



Tried and True.

SHAREHOLDER UPDATE- JUNE 2019

It was a pleasure to meet many of our shareholders at the annual meeting held in April. At the meeting, I shared a summary of our strong financial performance and the key components of our successful year in 2018. **We are excited to announce that due to this performance, the Board has increased the dividend payable by 37% to \$.22 per share.** This follows a 6.5% increase in 2018.

As we approach mid-year 2019, I am proud to report that our financial performance has continued to be strong and has met our projections thus far. The record expansion in our economy is starting to show signs of slowing and the potential for a recession is on the horizon. The current yield curve is challenging to manage with an inversion at several segments which historically has preceded a recession. Management continues to monitor our performance and focus on our key goals of profitability and asset quality. Our newest branch office in Newark is performing well and has produced over \$7M in loans in addition to adding many new customer relationships in this market.

The Board of Directors and the Executive Management team are in the process of finalizing our strategic plan through 2021. We believe that there are ample opportunities for growth within our existing markets. We will continue to invest in technology to meet customer needs and gain efficiencies. As always, our employees are our most valuable asset and we will strive to retain and attract top talent.

One of our goals is to communicate with our shareholders more frequently throughout the year. I would like to utilize email for some of these communications, but our records indicate that we have email addresses for less than 20% of our shareholders. Please help us to update our records. The best way to provide your email address is to send it to Adele Gall at agall@thecombank.com and use "shareholder email" in the subject line.

Thank you for your continued support of our independently owned community bank.

Eric S. Holsky, President/CEO

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