


2023

MI BANCORP, INC.

ANNUAL  
REPORT



Matthew Agnone  
Chairman of the Board

**Dear Fellow Shareholders,**

I hope this letter finds you in good health and high spirits. It is no secret that over the course of 2023, the banking industry as a whole faced numerous significant pressures. From the collapse of several large financial institutions, to navigating an elevated interest rate environment, along with increasing conflicts on the world stage, 2023 was a year to remember. Despite these challenges, our ability to swiftly and responsibly react propelled Mi BANK to a successful year and put us in a position of strength moving forward.

In 2023, Mi BANK experienced significant growth as total assets exceeded \$236 million, portfolio loans totaled \$171 million, and deposits reached \$212 million. This production helped generate record net income of \$576k. We ended the year continuing to be well capitalized with a strong liquidity position. These results are a testament to our dedicated team who have worked tirelessly to guide our bank through choppy waters. I want to personally thank each and every one of our team members who dedicated their energy toward the success of our bank day in and day out. Thank you.

During the fall we successfully completed our leadership transition plan. Jenny Meier was promoted to President and CEO, and I was elected Chairman of the Board. Jenny and Tom Dorr, our COO and CFO, have been critical members of our executive management team since the bank's inception, and are important components of the future success of Mi BANK. Together we are excited to lead Mi BANK into the future and build on the progress we have made.

Looking to 2024, we are optimistic, energized and remain dedicated to our core mission. We are focused on expanding our organic loan portfolio and continuing to enhance the customer experience through digital transformation. Our success is driven by our bankers, who combine superior customer service with personalized banking solutions. If 2023 taught us anything, it's that banks rooted in their community play a vital role in the economic success of local businesses and the areas they serve. As a result, our vision remains steadfast: Mi BANK is a business bank built for business owners. I hope these highlights provide you with a sense of pride, as these results would not be possible without your investment and support. We remain committed to creating long-term value for your investment and thank you for being part of our journey. If I can be of assistance to any of you, please feel free to contact me anytime at (313) 510-7361.

Thank you for your continued support.

Very truly yours,



Matthew Agnone  
Chairman of the Board



**Thomas Dorr**  
Chief Financial Officer &  
Chief Operating Officer

**Jenny Meier**  
President &  
Chief Executive Officer

## **Mi Bancorp, Inc.** **2023 Financial Summary**

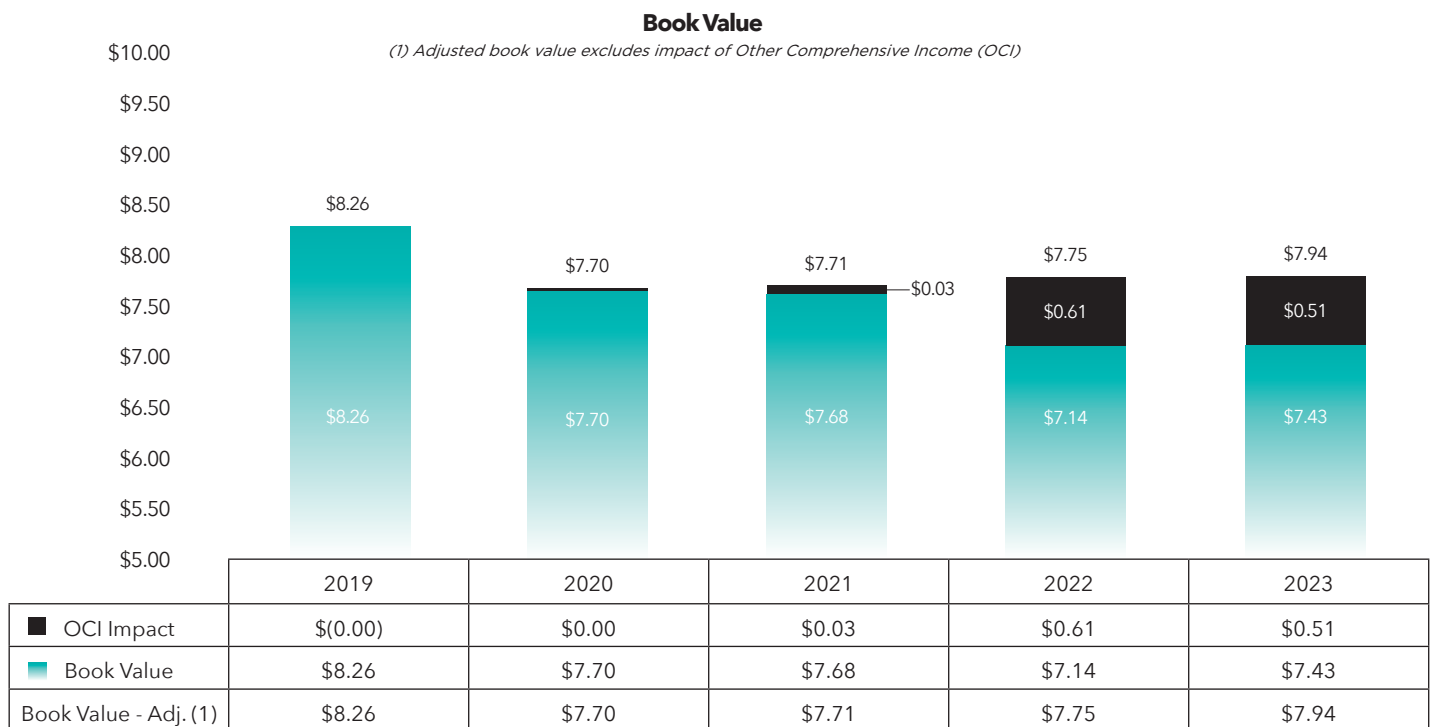
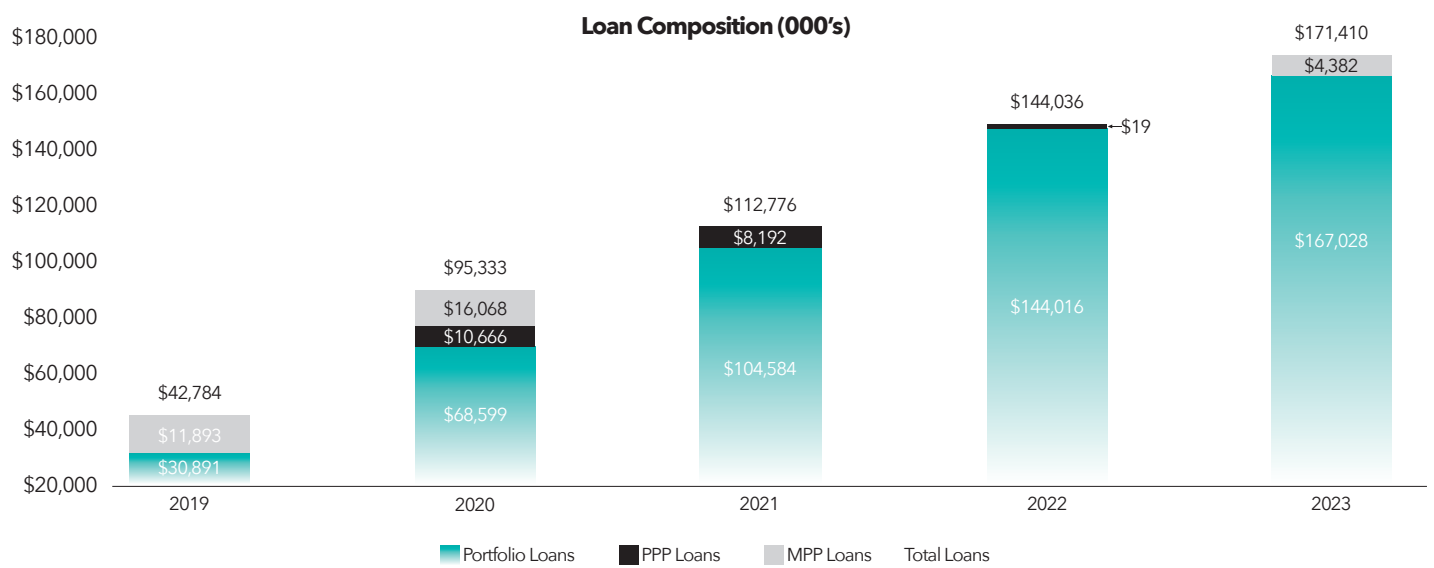
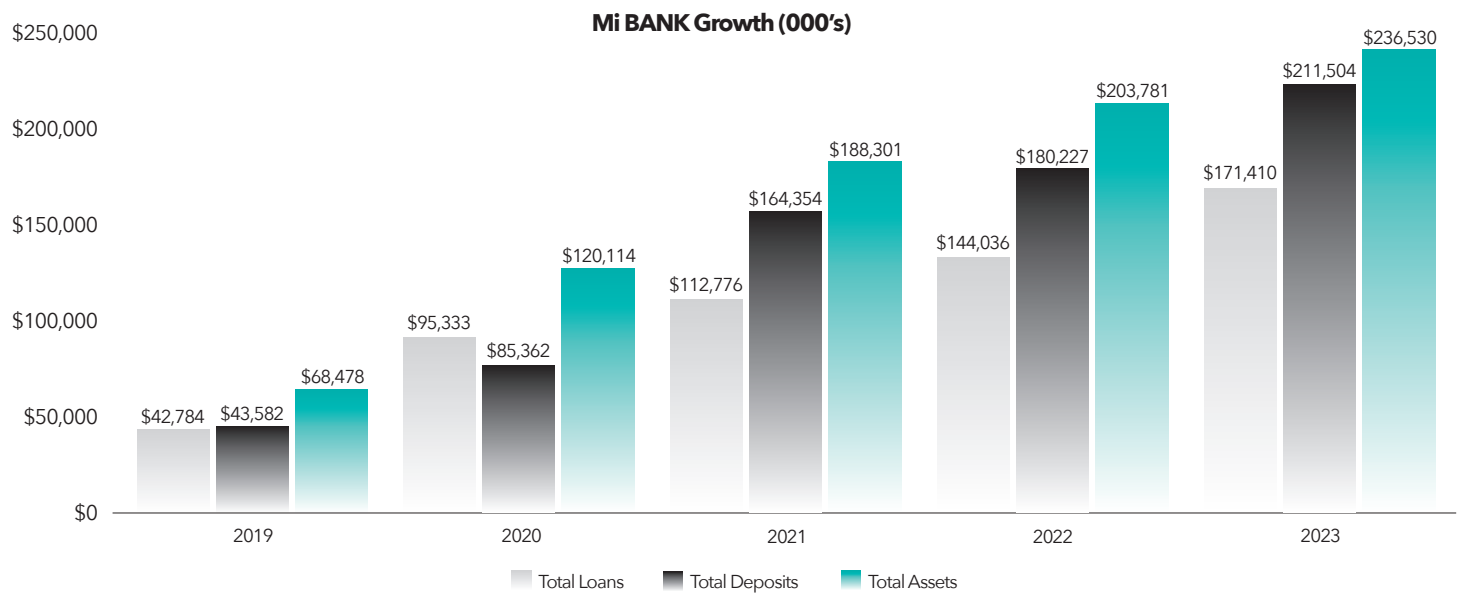
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### Operating highlights:

- Reported consolidated, full year net income of \$576,019 or \$0.19 per common share
- 2023 produced record earnings and was the third consecutive year of improved profitability
- Net Income Summary:
  - Modest increase in net interest income
  - Experienced margin compression due to higher deposit costs
  - Limited non-interest income production given dynamic rate environment
  - Increase in total operating costs, significant portion is related to executive management transition and severance related costs
  - Recognized one-time, tax benefit totaling \$1.045 million
  - Core results on an adjusted basis represents the Bank's best full year performance
- Total assets were \$236.5 million at December 31, 2023, annualized increase of 16.0%
- Loan Portfolio Performance:
  - Total loans of \$171.4 million at year end, increase of 19.0%
  - Generated \$23.1 million in net core loan growth
  - No remaining PPP loans
- Deposits increased \$31.3 million, total balance of \$211.5 million at December 31st
- Strong capital position, exceeds regulatory requirements
- Accretive performance, Book value of \$7.43
- Improved deposit profile and liquidity position; greater coverage of uninsured balances

**Mi Bancorp, Inc.**  
**Consolidated Balance Sheet**  
(unaudited)

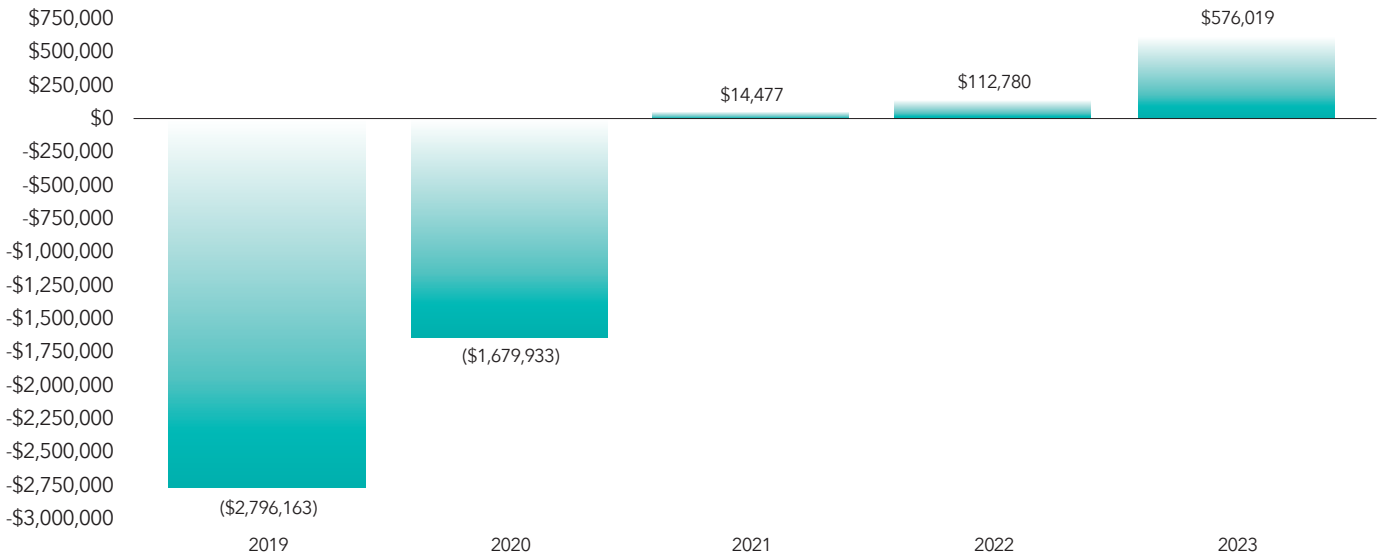
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<b><u>ASSETS</u></b>		
Cash and due from banks	\$ 46,950,774	\$ 41,197,802
Investment Securities	16,139,651	17,898,751
Total Loans	171,410,302	144,035,542
Less: Allowance for loan loss	<u>1,970,000</u>	<u>1,895,000</u>
Net Loans	169,440,302	142,140,542
Premises and equipment	455,908	617,347
Other Assets	<u>3,543,642</u>	<u>1,926,203</u>
<b>Total Assets</b>	<b><u>\$ 236,530,277</u></b>	<b><u>\$ 203,780,645</u></b>
<b><u>LIABILITIES</u></b>		
Deposits		
Non Interest-bearing	\$ 33,192,448	\$ 43,926,692
Interest-bearing	<u>178,311,596</u>	<u>136,300,098</u>
Total Deposits	211,504,044	180,226,790
Borrowings	-	-
Other liabilities	<u>2,218,015</u>	<u>1,779,495</u>
<b>Total Liabilities</b>	213,722,059	182,006,285
<b><u>SHAREHOLDERS' EQUITY</u></b>		
Common Stock, \$0.01 par value		
Authorized - 10,000,000		
Issued and outstanding -		
3,067,900 at December 31, 2023 and		
3,047,900 at December 31, 2022	30,697	30,479
Additional paid in capital	28,941,272	28,757,438
Accumulated deficit	(4,591,878)	(5,167,894)
Accumulated other comprehensive loss	<u>(1,571,873)</u>	<u>(1,845,663)</u>
<b>Total shareholders' equity</b>	<u>22,808,218</u>	<u>21,774,360</u>
<b>Total liabilities and shareholders' equity</b>	<b><u>\$ 236,530,277</u></b>	<b><u>\$ 203,780,645</u></b>
<b>Book Value</b>	\$ 7.43	\$ 7.14



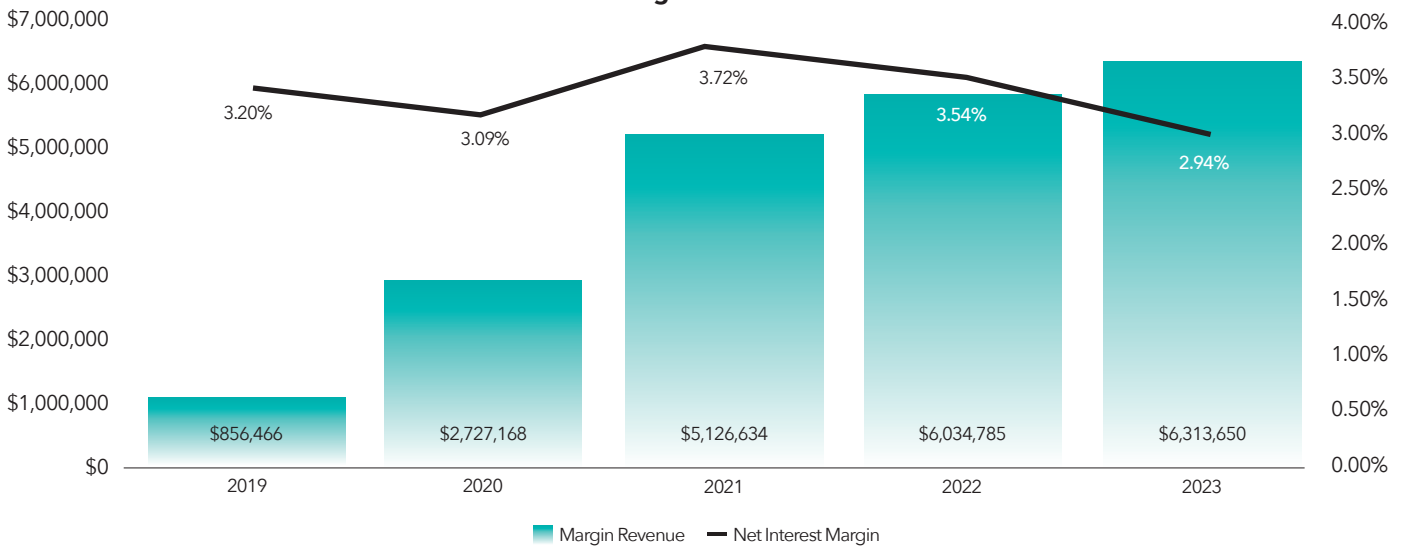
**Mi Bancorp, Inc.**  
**Consolidated Statement of Income**  
**For the year ended December 31**  
(unaudited)

	<u>2023</u>	<u>2022</u>
<b><u>INTEREST INCOME</u></b>		
Interest and fees on loans	\$ 8,939,857	\$ 5,959,992
Investment securities	320,180	297,144
Interest on federal funds and bank balances	<u>1,902,257</u>	<u>424,551</u>
<b>Total Interest Income</b>	<b>11,162,294</b>	<b>6,681,687</b>
<b><u>INTEREST EXPENSE</u></b>		
Interest on deposits	<u>4,848,644</u>	<u>646,902</u>
<b>Net Interest Income</b>	<b>6,313,650</b>	<b>6,034,785</b>
Provision for loan losses	<u>235,000</u>	<u>475,000</u>
<b>Net Interest Income After Provision for Loan Losses</b>	<b>6,078,650</b>	<b>5,559,785</b>
<b><u>NON-INTEREST INCOME</u></b>		
Service charges on deposit accounts	63,434	54,325
Mortgage banking activities	30,306	75,183
Other income	<u>47,351</u>	<u>53,945</u>
<b>Total Non-Interest Income</b>	<b>141,091</b>	<b>183,453</b>
<b><u>NON-INTEREST EXPENSE</u></b>		
Salaries and employee benefits	3,947,229	3,351,546
Occupancy and equipment expense	511,702	458,846
Advertising and marketing	92,986	68,869
Data processing	512,604	442,638
Professional fees	751,259	504,301
Other expenses	<u>873,462</u>	<u>804,258</u>
<b>Total Non-Interest Expense</b>	<b>6,689,242</b>	<b>5,630,458</b>
<b>Net Income (Loss) Before Income Taxes</b>	<b>(469,501)</b>	<b>112,780</b>
Income tax expense (benefit)	<u>(1,045,520)</u>	<u>-</u>
<b>Net Income</b>	<b>\$ 576,019</b>	<b>\$ 112,780</b>
<b>Income per share</b>	<b>\$ 0.19</b>	<b>\$ 0.04</b>

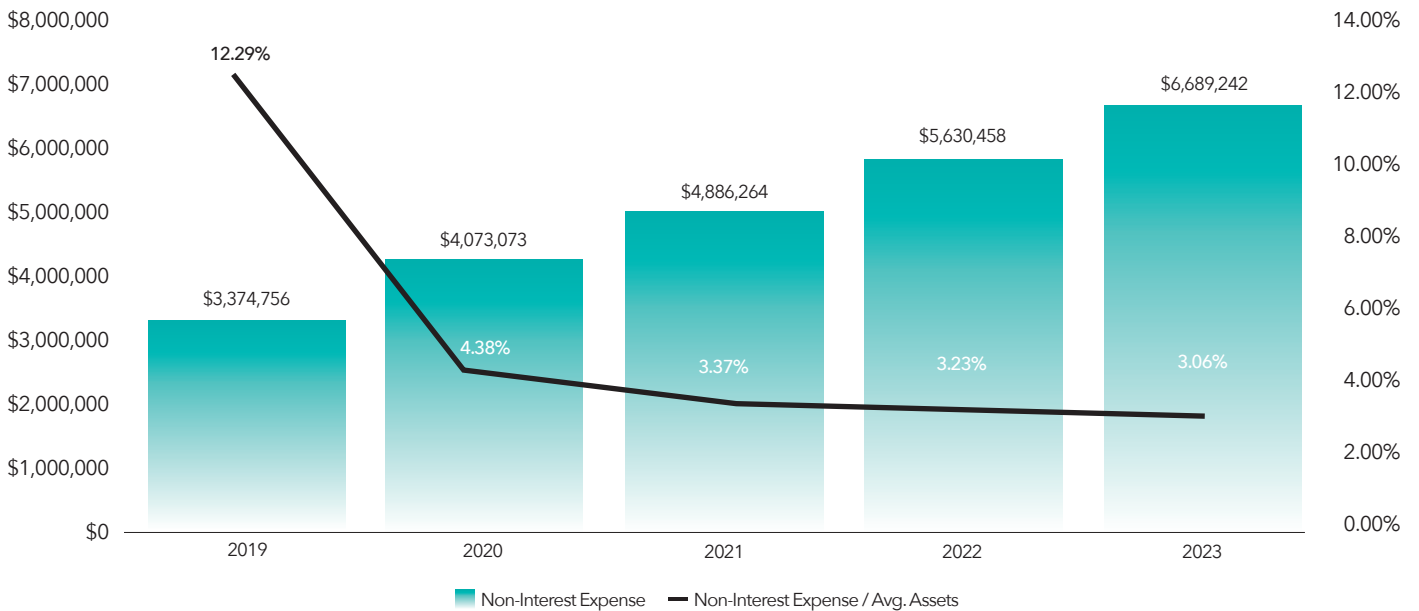
### Net Income (Loss)



### Margin Performance



### Expense



“THEY’RE COMMITTED  
TO Mi BUSINESS, AND A  
BIG PART OF Mi SUCCESS.”

Dr. Molly O’Shea - *Birmingham Pediatrics*



## MULTI-TALENTED AND THEN SOME

Dr. Molly O’Shea has made an impressive name for herself as an enterprising professional in Bloomfield Hills and beyond. What’s even more impressive is how many different ways she has done it. She owns two successful pediatric practices, and a wellness-based consulting business. She also owns several commercial real estate ventures. Needless to say, she has a gift for recognizing and acting on opportunity, with very few wasted moves.

Molly began her entrepreneurial journey in 2009 when she left her job at a larger pediatric organization to start her own practice. She had her own vision of a more personal patient care model that builds stronger relationships within the families of her clients. To that end, she works closely with parents to help enhance the important role they play in the well-being of their children.



Molly has been a client of Mi BANK since we opened our doors. In fact, we’re privileged to be her single banking source. We consider her to be as much a friend as a client.



“WHEN Mi RELATIONSHIP  
WITH A BANK GROWS WITH  
Mi BUSINESS, I KNOW I’M IN  
THE RIGHT PLACE.”

Steve Futrell - *Entrepreneur, Consultant and Investor*

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## BETTER QUESTION: WHAT *DOESN'T* HE DO?

Steve Futrell has the Midas touch we all wish we had. He has turned several diverse entrepreneur endeavors into pure business gold. These include full-service IT companies, real-estate firms, financing services, and a string of successful technology-based enterprises. A common thread through it all has been the priority he places on relationships he can trust. Steve knows how to align himself with the very best lawyers, CPAs, insurance reps, and of course bankers. In a nutshell, our job was, and still is to make Steve’s job easier.



Mi BANK understands the dynamics of entrepreneurial start-up companies. Whether it’s the physical realities of cash flow and access to investment funds, or the more abstract areas of long and short-term goals, we are always a step ahead with the solution.

Steve is an aggressive force with the talent and instincts to move quickly and decisively. In one six-month stretch, we worked with Steve on closing several unique real estate deals. He graciously credits our involvement as playing a key role in understanding what he needs, and proving over and over that we can be trusted to deliver. And the way we see it, that’s the kind of endorsement you can take to the bank.

“Mi IDEA OF A  
GREAT BANKING PARTNER  
IS ONE THAT SEES Mi GOALS  
AS THEIR OWN.”

Todd Gildersleeve - *Managing Partner, Bakehouse 46*

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## BAKING A NAME FOR HIMSELF

What does a successful tax consultant at Deloitte do for an encore? For Todd Gildersleeve the answer was easy... Cupcakes. It started when he learned through a business acquaintance that the boutique cupcake industry was really taking off. Todd happened to be looking for a big money-making idea at the time, and this just felt right. He soon outlined his vision to a major investment partner, and Bakehouse 46 was born.

Todd's partner also recommended Mi BANK, who had helped him with a prior project. As it turns out, cupcakes done Todd's way and banking done our way was a perfect recipe for success.

Like Todd, we saw beyond just numbers, and we became an integral part of his overall game plan.



Todd's tasty fare quickly attracted a following, and soon he had locations in the high-end shopping districts of Birmingham, Ann Arbor, Plymouth, Rochester, Ferndale, and Grosse Pointe. Franchise opportunities are also being considered to further embrace his innovative centralized production model that allows for increased efficiency and quality.

At Mi BANK, we consider our client Todd's success to be the best kind of recommendation. And it's only fair that we return the favor. So, if you like a great cupcake, head for the nearest Bakehouse 46 and ask for the Strawberry Cheesecake Bliss. You can thank us later.

**Board of Directors**

Matthew Agnone, Chairman of the Board

Gene Dixon

Steve Gross

Jenny Meier

Mary Miller

John Rakolta, III

Lauren Rakolta

Warren Rose

Deborah Schneider

Peter Schwartz

Jim Simone

Mike Stines

David Van Elslander

Annie VanGelderren

John Williamson

Brandon Yarckin

**Corporate Information**

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Bloomfield Hills, MI 48301

855-MiBank1 (855-642-2651)

[www.mi.bank](http://www.mi.bank)

**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

3773 Attucks Drive

Powell, OH 43065

800-394-9230

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**Executive Management**

Jenny Meier

President &

Chief Executive Officer

Thomas Dorr

Chief Financial Officer &

Chief Operating Officer



**Mi**

**BANK**

Built For Business