

CONSOLIDATED STATEMENTS
BALANCE SHEETS (000's)
(UNAUDITED)

| | DECEMBER 31 | |
|---|--------------------------|--------------------------|
| | 2019 | 2018 |
| ASSETS | | |
| Cash and due from banks | \$ 8,241 | \$ 9,680 |
| Investment securities available for sale | 37,347 | 47,024 |
| Investment securities held to maturity | 2,629 | 3,152 |
| Restricted investments | 840 | 840 |
| Total investment securities | <u>40,816</u> | <u>51,016</u> |
| Federal funds sold | 2,377 | 262 |
| Loans held for sale | - | - |
| Loans | 251,625 | 223,270 |
| Less: Reserve for possible loan losses | <u>2,018</u> | <u>1,882</u> |
| Net loans | 249,607 | 221,388 |
| Bank premises & equipment | 7,648 | 4,772 |
| Other real estate owned | 42 | 119 |
| Interest receivable and other assets | <u>10,610</u> | <u>10,224</u> |
| TOTAL ASSETS | <u><u>\$ 319,341</u></u> | <u><u>\$ 297,461</u></u> |
| LIABILITIES & STOCKHOLDERS' EQUITY | | |
| LIABILITIES | | |
| Deposits: | | |
| Demand | \$ 151,134 | \$ 143,095 |
| Savings | 70,495 | 64,132 |
| Time | 53,591 | 55,339 |
| Total deposits | <u>275,220</u> | <u>262,566</u> |
| Federal funds purchased | - | - |
| Other borrowed funds | 3,000 | - |
| Interest payable and other liabilities | <u>873</u> | <u>245</u> |
| TOTAL LIABILITIES | 279,093 | 262,811 |
| STOCKHOLDERS' EQUITY | | |
| Common stock-no par, 4,000,000 shares authorized, 996,677 shares outstanding in 2019 and 991,874 shares outstanding in 2018 | 6,770 | 6,605 |
| Unearned shares | (344) | (516) |
| Undivided profits | 33,771 | 29,502 |
| Unrealized gain(loss) on securities available for sale | <u>51</u> | <u>(941)</u> |
| TOTAL STOCKHOLDERS' EQUITY | <u>40,248</u> | <u>34,650</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u><u>\$ 319,341</u></u> | <u><u>\$ 297,461</u></u> |

CONSOLIDATED INCOME STATEMENTS (000's)
(UNAUDITED)

| | THREE MONTHS ENDED DECEMBER 31 | | FOR THE TWELVE MONTHS ENDED DECEMBER 31 | |
|--|--------------------------------|------------------------|---|------------------------|
| | 2019 | 2018 | 2019 | 2018 |
| INTEREST INCOME | | | | |
| Interest and fees on loans | \$ 3,843 | \$ 3,192 | \$ 14,287 | \$ 12,085 |
| Interest on investment securities | \$ 226 | 267 | 950 | 1,116 |
| Interest on due from banks | \$ 13 | 13 | 90 | \$ 53 |
| Interest on federal funds sold | \$ 2 | 3 | 18 | 63 |
| TOTAL INTEREST INCOME | <u>4,084</u> | <u>3,475</u> | <u>15,345</u> | <u>13,317</u> |
| INTEREST EXPENSE | | | | |
| Demand deposits | 204 | 45 | 869 | 162 |
| Savings deposits | 54 | 57 | 246 | 247 |
| Time deposits | 193 | 181 | 739 | 568 |
| Federal funds purchased | 2 | 6 | 7 | 17 |
| Other borrowed funds | 6 | - | 6 | 4 |
| TOTAL INTEREST EXPENSE | <u>459</u> | <u>289</u> | <u>1,867</u> | <u>998</u> |
| NET INTEREST INCOME | 3,625 | 3,186 | 13,478 | 12,319 |
| Provision for possible loan losses | <u>149</u> | <u>177</u> | <u>174</u> | <u>394</u> |
| NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES | 3,476 | 3,009 | 13,304 | 11,925 |
| OTHER INCOME | | | | |
| Service fees on loan and deposit accounts | 102 | 131 | 490 | 469 |
| Other | <u>346</u> | <u>352</u> | <u>1,435</u> | <u>1,433</u> |
| TOTAL OTHER INCOME | 448 | 483 | 1,925 | 1,902 |
| OTHER EXPENSES | | | | |
| Salaries and employee benefits | 1,467 | 1,226 | 5,481 | 5,016 |
| Net occupancy expense | 270 | 205 | 962 | 837 |
| Other | <u>593</u> | <u>630</u> | <u>2,542</u> | <u>2,494</u> |
| TOTAL OTHER EXPENSE | 2,330 | 2,061 | 8,985 | 8,347 |
| INCOME BEFORE PROVISION FOR FEDERAL INCOME TAX | 1,594 | 1,431 | 6,244 | 5,480 |
| Provision for federal income tax | <u>313</u> | <u>272</u> | <u>1,225</u> | <u>1,050</u> |
| NET INCOME | <u><u>\$ 1,281</u></u> | <u><u>\$ 1,159</u></u> | <u><u>\$ 5,019</u></u> | <u><u>\$ 4,430</u></u> |
| EARNINGS PER SHARE | | | | |
| Net income | | | \$ 5.04 | \$ 4.47 |
| Cash dividend paid | | | \$ 0.86 | \$ 0.70 |



MAIN OFFICE

* 4190 Main Street
PO Box 100
Brown City, MI 48416
(810) 346-2745

MORTGAGE OFFICE

* 4511 Van Dyke Road
Almont, MI 48003
Toll Free 1-800-346-9909
Fax: (810) 798-8859

BRANCH OFFICES

* 6730 Newark Road
Imlay City, MI 48444
(810) 724-0090

* 4511 Van Dyke Road
Almont, MI 48003
(810) 798-3907

* 7514 S. Brockway Road
Yale, MI 48097
(810) 387-3201

* 2 E. Lapeer Street
Peck, MI 48466
(810) 378-5505

* 3482 S. Main Street
Marlette, MI 48453
(989) 635-3320

* 6681 Bernie Kohler Drive
North Branch, MI 48461
(810) 688-4163

* 3418 Main Street
Marlette, MI 48453
(989) 635-0639

* 3433 Capac Road
Capac, MI 48014
(810) 395-8113

* 5915 State Street
Kingston, MI 48741
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* 209 S. Main Street
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and its wholly owned subsidiary

Tri-County Bank

(unaudited)

QUARTERLY REPORT

December 31, 2019



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Laurence C Lang II - Chairman
Mark E. Wendt - Vice Chairman
Francis Glinski
Aric Crake
Timothy Clemans
Michael Ford
Vonda Zuhlke - Secretary

Tri-County Bank
DIRECTORS

Francis Glinski - Chairman
Mark E. Wendt - Vice Chairman
Kelly Martin
Jeff Liebler
Marlene McLeod
Michael Ford
Kelly Wood - Secretary

TRI-COUNTY BANK
OFFICERS

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Vonda Zuhlke - EVP, Chief Operations Officer & Information Security Officer
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Joe Worden - SVP, Business Development Officer
Eric Bucklew - VP, Information Technology Officer
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Paul Burgess - VP, Sr. Agricultural Loan Officer & Security Officer
Fred Manuilow - VP, Commercial & Agricultural Loan Officer
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Peggy Kalbfleisch - VP, BSA/OFAC/AML/CIP Officer
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Sheryl Cribbins - AVP, Peck Manager & Retail Loan Officer
Maria Fleisher - AVP, Ass't Chief Operations Officer
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Chad Stoldt - AVP, Commercial Loan Officer, New Business Development Officer
Louann Krzak - AVP, Yale Manager & Retail Loan Officer
Karen Crews - AVP, Loan Documentation Manager
Emily Losinski - Auditor
Abby Hunter - Compliance Officer & IRA/HSA Administrator

NON-OFFICER MANAGEMENT

EmilyAnn Connors - Capac Manager
Jill Bahrke - North Branch Manager
Jolene Zyrowski - FHLMC Custodial Accounting
Dove Waltz - Kingston Manager, Retail Loan Officer & Marketing Director
Heather Hart - Imlay City Manager
MaryLou Jacobs - Collections Manager