

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
 Barry A. Malek Asst. Vice President - Trust Officer
 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
 Randall L. Tate Loss Mitigation Officer
 Jill A. Taylor Marketing & Public Relations Officer
 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 Chairman
 Powers Clothing, Inc.
 Claude J. Rowley President
 Rowley, Inc.
 Steven A. Wells President
 Wells Equipment Sales, Inc.

**LOCALLY OWNED TO
 SERVE LOCAL NEEDS**



**Consolidated
 Quarterly
 Financial
 Summary**
June 30, 2011

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



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 22, 2011, to stockholders of record as of June 30, 2011.

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

- Second quarter net income was \$910,000, up 26% from \$722,000 for the second quarter of 2010.
- Earnings per share for the second quarter equaled 45¢ compared to 36¢ per share for the second quarter of 2010.
- Year to date net income is \$1,701,000 compared to \$1,557,000 for the same period last year, an increase of 9.3%.
- Return on period ending equity for the first six months of 2011 is 10.5% compared to 10.2% for the same period in 2010.
- Book value per share is \$16.12, increasing 62¢ from \$15.50 as of December 31, 2010.

Again, this quarter, our strong earnings are being driven by improved net interest income. Net interest income is up \$408,000 over the second quarter of 2010. Year to date net interest income is up \$830,000 compared to the first six months of 2010. The increased net interest income results from strong loan growth and continued good management of our funding cost.

We continue to build our reserve for loan loss account, expensing \$875,000 while charging off \$76,000. Our reserve for loan loss account now stands at \$5,595,000 or 1.81% of loans outstanding, compared to 1.41% this time last year. The 1.81% coverage factor is historically high for CNB, however now ranks very well with other peer banks. With the weak economy in Michigan and nationally, we feel it is prudent strategy to maintain this elevated level of reserve for loan loss.

CNB continues to find growth opportunities in spite of the weak economy. We've seen good growth in our loans as stated above and our deposits are up \$14,000,000 when compared to June of 2010. CNB's strong equity position continues to earn us the regulatory definition of "well capitalized". The management and the Board deserve credit for producing strong core earnings, good balance sheet growth and continued shareholder dividends, while at the same time increasing regulatory capital ratios.

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>	June 30 <u>2011</u>	December 31 <u>2010*</u>	<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>	June 30 <u>2011</u>	December 31 <u>2010*</u>
Cash and Due from Banks	\$19,651,000	\$21,270,000	Non-Interest Bearing Accounts	\$55,296,000	\$49,199,000
Investment Securities	23,831,000	23,877,000	Interest Bearing Accounts	<u>255,998,000</u>	<u>253,878,000</u>
Federal Funds Sold	476,000	470,000	Total Deposits	311,294,000	303,077,000
Net Loans	303,175,000	286,918,000	Federal Funds Purchased	- 0 -	- 0 -
Bank Premises	4,235,000	4,460,000	Other Borrowings	17,667,000	11,164,000
Other Assets	<u>11,058,000</u>	<u>9,952,000</u>	Other Liabilities	1,157,000	1,763,000
TOTAL ASSETS	\$362,426,000	\$346,947,000	Stockholders Equity	<u>32,308,000</u>	<u>30,943,000</u>
			TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$362,426,000	\$346,947,000
			Shares Outstanding	2,004,353	1,996,673
			Book Value Per Share	\$16.12	\$15.50

*Adjusted to annual report and audit

CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended		Six Months Ended	
	June 30 <u>2011</u>	June 30 <u>2010</u>	June 30 <u>2011</u>	June 30 <u>2010</u>
Interest Income	\$4,505,000	\$4,239,000	\$8,958,000	\$8,458,000
Interest Expense	<u>492,000</u>	<u>634,000</u>	<u>1,002,000</u>	<u>1,332,000</u>
Net Interest Income	4,013,000	3,605,000	7,956,000	7,126,000
Provision for Loan Losses	<u>354,000</u>	<u>390,000</u>	<u>875,000</u>	<u>824,000</u>
Net Interest Income after Provision	3,659,000	3,215,000	7,081,000	6,302,000
Other Income	925,000	879,000	1,828,000	1,960,000
Other Expense	<u>3,278,000</u>	<u>3,071,000</u>	<u>6,485,000</u>	<u>6,119,000</u>
Income before Federal Income Taxes	1,306,000	1,023,000	2,424,000	2,143,000
Federal Income Taxes	<u>396,000</u>	<u>301,000</u>	<u>723,000</u>	<u>586,000</u>
NET INCOME	\$910,000	\$722,000	\$1,701,000	\$1,557,000
Shares Outstanding	2,004,353	1,996,673	2,004,353	1,996,673
Net Income Per Share	\$0.45	\$0.36	\$0.85	\$0.78