

## 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	Joe Ludy Branch Manager, West Main
Kelsey Bailey Branch Manager, Downtown Kalamazoo	Chris Mars Kalamazoo Commercial Banking Group Manager
Patty Barnas Market President, Lansing	Jennifer Marsh Commercial Banker
Brian Clark Branch Manager, Woodbridge	Kim Melvin Private Banker
Nick Conley Commercial Banker	Brian Mick Commercial Banker
Sam Drelles Commercial Banker	Dan Montes Commercial Banker
Paige Gardner Credit Analyst	Sara Mottl Loan Operations Specialist
Cheryl Germain Controller	Jennifer Nemecek, CTP Treasury Management & Deposit Operations Manager
Al Hoffman Human Resources, Security, Training and Diversity, Equity & Inclusion Manager	Emily Newman Loan Operations Manager
Mike Hollander Market President, Grand Rapids	Shaunna Padgett Strategic & Operating Manager
Michelle Hoopman Branch Assistant, Grand Rapids	Nickie Peters Facilities Manager
Dustin Hopkins Commercial Banker	Jesse Prins Commercial Banker
David Huisman Relationship Manager	Beth Rowley Deposit Operations Specialist
Rick Jackson Commercial Banker	Josh Schultz Commercial Banker
Melody Janetzke Branch Administration Specialist	Charles Slauer Commercial Banker
David Kistler Commercial Banker	Melanie Squires Treasury Management & Branch Manager, Lansing
Marcus Kole Commercial Banker	Amy Vervaras Branch Manager, Grand Rapids
Dave Koster Commercial Banker	Kevin Waldie Compliance Manager
Cynthia Lamirande Branch Manager, Holland	Jennifer Warning Credit Manager
Deb Lang Marketing Manager	Ashley Winn Treasury Management Specialist
Nicole Lowczyk Treasury Management Specialist	Henry Ziolkowski Consumer Credit Underwriter



Quarterly Report  
June 30, 2022

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

Together, We are First.

## Dear Shareholder:

Thank you for your investment and continued patronage as First National Bank of Michigan (“FNBM”) continues to experience growth and success.

FNBM’s total assets were \$918.2 million as of June 30, 2022, down 0.5% from March 31, 2022. Our loan portfolio grew by \$16.6 million, an increase of 2.9% largely driven by \$18.1 million in core loan growth during the quarter offset by \$1.5 million in forgiveness of Paycheck Protection Program (“PPP”) loans. As of June 30, 2022, year to date Net Income of \$3.6 million is 2.1% below last year’s Net Income of \$3.7 million with carryover PPP fee income decreasing \$1.7 million. PPP loans have reduced from \$81,661,000 to \$860,000 year over year. We added \$920,000 to the Loan Loss Reserve compared to last year’s provision of \$840,000 for future potential credit losses in our current economic climate. Our Net Income before Income Tax Expense and Loan Loss Provision Expense, also known as Pre-Tax Pre-Provision, for the first 6 months of the year decreased by 3.3% for 2022 to \$5.2 million from \$5.4 million for 2021. However, net of PPP income, our first 6 months core Pre-Tax Pre-Provision earnings grew 75% to \$4.8 million from \$2.7 million in 2021.

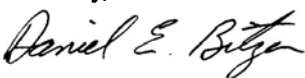
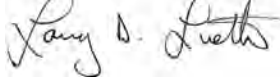
“The fear of a recession has created uncertainty in the financial markets resulting in continued pressure on bank stock values. During the second quarter of 2022, the NASDAQ Bank Index was down 15%. However, FNBM continues to outperform benefiting from rising interest rates and solid loan growth. As a result, the stock value as determined by an independent appraiser, increased to \$53.50 per share as of June 30, 2022,” said Richard (Rick) F. Maroney, Jr., Managing Director ProBank Austin.

We welcome our examiners back in person as the Office of the Comptroller of Currency Safety and Soundness Exam began on August 1. We appreciate the good work our employees do every day to ensure the safety and soundness of your Bank.

Thank you for your referrals, we appreciate the trust you have in First National Bank of Michigan.

**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	06/30/2022	06/30/2021
Cash & Due from Banks	\$39,003	\$17,864
Investments	276,227	181,692
Loans		
Commercial Loans	557,253	488,895
PPP Loans	866	81,661
Residential Mortgage Loans	21,887	21,919
Consumer & other loans	173	1,007
Gross Loans	580,180	593,482
Allowance for loan losses	(11,445)	(9,465)
Net Loans	568,735	584,017
Fixed Assets	10,225	6,423
Other Assets	23,986	20,169
Total Assets	\$918,177	\$810,164

### Liabilities & Shareholders' Equity

Demand Deposits	\$425,638	\$358,104
Savings Deposits	262,921	167,601
Time Deposits	128,663	135,429
Borrowings	31,650	73,700
Other Liabilities	7,887	5,923
Total Liabilities	856,759	740,758
Capital		
Common Stock	17,592	18,873
Retained Earnings	54,800	46,769
YTD net income	3,634	3,711
Unrealized Gain (loss) on Securities	(14,608)	54
Total Capital	61,418	69,406
Total Liabilities & Shareholders Equity	\$918,177	\$810,164

#### 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 6 months ended 06/30/2022	For the 6 months ended 06/30/2021
Interest Income		
Loans	\$11,369	\$10,631
Loan Fees	1,209	2,537
Investments	1,617	808
Fed Funds & Due from Banks	86	20
Total Interest Income	14,281	13,996
Interest Expense		
Deposits	672	970
Borrowings	635	625
Total Interest Expense	1,307	1,595
Provision For Loan Losses	920	840
Net Int. Income after Prov.	12,053	11,562
Non-Interest Income		
Fees and Services Charges	171	151
Gains on Mortgages Sold	13	21
Investment Referral Fees	54	55
Other Fees and Income	426	390
Total Non-Interest Income	664	616
Non-Interest Expense		
Employee Compensation	5,297	4,824
Occupancy Expense	741	718
Advertising Expense	189	190
Equipment Expense	260	343
Outside Services	603	464
Other General Expense	1,334	1,087
Total Non-Interest Expenses	8,424	7,625
Net Income before Taxes	4,293	4,553
Federal Income Taxes	659	842
<b>Net Income</b>	<b>\$3,634</b>	<b>\$3,711</b>
<b>Earnings Per Share</b>	<b>\$1.80</b>	<b>\$1.83</b>
<b>Return on Average Assets</b>	<b>0.79%</b>	<b>0.91%</b>
<b>Return on Average Equity</b>	<b>10.85%</b>	<b>11.03%</b>