

Board of Directors

Larry Lueth - Chairman
Daniel Bitzer - Director
Eric Brown - Director
Joseph Calvaruso - Director
James DeKruyter - Director
James DeMoss - Director
John Dunn - Director Emeritus
David G. Echelbarger - Director
James Gunderson - Director
David Holmes - Director
Ben Ipema - Director
Bill Manns - Director
Edward Montgomery - Director
Sondra Phillips - Director
John M. Schreuder - Director, Chairman Emeritus
Virginia Seyferth - Director
Joshua Weiner - Director

Executive Team

Dan Bitzer - President & CEO
Jefra Groendyk - Executive Vice President and Bank 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



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Officers

Greg Accardo
Market President, Holland
Kelsey Bailey
Branch Manager, Downtown Kalamazoo
Patty Barnas
Market President, Lansing
Brian Clark
Branch Manager, Woodbridge
Nick Conley
Commercial Banker
Sam Drelles
Commercial Banker
Sue Edwards
Private Banker
Paige Gardner
Credit Analyst
Cheryl Germain
Controller
Andrea Goodin
Compliance Specialist
Al Hoffman
Human Resources, Security & Training Manager, Diversity, Equity & Inclusion Officer
Mike Hollander
Market President, Grand Rapids
Michelle Hoopman
Branch Assistant, Grand Rapids
Dustin Hopkins
Commercial Banker
Rick Jackson
Commercial Banker
Melody Janetzke
Branch Administration Specialist
David Kistler
Commercial Banker
Marcus Kole
Commercial Banker
Dave Koster
Commercial Banker
Cynthia Lamirande
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
Tamara Milobinski, CTP
Commercial Banker
Sara Mottl
Loan Operations Specialist
Jennifer Nemecek, CTP
Treasury Management & Deposit Operations Manager
Emily Newman
Loan Operations Manager
Shaunna Padgett
Strategic & Operating Manager
Nickie Peters
Facilities Manager
Jesse Prins
Commercial Banker
Darcy Ranfeld
Branch Assistant, Westside
Kathy Reenders
Branch Assistant, Woodbridge
Beth Rowley
Deposit Operations Specialist
Josh Schultz
Commercial Banker
Charles Slauer
Commercial Banker
Melanie Squires
Treasury Management Officer, Branch Manager, Lansing
Gary Stock
IT Specialist
Amy Vervaras
Branch Manager, Grand Rapids
Kevin Waldie
Compliance Manager
Jennifer Warning
Credit Manager
Henry Ziolkowski
Consumer Credit Underwriter



Quarterly Report
June 30, 2021

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

Together, We are First.

Dear Shareholder:

On April 12th of this year, First National Bancorp, Inc., the parent company of First National Bank of Michigan ("FNBM") celebrated 15 years of being in business! Thank you for your support as we continue to grow your local community bank.

The Bank's most recent stock valuation as of June 30, 2021 is \$48.00 per share. FNBM's total assets were \$810 million as of June 30, 2021, down 2% from March 31, 2021. The \$23 million in core loan growth was offset by \$35 million in Paycheck Protection Program ("PPP") loans paid off this past quarter in support of our community, businesses, and non-profit organizations. As of 6/30/2021, year to date Net Income of \$3.7 million is 77% above last year's Net Income of \$2.1 million. We added \$840,000 to the Loan Loss Reserve compared to last year's provision of \$1,316,000 for future potential credit losses. Our first 6 months of Net Income before Income Tax Expense and Loan Loss Provision Expense, also known as Pre-Tax Pre-Provision ("PTPP"), grew by 41% for 2021 to \$5.4 million from \$3.8 million for 2020.

Our Board of Directors recently approved the following statement developed by our Employees' Diversity, Equity and Inclusion Committee:

At First National Bank of Michigan, we believe "Together, We are First". To be "Together", we fully embrace that each individual has a different life experience. We must respect and embrace the diverse backgrounds of all and strive to address and eliminate any conscious or unconscious biases that exist. In doing so, we promote an environment free of discrimination, which allows individuals to be true to their authentic selves. These actions stimulate critical thinking, strengthen communication, and inspire employees to help deliver on the core mission and values of the Bank.

The statement captures what we believe is the foundation our Bank was built upon and will continue to guide us as we do business in the future.

Employees working remotely have returned to the office. The past 18 months required flexibility and, in many cases, a different way of doing business. Our employees continue to do a great job, taking care of our customers. Our success as a local community bank continued and our employees delivered! We are confident that as we continue to get back to normal, we will experience ongoing success.

Thank you for your loyalty and continued support of FNBM; your questions and comments are always appreciated.

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	06/30/2021	06/30/2020
Cash & Due from Banks	\$17,864	\$93,592
Investments	181,692	62,601
Loans		
Commercial Loans	570,556	562,604
Residential Mortgage Loans	21,919	25,714
Consumer & other loans	1,007	1,024
Gross Loans	593,482	589,342
Allowance for loan losses	(9,465)	(7,976)
Net Loans	584,017	581,366
Fixed Assets	6,423	6,441
Other Assets	20,169	16,428
Total Assets	\$810,164	\$760,428

Liabilities & Shareholders' Equity

Demand Deposits	\$358,104	\$255,855
Savings Deposits	167,601	205,462
Time Deposits	135,429	156,479
Borrowings	73,700	73,775
Other Liabilities	5,923	6,187
Total Liabilities	740,758	697,757
Capital		
Common Stock	18,873	19,114
Retained Earnings	46,769	40,768
YTD net income	3,711	2,097
Unrealized Gain (loss) on Securities	54	693
Total Capital	69,406	62,671
Total Liabilities & Shareholders Equity	\$810,164	\$760,428

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 06/30/2021	For the 6 months ended 06/30/2020
Interest Income		
Loans	\$10,631	\$11,151
Loan Fees	2,537	482
Investments	808	502
Fed Funds & Due from Banks	20	214
Total Interest Income	13,996	12,350
Interest Expense		
Deposits	970	1,730
Borrowings	625	657
Total Interest Expense	1,595	2,387
Provision For Loan Losses	840	1,316
Net Int. Income after Prov.	11,562	8,647
Non-Interest Income		
Fees and Services Charges	151	142
Gains on Mortgages Sold	21	56
Investment Referral Fees	55	50
Other Fees and Income	390	345
Total Non-Interest Income	616	593
Non-Interest Expense		
Employee Compensation	4,824	4,295
Occupancy Expense	718	583
Advertising Expense	190	117
Equipment Expense	343	228
Outside Services	464	421
Other General Expense	1,087	1,090
Total Non-Interest Expenses	7,625	6,734
Net Income before Taxes	4,553	2,506
Federal Income Taxes	842	409
Net Income	\$3,711	\$2,097
Earnings Per Share	\$1.83	\$1.03
Return on Average Assets	0.91%	0.63%
Return on Average Equity	11.03%	6.95%