

Dear Fellow Shareholder,

We were pleased with the progress we experienced in 2021. As evidenced below, we reported a net profit for the entire year. This is great news considering most new banks do not show positive earnings until the third or fourth year of operation.

Although we face a challenging economic environment, businesses in general are adjusting to the pressures they are experiencing.

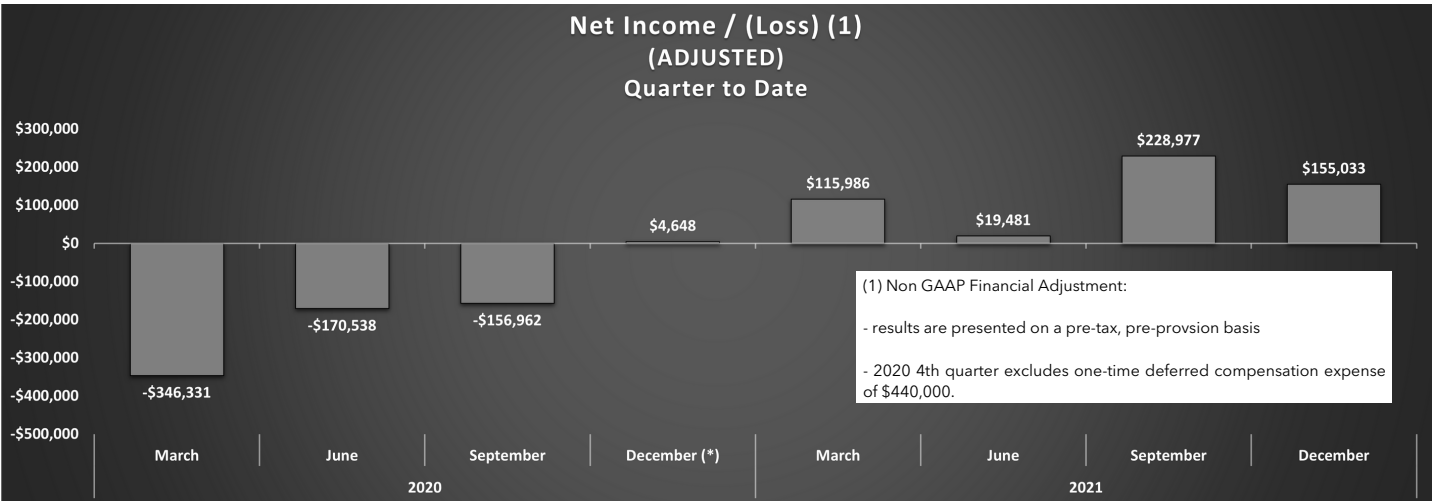
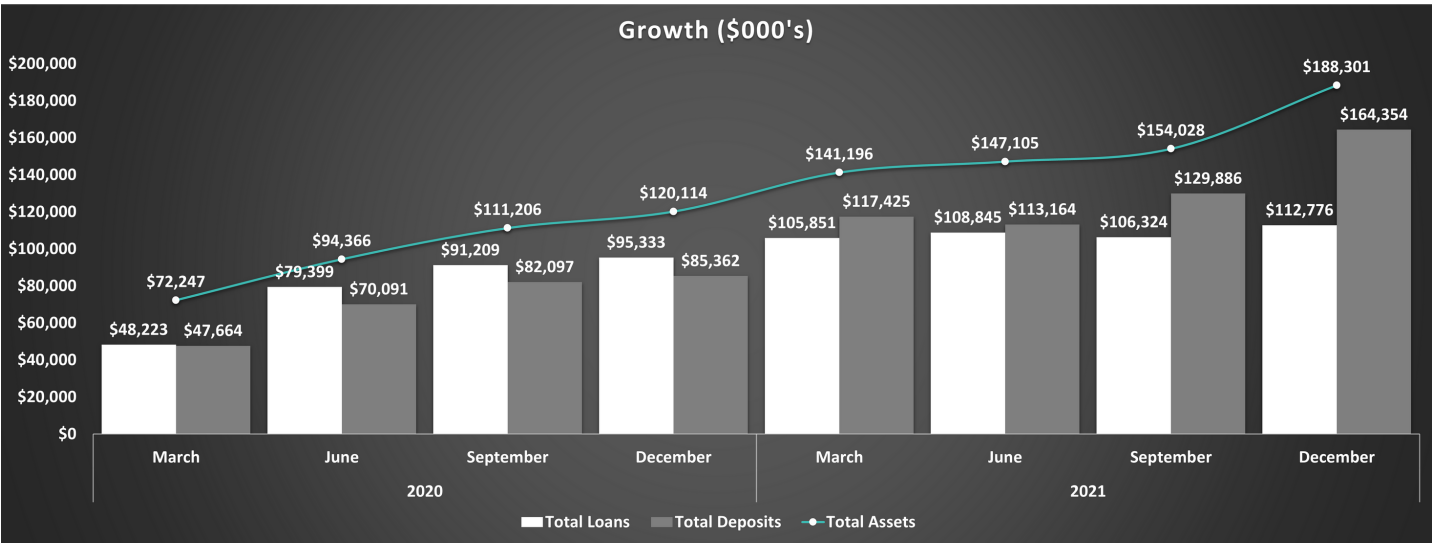
The banking industry continues to be flush with deposits, with the challenge being converting those deposits into good loans. That will be our primary focus in 2022. We remain confident we will continue to grow the bank by providing exceptional service to business owners and their businesses.

If we can help you in any way, please don't hesitate to reach out to us. Thank you for your continued support.

Financial Highlights

- Reported full year of profitability and 5th consecutive quarter of positive earnings on an adjusted basis
- Experienced significant annual growth in core revenue
- Improved operating efficiency and lowered burden hurdle
- PPP program provided substantial benefit to performance, added \$1.4 million in earnings for 2021
- Total Assets exceeded \$180 million, increase of 56%
- Expansion in portfolio:
 - Gross Loans of \$112.8 million, increase of 18%
 - Core Loans of 105.3 million, growth of 52%
 - Originated \$26 million in PPP loans during 2021, combined total of \$45 million for the program
- Total Deposits reached \$164 million, an increase of 92%
- Strong capital position and supportive liquidity environment

Performance Trends



Quarterly Financial Summary (Unaudited)

	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
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Summary Income Statement

Total Interest Income	\$ 575,486	\$ 661,081	\$ 823,850	\$ 1,114,337	\$ 1,134,848	\$ 1,213,702	\$ 1,549,794	\$ 1,546,768
Total Interest Expense	134,385	102,221	112,604	98,375	103,613	78,737	69,284	66,843
Net Interest Income	441,100	558,860	711,246	\$ 1,015,962	1,031,235	1,134,965	1,480,510	1,479,925
Tot Provision Expense	21,000	185,000	125,000	\$ 240,000	210,000	75,000	70,000	150,000
Total Noninterest Income	54,352	53,392	62,515	\$ 66,712	60,411	107,697	70,060	40,937
Total Noninterest Expense	841,783	782,791	930,724	\$ 1,517,776	975,660	1,223,182	1,321,593	1,365,829
Net income (Loss) before taxes	(367,331)	(355,538)	(281,962)	(675,102)	(94,014)	(55,519)	158,977	5,033
Income Taxes	-	-	-	-	-	-	-	-
Net Income (Loss)	\$ (367,331)	\$ (355,538)	\$ (281,962)	\$ (675,102)	\$ (94,014)	\$ (55,519)	\$ 158,977	\$ 5,033
Net Income (Loss) - PTPP *	\$ (346,331)	\$ (170,538)	\$ (156,962)	\$ 4,648	\$ 115,986	\$ 19,481	\$ 228,977	\$ 155,033

* excludes warrant expense of \$368,000 (12/2019) and deferred compensation expense of \$440,000 (12/2020)

Performance Measures

ROAA (%) (PTPP)	-2.02%	-0.78%	-0.62%	-1.52%	0.35%	0.06%	0.61%	0.39%
ROAE (%) (PTPP)	-5.67%	-2.84%	-2.61%	-7.34%	2.02%	0.34%	3.90%	2.63%
Noninterest Income/ Avg Assets (%)	0.32%	0.24%	0.25%	0.23%	0.18%	0.31%	0.19%	0.10%
Noninterest Expense/ Avg Assets (%)	4.91%	3.59%	3.67%	5.30%	2.96%	3.55%	3.50%	3.43%
Net Interest Margin (%)	2.71%	2.72%	2.96%	3.72%	3.28%	3.52%	4.11%	3.87%
Efficiency Ratio (FTE) (%)	169.90%	127.85%	120.29%	140.19%	89.38%	98.43%	85.23%	89.81%

Growth Rates

Margin Revenue	8.63%	26.70%	27.27%	42.84%	1.50%	10.06%	30.45%	-0.04%
Total Revenue	10.59%	23.57%	26.38%	39.92%	0.83%	13.83%	24.78%	-1.92%
Operating Expenses	-34.05%	-7.01%	18.90%	63.07%	-35.72%	25.37%	8.05%	3.35%

Balance Sheet Highlights (000's)

Total Assets	72,247	94,366	111,206	120,114	141,196	147,105	154,028	188,301
Total Loans & Leases	48,223	79,399	91,209	95,333	105,851	108,845	106,324	112,776
Total Deposits	47,664	70,091	82,097	85,362	117,425	113,164	129,886	164,354
Total Equity	24,442	24,127	23,885	23,226	23,167	23,146	23,346	23,286
Loans/ Deposits (%)	101.2%	113.3%	111.1%	111.7%	90.1%	96.2%	81.9%	68.6%

Capitalization

Risk Based Capital Ratio (%)	47.28%	38.45%	32.41%	26.94%	28.96%	26.97%	27.96%	25.44%
Tier 1 Risk-based Ratio (%)	46.58%	37.59%	31.52%	25.92%	27.71%	25.72%	26.70%	24.19%
Leverage Ratio (%)	35.42%	27.50%	24.22%	21.93%	18.11%	16.82%	16.28%	14.79%
CET Tier 1 Ratio (%)	46.58%	37.59%	31.52%	25.92%	27.71%	25.72%	26.70%	24.19%
Equity / Assets	33.83%	25.57%	21.48%	19.34%	16.41%	15.73%	15.16%	12.37%

Share Data

Book Value	\$ 8.15	\$ 8.04	\$ 7.96	\$ 7.70	\$ 7.68	\$ 7.67	\$ 7.74	\$ 7.68
EPS (Earnings per Share)	\$ (0.12)	\$ (0.12)	\$ (0.09)	\$ (0.23)	\$ (0.03)	\$ (0.02)	\$ 0.05	\$ -
Shares Outstanding	3,000,000	3,000,000	3,000,000	3,016,300	3,016,300	3,016,300	3,016,300	3,032,100

PTPP: Pre-tax, Pre-Provision