



**CBC** County Bank Corp

2006 Annual Report



County Bank Corp

Lapeer County Bank & Trust Co.  
P. O. Box 250 | Lapeer, Michigan 48446  
lcbt.com







Front row l-r: ERNEST W. LEFEVER, Doctor of Podiatry, Foot Specialists of Lapeer; BRUCE J. CADY, President & CEO; CURT CARTER, Chairman of the Board; MICHAEL H. BLAZO, President, Kirk Construction Co.; THOMAS K. BUTTERFIELD, of Counsel, Taylor, Butterfield, Riseman, Clark, Howell, Churchill & Jarvis, P.C. Back row l-r: TIMOTHY OESCH, President, Nolin, Oesch, Sieting & Macksoud, P.C.; PATRICK A. CRONIN, Agent, State Farm Insurance; CHARLES E. SCHIEDEGGER, President, Manufacturing Group, Tapco Int'l., A Headwaters Co.; DAVID H. BUSH, Doctor of Optometry; JAMES E. HARRINGTON, President, H&H Tool, Inc.

**THOMAS K. BUTTERFIELD**

**DIRECTOR  
1978 - 2006**



Tom Butterfield, a Director of the Board of Lapeer County Bank & Trust Co. for 28 years, died on December 20, 2006. Truly a pillar of his community, Tom will long be remembered for his dedicated commitment not only to the Bank, but to the numerous community organizations that have been forever touched by his involvement and hard work. His wisdom and leadership will be greatly missed by us all.

To Our Stockholders, Customers and Friends:

Through the concerted efforts of our dedicated staff, the Corporation had a good year in 2006. Net income exceeded \$3,500,000, total assets grew to a record high of nearly \$266,000,000, total loans grew to a record high of just over \$186,000,000 and total deposits grew to a record high of approximately \$231,000,000. While profits were off \$122,000 from 2005 and our growth in assets, loans and deposits were moderate, we accomplished all of this in an economy that is more conducive to stagnation versus growth and profitability.



**BRUCE CADY,  
PRESIDENT  
& CEO**

Highlights of the year include the final transition of the presidency from Curt Carter to me, the successful deregistration of the Corporation from the Securities and Exchange Commission and the introduction of a new checking account product that we think will provide a valuable service to students graduating from high schools across Lapeer County. Additionally, I am pleased to report that we promoted two officers to higher levels of authority and responsibility and appointed one new officer.

Financially, the Corporation's return on average assets was 1.31% which compares favorably with not only our Michigan peer banks but our nationwide peer banks as well. The Corporation paid a record \$1,719,000 in cash dividends and returned an average of 11.47% on average stockholders' equity. Earnings per share of \$3.22 and stockholders' equity of over \$31,000,000 remain near their all-time high. Book value per share increased to \$28.76 to end 2006. Clearly, the Corporation remains financially strong and well-capitalized.

Our business development program continues to impress, with our customer calling officers responsible for over \$3,000,000 in new commercial loans and \$1,000,000 in new commercial deposits. Our periodic deposit promotions produced 1,840 new checking accounts, which included more than 100 of our new student accounts mentioned above. Increased emphasis on our fixed-rate home equity line of credit product yielded an increase in new commitments of \$2,700,000.

In June under a beautiful blue sky, we continued our community banking tradition by hosting over 1,700 customers and friends with our fifth annual ice cream social. We celebrated four customer appreciation days at our branches during the year and in October, we offered our first "Community Shred Day", which provided free commercial shredding of personal documents for anyone in the community.

In 2006, we recognized 24 employees with over 5 years of banking experience at Lapeer County Bank & Trust Co. Combined, these employees have 315 years of employment with the Bank, a remarkable achievement. In July, long time Chief Financial Officer, Joe Black, was promoted to an executive officer and in December, Alan Curtis was promoted to Vice President and Senior Lender, deserving accomplishments for both. Also in December, our Imlay City branch manager Elisabeth Forsberg was appointed Branch Officer.

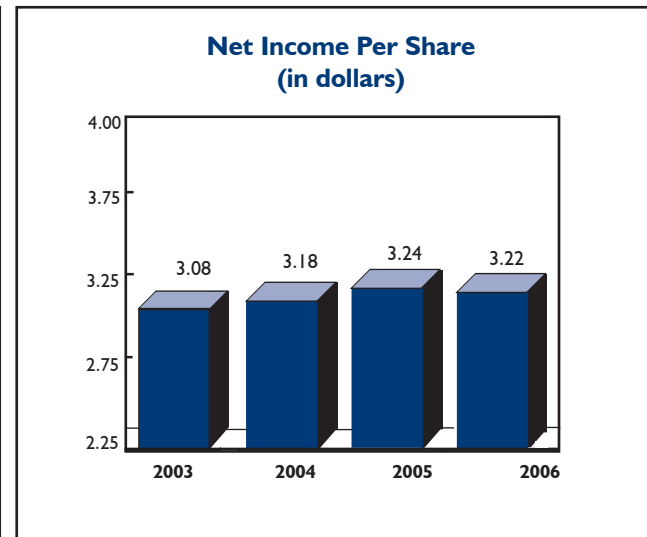
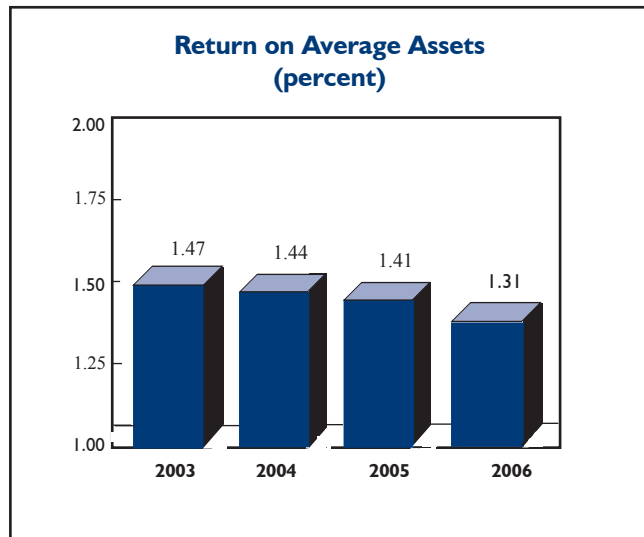
Although 2007 should present a challenging year in the banking business, we are excited about our prospects. Already planned for the new year are the introduction of a new business checking account, expanded community shred days and an updated, enhanced website. We look forward to adding this product and these services to our full menu of banking options.

As I come to a close, sadly I must report the passing of long-time Board Director and friend, Tom Butterfield after a long and hard fought battle with cancer. Tom's counsel, wisdom, direction and wit will be sorely missed and impossible to replace. Additionally, effective January 1, 2007, long-time President & CEO, Curt Carter will begin his role with the Bank in a part-time capacity. Curt is and will remain the Chairman of the Board of Directors. Please take the opportunity to congratulate Curt on his outstanding career at Lapeer County Bank & Trust Co. and wish him well in partial retirement.

The directors, officers and the entire staff join me in thanking you for your continued support of the Bank in 2006. Please join us at 3:00 p.m., Friday, April 20, 2007 at the Lapeer Country Club for our annual meeting. As always, we welcome any comments or questions that you may have regarding our 2006 performance or our plans for 2007 and beyond.

**Financial Highlights**

<b>AT YEAR END</b> (000's omitted)	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Assets	\$ 265,979	\$ 261,395	\$ 253,261	\$ 248,662
Deposits	230,737	224,495	216,812	214,971
Loans	186,266	177,229	167,334	161,714
Securities	56,310	59,722	64,457	66,298
Stockholders' equity	31,088	31,448	30,500	31,354
<b>FOR THE YEAR</b> (000's omitted)				
Net income	\$ 3,504	\$ 3,625	\$ 3,622	\$ 3,651
Cash dividend declared	1,719	1,700	1,662	1,625
Return on average assets (%)	1.31	1.41	1.44	1.47
Return on average stockholders' equity (%)	11.47	11.70	12.00	11.86
<b>PER SHARE</b>				
Book value	\$ 28.76	\$ 28.12	\$ 27.27	\$ 26.43
Net income	3.22	3.24	3.18	3.08
Cash dividend declared	1.59	1.52	1.47	1.37



**Consolidated Balance Sheet**  
(000s omitted, except per share data)

	December 31, 2006	December 31, 2005
<b>Assets</b>		
Cash and due from banks (Note 8)	\$ 8,953	\$ 11,711
Federal funds sold	7,150	5,000
Total cash and cash equivalents	16,103	16,711
Investment securities - Available for sale (Note 2)	35,207	38,329
Investment securities - Held to maturity (Note 2)	20,562	20,852
Other securities	541	541
Loans - Net of allowance for loan losses of \$1,825 and \$1,863 in 2006 and 2005, respectively (Note 3)	184,441	175,366
Premises and equipment (Note 4)	6,356	6,515
Interest receivable and other assets	2,769	3,081
Total assets	<b>\$ 265,979</b>	<b>\$ 261,395</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Deposits:		
Noninterest-bearing	\$ 35,790	\$ 38,390
Interest-bearing (Note 5)	194,947	186,105
Total deposits	230,737	224,495
Note payable (Note 6)	1,700	2,380
Accrued and other liabilities (Note 7)	2,454	3,072
Total liabilities	234,891	229,947
<b>Stockholders' Equity (Note 11)</b>		
Common stock - \$5 par value:		
Authorized - 3,000,000 shares at December 31, 2006 and 2005		
Issued and outstanding - 1,080,946 shares and 1,118,315 shares at December 31, 2006 and 2005, respectively	5,404	5,591
Surplus	8,634	8,634
Retained earnings	15,230	15,416
Accumulated other comprehensive income	1,820	1,807
Total stockholders' equity	31,088	31,448
Total liabilities and stockholders' equity	<b>\$ 265,979</b>	<b>\$ 261,395</b>

See Notes to Consolidated Financial Statements.

**Consolidated Statement of Income**  
(000s omitted, except per share data)

	Year Ended		
	December 31, 2006	December 31, 2005	December 31, 2004
<b>Interest Income</b>			
Interest and fees on loans	\$ 13,381	\$ 11,185	\$ 9,794
Interest on investment securities:			
U.S. Government securities	32	32	32
U.S. Government agencies' mortgage-backed securities	763	828	879
State and political subdivisions	1,342	1,349	1,425
Other securities	207	185	186
Interest on Federal funds sold	223	146	97
Total interest income	15,948	13,725	12,413
<b>Interest Expense</b>			
Interest on short-term borrowings	25	6	2
Interest on long-term borrowings (Note 6)	134	129	63
Interest on demand deposits	1,663	1,233	525
Interest on savings deposits	1,386	400	335
Interest on time deposits (Note 5)	2,716	1,865	1,640
Total interest expense	5,924	3,633	2,565
<b>Net Interest Income</b> - Before provision for loan losses	10,024	10,092	9,848
<b>Provision for Loan Losses</b> (Note 3)	155	-	-
<b>Net Interest Income After Provision for Loan Losses</b>	9,869	10,092	9,848
<b>Noninterest Income</b>			
Service fees on loan and deposit accounts	1,864	1,661	1,596
Trust income	625	583	599
Gain on maturity of securities	3	8	7
Gain on sale of other real estate	17	28	316
Other	576	646	498
Total noninterest income	3,085	2,926	3,016
<b>Noninterest Expenses</b>			
Salaries and employee benefits (Note 12)	5,566	5,338	5,186
Occupancy and equipment (Note 4)	1,104	1,069	1,107
Other	1,854	1,888	1,841
Total noninterest expenses	8,524	8,295	8,134
<b>Income</b> - Before income taxes	4,430	4,723	4,730
<b>Provision for Federal Income Tax</b> (Note 7)	926	1,098	1,108
<b>Net Income</b>	\$ 3,504	\$ 3,625	\$ 3,622
<b>Weighted Average Number of Common Shares Outstanding</b>	1,086,986	1,118,315	1,138,109
<b>Earnings per Share</b> - Basic	\$ 3.22	\$ 3.24	\$ 3.18

See Notes to Consolidated Financial Statements.

**Consolidated Statement of Changes in Stockholders' Equity**  
(000s omitted, except per share data)

	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Total
	<b>Balance</b> - January 1, 2004	\$ 5,932	\$ 8,634	\$ 14,621	\$ 2,167
Comprehensive income:					
Net income	-	-	3,622	-	3,622
Change in unrealized gain on securities available for sale - Net of tax of \$318 and reclassification adjustment	-	-	-	617	617
Total comprehensive income					4,239
Stock repurchase	(341)	-	(3,090)	-	(3,431)
Dividends declared \$1.47 per share	-	-	(1,662)	-	(1,662)
<b>Balance</b> - December 31, 2004	5,591	8,634	13,491	2,784	30,500
Comprehensive income:					
Net income	-	-	3,625	-	3,625
Change in unrealized gain on securities available for sale - Net of tax of \$504 and reclassification adjustment	-	-	-	(977)	(977)
Total comprehensive income					2,648
Dividends declared \$1.52 per share	-	-	(1,700)	-	(1,700)
<b>Balance</b> - December 31, 2005	5,591	8,634	15,416	1,807	31,448
Comprehensive Income:					
Net income	-	-	3,504	-	3,504
Change in unrealized gain on securities available for sale - Net of tax of \$7 and reclassification adjustment	-	-	-	13	13
Total comprehensive income					3,517
Stock repurchase (Note 13)	(187)	-	(1,971)	-	(2,158)
Dividends declared \$1.59 per share	-	-	(1,719)	-	(1,719)
<b>Balance</b> - December 31, 2006	\$ 5,404	\$ 8,634	\$ 15,230	\$ 1,820	\$ 31,088

See Notes to Consolidated Financial Statements.



**Consolidated Statement of Cash Flows**  
(000s omitted)

	Year Ended December 31		
	2006	2005	2004
<b>Cash Flows from Operating Activities</b>			
Net income	\$ 3,504	\$ 3,625	\$ 3,622
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	528	501	443
Provision for loan losses	155	-	-
Net amortization and accretion of securities	93	130	136
Deferred income taxes	(38)	96	216
Gain on maturity of securities	(3)	(8)	(7)
Gain on sale of other real estate	(17)	(28)	(316)
Loss on sale of premises and equipment	-	-	2
(Increase) decrease in accrued interest receivable and other	445	(675)	(404)
Increase (decrease) in accrued interest payable and other	(587)	687	234
Net cash provided by operating activities	4,080	4,328	3,926
<b>Cash Flows from Investing Activities</b>			
Activity in available-for-sale securities:			
Proceeds from maturities	1,002	-	4,962
Proceeds from calls	2,074	3,836	5,489
Purchases of securities	-	-	(10,828)
Activity in held-to-maturity securities:			
Proceeds from maturities	1,767	1,265	1,914
Proceeds from calls	498	1,031	1,186
Purchases of securities	(1,999)	(3,000)	(76)
Net increase in loans	(9,439)	(10,044)	(5,744)
Proceeds from sales of other real estate	93	148	544
Proceeds from sale of equipment	-	-	6
Premises and equipment expenditures	(369)	(949)	(466)
Net cash used in investing activities	(6,373)	(7,713)	(3,013)
<b>Cash Flows from Financing Activities</b>			
Net increase in interest-bearing and noninterest-bearing demand accounts	13,772	4,342	1,814
Net increase (decrease) in savings and time deposits	(7,530)	3,341	27
Proceeds from note payable	-	-	3,432
Repayment of note payable	(680)	(680)	(372)
Stock repurchase	(2,158)	-	(3,431)
Cash dividends paid	(1,719)	(1,700)	(1,662)
Net cash provided by (used in) financing activities	1,685	5,303	(192)
<b>Net Increase (Decrease) in Cash and Due from Banks</b>	(608)	1,918	721
<b>Cash and Due from Banks - Beginning of year</b>	16,711	14,793	14,072
<b>Cash and Due from Banks - End of year</b>	<b>\$ 16,103</b>	<b>\$ 16,711</b>	<b>\$ 14,793</b>
<b>Supplemental Cash Flow Information - Cash paid for</b>			
Interest	\$ 5,844	\$ 3,505	\$ 2,566
Income taxes	1,056	700	980
Loans transferred to other real estate	209	-	-

See Notes to Consolidated Financial Statements.

**Notes to Consolidated Financial Statements**  
**December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note I - Summary of Significant Accounting Policies**

**Principles of Consolidation** - The consolidated financial statements include the accounts of County Bank Corp (the "Corporation") and its wholly owned subsidiary, Lapeer County Bank & Trust Co. (the "Bank").

**Nature of Operations** - The Corporation's subsidiary, Lapeer County Bank & Trust Co., operates in rural and suburban communities in the county of Lapeer in the state of Michigan. The Bank's primary source of revenue results from providing real estate, commercial loans and consumer loans to small- and medium-sized businesses and, to a lesser extent, individuals.

**Significant Group Concentrations of Credit Risk** - Most of the Corporation's activities are with customers located within Michigan. Note 2 discusses the types of securities in which the Corporation invests. Note 3 discusses the types of lending in which the Corporation engages. The Corporation does not have any significant concentrations to any one industry or customer.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses, the valuation of foreclosed real estate and deferred tax assets.

**Cash and Cash Equivalents** - For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash, federal funds sold and interest-bearing deposits with original maturities of 90 days or less.

**Securities** - Debt securities that management has the positive intent and ability to hold to maturity are classified as "held to maturity" and recorded at amortized cost. Securities not classified as held to maturity or trading, including equity securities with readily determinable fair values, are classified as "available for sale" and are recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income.

**Notes to Consolidated Financial Statements**  
**December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note I - Summary of Significant Accounting Policies (Continued)**

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Declines in the fair value of held-to-maturity and available-for-sale securities below their cost that are deemed to be other than temporary are reflected in earnings as realized losses. In estimating other-than-temporary impairment losses, management considers (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Corporation to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

**Loans** - The Corporation grants mortgage, commercial and consumer loans to customers. Loans are reported at their outstanding unpaid principal balances adjusted for charge-offs, the allowance for loan losses and any deferred fees or costs on originated loans. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the related loan yield using the interest method.

The accrual of interest on loans is discontinued at the time the loan is 90 days delinquent unless the credit is well-secured and in process of collection. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

**Allowance for Loan Losses** - The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

**Notes to Consolidated Financial Statements**  
**December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note I - Summary of Significant Accounting Policies (Continued)**

The allowance consists of specific, general and unallocated components. The specific component relates to loans that are classified as either doubtful, substandard or special mention. For such loans that are also classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers nonclassified loans and is based on historical loss experience adjusted for qualitative factors. An unallocated component is maintained to cover uncertainties that could affect management's estimate of probable losses. The unallocated component of the allowance reflects the margin of imprecision inherent in the underlying assumptions used in the methodologies for estimating specific and general losses in the portfolio.

A loan is considered impaired when, based on current information and events, it is probable that the Corporation will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis for commercial and construction loans by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price or the fair value of the collateral if the loan is collateral dependent.

Large groups of homogeneous loans are collectively evaluated for impairment. Accordingly, the Corporation does not separately identify individual consumer and residential loans for impairment disclosures.

**Off Balance Sheet Instruments** - In the ordinary course of business, the Corporation enters into commitments to extend credit, including commitments under standby letters of credit. Such financial instruments are recorded when they are funded.

**Foreclosed Assets** - Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value at the date of the foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in net expenses from foreclosed assets.

**Notes to Consolidated Financial Statements**  
**December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note I - Summary of Significant Accounting Policies (Continued)**

**Premises and Equipment** - Premises and equipment are stated at cost, less accumulated depreciation. The provision for depreciation is computed using primarily the straight-line method. Buildings and improvements and furniture and equipment are amortized over their estimated useful lives.

**Servicing** - Servicing assets are recognized as separate assets when rights are acquired through purchase or through sale of financial assets. Capitalized servicing rights are reported in other assets and are amortized into noninterest income in proportion to, and over the period of, the estimated future net servicing income of the underlying financial assets. Servicing assets are evaluated for impairment based upon the fair value of the rights as compared to amortized cost. Impairment is determined by stratifying rights by predominant characteristics, such as interest rates and terms. Fair value is determined using prices for similar assets with similar characteristics, when available, or based upon discounted cash flows using market-based assumptions. Impairment is recognized through a valuation allowance for an individual stratum, to the extent that fair value is less than the capitalized amount for the stratum.

**Earnings per Share** - Earnings per share is based on the weighted-average number of common shares outstanding, retroactively adjusted for the impact of stock splits.

**Income Taxes** - The Corporation files a consolidated federal income tax return. The Corporation uses the asset and liability method of accounting for income taxes. Current taxes are measured by applying the provisions of enacted tax laws to taxable income to determine the amount of taxes receivable or payable. Deferred tax assets and liabilities are recorded based on the difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

**Other Comprehensive Income** - Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Certain changes in assets and liabilities, however, such as unrealized gains and losses on available for sale securities, are reported as a direct adjustment of the equity section of the consolidated balance sheet. Such items, along with net income, are components of comprehensive income. The only item included in accumulated other comprehensive income at December 31, 2006 and 2005 is the net unrealized gains and losses on available for sale securities, net of related tax.

**Reclassification** - Certain amounts appearing in the prior year's financial statements have been reclassified to conform to the current year's financial statements.

**Notes to Consolidated Financial Statements**  
**December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note I - Summary of Significant Accounting Policies (Continued)**

**Recent Accounting Pronouncement - FAS 156 - Accounting for Servicing of Financial Assets - An Amendment of FASB Statement No. 140** - This statement changes the accounting for all servicing rights which are recorded as the result of purchasing a servicing right or selling a loan with servicing retained. It amends the current accounting for servicing rights by allowing companies to carry their servicing rights at fair value. Presently, servicing rights are recorded at cost when acquired and assessed for impairment based on their fair value at each reporting date, using lower of cost or market value. This pronouncement is effective beginning January 1, 2007; however, management does not expect to elect fair value accounting under FAS 156 for the Corporation's existing or future servicing rights.

**Recent Accounting Pronouncement - FAS 157 - Fair Value Measurements** - This statement clarifies the definition of fair value, establishes a framework for measuring fair value, and expands the disclosures on fair value measurements. It applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. FAS No. 157 is effective for fiscal years beginning after November 15, 2007. The Corporation has not determined the impact the adoption of FAS 157 will have on the financial statements.

**Recent Accounting Pronouncement - FIN 48 - Accounting for Uncertainty in Income Taxes - An Interpretation of FASB Statement No. 109** - In July 2006, the Financial Accounting Standards Board (FASB) issued this interpretation to clarify the accounting for uncertainty in tax positions. FIN 48 requires, among other matters, that the Corporation recognize in its financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. The provisions of FIN 48 are effective as of the beginning of the Corporation's 2007 fiscal year, with any cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. The adoption of FIN 48 is not expected to have a material impact on the Corporation's financial statements.

**Notes to Consolidated Financial Statements**  
**December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note 2 - Securities**

The carrying amount and approximate market value of investment securities to be held to maturity and amortized cost and estimated market value of securities available for sale were as follows:

	2006			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
Available for sale securities:				
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	\$ 13,293	\$ -	\$ (309)	\$ 12,984
Obligations of states and political subdivisions	12,214	146	(73)	12,287
Corporate securities	2,905	3,402	(414)	5,893
Mortgage-backed securities	4,038	35	(30)	4,043
Total available for sale securities	<u>\$ 32,450</u>	<u>\$ 3,583</u>	<u>\$ (826)</u>	<u>\$ 35,207</u>
Held to maturity securities:				
Obligations of states and political subdivisions	\$ 19,672	\$ 229	\$ (80)	\$ 19,821
Mortgage-backed securities	890	6	(1)	895
Total held to maturity securities	<u>\$ 20,562</u>	<u>\$ 235</u>	<u>\$ (81)</u>	<u>\$ 20,716</u>

**Notes to Consolidated Financial Statements**  
**December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note 2 - Securities (Continued)**

	2005			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
Available for sale securities:				
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	\$ 13,549	\$ -	\$ (387)	\$ 13,162
Obligations of states and political subdivisions	13,415	221	(94)	13,542
Corporate securities	2,905	3,703	(706)	5,902
Mortgage-backed securities	5,723	49	(49)	5,723
Total available for sale securities	<u>\$ 35,592</u>	<u>\$ 3,973</u>	<u>\$ (1,236)</u>	<u>\$ 38,329</u>
Held to maturity securities:				
Obligations of states and political subdivisions	\$ 19,761	\$ 362	\$ (91)	\$ 20,032
Mortgage-backed securities	1,091	12	(2)	1,101
Total held to maturity securities	<u>\$ 20,852</u>	<u>\$ 374</u>	<u>\$ (93)</u>	<u>\$ 21,133</u>



**Notes to Consolidated Financial Statements**  
**December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note 2 - Securities (Continued)**

The amortized cost and estimated market value of debt securities at December 31, 2006, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Available for Sale		Held to Maturity	
	Amortized Cost	Market Value	Amortized Cost	Market Value
Due in one year or less	\$ 2,855	\$ 2,816	\$ 4,246	\$ 4,280
Due in one through five years	21,849	21,267	12,990	13,110
Due after five years through ten years	3,708	7,081	2,157	2,147
Due after ten years	-	-	279	284
Total	28,412	31,164	19,672	19,821
Mortgage-backed securities	4,038	4,043	890	895
Total	\$ 32,450	\$ 35,207	\$ 20,562	\$ 20,716

**Notes to Consolidated Financial Statements**  
**December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note 2 - Securities (Continued)**

Information pertaining to securities with gross unrealized losses at December 31, 2006 and 2005, aggregated by investment category and length of time that individual securities have been in a continuous loss position, follows:

	December 31, 2006			
	Less Than Twelve Months		Over Twelve Months	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
Available for sale securities:				
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	\$ -	\$ -	\$ (309)	\$ 12,984
Obligations of states and political subdivisions	(1)	901	(72)	3,655
Corporate securities	-	-	(414)	2,486
Mortgage-backed securities	-	-	(30)	1,036
Total available for sale securities	\$ (1)	\$ 901	\$ (825)	\$ 20,161
Held to maturity securities:				
Obligations of states and political subdivisions	\$ (11)	\$ 2,024	\$ (69)	\$ 5,760
Mortgage-backed securities	-	-	(1)	368
Total held to maturity securities	\$ (11)	\$ 2,024	\$ (70)	\$ 6,128

**Notes to Consolidated Financial Statements**  
**December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note 2 - Securities (Continued)**

	December 31, 2005			
	Less Than Twelve Months		Over Twelve Months	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
Available for sale securities:				
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	\$ (22)	\$ 1,243	\$ (365)	\$ 12,625
Obligations of states and political subdivisions	(10)	1,580	(84)	3,355
Corporate securities	-	5,902	(706)	2,194
Mortgage-backed securities	(1)	330	(48)	1,609
Total available for sale securities	<u>\$ (33)</u>	<u>\$ 9,055</u>	<u>\$ (1,203)</u>	<u>\$ 19,783</u>
Held to maturity securities:				
Obligations of states and political subdivisions	\$ (70)	\$ 5,432	\$ (21)	\$ 966
Mortgage-backed securities	(2)	216	-	-
Total held to maturity securities	<u>\$ (72)</u>	<u>\$ 5,648</u>	<u>\$ (21)</u>	<u>\$ 966</u>

Unrealized losses on securities have not been recognized into income because the issuers' 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 fair value is primarily due to increased market interest rates. The fair value is expected to recover as the bonds approach the maturity date.

At December 31, 2006 and 2005, U.S. Government securities carried at \$1,003 and \$1,005, respectively, with a market value of \$975 and \$973, respectively, were pledged to secure public deposits and for other purposes required by law.

**Notes to Consolidated Financial Statements**  
**December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note 2 - Securities (Continued)**

Other than securities of the U.S. Government and its agencies and corporations, there were no investment securities of any one issuer aggregating to 10 percent of consolidated stockholders' equity at December 31, 2006 and 2005.

**Note 3 - Loans**

Major classifications of loans are summarized as follows:

	2006	2005
Mortgage loans on real estate:		
Residential 1-4 family	\$ 57,463	\$ 54,336
Commercial	101,521	92,912
Total mortgage loans on real estate	158,984	147,248
Commercial loans	16,942	17,167
Consumer installment loans	10,340	12,814
Total loans	186,266	177,229
Less allowances for loan losses	1,825	1,863
Net loans	<u>\$ 184,441</u>	<u>\$ 175,366</u>
Allowance for loan losses as a percent of loans	.98%	1.05%

At December 31, 2006 and 2005, approximately \$5,966 and \$7,229, respectively, of loans were outstanding to officers, directors, principal stockholders and their associated companies. In 2006 and 2005, additions and reductions, including loan renewals, were \$2,852 and \$4,115 and \$4,615 and \$3,152, respectively. In the opinion of management, such loans were made on the same terms and conditions as those to other borrowers and did not involve more than the normal risk of collectibility.

Transactions in the allowance for possible loan losses were as follows:

	2006	2005	2004
Balance at beginning of year	\$ 1,863	\$ 2,012	\$ 2,136
Provision charged to operations	155	-	-
Loans charged off	(224)	(183)	(152)
Recoveries of loans previously charged off	31	34	28
Balance at end of year	<u>\$ 1,825</u>	<u>\$ 1,863</u>	<u>\$ 2,012</u>

**Notes to Consolidated Financial Statements  
December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note 3 - Loans (Continued)**

The Corporation considers a loan impaired when it is probable that all interest and principal will not be collected in accordance with the contractual terms of the loan agreement. Consistent with this definition, all nonaccrual and reduced-rate loans (except residential mortgages and consumer loans) are considered impaired.

	<u>2006</u>	<u>2005</u>
Impaired loans without a valuation allowance	\$ 1,176	\$ 339
Impaired loans with a valuation allowance	<u>1,401</u>	<u>300</u>
Total impaired	<u>\$ 2,577</u>	<u>\$ 639</u>
Valuation allowance related to impaired loans	\$ 77	\$ 79
Total nonaccrual loans	2,577	639

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Average investment in impaired loans	\$ 956	\$ 506	\$ 719
Interest income recognized on impaired loans	104	43	83
Interest income recognized on a cash basis on impaired loans	104	43	83

**Note 4 - Premises and Equipment**

Premises and equipment consist of the following:

	<u>2006</u>	<u>2005</u>
Land and improvements	\$ 1,418	\$ 1,372
Buildings and improvements	5,695	5,660
Furniture and equipment	<u>4,051</u>	<u>3,763</u>
Total	11,164	10,795
Accumulated depreciation	<u>(4,808)</u>	<u>(4,280)</u>
Total	<u>\$ 6,356</u>	<u>\$ 6,515</u>

Depreciation expense for the years ended December 31, 2006, 2005 and 2004 amounted to \$528, \$501 and \$443, respectively.

**Notes to Consolidated Financial Statements  
December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note 5 - Deposits**

The aggregate amount of time deposits in denominations of \$100 or more at December 31, 2006 and 2005 was \$23,377 and \$19,245, respectively.

At December 31, 2006, the scheduled maturities of time deposits are as follows:

2007	\$ 51,405
2008	6,002
2009	4,182
2010	4,114
2011	<u>2,530</u>
Total	<u>\$ 68,233</u>

**Note 6 - Note Payable**

On May 20, 2004, the Corporation entered into a loan agreement with Comerica Bank in the amount of \$3,432 to fund the repurchase of 68,157 shares of the Corporation's stock. Each quarter, the agreement allows the Corporation to elect whether the note bears interest at a floating rate equal to Comerica Bank's prime rate less 1.25 percent or at a fixed rate equal to the LIBOR plus 1.4 percent. At December 31, 2006, the rate was fixed under the LIBOR option (effective rate of 6.76 percent). The note requires quarterly principal payments of \$170 plus interest and is collateralized by 306,130 shares of the Corporation's subsidiary Bank's stock. The Corporation agreed to certain financial covenants in conjunction with the loan agreement. Interest expense incurred on the note during 2006, 2005 and 2004 amounted to \$134, \$129 and \$63, respectively. Prepayments of principal may be made without penalty. Scheduled principal payments under the note agreement at December 31, 2006 are as follows:

2007	\$ 680
2008	680
2009	<u>340</u>
Total	<u>\$ 1,700</u>



**Notes to Consolidated Financial Statements**  
**December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note 7 - Federal Income Taxes**

The components of the net deferred tax liability, included in other liabilities, are as follows:

	<u>2006</u>	<u>2005</u>
Deferred tax assets:		
Allowance for loan losses	\$ 409	\$ 422
Other	41	25
Total deferred tax assets	<u>450</u>	<u>447</u>
Deferred tax liabilities:		
Deferred loan fees	51	49
Accrued liabilities	74	80
Mortgage servicing rights	105	133
Depreciation	450	459
Net unrealized gain on securities available for sale	937	930
Other	55	49
Total deferred tax liabilities	<u>1,672</u>	<u>1,700</u>
Net deferred tax liability	<u>\$ (1,222)</u>	<u>\$ (1,253)</u>

The allocation of income taxes between current and deferred portions is as follows:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Current expense	\$ 964	\$ 1,002	\$ 892
Deferred expense (benefit)	<u>(38)</u>	<u>96</u>	<u>216</u>
Total income tax expense	<u>\$ 926</u>	<u>\$ 1,098</u>	<u>\$ 1,108</u>

The Corporation uses the accrual method of accounting for both financial reporting and income tax purposes. Federal income tax expense differed from the amounts computed by applying the statutory income tax rate to income before federal income tax expense as a result of the following:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Income tax at statutory rates	\$ 1,506	\$ 1,606	\$ 1,608
Tax-exempt interest	<u>(580)</u>	<u>(508)</u>	<u>(500)</u>
Provision for federal income tax	<u>\$ 926</u>	<u>\$ 1,098</u>	<u>\$ 1,108</u>

**Notes to Consolidated Financial Statements**  
**December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note 8 - Restrictions on Cash Balance, Dividends, Loans and Advances**

The Bank is required to maintain average balances on hand or with the Federal Reserve Bank. At December 31, 2006 and 2005, these reserve balances amounted to \$2,149 and \$3,719, respectively.

Federal and state banking regulations place certain restrictions on dividends paid and loans or advances made by the Bank to the Corporation. The total amount of dividends that may be paid at any date is generally limited to the retained earnings of the Bank, and loans or advances are limited to 10 percent of the Bank's capital stock and surplus on a secured basis.

At December 31, 2006, the Bank's retained earnings available for the payment of dividends was \$4,656. Accordingly, \$26,176 of the Corporation's equity in the net assets of the Bank was restricted at December 31, 2006. Funds available for loans or advances by the Bank to the Corporation amounted to \$3,405.

In addition, dividends paid by the Bank to the Corporation would be prohibited if the effect thereof would cause the Bank's capital to be reduced below applicable minimum capital requirements.

**Note 9 - Fair Value of Financial Instruments**

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Corporation's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. SFAS 107 excludes certain financial instruments and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Corporation.

The following methods and assumptions were used by the Corporation in estimating fair value disclosures for financial instruments:

**Cash and Cash Equivalents** - The carrying amounts of cash and cash equivalents approximate fair values.

**Notes to Consolidated Financial Statements  
December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note 9 - Fair Value of Financial Instruments (Continued)**

**Securities (Including Mortgage-backed Securities)** - Fair values of investment securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. The carrying value of Federal Reserve Bank stock approximates fair value based on the redemption provisions of the issuer.

**Loans** - For variable rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying amounts. The fair values of other loans are estimated using discounted cash flow analysis, using interest rates currently being offered for loans with similar terms to borrowers of similar credit quality. Fair values of non-performing loans are estimated using discounted cash flow analyses or underlying collateral values, where applicable. The carrying amount of accrued interest receivable approximates its fair value.

**Off Balance Sheet Instruments** - The fair value of loan commitments and standby letters of credit, valued on the basis of fees currently charged for commitments for similar loan terms to new borrowers with similar credit profiles, is not considered material.

**Deposit Liabilities** - The fair values disclosed for demand deposits are, by definition, equal to the amount payable on demand at the reporting date. The carrying amounts for variable-rate, fixed-term money market accounts and certificates of deposit approximate their fair values at the reporting date. Fair values for fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered on similar certificates to a schedule of aggregated expected monthly maturities on time deposit. The carrying amount of accrued interest payable approximates its fair value.

**Note Payable** - The fair value of the Corporation's note payable approximates the carrying value based on current borrowing rates.

**Notes to Consolidated Financial Statements  
December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note 9 - Fair Value of Financial Instruments (Continued)**

The estimated fair values and related carrying or notional amounts of the Corporation's financial instruments are as follows:

	2006		2005	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
<b>Assets:</b>				
Cash and equivalents	\$ 16,103	\$ 16,103	\$ 16,711	\$ 16,711
Securities	55,769	55,923	59,181	59,462
Other securities	541	541	541	541
Residential mortgages	57,463	56,815	54,336	54,002
Commercial mortgages	101,521	101,085	92,912	91,569
Commercial loans	16,942	16,833	17,167	16,776
Consumer installment loans	10,340	10,212	12,814	12,504
Accrued interest receivable	1,543	1,543	1,377	1,377
<b>Liabilities:</b>				
Interest-bearing deposits	194,947	194,900	186,105	186,245
Noninterest-bearing deposits	35,790	35,790	38,390	38,390
Note payable	1,700	1,700	2,380	2,380
Accrued interest payable	464	464	384	384

**Note 10 - Off Balance Sheet Activities**

**Credit-related Financial Instruments** - The Corporation is a party to credit-related financial instruments with off balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, standby letters of credit and commercial letters of credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheet.

The Corporation's exposure to credit loss is represented by the contractual amount of these commitments. The Corporation follows the same credit policies in making commitments as it does for on balance sheet instruments.

**Notes to Consolidated Financial Statements  
December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note 10 - Off Balance Sheet Activities (Continued)**

At December 31, 2006 and 2005, the following financial instruments were outstanding whose contract amounts represent credit risk:

	Contract Amount	
	2006	2005
Commitments to grant loans	\$ 84,335	\$ 82,517
Unfunded commitments under lines of credit	28,835	29,841
Commercial and standby letters of credit	239	868

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The commitments for equity lines of credit may expire without being drawn upon. Therefore, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if it is deemed necessary by the Corporation, is based on management's credit evaluation of the customer.

Unfunded commitments under commercial lines of credit, revolving credit lines and overdraft protection agreements are commitments for possible future extensions of credit to existing customers. These lines of credit are collateralized and usually do not contain a specified maturity date and may not be drawn upon to the total extent to which the Corporation is committed.

Commercial and standby letters of credit are conditional commitments issued by the Corporation to guarantee the performance of a customer to a third party. Those letters of credit are used primarily to support public and private borrowing arrangements. Essentially all letters of credit issued have expiration dates within one year. The credit risk involved is extending loan facilities to customers. The Corporation generally holds collateral supporting those commitments if deemed necessary.

**Collateral Requirements** - To reduce credit risk related to the use of credit-related financial instruments, the Corporation might deem it necessary to obtain collateral. The amount and nature of the collateral obtained are based on the Corporation's credit evaluation of the customer. Collateral held varies but may include cash, securities, accounts receivable, inventory, property, plant, and equipment and real estate.

If the counterparty does not have the right and ability to redeem the collateral or the Corporation is permitted to sell or repledge the collateral on short notice, the Corporation records the collateral in its balance sheet at fair value with a corresponding obligation to return it.

**Notes to Consolidated Financial Statements  
December 31, 2006, 2005 and 2004**  
(000s omitted)

**Note 11 - Regulatory Matters**

The Corporation (on a consolidated basis) and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Corporation's and the Bank's financial statements.

Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Corporation and the Bank must meet specific capital guidelines that involve quantitative measures of their assets, liabilities, and certain off balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors. Prompt corrective action provisions are not applicable to bank holding companies.

Quantitative measures established by regulation to ensure capital adequacy require the Corporation and the Bank to maintain minimum amounts and ratios (set forth in the following table) of total and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined) and of Tier I capital (as defined) to average assets (as defined). Management believes, as of December 31, 2006 and 2005, that the Corporation and the Bank met all capital adequacy requirements to which they are subject.

As of December 31, 2006, the most recent notification from the Bank's primary regulator categorized the Bank as well-capitalized under the regulatory framework for prompt corrective action. To be categorized as well-capitalized, an institution must maintain minimum total risk-based, Tier I risk-based and Tier I leverage ratios as set forth in the following tables. There are no conditions or events since the notification that management believes have changed the Bank's category. The Bank's actual capital amounts and ratios as of December 31, 2006 and 2005 are also presented in the table.



**Notes to Consolidated Financial Statements  
December 31, 2006, 2005 and 2004  
(000s omitted)**

**Note 11 - Regulatory Matters (Continued)**

(000s omitted)	To be Adequately Capitalized		To Be Well-capitalized		Current Capital	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b>As of December 31, 2006</b>						
Total capital to risk-weighted assets - Bank	\$15,371	8.0%	\$19,214	10.0%	\$32,650	16.9%
Tier I capital to risk-weighted assets - Bank	\$7,685	4.0%	\$11,528	6.0%	\$30,831	16.0%
Tier I capital to average assets - Bank	\$10,656	4.0%	\$13,320	5.0%	\$30,831	11.6%
<b>As of December 31, 2005</b>						
Total capital to risk-weighted assets - Bank	\$14,662	8.0%	\$18,327	10.0%	\$33,750	18.4%
Tier I capital to risk-weighted assets - Bank	\$7,331	4.0%	\$10,996	6.0%	\$31,943	17.4%
Tier I capital to average assets - Bank	\$10,520	4.0%	\$13,149	5.0%	\$31,943	12.1%

**Note 12 - Employee Benefits**

The Corporation maintains a defined contribution profit-sharing plan in which all qualified employees participate. Contributions to the plan are at the discretion of the board of directors and amounted to \$350, \$363 and \$362 for 2006, 2005 and 2004, respectively.

**Note 13 - Stock Redemption**

On February 17, 2006, the Corporation's stockholders approved a 1-for-500 reverse stock split followed immediately by a 500-for-1 forward stock split of the Corporation's shares of common stock. Stockholders who owned fewer than 500 shares of common stock immediately prior to the stock splits were redeemed for cash. Total shares redeemed amounted to 37,369. The stock redemption reduced the number of the Corporation's stockholders of record to fewer than 300, allowing for the Corporation's de-registration as an SEC reporting entity.

**Independent Auditor's Report**



**Plante & Moran, PLLC**  
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2601 Cambridge Court  
Auburn Hills, MI 48326  
Tel: 248.375.7100  
Fax: 248.375.7101  
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Independent Auditor's Report

To the Board of Directors  
County Bank Corp

We have audited the consolidated balance sheet of County Bank Corp and subsidiary as of December 31, 2006 and 2005 and the related consolidated statements of income, changes in stockholders' equity and cash flows for each year in the three-year period ended December 31, 2006. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our operation.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of County Bank Corp and subsidiary at December 31, 2006 and 2005 and the consolidated results of their operations and cash flows for each year in the three-year period ended December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

*Plante & Moran, PLLC*

February 6, 2007

Service Awards



**40 YEAR SERVICE AWARD**

**Curt Carter**, honored for his 40 years of service with LCBT.



**35 YEAR SERVICE AWARDS**

**Laura Verbeke & Bernadette Talaski**, honored for their 35 years of service with LCBT.



**20 YEAR SERVICE AWARDS**

**Kimberly Hill & Denise Schlaud** honored for their 20 years of service with LCBT.



**15 YEAR SERVICE AWARDS**

**Mary Schroeder, Colleen Sutton, Susan Hill & Margaret Hodgson**, honored for their 15 years of service with LCBT.



**10 YEAR SERVICE AWARDS**

**Danielle Portice, Laurie Chateauvert, Rosemary Schlaud, Terry House, Cherry Newlon & Allen Butler** honored for their 10 years of service with LCBT.

**5 YEAR SERVICE AWARDS**

**Debra LaValley, Erin Landers, Desiraé Thom, Gomer Cramton, Amy Nowak, Katy Turner, Janice Hodgson, Twila Mercer & Susan Osentoski**, honored for their 5 years of service with LCBT.



Promotions



**ELISABETH FORSBERG**  
**Imlay City Branch Officer**

In December, Elisabeth was promoted to Imlay City Branch Officer. She joined the Bank in 1999 and held positions at the Metamora and Main Offices of the Bank before being named the Acting Branch Manager of the Imlay City Office in 2004 and Imlay City Branch Manager in 2005. Lis is a member of the Imlay City Rotary Club, and is a second year student at the Robert M. Perry School of Banking.



**ALAN J. CURTIS**  
**Vice President & Senior Lender**

In December, Alan J. Curtis was promoted to the position of Vice President and Senior Lender. Responsible for the Commercial Loan and Retail Lending functions of the Bank, Alan has over 29 years of lending experience, including agricultural, commercial and residential development. Alan is a graduate of the Robert M. Perry School of Banking and an honors graduate of the American Bankers Association National Commercial Lending School.



**JOSEPH H. BLACK**  
**Chief Financial Officer**

Chief Financial Officer of the Bank since 2002, Joe Black was promoted to an Executive Officer in June, 2006. Joe joined the Bank in 1989 as the Financial Officer, previously working for both large community banks and a large regional bank in that capacity. Active in the community, Joe is currently the Chairperson of the City of Lapeer Planning Commission and the Zoning Board of Appeals, as well as treasurer of both Banbury Cross and the Foundation for Mott Community College.



**CURT CARTER**  
**Chairman of the Board**

In December, Curt Carter retired after forty years with the Bank. Hired in 1966, Curt spent his entire banking career with Lapeer County Bank & Trust Co. He served as President & CEO of the Bank since 1984. In 2005, he was named Chairman of the Board, and continues to serve in that position. The Bank has grown steadily under his leadership, to its current eight locations. Although retired, Curt will remain closely involved with the Bank through his work with the Board, and will continue making his considerable contributions to the community through the many organizations he serves.



**COUNTY BANK CORP**

**“Curt Carter Day”**

December 15, 2006, Lapeer County Bank & Trust Co. celebrated “Curt Carter Day”. These photos are just a sampling of the hundreds of people who came to honor Curt ...



**COUNTY BANK CORP**

**Officers of the Bank**



**BRUCE J. CADY**  
PRESIDENT & CEO



**LAIRD A. KELLIE**  
VICE-PRESIDENT



**JOSEPH H. BLACK**  
CHIEF FINANCIAL OFFICER



**ERNEST MILLER**  
VICE-PRESIDENT & TRUST OFFICER



**ALAN J. CURTIS**  
VICE-PRESIDENT & SENIOR LENDER



**WILLIAM E. O'CONNOR**  
COMMERCIAL LOAN OFFICER



**BRIAN L. WILSON**  
COMMERCIAL LOAN OFFICER



**ELISABETH FORSBERG**  
IMLAY CITY BRANCH OFFICER



**BETH A. HENDERSON**  
RETAIL LENDING DIRECTOR



**COLLEEN SUTTON**  
RETAIL LENDING OFFICER



**DEBRA J. McCOON**  
RETAIL LENDING OFFICER



**NANCY F. SOMMERVILLE**  
BUSINESS DEVELOPMENT DIRECTOR



**SHELLY CHILDERS**  
DIRECTOR OF INFORMATION TECHNOLOGY



**LOREN SCHAFER**  
HUMAN RESOURCES DIRECTOR



**DEAN A. GOODRICH**  
AUDITOR



**SUSANNE R. DICKEY**  
ASSISTANT FINANCIAL OFFICER



**CAROL UGOROWSKI**  
OPERATIONS OFFICER



**LOUISE VERMILLION**  
CHECK PROCESSING OFFICER



**BERNADETTE TALASKI**  
BRANCH ADMINISTRATOR



**MARY B. SCHROEDER**  
ATTICA BRANCH OFFICER



**KIMBERLY HILL**  
DEERFIELD BRANCH OFFICER



**MARSHA A. KALAKAY**  
ELBA BRANCH OFFICER



**ELIZABETH McVETY**  
METAMORA BRANCH OFFICER



**DEBRA M. COE**  
SOUTHGATE BRANCH OFFICER