

**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 - Contoller  
 Luann J. Crowley ..... 2nd Vice President - Mortgage Loans  
 Ronald J. Haber ..... 2nd Vice President - Commercial Loans  
 L. Michelle Heminger ..... 2nd Vice President - Administration  
 William C. Jors ..... 2nd Vice President - Commercial Loan Officer - Jackson  
 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  
 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  
 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  
 Linda C. Cavasin ..... Branch Officer - Horton Road Officer  
 Wendy S. Dancer ..... Credit Department 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

**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**  
 December 31, 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.

### FOURTH QUARTER SHAREHOLDER UPDATE

The Board of Directors is pleased to declare a quarterly cash dividend of 18¢ per share and an increased cash special dividend of 12¢ per share, payable January 20, 2012, to stockholders of record as of December 31, 2011.

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

- 2011 full year net income is \$3,435,000 compared to \$2,930,000 for the same period last year, an increase of 17%. This is the best earnings year in the Bank's history.
- During 2011, the shareholders received a dividend payout of \$1,639,973. This represents a strong 48% payout of net earnings for 2011.
- Fourth quarter net income was \$811,000, compared to income of \$703,000 for the fourth quarter of 2010, a 15% increase.
- Earnings per share for the fourth quarter equaled 40¢, compared to 35¢ per share for the fourth quarter of 2010.
- 2011 earnings per share equaled \$1.71, an increase of 24¢ per share or 16%.
- Return on average equity for 2011 was 10.8%, compared to 9.7% for 2010.
- Book value per share is now \$16.35, an increase of 85¢ from the 12/31/10 book value of \$15.50.

We achieved good balance sheet growth, increasing core deposits by \$21,319,000, or 7% and loans by \$22,193,000, or 8%. This growth is evidence of our commitment to recycle dollars back into the communities we serve by making quality loans to

local customers. 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 made possible by growth in our loan portfolio and reduced interest expense. Management's focus on maintaining our net interest margin helped boost net interest income by \$1,496,000, or 10%. We continued with a strategy to increase our loan loss reserve account to be more in line with peer group banks. For 2011, we have expensed \$1,914,000 in provision for loan loss, building our loan loss reserve account to \$5,613,000, or 1.78% of loans. We feel this is a prudent strategy given the continued weak economy in Michigan and the United States.

Our loan portfolio is performing well. The low net charge off (NCO) rate of .35% 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 risk based capital to risk weighted assets equaling 11.80%.

Our 2011 results are quite an accomplishment, made possible by our talented and effective management team, our dedicated employees, experienced Directors, and quality customers. Our Directors and employees are working hard on your behalf to continue a strong dividend payout and meet the banking needs of the communities we serve.

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

Craig S. Connor  
President & CEO



- over please -



CONSOLIDATED BALANCE SHEET

<u>ASSETS</u>	December 31 <u>2011</u>	December 31 <u>2010*</u>	<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>	December 31 <u>2011</u>	December 31 <u>2010*</u>
Cash and Due from Banks	\$34,175,000	\$21,270,000	Non-Interest Bearing Accounts	\$61,605,000	\$49,199,000
Investment Securities	18,854,000	23,877,000	Interest Bearing Accounts	<u>262,791,000</u>	<u>253,878,000</u>
Federal Funds Sold	263,000	470,000	Total Deposits	324,396,000	303,077,000
Net Loans	309,111,000	286,918,000	Federal Funds Purchased	- 0 -	- 0 -
Bank Premises	4,098,000	4,460,000	Other Borrowings	23,281,000	11,164,000
Other Assets	<u>15,658,000</u>	<u>9,952,000</u>	Other Liabilities	1,711,000	1,763,000
TOTAL ASSETS	\$382,159,000	\$346,947,000	Stockholders Equity	<u>32,771,000</u>	<u>30,943,000</u>
			TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$382,159,000	\$346,947,000
			Shares Outstanding	2,004,003	1,996,673
			Book Value Per Share	\$16.35	\$15.50

\*Adjusted to annual report and audit

CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended		Twelve Months Ended	
	December 31 <u>2011</u>	December 31 <u>2010*</u>	December 31 <u>2011</u>	December 31 <u>2010</u>
Interest Income	\$4,526,000	\$4,303,000	\$18,047,000	\$17,057,000
Interest Expense	<u>471,000</u>	<u>545,000</u>	<u>1,974,000</u>	<u>2,480,000</u>
Net Interest Income	4,055,000	3,758,000	16,073,000	14,577,000
Provision for Loan Losses	<u>686,000</u>	<u>653,000</u>	<u>1,914,000</u>	<u>1,945,000</u>
Net Interest Income after Provision	3,369,000	3,105,000	14,159,000	12,632,000
Other Income	1,365,000	1,355,000	4,202,000	4,256,000
Other Expense	<u>3,540,000</u>	<u>3,439,000</u>	<u>13,402,000</u>	<u>12,774,000</u>
Income before Federal Income Taxes	1,194,000	1,021,000	4,959,000	4,114,000
Federal Income Taxes	<u>383,000</u>	<u>318,000</u>	<u>1,524,000</u>	<u>1,184,000</u>
NET INCOME	\$811,000	\$703,000	\$3,435,000	\$2,930,000
Shares Outstanding	2,004,003	1,996,673	2,004,003	1,996,673
Net Income Per Share	\$0.40	\$0.35	\$1.71	\$1.47

\*Adjusted to annual report and audit