



FNBH BANCORP INC

FNBH Bancorp, Inc., holding company of First National Bank in Howell, reported a net loss for the year of \$6,556,000 compared to net income of \$5,586,000 in 2006. While these results mark the end of a difficult year, the bank remains strongly capitalized, and is rated as “well-capitalized” by the OCC.

The financial results reflect the economic realities of Livingston County and the State of Michigan, particularly the slow real estate market. First National Bank does its banking primarily within Livingston County, collecting deposits of local residents and making loans to area residents and businesses. As such, over the years, First National has helped fuel the growth and success of the County and now partners in finding a solution for its difficulties. Throughout, we are proud to be an integral part of Livingston County, its good times and bad times, its history and its future.

Where possible, we are working proactively with our borrowers to help them through this difficult time. We also continue to offer all our customers competitive interest rates on deposits and loans and friendly, knowledgeable service day in and day out.

We are pleased to announce a dividend to shareholders of \$.08 per share payable on February 15, 2008, to shareholders on record as of February 1, 2008. While this represents a reduction from the prior quarter’s dividend, it reflects the fact that we still have a relatively strong surplus position and it reflects our expectation of improved operating performance over the long term. We expect 2008 to be another challenging year but we can assure you that our commitment to our customers, our Livingston County marketplace, and our shareholders is as strong as it ever has been.

