



(OTCQX: CMTV)

# Community Bancorp.



Capital



Customers



Creative

**2024 Annual Shareholders Meeting**

**May 14, 2024**

**2:00 pm**

**East Side Restaurant & Pub**

Board of Directors  
and Executive Officers

**Board of Directors**

**Thomas Adams**  
**Kathryn Austin**  
**Bruce Baker**  
**David Bouffard**  
**Christopher Caldwell**  
**Aminta Conant**  
**Jacques Couture**  
**David Laforce**  
**Rosemary Lalime**  
**Stephen Marsh, Chair**  
**Carol Martin**  
**Emma Marvin**  
**Jeffrey Moore**  
**Frederic Oeschger**  
**James Wheeler**

**Executive Officers**

**Kathryn Austin**, Chief Executive Officer,  
Community National Bank and President  
and Chief Executive Officer, Community  
Bancorp.

**Christopher Caldwell**, President,  
Community National Bank and Vice  
President, Community Bancorp.

**Louise Bonvechio**, Executive Vice  
President and Chief Financial Officer,  
Community National Bank and  
Treasurer and Corporate Secretary,  
Community Bancorp.



## Matters to Come Before the Meeting

### **Election of Directors to a three-year term expiring 2027**

- Kathryn M. Austin
- Bruce L. Baker
- David M. Bouffard
- Christopher L. Caldwell
- Aminta K. Conant

### **Ratification of BerryDunn as the Company's external auditors for the year ending 2024.**

### **Congratulations, Rosemary Lalime on your retirement!**

Rosemary Lalime has served as a Director of Community Bancorp. and Community National Bank since 1985.



Questions?

**Please ask questions. We're happy to answer them.**

**Thank you and adjournment of the business meeting.**

Annual Meeting Presentation



**Community Bancorp.**  
**(OTCQX: CMTV)**  
**May 2024**



## *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.



CNB Leadership



**Kathryn M. Austin**

*Chief Executive Officer, Community National Bank  
President and Chief Executive Officer, Community Bancorp.*



**Christopher Caldwell**

*President, Community National Bank  
Vice President, Community Bancorp.*



**Louise Bonvechio**

*Executive Vice President and CFO, Community National Bank  
Treasurer and Corporate Secretary, Community Bancorp.*

## *Goals and Vision*

- Continue to grow commercial and mortgage loan portfolios, as well as deposits
- Attract new clients and deepen relationships with current customers
- Focus on convenience for digital and in-person banking offerings
- Invest in employees and operations for sustainable community banking franchise

## 2023 Highlights



Finished year in strong capital position



Healthy core deposit, loan and asset growth



High credit quality across loan portfolio



Deposit growth, especially time deposits



Mortgage business growth despite higher mortgage rates



Diversified customer base, minimal concentrations reflecting our marketplace



Raised dividend in 2023



## Growth Strategies within Community Banking Landscape

- Leverage strong presence to build commercial loan and mortgage demand and core deposit growth, despite higher interest rates
- Lead with innovation, personal touch and stability
- Enhance digital and in-person options to attract and retain customers in all segments
- Sustain central role in communities that identifies us as visible, relevant and engaged
- Maintain focus on efficiency, sound business and risk management practices, and profitable growth

Group led by Chris Caldwell, President and  
former Chief Lending Officer



Solid growth across all 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, NH business centers
- Strong business banking franchise including CRE and C&I
- Competitive environment; brand and expertise matter
- Recent successes reflect:
  - Continuing market growth and demand
  - Relationship banking
  - Deep knowledge of market
  - Flexibility and creativity
- Continued opportunities from industry consolidation

## Financial Highlights

Total net interest income of \$8.4 million, down 1.9% YoY

- Net interest income for full year 2023 of \$34.2 million, up 3.4% YoY

Total assets \$1.10 billion, up 7.1% year-over-year

- Trend reflects industry-wide post-pandemic savings declines and significant move into time deposits

Net loans: \$856.9M, up \$107.1M or 14.2% YoY

Total deposits: \$883.8M, down \$4.7M or 0.5% YoY

- Continued loan portfolio growth reflects excellent response to customer demand
- Offset by decrease in cash and overnight deposits

Generated net income of \$2.8 million, \$0.51 per share

- Year-over-year decline of 15.5% reflects impact of higher interest rates

## 2023 Financial Performance

### Financial Performance, Selected Data

	Years Ended December 31,	
	2023	2022
<b>Operating Data</b>		
Total interest income	\$46,902,141	\$37,114,657
Total interest expense	12,692,940	4,030,100
Net interest income	34,209,201	33,084,557
Provision for loan losses	1,480,549	978,000
Net interest income after provision for loan losses	32,728,652	32,106,557
Non-interest income	7,175,076	6,643,048
Non-interest expense	23,576,782	21,874,339
Income before income taxes	16,326,946	16,875,266
Applicable income tax expense	2,895,091	3,135,326
Net Income	\$13,431,855	\$13,739,940
<b>Per Common Share Data</b>		
Earnings per common share	\$2.43	\$2.53
Dividends declared per common share	\$0.92	\$0.92
<b>Balance Sheet Data</b>		
	December 31,	December 31,
	2023	2022
Net loans (net of allowance)	\$836,160,298	\$740,332,658
Total assets	1,099,344,934	1,056,032,147
Total deposits	896,967,782	922,972,280
Borrowed funds	54,600,000	1,300,000
Junior subordinated debentures	12,887,000	12,887,000
Total liabilities	1,010,316,120	980,855,784
Total shareholders' equity	89,028,814	75,176,363

## Financial Performance, Selected Data

	Three Months Ended 31-Mar-24	Three Months Ended 31-Mar-23
<b>Operating Data</b>		
Total interest income	\$12,859,294	\$10,770,225
Total interest expense	4,501,649	2,246,860
Net interest income	8,357,645	8,523,365
Provision for loan losses	313,579	207,540
Net interest income after provision for loan losses	8,044,066	8,315,825
Non-interest income	1,633,907	1,758,778
Non-interest expense	6,300,144	5,958,688
Income before income taxes	3,377,829	4,115,915
Applicable income tax expense	554,928	777,153
Net Income	\$2,822,901	\$3,338,762

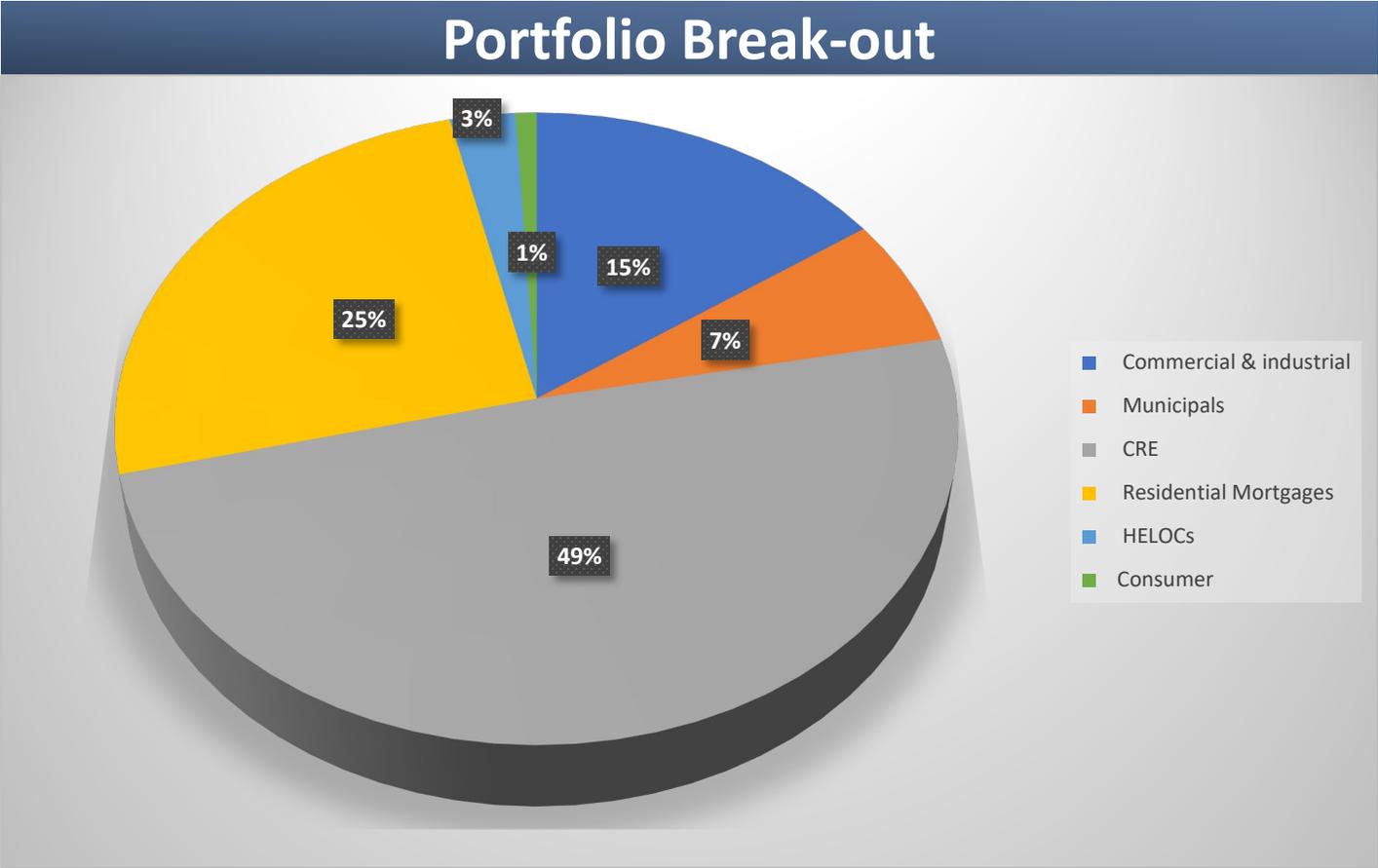
Earnings per common share	\$0.51	\$0.61
Dividends declared per common share	\$0.23	\$0.23

<b>Balance Sheet Data</b>		
	March 31, 2024	March 31, 2023
Net loans (net of allowance)	\$856,913,688	\$749,840,153
Total assets	1,107,118,970	1,030,539,393
Total deposits	883,754,684	888,545,099
Borrowed funds	85,200,000	1,300,000
Junior subordinated debentures	12,887,000	12,887,000
Total liabilities	1,017,715,007	950,859,607
Total shareholders' equity	89,403,963	79,679,787

## First Quarter 2024 Financial Performance



Loan Portfolio as of  
March 31, 2024



In Q1 2024, slight decrease in Residential Mortgages and Commercial & Industrial offset by growth in Municipals and Commercial Real Estate compared to Q1 2023

*“We’re a billion dollar bank made up of thousands of Vermont businesses.”*

*One relationship at a time.”*



B&B TOWING & RECOVERY, LYNDONVILLE, VT & LITTLETON, NH

802 COFFEE ROASTERS, BARRE, VT

WEIDMANN ELECTRICAL TECHNOLOGY, ST. JOHNSBURY, VT

DERBY LINE VILLAGE INN, DERBY LINE, VT

BUTTURA & GHERARDI GRANITE ARTISANS, BARRE, VT

LYNDON FURNITURE, LYNDONVILLE, VT

MORSE FARM MAPLE SUGARWORKS, MONTPELIER, VT

GOODRIDGE LUMBER, ALBANY, VT

RED HEN BAKING COMPANY, MIDDLESEX, VT

RIGOROUS TECHNOLOGY, WILLISTON, VT

LELAND COMPANY, BROWNSVILLE, VT

# Hard Work Built Vermont

*One relationship at a time.*

*“It’s not easy to make a living in Vermont. We grew up here one loan at a time, one relationship at a time. We live here, our decision makers are here and decisions are made here.”*

– Kathy Austin, CEO  
Community National Bank

**Community National Bank**  
Equal Housing Lender Member FDIC

*A billion dollar bank made up of thousands of Vermont businesses.*

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[communitynationalbank.com](http://communitynationalbank.com)

Presentation to  
Community Bancorp.  
Shareholders

May 14, 2024



**Community Financial Services Group, LLC (CFSG) is the trust and investment management affiliate of Community National Bank.**

**CFSG accounts are**

- Not deposits or other obligations of the bank
- Not guaranteed by the bank
- Not insured by the FDIC; and
- The investments are subject to risk, including the possible gain or loss of principal.

**Insurance products sold through CFSG are**

- Not deposits
- Not FDIC Insured
- Not insured by any Federal Government Agency
- Not guaranteed by the bank
- May go down in value.



CFSG  
Local  
Advisors –  
Global  
Vision

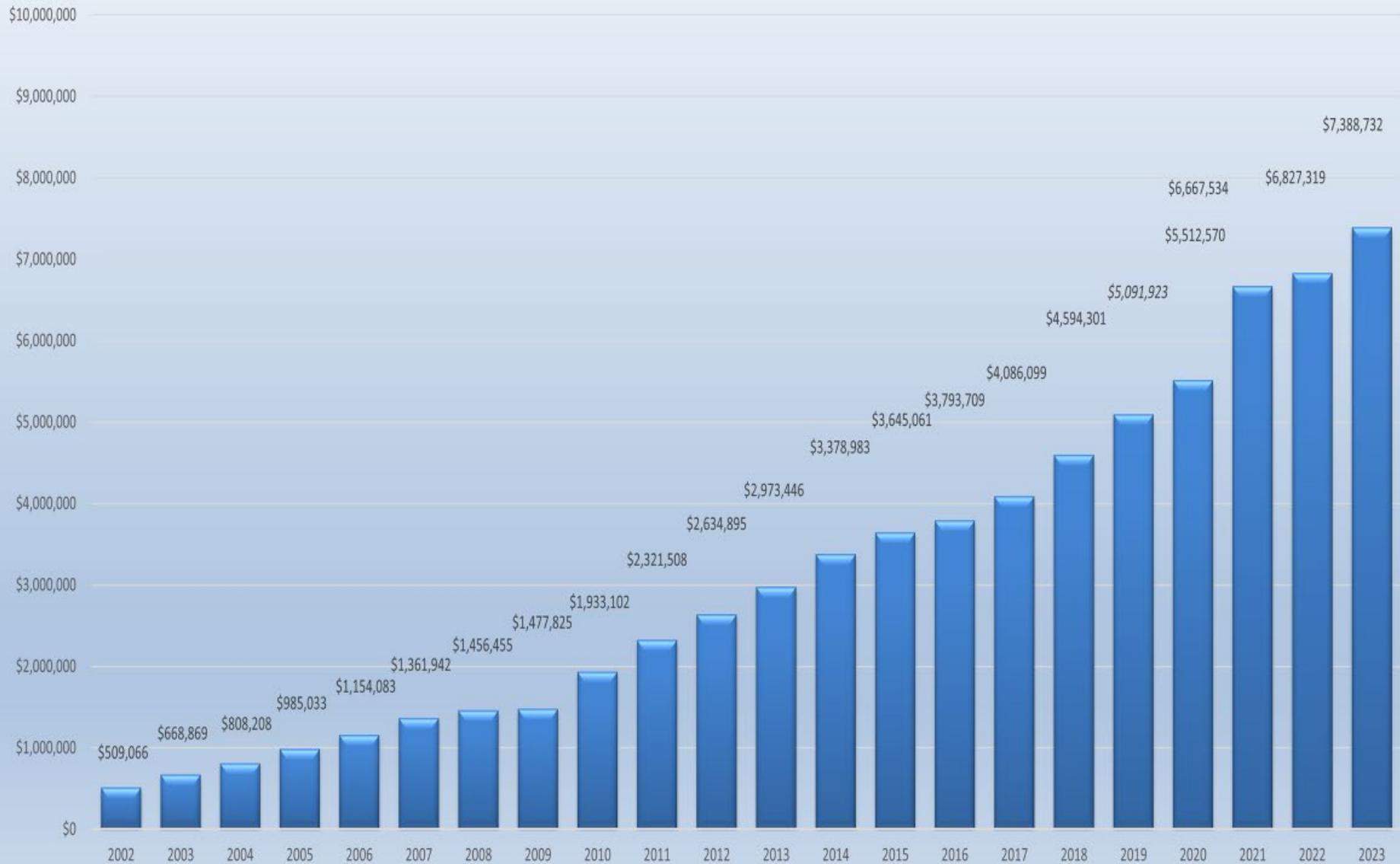
- Comprehensive Wealth Management Services
  - Providing unbiased comprehensive financial planning advice, trust services, and fiduciary portfolio management
  - Individuals, businesses, and non-profit organizations
  - \$1.4 billion in assets under management
  - Services include Revocable and Irrevocable Trusts, Managed Account Solutions, IRA and Roth IRAs, College Savings Accounts and Employee Benefit Plans
  - 25 experienced financial professionals with offices in Vermont, New Hampshire and Florida
- 

# 2023 Highlights

- Opened 330 new asset management accounts totaling \$152,000,000 in aggregate financial assets generating \$973,000 in annual fees
- Achieved record revenue of \$9 million up from \$6.7 million in 2022
- Net Profit Totaled \$3 million up from \$1.7 million in 2022
- Increased CFSG's Business Valuation 13.2% from \$16.7 million to \$18.5 million



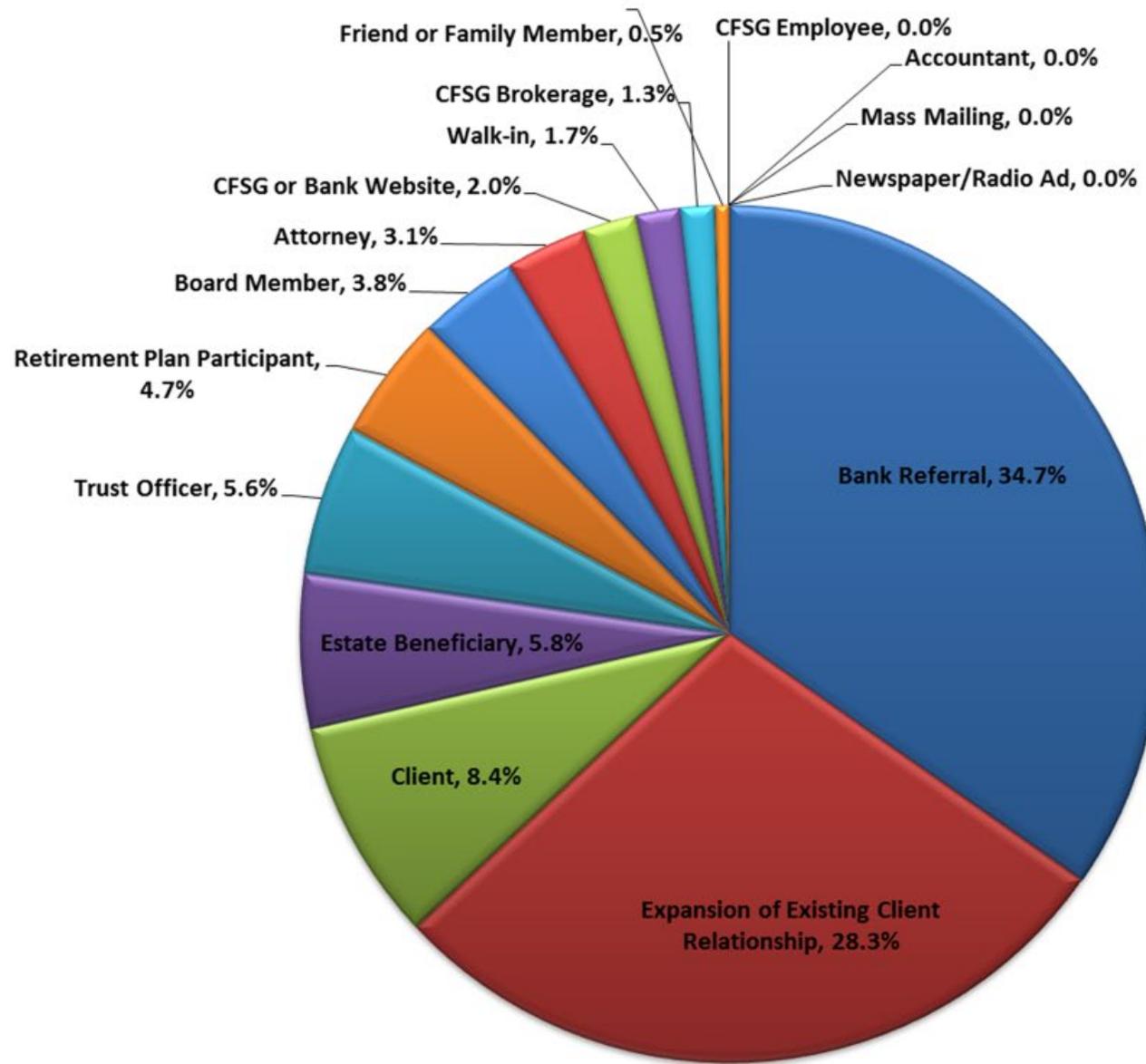
# CFSG Gross Asset Management Revenue December 31, 2023



# CFSG Business Valuation December 31, 2023



# Community Financial Services Group New Business Referral Sources



# Looking Ahead - 2024

- \* First Quarter Started off with Record New Business
- \* Adapting to Growth of Company with new vendor relationships
- \* Technology Upgrades are Essential
- \* Personnel Training and Retention



CFSG  
Contact  
Information

***Local Advisors -- Global Vision***

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