

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.

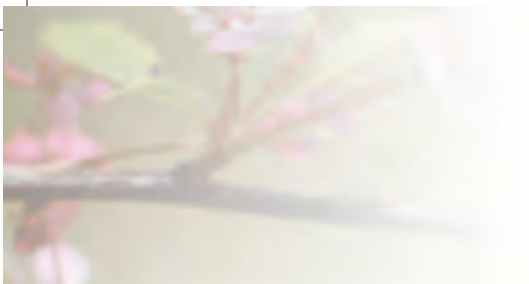
During the year we completed the remodeling of our Fremont and Grant offices. We invite you to visit either office to see the improvements.

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





For the year (dollars in thousands)	2008	2007
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
- Savings Accounts
- Certificates of Deposit
- Money Market Accounts
- IRA's
- 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
- Commercial Credit
- Cash Management
- Employee Benefits
- Risk Management
- ChoiceNet Online Banking
- Special Business Services

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
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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

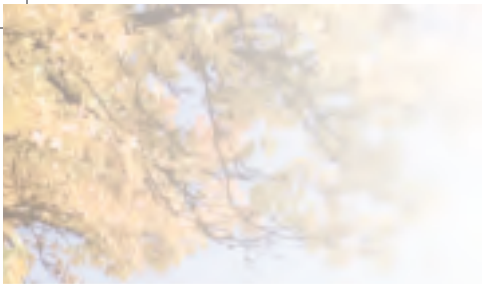
President & Chief Executive Officer
James A. Bosserd

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Louis D. Knooihuizen - Chief Loan Officer
Michael E. McHugh - Sales & Marketing
Linda R. Pitsch - Operations

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

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Marilyn B. Childress - Mortgage Loans
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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.

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Judy A. Schultz - Collections
Christie I. Steele - White Cloud Office Mgr.



Board of Directors

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Ravenna Farm Equipment

Frank G. Berris

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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

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Ridge Financial Corp. and
Valley Ridge Bank

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Services (Vending Company)
and Goodfellow Blueberry Farms

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Company

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Design)

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President, Nyblad Orchards

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Gartner LLP
(Certified Public Accountants)
Chairman of the Board

Donald VanSingel

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



ChoiceOne

BANK

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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

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