FIRST NATIONAL BANK
*of Michigan*

# Quarterly Report

June 2026

# Letter To Our Shareholders

Dear Shareholders,

First National Bank of Michigan continued its positive momentum through the second quarter of 2026, delivering outstanding financial results and steady growth across key areas of the Bank. Our performance reflects the strength of our relationship-based banking model, the confidence our customers place in us, support of our shareholders, and the dedication of our employees.

Gross loans increased 6.5% from the previous year to $826.5 million as of June 30, 2026. This increase highlights continued demand from businesses and consumers seeking a trusted community banking partner. Total deposits also experienced solid growth rising 3.9% from a year ago to $807.1 million at June 30, 2026. Deposit growth remains an important indicator of customer confidence and provides a strong foundation to support future lending opportunities.

Revenue performance remained strong throughout the first six months of the year as compared to the first six months of 2025. Net interest income increased 22.8% to $15.8 million, driven primarily by loan growth and the repricing of our assets in the continued higher interest rate environment as well as our ability to effectively manage our balance sheet while continuing to serve customers in a competitive marketplace.

Non-interest income also improved, increasing 26.6% from the year prior to $0.9 million, reflecting growth in fee-based services and other banking activities.

As a result of these factors, the Bank reported net income of $4.8 million for the first six months of 2026, an increase of 49.1% over 2025. Pre-Tax, Pre-Provision Net Income, an important measure of core operating performance, also increased substantially by 52.5% to $6.8 million.

As of June 30, 2026, FNBM's stock was valued at $55.00 per share, a new record high! An increase of 5.8% from the March 31, 2026 value of $52.00 per share. This increase was supported by the continued strong upward trend of the company's margin, net income and book value. Including the $1.00 per share dividend paid in April 2026, the 2026 year to date return has been 12%. Overall, the banking industry continues to perform well, and bank stocks have increased nicely this year.

As we move into the second half of 2026, we remain optimistic about the opportunities ahead. While economic conditions continue to evolve, First National Bank of Michigan remains well-capitalized, financially sound, and committed to supporting our customers and communities through personalized service and local decision-making.

We sincerely thank our shareholders for their continued trust and support. As a valued shareholder, we encourage you to consider First National Bank of Michigan for your personal and business banking needs. By choosing to bank with FNBM and increasing your deposit relationships, you not only benefit from local decision-making and personalized service, but you also help strengthen the Bank's ability to support businesses, families, and communities throughout Michigan—ultimately contributing to the continued growth and long-term value of your investment. As always, we are committed to transparency and open communication. For questions regarding FNBM stock—whether buying, selling, or general inquiries—please contact Stena Buck at 269-488-8858 or via email at sjbuck@fnbmichigan.bank.

**Together, We are First.**

Daniel E. Bitzer
CEO & Executive
Chairman

James DeKruyter
Lead Director

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

| Assets | 06/30/2026 | 06/30/2025 |
|---|---|---|
| Cash & due from banks | $30,063 | $22,437 |
| Investments | $110,353 | $160,948 |
| Loans | | |
| Commercial loans | $800,020 | $750,635 |
| Residential mortgage loans | $25,907 | $25,192 |
| Consumer & other loans | $540 | $310 |
| Gross loans | $826,467 | $776,137 |
| Allowances for credit losses | ($12,992) | ($11,883) |
| Net loans | $813,475 | $764,254 |
| Fixed assets | $8,849 | $5,616 |
| Other assets | $25,059 | $26,053 |
| Total assets | $987,799 | $979,308 |

| Liabilities & Shareholders' Equity | 06/30/2026 | 06/30/2025 |
|---|---|---|
| Demand deposits | $372,995 | $318, 014 |
| Savings deposits | $200,722 | $224,464 |
| Time deposits | $233,417 | $234,580 |
| Total deposits | $807,134 | $777,058 |
| Borrowings | $83,450 | $112,050 |
| Other liabilities | $7,080 | $6,744 |
| Total liabilities | $897,664 | $895,852 |
| Capital | | |
| Common stock & paid in capital | $10,379 | $13,083 |
| Undivided profits | $78,183 | $75,117 |
| YTD net income | $4,784 | $3,209 |
| Unrealized gain(loss) on sec. | ($3,211) | ($5,496) |
| Total capital | $90,135 | $83,456 |
| Total liabilities & shareholders equity | $987,799 | $979,308 |

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

| | For the 6 months ended 06/30/2026 | For the 6 months ended 06/30/2025 |
|---|---|---|
| Interest income | | |
| Loans | $23,970 | $22,097 |
| Loan fees | $764 | $495 |
| Investments | $1,313 | $1,596 |
| Due from banks | $139 | $194 |
| Total interest income | $26,186 | $24,382 |
| Interest expense | | |
| Deposits | $8,793 | $9,703 |
| Borrowings | $1,605 | $1,821 |
| Total interest expense | $10,398 | 11,524 |
| Net Interest income | $15,788 | $12,858 |
| Provisions for credit losses | $901 | $526 |
| Net int. income after prov. | $14,887 | $12,332 |
| Non-interest income | | |
| Fees and services charges | $335 | $297 |
| Mortgage referral fees | $51 | $44 |
| Other fees and income | $538 | $389 |
| Total non-interest income | $924 | $730 |
| Non-interest expense | | |
| Employee compensation | $6,109 | $5,824 |
| Occupancy expense | $840 | $786 |
| Advertising expense | $259 | $143 |
| Equipment expense | $295 | $256 |
| Outside services | $677 | $655 |
| Other general expense | $1,690 | $1,437 |
| Total non-interest expenses | $9,870 | $9,101 |
| Net income before taxes | $5,941 | $3,961 |
| Federal income taxes | $1,157 | $752 |
| Net income | $4,784 | $3,209 |
| Pre Tax Pre Provision Net Income | $6,842 | $4,487 |
| Earnings per share | $2.64 | $1.73 |
| Return on average assets | 0.99% | 0.67% |
| Return on average equity | 10.77% | 7.98% |

## Executive Team

**Daniel E. Bitzer**
Chief Executive Officer
& Executive Chairman

**Jefra Groendyk**
President & Senior Lender

**Rick Jackson**
Executive Vice President &
Chief Credit Officer

**Matt Morgan**
Executive Vice President &
Chief Financial Officer

**Greg Accardo**
Market President, Holland

**Patty Barnas**
Market President, Lansing

**Sam Drelles**
Executive Vice President,
Northern Michigan

**Mike Hollander**
Market President, Grand Rapids

**Chris Mars**
Market President, Kalamazoo

## Board of Directors

**Daniel E. Bitzer**
Chairman

**Joseph Calvaruso**
Director

**James DeKruyter**
Lead Director

**James S. DeMoss**
Director

**Jefra Groendyk**
Director

**David G. Echelbarger**
Director

**David L. Holmes**
Director

**Ben Ipema**
Director

**Bill Manns**
Director

**Rachel S. Michaud**
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.**
Founding Director, Honorary
Director Emeritus

## Officers

**Sara Amy**
Residential Lending

**Rochelle Anderson**
Office Manager, Grand Rapids

**Kelsey Bailey**
Strategic Operations 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

**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

**Simay Newell**
Commercial Relationshp
Manager

**Nickie Peters**
Facilities Manager & Security
Officer

**Jesse Prins**
Commercial Relationship
Manager

**Laura Reyna**
Human Resources & Training
Manager

**Melody Scott**
Branch Administration Specialist

**Shain Showers**
Commercial Relationship
Manager

**Olivia Urwiller**
Portfolio Manager

**Amy Vervaras**
Regional Branch Manager

**Kevin Waldie**
Compliance & Risk Manager

**Chris Williams**
Treasury Management
Relationship Manager

# Thoughts from

# Our Customers

"You get the resources of a larger bank with the community bank relationship and feel. As we have grown, the Bank has grown with us hand-in-glove. We have always been able to be transparent with each other whether things are going good or bad! with their team."

- Justin Hatfield,
HECO

"Wheeler Development Group has had the pleasure of working with First National Bank of Michigan throughout the years on large multi-family and commercial developments in West Michigan. They have become much more than our financer. We are partners and they provide value far beyond the loans we've executed."

- Ryan Wheeler,
Wheeler Development Group

fnbmichigan.bank
Local Commercial and Personal Banking

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