COMMUNITY CENTRAL BANK CORP
Form 10-Q
August 16, 2010

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-Q

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

For the quarterly period ended June 30, 2010

Commission File No. 000-33373

COMMUNITY CENTRAL BANK CORPORATION

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

Michigan	38-3291744
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

100 North Main Street, PO Box 7, Mount Clemens, MI 48046-0007
(Address of principal executive offices and zip code)
(586) 783-4500
(Issuer s telephone number)

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

Yes þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

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 definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

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

Indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No þ

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 August 13, 2010
Common Stock	3,739,881 Shares

TABLE OF CONTENTS

PART I
- Item 1. Financial Statements
- Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations
- Item 3. Quantitative and Qualitative Disclosures About Market Risk
- Item 4T. Controls and Procedures

PART II
- Item 1. Legal Proceedings
- Item 1A. Risk Factors
- Item 2. Unregistered Sales of Equity Securities and Use of Proceeds
- Item 3b. Defaults upon Senior Securities
- Item 4. Reserved
- Item 5. Other Information
- Item 6. Exhibits

SIGNATURES
EXHIBIT INDEX
EX-11
EX-31.1
EX-31.2
EX-32

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

PART I

Item 1. Financial Statements
Consolidated Balance Sheet

	June 30, 2010 (Unaudited)	December 31, 2009
	(In thousands)	
Assets		
Cash and due from banks	$ 61,852	$ 33,115
Federal funds sold	133	1,048
Cash and Cash Equivalents	61,985	34,163
Securities available for sale, at fair value	43,647	65,903
Securities held to maturity, at amortized cost	3,293	3,467
FHLB stock	5,877	5,877
Residential mortgage loans held for sale	8,474	3,497
Loans		
Commercial real estate	269,882	273,578
Commercial and industrial	47,652	48,782
Residential real estate	48,288	51,101
Home equity lines of credit	21,370	21,889
Consumer loans	6,540	6,961
Credit card loans	888	856
Total Loans	394,620	403,167
Allowance for credit losses	(16,310)	(12,957)
Net Loans	378,310	390,210
Net property and equipment	8,834	9,106
Accrued interest receivable	1,841	1,878
Other real estate	8,337	9,300
Goodwill	638	638
Intangible assets, net of amortization	46	57
Cash surrender value of Bank Owned Life Insurance	11,451	11,285
Other assets	7,572	8,465
Total Assets	$ 540,305	$ 543,846

(continued)

2

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)
Consolidated Balance Sheet

	June 30, 2010 (Unaudited)	December 31, 2009
	(In thousands)	
Liabilities		
Deposits		
Noninterest bearing demand deposits	$ 62,569	$ 45,716
NOW and money market accounts	40,844	41,872
Savings deposits	9,545	8,800
Time deposits	315,856	304,743
Total Deposits	428,814	401,131
Repurchase agreements	34,958	41,106
Federal Home Loan Bank advances	53,341	65,700
Accrued interest payable	780	618
Other liabilities	3,309	2,937
Subordinated debentures at fair value option	1,834	8,366
Total Liabilities	523,036	519,858
Stockholders Equity		
Preferred stock (1,000,000 $1,000 par value shares authorized; 7,775 shares and 7,265 shares issued and outstanding at June 30, 2010 and December 31, 2009, respectively)	7,645	7,146
Common stock (No par value; 9,000,000 shares authorized; 3,739,881 and 3,737,181 issued and outstanding at June 30, 2010 and December 31, 2009, respectively)	32,274	32,214
Retained deficit	(23,154)	(15,536)
Accumulated other comprehensive gain	504	164
Total Stockholders Equity	17,269	23,988
Total Liabilities and Stockholders Equity	$ 540,305	$ 543,846

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)
Consolidated Statements of Income
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
	(In thousands, except per share data)			
Interest Income				
Loans (including fees)	$ 5,988	$ 6,653	$ 11,857	$ 12,913
Taxable securities	414	721	912	1,659
Tax exempt securities	38	84	53	198
Federal funds sold	34	7	56	13
Total Interest Income	6,474	7,465	12,878	14,783
Interest Expense				
NOW and money market accounts	64	66	130	151
Savings deposits	12	13	25	30
Time deposits	2,227	2,524	4,491	5,175
Repurchase agreements and fed funds purchased	288	315	584	632
Federal Home Loan Bank advances	664	1,133	1,436	2,271
Subordinated debentures	311	311	623	613
Total interest expense	3,566	4,362	7,289	8,872
Net Interest Income	2,908	3,103	5,589	5,911
Provision for Credit Losses	4,000	2,700	12,200	5,250
Net Interest Income (Loss) after Provision for Credit Losses	(1,092)	403	(6,611)	661
Noninterest Income				
Fiduciary income	65	82	131	165
Deposit service charges	100	95	191	190
Net realized security gain	131	228	209	356
Change in fair value of assets/liabilities carried at fair value	6,031	838	6,532	1,070
Mortgage banking income	741	1,290	1,445	1,761
Other income	370	259	748	464
Total noninterest income	7,438	2,792	9,256	4,006
Noninterest Expense				
Salaries, benefits and payroll taxes	2,270	2,249	4,504	4,181
Net occupancy expense	434	417	892	880

Other operating expense	2,362	1,790	4,657	3,269
Total noninterest expense	5,066	4,456	10,053	8,330
Income (Loss) Before Taxes	1,280	(1,261)	(7,408)	(3,663)
Provision for Income Tax (Benefit) Expense		(459)		(1,317)
Net income (loss)	$ 1,280	$ (802)	$ (7,408)	$ (2,346)
Dividends declared / accumulated on preferred shares	64	106	200	156
Net income (loss) available on common shares	$ 1,216	$ (908)	$ (7,608)	$ (2,502)
Per share data:				
Basic earnings (loss)	$ 0.33	$ (0.24)	$ (2.04)	$ (0.67)
Diluted earnings (loss)	$ 0.33	$ (0.24)	$ (2.04)	$ (0.67)
Cash dividends	$	$	$	$

4

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
	(In thousands)		(In thousands)	
Net Income (Loss) as Reported	$ 1,280	($802)	($7,408)	($2,346)
Other Comprehensive Income				
Change in unrealized net gain (loss) on securities available for sale	276	(132)	340	59
Comprehensive Income (Loss)	$ 1,556	($934)	($7,068)	($2,287)

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)
Consolidated Statements of Cash Flow
(Unaudited)

	Six Months Ended June 30,	
	2010	2009
	(In thousands)	
Operating Activities		
Net loss	($7,408)	($2,346)
Adjustments to reconcile net loss to net cash flow from operating activities:		
Net amortization of security premium	403	166
Net gain on available for sale securities	(209)	(356)
Net gain on instruments at fair value	(6,532)	(1,070)
Provision for credit losses	12,200	5,250
Depreciation expense	352	323
Deferred income tax benefit		(1,317)
Stock based compensation	47	40
Decrease in accrued interest receivable	37	454
Decrease in other assets	1,982	2,596
Increase (decrease) in accrued interest payable	162	(365)
Increase (decrease) in other liabilities	372	(435)
Increase in loans sold held for sale	(4,977)	(6,208)
(Increase) decrease in other real estate	963	(1,983)
Net Cash Used in Operating Activities	(2,608)	(5,251)
Investing Activities		
Sales, maturities, calls and prepayments of securities available for sale	36,983	69,638
Purchases of securities available for sale	(15,879)	(56,386)
Maturities, calls, sales and prepayments of trading securities		24,700
Transfer and purchase of trading securities		(7,237)
Maturities, calls, and prepayments of held to maturity securities	164	143
Purchases of held to maturity securities		(2,088)
Increase in loans	(301)	(7,693)
Purchases of property and equipment	(80)	(55)
Net Cash Provided by Investing Activities	20,887	21,022
Financing Activities		
Net increase in demand and savings deposits	16,570	13,836
Net increase (decrease) in time deposits	11,114	(1,659)
Net (decrease) increase in short term borrowings	(6,148)	1,026
FHLB advance repayments	(12,359)	(10,500)
Stock awards	3	
Preferred Stock Issuance	499	500
Preferred Stock dividend paid	(136)	(156)
Net Cash Provided by Financing Activities	9,543	3,047

Increase in Cash and Cash Equivalents	27,822	18,818
Cash and Cash Equivalents at the Beginning of the Period	34,163	16,162
Cash and Cash Equivalents at the End of the Period	$ 61,985	$ 34,980
Supplemental Disclosure of Cash Flow Information		
Interest paid	$ 7,127	$ 9,237
Loans transferred to other real estate owned	$ 1,498	$ 2,650

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

Notes to Consolidated Financial Statements
(unaudited)

1. The financial statements of Community Central Bank Corporation (the Corporation) include the consolidation of its wholly-owned 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 June 30, 2010 and December 31, 2009, and Consolidated Statements of Income and Comprehensive Income for the six month periods ended June 30, 2010 and 2009, and Consolidated Statements of Cash Flow for the six months ended June 30, 2010 and 2009. 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, 2009.

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.

Critical Accounting Policies:

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 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.

Fair Value Option for Financial Assets and Financial Liabilities: Under ASC 825, Financial Instruments, an entity is permitted 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. As a result of the Corporation s adoptions, certain financial instruments were valued at fair value using the fair value option. The Corporation adopted ASC 820, Fair Value Measurements and Disclosures.

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.

Income Taxes: Income tax expense is the sum of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

We recognize a tax position as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more likely than not test, no tax benefit is recorded. We recognize interest and/or penalties related to income tax matters in income tax expense.

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

The realization of deferred tax assets (net of a recorded valuation allowance) is largely dependent upon future taxable income, future reversals of existing taxable temporary differences and the ability to carry back losses to available tax years. In assessing the need for a valuation allowance, we consider all positive and negative evidence, including taxable income in carry back years, scheduled reversals of deferred tax liabilities, expected future taxable income and tax planning strategies.

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. 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 ASC 820, *Fair Value Measurements,* 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:

In the first quarter of 2009, the Corporation elected to sell substantially all of the investment securities recorded as trading securities, and to unwind the hedging interest rate swap position with the counterparty which resulted in realizing a combined net loss of $400,000 in 2009. This was based on management s determination that the combination of the securities and interest rate swap would no longer provide a benefit to the Corporation in the current historically low interest rate environment. The Corporation had held the securities and interest rate swap for an extended amount of time under ASC 825, *Financial Instruments, the Fair Value Option.*

Subordinated Debentures:

Management elected the fair value option for its subordinated debenture. Management considers the subordinated debenture a critical component for future growth and wished to utilize interest rate swaps at that point in time to hedge the risk of this longer term liability. Management elected the fair value option 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 ASC 825, *Financial Instruments, the Fair Value Option.* Under the interest rate swap, the Corporation has agreed to receive a fixed rate of 6.71% and pay Libor plus 170

8

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. In the first quarter of 2009, the Corporation elected to unwind the interest rate swap position with the counterparty which resulted in realizing $3.3 million, which represented substantially all of the unrealized gains which had been recorded as noninterest income, under the fair value option through December 31, 2008. This was based on management s determination that the interest rate swap would no longer provide a benefit to the Corporation. 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 ASC 820, *Fair Value Measurements,* for 2007 were measured under a market approach using matrix pricing for investment securities and the income approach using observable data for the liabilities reported under ASC 825, *Financial Instruments, Fair Value Option*. The inputs were observable for the asset and liability yields 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 facility. 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 determination of fair value 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 and characteristics. 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. Under ASC 820, *Fair Value Measurements and Disclosures,* management evaluated factors to determine whether there has been a significant decrease in volume of activity for the liability compared to normal market activity. Based on the factors observable to management contained in ASC 820, *Fair Value Measurements and Disclosures*, management concluded that quoted prices may not be determinative of fair value. Management also evaluated the circumstances to determine whether the issuance of subordinated debentures and trust preferred securities was orderly based on the weight of evidence available. Based on the factors contained in ASC 820, *Fair Value Measurements and Disclosures*, management concluded the market for bank subordinated debentures and trust preferred securities was not orderly. Management has used all observable data available, including the market data for subordinated debentures and trust preferred securities traded as assets, to obtain additional observable information. The inputs and valuation techniques used by management to determine fair value included pricing models for like type financial instruments priced to a yield to maturity of that instrument. Management uses market surveys for like type instruments in aiding the valuation process. Management also considers market data for the issuance of subordinated debentures in evaluating the appropriate fair value of the instrument. Multiple inputs are used in the valuation process including assumptions on credit spreads, projected yield curves and other modeling techniques used in pricing financial instruments to determine the fair value after incorporating all known factors and adjustments which may be significant. A determination was made, based upon the significance of unobservable parameters as of June 30, 2010 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 net change in fair value associated with all instruments recorded under ASC 825, *Financial Instruments, Fair Value Option,* totaled $6.5 million for the first six months of 2010, versus $1.1 million for the first six months of 2009. The signifant increase was primarily related to larger gains recorded in the fair market value of the subordinated debenture connected with the issuance of trust preferred securities. Significantly affecting the valuation of the debenture was the worsening financial condition of the Bank and the suspension and deferral of interest payments by the Corporation, which was announced on May 14, 2010. The fair value was based in part on the relative market value ascribed to debt and trust preferred instruments traded within the same geographic area as assets in the marketplace and with financial institutions of similar financial condition. The use of a discounted cash flow analysis was integral in the determination of the fair value of this instrument. An assumption used in the discounted cash flow analysis, in addition to those described above, was the

forecasted deferral of interest payments by the Corporation on its subordinated debenture.

Changes in market credit spreads for this instrument impact the relative fair value of this financial liability. 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.

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)
Securities Available for Sale, at Fair Value:
The fair values of securities available for sale are determined by matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities relationship to other benchmark quoted securities (level 2 inputs).
The following table presents the fair value measurement at June 30, 2010 using the identified valuations and the changes in fair value for the six month period ended June 30, 2010, and June 30, 2009.

Description	Fair Value Measurements 06/30/10	Fair Value Measurement at June 30, 2010 Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Changes in fair value for six months ended June 30, 2010 measured at fair value pursuant to election of the fair value option Other Gains or Losses in pretax income
	(In thousands)			
Securities available for sale				
U.S. government agencies	$ 1,118	$ 1,118	$	$
U.S. agency mortgage backed securities	27,151	27,151		
U.S. agency collateralized mortgage obligations	11,524	11,524		
Municipal securities	3,101	3,101		
Mutual fund and trust preferred securities	753	753		
Subordinated debentures	1,834		1,834	6,532
				6,532

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

Description	Fair Value Measurements 06/30/10	Fair Value Measurement at June 30, 2009 Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Changes in fair value for six months ended June 30, 2009 measured at fair value pursuant to election of the fair value option Other Gains or Losses in pretax income
		(In thousands)		
Assets				
Trading securities	$	$	$	$ (150)
Securities available for sale				
U.S. agency mortgage backed securities	29,913	29,913		
U.S. agency collateralized mortgage obligations	26,126	26,126		
Municipal securities	6,780	6,780		
Mutual fund and trust preferred securities	684	684		
Interest rate swap hedging securities				(75)
Liabilities				
Subordinated debentures	11,115		11,115	1,620
Interest rate swap hedging subordinated debentures				(325)
				$ 1,070

Interest income and interest expense of the respective financial instruments have been recorded in the consolidated statements 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 three and six month period ended June 30, 2010 and the three and six month period ended June 30, 2009 (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 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 table do not reflect the effect of the Corporation s risk management activities related to such level 3 instruments.

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

Fair value measurements using significant unobservable inputs
(In thousands)

For the three months ended June 30, 2010	Fair Value April 1, 2010	Total realized / unrealized gains / losses	Purchases, issuances settlements, net	Transfers in and / or out of Level 3	Fair Value June 30, 2010	Changes in unrealized gains and (losses) related to financial instruments for the three months ended held at June 30, 2010
				(In thousands)		
Subordinated Debentures	$7,865	$ 6,031	$	$	$ 1,834	$ 6,031

For the six months ended June 30, 2010	Fair Value January 1, 2010	Total realized / unrealized gains / losses	Purchases, issuances settlements, net	Transfers in and / or out of Level 3	Fair Value June 30, 2010	Changes in unrealized gains and (losses) related to financial instruments for the six months ended held at June 30, 2010
				(In thousands)		
Subordinated Debentures	$8,366	$ 6,532	$	$	$ 1,834	$ 6,532

For the three months ended June 30, 2009	Fair Value April 1, 2009	Total realized / unrealized gains / losses	Purchases, issuances settlements, net	Transfers in and / or out of Level 3	Fair Value June 30, 2009	Changes in unrealized gains and (losses) related to financial instruments for the three months ended held at June 30, 2009
				(In thousands)		
Subordinated Debentures	$12,022	$ 867	$	$	$11,155	$ 867

		Total realized /	Purchases,	Transfers		Changes in unrealized gains and (losses) related to financial

For the six months ended June 30, 2009	Fair Value January 1, 2009	unrealized gains / losses	issuances settlements, net	in and / or out of Level 3	Fair Value June 30, 2009	instruments for the six months ended held at June 30, 2009
				(In thousands)		
Subordinated Debentures	$12,757	$ 1,602	$	$	$11,155	$ 1,602

Assets Measured at Fair Value on a Nonrecurring Basis

Residential Mortgages Held for Sale

Residential mortgages held for sale are reported at the lower of cost or fair value. The fair value of the residential mortgages held for sale is based on binding quotes from investors.

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 ASC 310, *Accounting for Creditors for Impairment of a Loan*. The fair value of impaired loans is estimated primarily using collateral value. Those

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)
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 the value of the 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, less costs of sale, 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.

The following table presents assets measured at fair value on a nonrecurring basis for the three and six month period ended June 30, 2010 and the three and six month period ended June 30, 2009.

Assets:	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Losses for the Three months ended June 30, 2010
June 30, 2010					
Impaired loans	$44,544	$	$	$ 44,544	$ 3,310
Other real estate owned	$ 8,337	$	$	$ 8,337	$ 701
					Total Losses for the Six months ended

13

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

Assets:	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Losses for the Three months ended June 30, 2009
June 30, 2009					
Impaired loans	$30,283	$	$	$ 30,283	$ 1,526
Other real estate owned	$ 4,896	$	$	$ 4,896	$ 183
					Total Losses for the Six months ended June 30, 2009
June 30, 2009					
Impaired loans	$30,283	$	$	$ 30,283	$ 3,282
Other real estate owned	$ 4,896	$	$	$ 4,896	$ 436

In accordance with ASC 825, *Financial Instruments*, the carrying amounts and estimated fair values of financial instruments, at June 30, 2010 and December 31, 2009 are as follows:

	June 30, 2010		December 31, 2009	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(In thousands)			
Financial Assets				
Cash and cash equivalents	$ 60,030	$ 60,030	$ 34,163	$ 34,163
Securities available for sale, at fair value	43,647	43,647	65,903	65,903
Securities held to maturity, at amortized cost	3,293	3,356	3,467	3,469
FHLB stock	5,877	5,877	5,877	5,877
Residential mortgages held for sale	8,474	8,474	3,497	3,497
Loans, net of allowance	378,310	392,927	390,210	402,500
Accrued interest receivable	1,841	1,841	1,878	1,878
Financial Liabilities				
Demand and savings deposits	112,958	112,958	96,388	96,388
Time deposits	315,856	322,244	304,743	311,102
Repurchase agreements	34,958	34,958	41,106	41,106
Federal Home Loan Bank advances	53,341	54,850	65,700	66,883

Accrued interest payable	780	780	618	618
Subordinated debentures (a)	1,834	1,834	8,366	8,366

(a) Carried at fair value option under ASC 825, *Financial Instruments, the Fair Value Option for Financial Assets and Liabilities*, for the entire category.

Fair values are based on quoted market prices for similar instruments or estimated using discounted cash flow analysis. The discount rates used are estimated using comparable market rates for similar types of instruments adjusted to be commensurate with the credit risk, overhead costs and optionality of such instruments. Considerable judgment is inherently required to interpret market data to develop the estimates of fair value. Accordingly, the estimates presented above do not necessarily represent amounts that the Corporation could realize in a current market exchange. The following methods and assumptions were used to estimate the fair value of financial instruments:

Cash and cash equivalents: For these short-term instruments, the carrying amount is a reasonable estimate of fair value.

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

Securities, Federal Home Loan Bank stock: The fair value of the securities portfolio is based on matrix pricing where similar securities are used to interpolate fair value of the subject instruments and as such is considered a level 2 valuation. The carrying value of FHLB stock approximates fair value based on their redemption provisions.

Loans: For variable rate loans with no significant change in credit risk since loan origination, the carrying amount is a reasonable estimate of fair value. For all other loans, including fixed rate loans, the fair value is estimated using a discounted cash flow analysis, using interest rates currently offered on similar loans to borrowers with similar credit ratings and for the same remaining maturities. The resulting value is reduced by an estimate of losses inherent in the portfolio.

Residential mortgages held for sale: The estimated fair value of residential mortgages held for sale is the carrying amount. The duration of the portfolio is typically within two weeks or less and a commitment of sale has already occurred when the loans are funded.

Deposits: The estimated fair value of demand deposits, certain money market deposits, and savings deposits is the amount payable on demand at the reporting date. The fair value of fixed maturity time deposits is estimated using the rates currently offered for deposits of similar remaining maturities.

Federal Home Loan Bank advances: The estimated fair value of Federal Home Loan Bank advances is estimated using rates currently offered for funding sources of similar remaining maturities.

Repurchase agreements: The estimated fair value of short-term borrowings is the carrying amount, since they mature the next day.

Accrued interest: Accrued interest receivable and payable are short-term in nature; therefore, their carrying amount approximates fair value.

Subordinated debentures: Subordinated debentures are carried at fair value under ASC 825, *Financial Instruments, the Fair Value Option*.

Commitments: The fair value of commitments is estimated using the fees currently charged to enter into similar arrangements, taking into account the remaining terms of the agreements and the present creditworthiness of the counterparties. The majority of commitments to extend credit and letters of credit would result in loans with a market rate of interest if funded. The fair value of these commitments is not material.

Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion compares the financial condition of the Corporation and its wholly owned subsidiaries at June 30, 2010 and December 31, 2009 and the results of operations for the three months and six months ended June 30, 2010 and 2009. This discussion should be read in conjunction with the financial statements and statistical data presented elsewhere in this report.

SAFE HARBOR REGARDING FORWARD-LOOKING STATEMENTS

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 and projects, and 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 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

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

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, 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.

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 central 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 Capital Market under the symbol CCBD.

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

The results of our 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 the Bank s customer base. The Bank has experienced increased delinquency levels and losses in its loan portfolio, primarily with commercial real estate, residential developer loans within the commercial real estate loan portfolio, with commercial and industrial loans, and with residential real estate loans. Further downturns in the local economy may affect the demand for, and performance of, commercial loans and related small to medium sized business related products. This could have a significant impact on how the Corporation deploys earning assets. The competitive environment among other financial institutions and financial service providers and the Bank in the Macomb, Oakland, St. Clair and Wayne counties of Michigan may affect the pricing levels of various loan and deposit products. The impact of competitive rates on deposit products may increase the relative cost of funds for the Corporation and thus negatively impact net interest income.

The weakness in the economy continues to affect parts of our loan portfolio requiring a higher provision for loan losses. We recorded a $4.0 million provision for loan losses in the second quarter of 2010 and $12.2 million for the first six months of 2010. The provision is based upon management s review of the risks inherent in the loan portfolio and the level of our allowance for loan losses. In addition, net charge-offs for the first six months of 2010 totaled $8.8 million, or 4.43% of total average loans on an annualized basis. Total nonaccruing loans and loans past due 90 days or more and still

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)
accruing interest totaled $31.4 million, or 7.95% of total loans at June 30, 2010 compared to $22.9 million, or 5.68% at December 31, 2009. The allowance for loan losses at June 30, 2010 was $16.3 million, or 4.13% of total loans, versus $13.0 million, or 3.21% at December 31, 2009. In addition to the nonaccrual loans stated above, as of June 30, 2010, restructured loans increased to $28.9 million from $20.4 million at December 31, 2009.

We continue to focus on strategies to preserve and increase capital, and emphasize segments of operations that are capital efficient, such as our mortgage banking operations, our branch deposit operations as well as our Trust and Wealth divisions. An ongoing effort to increase our core deposits has translated to a reduction in our cost of funds. During the first six months of 2010, our deposits increased $27.7 million, with organic deposits increasing $58.6 million, as wholesale deposits decreased $30.9 million. We also decreased Federal Home Loan Bank advances $12.4 million during the first six months, replacing them with lower cost core deposit funding. Management is planning on reducing the brokered time deposits and Federal Home Loan Bank advances for the foreseeable future. Management plans to reduce total assets to help increase the capital ratios and thereby increase capital availability for potential future provision expense. The total net interest income of the Corporation will be somewhat negatively affected by the planned decrease in earning assets. The decrease in earning assets should not have a negative effect on net interest margin as the reduction in wholesale funds is a relatively high cost of funds producing relatively compressed interest rate spreads at levels smaller than the current net interest margin.

Quantitative measures established by regulation require the Corporation and the Bank to maintain minimum amounts and ratios of Tier I capital and total capital (as defined in the regulations) to risk-weighted assets. The Corporation and the Bank are also subject to a minimum Tier I leverage ratio expressed as a percentage of quarterly average assets (as defined). The Corporation is further subject to leverage ratios consisting of primary capital and total capital as a percentage of assets at period end. The Corporation and the Bank are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and prompt corrective action regulations involve quantitative measures of assets, liabilities, and certain off-balance sheet items. Capital amounts and classifications are also subject to qualitative judgments about components, risk weightings, and other factors in which the regulators can lower classifications in certain cases. Failure to meet various capital requirements can initiate regulatory action that could have a direct material effect on the financial statements. The prompt corrective action regulations provide five classifications, consisting of well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent the overall financial condition of the Corporation or the Bank. As an undercapitalized Bank, regulatory approval is required to accept or renew brokered deposits. In addition, the Bank is subject to significant restrictions on capital distributions, asset growth, acquisitions, new activities, new branches, and management fees. The Bank submitted a written capital restoration plan with the FDIC on June 14, 2010.

In December 2009 the Corporation raised a total of $4.2 million in capital through the sale of Series B cumulative convertible perpetual preferred stock. The Series B preferred stock can be converted into common stock of the Corporation at any time by the holders, or by the Corporation under certain circumstances, at an initial conversion price of $8.00 per share of common stock, subject to adjustment and certain limitations, as described below. A warrant to purchase shares of the Corporation s common stock is attached to each share of Series B preferred stock. Each warrant represents the right of the holder to purchase 20 shares of the Corporation s common stock at a purchase price of $5.00 per common share and is exercisable for ten years. Dividends on the Series B preferred stock are payable quarterly in arrears at a rate of 5.00% per annum, if and when declared by the Corporation s Board of Directors. Dividends on the Series B preferred shares are cumulative. On or after August 1, 2010, the Series B preferred stock will be subject to mandatory conversion into common stock under certain circumstances, including the Corporation s stock price trading at or above $10.00 per share, subject to adjustment.

In December 2008 and February 2009, the Corporation raised a total of $3.55 million in capital through the sale of Series A noncumulative convertible perpetual preferred stock. The Series A preferred stock can be converted into common stock of the Corporation at any time by the holders, or by the Corporation under certain circumstances, at an initial conversion price of $10.00 per share of common stock, subject to adjustment and certain limitations as

described below. Dividends on the Series A preferred stock are payable quarterly in arrears at a rate of 12.00% per annum, if and when declared by the Corporation s Board of Directors and are not cumulative. The Series A preferred stock is subject to mandatory conversion into common stock under certain circumstances, including the Corporation s stock price trading at or above $11.00 per share, subject to adjustment.

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

Assets

At June 30, 2010, the Corporation s assets totaled $540.3 million, a decrease of $3.5 million or 0.65% from December 31, 2009. Total cash and cash equivalents at June 30, 2010 were $60.0 million or an increase of $25.9 million from December 31, 2009. Management is planning on using the excess liquidity to pay down upcoming maturities of brokered time deposits. This will have the effect of reducing the total assets of the Bank and Corporation. Management plans to reduce total assets to help increase the capital ratios and thereby preserve capital.

Gross loans totaling $394.6 million decreased $8.5 million for the first six months of 2010. The decrease was primarily comprised of commercial real estate loans and residential mortgage loans, which decreased $3.7 million and $2.8 million respectively. At June 30, 2010, commercial and commercial real estate loans comprised 68.4% of the total loan portfolio, which is consistent with our current and historical small business focus. Lending activities during the second quarter of 2010 were limited to servicing existing customers only as the Corporation is pursuing strategies to reduce earning assets that require higher levels of capital. At June 30, 2010, $32.2 million or 66.7% of the total residential portfolio was comprised of adjustable rate mortgages. Residential mortgage loans which the Corporation holds in portfolio comprise primarily those customers who have other banking products with the bank. The HELOC portfolio totaled $21.4 million at June 30, 2010, a decrease of $519,000 or 2.4% from December 31, 2009. This portfolio product is tied to The Wall Street Journal prime interest rate. These loans are secured by real estate and are currently originated with loan to value ratios (including all prior liens) up to 80% of the appraised value of the real estate. The Corporation has significantly curtailed lending in this segment of the loan portfolio due to the dramatic decline in real estate collateral values in southeastern Michigan and nationwide.

Consumer loans (excluding HELOCs and credit card loans) totaled $6.5 million at June 30, 2010, a decrease of $421,000 from December 31, 2009, as management intentionally sought to reduce the Corporation s exposure in this portfolio. The largest portion of the consumer loan portfolio is comprised of boat loans. The Corporation s geographic proximity to Lake St. Clair and the lending experience in this area have contributed to this segment of the portfolio. In 2005, the Corporation offered less competitive interest rates on boat loans to reduce potential credit exposure in this area. The current downturn in the local economy has adversely affected the ability of borrowers to repay the outstanding loans. At June 30, 2010, boat loans comprised approximately $5.1 million, or 78.5%, of the consumer loan portfolio and 1.30% of total loans compared to $5.6 million, or 80.0%, of the consumer portfolio and 1.39% of total loans at December 31, 2009.

Mortgage loans held for sale totaled $8.5 million at June 30, 2010 compared to $3.5 million at December 31, 2009. The mortgage loans were originated by the Bank s mortgage subsidiary. Loans closed generally remain in loans held for sale for less than 30 days. Loans are normally committed for sale before funding takes place.

Additionally, the Corporation had approximately $160 million in outstanding loans at June 30, 2010, to borrowers in the real estate rental and properties management industries. Approximately 63.5% of all commercial real estate loans are owner occupied.

The major components of the loan portfolio are as follows:

	June 30, 2010	Percentage of total loans	December 31, 2009	Percentage of total loans	Net Change	Net Change %
	(In thousands, except percentages)					
Loans held for sale:						
Residential real estate	$ 8,474		$ 3,497		$ 4,977	142.3%

Loans held in the portfolio:						
Commercial real estate	$ 269,882	68.4%	$ 273,578	67.9%	$ (3,696)	(1.4%)
Commercial and industrial	47,652	12.1%	48,782	12.1%	(1,130)	(2.3%)
Residential real estate	48,288	12.2%	51,101	12.7%	(2,813)	(5.5%)
Home equity lines	21,370	5.4%	21,889	5.4%	(519)	(2.4%)
Consumer loans	6,540	1.7%	6,961	1.7%	(421)	(6.0%)
Credit cards	888	0.2%	856	0.2%	32	3.7%
Total loans	$ 394,620	100.0%	$ 403,167	100.0%	$ (8,547)	-2.1%

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

Securities available for sale totaled $43.6 million at June 30, 2010, a decrease of $22.3 million for the first six months of 2010. The Corporation continues to decrease the size of the investment portfolio in an effort to provide liquidity for upcoming maturities of brokered time deposits and reduce the total asset size of the Bank for capital considerations. Mortgage-backed securities (MBS) decreased $8.3 million to $27.2 million at June 30, 2010, as a result of pay downs and sales. The majority of the MBS portfolio comprises Government National Mortgage Association (GNMA) securities which carry the full faith and credit of the United States Government. Collateralized mortgage obligations (CMO) totaled $11.5 million at June 30, 2010, a decrease of $7.3 million from a total of $18.8 million at December 31, 2009. Municipal securities in portfolio totaled $3.1 million at June 30, 2010, a decrease of $1.3 million from December 31, 2009. The portfolio of municipal bonds was reduced for federal income tax considerations through sales, maturities and calls.

At June 30, 2010, our available for sale securities portfolio had net unrealized gains of $763,000 or 177 basis points of the total portfolio. The Corporation continues to invest in U.S. Government Agency securities, primarily mortgage-backed instruments issued by GNMA, to limit credit risk. The net realized gain from the sale of available for sale securities totaled $209,000 for the first six months of 2010 and was the result of portfolio restructuring activity.

The Corporation has less than one percent of the total investment portfolio in non-agency investments.

The following tables show the amortized cost and estimated fair value of the Corporation s security portfolios as of the dates indicated:

	June 30, 2010			
	Amortized	Unrealized		Fair
	Cost	Gains	Losses	Value
	(In thousands)			
Securities Available for Sale				
United States Government agencies	$ 1,113	$ 5	$	$ 1,118
U.S. agency mortgage backed securities	26,538	613		27,151
U.S. agency collateralized mortgage obligations	11,319	205		11,524
Municipal securities	3,164	23	(86)	3,101
Mutual fund and Trust preferred securities	750	8	(5)	753
Total Securities Available for Sale	42,884	854	(91)	43,647
Held to Maturity Securities				
Municipal securities	460	5	(5)	460
Trust preferred securities	250			250
U.S. agency mortgage backed securities	2,583	63		2,646
Total Held to Maturity Securities	3,293	68	(5)	3,356
Total Securities	46,177	922	(96)	47,003

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

	December 31, 2009			
	Amortized Cost	Unrealized Gains	Losses	Fair Value
	(In thousands)			
Securities Available for Sale				
United States Government agencies	$	$	$	$
U.S. agency mortgage backed securities	41,847	237	(168.00)	41,916
U.S. agency collateralized mortgage obligations	18,541	321	(23.00)	18,839
Municipal securities	4,515	24	(105)	4,434
Mutual fund and Trust preferred securities	750		(36)	714
Total Securities Available for Sale	65,653	582	(332)	65,903
Held to Maturity Securities				
Municipal securities	560	4	(15)	549
Trust preferred securities	250			250
U.S. agency mortgage backed securities	2,657	21	(8)	2,670
Total Held to Maturity Securities	3,467	25	(23)	3,469
Total Securities	69,120	607	(355)	69,372

The following tables show information pertaining to securities with gross unrealized losses at June 30, 2010 and 2009, aggregated by investment category and length of time that the individual security has been in continuous loss position. Unrealized losses on securities have not been recognized into income because the issuers bonds are of high credit quality. We have the intent and ability to hold the securities for the foreseeable future and changes in fair value are primarily due to changes in market interest rates.

	June 30, 2010			
	Less than 12 Months		Over 12 Months	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
	(In thousands)			
Securities Available for Sale				
United States Government agencies	$	$	$	$
U.S. agency mortgage backed securities				
U.S. agency collateralized mortgage obligations				
Municipal securities			(55)	1,003
Mutual fund and trust preferred securities	(31)	831	(5)	245
Total Securities Available for Sale	$ (31)	$ 831	$ (60)	$ 1,248

As of June 30, 2010, the unrealized loss on held to maturity securities was $5,000. All held to maturity securities have bee in an unrealized loss position for over twelve months.

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

	December 31, 2009			
	Less than 12 Months		Over 12 Months	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
	(In thousands)			
Securities Available for Sale				
United States Government agencies	$	$	$	$
U.S. agency mortgage backed securities	(166)	19,707	(2)	76
U.S. agency collateralized mortgage obligations	(15)	3,265	(8)	662
Municipal securities	(20)	1,026	(85)	2,115
Mutual fund and trust preferred securities	(5)	495	(31)	219
Total Securities Available for Sale	$ (206)	$ 24,493	$ (126)	$ 3,072

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)
The following table is a summary of our nonperforming loans, restructured loans, other real estate owned and repossessed property.

	June 30, 2010	December 31, 2009
	(In thousands)	
Nonaccrual loans:		
Commercial real estate	$ 25,635	$ 16,020
Commercial and industrial		584
Residential real estate	5,135	5,673
Home equity lines	335	219
Consumer loans	230	378
Credit cards		
Total	31,335	22,874
Accruing loans delinquent more than 90 days:		
Commercial real estate	$	$
Commercial and industrial		
Residential real estate		
Home equity lines		
Consumer loans		
Credit cards	35	7
Total	35	7
Total nonperforming loans	$ 31,370	$ 22,881
Troubled debt restructured loans:		
Commercial real estate	$ 27,570	$ 20,341
Commercial and industrial	83	83
Residential real estate	1,273	
Total	28,926	20,424
Other real estate owned:		
Commercial real estate	7,886	8,881
Residential real estate	450	419
Total	8,336	9,300
Other repossessed assets boats	490	494

Total nonperforming loans to total loans	7.95%	5.68%
Allowance for loan losses to nonperforming loans	52.00%	56.62%

Nonaccruing loans totaled $31.4 million at June 30, 2010. This was an increase of $8.5 million from December 31, 2010 or an increase of 37.1%. The increase occurred in the second quarter of 2010, and was attributable to commercial real estate loans. The largest loan credit that was placed into nonaccrual status was a construction loan on a storage facility that is nearing completion. At June 30, 2010, commercial real estate loans in nonaccrual status totaled $25.6 million or 81.8% of total nonaccrual loans and represented 53 individual loans. Residential real estate loans totaled $5.1 million or 16.4% of total nonaccrual loans and represented 41 individual loans. Home equity and consumer loans in nonaccrual status totaled 1.8% of total nonaccrual loans.

Loans reported as troubled debt restructured totaled $28.9 million, which was an increase of $8.5 million or 41.6%. The Corporation continues to work with borrowers to restructure loans typically offering concessions of a reduced interest rate or a short term interest only period or both. These loans are considered impaired and typically have an associated specific allowance for loan loss. The increase in troubled debt restructured loans was primarily attributable to commercial real estate loans. Those loans in nonaccrual status which are troubled restructured debt are reported in the table above as nonaccrual loans and totaled $8.7 million. Of those loans reported as troubled debt restructured loans, $19.1 million or

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)
66.1% were contractually current. Troubled debt restructured loans which were past due 30 to 89 days totaled $9.8 million.

Other real estate owned totaled $8.4 million at June 30, 2010, which was a decrease of $964,000 from December 31, 2010. The decrease was attributable to both write-downs of $1.1 million to record the real estate at fair value and disposals due to sales of $1.4 million. The total amount of loans transferred into other real estate for the six months ended June 30, 2010 totaled $1.5 million. Other real estate owned comprised $7.9 million of commercial real estate or 94.6% of the total at June 30, 2010.

As part of our efforts to improve asset quality, we added seasoned professionals to our commercial lending team with an emphasis in loan workout areas. Our nonperforming loan level and other real estate levels continue to pressure our earnings. Unless and until we can substantially reduce our levels of nonperforming loans and other real estate owned, it will be difficult for us to return to profitability.

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

	Six Months Ended June 30, 2010	Year Ended December 31, 2009
	(In thousands)	
Balance at beginning of the period	$ 12,957	$ 7,315
Charge-offs:		
Commercial real estate	6,963	7,257
Commercial and industrial	586	1,205
Residential real estate	1,036	486
Home equity lines	228	538
Consumer loans	415	237
Credit cards	39	54
Total charge-offs	9,267	9,777
Recoveries:		
Commercial real estate	21	72
Commercial and industrial	206	400
Residential real estate	6	23
Home equity lines	8	3
Consumer loans	178	71
Credit cards	1	
Total recoveries	420	569
Net charge-offs	8,847	9,208

Provision charged to earnings	12,200	14,850
Balance at the end of the period	$ 16,310	$ 12,957
As a percentage of total portfolio loans	4.13%	3.21%
Ratio of net charge-offs during the period to average loans during the period	4.43%	2.22%

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. The level and allocation of the allowance is determined primarily based 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

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

loan pools with similar risk characteristics. 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 the existence of collateral and its value.

Liabilities

Total deposits of $428.8 million at June 30, 2010 increased $27.7 million, or 6.9%, for the first six months of 2010. Increases in deposits for the quarter were entirely related to organic growth, as brokered time deposits decreased $30.9 million during this period of time. The Bank continues to replace brokered time deposits with organic funds. As an undercapitalized bank, regulatory approval is required to accept or renew brokered time deposits. Noninterest bearing demand accounts totaled $62.6 million at June 30, 2010, an increase of $16.9 million during the first six months, due to the expanded branch base and selected lending activities whereby the Bank required significantly higher levels of deposits in the new relationship. At June 30, 2010, NOW and savings accounts remained relatively unchanged from December 31, 2009. Money market savings accounts totaled $24.9 million at June 30, 2010, which was relatively unchanged from December 31, 2009. Time deposits below $100,000 increased $22.6 million for the first six months of 2010 as a result of the new branch location in Grosse Pointe Woods and our continued emphasis on deposit growth through targeted calling programs and increased community involvement. Time deposits $100,000 and over decreased $11.6 million from a planned decrease in brokered time deposits of $30.9 million. This category of deposits, when measured without the brokered time deposits, increased $19.3 million, due to the same factors as the time deposits under $100,000. The Corporation continues to see competitive deposit rates offered by local financial institutions within the geographic proximity of the Bank, which has had the effect of increasing the cost of funds. The Corporation continues to focus on the growth in transactional based deposit accounts which have a lower interest rate than time deposit products and wholesale forms of funding.

The major components of deposits are as follows:

	June 30, 2010	Percentage of total deposits	December 31, 2009	Percentage of total deposits	Net Change	Net Change %
	(In thousands, except percentages)					
Noninterest bearing demand	$ 62,570	14.6%	$ 45,716	11.4%	$ 16,854	36.9%
NOW accounts	15,939	3.7%	17,059	4.3%	(1,120)	-6.6%
Money market accounts	24,905	5.8%	24,813	6.2%	92	0.4%
Savings deposits	9,545	2.2%	8,800	2.2%	745	8.5%
Time deposits under $100,000	100,405	23.4%	77,769	19.4%	22,636	29.1%
Time deposits $100,000 and over	215,451	50.2%	226,974	56.6%	(11,523)	(5.1%)
Total deposits	$ 428,815	100.0%	$ 401,131	100.0%	$ 27,684	6.9%

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

Short term borrowings at June 30, 2010, consisted of short-term FHLB advances of $9.9 million and securities sold with an agreement to repurchase them the following day of $16.0 million. Following are details of our short-term borrowings for the dates indicated:

	June 30, 2010	December 31, 2009
	(Dollars in thousands)	
Amount outstanding at end of period		
Short-term repurchase agreements	$ 15,958	$ 22,106
Short-term FHLB advances	$ 9,874	$ 22,000
Weighted average interest rate on ending balance		
Short-term repurchase agreements	0.99%	1.49%
Short-term FHLB advances	2.34%	4.56%
Maximum amount outstanding at any month end during the year		
Short-term repurchase agreements	$ 17,407	$ 25,771
Short-term FHLB advances	$ 32,000	$ 29,000
Average amount outstanding during the year		
Short-term repurchase agreements	$ 18,666	$ 20,863
Short-term FHLB advances	$ 21,000	$ 31,000
Weighted average interest rate		
Short-term repurchase agreements	1.11%	1.55%
Short-term FHLB advances	3.34%	4.03%

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 specific collateral agreement totaling approximately $185.9 million and $217.0 million at June 30, 2010 and December 31, 2009, respectively. Long-term advances comprised advances with maturities from August 2011 to June 2016 with an average duration of approximately 3.3 years.

FHLB advances outstanding at June 30, 2010 were as follows:

	Fair Value at end of period	Average rate at end of period
	(In thousands, except percentages)	
Short-term FHLB advances	$ 9,874	2.34%
Long-term FHLB advances	$ 43,467	4.54%
	$ 53,341	4.13%

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 requires 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 a $22.8 million in available credit with the FHLB, unpledged securities and cash and cash equivalents. 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 June 30, 2010, unused commitments comprised $67.2 million. The Bank has $135.7 million in time deposits coming due within the next twelve months from June 30, 2010, which includes brokered, internet and municipal time deposits. At June 30, 2010, the Bank had $95.7 million in brokered certificates of deposit, of which $41.8 million is due within one year or less. Additionally, at June 30, 2010, municipal time deposits were $3.4 million. Municipal time deposits typically have maturities less than three months.

The largest uses and sources of cash and cash equivalents for the Corporation for the six months ending June 30, 2010, as noted in the Consolidated Statement of Cash Flow, were centered primarily on cash provided from investing activities and the net cash provided by financing activities. The cash provided from investing activities was largely due to a decrease in investment securities in total of $22.0 million. Cash provided from financing activities, which included net increases from demand, savings, and time deposits totaled $27.7 million. This was offset by decreases in short-term borrowings and repayment of FHLB advances of $6.1 million and $12.4 million, respectively. The new cash used in operating activities was $2.6 million. Total cash and cash equivalents at the end of June 30, 2010 was $62.0 million, an increase of $34.2 million from December 31, 2009.

Following are regulatory 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.

	June 30, 2010		December 31, 2009		Minimum Ratio for Capital Adequacy Purposes	Ratio to be Well Capitalized
	Capital	Ratio	Capital	Ratio		
	(In thousands, except percentages)					
Tier I capital to risk-weighted assets						
Consolidated	$ 11,951	3.16%	$ 24,584	6.31%	4%	NA
Bank only	18,351	4.85%	31,133	7.99%	4%	6%
Total capital to risk-weighted assets						
Consolidated	$ 23,902	6.32%	$ 44,619	11.44%	8%	NA
Bank only	23,223	6.14%	36,102	9.27%	8%	10%
Tier I capital to average assets						

Consolidated	$ 11,951	2.16%	$ 24,584	4.47%	4%	NA
Bank only	18,351	3.31%	31,133	5.67%	4%	5%

The Bank was categorized as undercapitalized at June 30, 2010 and adequately capitalized at December 31, 2009.

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)
The following table shows the changes in stockholders equity for the six months ended June 30, 2010:

	Preferred Stock	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total Equity
Beginning balance, January 1, 2010	$ 7,146	$ 32,214	$ (15,536)	$ 164	$ 23,988
Issuance of preferred stock	499				499
Cash dividend on preferrred shares			(200)		(200)
Stock awards		13	(10)		3
Share based compensation		47			47
Net loss			(7,408)		(7,408)
Change in unrealized gain/loss				340	340
Ending balance, June 30, 2010	$ 7,645	$ 32,274	$ (23,154)	$ 504	$ 17,269

Stockholders equity was $17.3 million as of June 30, 2010, which was a decrease of $6.7 million from December 31, 2009. The decrease in stockholders equity was primarily attributable to the net loss of $7.4 million recorded in the first six months of 2010. The net change in the fair value associated with the Corporation s subordinated debenture resulted in a valuation gain, as recorded in the consolidated statements of income, of $6.5 million in the first six months of 2010 and a cumulative gain of $16.7 million from inception in 2007. The valuation of this single instrument was a significant part of the Corporation s equity at March 31, 2010. Partially offsetting the reduction in equity from the net loss was the successful issuance of Series B preferred stock for $499,000 in the first quarter of 2010. Cash dividends paid and accrued on the Corporation s Series A and B preferred stock decreased equity by $200,000 in the first six months of 2010. The expense and corresponding increase in equity from the compensation expense for stock options awarded was $47,000. The continued low interest rate environment and the quality of the investment portfolio resulted in an increased market value of the available for sale investment securities portfolio and the resulting increase in accumulated other comprehensive income of $340,000 for the first six months of 2010.

Preferred Stock Issuance

In December 2009 and January 2010, we raised a total of $4.7 million in capital through the sale of Series B cumulative convertible perpetual preferred stock. The Series B preferred stock can be converted into common stock of the Corporation at any time by the holders, or by the Corporation under certain circumstances, at an initial conversion price of $8.00 per share of common stock, subject to adjustment and certain limitations, as described below. A warrant to purchase shares of the Corporation s common stock is attached to each share of Series B preferred stock. Each warrant represents the right of the holder to purchase 20 shares of the Corporation s common stock at a purchase price of $5.00 per common share and is exercisable for ten years. Dividends on the Series B preferred stock are payable quarterly in arrears at a rate of 5.00% per annum, if and when declared by the Corporation s Board of Directors. Dividends on the Series B preferred shares are cumulative. On or after August 1, 2010, the Series B preferred stock will be subject to mandatory conversion into common stock under certain circumstances, including the Corporation s stock price trading at or above $10.00 per share, subject to adjustment.

In December 2008 and February 2009, the Corporation raised a total of $3.55 million in capital through the sale of Series A noncumulative convertible perpetual preferred stock. The Series A preferred stock can be converted into common stock of the Corporation at any time by the holders, or by the Corporation under certain circumstances, at an initial conversion price of $10.00 per share of common stock, subject to adjustment and certain limitations as described below. Dividends on the Series A preferred stock are payable quarterly in arrears at a rate of 12.00% per

annum, if and when declared by the Corporation s Board of Directors and are not cumulative. The Series A preferred stock is subject to mandatory conversion into common stock under certain circumstances, including the Corporation s stock price trading at or above $11.00 per share, subject to adjustment.

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

Net Interest Income

Net interest income before the provision for loan losses for the second quarter of 2010 decreased to $2.9 million, compared to $3.1 million for the second quarter of 2009. Net interest margin remained relatively unchanged from 2.41% in the second quarter of 2009 to 2.42% in the second quarter of 2010. Net interest income before the provision for loan losses for the first six months of 2010 was $5.6 million, compared to $5.9 million for the first six months of 2009. Net interest margin remained unchanged for the first six months of 2010 compared to the same time period in 2009 at 2.31%. The Corporation has moved to lower its cost of funds through the reduction of wholesale funding and replacement with lower cost organic deposits, including noninterest bearing demand deposits. Offsetting the positive impact of a lower cost of funds was a substantial liquidity position representing an average balance of cash and funds due from banks and federal funds sold of $74.2 million and $69.0 million, for the three months and six months ended June 30, 2010. This represented 13.4% and 12.4% of total average assets for the three months and six months ended June 30, 2010, respectively. The net interest spread for the second quarter of 2010 was 2.35% compared to 2.03% in the second quarter of 2009, an increase of 32 basis points. Net free funds supplied by the increase in noninterest bearing deposits was fully absorbed by the excess liquidity position for the second quarter of 2010. The net interest spread for the six months ended June 30, 2010 was 2.24% compared to 1.94% for the six months ended June 30, 2009. As in the second quarter, the benefit provided by additional noninterest bearing deposits during the first six months of 2010 was also partially offset by larger liquidity positions. Also affecting net interest income and net interest margin was the reversal and non-recognition of interest income on nonaccrual loans.

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 June 30, 2010 vs. 2009			Six Months Ended June 30, 2010 vs. 2009		
		Increase (Decrease) Due to Changes In			Increase (Decrease) Due to Changes In	
	Total	Volume and Both	Rate	Total	Volume and Both	Rate
			(In thousands)			
Earning Assets Interest Income:						
Loans	$ (665)	$ (521)	$ (144)	$ (1,056)	$ (753)	$ (303)
Securities, including trading	(353)	(158)	(195)	(892)	(124)	(768)
Federal funds sold	27	20	7	43	36	7
Total	(991)	(659)	(332)	(1,905)	(841)	(1,064)
Deposits and Borrowed Funds - Interest Expense:						
NOW and money market accounts	(2)	7	(9)	(20)	13	(33)
Savings deposits	(1)	1	(2)	(5)		(5)
Time deposits	(297)	319	(616)	(685)	633	(1,318)

FHLB advances and repurchase agreements	(496)	(437)	(59)	(883)	(836)	(47)
Subordinated debentures		(165)	165	10	(313)	323
Total	(796)	(275)	(521)	(1,583)	(503)	(1,080)
Net Interest Income	$ (195)	$ (384)	$ 189	$ (322)	$ (338)	$ 16

The average yield earned on interest earning assets for the second quarter of 2010 was 5.36% compared to 5.73% for the second quarter of 2009. The average yield earned on the total loan portfolio, which contains both loans held for sale and investment for the second quarter of 2010 was 6.01% compared to 6.14% during the second quarter of 2009. The overall decrease in the loan portfolio yield was attributable to continued restructuring of loans at lower than market rates, coupled

with the effect of the reversal of interest income on nonaccruing loans. The commercial, commercial real estate and home equity line loans that repriced with prime interest rate changes totaled approximately $109.0 million for the three month period ended June 30, 2010.

The average yield earned on interest earning assets for the first six months of 2010 was 5.30% compared to 5.70% for the second quarter of 2009. The average yield earned on the total loan portfolio, which contains both loans held for sale and investment for the six months of 2010 was 5.94% compared to 6.08% for the first six months of 2009. The overall decrease in the loan portfolio yield was attributable to continued restructuring of loans at lower than market rates, coupled with the effect of the reversal of interest income on nonaccruing loans.

The average rate paid on interest bearing liabilities for the second quarter of 2010 was 3.01% compared to 3.70% in the second quarter of 2009. The decrease in average rate was due to the overall decline in the rate paid on interest bearing liabilities, primarily as the result of continued extremely low market rates. The decrease in the average rate for NOW and money market accounts for the second quarter of 2010 was primarily attributable to the drop in short term interest rates, with the average rate moving to 0.63% during the second quarter of 2010 from 0.73% in the second quarter of 2009. The average rate paid on savings also decreased, moving to 0.53% for the second quarter of 2010 from 0.60% in the second quarter of 2009. The rate paid on the total time deposit portfolio decreased to 2.78% for the second quarter of 2010, from 3.68% for the same time period in 2009, also due to the decrease in short term interest rates. The rate paid on FHLB advances and repurchase agreements decreased to 3.97% in the second quarter of 2010 from 4.14% in the second quarter of 2009 and had a smaller relative rate movement compared to time deposits, as many of the FHLB advance instruments have relatively longer maturities than the time deposit portfolio. The average rate paid on the subordinated debenture remained unchanged at 6.71%. The yield on the subordinated debenture is calculated based on the original face amount of the obligation versus the fair value of the instrument recorded under fair value.

The average rate paid on interest bearing liabilities for the first six months of 2010 was 3.06% compared to 3.76% for the first six months of 2009. The largest factor contributing to the decline in rates paid on total interest bearing liabilities was largely due to the drop in yield on total time deposits, which decreased from 3.79% for the first six months of 2010 to 2.82% during the first six months of 2009. The decrease in yield in time deposits was primarily due to the replacement of maturing brokered time deposits with organic time deposits at lower current market rates.

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

Average Balance Sheet

The following tables show the Corporation s consolidated average balances of assets, liabilities and stockholders equity, the amount of interest income or interest expense and the average yield or rate for each major category of interest earning asset and interest bearing liability, and the net interest margin for the three month and six month periods ended June 30, 2010 and 2009. Average loans are presented net of unearned income, gross of the allowance for loan losses. Interest on loans includes loan fees.

	Three Months Ended June 30,					
	2010			2009		
	Average Balance	Interest Income/ Expense	Average Rate Earned/ Paid	Average Balance	Interest Income/ Expense	Average Rate Earned/ Paid
	(In thousands)					
Assets						
Loans	$ 399,802	5,988	6.01%	$ 434,415	$ 6,653	6.14%
Securities	56,582	452	3.20%	76,304	805	4.22%
Federal funds sold	28,229	34	0.48%	11,721	7	0.24%
Total Earning Assets / Total Interest Income / Average Yield	484,613	6,474	5.36%	522,440	7,465	5.73%
Cash and due from banks	45,921			11,231		
All other assets	24,590			26,744		
Total Assets	$ 555,124			$ 560,415		
Liabilities & Stockholders Equity						
NOW and money market accounts	$ 41,043	64	0.63%	$ 36,671	66	0.72%
Savings deposits	9,608	12	0.50%	8,688	13	0.60%
Time deposits	321,071	2,227	2.78%	275,207	2,524	3.68%
FHLB advances and repurchase agreements	96,162	952	3.97%	140,355	1,448	4.14%
Subordinated debentures	7,799	311	6.71%	11,945	311	6.71%
Total Interest Bearing Liabilities/ Total Interest Expense / Average Interest Rate Spread	475,683	3,566	3.01%	472,866	4,362	3.70%
Noninterest bearing deposits	60,806			50,282		
All other liabilities	3,744			3,401		
Stockholders equity	14,891			33,866		

Total Liabilities & Equity	$ 555,124			$ 560,415		
Net Interest Income		$ 2,908			$ 3,103	
Net interest rate spread			2.35%			2.03%
Net Interest Margin (Net Interest Income / Total Earning Assets)			2.41%			2.38%
Net Interest Margin (fully taxable equivalent)			2.42%			2.41%

30

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

	Six Months Ended June 30,					
	2010			2009		
	Average Balance	Interest Income/ Expense	Average Rate Earned/ Paid	Average Balance	Interest Income/ Expense	Average Rate Earned/ Paid
	(In thousands)					
Assets						
Loans	$ 402,728	11,857	5.94%	$ 428,378	$ 12,913	6.08%
Securities	60,833	965	3.17%	84,819	1,857	4.38%
Federal funds sold	26,264	56	0.43%	9,385	13	0.28%
Total Earning Assets / Total Interest Income / Average Yield	489,825	12,878	5.30%	522,582	14,783	5.70%
Cash and due from banks	42,736			11,536		
All other assets	25,397			26,277		
Total Assets	$ 557,958			$ 560,395		
Liabilities & Stockholders Equity						
NOW and money market accounts	$ 41,624	130	0.63%	$ 37,321	151	0.81%
Savings deposits	9,353	25	0.54%	9,114	30	0.66%
Time deposits	320,633	4,491	2.82%	275,257	5,175	3.79%
FHLB advances and repurchase agreements	100,486	2,020	4.05%	142,242	2,903	4.12%
Subordinated debentures	8,078	623	6.71%	12,129	613	6.71%
Total Interest Bearing Liabilities/ Total Interest Expense / Average Interest Rate Spread	480,174	7,289	3.06%	476,063	8,872	3.76%
Noninterest bearing deposits	55,050			46,482		
All other liabilities	3,518			3,428		
Stockholders equity	19,216			34,422		
Total Liabilities & Equity	$ 557,958			$ 560,395		
Net Interest Income		$ 5,589			$ 5,911	
Net interest rate spread			2.24%			1.94%
			2.30%			2.28%

Net Interest Margin (Net Interest Income / Total Earning Assets)		
Net Interest Margin (fully taxable equivalent)	2.31%	2.31%

Provision for Loan Losses

We recorded a $4.0 million provision for loan losses in the second quarter of 2010 and $12.2 million for the first six months of 2010. The provision is based upon management s review of the risks inherent in the loan portfolio and the level of our allowance for loan losses. In addition, net charge-offs for the first six months of 2010 totaled $8.8 million, or 4.13% of total average loans on an annualized basis. Total nonaccruing loans and loans past due 90 days or more and still accruing interest totaled $31.4 million, or 7.95% of total loans at June 30, 2010 compared to $22.9 million, or 5.68% at December 31, 2009. The allowance for loan losses at June 30, 2010 was $16.3 million, or 4.13% of total loans, versus $13.0 million, or 3.21% of total loans at December 31, 2009.

Noninterest Income

Noninterest income was $7.4 million for the second quarter of 2010, increasing $4.6 million or 166.4%, from the second quarter of 2009. The increase was primarily related to gains recorded from the change in assets and liabilities as measured under fair value for the second quarter of 2010 compared to the second quarter of 2009, when
$6.0 million and $1.1

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

million were recorded respectively. The gains recorded in both periods have been largely attributable to the fair value of the Corporation s subordinated debenture connected with the issuance of trust preferred securities. The dramatic widening of market credit spreads for the subordinated debenture and trust preferred securities changed the relative fair value of this financial liability dramatically. The worsening financial condition of the Bank and the Corporation had a significant impact on the gain recorded in the second quarter. The fair value was based in part on the relative market value attributed to debt and trust preferred instruments traded within the same geographic area and with financial institutions of similar financial condition. 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. An improvement in the financial condition of the Bank and Corporation would also negatively impact revenue as the fair value of the subordinated debenture would increase in value and thereby result in net losses during the time period measured.

Fiduciary income was $65,000 for the second quarter of 2010, decreasing $17,000 or 20.7%, from the second quarter of 2009 as a result of market declines in assessable assets held under management, coupled with minimal growth in customer base. Deposit service charge income of $100,000 increased slightly by $5,000, or 5.3%, from the second quarter of 2009 based on an increase in transactional accounts during the respective period. Mortgage banking income comprised primarily of gains on the sale of residential mortgages was $741,000 for the second quarter of 2010. The decrease in mortgage banking income of $549,000, or 42.6%, from the second quarter of 2009 was reflective of the large volume of secondary market sales of government FHA and FNMA mortgages in the second quarter of 2009 compared to the second quarter of 2010. The volume and related income in the second quarter of 2009 was due largely to origination activity because of the federal income tax credit incentives supplied to homebuyers by the U.S. Treasury Department. Net realized gains from the sale of securities was $131,000 for the second quarter of 2010 and was attributable to restructuring activities in the available for sale securities portfolio.

Noninterest income was $9.3 million for the first six months of 2010, increasing $5.2 million or 131.1%, from the second quarter of 2009. The majority of the increase was attributable to the large gain recorded in the second quarter from the change in the fair value of the Corporation s subordinated debenture noted above. Total noninterest income without the gain recorded from the change in fair value for the first six months of 2010 on the Corporation s subordinated debenture would have decreased $212,000 over the first six months of 2009. This was primarily from decreases in mortgage banking income which was $1.4 million for the first six months of 2010 compared to $1.8 million for the first six months of 2009 for the reasons discussed above.

Noninterest Expense

Noninterest expense was $5.1 million for the second quarter of 2010, increasing $610,000 or 13.7% from the second quarter of 2009. Salaries, benefits and payroll taxes of $2.3 million for the second quarter of 2010 increased $21,000 or 0.9% from the second quarter of 2009 solely from expanded activity and related commissions in the Bank s mortgage banking subsidiary. Net occupancy expense for the second quarter was $434,000 compared to $417,000 for the second quarter of 2009 which was a $17,000, or 4.1%, increase, primarily from increases in general maintenance costs. Other operating expense was $2.4 million for the second quarter of 2010, which was an increase of $572,000 from the second quarter of 2009. The increase was primarily attributable to the costs associated with write downs on other real estate and repossessed collateral and increased FDIC insurance premiums due in part from the worsening financial condition of the Bank.

Noninterest expense was $10.1 million for the first six months of 2010, increasing $1.7 million or 20.7% from the first six months of 2009. Salaries, benefits and payroll taxes of $4.5 million for first six months of 2010 increased $323,000 from the first six months of 2009 due to expanded activity and related commissions in the Bank s mortgage banking subsidiary and a severance payment recorded in the first quarter of 2010. Total salaries and payroll taxes without this noted impact would have posted a small decline of $7,000 for the respective period. Net occupancy expense for the first six months was $892,000 compared to $880,000 for the first six months of 2009 which was a $12,000, or 1.4% increase. Other operating expense was $4.7 million for the first six months of 2010, which was an increase of $1.4 million compared to the first six months of 2009. The largest reason for the increase was related to the costs associated with write downs on other real estate and repossessed collateral totaling $2.1 million for the first six

months of 2010 compared to $639,000 for the first six months of 2009.

Provision for Income Taxes

We recorded no federal income tax benefit for the second quarter and first six months of 2010 and recognized a federal income tax benefit of $459,000 and $1.3 million for the second quarter and first six months of 2009. A $450,000 tax

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

expense for the second quarter of 2010, associated with $1.3 million of net income, was offset by a corresponding decrease in the valuation allowance on the net deferred tax assets. A $2.6 million tax benefit for the first six months of 2010, associated with a $7.4 million net operating loss, was offset by a corresponding increase in the valuation allowance on the net deferred tax assets. At June 30, 2010, we concluded we need to maintain a valuation allowance on our entire net deferred tax asset based on our continued net operating losses and the challenging environment currently confronting banks that could impact our future results.

Asset/Liability Management

The Asset Liability Management Committee (ALCO), which meets at least quarterly, is responsible for reviewing our 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.

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

The following table presents an analysis of our interest-sensitivity static gap position at June 30, 2010. 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 June 30, 2010, we are considered asset sensitive in the time interval of the first three months.

	Within Three Months	After Three Months But Within One Year	After One Year But Within Five Years	After Five Years	Total
			(In thousands)		
Interest earning assets:					
Excess cash and fed funds sold	$ 51,530	$	$	$	$ 51,530
Securities, at amortized cost	3,000	10,470	32,995	2,430	48,895
FHLB stock		5,877			5,877
Loans (including held for sale)	109,127	89,045	166,954	37,968	403,094
Total	163,657	105,392	199,949	40,398	$ 509,396
Interest bearing liabilities					
NOW and money market accounts	20,880	6,635	12,084	1,245	40,844
Savings deposits	573	2,482	6,490		9,545
Jumbo time deposits	38,425	56,474	120,522		215,421
Time deposits < $100,000	12,198	28,584	59,653		100,435
Repurchase agreements	15,958		19,000		34,958
FHLB		9,874	17,767	25,700	53,341
Subordinated debentures				18,557	18,557
Total	88,034	104,049	235,516	45,502	$ 473,101
Rate sensitivity gap	$ 75,623	$ 1,343	$ (35,567)	$ (5,104)	
Cumulative rate sensitivity gap		$ 76,966	$ 41,399	$ 36,295	
Rate sensitivity gap ratio	1.86x	1.01x	.85x	.89x	
Cumulative rate sensitivity gap ratio		1.40x	1.10x	1.08x	

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.

Table of Contents

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.

As of June 30, 2010, 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 is to risk no more than 10% of its net interest income in a changing interest rate scenario of +/- 200 basis points over a one-year simulation period. Furthermore, no more than 15% of net interest income can be projected at risk in a scenario of +/- 300 basis points over a one-year simulation period.

Interest Rate Scenario	Percentage Change In Net Interest Income
Interest rates up 300 basis points	1.35%
Interest rates up 200 basis points	2.02%
Interest rates up 100 basis points	1.55%
Base Case	
Interest rates down 100 basis points	(1.33%)
Interest rates down 200 basis points	(4.64%)
Interest rates down 300 basis points	(13.29%)

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 June 30, 2010, 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 in effect at June 30, 2010 were 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 June 30, 2010, that have materially affected, or are 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.

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

PART II

Item 1. Legal Proceedings

Not applicable.

Item 1A. Risk Factors

See Item 1A. Risk Factors in our Form 10-K for a discussion of certain risks inherent in our business. In addition, the following risk factors should also be considered.

We are subject to additional requirements and restrictions on our operations as a result of the Bank s undercapitalized status.

As of March 31, 2010, the Bank s capital ratios have fallen below the level required for adequately capitalized status. As a result, a number of requirements and restrictions become applicable by statute that could have a material adverse effect on our business and results of operations and further limit our ability to grow and ultimately could jeopardize our ability to continue to operate.

As a result of the Bank s regulatory capital ratios being below the adequately capitalized level, certain requirements and restrictions are imposed on the Bank, including the following: (i) the Bank generally may not make any capital distributions to the Corporation; (ii) the Bank must submit a capital restoration plan to the FDIC for the FDIC s review and approval; (iii) the Bank may not acquire any interest in any company or other bank, establish or acquire any additional branch office or engage in any new line of business without prior regulatory approval; and (iv) the Bank may not increase its assets over the total assets at April 30, 2010. The Bank is also prohibited from accepting, renewing or rolling over brokered deposits and is restricted in the effective yield it can offer on deposits. Should the Bank fail to submit an acceptable capital restoration plan and comply with its terms, or suffer a continued deterioration in its financial condition, the Bank may be subject to being placed into a federal conservatorship or receivership by the FDIC, with the FDIC appointed as conservator or receiver. If these events occur, the Corporation probably would suffer a complete loss of the value of its ownership interest in the Bank.

We have deferred payment of interest on our subordinated debentures in connection with the issuance of our trust preferred securities and suspended dividend payments on our Series A and Series B preferred stock.

On May 14, 2010, the Corporation issued a press release announcing that, in order to preserve capital, it had deferred interest payments on its $18 million of junior subordinated notes related to its trust preferred securities and suspended dividends on its Series A and Series B preferred stock. These actions could adversely impact the ability of the Corporation to continue to raise capital. Without additional capital, the financial viability of the Bank and the Corporation could be in jeopardy.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not applicable.

Item 3b. Defaults upon Senior Securities.

As of June 30, 2010, the Corporation was in arrears in the aggregate amount of $79,000 with respect to the Series B cumulative convertible perpetual preferred stock as a result of the Corporation s decision to suspend cash dividends in the second quarter of 2010.

Item 4. Reserved.

Item 5. Other Information.

None

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

Item 6. Exhibits.

See Exhibit Index attached.

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 August 16, 2010.

COMMUNITY CENTRAL BANK CORPORATION

By: /s/ DAVID A. WIDLAK
David A. Widlak;
President and CEO
(Principal Executive Officer)

By: /s/ RAY T. COLONIUS
Ray T. Colonius;
Treasurer
(Principal Financial and Accounting Officer)

37

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
3.1	Articles of Incorporation are incorporated by reference to Exhibit 3.1 of the Corporation s Registration Statement on Form SB-2 (SEC File No. 333-04113).
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).
4.2	Certificate of Designation of Community Central Bank Corporation filed on December 30, 2008 with the State of Michigan designating the preferences, limitations, voting powers and relative rights of the Series A Preferred Stock, is incorporated by reference to Exhibit 4.1 of the Corporation s Current Report on Form 8-K filed on January 6, 2009. (SEC File No. 000-33373)
4.3	Certificate of Designation of Community Central Bank Corporation filed on October 2, 2009 with the State of Michigan designating the preferences, limitations, voting powers and relative rights of the Series B Preferred Stock, is incorporated by reference to Exhibit 4.1 of the Corporation s Current Report on Form 8-K filed on October 5, 2009. (SEC File No. 000-33373)
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).
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).

Table of Contents

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
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