Robert Straz .... Market President
Michael Liskiewicz .... Market President
David Hurley .... Senior Vice President & Commercial Lending Team Leader
Daniel Walsh .... Senior Vice President & Senior Commercial Lending Team Leader
Thomas Schnelt .... Vice President & Senior Commercial Loan Officer
Craig Frankford .... Vice President & Commercial Loan Officer
James Rathgeb .... Vice President & Commercial Loan Officer
Thomas Jelinek .... Vice President & Senior Commercial/Ag Officer
Kelli Chasteen .... Vice President & Senior Retail Loan Officer
Gregory Paetow .... Vice President & Business Development Officer
Noelle Flesner .... Vice President & Commercial/Ag Officer II
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Gordon Rahe .... Assistant Vice President & Commercial Loan Officer
Matthew Eschbach .... Assistant Vice President & Commercial Loan Officer
Evan Campbell .... Assistant Vice President & Commercial Loan Officer
Jack Tinberg .... Commercial Loan Officer
James Sanderson .... Commercial Loan Officer
Michael Davis .... Commercial Loan Officer
Scott VanBurk .... Vice President & Commercial/Ag Officer
Matthew Koonce .... Assistant Vice President & Commercial/Ag Officer
Andrea Janek .... Commercial/Ag Officer
Andrew Abraham .... Commercial/Ag Officer
Eric Pfeiffer .... Commercial Underwriting Analyst
Kelly Dulakis .... Assistant Vice President & Retail Lending Officer
Susan Montgomery .... Assistant Vice President & Retail Lending Officer
Michele Martin .... Retail Lending Officer & Coordinating Supervisor
Amy Roady .... Retail Lending Officer & CSR Supervisor II
Samantha Dixon .... Loan Administration Supervisor
Gillian Grenzebach .... Personal Banker

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Sally James .... Vice President of Mortgage Lending
Rose Best .... Assistant Vice President & Loan Servicing Supervisor
Laura Gerdes .... Mortgage Loan Underwriter & Processing Supervisor II

Deposits

JoAnn Garland .... Assistant Vice President & Senior Regional CSR Supervisor
Heather Jones .... Regional CSR Manager
Barbara Bergamo .... Regional CSR Supervisor
Karen Draper .... Retail Lending Officer & CSR Supervisor
Carol Wills .... Lead CSR & IRA Specialist
Angela Levora .... Assistant Vice President & Regional Teller Supervisor
Jeanie Glass .... Assistant Vice President & Regional Teller Supervisor
Kelly Wood .... Assistant Vice President & Regional Teller Supervisor

OFFICER LIST (CONTINUED)

Deposits (continued)

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Angela Hunn	Teller Supervisor
Debbie Beilsmith	Teller Supervisor
Kendra Lane	Teller Supervisor
Shelley Malik	Teller Supervisor
Stacey Butler	Teller Supervisor
Tina Carter	Teller Supervisor

Marketing

Susan Van Norman	Director of Marketing
Katie Nicholson	CRM Officer & Training Coordinator

Human Resources

Angel Hopper	Vice President & Director of Human Resources
Aaron Wilson	Recruiter & HR Generalist

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Sallie Bowers	Assistant Vice President BSA Officer & Assistant Controller
Carol Fletcher	CRA & Compliance Officer
Shelley Tallant	Accounts Payable Supervisor
Lori McCoy	Administrative Assistant

Trust & Wealth Management

Darlene Ward	Senior Vice President of Trust
Terry Daniels	Assistant Vice President & Director of Trust Investments
Victor Henson	Trust Officer
Ruth Menz	Trust Operations Officer
Matthew Slightom	Farm & Assistant Portfolio Manager

Jacksonville Savings Bank

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Chris Royal	President
Diana Tone	Executive Vice President & Chief Financial Officer
Matthew Cors	Vice President of Operations
John Eilering	Vice President

Branch Management & Loans

Paul Miller	Vice President & Branch Manager
Bruce Brauer	Vice President & Branch Manager
Ron Norris	Vice President & Branch Manager
Susan Wood	Vice President of Lending
Shawn McCombs	Vice President of Lending
Shaan Smith	Vice President of Lending
Lisa Stambaugh	Loan Officer
Tamara Braner	Account Review Officer
Kristine Schulte	Chief Risk Officer
Janelle Stock	Accounting Officer
Tamara Oxley	Bookkeeping Officer
Carla Royer	Customer Service Officer

Trust & Wealth Management

Mary Fergurson	Vice President & Senior Trust Officer
Stacy Shade	Assistant Trust Officer

Investment Center

Robert Beard	Vice President Investment Center
James Martin	Vice President Investment Center

HELPING TO OPEN DOORS together

CNB BANK & TRUST, N.A.

Jacksonville Savings Bank
First Midwest Virden
Litchfield Community Savings
Chapin State Bank

ALTON
200 Homer Adams Pkwy.
Alton, IL 62002

BRIGHTON
202 N. Maple St.
Brighton, IL 62012

CARLINVILLE
450 W. Side Square
Carlinville, IL 62626

CARROLLTON
600 N. Main St.
Carrollton, IL 62016

CLAYTON, MO
168 N. Meramec, Suite 350
Clayton, MO 63105

HILLSBORO
549 S. Main St.
Hillsboro, IL 62049

JACKSONVILLE
1351 Lincoln Ave.
Jacksonville, IL 62650

JERSEYVILLE
533 S. State St.
Jerseyville, IL 62052

OAK FOREST
5459 W. 159th St.
Oak Forest, IL 60452

PALOS HEIGHTS
12727 S. Ridgeland Ave.
Palos Heights, IL 60463

PITTSFIELD
643 W. Washington St.
Pittsfield, IL 62363

SHIPMAN
111 Keating St.
Shipman, IL 62685

TAYLORVILLE
402 N. Webster St.
Taylorville, IL 62568

TINLEY PARK
9400 W. 179th St.
Tinley Park, IL 60487

CHAPIN
510 Superior, PO Box 350
Chapin, IL 62628

JACKSONVILLE
1211 W. Morton Ave.
225 W. State St.
903 S. Main St.
Jacksonville, IL 62650

LITCHFIELD
501 N. State St.
Litchfield, IL 62056

VIRDEN
100 N. Dye
Virden, IL 62690

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