

**- 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 - Commercial Loans  
 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. Kreger ..... 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  
 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  
 Debra K. Storer ..... Mortgage System Officer  
 Stephanie K. Thomas ..... Loan Operations Officer  
 Brandy M. Titus ..... Mortgage Loan Officer  
 Robert J. Wrozek ..... Commercial Loan Officer

**- 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 ..... Director of Development, *Hillsdale Hospital*  
 John P. Lovinger ..... Attorney, *Lovinger & Thompson, PC*  
 Stephen J. Maddalena ..... General Manager, *Kentwood Office Furniture*  
 David W. Pope ..... Chairman, *Powers Clothing, Inc.*  
 Claude J. Rowley ..... President, *Rowley, Inc.*  
 John R. Waldron ..... President, *County National Bank*  
 Steven A. Wells ..... President, *Wells Equipment Sales, Inc.*



***Consolidated  
 Quarterly  
 Financial  
 Summary***  
*December 31, 2018*

**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

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### CONSOLIDATED BALANCE SHEET

<u>ASSETS</u>	December 31, 2018*	December 31, 2017	<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>	December 31, 2018*	December 31, 2017
Cash and Due from Banks	\$44,011,000	\$52,293,000	Total Deposits	\$578,864,000	\$544,017,000
Investment Securities	28,560,000	34,423,000	Other Borrowings	23,881,000	24,961,000
Net Loans	567,554,000	513,590,000	Other Liabilities	2,783,000	2,518,000
Bank Premises	5,782,000	5,424,000	Stockholders Equity	<u>56,539,000</u>	<u>50,022,000</u>
Other Assets	<u>16,160,000</u>	<u>15,788,000</u>	<b>TOTAL LIABILITIES AND STOCKHOLDERS EQUITY</b>	\$662,067,000	\$621,518,000
<b>TOTAL ASSETS</b>	\$662,067,000	\$621,518,000	<b>Total Shares Outstanding**</b>	2,096,671	2,075,761
			<b>Book Value Per Share**</b>	\$26.97	\$24.10

\*Unaudited

\*\*Includes only vested stock

### CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended		Twelve Months Ended	
	December 31, 2018*	December 31, 2017	December 31, 2018*	December 31, 2017
Interest Income	\$7,679,000	\$6,541,000	\$28,647,000	\$25,097,000
Interest Expense	<u>722,000</u>	<u>531,000</u>	<u>2,652,000</u>	<u>1,591,000</u>
Net Interest Income	6,957,000	6,010,000	25,995,000	23,506,000
Provision for Loan Losses	<u>56,000</u>	<u>19,000</u>	<u>206,000</u>	<u>279,000</u>
Net Interest Income after Provision	6,901,000	5,991,000	25,789,000	23,227,000
Other Income	1,523,000	1,351,000	6,230,000	6,004,000
Other Expense	<u>5,935,000</u>	<u>5,297,000</u>	<u>21,571,000</u>	<u>20,656,000</u>
Income before Federal Income Taxes	2,489,000	2,045,000	10,448,000	8,575,000
Federal Income Taxes	<u>492,000</u>	<u>597,000</u>	<u>1,975,000</u>	<u>2,529,000</u>
<b>NET INCOME</b>	\$1,997,000	\$1,448,000	\$8,473,000	\$6,046,000
Total Shares Outstanding	2,124,751	2,100,956	2,124,751	2,100,956
Basic Earnings Per Share**	\$0.95	\$0.70	\$4.06	\$2.93

\*Unaudited

\*\*Includes only vested stock



## Community Bancorp, Inc.

### FOURTH QUARTER SHAREHOLDER UPDATE

The Board of Directors is pleased to declare a quarterly cash dividend of \$0.25 per share and a cash special dividend of \$0.20 per share, payable January 18, 2019, to stockholders of record as of December 31, 2018. The quarterly cash dividend amount represents an increase of \$0.05 over last year's fourth quarter dividend.

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

- 2018 full year consolidated net income was \$8,473,000 compared to \$6,046,000 for the same period last year, a 40% increase of \$2,427,000.
- Fourth quarter net income was \$1,997,000, compared to net income of \$1,448,000 for the fourth quarter of 2017, a \$549,000 or 38% increase.
- 2018 full year earnings per share were \$4.06 compared to \$2.93 earnings per share in 2017, an increase of \$1.13 per share.
- Earnings per share for the fourth quarter equaled \$0.95, compared to \$0.70 per share for the fourth quarter of 2017, an increase of \$0.25 per share.
- Return on average equity for 2018 was 15.8%, compared to 12.7% for 2017.
- Book value per share is now \$26.97, increasing \$2.87 from the 12/31/17 book value of \$24.10.
- Overall equity for CNB Community Bancorp, Inc. increased \$6,517,000 or 13.0% from year end 2017; now totaling \$56,539,000.

Our 2018 earnings represent the best in our eighty-four year history. As you review the financial statements, you can see that a driving factor in our increased earnings was higher net interest income brought on by excellent growth in loan balances. Additionally we saw higher yields on the loan portfolio, which outpaced higher cost of funds on the deposit side. This improved our net interest margin to 4.24% from 4.06% in 2017. Net interest income was \$25,995,000, up \$2,489,000. Other income continues to be strong at \$6,230,000, an increase of \$226,000 from 2017.

Balance sheet growth was solid, up \$40,549,000 or 6.5%, to end the year at \$662,067,000. The net loan portfolio saw very good growth, up 10.5% to \$567,554,000. Assets under management, which include Bank assets plus sold but serviced loans, Trust and Investment Department assets and other sweep accounts grew by \$41,504,000 or 3.7%, bringing our total assets under management to \$1,168,456,000.

Our asset quality remains good. For the year, our loan portfolio saw net charge-offs of \$84,000. This is a slight increase from 2017; however, still considered very good at .02% of average loans. For 2018, we have expensed \$206,000 as a provision for loan loss compared to \$279,000 during 2017. Our loan loss reserve account now stands at \$7,069,000 or 1.23% of loans outstanding.

Our stock, under the symbol CNBB, which began trading on the OTC Pink markets exchange during the fourth quarter of 2017 has been trading more regularly and the price has generally been moving up. For detailed information, our website contains various earnings and dividend press releases that are also submitted to the OTC markets.

It continues to be our priority to provide you with a strong dividend payout and an increase in shareholder value. We are happy to report that our 2018 earnings helped to boost our capital by \$6,517,000 after dividends paid, increasing the book value of our stock by \$2.87. Furthermore, we have been able to increase the quarterly cash dividend to \$0.25 per share.

Our employees, customers, communities and Board of Directors again thank you for the continued support of your locally owned community bank.

Craig S. Connor  
Chairman & CEO

John R. Waldron  
President

