

May 31, 2019

Dear Shareholder,

FNBH Bancorp, Inc. announces 2019 first quarter results, release of 2018 audited financial statements and the 2019 Annual Shareholder Meeting.

FNBH Bancorp, Inc. reports the following results for first quarter 2019 and as of March 31, 2019

- Net income of \$1,117,000, compared to \$727,000 for the first quarter of 2018
 - *2019 net interest income increased \$645,000 (18.6%) compared to first quarter 2018 due in part to a \$58 million increase in average loans and a 44-basis point increase in net interest margin.*
 - *2019 first quarter net income includes \$234,000 of gain on sale of loans originated by the Bank's in-house residential mortgage unit compared to \$138,000 for the same prior year period.*
 - *2019 first quarter net income includes \$117,000 of fair value gain recognized on equity securities compared to \$174,000 of fair losses recognized in first quarter 2018 earnings.*
- Total assets of \$413.9 million, increased slightly from \$412.4 million at year-end 2018
- Tangible book value per share of \$1.84, compared to \$1.79 at year-end 2018
- Increase in total portfolio loans of \$8.0 million, or 2.5% from year-end 2018
- Increase in nonperforming assets of \$1.2 million to \$2.5 million, or 98.5% since year-end 2018.
 - *The Bank's Classified Asset Ratio measured 6.3% and 3.7% at March 31, 2019 and December 31, 2018, respectively.*

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/>.

Management and the Board of Directors continue our focus on enhancing the value of your investment, including continued emphasis on asset quality, earnings and growth.

We thank you for your investment and your commitment to community banking. Your questions and suggestions are always welcome. Please contact me or any of our Directors anytime. Our contact information is provided below.

Release of the 2018 audited financial statements for FNBH Bancorp, Inc.

Our 2018 audited financial statements are now available to view and download from the Company's website at www.fnbh.com. As a means to control expenses and leverage technology, the audited financial statements will not be distributed to shareholders by mail. If you wish to receive a printed copy of the 2018 audited financial statements, please visit a branch location or contact our Call Center at (517) 546-3150 to request a copy.

2019 Annual Shareholder Meeting for FNBH Bancorp, Inc.

This letter also provides notice of the 2019 Annual Meeting of Shareholders for FNBH Bancorp, Inc. to be held on Wednesday, July 24, 2019, at 10:00 a.m. at The Howell Opera House located at 123 W. Grand River Ave. in Howell, Michigan. The meeting is being held for the following purposes:

1. To elect each of the following directors for the term of office set forth opposite his name:

| <u>Nominee</u> | <u>Proposed Term of Office</u> |
|---------------------|--------------------------------|
| Timothy Corrigan | 3 year term expiring in 2022 |
| William Dickson | 3 year term expiring in 2022 |
| Kenneth Marblestone | 3 year term expiring in 2022 |

2. To ratify the selection of Crowe LLP as independent auditor for 2019.
3. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Only those stockholders of record at the close of business on May 31, 2019, shall be entitled to notice of and to vote at said meeting or any adjournment thereof.

You are cordially invited to vote your shares via the enclosed proxy card (or by following any instructions provided by your broker) and/or attend the meeting and cast your vote in person. Even if you plan to attend the meeting, please date and sign the enclosed proxy card, indicate your choice with respect to the matters to be voted upon, and return it promptly in the enclosed envelope.

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 FIG Partners LLC. (Products and services are offered through FIG Partners LLC. FIG Partners 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.)

Cordially,


Ronald L. Long
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Phil Utter, Board Chairman
PUtter@FNBH.com

Stan Dickson, Board Vice-Chair
SDickson@FNBH.com

Tim Corrigan, Director
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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
March 31, 2019 Shareholder Correspondence
(Unaudited)

Three months ended
March 31,

| 2019 | 2018 |
|---------------------------------------|-------------|
| (in thousands, except per share data) | |

Income Statement Data:

| | | |
|--|----------|----------|
| Interest income | \$ 4,320 | \$ 3,588 |
| Interest expense | 201 | 114 |
| Net interest income | 4,119 | 3,474 |
| Provision (credit) for loan losses | - | - |
| Noninterest income | 630 | 627 |
| Gain on sales of loans held for sale | 234 | 138 |
| Fair value gain (loss) on equity securities | 117 | (174) |
| Net loss on other real estate owned and repossessed assets | (12) | - |
| Noninterest expense | 3,689 | 3,162 |
| Income before income taxes | 1,399 | 903 |
| Net income | 1,117 | 727 |

Per Share Data:

| | | |
|--|------------|------------|
| Earnings per basic common share | \$ 0.04 | \$ 0.03 |
| Weighted average common shares outstanding | 27,771,678 | 27,771,678 |

| | March 31, | December 31, | | | |
|--|------------------|---------------------|-------------|-------------|-------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| | (in thousands) | | | | |
| Balance Sheet Data: | | | | | |
| Total assets | \$ 413,916 | \$ 412,384 | \$ 400,575 | \$ 399,281 | \$ 348,169 |
| Portfolio loans, gross | 331,841 | 323,793 | 267,245 | 226,507 | 170,826 |
| Allowance for loan losses | 5,595 | 5,655 | 4,897 | 4,826 | 5,718 |
| Securities | 43,867 | 44,270 | 71,906 | 143,720 | 142,587 |
| Deposits | 360,677 | 360,644 | 347,625 | 332,065 | 313,066 |
| Other borrowings | - | - | 5,000 | 20,500 | - |
| Shareholders' equity | 51,084 | 49,623 | 46,244 | 45,151 | 34,033 |
| Ratios: | | | | | |
| Allowance for loan losses to loans outstanding | 1.69% | 1.75% | 1.83% | 2.13% | 3.35% |
| Average equity to average asset ratio | 12.37% | 12.08% | 12.19% | 10.39% | 9.74% |
| Net interest margin (tax equivalent) | 4.29% | 4.17% | 3.49% | 3.37% | 3.15% |

| | March 31, | December 31, | | | |
|---|------------------|---------------------|-------------|-------------|-------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| | (in thousands) | | | | |
| Nonperforming Loans and Assets: | | | | | |
| Nonaccrual loans | \$ 2,489 | \$ 1,176 | \$ 2,157 | \$ 2,103 | \$ 5,464 |
| Loans past due 90 days and still accruing | - | 16 | - | - | - |
| Total nonperforming loans | 2,489 | 1,192 | 2,157 | 2,103 | 5,464 |
| Other real estate owned and repossessed assets | - | 62 | 50 | 170 | 971 |
| Total nonperforming assets | \$ 2,489 | \$ 1,254 | \$ 2,207 | \$ 2,273 | \$ 6,435 |
| Nonperforming loans to total portfolio loans | 0.75% | 0.37% | 0.81% | 0.93% | 3.20% |
| Allowance for loan losses to nonperforming loans | 224.82% | 474.50% | 227.06% | 229.52% | 104.64% |
| Nonperforming assets to total portfolio loans, other real estate and repossessed assets | 0.75% | 0.39% | 0.83% | 1.00% | 3.75% |

| | March 31, | December 31, | | | |
|--------------------------|------------------|---------------------|-------------|-------------|-------------|
| | 2019 | 2018 | 2017 | 2016 | 2014 |
| | (in thousands) | | | | |
| Classified Loans: | | | | | |
| Commercial | \$ - | \$ - | \$ 27 | \$ - | \$ 62 |
| Commercial Real Estate | 1,819 | 348 | 1,239 | 847 | 3,385 |
| Consumer Real Estate | 692 | 721 | 937 | 1,325 | 2,242 |
| Consumer and Other | 30 | 159 | 8 | 21 | 60 |
| Total | \$ 2,541 | \$ 1,228 | \$ 2,211 | \$ 2,193 | \$ 5,749 |