

**MINUTES OF  
THE THIRTY-SIXTH ANNUAL MEETING  
OF SHAREHOLDERS**

**SB FINANCIAL GROUP, INC.**

**WEDNESDAY, APRIL 17, 2019**

The Thirty-Sixth Annual Meeting of Shareholders of SB Financial Group, Inc. convened at 10:30 A.M. The annual meeting was streaming live video, audio, and slide presentation to a total audience of 49 with approximately 14 attending virtually through the internet at [www.virtualshareholdermeeting.com/SBFG2019](http://www.virtualshareholdermeeting.com/SBFG2019) and approximately 35 were present at 401 Clinton Street, Defiance, Ohio.

Mr. Mark Klein, Chairman, President & CEO, served as Chairman of the Annual Meeting per board resolution and Keeta J. Diller, Secretary of the Company served as Secretary of the annual meeting and Carol Robbins and Kristen Nusbaum served as the Inspectors of Election.

Mr. Klein explained that questions were welcomed and encouraged and that a special time near the end of the business meeting would be provided.

The reading of the minutes of last year's Annual Meeting was dispensed and copies of those minutes were made available on the website ([www.YourSBFinancial.com](http://www.YourSBFinancial.com)) under "Investor Relations."

Mr. Klein certified that on March 8, 2019, the Notice of Annual Meeting and proxy material were mailed to all shareholders. The Certificate of Mailing and a copy of the Proxy Statement and Proxy Card are made part of these minutes.

Mr. Klein stated that the presentation of the Annual Meeting would be available on the Company's website following the meeting.

Ms. Carol Robbins, Inspector of Election, reported a quorum of proxies had been received to conduct the meeting and 5,027,388 common shares of the Corporation were represented by proxy.

Mr. Klein stated that, as a quorum was present, the meeting was duly convened. He stated that as disclosed in the proxy materials provided to shareholders in connection with this Annual Meeting, there are four matters to be considered and voted upon at this meeting:

*Proposal 1* – To elect three (3) directors to serve for terms of three (3) years each – Mr. Richard L. Hardgrove, Mr. Mark A. Klein and Mr. William G. Martin.

*Proposal 2* – To ratify the appointment of BKD, LLP as the independent registered public accounting firm of SB Financial Group, Inc. for the fiscal year ending December 31, 2019.

*Proposal 3* – To approve a non-binding advisory resolution to approve the compensation of the Company’s named executive officers.

*Proposal 4* – To vote upon the frequency of future advisory votes on the compensation of the Company’s named executive officers.

Mr. Klein requested a motion. Ms. Theresa Gineman made a motion to adopt and approve each of the proposals as presented. Ms. Tara Justice seconded the motion.

Mr. Klein then opened the floor for questions and comments regarding the four proposals.

Mr. Klein acknowledged the board leadership from 2018 and stated who chaired the various board committees.

There being no questions or comments, Mr. Klein asked the Inspectors of Election to report the voting results.

The Inspectors of Election reported the following:

*Proposal 1* – To elect three (3) directors to serve for terms of three (3) years each – Richard L. Hardgrove, Mark A. Klein and William G. Martin was adopted.

*Proposal 2* – To ratify the appointment of BKD, LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2019 was adopted.

*Proposal 3* – To consider and vote upon a non-binding advisory resolution to approve the compensation of the Company’s named executive officers was adopted.

*Proposal 4* - To vote upon the frequency of future advisory votes on the compensation of the Company’s named executive officers was adopted.

A copy of the presentation and slides are made part of these minutes.

Mr. Klein started the presentation and through a series of slides, gave an overview of SB Financial and its operating results for 2018. He stated that in 2018, SB Financial’s performance was its best in 15 years with net income of \$11.6 million or \$1.51 per share; achieved its strategic vision for growth of \$1 billion and achieved a 1.23% return on average assets which landed SBFG 11<sup>th</sup> place or at the 83<sup>rd</sup>

percentile in its peer group of publically traded banks in the U.S. between \$500 million to \$1.3 billion.

Mr. Klein gave a corporate overview explaining what makes up the SBFG family and its leadership, State Bank's Business Line leaders, SBFG's unique qualities and explained how each of the five key strategic initiatives ties to SBFG's commitment of consistent, high performance.

The five key strategic initiatives were then discussed:

1. Increase profitability through ongoing diversification of revenue streams;
2. Strengthen penetration in all markets served;
3. Expand product service utilization by new and existing customers;
4. Deliver gains in operational excellence;
5. Sustain asset quality

Mr. Klein closed stating that SB Financial's commitment has been to diversify its revenue stream; add scale to improve performance; leverage business line expertise deeper into each household; provide holistic client care and, constrain lending risk, all in the spirit of delivering a high-performing company.

Mr. Klein stated that "We are proud of our accomplishments and eager to achieve even more key mile-stones in the coming years."

There being no further business to be conducted, Mr. Klein declared the 2019 Annual Meeting of Shareholders of SB Financial Group, Inc. adjourned at 11:03 A.M.

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Keeta J. Diller, Secretary