

**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  
 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  
 Donald W. Germann ..... Branch Officer - Jonesville  
 Jeffrey S. Jackson ..... Consumer Loan Officer  
 Suzanne L. Nye ..... Mortgage Officer  
 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  
 Randall L. Tate ..... Loss Mitigation Officer  
 Jill A. Taylor ..... Marketing & Public Relations Officer  
 Robert J. Wrozek ..... Commercial Loan Officer

**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**  
 September 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.

### THIRD QUARTER SHAREHOLDER UPDATE

The Board of Directors is pleased to declare a quarterly cash dividend of 18¢ per share payable October 21, 2011, to stockholders of record as of September 30, 2011.

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

- Third quarter net income was \$922,000, compared to \$670,000 for the third quarter of 2010, up 38%.
- Earnings per share for the third quarter equaled 46¢, compared to 34¢ per share for the third quarter of 2010.
- Year to date net income is \$2,624,000 compared to \$2,227,000 for the same period last year, an 18% increase.
- Return on quarter ending equity for nine months of 2011 is 10.66%.
- Book value per share is now \$16.37, increasing 87¢ from \$15.50 as of December 31, 2010.

Our very strong earnings for the third quarter were helped by a \$369,000 increase in net interest income when comparing 2011 to 2010. For the quarter, we also expensed \$114,000 less to the provision for loan loss account. Other income was up \$68,000 and other expenses increased \$162,000. Through nine months net interest income is up \$1,200,000 from the same period in 2010. This has been driven by a combination of higher loan balances and good control of funding costs.

We continue expensing high amounts to our provision for future loan losses. Those amounts exceed our net write-offs and allow us to increase our provisions for loan loss reserve account. This account is now well within a range of peer averages.

Successful efforts by our lending staff have increased the loan portfolio by \$14 million, or 5%, through the first nine months of 2011. Total equity has increased by \$1,867,000 through nine months.

Our financial performance in this economy is very good and one to be proud of. I must thank our seasoned management team and experienced Directors for their efforts throughout this most stressful time. Our dedicated employees and quality customers continue to help make us special in the Banking business. Rest assured that County National Bank and CNB Community Bancorp, Inc. continue to be considered well-capitalized with total risk based capital to risk weighted assets equaling 12.07%.

I regret to inform you of very sad news. Norman F. Rodgers passed away peacefully at home on October 3rd, after a courageous, nine month battle against a rare form of lung cancer, mesothelioma. Over his 28 year affiliation with CNB, Mr. Rodgers was very instrumental in setting the direction and culture at our Bank. His leadership and banking talents were key to the many successes of our Bank. The CNB family will miss him dearly.

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

Craig S. Connor  
President & CEO



- over please -



CONSOLIDATED BALANCE SHEET

<u>ASSETS</u>	September 30 <u>2011</u>	December 31 <u>2010*</u>	<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>	September 30 <u>2011</u>	December 31 <u>2010*</u>
Cash and Due from Banks	\$32,402,000	\$21,270,000	Non-Interest Bearing Accounts	\$55,123,000	\$49,199,000
Investment Securities	16,394,000	23,877,000	Interest Bearing Accounts	<u>254,726,000</u>	<u>253,878,000</u>
Federal Funds Sold	270,000	470,000	Total Deposits	309,849,000	303,077,000
Net Loans	300,972,000	286,918,000	Federal Funds Purchased	- 0 -	- 0 -
Bank Premises	4,133,000	4,460,000	Other Borrowings	24,053,000	11,164,000
Other Assets	<u>14,022,000</u>	<u>9,952,000</u>	Other Liabilities	1,481,000	1,763,000
TOTAL ASSETS	\$368,193,000	\$346,947,000	Stockholders Equity	<u>32,810,000</u>	<u>30,943,000</u>
			TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$368,193,000	\$346,947,000
			Shares Outstanding	2,004,003	1,996,673
			Book Value Per Share	\$16.37	\$15.50

\*Adjusted to annual report and audit

CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended		Nine Months Ended	
	September 30 <u>2011</u>	September 30 <u>2010</u>	September 30 <u>2011</u>	September 30 <u>2010</u>
Interest Income	\$4,564,000	\$4,296,000	\$13,521,000	\$12,754,000
Interest Expense	<u>502,000</u>	<u>603,000</u>	<u>1,502,000</u>	<u>1,935,000</u>
Net Interest Income	4,062,000	3,693,000	12,019,000	10,819,000
Provision for Loan Losses	<u>354,000</u>	<u>468,000</u>	<u>1,229,000</u>	<u>1,292,000</u>
Net Interest Income after Provision	3,708,000	3,225,000	10,790,000	9,527,000
Other Income	1,008,000	940,000	2,837,000	2,901,000
Other Expense	<u>3,377,000</u>	<u>3,215,000</u>	<u>9,862,000</u>	<u>9,335,000</u>
Income before Federal Income Taxes	1,339,000	950,000	3,765,000	3,093,000
Federal Income Taxes	<u>417,000</u>	<u>280,000</u>	<u>1,141,000</u>	<u>866,000</u>
NET INCOME	\$922,000	\$670,000	\$2,624,000	\$2,227,000
Shares Outstanding	2,004,003	1,996,673	2,004,003	1,996,673
Net Income Per Share	\$0.46	\$0.34	\$1.31	\$1.12