

# SHAREHOLDER UPDATE

## First Quarter – 2021

Dear Mi BANK Shareholder,

In the first quarter, the Bank reported positive earnings on an adjusted basis. The results were a function of an improvement in our core operating performance and strong asset growth. The Bank continues to operate almost exclusively in a remote environment, leveraging technology to provide safe, secure and convenient solutions for our customers. This approach has allowed us to be responsive to our clients and flexible to react to the changing environment.

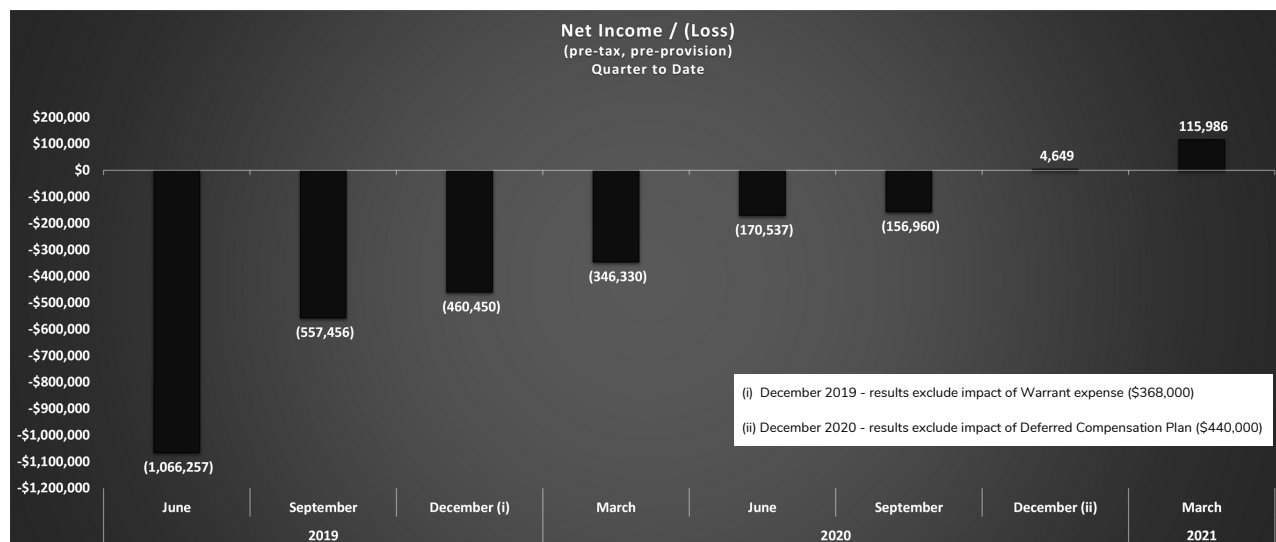
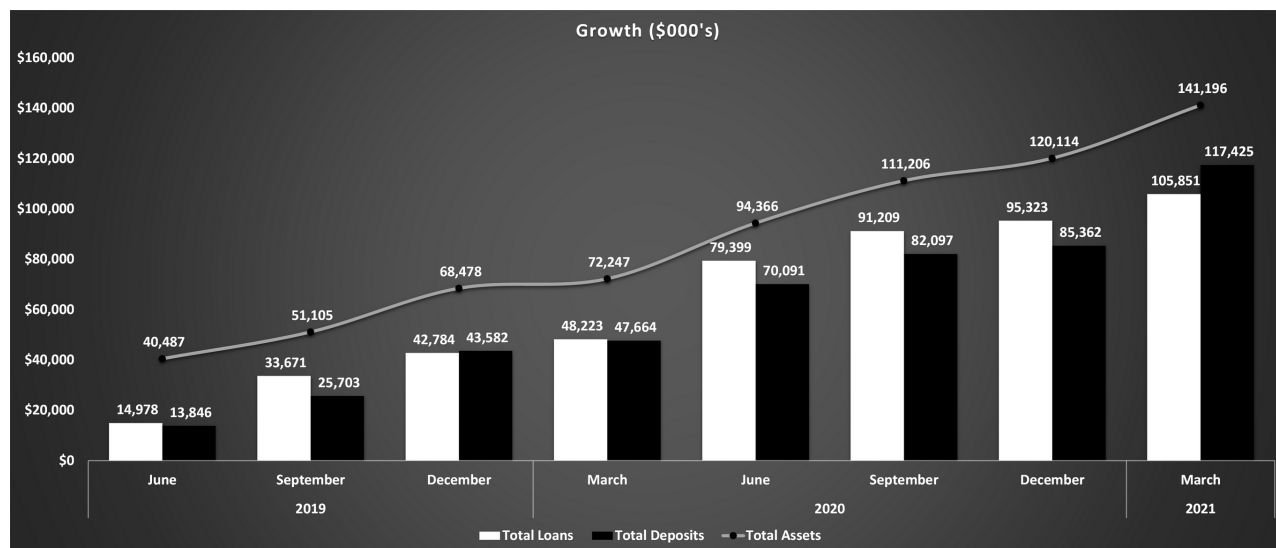
We realize many challenges remain in these uncertain times; however, we are optimistic about the future. We are confident the bank is positioned to be successful and build off this recent momentum.

We will again conduct a virtual annual meeting on Monday June 7th, at 8:00 a.m. Our Annual Report and information on how to participate in the meeting will be forthcoming.

## Financial Highlights

- Total assets of \$141.2 million, 17.6% increase from December
- Loan Portfolio:
  - Totaled \$105.9 million, 120% growth from prior year
  - Originated \$41.9 million in PPP Loans
- Realized significant growth in core deposits
- Liquidity supports future growth opportunities
- Strong capital position, exceeds regulatory requirements
- Reported positive net income on a pre-provision basis
- Positive operating trends:
  - Expansion in core revenue
  - Improvement in operating cost efficiency
- Consistent non-interest income performance
- PPP loans provided significant contribution to earnings

## Performance Trends



	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
<b>Summary Income Statement</b>							
Total Interest Income	391,032	503,705	575,486	661,082	823,850	1,114,337	1,134,848
Total Interest Expense	66,971	97,640	134,385	102,221	112,604	98,375	103,613
Net Interest Income	324,061	406,065	441,101	558,861	711,246	1,015,962	1,031,235
Tot Provision Expense	236,000	108,000	21,000	185,000	125,000	240,000	210,000
Total Noninterest Income	23,867	41,923	54,352	53,392	62,516	66,712	60,411
Total Noninterest Expense	905,384	1,276,438	841,783	782,790	930,722	1,517,776	975,660
Net Loss before taxes	(793,456)	(936,450)	(367,330)	(355,537)	(281,960)	(675,102)	(94,014)
Income Taxes	-	-	-	-	-	-	-
Net Loss	(793,456)	(936,450)	(367,330)	(355,537)	(281,960)	(675,102)	(94,014)
Net Income (Loss) - PTPP *	(557,456)	(460,450)	(346,330)	(170,537)	(156,960)	4,649	115,986

\* excludes warrant expense of \$368,000 (12/2020) and deferred compensation expense of \$440,000 (12/2021)

<b>Performance Measures</b>							
ROAA (%) (PTPP)	-5.34%	-6.12%	-2.02%	-0.78%	-0.62%	-1.52%	0.35%
ROAE (%) (PTPP)	-8.05%	-12.27%	-5.67%	-2.84%	-2.61%	-7.34%	2.02%
Noninterest Income/ Avg Assets (%)	0.23%	0.31%	0.32%	0.24%	0.25%	0.23%	0.18%
Noninterest Expense/ Avg Assets (%)	8.67%	9.43%	4.91%	3.59%	3.67%	5.31%	2.97%
Net Interest Margin (%)	3.43%	3.22%	2.71%	2.72%	2.96%	3.72%	3.28%
Efficiency Ratio (FTE) (%)	260.22%	284.93%	169.90%	127.85%	120.29%	140.19%	89.38%

<b>Growth Rates</b>							
Margin Revenue	156.50%	25.31%	8.63%	26.70%	27.27%	42.84%	1.50%
Total Revenue	174.66%	28.76%	10.60%	23.57%	26.38%	39.92%	0.83%
Operating Expenses	-24.10%	40.98%	-34.05%	-7.01%	18.90%	63.08%	-35.72%
Net Loss (PTPP)	-47.72%	-17.40%	-24.78%	-50.76%	-7.96%	-102.96%	2395.02%

<b>Balance Sheet Highlights ('000's)</b>							
Total Assets	51,105	68,478	72,247	94,366	111,206	120,114	141,196
Total Loans & Leases	33,671	42,784	48,223	79,399	91,209	95,323	105,851
Total Deposits	25,703	43,582	47,664	70,091	82,097	85,362	117,425
Total Equity	25,337	24,769	24,442	24,127	23,885	23,226	23,167
Loans/ Deposits (%)	131.0%	98.2%	101.2%	113.3%	111.1%	111.7%	90.1%

<b>Capitalization</b>							
Risk Based Capital Ratio (%)	49.66%	53.73%	47.28%	38.45%	32.41%	26.94%	25.23%
Tier 1 Risk-based Ratio (%)	49.04%	52.99%	46.58%	37.59%	31.52%	25.92%	24.06%
Leverage Ratio (%)	45.11%	46.12%	35.42%	27.50%	24.22%	21.93%	17.51%
CET Tier 1 Ratio (%)	49.04%	52.99%	46.58%	37.59%	31.52%	25.92%	24.06%
Equity / Assets	49.58%	36.17%	33.83%	25.57%	21.48%	19.34%	16.41%

<b>Share Data</b>							
Book Value	\$ 8.45	\$ 8.26	\$ 8.15	\$ 8.04	\$ 7.96	\$ 7.70	\$ 7.68
EPS (Earnings per Share)	\$ (0.26)	\$ (0.31)	\$ (0.12)	\$ (0.12)	\$ (0.09)	\$ (0.22)	\$ (0.03)
Shares Outstanding	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,016,300	3,016,300

PTPP: Pre-tax, Pre-Provision