



Tried and True.

Something of interest from your bank

CommunityBanc, Inc.

January 2012

110th Anniversary



Dear Shareholders:

The year 2012 marks the 110th Anniversary of the bank. That's 11 decades since we were founded in Crooksville in 1902. That was also the birth of a culture that has been nurtured and strengthened over all these years. As shareholders of CommunityBanc, Inc., you've enjoyed the benefits of our growth. As we look back on 2011, another banner year, we also look forward to 2012 with excitement and thankfulness. Your belief in our mission has given us great cause for celebration.

Banking Office Growth

We are very proud of our employees and wish to point out key milestones that were reached in deposit totals for several offices. These year-end milestones were made possible due to the hard work of all our employees.

Office	Year-End Deposit Total
Fazeysburg	\$11 mil +
East Zanesville	\$22 mil +
North Zanesville	\$50 mil +
Downtown Zanesville	\$63 mil +

Dividend Declared

Your Board of Directors are pleased to declare and issue a \$0.23 per share dividend for the Shareholders of Record as of December 15, 2011. Your check is enclosed. **If you are signed up for the Dividend Reinvestment Plan, the cash portion of the dividend for partial shares is enclosed, as well as a certificate for whole shares you requested be reinvested.**

We have prudently maintained the stock dividend while maintaining required capital levels; we did not increase the dividend due to the uncertainty of required capital levels for all banks in the future. Hopefully capital levels will be determined soon by the regulators.

Market Value of Your Stock

Community Banc Investments, Inc. (800-224-1013) is quoting your stock, as of December 31, 2011, as having a bid price of \$39.80 and an ask price of \$41.75. Based upon our record earnings and strong growth, we would expect *(no guarantee)* our market maker to increase that price soon after fully audited financials are available. As of year-end 2011 our stock price is up 11.33% from year-end 2010.

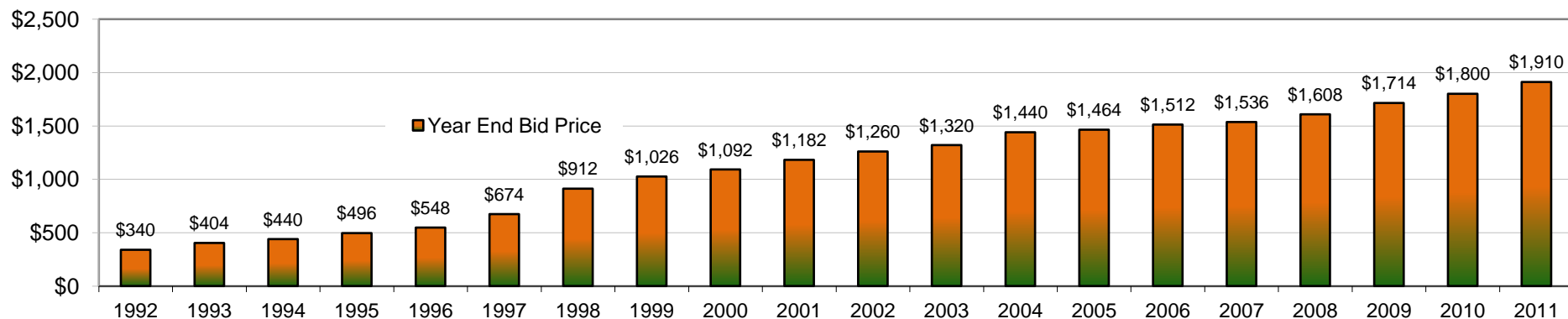
Dividend Reinvestment Participants

For those shareholders who have elected to reinvest dividends, your certificates for new shares are enclosed. **If you have not yet signed up, we have enclosed a Dividend Reinvestment Plan** form to purchase additional shares of stock (stock dividends) in lieu of receiving cash dividends. Please consider signing the Dividend Reinvestment Plan and mailing it back in the enclosed envelope. This helps retain working capital in our bank, with which we can achieve more growth and profit, as well as continue to increase your investment as a shareholder. **WE STRONGLY ENCOURAGE YOU TO TAKE ADVANTAGE OF REINVESTING YOUR DIVIDENDS TO BUY MORE SHARES. Twenty percent (20%) of our shareholders have already done so.**

Annual Meeting Set

Our Annual Shareholders Meeting will be held Thursday, April 19th, at the Welcome Center in Downtown Zanesville at 6:00 pm. We welcome you to join us for great food and good fellowship! *More information forthcoming in March along with our 2011 Annual Report.*

20 Year Stock Performance of CommunityBanc, Inc., parent company of The Community Bank



Price adjustments from the following stock splits are not reflected in the above pricing, 2/1-1986, 2/1-1990, 50%-1998, 2/1-2000, 2/1-2002, 2/1-2009. One share of stock at the bid price of \$85.00 in 1981 split as mentioned above into 48 shares at the current bid price of \$39.80 per share. This is the increase in market value of CommunityBanc, Inc. It does not include cash dividends paid to shareholders. This is a reflection of past performance of CommunityBanc, Inc. and should not be considered a projection of future performance. Funds held in corporate stock are not insured by the F.D.I.C. or any other government agency. Investments involve varying degrees of risk, including loss of principal. Prepared by: Community Banc Investments, Inc. January 1, 2012.

Financial Results

We continue to produce extremely favorable financial results through December 2011. The numbers discussed below are, of course, unaudited at this time.

Deposits continue to flow in and have increased 14% from December 31, 2010. This is very encouraging since a very high percentage of these deposits are what we consider to be "core", which means they are reasonably priced and will probably stay with us for the long-term.

Our overall asset growth through December 31, 2011 is 17% above December 31, 2010 levels.

Earnings continue to be very strong, up roughly 30%, and are well above budgeted amounts. This strength has allowed us to continue to beef up our Loan Loss Reserve, while our delinquency and non-performing

loan totals remain significantly below peer bank levels. This is an excellent position for our bank in sluggish economic conditions.

Real Giving

Real Giving is a free, high-interest checking account that helps you make charitable giving part of every day. There are no minimum balances to earn rewards, no monthly fees, nationwide ATM fee refunds, and, most importantly, you get money to pay forward to a cause you care about just by doing simple everyday banking.

With Real Giving, you'll earn cash for the charity of your choice, just by using your debit card. The more you use your debit card, the more you help the cause!

Please ask us for more information or visit our website www.thecombank.com.

Community Financial Advisors

2011 was another successful year for Community Financial Advisors (CFA), our wealth management division. During 2011, CFA grew assets under management by 9% and engaged over 25 new clients, representing nearly \$17 million in new assets under management. The New Year brings new opportunities to all of us; might 2012 be a good time for a second opinion of your financial situation? We invite you to schedule a time to meet with one of our experienced professionals by calling 740-453-0620.

Terry L. Goss
Board Chairman

Michael R. Steen
President & CEO