



Tried and True.

Something of interest from your bank

CommunityBanc, Inc.

January 2013

Dividend Declared

Your Board of Directors are pleased to declare and issue a \$0.25 per share dividend for the Shareholders of Record as of December 31, 2012. Your check is enclosed. The payment date was moved up to December 31, 2012 in anticipation of the increased tax rates on dividend income. By dating the dividend checks December 31, 2012, it will be taxed at 2012's lower dividend tax rate. Your 2012 form 1099 will reflect three dividend payments.

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.

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.

Community Common Stock Offering

Common Stock is currently being sold to new and existing shareholders per the offering circular. Please contact Greig McDonald at

1-800-224-1013 if you wish to buy additional shares at \$42.50 per share. **THE BOARD OF DIRECTORS HAS DECIDED TO EXTEND THE CURRENT STOCK OFFERING THROUGH FEBRUARY 28, 2013.**

Newest Office Openings

Our newest full service banking office in New Concord and our Lending Center in Heath opened in late October 2012. Derrick Gingerich at New Concord and Jim Holman at Heath both have great teams of bankers at their offices. We truly send our thank you to all of our local friends who are supporting us in these communities.

Market Value of Your Stock

Community Banc Investments, Inc. (1-800-224-1013) is quoting your stock, as of December 31, 2012, as having a bid price of \$40.60 and an ask price of \$42.50. Based upon our record earnings and strong growth, we would expect *(no guarantee)* our market maker to increase that price soon after the offering expires and as soon as fully audited financials are available.

Dividend Reinvestment Participants

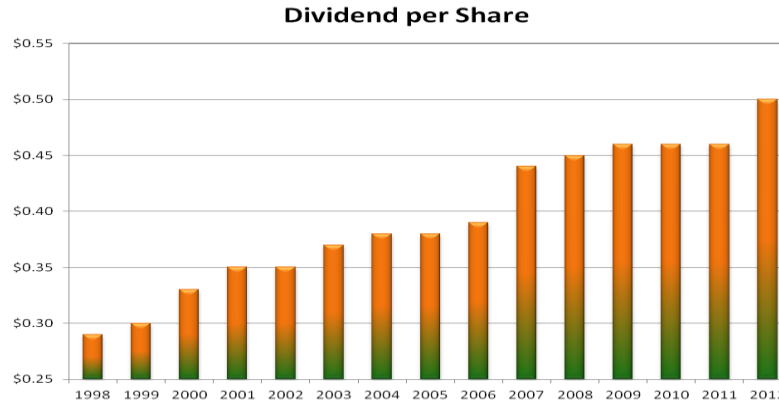
For those shareholders who have elected to reinvest dividends, your certificates for new shares are enclosed. **If you have not yet signed up, we have enclosed a Dividend Reinvestment Plan** form to purchase additional shares of stock (stock dividends) in lieu of receiving cash dividends. Please consider 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-six percent (26%) of our shareholders have already done so.**

Annual Meeting Set

Our Annual Shareholders Meeting will be held Thursday, April 18th, 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 2012 Annual Report.*

(Over)

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



Price adjustments from the following stock splits are reflected in the above pricing, 50%-1998, 2/1-2000, 2/1-2002, 2/1-2009. This is the increase in market value of CommunityBanc, Inc. This is a reflection of past performance of CommunityBanc, Inc. and should not be considered a projection of future performance. FUNDS HELD IN BANK STOCK ARE NOT INSURED BY THE FDIC or any other government agency. Investments involve varying degrees of risk, including loss of principal.

Financial Results

We continue to produce extremely favorable financial results through December 31, 2012. The numbers discussed below are, of course, unaudited at this time.

Deposits continue to flow in and have increased **11%** from December 31, 2011. 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 consolidated asset growth through December 31, 2012 is **10%**.

Consolidated earnings continue to be very strong, up roughly 33%, 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.

Community Financial Advisors

2012 was another successful year for Community Financial Advisors (CFA), our wealth management division, with over \$151 million in assets under management. During 2012, CFA grew assets under management by 11% and engaged over 29 new clients, representing nearly \$18 million in new assets. The New Year brings significant changes to taxes, the economy and the interest rate outlook; **MIGHT 2013 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 and credentialed professionals by calling 740-453-0620.

Growing Network of ATMs

Our growing network of ATM locations allows you instant access to your account information and to your cash. Our newest ATM locations are in New Concord, Cambridge, South Zanesville and coming soon in Heath. Visit our website www.thecombank.com to learn more!

**It is a privilege to serve our
shareholders and customers,**

Terry L. Goss
Board Chairman

Michael R. Steen
President & CEO