

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
 Karena A. Mills Vice President - Lending Officer
 Dorene M. Shaw Vice President - Chief Auditor
 Ronald J. Haber 2nd Vice President - Commercial Loans
 L. Michelle Heminger 2nd Vice President - Administration
 David J. Kreger 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**
September 30, 2016

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

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

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

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Community Bancorp, Inc.

CONSOLIDATED BALANCE SHEET

	September 30 2016	December 31 2015*	September 30 2016	December 31 2015*
ASSETS			LIABILITIES AND STOCKHOLDERS' EQUITY	
Cash and Due from Banks	\$22,620,000	\$12,516,000	Non-Interest Bearing Accounts	\$69,248,000
Investment Securities	39,258,000	39,260,000	Interest Bearing Accounts	<u>419,860,000</u>
Federal Funds Sold	143,000	- 0 -	Total Deposits	489,108,000
Net Loans	482,334,000	431,705,000	Federal Funds Purchased	- 0 -
Bank Premises	5,203,000	4,786,000	Other Borrowings	28,376,000
Other Assets	<u>14,683,000</u>	<u>13,697,000</u>	Other Liabilities	1,503,000
			Stockholders Equity	<u>45,254,000</u>
TOTAL ASSETS	\$564,241,000	\$501,964,000	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$564,241,000
			Shares Outstanding	2,080,061
			Book Value Per Share	\$21.76
				\$20.51

* Adjusted to annual report and audit

CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended		Nine Months Ended	
	September 30 2016	September 30 2015	September 30 2016	September 30 2015
Interest Income	\$5,905,000	\$5,172,000	\$16,962,000	\$14,963,000
Interest Expense	<u>317,000</u>	<u>250,000</u>	<u>821,000</u>	<u>772,000</u>
Net Interest Income	5,588,000	4,922,000	16,141,000	14,191,000
Provision for Loan Losses	<u>274,000</u>	<u>405,000</u>	<u>486,000</u>	<u>918,000</u>
Net Interest Income after Provision	5,314,000	4,517,000	15,655,000	13,273,000
Other Income	1,673,000	1,366,000	4,406,000	3,828,000
Other Expense	<u>5,048,000</u>	<u>4,193,000</u>	<u>14,555,000</u>	<u>12,399,000</u>
Income before Federal Income Taxes	1,939,000	1,690,000	5,506,000	4,702,000
Federal Income Taxes	<u>659,000</u>	<u>536,000</u>	<u>1,793,000</u>	<u>1,436,000</u>
NET INCOME	\$1,280,000	\$1,154,000	\$3,713,000	\$3,266,000
Shares Outstanding	2,080,061	2,062,201	2,080,061	2,062,201
Net Income Per Share	\$0.62	\$0.56	\$1.79	\$1.58



Community Bancorp, Inc.

THIRD QUARTER SHAREHOLDER UPDATE

The Board of Directors is pleased to declare a quarterly cash dividend of 18¢ per share payable October 21, 2016, to shareholders of record as of September 30, 2016.

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

- Third quarter net income was \$1,280,000, compared to \$1,154,000 for the third quarter of 2015, an 11% increase of \$126,000.
- Year-to-date net income was \$3,713,000, compared to \$3,266,000 for the same period last year, a 14% increase of \$447,000.
- Earnings per share for the third quarter of 2016 were 62¢, increasing 6¢ from the 56¢ for the third quarter 2015.
- Year-to-date earnings per share were \$1.79 compared to the \$1.58 nine months' earnings per share of 2015, a 21¢ improvement.
- Return on quarter ending equity for nine months of 2016 was 11%.
- Book value per share is now \$21.76, increasing \$1.25 from the December 31, 2015 book value of \$20.51.

Net earnings for the third quarter of 2016, as well as the nine-month year to date period, were the best in bank history. The strong earnings can be attributed to increased net interest income due to loan growth. Additional contributing factors were very strong mortgage banking activities related to home sales and mortgage refinancing.

Interest income was up \$733,000 for the quarter and \$1,999,000 year-to-date, while interest expense modestly increased \$67,000 for the quarter and \$49,000 year-to-date. This equated to net interest income increasing \$666,000 for the quarter and \$1,950,000 year-to-date.

We've seen very good loan demand from existing customers as well as new. The loan portfolio has increased \$50.6 million, or 11.7%, through the first nine months of 2016. Deposits are up 10%, or \$44 million. Total equity increased \$2,952,000 through nine months, increasing the book value of your stock to \$21.76.

Through nine months, we have expensed \$486,000 to provision for loan losses. Our reserve for loan loss account now stands at 1.36% of loans, slightly above peer averages. Net loan write-offs for the nine-month period were \$248,000, this equates to .05% of the 2016 average loan portfolio.

Last year at this time, we announced some "exciting news for your bank": That was the purchase of a former bank building in Adrian and our intent to establish a branch. Soon after, we redesigned and upgraded the exterior and interior resulting in beautiful new office for CNB.

We have established a Lenawee Advisory Board, chaired by Director Claude Rowley. The other local well-respected members of this Board are Gilbert M. Henry of Gil Henry & Associates, Inc., Kathryn M. Mohr of RCO Law and Sheila D. Schwartz of Dwyer Philanthropy. The office opened early July and we held a very well attended grand opening on July 20. Our new local Adrian staff has hit the ground running. The reception by the community and the results we've seen through the first three months of operation are very encouraging.

I must thank our seasoned management team, experienced Directors, our dedicated employees and quality customers. This team helps make our strong financial performance possible. Rest assured that County National Bank and CNB Community Bancorp, Inc. continue to be considered well-capitalized with total risk-based capital to risk-weighted assets equaling 11.14%.

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

Craig S. Connor
President & CEO



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