

# SHAREHOLDER UPDATE

## Third Quarter – 2021

Dear Shareholder,

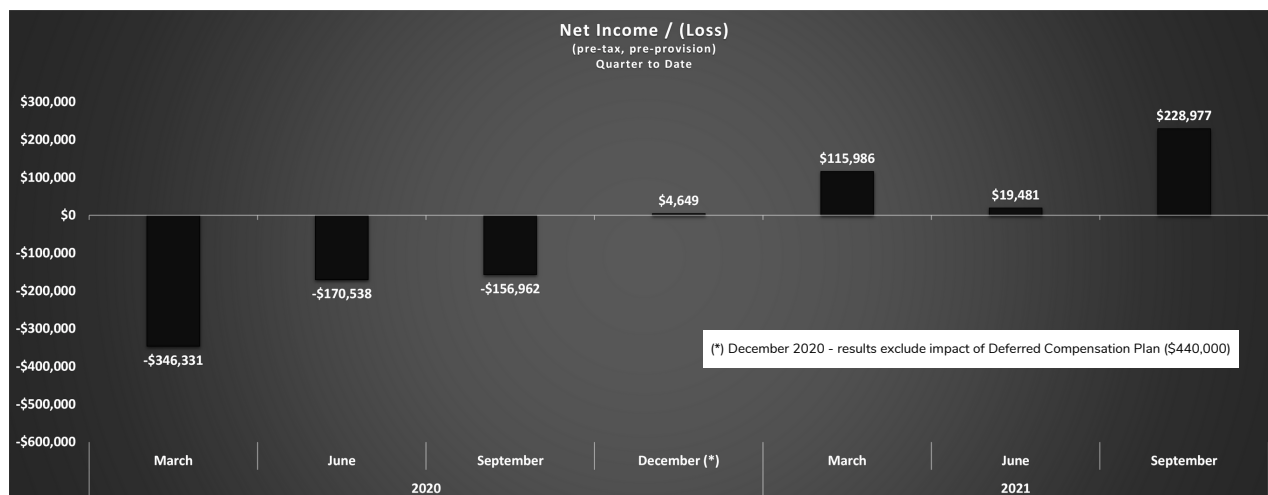
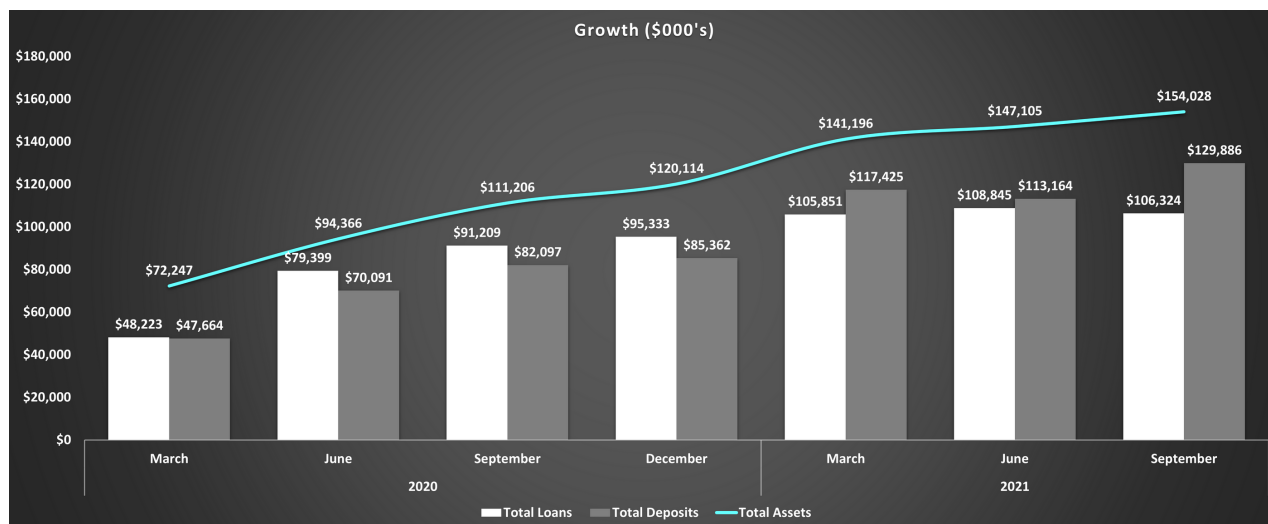
Despite the myriad of challenges that exist today with the virus, inflation, tight labor market conditions and political discord, Mi BANK was able to deliver strong operating results. We reported positive net income for the quarter and year to date periods as of September 30th. This was due to growth in our core loan portfolio, expanding revenue production and improved efficiency. We continue to report consistently improving results and experience favorable performance trends.

We have been able to capitalize on the opportunities in the market with our focused lending approach and deliver customized service with in person transactions or convenient technology solutions that meet our customer needs. The Mi BANK experience delivers an exceptional value. We appreciate your support and please let us know how we can assist you with your banking needs.

## Financial Highlights

- Strong growth in core business
  - Total Assets - \$154.0 million
    - Increase of \$33.9 million (28%) for 2021
  - Gross Loan Portfolio - \$106.3 million
    - Net Growth of \$15.1 million (16.6%) for the current year
    - Core portfolio increased \$41.9 million (84.2%) during past 12 months
  - Total Deposits - \$129.9 million
    - Increase of \$44.5 million (52.2%) in 2021
    - Strong liquidity position, provides support for future growth
- Reported positive earnings for the quarter and year to date period
- Positive improvements in performance:
  - Increase in net interest income
  - Expansion in margin - more productive asset mix
  - Growth in total revenue
  - More efficient operating structure
- Growth in Book value

## 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	September 30, 2021
<b>Summary Income Statement</b>									
Total Interest Income	\$ 391,032	\$ 503,705	\$ 575,486	\$ 661,081	\$ 823,850	\$ 1,114,337	\$ 1,134,848	\$ 1,213,702	\$ 1,549,794
Total Interest Expense	66,971	97,640	134,385	102,221	112,604	98,375	103,613	78,737	69,284
Net Interest Income	324,061	406,065	441,100	558,860	711,246	1,015,962	1,031,235	1,134,965	1,480,510
Tot Provision Expense	236,000	108,000	21,000	185,000	125,000	240,000	210,000	75,000	70,000
Total Noninterest Income	23,867	41,923	54,352	53,392	62,515	66,712	60,411	107,697	70,060
Total Noninterest Expense	905,384	1,276,438	841,783	782,791	930,724	1,517,776	975,660	1,223,182	1,321,593
Net Loss before taxes	(793,456)	(936,450)	(367,331)	(355,538)	(281,962)	(675,102)	(94,014)	(55,519)	158,977
Income Taxes	-	-	-	-	-	-	-	-	-
Net Loss	\$ (793,456)	\$ (936,450)	\$ (367,331)	\$ (355,538)	\$ (281,962)	\$ (675,102)	\$ (94,014)	\$ (55,519)	\$ 158,977
Net Income (Loss) - PTPP *	\$ (557,456)	\$ (460,450)	\$ (346,331)	\$ (170,538)	\$ (156,962)	\$ 4,649	\$ 115,986	\$ 19,481	\$ 228,977
* 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%	0.06%	0.61%
ROAE (%) (PTPP)	-8.05%	-12.27%	-5.67%	-2.84%	-2.61%	-7.34%	2.02%	0.34%	3.90%
Noninterest Income/ Avg Assets (%)	0.23%	0.31%	0.32%	0.24%	0.25%	0.23%	0.18%	0.31%	0.19%
Noninterest Expense/ Avg Assets (%)	8.67%	9.43%	4.91%	3.59%	3.67%	5.30%	2.96%	3.55%	3.50%
Net Interest Margin (%)	3.43%	3.22%	2.71%	2.72%	2.96%	3.72%	3.28%	3.52%	4.11%
Efficiency Ratio (FTE) (%)	260.22%	284.93%	169.90%	127.85%	120.29%	140.19%	89.38%	98.43%	85.23%

<b>Growth Rates</b>									
Margin Revenue	156.50%	25.31%	8.63%	26.70%	27.27%	42.84%	1.50%	10.06%	30.45%
Total Revenue	174.66%	28.76%	10.59%	23.57%	26.36%	39.92%	0.83%	13.83%	24.78%
Operating Expenses	-24.10%	40.98%	-34.05%	-7.01%	18.90%	63.07%	-35.72%	25.37%	8.05%

<b>Balance Sheet Highlights (000's)</b>									
Total Assets	51,105	68,478	72,247	94,366	111,206	120,114	141,196	147,105	154,028
Total Loans & Leases	33,671	42,784	48,223	79,399	91,209	95,333	105,851	108,845	106,324
Total Deposits	25,703	43,582	47,664	70,091	82,097	85,362	117,425	113,164	129,886
Total Equity	25,337	24,769	24,442	24,127	23,885	23,226	23,167	23,146	23,346
Loans/ Deposits (%)	131.0%	98.2%	101.2%	113.3%	111.1%	111.7%	90.1%	96.2%	81.9%

<b>Capitalization</b>									
Risk Based Capital Ratio (%)	49.66%	53.73%	47.28%	38.45%	32.41%	26.94%	28.96%	26.97%	27.99%
Tier 1 Risk-based Ratio (%)	49.04%	52.99%	46.58%	37.59%	31.52%	25.92%	27.71%	25.72%	26.74%
Leverage Ratio (%)	45.11%	46.12%	35.42%	27.50%	24.22%	21.93%	18.11%	16.82%	16.17%
CET Tier 1 Ratio (%)	49.04%	52.99%	46.58%	37.59%	31.52%	25.92%	27.71%	25.72%	26.74%
Equity / Assets	49.58%	36.17%	33.83%	25.57%	21.48%	19.34%	16.41%	15.73%	15.16%

<b>Share Data</b>									
Book Value	\$ 8.45	\$ 8.26	\$ 8.15	\$ 8.04	\$ 7.96	\$ 7.70	\$ 7.68	\$ 7.67	\$ 7.74
EPS (Earnings per Share)	\$ (0.26)	\$ (0.31)	\$ (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	3,000,000	3,000,000	3,016,300	3,016,300	3,016,300	3,016,300

PTPP: Pre-tax, Pre-Provision