

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

| | MARCH 31 | |
|---|-------------------|-------------------|
| | 2019 | 2018 |
| ASSETS | | |
| Cash and due from banks | \$ 16,443 | \$ 10,174 |
| Investment securities available for sale | 46,937 | 59,297 |
| Investment securities held to maturity | 3,152 | 3,620 |
| Restricted investments | 840 | 840 |
| Total investment securities | <u>50,929</u> | <u>63,757</u> |
| Federal funds sold | 654 | 13,470 |
| Loans held for sale | 329 | 483 |
| Loans | 227,971 | 196,252 |
| Less: Reserve for possible loan losses | 1,875 | 1,516 |
| Net loans | <u>226,096</u> | <u>194,736</u> |
| Bank premises & equipment | 5,877 | 3,498 |
| Other real estate owned | 213 | 75 |
| Interest receivable and other assets | 10,491 | 9,886 |
| TOTAL ASSETS | <u>\$ 311,032</u> | <u>\$ 296,079</u> |
| LIABILITIES & STOCKHOLDERS' EQUITY | | |
| LIABILITIES | | |
| Deposits: | | |
| Demand | \$ 153,784 | \$ 148,579 |
| Savings | 66,122 | 65,129 |
| Time | 54,419 | 50,124 |
| Total deposits | <u>274,325</u> | <u>263,832</u> |
| Federal funds purchased | - | - |
| Other borrowed funds | - | 150 |
| Interest payable and other liabilities | 665 | 885 |
| TOTAL LIABILITIES | <u>274,990</u> | <u>264,867</u> |
| STOCKHOLDERS' EQUITY | | |
| Common stock-no par, 1,500,000 shares authorized, 992,765 shares outstanding in 2019 and 988,337 shares outstanding in 2018 | 6,629 | 6,419 |
| Unearned shares | (516) | (688) |
| Undivided profits | 30,492 | 26,686 |
| Unrealized gain(loss) on securities available for sale | (563) | (1,205) |
| TOTAL STOCKHOLDERS' EQUITY | <u>36,042</u> | <u>31,212</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u>\$ 311,032</u> | <u>\$ 296,079</u> |

CONSOLIDATED INCOME STATEMENTS (000's)
(UNAUDITED)

| | THREE MONTHS ENDED MARCH 31 | | FOR THE THREE MONTHS ENDED MARCH 31 | |
|--|-----------------------------|-----------------|-------------------------------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 |
| INTEREST INCOME | | | | |
| Interest and fees on loans | \$ 3,300 | \$ 2,794 | \$ 3,300 | \$ 2,794 |
| Interest on investment securities | 240 | 292 | 240 | 292 |
| Interest on due from banks | 33 | 14 | 33 | 14 |
| Interest on federal funds sold | 4 | 37 | 4 | 37 |
| TOTAL INTEREST INCOME | <u>3,577</u> | <u>3,137</u> | <u>3,577</u> | <u>3,137</u> |
| INTEREST EXPENSE | | | | |
| Demand deposits | 174 | 36 | 174 | 36 |
| Savings deposits | 56 | 64 | 56 | 64 |
| Time deposits | 181 | 113 | 181 | 113 |
| Federal funds purchased | 1 | - | 1 | - |
| Other borrowed funds | - | 2 | - | 2 |
| TOTAL INTEREST EXPENSE | <u>412</u> | <u>215</u> | <u>412</u> | <u>215</u> |
| NET INTEREST INCOME | <u>3,165</u> | <u>2,922</u> | <u>3,165</u> | <u>2,922</u> |
| Provision for possible loan losses | - | - | - | - |
| NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES | <u>3,165</u> | <u>2,922</u> | <u>3,165</u> | <u>2,922</u> |
| OTHER INCOME | | | | |
| Service fees on loan and deposit accounts | 115 | 110 | 115 | 110 |
| Other | 344 | 355 | 344 | 355 |
| TOTAL OTHER INCOME | <u>459</u> | <u>465</u> | <u>459</u> | <u>465</u> |
| OTHER EXPENSES | | | | |
| Salaries and employee benefits | 1,323 | 1,239 | 1,323 | 1,239 |
| Net occupancy expense | 232 | 223 | 232 | 223 |
| Other | 595 | 580 | 595 | 580 |
| TOTAL OTHER EXPENSE | <u>2,150</u> | <u>2,042</u> | <u>2,150</u> | <u>2,042</u> |
| INCOME BEFORE PROVISION FOR FEDERAL INCOME TAX | <u>1,474</u> | <u>1,345</u> | <u>1,474</u> | <u>1,345</u> |
| Provision for federal income tax | 286 | 252 | 286 | 252 |
| NET INCOME | <u>\$ 1,188</u> | <u>\$ 1,093</u> | <u>\$ 1,188</u> | <u>\$ 1,093</u> |
| EARNINGS PER SHARE | | | | |
| Net income | | | \$ 1.20 | \$ 1.11 |
| Cash dividend paid | | | \$ 0.20 | \$ 0.16 |



Tri-County Bank

MAIN OFFICE

4222 Main Street
PO Box 100
Brown City, MI 48416
(810) 346-2745

OPERATIONS CENTER

4244 Main Street
Brown City, MI 48416
(810) 346-4760
Toll Free 1-888-346-0800

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

* 4441 Main Street
Brown City, MI 48416
Phone: (810) 346-2776

* 4436 Main Street
Brown City, MI 48416
(810) 346-8100

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

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

* 5915 State Street
Kingston, MI 48741
(989) 683-2023

*** USE OUR 24 HOUR ATMs**

Telephone Banking

as easy as pushing buttons
1-877-677-CASH (2274)

Online Banking Available

www.tri-countybank.com

Tri-County Bancorp, Inc.

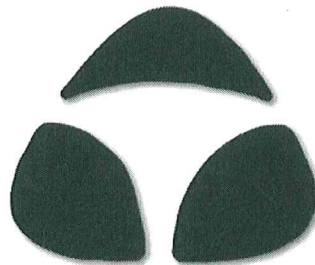
and its wholly owned subsidiary

Tri-County Bank

(unaudited)

QUARTERLY REPORT

March 31, 2019



Member FDIC

**Tri-County Bancorp, Inc.
DIRECTORS**

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
Glenn Kreiner
Kelly Martin
Jeff Liebler
Marlene McLeod
Michael Ford
Kelly Wood - Secretary

TRI-COUNTY BANK

OFFICERS

Michael Ford - President, Chief Executive Officer
Vonda Zuhlke - EVP, Chief Operations Officer & Information Security Officer
Mark Shadley - SVP, Chief Lending Officer
Michael Boushelle - SVP, Chief Financial Officer
Eric Bucklew - VP, Information Technology Manager
Kendra Jickling - VP, Marlette Manager & Commercial Loan Officer
Bradley Bissett - VP, Chief Credit Officer & ERM Officer
Kelly Wood - VP, Controller & Human Resource Manager
Paul Burgess - VP, Sr Agricultural Loan Officer & Security Officer
Fred Manuilow - VP, Commercial Loan Officer
Jennifer Vanecek - VP, Senior Mortgage Lender
Peggy Kalbfleisch - VP, BSA/OFAC/AML/CIP Officer
Joanne Wills - AVP, Compliance & CRA Officer
Tara Antonelli - AVP, Almont Manager & Retail Loan Officer
Sheryl Cribbins - AVP, Peck Manager & Retail Loan Officer
Maria Fleisher - AVP, Ass't Chief Operations Officer
Emily Losinski - Auditor
Blair Christner - Branch Administrator, Retail Loan Officer & Brown City Manager
Abby Hunter - Compliance Officer & IRA/HSA Administrator
Gavin Frederick - Commercial & Agricultural Loan Officer, Credit Analyst
Chad Stoldt - AVP, Commercial Loan Officer, New Business Development Officer
Louann Krzak - AVP, Yale Manager

NON-OFFICER MANAGEMENT

Noelle Mosier - Capac Manager
Angela Solon - North Branch Manager
Jolene Zyrowski - FHLMC Custodial Accounting
Karen Crews - Loan Documentation Manager
Dove Waltz - Kingston Manager, Retail Loan Officer & Marketing Director
Heather Hart - Imlay City Manager