

SHAREHOLDER UPDATE

Second Quarter – 2020

Dear Mi BANK Shareholder,

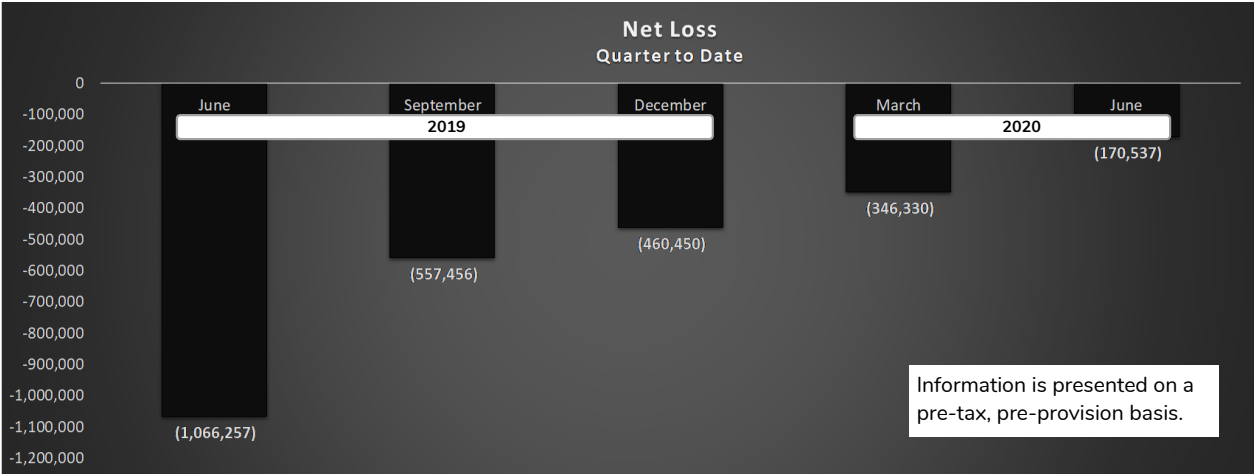
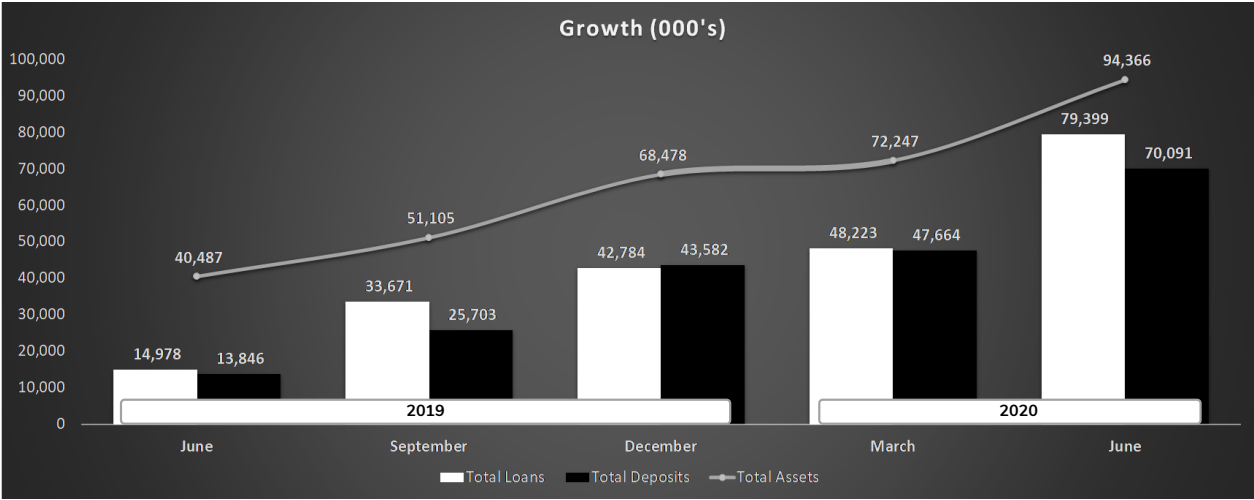
As we continue to navigate the uncertain environment created by the unprecedented health crisis associated with COVID-19, we wanted to provide you with another update on our progress. During these challenging times, we remain committed to the safety of our clients and staff. In addition, we are focused on providing critical services and leveraging technology to make banking with us a more convenient experience.

Despite all of the unique challenges we are facing, Mi BANK has performed remarkably well. We have experienced strong growth in both portfolio loans and core deposits. We have also been able to support our current clients and capture new relationships based on our personalized, service-oriented approach. Overall, our performance has consistently improved each quarter and we look to capitalize on this momentum during the remainder of the year.

Financial Highlights

- Total assets increased 30%, exceeded \$90.0 million at June 30, 2020
- Portfolio loans grew 64.6% in the second quarter reaching \$79.4 million
- We funded over 97 PPP loans totaling \$18.8 million
- Total Deposits were \$70.0 million at quarter end, increasing 47.1% during the period
- Significantly exceeded regulatory capital requirements
- Book value as of June 30, 2020 was \$8.04
- Improved performance trends, reducing net loss on a pre-tax, pre-provision basis by 50%
- Growth of 23.6% in total revenue for the quarter, result of an increase in earning assets
- Net interest income increased 26.7% for the period and margins remained stable
- Reduced operating expenses by 7.0%, creating a more efficient cost structure

Performance Trends



	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020
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Summary Income Statement

Total Interest Income	127,974	391,032	503,705	575,486	661,082
Total Interest Expense	1,634	66,971	97,640	134,385	102,221
Net Interest Income	126,340	324,061	406,065	441,101	558,861
Total Provision Expense	-	236,000	108,000	21,000	185,000
Total Noninterest Income	337	23,867	41,923	54,352	53,392
Total Noninterest Expense	1,192,934	905,384	1,276,438	841,783	782,790
Net Loss before taxes	(1,066,257)	(793,456)	(936,450)	(367,330)	(355,537)
Income Taxes	-	-	-	-	-
Net Loss	(1,066,257)	(793,456)	(936,450)	(367,330)	(355,537)
Net Loss - PTPP *	(1,066,257)	(557,456)	(828,450)	(346,330)	(170,537)

* excludes warrant expense of \$368,000

Balance Sheet Highlights (000's)

Total Assets	40,487	51,105	68,478	72,247	94,366
Total Loans & Leases	14,978	33,671	42,784	48,223	79,399
Total Deposits	13,846	25,703	43,582	47,664	70,091
Total Equity	26,131	25,337	24,769	24,442	24,127
Loans/ Deposits (%)	108.2%	131.0%	98.2%	101.2%	113.3%

Capitalization

Risk Based Capital Ratio (%)	93.53%	49.66%	53.73%	47.28%	38.45%
Tier 1 Risk-based Ratio (%)	93.53%	49.04%	52.99%	46.58%	37.59%
Leverage Ratio (%)	139.35%	45.11%	46.12%	35.42%	27.50%
CET Tier 1 Ratio (%)	93.53%	49.04%	52.99%	46.58%	37.59%
Equity / Assets	64.54%	49.58%	36.17%	33.83%	25.57%

Share Data

Book Value	\$ 8.71	\$ 8.45	\$ 8.26	\$ 8.15	\$ 8.04
EPS (Earnings per Share)	\$ (0.36)	\$ (0.26)	\$ (0.31)	\$ (0.12)	\$ (0.12)
Shares Outstanding	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

PTPP: Pre-tax, Pre-Provision