

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

COMMUNITY CENTRAL BANK CORP
Form 10-Q
May 14, 2007

=====

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2007

Commission File No. 000-33373

COMMUNITY CENTRAL BANK CORPORATION

(Exact name of small business issuer as specified in its charter)

Michigan

38-3291744

(State or other jurisdiction of
incorporation or organization)

(IRS Employer Identification No.)

100 North Main Street, PO Box 7, Mount Clemens, MI 48046-0007

(Address of principal executive offices and zip code)

(586) 783-4500

(Issuer's telephone number)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act . (Check One):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class

Outstanding at May 11, 2007

Common Stock

3,705,494 Shares

=====

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

PART I

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

	March 31, 2007 (Unaudited)	December 31, 2006

(In thousands)		
Assets		
Cash and due from banks	\$ 9,741	\$ 11,026
Federal funds sold	22,100	13,700
	-----	-----
Cash and Cash Equivalents	31,841	24,726
	-----	-----
Trading securities at fair value option	26,642	--
Securities available for sale, at fair value	63,241	80,916
Securities held to maturity, at amortized cost	1,022	1,017
FHLB stock	4,540	4,540
Residential mortgage loans held for sale	3,932	3,441
Loans		
Commercial real estate	239,048	236,399
Commercial and industrial	29,288	28,393
Residential real estate	68,391	72,517
Home equity lines of credit	17,760	17,614
Consumer loans	11,071	11,666
Credit card loans	629	693
	-----	-----
Total Loans	366,187	367,282
Allowance for credit losses	(3,709)	(3,815)
	-----	-----
Net Loans	362,478	363,467
	-----	-----
Net property and equipment	9,008	9,225
Accrued interest receivable	2,689	2,599
Other real estate	108	108
Goodwill	1,381	1,381
Intangible assets, net of amortization	135	145
Cash surrender value of Bank Owned Life insurance	10,273	10,163
Other assets	3,632	3,300
	-----	-----
Total Assets	\$ 520,922	\$ 505,028
	=====	=====

(continued)

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

CONSOLIDATED BALANCE SHEETS

	March 31, 2007 (Unaudited)	December 31, 2006
	-----	-----
	(In thousands, except share data)	
Liabilities		
Deposits		
Noninterest bearing demand deposits	\$ 34,361	\$ 33,331
NOW and money market accounts	62,663	59,339
Savings deposits	13,999	10,569
Time deposits	230,391	252,617
	-----	-----
Total deposits	341,414	355,856
	-----	-----
Repurchase agreements and fed funds purchased	31,522	15,688
Federal Home Loan Bank advances (\$15.8 million at fair value)	80,353	83,528
Accrued interest payable	1,191	1,257
Other liabilities	1,498	1,629
ESOP note payable	79	95
Subordinated debentures (all instruments at fair value)	28,814	10,310
	-----	-----
Total Liabilities	484,871	468,363
	-----	-----
Stockholders' Equity		
Common stock -- 9,000,000 shares authorized; 3,741,594 shares issued and outstanding at 3-31-2007 and 3,829,758 at 12-31-2006	32,227	33,220
Retained earnings	4,314	4,303
Unearned employee benefit	(79)	(95)
Accumulated other comprehensive (loss) income	(411)	(763)
	-----	-----
Total Stockholders' Equity	36,051	36,665
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 520,922	\$ 505,028
	=====	=====

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

	Three Months Ended March 31,	
	2007	2006

	(In thousands, except per share data)	
Interest Income		
Loans (including fees)	\$ 6,852	\$ 6,028
Taxable securities	667	771
Tax exempt securities	334	278
Federal funds sold	255	37
	-----	-----
Total Interest Income	8,108	7,114
	-----	-----
Interest Expense		
Deposits	3,720	2,700
Repurchase agreements and fed funds purchased	160	93
Federal Home Loan Bank advances	921	959
ESOP loan interest expense	2	3
Subordinated debentures	394	215
	-----	-----
Total Interest Expense	5,197	3,970
	-----	-----
Net Interest Income	2,911	3,144
Provision for loan losses	50	50
	-----	-----
Net Interest Income after Provision	2,861	3,094
	-----	-----
Noninterest Income		
Fiduciary income	87	67
Deposit service charges	88	82
Net realized security gain	--	--
Fair Value Option - SFAS 159	228	--
Mortgage banking income	754	854
Other income	261	199
	-----	-----
Total Noninterest Income	1,418	1,202
	-----	-----
Noninterest Expense		
Salaries, benefits, and payroll taxes	2,143	2,105
Premises and fixed asset expense	452	466
Other operating expense	865	845
	-----	-----
Total Noninterest Expense	3,460	3,416
	-----	-----
Income Before Taxes	819	880
Provision for income taxes	161	177
	-----	-----
Net Income	\$ 658	\$ 703
	=====	=====

(continued)

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

Per share data*:

Basic earnings	\$ 0.17	\$ 0.18
Diluted earnings	\$ 0.16	\$ 0.17
Cash Dividends	\$ 0.06	\$ 0.06

* Per share data has been retroactively adjusted for stock dividends.

5

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
	2007	2006
	-----	-----
	(In thousands)	
Net Income as Reported	\$ 658	\$ 703
Other Comprehensive Income, Net of Tax		
Change in unrealized (loss) gain on securities available for sale	57	(128)
	-----	-----
Comprehensive Income	\$ 715	\$ 575
	=====	=====

6

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

CONSOLIDATED STATEMENTS OF CASH FLOW
(Unaudited)

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

	Three Months Ended March 2007	2006
	-----	-----
	(In thousands)	
Operating Activities		
Net income	\$ 658	\$
Adjustments to reconcile net income to net cash flow from operating activities:		
Net amortization of security premium	48	
Net gain on financial instrument at fair value	(228)	
Provision for loan losses	50	
Depreciation expense	178	
Deferred income tax (benefit) expense	(103)	
ESOP compensation expense	16	
SFAS 123R stock option expense	7	
(Increase) decrease in accrued interest receivable	(90)	
(Increase) decrease in other assets	(557)	
(Increase) decrease in accrued interest payable	(66)	
Increase in other liabilities	(131)	
Increase (decrease) in loans held for sale	(491)	
	-----	-----
Net Cash (Used in) Provided by Operating Activities	(709)	1
Investing Activities		
Maturities, calls, sales and prepayments of securities available for sale	3,007	2
Purchase of securities available for sale	(11,875)	(10)
Maturities, calls, and prepayments of held to maturity securities	--	
Purchases of held to maturity securities	10	
Increase in loans	939	(17)
Purchases of property and equipment	39	
	-----	-----
Net Cash Used in Investing Activities	(7,880)	(26)
Financing Activities		
Net increase (decrease) in demand and savings deposits	7,784	
Net increase (decrease) in time deposits	(22,226)	18
Net increase (decrease) in borrowings	15,834	
Issuance of subordinated debentures	18,557	4
Repayment of FHLB advances	(3,000)	
Payment of ESOP debt	(16)	
Stock options exercise	12	
Cash dividends paid	(229)	
Repurchase of common stock	(1,012)	
	-----	-----
Net Cash Provided by Financing Activities	15,704	21
	-----	-----
Increase (decrease) in Cash and Cash Equivalents	7,115	(2)
Cash and Cash Equivalents at the Beginning of the Year	24,726	11
	-----	-----
Cash and Cash Equivalents at the End of the Period	\$ 31,841	\$ 8
	=====	=====
Supplemental Disclosure of Cash Flow Information:		
Interest Paid	\$ 5,263	\$ 3
Federal Taxes Paid	\$ --	\$

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

COMMUNITY CENTRAL BANK CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. The financial statements of Community Central Bank Corporation (the "Corporation") include the consolidation of its direct and indirect subsidiaries: Community Central Bank (the "Bank") and Community Central Mortgage Company, LLC (the "Mortgage Company").

The Corporation's Consolidated Balance Sheets are presented as of March 31, 2007 and December 31, 2006, and Consolidated Statements of Income and Comprehensive Income for the three month periods ended March 31, 2007 and 2006, and Consolidated Statements of Cash Flow for the three months ended March 31, 2007 and 2006. These unaudited financial statements are for interim periods, and do not include all disclosures normally provided with annual financial statements. The interim statements should be read in conjunction with the financial statements and footnotes contained in the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

In the opinion of management, the interim statements referred to above contain all adjustments (consisting of normal, recurring items) necessary for a fair presentation of the financial statements. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

2. The accounting and reporting policies of the Corporation conform to accounting principles generally accepted in the United States of America and general practices within the banking industry. The following describes the critical accounting policies, which are employed in the preparation of financial statements.

Allowance for Loan Losses: The allowance for loan losses is maintained at a level considered by management to be adequate to absorb losses inherent in existing loans and loan commitments. The adequacy of the allowance is based on evaluations that take into consideration such factors as prior loss experience, changes in the nature and volume of the portfolio, overall portfolio quality, loan concentrations, specific impaired or problem loans and commitments, current economic conditions that may affect the borrower's ability to pay, and other subjective factors. The determination of the allowance is also based on regulatory guidance. This guidance includes, but is not limited to, generally accepted accounting principles, and guidance issued from other regulatory bodies such as the joint policy statement issued by the Federal Financial Institutions Examination Council.

3. Community Central Capital Trust I, a business trust subsidiary of the Corporation sold 10,000 shares of cumulative preferred securities ("trust preferred securities") at \$1,000.00 per trust preferred security in June 2002. The proceeds from the sale of the trust preferred securities were used by the trust to purchase an equivalent amount of subordinated debentures from the Corporation. The trust preferred securities carry a variable rate of interest at the three month labor plus 365 basis points, have a stated maturity of 30 years, and, in effect, are guaranteed by the Corporation. The securities are redeemable at par after 5 years. Distributions on the trust preferred securities are payable quarterly on March 30, June 30, September 30 and December 30. The first distribution was paid on September 30, 2002 and distributions have been made quarterly ever since. Under certain circumstances, distributions may be deferred for up to 20 calendar quarters. However, during any such deferrals, interest accrues

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

on any unpaid distributions at the rate of the three month libor plus 365 basis points. The trust preferred securities are carried on the Corporation's consolidated balance sheet as a liability and the interest expense is recorded on the Corporation's consolidated statement of income.

On February 13, 2007, Community Central Bank Corporation issued \$18.0 million aggregate liquidation amount of cumulative trust preferred securities through Community Central Capital Trust II, a statutory trust formed by the Corporation for the purpose of issuing the securities (the "Trust II Securities"). The Trust II securities have a fixed interest rate of 6.71% per annum through March 6, 2017, and thereafter will have a floating interest rate equal to 90-day LIBOR plus 1.65%. The Trust II Securities are redeemable, at the Corporation's option, in whole or in part, at par, beginning March 6, 2017, and if not sooner redeemed, mature on March 6, 2037. The Trust II Securities were sold in a private transaction exempt from registration under the Securities Act of 1933, as amended.

8

COMMUNITY CENTRAL BANK CORPORATION FORM 10-Q (continued)

The Corporation anticipates the redemption of the \$10.0 million aggregate liquidation amount of cumulative subordinated debentures issued by Community Central Capital Trust I, which may be redeemed at par on or after June 30, 2007. The Corporation intends to use the remaining proceeds of the sale of the Trust II securities for general corporate purposes.

4. In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123 (revised 2004), Sharebased Payment, (SFAS 123R), which requires entities to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). The cost is recognized as an expense over the period during which the employee is required to provide service in exchange for the award, which is usually the vesting period. As required by SFAS 123R, as with SFAS 123, the Corporation is required to estimate the fair value of all stock options on each grant date, using an appropriate valuation approach such as the Black-Scholes option pricing model. The provisions of this statement were effective for the Corporation beginning January 1, 2006.

The Corporation did not issue options during the first quarter of 2007 and 2006. The total amount of options outstanding at March 31, 2007 was 328,936 shares, adjusted for the announced stock dividend, at a weighted average exercise price of \$8.93 per share. During the first quarter of 2007, 1,273 options were exercised at an exercise price of \$8.89 per share. During the first quarter of 2007, using the Black Scholes option-pricing model, the Corporation recognized compensation cost of \$7,000 for the options vesting in the first quarter of 2007 based on the fair market value of the grant date. The net income and earnings per share for the first quarter of 2006, on a pro forma basis, are disclosed for comparison below.

Three Months Ended	
March 31,	
2007	2006
-----	-----

(In thousands, except per share da

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

Net income, as reported	\$	658	\$	7
Add: Stock-based employee compensation expense, net of related tax effects, included in reported net income		7		
Deduct: Total stock-based employee and director compensation expense under fair value based methods of awards, net of related tax effects		(7)		
Pro forma net income	\$	658	\$	7
Earnings per share				
Basic - as reported	\$	0.17	\$	0.
Basic - pro forma	\$	0.17	\$	0.
Diluted - as reported	\$	0.16	\$	0.
Diluted - pro forma	\$	0.16	\$	0.

The fair value of each option grant is estimated on the date of grant using the Black Scholes option pricing model.

9

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

5. In February 2007, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS 159).

The statement provides for an entity to adopt early and elect the fair value option for existing eligible items as of the beginning of a fiscal year that begins on or before November 15, 2007. The entity must also adopt all the requirements under SFAS 157, the Fair Value Measurement. As a result of the Corporation's adoptions, certain financial instruments were valued at a fair value classification. The adoption of the fair value standards had a net positive after tax impact of approximately \$150,000 on first quarter earnings. The cumulative reduction to opening retained earnings from adopting these standards was approximately \$420,000. Partially offsetting the total net charge to retained earnings was the increase in capital from the reversal of other comprehensive income from the transfer of the unrealized losses on available for sale securities which had an affect of an increase in capital of \$295,000. Therefore, the total net after tax decrease in stockholder's equity was \$125,000 from the early adoption of SFAS 159 and concurrent adoption of SFAS 157.

The following table shows the balance sheet effect of the early adoption of SFAS 159.

Description	Balance Sheet 1/1/07 prior to adoption	Net adjustment upon adoption	Balanc 1/1/0 after ado
(in thousands of dollars)			
Securities	27,024	(447)	
Federal Home Loan Bank Advances	(16,000)	247	
Subordinated Debentures (a)	(10,055)	(437)	

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

Pretax cumulative effect of SFAS 159	(637)
Increase in deferred tax asset	217

Cumulative effect of adoption of SFAS 159 (charged to retained earnings)	420
=====	

(a) The carrying amount includes \$255,000 in unamortized deferred issuance costs on the subordinated debenture from the issuance of the Community Central Capital Trust I. As a result of the early adoption of SFAS 159 the difference between the carrying amount and the fair value was removed and included in the cumulative effect adjustment above.

Management has elected the fair value option based on the following reasons for each of the eligible items or group of similar eligible items.

Investment Securities and FHLB Advances:

The election of SFAS 159 and SFAS 157 treatment for existing eligible investment securities was based on multiple factors which included the desire to utilize the Federal Home Loan Bank advance portfolio to offset volatility with the investment portfolio. Approximately \$27.0 million of investment securities were selected for early adoption of SFAS 159 based primarily on the relatively short overall duration in the selected instruments. The overall effective duration of the instruments was 1.8 years based on current market interest rates. Many of the instruments have early call provisions, which based on current interest rate expectations have a high degree of probability to be called. Some instruments have been pre-refunded with certainty of maturity expected. The investments selected are primarily comprised of agency debentures and short callable bank qualified tax exempt municipal bonds. The selected securities will be categorized under trading portfolio status. Management believes that it has more options

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

of balance sheet management under the fair value option, including the management of volatility caused by the embedded options within these instruments. The short overall duration of the selected instruments, coupled with the utilization of FHLB advances as an attempt to hedge the risk, should mitigate large swings in fair values that will be recorded in the income statement as part of adoption of SFAS 159 and SFAS 157. Management cannot predict future interest rates and is reliant on forecasts and models to make decisions regarding interest rate and fair value risk.

The election of SFAS 159 treatment for the selected FHLB advances was based on managements' choice to provide a natural hedge against the securities selected under SFAS 159. The FHLB advances were selected for the fair value option based on the maturity ranges within the FHLB portfolio of advances. All maturities within 18 months from the early adoption date of January 1, 2007 were selected regardless of the instruments interest rates. The selected FHLB advances had a net unrealized gain position as of January 1, 2007 and March 31, 2007 and were selected solely as a natural balance sheet hedge for the investment portfolio elected under SFAS 159. The decrease in the unrealized loss position of the selected investments and the income recognized under SFAS 159 for the first three months of 2007 was completely offset by a corresponding decrease in

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

unrealized gains within the selected FHLB advances. Management will review the selected instruments and should changes with overall market interest rates, the treasury yield curve, or the structure of the investments including the embedded call options change, it may require management to acquire additional hedges which may necessitate an off balance sheet interest rate swap or similar hedge or require the election of a new balance sheet instrument and would be accounted for under SFAS 159. Additionally, should management and the ALCO committee, believe other balance sheet strategies will better position the Bank and Corporation, other transactions could be considered including the sale of investments classified under trading status. Management has no intent to extinguish any FHLB advances as they represent interest rates which are lower than current equivalent market rates. It is the intent of management for the foreseeable future to utilize fair value option on selected investment securities, or like kind dollars on disposal.

Subordinated Debentures:

Management elected the fair value option for both its subordinated debentures. Management considers the subordinated debentures a critical component for future growth and wishes to utilize interest rate swaps to hedge the risk of this longer term liability and critical form of regulatory capital. Under SFAS 159, hedge accounting has become less complex and therefore available to a community bank with limited resources. The subordinated debenture for \$10.3 million that was issued in June 2002 and maturing June 2032, callable June 30, 2007, was an eligible instrument for the early adoption of the fair value option as of January 1, 2007. The pretax accumulated adjustment from the recognition of fair value on this instrument was \$447,000. The carrying amount of the instrument included \$255,000 in unamortized deferred issuance costs on the subordinated debenture which is included in the aforementioned pretax adjustment. Management has elected the fair value option on the subordinated debenture which was issued on February 13, 2007 for \$18.6 million. Additionally, an interest rate swap for a like kind notional value has been secured to reduce any volatility associated with the recognition of the fair value option under SFAS 159. The pretax income recognized during the first quarter of 2007 from the election of the subordinated debentures under SFAS 159 was \$235,000 with the majority of this income resulting from the recognition of an increase in fair value on the new \$18.6 million debenture. The debenture carries an interest rate fixed for 10 years at 6.71%, and was originally based on a ten year treasury interest rate swap of 5.06%, plus 165 basis points and was prior to the settlement of the interest rate swap hedging market fluctuations.

Any reductions in overall carrying costs, aside from changes in fair value, occurring on any financial asset or liability measured under SFAS 157 and SFAS 159 during the first quarter of 2007 was the result of normal pay downs, maturities and calls of the various financial instruments. No instruments recorded under SFAS 159 were sold during the first quarter of 2007 and through the time of reporting the Corporation's 10-Q. Management has the intent to utilize the fair value option on selected financial assets and liability on a go forward basis.

The adoption of SFAS 159 resulted in recognition of \$228,000 in other net gains recorded in the noninterest income portion of the Consolidated Statement of Income. The gains were the result of net increases in fair value of selected financial asset and liability instruments connected with the adoption of the fair value standards. The valuations of the instruments measured under Fair Value Measurement SFAS 157 for the first quarter of 2007 were measured under a market approach using matrix pricing investment for investment securities and the income approach using observable data for the liabilities reported under the Fair Value Option SFAS 159. The inputs were observable for the assets and liabilities interest rate on commonly quoted intervals based on similar assets and liabilities.

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

The table below contains the fair value measurement at March 31, 2007 using the identified valuations. Additionally, the changes in fair value for the three month period ended March 31, 2007 for items measured at fair value pursuant to election of the fair value option.

Description	Fair Value Measurement at March 31, 2007	
	Fair Value Measurements 03/31/2007	Significant Other Observable Inputs (Level 2)
		(in thousands of dollars)
Trading Securities	26,577	26,577
Federal Home Loan Bank Advances	(15,825)	(15,825)
Subordinated Debentures	(28,814)	(28,814)

Interest income and interest expense of the respective financial instruments have been recorded in the consolidated statement of income based on the category of financial instrument.

The Corporation is not aware of any discernable change in instrument specific credit risk with no change reflected in earnings related to such risk.

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The following discussion compares the financial condition of the Corporation and its wholly owned subsidiaries at March 31, 2007 and December 31, 2006 and the results of operations for the three months ended March 31, 2007 and 2006. This discussion should be read in conjunction with the financial statements and statistical data presented elsewhere in this report. This report contains forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates and projections about the financial services industry, the economy, and about the Corporation and the Bank. Words such as anticipates, believes, estimates, expects, forecasts, intends, is likely, plans, projects, variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are intended to be covered by the safe-harbor provisions of the Private Securities

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

Litigation Reform Act of 1995. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Future Factors") that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Actual results and outcomes may materially differ from what may be expressed or forecasted in the forward-looking statements. The Corporation undertakes no obligation to update, amend, or clarify forward looking statements, whether as a result of new information, future events (whether anticipated or unanticipated), or otherwise.

Future factors that could cause actual results to differ materially from the results anticipated or projected include, but are not limited to, the following: expected cost savings and synergies from our acquisition activities might not be realized within the expected time frames, and costs or difficulties related to integration matters might be greater than expected; expenses associated with the implementation of our trust and wealth management services might be greater than expected, whether due to a possible need to hire more employees than anticipated or other costs incurred in excess of budgeted amounts; the credit risks of lending activities, including changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for loan losses; competitive pressures among depository institutions; interest rate movements and their impact on customer behavior and net interest margin; the impact of repricing and competitor's pricing initiatives on loan and deposit products; the ability to adapt successfully to technological changes to meet customers' needs and development in the market place; our ability to access cost-effective funding; changes in financial markets; changes in economic conditions in general and particularly as related to the automotive and related industries in the Detroit metropolitan area; new legislation or regulatory changes, including but not limited to changes in federal and/or state tax laws or interpretations thereof by taxing authorities; changes in accounting principles, policies or guidelines; and our future acquisitions of other depository institutions or lines of business.

EXECUTIVE SUMMARY

Community Central Bank Corporation is the holding company for Community Central Bank (the "Bank") in Mount Clemens, Michigan. The Bank opened for business in October 1996 and serves businesses and consumers across Macomb, Oakland, St. Clair and Wayne counties with a full range of lending, deposit, trust, wealth management and Internet banking services. The Bank operates three full service facilities, in Mount Clemens, Rochester Hills and Grosse Pointe, Michigan. Community Central Mortgage Company, LLC, a subsidiary of the Corporation and Bank, operates locations servicing the Detroit metropolitan area, northwest Indiana, northern Illinois and Raleigh, North Carolina. River Place Trust and Community Central Wealth Management are divisions of Community Central Bank. Community Central Insurance Agency, LLC is a wholly owned subsidiary of Community Central Bank. The Corporation's common shares trade on The NASDAQ Global Market under the symbol "CCBD."

Our results of operations depend largely on net interest income. Net interest income is the difference in interest income the Corporation earns on interest-earning assets, which comprise primarily commercial and residential real estate loans, and to a lesser extent commercial business and consumer loans, and the interest the Corporation pays on our interest-bearing liabilities, which are primarily deposits and borrowings. Management strives to match the repricing characteristics of the interest earning assets and interest bearing liabilities to protect net interest income from changes in market interest rates and changes in the shape of the yield curve.

Our results of operations may also be affected by local and general economic conditions. The largest geographic segment of our customer base is in Macomb County, Michigan. The economic base of the County continues to diversify from the automotive service sector. This trend should lessen the impact on the County

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

of future economic downturns in the automotive sector of the economy. Macomb County's proximity to major highways and affordable

13

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

housing has continued to spur economic growth in the area. Changes in the local economy may affect the demand for commercial loans and related small to medium business related products. This could have a significant impact on how the Corporation deploys earning assets. The competitive environment among other financial institutions and financial service providers and the Bank in the Macomb, Oakland, and Wayne and St. Clair counties of Michigan may affect the pricing levels of various deposit products. The impact of competitive rates on deposit products may increase the relative cost of funds for the Corporation and thus negatively impact net interest income.

The Corporation continues to see competitive deposit rates offered from local financial institutions within the geographic proximity of the Bank which could have the effect of increasing the costs of funds to a level higher than management projects. The Corporation continues to utilize wholesale forms of funding earning assets through the FHLB and brokered certificates of deposit to balance both interest rate risk and the overall cost of funds. Brokered and internet certificates of deposit are based on a nationwide interest rate structure, typically at what is considered to be a premium interest rate. The local competition for certificates of deposit products has intensified and the Bank has found this type of wholesale funding to often effectively compete with the rates offered for similar term retail certificates of deposit products of local community and regional banks.

Net interest income was \$2.9 million during the first quarter of 2007, a decrease of \$233,000 from the first quarter of 2006. Net interest margin for the first quarter of 2007 was 2.44%, or 2.59% on a tax equivalent basis, compared with 2.87%, or 3.00% on a tax equivalent basis for the first quarter of 2006. The increase in interest income produced by an increase in earning assets primarily federal funds and investment securities was more than offset by an increase in interest expense as a result of higher deposit funding costs in a highly competitive deposit-pricing environment. Additionally, the flat treasury yield curve produced an interest rate environment that results in lower incremental interest rate spreads on new loan and investment growth.

Net income for the first quarter of 2007 was also affected by expansion and operational costs related to the new wealth and trust management divisions. The trust division of the Bank was formed on June 30, 2005, when the Corporation completed its acquisition and merger with River Place Financial Corp. William A. Penner, CEO of River Place, became the President of the Bank's newly created trust division at the time of the acquisition. In early 2006, two executives were recruited to head the trust and newly created wealth management divisions. Mr. Penner retired from the Bank effective December 31, 2006. The Corporation continues to focus on expanding this area of its banking operations and expects the trust and wealth management divisions to provide increased fee income from future operations.

In early June of 2006, the Bank opened on full service branch located in Grosse Pointe Farms, Michigan. Grosse Pointe Farms, Michigan is an upscale, suburban community on the shores of Lake St. Clair in southeastern Michigan. The Bank has appointed a regional President for the Grosse Pointe region who is a veteran banker who has ties to the local community. The branch facility is staffed with a branch manager and customer service representatives, as well as a commercial loan officer. The upscale demographics of the surrounding area appear to be well

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

suited for establishing new relationships for trust and wealth management.

The Corporation continued to experience a compression in net interest margin during 2007 compared with 2006. This was the result of competitive pricing pressure in both loans and deposit generation. Additionally, the continuation of a flat treasury yield curve has resulted in overall lower interest rate spreads than in other reporting periods.

14

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

ASSETS

At March 31, 2007, the Corporation's total assets were \$521.2 million, an increase of \$15.9 million, or 3.1%, from December 31, 2006. The largest segment of asset growth for the three months ended March 31, 2007, occurred in federal funds and investment securities available for sale, as loans decreased \$1.1 million for the first quarter of 2007.

Commercial loan growth of \$3.5 million during the first quarter of 2007 was adversely effected by large loan payoffs. Residential mortgage loans decreased \$4.1 million during the quarter, as a result of, the Corporation's strategic plan to change the relative loan mix by reducing the portion of lower yielding residential mortgages and increasing the relative mix of higher yielding commercial loans. The residential mortgage portfolio was \$68.4 million at March 31, 2007, a decrease of \$4.1 million from December 31, 2006. Most of the residential mortgage portfolio is comprised of adjustable rate mortgages, which represented \$45.4 million, or 66.4%, of the total residential portfolio. Those residential mortgage loans the Corporation considered to be held for investment in the residential portfolio comprise both banking relationships and other attributes deemed to match with the Corporation's interest rate risk profile. The home equity lines of credit ("HELOC") comprised \$17.8 million at March 31, 2007, which was an increase of \$146,000 from December 31, 2006. This portfolio product is tied to Wall Street Journal prime interest rate. These loans are fully secured by real estate and are generally originated with loan to values (including prior liens) up to 95% of the appraised value of the real estate. The consumer portfolio ended March 31, 2007 at \$11.1 million, which was a decrease of \$595,000, primarily from pay downs in the portfolio. The largest portion of the installment loan portfolio comprises loans for marine craft. The Corporation's geographic proximity to Lake St. Clair and the lending experience in this area have been contributors to this segment of the portfolio. At March 31, 2007, loans for marine craft comprised approximately \$9.4 million, or 84.8% of the installment portfolio and 2.6% of total loans. Credit card loans totaled \$629,000 at March 31, 2007, which was a decrease of \$64,000 from December 31, 2006. The Corporation continues to book credit card loans as a customer accommodation and does not actively market this product.

Additionally, the Corporation had approximately \$14.1 million in outstanding loans at March 31, 2007, to borrowers in the real estate rental and properties management industries, representing approximately 59.0% of the total commercial real estate portfolio.

The major components of the loan portfolio are as follows:

March 31, 2007	Percentage of total loans	December 31, 2006	Percentage of total loans
-------------------	------------------------------	----------------------	------------------------------

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

(in thousands, except percentages)

Loans held for sale:					
Residential real estate	\$ 3,932			\$ 3,441	\$
Loans held in the portfolio:					
Commercial real estate	\$ 239,048	65.3%	\$ 236,399	64.4%	\$
Commercial and industrial	29,288	8.0	28,393	7.7	
Residential real estate	68,391	18.7	72,517	19.7	
Home equity lines	17,760	4.8	17,614	4.8	
Consumer loans	11,071	3.0	11,666	3.2	
Credit cards	629	0.2	693	0.2	
	\$ 366,187	100.0%	\$ 367,282	100.0%	(\$

Total securities available for sale decreased \$17.7 million from December 31, 2006 to \$63.2 million at March 31, 2007. The decrease was attributable to the adoption of Financial Accounting Standards Fair Value Option SFAS 159. The Corporation reclassified a total of \$27.0 million of available for sale securities as trading securities under SFAS 159. The average effective duration of the new trading portfolio approximated 1.8 years with a weighted average coupon rate of 4.54%. Management decided to classify the securities under SFAS 159 because of the characteristics of the instruments, which included the optionality and the ability of the Corporation to hedge the instruments utilizing above market value Federal Home Loan Bank advances. Furthermore, in adopting SFAS 159,

15

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

the Corporation will be able to, in the future, utilize the fair value option on off balance sheet hedges and account for the hedges in a manner which is less complex than was previously available under GAAP. Other reasons influencing management's decision to classify the selected instruments under SFAS 159 include overall ALCO strategies and the shape of the treasury yield curve and management expectations on short term interest rates. The trading portfolio is primarily comprised of \$16.4 million of U.S. Agency debentures with an effective duration of 1.57 years. Other segments of the portfolio comprise \$5.5 million in callable municipal bonds with an effective duration of 2.45 years, \$4.0 million in collateralized mortgage obligations (CMOs) with an effective duration of 1.72 years. All of the CMOs held in the trading portfolio pass the FFIEC stress test with relatively short average lives under differing rate scenarios.

The available for sale portfolio, aside from the transfer of instruments transferred under SFAS 159 to trading portfolio status, increased \$8.9 million from purchases of bank qualified municipal bonds, U.S. agency debentures and mortgage backed securities.

At March 31, 2007, the available for sale portfolio had net unrealized losses of \$622,000 or approximately 0.98% of the aggregate portfolio. At December 31, 2006, the net unrealized losses in the available for sale portfolio ended at \$1.2 million. The largest reason for the decline in unrealized losses for the three months ended March 31, 2007, was related to the adoption of SFAS 159 and the movement of \$447,000 from the portion of unrealized gains as of January 1, 2007 which were recognized on an after tax basis under SFAS 115 as other comprehensive income to retained earnings under the early adoption rules of SFAS 159. The available for sale portfolio increased \$65,000 in market value during the first quarter and was recognized as a gain under SFAS 159 fair value option

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

recorded in other noninterest income. Offsetting the gain was a \$72,000 decline in market value of the FHLB advances, which are being used to reduce the volatility of the instruments carried under SFAS 159. The Corporation has the intent and ability to hold the securities classified under available for sale for the foreseeable future and declines in the fair value is primarily due to increased market interest rates.

16

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

A summary of nonperforming assets is as follows:

	March 31, 2007	December 31, 2006
	-----	-----
	(Dollars in thousands)	
Nonaccrual loans:		
Commercial real estate	\$ 2,789	\$ 2,711
Commercial and industrial	848	646
Residential real estate	816	--
Home equity lines	347	--
Consumer loans	108	--
Credit cards	--	--
	-----	-----
Total nonaccrual loans	4,908	3,357
Accruing loans delinquent more than 90 days:		
Commercial real estate	\$ --	\$ --
Commercial and industrial	--	--
Residential real estate	--	876
Home equity lines	85	336
Consumer loans	9	160
Credit cards	5	1
	-----	-----
Total accruing loans delinquent more than 90 days	99	1,373
	-----	-----
Total nonperforming loans	5,007	4,730
Other real estate owned		
Commercial real estate	--	--
Residential real estate	108	108
	-----	-----
Total other real estate owned	108	108
	-----	-----
Total nonperforming assets	\$ 5,115	\$ 4,838
	=====	=====
Total nonperforming loans as a percentage of total loans	1.37%	1.29%
	=====	=====
Total nonperforming assets as a percentage of total assets	0.98%	0.96%
	=====	=====

At March 31, 2007, nonperforming loans, which represents nonaccruing loans and those loans past due 90 days or more and still accruing interest, totaled \$ 5.0

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

million compared to \$ 4.7 million at December 31, 2006, an increase of \$ 277,000. Nonaccruing loans of \$ 4.9 million increased \$ 1.6 million from December 31, 2006. The increase in nonaccrual loans was primarily attributable to the movement of loans previously classified as accruing loans delinquent more than 90 days to nonaccrual loans in the loan categories of residential mortgages comprising \$ 816,000, home equity lines of credit totaling \$ 347,000 and other consumer loans of \$ 108,000. These consumer based loans were placed into nonaccrual status based on regular evaluations of delinquent loans. A determination was made of the collectability of the accrued interest based on the borrower's ability to repay and real estate values, which have been declining in the Bank's geographic lending area as well as other collateral determinations.

17

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

The following table shows an analysis of the allowance for loans losses:

	Three Months Ended March 31, 2007	Year Ended December 31, 2006
	-----	-----
	(Dollars in thousands)	
Balance as beginning of the period	\$ 3,815	\$ 3,580
Charge-offs:		
Commercial real estate	4	--
Commercial and industrial	20	248
Residential real estate	--	21
Home equity lines	68	21
Consumer loans	64	40
Credit cards	3	13
	-----	-----
Total charge-offs	\$ 159	\$ 343
	-----	-----
Recoveries:		
Commercial real estate	1	--
Commercial and industrial	--	14
Residential real estate	--	8
Home equity lines	1	--
Consumer loans	1	5
Credit cards	--	1
	-----	-----
Total recoveries	\$ 3	\$ 28
	-----	-----
Net charge-offs (recoveries)	156	315
	-----	-----
Provision charged to earnings	50	550
	-----	-----
Balance at end of the period	\$ 3,709	\$ 3,815
	=====	=====
Net charge-offs (net recoveries) during the period to average loans outstanding during the period on an annualized basis	0.17%	0.09%
Allowance as a percentage of total portfolio loans	1.01%	1.04%

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

The allowance for loan losses as a percentage of total loans remained relatively unchanged at March 31, 2007, compared to December 31, 2006. The Corporation performs a detailed quarterly review of the allowance for loan losses. The Corporation evaluates those loans classified as substandard, under its internal risk rating system, on an individual basis for impairment under SFAS 114. The level and allocation of the allowance is determined primarily on management's evaluation of collateral value, less the cost of disposal, for loans reviewed in this category. The remainder of the total loan portfolio is segmented into homogeneous loan pools with similar risk characteristics for evaluation under SFAS 5. The primary risk element considered by management regarding each consumer and residential real estate loan is lack of timely payment. Management has a reporting system that monitors past due loans and has adopted policies to pursue its creditor's rights in order to preserve the Bank's position. The primary risk elements concerning commercial and industrial loans and commercial real estate loans are the financial condition of the borrower, the sufficiency of collateral, and lack of timely payment. Management has a policy of requesting and reviewing annual financial statements from its commercial loan customers and periodically reviews existence of collateral and its value.

18

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

LIABILITIES

Total deposits of \$ 341.4 million decreased \$ 14.4 million during the first quarter. The decrease was entirely due to a \$ 22.2 million decrease in time deposits. The decrease in time deposits was due to maturities of higher cost brokered time deposits. Partially offsetting the decrease in time deposits was an increase of \$ 7.8 million from December 31, 2006, in core deposits, representing checking, NOW, money market and savings accounts. Noninterest bearing demand deposits increased \$ 1.0 million for the first three months of 2007. NOW accounts increased \$ 534,000 during the same time period. Money market savings deposits totaled \$ 48.0 million and increased \$ 12.8 million from December 31, 2006. The growth in money market accounts was attributable to a new indexed money market product with a competitive interest rate tied to the six month treasury bill. Total savings accounts increased \$ 3.4 million from seasonal fluctuations. Total time deposits under \$ 100,000 decreased \$ 1.0 million. The competitive rate environment amongst local financial institutions has made the Corporation decide in some cases not to raise the interest rate on the deposit product at the same frequency or level to match or exceed interest rates given by local financial institutions. The Corporation continues to see competitive deposit rates offered by local financial institutions within the geographic proximity of the Bank, which could have the affect of increasing the cost of funds to a level higher than management projects. The Corporation continues to utilize wholesale forms of funding earning assets through the Federal Home Loan Bank and brokered CDs to balance both interest rate risk and the overall cost of funds. Brokered and internet CDs are based on nationwide interest rate structure, typically at what is considered to be a premium interest rate. The local competition for CD products has intensified and the Bank has found this type of whole funding to often effectively compete with the rates offered for similar term retail CD products of local community and regional banks.

The major components of deposits are as follows:

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

	March 31, 2007	Percentage of total deposits	December 31, 2006	Percentage of total deposits
(Dollars in Thousands)				
Noninterest bearing demand NOW accounts	\$ 34,361	10.1%	\$ 33,331	9.4
Money market accounts	14,618	4.3	14,084	4.0
Savings deposits	48,045	14.1	45,255	12.7
Time deposits under \$ 100,000	13,999	4.1	10,569	3.0
Time deposits \$ 100,000 and over	44,569	13.1	45,608	12.9
	185,822	54.3	207,009	58.3
Total deposits	341,414	100.0	355,856	100.0

19

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

Short term borrowings at March 31, 2007 consisted of short term FHLB advances of \$ 10.9 million at fair value and securities sold with an agreement to repurchase them the following day of \$ 12.5 million. Following are details of our short term borrowings for the dates indicated:

	March 31, 2007	December 31, 2006
(Dollars in thousands)		
Amount outstanding at end of period		
Short-term repurchase agreements	\$ 12,522	\$ 15,688
Short-term FHLB advances	\$ 10,909	\$ 14,000
Weighted average interest rate on ending balance		
Short-term repurchase agreements	3.15%	3.15%
Short-term FHLB advances	3.54%	3.92%
Maximum amount outstanding at any month end during the period		
Short-term repurchase agreements	\$ 13,660	\$ 21,832
Short-term FHLB advances	\$ 11,000	\$ 26,700

During the first quarter of 2007, the Corporation borrowed \$ 19 million in a wholesale structured repurchase agreement with an interest rate tied to the three month Libor rate, less 250 basis points adjusted quarterly, until March 3, 2008 when the borrowing changes to a fixed interest rate of 4.95% until March 2, 2017. The repurchase agreement is callable quarterly after March 2, 2008.

In June 2001, the Corporation started to borrow long-term advances from the FHLB to fund fixed rate instruments and to minimize the interest rate risk associated with certain fixed rate mortgage instruments and investment securities. These advances are secured under a blanket security agreement by first mortgage loans and the pledging of certain securities. Long-term advances comprised 31 advances with maturities from April 2008 to June 2016.

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

FHLB advances outstanding at March 31, 2007 were as follows:

	Fair Value at end of period	Face Value of obligation	Average rate at end of period

(Dollars in thousands)			
Short-term FHLB advances	\$ 10,909	\$ 11,000	3.5
Long-term FHLB advances	69,444	69,528	4.7
	-----	-----	-----
	\$ 80,353	\$ 80,528	4.5

The Corporation has elected early adoption of SFAS 159 for all FHLB advances maturing in 18 months from January 1, 2007, which represented \$ 16 million in total. At March 31, 2007, the fair value adjustment of the selected advances was \$ 175,000. The overall weighted yield of the FHLB advance was 3.60% at March 31, 2007. Management believes that the selected instruments will serve as a hedge for those securities recorded as trading from the transfer from available for sale under SFAS 159.

20

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

LIQUIDITY AND CAPITAL RESOURCES

The liquidity of a bank allows it to provide funds to meet loan requests, to accommodate possible outflows of deposits, and to take advantage of other investment opportunities. Funding of loan requests providing for liability outflows and managing interest rate margins require continuous analysis to attempt to match the maturities and repricing of specific categories of loans and investments with specific types of deposits and borrowings. Bank liquidity depends upon the mix of the banking institution's potential sources and uses of funds. The major sources of liquidity for the Bank have been deposit growth, federal funds sold, loans and securities which mature within one year, and sales of residential mortgage loans. Additional liquidity is provided by \$ 50.9 million in available unsecured federal funds borrowing facilities, and a \$ 150.0 million secured line of credit with the FHLB. Large deposit balances which might fluctuate in response to interest rate changes are closely monitored. These deposits consist mainly of jumbo time certificates of deposit. We anticipate that we will have sufficient funds available to meet our future commitments. As of March 31, 2007, unused commitments comprised \$ 94.2 million. The Bank has \$ 164.7 million in time deposits coming due within the next twelve months from March 31, 2007, which includes brokered, internet and municipal time deposits. At March 31, 2007, the Bank had \$ 95.9 million in brokered certificates of deposit, of which \$ 46.1 million is due within one year or less. Additionally, at March 31, 2007, municipal time deposits and internet time deposits were \$ 43.7 million and \$ 3.5 million, respectively. Municipal time deposits typically have maturities less than three months. \$ 1.5 million of internet certificates of deposit mature in one year or less.

On February 20, 2007, the Corporation's Board of Directors declared the Corporation's twentieth consecutive quarterly cash dividend of \$ 0.06 per common share, payable April 2, 2007, to shareholders of record March 1, 2007.

Following are selected capital ratios for the Corporation and the Bank as of the

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

dates indicated, along with the minimum regulatory capital requirement for each item. Capital requirements for bank holding companies are set by the Federal Reserve Board. In many cases, bank holding companies are expected to operate at capital levels higher than the minimum requirement.

	March 31, 2007		December 31, 2006	
	Capital	Ratio	Capital	Ratio
Total capital to risk-weighted assets				
Consolidated	\$ 67,499	16.79%	\$ 49,693	12.65%
Bank only	47,723	11.91%	47,486	12.11%
Tier I capital to risk-weighted assets				
Consolidated	\$ 46,564	11.58%	\$ 45,878	11.68%
Bank only	44,015	10.98%	43,677	11.14%
Tier I capital to average assets				
Consolidated	\$ 46,564	9.14%	\$ 45,878	9.01%
Bank only	44,015	8.66%	43,671	8.60%

Management believes that the current capital position as well as net income from operations, loan repayments and other sources of funds will be adequate to meet our short and long term liquidity needs.

21

COMMUNITY CENTRAL BANK CORPORATION FORM 10-Q (continued)

The following table shows the changes in stockholders' equity for the three months ended March 31, 2007:

	Common Stock	Retained Earnings	Unearned Employee Benefits	Accumu Compr Inco
Beginning balance, January 1, 2007	\$ 33,220	\$ 4,303	(\$ 95)	(\$
Cumulative effect of adoption of SFAS 159	--	(420)	--	
Cash dividend	--	(227)	--	
Stock option exercise	12	--	--	
SFAS 123R expensing of options	7	--	--	
Net income	--	658	--	
Release of ESOP shares	--	--	16	
Repurchase of common stock	(1,012)	--	--	
Other comprehensive income	--	--	--	
Balance March 31, 2007	\$ 32,227	\$ 4,314	(\$ 79)	(\$

Stockholder's equity was \$ 36.1 million as of March 31, 2007. This was a

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

decrease of \$ 614,000 from December 31, 2006. The change in stockholder's equity was primarily attributable to the repurchase of common stock totaling \$ 1.0 million. Also decreasing retained earnings was a cash dividend of \$ 227,000. Additional decreases in stockholder's equity of \$ 125,000 occurred from the \$ 420,000 charge to retained earnings from the adoption of Financial Accounting Standards "Fair Value Option" SFAS 159. The charge to retained earnings represented the after tax net unrealized losses associated with the election of certain financial assets and liabilities recorded at fair value. Offsetting the total net charge to retained earnings was the increase in capital from the reversal of other comprehensive income from the transfer of the unrealized losses on available for sale securities which had an affect of an increase in capital of \$ 295,000. This partial reason for the increase in accumulated other comprehensive income. Net income of \$ 658,000 for the first quarter completely offset the decrease in retained earnings from the adoption of SFAS 159 and the first quarter cash dividend.

NET INTEREST INCOME

Net interest income for the first quarter of 2007 was \$ 2.9 million, a decrease of 7.4% from the first quarter of 2006. The decrease was reflective of a 41 basis point decline in net interest margin to 2.59% over the same time period and a 7 basis point decrease from the fourth quarter of 2006. The net interest margin in the first quarter of 2007 was temporarily affected by excess liquidity, which was due in part to the Corporation's acquisition of the previously announced \$ 18 million trust preferred issuance. Additionally, net interest margin for the first quarter of 2007, would have remained unchanged from the prior quarter except for the effect of recognition of interest income reversal on nonaccrual loans. The decrease in net interest margin was primarily the result of higher deposit funding costs in a highly competitive deposit pricing environment. Additionally, the flat treasury yield curve produced an interest rate environment that results in lower incremental interest rate spreads on new loan and investment growth. The increase in interest income for the first quarter of 2007 compared to the first quarter of 2006 was primarily due to higher average outstanding balances in the loan portfolio and higher yields in the investment portfolio. Increases in various categories of interest expense were primarily driven by increases in interest rates paid on deposits and other borrowings. The largest increase in interest expense was associated with time deposits. Increases in interest expense on time deposits contributed 71.4% of the overall increase in interest expense due to an increase in rate. Conversely, the increase in interest expense due to other borrowings was primarily due to increases in volume and secondarily due to increases in rates, as the duration of the FHLB advances is much longer than other categories of deposits and borrowed funds.

22

COMMUNITY CENTRAL BANK CORPORATION FORM 10-Q (continued)

The following table shows the dollar amount of changes in net interest income for each major category of interest earning asset and interest bearing liability, and the amount of change attributable to changes in average balances (volume) or average rates for the periods shown. Variances that are jointly attributable to both volume and rate changes have been allocated to the volume component.

Three Months Ended
March 31, 2007 vs. 2006

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

	Total	Increase (Decrease) Due to Changes In	
		Volume and Both	Rate
(In thousands)			
Earning Assets - Interest Income			
Loans	\$ 218	\$ 213	\$ 5
Securities, including trading	(48)	(80)	32
Federal funds sold	824	534	290
Total	994	667	327
Deposits and Borrowed Funds - Interest Expense			
NOW and money market accounts	405	217	188
Savings deposits	22	8	14
Time deposits	593	65	528
FHLB advances and repurchase agreements	29	9	20
ESOP loan interest expense	(1)	(1)	--
Subordinated debentures	179	189	(10)
Total	1,227	487	740
Net Interest Income	(\$ 233)	\$ 180	(\$ 413)

The average yield earned on interest earning assets for the first quarter of 2007 was 6.83% compared to 6.51% for the first quarter of 2006. The average yield earned on the total loan portfolio, which contains both loans held for sale and investment for 2007 was 7.44% compared to 7.10% during the first quarter of 2006. The overall increase in the loan portfolio yield was partially due to the repricing of maturing fixed rate loans during the respective period. The commercial, commercial real estate and home equity line loans that repriced with prime interest rate changes totaled approximately \$ 142 million at March 31, 2007.

The average rate paid on interest bearing liabilities for the first quarter of 2007 was 4.80% compared to 4.03% in the first quarter of 2006. The increase in average rate was due to the overall rate paid on interest bearing liabilities, primarily as a result of the increase in overall market interest rates. The rate paid on the total time deposit portfolio increased to 5.08% for the first quarter of 2007, from 4.18% for the same time period in 2006 and was driven by highly competitive interest rates paid among local financial institutions. The increase in the average rate for NOW and money market accounts for 2007 was primarily attributable to the introduction of a premium rate based NOW account, with the average rate moving to 3.94% during the first quarter of 2007 versus 1.99% in the first quarter of 2006. The average rate paid on savings also increased, moving to 2.63% for the first quarter of 2007 from 2.19% in the first quarter of 2006. The rate paid on FHLB advances and repurchase agreements increased only slightly to 4.31% in the first quarter of 2007 from 4.23% in the first quarter of 2006 and had the least yield movement of interest bearing liabilities. At March 31, 2007, the FHLB portfolio had a weighted average maturity of one year and an overall weighted average interest rate of 4.57%, which was 68 basis points below the current overnight federal funds rate. The

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

average rate paid on the subordinated debenture increased in the first quarter of 2007 to 8.06% from 8.46%. The overall decrease in yield occurred from the addition of an \$ 18.6 million new subordinated debenture in

23

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

February of 2007 with a lower interest rate at 6.71% fixed, than the other instrument which had a yield approximating 9.00% as its yield was 365 basis points over the three month Libor. The combined yield was lower than the yield of the Libor based debenture alone.

24

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

AVERAGE BALANCE SHEET

The following tables show the Corporation's consolidated average balances of assets, liabilities, and stockholders' equity; the amount of interest income or interest expense and the average yield or rate for each major category of interest earning asset and interest bearing liability, and the net interest margin, for the three month periods ended March 31, 2007 and 2006. Average loans are presented net of unearned income, gross of the allowance for loan losses. Interest on loans includes loan fees. Effective January 1, 2006, the Corporation began calculating yields earned on interest earning assets and rates paid on interest bearing liabilities based on the actual number of days in the quarter. Previously, the Corporation calculated these yields using four equal quarterly periods. While these different methods of calculating yields and rates may have a slight effect on yields, rates, net interest margins and net interest rate spreads reported during the quarterly or year to date periods, it has no effect on yields, rates, net interest margins and net interest rate spreads reported on an annual basis. This change in methodology does not have a material impact on the yields, rates, net interest margin or net interest rate spreads in reported in prior periods; accordingly, this change was implemented prospectively and as such, prior periods have not been restated.

	Three Months Ended March			
	2007			
	Average Balance	Interest Income/Expense	Average Rate Earned/Paid	Average Balance
(In thousands)				
Assets				
Loans	\$ 373,426	6,852	7.44%	\$ 344,471
Securities	87,474	1,001	4.58	94,448
Federal funds sold	20,076	255	5.15	3,342
Total Interest Earning Assets/				

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

Total Interest Income/Average Yield Earned	480,976	8,108	6.83	442,261
	-----	-----	-----	-----
Cash and due from banks	7,246			7,639
All other assets	22,966			20,487
	-----			-----
Total Assets	\$ 511,188			\$ 470,387
	=====			=====
Liabilities and Equity				
NOW and money market accounts	\$ 61,359	596	3.94	\$ 39,018
Savings deposits	13,863	90	2.63	12,597
Time deposits	242,056	3,034	5.08	237,000
FHLB advances, repurchase agreements and fed funds purchased	101,710	1,081	4.31	100,919
ESOP note payable	89	2	9.11	143
Subordinated debentures	19,834	394	8.06	10,310
	-----	-----	-----	-----
Total Interest Bearing Liabilities/ Total Interest Expense / Average Rate Paid	438,911	5,197	4.80	399,987
	-----	-----	-----	-----
Noninterest bearing demand deposits	33,000			32,657
All other liabilities	2,783			2,078
Stockholders' equity	36,494			35,665
	-----			-----
Total Liabilities and Stockholder's Equity	\$ 511,188			\$ 470,387
	=====			=====
Net Interest Income		\$ 2,911		
		=====		
Net Interest Spread			2.02%	
			=====	
Net Interest Margin (Net Interest Income/Total Earning Assets)			2.44%	
			=====	
Net Interest Margin (fully taxable equivalent)			2.59%	
			=====	

25

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

PROVISION FOR LOAN LOSSES

A \$ 50,000 provision was made to the allowance for loan losses in the first quarter of 2007, based upon management's review of the risks inherent in the loan portfolio and the level of our allowance for loan losses. Net loan charge-offs for the first quarter of 2007 totaled \$ 156,000, or 17 basis points on an annualized basis. Total nonperforming assets as a percentage of total assets was 1.37% at March 31, 2007, compared to 1.29% at December 31, 2006. The allowance for loan losses was \$ 3.7 million at March 31, 2007, or 1.01% of total loans and 74.1% of nonperforming loans, versus \$ 3.8 million, or 1.04% and 80.7% at December 31, 2006, respectively.

NONINTEREST INCOME

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

Noninterest income in the first quarter of 2007 was \$ 1.4 million, an increase of \$ 216,000, or 18.0%, compared to the first quarter of 2006. The increase was largely due to noninterest income of \$ 228,000 recognized from net increases in fair value of selected financial asset and liability instruments connected with the adoption of fair value standards. The valuations of the instruments measured under Fair Value Measurement SFAS 157 for the first quarter of 2007 were measured under a market approach using matrix pricing investment for investment securities and the income approach using observable data for the liabilities reported under the Fair Value Option SFAS 159. The inputs were observable for the assets and liabilities interest rate on commonly quoted intervals based on similar assets and liabilities. Fiduciary income from trust services represented \$ 87,000 for the first quarter of 2007, which was an increase of \$ 20,000, or 29.9% from the first quarter of 2006 as the Corporation continued to increase the level of assets under management from the expanding trust operations. Mortgage banking income totaled \$ 754,000, which represented gains from the sale of residential mortgage loans in the secondary market, decreased \$ 100,000, or 11.7% from the same period last year. The decrease in mortgage banking income was the result of lower gains on the sale of residential mortgage loans due to lower origination of residential mortgages sold in the secondary market. The slow down in new home purchases contributed to this decline. The category of other interest income totaled \$ 261,000 and increased \$ 62,000, or 31.2% primarily from wealth management services totaling \$ 49,000 for the first three months of 2007. This compares to no fee income from wealth management services for the first three months of 2006, as the division was being organized during this period.

NONINTEREST EXPENSE

Noninterest expense was \$ 3.6 million for the first quarter of 2007 and was relatively unchanged from the first quarter of 2006, increasing \$ 44,000, or 1.29% as the Corporation continues to place emphasis on cost controls. Total salary and benefit expense of \$ 2.1 million for the first three months of 2007 increased \$ 38,000, or 1.8% compared to the same time period last year. The moderate increase in salary and benefit expense was due in part to increases in benefit related costs primarily in healthcare, which was partially offset by reductions in commission expense from mortgage originations. Total net occupancy expense of \$ 452,000 decreased \$ 14,000, or 3.0% for the first three months of 2007 compared to the first three months of 2006. The decrease was due in part to the closure of several residential loan production offices from a slow down in production. Other operating expense of \$ 865,000 increased \$ 20,000, or 2.4% during the first three months of 2007 compared to 2006. Moderate increases in most expense categories were offset partially from a reduction in advertising and promotional expenses and overall cost control efforts.

PROVISION FOR INCOME TAXES

The provision for federal income taxes of \$ 161,000 for the first quarter of 2007 decreased \$ 16,000, or 9.0%, from the federal income tax provision for the first quarter of 2006. The decrease was primarily attributable to a higher level of tax exempt municipal bonds over the same respective time period, coupled with a lower level of pretax income. The difference between the effective tax rate and the statutory tax rate is largely due to the Corporation's investment in tax exempt municipal portfolio and bank owned life insurance (BOLI). The effective tax rate for the first quarter of 2007 and 2006 was 19.7% and 20.1%, respectively. The statutory tax rate of the Corporation is 34%. Pre-tax income for the first quarter decreased \$ 61,000, or 6.9%.

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

ASSET/LIABILITY MANAGEMENT

The Asset Liability Management Committee ("ALCO"), which meets at least quarterly, is responsible for reviewing interest rate sensitivity position and establishing policies to monitor and limit exposure to interest rate risk.

The Corporation currently utilizes two quantitative tools to measure and monitor interest rate risk: static gap analysis and net interest income simulation modeling. Each of these interest rate risk measurements has limitations, but management believes when these tools are evaluated together, they provide a balanced view of the exposure the Corporation has to interest rate risk.

Interest sensitivity gap analysis measures the difference between the assets and liabilities repricing or maturing within specific time periods. An asset-sensitive position indicates that there are more rate-sensitive assets than rate-sensitive liabilities repricing or maturing within specific time periods, which would generally imply a favorable impact on net interest income in periods of rising interest rates and a negative impact in periods of falling rates. A liability-sensitive position would generally imply a negative impact on net interest income in periods of rising rates and a positive impact in periods of falling rates.

Gap analysis has limitations because it cannot measure precisely the effect of interest rate movements and competitive pressures on the repricing and maturity characteristics of interest-earning assets and interest-bearing liabilities. In addition, a significant portion of our adjustable-rate assets have limits on their minimum and maximum yield, whereas most of our interest-bearing liabilities are not subject to these limitations. As a result, certain assets and liabilities indicated as repricing within a stated period may in fact reprice at different times and at different volumes, and certain adjustable-rate assets may reach their yield limits and not reprice.

27

COMMUNITY CENTRAL BANK CORPORATION FORM 10-Q (continued)

The following table presents an analysis of our interest-sensitivity static gap position at March 31, 2007. All interest-earning assets and interest-bearing liabilities are shown based on the earlier of their contractual maturity or repricing date adjusted by forecasted repayment and decay rates. Asset prepayment and liability decay rates are selected after considering the current rate environment, industry prepayment and decay rates and our historical experience. At March 31, 2007, we are considered asset sensitive in the time interval of the first three months. We are also considered to be slightly liability sensitive at the one year accumulated gap position.

	Within Three Months	After Three Months But Within One Year	After One Year But Within Five Years	Aft Fiv Yea
	(Dollars in thousands)			
Interest earning assets:				
Federal funds sold and interest bearing cash	\$ 22,100	\$ --	\$ --	\$
Securities	4,111	11,878	29,351	

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

FHLB stock	--	--	--	
Portfolio loans and held for resale	142,332	60,948	53,933	1
Total	168,543	72,826	83,284	1
Interest bearing liabilities:				
NOW and money market accounts	2,856	6,590	24,964	
Indexed money market accounts	28,253	--	--	
Savings deposits	1,400	2,800	9,799	
Jumbo time deposits	81,226	48,694	39,339	
Time deposits <\$ 100,000	6,797	27,663	8,932	
Repurchase agreements	31,522	--	--	
FHLB advances	3,000	11,000	33,328	
ESOP payable	79	--	--	
Subordinated debentures	10,310	--	--	
Total	165,443	96,747	116,362	
Interest rate sensitivity gap	\$ 3,100	(\$ 23,921)	(\$ 33,078)	\$
Cumulative interest rate sensitivity gap		(\$ 20,821)	(\$ 53,899)	\$
Interest rate sensitivity gap Ratio	1.02	0.75	0.72	
Cumulative interest rate sensitivity gap ratio		0.92	0.86	

The Bank also evaluates interest rate risk using a simulation model. The use of simulation models to assess interest rate risk is an accepted industry practice, and the results of the analysis are useful in assessing the vulnerability of the Bank's net interest income to changes in interest rates. However, the assumptions used in the model are oversimplifications and not necessarily representative of the actual impact of interest rate changes. The simulation model assesses the direction and magnitude of variations in net interest income resulting from potential changes in market interest rates. Key assumptions in the model include prepayment speeds of various loan and investment assets; cash flows and maturities of interest-sensitive assets and liabilities, and changes in market conditions impacting loan and deposit volumes and pricing. These assumptions are inherently uncertain, and subject to fluctuation and revision in a dynamic environment. Therefore, the model cannot precisely estimate future net interest income or exactly predict the impact of higher or lower interest rates. Actual results may differ from simulated results due to, among other factors, the timing, magnitude, and frequency of interest rate changes, changes in market conditions and management's pricing decisions, and customer reactions to those decisions.

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

On a quarterly basis, the net interest income simulation model is used to quantify the effects of hypothetical changes in interest rates on the Bank's net interest income over a projected twelve-month period. The model permits management to evaluate the effects of shifts in the Treasury Yield curve, upward and downward, on net interest income expected in a stable interest rate environment.

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

As of March 31, 2007, the table below reflects the impact the various instantaneous parallel shifts in the yield curve would have on net interest income over a twelve month period of time from the base forecast. Interest rate risk is a potential loss of income and/or potential loss of economic value of equity. Rate sensitivity is the measure of the effect of changing interest rates on the Bank's net interest income or the net interest spread. The policy of the Bank shall be to risk no more than 10% of its net interest income in a changing interest rate scenario of +/- 200 basis points over a one-year simulation period. Furthermore, no more than 15% of net interest income can be projected at risk in a scenario of +/- 300 basis points over a one-year simulation period.

Interest Rate Scenario	Percentage Change In Net Interest Income
Interest rates up 300 basis points	(1.24%)
Interest rates up 200 basis points	0.02%
Interest rates up 100 basis points	0.38%
Base case	--
Interest rates down 100 basis points	0.96%
Interest rates down 200 basis points	2.41%
Interest rates down 300 basis points	4.01%

ITEM 3. CONTROLS AND PROCEDURES

An evaluation of the Corporation's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities and Exchange Act of 1934 ("Act")) as of March 31, 2007, was carried out under the supervision and with the participation of the Corporation's Chief Executive Officer, Chief Financial Officer and several other members of the Corporation's senior management. The Corporation's Chief Executive Officer and Chief Financial Officer concluded that the Corporation's disclosure controls and procedures as currently in effect are effective in ensuring that the information required to be disclosed by the Corporation in the reports it files or submits under the Act is (i) accumulated and communicated to the Corporation's management (including the Chief Executive Officer and Chief Financial Officer) in a timely manner, and (ii) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Act) that occurred during the quarter ended March 31, 2007, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

The Corporation intends to continually review and evaluate the design and effectiveness of its disclosure controls and procedures and to improve its controls and procedures over time and to correct any deficiencies that it may discover in the future. The goal is to ensure that senior management has timely access to all material non-financial information concerning the Corporation's business. While the Corporation believes the present design of its disclosure controls and procedures is effective to achieve its goal, future events affecting its business may cause the Corporation to modify its disclosures and procedures.

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

PART II

ITEM 1. LEGAL PROCEEDINGS

Not applicable.

ITEM 1A. RISK FACTORS

Not applicable.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Stock Repurchases - The following table sets forth information about the Corporation's purchases of its outstanding Common Stock during the quarter ended March 31, 2007.

PERIOD	TOTAL NUMBER OF SHARES (OR UNITS) PURCHASED (1)	AVERAGE PRICE PAID PER SHARE (OR UNIT)	TOTAL SHARES PURCHASED OF PU ANNOUNCE PROGR
January 1, 2007 - January 31, 2007	--	--	
February 1, 2007 - February 28, 2007	10,000	\$ 11.30	
March 1, 2007 - March 31, 2007	79,437	\$ 11.33	

- (1) Of these shares, no shares were purchased other than through a publicly announced program.
- (2) On September 20, 2006, the Corporation announced its attention to repurchase up to 5%, totaling 192,887 shares, of its outstanding shares in the open market or privately negotiated transactions for a twelve month period. No stock repurchase plans or programs expired or were terminated by the Corporation during the quarter.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

ITEM 5. OTHER INFORMATION.

Cash Dividend - On February 20, 2007, the Corporation's Board of Directors declared the Corporation's 20th quarterly cash dividend of \$ 0.06 per common share, payable April 2, 2007, to shareholders of record March 1, 2007.

Stock Dividend - On April 16, 2007, the Corporation's Board of Directors

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

declared a 5% stock dividend payable June 1, 2007, to shareholder of record May 1, 2007.

ITEM 6. EXHIBITS.

See Exhibit Index attached.

30

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on May 14, 2007.

COMMUNITY CENTRAL BANK CORPORATION

By: S/ DAVID A. WIDLAK

David A. Widlak;
President and CEO
(Principal Executive Officer)

By: S/ RAY T. COLONIUS

Ray T. Colonius;
Treasurer
(Principal Financial and Accounting
Officer)

31

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
-----	-----
3.1	Articles of Incorporation are incorporated by reference to Exhibit 3.1 of the Corporation's Registration Statement on Form SB-2 (SEC File No. 333-04113) which became effective on September 23, 1996
3.2	Bylaws of the Corporation are incorporated by reference to Exhibit 3.2 of the Corporation's Quarterly Report on Form 10-QSB filed with the SEC for the quarter ended June 30, 2004 (SEC File No. 000-33373)
4.1	Specimen of Stock Certificate of Community Central Bank Corporation is incorporated by reference to Exhibit 4.2 of the Corporation's Registration Statement on Form SB-2 (SEC File No. 333-04113) which became effective on September 23, 1996
10.1	1996 Employee Stock Option Plan is incorporated by reference

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

to Exhibit 10.1 of the Corporation's Registration Statement on Form SB-2 (SEC File No. 333-04113) which became effective September 23, 1996

- 10.2 1996 Stock Option Plan for Nonemployee Directors is incorporated by reference to Exhibit 10.2 of the Corporation's Registration Statement on Form SB-2 (SEC File No. 333-04113) which became effective September 23, 1996
- 10.3 1999 Stock Option Plan for Directors in incorporated by reference to Exhibit 10.5 of the Corporation's Annual Report filed with the SEC on Form 10-KSB for the year ended December 31, 1999 (SEC File No. 000-33373)
- 10.4 2000 Employee Stock Option Plan is incorporated by reference to Exhibit 10.6 of the Corporation's Annual Report filed with the SEC on Form 10-KSB for the year ended December 31, 2000 (SEC File No. 000-33373)
- 10.5 2002 Incentive Plan is incorporated by reference to Exhibit 10.7 of the Corporation's Annual Report filed with the SEC on Form 10-KSB for the year ended December 31, 2001 (SEC File No. 000-33373)
- 10.6 Community Central Bank Supplemental Executive Retirement Plan is incorporated by reference to Exhibit 10.6 of the Corporation's Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2006. (SEC File No. 000-33373)
- 10.7 Community Central Bank Death Benefit Plan is incorporated by reference to Exhibit 10.7 of the Corporation's Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2006. (SEC File No. 000-33373)
- 10.8 Form of Incentive Stock Option Agreement incorporated by reference to Exhibit 99.1 of the Corporation's Current Report on Form 8-K filed with the SEC on March 25, 2005. (SEC File No. 000-33373)
- 10.9 Form of Non-qualified Stock Option Agreement is incorporated by reference to the Corporation's Current Report on Form 8-K filed on January 17, 2006. (SEC File No. 000-33373)
- 10.10 Summary of Current Director Fee Arrangements is incorporated by reference to Exhibit 10.10 of the Corporation's Annual Report filed with the SEC on Form 10-KSB for the year ended December 31, 2004. (SEC File No. 000-33373)

32

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
11	Computation of Per Share Earnings
31.1	Rule 13a - 14(a) Certification (Chief Executive Officer)

Edgar Filing: COMMUNITY CENTRAL BANK CORP - Form 10-Q

31.2 Rule 13a - 14(a) Certification (Chief Financial Officer)

32 Rule 1350 Certifications