

**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  
 Stacey L. Clemens ..... Asst. Vice President - Compliance Officer  
 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  
 Ryan R. Ambis ..... 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  
 Linda C. Cavasin ..... Branch Officer - Horton Road Office  
 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  
 Chad E. Rumsey ..... Commercial Loan Officer  
 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**

**March 31, 2012**

**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.

### FIRST QUARTER SHAREHOLDER UPDATE

The Board of Directors is pleased to declare a quarterly cash dividend of 18¢ per share payable April 20, 2012, to stockholders of record as of March 31, 2012.

We are pleased to announce the following quarterly results for CNB Community Bancorp, Inc.; these results are the best quarterly profits in the Bank's history:

- First quarter net income was \$1,084,000, up \$292,000, or 37%, from the same period last year.
- Earnings per share for the first quarter equaled 54¢, compared to 40¢ per share, for the first quarter of 2011.
- The last twelve-month earnings per share is \$1.85, compared to \$1.45 from the previous twelve-month period.
- Return on average equity for the first quarter is 13%, compared to 10%, for the first quarter 2011.
- Book value per share now stands at \$16.91, increasing \$1.01 from the first quarter of 2011.

Our outstanding first quarter earnings were attributable to several factors. A \$192,000 improvement in our net interest income was fueled by loan growth. There was a \$285,000 reduction in loan loss provision, as bad debt expense seems to be stabilizing. Robust mortgage activity helped to increase other income by \$196,000.

The balance sheet reflects a \$16.3 million increase in deposits and \$4.6 million increase in loan totals from year ending 12/31/2011. This growth is notable as many banks are struggling to find good loan demand.

County National Bank and CNB Community Bancorp, Inc. continue to be considered well capitalized with total risk-based capital to risk-weighted assets equaling 12.2%.

Our loan portfolio continues to grow and perform well. This is a credit to our lenders, managers and customers. Through the first quarter, net loan charge offs were \$7,539, or .01%, annualized of average loans outstanding. This is very low; however, we budgeted net loan charge offs to be a little above historic levels for the remainder of 2012. The allowance for loan loss account now stands at \$5,841,000, or 1.86%, of total loans outstanding. The investment portfolio is performing well with no impairments from year-end values.

Our annual meeting, held April 11, 2012, went well with the Board being elected for 2012. We are optimistic about the future of your bank. We are seeing many opportunities for loan and deposit growth in the markets we serve. We approach these opportunities cautiously, while being mindful of the capital needed to fund growth.

Our employees, managers and Directors continue to work hard to produce solid returns for our shareholders and positive economic results for the communities we service. 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>	March 31 <u>2012</u>	December 31 <u>2011*</u>	<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>	March 31 <u>2012</u>	December 31 <u>2011*</u>
Cash and Due from Banks	\$45,498,000	\$33,446,000	Non-Interest Bearing Accounts	\$61,756,000	\$60,037,000
Investment Securities	19,751,000	19,332,000	Interest Bearing Accounts	<u>279,187,000</u>	<u>264,563,000</u>
Federal Funds Sold	316,000	263,000	Total Deposits	340,943,000	324,600,000
Net Loans	314,049,000	309,432,000	Federal Funds Purchased	- 0 -	- 0 -
Bank Premises	4,059,000	4,098,000	Other Borrowings	23,181,000	23,281,000
Other Assets	<u>15,129,000</u>	<u>15,700,000</u>	Other Liabilities	787,000	1,618,000
TOTAL ASSETS	\$398,802,000	\$382,271,000	Stockholders Equity	<u>33,891,000</u>	<u>32,772,000</u>
			TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$398,802,000	\$382,271,000
			Shares Outstanding	2,004,003	2,004,003
			Book Value Per Share	\$16.91	\$16.35

\*Adjusted to annual report and audit

CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended	
	March 31 <u>2012</u>	March 31 <u>2011</u>
Interest Income	\$4,586,000	\$4,452,000
Interest Expense	<u>451,000</u>	<u>509,000</u>
Net Interest Income	4,135,000	3,943,000
Provision for Loan Losses	<u>236,000</u>	<u>521,000</u>
Net Interest Income after Provision	3,899,000	3,422,000
Other Income	1,100,000	904,000
Other Expense	<u>3,451,000</u>	<u>3,207,000</u>
Income before Federal Income Taxes	1,548,000	1,119,000
Federal Income Taxes	<u>464,000</u>	<u>327,000</u>
NET INCOME	\$1,084,000	\$792,000
Shares Outstanding	2,004,003	1,996,673
Net Income Per Share	\$0.54	\$0.40