



## **PUBLIC DISCLOSURE**

April 19, 2021

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Capitol National Bank  
Charter Number 17525  
200 Washington Square North  
Lansing, MI 48933

Office of the Comptroller of the Currency  
Northern Ohio Field Office  
200 Public Square Suite 1610  
Cleveland, OH 44114-2301

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**

**The lending test is rated: Satisfactory**

The major factors that support this rating include:

- The overall geographic distribution of the bank's small loans to businesses is excellent.
- The overall distribution of small loans to businesses of different sizes is reasonable.
- A majority of the bank's loans are inside its AA.
- The bank's loan-to-deposit (LTD) ratio is reasonable.
- The bank showed excellent responsiveness to the credit needs of its borrowers during the COVID-19 pandemic by participating in the Small Business Administration's (SBA) Paycheck Protection Program (PPP).

### Loan-to-Deposit Ratio

Considering Capitol National Bank's (CNB or bank) size, financial condition, and credit needs of the assessment area (AA), the bank's LTD ratio is reasonable.

CNB's LTD ratio is calculated on a bank-wide basis and meets the standard for satisfactory performance. During the evaluation period, the bank's average quarterly LTD ratio was 93.1 percent, with quarterly ratios ranging from a low of 77.4 percent in the third quarter of 2018 to a high of 122.9 percent in the third quarter of 2020. In comparison, the average LTD for two similarly situated banks in the AA was 79.1 percent and 95.9 percent.

### Lending in Assessment Area

A majority of the bank's loans are inside its AA and meets the criteria for satisfactory performance. The bank originated 72.0 percent by number and 67.0 percent by dollar amount of its small business loans within its AA during the evaluation period. This level of lending had a positive impact on the bank's overall geographic distribution of lending by income level.

| Lending Inside and Outside of the Assessment Area 2018-2020 |                 |      |         |      |            |                                 |      |         |      |                   |
|---|-----------------|------|---------|------|------------|---------------------------------|------|---------|------|-------------------|
| Loan Category   | Number of Loans |      |         |      | Total<br># | Dollar Amount of Loans \$(000s) |      |         |      | Total<br>\$(000s) |
|   | Inside          |      | Outside |      |            | Inside                          |      | Outside |      |                   |
|   | #               | %    | #       | %    |            | \$                              | %    | \$      | %    |                   |
| Small Business  | 198             | 72.0 | 77      | 28.0 | 275        | 46,080                          | 67.0 | 22,731  | 33.0 | 68,811            |

*Source: Evaluation Period: 1/1/2018 - 12/31/2020 bank lending data. Due to rounding, totals may not equal 100.0*

## **Description of Institution**

CNB is an intrastate bank headquartered in Lansing, Michigan. It is a shareholder owned institution with no subsidiaries. According to the Report of Condition and Income, the bank's assets totaled \$199.2 million as of December 31, 2020. As of year-end 2019 and 2018, respectively, the bank's assets totaled \$119.6 million and \$110.0 million. The bank offers traditional loan products, which include commercial, small business, second mortgages, home equity lines of credit (HELOCs), and consumer loans. During 2020, the bank offered PPP loans through the SBA. CNB's principal line of business is the origination of loans to small and mid-size businesses.

The bank's loan portfolio grew 65.4 percent during the evaluation period. As of December 31, 2020, the bank's loan portfolio totaled \$148.0 million, 50.7 percent of which was secured by real estate. The loan portfolio is comprised of 42.4 percent commercial and industrial loans, 41.3 percent nonfarm nonresidential properties, 6.8 percent loans to non-depository financial institutions, 4.2 percent multi-family loans, 3.1 percent residential mortgages, 1.8 percent construction loans, and 0.4 percent consumer and agriculture loans.

CNB's consumer deposit related products and services include checking, savings, money market accounts, certificates of deposit, individual retirement accounts, online and mobile banking, safe deposit, automated teller machine (ATM), and digital wallet services. Business related products and services include checking, savings, business money market accounts, cash management, remote deposit capture (RDC), and online banking. Forty business customers use RDC, while 662 utilize online banking and 73 employ cash management services. CNB is also a member of the STAR and Cirrus ATM networks which provide customers access to their funds across the country.

During the evaluation period, CNB operated in one AA, which is contiguous. The Lansing, Michigan AA includes the counties of Ingham, Eaton, and Clinton and is part of the Lansing-East Lansing Metropolitan Statistical Area (MSA).

There are no legal, financial, or other factors impeding CNB's ability to help meet the credit needs of the AA. The bank received a "Satisfactory" rating on their previous CRA performance evaluation dated November 28, 2016.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This performance evaluation assesses CNB's record of meeting the credit needs of its AA. We performed this review using Small Bank CRA examination procedures. The lending test evaluates the bank's record of meeting the credit needs of the bank's AA through its small business lending activities. The evaluation period for lending activity covers January 1, 2018, to December 31, 2020. We evaluated CNB's lending performance based on its primary loan product of small loans to businesses. While the bank offers HELOCs, consumer installment, and home improvement loans, these products are not a primary focus for the bank. As a result, we did not consider these as part of our evaluation, as an analysis of this data would not be meaningful.

## **Selection of Areas for Full-Scope Review**

CNB has one AA in Michigan, and we performed a full-scope review of that AA. Please refer to Appendix A – Scope of Examination for more information on the AA.

## **Ratings**

The bank's overall rating is based on performance within the bank's AA. In reaching our conclusion, we weighed information from the following performance criteria when analyzing the bank's primary lending products: lending within the AA, LTD ratio, lending to businesses of different sizes, and the geographic distribution of the bank's small loans to businesses. Refer to the "Scope" paragraph within the State section of this document for details regarding how any areas were weighted in arriving at the respective ratings.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Michigan

**CRA rating for the State of Michigan:** Satisfactory

**The Lending Test is rated:** Satisfactory

The major factors that support this rating include:

- The bank's geographic distribution of small loans to businesses is excellent.
- The bank's distribution of small loans to businesses of different sizes is reasonable.
- The bank did not receive any complaints regarding its performance in helping meet the credit needs within its AA during the evaluation period.

### Description of Institution's Operations in Michigan

During the evaluation period, CNB operated two branch offices throughout its AA, one in downtown Lansing, Michigan and the other in Okemos, Michigan. Both branch offices are open the same hours and days. Only the downtown office has an ATM, and neither office offers drive-through service capability. The bank did not open or close any branches during the evaluation period.

#### Lansing AA

| Demographic Information of the Assessment Area                   |         |               |                              |                  |                 |               |
|--|---------|---------------|------------------------------|------------------|-----------------|---------------|
| Assessment Area: Lansing, Michigan AA 2018-2020                  |         |               |                              |                  |                 |               |
| Demographic Characteristics                                      | #       | Low<br>% of # | Moderate<br>% of #           | Middle<br>% of # | Upper<br>% of # | NA*<br>% of # |
| Geographies (Census Tracts)                                      | 131     | 6.9           | 20.6                         | 39.7             | 26.0            | 6.9           |
| Population by Geography  | 468,737 | 5.5           | 19.6                         | 39.7             | 31.1            | 4.1           |
| Housing Units by Geography                                       | 199,711 | 6.7           | 21.4                         | 40.7             | 30.5            | 0.7           |
| Owner-Occupied Units by Geography                                | 118,016 | 2.3           | 16.9                         | 45.3             | 35.4            | 0.1           |
| Occupied Rental Units by Geography                               | 64,891  | 12.8          | 27.7                         | 33.2             | 24.5            | 1.8           |
| Vacant Units by Geography  | 16,804  | 13.9          | 28.9                         | 37.1             | 19.2            | 0.9           |
| Businesses by Geography  | 29,703  | 7.0           | 19.5                         | 35.8             | 34.8            | 2.9           |
| Farms by Geography   | 1,358   | 2.1           | 8.7                          | 54.6             | 33.7            | 0.9           |
| Family Distribution by Income Level                              | 109,372 | 21.4          | 17.7                         | 20.4             | 40.5            | 0.0           |
| Household Distribution by Income Level                           | 182,907 | 24.7          | 15.8                         | 17.8             | 41.7            | 0.0           |
| Median Family Income MSA - 29620<br>Lansing-East Lansing, MI MSA |         | \$63,978      | Median Housing Value         |                  |                 | \$126,187     |
|  |         |               | Median Gross Rent            |                  |                 | \$790         |
|  |         |               | Families Below Poverty Level |                  |                 | 10.9%         |

Source: 2015 ACS and 2020 D&B data. Due to rounding, totals may not equal 100.0%. (\*) The NA category consists of geographies that have not been assigned an income classification.

The Lansing AA meets the requirements of the CRA and does not arbitrarily exclude any low- or moderate-income census tracts (CTs). Based on 2015 American Community Survey (ACS) data, the AA consists of 131 CTs and includes nine low-income, 27 moderate-income, 52 middle-income, and 34 upper-income CTs. Nine CTs have no income designation.

The AA is highly competitive, with a mixture of community banks and large banks serving the area. Per the June 30, 2020, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, 20 institutions operate in the AA, maintaining 102 offices. This does not include credit unions or other financial services providers. CNB ranked 14th in terms of deposit market share, with 1.8 percent, or \$148.2 million of insured deposits. The largest competitors for deposits include First National Bank of America, PNC Bank, Fifth Third Bank, JP Morgan Chase Bank, and Bank of America, which hold a combined 58.9 percent of the deposit market.

Significant competition for loans exists in the AA. Based on 2019 aggregate business loan data, 83 lenders originated business loans within the AA. The top five business lenders are large banks, which account for 59.8 percent of the business lending in the AA. CNB is not required to report its small business loan data. A majority of non-farm businesses in the AA are small as measured by the number of employees and gross revenues. According to 2020 Dun & Bradstreet data, 82.5 percent of businesses located in the AA have less than \$1 million in gross annual revenues and 62.5 percent of businesses have fewer than five employees. Only 2.2 percent of businesses are headquartered in the AA, while 86.7 percent operate from a single location. Major employers include Michigan State University, Liberty National Life Insurance, Sparrow Health System, General Motors, and Auto Owners Insurance.

Economic conditions in the AA prior to the COVID-19 pandemic generally fared better than the state of Michigan. The unemployment level at the beginning of 2018 for the AA was 4.7 percent, decreasing to 2.5 percent as of year-end 2019. In comparison, the Michigan unemployment rate ranged from 5.1 percent in the beginning of 2018 to 3.4 percent in at the end of 2019. At its peak in April 2020, the AA's unemployment rate was 18.9 percent, but was only over ten percent for two months during the year. At the end of 2020, the AA's unemployment rate of 5.9 percent was significantly better than the Michigan rate of 8.3 percent. The AA benefited from the economic stability afforded by the presence of state government, a major university, and several law and medical schools.

We conducted two community contacts, both national non-profit organizations specializing in affordable housing programs in Clinton, Ingham, and Eaton Counties. Programs include no-interest mortgages to low-income borrowers, home repairs, homeless placement, and financial literacy, including foreclosure prevention counseling. There is a high level of competition in the AA from larger banks, such as Flagstar Bank and Bank of America, to participate, lend, or invest in CD activities. The contacts indicated the greatest need in the community is lending opportunities to help fund these programs and allow for further construction of affordable homes. Additional needs include bank sponsorship for Federal Home Loan Bank (FHLB) grants, general operating funds, transitional housing assistance, and funding for financial education coaches.

## **Scope of Evaluation in Michigan**

We evaluated CNB's performance in the state of Michigan by performing a full-scope review of the bank's Lansing AA. We analyzed the bank's lending from January 1, 2018, through December 31, 2020, for the bank's primary lending product. Based on the bank's strategic plan, reports of lending activities over the review period, Reports of Condition and Income, and discussions with senior management, we determined

the bank's primary area of lending focus is business loans. To develop our conclusions, we considered factors within the AA's community profile that would impact the bank's ability to lend within the AA, including demographic and market share information. The Office of Management and Budget (OMB) instituted changes to some MSA delineations that took effect January 1, 2019. The bank's AA was not impacted by the OMB changes, allowing 2018 through 2020 data to be combined for analysis.

For comparative purposes for business loans, we used 2018 and 2019 demographic and aggregate data, as 2020 information for business lending was not available at the time of our performance evaluation. We also utilized other supporting information while evaluating CNB's CRA performance. Additional supporting information included 2015 ACS data, 2018 through 2020 bank loan data, internal bank records, FDIC deposit market share data, and information from governmental websites regarding the characteristics and economy of the bank's AAs. We also considered information from community contacts to help assess the needs of the bank's AA and the opportunities for financial institutions to lend and provide services within that area.

## **LENDING TEST**

The bank's performance under the Lending Test in Michigan is rated Satisfactory.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the Lansing AA is reasonable.

### **Distribution of Loans by Income Level of the Geography**

CNB exhibits excellent geographic distribution of small loans to businesses in the AA.

In determining our conclusions, we gave consideration for opportunities to lend based on the number of CTs in each income level, the level of competition, and the number of non-farm businesses located in low- and moderate-income CTs within the AA. For example, better lending opportunities exist in the AAs middle- and upper-income CTs. According to the 2015 ACS those CTs contain 70.6 percent of businesses in the AA.

#### ***Small Loans to Businesses***

Refer to Table Q in the state of Michigan section of *Appendix D* for the facts and data used to evaluate CNB's geographic distribution of home mortgage loans.

The bank's proportion of small business loans at 14.6 percent in low-income CTs exceeds both the percentage of businesses and percentage of aggregate small loans to business lending at 7.0 percent and 8.4 percent, respectively. The proportion of bank's small loans to businesses in moderate-income CTs at 28.8 percent also exceeds the percentage of businesses at 19.5 percent and aggregate's percentage of small loans to businesses at 18.1 percent.

### **Distribution of Loans by Income Level of the Borrower**

CNB exhibits a reasonable distribution of small loans to businesses of different sizes, given the product lines offered by the bank and the bank's capacity to lend.



Refer to Table R in *Appendix D* for the facts and data used to evaluate the bank's distribution of small loans to businesses. In evaluating the borrower distribution of loans to businesses of different sizes, we considered the level of competition and its effect on limiting the bank's ability to lend, as well as the economic conditions in the AA.

### ***Small Loans to Businesses***

The bank's percentage of small loans to small businesses at 50.5 percent is significantly below the percentage of small businesses in the AA that report revenues of \$1 million or less at 82.1 percent. However, the bank's percentage of small loans to small businesses exceeds the aggregate percentage of small loans to small businesses of 47.6 percent.

CNB also showed excellent responsiveness to the credit needs of its borrowers during the COVID-19 pandemic in 2020 by participating in the SBA's PPP program. According to bank records, the bank originated 788 PPP loans totaling \$78.6 million.

### **Responses to Complaints**

CNB did not receive any complaints pertaining to the CRA during the evaluation period.

# Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

|   |                                      |                                     |
|---|--------------------------------------|-------------------------------------|
| <b>Time Period Reviewed:</b>                            | Lending Test: (01/01/18 to 12/31/20) |                                     |
| <b>Bank Products Reviewed:</b>                          | Business Loans                       |                                     |
| <b>List of Assessment Areas and Type of Examination</b> |                                      |                                     |
|   |                                      |                                     |
| <b>Rating and Assessment Areas</b>                      | <b>Type of Exam</b>                  | <b>Other Information</b>            |
| Michigan – Lansing AA                                   | Full-Scope                           | Ingham, Clinton, and Eaton Counties |

## Appendix B: Summary of MMSA and State Ratings

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| Ratings               | Capitol National Bank |
|-----------------------|-----------------------|
| Overall Bank:         | Lending Test Rating   |
| Capitol National Bank | Satisfactory          |
| State:                |                       |
| Michigan              | Satisfactory          |
|                       |                       |

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.



**Michigan Lending**

| <b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b> |                                 |               |            |                |                   |              |            |                        |              |             |                      |              |             |                     |              |             |                             |              | <b>2018-2020</b> |  |  |
|---|---------------------------------|---------------|------------|----------------|-------------------|--------------|------------|------------------------|--------------|-------------|----------------------|--------------|-------------|---------------------|--------------|-------------|-----------------------------|--------------|------------------|--|--|
| Assessment Area:  | Total Loans to Small Businesses |               |            |                | Low-Income Tracts |              |            | Moderate-Income Tracts |              |             | Middle-Income Tracts |              |             | Upper-Income Tracts |              |             | Not Available-Income Tracts |              |                  |  |  |
|   | #                               | \$            | % of Total | Overall Market | % Businesses      | % Bank Loans | Aggregate  | % Businesses           | % Bank Loans | Aggregate   | % Businesses         | % Bank Loans | Aggregate   | % Businesses        | % Bank Loans | Aggregate   | % Businesses                | % Bank Loans | Aggregate        |  |  |
| Lansing   | 198                             | 46,080        | 100        | 6,238          | 7.0               | 14.6         | 8.4        | 19.5                   | 28.8         | 18.1        | 35.8                 | 21.2         | 32.3        | 34.8                | 31.8         | 40.1        | 2.9                         | 3.5          | 1.1              |  |  |
| <b>Total</b>  | <b>198</b>                      | <b>46,080</b> | <b>100</b> | <b>6,238</b>   | <b>7.0</b>        | <b>14.6</b>  | <b>8.4</b> | <b>19.5</b>            | <b>28.8</b>  | <b>18.1</b> | <b>35.8</b>          | <b>21.2</b>  | <b>32.3</b> | <b>34.8</b>         | <b>31.8</b>  | <b>40.1</b> | <b>2.9</b>                  | <b>3.5</b>   | <b>1.1</b>       |  |  |

*Source: 2020 D&B data; 01/01/2018 - 12/31/2020 bank data; 2019 CRA aggregate data, "--" data not available. Due to rounding, totals may not equal 100.0%*

| <b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b> |                                 |               |            |                |                                 |              |             |                                |              |  |              | <b>2018-2020</b> |  |
|--|---------------------------------|---------------|------------|----------------|---------------------------------|--------------|-------------|--------------------------------|--------------|--|--------------|------------------|--|
| Assessment Area:   | Total Loans to Small Businesses |               |            |                | Businesses with Revenues <= 1MM |              |             | Businesses with Revenues > 1MM |              | Businesses with Revenues Not Available |              |                  |  |
|  | #                               | \$            | % of Total | Overall Market | % Businesses                    | % Bank Loans | Aggregate   | % Businesses                   | % Bank Loans | % Businesses                           | % Bank Loans |                  |  |
| Lansing  | 198                             | 46,080        | 100        | 6,238          | 82.1                            | 50.5         | 47.6        | 5.5                            | 47.0         | 12.5                                   | 2.5          |                  |  |
| <b>Total</b>   | <b>198</b>                      | <b>46,080</b> | <b>100</b> | <b>6,238</b>   | <b>82.1</b>                     | <b>50.5</b>  | <b>47.6</b> | <b>5.5</b>                     | <b>47.0</b>  | <b>12.5</b>                            | <b>2.5</b>   |                  |  |

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 bank data; 2019 CRA aggregate data, "--" data not available. Due to rounding, totals may not equal 100.0%*