

Media Release



Bank of Ann Arbor Expands into Livingston County with Definitive Agreement to Merge with First National Bank in Howell

***Two High Performing Michigan-based Financial Institutions
Will Merge to Expand Reach, Services and Offerings***

- Arbor Bancorp, Inc. (Bank of Ann Arbor), Ann Arbor, Michigan to acquire FNBH Bancorp, Inc. (First National Bank in Howell), Howell, Michigan and enter the attractive Livingston County, Michigan market
- All-cash transaction valued at \$4.20 per share or approximately \$116.5 million total
- Combined bank will employ more than 300 employees across 17 locations in 4 counties
- Combined bank will have over \$3 billion of total assets
- Enhances Bank of Ann Arbor's growth opportunities and results in double-digit EPS accretion

Ann Arbor, Michigan – August 9, 2021 – Arbor Bancorp, Inc., the holding company for Bank of Ann Arbor (“Arbor”), and FNBH Bancorp, Inc., the holding company for First National Bank in Howell (“First National”) (OTC Pink: FNHM), today announced they have entered into a definitive agreement for Arbor to acquire First National in an all-cash transaction.

Under the terms of the agreement, shareholders of First National will receive \$4.20 per share in cash for each share of FNBH Bancorp common stock outstanding, subject to adjustment in certain limited circumstances. This results in a deal value of approximately \$116.5 million. The transaction is expected to be completed by year-end 2021, subject to the satisfaction of customary closing conditions, including regulatory approvals and the approval of the shareholders of First National.

The combined organization is expected to have more than 300 employees across 17 locations in Livingston, Washtenaw, western Wayne and Oakland counties, Michigan and over \$3 billion in total assets. Based on its modeling assumptions, Arbor anticipates the transaction to be accretive to earnings per share in excess of 15%.

“In February of 2020, this transaction was originally announced. Little did we all know we were just weeks away from a global pandemic that left our country feeling uncertain of so many variables,” notes Tim Marshall, President and CEO of Bank of Ann Arbor. “Both Bank of Ann Arbor and First National thought it would be prudent to press pause and focus attention on our employees and customers.”

“We have been looking for strategic opportunities to expand Bank of Ann Arbor into Livingston County and believe we’ve found the perfect partnership with First National,” continued Marshall. “By bringing together two high-performing and like-minded community banks that share a commitment to serving their local communities, we will continue to provide individuals and businesses with excellent service and a full range of financial services”.

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“This acquisition provides us with a well-established and highly respected community bank in Livingston County and provides First National’s customers access to our enhanced portfolio of products and services and greater lending capabilities,” Marshall added. “Together, we will build upon both of our highly efficient platforms for delivering the best financial services to our clients.”

Ron Long, President and CEO of First National, concurs. “The combination of these two established institutions allows us to provide a broader range of banking services to our client base, including equipment leasing and services provided by Bank of Ann Arbor’s Trust and Investment Management Group and its Technology Industry Group,” Long said. “In addition, it will greatly expand our lending limits and capabilities in our primary market of Livingston County and will allow us to use Bank of Ann Arbor’s infrastructure to meet growing compliance and regulatory burdens, giving our team members more time to focus on our clients.”

Bill Martin, founder and Chairman of the Bank of Ann Arbor Board, praised Marshall saying, “Our ability to add First National is a direct result of the sustained leadership of Tim and his team.”

Ron Long will serve in the important role of district president for Livingston County where he will focus on the significant and growing relationships in that community. In addition, Bank of Ann Arbor expects to maintain a local Livingston County Community Board following the combination of the banks, to include certain directors from the First National Board. Bank of Ann Arbor has also invited Stan Dickson, the largest shareholder and Vice Chairman of the First National Board, to serve on the Bank of Ann Arbor Board of Directors.

Mr. Dickson commented, “Both organizations share common values and the passion to provide attentive customer service, and the combination will only enhance these principles. We are pleased these shared values will allow the combined organization to continue the strong commitment to the communities in our market areas and to support a variety of charitable organizations within those communities.”

Bank of Ann Arbor, founded in 1996, was named as one of the top 100 performing banks (\$1B to \$10B in total assets) in 2015 by SNL Financial, ranking ninth. It was named as one of the U.S.’s Top 50 Best Banks to Work For by the American Bankers Association in 2013, 2015 and 2017. In November 2019, Bank of Ann Arbor was selected by the “Detroit Free Press” as a Top Workplace in Michigan.

Bank of Ann Arbor has successfully acquired and integrated three other Michigan financial services organizations, including: Bank of Birmingham in Birmingham in January 2017, New Liberty Bank in Plymouth in May 2010, and UniFi Equipment Finance in Ann Arbor in January 2013. Bank of Ann Arbor has over \$2.5 billion in total assets, and its high performing Trust and Investment Management Group has more than \$2 billion in assets under management.

First National Bank is a full-service community bank established in 1891, with 9 offices, all located within the vibrant Livingston County market, dedicated to providing exceptional service to its loyal customers. As of June 30, 2021, FNBH Bancorp, Inc. had approximately \$646.9 million in assets, \$419.7 million in loans and \$576.9 million in deposits.

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Arbor was advised by the investment banking firm of Performance Trust Capital Partners, LLC and the law firm of Bodman PLC. First National was advised by the investment banking firm of Donnelly Penman & Partners, Inc. and the law firm of Varnum LLP.

About Bank of Ann Arbor:

Bank of Ann Arbor is a locally owned and operated bank with total assets over \$2.5 billion and assets under management of more than \$2 billion, serving people and businesses in Washtenaw, western Wayne and Oakland counties with offices at the corner of Fifth Avenue and Washington Street in downtown Ann Arbor, in the Traver Village Shopping Center, at the corner of Stadium and Liberty streets, on West Ellsworth Road in Pittsfield Township, on West Michigan Avenue in downtown Ypsilanti, in Plymouth on Ann Arbor Road, on East Michigan Avenue in downtown Saline, on Woodward Avenue in Birmingham. UniFi Equipment Finance based in Ann Arbor has a national presence in the small ticket vendor leasing market. For more information, visit www.boaa.com or follow Bank of Ann Arbor on Facebook, Twitter, and LinkedIn.

About First National Bank:

First National Bank is a full-service community bank serving Livingston County and delivering financial services to small and medium size businesses; their owners and employees; professionals; and individuals who primarily work or reside in Brighton, Howell, Fowlerville, Whitmore Lake, and Hartland. As the only bank headquartered in Livingston County, First National takes great pride as a key corporate citizen. No other area bank can make this claim: 9 out of 10 loans are made here in Livingston County. For more information, visit www.fnbh.com or follow First National Bank on Facebook, Twitter and LinkedIn.

Forward Looking Statements

This press release contains forward-looking statements, including statements regarding expectations with respect to completion of the merger. These forward-looking statements express our current expectations and, by their nature, are subject to assumptions, risks, and uncertainties. Although we believe that the expectations reflected in these forward-looking statements are reasonable, actual results could differ materially for a variety of reasons. For example, it is possible the conditions to the closing of the merger, including the need to obtain regulatory approval and the approval of the shareholders of FNBH Bancorp, may not occur. While we believe the forward-looking statements in this press release are reasonable, investors 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.

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