

Welcome
2021 Shareholder Meeting
July 28, 2021

FNBH BANCORP INC



Cautionary Note Regarding Forward Looking Statements

Forward looking statements are those concerning:

- *Future performance and events*
- *Future growth and market forecasts*
- *Any other guidance on future performance*

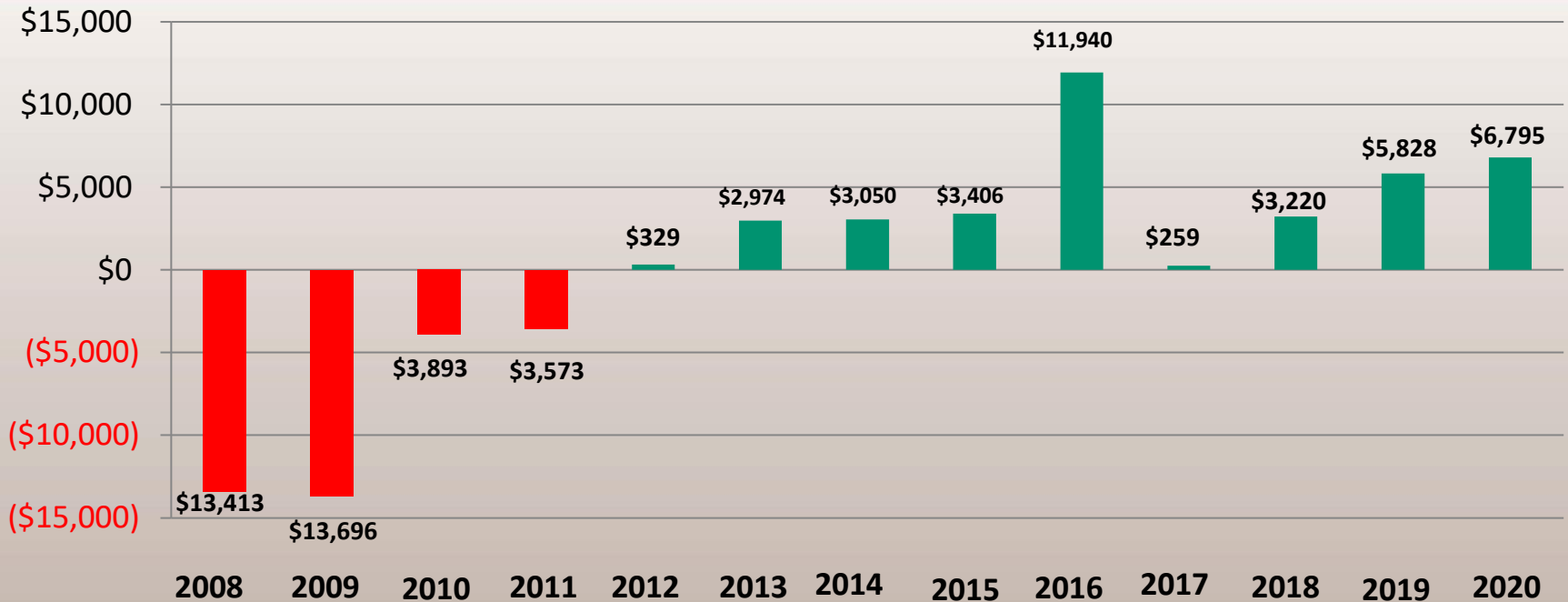
These statements are subject to risks and uncertainties. Factors that may cause actual results to differ materially from those projected include:

- *Loan portfolio performance*
- *FNBH's ability to attract and retain employees*
- *Competition in the financial marketplace*
- *Interest rates and regulatory changes*
- *World events and their economic impacts*
- *General economic conditions*

**Do not place undue reliance on forward looking statements.
Management assumes no obligation to update.**

Annual Net Income

(in 000's)



2016: Positively impacted by \$3,100 reverse loan loss provision and \$7,052 tax benefit for reinstatement of net deferred tax assets.

2017: Adversely impacted by \$2,200 of additional tax expense as a result of corporate tax rate reduction.

Annual Loan Funding

(in 000's)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Commercial FNB	\$26,868	\$31,075	\$38,194	\$49,432	\$83,041	\$71,538	\$122,334*
Commercial Participation	0	2,018	9,201	4,464	4,825	6,725	3,900
Direct Consumer	1,781	3,715	3,135	3,737	4,879	4,914	2,347
Indirect Consumer	1,102	1,402	6,402	20,118	27,792	10,124	2,493
Home Equity	5,183	8,122	7,730	9,999	8,463	7,596	8,287
Residential FNB Salable	0	0	2,097	7,466	33,462	56,160	81,443
Residential FNBH Portfolio	0		0	926	7,416	8,174	24,370
Residential Purchase	0	4,582	25,725	15,606	0	0	0
Lease Purchase	0	0	5,894	11,697	12,129	15,735	7,386
Total	\$34,934	\$50,914	\$98,378	\$123,445	\$182,007	\$180,966	\$252,560

* 2020 includes \$62,643 in Paycheck Protection Program (PPP) Loans

Future Earnings Drivers

Asset Yields and Funding Efficiency

- ✓ *Earnings should benefit from higher interest rate environment*

Originate and Sell Assets at Gains

Total Asset Growth – *Have capital for larger balance sheet*

- ✓ *Assets have increased by \$212 million over past 18 months (49%)*

Asset Quality – *Classified Asset Ratio 10.6% (6/30/2021)*

Residential Lending

Core Deposit Growth Strategy

Operate Efficiently – *Process, Technology, Expense Management*

Franchise Strengths

Excellent Market

- *Highest Median Household Income*
- *Fast Growing County*

Significant Loyal Customer Base

- *Strong Core Deposit Foundation*
- *130+ Year History of Dedicated Community Support*

Only Bank Headquartered in Livingston County – Local Focus

- *Decision Making*
- *Nimble and Flexible*
- *Relationships*
- *Higher Customer Touch*

Shareholder Value Focus

- *Substantial Board Room Shareholdings*



Culture

CEO SEAT EXISTS FOR ONE REASON...

ENHANCE SHAREHOLDER VALUE

Architect franchise to maintain consistent top quartile peer performance

*THANK YOU
FOR YOUR ATTENDANCE!*

Questions?