

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
 Luann J. Crowley 2nd Vice President - Mortgage Loans
 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
 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
 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
 Kelly L. Lantis Commercial Credit Officer
 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 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**
 December 31, 2015

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



CONSOLIDATED BALANCE SHEET

<u>ASSETS</u>	December 31 <u>2015</u>	December 31 <u>2014*</u>	<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>	December 31 <u>2015</u>	December 31 <u>2014*</u>
Cash and Due from Banks	\$12,516,000	\$45,087,000	Non-Interest Bearing Accounts	\$96,132,000	\$95,972,000
Investment Securities	39,259,000	36,317,000	Interest Bearing Accounts	<u>349,151,000</u>	<u>330,515,000</u>
Federal Funds Sold	- 0 -	1,989,000	Total Deposits	445,283,000	426,487,000
Net Loans	432,395,000	380,528,000	Federal Funds Purchased	131,000	- 0 -
Bank Premises	4,786,000	4,313,000	Other Borrowings	13,164,000	15,025,000
Other Assets	<u>13,567,000</u>	<u>14,011,000</u>	Other Liabilities	1,643,000	1,088,000
TOTAL ASSETS	\$502,523,000	\$482,245,000	Stockholders Equity	<u>42,302,000</u>	<u>39,645,000</u>
			TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$502,523,000	\$482,245,000
			Shares Outstanding	2,062,201	2,046,981
			Book Value Per Share	\$20.51	\$19.37

*Adjusted to annual report and audit

CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended		Twelve Months Ended	
	December 31 <u>2015</u>	December 31 <u>2014</u>	December 31 <u>2015</u>	December 31 <u>2014*</u>
Interest Income	\$5,348,000	\$4,794,000	\$20,311,000	\$18,701,000
Interest Expense	<u>241,000</u>	<u>252,000</u>	<u>1,013,000</u>	<u>1,085,000</u>
Net Interest Income	5,107,000	4,542,000	19,298,000	17,616,000
Provision for Loan Losses	<u>286,000</u>	<u>578,000</u>	<u>1,204,000</u>	<u>1,176,000</u>
Net Interest Income after Provision	4,821,000	3,964,000	18,094,000	16,440,000
Other Income	1,246,000	1,397,000	5,074,000	5,065,000
Other Expense	<u>4,609,000</u>	<u>4,147,000</u>	<u>17,026,000</u>	<u>16,025,000</u>
Income before Federal Income Taxes	1,458,000	1,214,000	6,142,000	5,480,000
Federal Income Taxes	<u>507,000</u>	<u>378,000</u>	<u>1,942,000</u>	<u>1,513,000</u>
NET INCOME	\$951,000	\$836,000	\$4,200,000	\$3,967,000
Shares Outstanding	2,062,201	2,046,981	2,062,201	2,046,981
Net Income Per Share	\$0.46	\$0.41	\$2.04	\$1.95

*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 16¢ per share, payable January 22, 2016, to stockholders of record as of December 31, 2015. The 16¢ special dividend represents an increase of 2¢ over last year's special dividend.

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

- 2015 full year net income was \$4,200,000 compared to \$3,967,000 for the same period last year, an increase of \$233,000 or 5.9%
- Fourth quarter net income was \$951,000, compared to net income of \$836,000 for the fourth quarter of 2014, a \$115,000 increase.
- 2015 full year earnings per share were \$2.04 compared to \$1.95 earnings per share of 2014, an increase of 9¢ per share.
- Earnings per share for the fourth quarter equaled 46¢, compared to 41¢ per share for the fourth quarter of 2014, an increase of 5¢ per share.
- Return on average equity for 2015 was 10.34%, compared to 10.14% for 2014.
- Book value per share is now \$20.51, increasing \$1.14 from the 12/31/14 book value of \$19.37.
- The Bank's earnings, less the dividends declared, increased equity by \$2,657,000 from year end 2014; now totaling \$42,302,000.

- over please -

When measuring earnings and asset size, 2015 was a record year for us, made possible by the many efforts and good decisions of our dedicated employees, experienced Directors and quality customers.

Balance sheet growth was good, up \$20,278,000 or 4.2%. The net loan portfolio saw very good growth, up by \$51,867,000 or 13.6%. Assets under management which include sold but serviced loans, Trust and Investment Department assets and other sweep accounts grew by \$31,784,000 or 3.5%, bringing our total assets under management to \$949,927,000.

Factors impacting earnings last year include higher net interest income, made possible by the growth in our loan portfolio coupled with slightly reduced interest expense. In spite of an overall lower net interest margin the growth in loans helped boost net interest income by \$1,682,000. Other income continues to be strong at \$5,074,000 and other expenses increased by \$1,001,000 or 6.2%.

Our loan portfolio is performing well. The net charge off (NCO) rate of .14% of total loans for the year is good. This is an improvement over .29% NCO during 2014. For 2015 we have expensed \$1,204,000 provision for loan loss compared to \$1,176,000, during 2014. Our loan loss reserve account now stands at \$6,399,000, or 1.46% of loans.

County National Bank and CNB Community Bancorp, Inc. continue to be considered well-capitalized when measuring the capital ratios that regulators monitor.

We look forward to a promising 2016. Our progress toward establishing a full service branch in Adrian, Michigan is going well. We did receive regulatory approval and the plan to redesign and upgrade the office is nearing completion. Our goal is to open this office late in the second quarter.

It continues to be our priority to provide you with 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

