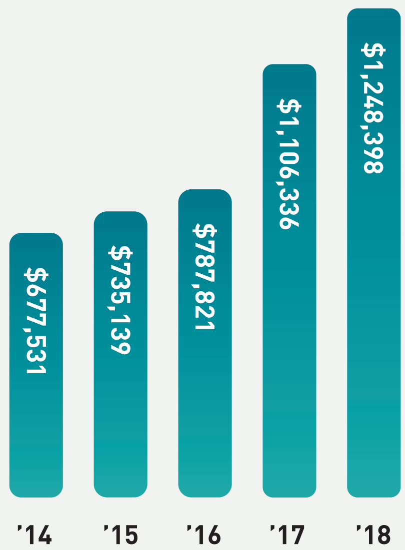
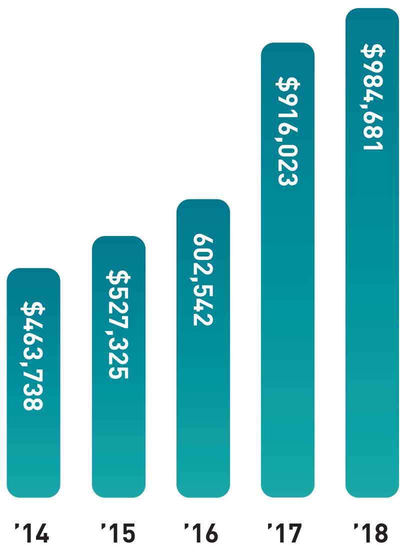
Middlefield Banc Corp.

2018 Summary Annual Report

Total Assets
(in thousands)



Net Loans Outstanding
(in thousands)



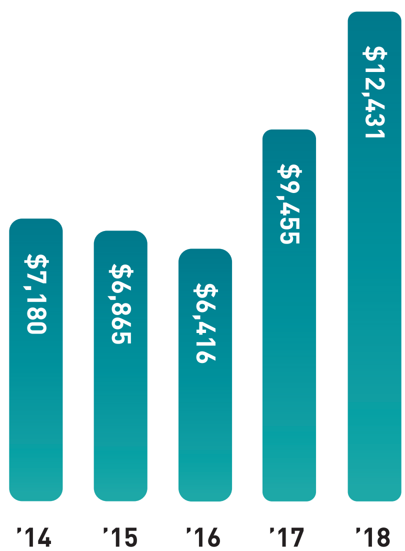
Basic Earnings Per Share:

$3.85

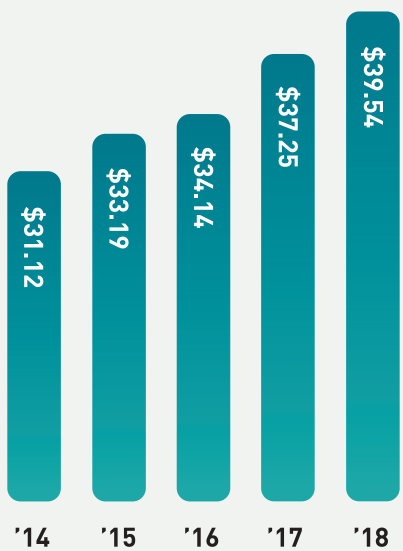
+23.4% in 2018

(Represents percentage increase over 2017 Basic Earnings Per Share at $3.12)

Net Income
(in thousands)



Book Value Per Share



CHAIRMAN'S LETTER TO SHAREHOLDERS:

For 2018, Middlefield Banc Corp. continued to make progress executing its growth-oriented strategic plan and enhancing the Company's brand throughout Northeast and Central Ohio.

We achieved record financial results including record net income of $12.4 million, or $3.83 per diluted share and record book value of $39.54 per share. We also ended the year with record assets as a result of favorable loan growth, while maintaining strong asset quality.

As a community focused bank, I am pleased with the Board's decision to share the benefits of the Tax Cuts and Jobs Act with both our employees and shareholders. Early in 2018, Middlefield's Board approved a one-time $1,000 bonus to all employees and a $0.05 per share special one-time cash dividend to our shareholders. The Board also approved a 3.7% increase in our regular quarterly cash dividend.

Throughout the year, we provided over $50,000 in donations to organizations within our markets. Middlefield also increased its employee count by 7%. We expanded our footprint in Central Ohio and opened a new office in Powell.

For the sixth consecutive year, Middlefield made American Banker's list of the Top 200 publicly traded community banks. This annual list examined 663 publicly traded banks and thrifts with assets under $2 billion and selected the top 200 based on their three-year return on average equity (ROAE). I am also pleased to report that Middlefield was the only Ohio institution to be included in S&P Global Market Intelligence's annual list ranking community banks with assets between $1 billion and $10 billion on several key financial characteristics including before tax ROATCE, NCOs/average loans, efficiency ratio, adjusted Texas ratio, net interest margin, and loan growth.

While our 2018 results and accolades are impressive, we continue to monitor and respond to the world around us. This includes investing in modern technologies that not only enhance the way our customers engage with the Bank but also protects customers and their accounts from online, digital and cyber threats.

After a period of historically low interest rates, Middlefield and our customers have had to adjust to a rising rate environment. We also experienced increased competition for deposits. I am encouraged by 2018's improvement in deposits and how the Company managed its cost of funds.

As Middlefield's size and scale increases, it is important to maintain an appropriate level of risk. The continued decline in nonperforming loans and nonperforming assets reflects Middlefield's commitment to controlling risk.

Over the years I have ended many of my annual report letters with: 'Surround yourself with great people and you can do great things.' In our modern, technologically focused world, we believe assembling a platform of experienced, knowledgeable, and ethical leaders is ever more important. We continue to enhance our leadership team and during the year added talented bankers throughout our organization. I am proud of the platform we have created, and I am confident we have the right people, infrastructure, and strategic plan in place to achieve many great things.

On behalf of the Middlefield Banc Corp. Board of Directors and our employees, we thank you for your continued support.

Carolyn J. Turk

Carolyn J. Turk, C.P.A.
Chairman, Board of Directors

DECADE OF PROGRESS

(Dollar amounts in thousands, except per share data)	2009	2010	2011
Interest Income	$ 26,051	$ 29,094	$ 29,727
Interest Expense	11,783	10,945	8,652
Net Interest Income	14,268	18,149	21,075
Provision for Loan Loss	2,578	3,580	3,085
Net Interest Income After Provision for Loan Losses	11,690	14,569	17,990
Noninterest Income, Including Security Gains/Losses	2,668	2,623	2,237
Noninterest Expense	12,650	14,763	15,501
Income Before Income Taxes	1,708	2,429	4,726
Income Taxes	(73)	(88)	596
Net Income	$ 1,781	$ 2,517	$ 4,130
Total Assets	$558,658	$632,197	$654,551
Deposits	487,106	565,251	580,962
Equity Capital	36,707	38,022	47,253
Loans Outstanding, Net	348,660	366,277	395,061
Allowance for Loan Losses	4,937	6,221	6,819
Net Charge-offs	1,198	2,296	2,487
Full Time Employees (Average Equivalents)	106	108	113
Number of Offices	10	10	10
Earnings Per Share	$ 1.15	$ 1.60	$ 2.45
Dividends Per Share	1.04	1.04	1.04
Book Value Per Share	23.46	23.90	26.81
Dividend Payout Ratio	90.28%	65.04%	42.71%
Cash Dividends Paid	$ 1,608	$ 1,637	$ 1,764
Return on Average Assets	0.36%	0.41%	0.65%
Return on Average Equity	4.90%	6.44%	10.24%

2012	2013	2014	2015	2016	2017	2018
$ 28,746	$ 28,178	$ 27,874	$ 28,595	$ 29,994	$ 43,995	$ 50,357
6,447	5,250	4,070	3,820	4,190	6,647	9,909
22,299	22,928	23,804	24,775	25,804	37,348	40,448
2,168	196	370	315	570	1,045	840
20,131	22,732	23,434	24,460	25,234	36,303	39,608
3,451	3,145	3,588	4,044	3,959	4,859	3,728
15,639	16,870	17,850	20,077	20,872	27,485	28,743
7,943	9,007	9,172	8,427	8,321	13,677	14,593
1,662	1,979	1,992	1,562	1,905	4,222	2,162
$ 6,281	$ 7,028	$ 7,180	$ 6,865	$ 6,416	$ 9,455	$ 12,431
$670,288	$647,090	$677,531	$735,139	$787,821	$1,106,336	$1,248,398
593,335	568,836	586,112	624,447	629,934	878,194	1,016,067
55,437	53,473	63,867	62,304	76,960	119,863	128,290
400,654	428,679	463,738	527,325	602,542	916,023	984,681
7,779	7,046	6,846	6,385	6,598	7,190	7,428
1,208	929	570	776	357	453	602
120	125	139	143	139	190	200
10	10	10	10	11	14	15
$ 3.29	$ 3.48	$ 3.52	$ 3.41	$ 3.04	$ 3.12	$ 3.85
1.04	1.04	1.04	1.07	1.08	1.08	1.17
27.83	26.31	31.12	33.19	34.14	37.25	39.54
31.87%	29.84%	29.54%	30.90%	36.13%	35.52%	30.40%
$ 2,002	$ 2,048	$ 2,121	$ 2,153	$ 2,318	$ 3,358	$ 3,779
0.95%	1.06%	1.07%	0.97%	0.85%	0.88%	1.09%
11.98%	13.17%	12.17%	10.62%	9.33%	8.52%	9.94%

TO OUR SHAREHOLDERS AND FRIENDS:

Middlefield achieved multiple financial and operating records during 2018 including record assets, deposits, net income, and book value per share. These accomplishments are a direct result of the continued performance of our strategic plan, our commitment to community banking values, positive economic and demographic trends within our markets, and the daily contribution of our 187 associates.

As we have discussed in the past, our values are defined by our desire to profitably serve our communities through the Company's dedication to quality, safety and soundness, while maximizing value for our shareholders. We remain committed to these core values and they are the foundation of our future success.

For 2018, total assets increased 12.8% to a record $1.25 billion, compared to $1.11 billion last year. This growth was primarily due to a 7.5% improvement in the Company's loan portfolio, as a result of growth in real estate construction loans, commercial mortgage loans, and residential mortgage loans. The Company's growing asset base helped Middlefield increase total interest income for 2018 by 14.5% to a record $50.4 million.

Asset quality continues to improve, driven by our prudent lending practices and stable local economies. At December 31, 2018, nonperforming loans declined 21.2%. This drove a 38-basis point reduction in nonperforming loans to total loans, which ended the year at 1.07% and is at the lowest level in over six years. In addition, nonperforming assets to total assets declined 36-basis points to 0.87% at December 31, 2018.

Middlefield will not pursue aggressive growth or near-term profits by increasing the potential for long-term risk. As a result, profitability was impacted throughout 2018 by our decision to end our student loan program during the 2018 first quarter due to our former partner changing the structure of the program, which we believe increased our risk. This was the primary reason behind the $1.1 million or 23.3% reduction in noninterest income during 2018. We are focused on improving the level of noninterest income in a safe, sound and efficient manner during 2019 and beyond.

Throughout 2018 we focused on driving deposit growth and during the year deposits increased 15.7% to $1.02 billion. Our success growing deposits helped reduce our loan-to-deposit ratio 750 basis points to 97.6% at December 31, 2018. Throughout 2018, the U.S. Federal Reserve increased rates four times which caused Middlefield's cost of funds to rise 27 basis points. We successfully offset the majority of this increase and our net interest margin declined only 5 basis points to 3.77% at December 31, 2018.

Despite the impacts from lower noninterest income and higher cost of funds, Middlefield achieved record net income as a result of record net interest income, strong asset quality, successful expense management, and the benefit of the Tax Cuts and Jobs Act. For 2018, net income increased 31.5% to a record $12.4 million, or $3.83 per diluted share. Our tangible book value[1] per share increased 7.7% to a record $34.16 per share. In addition, I am encouraged by the continued expansion of returns on average assets, equity, and tangible common equity we have been achieving. For the 2018 fourth quarter compared to the same period last year, our return on average equity increased 280 basis points to 10.52%, our return on average tangible common equity[1] increased 312 basis points to 12.17%, and our return on average assets increased 29 basis points to 1.15%.

I am extremely optimistic about the direction we are headed and the opportunities we have in both of our compelling Ohio markets. This starts with our leadership team and over the past several years, Middlefield has attracted experienced and talented bankers that want to be part of a growing and successful community bank. I remain encouraged with the talented team we have assembled and our ability to attract proven leaders.

Our consistent and stable growth across our Northeast Ohio and Central Ohio markets demonstrates that our community-oriented culture and talented associates are expanding our market share. In September 2018, we announced the opening of our 15th location in Powell, Ohio. Over the past two years we have added two new locations in Central Ohio, which has contributed to a 27% increase in deposits and 49% growth in loans in this region. Middlefield's opportunity in Central Ohio is supported by the region's compelling economic and demographic trends. In addition, at June 30, 2018, five of the 33 banks in Franklin and Delaware Counties controlled over 86% of total deposits, which createsa significant opportunity for Middlefield to attract customers looking for the community-oriented financial products and services we provide.

With 11 locations and strong market share in our core Northeast Ohio markets, we have exciting opportunities to expand our presence in Cuyahoga and Summit counties. Similar to our approach in Central Ohio, Cuyahoga and Summit counties are dominated by large national and regional banks. We believe our differentiated financial offerings based on a high level of personal service, quick decision process, and local presence provides an attractive alternative to big banking culture. As both of our Ohio markets benefit from a strong economic base, low unemployment, and compelling growth characteristics, we are optimistic in the long-term opportunities to increase our market share.

Looking ahead, as our new Powell and Sunbury locations mature, and we focus on controlled growth, operating leverage and improved profitability, we believe we can continue to generate an annual efficiency ratio in the low 60% range during 2019. We are optimistic 2019 will be another year of solid performance for your company and we are excited by the opportunities Middlefield has to create value for our shareholders, employees, customers, and communities.

On behalf of everyone at the Middlefield Banc Corp., I appreciate your continued support. We look forward to reporting on our progress throughout 2019 and we sincerely appreciate the dedication of our associates, the loyalty of our customers and the commitment and interest of our shareholders. Thank you.

Sincerely,

Thomas Caldwell

Thomas G. Caldwell

President and
Chief Executive Officer

1) This letter includes disclosure of Middlefield Banc Corp.'s tangible book value per share and return on average tangible equity, which are financial measures not prepared in accordance with generally accepted accounting principles in the United States (GAAP). A non-GAAP financial measure is a numerical measure of historical or future financial performance, financial position or cash flows that excludes or includes amounts that are required to be disclosed by GAAP. Middlefield Banc Corp. believes that these non-GAAP financial measures provide both management and investors a more complete understanding of the underlying operational results and trends and Middlefield Banc Corp.'s marketplace performance. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the numbers prepared in accordance with GAAP.

CONSOLIDATED BALANCE SHEET

(Dollar amounts in thousands, except shares)	2018	2017
ASSETS		
Cash and cash equivalents	**$ 107,933**	$ 39,886
Equity securities, at fair value	**616**	—
Investment securities available for sale, at fair value	**98,322**	95,283
Loans held for sale	**597**	463
Loans	**992,109**	923,213
Less allowance for loan and lease losses	**7,428**	7,190
Net loans	**984,681**	916,023
Premises and equipment, net	**13,003**	11,853
Goodwill	**15,071**	15,071
Core deposit intangibles	**2,397**	2,749
Bank-owned life insurance	**16,080**	15,652
Accrued interest receivable and other assets	**9,698**	9,356
TOTAL ASSETS	**$1,248,398**	1,106,336
LIABILITIES		
Deposits:		
Noninterest-bearing demand	**$ 178,386**	$ 164,424
Interest-bearing demand	**117,128**	112,004
Money market	**196,685**	150,277
Savings	**222,954**	208,502
Time	**300,914**	242,987
Total deposits	**1,016,067**	878,194
Short-term borrowings:		
Federal funds purchased and repurchase agreements	**398**	4,707
Federal Home Loan Bank advances	**90,000**	70,000
Total short-term borrowings	**90,398**	74,707
Other borrowings	**8,803**	29,065
Accrued interest payable and other liabilities	**4,840**	4,507
TOTAL LIABILITIES	**1,120,108**	986,473
STOCKHOLDERS' EQUITY		
Common stock, no par value; 10,000,000 shares authorized, 3,630,497 and 3,603,881 shares issued; 3,244,332 and 3,217,716 shares outstanding	**85,925**	84,859
Retained earnings	**56,037**	47,431
Accumulated other comprehensive (loss) income	**(154)**	1,091
Treasury stock, at cost; 386,165 shares	**(13,518)**	(13,518)
TOTAL STOCKHOLDERS' EQUITY	**128,290**	119,863
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$1,248,398**	$1,106,336

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

(Dollar amounts in thousands, except per share data)	**2018**	**2017**
INTEREST AND DIVIDEND INCOME		
Interest and fees on loans	**$46,576**	$40,235
Interest-earning deposits in other institutions	**558**	328
Federal funds sold	**46**	15
Investment securities:		
Taxable interest	**688**	762
Tax-exempt interest	**2,262**	2,406
Dividends on stock	**227**	249
Total interest and dividend income	**50,357**	43,995
INTEREST EXPENSE		
Deposits	**8,631**	5,350
Short-term borrowings	**842**	753
Other borrowings	**436**	544
Total interest expense	**9,909**	6,647
NET INTEREST INCOME	**40,448**	37,348
Provision for loan losses	**840**	1,045
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	**39,608**	36,303
NONINTEREST INCOME		
Service charges on deposit accounts	**1,914**	1,875
Investment securities gains on sale, net	**—**	886
Loss on equity securities	**(9)**	—
Earnings on bank-owned life insurance	**428**	431
Gain on sale of loans	**231**	826
Other income	**1,164**	841
Total noninterest income	**3,728**	4,859
NONINTEREST EXPENSE		
Salaries and employee benefits	**15,749**	13,758
Occupancy expense	**1,933**	1,846
Equipment expense	**969**	1,050
Data processing costs	**1,806**	1,792
Ohio state franchise tax	**823**	744
Federal deposit insurance expense	**550**	533
Professional fees	**1,482**	1,752
Advertising expense	**921**	821
Software amortization expense	**605**	414
Core deposit intangible amortization	**352**	374
Merger expense	**—**	1,060
Other expense	**3,553**	3,341
Total noninterest expense	**28,743**	27,485
Income before income taxes	**14,593**	13,677
Income taxes	**2,162**	4,222
NET INCOME	**$12,431**	$ 9,455
EARNINGS PER SHARE		
Basic	**$3.85**	$ 3.12
Diluted	**3.83**	3.10
DIVIDENDS DECLARED PER SHARE	**$ 1.17**	$ 1.08

See accompanying notes to the consolidated financial statements.

MIDDLEFIELD BANC CORP. BOARD OF DIRECTORS

Carolyn J. Turk, C.P.A. 2004
Chairman, Board of Directors
Middlefield Banc Corp.
The Middlefield Banking Company
Senior Internal Auditor
Molded Fiber Glass Companies

William J. Skidmore 2007
Northeast Ohio Senior
District Manager
Waste Management
of Ohio, Inc.

Darryl E. Mast 2013
Retired: Hattie Larlham Care Group and
Hattie Larlham Foundation

Thomas G. Caldwell 1997
President and Chief Executive Officer
Middlefield Banc Corp.
The Middlefield Banking Company

Kenneth E. Jones 2008
Retired Financial Executive

Clayton W. Rose, III, C.P.A. 2014
Retired: Executive Principal
Rea & Associates, Inc.

James R. Heslop, II 2001
Executive Vice President
Chief Operating Officer
Middlefield Banc Corp.
The Middlefield Banking Company

Robert W. Toth 2009
Retired: Gold Key Processing, Ltd

Thomas Bevan 2017
Chief Executive Officer
Bevan & Associates, LPA, Inc.

James J. McCaskey 2004
President
McCaskey Landscape and Design, LLC

Eric W. Hummel 2011
President
Hummel Construction

William A. Valerian 2017
Retired: Chairman, President and
Chief Executive Officer
Liberty Bank N.A.

Central Ohio Region Advisory Board: **Jeffrey A. Gongwer; George J. Kontogiannis, AIA; Timothy C. Long; Michael J. Moran**

COMMUNITY INVOLVEMENT

The Middlefield Banking Company takes great pride in being a partner, advocate, and leader for the communities and people we serve.

We are dedicated to strengthening and improving these communities through partnering with local charities and volunteering along with providing needed financial services and education.

The Middlefield Banking Company expanded charitable partnerships into new geographic and services areas in 2018.

Our partners are groups and organizations that serve the local communities where we do business. By supporting these local groups we can aid them in reaching their goals and growing services and programs.

Our officers and employees are in leadership roles with more than 20 organizations ranging from non-profits, direct services, healthcare, and education.

Below is a list of some of those organizations:

- **Ashtabula Community Foundation**
- **Children's Advocacy Center (Portage)**
- **Children's Hospital (Columbus)**
- **Crossroads/Beacon Health (Cuyahoga)**
- **Financial Empowerment (Portage & Trumbull)**
- **Geauga Community Improvement Corporation**
- **Geauga County Fair Housing**
- **Geauga Growth Partnership**
- **Hattie Larlham Center for Children with Disabilities**
- **Junior Achievement (Mahoning, Trumbull, Ashtabula)**
- **Next Step (Geauga & Portage)**
- **Safer Futures (Portage)**
- **United Way (Delaware, Geauga, Lake, Trumbull)**

In 2018, we also implemented our first Youth Philanthropy program offered to Warren G. Harding High School in Trumbull County. The premise of the program is to provide upper class high school students with an opportunity to form a mock community foundation board. The students will participate in the planning, budgeting, evaluations, and ultimately the funding decisions to award money to local nonprofits. There is also a scholarship opportunity attached to the program.

Thomas G. Caldwell 1986
President and Chief Executive Officer

James R. Heslop, II 1996
Executive Vice President
Chief Operating Officer

Donald L. Stacy 1999
Executive Vice President
Chief Financial Officer

Charles O. Moore 2016
President, Central Ohio Region

Teresa M. Hetrick 1996
Executive Vice President
Deposit Services

Eric P. Hollinger 2013
Executive Vice President
Senior Lender

Michael L. Allen 2018
Executive Vice President
Chief Banking Officer

John D. Lane 2018
Executive Vice President
Chief Credit & Risk Officer

Jay W. Valerian 2004
Senior Vice President
Residential Lending

Matthew E. Bellin 2006
Senior Vice President
Commercial Lending Team Leader

Adam T. Cook 2006
Senior Vice President
Loan Administration

Felicia M. Hough 2009
Senior Vice President
Branch Administration

Courtney M. Erminio 2010
Senior Vice President
Risk Officer

Craig E. Reay 2011
Senior Vice President
Credit Administration

Robert J. Dawson 2015
Senior Vice President
Commercial Lending Team Leader

Carole L. Shaull 2015
Senior Vice President
Human Resources

J Todd Price 2016
Senior Vice President
Commercial Lending Team Leader

Shalini Singhal 2016
Senior Vice President
Chief Information Officer

Michael C. Ranttila 2017
Senior Vice President
Finance

Thomas R. Neikirk 1994
Vice President
Commercial Lending Team Leader

Alfred F. Thompson, Jr. 1996
Vice President
Credit Administration

David Kucera 2004
Vice President
Controller

Laura E. Neale 2010
Vice President
Commercial Lender

Richard R. Parkin 2011
Vice President
Commercial Lender

Lori A. Graham 2013
Vice President
Compliance/CRA Officer

Daniel B. Plant 2014
Vice President
Mortgage Lending

THE MIDDLEFIELD BANKING COMPANY OFFICERS

John Solich 2015
Vice President
Commercial Lender

Robert Naegele 2017
Vice President
Commercial Lender

Ashley Rispinto 2017
Vice President
Commercial Lender

Stanley Gregorin, Jr. 2018
Vice President
Commercial Lender

Karen D. Branham 1983
Assistant Vice President
Deposit Operations Manager

Kathleen M. Vanek 1998
Assistant Vice President
Mantua Branch Manager

Marlin J. Moschell 2000
Assistant Vice President
Orwell Lending Officer

Kevin J. Mitchell 2007
Assistant Vice President
Lender II

Jean M. Carter 2009
Assistant Vice President
Chardon Branch Manager

Dale L. Moore 2009
Assistant Vice President
Project Coordinator

James C. Foster 2011
Assistant Vice President
Orwell Branch Manager

Stephen J. Lebold 2012
Assistant Vice President
Westerville Branch Manager

Lisabeth A. Muldowney 2012
Assistant Vice President
Garrettsville Branch Manager

Kristie Bond 2014
Assistant Vice President
BSA/Security Officer

Linda M. Zak 2014
Assistant Vice President
Mortgage Loan Operations

Rachel Gordon 2015
Assistant Vice President
Financial Reporting Manager

Tyler Henkle 2015
Assistant Vice President
Commercial Lender

Warren R. Cox, II 2016
Assistant Vice President
Sunbury Branch Manager

Thomas W. Parker 2016
Assistant Vice President
Commercial Lender

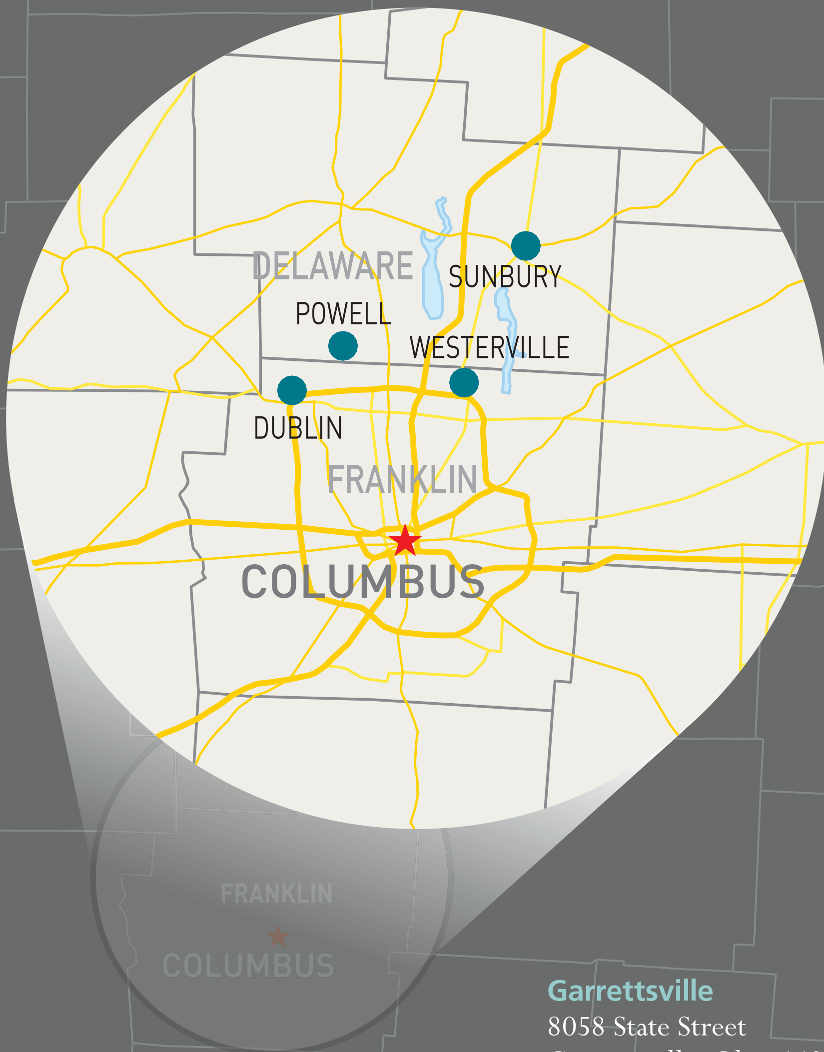
Lisa A. Sanborn 2000
Banking Officer
E Banking Support Manager

Brett A. Richey 2010
Banking Officer
Special Assets Manager

Michelle L. Bahleda 2014
Banking Officer
Lender

Christopher N. Pratt 2014
Banking Officer
Support Center Manager

THE MIDDLEFIELD BANKING COMPANY
LOCATIONS



Administrative Offices
15200 Madison Road
P.O. Box 35
Middlefield, Ohio 44062
888.801.1666

Beachwood
25201 Chagrin Boulevard
Suite 120
Beachwood, Ohio 44122
216.359.5580

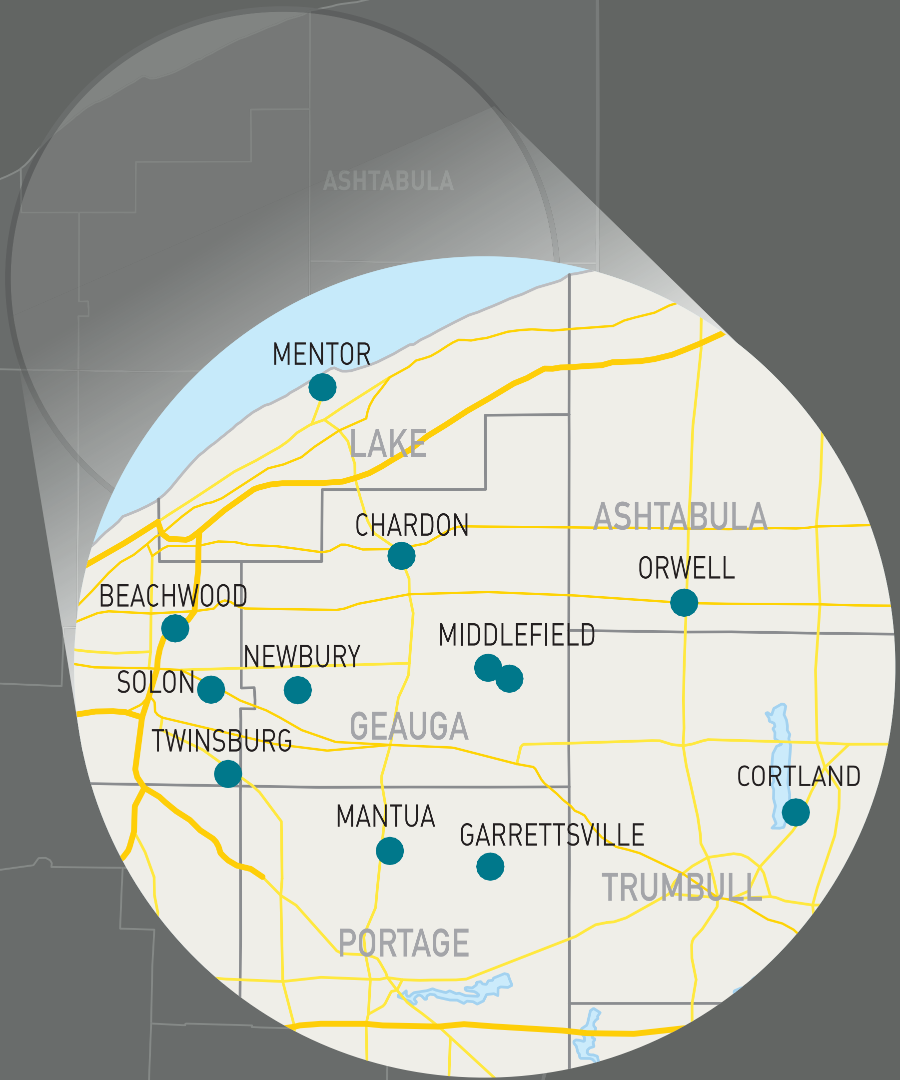
Chardon
348 Center Street
P.O. Box 1078
Chardon, Ohio 44024
440.286.1222

Cortland
3450 Niles-Cortland Road
Cortland, Ohio 44410
330.637.3208

Dublin
6215 Perimeter Drive
Dublin, Ohio 43017
614.793.4631

Garrettsville
8058 State Street
Garrettsville, Ohio 44231
330.527.2121

Lake County Loan Production Office
8373 Mentor Avenue
Mentor, Ohio 44060
440.632.8140



Mantua
10519 Main Street
P.O. Box 648
Mantua, Ohio 44255
330.274.0881

Middlefield Main
15985 East High Street
P.O. Box 35
Middlefield, Ohio 44062
440.632.8115

Middlefield West
15545 West High Street
P.O. Box 35
Middlefield, Ohio 44062
440.632.8113

Newbury
11110 Kinsman Road
Suite 1
P.O. Box 208
Newbury, Ohio 44065
440.564.7000

Orwell
30 South Maple Street
P.O. Box 66
Orwell, Ohio 44076
440.437.7200

Powell
10628 Sawmill Parkway
Powell, Ohio, 43065
614.392.5702

Solon
6134 Kruse Drive
Solon, Ohio 44139
440.542.3789

Sunbury
492 West Cherry Street
Sunbury, Ohio 43074
740.913.0632

Twinsburg
2351 Edison Boulevard
P.O. Box 560
Twinsburg, Ohio 44087
330.425.3033

Westerville
17 North State Street
Westerville, Ohio 43081
614.890.7832

118 YEARS AND GROWING

Our core values have endured for 118 years and have enabled the Bank to grow and help the communities we serve.

1900-1919

1901
The Middlefield Banking Company opened its doors on September 16th with an authorized working capital of $25,000. Alfonso W. Belden, President. Certificates of Deposit feature 4% interest rate. Deposits are $14,208.

1902
J.J. Rose, President. Deposits are at $91,659.

1914
The First World War Begins.

1920-1939

1920
Joe E. Johnson, President.

1929
The national stock market crashes and the Great Depression begins.

1933
The Bank closes its doors temporarily, as directed by President Franklin Roosevelt who declares a National "Bank Holiday" to stabilize the banking system.

1940-1969

1941
Attack on U.S. Naval Base at Pearl Harbor. United States enters the Second World War.

1943
Total assets break the million mark at $1,320,821.

1950
Total assets of $3.0 million

1963
Dale McClurg is President. First of several expansions begins.

1970-1989

1981
Robert E. Stewart is President.

1985
West Branch of Middlefield Bank opens. Total assets are $50 million.

1986
Joseph P. Robb is President. Garrettsville Branch of Middlefield Bank is opened.

1988
Formation of Middlefield Banc Corp.

1990-1999

1993
Construction of Middlefield Village Center and new flagship branch. Bank assets total $100 million.

1994
First offering of MAC ATM cards.

1995
Thomas G. Caldwell is President.

1998
Mantua Branch Opens. Data Systems Conversion. $150 million in assets.

1999
Garrettsville Branch relocated to a newly constructed facility.

2000-2005

2000
The Bank introduces *EasyLine* for telephone banking.

2001
Middlefield Banc Corp. becomes an SEC reporting company. Chardon Branch opens. Bank introduces *EasyLink,* its online banking system.

2003
Orwell Branch opens.

2006-2015

2006
Newbury Branch opens

2007
Middlefield Banc Corp. acquires Emerald Bank and its Dublin, Ohio branch in central Ohio.

2008
Emerald Bank opens a second office in Westerville, Ohio. Cortland Branch opens.

2014
Emerald Bank is consolidated by The Middlefield Banking Company. Middlefield Bank now operates in two distinct Ohio markets.

2016-present

2016
Middlefield Bank opens a branch in Sunbury, Ohio, the third branch in central Ohio.

2017
Middlefield Banc Corp. purchases Liberty Bank N.A. and its offices in Beachwood, Solon, and Twinsburg.

2018
The Powell Branch opens in a newly constructed building in central Ohio.

OUR CORE VALUES

CUSTOMER SERVICE:

We will treat all customers in a manner that is both personal and caring. We will show genuine concern and respect for them as individuals.

HONESTY AND INTEGRITY:

It is imperative that our customers trust us to do business in an ethical manner. We will always honor our commitments, keep our promises, and do the right thing.

EFFICIENCY:

In order to be successful and to remain competitive, we must keep our costs at a reasonable level, strive to improve productivity, and continue to become more efficient in the way we conduct our business.

TEAM FOCUS:

Believing that our people are key to our success, we are dedicated to a well-educated and highly skilled workforce. We are one team sharing one focus.

COMMUNITY COMMITMENT:

Actively participating and investing in our communities is at the foundation of our organization. It is important to provide leadership within our communities and to offer our time, talent, and dollars.

PROACTIVE APPROACH:

In order to be responsive to our customers' needs, we approach banking in a proactive, flexible, and positive manner. We strive to be creative in solutions to problems, recognizing them as improvement opportunities.

SHAREHOLDER COMMITMENT:

Our shareholders have expressed their belief in us and it is our duty to be responsible stewards of their investments. Prudent and fiscally responsible management will provide both short-term and long-term value to our shareholders.

SHAREHOLDER INFORMATION

CORPORATE HEADQUARTERS

Middlefield Banc Corp.
15985 East High Street
P.O. Box 35
Middlefield, Ohio 44062
888.801.1666 • 440.632.1666
fax: 440.632.1700

FORM 10-K AND 10-Q AVAILABILITY

A copy of Middlefield Banc Corp.'s Annual Report on Form 10-K and Quarterly Reports on 10-Q filed with the Securities and Exchange Commission will be furnished to any shareholder, free of charge, upon written or e-mail request to:

Donald L. Stacy
Senior Vice President,
Treasurer and CFO
Middlefield Banc Corp.
P.O. Box 35
Middlefield, Ohio 44062
or dstacy@middlefieldbank.com

MARKET MAKERS

The symbol for Middlefield Banc Corp. common stock is MBCN and the CUSIP is 596304204.

Sweney Cartwright & Co.
800.334.7481
www.swencart.com

Boenning & Scattergood, Inc.
866.326.8113
www.boenninginc.com

Keefe, Bruyette & Woods
800.342.5529
www.kbw.com

NOTICE OF ANNUAL MEETING

The Annual Meeting of Shareholders of Middlefield Banc Corp. will be held at 1:00 p.m. on Wednesday, May 15, 2019, at:
Sun Valley Banquet and Party Center
10000 Edwards Lane
Aurora, Ohio 44202

TRANSFER AGENT AND REGISTRAR

American Stock Transfer & Trust Company
59 Maiden Lane
Plaza Level
New York, New York 10038
800.937.5449

INDEPENDENT AUDITORS

S.R. Snodgrass, P.C.
2009 Mackenzie Way, Suite 340
Cranberry Township, Pennsylvania 16066
724.934.0344

INTERNET INFORMATION

Information on the Company and its subsidiary bank is available on the Internet at www.middlefieldbank.bank.

DIVIDEND PAYMENT DATES

Subject to action by the Board of Directors, Middlefield Banc Corp. will pay dividends in March, June, September, and December.

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

Shareholders may elect to reinvest their dividends in additional shares of Middlefield Banc Corp.'s common stock through the Company's Dividend Reinvestment Plan. To arrange automatic purchase of shares with quarterly dividend proceeds, please call 888.801.1666.

DIRECT DEPOSIT OF DIVIDENDS

The direct deposit program, which is offered at no charge, provides for automatic deposit of quarterly dividends directly to a checking or savings account with The Middlefield Banking Company. For information regarding this program, please call 888.801.1666.

MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Middlefield Banc Corp. had approximately 1,035 shareholders of record as of February 11, 2019. Our common stock trades on the NASDAQ Capital Market under the ticker symbol MBCN. The following table shows the high and low bid prices of and cash dividends paid on the Company's common stock during the periods indicated. The high and low bid prices are compiled from data available through NASDAQ. This information does not reflect retail mark-up, markdowns or commissions, and does not necessarily represent actual transactions.

	High Bid	Low Bid	Cash Dividends per share
2018			
First Quarter	$51.25	$46.25	$ 0.33
Second Quarter	$54.90	$48.00	$ 0.28
Third Quarter	$52.35	$46.10	$ 0.28
Fourth Quarter	$48.45	$38.50	$ 0.28
2017			
First Quarter	$46.00	$38.40	$ 0.27
Second Quarter	$54.60	$43.60	$ 0.27
Third Quarter	$50.75	$42.10	$ 0.27
Fourth Quarter	$50.50	$42.95	$ 0.27

Middlefield Banc Corp.

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