

Thoughts from Our Customers

“ Having local people, strong resources, and a high level of service are important factors for our company in a banking relationship. FNBM delivers on all facets. They are a valued partner in supporting the strength and growth of our business.”



- Dan Coffman,
Miller Davis Company

“ I’ve always preferred working with a local bank with real people I know who respond to me in a timely manner. Our recent business acquisition required an SBA loan which is a demanding process. The First National Bank of Michigan team came together to help i3 both grow and extend job creation right here in West Michigan.”



- Mike Ritsema,
i3 Business Solutions

fnbmichigan.bank
Local Commercial and Personal Banking

Kalamazoo | Portage | Grand Rapids | Lansing |
Holland | Northern Michigan (Loan Production Office)



Executive Team

- Daniel E. Bitzer**
President &
Chief Executive Officer

Jefra Groendyk
Executive Vice President &
Senior Lender

Rick Jackson
Senior Vice President &
Chief Credit Officer

Matt Morgan
Senior Vice President &
Chief Financial Officer

Shaunna Padgett
Senior Vice President &
Chief Operating Officer
- Greg Accardo**
Market President, Holland

Patty Barnas
Market President, Lansing

Sam Drelles
Market Manager,
Northern Michigan

Mike Hollander
Market President, Grand Rapids

Chris Mars
Commercial Banking Group
Manager, Kalamazoo

Board of Directors

- Daniel E. Bitzer**
Chairman

Joseph Calvaruso
Director

James DeKruyter
Lead Director

James S. DeMoss
Director

David G. Echelbarger
Director

David L. Holmes
Director
- Ben Ipema**
Director

Bill Manns
Director

Rachel S. Michaud
Director

Sondra K. Phillips
Director

Ginny Seyferth
Director

Joshua T. Weiner
Director

Directors Emeritus

- John M. Schreuder**
Founding CEO, Honorary
Chairman of the Board Emeritus

Larry D. Lueth
Founding President, Honorary
Chairman of the Board Emeritus

Eric V. Brown, Jr.
Honorary Founding Director,
Director Emeritus

Market Leaders

Officers

- Sara Amy**
Residential Lending

Kelsey Bailey
Branch Administration Manager

Craig Bishop
Commercial Relationship
Manager

Jason Candelaria
Facilities & Equipment
Support Specialist

Brian Clark
Commercial Relationship
Manager

Nick Conley
Credit Manager

Eric French
Branch Manager, Portage

Paige Gardner
Credit Analyst

Cheryl Germain
Controller

David Gibbs
Branch Manager,
Downtown Kalamazoo

Jerry Hinga
Assistant Branch Manager,
Portage

Tim Hoekstra
Commercial Relationship
Manager

Dustin Hopkins
Commercial Relationship
Manager

Melody Janetzke
Branch Administration Specialist

Kathy Jipping
Branch Manager, Holland

Marcus Kole
Commercial Relationship
Manager

Deb Lang
Marketing Manager

Joe Ludy
Branch Manager, West Main
- Kim Melvin**
Private Banker

Brian Mick
Commercial Relationship
Manager

Kirstyn Monroe
Commercial Relationship
Manager

Sara Mottl
Loan Operations Team Lead

Emily Newman
Loan Operations Manager

Nickie Peters
Facilities Manager & Security
Officer

Jesse Prins
Commercial Relationship
Manager

Laura Reyna
Human Resources, Training & DEI
Manager

Tonya Schmitt
Treasury Management Support
Specialist

Charles Slauer
Commercial Relationship
Manager

Olivia Urwiller
Portfolio Manager

Amy Vervaras
Branch Manager, Grand Rapids

Kevin Waldie
Compliance & Risk Manager

Chris Williams
Treasury Management
Relationship Manager



Quarterly Report
June 2025

Letter To Our Shareholders

Dear Shareholders,

On behalf of everyone at First National Bank of Michigan (FNBМ), thank you for your continued investment and trust in our organization. We are pleased to share with you our performance highlights and initiatives for the second quarter ending June 30, 2025.

First National Bank of Michigan reported strong financial results for the six months ending June 30, 2025 with Net Income of \$3.2 million, representing an increase of 5.3% compared to \$3.0 million for the same period in 2024. Net Interest Income rose by 20.9%, totaling \$12.9 million for the six-month period compared to \$10.6 million in 2024. Our Pre-Tax, Pre-Provision Net Income—a key measure of core operating performance—saw a substantial increase from a year prior of 61.3%, or \$1.7 million, reaching \$4.5 million for the first six months of 2025. This improvement reflects strong net revenue growth combined with continued attention to managing expenses with Non-Interest Expenses only increasing 2.1% from the previous year.

We continued to grow our loan book responsibly, with gross loans reaching \$776.1 million, up from \$740.0 million from a year ago. This 4.9% growth underscores healthy demand for credit across our markets and reflects the Bank’s ongoing commitment to supporting businesses and individuals in our communities. On the funding side, deposits increased by \$23.2 million from a year ago, reaching \$777.1 million as of the end of the second quarter of 2025. This growth is a testament to customer trust in our brand, as well as the success of our relationship banking model, which emphasizes high-touch, personalized service. The growth in deposits, along with maturities in the investment portfolio, provided funding for the loan growth while also allowing borrowings to decrease by \$28.4 million, or 20.2%.

Being a true community bank means going beyond financial services. We are proud to offer value-added programs that benefit our clients and strengthen relationships. One such initiative is our ongoing Fraud Prevention Series for business customers. In July, our session covered critical topics including Vendor Payment Fraud, with insights from the FBI’s Financial Complex Crimes Squad. Attendees learned about the latest tools and strategies for mitigating fraud through banking technology. Looking ahead to the fall, we will host State of the Economy presentations in both Grand Rapids and Kalamazoo, featuring expert panelists and interactive Q&A sessions. These events are designed to inform and empower our customers and community leaders with relevant economic insights.

FNBМ continues to improve profitability as the bank's net interest margin has expanded each of the last four quarters, thereby supporting an increase in value to \$45.00 per share as of June 30, 2025. This represents an increase of 2.3% from March 31, 2025. Bank stocks reversed course in the second quarter after the tariff turmoil in April. During the second quarter of 2025, the NASDAQ Bank Index and KRE Regional Bank Index were up 4.6% and 4.5%, respectively.

As always, we are committed to transparency and open communication. For questions regarding FNBМ stock—whether buying, selling, or general inquiries—please contact Stena Buck at 269-488-8858 or via email at sjbuck@fnbmichigan.bank.

Sincerely,

 

Daniel E. Bitzer
President & CEO
Chairman of the Board

James DeKruyter
Lead Director

Together, We are First.

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

Assets	06/30/2025	06/30/2024
Cash & due from banks	\$22,437	\$10,605
Investments	\$160,948	\$202,242
Loans		
Commercial loans	\$750,635	\$713,323
Residential mortgage loans	\$25,192	\$26,222
Consumer & other loans	\$310	\$484
Gross loans	\$776,137	\$740,029
Allowances for credit losses	(\$11,883)	(\$11,246)
Net loans	\$764,254	\$728,783
Fixed assets	\$5,616	\$6,091
Other assets	\$26,053	\$29,806
Total assets	\$979,308	\$977,527
Liabilities & Shareholders' Equity	06/30/2025	06/30/2024
Demand deposits	\$318,014	\$315,332
Savings deposits	\$224,464	\$174,911
Time deposits	\$234,580	\$263,642
Total deposits	\$777,058	\$753,885
Borrowings	\$112,050	\$140,450
Other liabilities	\$6,744	\$8,251
Total liabilities	\$895,852	\$902,586
Capital		
Common stock	\$13,083	\$16,013
Undivided profits	\$72,660	\$67,172
YTD net income	\$3,209	\$3,047
Unrealized gain(loss) on sec.	(\$5,496)	(\$11,291)
Total capital	\$83,456	\$74,941
Total liabilities & shareholders equity	\$979,308	\$977,527

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

	For the 6 months ended 06/30/2025	For the 6 months ended 06/30/2024
Interest income		
Loans	\$22,097	\$20,736
Loan fees	\$495	\$474
Investments	\$1,596	\$1,758
Fed funds & due from banks	\$194	\$642
Total interest income	\$24,382	\$23,610
Interest expense		
Deposits	\$9,703	\$10,253
Borrowings	\$1,821	\$2,725
Total interest expense	\$11,524	\$12,978
Net Interest income	\$12,858	\$10,632
Provisions for credit losses	\$526	(\$973)
Net int. income after prov.	\$12,332	\$11,605
Non-interest income		
Fees and services charges	\$297	\$289
Mortgage referral fees	\$44	\$25
Investment referral fees	-	\$390
Other fees and income	\$389	\$360
Total non-interest income	\$730	\$1,064
Non-interest expense		
Employee compensation	\$5,824	\$5,620
Occupancy expense	\$786	\$739
Advertising expense	\$143	\$89
Equipment expense	\$256	\$263
Outside services	\$655	\$626
Other general expense	\$1,437	\$1,576
Total non-interest expenses	\$9,101	\$8,913
Net income before taxes	\$3,961	\$3,756
Federal income taxes	\$752	\$709
Net income	\$3,209	\$3,047
Pre Tax Pre Provision Net Income	\$4,487	\$2,783
Earnings per share	\$1.68	\$1.54
Return on average assets	0.67%	0.62%
Return on average equity	7.98%	8.46%