

- COUNTY NATIONAL BANK OFFICERS -

Craig S. Connor Chairman & C.E.O.
 John R. Waldron President
 Erik A. Lawson Chief Financial Officer
 Christopher J. Clarke Regional Vice President - Senior Loan Officer
 Ronald J. Haber Vice President - Commercial Loans
 Lois E. Howard Regional Vice President - Commercial Loans
 Kelly D. Jensen Vice President - Branch Administrator
 William C. Jors Vice President - Business Development - Commercial Loans
 David J. Kregger Regional Vice President - Commercial Loans
 Karena A. Mills Vice President - Lending Officer
 Christopher A. Phillips Vice President - Senior Trust Officer
 Dorene M. Shaw Vice President - Chief Auditor
 Marcy L. Brown 2nd Vice President - Business Development
 Brenda L. Carpenter 2nd Vice President - Mortgage Origination
 L. Michelle Heminger 2nd Vice President - Administration
 Michael J. Jors 2nd Vice President - Private Banking
 Kelly L. Lantis 2nd Vice President - Commercial Credit
 Julie A. Miller 2nd Vice President - Private Banking
 Joyce E. Repasy 2nd Vice President - Loan Administration
 Chad E. Rumsey 2nd Vice President - Commercial Loans
 Timothy P. Sullivan 2nd Vice President - Trust
 Rebecca J. Wiley 2nd Vice President - Human Resources
 David J. Arnett Asst. Vice President - Cybersecurity
 Sandra K. Grimm Asst. Vice President - Data Processing
 Amber C. Kohler Asst. Vice President - Bank Operations
 Barry A. Malek Asst. Vice President - Trust
 Rae A. Organ Asst. Vice President - Bank Secrecy & Security
 Eric A. Potes Asst. Vice President - Commercial Loans
 Brian J. Powers Asst. Vice President - Internal Auditor
 Abba T. Reeve Asst. Vice President - Controller
 Melissa A. Stroede Asst. Vice President - Treasury Management
 Randall L. Tate Asst. Vice President - Loss Mitigation
 JoAn K. Bowman Associate Trust Officer
 Craig R. Burlingame Branch Officer - Homer
 Michelle L. Caldwell Branch Officer - Litchfield
 Suzanne L. Decker Mortgage Loan Officer
 Karla S. Enbody Consumer Loan Officer
 Donald W. Germann Branch Officer - Jonesville
 Kimberly R. Hedrick Branch Officer - Hudson
 Jeffrey S. Jackson Consumer Loan Officer
 Erica R. Johnson Branch Officer - Horton Road
 Lori A. Lemmon Mortgage Loan Officer
 Joshua J. Royal Compliance Officer
 Debra K. Storer Mortgage System Officer
 Stephanie K. Thomas Loan Operations Officer
 Brandy M. Titus Mortgage Loan Officer
 Robert J. Wrozek Commercial Loan Officer



**Consolidated
 Quarterly
 Financial
 Summary**
June 30, 2019

COUNTY NATIONAL BANK OFFICES

Main Office

One South Howell Street, Hillsdale, Michigan 49242

Phone: (517) 439-4300

Toll Free: (888) 322-1088

Trust Department

One South Howell Street

Hillsdale, MI 49242

Phone: (517) 437-3371

Lewis Street Office

150 Lewis Street

Hillsdale, MI 49242

Phone: (517) 437-3396

Adrian Office

1380 South Main Street

Adrian, MI 49221

Phone: (517) 902-0008

Hanover Office

125 West Main Street

Hanover, MI 49241

Phone: (517) 563-8332

Homer Office

109 West Main Street

Homer, MI 49245

Phone: (517) 568-4448

Hudson Office

325 Railroad Street

Hudson, MI 49247

Phone: (517) 448-8957

Jackson Office

1523 Horton Road

Jackson, MI 49203

Phone: (517) 782-2500

Jackson Office

1800 North Wisner Street

Jackson, MI 49202

Phone: (517) 783-1500

Jackson Office

215 South Jackson Street

Jackson, MI 49201

Phone: (517) 544-0902

Jonesville Office

228 East Chicago Street

Jonesville, MI 49250

Phone: (517) 849-9949

Litchfield Office

112 Jonesville Street

Litchfield, MI 49252

Phone: (517) 542-2932

Somerset Center Office

12641 East Chicago Road

Somerset Center, MI 49282

Phone: (517) 688-4433

Spring Arbor Office

119 West Main Street

Spring Arbor, MI 49283

Phone: (517) 750-4011

- DIRECTORS -

John E. Barrett President, *Eagle Funeral Homes, Inc.*
 Craig S. Connor Chairman & C.E.O., *County National Bank*
 Joseph B. Dunigan Retired President, *Dunigan Brothers, Inc.*
 Judy R. Gabriele Retired Director of Development, *Hillsdale Hospital*
 John P. Lovinger Attorney, *Lovinger & Thompson, PC*
 Stephen J. Maddalena General Manager, *Kentwood Office Furniture*
 Claude J. Rowley President, *Rowley, Inc.*
 John R. Waldron President, *County National Bank*
 Steven A. Wells President, *Wells Equipment Sales, Inc.*

**LOCALLY OWNED TO
 SERVE LOCAL NEEDS**





Community Bancorp, Inc.

SECOND QUARTER SHAREHOLDER UPDATE

The Board of Directors declared a quarterly cash dividend of \$0.25 per share on June 12, 2019, payable July 19, 2019, to stockholders of record as of June 30, 2019. This represents a \$0.03 per share or 14% increase over the June 30, 2018 dividend.

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

- Second quarter net income was \$2,378,000, a decrease of \$4,000 from the 2018 second quarter net income of \$2,382,000.
- Basic earnings per share for the second quarter were \$1.14, equaling the \$1.14 per share for the second quarter of 2018.
- Year-to-date net income was \$4,637,000, compared to \$4,175,000 for the same period last year. Up \$462,000 an 11% increase.
- Basic earnings per share for the first six months of 2019 were \$2.21, up \$0.20 from last year's first six months earnings per share of \$2.01.
- Return on average equity for the first six months of 2019 was 16.10%, compared to 16.31% for the same period in 2018.
- Book value per share is now \$28.72, increasing \$3.07 from \$25.65 as of June 30, 2018.

We're very happy to report that the first six months' net earnings are the highest in Bank history. The strong financial performance can be attributed to several factors; chief among them, good loan demand and growth with an increasing net interest margin, good non-interest income from mortgage loan sales and strong fee income from the Trust and Investments Department. Loan growth coupled with a wider net interest margin helped increase our net interest income for the quarter by \$774,000 and for the first six months by \$1,677,000.

Our reserve for loan loss account is now at \$7,119,000 or 1.21% of loans outstanding. The 1.21% coverage continues to rank well with other peer banks. With the economy still doing well our credit quality continues to be good and our year-to-date net charge offs have been low at 0.03% of loans outstanding.

Deposits have grown substantially to \$604,900,000, up \$34,912,000, from June 30, 2018. CNB Community Bancorp, Inc's equity has increased by \$6,971,000, when compared to June of 2018. This strong equity position continues to earn us the regulatory definition of "well capitalized".

Last year, at this time, John R. Waldron was promoted to President of County National Bank. As we continue with our Leadership Succession Plan, John will be assuming the role of CEO of the Bank and the Holding Company upon my retirement as CEO on July 26, 2019. I will be staying on the Board as Chairman of both of the Bank and the Holding Company. My role will be that of an enhanced Board Member, serving on several committees.

After a forty-one-year banking career, with a great twenty-six year run at County National Bank, I'm looking forward to retirement. I've been blessed to have worked with and learned from so many gifted individuals during my entire career. It is with deep appreciation that I thank you for your support over the years and ask for your continued support of CNB and our new leader, John Waldron.

Our Bank is very fortunate to have such committed employees, great customers and growing communities. We will never forget that this is all made possible because of our shareholders. Thank you again.

Craig S. Connor
Chairman & CEO

CONSOLIDATED BALANCE SHEET

<u>ASSETS</u>	June 30, <u>2019*</u>	December 31, <u>2018</u>	<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>	June 30, <u>2019*</u>	December 31, <u>2018</u>
Cash and Due from Banks	\$56,358,000	\$44,011,000	Total Deposits	\$604,900,000	\$578,864,000
Investment Securities	26,233,000	28,560,000	Other Borrowings	18,324,000	23,881,000
Net Loans	581,314,000	567,554,000	Other Liabilities	3,378,000	2,783,000
Bank Premises	5,945,000	5,782,000	Stockholders Equity	<u>60,217,000</u>	<u>56,539,000</u>
Other Assets	<u>16,969,000</u>	<u>16,160,000</u>	TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$686,819,000	\$662,067,000
TOTAL ASSETS	\$686,819,000	\$662,067,000	Total Shares Outstanding**	2,096,671	2,096,671
			Book Value Per Share**	\$28.72	\$26.97

*Unaudited

**Includes only vested stock

CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended		Six Months Ended	
	June 30, <u>2019*</u>	June 30, <u>2018*</u>	June 30, <u>2019*</u>	June 30, <u>2018*</u>
Interest Income	\$8,064,000	\$6,953,000	\$15,864,000	\$13,570,000
Interest Expense	<u>988,000</u>	<u>651,000</u>	<u>1,861,000</u>	<u>1,244,000</u>
Net Interest Income	7,076,000	6,302,000	14,003,000	12,326,000
Provision for Loan Losses	<u>100,000</u>	<u>56,000</u>	<u>201,000</u>	<u>94,000</u>
Net Interest Income after Provision	6,976,000	6,246,000	13,802,000	12,232,000
Other Income	1,803,000	1,681,000	3,459,000	3,076,000
Other Expense	<u>5,789,000</u>	<u>4,998,000</u>	<u>11,415,000</u>	<u>10,142,000</u>
Income before Federal Income Taxes	2,990,000	2,929,000	5,846,000	5,166,000
Federal Income Taxes	<u>612,000</u>	<u>547,000</u>	<u>1,209,000</u>	<u>991,000</u>
NET INCOME	\$2,378,000	\$2,382,000	\$4,637,000	\$4,175,000
Total Shares Outstanding	2,144,091	2,120,751	2,144,091	2,120,751
Basic Earnings Per Share**	\$1.14	\$1.14	\$2.21	\$2.01

*Unaudited

**Includes only vested stock