

## 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  
 Sharon L. Burns . . . . . 2nd Vice President - Controller  
 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  
 Brenda L. Carpenter . . . . . Mortgage Loan Officer - Wisner  
 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

December 31, 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.

### FOURTH QUARTER SHAREHOLDER UPDATE

The Board of Directors is pleased to declare a quarterly cash dividend of 18¢ per share and a special dividend of 10¢ per share, payable January 21, 2011, to stockholders of record as of December 31, 2010.

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

- During 2010, the shareholders received a dividend payout of \$1,633,863. This represents a strong 56% payout of net earnings for 2010.
- Fourth quarter net income was \$703,000, compared to net income of \$500,000 for the fourth quarter of 2009, a 40% increase.
- 2010 full year net income is \$2,930,000 compared to \$2,389,000 for the same period last year, an increase of 23%.
- Earnings per share for the fourth quarter equaled 35¢, compared to 25¢ per share for the fourth quarter of 2009.
- 2010 earnings per share equal \$1.47, an increase of 27¢ per share or 23%.
- Return on average equity for 2010 was 9.7%, compared to 8.11% for 2009.
- Book value per share is now \$15.50, increasing 62¢ from the 12/31/09 book value of \$14.88.

We achieved 5% balance sheet growth, increasing core deposits by \$18,412,000. This deposit growth allowed us to fund more loans in our communities, meeting local credit needs and helping to increase interest income. This balance sheet growth allowed us to increase our earning assets while maintaining a solid liquidity position for the Bank.

Factors impacting earnings are higher net interest income and very effective expense control. Management's focus on maintaining our net interest margin helped boost net interest income by \$1,780,000 or 14%. We continue a strategy to increase our loan loss provision account to be more in line with peer group Banks. For 2010 we have expensed \$1,945,000 provision for loan loss, an increase of \$366,000 over 2009. We feel this is a prudent strategy given the recession and the difficulties the Michigan economy is experiencing.

Our loan portfolio is performing well. The low net charge off (NCO) rate of .19% of total loans for the year is very good. This low NCO has been achieved through effective underwriting by our talented lenders and the diligent efforts of our collections team. 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 11.39%.

CNB Community Bancorp has a seasoned management team and experienced Directors. Our dedicated employees and quality customers help to make us special in today's banking business. Our Directors, management team and employees are working hard on your behalf to continue a strong 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>	December 31 <u>2010</u>	December 31 <u>2009*</u>	<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>	December 31 <u>2010</u>	December 31 <u>2009*</u>
Cash and Due from Banks	\$22,988,000	\$31,103,000	Non-Interest Bearing Accounts	\$49,199,000	\$46,814,000
Investment Securities	22,160,000	25,543,000	Interest Bearing Accounts	<u>253,879,000</u>	<u>237,852,000</u>
Federal Funds Sold	469,000	322,000	Total Deposits	303,078,000	284,666,000
Net Loans	286,737,000	258,658,000	Federal Funds Purchased	- 0 -	- 0 -
Bank Premises	4,465,000	4,707,000	Other Borrowings	11,163,000	14,451,000
Other Assets	<u>10,300,000</u>	<u>10,023,000</u>	Other Liabilities	1,936,000	1,639,000
			Stockholders Equity	<u>30,942,000</u>	<u>29,600,000</u>
			TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$347,119,000	\$330,356,000
TOTAL ASSETS	\$347,119,000	\$330,356,000	Shares Outstanding	1,996,673	1,989,263
			Book Value Per Share	\$15.50	\$14.88

\*Adjusted to annual report and audit

**CONSOLIDATED STATEMENT OF INCOME**

	Three Months Ended		Twelve Months Ended	
	December 31 <u>2010</u>	December 31 <u>2009*</u>	December 31 <u>2010</u>	December 31 <u>2009*</u>
Interest Income	\$4,419,000	\$3,963,000	\$17,173,000	\$16,512,000
Interest Expense	<u>544,000</u>	<u>788,000</u>	<u>2,480,000</u>	<u>3,599,000</u>
Net Interest Income	3,875,000	3,175,000	14,693,000	12,913,000
Provision for Loan Losses	<u>653,000</u>	<u>444,000</u>	<u>1,945,000</u>	<u>1,579,000</u>
Net Interest Income after Provision	3,222,000	2,731,000	12,748,000	11,334,000
Other Income	1,239,000	1,254,000	4,140,000	5,077,000
Other Expense	<u>3,440,000</u>	<u>3,191,000</u>	<u>12,774,000</u>	<u>12,770,000</u>
Income before Federal Income Taxes	1,021,000	794,000	4,114,000	3,641,000
Federal Income Taxes	<u>318,000</u>	<u>294,000</u>	<u>1,184,000</u>	<u>1,252,000</u>
NET INCOME	\$703,000	\$500,000	\$2,930,000	\$2,389,000
Shares Outstanding	1,996,673	1,989,263	1,996,673	1,989,263
Net Income Per Share	\$0.35	\$0.25	\$1.47	\$1.20

\*Adjusted to annual report and audit

\*Adjusted to annual report and audit