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Sound advice. Smart money.

2015 Annual Meeting of Shareholders

"Building a High-Performance Company"

April 29, 2015

Safe Harbor Statement

Certain statements within this document, which are not statements of historical fact, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties and actual results may differ materially from those predicted by the forward-looking statements. These risks and uncertainties include, but are not limited to, risks and uncertainties inherent in the national and regional banking, insurance and mortgage industries, competitive factors specific to markets in which SB Financial Group and its subsidiaries operate, future interest rate levels, legislative and regulatory actions, capital market conditions, general economic conditions, geopolitical events, the loss of key personnel and other factors. Additional factors that could cause results to differ from those described above can be found in the Company's Annual Report on Form 10-K and documents subsequently filed by SB Financial Group with the Securities and Exchange Commission.

Forward-looking statements speak only as of the date on which they are made, and SB Financial Group undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made except as required by law. All subsequent written and oral forward-looking statements attributable to SB Financial Group or any person acting on its behalf are qualified by these cautionary statements.

Our Vision

- Our Vision over the next three years is to become a high-performing (75th percentile) independent financial services company set apart by our passion for service, our holistic approach to client care, and our commitment to the communities and investors we serve.

* Peer group consists of SNL 2014 data for 64 publicly traded bank holding companies in the U.S. on a major exchange with assets between $500 million and $1 billion.

Vision: Become a Top-Quartile, Independent Financial Services Company

- Increase profitability through ongoing diversification of revenue streams
- Strengthen penetration in all markets served
- Expand product service utilization by new and existing customers
- Deliver gains in operational excellence
- Sustain asset quality

Top-Quartile Performance Metrics

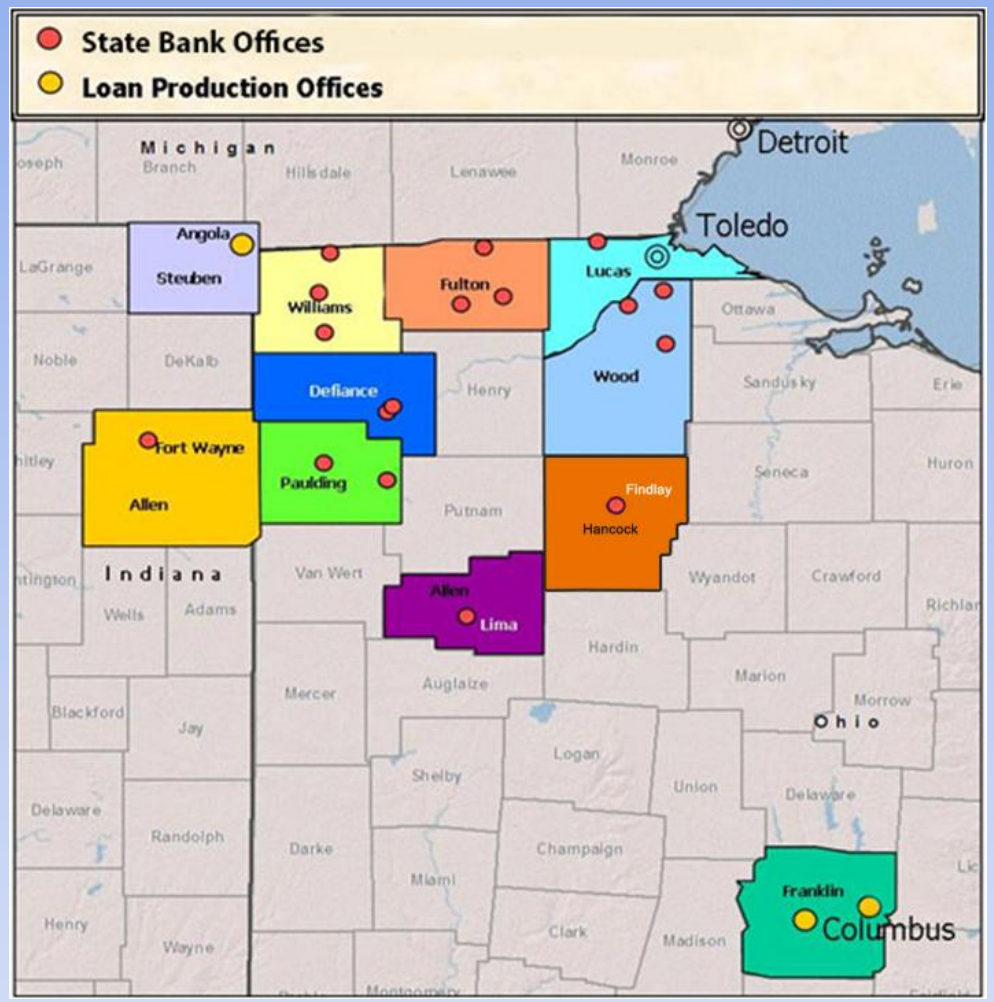
	SBFG 2014	Peer Group Top Quartile* 2014	Peer Group Median* 2014	SBFG 2013	SBFG 2012
Return On Assets	0.78%	0.97%	0.74%	0.81%	0.75%
Net Interest Margin	3.73	3.96	3.68	3.57	3.72
Noninterest Income/Avg. Assets	1.78	0.95	0.61	2.19	2.33
Efficiency Ratio	73.50	64.27	70.38	74.43	75.48
Noninterest Expense/Avg. Assets	3.70	2.88	2.61	4.14	4.31
NPAs/Assets	0.92	1.26	1.91	1.14	1.40
Tangible Common Equity	6.75	11.13	9.78	6.33	5.70
Risk-Based Capital Ratio	14.02	17.26	15.17	13.39	12.17

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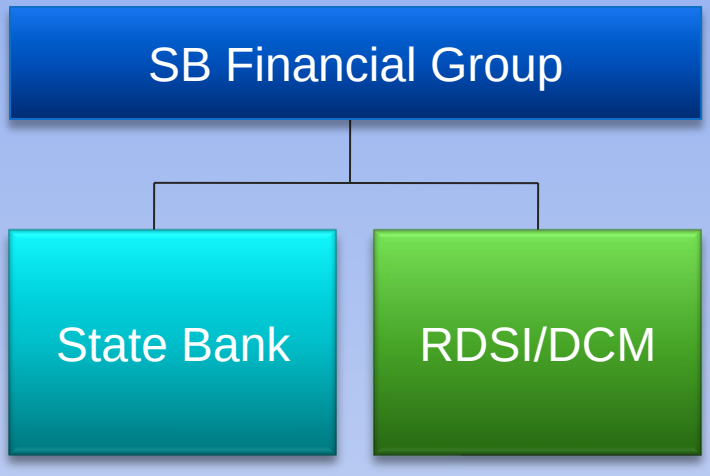
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Corporate Overview

- NASDAQ: SBFG
- Headquartered in Defiance, Ohio
- 200 Staff Members
- Operations:
  - 17 Full-Service Banking Offices
  - Three Loan Production Offices
  - IP (Lansing, Michigan)
- Full Range of Financial Services:
  - Retail and Commercial Banking
  - Mortgage Banking
  - Wealth Management/Brokerage
  - Item Processing Services
- 4.9 million Common Shares outstanding
- Market Cap of $52 million
  ($10.55/share 3/31/2015)



Our Organization & Leadership



Retail Banking

- Laura Kline—SVP Client Experience Officer
- Kristen Nusbaum—SVP Chief Deposit Officer

Private Client Group

- Mickey Cooper—VP-Toledo
- Crystal Ellerbrock—VP-Findlay/Lima
- Sue West—VP-Columbus

RDSI/DCM

- Yvonne Swayze-VP Operations

Corporate Leadership

- Mark Klein – President and CEO
- Tony Cosentino – EVP and CFO
- Jon Gathman, EVP and Senior Lender
- Keeta Diller – SVP, Corporate Secretary
  (Director of Operations – State Bank)

Regional Leadership

- David Homoelle – Regional President, Columbus
- John Kendzel – Regional President, Toledo
- Ryan Miller – Regional President, Fulton/Williams
- Michael Epps – SVP Regional Executive, Findlay/Lima
- Kent Maggard – SVP Regional Executive, Fort Wayne
- Jeff Starner – SVP Regional Executive, Defiance/Paulding

Wealth Management

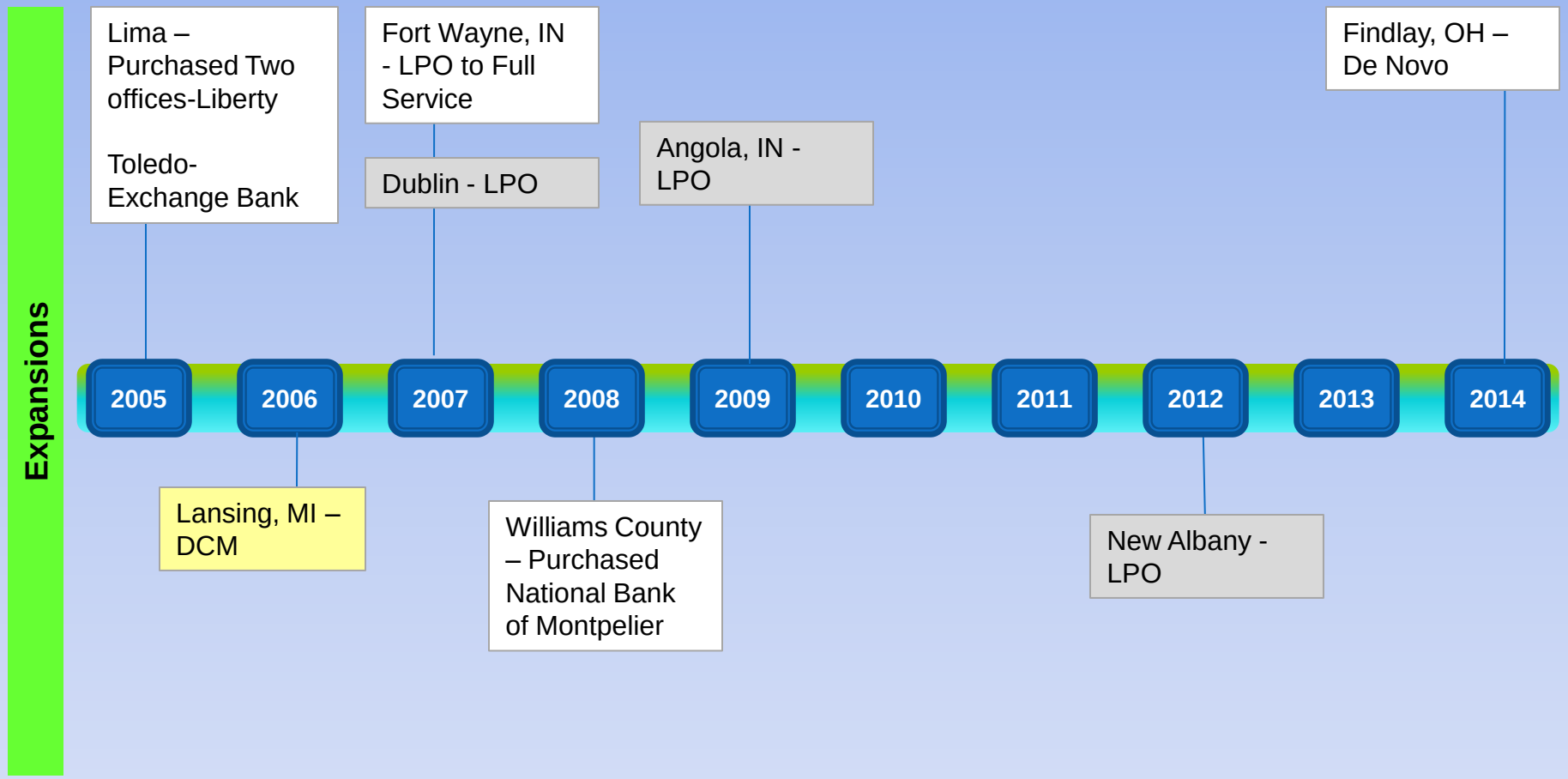
- David Anderson – EVP Chief Wealth Management Officer
- David Bell – EVP Retirement Services Manager
- Craig Kuhlman – EVP Chief Trust Officer

Mortgage Banking

- Pam Benedict-SVP RRE Manager-NW Ohio/NE Indiana
- Steve Watson-SVP RRE Manager-Columbus

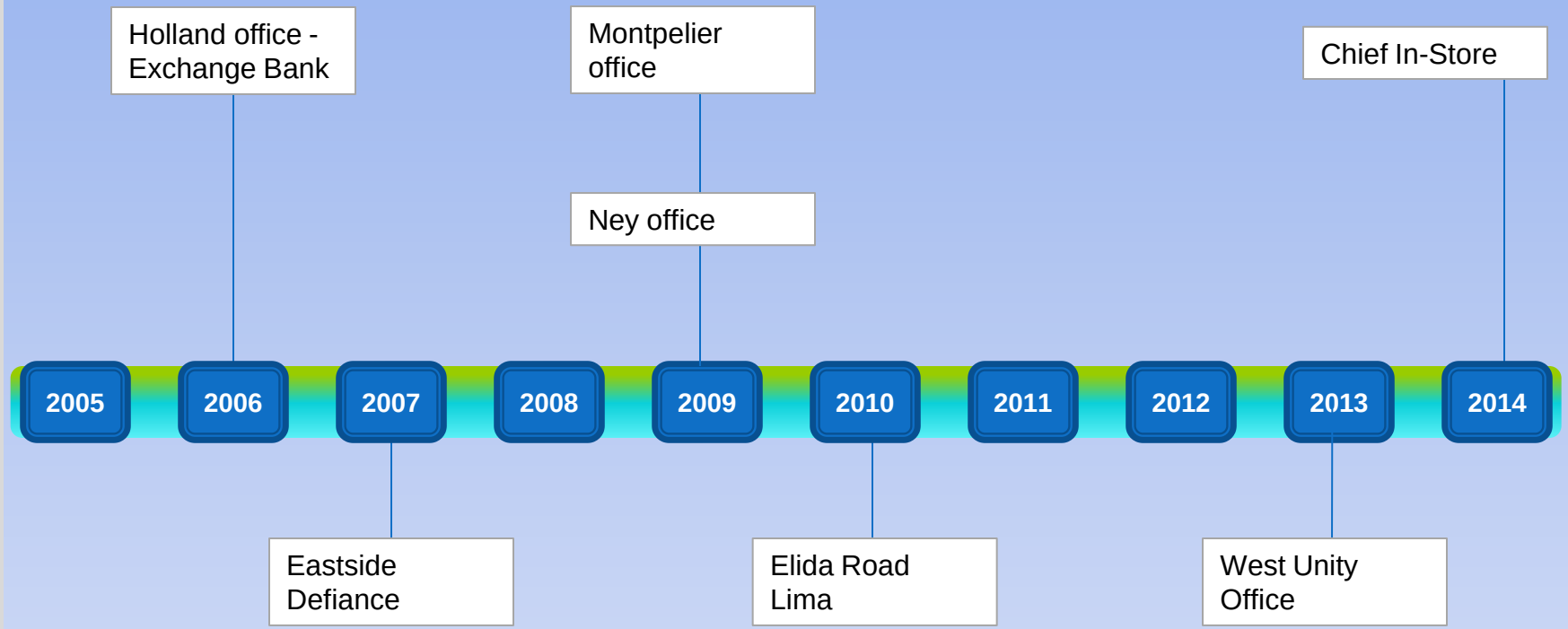
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Corporate Activity



Corporate Activity

Office Closures



- Annual savings: $1 Million
- Average Deposits/Office: $33 Million

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SBFG – Unique Qualities

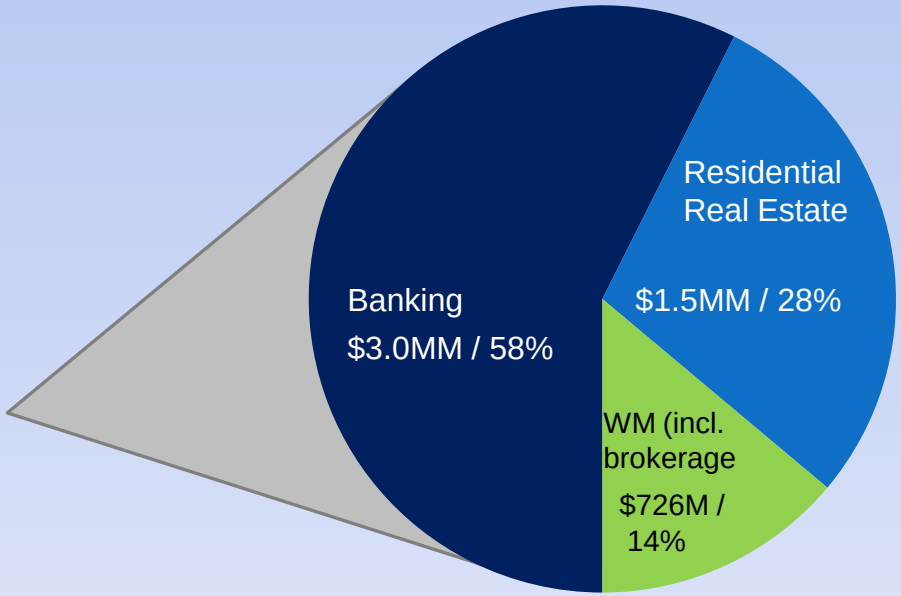
- Leveraging our Business-Line Expertise
  - Commercial Banking
  - Residential Lending
  - Wealth Management
- Optimizing our Delivery Channels
  - Regional Leadership
- Scale our Brand
  - Holistic Client Care
- Balanced Net Income
  - High Marginal Revenue Segments

2014 Net Income
$5.3 million

2014 Assets under Our Management
$1.7 Billion

Comprised of:
- $684 MM Commercial Bank
- $666 MM Residential Sold Portfolio
- $331 MM Wealth Management

Net Income Contributions



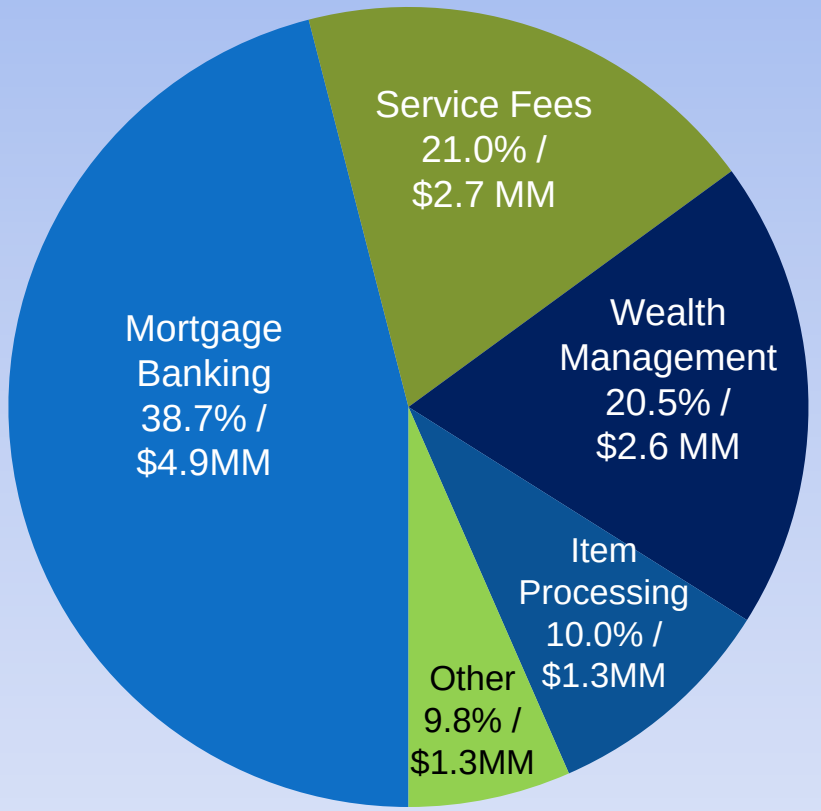
Our Performance-Strategic Initiatives

- *Increase profitability through ongoing diversification of revenue streams*
- Strengthen penetration in all markets served
- Expand product service utilization by new and existing customers
- Deliver gains in operational excellence
- Sustain asset quality

Increase Profitability Through Ongoing Diversification of Revenue Streams

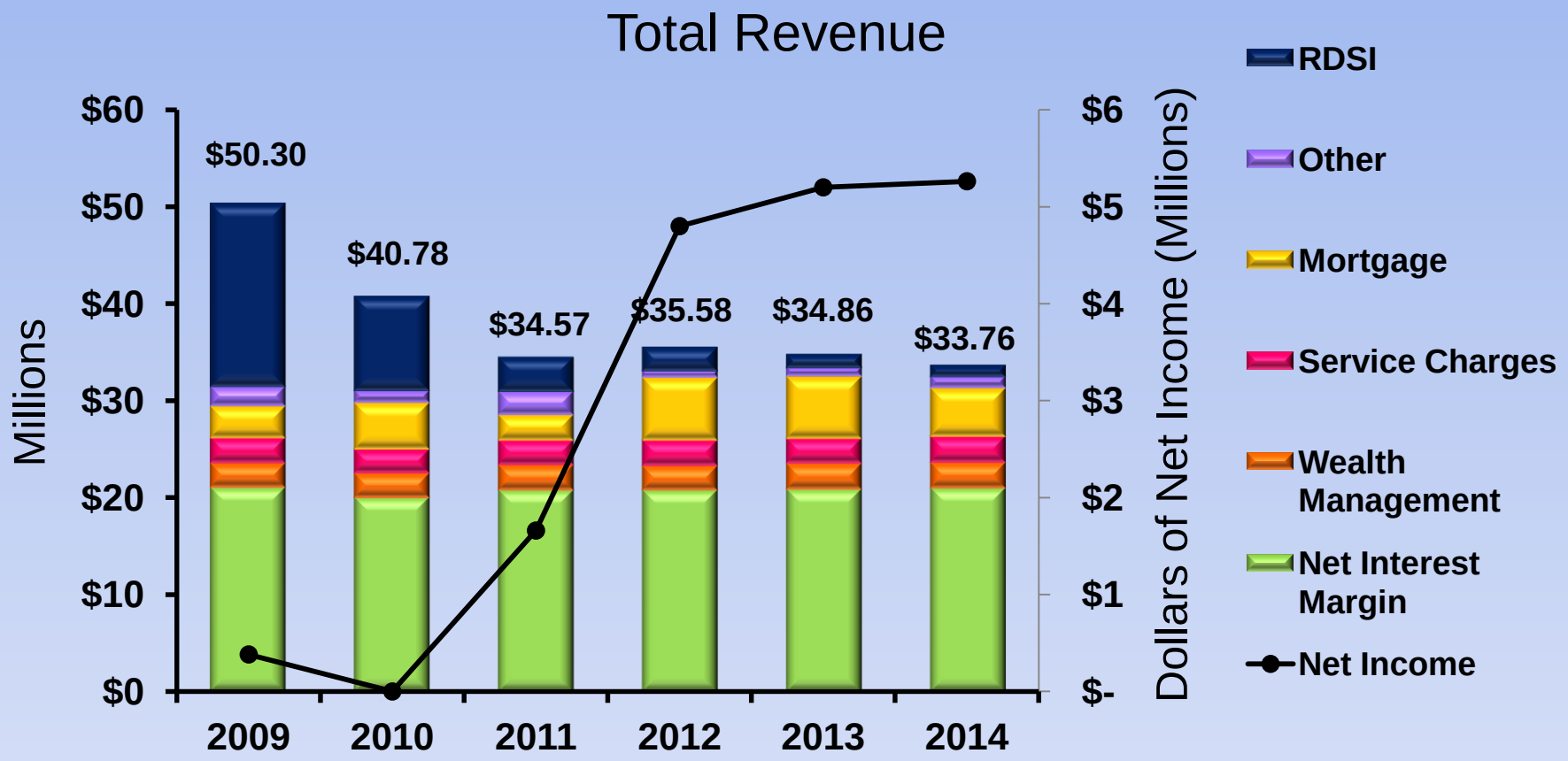
- Non-Interest Income to Total Revenue at 38% (95th Percentile)
- Peer Median 20%, Top Quartile 26%
- Earnings Momentum with Greater Scale

2014 Non-Interest Income
$12.8 million



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Increase Profitability Through Ongoing Diversification of Revenue Streams



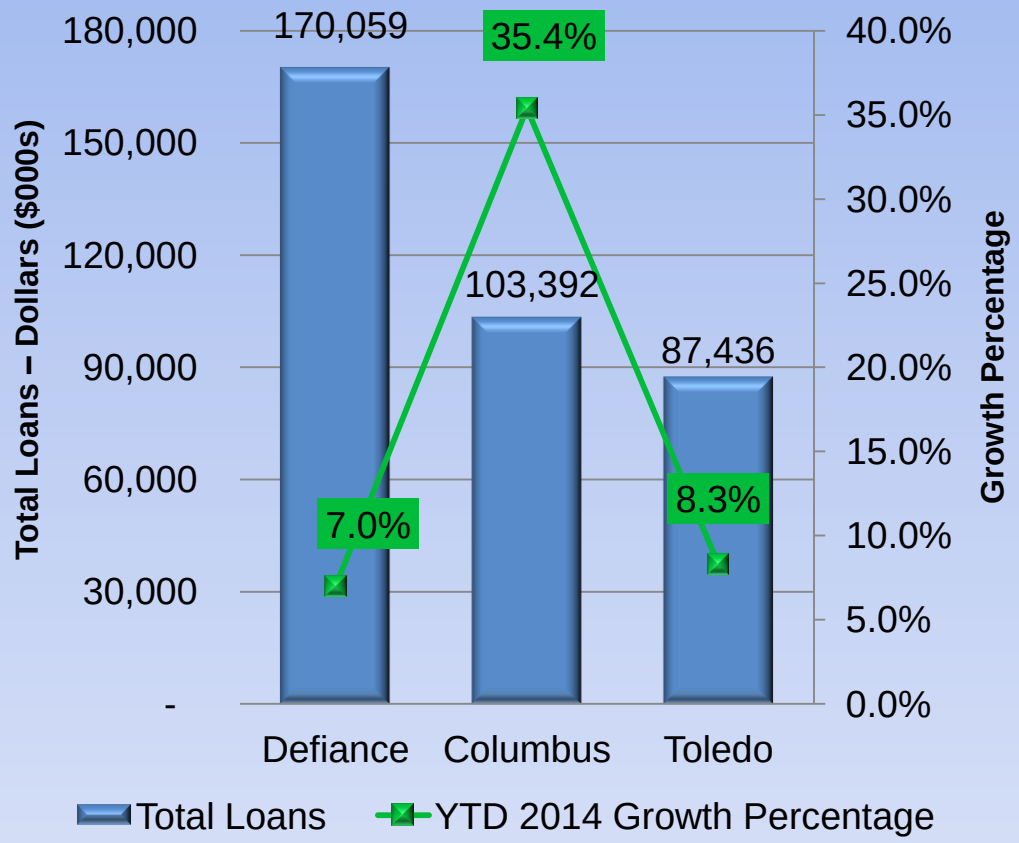
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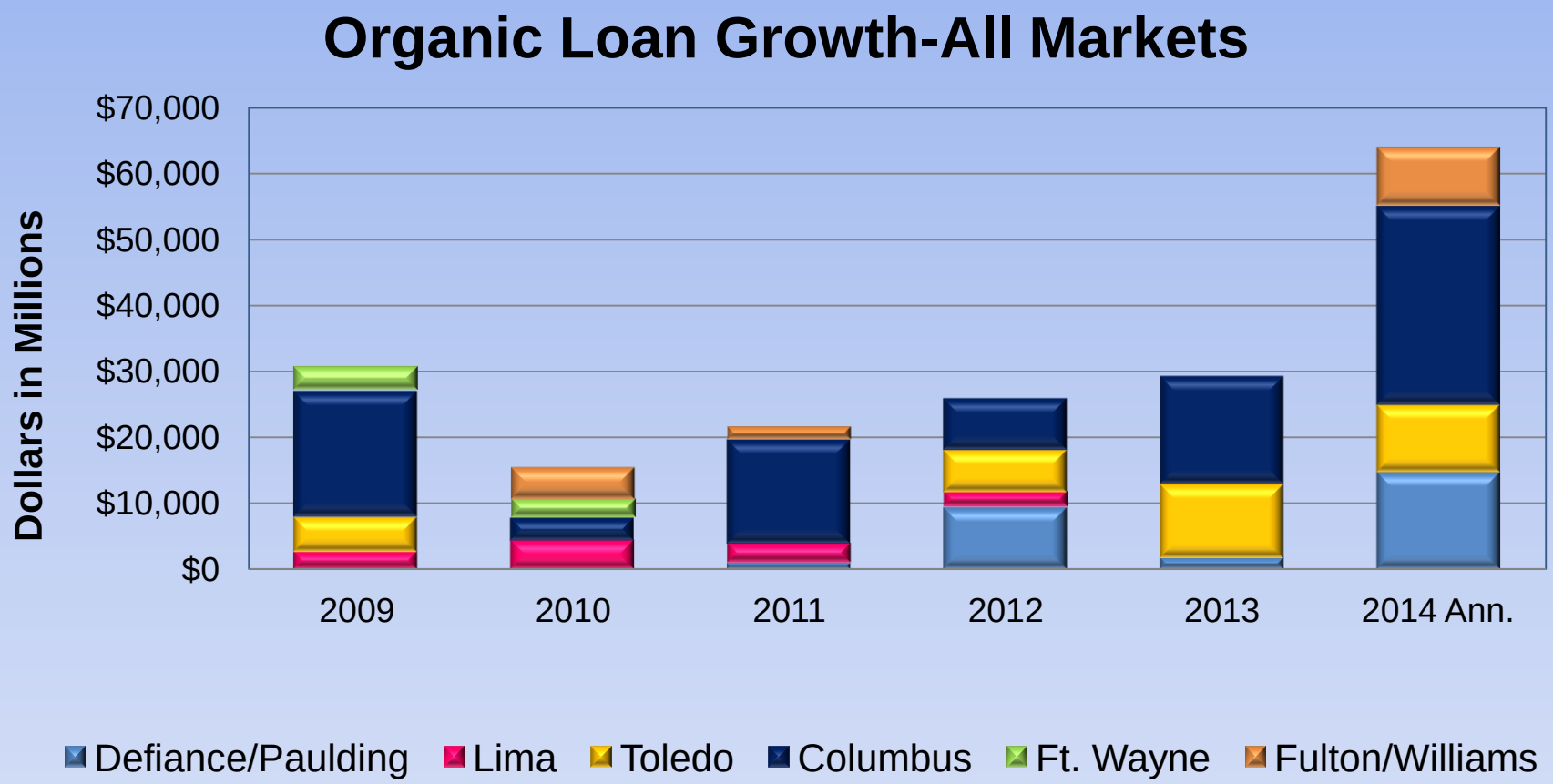
Strengthen Presence in All Markets Served

Growth Markets

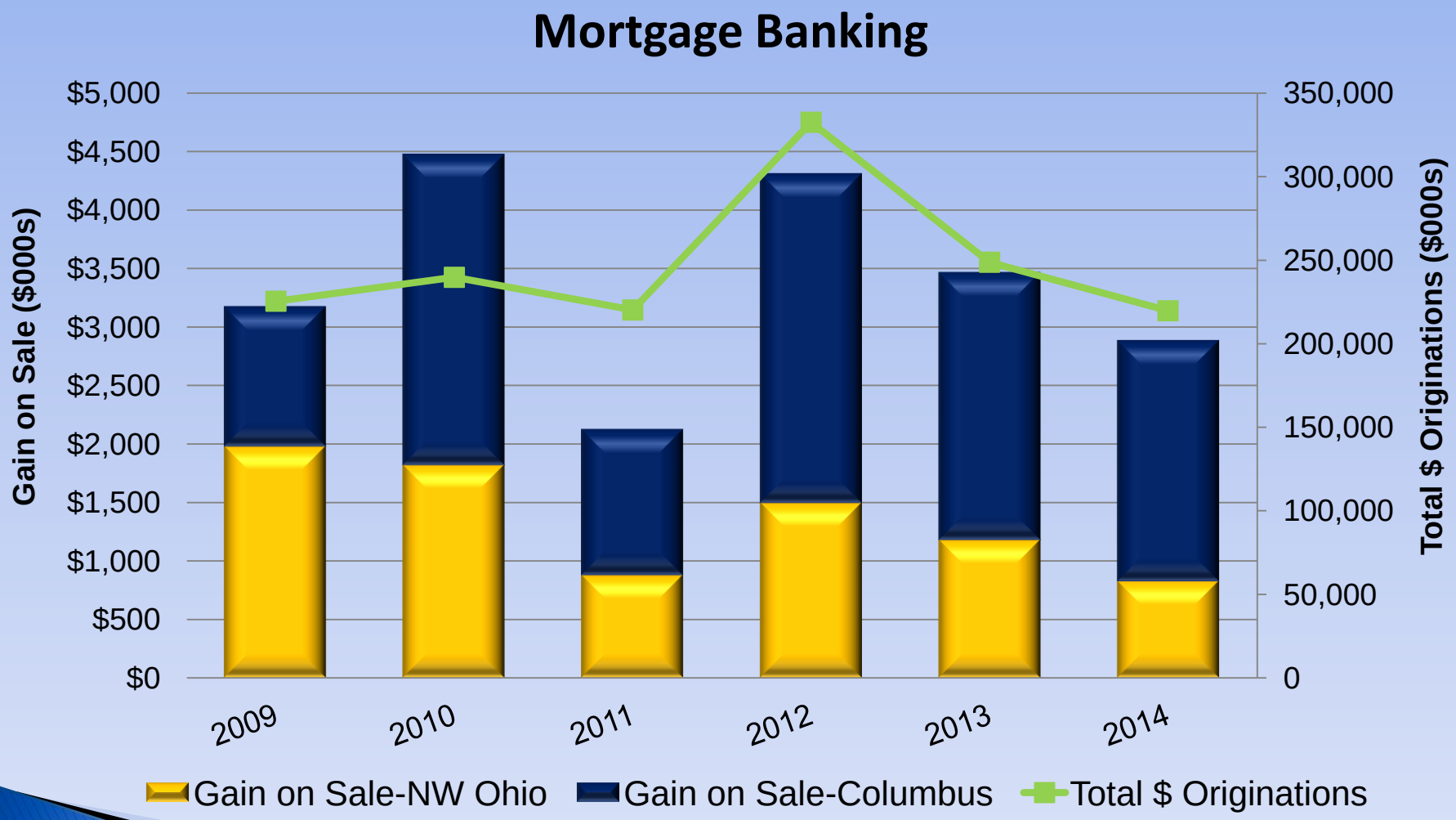
- Defiance
  - Enhance and maintain our high deposit and commercial lending market share
- Columbus
  - Retail expansion progressing
    - New banking center in Dublin, OH
  - Significant number of mortgage households with limited relationships
- Toledo
  - Fully staffed with commercial lending, wealth management and retail locations



Strengthen Presence in All Markets Served

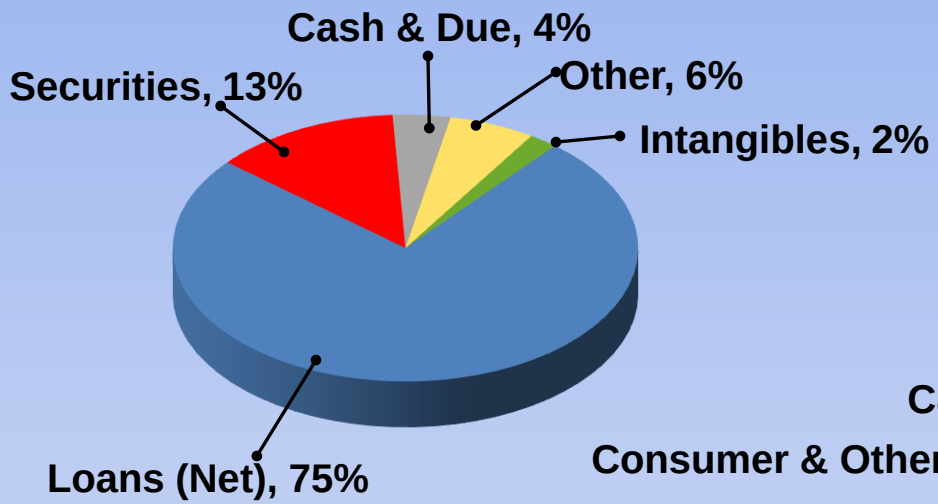


Strengthen Presence in All Markets Served

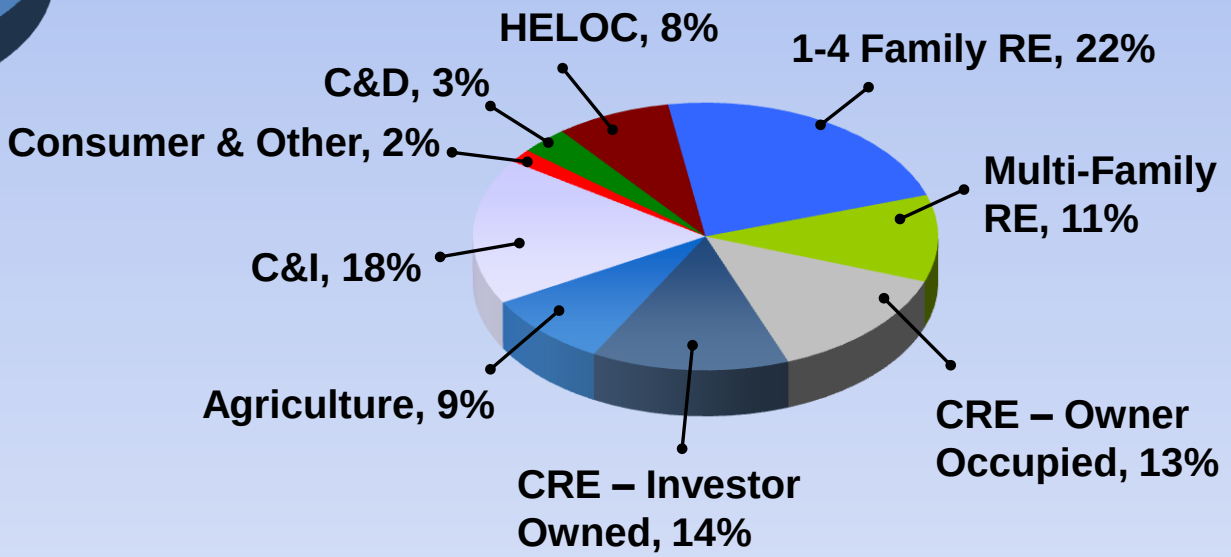


Balance Sheet: Strength & Diversity

Total Assets = $684 Million



Loan Portfolio = $516 Million

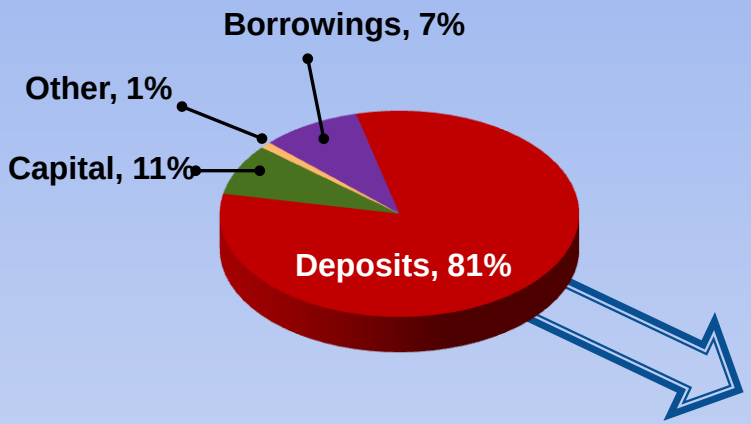


Data as of 12/31/2014

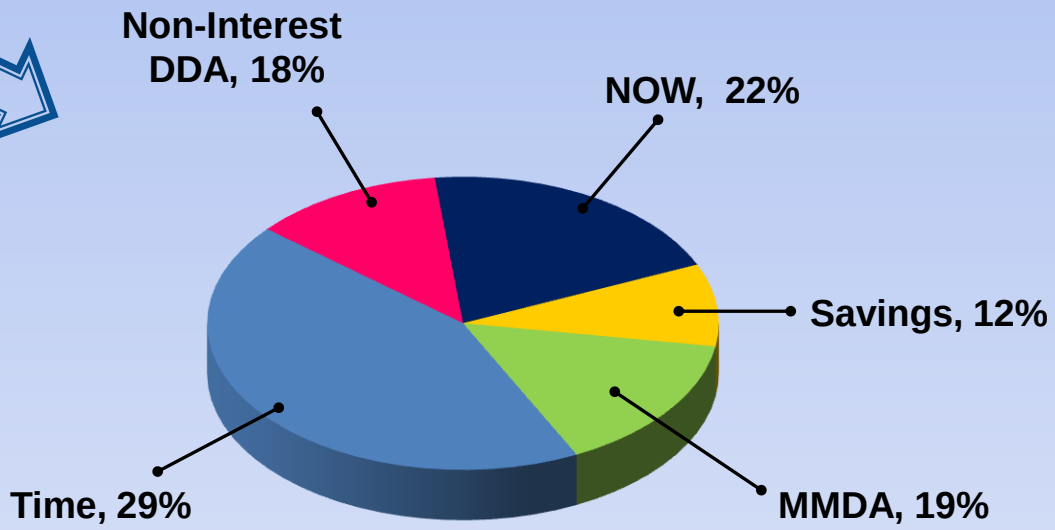
Loan to Deposit December 2014 – 94%
Top Quartile

Balance Sheet: Strength & Diversity

Deposit Mix: Strong Local Presence



<u>Deposit Portfolio</u> = $551 million



Non-maturity deposits = 71% of total deposits

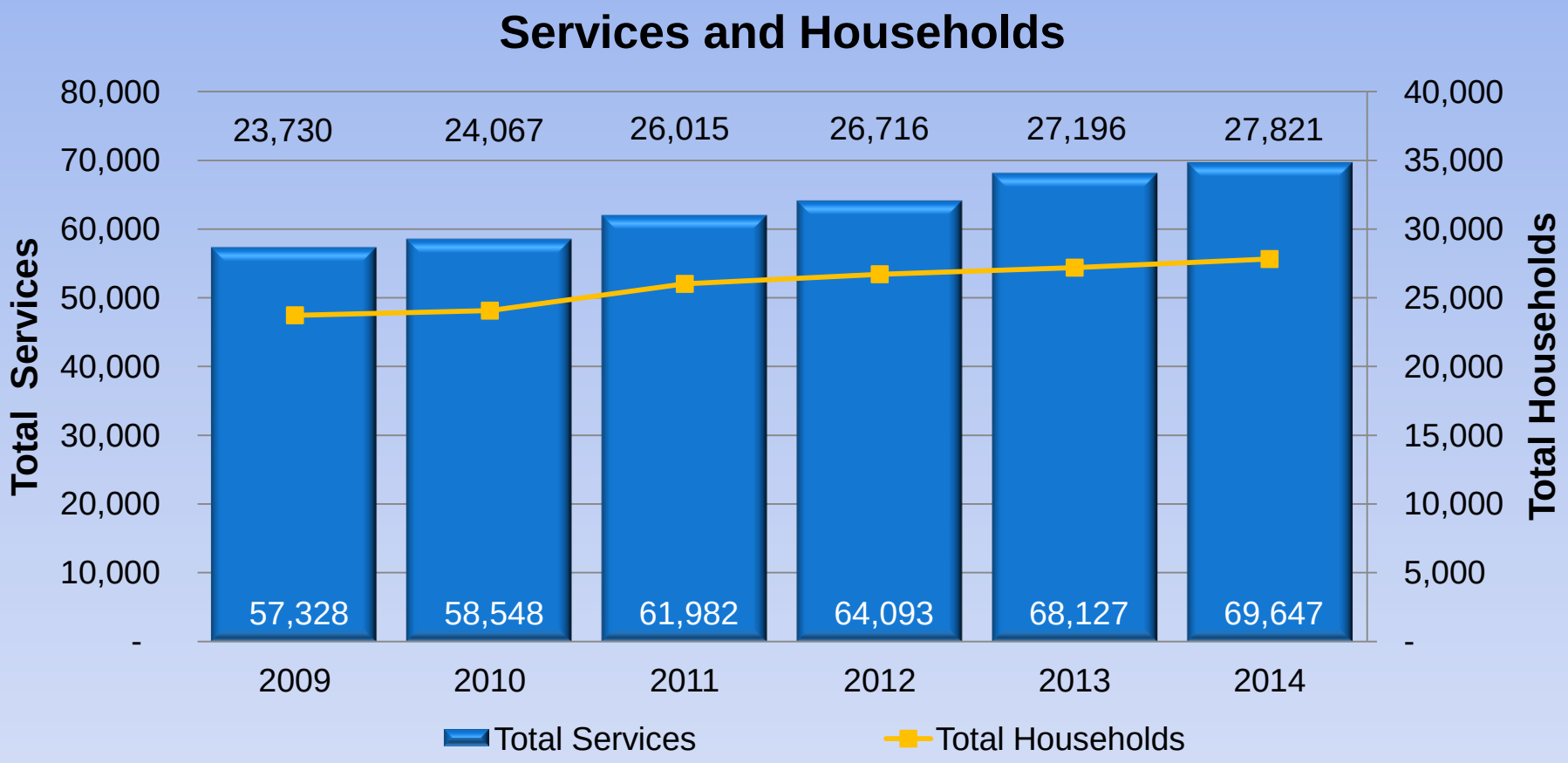
Weighted average cost of deposits = 37 bps

Data as of 12/31/2014

Our Performance-Strategic Initiatives

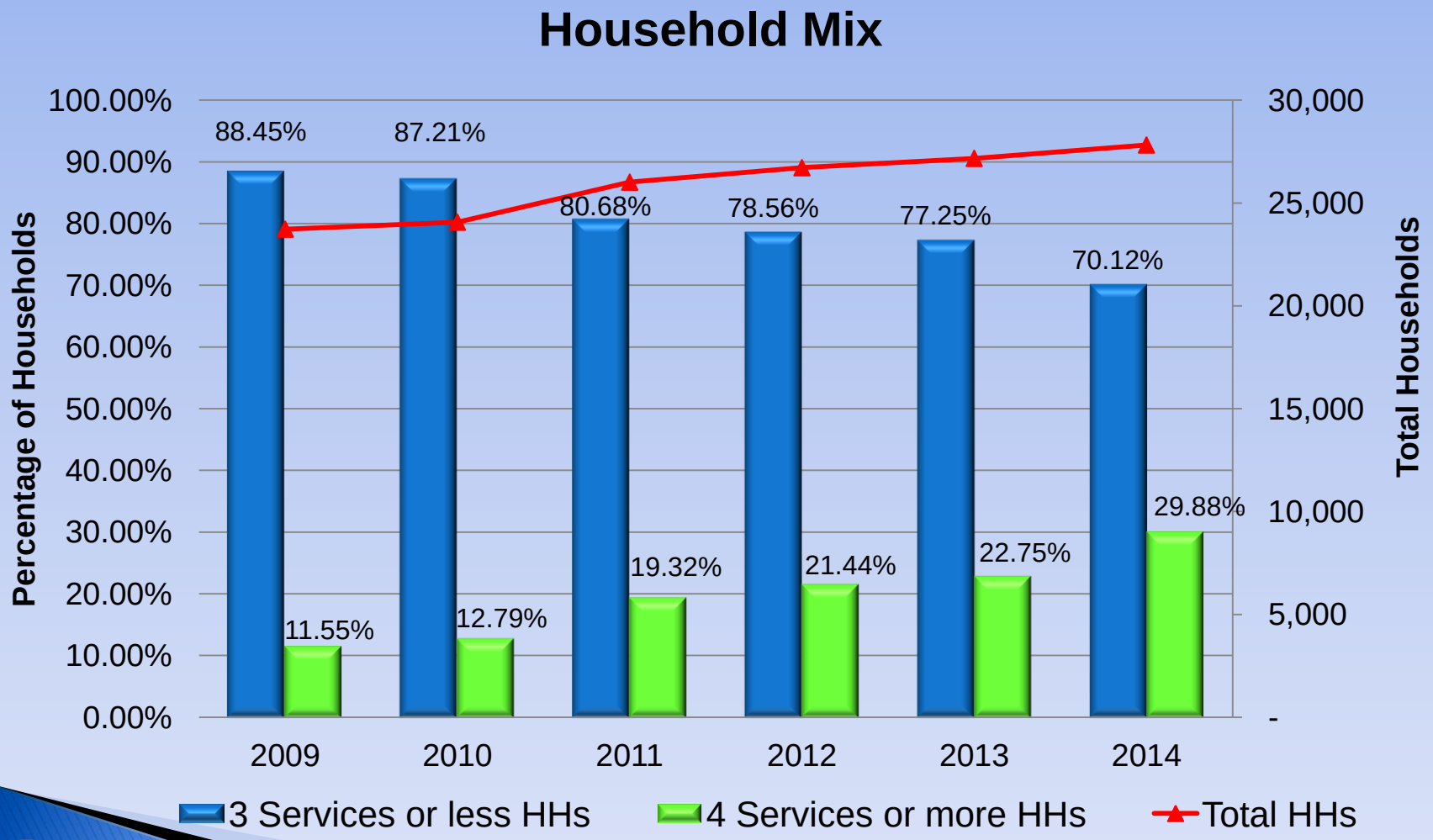
- Increase profitability through ongoing diversification of revenue streams
- Strengthen penetration in all markets served
- *Expand product service utilization by new and existing customers*
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- Sustain asset quality

Expand Product Utilization by New and Existing Customers

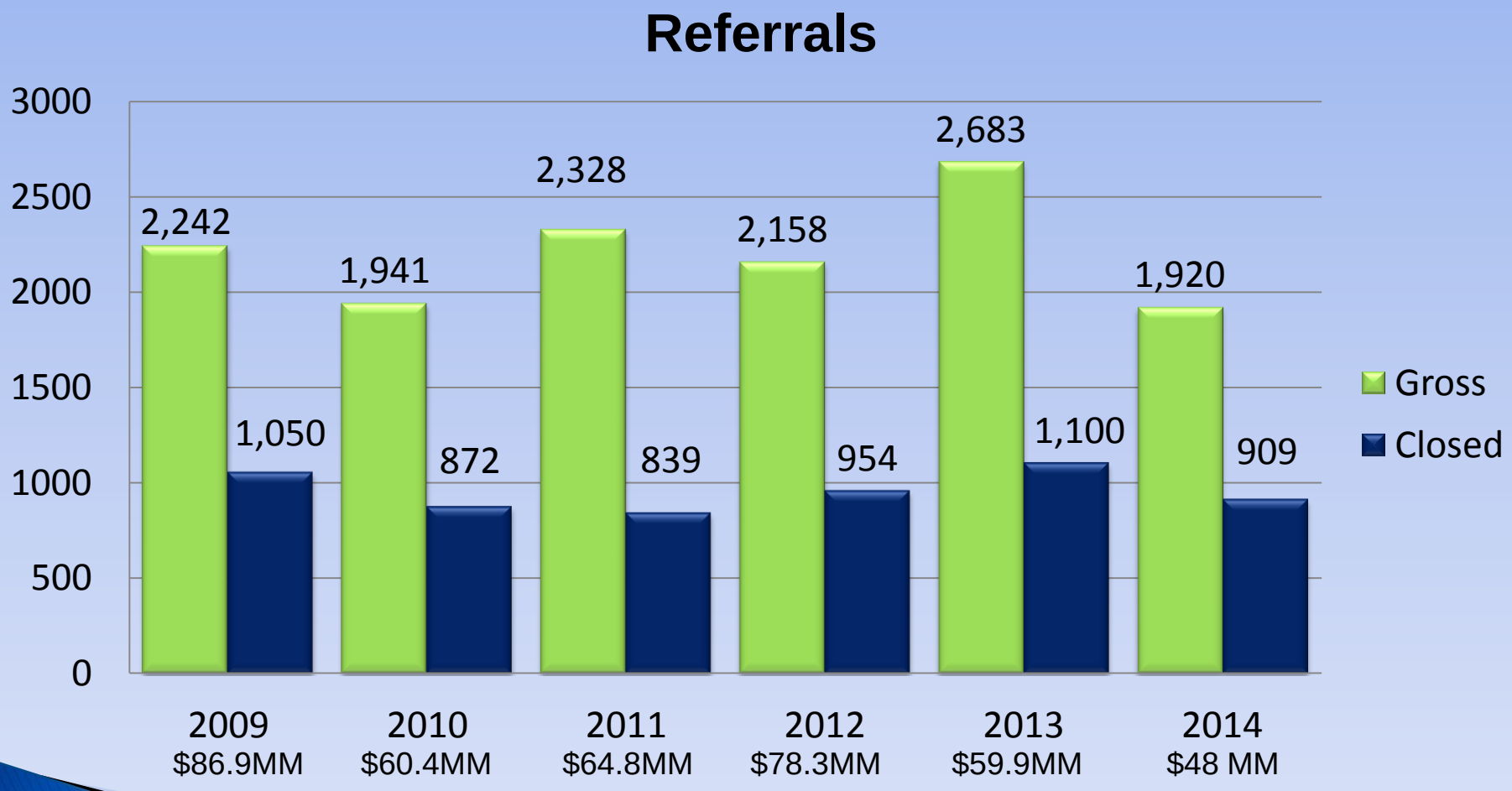


Increase in total number of **services** from 2009 to 2014--21%
Increase of **households** from 2009 to 2014—17%

Expand Product Utilization by New and Existing Customers



Expand Product Utilization by New and Existing Customers



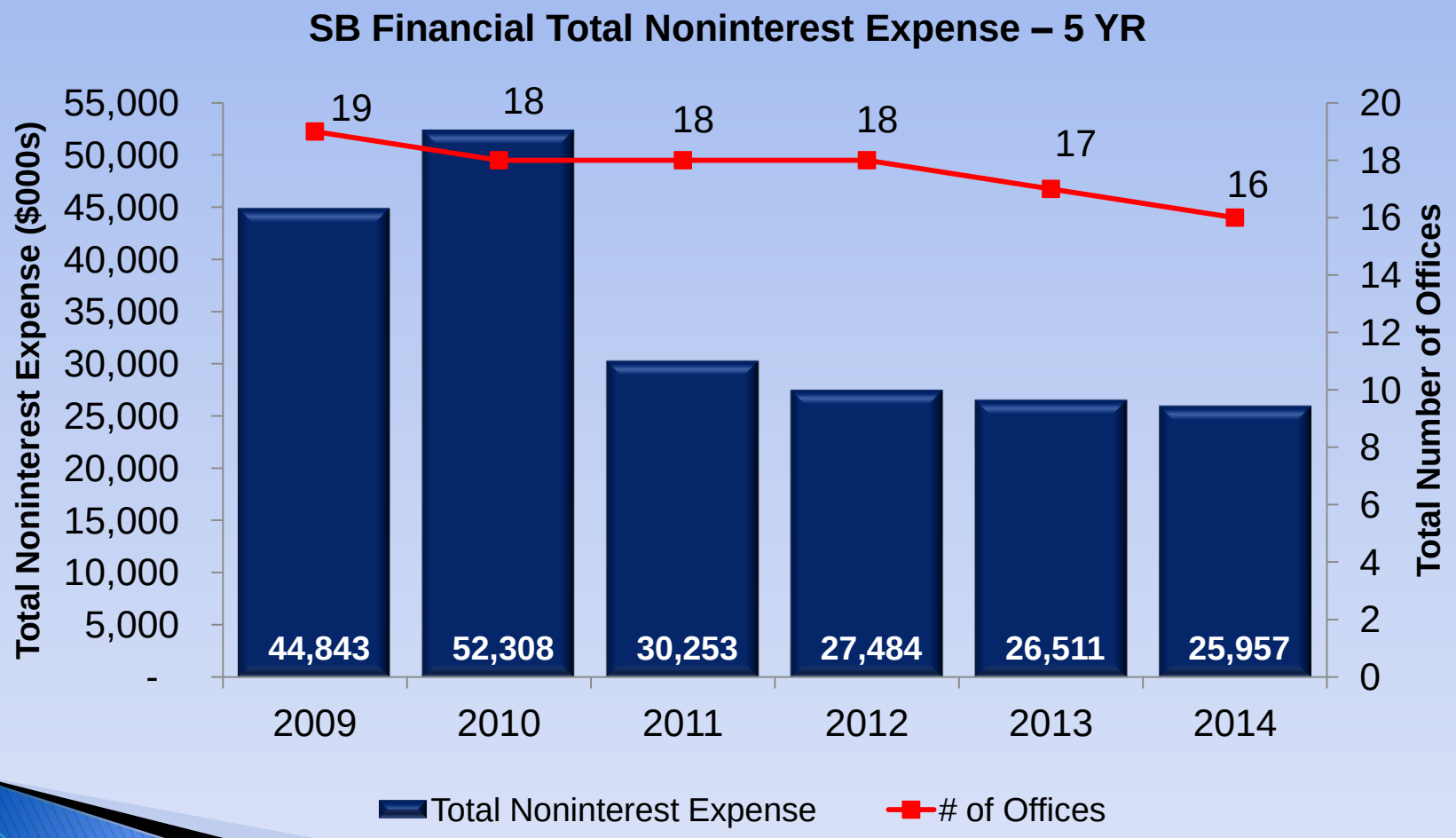
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Our Performance-Strategic Initiatives

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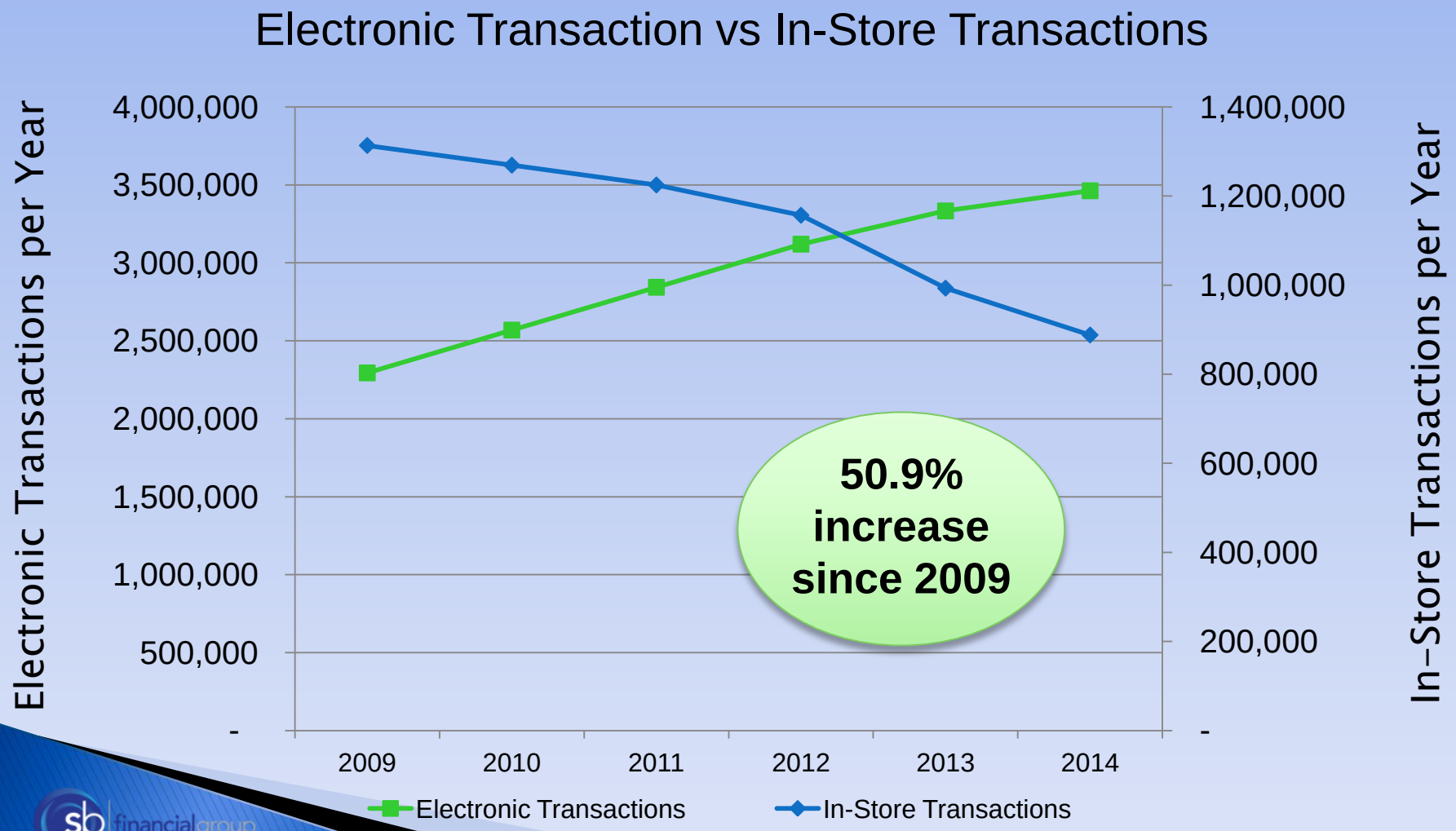
Deliver Gains in Operational Excellence

- Closed 7 offices in 10 years
- Noninterest Expense down 14% from 2011

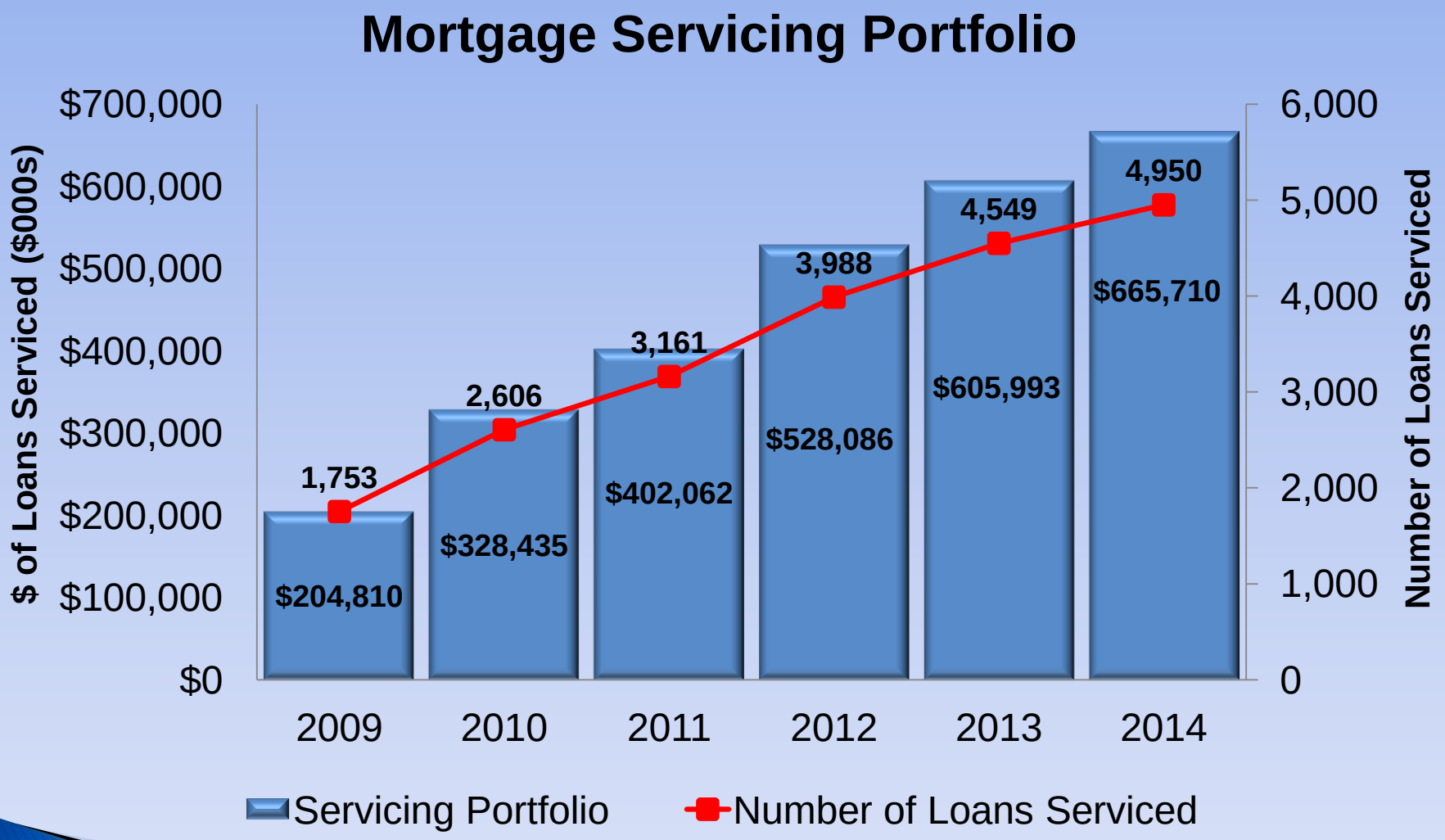


Deliver Gains in Operational Excellence

- Acceleration of electronic transactions versus in-store transactions



Deliver Gains in Operational Excellence

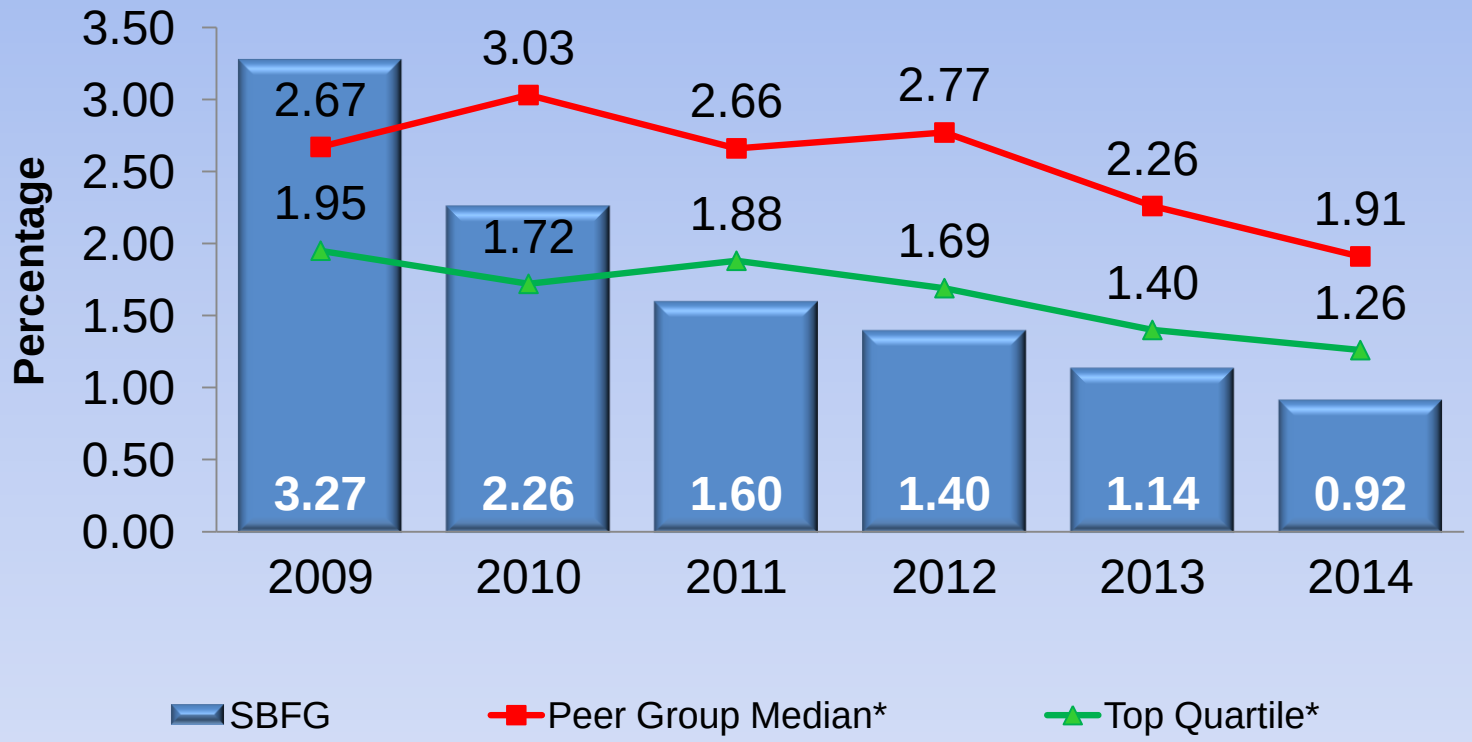


Our Performance-Strategic Initiatives

- Increase profitability through ongoing diversification of revenue streams
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- Deliver gains in operational excellence
- *Sustain asset quality*

Sustain Asset Quality

Non-Performing Assets/Total Assets

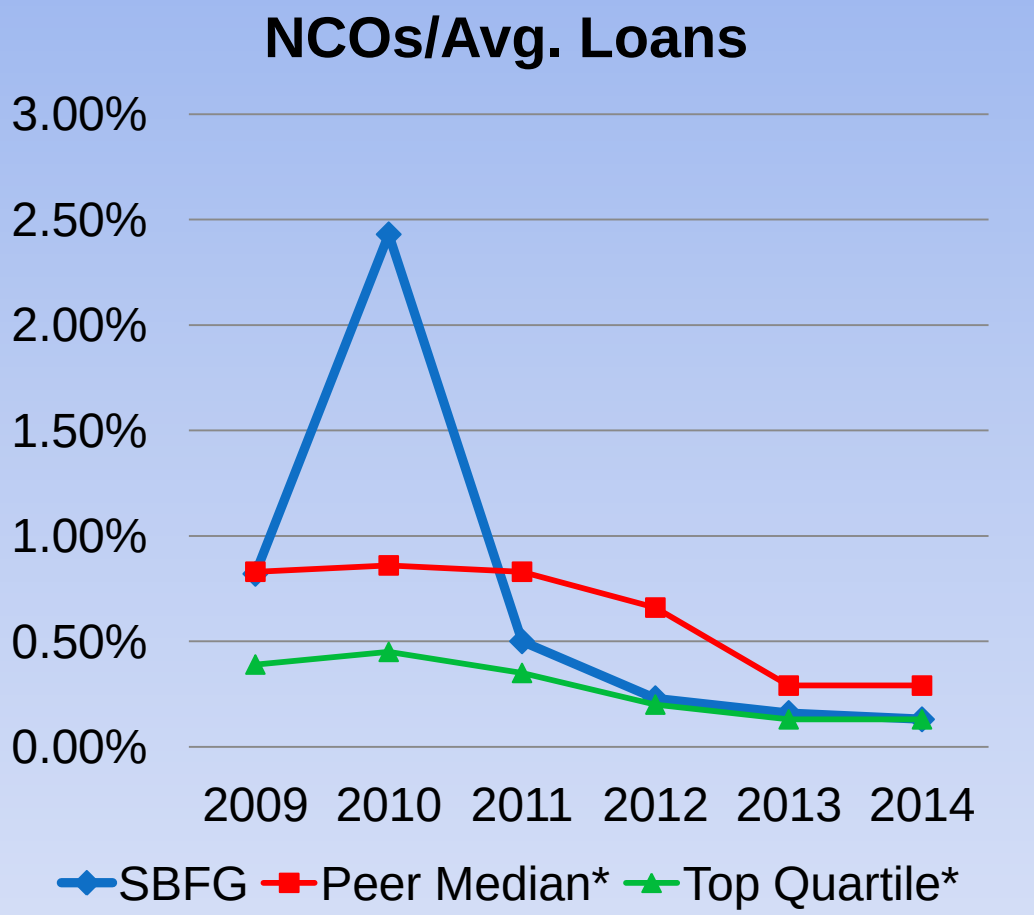


* Peer group consists of SNL 2014 data for 64 publicly traded bank holding companies in the U.S. on a major exchange with assets between $500 million and $1 billion.

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Sustain Asset Quality

- Since 2011, Net Charge-Offs better than Peer Median
- Nearing Top-Quartile Performance
- Proactive Portfolio Management

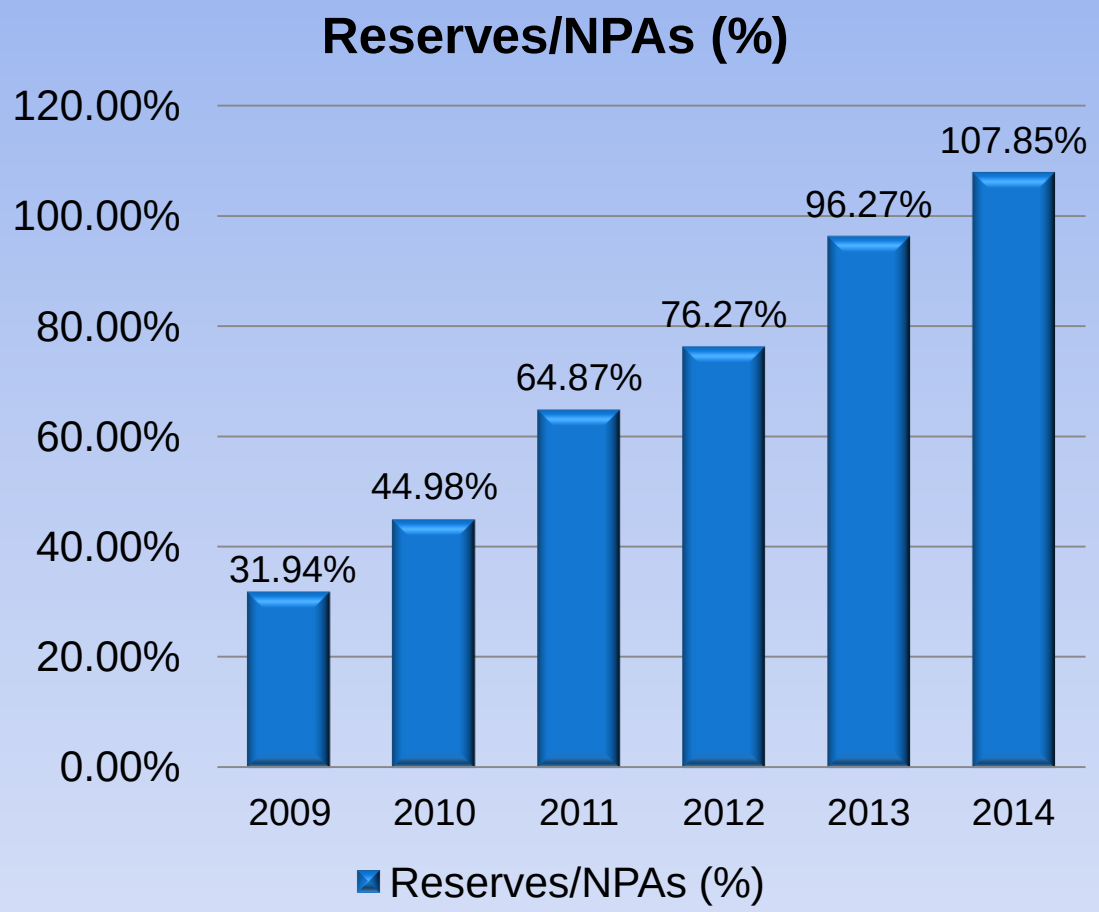


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Sustain Asset Quality

- Reserve $6.8MM
- NPAs $6.3MM
- Three relationships comprise 47% ($3.0MM) of Total Non-Performing Assets
- Peer Median 49.46%, Top Quartile 69.25%



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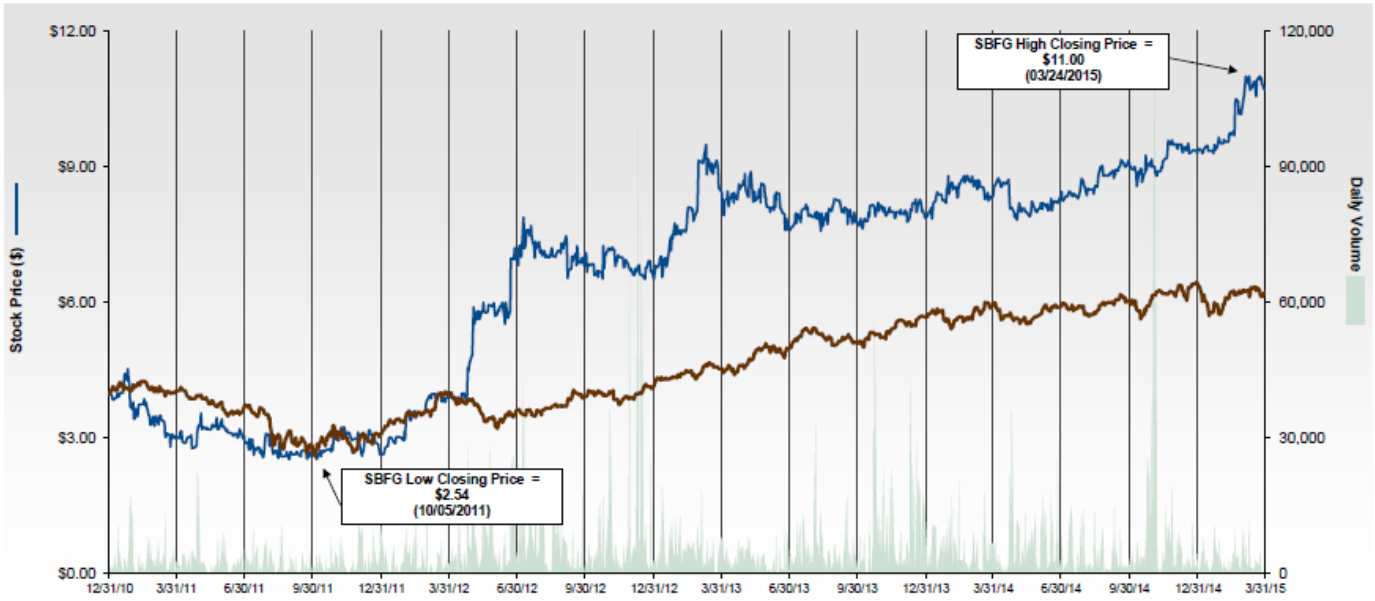
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SBFG Stock History

TABLE 6.1
SB FINANCIAL GROUP, INC.
Daily Stock Price and Volume Graph from 12/31/2010 to 03/30/2015

Stock Price



SNL Bank Index

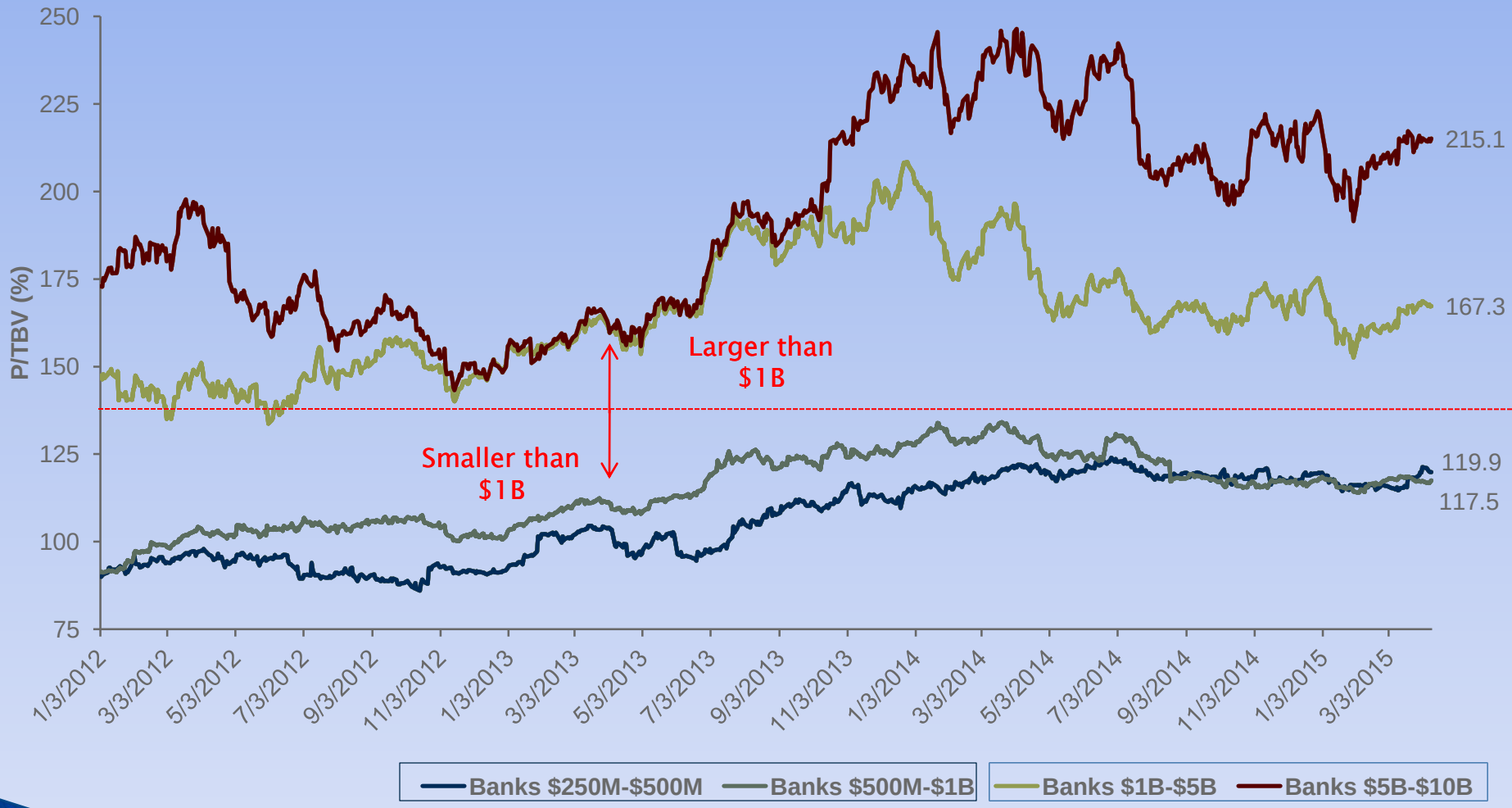
Closing Price as of 03/30/15:	$10.71
52 Week High Trading Price:	$11.25
52 Week Low Trading Price:	$7.71
1-Year Average Monthly Volume:	111,330
Average Monthly Volume/Shares Outstanding:	2.28%

% Stock Price Change Since	
12/31/2010	169.8%
12/31/2011	307.2%
12/31/2012	64.5%
12/31/2013	35.9%

Note: 52-Week High and Low Closing Price based on intra-day trading.
Source: SNL Financial

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Large Banks Trade at (Significant) Premiums to Smaller Banks



- Source: SNL Financial; Data through 4/10/2015

Mark Klein – President and CEO

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Anthony Cosentino – EVP and CFO

Tony.Cosentino@YourStateBank.com