

COUNTY NATIONAL BANK OFFICERS

Craig S. Connor President & C.E.O.
 John R. Waldron Senior Vice President - Senior Loan Officer
 Sharon L. Burns Vice President - C.F.O.
 Diane K. Clow Vice President - Director of Human Resources
 Cindy Dwyer Vice President - Technology
 Scott E. Evans Vice President - Senior Mortgage Officer
 Lois E. Howard Vice President - Commercial Loans
 Kelly D. Jensen Vice President - Branch Administrator
 Mary P. Marshall Vice President - Senior Trust Officer
 Dorene M. Shaw Vice President - Chief Auditor
 Phyllis J. Brooks 2nd Vice President - Consumer Loans
 Luann J. Crowley 2nd Vice President - Mortgage Loans
 Ronald J. Haber 2nd Vice President - Commercial Loans
 L. Michelle Heminger 2nd Vice President - Administration
 William C. Jors 2nd Vice President - Commercial Loans
 David J. Kreger 2nd Vice President - Commercial Loans
 Debra S. Smith 2nd Vice President - Accounting
 Stacey L. Clemens Asst. Vice President - Compliance
 Sandra K. Grimm Asst. Vice President - Data Processing
 Barry A. Malek Asst. Vice President - Trust
 Rae A. Organ Asst. Vice President - Bank Secrecy & Security
 Chad E. Rumsey Asst. Vice President - Commercial Loans
 Timothy P. Sullivan Asst. Vice President - Trust
 Christine L. Walworth Asst. Vice President - Trust Operations
 Craig R. Burlingame Branch Officer - Homer
 Michelle L. Caldwell Branch Officer - Litchfield
 Brenda L. Carpenter Mortgage Loan Officer
 Linda C. Cavin Branch Officer - Spring Arbor
 Suzanne L. Decker Mortgage Loan Officer
 Donald W. Germann Branch Officer - Jonesville
 Jeffrey S. Jackson Consumer Loan Officer
 Kelly L. Lantis Commercial Credit Officer
 Robin G. Pelham Branch Officer - Somerset Center
 Eric A. Potes Commercial Loan Officer
 Gwenda J. Ripley Branch Officer - Wisner
 Debra K. Storer Underwriter Operations Officer
 Craig D. Talbert Mortgage Loan Officer
 Randall L. Tate Loss Mitigation Officer
 Rebecca J. Wiley HR & Staff Development Officer
 Robert J. Wrozek Branch Officer - Cortland

DIRECTORS

John E. Barrett President
 Eagle Funeral Homes, Inc.
 Craig S. Connor President & C.E.O.
 County National Bank
 Joseph B. Dunigan President
 Dunigan Brothers, Inc.
 Judy R. Gabriele Director of Development
 Hillsdale Community Health Center
 John P. Lovinger Attorney
 Parker, Hayes & Lovinger, PC
 Stephen J. Maddalena General Manager
 Kentwood Office Furniture
 David W. Pope Chairman
 Powers Clothing, Inc.
 Claude J. Rowley President
 Rowley, Inc.
 Steven A. Wells President
 Wells Equipment Sales, Inc.

**LOCALLY OWNED TO
 SERVE LOCAL NEEDS**



Consolidated Quarterly Financial Summary

June 30, 2014

COUNTY NATIONAL BANK OFFICES

HILLSDALE OFFICE

One South Howell Street, Hillsdale, Michigan 49242
 Phone: (517) 439-4300

TRUST OFFICE

One South Howell Street
 Hillsdale, Michigan 49242
 Phone: (517) 437-3371

JACKSON OFFICE

1800 N. Wisner Street
 Jackson, Michigan 49202
 Phone: (517) 783-1500

LEWIS STREET OFFICE

150 Lewis Street
 Hillsdale, Michigan 49242
 Phone: (517) 437-3396

JACKSON OFFICE

1523 Horton Road
 Jackson, Michigan 49203
 Phone: (517) 782-2500

HANOVER OFFICE

125 West Main Street
 Hanover, Michigan 49241
 Phone: (517) 563-8332

JONESVILLE OFFICE

228 E. Chicago Street
 Jonesville, Michigan 49250
 Phone: (517) 849-9949

HOMER OFFICE

109 West Main Street
 Homer, Michigan 49245
 Phone: (517) 568-4448

LITCHFIELD OFFICE

112 Jonesville Street
 Litchfield, Michigan 49252
 Phone: (517) 542-2932

HUDSON OFFICE

325 Railroad Street
 Hudson, Michigan 49247
 Phone: (517) 448-8957

SOMERSET CENTER OFFICE

12641 East Chicago Road
 Somerset Center, Michigan 49282
 Phone: (517) 688-4433

JACKSON OFFICE

270 West Cortland Street
 Jackson, Michigan 49201
 Phone: (517) 768-7200

SPRING ARBOR OFFICE

119 West Main Street
 Spring Arbor, Michigan 49283
 Phone: (517) 750-4011



Community Bancorp, Inc.

CONSOLIDATED BALANCE SHEET

<u>ASSETS</u>	June 30 2014	December 31 2013*	LIABILITIES AND STOCKHOLDERS EQUITY	June 30 2014	December 31 2013*
Cash and Due from Banks	\$59,959,000	\$51,127,000	Non-Interest Bearing Accounts	\$74,999,000	\$74,122,000
Investment Securities	39,142,000	40,285,000	Interest Bearing Accounts	<u>341,767,000</u>	<u>323,229,000</u>
Federal Funds Sold	489,000	906,000	Total Deposits	416,766,000	397,351,000
Net Loans	354,260,000	340,796,000	Federal Funds Purchased	- 0 -	- 0 -
Bank Premises	4,498,000	4,439,000	Other Borrowings	15,025,000	15,200,000
Other Assets	<u>13,813,000</u>	<u>13,587,000</u>	Other Liabilities	1,314,000	1,408,000
			Stockholders Equity	<u>39,056,000</u>	<u>37,181,000</u>
TOTAL ASSETS	\$472,161,000	\$451,140,000	TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$472,161,000	\$451,140,000
			Shares Outstanding	2,046,981	2,031,561
			Book Value Per Share	\$19.08	\$18.30

* Adjusted to annual report and audit

CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended		Six Months Ended	
	June 30 2014	June 30 2013	June 30 2014	June 30 2013
Interest Income	\$4,657,000	\$4,563,000	\$9,301,000	\$9,094,000
Interest Expense	<u>270,000</u>	<u>358,000</u>	<u>564,000</u>	<u>737,000</u>
Net Interest Income	4,387,000	4,205,000	8,737,000	8,357,000
Provision for Loan Losses	<u>213,000</u>	<u>180,000</u>	<u>385,000</u>	<u>412,000</u>
Net Interest Income after Provision	4,174,000	4,025,000	8,352,000	7,945,000
Other Income	1,175,000	1,385,000	2,315,000	2,847,000
Other Expense	<u>3,939,000</u>	<u>3,927,000</u>	<u>7,848,000</u>	<u>7,852,000</u>
Income before Federal Income Taxes	1,410,000	1,483,000	2,819,000	2,940,000
Federal Income Taxes	<u>335,000</u>	<u>452,000</u>	<u>702,000</u>	<u>887,000</u>
NET INCOME	\$1,075,000	\$1,031,000	\$2,117,000	\$2,053,000
Shares Outstanding	2,046,981	2,031,128	2,046,981	2,031,128
Net Income Per Share	\$0.53	\$0.51	\$1.03	\$1.01



Community Bancorp, Inc.

SECOND QUARTER SHAREHOLDER UPDATE

The Board of Directors is pleased to declare a quarterly cash dividend of 18¢ per share payable July 18, 2014, to stockholders of record as of June 30, 2014.

We are pleased to announce the following financial highlights for CNB Community Bancorp, Inc.:

- Second quarter net income was \$1,075,000, up 4% from net income of \$1,031,000 for the second quarter of 2013.
- Earnings per share for the second quarter equaled 53¢, compared to 51¢ per share for the second quarter of 2013.
- Year to date net income was \$2,117,000, compared to \$2,053,000 for the same period last year, an increase of \$64,000.
- Return on period ending equity for the first six months of 2014 is 10.8%, compared to 11.3% for the same period in 2013.
- Book value per share is \$19.08, increasing 78¢ from \$18.30 as of December 31, 2013.

This quarter's strong earnings are being driven by good mortgage and commercial loan activity. This helped produce a \$182,000 improvement in net interest income.

Mortgage loan activity remains consistent due in large part to aggressive calling efforts from our mortgage lending team. Mortgages for home purchases have picked up, reflecting a much improved local economic environment.

Our reserve for loan loss account is now at \$6,024,760, or 1.67% of loans outstanding. The 1.67% coverage factor now ranks very well with other peer banks. With the economy gaining strength in Michigan, we are projecting fewer loan write-offs in the coming months.

CNB continues to find growth opportunities in the local markets. We've produced a \$13,464,000 increase in loans since year-end 2013. Deposits have increased \$19,415,000, when compared to year-end 2013. CNB's equity has increased by \$2,566,000, or \$1.11 per share when compared to June of 2013. This strong equity position continues to earn us the regulatory definition of "well capitalized".

The staff, management and the Board deserve credit for producing strong core earnings, good balance sheet growth and continued shareholder dividends. We are fortunate to provide banking services to great customers and communities. Again, we thank you for the continued support of your locally owned community bank.

Craig S. Connor
President & CEO

