

## Board of Directors

Larry Lueth - Chairman  
Daniel Bitzer - Director  
Eric Brown - Director  
Joseph Calvaruso - Director  
James DeKruyter - Director  
James DeMoss - Director  
John M. 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 and Diversity, Equity & Inclusion Manager  
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, West Main  
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 March 31, 2022

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

Together, We are First.

## Dear Shareholder:

At our Annual Shareholder's meeting we announced our current stock price at \$52.50 as of March 31, 2022. FNBM's total assets were \$923 million as of March 31, 2022, up 36% from December 31, 2021. Our loan portfolio contracted by \$3 million, a decrease of 0.5% largely driven by a \$13 million decrease in Paycheck Protection Program ("PPP") loans and \$10 million in core loan growth during the quarter. As of March 31, 2022, year to date Net Income of \$1.6 million is 10% below last year's Net Income of \$1.8 million with carry over PPP Fee Income down \$900,000. We added \$468,000 to the Loan Loss Reserve compared to last year's provision of \$540,000 for future potential credit losses. Our first quarter Net Income before Income Tax Expense and Loan Loss Provision Expense, also known as Pre-Tax Pre-Provision, decreased by 14% for 2022 to \$2.4 million from \$2.8 million for 2021. However, net of PPP, our core Pre-Tax Pre-Provision grew 64% by \$772,000 to \$2.0 million.

During our March 2022 Board of Directors meeting, the Board of Directors approved the following promotions to Senior Vice Presidents: Greg Accardo, Market President, Holland, Patty Barnas, Market President, Lansing, Jennifer Nemecek, Treasury Management and Deposit Operations Manager and Shaunna Padgett, Strategic and Operating Manager. Congratulations to our newest Senior Vice Presidents!

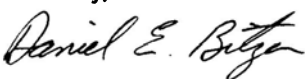
Throughout the first quarter of 2022, our employees volunteered with various non-profit organizations. The Bank provided charitable funding and significant sponsorship dollars to support organizations in each of our markets.

First National Bank's Diversity, Equity, and Inclusion committee made significant progress during the first quarter, selecting the Center for Cultural Agility as our partner to continue the journey.

Thank you for your referrals, we appreciate your loyalty. As always, we strive to deliver personal attention and financial solutions dedicated to the growth and prosperity of our communities.

**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	03/31/2022	03/31/2021
Cash & Due from Banks	\$15,608	\$37,438
Investments	321,787	173,463
Loans		
Commercial Loans	540,867	584,499
Residential Mortgage Loans	22,102	22,805
Consumer & other loans	651	(2,049)
Gross Loans	563,620	605,255
Allowance for loan losses	(10,993)	(9,164)
Net Loans	552,627	596,092
Fixed Assets	10,445	6,568
Other Assets	22,289	17,171
Total Assets	\$922,757	\$830,732

### Liabilities & Shareholders' Equity

Demand Deposits	\$393,306	\$336,154
Savings Deposits	278,682	191,462
Time Deposits	120,562	156,579
Borrowings	56,797	73,700
Other Liabilities	6,873	5,563
Total Liabilities	856,220	763,459
Capital		
Common Stock	18,850	18,769
Retained Earnings	54,800	46,769
YTD net income	1,625	1,808
Unrealized Gain (loss) on Securities	(8,737)	(73)
Total Capital	66,537	67,273
Total Liabilities & Shareholders Equity	\$992,757	\$830,732

#### 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 3 months ended 03/31/2022	For the 3 months ended 03/31/2021
Interest Income		
Loans	\$5,508	\$5,201
Loan Fees	650	1,554
Investments	718	364
Fed Funds & Due from Banks	30	18
Total Interest Income	6,907	7,136
Interest Expense		
Deposits	331	542
Borrowings	388	303
Total Interest Expense	718	845
Provision For Loan Losses	468	540
Net Int. Income after Prov.	5,721	5,752
Non-Interest Income		
Fees and Services Charges	84	71
Gains on Mortgages Sold	12	14
Investment Referral Fees	28	26
Other Fees and Income	222	184
Total Non-Interest Income	347	295
Non-Interest Expense		
Employee Compensation	2,682	2,442
Occupancy Expense	349	354
Advertising Expense	101	105
Equipment Expense	101	167
Outside Services	307	227
Other General Expense	631	530
Total Non-Interest Expenses	4,170	3,824
Net Income before Taxes	1,897	2,222
Federal Income Taxes	272	414
<b>Net Income</b>	\$1,625	\$1,808
<b>Earnings Per Share</b>	\$0.80	\$0.89
<b>Return on Average Assets</b>	0.71%	0.88%
<b>Return on Average Equity</b>	9.32%	10.91%