First Federal of Northern Michigan Bancorp, Inc.
Form 11-K
June 28, 2013

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

[[] ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED, EFFECTIVE OCTOBER 7, 1996].

For the fiscal year ended December 31, 2012

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED].

For the transition period from _______________ to _______________

Commission File Number 000-31957

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

First Federal of Northern Michigan Employees' Savings & Profit Sharing Plan and Trust

B: Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

First Federal of Northern Michigan Bancorp, Inc.
100 S. Second Avenue
Alpena, Michigan 49707

INDEX

Report of Independent Registered Public Accounting Firm

To the Participants and Trustees of
First Federal of Northern Michigan Employees' Savings and Profit Sharing Plan

We have audited the accompanying statement of net assets available for benefits of First Federal of Northern Michigan Employees' Savings and Profit Sharing Plan (the "Plan") as of December 31, 2012 and 2011 and the related statement of changes in net assets available for benefits for the year ended December 31, 2012. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Plan as of December 31, 2012 and 2011 and the changes in net assets for the year ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year as of December 31, 2012 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. This supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Plante & Moran, PLLC

Auburn Hills, Michigan
June 28, 2013

FIRST FEDERAL OF NORTHERN MICHIGAN
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN

Statements of Net Assets Available For Benefits

	December 31,	
Assets	2012	2011
Participant directed investments, at fair value (Notes 2, 3, 6 and 9)		
Cash	$94,980	$12,864
Pooled separate accounts	1,857,402	1,500,246
Common stock (First Federal of Northern Michigan Bancorp, Inc.)	431,411	265,891
Common collective trust	443,293	463,724
Total investments, at fair value	2,827,086	2,242,725
Participant notes receivable	110,172	106,361
Employer contribution receivable	-	92,982
Total assets	2,937,258	2,442,068
Liabilities	150	149
Net assets available for benefits, at fair value	2,937,108	2,441,919
Adjustment from fair value to contract value for common collective trust that invests in fully benefit-responsive investment contracts	(10,180)	(10,761)
Net assets available for benefits	$2,926,928	$2,431,158

The accompanying notes are an integral part of the financial statements.

FIRST FEDERAL OF NORTHERN MICHIGAN
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN

Statement of Changes in Net Assets Available for Benefits

Additions	Year Ended December 31, 2012
Additions in net assets attributed to:	
Interest from Participant Notes Receivable	$6,106
Contributions:	
Participants	238,488
Employer Match	96,155
Net appreciation in fair value of investments (Note 3)	388,295
Total additions	729,044
Deductions	
Deductions from net assets attributed to:	
Benefits paid to participants	213,338
Administration expenses	19,936
Total deductions	233,274
Net increase	495,770
Net assets available for benefits	
Beginning of the year	2,431,158
End of the year	$2,926,928

The accompanying notes are an integral part of the financial statements.

FIRST FEDERAL OF NORTHERN MICHIGAN
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 -- DESCRIPTION OF THE PLAN

The following description of the First Federal of Northern Michigan ("the Company" or "Plan Sponsor") Employees' Savings and Profit Sharing Plan ("the Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General. The Plan Sponsor established the Plan effective February 1, 2005. The Plan is a defined contribution plan covering all full-time employees of the Company who have completed six months of eligibility service and are age twenty-one or older. Effective January 1, 2012 the eligibility requirements were lowered to one month of service and age nineteen or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions. Participating employees may make contributions on a deferred salary arrangement (pretax contributions), under Section 401(k) of the Internal Revenue Code (the "IRC"), in an amount up to 25% of pretax annual compensation, as defined in the Plan. However, the IRC places annual limits on employee contributions to the Plan; the limit was increased to $17,000 for 2012, from $16,500 in 2011, per participant. Participants may also make contributions to the Plan in the form of a rollover of funds from another qualified plan or Individual Retirement Accounts. Additionally, participants age 50 and older may make annual pretax catch-up contributions up to the annual limit established by the IRC; the limit was $5,500 per qualifying employee for both 2012 and 2011.

Effective January 18, 2011, the Company reinstated the employer matching contributions. The Company makes matching contributions in an amount equal to 100% of the employees' elective deferral contributions which are not over 2% of compensation, plus 50% of the employees' elective deferral contributions which are over 2% of compensation but are not over 4% of compensation.

Additional profit sharing amounts may also be contributed at the option of the Company's Board of Directors and invested in a portfolio of investments as directed by participants. There were no profit sharing contributions for the Plan year ended December 31, 2012.

Participant Accounts. Each participant's account is credited with the participant's contributions and allocations of (a) the Company's matching and profit sharing contributions, and (b) Plan earnings. Allocations are based on participant earnings, contributions or account balances, as defined. The benefit to which a participant is entitled is the aggregate of the participants' deferrals and rollovers and the vested portion of employer contributions. Each participant directs the investment of his or her account to any of the investment options available under the Plan.

Vesting. Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching contribution portion of their accounts is based on years of continuous service. A participant vests 20% per year in employer matching contributions and is 100% vested after five years of credited service. Participants are immediately vested in any profit sharing contributions.

Participant Notes Receivable. Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to the lesser of (a) $50,000 or (b) one-half of the participant's vested balance, reduced by any outstanding loan balance. Participant notes receivable are generally repaid through periodic payroll withholdings, are secured by the participant's account balance and bear interest at rates based on the general prime rate plus a percentage determined by the Plan administrator. If a participant fails to make a scheduled repayment, the participant note receivable will be considered in default after a certain period of time as specified in the Plan document and the participant will be deemed to have received a taxable distribution from the Plan.

FIRST FEDERAL OF NORTHERN MICHIGAN
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 -- DESCRIPTION OF THE PLAN (Continued)

Payment of Benefits. Upon termination of service, whether due to retirement, disability or death, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments according to Internal Revenue Code Section 401(a)(9). For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Administrative Expenses. Expenses of administering the Plan, including the expenses of the committee and the fees and expenses of the trustee, are generally borne by the Company (see Note 4). However, brokerage and loan fees, transfer or other taxes, and certain other administrative expenses are charged against the respective fund and participant accounts and are included in the Statement of Changes in Net Assets Available for Benefits as administrative expenses.

New Accounting Pronouncements. In May 2011, the FASB issued ASU 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS. The standard clarifies existing fair value measurement and disclosure requirements and changes existing principles and disclosure guidance. Clarifications were made to the relevancy of the highest and best use valuation concept and measurement of an instrument classified in the Plan's statements of net assets. Changes to existing principles and disclosures included measurement of financial instruments managed within a portfolio, the application of premiums and discounts in fair value measurement, and additional disclosures related to fair value measurements. The updated guidance and requirements are effective for financial statements issued for the first annual period beginning after December 15, 2011. The adoption of this standard did not materially effect the Plan's financial statement.

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Estimates. The accompanying financial statements of the Plan are prepared on the accrual basis of accounting. The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Recognition. The Plan's investments are stated at fair value, except for its stable value common collective trust fund (Principal Stable Value Fund), which is stated at contract value. Contract value represents investments at cost plus accrued interest income less amounts withdrawn to pay benefits. The fair value of the stable value common collective trust fund is based on the fair value of the underlying net assets at the measurement date by the issuer of the fund. The common collective trust fund primarily holds guaranteed investment contracts. The issuer determines the fair value of the guaranteed investment contracts based on current yields of similar instruments with comparable durations taking into account the contract terms including interest reset intervals and the credit rating of the issuer. The Plan's interest in the common collective trust is based on its proportionate ownership interest in the fair value of the common collective trust fund. The pooled separate accounts are valued at net asset value per share of the accounts, which is based on the fair value of the account's underlying net assets. The Plan's interest in the pooled separate accounts is based on its proportionate ownership interest in the fair value of the pooled separate accounts.

Fair values of Plan investments in common stock are based on quoted market prices. The interest-bearing cash account is valued at its outstanding balance, which approximates fair value.

FIRST FEDERAL OF NORTHERN MICHIGAN
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions, to determine the fair value of certain financial instruments could result in a different fair value measurement at the report date. See Note 9 for additional information.

Participant Notes Receivable. Participant notes receivable are recorded at their unpaid principal balances plus any accrued interest. Participant notes receivable are written off when deemed uncollectible.

Forfeited Accounts. Forfeited non-vested account balances are used to either offset Plan administrative expenses or reduce employer matching contributions. Forfeitures of terminated non-vested account balances were $3,154 and $4,447 for the years ended December 31, 2012 and 2011, respectively. The 2012 and 2011 forfeitures were used to cover plan administrative expenses.

Risks and Uncertainties. The Plan invests in various securities including pooled separate accounts, a common collective trust fund, and First Federal of Northern Michigan Bancorp, Inc, common stock. Investment securities, in general are exposed to various risk, such as interest rate risk, credit risk and overall market volatility. Due to the level of risk associated with certain investment securities it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

Payment of Benefits. Benefit payments are recorded when paid.

NOTE 3 -- INVESTMENTS

Significant investments of the Plan at the end of the year are as follows:

	Value at December 31,	
Investments	2012	2011
Investments at Fair Value		
Principal International Emerging Markets Separate Account	$189,688	$149,177
Principal Capital Appreciation Separate Account	207,032	169,493
Principal Partner Large -Cap Growth Separate Account	162,805	120,501
Principal Lifetime 2020 Separate Account	158,174	179,156
Principal Mid-Cap S&P 400 Index Separate Account	149,395	117,230
First Federal of Northern Michigan Bancorp, Inc. Stock	431,411	265,891
Investment at Contract Value		