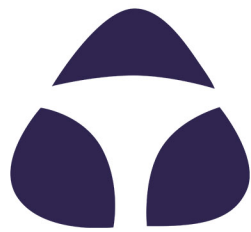


2023  
ANNUAL  
REPORT



**Tri-County Bank**

# MESSAGE FROM THE PRESIDENT

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## To Our Shareholders

On behalf of the board of directors, management team and staff of Tri-County Bancorp (the Company) and its wholly-owned subsidiary, Tri-County Bank (the Bank), we are proud to provide the 2023 annual report.

I am pleased to report that 2023 was another record year for our Company. Here are some key achievements that I would like to note:

- The Company achieved record net income of \$8.26 Million, which was a 4.17% increase over net income of \$7.93 Million in 2022.

- The net loan portfolio grew organically by over \$24.7 million, or just under 7% to \$379.78 Million.
- Credit quality remained pristine across all areas of measurement.
- Paid regular dividends of \$2.08 per share, an increase over the \$1.76 paid in 2022 by over 18%.
- The Company achieved an ROA (Return on Average Assets) of 1.54% and ROE (Return on Average Equity) of 16.61%. Both of these performance measures far exceeded the state and national peer group levels.
- Efficiency ratio for the Bank remains extremely favorable at 48.92% compared with the state average of 72.13%. This ratio indicates it costs the bank .4892 cents to make \$1.00 of income.

Our stable foundation starts with a low cost and less volatile deposit base. With our business model we can focus on relationship accounts for both personal and business customers. We are fortunate to have a well-balanced mix of deposit balances. We have found these accounts to be very stable and committed to the Bank because of our great people, great service and attractive product offerings.

The majority of our deposit base is in accounts with less than \$250,000.00, and we have an extremely low exposure to uninsured deposits. We are a safe and secure place for deposits.

A high-quality loan portfolio is also an important part of our foundation. Credit performance remains exceptional, and we expect the performance of the portfolio to do well even if the economy were to experience a hiccup. While most banks are reporting great credit performance, we believe this is not the time to rest on our laurels. That is why we remain relentless in our focus on staying disciplined in making quality loans and monitoring portfolio performance.

We continue to put a premium on maintaining the highest levels of capital as we believe strong capital enables the Company to perform consistently through business cycles. Our current Tier 1 Capital Leverage Ratio is 11.92%.

# MESSAGE FROM THE PRESIDENT

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While change is constant in our industry, our strongly held belief that the unique business model we possess produces excellent long-term results remains constant as well. Our focus on serving employees, customers, communities and shareholders is unchanged. And we believe that our approach to the banking business keeps us with a competitive advantage over our peers. We are committed to being the leader of choice for main street businesses across our five-county footprint.

The entire Tri-County Bank team did an excellent job in 2023, working together to produce results while implementing and enhancing existing policies, procedures and technologies that will significantly improve service for our customers. We also thank the Tri-County Bank and BanCorp Boards of Directors for their insightful leadership, guidance and commitment to building a great company. And most importantly, we thank our customers for their business and our shareholders for their continued trust.

Sincerely,

A handwritten signature in black ink that reads "Michael A. Ford". The signature is written in a cursive, flowing style.

Michael A. Ford  
President & Chief Executive Officer

**BauerFinancial**  
**Awarded a**  
**5-STAR RATING**  
**for 44 consecutive**  
**quarters!**



**RANKED #3 BY BPR**

Tri-County Bank was ranked 3rd overall of the 76 community banks headquartered in Michigan by BPR, (formally known as Financial Management Consulting Group, FMC). The performance report considers many key factors such as bank size, margin, fee income, efficiency, asset quality and earnings.



**Ranked in the Top 10 by**  
**Bankers Caddy, LLC for nine**  
**consecutive years.**

2015 • 2016 • 2017 • 2018

2019 • 2020 • 2021 • 2022 • 2023

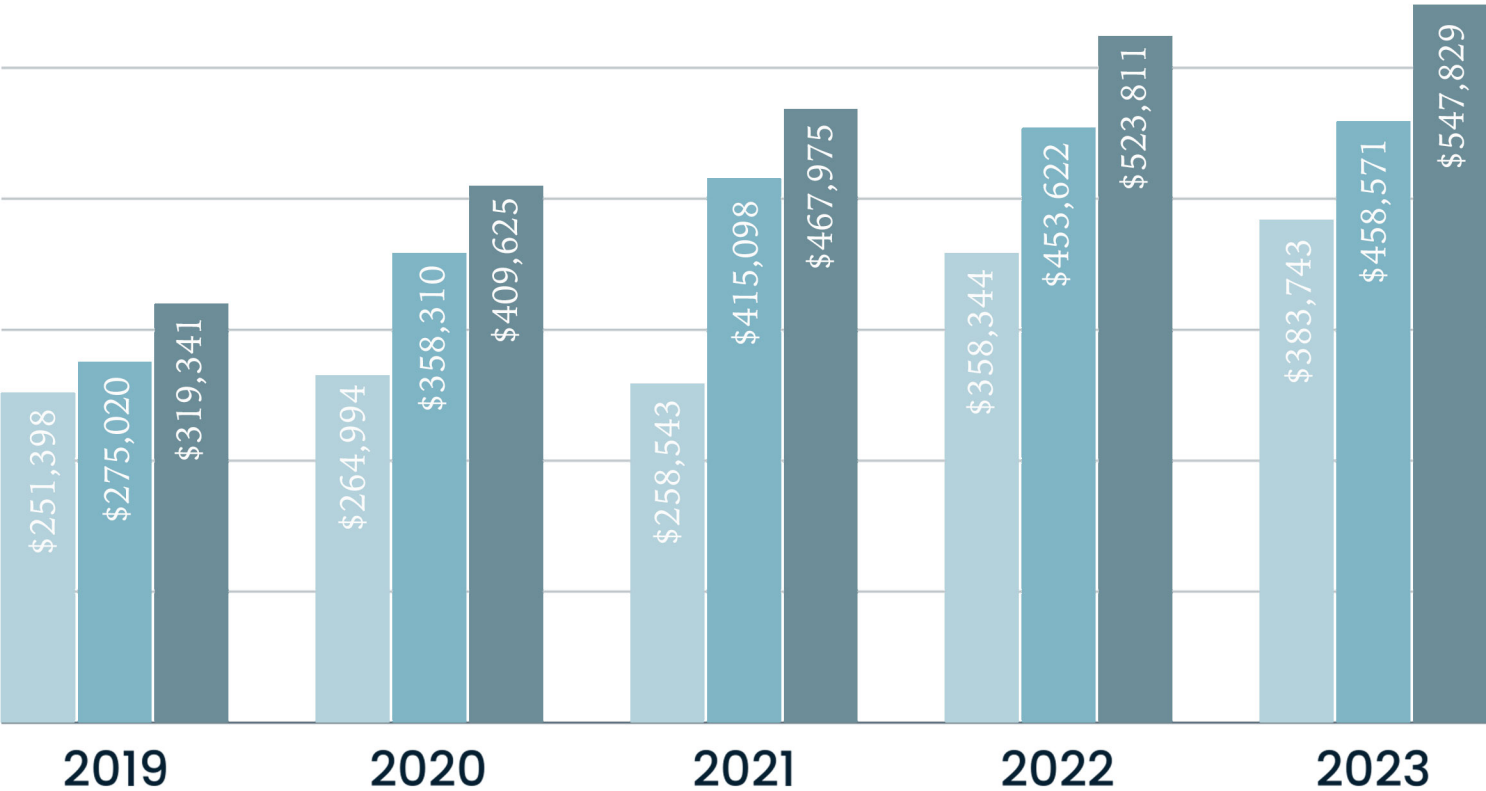


Bankers Caddy, LLC ranks the overall performance of a custom peer group of banks located in Michigan and Ohio. Overall bank performance ranking is calculated by using the percentile rankings for certain ratios representing capitalization, asset quality, earnings, liquidity and growth.

# FINANCIALS

Balance Sheet (Dollars in Thousands)

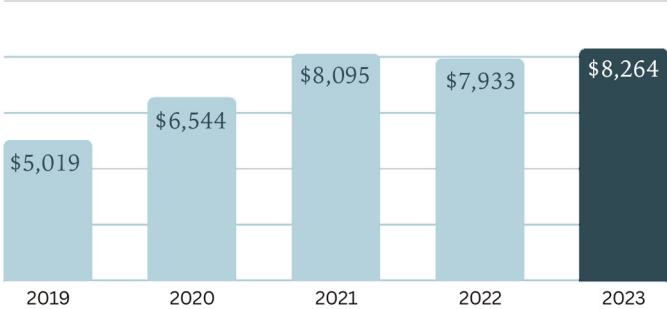
- Gross Loans
- Total Deposits
- Total Assets



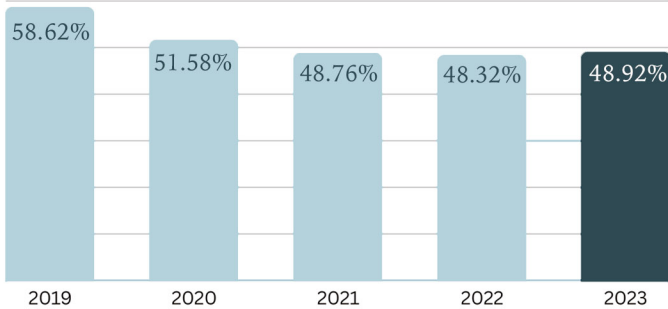
# FINANCIALS

## Net Income

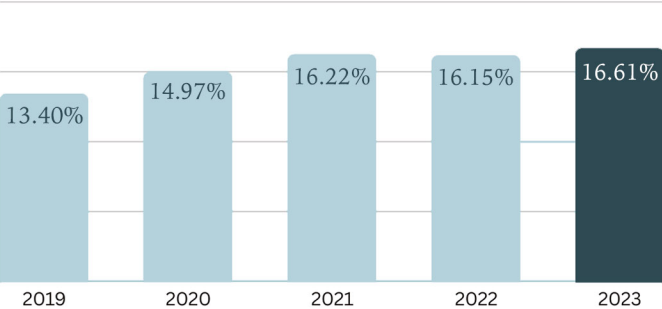
(Dollars in Thousands)



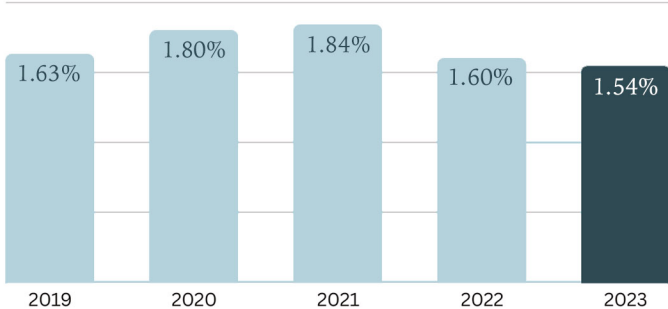
## Efficiency Ratio



## Return on Average Equity



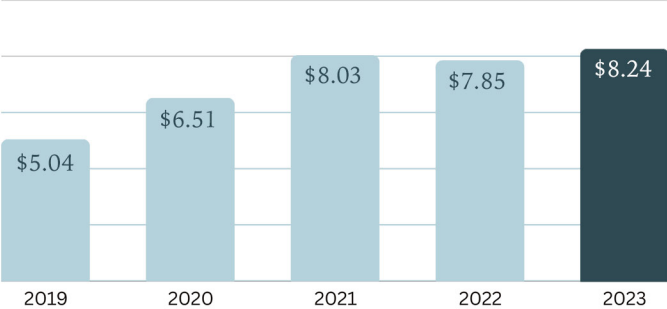
## Return on Average Assets



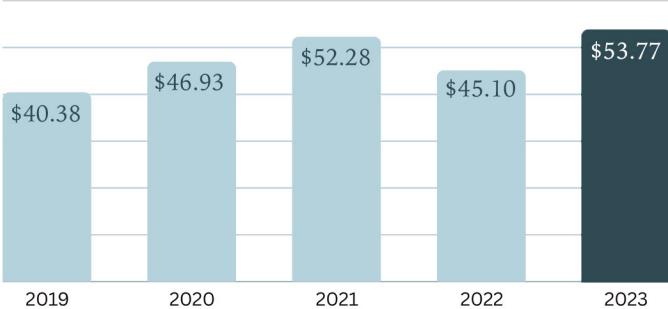
# FINANCIALS

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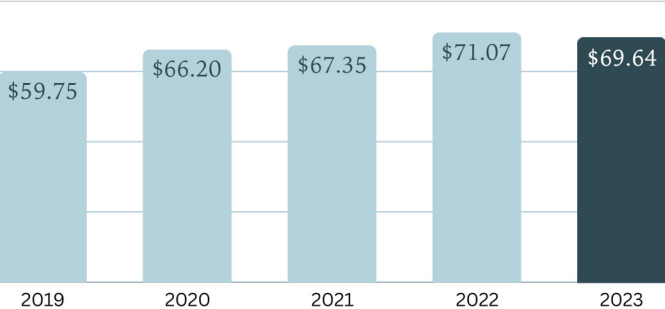
### Earnings Per Share



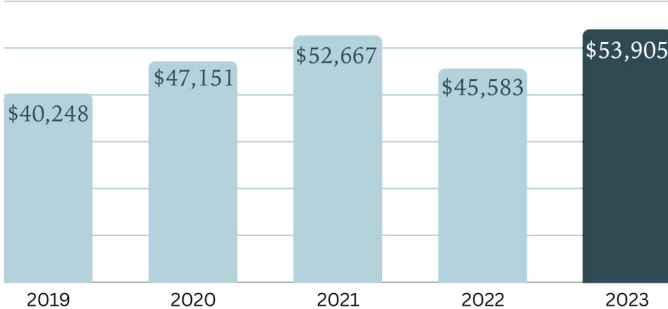
### Book Value Per Share



### Market Price Per Share



### Stockholder's Equity



# FINANCIALS

\$ IN THOUSANDS  
EXCEPT PER SHARE DATA

	2019	2020	2021	2022	2023
<b>RESULTS OF OPERATIONS</b>					
Interest Income	\$ 15,314	\$ 16,899	\$ 18,292	\$ 20,159	\$ 24,937
Interest Expense	1,860	1,428	1,006	1,258	5,644
Net Interest Income	13,454	15,471	17,286	18,901	19,293
Provision for Loan Losses	174	862	331	956	488
Noninterest Income	2,056	3,155	3,124	2,168	1,932
Noninterest Expense	9,092	9,608	9,953	10,181	10,384
Income before Income Taxes	6,244	8,156	10,126	9,932	10,353
Income Tax Expense	1,225	1,612	2,031	1,999	2,089
Net Income	5,019	6,544	8,095	7,933	8,264
<b>PERIOD END TOTALS</b>					
Total Assets	\$ 319,341	\$ 409,625	\$ 467,975	\$ 523,811	\$ 547,829
Gross Loans	251,398	264,994	258,543	358,344	383,743
Allowance for Loan Losses	2,018	2,413	2,827	3,243	3,968
Total Deposits	275,020	358,310	415,098	453,622	458,571
Total Borrowed Funds	3,000	3,000	-	24,000	34,500
Stockholder's Equity	40,248	47,151	52,667	45,583	53,905
<b>PER SHARE DATA</b>					
Earnings Per Share	\$ 5.04	\$ 6.51	\$ 8.03	\$ 7.85	\$ 8.24
Book Value	40.38	46.93	52.28	45.10	53.77
Market Price Per Share*	59.75	66.20	67.35	71.07	69.64
<b>PERFORMANCE RATIOS</b>					
Return on Average Assets	1.63%	1.80%	1.84%	1.60%	1.54%
Return on Average Equity	13.40%	14.98%	16.22%	16.15%	16.61%
Efficiency Ratio	58.62%	51.58%	48.76%	48.32%	48.92%
<b>ASSET QUALITY RATIOS</b>					
Non-Performing Assets/OREO to Loans	0.64%	0.54%	0.25%	0.07%	0.04%
Net Charge-Offs (Recoveries) to Average Loans	0.02%	0.18%	(0.03)%	0.18%	0.06%
Allowance for Loan Losses to Loans	0.80%	0.91%	1.09%	0.91%	1.03%
<b>CAPITAL RATIOS**</b>					
Total Risk-Based Capital	16.48%	***	***	***	***
Tier 1 Risk-Based Capital	15.68%	***	***	***	***
Tier 1 Leverage Capital	12.41%	11.77%	11.26%	11.69%	11.92%

\*Based on last trade through each year end

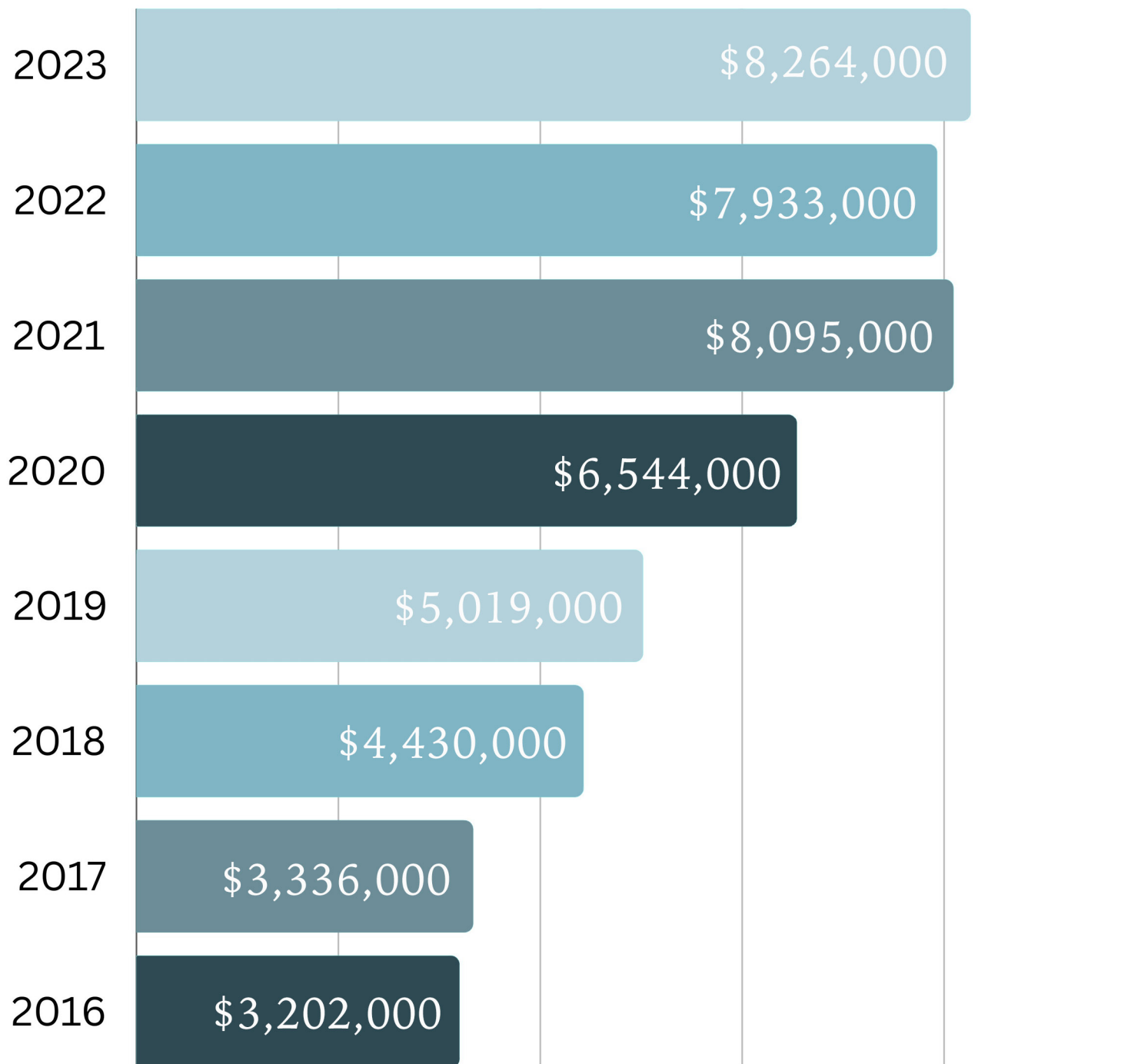
\*\*Indicates ratios attributable to Tri-County Bank

\*\*\*Not required by Community Bank Leverage Ratio Framework



# TRI-COUNTY BANK ANNUAL EARNINGS

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# TRI-COUNTY BANK DIRECTORS



## BOARD OF DIRECTORS

Back Row: Mark Wendt - Vice-Chairman; Jeffrey Liebler - Director; M. Kelly Martin - Director;  
Front Row: Marlene McLeod - Director; Michael A. Ford - Director, President & CEO;  
Francis Glinski - Chairman; Vonda Zuhlke - Director

## BANCORP, INC HOLDING COMPANY BOARD

Timothy Clemens - Director; Aric Crake - Director; Laurence C. Lange II - Chairman;  
Michael A. Ford - Director; Francis Glinski - Director;  
Mark E. Wendt - Vice-Chairman; Vonda Zuhlke - Secretary

## BANCORP OFFICERS

Michael A. Ford - President & Chief Executive Officer  
Vonda Zuhlke - Secretary & Treasurer

## SENIOR MANAGEMENT

Michael A. Ford - President/Chief Executive Officer  
Vonda Zuhlke - Executive Vice President/Chief Operations Officer/  
Information Securities Officer  
Mark Shadley - Senior Vice President/Chief Lending Officer  
Michael Boushelle - Senior Vice President/Chief Financial Officer  
Joseph Worden - Senior Vice President/Business Development Officer  
Kelly Wood - Senior Vice President, Controller & Human Resource Manager

# OUR YEAR IN PHOTOS



# SCHOLARSHIP RECIPIENTS



**Gavin Lloyd**  
ALMONT HIGH SCHOOL



**Peyton Prowse**  
BROWN CITY HIGH SCHOOL



**Joseph Burgess**  
BROWN CITY HIGH SCHOOL



**Paul Camire**  
CAPAC HIGH SCHOOL



**Tiffany Guerrero**  
KINGSTON HIGH SCHOOL



**McKenzie Taylor**  
KINGSTON HIGH SCHOOL



**Ava Wilkinson**  
MARLETTE HIGH SCHOOL



**Bailey Gormley**  
NORTH BRANCH HIGH SCHOOL



**Annika Beaver**  
PECK HIGH SCHOOL



**Ella Chomas**  
ROMEO HIGH SCHOOL



**Sydney Beatty**  
SANDUSKY HIGH SCHOOL



**James Horvath**  
YALE HIGH SCHOOL

# DONATIONS THROUGHOUT THE YEAR

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- 2023 Project RED Donation - Tuscola Co
- 40 mile cancer walk
- Almont Athletic Boosters
- Almont Kiwanis
- Almont Schools
- Annual Hog Town Run 2023
- Annual Hospice Luncheon
- Armada Education Foundation
- BCCHS Baseball/Softball
- BCCHS Robotics Team
- Brown City Chamber of Commerce
- Brown City Days Festival
- Brown City District Library
- Brown City Fire Dept
- Brown City High School
- Brown City Rotary
- Bruce Twp Cemeteries
- Capac Classmates
- Capac Schools
- Capac Summer STEAM
- Disc Golf for a Cause
- Emmett Little League
- Eva's Place Donation
- Fellowship Bible Easter Egg Hunt
- Four County Community Foundation
- Good Samaritan Awards
- Goodtimers
- Greater Romeo-Washington Chamber
- Imlay City Bowling Schools
- Imlay City Chamber of Commerce
- Imlay City Christian School
- Imlay City Girls Basketball
- Imlay City Girls Softball League
- Imlay City Project Graduation
- Imlay City Schools
- Imlay City Summer Fest
- Kingston Schools
- Kiwanis Club Romeo
- Knights of Columbus #4556
- Lapeer Chamber
- Lapeer County Fair
- Lenox Twp Firefighters - Shop with a hero
- Marlette Chamber of Commerce
- Marlette Sports Boosters
- McKenzie Health Systems
- MI Corn Growers Association
- Michigan Folds of Honor
- Mid-Thumb Bowmen Youth
- MRH
- NB Knights of Columbus
- North Branch Area Business Association
- North Branch Football - Military Game Sponsor
- North Branch Harvest Moon Festival
- North Branch Project Graduation
- North Branch Winter Fest
- Northern Macomb Chamber
- Peck football program
- Peck Schools
- Peck Shamrock Shoot Out
- Peck Sons of American Legion
- Richmond Rotary Foundation
- Romeo Foundation for Educational Excellence
- Romeo Goodfellow Association
- Romeo Historical Society
- Romeo Kiwanis
- Romeo Lions Peach Festival
- Samaritan House/Sharing Tree
- Sandusky yearbook
- Sanilac 4H Ag Society
- Sanilac Co Dairy Banquet
- Sanilac county career center
- Sanilac County Fair
- Sanilac County Youth & 4H Fair - Large Animal Sweepstakes
- SS Peter and Paul
- St. Clair County Fair
- Starkweather Art Center
- The Romeo Rotary Club
- Thumb Area Legion
- Tuscola County Fair
- VFW Aux Post 2052
- Village of Peck
- Wheelin Team 457
- Yale Area Football League
- Yale Chamber - Yale Bologna Festival
- Yale Football Team
- Yale Lions Club
- Yale Schools
- Yale Schools Basketball

# EMPLOYEE MILESTONES

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Vonda Zuhlke  
35 YEARS



Eric Bucklew  
25 YEARS



Abby Hunter  
20 YEARS



Kelly Wood  
20 YEARS



Candy Graham  
15 YEARS



Teresa Lofton  
15 YEARS



Alby Krol  
10 YEARS



Emily Losinski  
10 YEARS



Michael Boushelle  
5 YEARS



Matt Voydanoff  
5 YEARS

Thank you for your  
hard work  
and dedication!

# TRI-COUNTY BANK MANAGEMENT

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Michael A. Ford .....*President, Chief Executive Officer*  
Vonda Zuhlke.....*EVP, Chief Operations Officer, Information Security Officer*  
Michael G. Boushelle.....*SVP, Chief Financial Officer*  
Mark Shadley.....*SVP, ERM Officer, Chief Lending Officer*  
Kelly Wood.....*SVP, Controller, Human Resource Manager*  
Joseph Worden.....*SVP, Business Development Officer*  
Blair Christner.....*VP, Branch Administrator*  
Eric Bucklew.....*VP, Information Technology Officer*  
Paul Burgess.....*VP, Sr. Agricultural Loan Officer, Security Officer*  
Maria Fleisher.....*VP, Assistant Chief Operations Officer*  
Kimberly Hurley.....*VP, Romeo Manager*  
Kendra Jickling.....*VP, Marlette Manager*  
Peggy Kalbfleisch.....*VP, BSA/OFAC/AML/CIP Officer*  
Frederick Manuilow.....*VP, Commercial, Agricultural Loan Officer*  
Jennifer Vanecek.....*VP, Senior Mortgage Lender*  
Stacy Biel.....*AVP, Assistant Network Administrator*  
Karen Crews.....*AVP, Loan Documentation Manager*  
Sheryl Cribbins.....*AVP, Peck Manager*  
Gavin Frederick.....*AVP, Commercial, Agricultural Loan Officer*  
Tara Gordon.....*AVP, Almont Manager*  
Abigail Hunter.....*AVP, Compliance Officer, IRA/HSA Administrator*  
Louann Krzak.....*AVP, Yale Manager*  
Emily Losinski.....*AVP, Auditor*  
Jared McPhail.....*AVP, Lead Credit Analyst, Business Development Officer*  
Chad Stoldt.....*AVP, Commercial Loan Officer*  
Jill Bahrke.....*North Branch Manager*  
Jenny Gingell.....*Brown City Manager*  
Lori King.....*Kingston Manager*  
Cara Schwartz.....*Imlay City Manager*  
Matt Voydanoff.....*Capac Manager*  
MaryLou Jacobs.....*Collections Manager*  
Jolene Harding.....*FHLMC Custodial Accounting*

# LOCATIONS

