



*2015 Annual Report*

## 2015 Financial Review

For the Year	2015	2014	% change
Net interest income	\$ 13,644,000	\$ 12,241,000	11.46
Provision for loan losses	154,000	340,000	(54.71)
Non-interest income	1,140,000	1,136,000	0.35
Non-interest expense	7,613,000	7,275,000	4.65
Income tax expense	2,214,000	1,729,000	28.05
Net income	4,803,000	4,033,000	19.09

### At Year End

Assets	\$ 416,430,000	\$ 355,227,000	17.23
Gross loans	301,999,000	264,901,000	14.00
Allowance for loan loss (ALLL)	4,871,000	4,717,000	3.26
Other assets	119,302,000	95,043,000	25.52
Deposits	360,301,000	310,977,000	15.86
Other liabilities	18,117,000	11,463,000	58.05
Shareholders' equity	38,012,000	32,787,000	15.94

Ratios	2015	2014	Change
Return on average assets	1.24	1.21	0.03
Return on average equity	13.52	13.22	0.30
Total risk-based capital ratio	12.26	14.27	(2.01)
ALLL as percentage of loans	1.61	1.78	(0.17)

### Fully Diluted Earnings Per Share

Earnings per share 2015	\$ 2.34
Earnings per share 2014	\$ 2.00
Earnings per share 2013	\$ 1.62
Earnings per share 2012	\$ 1.23
Earnings per share 2011	\$ 1.12
Earnings per share 2010	\$ 0.81
Earnings per share 2009	\$ 0.43
Earnings per share 2008	\$ 0.01
Earnings per share 2007	(0.05)
Earnings per share 2006	(0.52)

# To Our First National Bank of Michigan Family

We are pleased to distribute First National Bank of Michigan's annual report for the fiscal year ending December 31, 2015. It has been an exciting year and we are pleased to share our continued good financial performance.

These accomplishments would not have been possible without the support and dedication of the Bank's shareholders. Your commitment to creating and sustaining a locally managed, community bank has helped make First National Bank of Michigan what it is today. We can't thank you enough for your investment as well as your confidence in the Bank.

The Bank has grown stronger from within over the last year, adding new employees to the team. Officer level employees hired in 2015 include Mary Early as Director, Marketing & Community Relations, Jennifer Nemecek as Vice President, Treasury Management Officer and David Kistler as Vice President, Commercial Lending. Early in 2016, we also welcomed Derek Naylor to the Bank as Vice President, Residential Mortgage Manager at the Bank's Woodbridge location in Portage. In addition, Charles Slauer joined our Grand Rapids team as Vice President, Commercial Lending.

Last year we also announced Daniel Bitzer's promotion to the role of President, Matthew Morgan to the role of Senior Vice President, Chief Financial Officer, Secretary & Treasurer and Jennifer Warning to Credit Manager.

These individuals and the entire staff have worked alongside our existing leadership team to create a stronger and more secure future for First National Bank of Michigan. Our deepest thanks go out to all members of the leadership team for their guidance and dedication throughout First National Bank of Michigan's tenure.

Your support has also enabled us to reach First National Bank of Michigan's 10th anniversary in 2016. We are excited to celebrate this great accomplishment by giving back to local charities and the communities that have partnered with the Bank since its inception. Bank employees have selected Helen DeVos Children's Hospital, Big Brothers Big Sisters, Kalamazoo Gospel Mission, Boys & Girls Clubs of Grand Rapids, Grand Rapids Kids' Food Basket, Kalamazoo Loaves & Fishes, United Way\*, Habitat for Humanity\*, YWCA Domestic Assault Program and Kalamazoo Deacons Conference as recipients.

Thank you for being part of our journey thus far. We look forward to many more decades of success.

Sincerely,



**John M. Schreuder**

*Senior Executive & Board Chairman*



**Larry D. Lueth**

*Chief Executive Officer*

*\* Grand Rapids and Kalamazoo*

## Board of Directors

Our Board of Directors is a varied group of individuals who have succeeded in their respective industries, including the local banking community, for many years. They know West Michigan, understand business and believe in building strong relationships; this is the foundation that allows us to provide assistance to local businesses in ways that other banks can't or won't.



**John M. Schreuder**

*Senior Executive &  
Board Chairman*



**Larry D. Lueth**

*Chief Executive Officer*



**Dan Bitzer**

*President &  
Senior Lender*

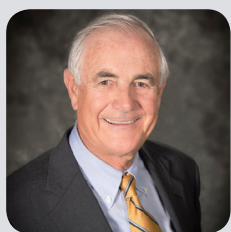
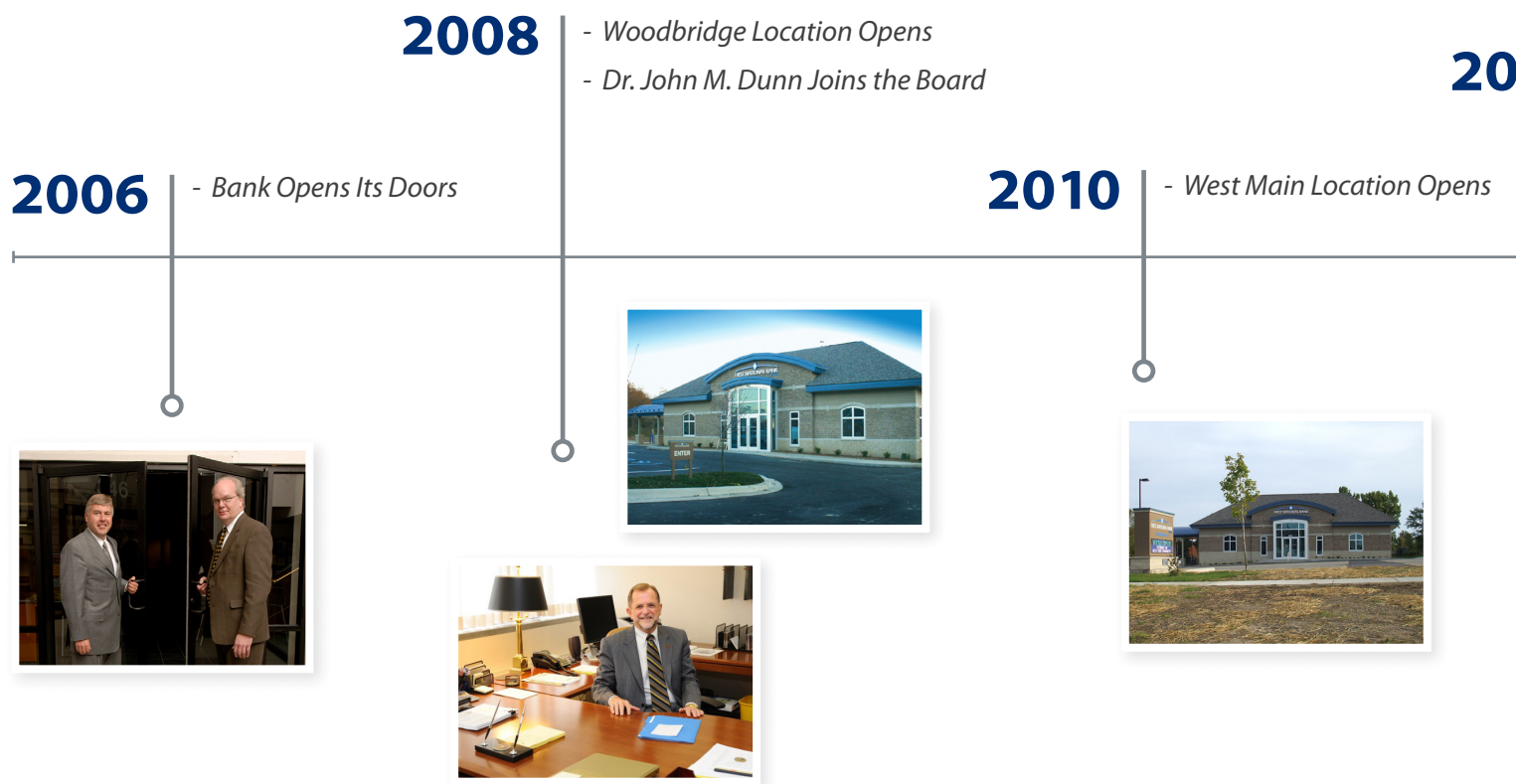
# 10-Year Highlights Review

Ten years ago we set out to be the best privately owned, locally controlled community bank. We're proud to report that we did just that. Needless to say, it's been an incredible journey.

In 2006 we started with \$18 million in capital and a handful of local bankers. We have grown to more than \$400 million in assets and employ more than 50 people.

Our vision and commitment has and will continue to remain consistent as we continue into the future.

Enjoy just a few of the major milestones First National Bank of Michigan has accomplished over the past ten years.



**Eric V. Brown, Jr.**



**Joseph Calvaruso**



**James DeKruyter**



**James S. DeMoss**



**John M. Dunn**

## Bank Stock Performance



11

- James S. DeMoss  
Joins the Board

2015

- Dan Bitzer Promoted to President  
- Joe Calvaruso and Dan Bitzer Join the Board

2012

- Grand Rapids  
Location Opens

2016

- Celebrating 10  
Years of Business!



James S. Gunderson



David L. Holmes



Ben Ipema



Sondra K. Phillips



Joshua T. Weiner

## EXECUTIVE OFFICERS

John M. Schreuder  
*Senior Executive &  
Board Chairman*

Larry D. Lueth  
*Chief Executive Officer*

Daniel Bitzer  
*President & Senior Lender*

Richard D. Bailey II  
*Senior Vice President &  
Chief Credit Officer*

Jefra Groendyk  
*Senior Vice President  
Market President, Grand Rapids*

Matthew Morgan  
*Senior Vice President, Chief Financial Officer,  
Secretary & Treasurer*

### BRANCH MANAGEMENT

Martha Betke  
*Vice President & Branch  
Manager, West Main*

Mary Hoag  
*Vice President & Branch  
Manager, Woodbridge Hills*

Derek Naylor  
*Vice President, Residential  
Mortgage Manager*

Amy Vervaras  
*Assistant Vice President &  
Branch Manager, Grand Rapids*

### COMMERCIAL LENDING & TREASURY MANAGEMENT – KALAMAZOO

Melissa Gilbert  
*Assistant Vice President*

Christopher Mars  
*Vice President*

Jennifer Nemecek  
*Vice President,  
Treasury Management*

John J. Schreuder  
*Vice President*

Nancy Turtle  
*Vice President*

### COMMERCIAL LENDING & TREASURY MANAGEMENT – GRAND RAPIDS

Brian Campbell  
*Vice President*

Dustin Hopkins  
*Assistant Vice President*

David Kistler  
*Vice President*

Jennifer Nemecek  
*Vice President,  
Treasury Management*

Charles Slauer  
*Vice President*

### CREDIT

Jennifer Warning  
*Manager*

### MARKETING & COMMUNITY RELATIONS

Mary Early  
*Director*

### OPERATIONS

Carol Ludlow  
*Vice President, Loan Operations*

Scott McQueen  
*Vice President, Deposit Operations  
& Security*

Beth Rowley  
*Operations Officer*

## Putting you and your business First.

#### Downtown Kalamazoo

348 W. Michigan Ave., Kalamazoo  
**Phone:** 269.349.0100

#### Portage

2700 W. Centre Ave., Portage  
**Phone:** 269.488.0290

#### West Kalamazoo

5313 W. Main St., Kalamazoo  
**Phone:** 269.250.8860

#### Grand Rapids

141 Ionia Ave. N.W. Ste 1, Grand Rapids  
**Phone:** 616.242.6500



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