

## 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](http://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  
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  
Dan Montes  
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  
Beth Rowley  
Deposit Operations Specialist  
Josh Schultz  
Commercial Banker  
Charles Slauer  
Commercial Banker  
Melanie Squires  
Treasury Management & Branch Manager, Lansing  
Amy Vervaras  
Branch Manager, Grand Rapids  
Kevin Waldie  
Compliance Manager  
Jennifer Warning  
Credit Manager  
Ashley Winn  
Treasury Management Specialist  
Henry Ziolkowski  
Consumer Credit Underwriter



Quarterly Report  
December 31, 2021

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

Together, We are First.

## Dear Shareholder:

First National Bancorp, Inc., the parent company of First National Bank of Michigan (“FNBM”), continued to experience growth for the fifteenth straight year. FNBM’s total assets were \$891 million as of December 31, 2021, up 15% from December 31, 2020. The \$91 million in core loan growth for the year was offset by a \$72 million net reduction in Paycheck Protection Program (“PPP”) loans which were made in support of our community, businesses, and non-profit organizations and are now being forgiven by the federal government.

In 2021 annual Net Income of \$8.0 million is 34% higher than last year’s Net Income of \$6.0 million even while adding another \$1.9 million to the Loan Loss Reserve for future potential credit losses. Our Net Income before Income Tax Expense and Loan Loss Provision Expense, also known as Pre-Tax Pre-Provision (“PTPP”) grew by 17% for 2021 to \$11.5 million from \$9.8 million for 2020.

Our employees continued to give back to our local communities by volunteering and supporting various local non-profit organizations. In 2021, FNBM employee volunteer hours totaled 1,460 and we donated \$214,000 in charitable funding to support non-profit organizations in each of our markets.

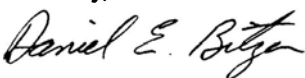
In 2021, we expanded our footprint by opening a Loan Production office in Traverse City. Since that time, we have recognized significant growth in Northern Michigan led by Sam Drelles, Senior Vice President, Commercial Banking.

Our year-end stock valuation will be completed in March with our fiscal year-end audit completion.

As we continue to experience growth in each of our Markets, we want to thank you for your referrals, investment, and the commitment you continue to place in our Bank. If you have any questions regarding the Bank or your investment in First National Bancorp, Inc., please let us know.

**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	12/31/2021	12/31/2020
Cash & Due from Banks	\$86,158	\$72,304
Investments	222,616	137,615
Loans		
Commercial Loans	544,007	523,574
Residential Mortgage Loans	21,339	23,079
Consumer & other loans	951	977
Gross Loans	566,297	547,630
Allowance for loan losses	(10,524)	(8,622)
Net Loans	555,773	539,008
Fixed Assets	6,245	6,755
Other Assets	19,805	16,750
<b>Total Assets</b>	<b>\$890,597</b>	<b>\$772,434</b>
<b>Liabilities &amp; Shareholders' Equity</b>		
Demand Deposits	\$397,233	\$297,748
Savings Deposits	221,199	166,186
Time Deposits	122,821	164,166
Borrowings	73,275	73,100
Other Liabilities	3,901	4,339
<b>Total Liabilities</b>	<b>818,429</b>	<b>705,539</b>
Capital		
Common Stock	18,767	19,255
Retained Earnings	46,769	40,768
YTD net income	8,031	6,001
Unrealized Gain (loss) on Securities	(1,399)	870
<b>Total Capital</b>	<b>72,168</b>	<b>66,894</b>
<b>Total Liabilities &amp; Shareholders Equity</b>	<b>\$890,597</b>	<b>\$772,434</b>

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

	For the 12 months ended 12/31/2021	For the 12 months ended 12/31/2020
Interest Income		
Loans	\$21,863	\$21,936
Loan Fees	5,750	3,689
Investments	1,803	1,054
Fed Funds & Due from Banks	63	251
<b>Total Interest Income</b>	<b>29,479</b>	<b>26,930</b>
Interest Expense		
Deposits	1,867	3,097
Borrowings	1,249	1,280
<b>Total Interest Expense</b>	<b>3,116</b>	<b>4,377</b>
Provision For Loan Losses	1,896	1,959
<b>Net Int. Income after Prov.</b>	<b>24,467</b>	<b>20,593</b>
Non-Interest Income		
Fees and Services Charges	322	288
Gains on Mortgages Sold	42	109
Investment Referral Fees	109	101
Other Fees and Income	792	726
<b>Total Non-Interest Income</b>	<b>1,265</b>	<b>1,224</b>
Non-Interest Expense		
Employee Compensation	9,850	8,567
Occupancy Expense	1,450	1,255
Advertising Expense	654	423
Equipment Expense	768	497
Outside Services	933	877
Other General Expense	2,516	2,360
<b>Total Non-Interest Expenses</b>	<b>16,170</b>	<b>13,980</b>
<b>Net Income before Taxes</b>	<b>9,561</b>	<b>7,837</b>
Federal Income Taxes	1,530	1,836
<b>Net Income</b>	<b>\$8,031</b>	<b>\$6,001</b>
<b>Earnings Per Share</b>	<b>\$4.07</b>	<b>\$3.03</b>
<b>Return on Average Assets</b>	<b>0.95%</b>	<b>0.82%</b>
<b>Return on Average Equity</b>	<b>11.54%</b>	<b>9.51%</b>

#### 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