



Community
Bancorp.

Community Bancorp (OTCQX: CMTV) Q3 2023 Investor Presentation November 20, 2023



Forward-looking Statements

This presentation contains forward-looking statements that are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements about the Company's financial condition, capital status, dividend payment practices, business outlook and affairs. Although these statements are based on management's current expectations and estimates, actual conditions, results, and events may differ materially from those contemplated by such forward-looking statements, as they could be influenced by numerous factors which are unpredictable and outside the Company's control.

Factors that may cause actual results to differ materially from such statements include, among others, the following: (1) general economic or monetary conditions, either nationally or regionally, continue to decline, resulting in a deterioration in credit quality or diminished demand for the Company's products and services; (2) changes in laws or government rules, or the way in which courts interpret those laws or rules, adversely affect the financial industry generally or the Company's business in particular, or may impose additional costs and regulatory requirements; (3) interest rates change in such a way as to reduce the Company's interest margins and its funding sources; and (4) competitive pressures increase among financial services providers in the Company's northern New England market area or in the financial services industry generally, including pressures from nonbank financial service providers, from increasing consolidation and integration of financial service providers and from changes in technology and delivery systems.

These statements speak only as of the date of this presentation and the Bank does not undertake any obligation to update or revise any of these forward-looking statements to reflect events or circumstances occurring after the date of this communication or to reflect the occurrence of unanticipated events.

- Community National Bank, primary operating subsidiary
 - Today, 12 branches, 2 loan offices, ~ 130 employees
 - Full line of business and personal banking services
- \$1.08 billion consolidated assets as of September 30, 2023
 - Up 5.5% year-over-year
- Focused on commercial lending, deposit, and asset growth
- Important member of community where we operate
- Traded on the OTC Market
 - ~5.5 million shares outstanding as of September 30, 2023
 - Market cap: ~\$98 million*
 - Dividend yield: 5.11%*

* Stock data as of 11/15/2023

Senior Management Team



Kathryn M. Austin
President & CEO
Community National Bank
Community Bancorp.



Louise Bonvechio
Executive Vice President & CFO
Community National Bank
Treasurer & Corporate Secretary
Community Bancorp.



Christopher Caldwell
*Executive Vice President &
Chief Lending Officer*
Community National Bank
Vice President
Community Bancorp.

Our Market – Northeast Kingdom of Vermont

- Headquartered near Canadian border
- Healthy local market
 - No economic ‘booms,’ and no ‘busts’
 - New residents brought by COVID and climate
 - Buy Local mentality
 - Diversified economy
- Active community contributor
 - Equity investor in LIHTC projects
 - Support college scholarships, arts, cultural and recreational programs
 - Strong culture of volunteerism
 - Partnership with Northern Vermont University



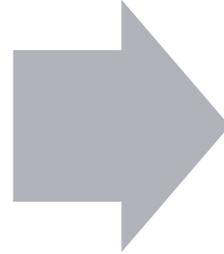
Community National Bank Goals and Vision

- Grow commercial loan and mortgage portfolios by leveraging small business leadership and deep market expertise
- Meet needs of new and current residents and businesses
- Focus on convenience for digital and in-person banking offerings
- Emphasize on-going risk management and prudent practices
- Invest in employees and operations to create sustainable long-term community banking franchise

- Community National Bank operations strong; continuing commercial loan demand and core deposit growth, despite higher interest rates
- Mortgage banking slowdown reflects higher mortgage rates
- Strong capital position, underscored by dividend
 - Diversified customer base; concentrations limits are in place
 - Low percent of uninsured deposit accounts
 - We manage risk every day, prudently
- Convenience – digital and in-person options – is critical to attracting and retaining customers in all segments
- Central role in communities enables us to be visible, relevant and engaged

Commercial Lending Highlights

Group led by Chris Caldwell,
EVP and Chief Lending Officer,
who joined bank in 2021



Solid growth across commercial
loan segments

- Diversification of business customers
- Credit quality remains high
- Competitive in marketplace
- PPP loan transactions converted to relationships



Lending Environment and Approach

- Seasoned team, geographically-based, with sector focus in market:
 - Spans northern Vermont and Upper Valley -- Burlington and Hanover business centers
- Strong business banking franchise including CRE and C&I
- Recent successes reflect:
 - Relationship banking
 - Knowledge of market
 - Flexibility and creativity
- Continued opportunities in our market from industry consolidation



2022 Financial Overview



Finished year in strong capital position



Healthy core deposit, loan and asset growth



High credit quality across loan portfolio, one non-performing loan from 2021



Deposit growth only partially offset by higher interest rates



Mortgage business slowdown due to higher mortgage rates



Diversified customer base; minimal concentration reflecting northern Vermont landscape



Raised dividend in early 2022; comfortable with current level

Third Quarter 2023 Financial Highlights

Generated net income of \$3.4 million, \$0.61 per share

- Year-over-year decline of 6.9% in earnings and 7.6% decrease in EPS, reflecting higher interest rates
- First nine months earnings of \$6.5 million or \$1.19 per share up 20% YoY

Total assets \$1.08 billion, up 5.5% year-over-year

- 15.8% loan portfolio growth, offset by decrease in cash and overnight deposits

Total deposits of \$901.2 million, down \$1.8 million or 0.2% YoY

- Trend reflects industry-wide post-pandemic savings declines

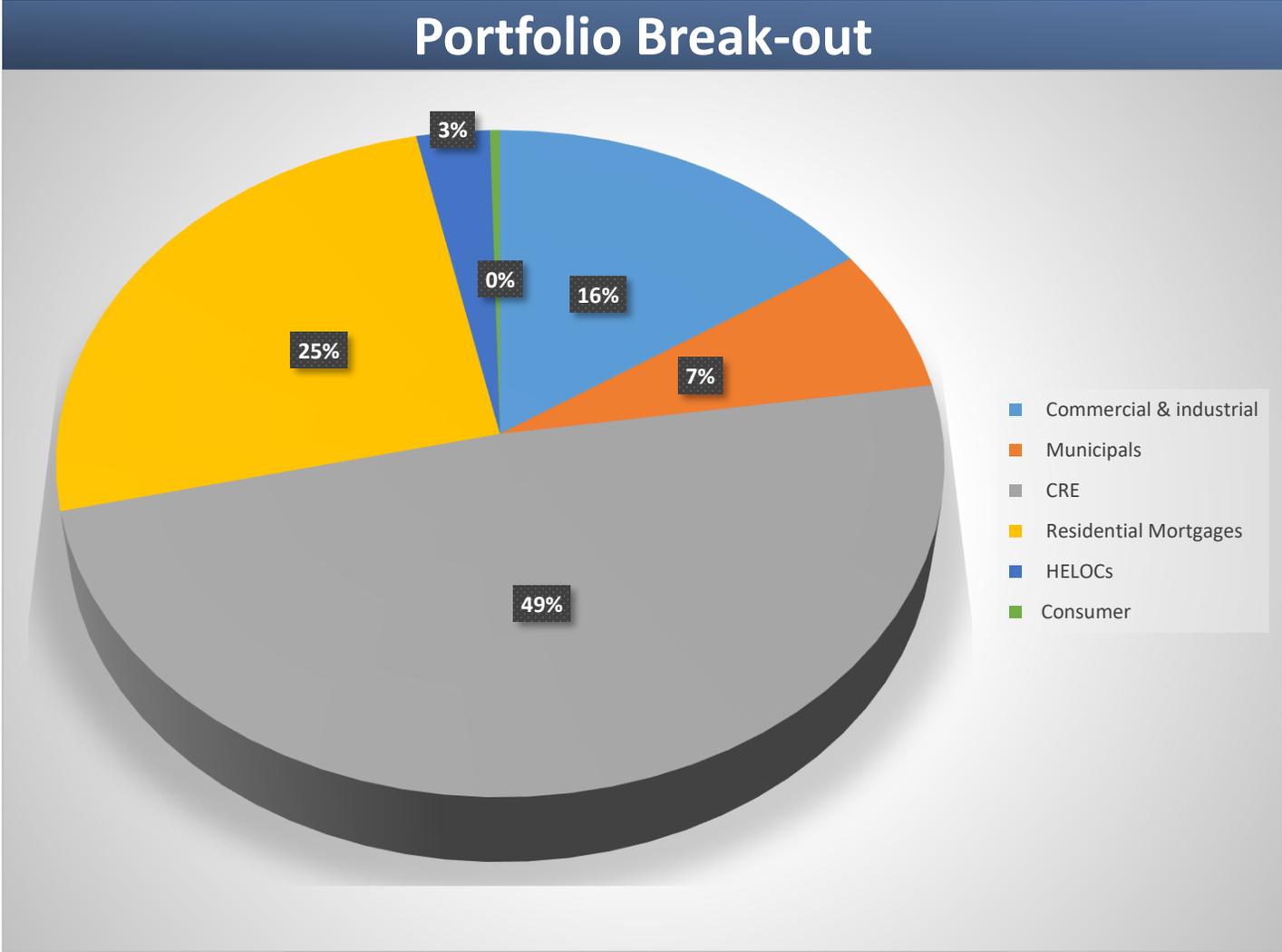
Total net interest income of \$8.4 million, up 0.7% YoY

- Net interest income for first nine months of 2023 of \$25.2 million, up 6.1% YoY

Financial Performance

	Three Months Ended Sept 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating Data				
Total interest income	\$12,086,364	\$9,432,156	\$34,071,055	\$26,271,202
Total interest expense	3,656,305	1,058,590	8,848,768	2,502,222
Net interest income	8,430,059	8,373,566	25,222,287	23,768,980
Provision for loan losses	240,889	125,000	808,557	1,325,000
Net interest income after provision for loan losses	8,189,170	8,248,566	24,413,730	22,443,980
Non-interest income	1,711,591	1,531,603	5,308,800	4,852,329
Non-interest expense	5,814,544	5,340,909	17,558,171	16,228,961
Income before income taxes	4,086,217	4,439,260	12,164,359	11,067,348
Applicable income tax expense	723,708	828,754	2,266,751	2,030,148
Net Income	\$3,362,509	\$3,610,506	\$9,897,608	\$9,037,200
Per Common Share Data				
Earnings per common share	\$0.61	\$0.66	\$1.80	\$1.67
Dividends declared per common share	\$0.23	\$0.23	\$0.69	\$0.69

Loan Portfolio*

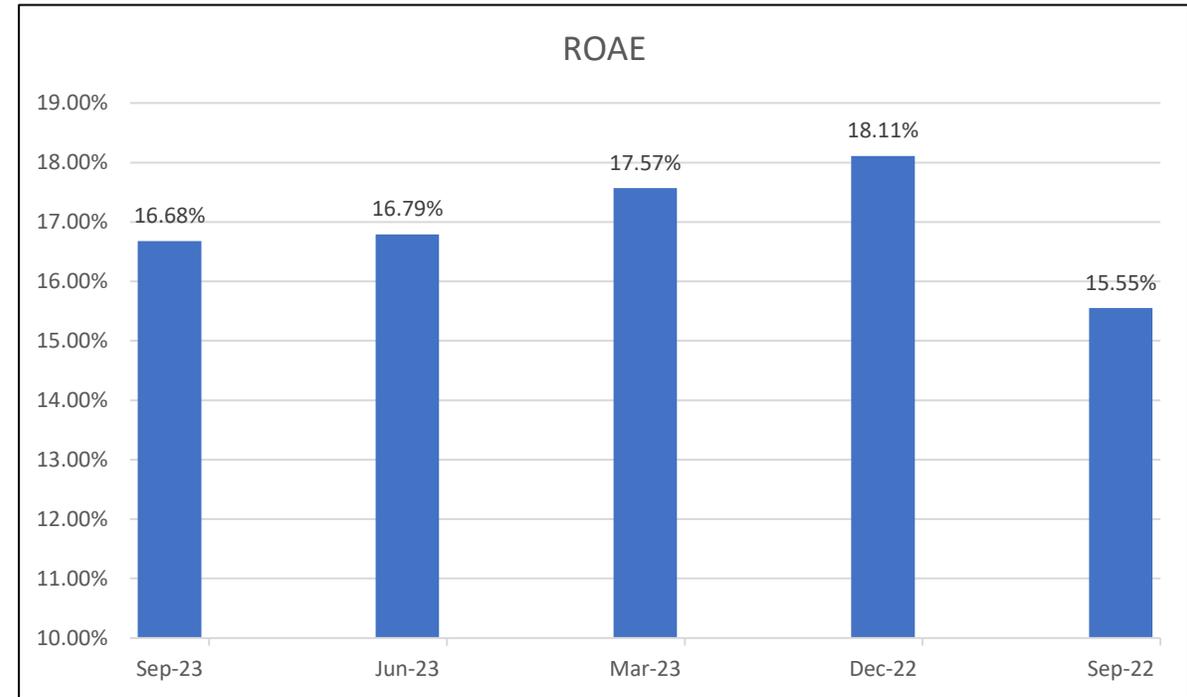
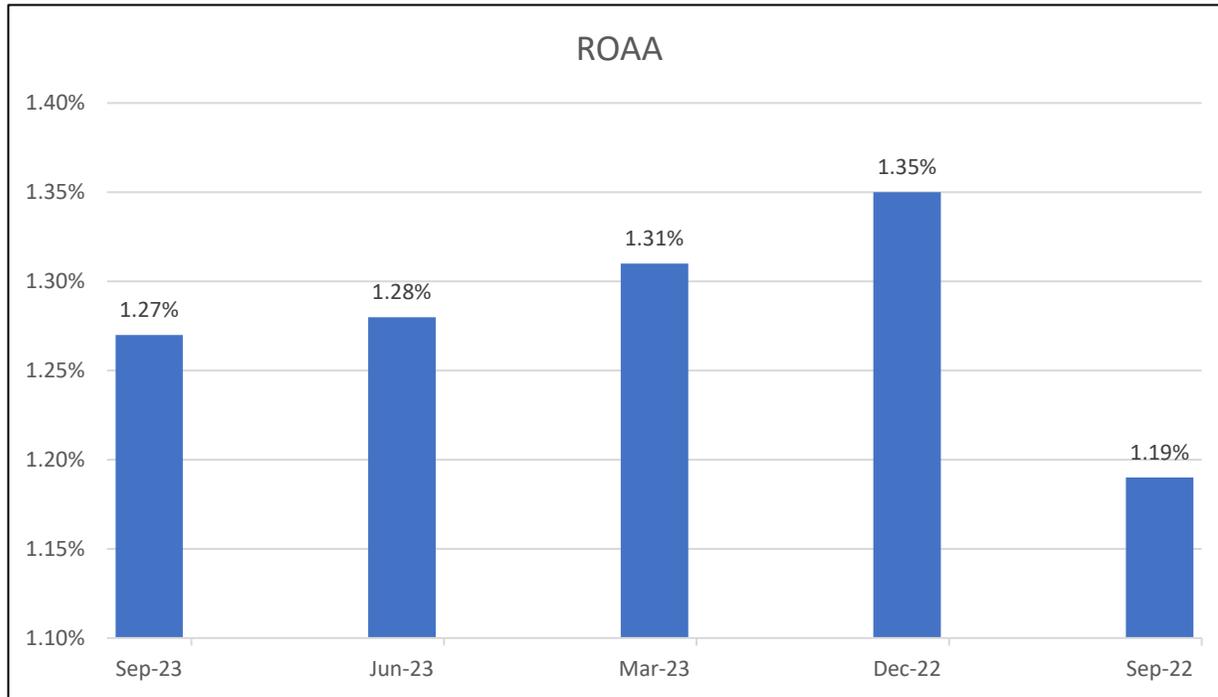


*As of September 30, 2023

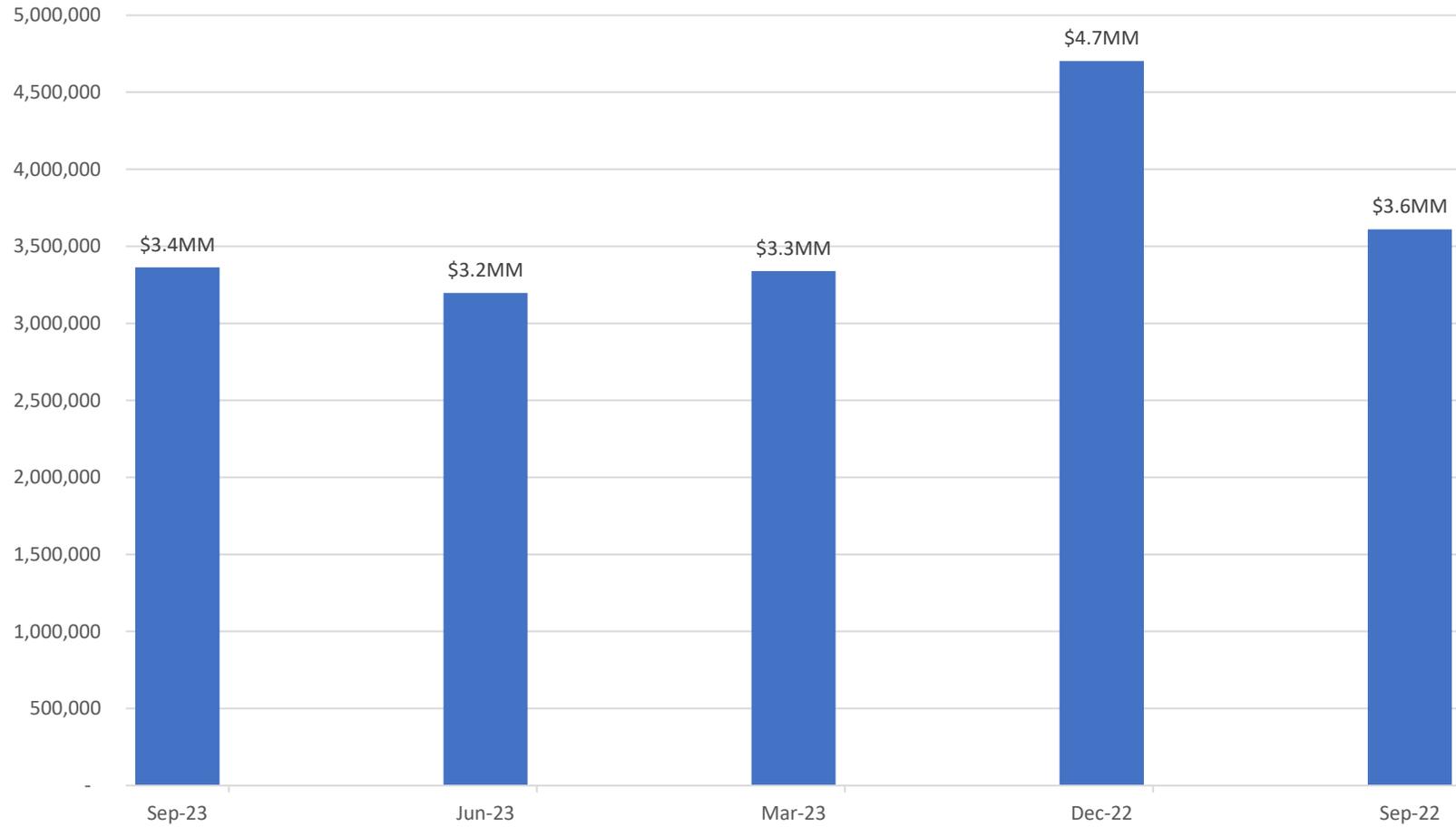
Balance Sheet Summary

	As of September 30		As of December 31	
	2023	2022	2022	2021
Total assets	1,083,290,144	1,026,884,950	1,056,032,147	1,019,105,799
Total deposits	901,204,919	903,041,150	922,972,280	879,399,953
Borrowed funds	49,150,000	1,300,000	1,300,000	1,300,000
Junior subordinated debentures	12,887,000	12,887,000	12,887,000	12,887,000
Total liabilities	1,004,483,448	957,345,125	980,855,784	934,345,531
Total shareholders' equity	78,806,696	69,539,825	75,176,363	84,760,268

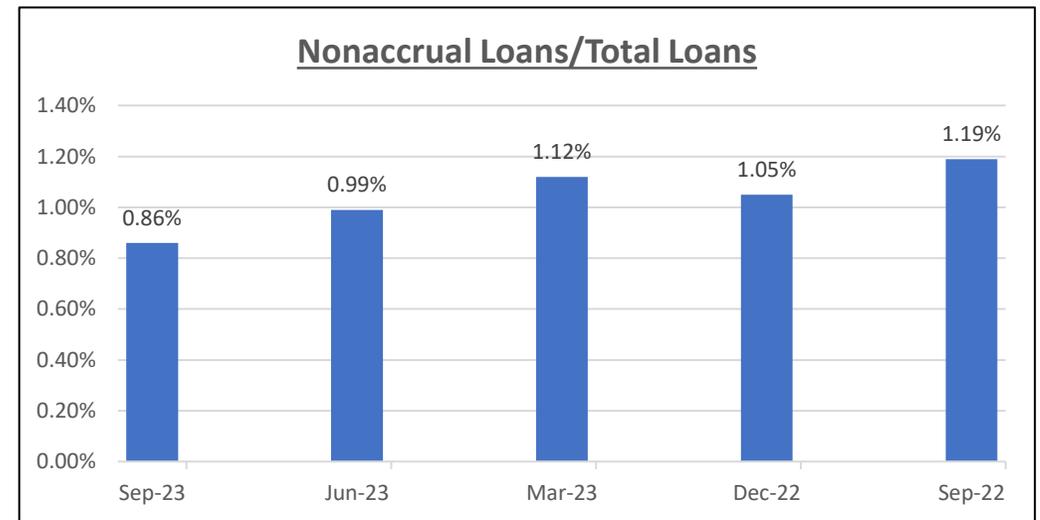
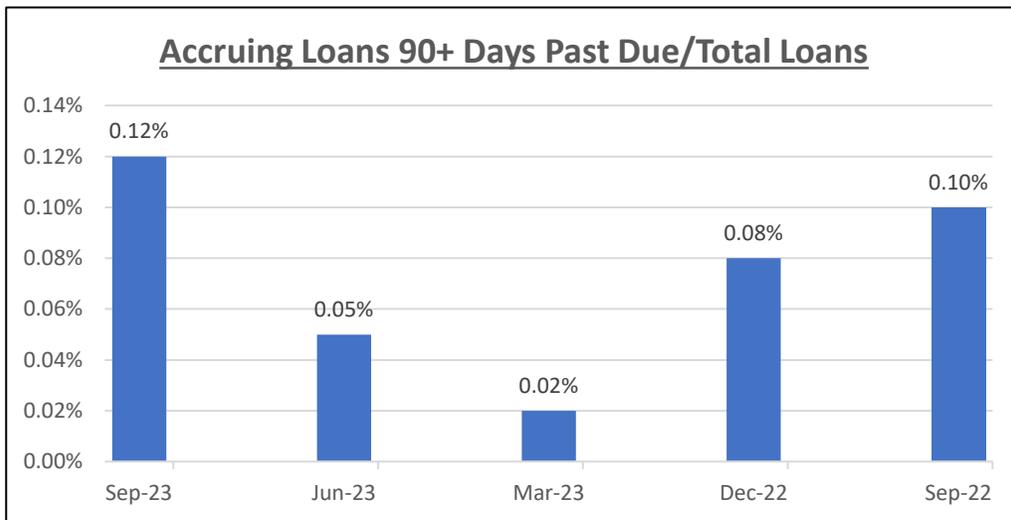
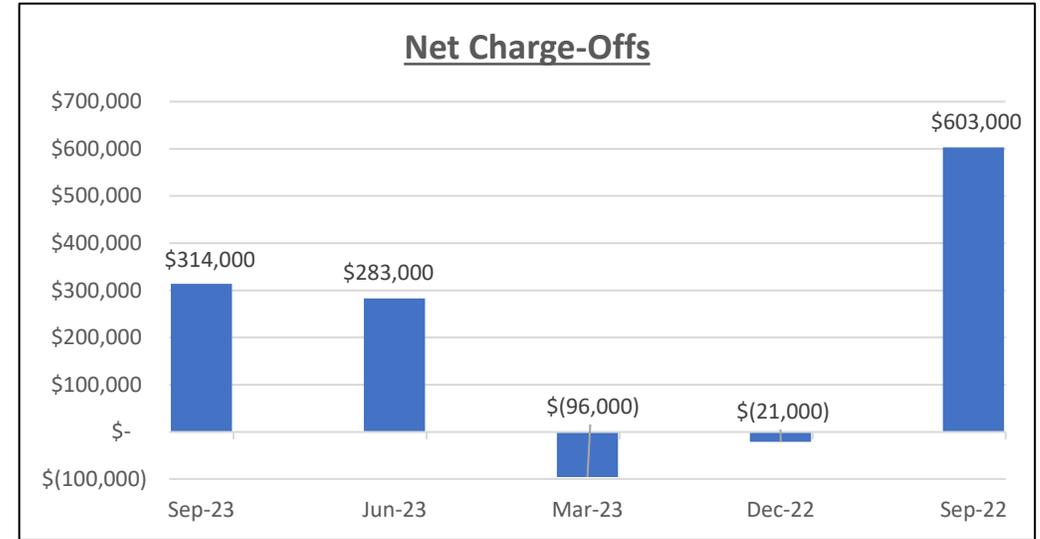
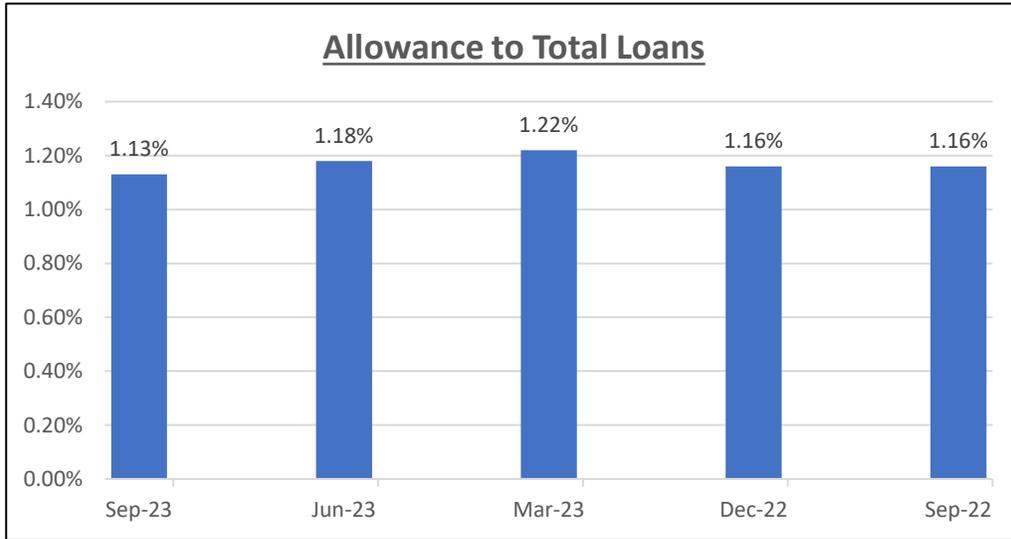
Operating Results, Trailing Five Quarters



Net Income, Trailing Five Quarters



Asset Quality Metrics



Strong Today and Positioned for Continued Success

Continued track record of
success

Strong team, operations and
systems

Commitment to profitable
growth

Integral role in community
ensures relevance and visibility

Meeting customers where they
are with convenient products
and services

We Are Vermont's Community Bank

