

ISABELLA BANK CORPORATION  
ANNUAL REPORT  
2016

## CUS•TOM•ER

a person or organization with whom we strive to build lasting relationships and create mutual trust.  
*synonyms: consumer, purchaser, client, patron*

We hope you enjoy reading the features highlighting Isabella Bank's commitment to our customers. Through our wide variety of lending products, we are helping our customers be successful and provide a positive impact within their communities.

*Our Vision is to be recognized as the leading independent community bank.*

### **Mission Statement**

- To provide high quality, personalized service to our customers
- To enhance shareholder value through strategic growth and profitability
- To be the employer of choice by providing equitable compensation, a positive work environment, and opportunity for advancement
- To promote economic growth, business development, and community service

### **Core Values**

- Demonstrate unwavering integrity
- Community bank focused
- Continued stability and independence
- Exceptional customer service delivered in a personal manner

#### **EQUAL EMPLOYMENT OPPORTUNITY**

The equal employment opportunity clauses in Section 202 of the Executive Order 11246, as amended; 38 USC 4212, Vietnam Era Veterans Readjustment Act of 1974; Section 503 of the Rehabilitation Act of 1973, as amended; relative to equal employment opportunity and implementing rules and regulations of the Secretary of Labor are adhered to and supported by Isabella Bank Corporation and its subsidiaries.

# 2016 YEAR in REVIEW

David J. Maness, Chairman and Jae A. Evans, Chief Executive Officer



## **Growth and Progress in 2016**

"Without continual growth and progress, such words as improvement, achievement, and success have no meaning." ~ Benjamin Franklin

### **GROWTH**

Growth is imperative to the success of our company. We are proud to report 2016 was another successful year for Isabella Bank Corporation. Based on our closing stock price of \$27.85 on December 30, 2016, our Shareholders realized an annualized cash dividend yield of 3.52% and received a 4.26% increase in cash dividends over 2015.

In 2016, total assets increased to \$1.73 billion and assets under management grew to a record \$2.43 billion – which includes loans sold and serviced, and assets managed by the Investment and Trust Services Department of \$700.58 million.

Our growth in assets was largely driven by our loan growth. In 2016, our loan portfolio increased \$160.12 million which represents a 18.83% increase over 2015. The increase can be primarily attributed to \$127.28 million occurring within the commercial loan portfolio. Strategies we implemented in 2016 to improve our processes for mortgage and consumer loans also contributed to the increased volume. These strategies, coupled with our community banking philosophy, and focus on delivering excellent customer service, have been instrumental in this achievement.

### **CONSERVATION**

Throughout our 114 year legacy, the financial industry has experienced tremendous change. At Isabella Bank

Corporation, we embrace change while preserving our core values and mission. We believe it is our social responsibility to be a leader in driving economic growth, business development, and community service while maintaining our integrity, community bank focus, sustainability, and exceptional service. These values serve as the foundation for laying out our strategy for future growth and development.

As you know, in 2015 we expanded our presence in Saginaw County. The addition of a branch at the intersection of Bay and Tittabawassee Roads generated an opportunity for Isabella Bank to better serve the Saginaw area, and presented the need for an additional location in the Saginaw market.

In January of this year, we opened a Loan Production Office (LPO) in the newly renovated Eddy Building in downtown Saginaw. We are excited to be a part of the revitalization taking place in downtown Saginaw and look forward to expanding our presence in the greater Saginaw area.

### CATALYST

Our success is dependent on the success of our customers and communities. Throughout this report, we have highlighted some of the relationships and projects we are proud to be a part of. These projects

some of the projects Isabella Bank supported in 2016. Our donations serve as a catalyst to solicit and secure additional community support and project completion.

### RENEWAL

For Isabella Bank, 2016 was a year of renewal. From updating our Midland location, launching a new website and brand, to rolling out a new training opportunity, 2016 represented a new beginning as we implemented initiatives to enhance our customers' experiences.

As you are aware, in 2015, Isabella Bank expanded its presence in Midland with the acquisition of a second location. The branch office on South Saginaw Road was part of Midland's Center City and needed some updating. In October, 2016 we officially completed the renovations and hosted a community event to celebrate our new surroundings. Chamber members, community leaders, and customers attended the event and were able to see first-hand our commitment to the Midland community.

Our renewal continued as we updated our website and introduced a new tag line. Consumer banking preferences evolve and it is imperative we evolve with them. Our new tag line, bank local. bank anywhere, reminds our customers we are a local community bank with the products and services to bank with us

bank local. bank  
*anywhere*

are generating new jobs, providing affordable housing, expanding agriculture, and improving the economy.

Our customers efforts are reinforced by the community initiatives we support. The Mecosta County Chamber of Commerce Capital Building Fund, Saginaw Future, Clare Depot Project, Middle Michigan Development Corporation, and Greater Gratiot Development are

from anywhere. Our enhanced website provides our customers with the same great service online as we provide in our branches.

As we begin to renew our approach to serving our customers, employee training plays an important role in our success. In 2016, we launched a new professional development program to enhance the level of service

we are providing our customers. We will continue our efforts in 2017 to introduce additional employees to the program. We know providing the right products and services is not enough; we must also be viewed as a trusted advisor in our customer's eyes to help them meet their financial goals.

### LOOKING AHEAD

In 2017, our strategic direction remains focused on our Shareholders, Customers, and Employees. Through enhanced growth initiatives, improved customer products and tools, internal process improvements, employee development, and sales training, we will continue to fulfill our mission and strengthen our core values.

As we focus on 2017 and beyond, we continue to explore opportunities for growth. Online account opening, Mobile Wallet capabilities, increased lending through the U.S. Small Business Administration, and continued process improvements are just a few initiatives we will be implementing over the next year. Through these initiatives, we will continue to build on the foundations of our success: Brand Enhancement, Growth, Financial Success, and Shareholder Value.

On behalf of our Board of Directors, thank you for making an investment in Isabella Bank Corporation. We look forward to visiting with you at our annual shareholder meeting on May 2, 2017 at 5:00 p.m. at the Comfort Inn Conference Center in Mt. Pleasant.



Jae A. Evans, CEO



David J. Maness, Chairman

### SAGINAW LOAN PRODUCTION OFFICE OPEN

The Saginaw Loan Production Office (LPO) is Isabella Bank's fourth office in Saginaw County. It is located in the historic Eddy Building, and offers mortgage, commercial, construction, consumer, and agricultural loans.

"We are excited to expand our presence in Saginaw County," stated Jerome Schwind, President and Chief Operations Officer. "With our new location, we can better serve the residents and businesses of Downtown Saginaw."



### MIDLAND EAST RENOVATIONS COMPLETE

In October, 2016, Isabella Bank completed the remodel of our Midland branch located in Center City. The Midland location received a new façade, flooring, teller line, and offices among many other cosmetic changes. "It is important to Isabella Bank to help revitalize and renew the communities we serve," stated Schwind. "We know that starts with our locations."





## JGT Land Holdings - Turkey Facility



JGT Land Holdings, LLC is a third generation farm near Carson City. In 2016, JGT began an extensive expansion project to increase their turkey production. Through their efforts, they created additional work for local contractors, new job opportunities, and an increase in food production in Michigan.

“We were glad to have a bank partner with expertise in agriculture as well as a willingness to help,” stated JGT Land Holdings Co-owner Caleb Duflo. “We were looking for a local bank and Isabella Bank stepped up.”

The project is anticipated to be completed in March of 2017. JGT’s operation will average sales of 150,000 birds per year in addition to their already successful operation.

## LaBelle Realty - Campus Commons

LaBelle Realty is a full service real estate sales, leasing and development company in Mt. Pleasant, Michigan. In 2016, they began construction on a retail plaza with student housing.

Campus Commons is a 17,500 square feet mixed use development located on South Mission Street. The ground floor will consist of 3 or 4 retail/commercial tenants and the 2nd and 3rd floors will consist of four apartments with 4 bedrooms and 4 ½ baths. Construction commenced in August of 2016 with expected completion of May-June 2017.

“Isabella Bank worked hard to secure financing for this project,” stated Brandon LaBelle, Owner of LaBelle Realty. “We choose Isabella Bank because of our relationship. They are always very professional and timely when getting us proposals.”



# EMPLOYEE RECOGNITION

In 2016, we celebrated alongside our employees as they hit both professional and personal milestones. Please help us recognize the following employees on their recent officer promotions, banking school graduations, and retirements.

### OFFICER PROMOTIONS

Suzi Fussman  
Accounting Officer

Deb Grinzinger  
Assistant Vice President, Mortgages

Leslie Thielen  
Vice President, Consumer Lending

Tim Wilson  
Vice President, Farwell Office

Tracy Zayler  
Vice President, Stanton Office

### MBA PERRY SCHOOL OF BANKING

Kelly Hopkins  
Credit Analyst, Department Manager

Peggy Mohr  
Loan Processor, Mortgages

Harry Steib  
Branch Manager, Freeland Office

### RETIREMENTS

June Bush, 42 years

Judy Duzenbury, 30 years

Roberta Johnston, 17 years

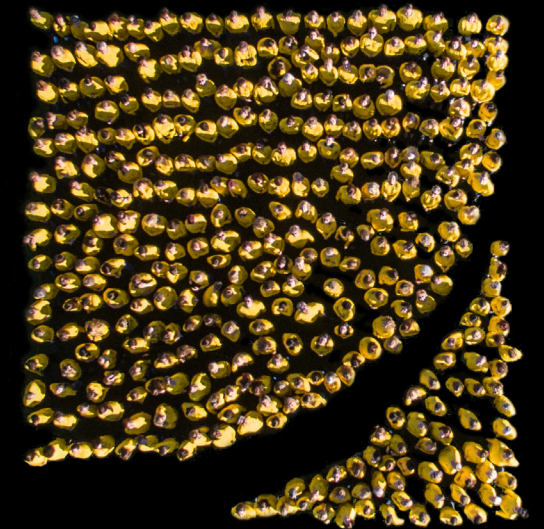
Connie Katt, 35 years

Dawn Rolston, 20 years

Betty Stiff, 43 years

Madonna Taylor, 21 years

Marie Walker, 22 years



Our success is a direct result of the hard work, dedication, and support Isabella Bank employees provide every day. In 2016, Isabella Bank introduced a new ‘Trusted Advisor’ training to enhance our sales culture and deepen customer relationships. The training is an ongoing program designed to advance the customer experience.

The ‘Trusted Advisor’ training teaches our team to focus on adding value, maximize opportunities, and better serve our customers. Through this development process, employees will create and demonstrate sales strategies, connect with customers, collaborate to find solutions, and grow relationships.




# FINANCIAL REPORT

Dennis P. Angner, President & Chief Financial Officer



Our net interest income, similar to the entire industry, continues to be under pressure due to the continuation of the historically low interest rate environment. The fully taxable equivalent (FTE) interest rate on earning assets declined from 3.80% in 2015 to 3.71% in 2016, while the cost to fund those assets increased from 0.83% in 2015 to 0.84% in 2016. Despite the decline in the spread between what we earn on assets and what we pay to fund those assets, our FTE net interest income increased \$1.22 million during 2016 as a result of an increase in average assets of \$95.86 million.

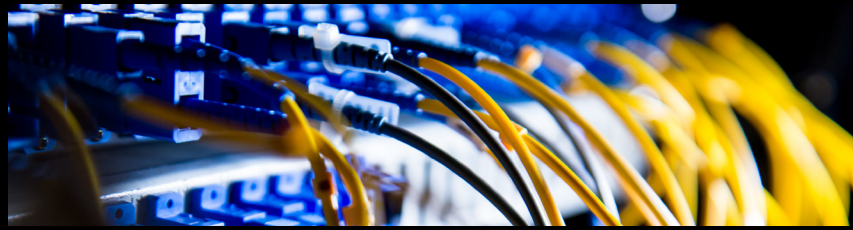
In December 2016, similar to December 2015 the Federal Reserve Bank raised its discount rate by 25 basis points. At year end 2016, there was widespread agreement that the Federal Reserve Bank would most likely raise interest rates at least 75 basis points in 2017. Given the sub 2.00% Gross Domestic Product growth in the 4th quarter of 2016 and the past 8 years of extraordinary low interest rates, it is still unknown how long before interest rates “normalize” and relieve the pressure on interest margins in the banking industry. Our commitment to balance sheet growth continues to be our strategy to increase net interest income during this time. I encourage you to review the following pages which outline our key performance measures and ratios.

  
Dennis P. Angner, CFO

In 2016, Isabella Bank Corporation recorded earnings of \$13.80 million and earnings per common share of \$1.77. Our earnings were primarily the result of increased interest income which was driven by outstanding loan growth during 2016. As of December 31, 2016, nonperforming assets to total assets were 0.11%, which was a significant decrease compared to 2012, which was 0.68%. Our continued improvement in asset quality allowed us to record a reversal of \$135,000 in the allowance for loan losses into pre-tax earnings in 2016. Over the past three years we have reversed \$3.57 million of previously recorded provision for loan losses into pre-tax earnings. At year end 2016, the allowance for loan losses to total loans was 0.73%, a decline of 0.14% from year end 2015, and the lowest we have recorded over the past 40 years.

Total assets ended the year at \$1.73 billion and our average assets increased 6.02% over 2015. Total assets under management, which includes loans serviced and assets managed by the Investment and Trust Services Department, were a record \$2.43 billion. Total loans grew by 18.83%, with commercial and agricultural loans increasing a combined total of 24.43%. As reported last year, our major initiative was to enhance our retail lending line of business to increase both our market presence and share. Those enhancements were successful as loans to consumers, which include residential mortgages, increased for the first time since 2012, increasing 7.78% during 2016.

## Casair - Hi-Speed Internet/Phone to Rural Communities



Since its inception in 1987, Casair has experienced significant growth as an organization. Casair provides internet, phone, and commercial solutions to residents and businesses in central Michigan. In 2016, they grew to over 50 employees, expanded their fiber and wireless network, as well as provided significantly faster internet connections to residential and commercial residents.

“Being a tech company, we appreciate Isabella Bank’s tech services,” stated Steve Meinhardt, President of Casair. “They offered us the services we needed and were willing to work on our complex grant situation. Isabella Bank provided a seamless transition from our previous financial provider.”

## Culver’s - Big Rapids Expansion

Eleven years ago, Wisconsin residents Pete and Katy Spohn decided to move to Michigan and open Culver’s in Mt. Pleasant. Since then, they have expanded into Midland, Lansing, and their newest addition, Big Rapids which is scheduled to open in May 2017.

The Big Rapids restaurant will provide over 50 new jobs to the area and offer residents another option in dining. In addition to providing jobs to the communities, the Spohn’s also offer their restaurant managers part ownership of the location they are managing.

“Isabella Bank has been an intricate part of our growth,” stated Pete Spohn, Co-owner. “They stepped up to help when we were looking for a financial partner.”



# FINANCIAL HIGHLIGHTS

(Dollars in thousands except per share data)

	2016	2015	2014	2013	2012
<b>Income Statement Data</b>					
Interest Income	\$ 53,666	\$ 51,502	\$ 51,148	\$ 50,418	\$ 53,123
Interest Expense	\$ 10,865	\$ 10,163	\$ 9,970	\$ 11,021	\$ 13,423
Net Interest Income	\$ 42,801	\$ 41,339	\$ 41,178	\$ 39,397	\$ 39,700
Provision for Loan Losses	\$ (135)	\$ (2,771)	\$ (668)	\$ 1,111	\$ 2,300
Noninterest Income	\$ 11,108	\$ 10,359	\$ 9,325	\$ 10,175	\$ 11,530
Noninterest Expenses	\$ 37,897	\$ 36,051	\$ 35,103	\$ 33,755	\$ 34,361
Federal Income Tax Expense	\$ 2,348	\$ 3,288	\$ 2,344	\$ 2,196	\$ 2,363
Net Income	\$ 13,799	\$ 15,130	\$ 13,724	\$ 12,510	\$ 12,206

	2016	2015	2014	2013	2012
<b>Per Share Data</b>					
Basic Earnings	\$ 1.77	\$ 1.95	\$ 1.77	\$ 1.63	\$ 1.61
Diluted Earnings	\$ 1.73	\$ 1.90	\$ 1.74	\$ 1.59	\$ 1.56
Dividends	\$ 0.98	\$ 0.94	\$ 0.89	\$ 0.84	\$ 0.80
Tangible Book Value*	\$ 18.16	\$ 17.30	\$ 16.59	\$ 15.62	\$ 14.72
<b>Quoted Market Value</b>					
High	\$ 29.90	\$ 29.90	\$ 24.00	\$ 26.00	\$ 24.98
Low	\$ 27.25	\$ 22.00	\$ 21.73	\$ 21.12	\$ 21.75
Close*	\$ 27.85	\$ 29.90	\$ 22.50	\$ 23.85	\$ 21.75
Common Shares Outstanding*	7,821,069	7,799,867	7,776,274	7,723,023	7,671,846

	2016	2015	2014	2013	2012
<b>Performance Ratios</b>					
Return on Average Total Assets	0.82%	0.95%	0.90%	0.86%	0.88%
Return on Average Shareholders' Equity	7.12%	8.33%	8.06%	7.67%	7.60%
Return on Average Tangible Shareholders' Equity	9.95%	11.46%	10.80%	10.71%	11.41%
Net Interest Margin Yield (Fully Taxable Equivalent)	3.00%	3.10%	3.24%	3.22%	3.43%

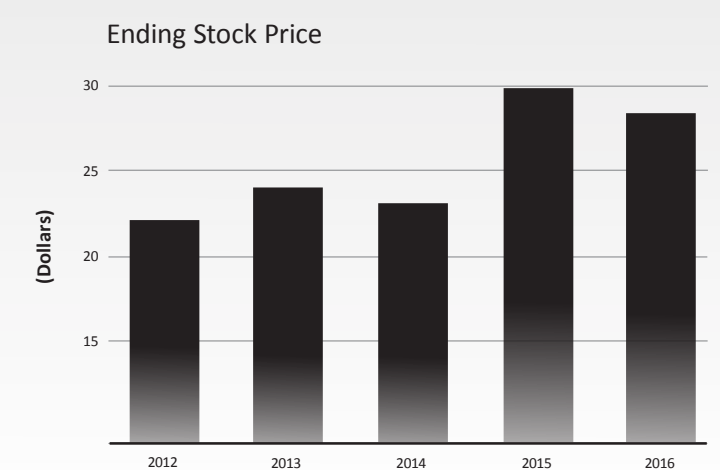
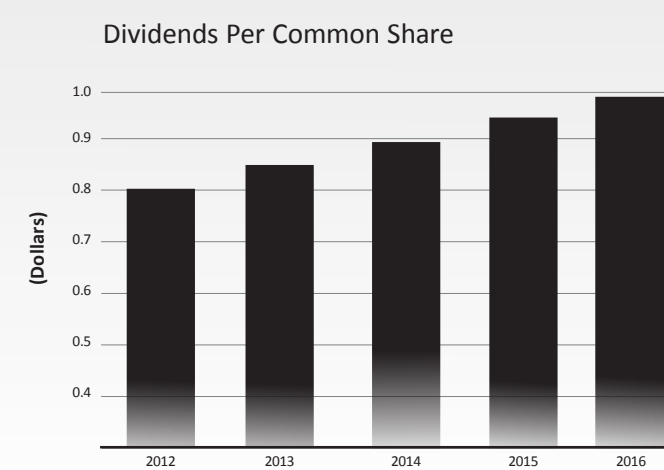
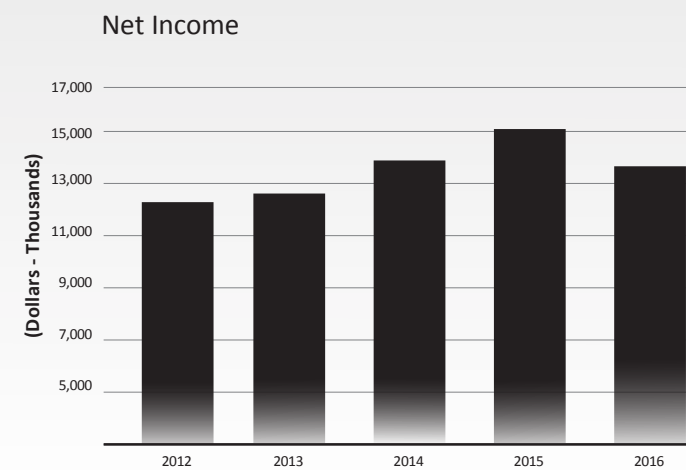
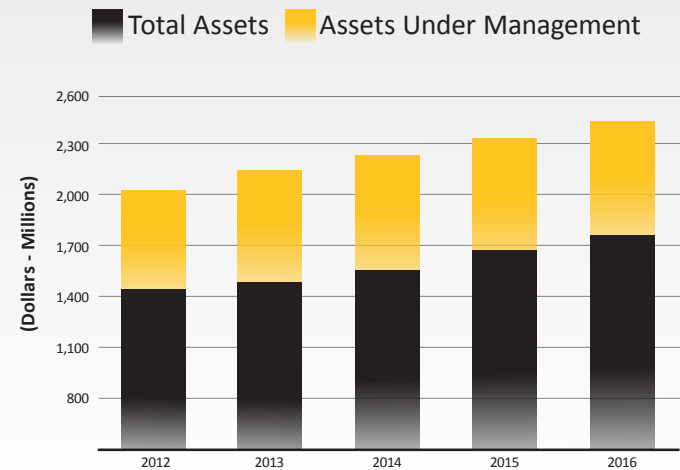
	2016	2015	2014	2013	2012
<b>Balance Sheet Data*</b>					
Gross Loans	\$ 1,010,615	\$ 850,492	\$ 836,550	\$ 810,777	\$ 774,627
Available-for-Sale Securities	\$ 558,096	\$ 660,136	\$ 567,534	\$ 512,062	\$ 504,010
Total Assets	\$ 1,732,151	\$ 1,668,112	\$ 1,549,543	\$ 1,493,137	\$ 1,430,639
Deposits	\$ 1,195,040	\$ 1,164,563	\$ 1,074,484	\$ 1,043,766	\$ 1,017,667
Borrowed Funds	\$ 337,694	\$ 309,732	\$ 289,709	\$ 279,326	\$ 241,001
Shareholders' Equity	\$ 187,899	\$ 183,971	\$ 174,594	\$ 160,609	\$ 164,489
Gross Loans to Deposits	84.57%	73.03%	77.86%	77.68%	76.12%

	2016	2015	2014	2013	2012
<b>Assets Under Management*</b>					
Loans Sold with Servicing Retained	\$ 272,882	\$ 287,029	\$ 288,639	\$ 293,665	\$ 303,425
Assets Managed by our Investment & Trust Services Department	\$ 427,693	\$ 405,109	\$ 383,878	\$ 351,420	\$ 319,301
Total Assets Under Management	\$ 2,432,726	\$ 2,360,250	\$ 2,222,060	\$ 2,138,222	\$ 2,053,365

	2016	2015	2014	2013	2012
<b>Asset Quality*</b>					
Nonperforming Loans to Gross Loans	0.17%	0.09%	0.50%	0.42%	1.00%
Nonperforming Assets to Total Assets	0.11%	0.07%	0.33%	0.32%	0.68%
Allowance for Loan and Lease Losses to Gross Loans	0.73%	0.87%	1.21%	1.42%	1.54%

	2016	2015	2014	2013	2012
<b>Capital Ratios*</b>					
Shareholders' Equity to Assets	10.85%	11.03%	11.27%	10.76%	11.50%
Tier 1 Leverage	8.56%	8.52%	8.59%	8.46%	8.29%
Common Equity Tier 1 Capital	12.39%	13.44%	N/A	N/A	N/A
Tier 1 Risk-Based Capital	12.39%	13.44%	14.08%	13.68%	13.24%
Total Risk-Based Capital	13.04%	14.17%	15.19%	14.93%	14.49%

\* at end of year





# BOARD OF DIRECTORS



*Pictured left to right: G. Charles Hubscher, W. Michael McGuire, Gregory V. Varner, David J. Maness, Dr. Jeffrey J. Barnes, Jae A. Evans, Joseph LaFramboise, Dennis P. Angner, Thomas L. Kleinhardt, W. Joseph Manifold, Sarah R. Opperman, and Richard J. Barz.*

**DAVID J. MANESS** - Chairman  
President,  
Maness Petroleum Corporation

**JAE A. EVANS**  
Chief Executive Officer,  
Isabella Bank Corporation

**DENNIS P. ANGNER**  
President and Chief Financial Officer,  
Isabella Bank Corporation

**DR. JEFFREY J. BARNES**  
Physician and Shareholder,  
L.O. Eye Care

**RICHARD J. BARZ**  
Chief Executive Officer (retired),  
Isabella Bank Corporation

**G. CHARLES HUBSCHER**  
President,  
Hubscher and Son, Inc.

**THOMAS L. KLEINHARDT**  
President,  
McGuire Chevrolet

**JOSEPH LAFRAMBOISE**  
Sales and Marketing Executive (retired),  
Ford Motor Company

**W. JOSEPH MANIFOLD, CPA**  
Chief Financial Officer (retired),  
Federal Broach & Machine Co.

**W. MICHAEL MCGUIRE**  
Director of the Office of the Corporate Secretary (retired),  
The Dow Chemical Company

**SARAH R. OPPERMAN**  
Principal,  
Opperman Consulting, LLC

**GREGORY V. VARNER**  
Research Director,  
Michigan Bean Commission

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Chief Executive Officer

DENNIS P. ANGNER  
President,  
Chief Financial Officer

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Senior Vice President

DEBRA A. CAMPBELL  
Vice President

CYNTHIA J. DIEHM  
Vice President

JULIE A. HUBER, CGEIT  
Vice President,  
Chief Technology Officer

PATRICK J. MEASE, SPHR, SHRM-SCP  
Vice President

MICHAEL P. PRISBY  
Vice President

RHONDA S. TUDOR, CPA  
Vice President

AMY C. VOGEL  
Vice President,  
Chief Risk Officer

## ISABELLA BANK OFFICERS

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President, Chief Operations Officer

DAVID J. REETZ  
Senior Vice President,  
Chief Lending Officer

MICHAEL R. COLBY  
President, East Division

BRIAN K. GOWARD  
President, Breckenridge Division

KEITH E. KENNEY  
President, Mecosta Division

DAVID W. SEPPALA  
President, Greenville Division

BARBARA B. DIEHM  
Senior Vice President

THOMAS J. WALLACE  
Senior Vice President

PEGGY L. WHEELER  
Senior Vice President

KIMBERLY K. BETTS  
Vice President

## ISABELLA BANK OFFICERS CONT.

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Vice President

JULIE F. BOLT  
Vice President

MARK K. DENOYELLES  
Vice President

RANDY J. DICKINSON, CPA, CTFA  
Vice President

JOSHUA A. ELING  
Vice President

DONALD F. FORSTER  
Vice President

THOMAS N. GROSS  
Vice President

SHELLEY K. HOBBS  
Vice President

MICHAEL K. HUENEMANN  
Vice President

KATHY J. KORSON  
Vice President

ROBERT K. MADSEN  
Vice President

GREGORY S. MAPES  
Vice President

GREGORY S. MATTHEWS  
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BARBARA K. MCKENZIE  
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MICHELLE L. MEASE  
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ERIKA M. ROSS  
Vice President

CARRIE S. SMITH  
Vice President

JEFFREY W. SMITH  
Vice President

LESLIE J. THIELEN  
Vice President

KARLA A. WALKER  
Vice President

LEO R. WICKERT, State Licensed Appraiser  
Vice President

TIM M. WILSON  
Vice President

SANDY M. YUNCKER  
Vice President

TRACY A. ZAYLER  
Vice President

## BRECKENRIDGE DIVISION BOARD OF DIRECTORS

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BRIAN K. GOWARD  
DAVID J. KING  
TIMOTHY M. MILLER  
JEROME E. SCHWIND  
JEFFREY E. SHERWOOD  
KIRK L. SMITH  
BRENT C. WILSON

## NORTHERN DIVISION BOARD OF DIRECTORS

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W. MICHAEL MCGUIRE  
JEROME E. SCHWIND  
STEVEN L. STARK

## GREENVILLE DIVISION BOARD OF DIRECTORS

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BLAKE R. HOLLENBECK  
DEBRA JORGENSEN-HUCH  
ALEXANDER R. KEMP  
GREGORY D. MILLARD  
BRIAN R. SACKETT  
JEROME E. SCHWIND  
DAVID W. SEPPALA  
KATHY J. VANDERLAAN

## MECOSTA DIVISION BOARD OF DIRECTORS

DR. RALPH P. CREW  
KEVIN J. DEFEVER  
KEITH E. KENNEY  
JOSEPH LAFRAMBOISE  
JEROME E. SCHWIND



## The Wildlife Gallery - Business Expansion



Established in 1994, The Wildlife Gallery started as a small shop at the home of founder, Brad Eldred. Today, the company is headquartered in Blanchard, Michigan and is the largest tannery in the United States.

Through expansion in 2016, The Wildlife Gallery hired 13 additional employees and now employs over 130 people throughout their footprint. They are servicing clients in all 50 states and are investing in efficiencies for their taxidermy and tanning lines.

“Isabella Bank stepped up when we needed them,” stated Nate Walters, Chief Financial Officer. “We wanted to be associated with a local bank that was highly involved in the community. We are loyal to them, because they are loyal to us.”

## Big Rapids Housing Commission - Meadow Park

The Big Rapids Housing Commission was created in 1963 to provide safe, affordable housing for the Big Rapids Community. Recently, the Big Rapids Housing Commission acquired the Meadow Park project in an effort to provide additional affordable housing in the Big Rapids market.

“We chose Isabella Bank to help us with our project because they were willing to understand the complexity and look outside of the box,” stated Executive Director, Mark Sochocki. “Isabella Bank wants to become involved in revitalizing our community.”

Renovations will be done to each unit as well as the exterior of the building. Once completed, the Meadow Park project will become home to 24 individuals/families. “We wanted to fix a ‘problem property’ and improve the community,” stated Sochocki.



### STOCK INFORMATION

Isabella Bank Corporation common stock is traded in the over the counter market. The common stock is quoted on the OTCQX tier of the OTC Markets Group, Inc.’s electronic quotation system ([www.otcmarts.com](http://www.otcmarts.com)) under the symbol “ISBA”. Other trades in the common stock occur in privately negotiated transactions from time to time of which the Corporation may have limited or no information. Current stock price and availability can be obtained by contacting Shareholder Services, the Isabella Bank Investment and Trust Services Department, Boening & Scattergood, Inc. or a licensed broker.

### SHAREHOLDER SERVICES

For more information, contact Debra Campbell  
(989) 779-6237 | 401 North Main Street, Mt. Pleasant, MI 48858  
or [www.isbellabank.com](http://www.isbellabank.com) ➔ Investors

### TRANSFER AGENT

Isabella Bank Corporation  
(989) 779-6237 | 401 North Main Street, Mt. Pleasant, MI 48858

### CORPORATE BROKER

Boening & Scattergood, Inc.  
(866) 326-8113 | 9922 Brewster Lane, Powell, OH 43065  
or [www.boeninginc.com](http://www.boeninginc.com)

### LEGAL COUNSEL

Foster Swift Collins & Smith, PC  
313 South Washington Square, Lansing, MI 48933  
or [www.fosterswift.com](http://www.fosterswift.com)

### INDEPENDENT CERTIFIED PUBLIC ACCOUNTING FIRM

Rehmann Robson LLC  
5800 Gratiot Rd. Suite 201, Saginaw, MI 48638  
or [www.rehmann.com](http://www.rehmann.com)

## ANNUAL SHAREHOLDER MEETING

May 2, 2017 at 5:00 p.m.

Comfort Inn Conference Center | 2424 South Mission Street, Mt. Pleasant, MI 48858

This report includes forward-looking statements. To the extent that the foregoing information refers to matters that may occur in the future, please be aware that such forward-looking statements may differ materially from actual results. Additional information concerning some of the factors that could cause materially different results is included in the sections entitled “Risk Factors” and “Forward Looking Statements” set forth in Isabella Bank Corporation’s filings with the Securities and Exchange Commission, which are available from the Securities and Exchange Commission’s Public Reference facilities and from its website at [www.sec.gov](http://www.sec.gov).





401 NORTH MAIN STREET, MT. PLEASANT, MI 48858