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COMMUNITY CENTRAL BANK CORP  
Form 10-Q  
November 14, 2008

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 September 30, 2008

Commission File No. 000-33373

COMMUNITY CENTRAL BANK CORPORATION  
(Exact name of small business issuer as specified in its charter)

Michigan  
(State or other jurisdiction of  
incorporation or organization)

38-3291744  
(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, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

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 November 13, 2008

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Common Stock                      3,734,781 Shares

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

PART I

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

	September 30, 2008 (Unaudited)	December 31, 2007
	-----	-----
	(In thousands)	
Assets		
Cash and due from banks	\$ 15,988	\$ 6,183
Federal funds sold	22,500	3,000
	-----	-----
Cash and Cash Equivalents	38,488	9,183
	-----	-----
Trading securities at fair value option	17,375	20,115
Securities available for sale, at fair value	65,498	66,809
Securities held to maturity, at amortized cost	1,770	977
FHLB stock	5,877	5,527
Residential mortgage loans held for sale	1,362	4,848
Loans		
Commercial real estate	276,109	264,685
Commercial and industrial	36,676	33,039
Residential real estate	54,933	60,799
Home equity lines of credit	21,379	20,906
Consumer loans	8,274	9,754
Credit card loans	809	729
	-----	-----
Total Loans	398,180	389,912
Allowance for credit losses	(7,796)	(6,403)
	-----	-----
Net Loans	390,384	383,509
	-----	-----
Net property and equipment	9,246	8,704
Accrued interest receivable	2,393	2,535
Other real estate	2,161	854
Goodwill	1,381	1,381
Intangible assets, net of amortization	88	107
Cash surrender value of Bank Owned Life insurance	10,878	10,514
Other assets	6,023	5,242
	-----	-----
Total Assets	\$552,924	\$520,305
	=====	=====

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COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

CONSOLIDATED BALANCE SHEETS

	September 30, 2008 (Unaudited)	December 31, 2007
	-----	-----
	(In thousands, except share data)	
<b>Liabilities</b>		
<b>Deposits</b>		
Noninterest bearing demand deposits	\$ 42,811	\$ 31,647
NOW and money market accounts	48,996	53,467
Savings deposits	21,403	9,326
Time deposits	247,797	234,195
	-----	-----
Total deposits	361,007	328,635
	-----	-----
Repurchase agreements and fed funds purchased	35,164	32,659
Federal Home Loan Bank advances (\$5.0 million at fair value at 12-31-07)	105,510	104,495
Accrued interest payable	1,121	1,018
Other liabilities	2,966	2,637
ESOP note payable	3	36
Subordinated debentures (all instruments at fair value)	13,699	17,597
	-----	-----
Total Liabilities	519,470	487,077
	-----	-----
<b>Stockholders' Equity</b>		
Common stock -- 9,000,000 shares authorized; 3,734,781 shares issued and outstanding at 9-30-2008 and 3,733,081 at 12-31-2007	32,123	32,071
Retained earnings	2,058	1,797
Unearned employee benefit	(3)	(36)
Accumulated other comprehensive (loss) income	(724)	(604)
	-----	-----
Total Stockholders' Equity	33,454	33,228
	-----	-----
Total Liabilities and Stockholders' Equity	\$552,924	\$520,305
	=====	=====

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands, except per share data)			
Interest Income				
Loans (including fees)	\$6,378	\$7,177	\$19,242	\$20,177
Taxable securities	954	774	2,722	2,722
Tax exempt securities	141	350	517	1,141
Federal funds sold	64	155	373	373
Total Interest Income	7,537	8,456	22,854	24,613
Interest Expense				
Deposits	2,887	3,607	9,233	10,000
Repurchase agreements and fed funds purchased	304	245	823	823
Federal Home Loan Bank advances	1,218	1,038	3,692	2,718
ESOP loan interest expense	--	1	1	1
Subordinated debentures	195	315	702	1,141
Total Interest Expense	4,604	5,206	14,451	15,683
Net Interest Income	2,933	3,250	8,403	8,930
Provision for credit losses	1,084	775	4,068	1,084
Net Interest Income after Provision	1,849	2,475	4,335	7,846
Noninterest Income				
Fiduciary income	82	124	288	288
Deposit service charges	109	105	383	383
Realized gains (losses) on available for sale securities	84	(31)	195	195
Change in fair value of assets/liabilities carried at fair value under SFAS 159	1,109	1,005	4,120	1,109
Mortgage banking income	461	494	1,341	1,341
Other income	250	138	1,127	1,127
Total Noninterest Income	2,095	1,835	7,454	4,473
Noninterest Expense				
Salaries, benefits, and payroll taxes	1,884	1,981	5,551	6,000
Premises and fixed asset expense	444	427	1,357	1,357
Other operating expense	1,549	1,077	4,284	2,984
Total Noninterest Expense	3,877	3,485	11,192	10,341
Income Before Taxes	67	825	597	2,475
Provision (Benefit) for income taxes	(37)	228	(22)	228
Net Income	\$ 104	\$ 597	\$ 619	\$ 1,000

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### CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

Per share data\*:

Basic earnings	\$0.03	\$0.16	\$0.17	\$0.46
Diluted earnings	\$0.03	\$0.16	\$0.17	\$0.46
	=====	=====	=====	=====
Cash Dividends	\$0.02	\$0.06	\$0.10	\$0.18
	=====	=====	=====	=====

5

### COMMUNITY CENTRAL BANK CORPORATION FORM 10-Q (continued)

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	-----	-----	-----	-----
	(In thousands)			
Net Income as Reported	\$104	\$ 597	\$ 619	\$1,791
Other Comprehensive Income, Net of Tax				
Change in unrealized losses on securities Available for sale	200	434	(120)	(217)
	-----	-----	-----	-----
Comprehensive Income	\$304	\$1,031	\$ 499	\$1,574
	=====	=====	=====	=====

6

### COMMUNITY CENTRAL BANK CORPORATION FORM 10-Q (continued)

### CONSOLIDATED STATEMENTS OF CASH FLOW (Unaudited)

	Nine Months Ended September 30,	
	2008	2007
	-----	-----
Operating Activities	(In thousands)	

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Net income	\$ 619	\$ 1,79
Adjustments to reconcile net income to net cash flow from operating activities:		
Net amortization of security premium	60	16
Net gain on sales and call of securities	(195)	4
Net gain on financial instruments at fair value	(4,120)	(1,16
Provision for credit losses	4,068	1,00
Depreciation expense	504	53
Deferred income tax expense	306	27
SFAS 123R option expense	42	2
ESOP compensation expense	33	4
Decrease (increase) in accrued interest receivable	142	(18
Decrease (increase) in other assets	2,737	(2,11
Increase (decrease) in accrued interest payable	103	(7
Increase in other liabilities	328	63
Increase in loans held for sale	3,486	22
	-----	-----
Net Cash Provided by Operating Activities	8,113	1,18
Investing Activities		
Maturities, calls, sales and prepayments of securities available for sale	61,721	45,59
Purchase of securities available for sale	(65,538)	(30,33
Maturities, calls, sales and prepayment of trading securities	2,646	6,32
Transfer to trading securities	--	(26,64
Maturities, calls, and prepayments of held to maturity securities	119	2
Purchases of held to maturity securities	(1,265)	(13
Increase in loans	(10,943)	(9,95
Purchases of property and equipment	(1,045)	(7
Proceeds from sale of property and equipment	--	6
	-----	-----
Net Cash Used in Investing Activities	(14,305)	(15,13
Financing Activities		
Net increase in demand and savings deposits	18,770	20,27
Net (decrease) increase in time deposits	13,602	(33,93
Net increase in borrowings	2,506	18,24
Issuance of subordinated debentures	--	18,55
Redemption of subordinated debentures	--	(10,31
FHLB advances	13,000	23,00
Repayment of FHLB advances	(12,000)	(16,00
Payment of ESOP debt	(33)	(4
Stock option exercise/award	17	13
Cash dividends paid	(358)	(70
Repurchase of common stock	(7)	(3,36
	-----	-----
Net Cash Provided (Used) by Financing Activities	35,497	15,84
	-----	-----
Increase in Cash and Cash Equivalents	29,305	1,89
Cash and Cash Equivalents at the Beginning of the Year	9,183	24,72
	-----	-----
Cash and Cash Equivalents at the End of the Period	\$ 38,488	\$ 26,62
	=====	=====
Supplemental Disclosure of Cash Flow Information:		
Interest Paid	\$ 14,451	\$ 15,68
Federal Taxes Paid	\$ --	\$ 17
Transfers from loans to other real estate owned	\$ 3,854	\$ 76
	=====	=====

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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 September 30, 2008 and December 31, 2007, and Consolidated Statements of Income and Comprehensive Income for the three and nine month periods ended September 30, 2008 and 2007, and Consolidated Statements of Cash Flow for the nine months ended September 30, 2008 and 2007. 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, 2007.

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. 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 bear a fixed distribution rate of 6.71% per annum through March 6, 2017, and thereafter will bear a floating distribution 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.
4. In December 2004, the Financial Accounting Standards Board ("FASB") issued

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Statement No. 123R "Sharebased Payment" ("SFAS 123R"), a revision to Statement No. 123, "Accounting for Stock-Based Compensation." This standard requires the Corporation to measure the cost of employee services received in exchange for equity awards, including stock options, based on the grant date fair calculated value of the awards. The Corporation adopted the provisions of SFAS 123R as of January 1, 2006. The standard provides for a modified prospective application. Under this method, the Corporation began recognizing compensation cost for equity based compensation for all new or modified grants after the date of adoption. In addition, the Corporation is recognizing the unvested portion of the grant date fair value of awards issued prior to adoption based on the fair value previously calculated for disclosure purposes. Prior periods have not been restated.

The Corporation did not grant any options during the nine months ended September 30, 2008 or 2007. The total amount of options outstanding at September 30, 2008 was 286,993 shares at a weighted average exercise price of \$9.10 per share. During the third quarter of 2008, no options were exercised.

8

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

The Corporation recognized compensation expense, using the Black Scholes option-pricing model, of \$14,000 and \$42,000 for the three and nine months ended September 30, 2008, respectively, for the options vesting in 2008 and \$7,000 and \$22,000 for the three and nine months ended September 30, 2007, respectively, for the options vesting in 2007, in each case based on the fair market value of the grant date. The net income and earnings per share for the three and nine months ended September 30, 2008 and 2007, on a pro forma basis, are disclosed for comparison below.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	-----	-----	-----	-----
	(in thousands, except per share data)			
Net income, as reported	\$ 104	\$ 597	\$ 619	\$1,791
Add: Stock-based employee compensation expense, net of related tax effects, included in reported net income	(14)	(7)	(42)	(22)
Deduct: Total stock-based employee and director compensation expense under fair value based methods of awards, net of related tax effects	14	7	42	22
	-----	-----	-----	-----
Pro forma net income	\$ 104	\$ 597	\$ 619	\$1,791
	=====	=====	=====	=====
Earnings per share				
Basic	\$0.03	\$0.16	\$0.17	\$ 0.46
Diluted	\$0.03	\$0.16	\$0.17	\$ 0.46

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



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 permitted an entity to immediately elect the fair value option for existing eligible items. While not required to adopt the new standard until 2008, the Corporation elected to adopt it in the first quarter of 2007. The Corporation was also required to simultaneously adopt all the requirements under SFAS 157, Fair Value Measurements. As a result of the Corporation's adoptions, certain financial instruments were valued at fair value using the fair value option.

The Corporation utilizes fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Additionally, from time to time, the Corporation may be required to record at fair value other assets on a nonrecurring basis, such as loans held for sale, loans held for investment and certain other assets. These nonrecurring fair value adjustments typically involve application of lower of cost or market accounting or write-downs of individual assets.

Fair Value Hierarchy

Under SFAS 157, the Corporation groups assets and liabilities at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 Valuation contains unobservable input(s) and is used to the extent observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity. Level 3 instruments typically include, in addition to unobservable or Level 3 components, observable components.

Management has elected the fair value option for 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 originally 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

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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 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 management's 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.

10

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

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 unrealized gains within the selected FHLB advances. In the second quarter of 2007, management reviewed the selected instruments, the changes in overall market interest rates, the treasury yield curve and the structure of the embedded call options of the investments. Management felt that FHLB advances alone would not accurately hedge the investments. In May 2007, the Corporation acquired an interest rate swap to better hedge the fair value of the portfolio. The notional value of the interest rate swap was \$18 million for a duration of three years, which approximated the overall duration of the trading portfolio under SFAS 159. Under the interest rate swap, the bank receives the three month libor rate and pays a fixed rate of 5.275%, which is the average weighted yield of the hedged portfolio at the inception of the interest rate swap. During the fourth quarter of 2007, the Corporation restructured many of the instruments originally selected during the early adoption of SFAS 159. The resulting portfolio better matched the Corporation's asset liability position. 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 did not extinguish any FHLB advances before stated maturity. At June 30, 2008, all FHLB advances selected for SFAS 159 accounting treatment had matured. 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 the subordinated debentures. Management considers the subordinated debentures a critical component for future

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growth and wishes to utilize interest rate swaps to hedge the risk of this longer term liability and critical form of regulatory capital. Management elected SFAS 159 accounting treatment for interest rate swaps because it was less complex than alternative methods and therefore suitable for a community bank with limited resources. 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 was secured, in part, to reduce any volatility associated with the recognition of the fair value option under SFAS 159. Under the interest rate swap the Corporation has agreed to receive a fixed rate of 6.71% and pay Libor plus 170 basis points. 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.

Management has the intent to utilize the fair value option on selected financial assets and liabilities on a go forward basis.

The valuations of the instruments measured under Fair Value Measurement SFAS 157 for 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 for level 2 instruments. Community Central Bank Corporation does not have a credit rating through any major credit research credit rating facilities. The Trust Preferred Market from which a basis for pricing on the subordinated debenture is arrived at is reflective of changes in the commercial banking environment. The pricing of the subordinated debenture is considered by management to be reflective of the current assessments as to the market for fixed rate trust preferred and subordinated debentures of similar duration. During several quarterly periods, the Trust Preferred Market reflected only a small base of participants in the market place. The disarray in the credit markets contributed to the lack of market transactions in this financial instrument. A determination was made, based upon the significance of unobservable parameters as of September 30, 2008 to the overall fair value measurement, to continue to report the subordinated debentures under level 3 significant unobservable inputs. In addition to the unobservable components, or level 3 components, observable components that can be validated to external sources are part of the validation methodology.

The third quarter of 2008 resulted in the net change in the fair value of financial assets and liabilities, as measured under the fair value option under Statement of Financial Accounting Standards (SFAS) 159, of \$1.1 million on a pretax basis or \$732,000 after tax. This net gain from fair value reporting under SFAS 159 was primarily

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

attributable to the change in fair value on the Corporation's subordinated debenture. Since the issuance of the SFAS 159, the dramatic widening of market credit spreads experienced for trust preferred security issuances has continued to favorably impact the fair value measurement of the Corporation's subordinated debenture through September 30, 2008. The Corporation hedges and protects itself from changes in interest rates with an interest rate swap. The hedge does not cover changes in credit spreads which typically occur over longer time periods. Changes in market conditions are not predictable and changes in credit spreads

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will cause changes in the fair value of this instrument and a possible loss in income. The net change in the fair value of financial assets and liabilities as measured under the fair value option under SFAS 159 for the first nine months of 2008 was \$4.1 million, with the majority of the change attributable to the Corporation's subordinated debenture.

12

### COMMUNITY CENTRAL BANK CORPORATION FORM 10-Q (continued)

The table below contains the fair value measurement at September 30, 2008 using the identified valuations and the changes in fair value for the nine months ended September 30, 2008 for items measured at fair value pursuant to election of the fair value option.

Description	Fair Value Measurement at September 30, 2008		
	Fair Value Measurements 09/30/2008	Significant Other Observable Inputs (Level 2)	Significant Unobservable In (Level 3)
(in thousands of dollars)			
Trading Securities	\$17,375	\$17,375	--
Securities available for sale	65,498	65,498	--
Interest rate swap hedging securities	(564)	(564)	--
Federal Home Loan Bank Advances	--	--	--
Subordinated Debentures	13,699	--	13,699
Interest rate swap hedging subordinated debentures	937	937	--
	-----	-----	-----

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.

### CHANGES IN LEVEL 3 RECURRING FAIR VALUE MEASUREMENTS

The table below includes a rollforward of the balance sheet amounts for the nine month period ended September 30, 2008 (including the change in fair value), for financial instruments classified by the Corporation within level 3 of the valuation hierarchy. When a determination is made to classify a financial instrument within level 3, the determination is based upon the significance of the unobservable parameters to the overall fair value measurement. However, level 3 financial instruments typically include, in addition to the unobservable or level 3 components, observable components (that is, components that can be validated to external sources); accordingly, the gains and losses in the table below include changes in fair value due in part to observable factors that are

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part of the valuation methodology. Also, the Corporation attempts to risk manage the observable components of level 3 financial instruments using derivative positions that are classified within level 2 of the valuation hierarchy; as these level 2 risk management instruments are not included below, the gains or losses in the tables do not reflect the effect of the Corporation's risk management activities related to such level 3 instruments.

Fair value measurements using significant unobservable inputs

For the nine month period ended September 30, 2008 (in millions)	Fair value, January 1, 2008	Total realized/unrealized gains/(losses)	Purchases issuances settlements, net	Transfers in and/or out of Level 3	Fair September
Subordinated Debentures	17,597	--	--	--	

13

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

### Assets Measured at Fair Value on a Nonrecurring Basis

#### IMPAIRED LOANS

The Corporation does not record loans at fair value on a recurring basis. However, from time to time, a loan is considered impaired and an allowance for loan losses is established. Loans for which it is probable that payment of interest and principal will not be made in accordance with the contractual terms of the loan agreement are considered impaired. Once a loan is identified as individually impaired, management measures impairment in accordance with SFAS 114, "Accounting by Creditors for Impairment of a Loan." The fair value of impaired loans is estimated using primarily collateral value. Those impaired loans not requiring an allowance represent loans for which the fair value of the expected repayments or collateral exceed the recorded investments in such loans. The fair value of the collateral is based on an observable market price, current appraised value and management's estimates of collateral and other market conditions. Due to the lack of market transactions, volatility in pricing and other factors, some of which may be unobservable, the Corporation recorded the impaired loans as nonrecurring Level 3.

#### OTHER REAL ESTATE OWNED

Other real estate owned assets are adjusted to fair value upon transfer of the loans to foreclosed assets. Subsequently, other real estate owned assets are carried at the lower of carrying value or fair value. Fair value is based upon independent market prices, appraised values of the collateral or management's estimation of the value of the collateral. The fair value of the collateral is based on an observable market price, a current appraised value, or management's estimates. Due to the lack of transactions, volatility in pricing and other factors, some of which may be unobservable, the Corporation recorded other real estate owned as nonrecurring Level 3.

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The following table presents assets measured at fair value on a nonrecurring basis at September 30, 2008.

Assets	Balance at September 30, 2008	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significa Unobservable (Level 3)
Impaired loans accounted for under FAS 114	20,602	--	--	20,602
Other real estate owned	2,161	--	--	2,161

14

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 September 30, 2008 and December 31, 2007 and the results of operations for the nine months ended September 30, 2008 and 2007. 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 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: the credit risks of lending activities, including changes in the level and trend of loan delinquencies and write-offs; changes in general economic conditions, either nationally or in our market areas; changes in the levels of general interest rates, deposit interest rates, our net interest margin and funding sources; fluctuations in the demand for loans, the number of unsold homes and other properties and fluctuations in real estate values in our market areas; results of examinations of us by the Federal Deposit Insurance Corporation, Michigan Office of Financial and Insurance Services or other regulatory authorities, including the possibility that any such regulatory authority may, among other things, require us to increase our reserve for loan losses or to write-down assets; our ability to control operating costs and expenses; our ability to successfully integrate any assets, liabilities, customers, systems,

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and management personnel we have acquired or may in the future acquire into our operations and our ability to realize related revenue synergies and cost savings within expected time frames and any goodwill charges related thereto; our ability to manage loan delinquency rates; our ability to retain key members of our senior management team; costs and effects of litigation, including settlements and judgments; increased competitive pressures among financial services companies; changes in consumer spending, borrowing and savings habits; legislative or regulatory changes that adversely affect our business; adverse changes in the securities markets; inability of key third-party providers to perform their obligations to us; changes in accounting policies and practices, as may be adopted by the financial institution regulatory agencies or the Financial Accounting Standards Board; other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services and other risks detailed in the Corporation's reports filed with the Securities and Exchange Commission, including the Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

15

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

### 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 four full service facilities, in Mount Clemens, Rochester Hills, Grosse Pointe Farms and Grosse Pointe Woods, Michigan. Community Central Mortgage Company, LLC, a subsidiary of the Bank, operates locations servicing the Detroit metropolitan area, and northwest Indiana. 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 we earn 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 we pay 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 although the impact of the restructuring of the American automobile companies has a direct impact on southeastern Michigan. A slowdown in the local and statewide economy has produced increased financial strain on segments of our customer base. We have experienced increased delinquency levels and losses in our loan portfolio, primarily with residential developer loans, residential real estate loans, and home equity and consumer loans. Further downturns 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 we deploy earning assets. The competitive

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environment among the Bank, other financial institutions and financial service providers in the Macomb, Oakland, 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 our relative cost of funds and thus negatively impact our net interest income.

We recorded a \$1.1 million provision for loan losses for the third quarter of 2008. A significant portion of this provision related to collateral impairment, the result of declining property values reflecting Michigan's economic conditions. The specific allowance associated with residential builder loans was \$2.1 million at September 30, 2008. Total residential builder loans represent approximately 3.8% of our total loan portfolio at September 30, 2008.

Nonperforming assets to total assets increased to 5.00% at September 30, 2008 compared to 3.61% at December 31, 2007, and 4.15% for the immediately preceding quarter ended June 30, 2008. The increase in nonperforming assets for the first nine months of 2008 was primarily attributable to several additional loan relationships that management felt were experiencing financial difficulties and should be placed into nonaccrual loan status. A portion of these loans had experienced various loan payment difficulties, some of which were not over 90 days past due at September 30, 2008. Increases were also due to an increase in loans classified as restructured troubled debt which increased \$3.3 million from December 31, 2007.

We continue to see competitive deposit rates offered from local financial institutions within the geographic proximity of the Bank which could have the effect of increasing our costs of funds to a level higher than management projects. We continue 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 we have 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.

16

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

One of our business objectives has been the diversification of revenue from interest income. Our Wealth and Trust divisions have been providing us with a diversified source of fee income. The addition of a new branch location in Grosse Pointe Woods, Michigan, which opened in June 2008, will represent the second branch location in this upscale market of southeastern Michigan. We continue to focus on strategies to increase our market share of core deposits as well as wealth and trust services. Assets under management of our trust and wealth management divisions continue to grow and totaled \$148.3 million at the end of September 2008.

### ASSETS

At September 30, 2008, the Corporation's total assets were \$552.9 million, an increase of \$32.6 million, or 6.3%, from December 31, 2007. The largest segment of asset growth for the nine months ended September 30, 2008, occurred in federal funds sold. Total assets increased in the third quarter of 2008 by \$20.6 million. The increase was principally due to increases in federal funds sold of \$19.5 million, as the Corporation increased liquidity to provide safety in the



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volatile environment. Total loans net of the allowance for credit losses and residential mortgage loans held for sale increased \$3.2 million in the third quarter with the majority of the increase occurring in commercial real estate. The relatively small increase in total loan growth was due in part to the economic weakness in the local economy and the Corporation's desire to only lend to those customers with deposit and other banking product relationships.

Total loans increased \$8.3 million, or 2.1%, to \$398.2 million at September 30, 2008 from \$389.9 million at December 31, 2007. Loan growth was comprised primarily of commercial real estate loans, which increased \$11.4 million or 4.3%, from December 31, 2007 to September 30, 2008. Total commercial real estate loans represent 69.3% of the total loan portfolio. This is consistent with the current and historical commercial loan focus of the Corporation. Approximately 70% of the commercial real estate loans are owner occupied in the loan portfolio. The Corporation had approximately \$152.9 million in outstanding loans at September 30, 2008, to borrowers in the real estate rental and properties management industries, representing approximately 55.3% of the total commercial real estate portfolio. The largest decrease in the total loan portfolio occurred in the residential mortgage portfolio, which decreased \$5.9 million, or 9.6% from December 31, 2007.

The decrease in the residential mortgage portfolio was purposeful as management sought to sell most of its new mortgage originations primarily to Fannie Mae and other investors in the secondary market and runoff was allowed to occur in the portfolio. During the first nine months of 2008, we originated \$55.2 million of residential mortgage loans, retaining only \$4.4 million in our portfolio. During this period, we experienced pay-downs and pay-offs of \$10.3 million. Additionally, the Corporation further tightened its underwriting guidelines, which had the effect of limiting new loan volume, which included a reduction in the allowable loan to value ratio on mortgage loans.

The majority of the residential mortgage portfolio comprises adjustable rate mortgages, which at September 30, 2008 represented \$40.9 million, or 74.5%, of the total residential portfolio. Residential mortgage loans which the Corporation retains in portfolio comprise primarily loans with borrowers whom the Corporation has other banking relationships, as well as loans with attributes deemed to match the Corporation's rate risk profile. Home equity lines of credit ("HELOC") totaled \$21.4 million at September 30, 2008, and remained relatively unchanged for the first nine months of 2008. As with our residential mortgage loan portfolio, management has intentionally limited growth in this segment of the portfolio given the real estate environment in southeastern Michigan. New underwriting guidelines for our HELOC loans carried in portfolio limit loan to values, including prior liens, to 85% of the appraised value of the real estate. This represents a change from the prior loan to value level of 95%.

The consumer loan portfolio, comprising primarily boat loans, totaled \$8.3 million at September 30, 2008, a decrease of \$1.5 million from December 31, 2007. The decrease was comprised of \$226,000 in charge offs to the allowance and the transfer of \$627,000 into repossessed collateral status. The remainder of the decrease was attributable to runoff in the portfolio. The Corporation continues to monitor this portion of the loan portfolio as it has experienced increased delinquencies and repossessions. The increase in delinquencies and repossessions are attributable to local economic conditions.

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The major components of the loan portfolio for loans held for sale and loans in the portfolio are as follows:

	September 30, 2008	Percentage of total loans	December 31, 2007	Percentage of total loans
-----				
(in thousands, except percentages)				
Loans held for sale:				
Residential real estate	\$ 1,362		\$ 4,848	
	=====	=====	=====	=====
Loans held in the portfolio:				
Commercial real estate	\$276,109	69.3%	\$264,685	67.9%
Commercial and industrial	36,676	9.2	33,039	8.5
Residential real estate	54,933	13.8	60,799	15.6
Home equity lines	21,379	5.4	20,906	5.4
Consumer loans	8,274	2.1	9,754	2.4
Credit cards	809	0.2	729	0.2
	-----	-----	-----	-----
	\$398,180	100.0%	\$389,912	100.0%
	=====	=====	=====	=====

The investment security portfolio, excluding FHLB stock, totaled \$84.6 million at September 30, 2008, compared to \$87.9 million at December 31, 2007, and was comprised of securities held as available for sale, held to maturity and held as trading. Securities available for sale, the largest portion of our investment portfolio, decreased \$1.3 million or 2.0% to \$65.5 million at September 30, 2008 from December 31, 2007. The largest change in the portfolio occurred in the collateralized mortgage obligation ("CMO") portfolio, which increased \$20.9 million from December 31, 2007 and ended September 30, 2008 at \$26.8 million. The CMO portfolio is comprised of US agency and Government National Mortgage Association ("GNMA") securities which carry the full faith and credit of the United States Government. The mortgage backed agency portfolio decreased \$1.9 million for the first nine months of 2008. The net change in this segment of the available for sale security portfolio was again comprised of primarily FNMA securities. The municipal security portfolio totaled \$12.2 million at September 30, 2008, which was a decrease of \$16.6 million from December 31, 2007. During the first quarter of 2008, the Corporation sold approximately 36% of the bank qualified municipal bond portfolio to decrease volatility in this type of investment due to the dramatic changes in the municipal insurance market. Additionally, the portfolio of municipal bonds was reduced for federal income tax considerations.

At September 30, 2008, we had unrealized losses of \$1.1 million in our available for sale portfolio. This represents a \$176,000 decrease in the market value from December 31, 2007. The decrease in market value was attributable to an increase in interest rates and the widening of credit spreads on mortgage backed instruments. The total net gain from the sale of available for sale securities totaled \$194,000 for the first nine months of 2008 and was the result of portfolio restructuring activity. The Corporation has the intent and ability to hold the securities classified under available for sale for the foreseeable future and declines in fair value are primarily due to increased market interest rates.

The Corporation has less than one percent of its total investment portfolio including those in trading, available for sale and held to maturity, in non-agency investments.

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The securities classified as held for trading totaled \$17.4 million as of September 30, 2008. The average effective duration of the trading portfolio as of September 30, 2008 was approximately 1.2 years, with an average life of 1.55 years and a weighted average coupon rate of 4.73%. Management decided to classify the original securities at January 1, 2007, under SFAS 159 because of the characteristics of the instruments, giving the Corporation the option and ability to hedge the instruments utilizing above market value Federal Home Loan Bank advances. Furthermore, in adopting SFAS 159, the Corporation was able to utilize the fair value option to 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, the shape of the treasury yield curve, and management expectations on short term interest rates. The trading portfolio as of September 30, 2008 comprised \$11.2 million of U.S. Agency debentures with an effective duration of 1.4 years and \$6.2 million in U.S.

18

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

agency collateralized mortgage obligations ("CMOs") with an effective duration of 1.0 years. All of the CMOs held in the trading portfolio pass the stress testing recommended by the Federal Financial Institutions Examination Council with relatively short average lives under differing rate scenarios.

In May 2007, the Corporation acquired an interest rate swap to better hedge the fair value of the portfolio. The notional value of the interest rate swap was \$18 million for the duration of three years, which approximated the overall duration of the trading portfolio under SFAS 159. Under the interest rate swap, the bank receives the three month libor rate and pays a fixed rate of 5.275%, which is the average weighted yield of the hedged portfolio at the inception of the interest rate swap. The interest rate swap is accounted for under the Fair Value Option for Financial Assets and Liabilities (SFAS 159) and therefore no formal hedge accounting under SFAS 133 is applicable. The Corporation periodically reviews the structure of the hedge to evaluate the risks of changes in interest rates under various rate scenarios. During the fourth quarter of 2007, the Corporation restructured many of the instruments originally selected during the early adoption of SFAS 159. The resulting portfolio better matched the Corporation's asset liability position. 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, before stated maturity, any FHLB advances. It is the intent of management for the foreseeable future to utilize the fair value option on selected investment securities, or like kind dollars on disposal.

19

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

A summary of nonperforming assets is as follows:

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	September 30, 2008	December 31, 2007
	-----	-----
	(Dollars in thousands)	
Nonaccrual loans:		
Construction and land development	\$10,916	\$ 9,746
Commercial real estate	6,619	4,633
Commercial and industrial	98	146
Residential real estate	2,591	2,053
Home equity lines	756	354
Consumer loans	703	30
Credit cards	--	--
	-----	-----
Total nonaccrual loans	21,683	16,962
Accruing loans delinquent more than 90 days:		
Construction and land development	\$ --	\$ --
Commercial real estate	--	--
Commercial and industrial	295	--
Residential real estate	--	654
Home equity lines	--	44
Consumer loans	--	--
Credit cards	--	25
	-----	-----
Total accruing loans delinquent more than 90 days	295	723
Troubled debt restructured loans:		
Construction and land development	\$ --	\$ --
Commercial real estate	2,375	--
Commercial and industrial	388	--
Residential real estate	744	253
Home equity lines	--	--
Consumer loans	--	--
Credit cards	--	--
	-----	-----
Total troubled debt restructured loans	3,507	253
Total nonperforming loans	25,485	17,938
Other real estate owned		
Construction and land development	1,348	--
Commercial real estate	213	319
Residential real estate	600	535
	-----	-----
Total other real estate owned	2,161	854
Total nonperforming assets	\$27,646	\$18,792
	=====	=====
Total nonperforming loans as a percentage of total loans	6.40%	4.60%
	=====	=====
Total nonperforming assets as a percentage of total assets	5.00%	3.61%
	=====	=====

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At September 30, 2008, loans totaling \$12.7 million were not included in the non-performing asset table above where known information about possible credit problems of borrowers caused management to have serious doubts as to the ability of borrowers to fully comply with present loan repayment terms and which may result in disclosure of such loans in the future. This compares with \$14.7 million at December 31, 2007 of such loans.

At September 30, 2008, nonperforming loans, which represents nonaccruing loans, troubled restructured debt and those loans past due 90 days or more and still accruing interest, totaled \$25.5 million compared to \$17.9 million at December 31, 2007, an increase of \$7.6 million. Total nonperforming loans as a percentage of total loans was 6.40% at September 30, 2008, compared to 4.60% at December 31, 2007. The primary reason for the increase was attributable to an increase in nonaccruing commercial real estate loans of \$4.6 million for the first nine months of 2008. Net charge offs for the first nine months of 2008 totaled \$2.7 million, of which \$1.9 million was specifically attributable to builder developer loans for which specific reserves had been established in prior periods. During the quarter of 2008, the Corporation modified loans which met the classification of troubled debt restructuring. At September 30, 2008 these loans totaled \$3.5 million. These loans were less than 90 days past due. The allowance for loan losses at September 30, 2008 was \$7.8 million, or 1.96% of total loans, and 30.59% of nonperforming loans, versus \$6.4 million, or 1.64% and 35.7% at December 31, 2007, respectively. Nonperforming residential mortgage loans increased \$829,000 for the first nine months of 2008. The majority of the consumer loans classified as nonaccrual are comprised of boat loans. The delinquency level of these loans has increased over prior periods. The boat loan portfolio totals 2.0% of the entire loan portfolio at September 30, 2008. Other real estate owned (OREO) increased \$1.3 million, or 153%, to \$2.1 million at September 30, 2008 from \$854,000 at December 31, 2007. The Corporation has valuation reserves established on certain OREO properties. The largest segment of OREO is comprised of residential real estate and land from builder developers of \$1.3 million. The remaining properties in OREO comprise residential real estate of \$600,000 and commercial real estate acquired through foreclosure of \$213,000. Total nonperforming assets as a percentage of total assets increased to 5.00% at September 30, 2008, from 3.61% at December 31, 2007, as a result of increases in primarily nonaccruing loans, loans classified under troubled debt restructuring and to a lesser extent an increase in other real estate owned.

21

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

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

	Nine Months Ended September 30, 2008	Year Ended December 31, 2007
-----		
(Dollars in thousands)		
Balance at beginning of the period	\$6,403	\$3,815
Charge-offs:		
Construction and land development	1,925	--
Commercial real estate	190	338
Commercial and industrial	154	110
Residential real estate	255	106

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Home equity lines	163	131
Consumer loans	226	382
Credit cards	33	33
	-----	-----
Total charge-offs	\$2,946	\$1,100
	-----	-----
Recoveries:		
Commercial real estate	217	--
Commercial and industrial	47	12
Residential real estate	--	--
Home equity lines	--	--
Consumer loans	5	69
Credit cards	2	7
	-----	-----
Total recoveries	\$ 271	\$ 88
	-----	-----
Net charge-offs (recoveries)	2,675	1,012
	-----	-----
Provision charged to earnings	4,068	3,600
	-----	-----
Balance at end of the period	\$7,796	\$6,403
	=====	=====
Net charge-offs (net recoveries) during the period		
to average loans outstanding during the period on		
an annualized basis	0.91%	0.27%
Allowance as a percentage of total portfolio loans	1.96%	1.64%

The allowance for loan losses increased \$1.4 million, or 21.7%, from December 31, 2007, compared to September 30, 2008. As September 30, 2008, the allowance as a percentage of total loans remained was 1.96%, compared to 1.64% at December 31, 2007. 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.

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

LIABILITIES

At September 30, 2008, total deposits increased \$32.4 million or 9.9% to \$361.0 million from \$328.6 million at December 31, 2007. The increase was due to an \$11.2 million or 35.3% increase in noninterest bearing demand deposits and an

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increase in total savings accounts of \$12.0 million or 129.5%, as customers utilized savings accounts for liquidity management. The increase in demand deposits and savings also resulted from our continued emphasis on growth in this important area of core deposits and the addition of branch locations. Moreover, the Corporation has continued to focus on complete commercial lending relationships that include core deposits as part of the overall approval process. Time deposits \$100,000 and above increased \$11.9 million or 6.1%. The largest contributor of the increase in large time deposits was increases of individuals and corporations of \$17.5 million, coupled with brokered CDs of \$18.2 million, offset by declines in municipal time deposits of \$24.1 million during the first nine months of 2008. The decline in municipal time deposits was due in part to the difficult economic environment for municipalities and the Bank's unwillingness to pay premium rates for short-term time deposits as many local institutions have. Time deposits under \$100,000 increased \$1.7 million or 4.4% due to a special rate on a promotional time deposit product paid by the Bank. The premium rate was competitive in the local market place, but did not exceed other financial institutions offerings. Money market accounts decreased \$7.8 million or 20.2% from December 31, 2007 to September 30, 2008 due to withdrawals from the indexed money market product which is tied to the six month Treasury Rate. Management attributes this decline to customers seeking higher rate products, as the indexed rate fell below 2 percent based on market rate conditions.

The Corporation continues to see competitive deposit rates offered by local financial institutions within the geographic proximity of the Bank, which has had the affect of increasing the cost of funds to a level higher than management originally projected. 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 Corporation 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:

	September 30, 2008 -----	Percentage of total deposits -----	December 31, 2007 -----	Percentage of total deposits -----
(Dollars in Thousands)				
Noninterest bearing demand	\$ 42,811	11.9%	\$ 31,647	9.6%
NOW accounts	18,234	5.1	14,907	4.5
Money market accounts	30,762	8.5	38,560	11.7
Savings deposits	21,403	5.9	9,326	2.8
Time deposits under \$100,000	41,142	11.4	39,395	12.0
Time deposits \$100,000 and over	206,655	57.2	194,800	59.4
	-----	-----	-----	-----
Total deposits	\$361,007	100.00%	\$328,635	100.0%
	=====	=====	=====	=====

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FORM 10-Q (continued)

Short term borrowings at September 30, 2008, consisted of FHLB advances of \$13.8 million at face value and securities sold with an agreement to repurchase them the following day of \$16.2 million. Following are details of our short term borrowings for the dates indicated:

	September 30, 2008	December 31, 2007
	-----	-----
	(Dollars in thousands)	
Amount outstanding at end of period		
Short-term repurchase agreements	\$16,164	\$13,659
Short-term FHLB advances	\$13,810	\$23,795
Weighted average interest rate on ending balance		
Short-term repurchase agreements	2.00%	3.00%
Short-term FHLB advances	4.39%	4.14%
Maximum amount outstanding at any month end during the period		
Short-term repurchase agreements	\$16,164	\$14,932
Short-term FHLB advances	\$18,810	\$23,795

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.

In June 2001, the Corporation started to borrow long-term advances from the FHLB to fund fixed rate instruments and to attempt to minimize the interest rate risk associated with certain fixed rate commercial mortgage loans and investment securities. The advances are collateralized by residential and commercial mortgage loans under a blanket collateral agreement totaling approximately \$235.9 million and \$236.6 million at September 30, 2008 and 2007, respectively. Long-term advances were comprised of 28 advances with maturities ranging from October 2009 to June 2016.

FHLB advances outstanding at September 30, 2008 were as follows:

	Face Value of obligation	Average rate at end of period
	-----	-----
	(Dollars in thousands)	
Short-term FHLB advances	\$ 13,810	4.39%
Long-term FHLB advances	91,700	4.40%
	-----	----
	\$105,510	4.40%

Effective January 1, 2007, the Corporation has elected early adoption of SFAS 159 for all FHLB advances maturing in 18 months from January 1, 2007, which originally represented \$16 million in total. At September 30, 2008, all instruments previously elected for SFAS 159 had matured.



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 \$4.0 million in available unsecured federal funds borrowing facilities, and \$35.0 million of available borrowing capacity under 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 September 30, 2008, unused commitments totaled \$80.8 million. The Bank has \$150.4 million in time deposits coming due within the next twelve months from September 30, 2008, which includes brokered, internet and municipal time deposits. At September 30, 2008, the Bank had \$143.2 million in brokered certificates of deposit, of which \$72.6 million is due within one year or less. Additionally, at September 30, 2008, municipal time deposits and internet time deposits were \$10.2 million and \$1.1 million, respectively. Municipal time deposits typically have maturities less than three months. All of the \$1.1 million of internet certificates of deposit mature in one year or less.

On August 21, 2008, the Corporation's Board of Directors declared a quarterly cash dividend of \$0.02 per common share, payable October 1, 2008, to shareholders of record on September 2, 2008. This represents the Corporation's 26th consecutive quarterly, cash dividend paid to stockholders.

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

	September 30, 2008		December 31, 2007		Minimum Ratio for Capital Adequacy Purposes	Rat "Well
	Capital	Ratio	Capital	Ratio		
Tier I capital to risk-weighted assets						
Consolidated	\$43,407	10.17%	\$42,932	10.29%	4%	
Bank only	43,355	10.17%	42,889	10.32%	4%	
Total capital to risk-weighted assets						
Consolidated	\$55,922	13.10%	\$55,430	13.28%	8%	
Bank only	48,721	11.43%	48,199	11.57%	8%	
Tier I capital to average assets						
Consolidated	\$43,407	8.05%	\$42,932	8.37%	4%	



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funding costs as rapidly, as a significant portion of the funding base is comprised of time deposits. The price competition for deposits has also exacerbated margin pressures. Once short term rates stabilize, the Corporation expects to see improvement in the net interest margin.

Net interest income before the provision for loan losses for the first nine months of 2008 was \$8.4 million, a decrease of \$789,000 or 8.6% from the first nine months of 2007. Those factors responsible for the decrease in net interest income and margin for the third quarter ended September 30, 2008 compared to September 30, 2007 also contributed to the declines for the first nine months of 2008 compared to 2007.

26

### 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 September 30, 2008 vs. 2007			Nine Months Ended September 30, 2008	
	Increase (Decrease) Due to Changes In			Increase (Decrease) Due to Changes In	
	Total	Volume and Both	Rate	Total	Volume and Both
	(In Thousands)				
<b>Earning Assets - Interest Income</b>					
Loans	(\$799)	\$ 364	(\$1,163)	(\$1,672)	\$1,234
Securities	(29)	(1)	(28)	(104)	(23)
Federal funds sold	(91)	6	(97)	(168)	90
<b>Total</b>	<b>(919)</b>	<b>369</b>	<b>(1,288)</b>	<b>(1,944)</b>	<b>1,301</b>
<b>Deposits and Borrowed Funds - Interest Expense</b>					
NOW and money market accounts	(500)	(82)	(418)	(1,232)	(192)
Savings deposits	7	26	(19)	(41)	26
Time deposits	(227)	199	(426)	(255)	623
Other borrowings	239	254	(15)	943	949
ESOP loan	(1)	(1)	--	(4)	(3)
Subordinated debentures	(120)	7	(127)	(566)	(130)
<b>Total</b>	<b>(602)</b>	<b>403</b>	<b>(1,005)</b>	<b>(1,155)</b>	<b>1,273</b>
<b>Net Interest Income</b>	<b>(\$317)</b>	<b>(\$34)</b>	<b>(\$283)</b>	<b>(\$789)</b>	<b>\$ 28</b>

The average yield earned on interest earning assets for the third quarter of

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2008 was 5.91% compared to 6.96% for the third quarter of 2007. The average yield earned on the total loan portfolio, which contains both loans held for sale and investment for 2008, was 6.39% compared to 7.63% during the third quarter of 2007. The overall decrease in the loan portfolio yield was attributable to the decrease in prime interest rates. The commercial, commercial real estate and home equity line loans that repriced with prime interest rate changes totaled approximately \$136.0 million at September 30, 2008. Also contributing to the decline in loan yields was the higher level of reversal of interest on new loans placed into nonaccrual status, as well as existing loans in nonaccrual status, both of which significantly reduced overall yields.

The average rate paid on interest bearing liabilities for the third quarter of 2008 was 3.92% compared to 4.70% in the third quarter of 2007. The decrease in average rate was due to the overall rate paid on interest bearing liabilities, primarily as a result of the decrease in overall market interest rates. The rate paid on time deposits decreased to 4.36% for the third quarter of 2008, from 5.12% for the same time period in 2007, as a result of the decrease in short term interest rates although the highly competitive interest rates paid amongst local financial institutions has had an effect of keeping these rates higher than would have historically been expected. The decrease in the average rate for NOW and money market accounts for 2008 was primarily attributable to the drop in short term interest rates, with the average rate moving to 1.45% during the third quarter of 2008 compared to 3.80% in the third quarter of 2007. The average rate paid on savings accounts also decreased, moving to 1.67% for the third quarter of 2008 from 2.36% in the third quarter of 2007. The rate paid on FHLB advances and repurchase agreements remained relatively unchanged as these instruments have relatively long maturities. The average rate paid on the subordinated debenture decreased in the third quarter of 2008 to 4.18% from 7.00%. The overall decrease in interest rate paid on the subordinated debenture was the result of the redemption of the subordinated debenture in June 2007, replaced with a subordinated debenture with a relatively lower interest rate. The Corporation also utilizes an interest rate swap hedging the subordinated debenture which has further reduced the rate.

27

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

The average yield earned on interest earning assets for the nine months ended 2008 was 6.00% compared to 6.90% for the first nine months of 2007. The average yield earned on the total loan portfolio, including loans held for sale, was 6.50% during the nine months ended September 30, 2008 compared to 7.55% during the comparable period in 2007. The overall decrease in the loan portfolio yield was attributable to those factors detailed above.

The average rate paid on interest bearing liabilities for the first nine months of 2008 was 4.12% compared to 4.76% in the first nine months of 2007. The decrease in average rate was due to the overall rate paid on interest bearing liabilities, primarily as a result of the decrease in overall market interest rates. The rate paid on time deposits decreased to 4.58% for the first nine months of 2008, from 5.10% for the same time period in 2007, as a result of the decrease in short term interest rates, although the highly competitive interest rates paid amongst local financial institutions has had an effect of keeping these rates higher than would have historically been expected. The decrease in the average rate for NOW and money market accounts for 2008 was primarily attributable to the drop in short term interest rates, with the average rate moving to 1.71% during the first nine months of 2008 compared to 3.84% in the first nine months of 2007. The average rate paid on savings accounts also

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decreased, moving to 1.76% for the first nine months of 2008 from 2.49% in the first nine months of 2007. The rate paid on FHLB advances and repurchase agreements remained relatively unchanged as many of these instruments have relatively long maturities. The average rate paid on the subordinated debenture decreased in the first nine months of 2008 to 5.05% from 7.70%. The overall decrease in interest rate paid on the subordinated debenture was the result of the redemption of the subordinated debenture in June 2007 with funds from a new subordinated debenture with a lower interest rate. The Corporation also utilizes an interest rate swap hedging the subordinated debenture which has further reduced the rate.

28

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 and nine month periods ended September 30, 2008 and 2007. Average loans are presented net of unearned income, gross of the allowance for loan losses. Interest on loans includes loan fees.

	Three Months Ended September 30,				
	2008			2007	
	Average Balance	Interest Income/ Expense	Average Rate Earned/ Paid	Average Balance	Interes Income Expens
	(In thousands)				
<b>Assets</b>					
Loans	\$397,111	\$6,378	6.39%	\$373,056	\$7,17
Securities	96,414	1,095	4.55	96,391	1,12
Federal funds sold	14,140	64	1.80	13,005	15
	-----	-----	----	-----	-----
Total Earning Assets/ Total Interest Income	507,665	7,537	5.91	482,452	8,45
	-----	-----	----	-----	-----
Cash and due from banks	8,684			7,689	
All other assets	24,564			23,872	
	-----			-----	
Total Assets	\$540,913			\$514,013	
	=====			=====	
<b>Liabilities and Equity</b>					
NOW and money market accounts	\$ 48,162	175	1.45	\$ 70,547	67
Savings deposits	17,358	73	1.67	11,113	6
Time deposits	240,957	2,639	4.36	221,948	2,86
FHLB advances and repurchase agreements	142,481	1,522	4.25	118,360	1,28
ESOP loan	7	--	6.00	62	
Subordinated debentures	18,557	195	4.18	17,857	31

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Total Interest Bearing Liabilities/ Total Interest Expense / Interest Rate Spread	467,522	4,604	3.92	439,887	5,200
Noninterest bearing demand deposits	40,150			36,757	
All other liabilities	83			3,322	
Stockholders' equity	33,158			34,047	
Total Liabilities and Stockholders' Equity	\$540,913			\$514,013	
Net Interest Income		\$2,933			\$3,250
Net Interest Spread			1.99%		
Net Interest Margin (Net Interest Income/Total Earning Assets)			2.30%		
Net Interest Margin (fully taxable equivalent)			2.36%		

29

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

	Nine Months Ended September 30,				
	2008		2007		
	Average Balance	Interest Income/ Expense	Average Rate Earned/ Paid	Average Balance	Interest Income/ Expense
	(In thousands)				
Assets					
Loans	\$395,269	\$19,242	6.50%	\$370,601	\$20,910
Securities	94,776	3,239	4.56	95,423	3,340
Federal funds sold	18,724	373	2.66	14,202	540
Total Earning Assets/ Total Interest Income	508,769	22,854	6.00	480,226	24,790
Cash and due from banks	8,435			7,382	
All other assets	24,313			23,434	
Total Assets	\$541,517			\$511,042	
Liabilities and Equity					
NOW and money market accounts	\$ 49,876	637	1.71	\$ 65,100	1,860
Savings deposits	14,232	187	1.76	12,244	220
Time deposits	245,084	8,409	4.58	227,036	8,660
FHLB advances and repurchase agreements	141,129	4,515	4.27	111,513	3,570
ESOP loan	19	1	7.03	75	

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Subordinated debentures	18,557	702	5.05	22,015	1,26
	-----	-----	----	-----	-----
Total Interest Bearing Liabilities/ Total Interest Expense / Interest Rate Spread	468,897	14,451	4.12	437,983	15,60
	-----	-----	----	-----	-----
Noninterest bearing demand deposits	37,468			34,579	
All other liabilities	1,554			3,115	
Stockholders' equity	33,598			35,365	
	-----			-----	
Total Liabilities and Stockholders' Equity	\$541,517			\$511,042	
	=====			=====	
Net Interest Income		\$ 8,403			\$ 9,19
		=====			=====
Net Interest Spread			1.88%		
			=====		
Net Interest Margin (Net Interest Income/Total Earning Assets)			2.20%		
			=====		
Net Interest Margin (fully taxable equivalent)			2.27%		
			=====		

30

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

### PROVISION FOR LOAN LOSSES

We recorded a \$1.1 million provision for loan losses in the third quarter of 2008, based upon management's review of the risks inherent in the loan portfolio and the level of our allowance for loan losses. The provision for loan losses for the first nine months of 2008 was \$4.1 million, compared to \$1.0 million for the nine months ended September 30, 2007. Total nonperforming assets as a percentage of total assets was 5.00% at September 30, 2008, compared to 4.20% at June 30, 2008 and 3.61% at December 31, 2007. The allowance for loan losses at September 30, 2008 was \$7.8 million, or 1.96% of total loans and 30.59% of nonperforming loans, versus \$6.4 million, or 1.64% and 35.70% at December 31, 2007, respectively.

### NONINTEREST INCOME

Noninterest income was \$2.1 million for the third quarter of 2008, increasing \$260,000, or 14.2%, from the third quarter of 2007. The increase was primarily related to favorable net changes in the fair market value of assets and liabilities measured under Statement of Financial Accounting Standards (SFAS 159). The increase was largely attributable to the fair value of the subordinated debenture connected with the February 2007 Trust Preferred Issuance. The net change in fair value, which was largely associated with the subordinated debenture and the corresponding interest rate swap, totaled \$1.1 million in unrealized gains for the third quarter of 2008, as recorded in other income. The net change in fair value under SFAS 159 for the first nine months of 2008 was \$4.1 million with the majority of the change attributable to the Corporation's subordinated debenture. The widening of market credit spreads for trust preferred securities experienced in the first, second and third quarters of 2008 increased the relative fair value of this financial liability dramatically. The Corporation hedges against changes in interest rates with an interest rate swap, which is also accounted for under SFAS 159. The hedge does

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not cover changes in credit spreads, which typically occur over much longer periods of time than we are currently experiencing. Changes in credit spreads are not easily predictable and may cause adverse changes in the fair value of this instrument and a possible loss of income in the future.

Fiduciary income from trust services totaled \$82,000 for the third quarter of 2008, a decrease of \$42,000 or 33.9% from the third quarter of 2007, as the third quarter of 2007 reflected extraordinary fees which were not present in the third quarter of 2008 and market values of assets under management fell affecting the assessable base for trust fees. The extraordinary fees were based on a particular trust situation requiring additional billable hours. Deposit service charge income of \$109,000 for the third quarter of 2008 increased \$4,000, or 3.8%, compared to the third quarter of 2007, primarily from increased deposit levels and a broadened branch base. Mortgage banking income decreased \$33,000 or 6.7%, to \$461,000 for the third quarter of 2008 compared to \$494,000 for the comparable quarter last year. The decrease in mortgage banking income was the result of fewer residential loan originations and lower gains on the sale of residential mortgage loans in the secondary market. The slow down in new home purchases contributed to this decline. Net realized gains from the sale of securities was \$84,000 for the third quarter of 2008 and was attributable to restructuring activities in the available for sale security portfolio. Other interest income totaled \$250,000 for the third quarter of 2008, increasing \$112,000 or 81.2% compared to the third quarter in 2007, primarily from increases in gains on the disposal of Other Real Estate Owned, cash surrender value of Bank Owned Life Insurance and fee income from wealth management services.

Noninterest income was \$7.5 million for the first nine months of 2008, increasing \$3.1 million, or 69.5%, from the first nine months of 2007. The increase was largely attributable to the aforementioned net change in fair value over the nine month period. Fiduciary income from trust services of \$288,000 for the first nine months of 2008 decreased \$34,000 or 10.6% from the first nine months of 2007, declining from prior periods due to a management change and departmental realignment and lower market values of assessable assets. Deposit service charge income of \$383,000 for the first nine months of 2008 increased \$98,000, or 34.4%, compared to the first nine months of 2007, primarily from increased service charge fees and a broadened branch base. Mortgage banking income decreased \$501,000 or 27.2%, to \$1.3 million for the nine months ended September 30, 2008 compared to \$1.8 million for the comparable period last year. The decrease in mortgage banking income was the result of fewer residential loan originations and lower gains on the sale of residential mortgage loans in the secondary market. The slow down in new home purchases contributed to this decline. Net realized gains from the sale of securities were \$194,000 for the first nine months of 2008 and were attributable to restructuring activities in the available for sale security portfolio. Other interest income totaled \$1.1 million for the first nine months of 2008, increasing \$296,000 or 35.6% based on the factors detailed above for the third quarter of 2008.

31

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

### NONINTEREST EXPENSE

Noninterest expense was \$3.9 million for the third quarter of 2008, increasing \$392,000 or 11.2%, from the third quarter of 2007. Salary and benefits totaled \$1.9 million for the third quarter of 2008, a decrease of \$97,000 or 4.9%, compared to the same time period last year. The decrease in salary and benefits



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was due to reductions in staffing levels throughout the organization. The decrease in salary and benefits was offset by an increase in other operating expense. Other operating expense totaled \$1.5 million for the third quarter of 2008, an increase of \$472,000 or 43.8%, compared to the third quarter of 2007. The increase in other operating expense was attributable to valuation costs associated with property obtained in foreclosure, which aggregated to \$512,000, coupled with an increase in FDIC insurance premiums of \$61,000. Net occupancy expense increased \$17,000, or 4.0%, to \$444,000 for the third quarter of 2008, compared to \$427,000 for the third quarter of 2007, primarily due to the newly established Grosse Pointe Woods branch location. The increase was partially offset by decreases in overhead caused by the closure of residential loan production offices during the second quarter of 2007.

Noninterest expense was \$11.2 million for the first nine months of 2008, increasing \$841,000 or 8.1%, again resulting from increases in valuation costs incurred on foreclosed property and other workout related costs which exceeded cost-savings achieved in other expense areas.

Our deposit insurance premiums during the three and nine months ended September 30, 2008 totaled \$135,000 and \$274,000 respectively, compared to \$74,000 and \$94,000 for the same periods in 2007. Those premiums are expected to increase in 2009 due to recent strains on the Federal Deposit Insurance Corporation deposit insurance fund due to the cost of large bank failures and increase in the number of troubled banks. The current rates for Federal Deposit Insurance Corporation assessments have ranged from 5 to 43 basis points, depending on the health of the insured institution. The Federal Deposit Insurance Corporation has proposed increasing the current deposit insurance assessment rates uniformly for all institutions by 7 basis points (to a range from 12 to 50 basis points) for the first quarter of 2009. The proposed rule would also alter the way the FDIC calculates federal deposit insurance assessment rates beginning in the second quarter of 2009 and thereafter. The FDIC also proposed that it could increase assessment rates in the future without formal rulemaking.

### PROVISION FOR INCOME TAXES

We recorded a federal income tax benefit of \$37,000 for the third quarter of 2008 compared to a federal income tax expense of \$228,000 in the third quarter of 2007. The change was primarily attributable to a lower level of pretax income for the third quarter of 2008 compared to the third quarter of 2007. Additionally, permanent differences arising from tax exempt income due to investments in bank qualified tax-exempt securities and the Bank's ownership in bank owned life insurance (BOLI). The increase in cash surrender value of BOLI is exempt from federal income tax.

We recorded a federal income tax benefit of \$22,000 for the first nine months of 2008 compared to a federal income tax expense of \$448,000 in the first nine months of 2007. The change was primarily attributable to a lower level of pretax income for the first nine months of 2008 compared to the third quarter of 2007. Additionally, as noted above, permanent differences arising from tax exempt income due to investments in bank qualified tax-exempt securities and the Bank's ownership in bank owned life insurance (BOLI) resulted in the recorded tax benefit.

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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.

33

### COMMUNITY CENTRAL BANK CORPORATION FORM 10-Q (continued)

The following table presents an analysis of our interest-sensitivity static gap position at September 30, 2008. 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 September 30, 2008, 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 -----	After Five Years -----	Total -----
(Dollars in thousands)					
Interest earning assets:					
Federal funds sold and interest bearing cash	\$ 22,500	\$ --	\$ --	\$ --	\$ 22,500
Securities	11,920	7,878	41,604	24,335	85,737

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FHLB stock	--	5,877	--	--	5,877
Portfolio loans and held for resale	136,435	50,233	174,684	38,190	399,542
	-----	-----	-----	-----	-----
Total	170,855	63,988	216,288	62,525	\$513,656
	-----	-----	-----	-----	=====
Interest bearing liabilities:					
NOW and money market accounts	25,704	7,817	13,937	1,538	48,996
Savings deposits	1,284	5,565	14,554	--	21,403
Jumbo time deposits	46,163	77,585	82,707	200	206,655
Time deposits <\$100,000	8,606	18,040	13,740	756	41,142
Repurchase agreements	16,164	19,000	--	--	35,164
FHLB advances	2,810	11,000	65,500	26,200	105,510
ESOP payable	3	--	--	--	3
Subordinated debentures	18,557	--	--	--	18,557
	-----	-----	-----	-----	-----
Total	119,291	139,007	190,438	28,694	\$477,430
	-----	-----	-----	-----	=====
Interest rate sensitivity gap	\$ 51,564	(\$75,019)	\$ 25,850	\$33,831	
Cumulative interest rate sensitivity gap		(\$23,455)	\$ 2,395	\$36,226	
Interest rate sensitivity gap ratio	1.43	0.46	1.14	2.18	
Cumulative interest rate sensitivity gap ratio		0.91	1.01	1.08	

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.

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As of September 30, 2008, 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	(9.68%)
Interest rates up 200 basis points	(5.18%)
Interest rates up 100 basis points	(2.45%)
Base case	--
Interest rates down 100 basis points	2.40%
Interest rates down 200 basis points	2.51%
Interest rates down 300 basis points	2.39%

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See "Asset/Liability Management" discussion under Part I, Item 2 above.

### ITEM 4T. 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 September 30, 2008, 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 September 30, 2008, 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.

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

PART II

ITEM 1. LEGAL PROCEEDINGS

Not applicable.

ITEM 1A. RISK FACTORS

CHANGES IN ECONOMIC CONDITIONS OR INTEREST RATES MAY NEGATIVELY AFFECT OUR EARNINGS, CAPITAL AND LIQUIDITY.

The results of operations for financial institutions, including our bank, may be materially and adversely affected by changes in prevailing local and national economic conditions, including declines in real estate market values, rapid increases or decreases in interest rates and changes in the monetary and fiscal policies of the federal government. Our profitability is heavily influenced by the spread between the interest rates we earn on investments and loans and the interest rates we pay on deposits and other interest-bearing liabilities. Substantially all our loans are to businesses and individuals in Southeastern Michigan and any decline in the economy of this area could adversely affect us. Like most banking institutions, our net interest spread and margin will be affected by general economic conditions and other factors that influence market interest rates and our ability to respond to changes in these rates. At any given time, our assets and liabilities may be such that they are affected differently by a given change in interest rates.

OUR CREDIT LOSSES COULD INCREASE AND OUR ALLOWANCE FOR CREDIT LOSSES MAY NOT BE ADEQUATE TO COVER ACTUAL LOAN LOSSES.

The risk of nonpayment of loans is inherent in all lending activities and nonpayment, if it occurs, may have a material adverse affect on our earnings and overall financial condition as well as the value of our common stock. We make various assumptions and judgments about the collectability of our loan portfolio and provide an allowance for potential losses based on a number of factors. If our assumptions are wrong, our allowance for credit and lease losses may not be sufficient to cover our losses, thereby having an adverse effect on our operating results, and may cause us to increase the allowance in the future. The actual amount of future provisions for credit losses cannot now be determined and may exceed the amount of past provisions. Additionally, federal banking regulators, as an integral part of their supervisory function, periodically review our allowance for credit losses. These regulatory agencies may require us to increase our provision for credit losses or to recognize further loan or lease charge-offs based upon their judgments, which may be different from ours. Any increase in the allowance for credit losses could have a negative effect on our net income, financial condition and results of operations. For the nine months ended September 30, 2008 we recorded a provision for loan losses of \$4.1 million compared to \$1.2 million for the nine months ended September 30, 2007, which reduced our results of operations for first nine months of 2008. We also recorded net loan charge-offs of \$2.7 million for the nine months ended September 30, 2008 compared to \$1.0 million for the nine months ended September 30, 2007. We are experiencing increasing loan delinquencies and credit losses. Generally, our non-performing loans and assets reflect operating difficulties of individual borrowers resulting from weakness in the economy of southeastern Michigan. In addition, slowing sales have been a contributing factor to the increase in non-performing loans as well as the increase in delinquencies. At

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September 30, 2008, our total non-performing loans had increased to \$25.5 million compared to \$17.9 million at September 30, 2007. Our portfolio is concentrated primarily in commercial real estate loans which represented 69.3% of total loans at September 30, 2008. While construction and land development loans represented 7.1% of our total loan portfolio at September 30, 2008, these loans represented 42.8% of our non-performing assets at that date. If current trends in the housing and real estate markets continue, we expect that we will continue to experience increased delinquencies and credit losses in many parts of the loan portfolio. Moreover, if a national recession occurs we expect that it would negatively impact economic conditions in our market areas further and that we could experience higher delinquencies and credit losses.

### A DOWNTURN IN THE REAL ESTATE MARKET COULD HURT OUR BUSINESS.

Downturns in the real estate market hurt our business because many of our loans are secured by real estate. Our ability to recover on defaulted loans by selling the real estate collateral is diminished, and we are more likely to suffer losses on defaulted loans. As of September 30, 2008, approximately 88.5% of the book value of our loan

36

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

portfolio consisted of loans secured by various types of real estate. Substantially all of our real property collateral is located in Michigan. If there is a further decline in real estate values, especially in Michigan, the collateral for our loans will provide less security.

### REPAYMENT OF OUR COMMERCIAL REAL ESTATE LOANS AND OUR COMMERCIAL AND INDUSTRIAL LOANS IS OFTEN DEPENDENT ON THE BORROWER'S BUSINESS, ITS CASH FLOW AND OUR COLLATERAL.

Commercial real estate lending typically involves higher principal amounts than other types of lending, and the repayment of these loans may be dependent, in part, on sufficient income from the properties securing the loans to cover operating expenses and debt services. Because payments on loans secured by commercial real estate often depend upon the successful operation and management of the properties, repayment of such loans may be affected by factors outside the borrower's control, such as adverse conditions in the real estate market or the economy or changes in government regulation. If the cash flow from the project is reduced, the borrower's ability to repay the loan and the value of the security for the loan may be impaired.

Repayment of our commercial and industrial loans is often dependent on the cash flow of the borrower, which may be unpredictable, and collateral securing these loans may fluctuate in value. Our commercial loans are primarily made based on the cash flow of the borrower and secondarily on the value of the underlying collateral provided by the borrower. Most often, this collateral is accounts receivable, inventory, equipment or real estate. In the case of loans secured by accounts receivable, the availability of funds for the repayment of these loans may be substantially dependent on the ability of the borrower to collect amounts due from its customers. Other collateral securing loans may depreciate over time, may be difficult to appraise and may fluctuate in value based on the success of the business. Adverse changes in local economic conditions impacting our business borrowers can be expected to have a negative effect on our results of operations and capital.

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RECENT NEGATIVE DEVELOPMENTS IN THE FINANCIAL INDUSTRY AND CREDIT MARKETS MAY CONTINUE TO ADVERSELY IMPACT OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Negative developments beginning in the latter half of 2007 in the sub-prime mortgage market and the securitization markets for such loans, together with the continued economic downturn nationally during 2008, have resulted in uncertainty in the financial markets in general. Many lending institutions, including us, have experienced substantial declines in the performance of their loans, including construction and land loans, multifamily loans, commercial loans and consumer loans. Moreover, competition among depository institutions for deposits and quality loans has increased significantly. In addition, the values of real estate collateral supporting many construction, land, commercial, multifamily and other commercial loans and home mortgages have declined and may continue to decline. Bank and holding company stock prices have been negatively affected, as has the ability of banks and holding companies to raise capital or borrow in the debt markets compared to recent years. These conditions may have a material adverse effect on our financial condition and results of operations. In addition, as a result of the foregoing factors, there is a potential for new federal or state laws and regulations regarding lending and funding practices and liquidity standards, and bank regulatory agencies are expected to be very aggressive in responding to concerns and trends identified in examinations, including the expected issuance of formal enforcement orders. Continued, negative developments in the financial industry and the impact of new legislation in response to those developments could restrict our business operations, including our ability to originate or sell loans, and adversely impact our results of operations and financial condition.

DIFFICULT MARKET CONDITIONS AND ECONOMIC TRENDS HAVE ADVERSELY AFFECTED OUR INDUSTRY AND OUR BUSINESS.

Dramatic declines in the housing market, with decreasing home prices and increasing delinquencies and foreclosures, have negatively impacted the credit performance of mortgage and construction loans and resulted in significant writedowns of assets by many financial institutions, including us. General downward economic trends, reduced availability of commercial credit and increasing unemployment have negatively impacted the credit performance of commercial and consumer credit, resulting in additional writedowns. Concerns over the stability of the financial markets and the economy have resulted in decreased lending by financial institutions to their customers and to each other. This market turmoil and tightening of credit has led to increased delinquencies, lack of customer confidence, increased market volatility and widespread reduction in general business activity. Financial institutions have experienced decreased access to deposits or borrowings. The resulting economic pressure on

37

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

consumers and businesses and the lack of confidence in the financial markets has adversely affected our business, financial condition, results of operations and stock price.

Our ability to assess the creditworthiness of customers and to estimate the losses inherent in our credit exposure is made more difficult and complex under these difficult market and economic conditions. We also expect to face increased regulation and government oversight as a result of these downward trends. This increased government action may increase our costs and limit our ability to

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pursue certain business opportunities. We also may be required to pay even higher FDIC premiums than the recently increased level, because financial institution failures resulting from the depressed market conditions have depleted and may continue to deplete the FDIC insurance fund and reduce the FDIC's ratio of reserves to insured deposits.

We do not expect these difficult conditions to improve in the near future. A worsening of these conditions would likely exacerbate the adverse effects of these difficult market and economic conditions on us, our customers and the other financial institutions in our market. As a result, we may experience increases in foreclosures, delinquencies and customer bankruptcies, as well as more restricted access to funds.

RECENT LEGISLATIVE AND REGULATORY INITIATIVES TO ADDRESS THESE DIFFICULT MARKET AND ECONOMIC CONDITIONS MAY NOT STABILIZE THE U.S. BANKING SYSTEM.

The recently enacted Emergency Economic Stabilization Act of 2008 ("EESA") authorizes the U.S. Department of the Treasury ("Treasury Department") to purchase from financial institutions and their holding companies up to \$700 billion in mortgage loans, mortgage-related securities and certain other financial instruments, including debt and equity securities issued by financial institutions and their holding companies in a troubled asset relief program ("TARP"). The purpose of TARP is to restore confidence and stability to the U.S. banking system and to encourage financial institutions to increase their lending to customers and to each other. The Treasury Department has allocated \$250 billion towards the TARP Capital Purchase Program ("CPP"). Under the CPP, Treasury will purchase debt or equity securities from participating institutions. The TARP also will include direct purchases or guarantees of troubled asset of financial institutions. Our Board of Directors is currently evaluating whether or not to participate in the CPP.

EESA also increased FDIC deposit insurance on most accounts from \$100,000 to \$250,000. This increase is in place until the end of 2009 and is not covered by deposit insurance premiums paid by the banking industry. In addition, the FDIC has implemented two temporary programs to provide deposit insurance for the full amount of most non-interest bearing transaction accounts through the end of 2009 and to guarantee certain unsecured debt of financial institutions and their holding companies through June 2012. Financial institutions have until December 5, 2008 to opt out of these two programs. We expect to participate only in the program that provides unlimited deposit insurance coverage through December 31, 2009 for noninterest-bearing transaction accounts (typically business checking accounts) and certain funds swept into noninterest-bearing savings accounts. Under that program, we will pay a 10 basis points fee (annualized) on the balance of each covered account in excess of \$250,000, while the extra deposit insurance is in place. At September 30, 2008, we had \$93.7 million in such accounts in excess of \$250,000.

The purpose of these legislative and regulatory actions is to stabilize the volatility in the U.S. banking system. EESA, TARP and the FDIC's recent regulatory initiatives may not have the desired effect. If the volatility in the market and the economy continue or worsen, our business, financial condition, results of operations, access to funds and the price of our stock could be materially and adversely impacted.

OUR EXPENSES WILL INCREASE AS A RESULT OF INCREASES IN FDIC INSURANCE PREMIUMS

The Federal Deposit Insurance Corporation ("FDIC") imposes an assessment against institutions for deposit insurance. This assessment is based on the risk category of the institution and ranges from 5 to 43 basis points of the institution's deposits. Federal law requires that the designated reserve ratio for the deposit insurance fund be established by the FDIC at 1.15% to 1.50% of estimated insured deposits. If this reserve ratio drops below 1.15% or the FDIC



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expects it to do so within six months, the FDIC must, within 90 days, establish and implement a plan to restore the designated reserve ratio to 1.15% of estimated insured deposits within five years (absent extraordinary circumstances).

38

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

Recent bank failures coupled with deteriorating economic conditions have significantly reduced the deposit insurance fund's reserve ratio. As of June 30, 2008, the designated reserve ratio was 1.01% of estimated insured deposits at March 31, 2008. As a result of this reduced reserve ratio, on October 16, 2008, the FDIC published a proposed rule that would restore the reserve ratios to its required level. The proposed rule would raise the current deposit insurance assessment rates uniformly for all institutions by 7 basis points (to a range from 12 to 50 basis points) for the first quarter of 2009. The proposed rule would also alter the way the FDIC calculates federal deposit insurance assessment rates beginning in the second quarter of 2009 and thereafter.

Under the proposed rule, the FDIC would first establish an institution's initial base assessment rate. This initial base assessment rate would range, depending on the risk category of the institution, from 10 to 45 basis points. The FDIC would then adjust the initial base assessment (higher or lower) to obtain the total base assessment rate. The adjustments to the initial base assessment rate would be based upon an institution's levels of unsecured debt, secured liabilities, and brokered deposits. The total base assessment rate would range from 8 to 77.5 basis points of the institution's deposits. There can be no assurance that the proposed rule will be implemented by the FDIC or implemented in its proposed form.

These actions will significantly increase the Company's non-interest expense in 2009 and in future years as long as the increased premiums are in place.

LIQUIDITY RISK COULD IMPAIR OUR ABILITY TO FUND OPERATIONS AND JEOPARDIZE OUR FINANCIAL CONDITION.

Liquidity is essential to our business. An inability to raise funds through deposits, borrowings, the sale of loans and other sources could have a substantial negative effect on our liquidity. Our access to funding sources in amounts adequate to finance our activities, or the terms of which are acceptable to us, could be impaired by factors that affect us specifically or the financial services industry or the economy in general. Factors that could detrimentally impact our access to liquidity sources include a decrease in the level of our business activity as a result of a downturn in the markets in which our loans are concentrated or adverse regulatory action against us. Our ability to borrow could also be impaired by factors that are not specific to us, such as a disruption in the financial markets or negative views and expectations about the prospects for the financial services industry in light of the recent turmoil faced by banking organizations and the continued deterioration in credit markets.

IF EXTERNAL FUNDS WERE NOT AVAILABLE, THIS COULD ADVERSELY IMPACT OUR GROWTH AND PROSPECTS.

We rely on advances from the Federal Home Loan Bank ("FHLB") of Indianapolis, other borrowings and brokered time deposits to fund our

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operations. Although we have historically been able to replace maturing advances as necessary, we might not be able to replace such funds in the future if, among other things, our results of operations or financial condition or the results of operations or financial condition of the FHLB of Indianapolis or market conditions were to change. Although we consider such sources of funds adequate for our liquidity needs, there can be no assurance in this regard and we may be compelled or elect to seek additional sources of financing in the future. Likewise, we may seek additional debt in the future to achieve our long-term business objectives, in connection with future acquisitions or for other reasons. There can be no assurance additional borrowings, if sought, would be available to us or, if available, would be on favorable terms. We have utilized and expect to continue to utilize out-of-area brokered deposits to support our asset growth. These deposits are generally a higher cost source of funds when compared to the interest rates that we would have to offer in our local markets to generate a commensurate level of funds. If additional financing sources are unavailable or not available on reasonable terms, our financial condition, results of operations and future prospects could be materially adversely affected.

WE MAY ELECT OR BE COMPELLED TO SEEK ADDITIONAL CAPITAL IN THE FUTURE, BUT THAT CAPITAL MAY NOT BE AVAILABLE WHEN IT IS NEEDED.

We are required by federal and state regulatory authorities to maintain adequate levels of capital to support our operations. In addition, we may elect to raise additional capital to support our business or to finance acquisitions, if any, or we may otherwise elect to raise additional capital. In that regard, a number of financial institutions have recently raised considerable amounts of capital as a result of deterioration in their results of operations and financial condition arising from the turmoil in the mortgage loan market, deteriorating economic conditions, declines in real

39

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

estate values and other factors. Should we be required by regulatory authorities to raise additional capital, we may seek to do so through the issuance of, among other things, our common stock or preferred stock.

Our ability to raise additional capital, if needed, will depend on conditions in the capital markets, economic conditions and a number of other factors, many of which are outside our control, and on our financial performance. Accordingly, we cannot assure you of our ability to raise additional capital if needed or on terms acceptable to us. If we cannot raise additional capital when needed, it may have a material adverse effect on our financial condition, results of operations and prospects.

IF WE FAIL TO MAINTAIN AN EFFECTIVE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING, WE MAY NOT BE ABLE TO ACCURATELY REPORT OUR FINANCIAL RESULTS OR PREVENT FRAUD, AND, AS A RESULT, INVESTORS AND DEPOSITORS COULD LOSE CONFIDENCE IN OUR FINANCIAL REPORTING, WHICH COULD MATERIALLY ADVERSELY AFFECT OUR BUSINESS, THE TRADING PRICE OF OUR COMMON STOCK AND OUR ABILITY TO ATTRACT ADDITIONAL DEPOSITS.

In connection with the enactment of the Sarbanes-Oxley Act of 2002 ("Act") and the implementation of the rules and regulations promulgated by the SEC, we document and evaluate our internal control over financial reporting in order to satisfy the requirements of Section 404 of the Act. This requires us to prepare

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an annual management report on our internal control over financial reporting, including among other matters, management's assessment of the effectiveness of internal control over financial reporting and an attestation report by our independent auditors addressing these assessments. If we fail to identify and correct any deficiencies in the design or operating effectiveness of our internal control over financial reporting or fail to prevent fraud, current and potential shareholders and depositors could lose confidence in our internal controls and financial reporting, which could materially adversely affect our business, financial condition and results of operations, the trading price of our common stock and our ability to attract additional deposits.

WE RELY HEAVILY ON OUR MANAGEMENT AND OTHER KEY PERSONNEL, AND THE LOSS OF ANY OF THEM MAY ADVERSELY EFFECT OUR OPERATIONS.

The Corporation and subsidiaries continue to be dependent upon the services of our management team, including the executive officers named in Part I of this Form 10-K and other senior managers and commercial lenders. Losing one or more members of management could adversely affect our operations. The Corporation has key man life insurance in the form of Bank Owned Life Insurance on selected executive officers, but this insurance is only applicable on the death of one or more of these individuals.

OUR FUTURE SUCCESS IS DEPENDENT ON OUR ABILITY TO COMPETE EFFECTIVELY IN THE HIGHLY COMPETITIVE BANKING INDUSTRY.

We face substantial competition in all phases of our operations from a variety of different competitors. Our future growth and success will depend on our ability to compete effectively in this highly competitive environment. We compete for deposits, loans and other financial services with numerous Michigan-based and out-of-state banks, thrifts, credit unions, investment banks and other financial institutions as well as other entities which provide financial services. Some of the financial institutions and financial services organizations with which we compete are not subject to the same degree of regulation as we are. Most of our competitors have been in business for many years, have established customer bases, are larger, and have substantially higher lending limits than we do. The financial services industry is also likely to become more competitive as further technological advances enable more companies to provide financial services. These technological advances may diminish the importance of depository institutions and other financial intermediaries in the transfer of funds between parties.

WE ARE SUBJECT TO SIGNIFICANT GOVERNMENT REGULATION, AND ANY REGULATORY CHANGES MAY ADVERSELY AFFECT US.

The banking industry is heavily regulated under both federal and state law. These regulations are primarily intended to protect customers, not our creditors or shareholders. As a bank holding company, we are also subject to extensive regulation by the Federal Reserve, in addition to other regulatory and self-regulatory organizations. Our ability to establish new facilities or make acquisitions is conditioned upon the receipt of the required regulatory approvals from these organizations. Regulations affecting banks and financial services companies undergo

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which could have a material adverse effect on our profitability or financial condition.

WE CONTINUALLY ENCOUNTER TECHNOLOGICAL CHANGES, AND WE MAY HAVE FEWER RESOURCES THAN OUR COMPETITORS TO CONTINUE TO INVEST IN TECHNOLOGICAL IMPROVEMENTS.

The banking industry is undergoing rapid technological changes with frequent introductions of new technology-driven products and services. In addition to better serving customers, the effective use of technology increases efficiency and enables financial institutions to reduce costs. The Corporation's future success will depend, in part, on our ability to address the needs of our customers by using technology to provide products and services that will satisfy customer demands for convenience as well as to create additional efficiencies in our operations. Many of our competitors have substantially greater resources to invest in technological improvements. There can be no assurance that we will be able to effectively implement new technology-driven products and services or be successful in marketing such products and services to our customers.

OUR ARTICLES OF INCORPORATION AND BY-LAWS AND MICHIGAN LAWS CONTAIN CERTAIN PROVISIONS THAT COULD MAKE A TAKEOVER MORE DIFFICULT.

Our articles of incorporation and by-laws, and the laws of Michigan, include provisions which are designed to provide our board of directors with time to consider whether a hostile takeover offer is in the best interest of the Corporation and our shareholders. These provisions, however, could discourage potential acquisition proposals and could delay or prevent a change in control. The provisions also could diminish the opportunities for a holder of our common stock to participate in tender offers, including tender offers at a price above the then-current price for our common stock. These provisions could also prevent transactions in which our shareholders might otherwise receive a premium for their shares over then current market prices, and may limit the ability of our shareholders to approve transactions that they may deem to be in their best interests.

The Michigan Business Corporation Act contains provisions intended to protect shareholders and prohibit or discourage certain types of hostile takeover activities. In addition to these provisions and the provisions of our articles of incorporation and by-laws, Federal law requires the Federal Reserve Board's approval prior to acquisition of "control" of a bank holding company. All of these provisions may have the effect of delaying or preventing a change in control at the company level without action by our shareholders, and therefore, could adversely affect the price of our common stock.

OUR ABILITY TO PAY DIVIDENDS IS LIMITED BY LAW AND CONTRACT.

We are a holding company and substantially all of our assets are held by our bank. Our ability to continue to make dividend payments to our shareholders will depend primarily on available cash resources at the holding company and dividends from our bank. Dividend payments or extensions of credit from our bank are subject to regulatory limitations, generally based on capital levels and current and retained earnings, imposed by regulatory agencies with authority over our bank. The ability of our bank to pay dividends is also subject to its profitability, financial condition, capital expenditures and other cash flow requirements. We are also prohibited from paying dividends on our common stock if the required payments on our subordinated debentures have not been made. We cannot assure you that our bank will be able to pay dividends to us in the future.

THERE IS A LIMITED TRADING MARKET FOR OUR COMMON STOCK.

The price of our common stock has been, and will likely continue to be, subject to fluctuations based on, among other things, economic and market

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conditions for bank holding companies and the stock market in general, as well as changes in investor perceptions of our company. The issuance of new shares of our common stock also may affect the market for our common stock.

Our common stock is traded on the NASDAQ Global Market under the symbol "CCBD." The development and maintenance of an active public trading market depends upon the existence of willing buyers and sellers, the presence of which is beyond our control. While we are a publicly-traded company, the volume of trading activity in

41

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

our stock is still relatively limited. Even if a more active market develops, there can be no assurance that such a market will continue, or that our shareholders will be able to sell their shares at or above the offering price.

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

Not applicable.

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.

Not applicable

ITEM 6. EXHIBITS.

See Exhibit Index attached.

42

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 November 13, 2008.

COMMUNITY CENTRAL BANK CORPORATION

By: /s/ DAVID A. WIDLAK

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David A. Widlak;

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President and CEO  
(Principal Executive Officer)

By: /s/ RAY T. COLONIUS

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

43

COMMUNITY CENTRAL BANK CORPORATION  
FORM 10-Q (continued)

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
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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).
3.2	Bylaws, as amended, of the Corporation are incorporated by reference to Exhibit 3 of the Corporation's Current Quarterly Report on Form 8-K filed on September 19, 2007 (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).
10.1	1996 Employee Stock Option Plan is incorporated by reference to Exhibit 10.1 of the Corporation's Registration Statement on Form SB-2 (SEC File No. 333-04113).
10.2	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).
10.3	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).
10.4	Community Central Bank Supplemental Executive Retirement Plan, as amended, and Individual Participant Agreements are 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).
10.5	Community Central Bank Death Benefit Plan, as amended, is incorporated by reference to Exhibit 10.7 of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2006 (SEC File No. 000-33373).

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- 10.6 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).
- 10.7 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).
- 10.8 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).
- 11 Computation of Per Share Earnings
- 31.1 Rule 13a - 14(a) Certification (Chief Executive Officer)
- 31.2 Rule 13a - 14(a) Certification (Chief Financial Officer)
- 32 Rule 1350 Certifications