



Quarterly Report
March 2024

Letter To Our Shareholders

Dear Shareholders,

On behalf of First National Bank of Michigan (FNBM), we appreciate your continued investment in our Bank.

FNBM's performance for Q1 2024 as of March 31, 2024, total assets stood at \$1.01 billion, representing a 6.2% increase from the same period last year. FNBM's year-to-date Net Income of \$1.38 million reflects a 13.4% growth compared to the previous year, showcasing our sustained financial strength and stability. First-quarter loans grew by 10.7% to \$7.31 million from March 31, 2023, while Deposits saw an increase of 4.1% to \$7.99 million. These achievements reflect the strength and vitality of FNBM in the ever-evolving banking landscape.

In addition to the Bank's financial performance, we are pleased to announce FNBM's strategic leadership succession plan, poised to usher in a new era of growth and prosperity for our Bank. Effective mid-Q2 2024, Chief Operating Officer (COO) Cindy Kole and Chief Credit Officer (CCO) Steve Piper will retire and transition to advisory roles within the Bank. Cindy Kole, with a 49-year banking career and a 7-year tenure as COO, has been instrumental in shaping FNBM's success. Similarly, Steve Piper, a distinguished figure in the banking community, has contributed immensely during his 8 years as CCO.

Stepping into these pivotal roles are Shaunna Padgett, Senior Vice President and now Chief Operating Officer, and Rick Jackson, Senior Vice President, and now Chief Credit Officer. Shaunna, leveraging her extensive experience and close collaboration with Cindy Kole, is well-positioned to lead as the Bank's new COO. Rick, with over 25 years of industry expertise and a seamless transition working closely with Steve Piper, assumes the responsibilities of CCO with confidence and vision.

Despite a rate environment that continues to challenge the industry, the Company's first-quarter financial results showed improved profitability compared to the prior four quarters. As of March 31, 2024, the value of FNBM stock was independently determined to be \$41.00 per share, which was the same value determined as of December 31, 2023. By comparison, in the first quarter of 2024, the NASDAQ Bank Index and KRE Regional Bank Index declined by 0.4% and 4.1%, respectively.

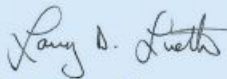
We remain committed to transparency and accessibility. Should you have any inquiries regarding FNBM stock, purchasing, or selling, please do not hesitate to contact Stena Buck, at 269-488-8858 or via email at sjbuck@fnbmichigan.bank.

In closing, we extend our sincere appreciation for your continued trust and confidence in FNBM. Together, we embark on this journey of growth, innovation, and community impact.

Sincerely,



Daniel E. Bitzer
President & CEO



Larry D. Lueth
Chairman of the Board

Together, We are First.

Consolidated Balance Sheet (Unaudited) (in '000's)

Assets	03/31/2024	03/31/2023
Cash & due from banks	\$42,851	\$12,836
Investments	\$211,577	\$254,864
Loans		
Commercial loans	\$704,965	\$636,123
Residential mortgage loans	\$26,004	\$23,680
Consumer & other loans	\$521	\$828
Gross loans	\$731,490	\$660,630
Allowances for credit losses	(\$12,182)	(\$12,150)
Net loans	\$719,308	\$648,480
Fixed assets	\$6,227	\$6,417
Other assets	\$30,793	\$29,394
Total assets	\$1,010,757	\$951,991
Liabilities & Shareholders' Equity	03/31/2024	03/31/2023
Demand deposits	\$303,447	\$375,071
Savings deposits	\$236,048	\$218,533
Time deposits	\$260,450	\$168,422
Borrowings	\$130,850	\$117,750
Other liabilities	\$7,419	\$6,786
Total liabilities	\$938,214	\$886,563
Capital		
Common stock	\$16,405	\$16,496
Undivided profits	\$67,171	\$62,961
YTD net income	\$1,383	\$1,220
Unrealized gain(loss) on sec.	(\$12,416)	(\$15,247)
Total capital	\$72,543	\$65,429
Total liabilities & shareholders equity	\$1,010,757	\$951,991

Consolidated Income Statement (Unaudited) (in '000's)

	For the 3 months ended 03/31/2024	For the 3 months ended 03/31/2023
Interest income		
Loans	\$10,208	\$8,243
Loan fees	\$266	\$222
Investments	\$894	\$1,014
Fed funds & due from banks	\$436	\$127
Total Interest Income	\$11,804	\$9,606
Interest expense		
Deposits	\$5,014	\$2,077
Borrowings	\$1,365	\$1,036
Total Interest expense	\$6,378	\$3,113
Provisions for credit losses	(\$38)	\$592
Net int. income after prov.	\$5,463	\$5,901
Non-Interest income		
Fees and services charges	\$141	\$89
Mortgage Referral Fees	\$11	-
Investment referral fees	\$390	\$24
Other fees and Income	\$175	\$179
Total non-Interest Income	\$717	\$292
Non-Interest expense		
Employee compensation	\$2,860	\$3,007
Occupancy expense	\$372	\$396
Advertising expense	\$49	\$135
Equipment expense	\$124	\$135
Outside services	\$313	\$333
Other general expense	\$773	\$754
Total non-Interest expenses	\$4,491	\$4,760
Net income before taxes	\$1,689	\$1,433
Federal income taxes	\$306	\$213
Net income	\$1,383	\$1,220
Earnings per share	\$0.70	\$0.61
Return on average assets	0.6%	0.5%
Return on average equity	7.7%	7.9%

Executive Team

Daniel E. Bitzer
President &
Chief Executive Officer

Jefra Groendyk
Executive Vice President &
Senior Lender

Cindy Kole
Executive Vice President &
Chief Operating Officer

Matt Morgan
Senior Vice President,
Chief Financial Officer

Steve Piper
Executive Vice President &
Chief Credit Officer

Board of Directors

Larry D. Lueth
Chairman

John M. Schreuder
Chairman Emeritus

Daniel E. Bitzer
Director

Eric V. Brown, Jr.
Director Emeritus

Joseph Calvaruso
Director

James DeKruyter
Director

James S. DeMoss
Director

David G. Echelbarger
Director

David L. Holmes
Director

Ben Ipema
Director

Bill Manns
Director

Rachel S. Michaud
Director

Edward B. Montgomery
Director

Sondra K. Phillips
Director

Ginny Seyferth
Director

Joshua T. Weiner
Director

Officers

Greg Accardo
Market President, Holland

Louise Almeida
BSA Compliance Specialist

Sara Amy
Residential Lender

Kelsey Bailey
Branch Administration Manager

Patty Barnas
Market President, Lansing

Jason Candelaria
Facilities & Equipment

Brian Clark
Branch Manager, Woodbridge

Nick Conley
Credit Manager

Sam Drelles
Commercial Banker

Eric French
Branch Manager, Downtown
Kalamazoo

Paige Gardner
Credit Analyst

Cheryl Germain
Controller

Jerry Hinga
Assistant Branch Manager

Mike Hollander
Market President, Grand Rapids

Dustin Hopkins
Commercial Banker

Rick Jackson
Senior Credit Officer

Melody Janetzke
Branch Administration Specialist

Marcus Kole
Commercial Banker

Lisa Kosak
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

Kirstyn Monroe
Commercial Banker

Dan Montes
Commercial Banker

Sara Mottl
Loan Operations Specialist

Emily Newman
Loan Operations Manager

Shaunna Padgett
Chief Administrative Officer

Nickie Peters
Facilities Manager, Security
Officer

Jesse Prins
Commercial Banker

Laura Reyna
Human Resources, Training &
Diversity, Equity & Inclusion
Manager

Tonya Schmitt
Branch Assistant

Josh Schultz
Commercial Banker

Charles Slauer
Commercial Banker

Melanie Squires
Treasury Management
& Branch Manager, Lansing

Olivia Urwiller
Portfolio Manager

Amy Vervaras
Branch Manager, Grand Rapids

Kevin Waldie
Compliance Manager &
Information Security Officer

Ashley Winn
Treasury Management Specialist

FNBM Branch Locations



Grand Rapids
141 Ionia Ave. N.W.
Grand Rapids, MI 49503



Holland
1 West 8th St.
Holland, MI 49423



Kalamazoo
348 W. Michigan Ave.
Kalamazoo, MI 49007



Kalamazoo West
5313 W. Main St.
Kalamazoo, MI 49009



Lansing
101 S. Washington Square
Lansing, MI 48933



Portage
2700 W. Centre Ave.
Portage, MI 49024

fnbmichigan.bank
Local Commercial and Personal Banking

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



Member
FDIC