



Quarterly Report
December 2025

Letter To Our Shareholders

Dear Shareholders,

On behalf of First National Bank of Michigan (“FNBM”), we sincerely thank you for your continued confidence and investment in our Bank. As we conclude the fourth quarter of 2025, we are pleased to report another period of fantastic financial performance, disciplined growth, and continued strength across our organization.

In the quarter ending December 31, 2025, First National Bank of Michigan delivered marked improvement across key financial metrics. Gross Loans increased significantly 8.9% year-over-year to \$813.2 million, driven by continued strength in commercial lending and deepened relationships with local businesses and consumers. Pre-Tax, Pre-Provision Net Income grew 65.8%, or \$4.0 million, reaching \$10.1 million for 2025, while Net Income increased 34.2%, reflecting a \$1.9 million annual increase. Annual Total Interest Income rose 4.1%, while Total Interest Expense was reduced by 12.7% to mark a year over year 23.8% increase of Net Interest Income to \$27.3 million supported by disciplined balance sheet management and healthy loan demand. As a result of this performance, Diluted Earnings Per Share increased 39.4% to \$4.00, reinforcing the value created for our shareholders and closing a strong financial year.

As we look back at 2025, First National Bank of Michigan remained firmly committed to our shareholders, as evidenced by the significant increase in return on average equity from 7.30% to 8.83%, illustrating how well management is deploying shareholder capital to generate returns. We are proud to extend that same level of commitment to our communities. This year, our employees continued to give back through volunteer efforts and personal financial gifts as part of FNBM's Matching Charitable Gifts program. Combined, employees contributed 1,333 hours of their time and \$8,800 to over 40 organizations in Southwest and Mid-Michigan.


As of December 31, 2025, FNBM's stock was valued at \$50.00 per share, an increase of 5.3% from the September 30, 2025 value of \$47.50 per share. FNBM's stock value increased 13.6% for the full year 2025. This compares favorably to the NASDAQ Bank Index and KRE Regional Bank Index which were up 4.2% and 7.4%, respectively during 2025. FNBM's stock increase was supported by a 16% increase in Tangible Book Value Per Share.

We greatly appreciate the business you do with us and ask you to continue referring others to your locally owned Bank! If you have questions regarding FNBM stock, including buying or selling shares, please get in touch with Stena Buck at 269-488-8858 or via email at sjbuck@fnbmichigan.bank.

Together, We are First.



Daniel E. Bitzer
President & CEO
Chairman of the Board



James DeKruyter
Lead Director

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

Assets	12/31/2025	12/31/2024
Cash & due from banks	\$20,170	\$20,535
Investments	\$133,027	\$179,601
Loans		
Commercial loans	\$787,357	\$719,724
Residential mortgage loans	\$25,528	\$26,392
Consumer & other loans	\$324	\$463
Gross loans	\$813,209	\$746,579
Allowances for credit losses	(\$12,085)	(\$11,356)
Net loans	\$801,124	\$735,223
Fixed assets	\$5,374	\$5,852
Other assets	\$25,142	\$26,989
Total assets	\$984,837	\$968,200

Liabilities & Shareholders' Equity	12/31/2025	12/31/2024
Demand deposits	\$334,875	\$326,440
Savings deposits	\$201,736	\$210,712
Time deposits	\$235,546	\$263,397
Total deposits	\$772,157	\$800,549
Borrowings	\$117,500	\$80,000
Other liabilities	\$7,103	\$8,168
Total liabilities	\$896,760	\$888,717
Capital		
Common stock & paid in capital	\$11,616	\$15,025
Undivided profits	\$72,660	\$67,172
YTD net income	\$7,367	\$5,489
Unrealized gain(loss) on sec.	(\$3,566)	(\$8,203)
Total capital	\$88,077	\$79,483
Total liabilities & shareholders equity	\$984,837	\$968,200

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

	For the 12 months ended 12/31/2025	For the 12 months ended 12/31/2024
Interest income		
Loans	\$45,464	\$42,603
Loan fees	\$954	\$1,015
Investments	\$3,074	\$3,438
Fed funds & due from banks	\$417	\$895
Total interest income	\$49,909	\$47,951
Interest expense		
Deposits	\$19,167	\$20,967
Borrowings	\$3,470	\$4,951
Total interest expense	\$22,637	\$25,918
Net Interest income	\$27,272	\$22,033
Provisions for credit losses	\$875	(\$863)
Net int. income after prov.	\$26,397	\$22,896
Non-interest income		
Fees and services charges	\$610	\$581
Mortgage referral fees	\$99	\$64
Investment referral fees	-	\$390
Other fees and income	\$801	\$748
Total non-interest income	\$1,510	\$1,783
Non-interest expense		
Employee compensation	\$11,866	\$11,147
Occupancy expense	\$1,594	\$1,512
Advertising expense	\$273	\$178
Equipment expense	\$587	\$537
Outside services	\$1,304	\$1,269
Other general expense	\$3,076	\$3,093
Total non-interest expenses	\$18,700	\$17,736
Net income before taxes	\$9,207	\$6,943
Federal income taxes	\$1,840	\$1,454
Net income	\$7,367	\$5,489
Pre Tax Pre Provision Net Income	\$10,082	\$6,080
Earnings per share	\$4.00	\$2.87
Return on average assets	0.76%	0.56%
Return on average equity	8.83%	7.30%

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

Market Leaders

Greg Accardo
Market President, Holland

Patty Barnas
Market President, Lansing

Sam Drelles
Market Manager,
Northern Michigan

Mike Hollander
Market President, Grand Rapids

Chris Mars
Market President, Kalamazoo

Officers

Sara Amy
Residential Lending

Rochelle Anderson
Office Manager, Grand Rapids

Kelsey Bailey
Branch Administration Manager

Craig Bishop
Commercial Relationship
Manager

Kalani Ballinger
BSA Compliance and Risk
Specialist

Kathryn Ballinger
Senior Credit Analyst

Jason Candelaria
Facilities & Equipment
Support Specialist

Kayla Chiamulera
Office Manager,
Kalamazoo Downtown

Brian Clark
Commercial Relationship
Manager

Nick Conley
Credit Manager

Michelle Crane
Office Manager,
Kalamazoo West

Eric French
Branch Manager, Portage

Paige Gardner
Senior Credit Analyst

Cheryl Germain
Controller

David Gibbs
Branch Manager,
Kalamazoo Downtown

Jerry Hinga
Office Manager,
Portage

Tim Hoekstra
Commercial Relationship
Manager

Melody Janetzke
Branch Administration Specialist

Kathy Jipping
Branch Manager, Holland

Marcus Kole
Commercial Relationship
Manager

Deb Lang
Marketing Manager

Joe Ludy
Regional Branch Manager

Brian Mick
Commercial Relationship
Manager

Kirstyn Monroe
Commercial Relationship
Manager

Emily Newman
Loan Operations Manager

Nickie Peters
Facilities Manager & Security
Officer

Jesse Prins
Commercial Relationship
Manager

Autumn Pulido
Office Manager, Lansing

Laura Reyna
Human Resources & Training
Manager

Charles Slauer
Commercial Relationship
Manager

Olivia Urwiler
Portfolio Manager

Amy Vervaras
Regional Branch Manager

Kevin Waldie
Compliance & Risk Manager

Chris Williams
Treasury Management
Relationship Manager

Annie Wittenberg
Treasury Management
Product Specialist

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

Glnny Seyferth
Director

Joshua T. Welner
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.
Founding Director, Honorary
Director Emeritus

Thoughts from Our Customers

“

What we appreciate most about FNBM is their expertise in business lending and their genuine commitment to understanding our firm's needs. As a continuously growing CPA firm, we needed a banking partner who could confidently navigate the world of commercial real estate financing, and FNBM delivered exactly that.”



- Dave Echelbarger, CPA, CGMA
EHTC

“

The team at FNBM are great partners for the Air Zoo. They are always highly responsive and provide valuable expertise for our organization. We have established relationships with several team members in various roles and we appreciate the team-based approach FNBM takes to servicing our organization.”



- David Ullrey,
Air Zoo

fnbmichigan.bank
Local Commercial and Personal Banking

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



Member
FDIC