

# SHAREHOLDER UPDATE

## Fourth Quarter – 2020

Dear Mi BANK Shareholder,

This has been a very challenging year. Despite all of the difficulties, the Bank has navigated through this environment remarkably well and performed better than expected. We generated substantial growth and experienced consistent improvement in our core operating results. We have been successful in capturing new clients, building a premier banking brand and delivering superior service for our clients.

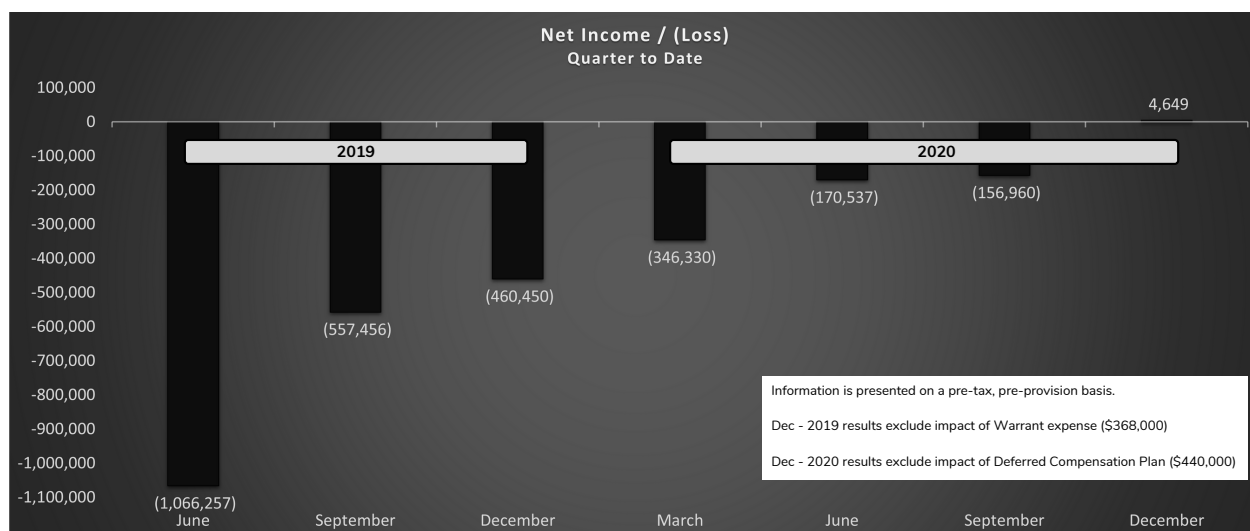
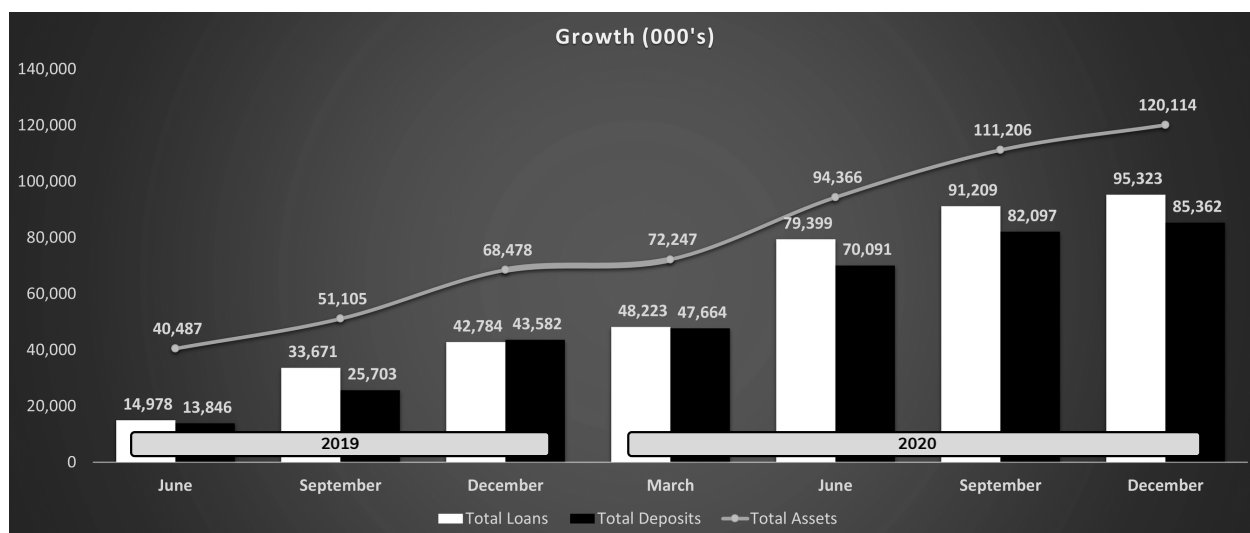
We have made many changes to the way we function and continue to embrace new technology to make the process safe and more convenient. We remain optimistic about the future and excited for new opportunities.

We hope you and your family remain safe and we look forward to connecting with you soon.

## Financial Highlights

- Experienced significant growth in 2020:
  - Total assets exceed \$120.0 million, growth of 75%
  - Portfolio loans increased 123%, totaled \$95.3 million
  - Deposits of \$85.4 million, an increase of 96%
- Participated in PPP - originated \$18.8 million in loans
- Improved liquidity position based on growth in core deposits
- Strong capital position, exceed regulatory requirements
- Book value was \$7.70 at December 31, 2020
- Core operating trends remain favorable:
  - Increase in total revenue – averaged 25% per quarter
  - Created a more productive asset mix
  - Expansion in net interest margin - 3.72% in 4th quarter
  - Reduced the adjusted net loss each quarter
- Generated strong non-interest income
- PPP loans provided lift to earnings – \$382k in fee income

## Performance Trends



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

Total Interest Income	503,705	575,486	661,082	823,850	1,114,337
Total Interest Expense	97,640	134,385	102,221	112,604	98,375
Net Interest Income	406,065	441,101	558,861	711,246	1,015,962
Tot Provision Expense	108,000	21,000	185,000	125,000	240,000
Total Noninterest Income	41,923	54,352	53,392	62,516	66,712
Total Noninterest Expense	1,276,438	841,783	782,790	930,722	1,517,776
Net Loss before taxes	(936,450)	(367,330)	(355,537)	(281,960)	(675,102)
Income Taxes	-	-	-	-	-
Net Loss	(936,450)	(367,330)	(355,537)	(281,960)	(675,102)
Net Income (Loss) - PTPP *	(460,450)	(346,330)	(170,537)	(156,960)	4,649

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

#### Performance Measures

ROAA (%) (PTPP)	-6.12%	-2.02%	-0.78%	-0.62%	-1.52%
ROAE (%) (PTPP)	-12.27%	-5.67%	-2.84%	-2.61%	-7.34%
Noninterest Income/ Avg Assets (%)	0.31%	0.32%	0.24%	0.25%	0.23%
Noninterest Expense/ Avg Assets (%)	9.43%	4.91%	3.59%	3.67%	5.31%
Net Interest Margin (%)	3.22%	2.71%	2.72%	2.96%	3.72%
Efficiency Ratio (FTE) (%)	284.93%	169.90%	127.85%	120.29%	140.19%

#### Growth Rates

Margin Revenue	25.31%	8.63%	26.70%	27.27%	42.84%
Total Revenue	28.76%	10.60%	23.57%	26.38%	39.92%
Operating Expenses	40.98%	-34.05%	-7.01%	18.90%	63.08%
Net Loss (PTPP)	-17.40%	-24.78%	-50.76%	-7.96%	-102.96%

#### Balance Sheet Highlights (000's)

Total Assets	68,478	72,247	94,366	111,206	120,114
Total Loans & Leases	42,784	48,223	79,399	91,209	95,323
Total Deposits	43,582	47,664	70,091	82,097	85,362
Total Equity	24,769	24,442	24,127	23,885	23,226
Loans/ Deposits (%)	98.2%	101.2%	113.3%	111.1%	111.7%

#### Capitalization

Risk Based Capital Ratio (%)	53.73%	47.28%	38.45%	32.41%	26.94%
Tier 1 Risk-based Ratio (%)	52.99%	46.58%	37.59%	31.52%	25.92%
Leverage Ratio (%)	46.12%	35.42%	27.50%	24.22%	21.93%
CET Tier 1 Ratio (%)	52.99%	46.58%	37.59%	31.52%	25.92%
Equity / Assets	36.17%	33.83%	25.57%	21.48%	19.34%

#### Share Data

Book Value	\$ 8.26	\$ 8.15	\$ 8.04	\$ 7.96	\$ 7.70
EPS (Earnings per Share)	\$ (0.31)	\$ (0.12)	\$ (0.12)	\$ (0.09)	\$ (0.22)
Shares Outstanding	3,000,000	3,000,000	3,000,000	3,000,000	3,016,300

PTPP: Pre-tax, Pre-Provision