



## Community Bancorp, Inc.

### SECOND QUARTER SHAREHOLDER UPDATE

The Board of Directors is pleased to declare a quarterly cash dividend of 18¢ per share payable July 17, 2009, to stockholders of record as of June 30, 2009.

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

- Second quarter net income was \$630,000 compared to \$737,000 for the second quarter of 2008.
- Earnings per share for the second quarter equaled 32¢, compared to 37¢ per share for the second quarter of 2008.
- Year to date net income was \$1,319,000 compared to \$1,411,000 for the same period last year.
- Return on quarter ending equity for the first six months of 2009 was 9%.
- Book value per share was \$14.80, increasing 25¢ from \$14.55 as of December 31, 2008.

The economic crisis we face as a country has given our management team an extreme set of new challenges. We have managed through this period of unprecedented turmoil and we remain profitable and able to pay dividends.

Our balance sheet reflects an \$11,000,000 growth in deposits and a slight decrease in loans. Your Bank's strong equity position gives us the regulatory definition of "well capitalized". Unlike many banks in Michigan that have either cut or eliminated their dividends in an effort to conserve capital, we have not.

As you have read in the news, the FDIC fund is experiencing losses from various bank closures. As they replenish this fund, which is self funded from member Banks, not taxpayers, the ongoing assessments and a recent special assessment will be even more expensive for **all Banks**. In the second quarter we expensed an extra \$145,000 FDIC special assessment. Additionally we have expensed a \$535,000 contribution to the allowance for loan loss account, compared to \$55,000 for the same period last year.

Going forward, both the FDIC assessments and the provision for loan losses will continue to be well above historic levels as Michigan and the national economy continue to struggle. We are managing through this with help from increased income associated with unprecedented mortgage refinancing brought about by low mortgage rates.

Your Bank is working very hard for our shareholders, our customers and the communities we serve. Again, we thank you for the continued support of your locally owned community bank.

Craig S. Connor  
President & CEO


**Community Bancorp, Inc.**
**CONSOLIDATED BALANCE SHEET**

<u>ASSETS</u>	June 30 <u>2009</u>	December 31 <u>2008*</u>	<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>	June 30 <u>2009</u>	December 31 <u>2008*</u>
Cash and Due from Banks	\$24,885,000	\$17,308,000	Non-Interest Bearing Accounts	\$43,576,000	\$36,904,000
Investment Securities	24,508,000	18,748,000	Interest Bearing Accounts	<u>223,685,000</u>	<u>219,352,000</u>
Federal Funds Sold	624,000	879,000	Total Deposits	267,261,000	256,256,000
Net Loans	250,471,000	253,520,000	Federal Funds Purchased	- 0 -	- 0 -
Bank Premises	4,938,000	5,004,000	Other Borrowings	15,976,000	17,010,000
Other Assets	<u>8,548,000</u>	<u>7,681,000</u>	Other Liabilities	1,294,000	997,000
			Stockholders Equity	<u>29,443,000</u>	<u>28,877,000</u>
			TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$313,974,000	\$303,140,000
<b>TOTAL ASSETS</b>	<b>\$313,974,000</b>	<b>\$303,140,000</b>	Shares Outstanding	1,989,263	1,984,043
			Book Value Per Share	\$14.80	\$14.55

\*Adjusted to annual report and audit

**CONSOLIDATED STATEMENT OF INCOME**

	Six Months Ended		Three Months Ended	
	June 30 <u>2009</u>	June 30 <u>2008</u>	June 30 <u>2009</u>	June 30 <u>2008</u>
Interest Income	\$8,325,000	\$8,788,000	\$4,137,000	\$4,264,000
Interest Expense	<u>2,003,000</u>	<u>2,528,000</u>	<u>954,000</u>	<u>1,159,000</u>
Net Interest Income	6,322,000	6,260,000	3,183,000	3,105,000
Provision for Loan Losses	<u>818,000</u>	<u>339,000</u>	<u>535,000</u>	<u>55,000</u>
Net Interest Income after Provision	5,504,000	5,921,000	2,648,000	3,050,000
Other Income	2,606,000	1,984,000	1,390,000	964,000
Other Expense	<u>6,203,000</u>	<u>5,961,000</u>	<u>3,133,000</u>	<u>2,988,000</u>
Income before Federal Income Taxes	1,907,000	1,944,000	905,000	1,026,000
Federal Income Taxes	<u>588,000</u>	<u>533,000</u>	<u>275,000</u>	<u>289,000</u>
<b>NET INCOME</b>	<b>\$1,319,000</b>	<b>\$1,411,000</b>	<b>\$630,000</b>	<b>\$737,000</b>
Shares Outstanding	1,989,263	1,991,489	1,989,263	1,991,489
Net Income Per Share	\$0.66	\$0.71	\$0.32	\$0.37