

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
 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



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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