



MI BANCORP, INC.
ANNUAL REPORT



BANCORP

Executive
Management



Thomas Dorr (L)
Chief Financial Officer &
Chief Operating Officer

Robert Farr (M)
Chairman &
Chief Executive Officer

Jenny Meier (R)
President

Dear Fellow Shareholders,

Thank you for your continued support of Mi BANK. Considering the recent news within the banking industry, we could not think of a better time to share with you our strong financial results for 2022 and how well-positioned we are for the years to come. Our strength and stability was recently acknowledged by BauerFinancial, the most well-respected independent bank rating provider in the United States. We received their highest rating - 5 Stars, which indicates Mi BANK operates at a "Superior" level and is ranked amongst the best banks in the nation.

Your investment to support a locally owned and managed bank, focused on our community, is more important than ever. In 2022 Mi BANK exceeded \$200 million in assets, generated loan growth of 28% and reported our second consecutive year of profitability - all while navigating through the Federal Reserve's aggressive interest rate increases. Our growth is the result of our continued effort to provide commercial loans and cash management solutions to local business owners. The ability for our clients to connect in person with one of our bankers who understands the community and can customize solutions to help navigate their unique circumstances, has been our differentiator. Included in our annual report are examples of clients who were happy to share their personal stories.

Mi BANK is well-capitalized with a healthy and diverse portfolio of loans and deposits, all while maintaining a strong liquidity position. The safety and soundness of Mi BANK is our utmost priority. Looking ahead to 2023, we continue to seek ways to simplify the banking process for our clients by leveraging technology. Technology continues to be a big part of our business model, as it provides efficiencies, enhanced security, and cost savings for our clients.

Hopefully these highlights remind you of why you invested in Mi BANK - a bank that is steadfast and focused on delivering an efficient banking experience for the local community, with a high level of personalized service. If you have not given us a try, we encourage you to do so - when you bank local, your dollars stay local.

Sincerely,

Jenny Meier
President

Rob Farr
Chairman & CEO

Mi BANK Client Profile

COURT4



L-R: Kendall Wrigley, Paul Boisi, Don Marcolini, Marella Diakonov



A Vision Becomes A Game Changer

Tennis anyone? Well, thanks to a lot of hard work and not taking no for an answer, there is Court4, a world-class facility in Detroit. It all started when two New Yorkers, Kendall Wrigley and Paul Boisi, returned to their roots in Michigan. The husband-wife team had a clear vision for the facility, and began looking for some backing. And looking. And looking...

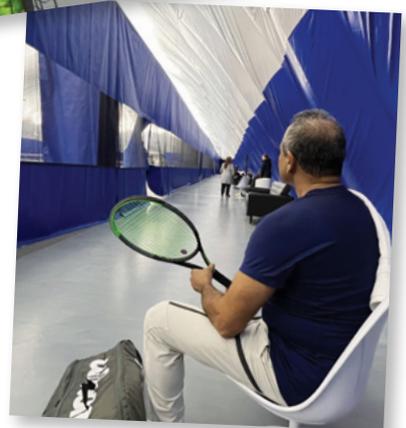
“...we figured there had to be a bank somewhere that would listen.”

-Kendall Wrigley
Co-owner, Court4

“Banks kept turning us down because we had no business history,” says Kendall, “But we figured there had to be a bank somewhere that would listen.” Mi BANK did listen. And we agreed that Kendall and Paul, along with partners Don Marcolini and Marella Diakonov, were really on to something. The closing process sailed through in less than 30 days. However, there were some challenges along the way...

“Halfway through the construction, the dome structure collapsed, and we were back to square one,” said Paul. But not ones to be easily sidelined, the ever-positive couple used the rebuild as an opportunity to add some upgrades.

Today, Court4 currently has 700 members, ranging from casual enthusiasts to top competitors. And just recently, they added another popular racquet game to their activity menu. Pickleball, anyone?





Mi BANK Client Profile

DAVE'S HOT CHICKEN

L-R: Michael Ansley, Sean Lilley, Howard Schwartz

Putting The Colonel On Notice

It was by no means the first chicken-based enterprise Michael Ansley had seen. After all, they're everywhere these days. But he saw something special in this one, a young company in California called Dave's Hot Chicken. "Everything from its less-is-more menu, to its aggressively creative marketing told me that this would be a hit here in Michigan." He says, "To me, it was a no-doubter."

"Everything... told me that this would be a hit here in Michigan."

-Michael Ansley
Franchise owner, Dave's Hot Chicken

Obviously, Michael knows the Great Lakes State as much as he does great food ideas, because he has purchased franchise rights for Dave's, and it's taking off like a chicken with - well, you get the idea.

Michael is an entrepreneur with extensive restaurant experience, and he goes all-in when he sees an opportunity. He wasted little time assembling a like-minded team that includes Sean Lilley, Howard Schwartz and Aaron VanKuren.

After partnering with Mi BANK, the team began opening locations in Dearborn, Howell, Troy, and Warren, with plans for more in the near future. They're also making sure it's a great place to work. The comprehensive training, above-average wages and profit sharing programs feel more "career" than "job." And judging by its early success, this Dave's Hot Chicken already has a leg up on its Michigan competitors. Or if you prefer, a wing up.



Mi BANK Client Profile

3MISSION DESIGN



SUCCESS Takes The Stage

The Detroit Public Theater is widely praised for both its architectural and cultural importance. Mi BANK is proud to have played a starring role in restoring this iconic midtown building to its original vibrant glory.

The ornate structure was once a venue for various businesses. In fact, when our Ann Arbor based client 3Mission Design asked us to back their restoration initiative, the building was being used as a storage facility. But that, as they say, was then. Now, instead of *being* history, The Detroit Public Theater is *making* it.

“The artistic significance it brings to the community is a success that cannot be measured.”

-Rob Farr
Chairman and CEO, Mi BANK

Currently in its eighth season, The DPT continues to produce nationally recognized plays that showcase an A-list of world-class writers, directors, designers and actors. It is recognized for bold, relevant work that illuminates the thrills, joys and challenges of the shared human experience. And it is a rare performance that doesn't fill every seat in the house.

“As a bank, we often measure success in terms of return on investment,” said Rob Farr, CEO of Mi BANK. “And The Detroit Public Theater clearly succeeds by all such calculations. But beyond that, the artistic significance it brings to the community is a success that cannot be measured. We understand that, and we will continue to enthusiastically support the arts in the communities we serve.”





Mi BANK President Jenny Meier (L) presenting a sponsorship to the Warren Jets Youth Football Team.

Our Commitment to **Our Community**

At Mi BANK, giving back to our community is more than just a corporate responsibility, it's part of our core values. We believe in the power of partnering with local organizations to make a difference where it matters most. We are honored to have supported a diverse range of organizations that are making a positive impact in our community, including the **Chaldean Chamber of Commerce, Birmingham Bloomfield Art Center, Angels Place, Impact 100, Rags Remembered, Lathrup Village Lions, MIRA, Crossroads Care Center, Baldwin Society, Warren Jets, Sanctum House, and Tri-County Community Coalition.**

Moving forward, we are committed to exploring new opportunities to contribute to the betterment of our community.



*In 2022, we proudly supported the **Warren Jets Youth Football Team**, an organization that inspires young athletes to build character, self-confidence, and a sense of community, by sponsoring their trip to a tournament in Kentucky over the Thanksgiving holiday.*



Mi Bancorp, Inc. 2022 Financial Summary

Operating highlights:

- Reported full year net income of \$112,780
- 2022 was our second consecutive year of profitability
- Experienced strong growth in Net Interest Income and expansion in core margin
- Maintained operating efficiency and lowered expense ratio
- Total assets exceeded \$200 million, increasing 70% since 2020
- Loan Portfolio Performance:
 - Total loans of \$144.0 million at year end, an increase of 27.7%
 - Generated \$39.2 million in core loans (Excluding PPP)
- Total deposits of \$180.2 million, an increase of \$15.9 million
- Strong capital position, significantly above regulatory requirements
- Modest accretion in Adjusted Book Value for 2022
- Improved balance sheet structure - diversified customer base
- Robust liquidity position and attractive deposit profile
- Received a 5-star rating from BauerFinancial

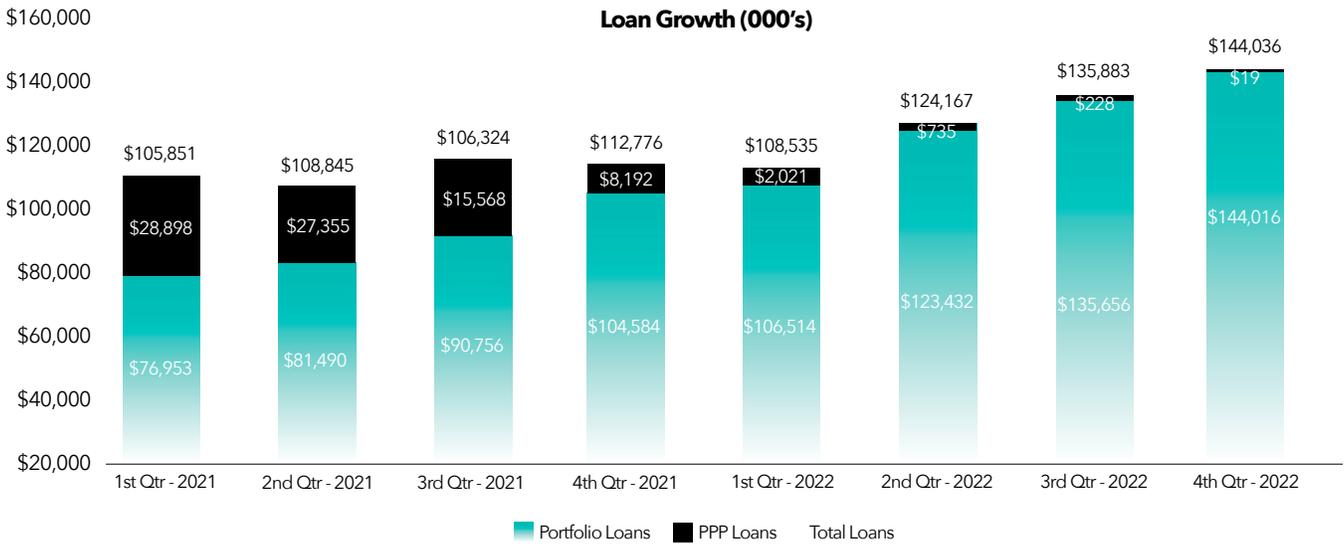
Mi Bancorp, Inc.
Consolidated Balance Sheet
(unaudited)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>ASSETS</u>		
Cash and due from banks	\$ 41,197,802	\$ 59,803,152
Investment Securities	17,898,751	15,661,095
Total Loans	144,035,542	112,776,417
Less: Allowance for loan loss	<u>1,895,000</u>	<u>1,420,000</u>
Net Loans	142,140,542	111,356,417
Premises and equipment	617,347	744,860
Other Assets	<u>1,926,203</u>	<u>735,358</u>
Total Assets	<u>\$ 203,780,645</u>	<u>\$ 188,300,882</u>
<u>LIABILITIES</u>		
Deposits		
Non Interest-bearing	43,926,692	63,334,749
Interest-bearing	<u>136,300,098</u>	<u>101,019,096</u>
Total Deposits	180,226,790	164,353,845
Borrowings	-	-
Other liabilities	<u>1,779,495</u>	<u>660,851</u>
Total Liabilities	182,006,285	165,014,696
<u>SHAREHOLDERS' EQUITY</u>		
Common Stock, \$0.01 par value		
Authorized - 10,000,000		
Issued and outstanding -		
3,047,900 at December 31, 2022 and		
3,032,100 at December 31, 2021	30,479	30,321
Additional paid in capital	28,757,438	28,624,308
Accumulated deficit	(5,167,894)	(5,280,674)
Accumulated other comprehensive loss	<u>(1,845,663)</u>	<u>(87,769)</u>
Total shareholders' equity	<u>21,774,360</u>	<u>23,286,186</u>
Total liabilities and shareholders' equity	<u>\$ 203,780,645</u>	<u>\$ 188,300,882</u>

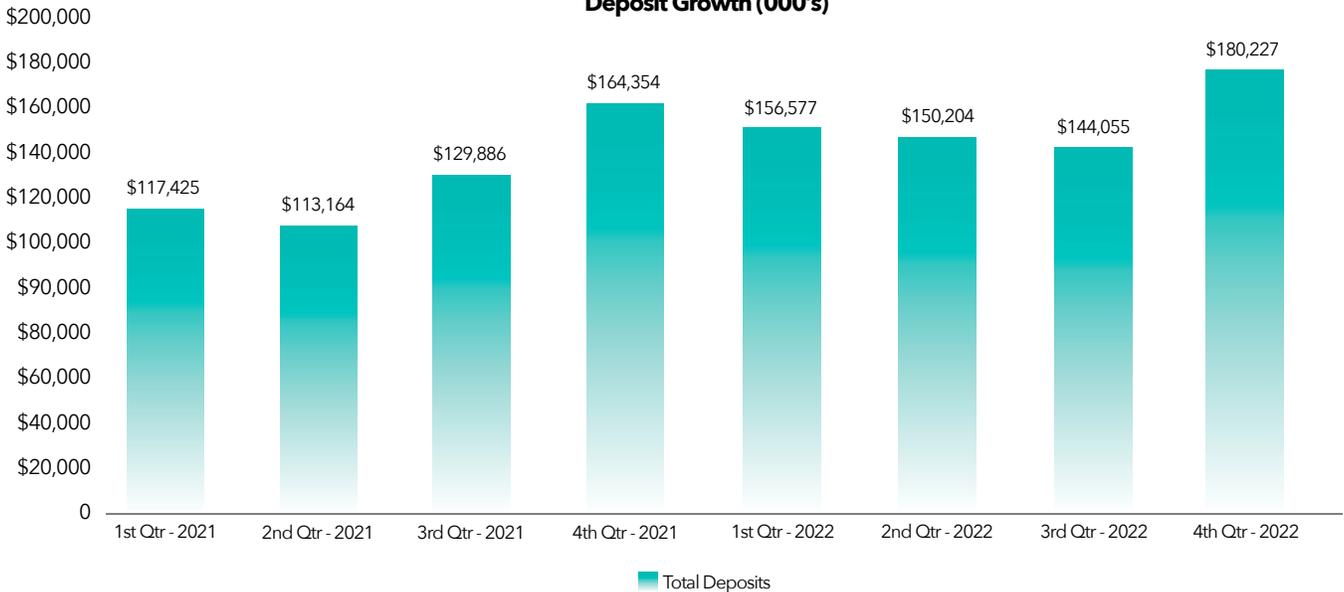
Asset Growth (000's)



Loan Growth (000's)



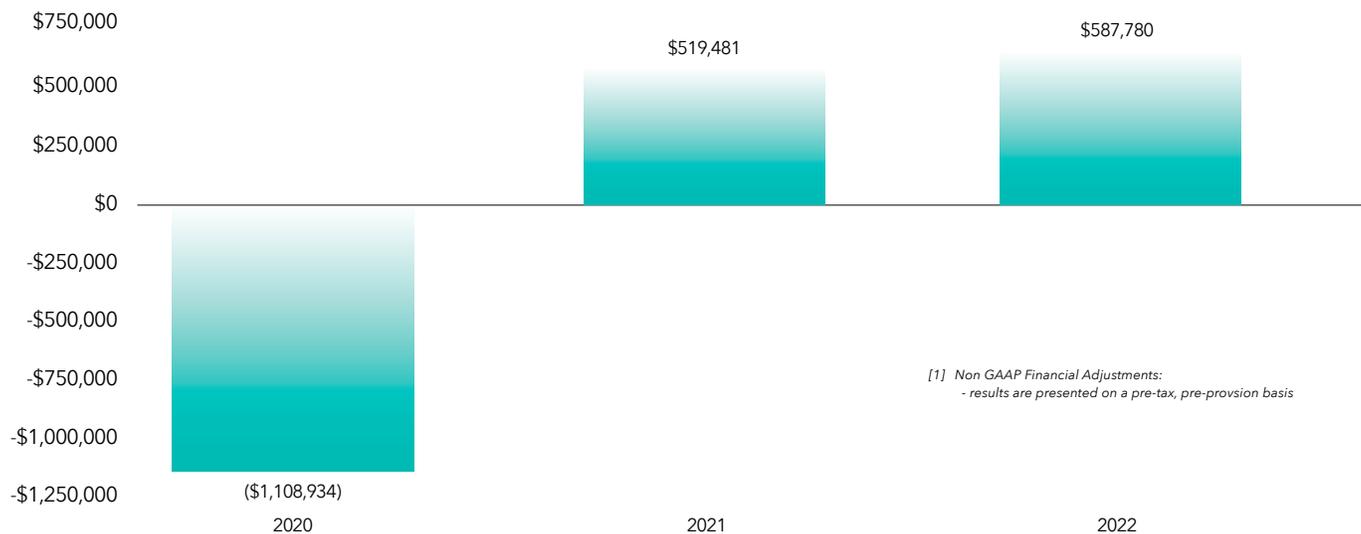
Deposit Growth (000's)



Mi Bancorp, Inc.
Consolidated Statement of Income
For the year ended December 31
(unaudited)

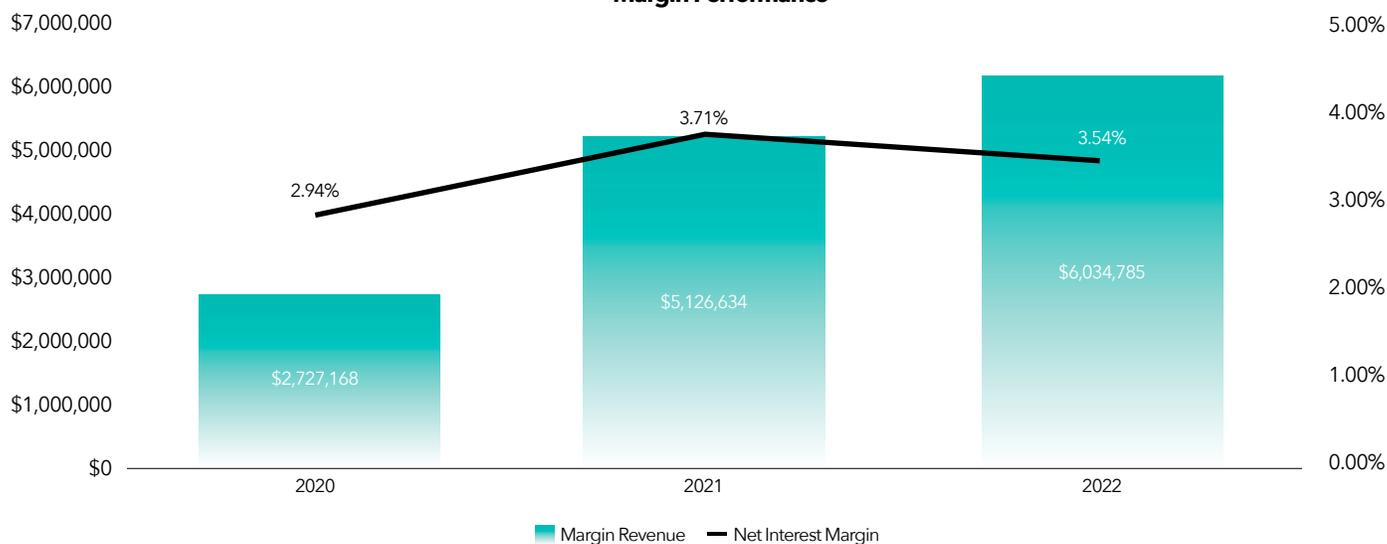
	<u>2022</u>	<u>2021</u>
<u>INTEREST INCOME</u>		
Interest and fees on loans	\$ 5,959,992	\$ 5,363,694
Investment securities	297,144	41,293
Interest on federal funds and bank balances	424,551	40,125
Total Interest Income	<u>6,681,687</u>	<u>5,445,112</u>
<u>INTEREST EXPENSE</u>		
Interest on deposits	<u>646,902</u>	<u>318,478</u>
Net Interest Income	6,034,785	5,126,634
Provision for loan losses	475,000	505,000
Net Interest Income After Provision for Loan Losses	<u>5,559,785</u>	<u>4,621,634</u>
<u>NON-INTEREST INCOME</u>		
Service charges on deposit accounts	54,325	28,184
Mortgage banking activities	75,183	181,015
Other income	53,945	69,907
Total Non-Interest Income	<u>183,453</u>	<u>279,106</u>
<u>NON-INTEREST EXPENSE</u>		
Salaries and employee benefits	3,351,546	2,917,008
Occupancy and equipment expense	458,846	452,109
Advertising and marketing	68,869	105,404
Data processing	442,638	391,433
Professional fees	504,301	364,110
Other expenses	804,258	656,195
Total Non-Interest Expense	<u>5,630,458</u>	<u>4,886,259</u>
Net Income Before Income Taxes	112,780	14,481
Income tax expense	-	-
Net Income	<u>\$ 112,780</u>	<u>\$ 14,481</u>
Income per share	\$ 0.04	\$ 0.00

Net Income (Loss) ^[1] (Adjusted)



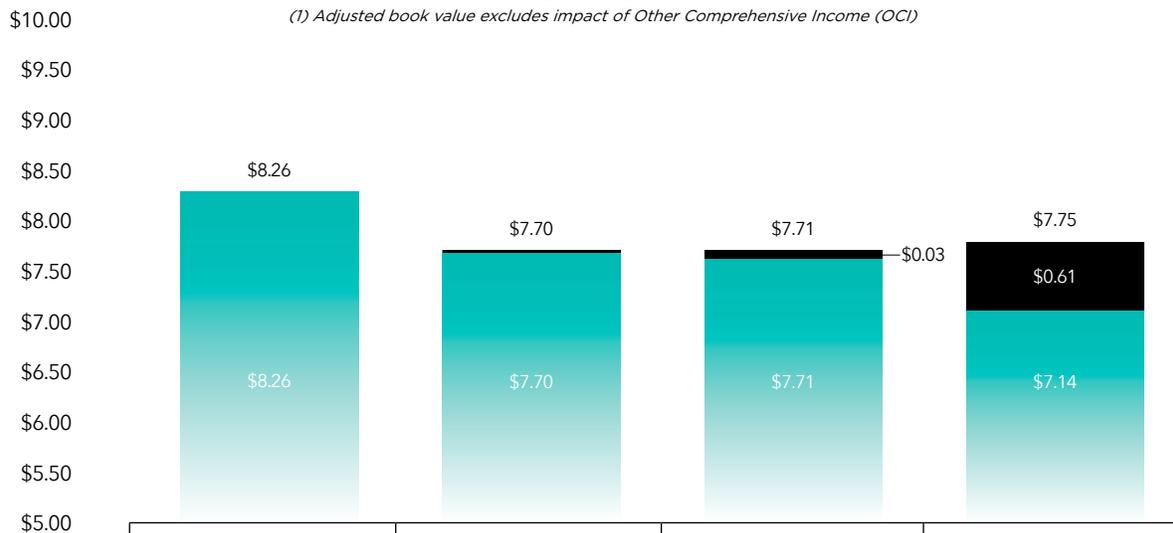
[1] Non GAAP Financial Adjustments:
- results are presented on a pre-tax, pre-provision basis

Margin Performance



Book Value

(1) Adjusted book value excludes impact of Other Comprehensive Income (OCI)



	2019	2020	2021	2022
OCI Impact	\$(0.00)	\$0.00	\$0.03	\$0.61
Book Value	\$8.26	\$7.70	\$7.68	\$7.14
Book Value - Adj. (1)	\$8.26	\$7.70	\$7.71	\$7.75

Board of Directors

Robert Farr, Chairman
Warren Rose, Lead Director
Matt Agnone
Gene Dixon
Steve Gross
Mary Kramer
Mary Miller
Dan O'Donnell
Eric Oppenheim
John Rakolta, III
Lauren Rakolta
Deborah Schneider
Peter Schwartz
Jim Simone
Mike Stines
Timothy Trenary
David Van Elslander
Annie VanGeldereren
John Williamson
Brandon Yarckin

Executive Management

Robert Farr
Chairman & Chief Executive Officer
Jenny Meier
President
Thomas Dorr
Chief Financial Officer
& Chief Operating Officer

Corporate Information

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Bloomfield Hills, MI 48301
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Transfer Agent

Continental Stock Transfer and Trust Co.
1 State Street, 30th Floor
New York, NY 10004-1561
212-509-4000

Independent Auditor

Doeren Mayhew
CPAs and Advisors
305 West Big Beaver Road - Suite 200
Troy, MI 48084

Market Maker

D.A. Davidson & Co.
3773 Attucks Drive
Powell, OH 43065
800-394-9230

