

# FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Mi Bank  
(In organization)  
Bloomfield Township, Oakland County, Michigan

Application for Federal Deposit Insurance

## ORDER

The undersigned, acting on behalf of the Board of Directors of the Federal Deposit Insurance Corporation ("FDIC") pursuant to delegated authority, has fully considered all available facts and information relevant to the factors of Section 6 of the Federal Deposit Insurance Act, as they relate to the application for Federal deposit insurance with membership in the Deposit Insurance Fund for Mi Bank ("Bank"), a proposed state nonmember bank to be located at 3707 W. Maple Street, Bloomfield Township, Oakland County, Michigan 48301, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED, for the reasons set forth in the attached Statement, that the application submitted by the Bank for Federal deposit insurance be, and the same hereby is, approved, subject to the following conditions:

1. That initial paid-in capital funds of not less than \$20,000,000 will be provided.
2. That the Tier 1 capital to assets leverage ratio (as defined in the capital regulations of the FDIC) be maintained at not less than eight percent throughout the first three years of operation, and that an adequate allowance for loan and lease losses be provided.
3. That any changes in proposed management or the proposed ownership of 10 percent or more of the Bank's holding company stock, including new acquisitions of or subscriptions to 10 percent or more of stock, must be approved by the FDIC prior to the Bank's opening.
4. That the Bank will adopt an accrual accounting system for maintaining the financial records of the Bank in accordance with U.S. Generally Accepted Accounting Principles.
5. That Federal deposit insurance will not become effective until the Bank has been granted a charter as a depository institution, has authority to conduct a depository institution business, and its establishment and operation as a depository institution has been fully approved by the FDIC and the Michigan Department of Insurance and Financial Services.
6. That MiCommunity Bancorp, Inc., Bloomfield Township, Michigan, has obtained approval of the Board of Governors of the Federal Reserve System to acquire voting stock control of the Bank prior to its opening for business.
7. That the Bank shall submit any proposed contracts, leases, or agreements relating to construction or rental of permanent quarters to the Regional Director for review and comment.

8. That full disclosure be made to all proposed directors and stockholders of the facts concerning the interest of any insider in any transactions being effected or contemplated, including the identity of the parties to the transaction and the terms and costs involved. An "insider" is a person who: (i) is or is proposed to be a director, officer, or incorporator of the Bank; (ii) is a shareholder who directly or indirectly controls 10 percent or more of any class of outstanding voting stock; or (iii) is an associate or related interest of any such person.
9. That the persons selected to serve as the principal operating officers shall be acceptable to the Regional Director.
10. That, prior to the Bank opening for business, the Bank will submit written notice to and obtain the written non-objection of the Regional Director for the Bank's chief lending officer. Such notice shall be submitted at least 30 days prior to the appointment, and shall include a complete Interagency Biographical and Financial Report for the individual proposed for appointment.
11. That the Bank will have adequate fidelity coverage.
12. That the Bank will obtain an audit of its financial statements by an independent public accountant annually for the first three years of operation after deposit insurance is effective and submit to the appropriate FDIC office: (i) a copy of the audited annual financial statements and the independent auditor's report within 90 days following the end of the Bank's fiscal year; (ii) a copy of any other reports by the independent auditor (including management letters) within 15 days after receipt by the Bank; and (iii) written notification within 15 days when a change in the Bank's independent auditor occurs.
13. That the Bank shall operate within the parameters of the business plan submitted to the FDIC. During the first three years of operations, the Bank shall seek the prior approval of the Regional Director for any proposed major deviation or material change from the submitted business plan.
14. That during the first three years of operations, the bank shall notify the Regional Director of any plans to establish a loan production office at least 60 days prior to opening the facility.
15. That if deposit insurance has not become effective within twelve months from the date of this ORDER, or unless, in the meantime, a written request for an extension of time by the Bank has been approved by the FDIC, the consent granted shall expire at the end of the said twelve-month period.
16. That until deposit insurance becomes effective, the FDIC retains the right to alter, suspend, or withdraw its commitment should any interim development be deemed by the FDIC to warrant such action.

By Order of the Regional Director of the Chicago Regional Office, acting pursuant to delegated authority for the Board of Directors of the FDIC.

Dated in Chicago, Illinois this 1<sup>st</sup> day of October, 2018.

/S/

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John P. Conneely

Regional Director

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## STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act (“FDI Act”) (12 U.S.C. § 1815), the Federal Deposit Insurance Corporation (“FDIC”) received an Interagency Charter and Federal Deposit Insurance Application on behalf of Mi Bank, a proposed new state nonmember bank that will be located in Bloomfield Township, Michigan (“Bank”). The application is intended to establish a newly-chartered state nonmember commercial bank. The organizers concurrently applied to the Michigan Department of Insurance and Financial Services (“DIFS”) for a state bank charter.

Notice of the Federal deposit insurance application, in a form approved by the FDIC, was published pursuant to the FDI Act on March 15, 2018.

The Bank will be a wholly-owned subsidiary of MiCommunity Bancorp, Inc., (“MCB”) a Michigan corporation. The organizers intend to apply to the Federal Reserve Bank of Chicago for approval to form MCB as a regulated bank holding company. The opening capital of the Bank will be realized from a private placement offering of a minimum of 2,500,000 shares and a maximum of 3,000,000 shares of MCB’s common stock, at a price of \$10.00 per share. A minimum of \$20,000,000 of the proceeds from the common stock offering of MCB will capitalize the Bank in exchange for 100 percent of the voting stock of the Bank.

The Bank’s business plan is for a community bank that serves small- and medium-sized businesses and individuals located in Oakland County, Michigan. The Bank will offer traditional products and services and will be overseen by an experienced management team, including a diversified and knowledgeable Board of Directors who is committed to serving the local community.

The Bank will operate with sufficient capital and managerial resources to accomplish the strategies and goals in the business plan. The Bank will be capitalized with an amount sufficient to achieve and maintain a Tier 1 capital to assets leverage ratio, as defined in the capital regulations of the FDIC, of not less than eight percent throughout the Bank’s first three years of operation. Moderate growth is projected, and future earnings prospects appear attainable. The Bank’s plans appear to satisfy the convenience and needs of the community. Corporate powers to be exercised are consistent with the purposes of the FDI Act, and no undue risk to the Deposit Insurance Fund is evident.

Accordingly, based upon a careful evaluation of all available facts and information, and in consideration of the factors of Section 6 of the FDI Act, the Chicago Regional Director,

pursuant to delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

**REGIONAL DIRECTOR  
DIVISION OF RISK MANAGEMENT SUPERVISION  
FEDERAL DEPOSIT INSURANCE CORPORATION**