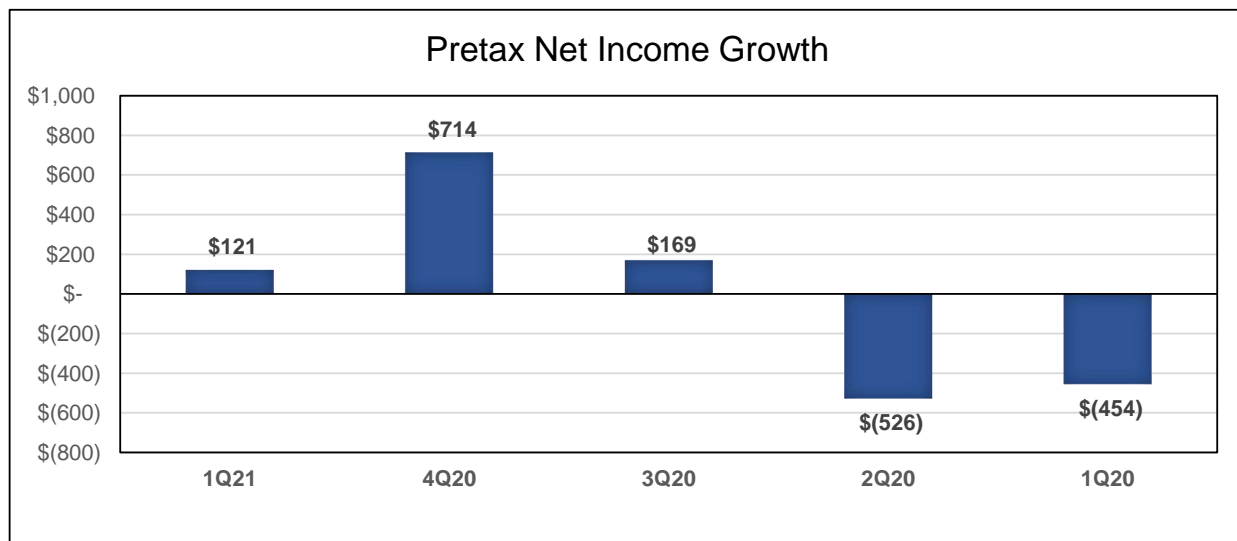
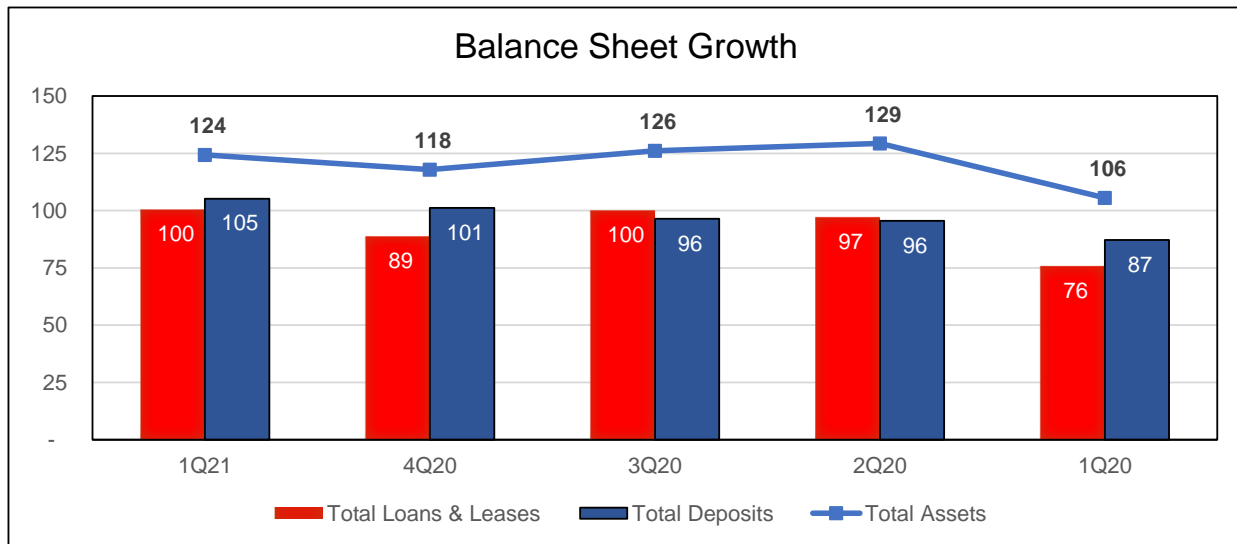


## 1Q21 Financial Highlights<sup>1</sup>

- Total Assets up 18%, exceeding \$124 million
- Total Loans up 33%; deposits up 21%
- Core deposits up 48%; reliance on non-core deposits down 30%
- Capital ratios continued to exceed regulatory capital requirements
- Pretax net income sustaining the positive trend from 3Q20
- Net interest margin increased 36 basis points; interest income margin declined 29 basis points and interest expense decreased 73 basis points
- Noninterest income up 68%; sale of SBA loans up \$43 thousand & servicing fee income up \$37 thousand
- Benefit from credit reserve release of \$194 thousand

<sup>1</sup>Percentage and dollar comparisons noted above are for the first quarter of 2021 versus the prior-year first quarter

## Performance Trends



**BANK MICHIGAN**  
**FINANCIAL HIGHLIGHTS (Unaudited)**

(in thousands, except ratio and headcount data)

**Quarterly Trends**

<b>Summary Income Statement</b>	1Q21	4Q20	3Q20	2Q20	1Q20	1Q21 Change	
						4Q20	1Q20
Total Interest Income	\$ 1,199	\$ 1,513	\$ 1,333	\$ 1,171	\$ 1,116	\$ (314)	\$ 82
Total Interest Expense	127	201	231	261	279	(74)	(152)
Net Interest Income	1,072	1,312	1,102	910	837	(240)	235
Total Provision for Loan Losses	(194)	-	22	443	10	(194)	(204)
Total Noninterest Income	188	702	307	200	112	(514)	76
Total Noninterest Expense	1,332	1,300	1,218	1,193	1,393	32	(61)
Net Income/(Loss) before taxes	121	714	169	(526)	(454)	(593)	575
Extraordinary Items (pretax)	25	131				(106)	25
Tax Provision (Benefit)	-	121	34	(110)	(96)	(121)	96
Extraordinary Items & Tax Provision (Benefit)	25	252	34	(110)	(96)	(227)	120
<b>Net Income/(Loss)</b>	<b>\$ 97</b>	<b>\$ 462</b>	<b>\$ 135</b>	<b>\$ (417)</b>	<b>\$ (358)</b>	<b>\$ (366)</b>	<b>\$ 455</b>

**Three Months Ended March 31,**

	2021	2020	2021 Change	
			2021	2020
Total Interest Income	\$ 1,199	\$ 1,116	\$ 82	
Total Interest Expense	127	279	(152)	
Net Interest Income	1,072	837	235	
Total Provision for Loan Losses	(194)	10	(204)	
Total Noninterest Income	188	112	76	
Total Noninterest Expense	1,332	1,393	(61)	
Net Income/(Loss) before taxes	121	(454)	575	
Extraordinary Items (pretax)	130	(593)	723	
Tax Provision (Benefit)	(50)	(39)	(11)	
Extraordinary Items & Tax Provision (Benefit)	25	(96)	120	
<b>Net Income/(Loss)</b>	<b>\$ 97</b>	<b>\$ (358)</b>	<b>\$ 455</b>	

**Earnings & per Common Share data**

Earnings per share	\$ 0.09	\$ 0.43	\$ 0.13	\$ (0.39)	\$ (0.33)	\$ (0.34)	\$ 0.42
Book Value	\$ 9.61	\$ 9.54	\$ 9.11	\$ 8.98	\$ 9.35	\$ 0.07	\$ 0.25
Common shares period-end	1,071	1,071	1,071	1,071	1,071	-	-

Earnings per share	\$ 0.09	\$ (0.33)	\$ 0.42
Book Value	\$ 9.61	\$ 9.35	\$ 0.25
Common shares period-end	1,071	1,071	-

**Financial Ratios**

Return on Equity <sup>(a)</sup>	3.86%	18.56%	5.55%	-17.10%	-14.11%	-14.70%	17.96%
Return on Assets <sup>(a)</sup>	0.32%	1.56%	0.42%	-1.29%	-1.36%	-1.24%	1.68%
Net interest margin	3.60%	4.23%	3.40%	3.02%	3.24%	-0.63%	0.36%
Efficiency Ratio	106%	65%	86%	107%	147%	41%	-41%
Full-time equivalent employees	38	37	37	37	35	1	3

Return on Equity <sup>(a)</sup>	3.86%	-14.11%	17.96%
Return on Assets <sup>(a)</sup>	0.32%	-1.36%	1.68%
Net interest margin	3.60%	3.24%	0.36%
Efficiency Ratio	106%	147%	-41%
Full-time equivalent employees	38	35	3

**Balance Sheet Highlights**

Total Assets	124,328	117,851	126,075	129,329	105,576	6,477	18,751
Total Loans & Leases	100,457	88,694	100,068	97,030	75,768	11,763	24,689
Allowance for Loan Loss Reserve (ALLL)	(1,034)	(1,227)	(1,228)	(1,202)	(758)	193	(276)
Core Deposits	83,476	78,928	69,058	68,584	56,292	4,548	27,184
Non-core Deposits	21,734	22,192	27,370	26,982	30,913	(459)	(9,180)
Total Deposits	105,209	101,120	96,427	95,566	87,205	4,089	18,004
Other Borrowings	8,408	6,005	19,327	23,726	8,000	2,403	408
Total Equity	10,295	10,216	9,764	9,618	10,022	79	273
Loan-to-deposits ratio <sup>(b)</sup>	75%	80%	85%	83%	87%	-5%	-12%
ALLL to total loans ratio <sup>(b)</sup>	1.30%	1.49%	1.50%	1.52%	1.00%	-0.19%	0.30%
Headcount	45	43	44	42	41	2	4

Total Assets	124,328	105,576	18,751
Total Loans & Leases	100,457	75,768	24,689
Allowance for Loan Loss Reserve (ALLL)	(1,034)	(758)	(276)
Core Deposits	83,476	56,292	27,184
Non-core Deposits	21,734	30,913	(9,180)
Total Deposits	105,209	87,205	18,004
Other Borrowings	8,408	8,000	408
Total Equity	10,295	10,022	273
Loan-to-deposits ratio <sup>(b)</sup>	75%	87%	-12%
ALLL to total loans ratio <sup>(b)</sup>	1.30%	1.00%	0.30%
Headcount	45	41	4

**Capital Ratios**

Tier 1 leverage ratio	8.44%	8.67%	8.15%	7.75%	9.00%	-0.23%	-0.56%
Tier 1 capital ratio	12.16%	11.74%	11.28%	11.61%	11.82%	0.42%	0.34%
Total capital ratio	13.41%	12.99%	12.53%	12.87%	12.79%	0.42%	0.62%

Tier 1 leverage ratio	8.44%	9.00%	-0.56%
Tier 1 capital ratio	12.16%	11.82%	0.34%
Total capital ratio	13.41%	12.79%	0.62%

(a) Quarterly ratios are based upon annualized amounts.

(b) Ratio excludes government guaranteed Paycheck Protection Program loans