



COMMUNITY BANK
Serving Montana Since 1910

July 18, 2008

RE: FDIC Insurance

To The Clients and Friends of Community Bank:

Due in large part to your loyalty in the business that you have shared with us, Community Bank is in great financial condition. Most of you are reading that commercial banks are reporting lower earnings, as well as deposit and loan challenges. Community Bank has avoided many of these problems you are reading and hearing about. Our level of safety and soundness is of the highest standards. The standard for equity capital is between 6 and 7%, Community Bank exceeds 10%. Our Board of Directors feels that you deserve this level of comfort.

We have accomplished a healthy corporate culture, keeping a disciplined focus on banking fundamentals. We have stayed away from *subprime* lending because we didn't think it was in the best interest of our borrowers or the community. Likewise, we have limited our exposure to development and construction lending, lending only to borrowers of significant financial strength and a long history of positive performance. Our loan portfolio is diversified, invested only in the local area. Emphasis on safety and soundness has always been our management strategy and will continue to be our focus in the years ahead.

While a bank's financial performance and balance sheet strength are important factors to consider when selecting a bank relationship, we are also very aware of the importance of FDIC Insurance to our depositors. The basic coverage for deposit insurance is still \$100,000 per individual account, and more insurance can be obtained according to how accounts are structured. Also, Federal law provides up to \$250,000 in insurance coverage for deposits held in Individual Retirement Accounts (IRAs). Please take the time to inquire at any one of our branch offices to find out how this can work for you. This information and the FDIC's insurance calculator is also available on the internet at <http://www.w4.fdic.gov/EDIE/>

If I may, let me share with you a quote from Cynthia Blankenship, chairman of the Independent Community Bankers of America (ICBA) on July 15, 2008:

"Some recent news reports and commentaries have raised concern about the safety of deposits in community banks. These reports are irresponsible and wrong. These are the facts: community bank customers' insured deposits are safe in their community banks. No one has ever lost a penny of deposits insured by the Federal Deposit Insurance Corporation held in community banks. No one."

"As common sense lenders, community banks are highly capitalized, well-regulated and more risk averse than big banks. The vast majority of our nation's banks, especially community banks, even in the midst of these difficult times, are still strong, safe and stable."

Additional information is available from the ICBA via the internet at <http://www.icba.org>

There are many current economic factors working against our clients and friends. Almost everything we purchase has gone up in price. Many are struggling to make ends meet. At Community Bank, we take our financial and social responsibility very seriously and we pledge to continue to do our part to provide for our community wherever we can. We will volunteer our time and expertise whenever possible. We also hope that you realize that your dollars, if deposited locally with us, are in turn loaned to local individuals and businesses, a function that grows the local economy. You really do make a difference by banking with Community Bank.

We will continue to be your community bank---working to provide services that are valuable to you. We thank you for banking with us and ask you to refer your friends, to share your interest in doing business locally and bank with us as well.

Best regards,

A handwritten signature in black ink, appearing to read 'G. Zimmerman', with a long horizontal flourish extending to the right.

Gordon Zimmerman
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