

Executive Management



Thomas H. DorrChief Financial Officer

Robert Farr
Chairman &
Chief Executive Officer

Jenny S. Meier
President

As I write this letter, we find ourselves in the midst of a global pandemic, the likes of which we have never seen. Therefore, I begin by letting you know, my thoughts and prayers are with you and your families.

I am pleased with what we have accomplished since opening our doors last May. As of year-end 2019, we had \$42 million of loans outstanding and \$43 million of client deposits. These totals are higher than those projected in the business plan we submitted to the regulators at the time of our approval. This represents over forty borrowing and two hundred and fifty deposit relationships. Our average client relationship is larger than projected, which allows us to grow more quickly. For reasons that are obvious, it is nearly impossible for me to accurately project what will happen over the next ninety days. However, we are well positioned to navigate through and beyond the uncertainty that lies ahead. I remain confident that we are on track to reach profitability sometime during the first half of 2021.

Our focus continues to be on businesses and real estate investors who borrow between \$500,000 and \$5,000,000. We provide those businesses with a Banker who can serve all their personal and business banking needs. This allows us to get to know our clients, and take a holistic approach to their banking relationship. While there continues to be plenty of competition in this space, the majority of our competitors are larger financial institutions that aren't as nimble as we are.

We leverage state-of-the art technology, with outstanding personal service. This past year, we introduced Zelle, Card Valet, and Personal Financial Management, to make it easier to bank with us. If you would like more information on the latest products we are offering, please visit our website: www.mi.bank.

As you know, MiCommunity Bancorp, Inc. stock was issued through a private placement. As a result, there is no established trading market to facilitate trades. This is expected to change this summer, when D.A. Davidson, an Ohio-based financial services firm, begins making a market for our stock. In the interim, we engaged a third party to establish a year-end market value (\$8.50) as of December 31, 2019. We expect the stock to increase in value, once we achieve break-even operating results.

I close by again thanking you for being a shareholder of MiCommunity Bancorp, Inc. If you don't already bank with us, please consider doing so. It will help increase the value of your investment!

Sincerely,

Rob Farr

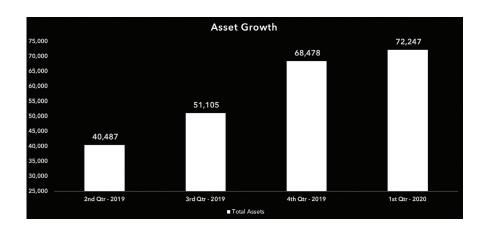
Chairman & CEO

MiCommunity Bancorp, Inc. 2019 Financial Summary

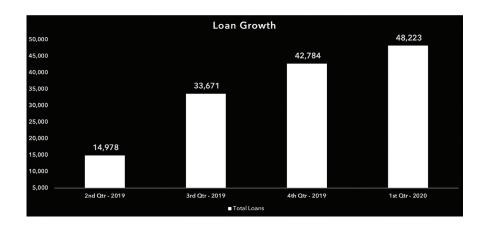
The Bank officially opened in May of 2019 and experienced substantial growth. We reported strong financial results and positive operating trends.

Below are some performance highlights:

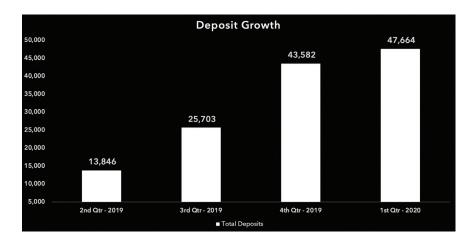
- Total assets as of December 31 were \$68.5 million
- Loans and Deposits ended the year at \$42.8 million and \$43.5 million, respectively
- Reported a net loss of \$2.796 million during the initial year of operation
- Experienced improved quarterly results
 - Reduced the reported net loss each sequential period
 - Total revenue expanded each quarter as a result of growth in the Bank's earning assets
 - Improved operating efficiency and reduced the expense burden
- Stock information
 - Book value was \$8.26 at December 31, 2019
 - Market value at year end was \$8.50 based on a independent stock valuation



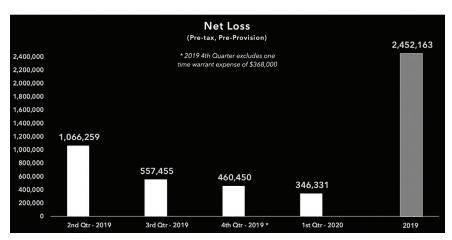
We experienced an average quarterly growth rate of 21% since our opening.



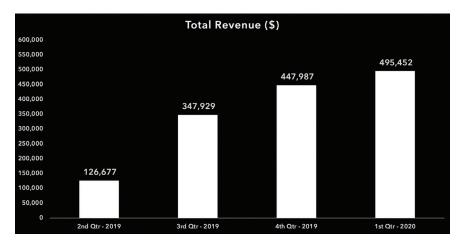
The loan portfolio increased 3.5x from the end of the 2nd quarter.



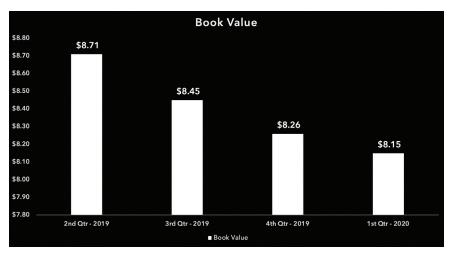
Deposits have tripled from March 2019.



Net loss on a pre-tax, pre-provision basis has significantly declined each quarter, trending toward our profitability target.



Total revenue consists of margin and non-interest income. It continues to expand at an average rate of 19% per quarter.





			December 31, 2019	
<u>ASSETS</u>	Cash and due from banks	\$	24,933,944	
	Total Loans Less: Allowance for loan loss Net Loans		42,783,943 344,000 42,439,943	
	Premises and equipment		830,285	
	Other Assets		273,696	
Total	Assets	\$	68,477,868	
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	Deposits			
	Non Interest-bearing		9,359,919	
	Interest-bearing		34,221,862	
	Total Deposits		43,581,781	
	Other liabilities		127,385	
Total	Liabilities		43,709,166	
SHAREHOL	LDERS' EQUITY Commons Stock, \$0.01 par value Authorized - 10,000,000 Issued and outstanding - 3,000,000 Additional paid in capital Accumulated deficit		30,000 28,353,924 (3,615,222)	
Total shareholders' equity			24,768,702	
Total liabilities and shareholders' equity		\$	68,477,868	

MiCommunity Bancorp, Inc. Consolidated Statement of Income Year Ended December 31, 2019 - (unaudited)

		2019
INTEREST INCOME		
Interest and fees on loans	\$	795,073
Interest on federal funds and bank balances		227,637
Total interest income		1,022,710
INTEREST EXPENSE		
Interest on deposits		166,245
Net Interest Income		856,465
Provision for loan losses		344,000
Net Interest Income After Provision for Loan Losses		512,465
NON-INTEREST INCOME		
Service charges on deposit accounts		2,791
Mortgage banking activities		62,471
Other income		865
Total non-interest income		66,127
NON-INTEREST EXPENSE		
Salaries and employee benefits		1,687,351
Occupancy and equipment expense		247,124
Advertising and marketing		122,775
Data processing		278,898
Professional fees		336,910
Warrant expense		368,000
Other expenses		333,699
Total non-interest expense		3,374,757
Net Loss Before Income Taxes		(2,796,165)
Income tax expense		
Net Loss		(2,796,165)
Income (Loss) per share	\$	(0.93)

Board of Directors MiCommunity Bancorp, Inc.

Robert Farr Mary Kramer John Rakolta, III Warren Rose

Deborah Schneider

Peter Schwartz
Henry Spellman
Michael Stines
Timothy Trenary
David Van Elslander

Brandon Yarckin

Board of Directors Mi Bank

Robert Farr
Matt Agnone
Eugene Dixon
Steve Gross
Mary Miller
Dan O'Donnell
Eric Oppenheim
Lauren Rakolta
Jim Simone
Henry Spellman
Annie VanGelderen
John Williamson

Corporate Information

MiCommunity Bancorp, Inc. 3707 W. Maple Road Suite 100 Bloomfield Hills, MI 48301 855-MiBank1 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

