

## 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.  
 Christopher J. Clarke . . . . . Vice President - Commercial Loans  
 Diane K. Clow . . . . . Vice President - Director of Human Resources  
 Cindy Dwyer . . . . . Vice President - Technology  
 Lois E. Howard . . . . . Vice President - Commercial Loans  
 Kelly D. Jensen . . . . . Vice President - Branch Administrator  
 William C. Jors . . . . . Vice President - Business Development - Commercial Loans  
 Mary P. Marshall . . . . . Vice President - Senior Trust Officer  
 Dorene M. Shaw . . . . . Vice President - Chief Auditor  
 Phyllis J. Brooks . . . . . 2nd Vice President - Consumer Loans  
 Ronald J. Haber . . . . . 2nd Vice President - Commercial Loans  
 L. Michelle Heminger . . . . . 2nd Vice President - Administration  
 David J. Kregger . . . . . 2nd Vice President - Commercial Loans  
 Joyce E. Repasy . . . . . 2nd Vice President - Loan Administration  
 Debra S. Smith . . . . . 2nd Vice President - Accounting  
 Timothy P. Sullivan . . . . . 2nd Vice President - Trust  
 Brenda L. Carpenter . . . . . Asst. Vice President - Mortgage Origination  
 Sandra K. Grimm . . . . . Asst. Vice President - Data Processing  
 Kelly L. Lantis . . . . . Asst. Vice President - Commercial Credit Officer  
 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  
 Randall L. Tate . . . . . Asst. Vice President - Loss Mitigation  
 Christine L. Walworth . . . . . Asst. Vice President - Trust Operations  
 Rebecca J. Wiley . . . . . Asst. Vice President - HR & Staff Development  
 David J. Arnett . . . . . Cybersecurity & IT Officer  
 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  
 Kimberly R. Hedrick . . . . . Branch Officer - Hudson  
 Jeffrey S. Jackson . . . . . Consumer Loan Officer  
 Amber C. Kohler . . . . . Bank Operations Officer  
 Anna L. Mortimer . . . . . Branch Officer - Adrian  
 Robin G. Pelham . . . . . Branch Officer - Somerset Center  
 Debra K. Storer . . . . . Mortgage Operations Officer  
 Melissa A. Stroede . . . . . Branch Officer - Horton Road  
 Craig D. Talbert . . . . . Mortgage Loan 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 . . . . . Retired President  
 Dunigan Brothers, Inc.  
 Judy R. Gabriele . . . . . Director of Development  
 Hillsdale Hospital  
 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

June 30, 2016

## 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

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Community Bancorp, Inc.

CONSOLIDATED BALANCE SHEET

ASSETS	June 30 2016	December 31 2015*	June 30 2016	December 31 2015*
Cash and Due from Banks	\$23,099,000	\$12,516,000	\$69,486,000	\$99,135,000
Investment Securities	39,767,000	39,260,000	<u>409,596,000</u>	<u>345,868,000</u>
Federal Funds Sold	246,000	- 0 -	479,082,000	445,003,000
Net Loans	467,528,000	431,705,000	24,700,000	13,165,000
Bank Premises	5,118,000	4,786,000	1,562,000	1,494,000
Other Assets	<u>13,744,000</u>	<u>13,697,000</u>	44,158,000	<u>42,302,000</u>
<b>TOTAL ASSETS</b>	<b>\$549,502,000</b>	<b>\$501,964,000</b>	<b>\$549,502,000</b>	<b>\$501,964,000</b>
			2,079,911	2,062,201
			\$21.23	\$20.51

\*Adjusted to annual report and audit

CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended		Six Months Ended	
	June 30 2016	June 30 2015	June 30 2016	June 30 2015
Interest Income	\$5,627,000	\$4,905,000	\$11,057,000	\$9,791,000
Interest Expense	<u>262,000</u>	<u>266,000</u>	<u>503,000</u>	<u>522,000</u>
Net Interest Income	5,365,000	4,639,000	10,554,000	9,269,000
Provision for Loan Losses	<u>50,000</u>	<u>259,000</u>	<u>213,000</u>	<u>513,000</u>
Net Interest Income after Provision	5,315,000	4,380,000	10,341,000	8,756,000
Other Income	1,425,000	1,321,000	2,733,000	2,462,000
Other Expense	<u>4,879,000</u>	<u>4,148,000</u>	<u>9,506,000</u>	<u>8,205,000</u>
Income before Federal Income Taxes	1,861,000	1,553,000	3,568,000	3,013,000
Federal Income Taxes	<u>604,000</u>	<u>486,000</u>	<u>1,135,000</u>	<u>900,000</u>
<b>NET INCOME</b>	<b>\$1,257,000</b>	<b>\$1,067,000</b>	<b>\$2,433,000</b>	<b>\$2,113,000</b>
Shares Outstanding	2,079,911	2,063,701	2,079,911	2,063,701
Net Income Per Share	\$0.60	\$0.52	\$1.17	\$1.02



## 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 22, 2016, to stockholders of record as of June 30, 2016.

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

- Second quarter net income was \$1,257,000, up \$190,000, an increase of 18% from the 2015 second quarter net income of \$1,067,000.
- Earnings per share for the second quarter equaled 60¢, compared to 52¢ per share for the second quarter of 2015.
- Year to date net income was \$2,433,000, compared to \$2,113,000 for the same period last year. A 15% increase.
- Return on period ending equity for the first six months of 2016 is 11%, compared to 10.2% for the same period in 2015.
- Book value per share is \$21.23, increasing 72¢ from \$20.51 as of December 31, 2015.

This quarter's strong earnings are attributed to very good loan demand in both residential mortgage and commercial lending. This loan growth helped increase our net interest income for the quarter by \$726,000 and for the first six months by \$1,285,000.

Other income has increased \$271,000 through six months due to very good mortgage loan activity. Mortgages for home purchases continue to pick up, reflecting an improved local economic environment. Other expenses are up \$1,301,000 due to many factors; but chief among them is our new office in Adrian, a new office on Spring Arbor Road, in Jackson and increased staff to help manage the loan growth.

Our reserve for loan loss account is now at \$6,604,479, or 1.39% of loans outstanding. The 1.39% coverage continues to rank well with other peer banks. With the improving economy, we have very few write-offs during 2016 and also a fair amount of recoveries. This has allowed us to reduce the provision for loan loss expense by \$300,000 year to date.

CNB continues to find growth opportunities for loans in the local markets. Our well respected and dedicated lending team produced a \$35,823,000 increase in loans since year-end 2015. Deposits have also increased substantially by \$34,079,000 since year-end. CNB's equity has increased by \$2,797,000, or \$1.19 per share when compared to June of 2015. This strong equity position continues to earn us the regulatory definition of "well capitalized".

Our full service Adrian Office opened for business July 5. Chris Clarke, Vice President – Commercial Loans, is heading up our efforts there. Chris has been able to assemble a quality staff of experienced local bankers. As you may recall, that market has recently lost a popular community bank through merger with a bigger out-of-state bank. This brings an opportunity for us to fill the community bank void created by that merger. I look forward to reporting the progress we make over the coming months. Due to further growth in Jackson, we have leased an office building on Spring Arbor Road. Formerly a regional bank branch that was closed, this facility gives us some much needed office space for our growing staff in Jackson.

Our banking team deserves credit for producing strong core earnings, good balance sheet growth and continued shareholder dividends. Daily, we look forward to and are excited about providing banking services to great customers and communities. We thank you, the shareholders, for the continued support of your locally owned community bank.

Craig S. Connor  
President & CEO

