

**CONSOLIDATED INCOME STATEMENTS (000s)**

	THREE MONTHS		SIX MONTHS	
	ENDED		ENDED	
	JUNE 30		JUNE 30	
	2014	2013	2014	2013
<b>INTEREST INCOME</b>				
Interest and fees on loans.....	\$ 2,075	\$ 2,234	\$ 4,145	\$ 4,481
Interest on investment securities.....	850	775	1,702	1,370
Interest on Federal funds sold and balances at Federal Reserve Bank.....	3	5	9	10
<b>TOTAL INTEREST INCOME.....</b>	<b>2,928</b>	<b>3,014</b>	<b>5,856</b>	<b>5,861</b>
<b>INTEREST EXPENSE</b>				
Demand deposits.....	66	67	131	136
Savings deposits.....	23	21	45	40
Time deposits.....	91	108	185	224
Federal funds purchased.....	2	-	2	-
Other borrowed funds.....	-	-	-	-
<b>TOTAL INTEREST EXPENSE.....</b>	<b>182</b>	<b>196</b>	<b>363</b>	<b>400</b>
<b>NET INTEREST INCOME.....</b>	<b>2,746</b>	<b>2,818</b>	<b>5,493</b>	<b>5,461</b>
Provision for possible loan losses.....	0	75	0	300
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES...</b>	<b>2,746</b>	<b>2,743</b>	<b>5,493</b>	<b>5,161</b>
<b>OTHER INCOME</b>				
Service fees on loan and deposit accounts.....	318	347	629	681
Other.....	639	948	1,141	1,781
<b>TOTAL OTHER INCOME.....</b>	<b>957</b>	<b>1,295</b>	<b>1,770</b>	<b>2,462</b>
<b>OTHER EXPENSES</b>				
Salaries and employee benefits.....	1,415	1,429	2,769	2,801
Net occupancy expense.....	262	262	585	531
Other.....	888	937	1,779	1,896
<b>TOTAL OTHER EXPENSE.....</b>	<b>2,565</b>	<b>2,628</b>	<b>5,133</b>	<b>5,228</b>
<b>INCOME BEFORE PROVISION FOR</b>				
<b>FEDERAL INCOME TAX.....</b>				
Provision for Federal income tax.....	290	427	542	708
<b>NET INCOME.....</b>	<b>\$ 848</b>	<b>\$ 983</b>	<b>\$ 1,588</b>	<b>\$ 1,687</b>
<b>EARNINGS PER SHARE</b>				
Net Income.....	\$ 0.78	\$ 0.91	\$ 1.47	\$ 1.56
Cash Dividend Declared.....	\$ 0.17	\$ 0.10	\$ 0.33	\$ 0.10



**Lapeer County Bank  
& Trust Co.**  
Member FDIC

<b>Offices</b>		
<b>Main Office</b>	83 W. Nepeensing St.	245-2950
<b>MO Drive-Up</b>	305 Pine St. (Drive-Up)	667-3851
<b>Southgate</b>	637 South Main St. (M-24)	664-9986
<b>Attica</b>	4515 Imlay City Rd. (M-21)	724-6436
<b>Deerfield</b>	30 W. Burnside Rd. (M-24)	793-6311
<b>Elba</b>	5508 Davison Rd. (M-21)	653-2106
<b>Imlay City</b>	1875 S. Cedar St. (M-53)	724-4652
<b>Metamora</b>	3414 S. Lapeer Rd. (M-24)	678-3373
<b>Hours</b>		
<b>Main Office</b>	Monday-Friday	9 a.m.-5 p.m.
<b>Drive-Up</b>	Monday-Thursday	9 a.m.-5 p.m.
	Friday	9 a.m.-6 p.m.
	Saturday (Drive-Up & Lobby)	9 a.m.-1 p.m.
<b>Branch Office Regular Hours</b>		
	Monday-Thursday	8:30 a.m. - 5 p.m.
	Friday	8:30 a.m. - 6 p.m.
	Saturday	9 a.m. - 1 p.m.
<b>Southgate Office</b>		
Drive-up	Monday-Friday	8:30 a.m. - 7 p.m.
Lobby	Monday-Thursday	8:30 a.m. - 5 p.m.
Lobby	Friday	8:30 a.m. - 6 p.m.
Lobby & Drive-up	Saturday	9 a.m.-1 p.m.
<b>Market Maker</b>		
<b>Boenning &amp; Scattergood, Inc</b>		
www.boenninginc.com		
Nick Bicking and Tom Dooley		
866-326-8113		
9922 Brewster Lane, Powell, OH 43065		
<b>Transfer Agent</b>		
<b>American Stock Transfer &amp; Trust Company, LLC</b>		
www.amstock.com		
(888) 509-4619 option 1 or 718-921-8124		
6201 15th Avenue I Brooklyn, NY 11219		
	<b>810-667-2977</b>	7/14
	<b>FAX: 810-667-1742</b>	
	<b>LCBT.com</b>	
	<b>P.O. Box 250, Lapeer MI 48446-0250</b>	



**County Bank Corp**

and its wholly owned subsidiary

**Lapeer County Bank  
& Trust Co.**

**QUARTERLY  
REPORT**

**June 30, 2014**



June 30, 2014

Dear Shareholders and Friends:

I am pleased to announce the Board of Directors of County Bank Corp approved a cash dividend of \$.17 per share paid on June 30, 2014 to shareholders of record on June 16, 2014. The cash dividend totaled \$183,760.82 and is the 5th consecutive quarter the corporation has paid a cash dividend.

Through June, net income is \$1,588,000, down \$99,000 from 2013. The decrease in income is due to non-recurring gains from the sale of other real estate sold during 2013. Total assets for the quarter were \$322,000,000 and total deposits were \$286,000,000. This is an increase over the same quarter last year of \$14,000,000 and \$8,000,000, respectively. While loan demand continues to remain weak, the Bank had a year-over-year increase in outstanding loans of \$1,700,000. Investment securities have increased to \$141,000,000, up \$19,000,000 from 2013.

The change in the asset mix of the balance sheet has also changed the income statement. Prudent and conservative investment policy along with an increase in holdings has resulted in a substantial increase in securities interest income. The increase has offset the reduction in loan interest resulting in an overall increase in net income when comparing year to date 2014 to 2013.

Credit quality continues to improve as evidenced by the substantial decrease in loans in nonaccrual status and the reduction in assets acquired through foreclosure or negotiation. The Bank's commercial borrowing customers are showing improved operating performances and healthier balance sheets. The continued record low interest rate environment has contributed to reduced operating costs and many of the commercial loan customers have expressed plans for expansion.

Current economic indicators continue to stabilize and improve. The Bank is operating at or near the top of its peer group in most of the significant ratios and I am confident the Bank should realize its 2014 profit plan goals. Thank you for your continued support of County Bank Corp and Lapeer County Bank & Trust Co.

Very truly yours,

Bruce J. Cady  
President & CEO

**CONSOLIDATED STATEMENTS  
BALANCE SHEETS (000s)**

	<b>June 30</b>	
	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
Cash and due from banks.....	\$ 10,642	\$ 18,012
Investment securities available for sale.....	115,683	116,142
Investment securities held to maturity.....	24,078	4,312
Other investments.....	1,458	1,441
<b>TOTAL INVESTMENT SECURITIES.....</b>	<b>141,219</b>	<b>121,895</b>
Federal funds sold.....	-	100
Loans.....	157,878	156,179
Less: Reserve for possible loan losses.....	3,940	3,985
<b>NET LOANS.....</b>	<b>153,938</b>	<b>152,194</b>
Bank premises & equipment.....	6,160	5,447
Interest receivable and other assets.....	10,237	11,015
<b>TOTAL ASSETS.....</b>	<b>\$ 322,196</b>	<b>\$ 308,663</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits:		
Demand.....	\$ 152,261	\$ 149,825
Savings.....	78,574	68,436
Time.....	54,873	59,309
<b>TOTAL DEPOSITS.....</b>	<b>285,708</b>	<b>277,570</b>
Fed funds purchased.....	3,000	-
Other borrowed funds.....	-	-
Interest payable and other liabilities.....	1,645	1,738
<b>TOTAL LIABILITIES.....</b>	<b>290,353</b>	<b>279,308</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock — \$5.00 par value, 3,000,000 shares authorized, 1,080,946 shares outstanding in 2014 and 2013.....	5,405	5,405
Surplus.....	8,634	8,634
Undivided profits.....	20,444	18,033
Unrealized gains on securities available for sale.....	(2,640)	(2,717)
<b>TOTAL STOCKHOLDERS' EQUITY.....</b>	<b>31,843</b>	<b>29,355</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY.....</b>	<b>\$ 322,196</b>	<b>\$ 308,663</b>