



Community Bancorp, Inc.

THIRD QUARTER SHAREHOLDER UPDATE

The Board of Directors is pleased to declare a quarterly cash dividend of 18¢ per share payable October 23, 2009, to stockholders of record as of September 30, 2009.

Given the stress and lower earnings trends surrounding the U.S. banking sector, we are very pleased to announce the following financial highlights for CNB Community Bancorp, Inc.:

- Third quarter net income was \$570,000, compared to \$600,000 for the third quarter of 2008.
- Earnings per share for the third quarter equaled 29¢, compared to 30¢ per share for the third quarter of 2008.
- Year to date net income is \$1,889,000 compared to \$2,011,000 for the same period last year.
- Return on quarter ending equity for nine months of 2009 is 8.4%.
- Book value per share is now \$14.99, increasing 19¢ from \$14.80 as of June 30, 2009.

Our earnings for the third quarter were helped by robust mortgage refinancing and improved net interest margins. Higher FDIC insurance costs impacts our earnings negatively as the FDIC

assesses higher premiums in an effort to replenish their reserves. Year to date we have paid the FDIC \$469,000 compared to \$76,000 through the third quarter of 2008.

Additionally, we embarked on a strategy to bolster our allowance for loan loss provision account. Through nine months we have contributed \$740,000 more than in the same period last year. Our Allowance for loan loss is \$3,239,000; equal to 1.25% of loan balances. We feel this is a prudent strategy given the current National recession and the very weak Michigan economy.

Your Bank has a seasoned management team and experienced Directors. Our dedicated employees and quality customers help to make us special in the banking business. Our loan portfolio is performing well in spite of the economic stress our economy is going through. Rest assured that County National Bank and CNB Community Bancorp, Inc. continue to be considered well-capitalized with total capital to risk weighted assets equaling 11.91%.

The weak economy is creating significant challenges for banks in Michigan. Many have either cut or eliminated their dividends in an effort to conserve capital. Our Directors, management team and employees know how important this dividend is to our shareholders and work very hard to enable CNB to continue a dividend payout.

Again, we thank you for the continued support of your locally owned community bank.

Craig S. Connor
President & CEO



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Community Bancorp, Inc.
CONSOLIDATED BALANCE SHEET

<u>ASSETS</u>	September 30 <u>2009</u>	December 31 <u>2008*</u>	<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>	September 30 <u>2009</u>	December 31 <u>2008*</u>
Cash and Due from Banks	\$21,689,000	\$17,308,000	Non-Interest Bearing Accounts	\$43,002,000	\$36,904,000
Investment Securities	27,199,000	18,748,000	Interest Bearing Accounts	<u>228,058,000</u>	<u>219,352,000</u>
Federal Funds Sold	232,000	879,000	Total Deposits	271,060,000	256,256,000
Net Loans	255,896,000	253,520,000	Federal Funds Purchased	- 0 -	- 0 -
Bank Premises	4,844,000	5,004,000	Other Borrowings	15,976,000	17,010,000
Other Assets	<u>8,207,000</u>	<u>7,681,000</u>	Other Liabilities	1,206,000	997,000
			Stockholders Equity	<u>29,825,000</u>	<u>28,877,000</u>
TOTAL ASSETS	\$318,067,000	\$303,140,000	TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$318,067,000	\$303,140,000
			Shares Outstanding	1,989,263	1,984,043
			Book Value Per Share	\$14.99	\$14.55

*Adjusted to annual report and audit

CONSOLIDATED STATEMENT OF INCOME

	Nine Months Ended		Three Months Ended	
	September 30 <u>2009</u>	September 30 <u>2008</u>	September 30 <u>2009</u>	September 30 <u>2008</u>
Interest Income	\$12,549,000	\$13,117,000	\$4,224,000	\$4,329,000
Interest Expense	<u>2,811,000</u>	<u>3,673,000</u>	<u>808,000</u>	<u>1,145,000</u>
Net Interest Income	9,738,000	9,444,000	3,416,000	3,184,000
Provision for Loan Losses	<u>1,135,000</u>	<u>394,000</u>	<u>317,000</u>	<u>55,000</u>
Net Interest Income after Provision	8,603,000	9,050,000	3,099,000	3,129,000
Other Income	3,823,000	2,858,000	1,217,000	874,000
Other Expense	<u>9,579,000</u>	<u>9,164,000</u>	<u>3,376,000</u>	<u>3,203,000</u>
Income before Federal Income Taxes	2,847,000	2,744,000	940,000	800,000
Federal Income Taxes	<u>958,000</u>	<u>733,000</u>	<u>370,000</u>	<u>200,000</u>
NET INCOME	\$1,889,000	\$2,011,000	\$570,000	\$600,000
Shares Outstanding	1,989,263	1,987,003	1,989,263	1,987,003
Net Income Per Share	\$0.95	\$1.01	\$0.29	\$0.30