

November 4, 2019

Dear Shareholder,

FNBH Bancorp, Inc. reports the following results as of and for the three and nine months ended September 30, 2019:

- Quarterly net income of \$1,598,000, compared to \$482,000 for the third quarter of 2018  
*2019 third quarter pre-tax, pre-provision, pre-security gain/loss totaled \$1,953,000 compared to \$1,316,000 for the third quarter of 2018. Net interest income totaled \$4,490,000 for third quarter 2019 compared to \$3,848,000 for third quarter 2018, an increase of \$642,000, or 16.7%. Gain of \$55,000 was recognized on changes in market value of equity securities in the third quarter of 2019, compared to \$714,000 of aggregate loss recognized on investment sales and changes in market value of equity securities in the third quarter of 2018.*
- Year to date net income of \$4,241,000, compared to \$1,733,000 in 2018  
*2019 year to date pre-tax, pre-provision, pre-security gain/loss income totaled \$4,829,000 compared to \$3,557,000 for the same nine-month period in 2018. Net interest income for the nine months ended September 30, 2019 totaled \$12,920,000 compared to \$10,979,000 for the nine months ended September 30, 2018, an increase of \$1,941,000, or 17.7%. Year to date gain recognized on changes in market value of equity securities totaled \$500,000, compared to \$1,404,000 of aggregate loss recognized on investment sales and changes in market value of equity securities during the nine months ended September 30, 2018.*
- Total assets of \$434,977,000, increased from \$412,384,000 at year-end 2018
- Tangible book value per share of \$1.98, compared to \$1.79 at year-end 2018
- Increase in total portfolio loans of \$27,450,000, or 8.48% since year-end 2018
- Increase in nonperforming assets of \$482,000 to \$1,736,000, or 38.44%, since year-end 2018
  - *The Bank's Classified Asset Ratio measured 5.6% and 3.7% at September 30, 2019 and December 31, 2018, respectively.*

Balance sheet restructuring and pricing discipline have contributed to an increase in net interest margin from 4.00% for the first nine months of 2018 to 4.37% for the first nine months of 2019. Securities gain of \$500,000 in 2019 relates to appreciation in (previously impaired) Fannie Mae and Freddie Mac preferred stock securities as Congress evaluates alternatives to recapitalize and remove the agencies from conservatorship. Gain on residential mortgage sales totaled \$901,000 through September 30, 2019 compared to \$535,000 for the same prior year period.

For additional information on the Company's subsidiary bank, First National Bank in Howell, please visit the FFIEC's central data repository public data website at <https://cdr.ffiec.gov/public/>.

The Company's common stock is quoted and traded under the symbol "FNHM" on the OTC Pink Open Market. If you are interested in buying or selling shares of FNBH Bancorp, Inc., please contact either:

- Thomas Dooley or Nick Bicking with D|A|Davidson at 800-394-9230. (Products and services are offered through DA Davidson. D|A|Davidson is not affiliated with FNBH Bancorp, Inc.)

- R. Nicholas Bach at 704-281-0745 with Janney Montgomery Scott LLC (formerly FIG Partners LLC). (Products and services are offered through Janney Montgomery Scott LLC. Janney Montgomery Scott LLC is not affiliated with FNBH Bancorp, Inc.)
- Christopher Chapman at Boenning & Scattergood at 216-378-1297. (Products and services are offered through Boenning & Scattergood. Boenning & Scattergood is not affiliated with FNBH Bancorp, Inc.)

We thank you for your investment and your commitment to community banking, including your loan and deposit business and customer referrals.

Your questions and suggestions are always welcome. Please contact me or any of our Directors anytime. Our contact information is provided below.

Cordially,

  
 Ronald L. Long  
 President and CEO  
 Rlong@fnbh.com  
 517-545-2221

<i>Phil Utter, Board Chairman</i> <a href="mailto:PUtter@FNBH.com">PUtter@FNBH.com</a>	<i>Stan Dickson, Board Vice-Chair</i> <a href="mailto:SDickson@FNBH.com">SDickson@FNBH.com</a>	<i>Tim Corrigan, Director</i> <a href="mailto:TCorrigan@FNBH.com">TCorrigan@FNBH.com</a>	<i>Robert Clemente, Director</i> <a href="mailto:RClemente@FNBH.com">RClemente@FNBH.com</a>
<i>Will Dickson, Director</i> <a href="mailto:WDickson@FNBH.com">WDickson@FNBH.com</a>	<i>Ken Marblestone, Director</i> <a href="mailto:KMarblestone@FNBH.com">KMarblestone@FNBH.com</a>	<i>Mike Yost, Director</i> <a href="mailto:MYost@FNBH.com">MYost@FNBH.com</a>	

DISCLAIMER

*Discussions and statements in this letter that are not statements of historical fact, including, without limitation, statements that include terms such as “will,” “may,” “should,” “believe,” “expect,” “forecast,” “anticipate,” “estimate,” “project,” “intend,” “likely,” “optimistic” and “plan,” and statements about future or projected financial and operating results, plans, projections, objectives, expectations, and intentions and other statements that are not historical facts, are forward-looking statements. Forward-looking statements include, but are not limited to, descriptions of plans and objectives for future operations, products or services; projections of our future revenue, earnings or other measures of economic performance; forecasts of credit losses and other asset quality trends; statements about our business and growth strategies; and expectations about economic and market conditions and trends. These forward-looking statements express our current expectations, forecasts of future events, or long-term goals and, by their nature, are subject to assumptions, risks, and uncertainties. Although we believe that the expectations, forecasts, and goals reflected in these forward-looking statements are reasonable, actual results could differ materially for a variety of reasons. For example, our loan portfolio may not perform as we expect; we may not be successful with our cost reduction, loan growth, and other initiatives; and/or economic conditions could deteriorate in a manner that further hurts our financial condition or performance.*

*Our results of operations, cash flows, financial position, and prospects could also be materially and adversely affected by additional factors that are not presently known to us, that we currently consider to be immaterial, or that develop after the date of this letter. We cannot assure you that our future results will meet expectations. While we believe the forward-looking statements in this letter are reasonable, you should not place undue reliance on any forward-looking statement. In addition, these statements speak only as of the date made. We do not undertake, and expressly disclaim, any obligation to update or alter any statements, whether as a result of new information, future events, or otherwise, except as required by applicable law.*

**FNBH BANCORP, INC.**  
**SUMMARY FINANCIAL DATA**  
**September 30, 2019 Shareholder Correspondence**  
(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2019	2018	2019	2018
	(in thousands, except per share data)			
<b>Income Statement Data:</b>				
Interest income	\$ 4,787	\$ 3,989	\$ 13,670	\$ 11,358
Interest expense	297	141	750	379
Net interest income	4,490	3,848	12,920	10,979
Provision for loan losses	-	-	-	-
Noninterest income	733	641	2,042	1,857
Gain on sales of loans held for sale	393	248	924	535
Net gain (loss) on sales of available for sale securities	-	(640)	-	(1,176)
Gain (loss) recognized on the fair value of equity securities	55	(74)	500	(228)
Loss on valuation write-down of premises held for sale	-	-	(70)	-
Net loss on other real estate owned and repossessed assets	-	-	(12)	-
Noninterest expense	3,663	3,421	10,975	9,814
Income before income taxes	2,008	602	5,329	2,153
Net income	1,598	482	4,241	1,733
<b>Per Share Data:</b>				
Earnings per basic common share	\$ 0.06	\$ 0.02	\$ 0.15	\$ 0.06
Weighted average common shares outstanding	27,771,678	27,771,678	27,771,678	27,771,678

	September 30,	December 31,			
	2019	2018	2017	2016	2015
	(in thousands)				
<b>Balance Sheet Data:</b>					
Total assets	\$ 434,977	\$ 412,384	\$ 400,575	\$ 399,281	\$ 348,169
Portfolio loans, gross	351,243	323,793	267,245	226,507	170,826
Allowance for loan losses	6,062	5,655	4,897	4,826	5,718
Securities	42,201	44,270	71,906	143,720	142,587
Deposits	362,306	360,644	347,625	332,065	313,066
Other borrowings	15,000	-	5,000	20,500	-
Shareholders' equity	54,861	49,623	46,244	45,151	34,033
<b>Ratios:</b>					
Allowance for loan losses to loans outstanding	1.73%	1.75%	1.83%	2.13%	3.35%
Average equity to average asset ratio	12.53%	12.08%	12.19%	10.39%	9.74%
Net interest margin (tax equivalent)	4.37%	4.17%	3.49%	3.37%	3.15%

	September 30,	December 31,			
	2019	2018	2017	2016	2015
	(in thousands)				
<b>Nonperforming Loans and Assets:</b>					
Nonaccrual loans	\$ 1,736	\$ 1,176	\$ 2,157	\$ 2,103	\$ 5,464
Loans past due 90 days and still accruing	-	16	-	-	-
<b>Total nonperforming loans</b>	1,736	1,192	2,157	2,103	5,464
Other real estate owned and repossessed assets	-	62	50	170	971
<b>Total nonperforming assets</b>	\$ 1,736	\$ 1,254	\$ 2,207	\$ 2,273	\$ 6,435
Nonperforming loans to total portfolio loans	0.49%	0.37%	0.81%	0.93%	3.20%
Allowance for loan losses to nonperforming loans	349.11%	474.50%	227.06%	229.52%	104.64%
Nonperforming assets to total portfolio loans, other real estate and repossessed assets	0.49%	0.39%	0.83%	1.00%	3.75%

	September 30,	December 31,			
	2019	2018	2017	2016	2015
	(in thousands)				
<b>Classified Loans:</b>					
Commercial	\$ -	\$ -	\$ 27	\$ -	\$ 62
Commercial Real Estate	1,428	348	1,239	847	3,385
Consumer Real Estate	609	721	937	1,325	2,242
Consumer and Other	62	159	8	21	60
<b>Total</b>	\$ 2,099	\$ 1,228	\$ 2,211	\$ 2,193	\$ 5,749