

CONDENSED BALANCE SHEETS

June 30, 2015 and 2014 (Unaudited)
(dollars in thousands)

ASSETS

	2015	2014
Cash and due from banks	\$ 38,927	56,131
Interest bearing deposits with others	4,164	3,906
Federal funds sold	30,631	2,606
Securities:		
Available for sale, at fair value	117,792	115,265
Held to maturity	179,024	172,190
Total securities	296,816	287,455
Loans - net	1,767,834	1,663,604
Premises and equipment - net	15,174	14,606
Accrued interest receivable	6,668	6,548
Goodwill and intangibles	18,971	20,014
All other assets	35,467	32,107
Total Assets	\$ 2,214,652	2,086,977

LIABILITIES AND STOCKHOLDERS' EQUITY

	2015	2014
Deposits:		
Demand		
Non-interest bearing	\$ 381,477	344,803
Interest bearing	216,296	198,628
Savings and money market	916,723	873,655
Time	290,549	327,007
Total deposits	1,805,045	1,744,093
Borrowings	160,607	106,416
Junior subordinated debt	51,547	51,547
All other liabilities	21,252	22,045
Total Liabilities	2,038,451	1,924,101
Stockholders' Equity:		
Preferred stock	-	-
Common stock	9,732	9,732
Additional paid-in-capital	11,116	10,392
Retained earnings	164,636	150,808
Treasury stock, at cost	(8,733)	(8,030)
Accumulated other comprehensive income	(2,142)	(1,709)
Total CNC Stockholders' Equity	174,609	161,193
Non-controlling interests	1,592	1,683
Total Equity	176,201	162,876
Total Liabilities and Equity	\$ 2,214,652	2,086,977

CONDENSED STATEMENTS OF INCOME

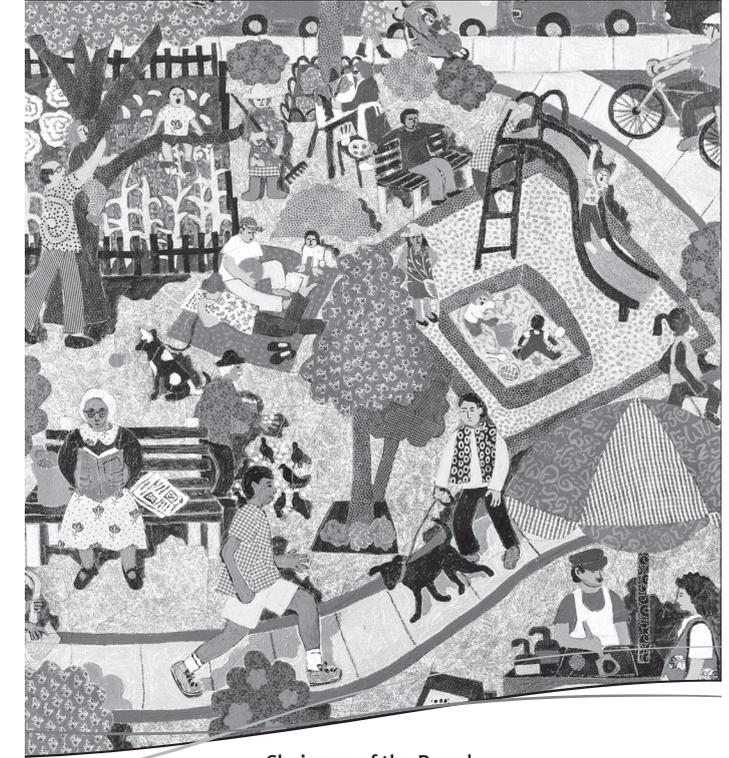
For the six months ended June 30, 2015 and 2014 (Unaudited)
(dollars in thousands, except per share data)

	2015	2014
Interest income:		
Loans, including fees	\$ 36,412	33,609
Securities	2,575	2,877
Other	40	10
Total interest income	39,027	36,496
Interest expense:		
Deposits	1,581	1,825
Borrowings	678	60
Junior subordinated debt	1,148	1,149
Total interest expense	3,407	3,034
Net interest income	35,620	33,462
Provision for loan losses	3,330	2,100
Net interest income after provision for loan losses	32,290	31,362
Non-interest income:		
Service charges on deposit accounts	6,437	6,300
Trust and investment services	8,469	8,034
Subadvisory services	1,433	1,310
Net gain on sale of mortgage loans	996	600
All other income	1,660	1,641
Total non-interest income	18,995	17,885
Operating expenses:		
Salaries and employee benefits	22,028	19,398
Occupancy, net	4,196	4,127
Technology and data processing	3,347	3,133
Professional and other services	1,901	1,957
Marketing and public relations	1,111	1,108
Intangible amortization	496	548
FDIC insurance	643	648
All other operating expenses	4,380	5,591
Total operating expenses	38,102	36,510
Income before income taxes	13,183	12,737
Income taxes	4,226	4,278
Net income, incl. non-controlling interest	8,957	8,459
Noncontrolling interests	(45)	(48)
Net income attributable to CNC	\$ 9,002	8,507
Basic earnings per share	\$ 4.78	4.52
Diluted earnings per share	\$ 4.72	4.45

COMMUNITY BANKING OFFICES

Alexander Park 210 Alexander St., Rochester 585.568.8585	Manchester- Shortsville 119 South Main St., Manchester 585.289.8937
Bloomfield 4 Main St., Bloomfield 585.657.6112	Mendon 51 Assembly Dr., Mendon 585.624.5921
Brighton 2075 Monroe Ave., Rochester 585.242.5874	Penfield 1816 Penfield Rd., Penfield 585.899.4653
Canandaigua- Main Office 72 South Main St., Canandaigua 585.394.4260	Perinton 6720 Pittsford-Palmyra Rd., Fairport 585.223.5084
Canandaigua- Lakeshore 709 South Main St., Canandaigua 585.393.6200	Pittsford 18 State St., Pittsford 585.249.4980
Chili 3228 Chili Ave., Rochester 585.247.7116	Rochester 45 East Main St., Rochester 585.262.0356
College Town 1341 Mount Hope Ave., Rochester 585.851.0350	Victor 61 West Main St., Victor 585.742.4950
Farmington 6183 Route 96, Farmington 585.924.4611	Webster BayTowne 1998 Empire Blvd., Webster 585.670.8090
Greece Latta & Long Pond 3204 Latta Rd., Rochester 585.851.0200	Webster Jackson Ridge 1155 Ridge Rd., Webster 585.671.0300
Greece Ridge 2455 West Ridge Rd., Rochester 585.720.1160	Basin Park Financial Center 1150 Pittsford-Victor Rd., Pittsford 585.419.0670
Henrietta 1225 Commons Way, Rochester 585.214.4540	Canandaigua National Trust Co. 1586 Main St., Sarasota, FL 34236 941.366.7222
Honeoye 8633 Main St., Honeoye 585.229.5147	CNB Mortgage Company
Honeoye Falls 99 West Main St., Honeoye Falls 585.624.1703	Pittsford Office 63 Monroe Ave., Suite A, Pittsford 585.385.2370
Irondequoit 2128 Hudson Ave., Rochester 585.544.3511	Canandaigua Office 72 South Main St., Canandaigua 585.393.6150

STATEMENT OF CONDITION AUGUST 18, 2015



Chairman of the Board
George W. Hamlin, IV

Vice Chairman of the Board
Daniel P. Fuller

Directors
Richard C. Fox
Michael C. Goonan
Frank H. Hamlin, III, Esq.
Stephen D. Hamlin
Lawrence A. Heilbronner
Thomas S. Richards
Robert G. Sheridan
Caroline C. Shipley
Sue S. Stewart
Alan J. Stone

Emeritus Board Members
Patricia A. Boland
James S. Fralick



PRESIDENT'S MESSAGE



Frank H. Hamlin, III
President & CEO

August 14, 2015

Dear Shareholders:

I am pleased to advise you that our earnings through the first six months have remained steady in an extremely challenging interest rate environment, and your Board of Directors has increased the dividend, for the 35th consecutive year to \$3.69 per share. It is worth noting that we were recently ranked 19th out of 191 banks in the nation within our asset class (\$2 Billion - \$10 Billion) by the American Banker. We were the only NY bank listed in the Top 20. The criteria used was our financial performance over the last three years. I attribute this to our vigilance with our Asset/Liability management process as well as the untiring efforts of our Strategic and Steering Committee processes which improve our efficiency as well as provide us with additional sources of revenue as time goes on. Let us not forget all of our CNC colleagues upon whose shoulders it falls to actually execute and refine those initiatives at the front line!

We have been anxiously awaiting interest rate movement by the Federal Reserve as a change in interest rates would greatly improve revenues with respect to the largest portion of our income statement. As of budget season last year the general consensus of economists and others, forecasted a movement of around .25% - 1% by June of 2015. This, of course, did not happen. Now the outlook from all the best and brightest is that there will be a change in October of this year, while some suggest nothing will happen until 2016. True to form, we budgeted based upon both a changing interest rate environment as well as a no-change situation, which is likely to occur. Plan for the worst and hope for the best.

Year to date, we are increasing earnings over 2014 and expect to continue doing so through the end of the year. Competition for loans in the commercial space has been vigorous almost to the point of reckless. We are seeing in our market, longer and longer fixed durations at very low interest rates and unsecured. We have taken very deliberate action to ensure our portfolios stay as short as possible in order to allow us to reprice our assets as interest rates rise. Those that have lent at fixed rates for long durations will pay the price as interest rates rise. As for lending unsecured, we feel it only fair and appropriate that those we lend to have at least some skin in the game; otherwise the customer is merely gambling with depositor money. We continue to maintain our credit standards, period.

The regulatory environment continues to increase in volume and complexity. We have an extremely competent group who has handled these challenges and continue to have a good relationship with our regulators. Nonetheless, we and our local regulators are confused as to the direction of the Federal mandates and/or their intent. We continue to do what is in the best interest of our customers and are working with our regulators, side by side, in order to do so.

On the legislative front, we continue to meet with our representatives in an effort to educate them regarding the cause and effect of their actions. We are experiencing a number of successes in the Federal and State legislatures, including but not limited to pushing back credit union initiatives to increase commercial lending and take in municipal deposits. They simply do not have an adequate regulatory structure to perform either function appropriately. In addition, there is movement toward the creation of a Federal independent appellate unit through which regulatory disputes can be litigated, instead of the current system where the agency head can merely overrule the decision of the administrative law judge.

There is much more about your Company to talk about. We opened our College Town Branch earlier this summer with great success. This particular opening

is exciting due to being at the footstep of the largest employer in the region, University of Rochester, as well as its unique fit and finish in terms of its layout and the technology being utilized there. I strongly encourage those who have not yet stopped by to do so.

In addition, on July 1st, we enhanced our insurance offerings to include home, auto, and other insurance products through our web page. We utilize a number of companies based upon the requested coverage and provide quotes to choose from, all from the convenience of any computer, tablet, or any other internet connected device! Of course, there is always the option to use the telephone or meet with our people. The experience is that customers are often able to save hundreds of dollars in premium cost for the equivalent coverage they currently have. If we are not able to provide more cost efficient coverage for the customer, we tell them to stay put. Of course, there are tremendous synergies that result from the expansion of our insurance offerings. We provide lending for homes, vehicles, and businesses, all of which require insurance! Now, we can provide that for our clients, further enhancing our ability to be the one-stop-shop for their financial needs.

Later this year, we are planning to open a drive-through ATM in Geneva, located directly across from Wegmans. This will be a "smart" ATM and thus will have advanced functionality currently found at nearly all of our banking offices. We have many clients in Geneva, and this will provide them with depository capabilities without the associated cost of a branch in what is otherwise an extremely over-banked community.

We have many, many more projects and initiatives in our pipeline; more than space permits me to list here. We have a fantastic team coordinating the prioritization of projects against our available resources. We are blessed by the creativity and ingenuity of our colleagues who provide us with a myriad of opportunities from which to choose.

From a local economic outlook, this region is truly blessed. There are many positive signs of new businesses

being created and/or seated in the greater Rochester and Finger Lakes region. The recent announcement of the new Integrated Photonics Institute being brought to Rochester is a huge boon for our community. One of the Medical Marijuana permits has been allotted for production in our region. Each day we hear and see opportunities coming back to the Rochester Region. We have much to offer; top-notch educational institutions, premier health care, arts and culture, plenty of fresh water, an outstanding financial institution, and let us not forget the sheer beauty of nature around us! Great things are happening here, and we are sitting right in the middle of it! Enjoy the rest of your summer!

Yours,
Frank H. Hamlin, III

FINANCIAL HIGHLIGHTS

As of and for the six months ended
June 30, 2015 and 2014 (Unaudited)
(dollars in thousands, except per share data)

	2015	2014
Net income attributable to CNC	\$ 9,002	8,507
Total assets	\$ 2,214,652	2,086,977
Investment securities	\$ 296,816	287,455
Loans - net	\$ 1,767,834	1,663,604
Deposits	\$ 1,805,045	1,744,093
Total equity	\$ 176,201	162,876
Assets Under Administration- <i>Book value</i>	\$ 2,203,118	2,084,235
Assets Under Administration- <i>Market value</i>	\$ 2,585,747	2,553,337
Weighted avg shares outstanding-diluted	1,908,238	1,913,061
Diluted earnings per share	\$ 4.72	4.45
Dividends per share	\$ 1.83	1.68
Book value per share	\$ 93.44	86.49
Closing stock price	\$ 146.54	148.78
Return on average assets, annualized	0.83%	0.84%
Return on average equity, annualized	10.50%	10.75%
Return on beginning equity, annualized	10.57%	10.86%