

CONSOLIDATED INCOME STATEMENTS (000s)

	THREE MONTHS		NINE MONTHS	
	ENDED		ENDED	
	SEPTEMBER 30	SEPTEMBER 30	SEPTEMBER 30	SEPTEMBER 30
	2014	2013	2014	2013
<b>INTEREST INCOME</b>				
Interest and fees on loans.....	\$ 2,103	\$ 2,141	\$ 6,248	\$ 6,622
Interest on investment securities.....	794	748	2,496	2,118
Interest on Federal funds sold and balances at Federal Reserve Bank.....	4	9	13	19
TOTAL INTEREST INCOME.....	2,901	2,898	8,757	8,759
<b>INTEREST EXPENSE</b>				
Demand deposits.....	76	75	207	211
Savings deposits.....	14	14	59	54
Time deposits.....	82	103	267	327
Federal funds purchased.....	-	-	2	-
Other borrowed funds.....	-	-	-	-
TOTAL INTEREST EXPENSE.....	172	192	535	592
NET INTEREST INCOME.....	2,729	2,706	8,222	8,167
Provision for possible loan losses.....	0	30	0	330
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES...	2,729	2,676	8,222	7,837
<b>OTHER INCOME</b>				
Service fees on loan and deposit accounts.....	326	364	955	1,045
Other.....	492	849	1,633	2,630
TOTAL OTHER INCOME.....	818	1,213	2,588	3,675
<b>OTHER EXPENSES</b>				
Salaries and employee benefits.....	1,403	1,413	4,172	4,214
Net occupancy expense.....	262	229	847	760
Other.....	883	912	2,662	2,808
TOTAL OTHER EXPENSE.....	2,548	2,554	7,681	7,782
<b>INCOME BEFORE PROVISION FOR</b>				
<b>FEDERAL INCOME TAX</b> .....	999	1,335	3,129	3,730
Provision for Federal income tax.....	278	403	820	1,111
NET INCOME.....	\$ 721	\$ 932	\$ 2,309	\$ 2,619
<b>EARNINGS PER SHARE</b>				
Net Income.....	\$ 0.67	\$ 0.86	\$ 2.14	\$ 2.42
Cash Dividend Declared.....	\$ 0.24	\$ 0.15	\$ 0.57	\$ 0.25



# Lapeer County Bank & Trust Co.

Member FDIC

## Serving Lapeer County

<b>Main Office</b>	83 W. Nepessing Street	664-2977
<b>MO Drive-Up</b>	305 Pine Street (Drive-Up)	667-3851
<b>South Main</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

## Hours:

<b>Main Office</b>	Monday-Friday	9:00 - 5:00
<b>MO Drive-Up</b>	Monday-Thursday	9:00 - 5:00
	Friday	9:00 - 6:00
	Saturday (Drive-Up & Lobby)	9:00 - 1:00
<b>Branch Office Regular Hours</b>	Monday-Thursday	8:30 - 5:00
	Friday	8:30 - 6:00
	Saturday	9:00 - 1:00

## Extended Hours:

<b>South Main Office</b>		
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	9:00 - 1:00

### LCBT.com

11/14

810-664-2977  
FAX: 810-667-1742

EQUAL HOUSING LENDER

## SEND ALL MAIL TO:

P.O. Box 250, Lapeer MI 48446-0250



# County Bank Corp

and its wholly owned subsidiary

## Lapeer County Bank & Trust Co.

# QUARTERLY REPORT

September 30, 2014



September 30, 2014

Dear Shareholders and Friends:

I am pleased to report 3rd quarter 2014 earnings of \$721,000 and year to date earnings of \$2,309,000. Earnings for both the quarter and the year are below 2013 levels due to extraordinary income received in 2013 from the gain on sale of Bank-owned real estate. Core earnings in 2014 exceed budget and I remain very confident that budgeted income in 2014 will be exceeded for the second year in a row. Total assets through September are \$318,000,000 and total deposits are \$284,000,000, an increase of \$9,000,000 and \$5,000,000 in each category, respectively. Loan demand remains relatively weak, resulting in a year-over-year decrease in outstanding loans of \$1,000,000. Investment securities have increased to \$137,000,000, up almost \$13,000,000 from 2013.

Credit quality continues to improve as evidenced by a substantial decrease in nonperforming loans 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 led to new residential and commercial construction activity. We believe that is a positive factor in an improving economy.

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 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)**

	September 30	
	2014	2013
<b>ASSETS</b>		
Cash and due from banks.....	\$ 11,120	\$ 12,548
Investment securities available for sale.....	111,582	119,110
Investment securities held to maturity.....	24,182	4,200
Other investments.....	1,611	1,441
TOTAL INVESTMENT SECURITIES.....	137,375	124,751
Federal funds sold.....	100	100
Loans.....	156,711	157,725
Less: Reserve for possible loan losses.....	3,395	3,681
NET LOANS.....	153,316	154,044
Bank premises & equipment.....	6,077	6,465
Interest receivable and other assets.....	10,063	10,783
TOTAL ASSETS.....	<u>\$ 318,051</u>	<u>\$ 308,691</u>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits:		
Demand.....	\$ 152,922	\$ 146,554
Savings.....	78,104	75,384
Time.....	52,606	57,373
TOTAL DEPOSITS.....	283,632	279,311
Fed funds purchased.....	-	-
Other borrowed funds.....	-	-
Interest payable and other liabilities.....	1,814	1,108
TOTAL LIABILITIES.....	285,446	280,419
<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.....	20,906	18,768
Unrealized gains on securities available for sale.....	(2,340)	(4,535)
TOTAL STOCKHOLDERS' EQUITY.....	32,605	28,272
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY.....	<u>\$ 318,051</u>	<u>\$ 308,691</u>