

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

COMMUNITY CENTRAL BANK CORP
Form 10-Q
May 12, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2006

Commission File No. 000-33373

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

Michigan
(State or other jurisdiction of
incorporation or organization)

38-3291744
(IRS Employer
Identification No.)

100 North Main Street, PO Box 7, Mount Clemens, MI 48046-0007
(Address of principal executive offices and zip code)

(586) 783-4500
(Issuer's telephone number)

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

Yes X No

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

Large accelerated filer Accelerated filer Non-accelerated filer X

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

Yes No X

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

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

Class	Outstanding at May 12, 2006
-----	-----
Common Stock	3,661,900 Shares

1

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

PART I

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

	March 31, 2006 (Unaudited)	December 31, 2005
	(In thousands)	
Assets		
Cash and due from banks	\$ 8,261	\$ 8,000
Federal funds sold	--	3,000
Cash and Cash Equivalents	8,261	11,000
Securities available for sale, at fair value	92,139	84,177
Securities held to maturity, at amortized cost	1,078	1,094
FHLB stock	4,530	4,331
Residential mortgage loans held for sale	3,479	4,286
Loans		
Commercial loans	241,479	228,101
Residential loans	97,752	93,146
Installment loans	13,430	13,704
Total Loans	352,661	334,951
Allowance for loan losses	(3,596)	(3,580)
Net Loans	349,065	331,371
Net property and equipment	8,777	8,753
Accrued interest receivable	2,349	2,122
Other real estate	16	112
Goodwill	1,381	1,381
Intangible assets, net of amortization	192	210
Cash surrender value of Bank Owned Life insurance	9,948	9,820
Other assets	3,248	3,355
Total Assets	\$484,463	\$ 462,012

(continued)

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

2

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

CONSOLIDATED BALANCE SHEETS

	March 31, 2006 (Unaudited)	December 31, 2005
	-----	-----
	(In thousands, except share data)	
Liabilities		
Deposits		
Noninterest bearing demand deposits	\$ 34,371	\$ 31,979
NOW and money market accounts	39,844	41,167
Savings deposits	11,775	12,832
Time deposits	247,207	228,395
	-----	-----
Total deposits	333,197	314,373
	-----	-----
Repurchase agreements and fed funds purchased	12,326	13,184
Federal Home Loan Bank advances	90,545	86,545
Accrued interest payable	1,102	938
Other liabilities	896	982
ESOP note payable	135	148
Subordinated debentures	10,310	10,310
	-----	-----
Total Liabilities	448,511	426,480
	-----	-----
Stockholders' Equity		
Common stock -- 9,000,000 shares authorized; 3,653,736 shares issued and outstanding at 3-31-2006 and 3,648,885 at 12-31-2005	31,206	31,154
Retained earnings	5,728	5,245
Unearned employee benefit	(135)	(148)
Accumulated other comprehensive (loss) income	(847)	(719)
	-----	-----
Total Stockholders' Equity	35,952	35,532
	-----	-----
Total Liabilities and Stockholders' Equity	\$484,463	\$462,012
	=====	=====

3

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

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

	Three Months Ended March 31,	
	2006	2005

	(In thousands, except per share data)	
Interest Income		
Loans (including fees)	\$6,028	\$4,821
Taxable securities	771	472
Tax exempt securities	278	88
Federal funds sold	37	46
	-----	-----
Total Interest Income	7,114	5,427
	-----	-----
Interest Expense		
Deposits	2,700	1,554
Repurchase agreements and fed funds purchased	93	39
Federal Home Loan Bank advances	959	563
ESOP loan interest expense	3	3
Subordinated debentures	215	165
	-----	-----
Total Interest Expense	3,970	2,324
	-----	-----
Net Interest Income	3,144	3,103
Provision for loan losses	50	100
	-----	-----
Net Interest Income after Provision	3,094	3,003
	-----	-----
Noninterest Income		
Fiduciary income	67	--
Deposit service charges	82	70
Net realized security gain	--	30
Mortgage banking income	854	702
Other income	199	144
	-----	-----
Total Noninterest Income	1,202	946
	-----	-----
Noninterest Expense		
Salaries, benefits, and payroll taxes	2,105	1,754
Premises and fixed asset expense	466	356
Other operating expense	845	779
	-----	-----
Total Noninterest Expense	3,416	2,889
	-----	-----
Income Before Taxes	880	1,060
Provision for income taxes	177	308
	-----	-----
Net Income	\$ 703	\$ 752
	=====	=====

(continued)

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

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

Per share data*:

Basic earnings	\$0.18	\$0.22
Diluted earnings	\$0.18	\$0.22
Cash Dividends	\$0.06	\$0.05

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

5

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
	2006	2005
	(In thousands)	
Net Income as Reported	\$ 703	\$ 752
Other Comprehensive Income, Net of Tax		
Change in unrealized (loss) gain on securities available for sale	(128)	(371)
Comprehensive Income	\$ 575	\$ 381

6

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

CONSOLIDATED STATEMENTS OF CASH FLOW
(Unaudited)

Three Months Ended March 31,	
2006	2005

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

	-----	-----
	(In thousands)	
Operating Activities		
Net income	\$ 703	\$ 752
Adjustments to reconcile net income to net cash flow from operating activities:		
Net amortization of security premium	52	86
Net gain on sales and call of securities	--	(30)
Provision for loan losses	50	100
Depreciation expense	166	107
Deferred income tax expense	169	308
ESOP compensation expense	13	13
SFAS 123R option expense	6	--
Increase in accrued interest receivable	(227)	(261)
Increase in other assets	(22)	(227)
Increase in accrued interest payable	164	--
Decrease in other liabilities	(86)	(243)
Decrease in loans held for sale	807	3,802
	-----	-----
Net Cash Provided by Operating Activities	1,795	4,407
Investing Activities		
Maturities, calls, sales and prepayments of securities available for sale	2,572	6,208
Purchase of securities available for sale	(10,767)	(17,629)
Maturities, calls, and prepayments of held to maturity securities	17	11
Purchases of held to maturity securities	(200)	(35)
Increase in loans	(17,744)	(4,672)
Purchases of property and equipment	(190)	(609)
	-----	-----
Net Cash Used in Investing Activities	(26,312)	(16,726)
Financing Activities		
Net increase (decrease) in demand and savings deposits	12	(258)
Net increase in time deposits	18,812	15,039
Net decrease in short term borrowings	(859)	(1,962)
FHLB advances	4,001	2,000
Rights/Public stock offering	--	5,275
Payment of ESOP debt	(13)	(13)
Stock option exercise/award	46	7
Cash dividends paid	(221)	(162)
	-----	-----
Net Cash Provided by Financing Activities	21,778	19,926
	-----	-----
(Decrease) Increase in Cash and Cash Equivalents	(2,739)	7,607
Cash and Cash Equivalents at the Beginning of the Year	11,000	7,183
	-----	-----
Cash and Cash Equivalents at the End of the Period	\$ 8,261	\$ 14,790
	=====	=====
Supplemental Disclosure of Cash Flow Information:		
Interest Paid	\$ 3,806	\$ 2,324
Federal Taxes Paid	\$ --	\$ --

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

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

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

The Corporation's Consolidated Balance Sheets are presented as of March 31, 2006 and December 31, 2005, and Consolidated Statements of Income and Comprehensive Income for the three month periods ended March 31, 2006 and 2005, and Consolidated Statements of Cash Flow for the three months ended March 31, 2006 and 2005. 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-KSB for the fiscal year ended December 31, 2005.

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

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

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

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

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

expense is recorded on the Corporation's consolidated statement of income.

The trust preferred securities may constitute up to 25% of tier I capital. Any amount in excess of this limit may be included as tier 2 capital. At March 31, 2006, the total allowable trust preferred issuance of \$10 million was included in the Corporation's tier 1 capital.

4. In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123 (revised 2004), Sharebased Payment, (SFAS 123R), which requires entities to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). The cost is recognized as an expense over the period during which the employee is required to provide service in exchange for the award, which is usually the vesting period. As

8

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

required by SFAS 123R, as with SFAS 123, the Corporation is required to estimate the fair value of all stock options on each grant date, using an appropriate valuation approach such as the Black-Scholes option pricing model. The provisions of this statement are effective for the Corporation beginning January 1, 2006.

The Corporation did not issue options during the first quarter of 2006 and 2005. The total amount of options outstanding at March 31, 2006 was 281,983 shares at a weighted average exercise price of \$9.47 per share. During the first quarter of 2006, 4,851 options were exercised at an exercise price of \$7.83 per share. During the first quarter of 2006, using the Black Scholes option-pricing model, the Corporation recognized compensation cost of \$6,000 for the options vesting in 2006 based on the fair market value of the grant date. The net income and earnings per share for the first quarter of 2005, on a pro forma basis, are disclosed for comparison below.

	Three Months Ended March 31,	
	----- 2006	2005 -----
	(In thousands, except per share data)	
Net income, as reported	\$ 703	\$ 752
Add: Stock-based employee compensation expense, net of related tax effects, included in reported net income	6	--
Deduct: Total stock-based employee and director compensation expense under fair value based methods of awards, net of related tax effects	(6)	(31)
Pro forma net income	\$ 703 =====	\$ 721 =====
Earnings per share		
Basic - as reported	\$0.18	\$0.22

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

Basic - pro forma	\$0.18	\$0.21
Diluted - as reported	\$0.18	\$0.22
Diluted - pro forma	\$0.18	\$0.21

9

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

The fair value of each option grant is estimated on the date of grant using the Black Scholes option pricing model with the following weighted average assumptions. The assumptions listed below were used in 2006 and 2005.

	Three Months Ended March 31,	
	2006	2005
Dividend yield or expected dividends	1.96%	1.36%
Risk free interest rate	5.00%	4.20%
Expected life	10 yrs.	10 yrs.
Expected volatility	22.66%	24.65%

10

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

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

The following discussion compares the financial condition of the Corporation and its wholly owned subsidiaries at March 31, 2006 and December 31, 2005 and the results of operations for the three months ended March 31, 2006 and 2005. This discussion should be read in conjunction with the financial statements and statistical data presented elsewhere in this report. This report contains forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates and projections about the financial services industry, the economy, and about the Corporation and the Bank. Words such as anticipates, believes, estimates, expects, forecasts, intends, is likely, plans, projects, variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are intended to be covered by the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Future Factors") that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Actual results and outcomes may materially differ from what may be expressed or forecasted in the forward-looking statements. The Corporation undertakes no obligation to update, amend, or clarify forward looking statements, whether as a result of new information, future events (whether anticipated or unanticipated), or otherwise.

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

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

EXECUTIVE SUMMARY

Community Central Bank Corporation is the holding company for Community Central Bank (the "Bank") in Mount Clemens, Michigan. The Corporation 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 and Internet banking services. The Bank operates two full service facilities, one in Mount Clemens and the other in Rochester Hills, Michigan. Community Central Mortgage Company, LLC, a subsidiary of the Corporation and the Bank, operates locations servicing the Detroit metropolitan area, central and northwest Indiana, northern Illinois, Raleigh, North Carolina and Tampa, Florida. River Place Trust and Community Central Wealth Management are divisions of the Bank. Community Central Insurance Agency, LLC is a wholly owned subsidiary of the Bank. The Corporation's common shares trade on The NASDAQ National 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. This trend should lessen the impact on the County of future economic downturns in the automotive sector of the economy. Macomb County's proximity to major highways and affordable

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

FORM 10-Q (continued)

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

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

Net income in the first quarter was affected by startup, expansion and operational costs including those related to the new Trust and Wealth Management divisions as well as the new banking hub in Grosse Pointe, Michigan, which is expected to open in June 2006. Additionally, first quarter net income was affected by startup costs related to expansion into new mortgage loan production offices in Ohio, North Carolina and Florida. Net interest income was \$3.1 million during the first quarter of 2006, an increase of \$41,000 from the first quarter of 2005. The net interest income when measured on a taxable equivalent basis increased \$140,000, or 4.4%, over the same period. The increase was attributable to growth in earning assets and offset somewhat by net interest margin compression. Net interest margin for the first quarter of 2006 was 2.87%, or 3.00% on a tax equivalent basis, compared with 3.33%, or 3.38% on a tax equivalent basis for the first quarter of 2005. The decrease in net interest margin was primarily the result of higher deposit funding costs in a highly competitive deposit-pricing environment. Additionally, the flat treasury yield curve produced an interest rate environment that results in lower incremental interest rate spreads on new loan and investment growth.

12

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

ASSETS

At March 31, 2006, the Corporation's total assets were \$484.5 million, an increase of \$22.5 million, or 4.9%, from December 31, 2005. The largest segment of asset growth for the first three months ended March 31, 2006, occurred in our loan portfolio, which increased \$17.7 million. Total investment securities available for sale increased \$8.0 million for the first three months of 2006.

The largest portion of loan growth occurred in the commercial real estate portfolio, which increased \$11.2 million. This growth is consistent with the Corporation's commercial lending focus. Commercial and industrial loans

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

increased \$2.2 million for the first three months of 2006. Loan growth during the first quarter of 2006 was largely due to a pipeline of loans developed during prior quarterly periods. The Corporation added two new commercial loan officers in 2005 and one new commercial loan officer in 2006 to increase the commercial lending program and service the expected growth in the portfolio. The residential mortgage portfolio was \$78.5 million at March 31, 2006, an increase of \$3.9 million from December 31, 2005. Most of the residential mortgage portfolio comprises adjustable rate mortgages, which represented \$54.7 million, or 70%, of the total residential portfolio. Those residential mortgage loans the Corporation considered to be held for investment in the residential portfolio comprise both banking relationships and other attributes deemed to match with the Corporation's interest rate risk profile. The home equity lines of credit ("HELOC") comprised \$19.2 million at March 31, 2006, which was an increase of \$659,000 from December 31, 2005. This portfolio product is tied to Wall Street Journal prime interest rate. These loans are fully secured by real estate and are generally originated with loan to values (including prior liens) up to 95% of the appraised value of the real estate. The consumer portfolio ended March 31, 2006 at \$12.8 million, which was a decrease of \$278,000, primarily from pay downs in the portfolio. The largest portion of the installment loan portfolio comprises loans for marine craft. The Corporation's geographic proximity to Lake St. Clair and the lending experience in this area have been contributors to this segment of the portfolio. In 2005, the Corporation offered less competitive interest rates on marine craft loans to reduce exposure in the area. This change contributed to the decline in the overall installment portfolio. At March 31, 2006, loans for marine craft comprised approximately \$10.7 million, or 83.6% of the installment portfolio and 3.0% of total loans. Credit card loans totaled \$654,000 at March 31, 2006, which was almost unchanged from \$650,000 at December 31, 2005. The Corporation continues to book credit card loans as a customer accommodation and does not actively market this product.

Additionally, the Corporation had approximately \$80.2 million in outstanding loans at March 31, 2006, to borrowers in the real estate rental and properties management industries, representing approximately 38% of the total commercial real estate portfolio.

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

	March 31, 2006	Percentage of total loans	December 31, 2005	Percentage of total loans	Ne Chan
	-----	-----	-----	-----	-----
	(in thousands, except percentages)				
Loans held for sale:					
Residential real estate	\$ 3,479		\$ 4,286		(\$
	=====	=====	=====	=====	=====
Loans held in the portfolio:					
Commercial real estate	\$212,531	60.3%	\$201,348	60.1%	\$11,
Commercial and industrial	28,948	8.2	26,753	8.0	2,
Residential real estate	78,548	22.3	74,601	22.3	3,
Home equity lines	19,204	5.4	18,545	5.5	
Consumer loans	12,776	3.6	13,054	3.9	(
Credit cards	654	0.2	650	0.2	
	-----	-----	-----	-----	-----
	\$352,661	100.0%	\$334,951	100.0%	\$17,
	=====	=====	=====	=====	=====

Total securities available for sale increased \$8.0 million from December 31, 2005 to \$92.1 million at March 31, 2006. The increase was comprised of the

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

purchases of \$5.8 million in bank qualified tax-exempt municipal bonds and \$2.2 million in mortgage backed securities. All other categories of the available for sale portfolio remained

13

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

relatively unchanged. The bank qualified tax-exempt municipal bonds comprise primarily AAA ratings through an underlying or insured basis. Total mortgage backed securities are comprised of both fixed rate and variable rate instruments. Variable rate mortgage backed securities represented 40% of the mortgage backed security portfolio. At March 31, 2006, the available for sale portfolio had net unrealized losses of \$1.3 million or approximately 1.29% of the aggregate portfolio. At December 31, 2005, the net unrealized losses in the available for sale portfolio ended at \$1.2 million. Unrealized losses have not been recognized into income because of the issuer's bonds are of high credit quality. The Corporation has the intent and ability to hold the securities for the foreseeable future and the decline in the fair value is primarily due to increased market interest rates.

14

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

A summary of nonperforming assets is as follows:

	March 31, 2006	December 31, 2005
	-----	-----
	(Dollars in thousands)	
Nonaccrual loans:		
Commercial real estate	\$1,808	\$1,637
Commercial and industrial	824	985
Residential real estate	--	67
Home equity lines	--	--
Consumer loans	--	--
Credit cards	--	--
	-----	-----
Total nonaccrual loans	2,632	2,689
Accruing loans delinquent more than 90 days:		
Commercial real estate	\$ --	\$ --
Commercial and industrial	--	--
Residential real estate	453	621
Home equity lines	--	--
Consumer loans	4	1
Credit cards	1	1
	-----	-----
Total accruing loans delinquent more than 90 days	458	623
	-----	-----

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

Total nonperforming loans	3,090	3,312
Other real estate owned		
Commercial real estate	--	112
Residential real estate	16	--
	-----	-----
Total other real estate owned	16	112
	-----	-----
Total nonperforming assets	\$3,106	\$3,424
	=====	=====
Total nonperforming loans as a percentage of total loans	0.88%	0.99%
	=====	=====
Total nonperforming assets as a percentage of total assets	0.64%	0.74%
	=====	=====

At March 31, 2006, nonperforming loans, which represents nonaccruing loans and those loans past due 90 days or more and still accruing interest, totaled \$3.1 million compared to \$3.3 million at December 31, 2005, a decrease of \$222,000. Nonaccruing loans of \$2.6 million remains relatively unchanged from December 31, 2005 and is primarily comprised of two commercial relationships, a marina with collateral comprising commercial real estate and marine craft, and a tool and die manufacturer, being partially guaranteed by the Small Business Administration and secured by commercial real estate.

15

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

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

	Three Months Ended March 31, 2006	Year Ended December 31, 2005
	-----	-----
	(Dollars in thousands)	
Balance as beginning of the period	\$3,580	\$3,377
Charge-offs:		
Commercial real estate	--	181
Commercial and industrial	14	57
Residential real estate	21	103
Home equity lines	--	--
Consumer loans	2	171
Credit cards	1	12
	-----	-----
Total charge-offs	\$ 38	\$ 524
	-----	-----
Recoveries:		
Commercial real estate	--	1
Commercial and industrial	1	606
Residential real estate	--	--
Home equity lines	--	--

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

Consumer loans	3	18
Credit cards	--	2
	-----	-----
Total recoveries	\$ 4	\$ 627
	-----	-----
Net charge-offs (recoveries)	34	(103)
	-----	-----
Provision charged to earnings	50	100
	-----	-----
Balance at end of the period	\$3,596	\$3,580
	=====	=====
Net charge-offs (net recoveries) during the period to to average loans outstanding during the period	0.04%	(0.03%)
Allowance as a percentage of total portfolio loans	1.02%	1.07%

The allowance for loan losses as a percentage of total loans remained relatively unchanged at March 31, 2006, compared to December 31, 2005. The Corporation performs a detailed quarterly review of the allowance for loan losses. The Corporation evaluates those loans classified as substandard, under its internal risk rating system, on an individual basis for impairment under SFAS 114. The level and allocation of the allowance is determined primarily on management's evaluation of collateral value, less the cost of disposal, for loans reviewed in this category. The remainder of the total loan portfolio is segmented into homogeneous loan pools with similar risk characteristics for evaluation under SFAS 5. The primary risk element considered by management regarding each consumer and residential real estate loan is lack of timely payment. Management has a reporting system that monitors past due loans and has adopted policies to pursue its creditor's rights in order to preserve the Bank's position. The primary risk elements concerning commercial and industrial loans and commercial real estate loans are the financial condition of the borrower, the sufficiency of collateral, and lack of timely payment. Management has a policy of requesting and reviewing annual financial statements from its commercial loan customers and periodically reviews existence of collateral and its value.

16

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

LIABILITIES

During the three months ended March 31, 2006, total deposits increased \$18.8 million to \$333.2 million. The increase in deposits was attributable to increases in time deposits \$100,000 and over, with local municipal certificates of deposit increasing \$10.8 million and brokered time deposits increasing \$10.0 million. Noninterest bearing demand deposits increased \$2.4 million for the first three months of 2006. NOW accounts decreased \$1.4 million during the same time period. Money market savings deposits totaled \$19.4 million and remained relatively unchanged. To stem the loss of these money market savings accounts the Corporation increased the interest rate paid on this deposit product in response to higher competitive interest rates. Total savings accounts decreased \$1.1 million as customers moved to higher rate deposit products during the quarter. Total time deposits under \$100,000 increased \$317,000. The competitive rate environment amongst local financial institutions has made the Corporation decide in some cases not to raise the interest rate on the deposit product at the same frequency or level to match or exceed interest rates given by local financial institutions. The Corporation continues to see competitive deposit

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

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

The major components of deposits are as follows:

	March 31, 2006	Percentage of total deposits	December 31, 2005	Percentage of total deposits	Net Change	Cha
	(Dollars in Thousands)					
Noninterest bearing demand NOW accounts-interest bearing checking	\$ 34,371	10.3%	\$ 31,979	10.2%	\$ 2,392	
Money market	20,341	6.1	21,767	6.9	(1,426)	
Savings	19,503	5.9	19,400	6.2	103	
Time deposits under \$100,000	11,775	3.5	12,832	4.1	(1,057)	
Time deposits \$100,000 and over	55,170	16.6	54,853	17.4	317	
	192,037	57.6	173,542	55.2	18,495	1
Total deposits	333,197	100.00%	314,373	100.0%	18,824	

17

COMMUNITY CENTRAL BANK CORPORATION FORM 10-Q (continued)

Short term borrowings at March 31, 2006 consisted of short term FHLB advances of \$12.0 million and securities sold with an agreement to repurchase them the following day of \$12.3 million. Following are details of our short term borrowings for the dates indicated:

	March 31, 2006	December 31, 2005
	(Dollars in thousands)	
Amount outstanding at end of period		
Repurchase agreements	\$12,326	\$13,184
Short-term FHLB advances	\$12,000	\$26,700
Weighted average interest rate on ending balance		
Repurchase agreements	2.50%	2.50%
Short-term FHLB advances	3.94%	3.60%

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

Maximum amount outstanding at any month end
during the period

Repurchase agreements	\$13,217	\$21,711
Short-term FHLB advances	\$26,700	\$26,700

In June 2001, the Corporation started to borrow long-term advances from the FHLB to fund fixed rate instruments and to minimize the interest rate risk associated with certain fixed rate mortgage instruments and investment securities. These advances are secured under a blanket security agreement by first mortgage loans and the pledging of certain securities. Long-term advances comprised 34 advances with maturities from July 2007 to February 2016.

FHLB advances outstanding at March 31, 2006 were as follows:

	Ending Balance -----	Average rate at end of period -----
(Dollars in thousands)		
Short-term FHLB advances	\$12,000	3.94%
Long-term FHLB advances	78,545	4.57%
	-----	----
	\$90,545	4.46%

18

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 in deposits, and to take advantage of other investment opportunities. Funding of loan requests, providing for possible deposit outflows, and managing interest rate risk require continuous analysis to match the maturities 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 \$27.0 million in available unsecured federal funds borrowing facilities, and a \$100.0 million secured line of credit with the FHLB. Large deposit balances which might fluctuate in response to interest rate changes are closely monitored. These deposits consist mainly of jumbo time certificates of deposit. We anticipate that we will have sufficient funds available to meet our future commitments. As of March 31, 2006, unused commitments comprised \$86.6 million. The Bank has \$169.1 million in time deposits coming due within the next twelve months from March 31, 2006, which includes brokered, internet and municipal time deposits. At March 31, 2006, the Bank had \$108.9 million in brokered certificates of deposit, of which \$51.0 million is due within one year or less. Additionally, at March 31, 2006, municipal time deposits and internet time deposits were \$40.8 million and \$12.6 million, respectively. Municipal time deposits typically have maturities less than three months. \$3.7 million of internet certificates of deposit mature in one year or less.

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

On February 13, 2006, the Corporation's Board of Directors declared the Corporation's sixteenth consecutive quarterly cash dividend of \$0.06 per common share, payable April 3, 2006, to shareholders of record March 1, 2006.

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

	March 31, 2006		December 31, 2005		Minimum Ratio for Capital Adequacy Purposes	"Well"
	Capital	Ratio	Capital	Ratio		
Total capital to risk-weighted assets						
Consolidated	\$48,802	13.24%	\$48,229	13.79%	8%	
Bank only	45,941	12.49%	46,271	12.98%	8%	
Tier I capital to risk-weighted assets						
Consolidated	\$45,206	12.27%	\$44,649	12.77%	4%	
Bank only	42,345	11.52%	41,691	11.95%	4%	
Tier I capital to average assets						
Consolidated	\$45,206	9.64%	\$44,649	9.94%	4%	
Bank only	42,345	9.05%	41,691	9.30%	4%	

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

19

COMMUNITY CENTRAL BANK CORPORATION FORM 10-Q (continued)

The following table shows the changes in stockholders' equity for the three months ended March 31, 2006:

	Common Stock	Retained Earnings	Unearned Employee Benefits	Accumulated Other Comprehensive Income/(Loss)	Total Equity
	-----	-----	-----	-----	-----
Beginning balance, January 1, 2006	\$31,154	\$5,245	(\$148)	(\$ 719)	\$35,532
Cash dividend	--	(220)	--	--	(220)
Stock option exercise	46	--	--	--	46
SFAS 123R expensing of options	6	--	--	--	6
Net income	--	703	--	--	703
Release of ESOP shares	--	--	13	--	13
Change in unrealized gain/loss	--	--	--	(128)	(128)
	-----	-----	-----	-----	-----
Balance March 31, 2006	\$31,206	\$5,728	(\$135)	(\$ 847)	\$35,952
	=====	=====	=====	=====	=====

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

Stockholder's equity was \$36.0 million as of March 31, 2006. This was an increase of \$420,000 from December 31, 2005. The change in stockholder's equity was primarily attributable to net income for the first quarter of 2006 of \$703,000, offset by cash dividends of \$220,000. The proceeds from stock options exercised added \$46,000 to equity. Additionally, the release of ESOP shares, at fair market value, contributed \$13,000 to total equity. The change in other comprehensive income of \$128,000 was due to the net change in after tax decreases in the available for sale security portfolio. Unrealized losses have not been recognized into income because of the issuer's bonds are of high credit quality. The Corporation has the intent and the ability to hold the securities for the foreseeable future and the decline in the fair value during the first quarter of 2006 was primarily due to increased market interest rates.

NET INTEREST INCOME

Net interest income was \$3.1 million during the first quarter of 2006, an increase of \$41,000 over the first quarter of 2005. The net interest income when measured on a taxable equivalent basis increased \$140,000, or 4.4%, over the same time period. The increase was attributable to growth in earning assets, primarily loans, and offset somewhat by net interest margin compression. Net interest margin for the first quarter of 2006 was 2.87%, or 3.00% on a tax equivalent basis, compared with 3.33%, or 3.38% on a tax equivalent basis for the first quarter of 2005. The decrease in net interest margin was primarily the result of higher deposit funding costs in a highly competitive deposit pricing environment. Additionally, the flat treasury yield curve produced an interest rate environment that results in lower incremental interest rate spreads on new loan and investment growth. The increase in interest income for the first quarter of 2006 compared to the first quarter of 2005 was primarily due to higher average outstanding balances in the loan and securities portfolio, as well as higher yields on loans.. Increased yields on the investment portfolio were not as much a factor as the majority of the investment portfolio is fixed rate in nature. Increases in various categories of interest expense were primarily driven by increases in interest rates paid on deposits and other borrowings. The largest increase in interest expense was associated with time deposits. Increases in interest expense on time deposits contributed 66.8% of the overall increase in interest expense due to an increase in rate. Conversely, the increase in interest expense due to other borrowings was primarily due to increases in volume and secondarily due to increases in rates, as the duration of the FHLB advances is much longer than other categories of deposits and borrowed funds. The overall increase in net interest income was completely due to increases in short term interest rates in deposit funding.

20

COMMUNITY CENTRAL BANK CORPORATION FORM 10-Q (continued)

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

Three Months Ended

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

	March 31, 2006 vs. 2005		
	Increase (Decrease) Due to Changes In		
	Total	Volume and Both	Rate
	(In thousands)		
Earning Assets - Interest Income			
Loans	\$1,207	\$578	\$629
Securities	489	402	87
Federal funds sold	(9)	(48)	39
Total	1,687	932	755
Deposits and Borrowed Funds - Interest Expense			
NOW and money market accounts	85	5	80
Savings deposits	(38)	(51)	13
Time deposits	1,100	474	626
FHLB advances and repurchase agreements	449	277	172
ESOP loan interest expense	--	(1)	1
Subordinated debentures	50	--	50
Total	1,646	704	942
Net Interest Income	\$ 41	\$228	(\$187)

The average yield earned on interest earning assets for the first quarter of 2006 was 6.51% compared to 5.83% for the first quarter of 2005. The average yield earned on the total loan portfolio, which contains both loans held for sale and investment for 2006 was 7.10% compared to 6.28% during the first quarter of 2005. The overall increase in the loan portfolio yield was partially tied to the increase in the prime interest rate during that time period. The commercial, commercial real estate and home equity line loans that repriced with prime interest rate changes totaled approximately \$152 million at March 31, 2006. The Corporation's security portfolio had an average non-tax adjusted yield of 4.44% during the first quarter of 2006, with the weighted average taxable equivalent yield to maturity at March 31, 2006 totaling 5.13%.

The average rate paid on interest bearing liabilities for the first quarter of 2006 was 4.03% compared to 2.81% in the first quarter of 2005. The increase in average rate was due to the overall rate paid on interest bearing liabilities, primarily as a result of the increase in overall market interest rates. The rate paid on the total time deposit portfolio increased to 4.18% for the first quarter of 2006, from 2.85% for the same time period in 2005 and was driven by highly competitive interest rates paid among local financial institutions. The increase in the average rate for NOW and money market accounts for 2006 was primarily attributable to the introduction of a premium rate based NOW account, with the average rate moving to 1.99% during the first quarter of 2006 versus 1.13% in the first quarter of 2005. The average rate paid on savings also increased, moving to 2.19% for the first quarter of 2006 from 1.95% in the first quarter of 2005. The rate paid on FHLB advances and repurchase agreements increased to 4.23% in the first quarter of 2006 from 3.29% in the first quarter of 2005. New advances, repricing of variable advances and the increase in the interest rate paid on repurchase agreements were the primary reasons for the increase. At March 31, 2006, the FHLB portfolio had a weighted average maturity of 4.8 years and an overall weighted average interest rate

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

Total Interest Earning Assets/					
Total Interest Income/Average Yield Earned	442,261	7,114	6.51	377,288	5,42
	-----	-----	----	-----	-----
Cash and due from banks	7,639			6,758	
All other assets	20,487			16,623	
	-----			-----	
Total Assets	\$470,387			\$400,669	
	=====			=====	
Liabilities and Equity					
NOW and money market accounts	\$ 39,018	191	1.99	\$ 37,915	10
Savings deposits	12,597	68	2.19	22,012	10
Time deposits	237,000	2,441	4.18	190,946	1,34
FHLB advances, repurchase agreements and fed funds purchased	100,919	1,052	4.23	74,317	60
ESOP note payable	143	3	8.51	200	
Subordinated debentures	10,310	215	8.46	10,310	16
	-----	-----	----	-----	-----
Total Interest Bearing Liabilities/					
Total Interest Expense / Average Rate Paid	399,987	3,970	4.03	335,700	2,32
	-----	-----	----	-----	-----
Noninterest bearing demand deposits	32,657			34,838	
All other liabilities	2,078			1,617	
Stockholders' equity	35,665			28,514	
	-----			-----	
Total Liabilities and Stockholder's Equity	\$470,387			\$400,669	
	=====			=====	
Net Interest Income		\$3,144			\$3,10
		=====			=====
Net Interest Spread			2.49%		
			=====		
Net Interest Margin (Net Interest Income/Total Earning Assets)			2.87%		
			=====		
Net Interest Margin (fully taxable equivalent)			3.00%		
			=====		

23

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

PROVISION FOR LOAN LOSSES

A \$50,000 provision was made to the allowance for loan losses in the first quarter of 2006, based upon management's review of the risks inherent in the loan portfolio and the level of our allowance for loan losses. Net loan charge-offs for the first quarter of 2006 totaled \$34,000, or four basis points on an annualized basis. Total nonperforming assets as a percentage of total assets was 0.64% at March 31, 2006, compared to 0.74% at December 31, 2005. The allowance for loan losses was \$3.6 million at March 31, 2006, or 1.02% of total loans and 116.38% of nonperforming loans, versus \$3.6 million, or 1.07% and 108.10% at December 31, 2005, respectively.

NONINTEREST INCOME

Noninterest income in the first quarter of 2006 was \$1.2 million, an increase of \$256,000, or 27.1%, compared to the first quarter of 2005. The increase was

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

primarily due to a \$152,000 increase in gains on the sale of residential mortgage loans due to higher origination loan volumes compared to the first quarter of 2005 resulting from our Mortgage Company's addition of added loan production offices during this time period. The Mortgage Company has expanded into new mortgage loan production offices in Ohio, North Carolina and Florida. Total deposit service charges of \$82,000 in the first quarter of 2006 increased 17.1% from \$70,000 recorded in the first quarter of 2005. The Corporation instituted an overdraft privilege program late in the fourth quarter of 2005 which has largely contributed to the increase. Other income was \$199,000 in the first quarter of 2006, which was an increase of \$55,000 from the first quarter of 2005. The increase was primarily attributable to an increase in noninterest income from additional bank owned life insurance purchase in August of 2005. Fiduciary income from our Trust and Wealth Management division represented \$67,000 for the first quarter representing an increase of \$3,000 from fee income generated from the these operations in the fourth quarter of 2005 which was \$64,000. The Bank acquired the Trust and Wealth Management division operations in July 2005 and has approximately \$74.0 million under management at March 31, 2006.

NONINTEREST EXPENSE

Noninterest expense was \$3.4 million for the first quarter of 2006 compared to \$2.9 million for the first quarter of 2005, an increase of \$527,000, or 18.2%. The increase in noninterest expense was largely due to an increase of \$351,000 in salary, benefits and payroll taxes from the new Trust and Wealth Management divisions, coupled with startup and operational costs related to the new Grosse Pointe branch hub and expansion into new out of state mortgage loan production offices. Premises and fixed asset expense totaled \$466,000 for the quarter ended March 31, 2006, an increase of \$110,000 or 30.9%. The expansion of the Mortgage Company's loan production offices accounted for \$67,000 of this increase, with the remaining increase attributable to utility costs, increased depreciation expense of the new headquarters, and general costs of expanded operations of the Corporation and its subsidiaries. Other operating expense of \$845,000 increased \$66,000, or 8.5%, from the first quarter of 2006 compared to the first quarter of 2005. The increase in other operating expense was also primarily attributable to the costs related to the new mortgage loan production offices, the expenses of the trust operations and other costs related to the Grosse Pointe branch office in the process of construction.

24

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

PROVISION FOR INCOME TAXES

The provision for federal income taxes of \$177,000 for the first quarter of 2006 decreased \$131,000, or 42.5%, from the federal income tax provision for the first quarter of 2005. The decrease was primarily attributable to a higher level of tax exempt municipal bonds and bank owned life insurance (BOLI) over the same respective time period, coupled with a lower level of pretax income. The increase in cash surrender value of BOLI is exempt from federal income tax. The effective tax rate for the first quarter of 2006 and 2005 was 20.1% and 29.1%, respectively. The statutory tax rate of the Corporation is 34%.

25

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

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

ASSET/LIABILITY MANAGEMENT

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

Currently two quantitative tools are used 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 our exposure to interest rate risk.

Static 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.

Static 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 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.

26

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

The following table presents an analysis of our interest-sensitivity static gap position at March 31, 2006. All interest-earning assets and interest-bearing liabilities are shown based on the earlier of their contractual maturity or repricing date adjusted by forecasted repayment and decay rates. Asset prepayment and liability decay rates are selected after considering the current rate environment, industry prepayment and decay rates and our historical experience. At March 31, 2006, we are considered asset sensitive in the time interval of the first three months. We are also considered to be slightly liability sensitive at the one year accumulated gap position.

Within Three Months	After Three Months But Within One Year	After One Year But Within Five Years	After Five Years	Total

(Dollars in thousands)

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

Interest earning assets:

Federal funds sold and interest bearing cash	\$ 529	\$ --	\$ --	\$ --	\$ 529
Securities	8,084	13,030	27,564	45,822	94,500
FHLB stock	--	--	--	4,530	4,530
Portfolio loans and held for resale	151,720	39,807	121,181	43,432	356,140
	-----	-----	-----	-----	-----
Total	160,333	52,837	148,745	93,784	\$455,699
	-----	-----	-----	-----	=====

Interest bearing liabilities:

NOW and money market accounts	3,399	14,870	21,575	--	\$ 39,844
Savings deposits	1,178	3,415	7,182	--	11,775
Jumbo time deposits	56,668	75,203	60,166	--	192,037
Time deposits <\$100,000	7,680	29,592	17,898	--	55,170
Repurchase agreements	12,326	--	--	--	12,326
FHLB advances	--	12,000	41,845	36,700	90,545
ESOP payable	135	--	--	--	135
Subordinated debentures	10,310	--	--	--	10,310
	-----	-----	-----	-----	-----
Total	91,696	135,080	148,666	36,700	\$412,142
	-----	-----	-----	-----	=====

Interest rate sensitivity gap	\$ 68,637	(\$82,243)	\$ 79	\$57,084
Cumulative interest rate sensitivity gap		(\$13,606)	(\$13,527)	\$43,557
Interest rate sensitivity gap Ratio	1.75	0.39	1.00	2.56
Cumulative interest rate sensitivity gap ratio		0.94	0.96	1.11

We also evaluate 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 our 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 the timing, magnitude, and frequency of interest rate changes, changes in market conditions, management's pricing decisions, and customer reactions to those decisions, among other factors.

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

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 March 31, 2006, 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 Scenario	Percentage Change In Net Interest Income
Interest rates up 300 basis points	4.2%
Interest rates up 200 basis points	3.6%
Interest rates up 100 basis points	2.2%
Base case	--
Interest rates down 100 basis points	(2.4%)
Interest rates down 200 basis points	(4.3%)
Interest rates down 300 basis points	(5.2%)

ITEM 3. CONTROLS AND PROCEDURES

An evaluation of the Corporation's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities and Exchange Act of 1934 ("Act")) as of March 31, 2006, was carried out under the supervision and with the participation of the Corporation's Chief Executive Officer, Chief Financial Officer and several other members of the Corporation's senior management. The Corporation's Chief Executive Officer and Chief Financial Officer concluded that the Corporation's disclosure controls and procedures as currently in effect are effective in ensuring that the information required to be disclosed by the Corporation in the reports it files or submits under the Act is (i) accumulated and communicated to the Corporation's management (including the Chief Executive Officer and Chief Financial Officer) in a timely manner, and (ii) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Act) that occurred during the quarter ended March 31, 2006, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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

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

PART II

ITEM 1. LEGAL PROCEEDINGS

Not applicable.

ITEM 1A. RISK FACTORS

Not applicable.

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

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

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

Not applicable.

ITEM 5. OTHER INFORMATION.

Cash Dividend - On February 13, 2006, the Corporation's Board of Directors declared the Corporation's sixteenth quarterly cash dividend of \$0.06 per common share, payable April 1, 2006, to shareholders of record March 1, 2006.

Stock Dividend - On April 18, 2006, the Corporation's Board of Directors declared a 5% stock dividend payable June 1, 2006, to shareholder of record May 1, 2006.

ITEM 6. EXHIBITS.

See Exhibit Index attached.

29

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on May 12, 2006.

COMMUNITY CENTRAL BANK CORPORATION

By: S/ DAVID A. WIDLAK

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

By: S/ RAY T. COLONIUS

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

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

30

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

EXHIBIT INDEX

EXHIBIT NUMBER -----	EXHIBIT DESCRIPTION -----
3.1	Articles of Incorporation are incorporated by reference to Exhibit 3.1 of the Corporation's Registration Statement on Form SB-2 (SEC File No. 333-04113) which became effective on September 23, 1996
3.2	Bylaws of the Corporation are incorporated by reference to Exhibit 3.2 of the Corporation's Quarterly Report on Form 10-QSB filed with the SEC for the quarter ended June 30, 2004 (SEC File No. 000-33373)
4.1	Specimen of Stock Certificate of Community Central Bank Corporation is incorporated by reference to Exhibit 4.2 of the Corporation's Registration Statement on Form SB-2 (SEC File No. 333-04113) which became effective on September 23, 1996
10.1	1996 Employee Stock Option Plan is incorporated by reference to Exhibit 10.1 of the Corporation's Registration Statement on Form SB-2 (SEC File No. 333-04113) which became effective September 23, 1996
10.2	1996 Stock Option Plan for Nonemployee Directors is incorporated by reference to Exhibit 10.2 of the Corporation's Registration Statement on Form SB-2 (SEC File No. 333-04113) which became effective September 23, 1996
10.3	1999 Stock Option Plan for Directors in incorporated by reference to Exhibit 10.5 of the Corporation's Annual Report filed with the SEC on Form 10-KSB for the year ended December 31, 1999 (SEC File No. 000-33373)
10.4	2000 Employee Stock Option Plan is incorporated by reference to Exhibit 10.6 of the Corporation's Annual Report filed with the SEC on Form 10-KSB for the year ended December 31, 2000 (SEC File No. 000-33373)
10.5	2002 Incentive Plan is incorporated by reference to Exhibit 10.7 of the Corporation's Annual Report filed with the SEC on Form 10-KSB for the year ended December 31, 2001 (SEC File No. 000-33373)
10.6	Community Central Bank Supplemental Executive Retirement Plan is incorporated by reference to Exhibit 10.6 of the Corporation's Quarterly Report on Form 10-QSB filed with the SEC for the quarter ended June 20, 3003 (SEC File No. 000-33373)

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

- 10.7 Community Central Bank Death Benefit Plan is incorporated by reference to Exhibit 10.7 of the Corporation's Quarterly Report on Form 10-QSB filed with the SEC for the quarter ended June 20, 2003 (SEC File No. 000-33373)
- 10.8 Form of Incentive Stock Option Agreement incorporated by reference to Exhibit 99.1 of the Corporation's Current Report on Form 8-K filed with the SEC on March 25, 2005. (SEC File No. 000-33373)
- 10.9 Form of Non-qualified Stock Option Agreement is incorporated by reference to the Corporation's Current Report on Form 8-K filed on January 17, 2006. (SEC File No. 000-33373)
- 10.10 Summary of Named Executive Officer Salary and Bonus Arrangements is incorporated by reference to Exhibit 99.1 of the Corporation's Current Report on Form 8-K filed on January 17, 2006. (SEC File No. 000-33373)

31

COMMUNITY CENTRAL BANK CORPORATION
FORM 10-Q (continued)

- 10.11 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

32