

Board of Directors

Larry Lueth - Chairman

Daniel Bitzer - Director

Eric Brown - Director

Joseph Calvaruso - Director

James DeKruyter - Director

James DeMoss - Director

John Dunn - Director Emeritus

David G. Echelbarger - Director

David Holmes - Director

Ben Ipema - Director

Bill Manns - Director

Edward Montgomery - Director

Sondra Phillips - Director

John M. Schreuder - Chairman Emeritus

Virginia Seyferth - Director

Joshua Weiner - Director

Executive Team

Dan Bitzer - President & CEO

Jefra Groendyk - Executive Vice President & Senior Lender

Cindy Kole - Executive Vice President & Chief Operating Officer

Matt Morgan - Senior Vice President & Chief Financial Officer, Chief Technology Officer, Secretary & Treasurer

Steve Piper - Executive Vice President & Chief Credit Officer



fnbmichigan.com



Officers

Greg Accardo
Market President, Holland

Kelsey Bailey
Branch Manager, Downtown
Kalamazoo

Patty Barnas
Market President, Lansing

Brian Clark
Branch Manager, Woodbridge

Nick Conley
Commercial Banker

Sam Drelles
Commercial Banker

Sue Edwards
Private Banker

Paige Gardner
Credit Analyst

Cheryl Germain
Controller

Andrea Goodin
Compliance Specialist

Al Hoffman
Human Resources, Security &
Training Manager, and
Diversity, Equity & Inclusion

Mike Hollander
Market President, Grand
Rapids

Michelle Hoopman
Branch Assistant, Grand
Rapids

Dustin Hopkins
Commercial Banker

Rick Jackson
Commercial Banker

Melody Janetzke
Branch Administration
Specialist

David Kistler
Commercial Banker

Marcus Kole
Commercial Banker

Dave Koster
Commercial Banker

Cynthia Lamirande
Branch Manager, Holland

Deb Lang
Marketing Manager

Nicole Lowczyk
Treasury Management
Specialist

Joe Ludy
Branch Manager, West Main

Chris Mars
Kalamazoo Commercial Banking
Group Manager

Jennifer Marsh
Commercial Banker

Kim Melvin
Private Banker

Brian Mick
Commercial Banker

Tamara Milobinski, CTP
Commercial Banker

Sara Mottl
Loan Operations Specialist

Jennifer Nemecek, CTP
Treasury Management & Deposit
Operations Manager

Emily Newman
Loan Operations Manager

Shaunna Padgett
Strategic & Operating Manager

Nickie Peters
Facilities Manager

Jesse Prins
Commercial Banker

Darcy Ranfeld
Branch Assistant, Westside

Kathy Reenders
Branch Assistant, Woodbridge

Beth Rowley
Deposit Operations Specialist

Josh Schultz
Commercial Banker

Charles Slauer
Commercial Banker

Melanie Squires
Treasury Management &
Branch Manager, Lansing

Gary Stock
IT Specialist

Amy Vervaras
Branch Manager, Grand Rapids

Kevin Waldie
Compliance Manager

Jennifer Warning
Credit Manager

Henry Ziolkowski
Consumer Credit Underwriter



Quarterly Report
September 30, 2021

Kalamazoo
Portage
Grand Rapids Holland
Lansing
Traverse City (Loan Production Office)

Together, We are First.

Dear Shareholder:

The Bank continues to experience strong financial performance for the nine months ending September 30, 2021, with Net Income of \$5.9 million compared to \$3.1 million for the same period in 2020, up 90%. Nine months fully diluted earnings per share increased from \$1.56 per share to \$3.00 per share. Gross Loans are down \$6 million from September 30, 2020, a 1% decrease. The robust \$69 million in core loan growth, an increase of 15% year over year, was offset by \$75 million in Paycheck Protection Program ("PPP") loans paid off. Deposit growth continues strong and is up \$68 million, or 10% from September 30, 2020. The securities portfolio increased \$66 million from September 30, 2020 to \$190 million. The Loan Loss Reserve increased \$1.5 million from the prior year to \$10 million for a balance equal to 1.68% of Gross Loans. Year to date, the Bank has no charge-offs and maintains a low level of non-accrual loans as compared to our peers. Thus far in 2021, we added \$1.4 million to the Loan Loss Reserve compared to last year's provision of \$1.8 million for future potential credit losses for the same period. Our first 9 months of Net Income before Income Tax Expense and Loan Loss Provision Expense, also known as Pre-Tax Pre-Provision ("PTPP"), grew by 52% for 2021 to \$8.6 million from \$5.7 million for 2020.

John M. Schreuder, founding CEO of First National Bank of Michigan retired from the Bank's Board of Directors at the August 2021 board meeting. In 2018, with over 40 years of banking experience, John retired as an employee of the Bank, continuing to actively serve in various leadership roles on the Board and Board Committees. John's leadership and vision helped First National Bank of Michigan become the successful community bank it is today. Congratulations John!

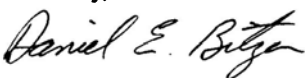
James (Jim) S. Gunderson, a founding Board Member and investor of First National Bank of Michigan, passed away August 18, 2021. Jim served on the Board and various Board Committees since the Bank opened its doors in 2006. As a business owner, Jim brought a wealth of knowledge and provided valuable guidance to the Board and leadership team. We all owe Jim a debt of gratitude for his Board Governance.

The First National Bank of Michigan Board of Directors and employees appreciate the contributions made by both John and Jim during their service to the Bank. John and Jim will be greatly missed and remembered for helping to bring true community banking to the communities we serve.

The Bank's most recent stock valuation as of September 30, 2021 is \$50.00 per share, up from \$48.00 on June 30, 2021.

Together, we are First.

Sincerely,



Daniel E. Bitzer
President & CEO



Larry D. Lueth
Chairman of the Board

CONSOLIDATED BALANCE SHEET (Unaudited) (in '000's)

Assets	09/30/2021	09/30/2020
Cash & Due from Banks	\$76,119	\$62,919
Investments	189,864	124,027
Loans		
Commercial Loans	572,248	575,252
Residential Mortgage Loans	21,656	24,543
Consumer & other loans	869	1,017
Gross Loans	594,773	600,812
Allowance for loan losses	(10,022)	(8,481)
Net Loans	584,752	592,332
Fixed Assets	6,287	6,472
Other Assets	20,101	17,475
Total Assets	\$877,121	\$803,225

Liabilities & Shareholders' Equity

Demand Deposits	\$367,952	\$275,153
Savings Deposits	219,117	213,180
Time Deposits	140,306	171,034
Borrowings	73,100	73,100
Other Liabilities	4,888	6,899
Total Liabilities	805,363	739,366
Capital		
Common Stock	18,836	19,196
Retained Earnings	46,769	40,768
YTD net income	5,910	3,104
Unrealized Gain (loss) on Securities	244	791
Total Capital	71,758	63,859
Total Liabilities & Shareholders Equity	\$877,121	\$803,225

Our Locations:

269.349.0100 | 348 W. Michigan Ave., Kalamazoo
 269.250.9960 | 5313 W. Main St., Kalamazoo
 269.488.0290 | 2700 W. Centre Ave., Portage
 616.242.6500 | 141 Ionia Ave., NW, Grand Rapids
 616.251.1200 | 1 W. 8th St., Holland
 517.319.8000 | 101 S. Washington Sq., Lansing
 Northern Michigan Loan Production Office

CONSOLIDATED INCOME STATEMENT (Unaudited) (in '000's)

	For the 9 months ended 09/30/2021	For the 9 months ended 09/30/2020
Interest Income		
Loans	\$16,238	\$16,653
Loan Fees	3,933	669
Investments	1,262	757
Fed Funds & Due from Banks	33	232
Total Interest Income	21,466	18,312
Interest Expense		
Deposits	1,371	2,468
Borrowings	937	969
Total Interest Expense	2,308	3,437
Provision For Loan Losses	1,395	1,819
Net Int. Income after Prov.	17,764	13,056
Non-Interest Income		
Fees and Services Charges	236	214
Gains on Mortgages Sold	32	81
Investment Referral Fees	81	76
Other Fees and Income	613	532
Total Non-Interest Income	962	903
Non-Interest Expense		
Employee Compensation	7,276	6,406
Occupancy Expense	1,084	895
Advertising Expense	306	184
Equipment Expense	542	366
Outside Services	654	644
Other General Expense	1,694	1,632
Total Non-Interest Expenses	11,555	10,126
Net Income before Taxes	7,171	3,832
Federal Income Taxes	1,261	728
Net Income	\$5,910	\$3,104
Earnings Per Share	\$3.00	\$1.56
Return on Average Assets	0.96%	0.59%
Return on Average Equity	11.48%	6.65%