



# ChoiceOne

FINANCIAL SERVICES, INC.

# Strategic Acquisition

*Pending*

ChoiceOne  
FINANCIAL SERVICES, INC.

Sparta, Michigan

has agreed to acquire

COMMUNITY  
SHORES BANK  
CORPORATION

Muskegon, Michigan

# Forward-Looking Statements

This presentation contains forward-looking statements. Words such as “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “intends,” “is likely,” “plans,” “predicts,” “projects,” “may,” “could,” “look forward,” “continue”, “future” and variations of such words and similar expressions are intended to identify such forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements regarding the outlook and expectations of ChoiceOne Financial Services, Inc. (“ChoiceOne” or “COFS”) and Community Shores Bank Corporation (“Community Shores” or “CSHB”) with respect to their planned merger, the strategic benefits and financial benefits of the merger, including the expected impact of the transaction on the combined company's future financial performance (including anticipated accretion to earnings per share, cost savings, the tangible book value earn-back period and other operating and return metrics), and the timing of the closing of the transaction. These statements reflect current beliefs as to the expected outcomes of future events and are not guarantees of future performance. These statements involve certain risks, uncertainties and assumptions (“risk factors”) that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what may be expressed, implied or forecasted in such forward-looking statements. Furthermore, neither ChoiceOne nor Community Shores undertake any obligation to update, amend, or clarify forward-looking statements, whether as a result of new information, future events, or otherwise. Such risks, uncertainties and assumptions, include, among others, the following:

- the failure to obtain necessary regulatory approvals when expected or at all (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the transaction);
- the failure of Community Shores to obtain shareholder approval, or for ChoiceOne or Community Shores to satisfy any of the other closing conditions to the transaction on a timely basis or at all;
- the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the merger agreement;
- the possibility that the anticipated benefits of the transaction, including anticipated cost savings and strategic gains, are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy, competitive factors in the areas where ChoiceOne and Community Shores do business, or as a result of other unexpected factors or events;
- the impact of purchase accounting with respect to the transaction, or any change in the assumptions used regarding the assets purchased and liabilities assumed to determine their fair value;
- diversion of management's attention from ongoing business operations and opportunities;
- potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the transaction; and
- the outcome of any legal proceedings that may be instituted against ChoiceOne or Community Shores.

Additional risk factors include, but are not limited to, the risk factors described in Item 1A in ChoiceOne Financial Services, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2018.

# Additional Information

This communication is being made in respect of the proposed merger transaction between ChoiceOne and Community Shores. In connection with the proposed merger, ChoiceOne will file with the Securities and Exchange Commission ("SEC") a Registration Statement on Form S-4 that will include the Proxy Statement of Community Shores and a Prospectus of ChoiceOne, as well as other relevant documents regarding the proposed transaction. A definitive Proxy Statement/Prospectus will also be sent to Community Shores shareholders. INVESTORS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

A free copy of the Proxy Statement/Prospectus, once available, as well as other filings containing information about ChoiceOne and Community Shores, may be obtained at the SEC's Internet site <http://www.sec.gov>. You will also be able to obtain these documents, free of charge, from ChoiceOne by accessing ChoiceOne's website at <http://www.choiceone.com> (which website is not incorporated herein by reference) or from Community Shores by accessing Community Shores' website at <http://www.communityshores.com> (which website is not incorporated herein by reference).

Copies of the Proxy Statement/Prospectus once available can also be obtained, free of charge, by directing a request to ChoiceOne, 109 East Division Street, Post Office Box 186, Sparta, MI, 49345, Attention: Thomas L. Lampen, or by calling 616-887-7366 or to Community Shores, 1030 West Norton Avenue, Muskegon, MI, 49441, Attention: Heather Brolick, or by calling 231-780-1845.

# Participants In Solicitation

Community Shores and certain of its directors and executive officers may be deemed to be participants in the solicitation of proxies from Community Shores shareholders in respect of the transaction described in the Proxy Statement/Prospectus. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the Proxy Statement/Prospectus regarding the proposed merger when it becomes available. Free copies of this document may be obtained as described in the preceding slide.

## **Contacts:**

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### **Community Shores Bank Corporation**

Heather Brolick  
President & CEO  
Community Shores Bank  
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hbrolick@communityshores.com

# Pending Strategic Acquisition Overview

## *ChoiceOne & Community Shores*

- ChoiceOne Financial Services (“ChoiceOne”) and County Bank Corp. (“County”) completed a merger of equals on 10/1/2019
- ChoiceOne is the parent company of ChoiceOne Bank headquartered in Sparta, Michigan and Lakestone Bank & Trust headquartered in Lapeer, Michigan
- ChoiceOne to acquire Community Shores Bank Corp. (“Community Shores”) adding an additional ~\$200 million in assets in West Michigan
- Community Shores is the parent company of Community Shores Bank headquartered in Muskegon, Michigan
- ChoiceOne Bank and Lakestone Bank & Trust are expected to consolidate in the second quarter of 2020
- ChoiceOne Bank and Community Shores Bank are expected to consolidate in the second half of 2020
- Community Shores acquisition allows for market expansion in Muskegon and Ottawa counties, Michigan
  
- Under the terms of the merger agreement, each share of Community Shores common stock outstanding immediately prior to the merger will be converted into the right to receive, at the election of each Community Shores shareholder, an amount of cash equal to \$5.00 or 0.17162 shares of ChoiceOne common stock, in each case subject to proration to ensure that, in the aggregate, a minimum of 50% and maximum of 75% of Community Shores’ shares of common stock are converted into ChoiceOne’s common stock
  - The share exchange proration range represents Community Shores pro forma ownership of 6.8% of ChoiceOne assuming 75% stock is elected; 4.7% if 50% stock is elected
  - Based on ChoiceOne’s closing stock price of \$31.54 on January 3, 2020, and the exchange ratio of 0.17162x, the implied per share value to Community Shores shareholders equals \$5.31 per share if 75% stock is elected (an aggregate value of \$21.9 million) and \$5.21 per share if 50% stock is elected (an aggregate value of \$21.5 million)
  - Implied combined market capitalization equals \$245.1 million based on 7.77 million pro forma shares (75% stock election by Community Shores) or \$239.5 million based on 7.59 million pro forma shares (50% stock election by Community Shores) and ChoiceOne’s closing stock price of \$31.54 as of January 3, 2020

# Investment Considerations

## Organizational Strengths

- Community Shores is the leading community bank serving the growing Muskegon, Michigan market <sup>(1)</sup>
- Employee continuity at Community Shores is strong, with many employees being employed since the bank opened including the CEO and CFO
- Strong management team with identified positions for Community Shores CEO and CLO post-transaction

## Attractive Balance Sheet

- Q3 2019 loan/deposit ratio of 83.6% at Community Shores (75.4% at ChoiceOne)
- Attractive deposit franchise with ~75% non-time deposits, including 22.5% noninterest-bearing demand deposits (\$41.4mm)

## Commercially-focused

- Complementary commercial-focused loan portfolio with ~79% commercial loans (see page 11)
- Strong loan yields, led by commercial book – 5.4% blended yield on loan portfolio
- Pro forma balance sheet will increase lending opportunities with larger lending limits to service commercial customers

## Acquisition Rationale

- The combined company will have the opportunity to deploy existing low-cost funding into strategic markets in West Michigan (Muskegon, Michigan is part of ChoiceOne's defined CRA assessment area)
- Community Shores' commercially driven loan focus in primary service market is very attractive
- Anticipated cost savings from the combined organization expected to be accretive to earnings
- Attractive core deposit base expected to provide support for future expansion
- Joining forces is a natural geographical and cultural fit
- The combined company has deep roots in Michigan and this acquisition is expected to enhance the impact on local communities

(1) Based on deposit market share, see page 9

# Key Modeling Assumptions

## Ownership/Share Count

• ChoiceOne outstanding common shares	7,238,559	93.2%
• Shares Issued to Community Shores (assumes 75% election)	<u>531,807</u> <sup>(1)</sup>	<u>6.8%</u>
• Pro forma shares	7,770,366 <sup>(2)</sup>	100.0%

## Consideration Mix

- Cash or stock at the election of each Community Shores shareholder subject to proration of a minimum of 50% stock and a maximum of 75% stock
- Community Shores shareholders electing stock will receive 0.17162 ChoiceOne shares for each share of Community Shores stock, subject to the proration

## Accounting Assumptions

- Community Shores balance sheet will be subject to fair value accounting
- Loan credit mark of 1.45% of Community Shores' loan portfolio as of September 30, 2019
- Core deposit intangible of 1.5% on Community Shores' non-time deposits amortized 10 years using sum-of-years digits
- Community Shores deferred tax asset<sup>(3)</sup> written down (~\$315k) and FHLB Lender Risk Account ("LRA") asset written up (~\$400k)

## Transaction Costs

- Combined one-time transaction costs estimated at \$4.0 million pre-tax

## Estimated Cost Savings / Revenue Enhancements

- Fully phased-in cost savings estimated at \$2.75 million, or 35% of Community Shores non-interest expense, with 100% expected to be realized in 2021
- No revenue enhancements modeled

## Modeling Results

- Immediately accretive to EPS; 7-10% fully phased in (depending on stock election, excluding acquisition expenses)
- TBV payback of approximately 2.5 to 3 years using the crossover method
- IRR of nearly 20% assuming 12x P/E multiple in terminal year

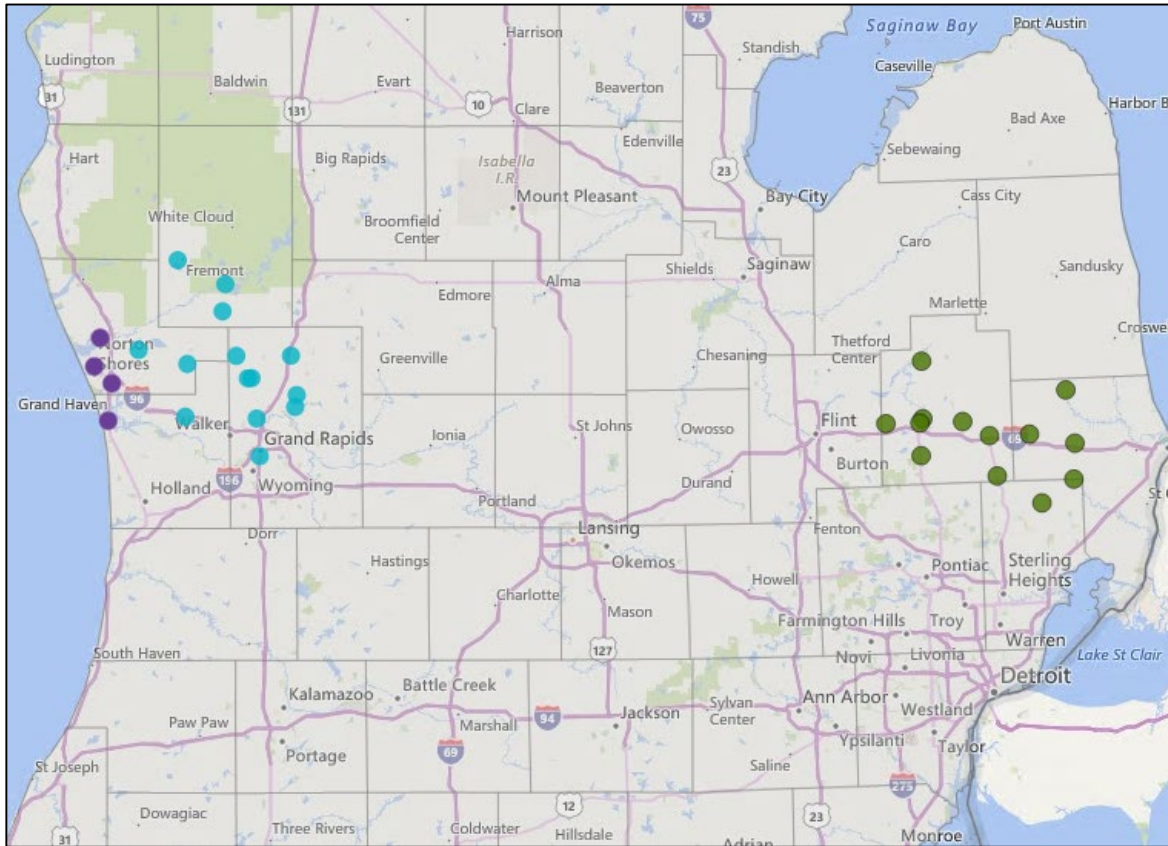
(1) Assumes 75% stock elected; 4,131,664 fully diluted shares x 0.17162 x 0.75

(2) Not including any outstanding ChoiceOne stock options and restricted stock units

(3) DTA adjustment may move up or down per IRC 382 calculation at closing



# Pro Forma Branch Map



- ChoiceOne Bank
- Lakestone Bank & Trust
- Community Shores Bank

<i>Institution</i>	<b>2019 Rank</b>	<b>Branches</b>	<b>Deposits</b>	<b>Market Share (%)</b>
<b><u>Muskegon, MI</u></b>				
Fifth Third Bancorp	1	6	434,382	27.05
PNC Financial Services Group	2	7	384,575	23.94
<b>ChoiceOne Financial Services Pro Forma</b>	<b>3</b>	<b>5</b>	<b>212,500</b>	<b>13.23</b>
Huntington Bancshares Inc.	3	5	206,766	12.87
Comerica Inc.	4	4	189,631	11.81
<b>Community Shores Bank Corp.</b>	<b>5</b>	<b>3</b>	<b>161,800</b>	<b>10.07</b>
Shelby Financial Corp.	6	4	79,080	4.92
<b>ChoiceOne Financial Services</b>	<b>7</b>	<b>2</b>	<b>50,700</b>	<b>3.16</b>
JPMorgan Chase & Co.	8	1	41,336	2.57
TCF Financial Corp.	9	1	35,302	2.20
Independent Bank Corp.	10	1	22,560	1.40
<b>Total Muskegon, MI</b>		<b>34</b>	<b>1,606,132</b>	<b>100.00</b>
<b><u>Ottawa, MI</u></b>				
Fifth Third Bancorp	1	13	934,132	20.71
Macatawa Bank Corp.	2	16	842,538	18.68
Huntington Bancshares Inc.	3	14	743,292	16.48
TCF Financial Corp.	4	9	602,154	13.35
West Michigan Community Bank	5	8	418,442	9.28
JPMorgan Chase & Co.	6	5	361,657	8.02
Flagstar Bancorp Inc.	7	4	171,120	3.79
PNC Financial Services Group	8	4	168,671	3.74
Comerica Inc.	9	4	100,960	2.24
Mercantile Bank Corp.	10	1	64,518	1.43
<b>ChoiceOne Financial Services Pro Forma</b>	<b>11</b>	<b>2</b>	<b>61,684</b>	<b>1.37</b>
<b>ChoiceOne Financial Services</b>	<b>11</b>	<b>1</b>	<b>44,478</b>	<b>0.99</b>
<b>Community Shores Bank Corp.</b>	<b>12</b>	<b>1</b>	<b>17,206</b>	<b>0.38</b>
Horizon Bancorp Inc.	13	1	14,381	0.32
First National Bancorp Inc.	14	1	13,053	0.29
United Bank Financial Corp.	15	1	9,697	0.21
Old National Bancorp	16	1	4,956	0.11
<b>Total Ottawa, MI</b>		<b>85</b>	<b>4,511,255</b>	<b>100.00</b>

Source: S&P Global Market Intelligence; Deposit data as of June 30, 2019

# Market Comparison

	<b>ChoiceOne Financial Services</b>	<b>Community Shores Bank Corp.</b>	
	<b>Market Area</b>	<b>Market Area</b>	<b>State of Michigan</b>
<b>POPULATION DATA</b>	<b>Total (1)</b>	<b>Total (2)</b>	
2020 Estimated	2,307,519	469,339	10,020,118
2025 Projected	2,343,516	482,533	10,106,291
% Change 2020 - 2025	1.6%	2.8%	0.9%
<b>MARKET DEPOSITS (\$mm)</b>			
June 2014 Deposits	35,082	5,270	
June 2019 Deposits	43,440	6,117	
5-Year Growth	8,358	847	
5-Year Deposit CAGR	4.4%	3.0%	
<b>COMPANY DEPOSITS (\$mm)</b>			
June 2019 Company Market Share	2.6%	2.9%	
June 2014 Deposits	429	177	
June 2019 Deposits	1,126	179	
5-Year Growth	697	2	
5-Year Deposit CAGR	21.3%	0.2%	

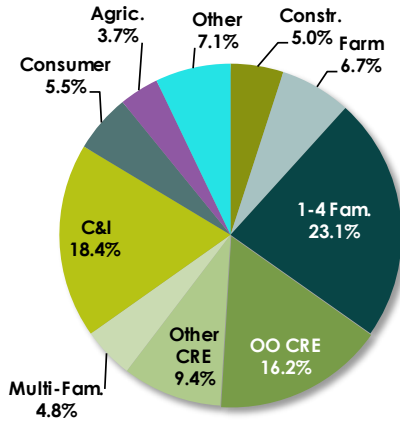
(1) Market Area Total includes Kent, Newaygo, Muskegon, Ottawa, Lapeer, Saint Clair, and Macomb counties.

(2) Market Area Total includes Muskegon and Ottawa counties.

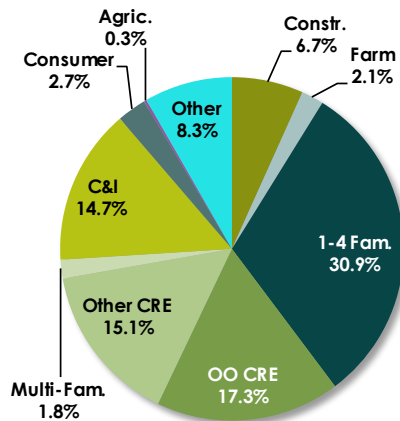
Note: Deposit balances sourced from FDIC

# Diversified Loan Portfolio

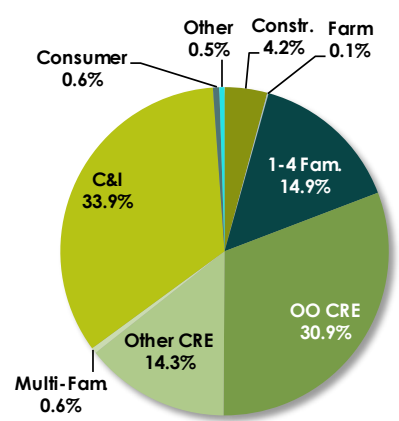
ChoiceOne Bank



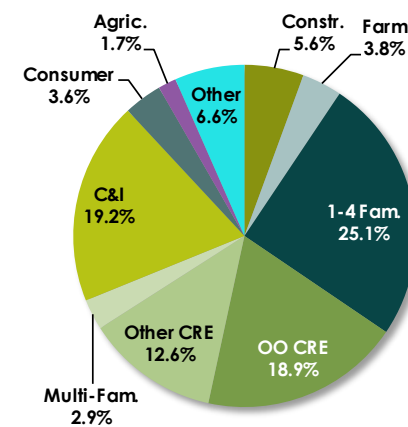
Lakestone Bank & Trust



Community Shores Bank



Pro Forma Combined



ChoiceOne Bank	Balance (\$'000)	% of Total
Construction	\$21,861	5.0%
Farm Loans	29,450	6.7%
1-4 Family	101,003	23.1%
Owner-Occupied CRE	70,840	16.2%
Other CRE Loans	41,230	9.4%
Multi-Family	21,222	4.8%
C&I	80,688	18.4%
Consumer	24,111	5.5%
Agricultural	16,403	3.7%
Other Loans	31,193	7.1%
<b>Total Loans</b>	<b>\$438,001</b>	<b>100.0%</b>

Lakestone Bank & Trust	Balance (\$'000)	% of Total
Construction	\$28,778	6.7%
Farm Loans	8,989	2.1%
1-4 Family	132,296	30.9%
Owner-Occupied CRE	74,107	17.3%
Other CRE Loans	64,788	15.1%
Multi-Family	7,586	1.8%
C&I	62,923	14.7%
Consumer	11,734	2.7%
Agricultural	1,070	0.3%
Other Loans	35,505	8.3%
<b>Total Loans</b>	<b>\$427,776</b>	<b>100.0%</b>

Community Shores Bank	Balance (\$'000)	% of Total
Construction	\$6,532	4.2%
Farm Loans	210	0.1%
1-4 Family	23,120	14.9%
Owner-Occupied CRE	48,083	30.9%
Other CRE Loans	22,226	14.3%
Multi-Family	862	0.6%
C&I	52,790	33.9%
Consumer	974	0.6%
Agricultural	0	0.0%
Other Loans	792	0.5%
<b>Total Loans</b>	<b>\$155,589</b>	<b>100.0%</b>

Pro Forma Combined	Balance (\$'000)	% of Total
Construction	\$57,171	5.6%
Farm Loans	38,649	3.8%
1-4 Family	256,419	25.1%
Owner-Occupied CRE	193,030	18.9%
Other CRE Loans	128,244	12.6%
Multi-Family	29,670	2.9%
C&I	196,401	19.2%
Consumer	36,819	3.6%
Agricultural	17,473	1.7%
Other Loans	67,490	6.6%
<b>Total Loans</b>	<b>\$1,021,366</b>	<b>100.0%</b>

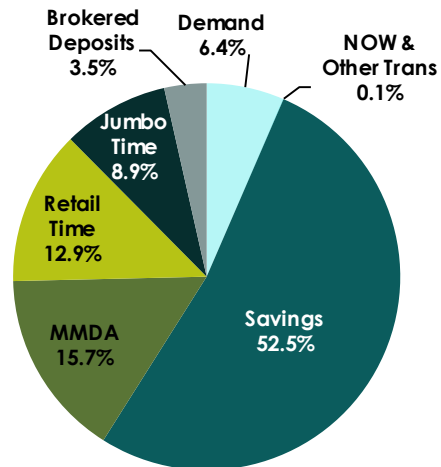
2019Q3 Loan Yield	5.06%	2019Q3 Loan Yield	5.50%	2019Q3 Loan Yield	5.41%	2019Q3 Loan Yield	5.30%
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Source: S&P Global Market Intelligence

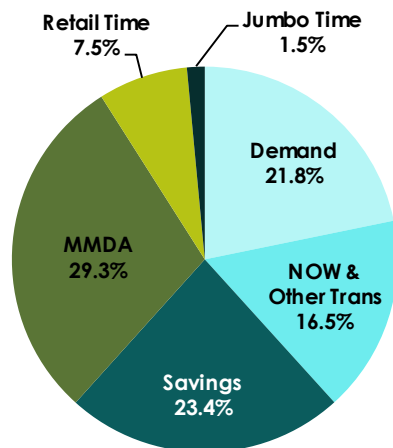
Note: Values are bank level as of 9/30/2019 and do not include purchase accounting adjustments

# Strong Deposit Bases

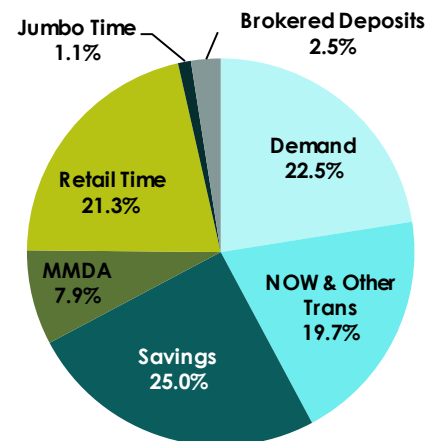
**ChoiceOne Bank**



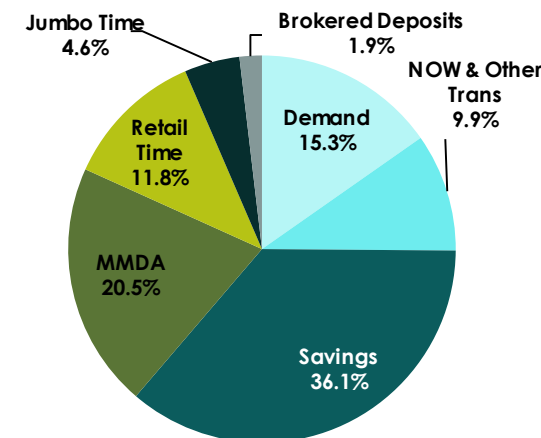
**Lakestone Bank & Trust**



**Community Shores Bank**



**Pro Forma Combined**



ChoiceOne Bank	Balance (\$000)	% of Total
Demand	\$37,055	6.4%
NOW & Other Trans	327	0.1%
Savings	301,579	52.5%
MMDA	90,144	15.7%
Retail Time	74,428	12.9%
Jumbo Time	51,107	8.9%
Brokered Deposits	20,287	3.5%
<b>Total Deposits</b>	<b>\$574,927</b>	<b>100.0%</b>

Lakestone Bank & Trust	Balance (\$000)	% of Total
Demand	\$125,152	21.8%
NOW & Other Trans	94,860	16.5%
Savings	134,376	23.4%
MMDA	168,491	29.3%
Retail Time	43,216	7.5%
Jumbo Time	8,537	1.5%
Brokered Deposits	0	0.0%
<b>Total Deposits</b>	<b>\$574,632</b>	<b>100.0%</b>

Community Shores Bank	Balance (\$000)	% of Total
Demand	\$41,382	22.5%
NOW & Other Trans	36,223	19.7%
Savings	46,077	25.0%
MMDA	14,554	7.9%
Retail Time	39,207	21.3%
Jumbo Time	1,975	1.1%
Brokered Deposits	4,542	2.5%
<b>Total Deposits</b>	<b>\$183,960</b>	<b>100.0%</b>

Pro Forma Combined	Balance (\$000)	% of Total
Demand	\$203,589	15.3%
NOW & Other Trans	131,410	9.9%
Savings	482,032	36.1%
MMDA	273,189	20.5%
Retail Time	156,851	11.8%
Jumbo Time	61,619	4.6%
Brokered Deposits	24,829	1.9%
<b>Total Deposits</b>	<b>\$1,333,519</b>	<b>100.0%</b>

2019Q3 Cost of Funds 0.56%

2019Q3 Cost of Funds 0.62%

2019Q3 Cost of Funds 1.08%

2019Q3 Cost of Funds 0.66%

Source: S&P Global Market Intelligence

Note: Values are bank level as of 9/30/2019 and do not include purchase accounting adjustments

# Financial Highlights

\$ in 000s	ChoiceOne Bank					Lakestone Bank & Trust					Community Shores Bank				
	2015	2016	2017	2018	2019 Q3 LTM	2015	2016	2017	2018	2019 Q3 LTM	2015	2016	2017	2018	2019 Q3 LTM
<b>Balance Sheet:</b>															
Assets	\$565,408	\$603,892	\$642,816	\$666,767	\$661,031	\$323,946	\$583,529	\$602,429	\$616,168	\$672,174	\$180,055	\$190,690	\$184,074	\$184,473	\$203,769
Loans	354,261	370,973	407,307	430,548	438,001	171,688	315,318	344,539	363,861	427,776	122,742	140,953	148,499	147,309	155,589
Deposits	475,841	512,903	541,102	578,415	574,927	285,172	520,351	539,573	542,493	574,632	161,235	168,380	165,536	165,874	183,960
Shareholders' Equity	66,539	67,698	71,570	75,314	81,168	36,660	54,591	58,947	59,939	67,725	13,504	17,297	17,014	18,092	19,218
<b>Financial Performance:</b>															
NIM	3.72%	3.65%	3.60%	3.81%	3.70%	3.53%	3.77%	3.65%	3.66%	3.70%	3.66%	3.64%	3.74%	4.06%	3.98%
Noninterest Income / Total Revenue	29.80%	28.18%	28.29%	23.64%	24.96%	24.11%	24.80%	22.69%	21.13%	20.49%	16.86%	16.17%	15.31%	12.37%	13.02%
Efficiency Ratio	67.19%	66.92%	65.55%	69.57%	72.21%	67.23%	83.23%	66.97%	66.41%	63.66%	98.88%	93.55%	83.95%	84.46%	82.49%
ROAA	1.06%	1.05%	0.98%	1.14%	1.07%	1.11%	0.52%	0.93%	1.13%	1.20%	0.02%	0.17%	-0.31%	0.61%	0.58%
ROAE	8.80%	8.96%	8.77%	10.09%	9.18%	10.08%	5.13%	9.49%	12.00%	12.15%	0.32%	1.86%	-3.37%	6.43%	6.08%
<b>Credit Quality:</b>															
NPAs / Assets	0.95%	0.83%	0.57%	0.54%	0.90%	1.51%	0.45%	0.33%	0.34%	0.34%	5.62%	5.26%	5.32%	4.16%	3.27%
NPAs excl. TDRs / Assets	0.40%	0.42%	0.19%	0.25%	0.58%	0.59%	0.36%	0.21%	0.33%	0.32%	1.89%	0.83%	1.85%	1.54%	1.03%
ALLL / Gross Loans	1.18%	1.15%	1.12%	1.09%	0.94%	1.25%	0.53%	0.48%	0.47%	0.43%	1.36%	1.14%	1.29%	1.19%	1.03%
ALLL / NPAs	77.94%	85.61%	124.61%	130.24%	69.20%	43.90%	64.20%	83.72%	80.54%	80.16%	16.52%	16.06%	19.54%	22.87%	23.95%
<b>Bank Capitalization:</b>															
Leverage Ratio	9.47%	9.31%	9.19%	9.77%	9.81%	11.68%	9.84%	10.19%	10.29%	9.75%	6.12%	8.30%	8.50%	9.48%	9.01%
Total Risk-based Capital Ratio	13.32%	13.43%	12.95%	12.88%	13.04%	20.92%	17.07%	16.58%	16.11%	14.62%	9.46%	11.12%	11.82%	12.44%	12.07%
<b>Consolidated Capitalization:</b>	ChoiceOne Financial Services, Inc.					County Bank Corp.					Community Shores Bank Corp.				
TCE / TA	10.07%	9.77%	9.93%	10.16%	10.91%	11.44%	9.12%	9.61%	9.61%	10.11%	4.18%	7.35%	7.05%	7.50%	7.26%
<b>Per Share Data:</b>															
Shares Outstanding	3,632,988	3,613,933	3,620,997	3,616,483	3,634,388	1,080,946	1,748,592	1,746,884	1,746,884	1,746,884	1,468,800	4,101,664	4,106,664	4,111,664	4,111,664
BV per Share	\$19.22	\$19.73	\$21.14	\$22.25	\$23.28	\$34.31	\$31.45	\$33.92	\$34.55	\$39.41	\$5.15	\$3.43	\$3.17	\$3.38	\$3.59
TBV per Share	\$15.34	\$16.04	\$17.35	\$18.46	\$19.51	\$34.31	\$30.35	\$32.53	\$33.36	\$38.85	\$5.15	\$3.43	\$3.17	\$3.38	\$3.59
EPS	\$1.58	\$1.68	\$1.70	\$2.02	\$1.64	\$3.25	\$2.28	\$3.06	\$3.96	\$3.23	(\$0.30)	\$0.05	(\$0.24)	\$0.22	\$0.22
Dividends per Share	\$0.60	\$0.62	\$0.64	\$0.71	\$1.38	\$1.38	\$1.40	\$1.22	\$2.00	\$2.12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Source: S&P Global Market Intelligence

Note: Financial data shown is at bank level; TCE/TA and per share data is consolidated at holding company

# Contribution Analysis

As of September 30, 2019

<b>SELECT BALANCE SHEET CONTRIBUTIONS</b>	<b>COFS</b>	<b>Contribution</b>	<b>CSHB</b>	<b>Contribution</b>	<b>Pro Forma Combined<sup>(1)</sup></b>
Total Assets	\$1,376,506	87.1%	\$204,422	12.9%	\$1,580,928
Total Loans	\$865,937	84.9%	\$153,749	15.1%	\$1,019,686
Total Deposits	\$1,147,744	86.2%	\$183,827	13.8%	\$1,331,571
Tangible Common Equity	\$137,753	90.3%	\$14,844	9.7%	\$152,597
<b>PROFITABILITY CONTRIBUTIONS</b>					
LTM Pre-Tax Pre-Provision Net Income <sup>(2)</sup>	\$13,134	92.0%	\$1,138	8.0%	\$14,272
LTM Net Income <sup>(2)</sup>	\$10,878	92.4%	\$891	7.6%	\$11,769
<b>MARKET CAPITALIZATION</b>					
Current Shares Outstanding	7,238,559		4,131,664		7,770,366
Stock Price (1/3/2020)	\$31.54		\$3.01		
Current Market Cap <sup>(3)</sup>	\$228,304		\$12,436		\$245,077

(1) Pro Forma Combined represents the sum of COFS (pro forma with Lakestone Bank & Trust) and CSHB and is not reflective of any purchase accounting marks or merger adjustments

(2) ChoiceOne's LTM net income and pre-tax, pre-provision net income is adjusted for County Bank Corp. merger on 10/1/2019

(3) CSHB fully diluted shares multiplied by exchange ratio of 0.17162x (75% election assumed) to arrive at pro forma shares outstanding multiplied by current COFS stock price



Thank You!