

CONSOLIDATED INCOME STATEMENT (000s)
JUNE 30, 2017

INTEREST INCOME

Interest and fees on loans.....	\$ 4,304	\$ 8,366
Interest on investment securities.....	1,052	2,033
Interest on Federal funds sold and balances at Federal Reserve Bank.....	43	85
TOTAL INTEREST INCOME.....	<u>5,399</u>	<u>10,484</u>

INTEREST EXPENSE

Demand deposits.....	69	136
Savings deposits.....	59	117
Time deposits.....	76	152
Federal funds purchased.....	1	2
Other borrowed funds.....	5	11
TOTAL INTEREST EXPENSE.....	<u>210</u>	<u>418</u>

NET INTEREST INCOME.....	5,189	10,066
Provision for possible loan losses.....	-	-
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES.....	<u>5,189</u>	<u>10,066</u>

OTHER INCOME

Service fees on loan and deposit accounts.....	499	944
Other.....	947	2,037
TOTAL OTHER INCOME.....	<u>1,446</u>	<u>2,981</u>

OTHER EXPENSES

Salaries and employee benefits.....	2,396	5,020
Net occupancy expense.....	475	913
Other.....	1,791	3,310
TOTAL OTHER EXPENSE.....	<u>4,662</u>	<u>9,243</u>

INCOME BEFORE PROVISION FOR FEDERAL INCOME TAX.....	1,973	3,804
Provision for Federal income tax.....	511	1,003
NET INCOME.....	<u>\$ 1,462</u>	<u>\$ 2,801</u>

EARNINGS PER SHARE

Net Income.....	\$ 0.84	\$ 1.60
Cash Dividend Declared.....	\$ 0.30	\$ 0.59

**THREE MONTHS
ENDED
JUNE 30
2017**

**YEAR TO DATE
ENDED
JUNE 30
2017**



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County Bank Corp

and its wholly owned subsidiary

Lakestone Bank & Trust

**QUARTERLY
REPORT**

June 30, 2017

CBC
County Bank Corp

June 30, 2017

Dear Shareholder:

I am pleased to announce the Board of Directors of County Bank Corp has approved a cash dividend of \$0.30 per share payable on June 30, 2017 to shareholders of record on June 16, 2017. The dividend totals \$524,577.60 and marks the 17th consecutive quarter the corporation has paid a cash dividend.

The combined Lakestone Bank & Trust is now seven months old and has begun to realize some of the advantages and efficiencies envisioned when the merger was contemplated. EMV chip-enabled debit cards have been issued to debit card holders across the company resulting in decreased debit card fraud in the first six months of the year. Consumer loan activity is increasing and new checking deposits have been growing.

Striking new signs are popping up at all of the branch locations and the innovative Lakestone branding effort has begun. Please note, the Petoskey stone shaped logo was designed internally by our own Gina Delisi and has been met very favorably in the market place.

Turning to key financial information, total corporate assets as of June 30, 2017 were \$592 million, an increase of \$8 million since December 31, 2016. Total deposits reached \$527 million and loans outstanding were \$315 million. Net profit at the corporate level through June was \$2.8 million or \$1.60 per share. The performance generated a 0.95% return on average assets and 9.73% return on equity.

The net profit is notable as it reflects a substantial increase over budgeted amounts through June. While the six month performance does not guarantee the full year performance, we're confident we'll achieve the profit plan goals for 2017.

As mentioned in previous correspondence, the stock price has reacted very favorably to the merger and as of June 30, 2017 was trading at \$39.75, or 117% of book value per share. Additional information regarding the stock, the corporation's market-maker and financial details are available at the Bank's website, Lakestonebank.com.

Finally, I recently wrote an op-ed regarding the Dodd-Frank Act and its unintended consequences that was published in The County Press. If you wish to read it, the link can be found at <http://blog.lakestonebank.com/?p=549>.



Bruce J. Cady
Chairman & CEO

CONSOLIDATED BALANCE SHEET (000s)

JUNE 30, 2017

ASSETS

Cash and due from banks	\$ 25,362
Investment securities available for sale	215,956
Investment securities held to maturity.....	-
Other investments	2,800
Total investment securities	218,756
Federal funds sold	-
Loans	314,595
Less: Reserve for possible loan losses	1,869
Net loans	312,726
Bank premises & equipment.....	10,329
Interest receivable and other assets.....	24,570
TOTAL ASSETS	\$ 591,743

LIABILITIES & STOCKHOLDERS' EQUITY

LIABILITIES

Deposits:	
Demand	\$ 250,102
Savings	207,046
Time.....	69,410
Total deposits	526,558
Fed funds purchased	-
Other borrowed funds	2,550
Interest payable and other liabilities.....	2,985
TOTAL LIABILITIES	532,093

STOCKHOLDERS' EQUITY

Common stock-\$5.00 par value, 3,000,000 shares authorized, 1,748,592 shares outstanding in 2017	8,743
Surplus.....	25,994
Undivided profits	26,223
Unrealized gain/(loss) on securities available for sale	(1,310)
TOTAL STOCKHOLDERS' EQUITY	59,650
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 591,743