

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
 Brenda L. Carpenter Asst. Vice President - Mortgage Origination
 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
 Eric A. Potes Asst. Vice President - Commercial Loans
 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
 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
 Gwenda J. Kelly Branch Officer - Wisner
 Kelly L. Lantis Commercial Credit Officer
 Robin G. Pelham Branch Officer - Somerset Center
 Debra K. Storer Mortgage 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.



Consolidated Quarterly Financial Summary

December 31, 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

**LOCALLY OWNED TO
SERVE LOCAL NEEDS**



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CONSOLIDATED BALANCE SHEET

ASSETS	December 31 2014	December 31 2013*	December 31 2014	December 31 2013*
Cash and Due from Banks	\$45,087,000	\$51,127,000	\$69,939,000	\$74,122,000
Investment Securities	36,318,000	40,285,000	<u>356,778,000</u>	<u>323,229,000</u>
Federal Funds Sold	1,989,000	906,000	426,717,000	397,351,000
Net Loans	381,000,000	340,796,000	- 0 -	- 0 -
Bank Premises	4,313,000	4,439,000	15,025,000	15,200,000
Other Assets	<u>13,558,000</u>	<u>13,587,000</u>	1,111,000	1,408,000
TOTAL ASSETS	\$482,265,000	\$451,140,000	<u>39,412,000</u>	<u>37,181,000</u>
			\$482,265,000	\$451,140,000
			2,046,981	2,031,561
			\$19.25	\$18.30

*Adjusted to annual report and audit

CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended		Twelve Months Ended	
	December 31 2014	December 31 2013	December 31 2014	December 31 2013*
Interest Income	\$4,794,000	\$4,554,000	\$18,825,000	\$18,222,000
Interest Expense	<u>252,000</u>	<u>311,000</u>	<u>1,085,000</u>	<u>1,392,000</u>
Net Interest Income	4,542,000	4,243,000	17,740,000	16,830,000
Provision for Loan Losses	<u>578,000</u>	<u>124,000</u>	<u>1,176,000</u>	<u>644,000</u>
Net Interest Income after Provision	3,964,000	4,119,000	16,564,000	16,186,000
Other Income	1,397,000	1,095,000	4,941,000	5,150,000
Other Expense	<u>4,147,000</u>	<u>3,969,000</u>	<u>16,025,000</u>	<u>15,713,000</u>
Income before Federal Income Taxes	1,214,000	1,245,000	5,480,000	5,623,000
Federal Income Taxes	<u>378,000</u>	<u>355,000</u>	<u>1,513,000</u>	<u>1,675,000</u>
NET INCOME	\$836,000	\$890,000	\$3,967,000	\$3,948,000
Shares Outstanding	2,046,981	2,031,561	2,046,981	2,031,561
Net Income Per Share	\$0.41	\$0.44	\$1.94	\$1.94

*Adjusted to annual report and audit



Community Bancorp, Inc.

FOURTH QUARTER SHAREHOLDER UPDATE

The Board of Directors is pleased to declare a quarterly cash dividend of 18¢ per share and a cash special dividend of 14¢ per share, payable January 23, 2015, to stockholders of record as of December 31, 2014.

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

- 2014 full-year net income was \$3,967,000, compared to \$3,948,000 for the same period last year, an increase of \$19,000.
- Fourth quarter net income was \$836,000, compared to net income of \$890,000 for the fourth quarter of 2013, a \$54,000 decrease.
- Earnings per share for the fourth quarter equaled 41¢, compared to 44¢ per share for the fourth quarter of 2013.
- 2014 full-year earnings per share were \$1.94, equaling the earnings per share of 2013.
- Return on average equity for 2014 was 10%, compared to 11% for 2013.
- Book value per share is now \$19.25, increasing 95¢ from the 12/31/13 book value of \$18.30.
- The Bank's earnings, less the dividends declared, increased equity by \$2,231,000 from year end 2013; now totaling \$39,412,000.

Balance sheet growth was good, up \$31,125,000 or 7%. The net loan portfolio grew by \$40,204,000 or 12%. Assets under management, which include sold but serviced loans, Trust Department assets and other sweep accounts, grew considerably by \$67,386,000 or 8%, bringing our total assets under management to \$919,411,000.

County National Bank and CNB Community Bancorp, Inc. continue to be considered well capitalized when measured by the three capital ratios that regulators monitor. Those capital ratios are the Leverage Ratio, Risk-Based Capital to Risk-Weighted Assets and Tier One Capital to Risk-Weighted Assets. For all three ratios, we exceed the minimum to be considered well capitalized. However as we grow the bank to successfully increase earnings, the capital ratios begin to trend lower. This creates a challenge for management and the Board as we balance the amount of earnings to retain verses the amount of dividends to payout. By retaining earnings, the capital ratios are strengthened and your stock's book value is increased, last year by 95¢.

Factors impacting earnings last year include higher net interest income, made possible by the growth in our loan portfolio coupled with reduced interest expense. In spite of an overall lower net interest margin, the growth in loans helped boost net interest income by \$910,000. Other income continues to be strong at \$4,941,000 and other expenses increased modestly by \$178,000 or 4.5%.

Our loan portfolio is performing well. The net charge off (NCO) rate of .29% of total loans for the year is good. This is an increase over .11% during 2013, but still shows a trend down from our 2012 NCO rate of .42%. For 2014, we have expensed \$1,176,000 for provision for loan loss compared to \$644,000, during 2013. Our loan loss reserve account now stands at \$5,800,998, or 1.50% of loans.

Our 2014 results are made possible from the many efforts and good decisions of our dedicated employees, experienced Directors, and quality customers. We continue to work hard on your behalf to provide a strong dividend payout and an increase in shareholder value.

Again, we thank you for the continued support of your locally owned community bank.

Craig S. Connor
President & CEO



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