

## COUNTY NATIONAL BANK OFFICERS

Craig S. Connor . . . . . President & C.E.O.  
 Spencer D. Swank . . . . . Executive Vice President & C.F.O.  
 John R. Waldron . . . . . Vice President - Senior Loan Officer  
 Diane K. Clow . . . . . Vice President - Director of Human Resources  
 Cindy Dwyer . . . . . Vice President - Technology  
 Scott E. Evans . . . . . Vice President - Senior Mortgage Officer  
 Lois E. Howard . . . . . Vice President - Commercial Loans  
 Mary P. Marshall . . . . . Vice President - Senior Trust Officer  
 Dorene M. Shaw . . . . . Vice President - Chief Auditor  
 Phyllis J. Brooks . . . . . 2nd Vice President - Consumer Loans  
 Luann J. Crowley . . . . . 2nd Vice President - Mortgage Loans  
 Michelle R. Graber . . . . . 2nd Vice President - Compliance Officer  
 Ronald J. Haber . . . . . 2nd Vice President - Commercial Loans  
 L. Michelle Heminger . . . . . 2nd Vice President - Administration  
 Debra S. Smith . . . . . 2nd Vice President - Accounting  
 Sandra K. Grimm . . . . . Asst. Vice President - Data Processing  
 Kelly D. Jensen . . . . . Asst. Vice President & Branch Officer - Spring Arbor  
 William C. Jors . . . . . Asst. Vice President - Commercial Loan Officer - Jackson  
 David J. Kreger . . . . . Asst. Vice President - Commercial Loan Officer - Jackson  
 Rae A. Organ . . . . . Asst. Vice President - Bank Secrecy & Security Officer  
 Timothy P. Sullivan . . . . . Asst. Vice President - Trust Officer  
 Christine L. Walworth . . . . . Asst. Vice President - Trust Operations Officer  
 Ryan R. Ambs . . . . . Branch Officer - Wisner Office  
 Wendora K. Broesamle . . . . . Branch Officer - Main Office  
 Craig R. Burlingame . . . . . Branch Officer - Homer  
 Michelle L. Caldwell . . . . . Branch Officer - Litchfield  
 Donald W. Germann . . . . . Branch Officer - Jonesville  
 Jeffrey S. Jackson . . . . . Consumer Loan Officer  
 Suzanne L. Nye . . . . . Mortgage Officer - Jackson  
 Robin G. Pelham . . . . . Branch Officer - Somerset Center  
 Eric A. Potes . . . . . Commercial Loan Officer  
 Gwenda J. Ripley . . . . . Branch Officer - Cortland Office  
 Debra K. Storer . . . . . Underwriter Operations Officer  
 Craig D. Talbert . . . . . Mortgage Officer - Cortland Office  
 Robert J. Wrozek . . . . . Branch Officer - Horton Road Office

## DIRECTORS

John E. Barrett . . . . . President  
 Eagle Funeral Homes, Inc.  
 Craig S. Connor . . . . . President & C.E.O.  
 County National Bank  
 Judy R. Gabriele . . . . . Director of Development  
 Hillsdale Community Health Center  
 John P. Lovinger . . . . . Attorney  
 Parker, Hayes & Lovinger, PC  
 Stephen J. Maddalena . . . . . General Manager  
 Kentwood Office Furniture  
 David W. Pope . . . . . President  
 Powers Clothing, Inc.  
 Claude J. Rowley . . . . . President  
 Rowley, Inc.  
 Steven A. Wells . . . . . President  
 Wells Equipment Sales, Inc.



# Consolidated Quarterly Financial Summary

June 30, 2010

## COUNTY NATIONAL BANK OFFICES

### HILLSDALE OFFICE

One South Howell Street, Hillsdale, Michigan 49242  
 Phone: (517) 439-4300

### TRUST OFFICE

One South Howell Street  
 Hillsdale, Michigan 49242  
 Phone: (517) 437-3371

### JACKSON OFFICE

1800 N. Wisner Street  
 Jackson, Michigan 49202  
 Phone: (517) 783-1500

### LEWIS STREET OFFICE

150 Lewis Street  
 Hillsdale, Michigan 49242  
 Phone: (517) 437-3396

### JACKSON OFFICE

1523 Horton Road  
 Jackson, Michigan 49203  
 Phone: (517) 782-2500

### HANOVER OFFICE

125 West Main Street  
 Hanover, Michigan 49241  
 Phone: (517) 563-8332

### JONESVILLE OFFICE

228 E. Chicago Street  
 Jonesville, Michigan 49250  
 Phone: (517) 849-9949

### HOMER OFFICE

109 West Main Street  
 Homer, Michigan 49245  
 Phone: (517) 568-4448

### LITCHFIELD OFFICE

112 Jonesville Street  
 Litchfield, Michigan 49252  
 Phone: (517) 542-2932

### HUDSON OFFICE

325 Railroad Street  
 Hudson, Michigan 49247  
 Phone: (517) 448-8957

### SOMERSET CENTER OFFICE

12641 East Chicago Road  
 Somerset Center, Michigan 49282  
 Phone: (517) 688-4433

### JACKSON OFFICE

270 West Cortland Street  
 Jackson, Michigan 49201  
 Phone: (517) 768-7200

### SPRING ARBOR OFFICE

119 West Main Street  
 Spring Arbor, Michigan 49283  
 Phone: (517) 750-4011

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## 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 23, 2010, to stockholders of record as of June 30, 2010.

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

- Second quarter net income was \$722,000, up 15% from \$630,000 for the second quarter of 2009.
- Earnings per share for the second quarter equaled 36¢ compared to 32¢ per share for the second quarter of 2009.
- Year to date net income is \$1,557,000 compared to \$1,319,000 for the same period last year, an increase of 18%.
- Return on period ending equity for the first six months of 2010 is 10.2% compared to 9% for the same period in 2009.
- Book value per share is \$15.33, increasing 45¢ from \$14.88 as of December 31, 2009.

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

Net interest income has helped produce strong earnings for the first six months of 2010. Net interest income is up \$804,000 over the same period last year. We continue to build our provision for loan loss, expensing \$824,000 while charging off loan balances of \$436,750. Our provision for loan loss account now stands at \$3,847,000 or 1.41% of loans outstanding. This is historically high, but given the weak economy in Michigan and nationally, we feel it is prudent strategy.

We're finding growth opportunities in spite of the economic downturn. Many other banks are shrinking their balance sheets in an effort to increase capital ratios. Because of this, some customers have sought out strong community banks to provide needed financing and deposit services. We've had moderate growth through six months with a \$12,797,000 increase in deposits and an \$11,000,000 increase in loans. CNB's strong equity position continues to earn us the regulatory definition of "well capitalized".

Our Board and management are encouraged by the six month results. As we enter the second half of 2010, we are cautiously optimistic that the economy has hit bottom. All of us wish to 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>	June 30 <u>2010</u>	December 31 <u>2009*</u>	<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>	June 30 <u>2010</u>	December 31 <u>2009*</u>
Cash and Due from Banks	\$28,256,000	\$31,103,000	Non-Interest Bearing Accounts	\$50,228,000	\$46,814,000
Investment Securities	22,922,000	25,543,000	Interest Bearing Accounts	<u>247,235,000</u>	<u>237,852,000</u>
Federal Funds Sold	421,000	322,000	Total Deposits	297,463,000	284,666,000
Net Loans	269,016,000	258,658,000	Federal Funds Purchased	- 0 -	- 0 -
Bank Premises	4,645,000	4,707,000	Other Borrowings	6,772,000	14,451,000
Other Assets	<u>10,537,000</u>	<u>10,023,000</u>	Other Liabilities	961,000	1,639,000
			Stockholders Equity	<u>30,601,000</u>	<u>29,600,000</u>
			TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$335,797,000	\$330,356,000
TOTAL ASSETS	\$335,797,000	\$330,356,000	Shares Outstanding	1,996,673	1,989,263
			Book Value Per Share	\$15.33	\$14.88

\*Adjusted to annual report and audit

**CONSOLIDATED STATEMENT OF INCOME**

	Three Months Ended		Six Months Ended	
	June 30 <u>2010</u>	June 30 <u>2009</u>	June 30 <u>2010</u>	June 30 <u>2009</u>
Interest Income	\$4,239,000	\$4,137,000	\$8,458,000	\$8,325,000
Interest Expense	<u>634,000</u>	<u>954,000</u>	<u>1,332,000</u>	<u>2,003,000</u>
Net Interest Income	3,605,000	3,183,000	7,126,000	6,322,000
Provision for Loan Losses	<u>390,000</u>	<u>535,000</u>	<u>824,000</u>	<u>818,000</u>
Net Interest Income after Provision	3,215,000	2,648,000	6,302,000	5,504,000
Other Income	879,000	1,390,000	1,960,000	2,606,000
Other Expense	<u>3,071,000</u>	<u>3,133,000</u>	<u>6,119,000</u>	<u>6,203,000</u>
Income before Federal Income Taxes	1,023,000	905,000	2,143,000	1,907,000
Federal Income Taxes	<u>301,000</u>	<u>275,000</u>	<u>586,000</u>	<u>588,000</u>
NET INCOME	\$722,000	\$630,000	\$1,557,000	\$1,319,000
Shares Outstanding	1,996,673	1,989,263	1,996,673	1,989,263
Net Income Per Share	\$0.36	\$0.32	\$0.78	\$0.66