COMMUNITY CENTRAL BANK CORP
Form 10QSB
May 14, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2004

Commission File No. 000-33373

COMMUNITY CENTRAL BANK CORPORATION
(Exact name of small business issuer as specified in its charter)

Michigan	38-3291744
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

100 North Main Street, PO Box 7, Mount Clemens, MI 48046-0007
(Address of principal executive offices and zip code)

(586) 783-4500
(Issuer's telephone number)

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

Class	Outstanding at May 14, 2004
Common Stock, $5 stated value	2,726,175 Shares

Transitional Small Business Disclosure Format:
Yes ___ No X

PART I

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2004	December 31, 2003

Assets	(In thousands)	
Cash and due from banks	$ 7,653	$ 5,127
Federal funds sold	500	1,100
Cash and Cash Equivalents	8,153	6,227
Securities available for sale, at fair value	44,995	57,135
Securities held to maturity, at amortized cost	858	895
FHLB stock	3,142	3,103
Residential mortgage loans held for sale	5,606	7,241
Loans		
Residential mortgage loans	76,928	71,263
Commercial loans	208,150	189,099
Installment loans	11,544	10,466
Total Loans	296,622	270,828
Allowance for credit losses	(3,699)	(3,573)
Net Loans	292,923	267,255
Net property and equipment	4,111	3,977
Accrued interest receivable	1,469	1,305
Other real estate owned	260	363
Goodwill	743	743
Core deposit intangible, net of amortization	218	248
Cash surrender value of Bank owned life insurance	7,313	7,222
Other assets	2,245	2,162
Total Assets	$ 372,036	$ 357,876

(continued)

2

CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2004
Liabilities	(In thousa
Deposits	
Noninterest bearing demand deposits	$ 30,197
NOW and money market accounts	40,120
Savings deposits	10,683
Time deposits	191,020
Total deposits	272,020
Repurchase agreements	11,518

Federal Home Loan Bank advances	52,374
Accrued interest payable	513
Other liabilities	624
ESOP note payable	253
Subordinated debentures	10,310
Total Liabilities	347,612
Stockholders' Equity	
Common stock -- $5 stated value; 9,000,000 shares authorized; 2,721,875 shares issued and outstanding at 3-31-2004 and at 12-31-2003	13,609
Additional paid-in capital	5,308
Retained earnings	5,637
Unearned employee benefit	(253)
Accumulated other comprehensive income	123
Total Stockholders' Equity	24,424
Total Liabilities and Stockholders' Equity	$ 372,036

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31, 2004	2003
	(In thousands, except per share data)	
Interest Income		
Loans (including fees)	$4,147	$3,294
Securities	499	540
Federal funds sold	22	19
Total Interest Income	4,668	3,853
Interest Expense		
Deposits	1,301	1,159
Short term borrowings	24	30
Advances from FHLB	450	445
ESOP loan interest expense	3	3
Interest expense of guaranteed preferred beneficial interest in Corporation's subordinated debentures	127	128
Total Interest Expense	1,905	1,765
Net Interest Income	2,763	2,088
Provision for credit losses	125	50
Net Interest Income after Provision	2,638	2,038
Noninterest Income		
Deposit service charges	68	51

Net realized security gain	137	154
Mortgage banking income	1,254	1,278
Other income	139	33
Total Noninterest Income	1,598	1,516
Noninterest Expense		
Salaries, benefits, and payroll taxes	1,859	1,861
Premises and fixed asset expense	361	288
Other operating expense	1,267	738
Total Noninterest Expense	3,487	2,887
Income Before Taxes	749	667
Provision for income taxes	201	193
Net Income	$ 548	$ 474

(continued)

4

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

Per share data:		
Basic earnings	$ 0.20	$ 0.18
Diluted earnings	$ 0.20	$ 0.18
Cash Dividends	$ 0.05	$ 0.05

5

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31, 2004	2003
	(In thousands)	
Net Income as Reported	$ 548	$ 474
Other Comprehensive Income, Net of Tax		
Change in unrealized gain on securities available for sale	218	(162)
Comprehensive Income	$ 766	$ 312

=====   =====

6

CONSOLIDATED STATEMENTS OF CASH FLOW
(Unaudited)

	Three M 2004
	(
Operating Activities	
Net income	$ 548
Adjustments to reconcile net income to net cash flow from operating activities:	
Net premium of security discount	80
Net gain on sales and call of securities	(137
Provision for credit losses	125
Depreciation expense	117
Deferred income tax expense	200
ESOP compensation expense	18
(Increase) in accrued interest receivable	(164
(Increase) decrease in other assets	(43
Decrease (increase) in accrued interest payable	2
Decrease in other liabilities	(128
Decrease (increase) in loans held for sale	1,635
Net Cash Provided by (Used in) Operating Activities	2,253
Investing Activities	
Maturities, calls, sales and prepayments of securities available for sale	28,512
Purchase of securities available for sale	(16,024
Maturities, calls, and prepayments of investment securities	37
Purchases of investment securities	--
(Increase) in loans	(25,793
Purchases of property and equipment	(251
Net Cash Used in Investing Activities	(13,519
Financing Activities	
Net (decrease) increase in demand and savings deposits	(687
Net increase in time deposits	17,351
Net decrease in short term borrowings	(1,318
(Decrease) increase in FHLB advances	(2,000
Repayment of capitalized lease obligation	--
Payment of ESOP debt	(18
Stock option exercise/award	--
Cash dividends paid	(136
Repurchase of common stock	--
Net Cash Provided by Financing Activities	13,192
Increase in Cash and Cash Equivalents	1,926
Cash and Cash Equivalents at the Beginning of the Year	6,227
Cash and Cash Equivalents at the End of the Period	$ 8,153

Supplemental Disclosure of Cash Flow Information:	
Interest Paid	$ 1,903
Federal Taxes Paid	$ --

COMMUNITY CENTRAL BANK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. The financial statements of Community Central Bank Corporation (the "Corporation") include the consolidation of its direct and indirect subsidiaries: Community Central Bank (the "Bank"); and Community Central Mortgage Company, LLC (the "Mortgage Company").

   Following are the Corporation's Consolidated Balance Sheets as of March 31, 2004 and December 31, 2003, and Consolidated Statements of Income and Comprehensive Income for the three month periods ended March 31, 2004 and 2003, and Consolidated Statements of Cash Flow for the three months ended March 31, 2004 and 2003. These unaudited financial statements are for interim periods, and do not include all disclosures normally provided with annual financial statements. The interim statements should be read in conjunction with the financial statements and footnotes contained in the Corporation's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2003.

   In the opinion of management, the interim statements referred to above contain all adjustments (consisting of normal, recurring items) necessary for a fair presentation of the financial statements. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

2. The accounting and reporting policies of the Corporation conform to accounting principles generally accepted in the United States of America and general practices within the banking industry. The following describes the critical accounting policies, which are employed in the preparation of financial statements.

   Allowance for Credit Losses: The allowance for credit losses is maintained at a level considered by management to be adequate to absorb losses inherent in existing loans and loan commitments. The adequacy of the allowance is based on evaluations that take into consideration such factors as prior loss experience, changes in the nature and volume of the portfolio, overall portfolio quality, loan concentrations, specific impaired or problem loans and commitments, current and anticipated economic conditions that may affect the borrower's ability to pay, and other subjective factors. The determination of the allowance is also based on regulatory guidance. This guidance includes, but is not limited to, generally accepted accounting principles, and guidance issued from other regulatory bodies such as the joint policy statement issued by the Federal Financial Institutions Examination Council.

3. The Corporation did not issue incentive options during the three months ended March 31, 2004, and the first quarter of 2003. If the Corporation had used the fair value method of accounting, using the Black Scholes

option pricing model and recognizing compensation cost for the plan based on the fair market value of the grant date, net income and earnings per share on a pro forma basis would have been as follows:

	Three Months Ended March 31, 2004	Three Months Ended March 31, 2003
	(in thousands, except per share data)	
Net income, as reported	$ 548	$ 474
Deduct: Total stock-based employee and director compensation expense under fair value based methods of awards, net of related tax effects	(18)	(28)
Pro forma net income	$ 530	$ 446
Earnings per share		
Basic - as reported	$ 0.20	$ 0.18
Basic - pro forma	$ 0.20	$ 0.17
Diluted - as reported	$ 0.20	$ 0.18
Diluted - pro forma	$ 0.19	$ 0.18

The fair value of each option grant is estimated on the date of grant using the Black Scholes option pricing model with the following weighted average assumptions. The assumptions listed below were used in 2003, with no practical changes during the first three months of each respective period.

	Three Months Ended March 31, 2004	Three Months Ended March 31, 2003
Dividend yield or expected dividends	1.49%	2.03%
Risk free interest rate	4.00%	4.00%
Expected life	7 - 10 yrs.	10 yrs.
Expected volatility	9.60%	21.92%

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The following discussion compares the financial condition of the Corporation and its wholly owned subsidiaries at March 31, 2004 and December 31, 2003 and the results of operations for the three months ended March 31, 2004 and 2003. This discussion should be read in conjunction with the financial statements and statistical data presented elsewhere in this report. This report contains forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates and projections about the financial services industry, the economy, and about the Corporation and the Bank. Words such as anticipates, believes, estimates, expects, forecasts, intends, is likely, plans, projects, variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are intended to be covered by the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Future Factors") that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Actual results and outcomes may materially differ from what may be expressed or forecasted in the forward-looking statements. The Corporation undertakes no obligation to update, amend, or clarify forward looking statements, whether as a result of new information, future events (whether anticipated or unanticipated), or otherwise.

Future Factors include changes in interest rate and interest rate relationships; demand for products and services; the degree of competition by traditional and non-traditional competitors; changes in banking regulation; changes in tax laws; changes in accounting standards; changes in prices, levies, and assessments; the impact of technological advances; governmental and regulatory policy changes; the outcomes of contingencies; trends in customer behavior as well as their ability to repay loans; changes in the national and local economy; our ability to successfully integrate acquisitions into our existing operations, and the availability of new acquisition's that build shareholder value; and other factors, including risk factors, referred to from time to time in filings made by the Corporation with the Securities and Exchange Commission.

10

ASSETS

The Corporation's total assets increased by $13.8 million, to $371.7 million at March 31, 2004, compared to $357.9 million at December 31, 2003. The largest segment of asset growth occurred in the loan portfolio which increased $25.8 million from December 31, 2003. Loan growth was comprised of both commercial and industrial loans and commercial real estate loans increasing $7.7 million and $11.3 million, respectively. Loan growth occurred in the first quarter primarily from the expanded pipeline from 2003 as a result of increased focus on structured calling programs and closing approved loans.

The security portfolio decreased by $12.2 million to $45.9 million at March 31, 2004, compared to $58.0 million at December 31, 2003. The decrease in the security portfolio was primarily due to a restructuring program resulting in sales of securities available for sale to reduce the overall duration of the portfolio.

The following table shows the amortized cost and estimated fair value of the Corporation's security portfolio as of the dates indicated. On the balance sheet, securities that the Corporation has the ability and intent to hold to maturity are stated at cost, adjusted for amortization of premium or accretion of discount. Securities available for sale are shown on the balance sheet at estimated fair value.

	March 31, 2004		
	Amortized Cost	Unrealized Gains	
		(in thousands)	

Securities Available for Sale			
United States Government agencies	$15,460	$ 16	$
Mortgage backed securities	4,321	9	
Collateralized mortgage obligations	13,801	98	
Municipal securities	10,728	154	
Mutual fund	500	4	
Total Securities Available for Sale	44,810	281	
Held to Maturity Securities			
Mortgage backed securities	858	70	
Total Held to Maturity Securities	858	70	
Total Securities	$45,668	$ 351	

11

	December 31, 2003		
	Amortized Cost	Gains	Unrealized
		(in thousands)	
Securities Available for Sale			
United States Government agencies	$21,797	$ 25	
Mortgage backed securities	7,916	85	
Collateralized mortgage obligations	15,400	21	
Municipal securities	11,666	133	
Mutual fund	500	--	
Total Securities Available for Sale	57,279	264	
Held to Maturity Securities			
Mortgage backed securities	895	53	
Total Held to Maturity Securities	895	53	
Total Securities	$58,174	$ 317	

12

Mortgage loans held for sale totaled $5.6 million at March 31, 2004 compared to $7.2 million at December 31, 2003. The mortgage loans were originated by the Bank's mortgage subsidiary, which started operations July 9, 2001. Loans closed generally remain in loans held for sale for less than 30 days in duration. Loans are normally committed for sale before funding takes place.

The Corporation makes loans to customers primarily in Macomb County, Michigan. Although the Corporation has a diversified loan portfolio, a substantial portion of the local economy has traditionally been dependent on the automotive industry. Accordingly, a downturn in the automotive industry could adversely affect a borrower's ability to repay its loan. Additionally, the Corporation had approximately $53.6 million in outstanding loans at March 31, 2004, to borrowers in the real estate rental and property management industries, representing approximately 26% of the total commercial loan portfolio.

A summary of nonperforming assets is as follows:

	March 31, 2004	December 31, 2003
Impaired loans:	(In thousands)	
Nonaccrual		
Commercial	$2,194	$ 365
Residential real estate	--	--
Installment	--	--
Total nonaccrual loans	2,194	365
Loans past due 90 days and still accruing interest:		
Commercial	--	--
Residential real estate	116	116
Installment	--	3
Total loans past due 90 days and still accruing interest	116	119
Other real estate owned	260	363
Total nonperforming assets	$2,570	$ 847
Total nonperforming loans as a percentage of total loans	0.78%	0.18%
Total nonperforming assets as a percentage of total assets	0.69%	0.24%

The increase in nonperforming loans was primarily due to loans acquired at a discount from the purchase and assumption of North Oakland Community Bank. The Corporation considers a loan impaired when it is probable that not all of the interest and principal will be collected in accordance with the contractual terms of the loan agreement. Consistent with this definition, all nonaccrual and reduced-rate loans (with the exception of residential mortgages and consumer loans) are considered impaired. At March 31, 2004, loans totaling $2.6 million, with $2.1 million to a single borrower, are not referenced in the above table where known information about possible credit problems of the borrowers caused management to have serious doubts as to the ability of the borrowers to fully comply with the present loan repayment terms and which may result in disclosure of such loans in the future. The $2.1 million loan relationship to single borrower is secured by real estate and contract receivables. In May of 2004, the Bank became aware that the borrower has severe financial difficulties. The portion of the relationship collateralized by contract receivables had been reported as a "Watch" loan credit. Loans secured by contract receivables typically carry more risk than other types of collateral. Management and Board will continue to monitor and manage this loan relationship.

The following table shows an analysis of the allowance for credit losses:

	March 31, 2004	December 31, 2003
	(Dollars in thousands)	
Allowance for credit losses at beginning of period	$ 3,573	$ 3,377
Provision charged to expense	125	275
Loans charged off	(3)	(123)
Loans recovered	4	44
Allowance for credit losses at end of period	$ 3,699	$ 3,573
Allowance for credit losses as a percentage of total loans	1.25%	1.32%

The allowance for credit losses as a percentage of total loans, was 1.25% at March 31, 2004, versus 1.32% at December 31, 2003. In each accounting period, management evaluates the problems and potential losses in the loan portfolio. Consideration is also given to off-balance sheet items that may involve credit risk, such as commitments to extend credit and financial guarantees. Management's evaluation of the allowance is further based on consideration of actual loss experience, the present and prospective financial condition of borrowers, adequacy of collateral, industry concentrations within the portfolio, and general economic conditions. Management believes that the present allowance is adequate, based on the broad range of considerations listed above.

The primary risk element considered by management regarding each installment and residential real estate loan is lack of timely payment. Management has a reporting system that monitors past due loans and has adopted policies to pursue its creditor's rights in order to preserve the Bank's position. The primary risk elements concerning commercial loans are the financial condition of the borrower, the sufficiency of collateral, and lack of timely payment. Management has a policy of requesting and reviewing financial statements from its commercial loan customers, and periodically reviews the condition and value of the collateral securing the loans.

Although management believes that the allowance for credit losses is adequate to absorb losses as they arise, there can be no assurance that the Corporation will not sustain losses in any given period that could be substantial in relation to the size of the allowance for credit losses.

LIABILITIES

During the three months ended March 31, 2004, total deposits increased $16.6 million to $272.0 million. The increase in deposits was attributable to increases in certificates of deposit and savings accounts of $17.4 million and $4.3 million, respectively. This growth was partially offset by decreases in demand, money market and NOW accounts of $5.0 million. The growth in certificates of deposit was aided by increases in local municipal deposits and the use of brokered deposits and internet based certificates of deposit. At March 31, 2004 the Corporation had $38.2 million in brokered certificates of deposit and $24.6 million in internet certificates of deposit. See "Liquidity and Capital Resources" below. The Corporation has been utilizing Federal Home Loan Bank ("FHLB") advances to better match against interest rate risk as described below.

Short term borrowings at March 31, 2004 consisted of short term FHLB advances of $12.0 million and securities sold with an agreement to repurchase them the following day of $11.5 million. Following are details of our short term borrowings for the dates indicated:

	March 31, 2004	December 31, 2003
	(Dollars in thousands)	
Amount outstanding at end of period	$23,518	$31,836
Weighted average interest rate on ending balance	1.31%	1.39%
Maximum amount outstanding at any month end during the period	$33,093	$38,106

In June 2001, the Corporation started to borrow long-term advances from the FHLB to fund fixed rate instruments and to minimize the interest rate risk associated with certain fixed rate commercial mortgage loans and investment securities. These advances are secured under a blanket security agreement by first mortgage loans and the pledging of certain securities.

FHLB advances outstanding at March 31, 2004 were as follows:

	Ending Balance	Average rate at end of period
	(Dollars in thousands)	
Short-term FHLB advances	$12,000	1.86%
Long-term FHLB advances	40,374	3.78%
	$52,374	3.34%

Long-term advances were comprised twenty-three advances with maturities ranging from May 2005 to December 2012.

15

LIQUIDITY AND CAPITAL RESOURCES

The liquidity of a bank allows it to provide funds to meet loan requests, to accommodate possible outflows in deposits, and to take advantage of other investment opportunities. Funding of loan requests, providing for liability outflows, and managing interest rate margins require continuous analysis to match the maturities of specific categories of loans and investments with specific types of deposits and borrowings. Bank liquidity depends upon the mix of the banking institution's potential sources and uses of funds. The major sources of liquidity for the Bank have been deposit growth, federal funds sold, loans and securities which mature within one year, and sales of residential mortgage loans. Additional liquidity is provided by $22.5 million in available unsecured federal funds borrowing facilities, and a $75.0 million secured line of credit with the FHLB. Large deposit balances which might fluctuate in response to interest rate changes are closely monitored. These deposits consist mainly of jumbo time certificates of deposit. We anticipate that we will have sufficient funds available to meet our future commitments. As of March 31, 2004, unused commitments comprised $60.9 million. The Bank has $136.6 million in time deposits coming due within the next twelve months from March 31, 2004. At March 31, 2004, the Bank had $38.2 million in brokered certificates of deposit, of which $19.3 million is due within one year or less. On February 17, 2004, the Corporation's Board of Directors declared the Corporation's ninth consecutive quarterly cash dividend of $0.05 per common share, payable April 1, 2004, to shareholders of record March 1, 2004.

On April 19, 2004, the Corporation's Board of Directors declared a 5% stock dividend, payable June 1, 2004 to shareholders of record May 3, 2004.

Following are selected capital ratios for the Corporation and the Bank as of the dates indicated, along with the minimum regulatory requirement for each item. Capital requirements for bank holding companies are set by the Federal Reserve Board. In many cases, bank holding companies are expected to operate at capital levels higher than the minimum requirement.

	March 31, 2004		December 31, 2003		Minimum R for Capi Adequac Purpose
	Capital	Ratio	Capital	Ratio	
Total capital to risk-weighted assets					
Consolidated	$36,983	12.69%	$36,266	13.39%	8%
Bank only	33,604	11.53%	32,808	12.14%	8%
Tier I capital to risk-weighted assets					
Consolidated	$31,119	10.68%	$30,505	11.27%	4%
Bank only	29,960	10.28%	29,427	10.89%	4%
Tier I capital to average assets					
Consolidated	$31,119	8.38%	$30,505	8.56%	4%
Bank only	29,960	8.08%	29,427	8.27%	4%

Community Central Capital Trust I, a business trust subsidiary of the Corporation sold 10,000 shares of cumulative preferred securities ("trust preferred securities") at $1,000.00 per trust preferred security in June 2002. The proceeds from the sale of the trust preferred securities were used by the trust to purchase an equivalent amount of subordinated debentures from the Corporation. The trust preferred securities carry a variable rate of interest at the three month libor plus 365 basis points, have a stated maturity of 30 years, and, in effect, are guaranteed by the Corporation. The securities are redeemable at par after 5 years. Distributions on the trust preferred securities are payable quarterly on March 30, June 30, September 30 and December 30. The first distribution was paid on September 30, 2002 and distributions have been made quarterly ever since. Under certain circumstances, distributions may be deferred for up to 20 calendar quarters. However, during any such deferrals, interest accrues on any unpaid distributions at the rate of the three month libor plus 365 basis points. The trust preferred securities are carried on the

Corporation's consolidated balance sheet as a liability and the interest expense is recorded on the Corporation's consolidated statement of income.

The trust preferred securities qualify for up to 25% of tier I capital. Any amount in excess of this limit may be included in tier 2 capital. Prior to 2004, the trust was consolidated in the Corporation's financial statements, with the trust preferred securities issued by the trust reported in liabilities as "Guaranteed Preferred Beneficial Interest in the Corporation's Subordinated Debentures" and the subordinated debentures eliminated in consolidation. Under new accounting guidance, FASB Interpretation No. 46, as revised in December 2003, the trust is no longer consolidated with the Corporation, accordingly, the Corporation does not report the securities issued by the trust as liabilities, and instead reports as liabilities the subordinated debentures issued by the Corporation and held by the trust, as these are no longer eliminated in consolidation. Amounts previously reported as "Guaranteed preferred beneficial interest in Corporation's subordinated debentures" in liabilities have been recaptioned "subordinated debentures" and continue to be presented in liabilities on the balance sheet. The effect of no longer consolidating the trust does not significantly change the amounts reported as the Corporation's assets, liabilities, equity, or interest expense.

The following table shows the changes in stockholders' equity for the three months ended March 31, 2004:

	Common Stock	Additional Paid-In Capital	Retained Earnings	Unearned Employee Benefits	Accum Oth Compre Income
Beginning balance, January 1	$ 13,609	$ 5,308	$ 5,225	$ (271)	$
Cash dividend	--	--	(136)	--	
Net income	--	--	548	--	
Release of ESOP shares	--	--	--	18	
Change in unrealized gain/loss	--	--	--	--	
Balance March 31, 2004	$ 13,609	$ 5,308	$ 5,637	$ (253)	$

NET INTEREST INCOME

For the quarter ended March 31, 2004, net interest income increased by 32%, or $675,000, over the first quarter of 2003. This increase was primarily attributable to an expanded interest earning asset base, which was aided by an increased net interest margin. The net interest margin was positively impacted by the growth in the loan portfolio versus a stable cost of liability funding. During most of 2002 and 2003, the margin was negatively affected by refinancing and the removal of interest rate floors on loans from competitive pressures. The Corporation continues to utilize advances from the Federal Home Loan Bank to control interest rate risk when funding longer term fixed rate loans and investments. The net interest margin increased for the first quarter 2004 to 3.13% compared with 2.92% for the first quarter of 2003. The net interest margin for the first quarter 2004 on a fully taxable equivalent basis was 3.19% compared to the first quarter of 2003 at 2.99%.

The following table shows the dollar amount of changes in net interest income for each major category of interest earning asset and interest bearing liability, and the amount of change attributable to changes in average balances (volume) or average rates for the periods shown. Variances that are jointly attributable to both volume and rate changes have been allocated to the volume component.

	Three Months Ended March 31, 2004 vs. 2003		
		Increase (Decrease) Due to Changes In	
	Total	Volume and Both	Rate
	(in thousands)		
Earning Assets - Interest Income			
Federal funds sold	$ 3	$ 3	$ --
Securities	(41)	(67)	26
Loans	853	1,040	(187)
Total	815	976	(161)
Deposits and Borrowed Funds - Interest Expense			
NOW and money market accounts	(12)	25	(37)
Savings deposits	15	9	6
Time deposits	139	318	(179)
FHLB and repo sweeps	(1)	86	(87)
Lease and ESOP	--	(1)	1
Subordinated debentures	(1)	--	(1)
Total	140	437	(297)
Net Interest Income	$ 675	$ 539	$ 136

AVERAGE BALANCE SHEET

The following table shows the Corporation's consolidated average balances of assets, liabilities, and stockholders' equity; the amount of interest income or interest expense and the average yield or rate for each major category of interest earning asset and interest bearing liability, and the net interest margin, for the three month periods ended March 31, 2004 and 2003. Average loans are presented net of unearned income, gross of the allowance for credit losses. Interest on loans includes loan fees. Average securities are based on amortized cost.

	Three Months Ended Marc			
	2004			
	Average Balance	Interest Income/ Expense	Average Rate Earned/ Paid	Avera Balan
			(In thousands)	
Assets				
Federal funds sold	$ 7,489	$ 22	1.18%	$ 6,3
Securities	54,051	499	3.69	61,3
Loans	291,751	4,147	5.69	218,5
Total Earning Assets/ Total Interest Income	353,291	4,668	5.29	286,2
Cash and due from banks	6,756			5,5
All other assets	12,466			3,3
Total Assets	$372,513			$295,1
Liabilities and Equity				
NOW and money market accounts	$ 42,527	107	1.01	$ 32,7
Savings deposits	8,905	25	1.12	5,6
Time deposits	184,259	1,169	2.54	134,1
FHLB and repurchase agreements	68,564	474	2.77	56,1
Capitalized lease and ESOP	264	3	4.55	3
Subordinated debentures	10,000	127	5.08	10,0
Total Interest Bearing Liabilities/ Total Interest Expense / Interest Rate Spread	314,519	1,905	2.42	238,9
Noninterest bearing demand deposits	32,525			33,2
All other liabilities	1,386			9
Stockholders' equity	24,083			22,0
Total Liabilities and Stockholder's Equity	$372,513			$295,1
Net Interest Income		$ 2,763		
Net Interest Margin (Net Interest Income/Total Earning Assets)			3.13%	
Net Interest Margin (fully taxable equivalent)			3.19%	

NONINTEREST INCOME

Noninterest income increased by $82,000, or 5.4%, for the first quarter of 2004 versus the first quarter of 2003. The largest component of noninterest income is mortgage banking income. Mortgage banking income decreased $24,000, or 2.0%, to

$1.3 million for the quarter ended March 31, 2004 compared to the same period in 2003.

Net security gains of $137,000 for the first quarter of 2004 were comprised of $191,000 in gross gains and $54,000 in security losses on securities classified as "available for sale." Gains and losses were the result of portfolio restructuring to shorten the overall duration of the portfolio.

NONINTEREST EXPENSE

Noninterest expense increased over the first quarter 2003 by $600,000, or 21% to $3.5 million in the first quarter of 2004. Increases in expense were primarily due to costs associated with operating the new Rochester Hills location of $191,000, which was more than offset by the net interest income and other non-interest income generated by the branch. Other increases in non-interest expense for the quarter were attributable to other real estate owned, with expenses related to the write down of net realizeable value and other carrying costs representing an $82,000 increase. Additionally, increases in noninterest expense represent increased costs associated with an expanding banking and mortgage operations in areas such as printing and office supply, consulting, single business tax, legal expense connected with loan workouts, and amortization of the core deposit intangible from the North Oakland Community Branch purchase and assumption.

ASSET/LIABILITY MANAGEMENT

The Corporation's Asset Liability Management Committee ("ALCO"), which meets at least quarterly, is responsible for reviewing the interest rate sensitivity position of the Corporation and establishing policies to monitor and limit exposure to interest rate risk.

The Corporation currently utilizes two quantitative tools to measure and monitor interest rate risk: static gap analysis and net interest income simulation modeling. Each of these interest rate risk measurements has limitations, but management believes when these tools are evaluated together, they provide a balanced view of the exposure the Corporation has to interest rate risk.

Interest sensitivity gap analysis measures the difference between the assets and liabilities repricing or maturing within specific time periods. An asset-sensitive position indicates that there are more rate-sensitive assets than rate-sensitive liabilities repricing or maturing within specific time periods, which would generally imply a favorable impact on net interest income in periods of rising interest rates and a negative impact in periods of falling rates. A liability-sensitive position would generally imply a negative impact on net interest income in periods of rising rates and a positive impact in periods of falling rates.

Gap analysis has limitations because it cannot measure precisely the effect of interest rate movements and competitive pressures on the repricing and maturity characteristics of interest-earning assets and interest-bearing liabilities. In addition, a significant portion of our adjustable-rate assets have limits on their maximum yield, whereas most of our interest-bearing liabilities are not subject to these limitations. As a result, certain assets and liabilities indicated as repricing within a stated period may in fact reprice at different times and at different volumes, and certain adjustable-rate assets may reach their yield limits and not reprice.

The following table presents an analysis of our interest-sensitivity gap position at March 31, 2004. All interest-earning assets and interest-bearing liabilities are shown based on the earlier of their contractual maturity or repricing dated adjusted by forecasted repayment and decay rates. Asset prepayment and liability decay rates are selected after considering the current rate environment, industry prepayment and decay rates and our historical experience. At March 31, 2004, the Corporation is considered asset sensitive in the time interval of the first three months. The Corporation is also considered to be slightly liability sensitive at the one year accumulated gap position.

	Within Three Months	After Three Months But Within One Year	After One Year But Within Five Years	After Five Years
			(in thousands)	
Interest earning assets:				
Federal funds sold	$ 500	$ --	$ --	$ --
Securities	19,446	4,799	12,686	8,737
FHLB stock	--	--	--	3,142
Portfolio loans and held for resale	145,044	18,734	103,785	34,665
Total	164,990	23,533	116,471	46,544
Interest bearing liabilities:				
NOW and money market accounts	5,870	17,421	16,829	--
Savings deposits	855	2,670	7,158	--
Jumbo time deposits	65,711	38,514	24,841	2,248
Time deposits <$100,000	17,987	20,706	21,013	--
Repurchase agreements	11,518	--	--	--
FHLB and repo sweeps	8,000	4,000	29,874	10,500
Capitalized lease obligation and ESOP payable	253	--	--	--
Subordinated debentures	10,000	--	--	--
Total	120,194	83,311	99,715	12,748
Interest rate sensitivity gap	$ 44,796	$ (59,778)	$ 16,756	$ 33,796
Cumulative interest rate sensitivity gap		$ (14,982)	$ 1,774	$ 35,570
Interest rate sensitivity gap ratio	1.37	0.28	1.17	3.65
Cumulative interest rate sensitivity gap ratio		0.93	1.01	1.11

The Bank also evaluates interest rate risk using a simulation model. The use of simulation models to assess interest rate risk is an accepted industry practice, and the results of the analysis are useful in assessing the vulnerability of the Bank's net interest income to changes in interest rates. However, the assumptions used in the model are oversimplifications and not necessarily representative of the actual impact of interest rate changes. The simulation model assesses the direction and magnitude of variations in net interest income resulting from potential changes in market interest rates. Key assumptions in the model include prepayment speeds of various loan and investment assets; cash flows and maturities of interest-sensitive assets and liabilities, and changes in market conditions impacting loan and deposit volumes and pricing. These assumptions are inherently uncertain, and subject to fluctuation and revision in a dynamic environment. Therefore, the model cannot precisely estimate future net interest income or exactly predict the impact of higher or lower interest rates. Actual results may differ from simulated results due to the timing, magnitude, and frequency of interest rate changes, changes in market conditions, management's pricing decisions, and customer reactions to those decisions, among other factors.

On a quarterly basis, the net interest income simulation model is used to quantify the effects of hypothetical changes in interest rates on the Bank's net interest income over a projected twelve-month period. The model permits

management to evaluate the effects of shifts in the Treasury Yield curve, upward and downward, on net interest income expected in a stable interest rate environment.

As of December 31, 2003, the most recent and available analysis, the simulation model projects net interest income would increase by 10 basis points of the base net interest income, assuming an instantaneous parallel shift upward in the yield curve by 200 basis points. Conversely, if the yield curve were to decrease by 200 basis points, the model projects net interest income would decrease by 44 basis points. This simulation projected less than one percent change in net interest income in both the upward and downward hypothetical shift.

ITEM 3. CONTROLS AND PROCEDURES

An evaluation of the Corporation's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities and Exchange Act of 1934 ("Act")) as of March 31, 2004, was carried out under the supervision and with the participation of the Corporation's Chief Executive Officer, Chief Financial Officer and several other members of the Corporation's senior management. The Corporation's Chief Executive Officer and Chief Financial Officer concluded that the Corporation's disclosure controls and procedures as currently in effect are effective in ensuring that the information required to be disclosed by the Corporation in the report it files or submits under the Act is (i) accumulated and communicated to the Corporation's management (including the Chief Executive Officer and Chief Financial Officer) in a timely manner, and (ii) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

There have been no changes in our internal control over financial reporting (as defined in Rule 13a -- 15(b) of the Act) that occurred during the quarter ended March 31, 2004, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

Not applicable.

ITEM 2. CHANGES IN SECURITIES AND SMALL BUSINESS ISSUER PURCHASES OF EQUITY SECURITIES.

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

ITEM 5. OTHER INFORMATION.

Cash Dividend - On February 17, 2004, the Corporation's Board of Directors declared the Corporation's eighth quarterly cash dividend of $0.05 per common share, payable April 1, 2004, to shareholders of record March 1, 2004.

Stock Dividend - On April 19, 2004, the Corporation's Board of Directors declared a 5% stock dividend payable June 1, 2004, to shareholder of record May 3, 2004.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits: See Exhibit Index attached.

(b) Reports on Form 8-K during the quarter ended March 31, 2004: None

25

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on May 14, 2004.

COMMUNITY CENTRAL BANK CORPORATION

By: S/ DAVID A. WIDLAK

David A. Widlak;
President and CEO
(Principal Executive Officer)

By: S/ RAY T. COLONIUS

Ray T. Colonius;
Treasurer
(Principal Financial and Accounting Officer)

26

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
3.1	Articles of Incorporation are incorporated by reference to exhibit 3.1 of the Corporation's Registration Statement on Form SB-2 (Commission File Number 333-04113) which became effective on September 23, 1996
3.2	Bylaws of the Corporation, as amended and currently in effect, are incorporated by reference to exhibit 3.2 of the Corporation's Quarterly Report filed with the SEC on Form 10-QSB for the quarter ended March 31, 2003 (Commission File Number 000-33373)
4.1	Specimen of Stock Certificate of Community Central Bank Corporation is incorporated by reference to Exhibit 4.2 of the Corporation's Registration Statement on Form SB-2 (Commission File No. 333-4113) which became effective on September 23, 1996
10.1	1996 Employee Stock Option Plan is incorporated by reference to exhibit 10.1 of the Corporation's Registration Statement on Form SB-2 (Commission File No. 333-04113) which became effective September 23, 1996
10.2	1996 Stock Option Plan for Nonemployee Directors is incorporated by reference to exhibit 10.2 of the Corporation's Registration Statement on Form SB-2 (Commission File No. 333-04113) which became effective September 23, 1996
10.3	1999 Stock Option Plan for Directors in incorporated by reference to exhibit 10.5 of the Corporation's Annual Report filed with the SEC on Form 10-KSB for the year ended December 31, 1999 (Commission File No. 000-33373)
10.4	2000 Employee Stock Option Plan is incorporated by reference to exhibit 10.6 of the Corporation's Annual Report filed with the SEC on Form 10-KSB for the year ended December 31, 2000 (Commission File No. 000-33373)
10.5	2002 Incentive Plan is incorporated by reference to exhibit 10.7 of the Corporation's Annual Report filed with the SEC on Form 10-KSB for the year ended December 31, 2001 (Commission File No. 000-33373)
10.6	Community Central Bank Supplemental Executive Retirement Plan is incorporated by reference to exhibit 10.6 of the Corporation's Form 10-QSB filed with the SEC for the quarter ended June 20, 3003 (Commission File No. 000-3373)
10.7	Community Central Bank Death Benefit Plan is incorporated by reference to exhibit 10.7 of the Corporation's Form 10-QSB filed with the SEC for the quarter ended June 20, 3003 (Commission File No. 000-3373)
11	Computation of Per Share Earnings
31.1	Rule 13a - 14(a) Certification (Chief Executive Officer)
31.2	Rule 13a - 14(a) Certification (Chief Financial Officer)
32	Rule 1350 Certifications