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CNBC Bancorp.

NASDAQ: BB-CNBD - $27.50

www.cnbcbank.com

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4Q and Fiscal 2000 Results

CNBD Posts 6th Year of 20%+ EPS Growth and Continues to Outperform Larger Banks

Current Data		EPS	FY: Dec	P/E
Current Price	$ 27.50	2000	$ 2.12	13.0
52-Week Range	33-27	2001E	$ 2.52	10.9
Shares Out (Mill)	1.4	2002E	$ 3.00	9.2
Ave Vol.-LTM (actual)	500	**Valuation**	**Current**	**LTM**
Market Cap. (Mil.)	$ 38.0	P/E	10.9	18.8-13.8
Equity/Total Assets	8.2%	P/B	1.8	2.5-1.9
Institutional Holdings	0.8%	**Operating Data**	**This Qtr**	**LTM**
Insider Holdings	50%	Net Int. Inc. Growth	47.9%	16.6%
Book Value	$ 15.18	Net Inc. Growth	15.1%	25.5%
10Yr Bond	5.14%	Efficiency Ratio	50.2%	49.7%

Source: Big Charts

Key Investment Points

- Diluted EPS rose 20.5% in 2000 and 14% in 1Q01.
- Since 1995, net income and diluted EPS have grown at an annual compounded rate of 29.6% and 22.8%, respectively.
- Continues to outperform larger banks in many aspects.
- Recent acquisition quickly adding to non-interest income.
- 12 – 18 month target price is $43.00.

Company Description

CNBC Bancorp ("CNBD") is the bank holding company that owns Commerce National Bank; a nationally chartered bank located in Worthington, Ohio, a Columbus suburb, with $281 million in assets as of March 2001. CNBD focuses on providing commercial banking services in the central Ohio marketplace with an emphasis on high levels of service. Despite the highly competitive marketplace, bank assets have grown at an average annual rate of 26% from 1995 to 1999.

The Bottom Line

CNBD has posted an average annual EPS growth rate of 27% since 1994 and exceeded 20% in all years except 1999 (when it dipped to 19%), outperforming some large regional banks (see Table 1). This impressive record has been accomplished in a very competitive market by a strict focus on serving the needs of small businesses. We feel that CNBD can continue to growth at high double-digit rates as customers turn to CNBD to get the attention they do not receive from large institutions.

Table 1: Comparison of Operating Performance and Stock Valuation

Company Name		**Tot Assts (Mill)**	**Price 4/19/01**	**Eff. Ratio**	**Net Int. Margin**	**ROAA**	**ROAE**	**5 Yr. EPS Growth**	**Price/ Book**	**EPS (LTM)**	**P/E**
NAT'L CITY	NCC	88,535	$ 27.12	58.9%	3.8%	1.5%	21%	8%	2.5	$ 2.16	12.6
KEYCORP	KEY	87,270	$ 23.45	63.1%	3.7%	1.2%	15%	6%	1.5	$ 2.28	10.3
FIFTH THIRD BANCORP	FITB	45,857	$ 52.55	41.9%	3.9%	1.7%	20%	17%	4.9	$ 1.95	26.9
HUNTINGTON BNCSHRS	HBAN	28,599	$ 14.41	61.7%	3.7%	1.1%	14%	7%	1.5	$ 1.30	11.1
FIRSTMERIT	FMER	10,215	$ 24.53	50.9%	4.8%	1.9%	19%	13%	2.3	$ 1.80	13.6
CNBC BANCORP	**CNBD**	**264**	**$ 27.50**	**49.7%**	**4.3%**	**1.3%**	**15%**	**26%**	**1.8**	**$ 2.12**	**12.9**

(Source: Baseline and Company data)

Industry Overview

The outlook for the industry is clouded by concerns of loan quality. Despite the prospect of lower interest rates, The Street will be keenly attuned to how managements discuss loan loss provisions and reserve targets. If the market senses that the bigger players have loan problems, it could result in selling pressure across the board.

While loan quality is a valid concern, we think that community banks should post a better record than larger institutions. We base this opinion on the fact that community banks are much closer to their customers and are thus able to make better loan decisions and react quicker to potential problems.

During the last year, bank stocks rose on expectations of interest rate cuts by the Fed. As shown in Figure 1, the John Hancock Regional Bank Index (FRBAX) is up 34% from the low established on March 7, 2000. For 2001, the index is down 3.5% as concerns about the economy have increased.

Figure 1

Company Overview
CNBD is not your normal community bank:

- The Bank's strategy of providing only commercial banking services for qualified local businesses has resulted in a highly disciplined and profitable operation.

- CNBD has posted very impressive efficiency ratios, net interest margins, few loan charge-offs, high profitability ratios, and consistent EPS growth***. In some cases, CNBD outperforms much larger banks***.

- This devotion to providing high levels of basic commercial banking services has helped the Bank grow assets at an annual compounded rate of 26.4% since 1995, in a very competitive market. This has also meant that some of the Bank's operating ratios differ significantly from its peer group because they do not try to increase revenues via service charges.

Commerce National Bank ("Commerce") was founded in 1991 as "The Bank for Business" with a core focus on providing commercial banking services in the Central Ohio market. Commerce differentiates itself by providing high levels of service such as couriers to pick up deposits, fax alerts, and 24-hour banking. While consumer-banking services are offered, the bank's consumer clientele consists of the owners of the Bank's business customers.

CNBC Bancorp ("CNBD") was incorporated in Ohio on August 23, 1996 for the purpose of effecting a reorganization that would make Commerce National Bank its wholly owned subsidiary. This reorganization was completed November 30, 1996.

<u>Competitive Advantage</u>
Cob's competitive advantage is the ability to attract clients by providing small businesses with high levels of service that they would not receive from other banks. Customers are willing to pay a slight premium for individualized service, no hidden fees, and having a single, experienced loan officer for the long term. This operating philosophy can be summarized as follows:

1. ***Serve the small business owner with an experienced staff***. CNBD's current staff of eight account officers has an average of 20 years of banking experience. Customers are able to deal with one experienced loan officer on a long-term basis. This ensures that the small business customer does not have the problems encountered at larger banks, namely dealing with inexperienced loan officers and frequent account turnover.

2. ***Be responsive to customer needs*.** Decision-making power is deployed on the front lines, allowing bank officers to react quickly to customer needs. This is in contrast to large banks where decision making in centralized at the "Home Office." Receptiveness to customer needs has produced such innovative customer services such as daily faxes of business news.

3. ***Maintain tight cost controls***. By providing only those services needed by clients and maximizing the use of technology, CNBD can allocate more of its resources to incentivizing employees and offering competitive rates for loans and deposits. The Bank leverages its one location by using an in-house courier service to collect deposits and by being a member of the MAC and Money Station ATM networks. Operating expenses are kept low by innovative use of technology such as providing customers with compact discs that contain images of cancelled checks as well as software that allows customers

to use their PCs to review account activity and initiate transfers between accounts. *As a result of cost controls, CNBD posted efficiency ratios that have been significantly better than its peer group and larger banks.*

Larger financial institutions are at a disadvantage because their highly centralized decision-making structure and focus on larger clients makes the small businessperson often feel unimportant. This lack of attention is manifested by the practice of assigning smaller accounts to a series of inexperienced loan officers.

CNBD's operating strategy generates results that differ from its peer group. CNBD's non-interest income is lower than its peer group's average, but operating efficiencies, loan quality and asset growth rank well ahead of its peers. Net interest margins are typically slightly below the midpoint of the peer group, but return on equity higher, as the Bank gains the cash operating accounts of its customers. These balances help fund loan growth and reduce the need for CNBD to seek more expensive funding sources. The Bank's lending criteria results in a high quality portfolio with very low write-offs. Another telling statistic is that CNBD's operating profit per employee ranks in the top 10% of its peer group.

Table 2 compares CNBD to other banks in Ohio. Note that CNBD outperforms even the largest banks in terms of loan quality (Non Performing Loans/Total Loans), net interest margin, operating efficiency, and return on assets.

Table 2: CNBD vs. Ohio Banks

	P/E LT Core	**P/B**	**Loans/ Depts**	**NPL/ Loans**	**NIM (%)**	**Effic Ratio**	**ROAA**	**ROACE**
$1 Bn +	14.0	212.0	102.2	0.57	3.87	53.51	1.24	15.02
$500MM-1Bn	12.9	165.3	94.8	0.54	4.28	58.92	1.21	13.47
$270-500MM	12.7	136.2	86.6	0.48	4.02	61.12	0.96	10.08
LT $270MM	17.6	137.4	86.5	0.22	4.58	69.60	0.76	6.48
CNBD	**13.0**	**174.6**	**100.6**	**0.07**	**4.21**	**50.20**	**1.27**	**14.87**

IPO and Secondary Offerings

The initial stock offering was closed April 1991 at an adjusted price of $5.68 for a total offering of $4.4 million. CNBD has completed five other offerings since that time without the aid of external underwriters:

Date Closed	**Per Share (adjusted)**	**Amount Raised**
June 1992	$ 6.82	$ 0.7 million
Early 1994	$ 8.18	$ 1.2 million
November 1997	$ 20.00	$ 1.0 million
March 1999	$ 30.00	$ 4.9 million
February 2001	Trust Preferred	$ 4.0 million

Management

The management team is comprised of banking veterans, most of who have been with CNBD basically since its inception.

Thomas D. McAuliffe is the Chairman, President and Chief Executive Officer. Before co-founding the Bank in January 1990, he accumulated more than 20 years of banking experience at several major banks Ohio.

John A, Romelfanger is the Vice President, Secretary and Treasurer of CNBC and Chief Financial Officer and Chief Operating Officer of Commerce. Prior to joining the Bank in June 1990, he was employed by Crowe, Chizek & Company, a public accounting firm, for eight years. He is also a certified public accountant.

Pamela S. Miller is a Principal, Loan Review Officer, and Controller. Prior to joining the Bank in June 1991, she was employed by Crowe, Chizek & Company for seven years. She is also a certified public accountant.

Mark Sbrochi is a Principal and the Chief Lending Officer. Mr. Sbrochi joined CNBD in January 2001 in his current position. Prior to joining CNBD, Mr. Sbrochi spent 26 years at Bank One. IN his last position, he was in charge of credit analysis for the Ohio market.

1Q01 Results

Diluted EPS increased 14% to $0.57 versus $0.50 in 1Q00. While detailed information is not yet available, it was announced that:

- Total loans were $226.4 million, up 24% from 1Q00;
- Total assets increased 30% to $281 million;
- Deposit growth was exceptionally strong (+29%); and
- The efficiency ratio improved slightly to 49.3% from 49.4% in 1Q00.

The net interest margin dipped to 4.19% from 4.47% in 1Q00 because the Bank was not able to re-deploy the funds into loans due to the timing of deposit receipts and market conditions.

4Q00 Results

EPS for 4Q00 was $0.56, a 22% gain over 4Q99 and was due to a 12.7% increase in earning assets, which was somewhat offset by a decline in the net interest margin.
Actual results were $0.04 lower than our forecast due to higher than expected operating expenses.

The loan portfolio increased almost 25% from last year as CNBD continued to gain market share. Most of the growth in 4Q00 was in real estate construction (+73%) and investment (+19%) portfolios. As shown in Figure 2 (next page), CNBD's loan growth accelerated throughout the year. The downward trend in 1999 was due to increased competition and a difficult comparison with a very successful 1998.

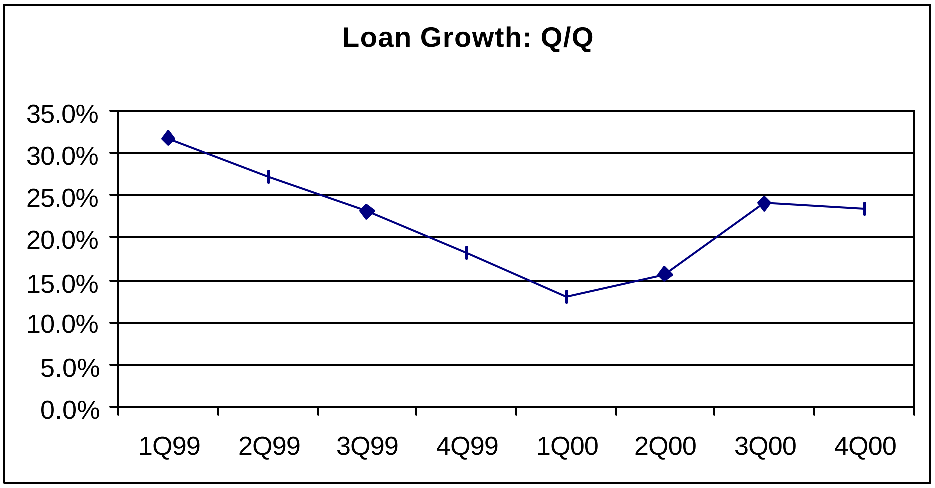

Figure 2

The net interest margin (as we calculate it) [1] declined in 4Q00 to an annualized 4.22% from 4.42% in 4Q99 due to the combination of Fed interest rate hikes and increased competition in the central Ohio market. Figure 3 illustrates the trend in quarterly (annualized) net interest margin for the last two years.

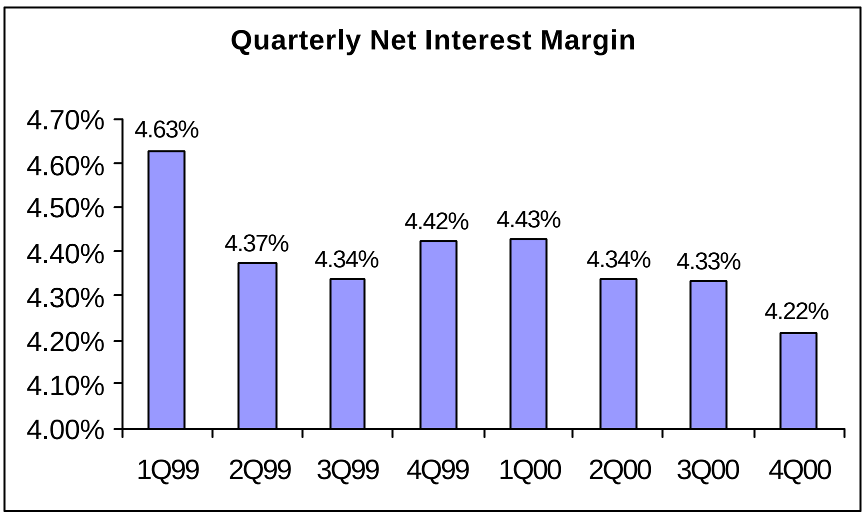

Figure 3

Operating efficiencies deteriorated slightly as CNBD continued to invest in infrastructure to accommodate future growth. Operating expenses were higher than we had forecast due mainly to the addition of two full time employees and other investments in infrastructure. Deposit service charges declined slightly as higher interest rates reduced fee income. CRS, Inc., which was acquired in June 2000 (and formerly known as The Puppel Companies), continued to contribute significantly ($63,000 in 4Q00 and $95,000 in 3Q00) to non-interest income. Despite the quarter's results, over the longer term, CNBD's efficiency ratio (non-interest expense divided by the sum of interest and non-interest income) has generally improved. Figure 4 illustrates the generally improving trend in the efficiency ratio during the last nine quarters.

[1] For the purposes of quarterly comparisons, we calculate the net interest margin by using period end balances. The Bank uses a daily weighted average, which is a more accurate calculation.

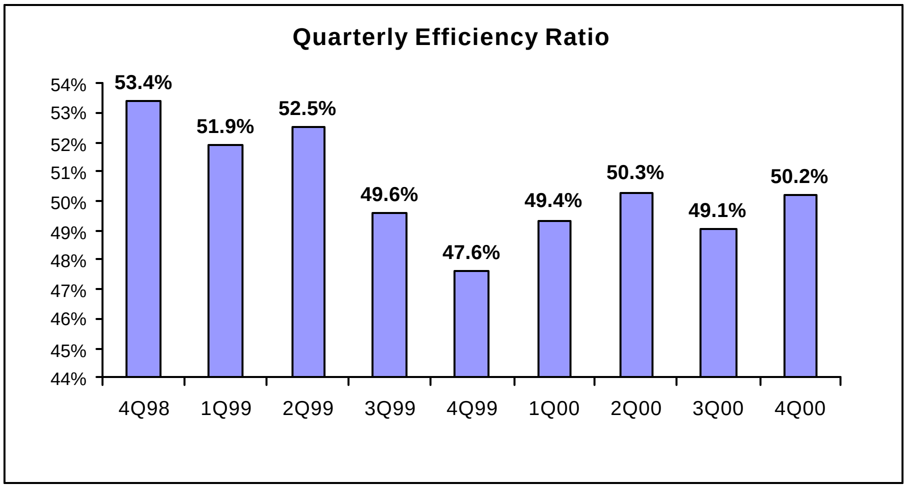

Figure 4

Fiscal 2000

EPS for the year increased 21% to $2.12 from $1.76 in 1999 and is the sixth year of EPS growth in excess of 20% of CNBD's seven-year history (excluding the inaugural year of 1992-3). This consistent growth is due to CNBD's ability to continually increase its loan portfolio, despite being in one of the most competitive markets in the US. In 1999, EPS was growth was 19% and was depressed due to a dip in loan growth and several operating initiatives the Bank implemented in that year (discussed below). Figure 5 shows the trend in EPS since 1994.

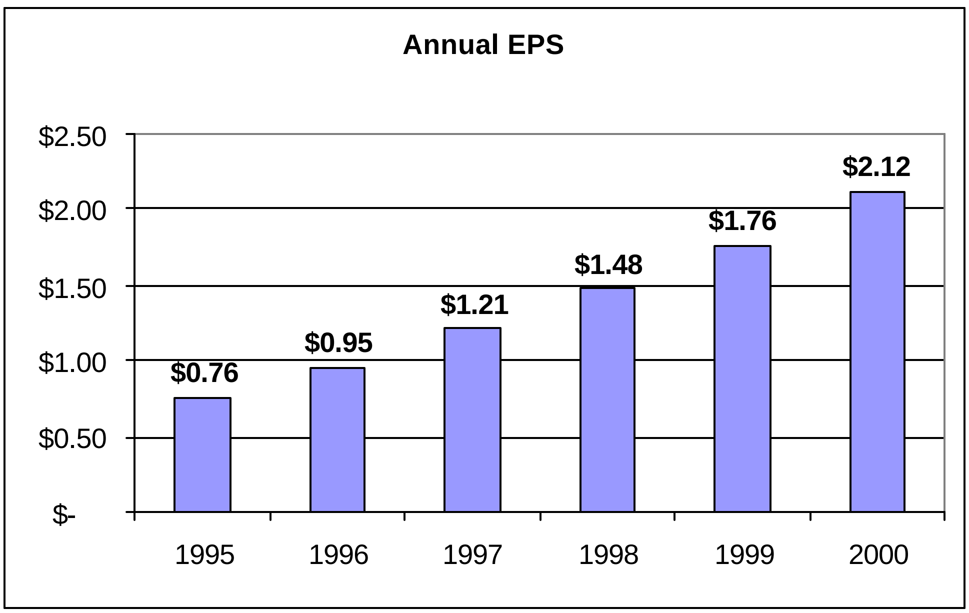

Figure 5

The key determining factors for EPS growth are the trends in loans, net interest margin, and the efficiency ratio. As shown in Figure 6, CNBD has been able to consistently grow its loan portfolio over a long period of time. Loan growth in 200 was 23.5% versus 18.1% in 1999 and 27.2% in 1998. The average annual growth rate from 1995 to 2000 was 26.3%.

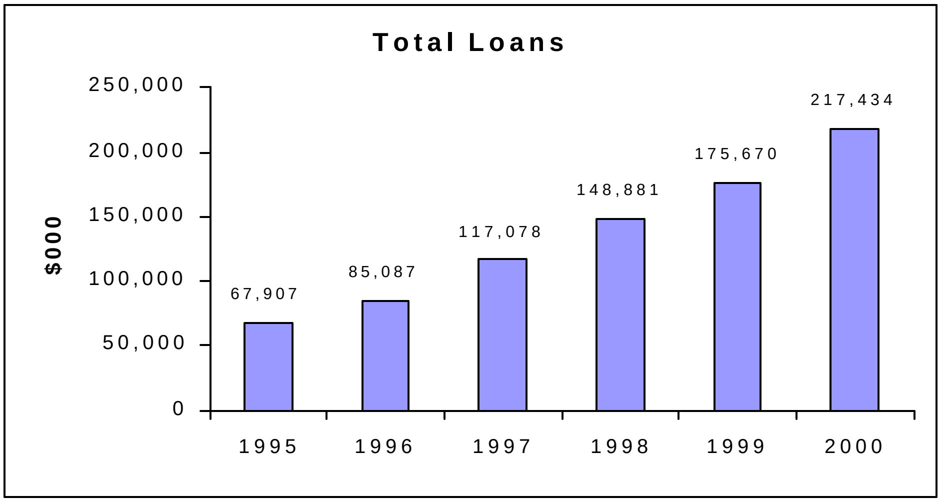

Figure 6

Most of the growth in 2000 occurred in the real estate investment portfolio, which increased almost 46% from 1999. By comparison, residential real estate loans grew 11.8% while business loans rose 7%. Figure 7 illustrates the composition of the total loan portfolio as of year-end 1999 and 2000.

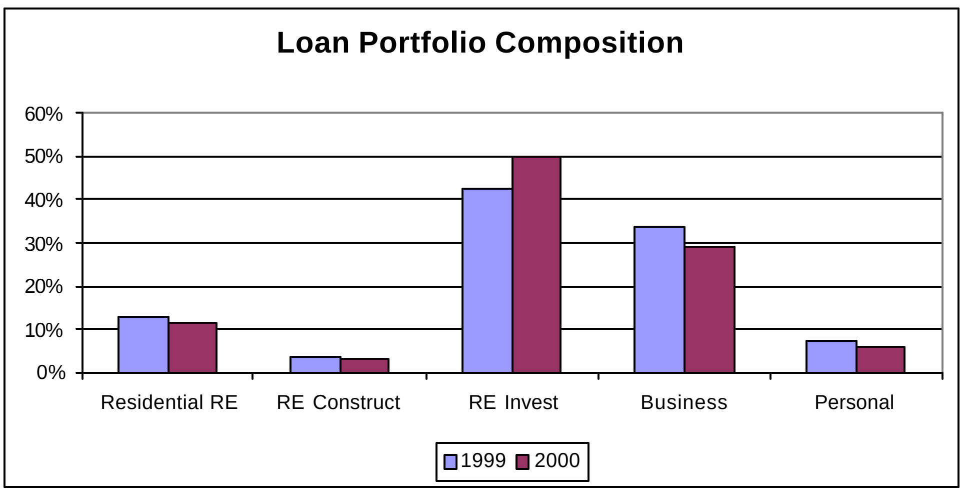

Figure 7

CNBD's net interest margin ("NIM") improved slightly in 2000 as the result of having a higher percentage of loans/earning assets and as CNBD implemented a program to improve yields by syndicating loans to other financial institutions. CNBD's NIM was 4.30% and was lower than the average of 4.58% for the peer group (eight Ohio-based banks with assets of $270 million or less).

Over the longer term, the net interest margin has declined since 1995 as the result of increased competition and, most recently, the impact of higher interest rates (see Figure 8). While customers in the Bank's primary market area funded most of the deposit growth, most of the growth was concentrated in jumbo CDs (balances of $100,000+) that carry higher interest rates.

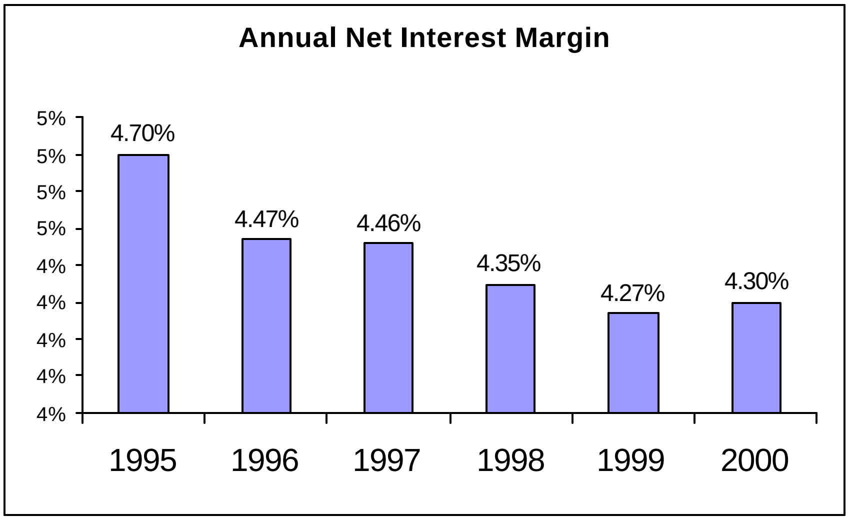

Figure 8

Operating efficiency has consistently improved, despite offering a higher service level than its larger competitors and implementing several strategic initiatives in 1999 and 2000 (see Figure 9). CNBD's efficiency ratio of 49.7% is better than the average of 69.6% for its peer group and the range of 53.5% to 61.1% for banks with total assets over $270 million.

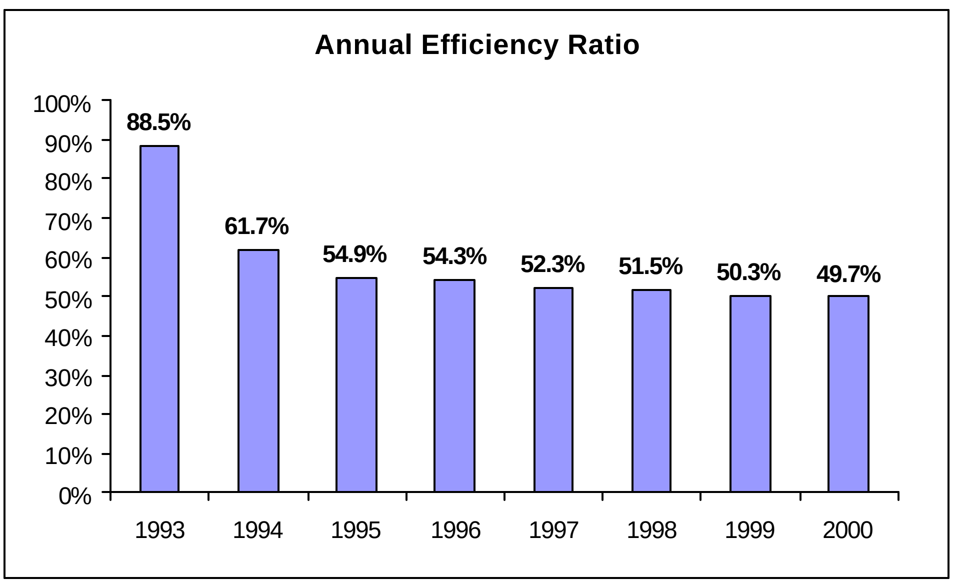

Figure 9

During the last two years, CNBD has implemented five major initiatives that, while significantly increasing Salaries and Benefits, generally reduced overall operating expense growth:

1. Internalization of Courier operations. In July 1999, CNBD acquired an independent courier service it used to collect deposits from customers. While internalizing this function reduced total related expense, it resulted in transferring the cost from "Other Expenses" to Salaries and Benefits;
2. Internalization of data processing. CNBD internalized its data processing needs mid 1999 which increased Salaries and Benefits but reduced overall costs by $40,000 per year, but also converted data processing costs from a variable expense to fixed;
3. Occupancy expenses increased as CNBD took over more floor space in its building to house courier and data processing operations;
4. Acquired CRS, Inc. in June 2000 which increased headcount and operating expenses; and
5. Increased headcount in order to maintain service levels as business grew, CNBD added three new FTE in 4Q00 that replaced 2 part-time employees.

Growth in other non-interest expenses consisted of ongoing Internet development; marketing; increased franchise taxes (the result of a growing capital base), and employee training.

Financial Condition

The Bank remains in good financial condition. As of year-end 2000, CNBD maintained its “well capitalized” status and exceeded the ratios required for that classification.

In February 2001, CNBD participated in a pooled transaction that further strengthened its financial condition. CNBD issued $4.0 million in Trust Preferred Securities with an annual interest rate of 10.2%. (The interest on the Trust Preferred is tax deductible and the principle qualifies for inclusion in Tier 1 capital.) The net proceeds of $3.85 million were used to inject $2.0 million into Commerce National, general corporate purposes and to fund a stock repurchase program (for up to 50,000 shares).

Outlook

Our EPS forecasts for 2001 and 2002 are $2.52 and $3.00, respectively. We reduced our 2001 EPS forecast $0.10 to reflect the results of 4Q00 and 1Q01, as well as lower efficiency ratio. Our main assumptions are:

- Earning assets grow 15% per year (the historical range is 18%-37%).
- The net interest margin will range between 4.19% and 4.22% (historical range is 4.2-4.47). The NIM may contract further in 2Q01 as the result of the lag between getting deposits and making loans and the unexpected 50 basis point interest rate cut on April 18th.
- The loan loss provision increases to maintain a ratio of 1.26-1.27% of total loans (in line with 2000).
- Compensation and benefit expense rises 20% per year to accommodate growth and motivate employees.
- Quarterly Occupancy expense stabilizes at 2000 levels then rises 4.5% in 2002, and
- The effective tax rate is 35%.

Table 3 contains historical results and our annual forecast.

Table 3: Annual Operating Performance & Forecast								
$ Thousand	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001e**	**2002e**
Net Interest Income	3,326	3,974	5,106	6,506	8,087	9,430	**11,358**	**13,213**
Loan Loss Prov	288	254	386	480	509	412	**609**	**600**
Service Chrgs	52	95	118	131	175	156	**175**	**193**
Other Non-Int.	60	66	70	117	170	229	**240**	**250**
Tot. Non-Int Inc	112	161	188	248	361	542	**695**	**750**
Securities G/L	0	0	0	0	0	0	**0**	**0**
Salaries & Reltd	946	1,206	1,529	2,077	2,566	3,203	**3,869**	**4,643**
Office/Equip	149	180	167	83	269	362	**418**	**437**
Amortz/Intang	13	6	0	0	0	0	**0**	**0**
Other Non-Int Exp	779	853	1,073	1,321	1,415	1,395	**1,660**	**1,735**
Tot. Non-Int Exp	1,887	2,245	2,769	3,481	4,250	4,960	**5,947**	**6,815**
Pre-Tax Inc	1,263	1,636	2,139	2,793	3,689	4,600	**5,497**	**6,549**
Taxes	440	573	745	970	1,290	1,590	**1,924**	**2,292**
Net Income	823	1,063	1,394	1,823	2,399	3,010	**3,573**	**4,257**
Eff Tax Rate	35%	35%	35%	35%	35%	35%	**35%**	**35%**
EPS	$ 0.76	$ 0.95	$ 1.21	$ 1.48	$ 1.76	$ 2.12	**$ 2.52**	**$ 3.00**
Growth Rate		*25.0%*	*27.4%*	*22.3%*	*19.0%*	*20.6%*	***18.7%***	***19.1%***
Shares	1,083	1,119	1,151	1,232	1,363	1,417	**1,417**	**1,417**
Ave. Earning Assets	$ 70.8	$ 88.9	$ 116.3	$ 150.5	$ 182.4	$ 224.3	**$ 271.8**	**$ 313.1**
Growth Rate		*25.6%*	*30.9%*	*29.4%*	*21.1%*	*23.0%*	***21.2%***	***15.2%***
Ret./Ave. Earning Asse	4.70%	4.47%	4.39%	4.32%	4.43%	4.20%	**4.18%**	**4.22%**
Efficiency Ratio	54.89%	54.29%	52.30%	51.54%	50.31%	49.74%	**49.34%**	**48.80%**
Boldfaced data are estimates								

Valuation

We reiterate our 12-18 month target price of $43.00. Our target price is at the low end of the range and reflects our expectations that the market will remain concerned about loan quality for the next several months and that investors will tend to stick with bigger names in uncertain times.

As shown in Table 6, the target range increased to $47-$41 from $46-$40 as the result of using our 2001 estimates and despite reducing our valuation assumptions. The average high and low target prices use a weighed average of 80% P/B and 20% P/E. We used a weighted average to reflect the relative importance of the P/B ratio in the banking sector.

Table 6: Valuation Analysis	Valuation (Last 4 Qtrs)	Assumed Multiples	2002 Estimate	Target Range
P/E			**EPS**	
High	17.0	16.5	$ 3.00	$ 49.55
Low	15.5	15.0		$ 45.05
P/B			**Book Val.**	
High	2.3	2.1	$ 20.71	$ 43.50
Low	2.1	1.9		$ 39.35

Average Range	
High	$ 44.71
Low	$ 40.49
Average	$ 42.60
% From Current Price	
High	63%
Low	47%

Market Makers

Presented below are CNBD's market makers and their contact information.

Sweney Carwright & Co.	Columbus, Ohio	1-800-334-7481	Steve Cartwright
Stifel Nicolaus & Co. Inc.	Columbus, Ohio	1-877-875-9352	Steve Jefferis
McDonald Investments	Dayton, Ohio	1-800-344-1406	Bob Lucas

Investment Risks

Investors need to consider the following risks when investing in these shares:

- The shares are not very liquid due to the high percentage of insider ownership.
- The market is slow to react to news on the shares due to a lack of analytical coverage. As of this report, we are the only research firm covering the Bank.
- During the last year, the banking sector has been out of favor due to interest rate fears and the potential for greater returns in other "hot" sectors. Now, although interest rates have declined, increased concern about the sate of the economy has raised concerns about loan quality.
- Operating results are dependent upon the economic health of one market, the Columbus, Ohio metropolitan area and surrounding cities.

This report contains "forward looking" statements within the meaning of U.S. federal securities laws. Forward-looking statements regarding the Company's performance inherently involve risks and uncertainties that could cause actual results to differ from such forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company's products/services in the marketplace; acceptance in the marketplace of the Company's new product lines/services; competitive factors; new product/service introductions by others; technological changes; dependence upon third party vendors; year 2000 issues; and other risks discussed in the Company's periodic report filings, including interim reports, with the

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