



Tried and True.

Something of interest from your bank

CommunityBanc, Inc.

June 2011

Dividend Reinvestment Participants

For those shareholders who have elected to reinvest dividends, your certificates for new shares will be mailed to you soon. The cash portion equivalent for fractional shares is 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.

Financial Results

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

Deposits continue to flow in and have increased 9% from December 31, 2010. This is very encouraging for your bank 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 May is 8.6% above December 31, 2010 levels.

Earnings continue to be very strong and are well above budgeted amounts. This strength has allowed us to continue to beef up our Loan Loss Reserve, well past peer bank standards, 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.



Fabulous New Website Coming Soon

We are totally re-designing our website to give you a state-of-the-art, Online Banking capability that fits your busy lifestyle. You'll find it easy, convenient and refreshing... another option to do your banking, right at your fingertips!

Exciting New Accounts

The Community Bank is introducing Reward Checking and Real Saver, two accounts that are tied together to give you a real edge on earning interest. Reward Checking is a free, no minimum balance checking account that rewards you with high interest and nationwide ATM fee refunds when qualifications are met each month. The Real Saver is a free savings account that also earns interest based on the transactions in your Reward Checking account. It's easy to qualify, just have at least 10 point-of-sale check card purchases post and clear, have one automatic payment, direct deposit, or bill pay transaction post and clear, and receive and review free e-Statements each monthly qualification cycle. **More details enclosed.**

Market Value of Your Stock

Community Bank Investments (800-224-1013) is quoting your stock, as of May 13th, 2011, as having a bid price of \$38.10 and an ask price of \$40.00.

Dividend Declared

Your Board of Directors is pleased to declare a \$.23 per share cash dividend for Shareholders of record as of June 1, 2011. Shareholders who have not elected the Dividend Reinvestment Plan, **your check is enclosed.** If you have signed up for stock dividends, additional stock certificates will be mailed shortly. Our long term capital policy is to keep dividend payouts at 30% of net earnings to allow us a sustainable growth rate.

Community Financial Advisors

Our Wealth Management Department (Community Financial Advisors) continues to grow and serve many new clients with over \$131 million in assets under management. The professionals in our Community Financial Advisors group, through a combined 97 years, have seen 6 bear markets, 5 credit crises, 4 real estate busts, and 3 currency evaluations. There is no doubt that their expertise has been tested and their success impressive for hundreds of clients. Through these turbulent times they can be trusted with the straight answers and productive advice you need for a positive financial outcome.



e-Statements

If you haven't switched your Online Banking accounts to "e-Statements" please consider doing so soon to help us cut costs and reduce paper in our ongoing efforts to be "green". You can find more information on our website www.thecombank.com and our customer service representatives are always available to assist you with e-Statements sign up.

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

A handwritten signature in black ink that reads "Michael R. Steen". The signature is written in a cursive, flowing style.

Michael R. Steen
President & CEO