

SHAREHOLDER UPDATE

Second Quarter – 2021

Dear Shareholder,

As we pass the halfway point of 2021, I am pleased to report we continue to experience strong growth in both loans and deposits. While interest rates started to move up in late March and early April, they have drifted back down in recent weeks. Perhaps the economy's biggest concern is the inflation both consumers and businesses are experiencing, as well as a worker shortage in a number of industries.

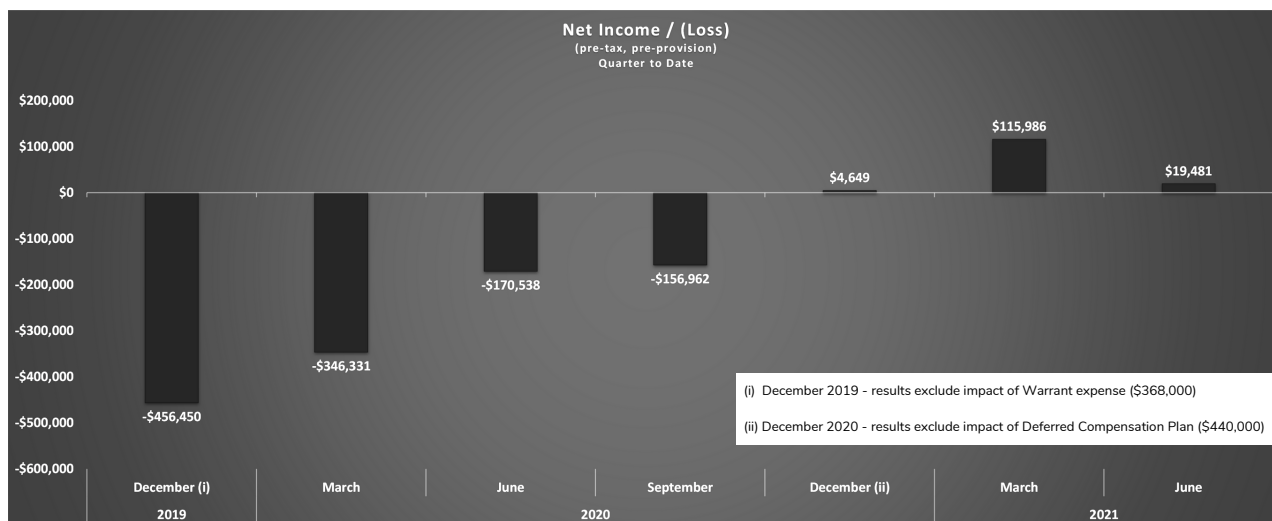
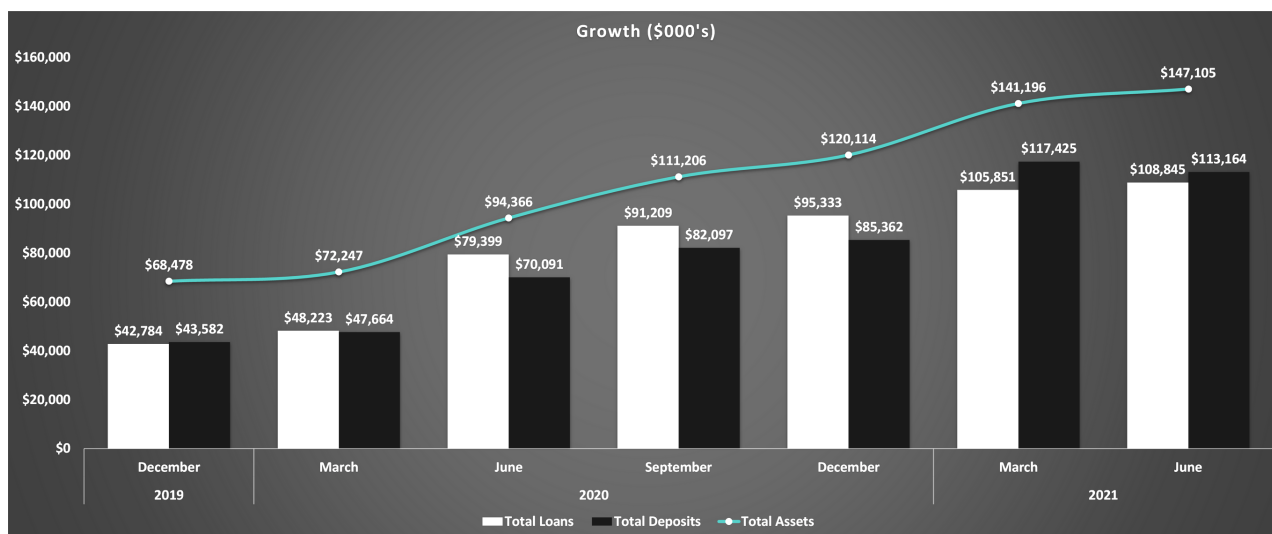
Despite these challenges, we continue to find opportunities to bring new clients to the bank. We are in a strong position to continue drive meaningful value to you, our shareholders.

Thank you for your continued support. Please don't hesitate to reach out to us if you have questions, or if we can help you with your banking needs!

Financial Highlights

- Total Assets - \$147.1 million, an increase of 22.5% in 2021
- Loan Portfolio - \$108.8 million
 - Growth of 37.1% over the past 12 months
 - Improved mix and higher concentration in core balances
- Total Deposits - \$113.1 million
 - Increase of 32.6% for the current year
 - Attractive composition, supports future growth
- Strong capital position, exceeds regulatory requirements
- Reported three consecutive quarters of positive net income on a pre-provision basis
- Improved operating performance:
 - Increased revenues
 - Expanded margins
 - Significant contributions from non-interest income
- PPP income continues to provide earnings support

Performance Trends



September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021
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Summary Income Statement

Total Interest Income	\$ 391,032	\$ 503,705	\$ 575,486	\$ 661,081	\$ 823,850	\$ 1,114,337	\$ 1,134,848	\$ 1,213,702
Total Interest Expense	66,971	97,640	134,385	102,221	112,604	98,375	103,613	78,737
Net Interest Income	324,061	406,065	441,100	558,860	711,246	1,015,962	1,031,235	1,134,965
Tot Provision Expense	236,000	108,000	21,000	185,000	125,000	240,000	210,000	75,000
Total Noninterest Income	23,867	41,923	54,352	53,392	62,515	66,712	60,411	107,697
Total Noninterest Expense	905,384	1,276,438	841,783	782,791	930,724	1,517,776	975,660	1,223,182
Net Loss before taxes	(793,456)	(936,450)	(367,331)	(355,538)	(281,962)	(675,102)	(94,014)	(55,519)
Income Taxes	-	-	-	-	-	-	-	-
Net Loss	\$ (793,456)	\$ (936,450)	\$ (367,331)	\$ (355,538)	\$ (281,962)	\$ (675,102)	\$ (94,014)	\$ (55,519)
Net Income (Loss) - PTPP *	\$ (557,456)	\$ (460,450)	\$ (346,331)	\$ (170,538)	\$ (156,962)	\$ 4,649	\$ 115,986	\$ 19,481

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

Performance Measures

ROAA (%) (PTPP)	-5.34%	-6.12%	-2.02%	-0.78%	-0.62%	-1.52%	0.35%	0.06%
ROAE (%) (PTPP)	-8.05%	-12.27%	-5.67%	-2.84%	-2.61%	-7.34%	2.02%	0.34%
Noninterest Income/ Avg Assets (%)	0.23%	0.31%	0.32%	0.24%	0.25%	0.23%	0.18%	0.31%
Noninterest Expense/ Avg Assets (%)	8.67%	9.43%	4.91%	3.59%	3.67%	5.31%	2.97%	3.56%
Net Interest Margin (%)	3.43%	3.22%	2.71%	2.72%	2.96%	3.72%	3.28%	3.52%
Efficiency Ratio (FTE) (%)	260.22%	284.93%	169.90%	127.85%	120.29%	140.19%	89.38%	98.43%

Growth Rates

Margin Revenue	156.50%	25.31%	8.63%	26.70%	27.27%	42.84%	1.50%	10.06%
Total Revenue	174.66%	28.76%	10.59%	23.57%	26.38%	39.92%	0.83%	13.83%
Operating Expenses	-24.10%	40.98%	-34.05%	-7.01%	18.90%	63.07%	-35.72%	25.37%

Balance Sheet Highlights (000's)

Total Assets	51,105	68,478	72,247	94,366	111,206	120,114	141,196	147,105
Total Loans & Leases	33,671	42,784	48,223	79,399	91,209	95,333	105,851	108,845
Total Deposits	25,703	43,582	47,664	70,091	82,097	85,362	117,425	113,164
Total Equity	25,337	24,769	24,442	24,127	23,885	23,226	23,167	23,146
Loans/ Deposits (%)	131.0%	98.2%	101.2%	113.3%	111.1%	111.7%	90.1%	96.2%

Capitalization

Risk Based Capital Ratio (%)	49.66%	53.73%	47.28%	38.45%	32.41%	26.94%	28.96%	26.99%
Tier 1 Risk-based Ratio (%)	49.04%	52.99%	46.58%	37.59%	31.52%	25.92%	27.71%	25.74%
Leverage Ratio (%)	45.11%	46.12%	35.42%	27.50%	24.22%	21.93%	18.11%	16.83%
CET Tier 1 Ratio (%)	49.04%	52.99%	46.58%	37.59%	31.52%	25.92%	27.71%	25.74%
Equity / Assets	49.58%	36.17%	33.83%	25.57%	21.48%	19.34%	16.41%	15.73%

Share Data

Book Value	\$ 8.45	\$ 8.26	\$ 8.15	\$ 8.04	\$ 7.96	\$ 7.70	\$ 7.68	\$ 7.67
EPS (Earnings per Share)	\$ (0.26)	\$ (0.31)	\$ (0.12)	\$ (0.12)	\$ (0.09)	\$ (0.23)	\$ (0.03)	\$ (0.02)
Shares Outstanding	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,016,300	3,016,300	3,016,300

PTPP: Pre-tax, Pre-Provision