

A large, stylized number '1' graphic in the background, composed of overlapping light blue and white shapes.

**Making Banking
and Life Easier**



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 DO, MBA, FACEP
 Board of Trustees Ascension Southeast
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6 Patrick J. Fehring
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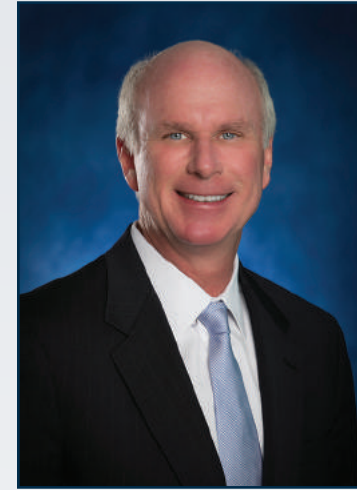
10 James Bellinson
 Managing Director
 Riverstone Communities



Executive Team

From left to right: Lani Barrett, EVP, Chief Human Resources Officer; Gregory A. Wernette, EVP, Chief Lending Officer; David C. Walker, EVP, Chief Financial Officer; Patrick J. Fehring, Chairman, President and Chief Executive Officer; Eva Scurlock, EVP, Risk Management Officer; Timothy R. Mackay, EVP, Consumer Banking Officer

To Our Shareholders



Patrick J. Fehring, President & CEO

I am pleased to report 2018 was another successful year of quality growth and strong financial results for Level One Bancorp, Inc.

Net Income was \$14.4 million in 2018, an increase from the previous year. Fully diluted Earnings Per Share grew 28.2% from 2017 to \$1.91 while assets increased to \$1.4 billion at December 31, 2018. Our Return on Average Assets for the year was 1.1% and the Return on Average Equity increased to 10.7%. We achieved solid loan growth of 8.9% in 2018 as both Commercial and Residential Lending contributed to our results. We believe we continue to experience a positive economic environment and are well positioned for success in the coming year.

In the second quarter of 2018, Level One Bancorp, Inc. successfully launched an Initial Public Offering and became a publicly traded company on Nasdaq.

We took this action for several reasons. First, the IPO provided our investors a measure of liquidity as we have been a private company since our founding in 2007. Additionally, it gave us access to the broader capital markets which we believe will facilitate our continuing growth. Finally, it allowed us to raise additional capital, strengthening our balance sheet.

As part of our strategic plans for growth in 2018, we significantly increased the size of our residential mortgage operations with the addition of approximately 30 mortgage bankers. We are excited to have them on our team and expect great opportunity ahead for growth of the mortgage business.

Level One Bank was recognized for several awards in 2018. One that I am most proud of relates to the culture we have created at Level One, which leads to our ability to attract and retain talented bankers. For the sixth consecutive year, we were named one of Metro Detroit's '101 Best & Brightest Companies to Work For'. Our people and the core values they exhibit are an important differentiator and key to our success.

Much has changed in the banking industry since we opened our doors in 2007, and technology is at the forefront. We continue to invest in technology and data to make banking easier and more convenient for our clients. We have developed an enhanced IT vision that provides us a clear path forward.

As we look ahead to 2019 and beyond, we remain focused on quality growth and profitability. Thank you for your continued support and commitment to Level One Bancorp, Inc.

Sincerely,

Patrick J. Fehring
 President & CEO



Photography by Libby Greene/Nasdaq, Inc.

2018 Highlights



- Level One Bancorp, Inc. filed a registration statement with the SEC for an Initial Public Offering
- Level One Bank was named one of the '10 Best Banks in Michigan' by GOBankingRates
- Level One Bank was selected as a 'Best Company to Work For' by Novi Chamber of Commerce



Photography by Libby Greene/Nasdaq, Inc.

- Level One Bancorp, Inc. commenced its Initial Public Offering
- Level One Bancorp, Inc. celebrated its first day of trading on the Nasdaq stock exchange [LEVL]



- Level One Bank was recognized for the sixth consecutive year as one of Metro Detroit's '101 Best & Brightest Companies to Work For'
- Level One Bank added 30 new mortgage team members, doubling the size of the Mortgage Division



- Level One Bank was honored as one of Michigan's 'Best For-Profits for Non-Profits' by MichBusiness

MAKING BANKING AND LIFE EASIER

Whether building a business, raising a family, or carrying out day-to-day tasks, people choose to do business with the people and companies that make their lives easier. Among the top reasons individuals choose their primary bank is convenience - convenient locations and ATMs, easy account opening and application processes, and access to online and mobile banking tools to name a few. At Level One Bank, we make life easier by making banking easier - by placing account access at your fingertips, by offering more convenient locations, by providing free access to every ATM in the nation, by opening accounts online, and much more.



Making Banking Easier

with New Products and Technology



During a time when everything you need is at your fingertips, from online shopping apps to grocery delivery services, people expect the same conveniences from their bank. That's why we offer products like Mobile Wallet and Mobile Check Deposit, making it easy to make in-store purchases from your phone or deposit checks on the go. In 2018, we enhanced our online account opening platform enabling personal checking and savings accounts to be opened and funded entirely online.

To provide added value and help our clients save money, we refund ATM fees charged by other institutions anywhere in the nation, making domestic travel easier for our clients. Our BaZing app conveniently notifies clients when there's an offer at a nearby merchant, while also providing free cell phone protection and travel savings on hotels and car rentals. With a Level One debit card, we even pay our clients \$0.10 for every transaction in which they choose credit.

While technology is a driving force in the industry, we also understand the importance of personal connections and relationships. We offer a level of personal service that is unmatched by other institutions. The combination of personal service with sophisticated products and technology is a significant differentiator and an important part of our client acquisition and retention strategies.

In 2019, we will continue to enhance our product and technology offerings with new services like Zelle®, a person-to-person payment solution that makes it easy to pay friends and family electronically. To complement our online account opening and online mortgage application platforms, we will soon offer online applications for new small business loans and Home Equity Lines of Credit.



Making Homeownership Easier

with Expanded Mortgage Services

Our commitment to making life easier for our clients also extends into the homebuying process. Our online mortgage application lets clients apply online whenever and wherever it's most convenient. Our online pre-qualification application gives clients a quick and easy way to determine what they qualify for.

In 2018, we introduced a new mortgage program called Community One that offers unique benefits for first responders, medical professionals, government and non-profit employees, and teachers who serve our local communities. We also introduced a new Unsecured Home Improvement Loan that offers a quick and easy application process for individuals eager to get started on home renovation projects.

In the third quarter of 2018, we doubled the size of our mortgage division with the addition of approximately 30 new mortgage loan officers and support staff. We also opened a new mortgage loan center at a prime location in downtown Ann Arbor, located at 1328 S. Main Street, right across from the University of Michigan Stadium. With the additional mortgage team members, we further strengthened our local mortgage presence and made it easier for homebuyers to access a mortgage banker in their community.



Making Business Easier for Our Clients



"It's easy to get things done because I don't have all the red tape." – Michael Campbell, Hutch Paving

Michael Campbell - Hutch Paving

Michael Campbell, President of Hutch Paving, appreciates Level One Bank's ability to get things done. He notes the stark contrast between the mega-bank mentality and that of a community bank. "It's a different atmosphere. It's easy to get things done because I don't have all the red tape," he explains.

When asked what makes Level One Bank different from other banks he's worked with, Campbell describes the people and the service, "It's a lot more personal. When I need my banker, he's there for me. He answers the phone when I call. When I go to the branch, everyone knows who I am. They smile and greet me by name." When Campbell was looking to refinance a commercial loan, he found Level One Bank's rates to be

competitive and now uses the Bank for various personal and business banking needs, including the purchase of equipment such as dump trucks and large excavators.

Hutch Paving specializes in the installation, repair, maintenance and rehabilitation of asphalt and concrete pavement systems for both the public and private sectors of Southeast Michigan. Services include new construction, milling, pulverization, crack repair, sealcoating, patching, resurfacing, reclamation, curbing, removal & replacement, concrete, striping, speed bumps and drainage systems of asphalt and concrete, and more. For more information, visit www.hutchpaving.com.

Sam Slaughter - Sellers Auto Group

When Sellers Auto Group was looking for a bank, they understood the benefits of working with a local community bank like Level One Bank. "The difference between a local bank and a national bank is key. We were looking for more of a relationship, not just an account," explained Sam Slaughter, Owner of Sellers Auto Group.

When looking to refinance their mortgage, Slaughter and his CFO, Andrew Haller, talked to several different banks. After meeting with Level One's leadership team and reviewing the product and service offerings, they knew Level One Bank was the right choice. "The level of personal service is so refreshing. Whether it's the commercial mortgage or treasury management people, everyone is committed to helping us and making sure our needs are met," he said.

Sellers Auto Group is an award-winning company operating two dealerships - Sellers Buick GMC in Farmington Hills and Sellers Subaru in Macomb. They sell and service new and pre-owned vehicles and were recognized locally and nationally as 'Buick Dealer of the Year' in 2018 and 2019. Sellers Auto Group prides itself on being a trusted source for transportation in the community and centers its client experience around transparency and simplicity. For more information, visit www.sellersautogroup.com.



Bryan Howard - Proos Manufacturing, Inc.

Level One Bank's entrepreneurial roots and approach resonated with Bryan Howard, President and CEO of Proos Manufacturing. When Howard purchased Proos Manufacturing from the previous owner in 2018, he wanted a bank that understood his challenges and was willing to put some skin in the game.

"They put their money where their mouth is. They took a chance on me," Howard explained. "They took the time to get to know me and hear my story. They understood me and what I needed more than a typical bank would."

The deal was complex with a lot of moving parts, but Level One Bank worked collaboratively with Howard to come up with customized solutions. "It was not an easy deal," said Howard. "I really appreciated Level One's creativity and solutions-oriented approach."

Proos Manufacturing is a leading provider of Engineered Products for the material handling, automotive, industrial, and furniture industries. For more information, visit www.proos.com.

Making Life Easier for Our Communities by Giving Back

1



As a community bank, we remain committed to making an impact in the areas we serve. From financial literacy and homebuyer workshops to volunteering and mentoring children, our team members dedicated over 1000 hours of community service and financially supported nearly 90 philanthropic organizations in 2018.

In 2018, we introduced a new grant program for small business owners in partnership with the Federal Home Loan Bank to help businesses with expansion efforts and investing in their workforce. We continue to offer a number of grant programs to make affordable homeownership easier for low-to-moderate income individuals, including help with closing costs, home repairs, and accessibility modifications. Through these programs, we were able to leverage \$350,000 in grant money.

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7



8



1. Collecting donations for Heart of West Michigan United Way
2. Planting and harvesting vegetables on the farm at Forgotten Harvest
3. Celebrating a Home Dedication Ceremony for our client at Habitat for Humanity
4. Working hard to seal a leaking roof at a Habitat for Humanity warehouse
5. Volunteering with Habitat for Humanity ReStore
6. Supporting local businesses during a Level One Cash Mob event
7. Teaching homebuyer education classes in the local community
8. Leading a financial literacy series with the Chaldean Community Foundation

5



6



We remain committed to our partnership with Habitat for Humanity. In 2018, we continued to originate mortgage loans for Habitat and provided an exclusive lower-cost loan program for their clients. We expanded our relationship with the addition of a custom-tailored program to help Habitat borrowers with down-payment assistance and provide financial aid for homeowners who have fallen behind on their payments.

Our team is passionate about sharing their financial expertise to help others achieve their goals. We facilitated over 40 financial education workshops in partnership with several non-profit organizations in 2018. One of those organizations was the Chaldean Community Foundation, with whom we partnered to develop and teach a series of financial literacy classes to Chaldean immigrants, covering topics such as banking basics, household budgeting and credit building.

CONSOLIDATED BALANCE SHEETS

December 31, 2018 and 2017

[Dollars in thousands]

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 33,296	\$ 63,661
Securities available-for-sale	204,258	150,969
Federal Home Loan Bank stock	8,325	8,303
Mortgage loans held for sale, at fair value	5,595	4,548
Loans:		
Originated loans	1,041,898	920,895
Acquired loans	84,667	114,028
Total loans	1,126,565	1,034,923
Less: Allowance for loan losses	(11,566)	(11,713)
Net loans	1,114,999	1,023,210
Premises and equipment	13,242	13,435
Goodwill	9,387	9,387
Other intangible assets, net	447	667
Bank-owned life insurance	11,866	11,542
Income tax benefit	2,467	3,102
Other assets	12,333	12,467
Total assets	\$ 1,416,215	\$ 1,301,291
LIABILITIES		
Deposits:		
Noninterest-bearing demand deposits	\$ 309,384	\$ 324,923
Interest-bearing demand deposits	52,804	62,644
Money market and savings deposits	287,575	289,363
Time deposits	484,872	443,452
Total deposits	1,134,635	1,120,382
Borrowings	99,574	47,833
Subordinated notes	14,891	14,844
Other liabilities	15,355	10,272
Total liabilities	1,264,455	1,193,331
Shareholders' equity		
Common stock:		
Authorized—20,000,000 shares		
Issued and outstanding—7,750,216 shares at 12/31/2018 and 6,435,461 shares at 12/31/2017	90,621	59,511
Retained earnings	62,891	49,232
Accumulated other comprehensive loss, net of tax	(1,752)	(783)
Total shareholders' equity	151,760	107,960
Total liabilities and shareholders' equity	\$ 1,416,215	\$ 1,301,291

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Years ended December 31, 2018, 2017 and 2016

[Dollars in thousands]

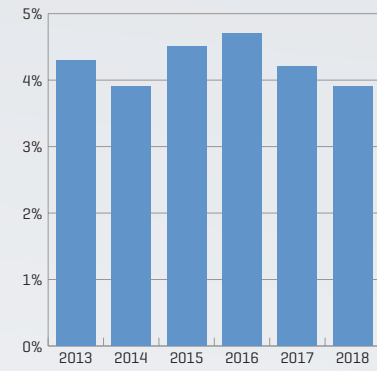
	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
BALANCE AT JANUARY 1, 2016	\$ 57,640	\$ 28,345	\$ (351)	\$ 85,634
Net income	—	11,046	—	11,046
Other comprehensive loss	—	—	(775)	(775)
Exercise of stock options (27,008 shares), including tax benefit	300	—	—	300
Stock based compensation, net of tax impact	366	—	—	366
BALANCE AT DECEMBER 31, 2016	\$ 58,306	\$ 39,391	\$ (1,126)	\$ 96,571
Net income	—	9,841	—	9,841
Other comprehensive income	—	—	343	343
Exercise of stock options (57,506 shares), including tax benefit	605	—	—	605
Stock-based compensation expense, net of tax impact	600	—	—	600
BALANCE AT DECEMBER 31, 2017	\$ 59,511	\$ 49,232	\$ (783)	\$ 107,960
Net income	—	14,386	—	14,386
Other comprehensive loss (excluding tax reform adjustment)	—	—	(801)	(801)
Reclass of tax reform adjustments due to early adoption of ASU 2018-02	—	168	(168)	—
Initial public offering of 1,150,765 shares of common stock, net of issuance costs	29,030	—	—	29,030
Common stock dividends declared and paid of \$0.12/share	—	(895)	—	(895)
Exercise of stock options (127,494 shares)	1,279	—	—	1,279
Stock-based compensation expense, net of tax impact	801	—	—	801
BALANCE AT DECEMBER 31, 2018	\$ 90,621	\$ 62,891	\$ (1,752)	\$ 151,760

CONSOLIDATED STATEMENTS OF INCOME

Years ended December 31, 2018, 2017 and 2016

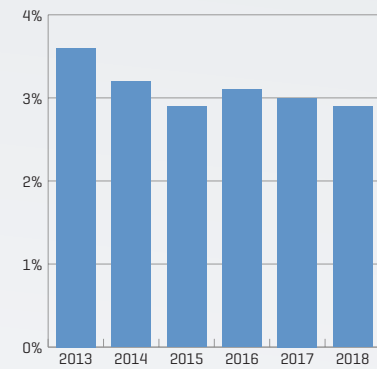
[In thousands, except per share data]

	2018	2017	2016
Interest income			
Originated loans, including fees	\$ 49,076	\$ 39,812	\$ 33,771
Acquired loans, including fees	9,186	12,231	16,956
Securities:			
Taxable	2,939	1,746	1,431
Tax-exempt	1,657	955	441
Federal funds sold and other	966	863	304
Total interest income	63,824	55,607	52,903
Interest Expense			
Deposits	11,055	6,267	4,499
Borrowed funds	1,330	797	318
Subordinated notes	1,015	1,014	1,015
Total interest expense	13,400	8,078	5,832
Net interest income	50,424	47,529	47,071
Provision expense for loan losses	412	1,416	3,925
Net interest income after provision for loan losses	50,012	46,113	43,146
Noninterest income			
Service charges on deposits	2,556	2,543	1,885
Net gain (loss) on sales of securities	(71)	208	926
Mortgage banking activities	2,330	1,698	2,249
Net gain on sale of commercial loans	11	146	—
Other charges and fees	2,229	1,907	1,347
Total noninterest income	7,055	6,502	6,407
Noninterest expense			
Salary and employee benefits	25,781	21,555	17,978
Occupancy and equipment expense	4,425	4,208	3,370
Professional service fees	1,672	2,314	1,189
Acquisition and due diligence fees	—	—	2,684
Marketing expense	1,033	930	806
Printing and supplies expense	441	477	468
Data processing expense	2,146	1,912	2,023
Other expense	4,180	4,655	3,889
Total noninterest expense	39,678	36,051	32,407
Income before income taxes	17,389	16,564	17,146
Income tax provision	3,003	6,723	6,100
Net income	\$ 14,386	\$ 9,841	\$ 11,046
Earnings per common share:			
Basic	\$ 1.95	\$ 1.54	\$ 1.74
Diluted	\$ 1.91	\$ 1.49	\$ 1.69
Average common shares outstanding—basic	7,377	6,388	6,341
Average common shares outstanding—diluted	7,524	6,610	6,549
Cash dividends declared per common share	0.12	—	—



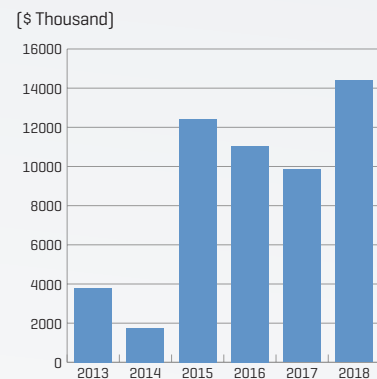
Net Interest Margin

The Company's loans are its main revenue engine, and the cost of funds increased more than the loan yield increased, resulting in the Company's net interest margin falling to 3.92%.



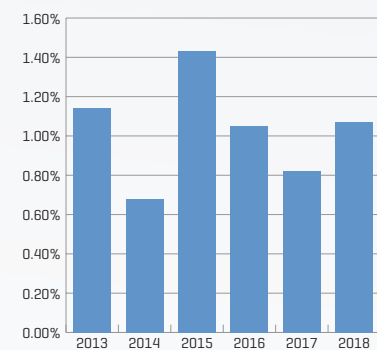
Noninterest Expense / Average Assets

Offsetting net interest revenue is noninterest expense [e.g., salaries, occupancy, data processing, etc.]. In 2018, this ratio declined despite an increase of 27 FTE employees [a portion of which is related to the expansion of the mortgage team].



Net Income

Net income was strong at \$14.4 million in 2018.



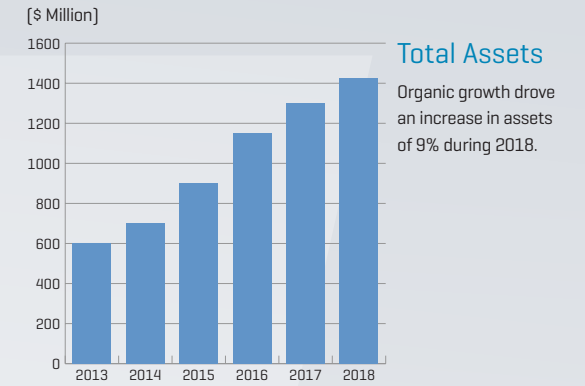
Return on Average Assets

Finally, the Company's net income as percent of assets was 1.07% in 2018.

CONSOLIDATED STATEMENTS OF CASH FLOWS

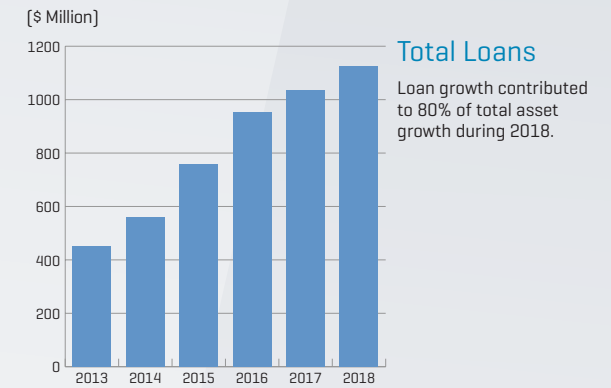
Years ended December 31, 2018, 2017 and 2016 [Dollars in thousands]

	2018	2017	2016
Cash flows from operating activities			
Net income	\$ 14,386	\$ 9,841	\$ 11,046
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of fixed assets	1,332	1,369	1,445
Amortization of core deposit intangibles	220	234	233
Stock-based compensation expense	815	613	366
Provision expense for loan losses	412	1,416	3,925
Discount on acquired SBA/USDA retained loans	—	—	133
Net securities premium amortization	1,327	871	608
Net (gain) loss on sales of securities	71	(208)	(926)
Originations of loans held for sale	(90,361)	(64,184)	(78,950)
Proceeds from sales of loans originated for sale	91,091	69,753	74,995
Net gain on sales of loans	(2,341)	(1,844)	(2,249)
Accretion on acquired purchase credit impaired loans	(3,794)	(5,340)	(8,412)
Gain on sale of other real estate owned and repossessed assets	(44)	(237)	(35)
Increase in cash surrender value of life insurance	(324)	(328)	(181)
Amortization of debt issuance costs	47	58	53
Excess tax benefits	108	27	—
Net (increase) decrease in accrued interest receivable and other assets	382	(1,546)	(4,660)
Net increase in accrued interest payable and other liabilities	4,810	1,667	2,812
Net cash provided by operating activities	18,137	12,162	203
Cash flows from investing activities			
Net increase in loans	(88,069)	(75,780)	(89,466)
Principal payments on securities available-for-sale	9,368	8,850	12,900
Purchases of securities available-for-sale	(68,694)	(74,225)	(91,041)
Purchases of Bank Owned Life Insurance	—	—	(7,520)
Purchases of FHLB Stock	(22)	(2,475)	(1,536)
Additions to premises and equipment	(1,159)	(913)	(3,066)
Proceeds from:			
Sale of securities available-for-sale	3,625	14,803	93,427
Sale of other real estate owned and repossessed assets	822	885	116
Net cash from acquisition	—	—	2,458
Net cash used in investing activities	(144,129)	(128,855)	(83,728)
Cash flows from financing activities			
Net increase in deposits	14,253	195,458	46,170
Change in short-term borrowings	61,810	(31,820)	40,543
Repayment of long-term FHLB advances	(10,000)	(4,506)	(408)
Change in secured borrowing	(69)	1,514	—
Net proceeds from issuance of common stock related to our initial public offering	29,030	—	—
Proceeds from exercised stock options	1,279	605	300
Payments related to tax-withholding for share based compensation awards	(14)	(13)	—
Common stock dividends paid	(662)	—	—
Net cash provided by financing activities	95,627	161,238	86,605
Net change in cash and cash equivalents	(30,365)	44,545	3,080
Beginning cash and cash equivalents	63,661	19,116	16,036
Ending cash and cash equivalents	\$ 33,296	\$ 63,661	\$ 19,116
Supplemental disclosure of cash flow information:			
Interest paid	\$ 12,634	\$ 7,427	\$ 5,864
Income taxes paid	2,120	4,625	1,200
Transfer of loans held for sale to loans held for investment	544	1,587	—
Transfer from premises and equipment to other assets	18	1,793	—
Transfer from loans to other real estate owned	108	385	258
Non-cash transactions:			
Increase in assets and liabilities in acquisitions:			
Assets acquired-Bank of Michigan	—	—	114,442
Liabilities assumed-Bank of Michigan	—	—	102,762



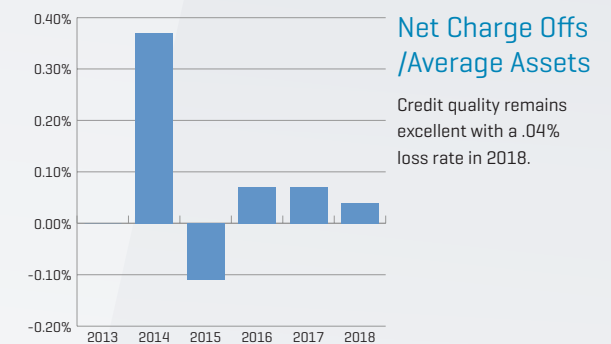
Total Assets

Organic growth drove an increase in assets of 9% during 2018.



Total Loans

Loan growth contributed to 80% of total asset growth during 2018.



Net Charge Offs / Average Assets

Credit quality remains excellent with a .04% loss rate in 2018.

Corporate Office

32991 Hamilton Court
Farmington Hills, MI 48334
248-737-0300

Banking Center Locations

Birmingham

1712 West Maple Road
Birmingham, MI 48009
248-723-4800

Farmington Hills

30095 Northwestern Highway
Farmington Hills, MI 48334
248-865-1300

Northville

20550 Haggerty Road
Northville, MI 48167
248-380-6590

Bloomfield

6450 Telegraph Road
Bloomfield Hills, MI 48301
248-406-8905

Farmington Hills

30201 Orchard Lake Road
Farmington Hills, MI 48334
248-737-1110

Novi

44350 W. 12 Mile Road
Novi, MI 48377
248-735-1000

Bloomfield

37100 Woodward Avenue
Bloomfield Hills, MI 48304
248-530-7401

Ferndale

22635 Woodward Avenue
Ferndale, MI 48220
248-414-6500

Sterling Heights

43683 Schoenherr Road
Sterling Heights, MI 48313
586-412-1800

Detroit

1420 Washington Boulevard
Detroit, MI 48226
313-309-9980

Grand Rapids

2355 Burton Street SE
Grand Rapids, MI 49506
616-827-4400

COMING SOON!

*195 North Maple Road
Ann Arbor, MI 48103*

*1880 South Rochester Road
Rochester Hills, MI 48307*

Mortgage Loan Center Locations

Ann Arbor

1328 South Main Street
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734-213-1515



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This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect management's current views of future events and operations. These forward-looking statements are based on the information currently available to the Company as of the date of this release. It is important to note that these forward-looking statements are not guarantees of future performance and involve risk and uncertainties, including, but not limited to, the ability of the Company to implement its strategy and expand its lending operations, changes in interest rates and other general economic, business and political conditions, including changes in the financial markets, as well as other risks described in the Company's filings with the Securities and Exchange Commission. The Company does not undertake any obligation to update or revise any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.



**Making Banking
and Life Easier**