

CONSOLIDATED INCOME STATEMENTS(000's)

	THREE MONTHS ENDED March 31	
	2010	2009
INTEREST INCOME		
Interest and fees on loans	\$ 2,625	\$ 2,598
Interest on investment securities	694	710
Interest on Federal funds sold and balances at Federal Reserve Bank	<u>11</u>	<u>4</u>
TOTAL INTEREST INCOME	3,330	3,312
INTEREST EXPENSE		
Demand deposit	190	45
Savings deposit	51	58
Time deposits	612	807
Federal funds purchased	-	-
Other borrowed funds	-	-
TOTAL INTEREST EXPENSE	<u>853</u>	<u>910</u>
NET INTEREST INCOME	2,477	2,402
Provision for possible loan losses	<u>1,050</u>	<u>800</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	1,427	1,602
OTHER INCOME		
Service fees on loan and deposit accounts	387	483
Other	<u>460</u>	<u>399</u>
TOTAL OTHER INCOME	847	882
OTHER EXPENSES		
Salaries and employee benefits	1,261	1,337
Net occupancy expense	245	297
Other	<u>614</u>	<u>503</u>
TOTAL OTHER EXPENSE	<u>2,120</u>	<u>2,137</u>
INCOME BEFORE PROVISION FOR FEDERAL INCOME TAX	154	347
Provision for Federal income tax	<u>(37)</u>	<u>21</u>
NET INCOME	<u>\$ 191</u>	<u>\$ 326</u>
EARNINGS PER SHARE		
Net Income	\$.18	\$.30
Cash Dividend Declared	\$.05	\$.10



Serving Lapeer County
8 Offices and 8 drive-up ATM's ♦

City of Lapeer:		
Main Office	83 W. Nepessing Street	664-2977
MO Drive-Up♦	305 Pine Street (Drive-Up)	667-3851
Southgate ♦♦	637 South Main St.(M-24)	664-9986
Attica ♦	4515 Imlay City Rd. (M-21)	724-6436
Deerfield ♦	M-24 & Burnside Rd.	793-6311
Elba ♦	5508 Davison Rd. (M-21)	653-2106
Imlay City ♦	1875 S. Cedar St. (M-53)	724-4652
Metamora ♦	3414 S. Lapeer Rd. (M-24)	678-3373

Account Information (automated phone service) 245-BANK

HOURS

Main Office	Monday - Friday	9:00 - 5:00
Main Office Drive-Up	Monday - Thursday	9:00 - 5:00
	Friday	9:00 - 6:00
	Saturday (Drive-Up & Lobby)	9:00 - 2:00
Branch Office Regular Hours	Monday - Thursday	8:30 - 5:00
	Friday	8:30 - 6:00
	Saturday	8:30 - 2:00

EXTENDED HOURS:

Southgate Offices		
Drive-up	Monday - Friday	8:30 - 7:00
Lobby	Monday - Thursday	8:30 - 5:00
Lobby	Friday	8:30 - 6:00
Lobby & Drive-up	Saturday	8:30 - 2:00

LCBT.com

06/10 **810-245-2950**
FAX: 810-667-1742



SEND ALL MAIL TO:
PO Box 250 • Lapeer MI 48446-0250



County Bank Corp

and its wholly owned subsidiary

**Lapeer County Bank
& Trust Co.**

**QUARTERLY
REPORT**

March 31, 2010

March 31, 2010

To Our Shareholders:

I am pleased to announce a 1st quarter cash dividend of \$.05 per share was paid on March 31, 2010 to shareholders of record on March 17, 2010. The 1st quarter cash dividend totaled \$54,047 and was the 178th consecutive dividend paid to our shareholders.

Through February 2010, net income is \$80,488 compared to \$255,104 last year, a decrease of \$174,616. The decrease is mostly attributable to a 2010 increase in the allowance for loan and lease losses (ALLL) of \$300,000 over the comparable period last year. Encouraging is the fact that net interest income, or the difference between what is earned in interest for loans and investments and what is paid in interest on deposit accounts, is up a significant \$75,701. Total assets are \$291,232,459, down slightly from 12/31/09 year-end but up a substantial \$23,477,533 over February, 2009. Loans outstanding and deposits are up \$6,416,371 and \$25,182,844 respectively from the same period in 2009.

To assure the continued safety and soundness of County Bank Corp, the budget in 2010 for the provision to the ALLL remains substantially higher than in more normal economic periods. As has been mentioned in previous shareholder letters, the amount contributed to the ALLL has a direct impact on earnings. It is apparent the ongoing economic crisis in Michigan will not end in the foreseeable future. As a result, earnings will continue to be impacted in 2010.

However challenging the current environment, the Bank continues to operate profitably. The directors, officers and employees remain focused on the task at hand and are dedicated to providing the best return possible on shareholder investment.

Very truly yours,



Bruce J. Cady
President & CEO

CONSOLIDATED STATEMENTS

BALANCE SHEETS (000's)

	March 31	
	2010	2009
ASSETS		
Cash and due from banks	\$ 19,973	\$ 8,644
Investment securities available for sale	65,505	45,707
Investment securities held to maturity	13,742	16,442
Other investments	<u>541</u>	<u>541</u>
Total investment securities	79,788	62,690
Federal funds sold	200	550
Loans	182,544	183,233
Less: Reserve for possible loan losses	<u>4,212</u>	<u>3,184</u>
Net loans	178,332	180,049
Bank premises & equipment	5,429	5,699
Interest receivable and other assets	<u>7,117</u>	<u>7,583</u>
TOTAL ASSETS	<u>\$ 290,839</u>	<u>\$ 265,215</u>

LIABILITIES & STOCKHOLDERS' EQUITY

LIABILITIES

Deposits:		
Demand	\$ 124,018	\$ 103,936
Savings	52,142	39,674
Time	<u>87,409</u>	<u>92,983</u>
Total deposits	263,569	236,593
Federal funds purchased	-	-
Other borrowed funds	-	-
Interest payable and other liabilities	<u>581</u>	<u>1,542</u>
TOTAL LIABILITIES	264,150	238,135

STOCKHOLDERS' EQUITY

Common stock-\$5.00 par value, 3,000,000 shares authorized, 1,080,946 shares outstanding in 2010 and 2009	5,405	5,405
Surplus	8,634	8,634
Undivided profits	12,350	12,249
Unrealized gains on securities available for sale	<u>300</u>	<u>792</u>
TOTAL STOCKHOLDERS' EQUITY	26,689	27,080
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 290,839</u>	<u>\$ 265,215</u>