

Seeing You Through All of  
**Life's Seasons**



Professional Answers. Personal Touch. **Now that's choice!**



**2008** was a challenging year for everyone including banks. However, we maintained profitability for the year. Our earnings for the year were \$1,435,000. This 60% decrease from the previous year was primarily as a result of increased loan loss reserves due to increased loan losses and two write-downs on auction rate securities. We also had increases in expenses relating to collection of loans and expenses of keeping assets in the process of collection. The loan issues are a result of the depressed employment and real estate values in the area. The auction rate securities continue to pay a regular dividend, but due to the financial crisis have lost value.

Both total assets and loans declined just slightly in a recessionary market. During the year the Federal Reserve reduced interest rates, but we were able to improve our net interest margin in a falling rate environment.


In this contracting economy we were also able to increase the number of customers. Many realize the value of a community bank that understands their needs and can react quickly.

This was the first full year doing business without the property and casualty insurance lines of business. As planned we were able to replace much of that income with increased investment advisory income and health insurance commissions.

We would like to thank Robert C. Humphreys and Andrew W. Zamiara for their many years of service on our board of directors. Their valuable experience will be missed on the board. We wish them the best. One of these positions was filled by Nels Nyblad. We welcome Nels and his experience to the board of directors.

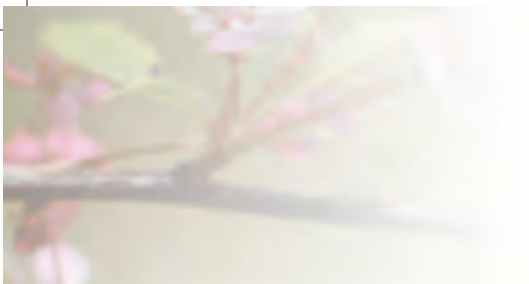
During the year we completed the remodeling of our Fremont and Grant offices. We invite you to visit either office to see the improvements.

2009 again presents a challenge with lowered economic activity and increased unemployment. Our staff looks forward to presenting the advantages of doing business with a community bank to our existing and new customers. We are optimistic about the opportunities in 2009 and we thank you for your continued commitment to ChoiceOne.

  
James A. Bosserd  
President & CEO

  
Jon E. Pike  
Chairman





<b>For the year</b> (dollars in thousands)	<b>2008</b>	<b>2007</b>
Net interest income	\$15,331	\$15,143
Provision for loan losses	\$3,475	\$2,035
Non interest income	\$4,083	\$6,481
Non interest expense	\$14,711	\$15,070
Income before income taxes	\$1,228	\$4,519
Income tax expense/(benefit)	(\$207)	\$939
Net income	\$1,435	\$3,580
Cash dividends declared	\$2,202	\$2,200

#### **Per share**

Net income	\$0.44	\$1.11
Cash dividends declared	\$0.68	\$0.68
Shareholders' equity	\$16.08	\$16.45

#### **At year end** (dollars in thousands)

Securities	\$81,941	\$87,725
Gross loans	\$325,977	\$328,358
Deposits	\$346,998	\$351,844
Shareholders' equity	\$52,185	\$53,142
Assets	\$463,551	\$470,155

#### **Ratios**

Return on average assets	0.31%	0.77%
Return on average shareholders' equity	2.69%	6.86%
Dividend payout	153.45%	61.45%
Shareholders' equity to assets (at year end)	11.26%	11.30%

# Service You Can **Count On**

## Personal Banking

### Deposits

- Checking Accounts
- Money Market Accounts
- Savings Accounts
- IRA's
- Certificates of Deposit
- ChoiceNet Online Banking

*Featuring the Cash Rewards Debit Card.* Earn 10 cents each time you use your debit card to make a purchase. Available through the Ultimate Choice Checking Account.

## Mortgages & Loans

If you are buying a new car, home, recreational vehicle, making home improvements, or simply need a personal loan, we can show you all the options to best fit your specific needs!

*Apply or Pre-qualify Online TODAY!*

## Business Banking

Businesses borrow money for many different reasons! ChoiceOne understands these needs and our commercial lenders are here to find a program that will work best for you.

*Your Business Banking Solution!*

We offer:

- Remote Capture
- Employee Benefits
- Special Business Services
- Commercial Credit
- Risk Management
- Cash Management
- ChoiceNet Online Banking

## Insurance

ChoiceOne Insurance offers life and health insurance for both you personally and your business. ChoiceOne has the experienced agents to service your insurance needs!

## Investments\*

ChoiceOne Investment Center can help you start saving for your future. Financial advisors can help with all your personal and business investment planning.

# Our Mission

ChoiceOne is an independent, community-based company.

Our goal is to mutually enhance the financial well being of our clients, communities, employees, and shareholders.

The ChoiceOne team is dedicated to be the resource for financial services and solutions.





**ChoiceOne Financial Services, Inc.**  
President & Chief Executive Officer  
James A. Bosserd

**Senior Vice Presidents**  
Michael E. McHugh  
Louis D. Knooihuizen

**Secretary**  
Linda R. Pitsch

**Treasurer**  
Thomas L. Lampen

**ChoiceOne Insurance Agencies, Inc.**  
*Subsidiary to ChoiceOne Bank*  
President  
James A. Bosserd

**Senior Vice President**  
Kelly J. Potes, CFP® - General Mgr.

**Vice Presidents**  
Jack L. Draper - Insurance  
Randy A. Schmidt, CFP® - Investments

**Secretary**  
Linda R. Pitsch

**Treasurer**  
Thomas L. Lampen

\*Investment Centers of America, Inc. (ICA), member FINRA, SIPC, a Registered Investment Advisor, is not affiliated with ChoiceOne Bank or ChoiceOne Investment Center. Securities, advisory services and insurance products offered through ICA and affiliated insurance agencies are \*not insured by the FDIC or any other federal government agency \*not a deposit or other obligation of, or guaranteed by any bank or their affiliates \*subject to risks including the possible loss of principal amount invested.

**ChoiceOne Bank**  
*Subsidiary to ChoiceOne Financial Services, Inc.*  
Chairman of the Board  
Jon E. Pike

**Vice Chairman of the Board**  
Donald VanSingel

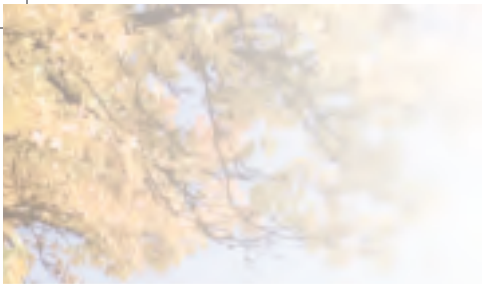
**President & Chief Executive Officer**  
James A. Bosserd

**Senior Vice Presidents**  
Sheila R. Clark - Human Resources  
Louis D. Knooihuizen - Chief Loan Officer  
Michael E. McHugh - Sales & Marketing  
Linda R. Pitsch - Operations

**Vice Presidents**  
Lee A. Bradford - Commercial Loans  
Amy S. Homich - Retail Sales  
Mary J. Johnson - Risk Management  
Thomas L. Lampen - Chief Financial Officer  
Daniel C. Wheat - Loan Manager

**Assistant Vice Presidents**  
Linda K. Anderson - Rockford Office Mgr.  
Brian R. Bacon - Commercial Loans  
Marilyn B. Childress - Mortgage Loans  
Rita A. Flintoff - Newaygo Office Manager  
Denise L. Gates - Cedar Springs Office Mgr.  
Steven P. Grey - Commercial Loans  
Gregory M. Goss - Security Officer  
Dean A. Hanson - Commercial Loans  
Jason J. Herbig - Information Technology  
Valerie J. Heyt - Retail Lending  
Rebecca J. Johnson - Retail Banking  
Linda S. Nichols - Ravenna Office Manager  
Lori J. O'Brien - Commercial Loans  
Peggy A. O'Dea - Coopersville Office Mgr.  
Paul E. Tucker - Information Technology  
Cynthia J. Watson - Operations  
Wayne F. Webster - Commercial Loans/Grant Office Mgr.  
Marva J. Zeldenrust - Fremont Office Mgr.

**Officers**  
Sally K. Anderson - Credit Analyst  
Erin M. Burdick-Bloom - Alpine Office Mgr.  
Candace J. Bouwkamp - Administrative Services  
Lee J. Decker - Egelston Office Mgr.  
Bonnie K. Koehn - Kent City Office Manager  
Judy A. Schultz - Collections  
Christie I. Steele - White Cloud Office Mgr.



## Board of Directors

### **Jerome B. Arends**

Former President & CEO  
Ravenna Farm Equipment

### **Frank G. Berris**

President & Chief Executive  
Officer, American Gas & Oil, Inc.  
(Distributor of Petroleum  
Products)

### **James A. Bosserd**

President  
& Chief Executive Officer  
ChoiceOne Financial Services,  
Inc. and its subsidiaries

### **K. Timothy Bull**

President,  
Moon Lake Orchards, Inc.

### **William F. Cutler, Jr.**

Former Vice President, H.H.  
Cutler Company (Apparel  
Manufacturer)

### **Richard L. Edgar**

Former President & CEO Valley  
Ridge Financial Corp. and  
Valley Ridge Bank

### **Stuart Goodfellow**

Owner, Goodfellow Vending  
Services (Vending Company)  
and Goodfellow Blueberry Farms

### **Gary Gust**

President, Gust Construction  
Company

### **Paul L. Johnson**

President, Falcon Resources, Inc.  
(Automotive and Furniture  
Design)

### **Dennis C. Nelson DDS**

General Dentistry

### **Nels Nyblad**

President, Nyblad Orchards

### **Jon E. Pike**

C.P.A. and Chairman, Beene  
Gartner LLP  
(Certified Public Accountants)  
Chairman of the Board

### **Donald VanSingel**

Former Consultant,  
Governmental Consultant  
Services, Inc.  
Vice Chairman of the Board



# ChoiceOne

BANK

## Sparta Main Office

109 E. Division  
616.887.7366

## Kent City

450 W. Muskegon  
616.678.5911

## Alpine

5050 Alpine Ave. NW  
616.784.2154

## Cedar Springs

4170 17 Mile Rd.  
616.696.2608

## Coopersville

661 West Randall  
616.837.9788

## Egelston

5475 East Apple Ave.  
231.788.2327

## Fremont

1423 West Main St.  
231.928.1290

## Grant

10 West Main St.  
231.834.5685

## Newaygo

246 West River Valley  
231.652.5685

## Ravenna

3069 Slocum Rd.  
231.853.2190

## Rockford

6795 Courtland Dr. NE  
616.874.8390

## Sparta - Appletree

416 W. Division  
616.887.8807

## White Cloud

47 South Charles St.  
231.689.5075



Branch Locations

Toll-Free 1.888.775.6687 • [www.choiceone.com](http://www.choiceone.com)

Member  
FDIC

