



PUBLIC DISCLOSURE

June 3, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank of America
Charter Number: 14740

241 East Saginaw, Suite 101
East Lansing, MI 48823

Office of the Comptroller of the Currency
200 Public Square Suite 1610
Cleveland, OH 44144

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 following table indicates the performance level of First National Bank of America (FNBA or bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	First National Bank of America Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The Lending Test rating is based on an adequate level of lending activity, excellent geographic distribution of home mortgage loans and small loans to businesses, good distribution of home mortgage loans among borrowers of different incomes and small business loans among business of different sizes, and a relatively high level of community development (CD) loans.
- The Investment Test rating is based on an overall excellent level of CD investments.
- The Service Test rating is based on the bank's retail services being reasonably accessible to geographies and individuals of different income levels and an adequate level of CD services.

Lending in Assessment Area

A very small percentage of the bank's loans are in its assessment areas (AAs).

During the evaluation period, FNBA originated and purchased 1.6 percent by number and 1.7 percent by dollar of its total loans inside the bank's AAs. This analysis is performed at the bank level rather than the AA level. The low percentages are due to the bank's nationwide home mortgage lending model. The bank's business model and strategic focus are reliant upon originating non-conforming residential mortgages nationwide and purchasing loans across the country through their loan broker relationships. These strategic decisions were necessitated due to increased competition from government loan program providers and conforming lenders who sell to the secondary market. As such, FNBA has focused on lending to nontraditional loan customers throughout the country. Additionally, 48.7 percent of the bank's deposits are brokered, and not obtained from depositors within its AAs. A large portion of the bank's funding comes through the Federal Home Loan Bank.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2021	32	0.7	4,462	99.3	4,494	7,454	0.8	967,167	99.2	974,621
2022	36	0.5	6,684	99.5	6,720	15,433	0.9	1,734,709	99.1	1,750,142
2023	90	1.7	5,132	98.3	5,222	27,334	2.0	1,353,825	98.0	1,381,159
Subtotal	158	1.0	16,278	99.0	16,436	50,221	1.2	4,055,701	98.8	4,105,922
Small Business										
2021	52	86.7	8	13.3	60	8,674	92.7	688	7.3	9,362
2022	24	88.9	3	11.1	27	4,211	80.5	1,022	19.5	5,233
2023	25	96.2	1	3.8	26	5,662	96.9	180	3.1	5,842
Subtotal	101	89.4	12	10.6	113	18,547	90.8	1,890	9.2	20,437
Total	259	1.6	16,290	98.4	16,549	68,768	1.7	4,057,591	98.3	4,126,360

Source: Bank Data; Due to rounding, totals may not equal 100.0%.

Description of Institution

FNBA is a full-service intrastate bank headquartered in East Lansing, Michigan. It is a wholly owned subsidiary of First National Bancshares, Inc., also headquartered in East Lansing, Michigan. The bank's subsidiaries include First National Acceptance Company, which used to hold and service bank owned land contracts, Rose Acceptance Inc., which owns real estate acquired in satisfaction of borrowers' debt acquired through or in lieu of foreclosure, First National Building, LC, which owns the office building occupied by First National Bancshares, its subsidiaries and affiliates, and First National Development Company (FNDC), which was created to contribute to the revitalization of Lansing, by rehabilitating single family homes. FNBA itself now holds and services the bank owned land contracts. FNDC performed no community development activities during the evaluation period, and the bank's other subsidiaries do not materially impact its community reinvestment capacity.

According to the Report of Condition and Income, the bank's assets totaled \$5.6 billion, as of December 31, 2023. As of year-end 2021 and 2022, respectively, the bank's assets totaled \$3.3 billion and \$4.6 billion. FNBA's principal lines of business is the origination and purchase of residential home mortgage loans. Secondly, the bank originates small business loans. During 2021, the bank offered Paycheck Protection Program (PPP) loans through the Small Business Association (SBA). FNBA does not offer government backed loans like Federal Housing Administration, Veteran's Administration, and Rural Housing Services loans. The bank's business model includes providing residential loans around the country in the form of non-Qualified Mortgages and other non-traditional lending to families not served by the conforming loan market. This is accomplished through retail, wholesale, and correspondent origination channels.

As of December 31, 2023, FNBA's loan portfolio totaled \$5.2 billion, with 99.8 percent of the portfolio secured by real estate. The loan portfolio represents 92.6 percent of total assets. The portfolio consists of 95.7 percent 1-4 family home mortgage loans, 2.3 percent commercial, non-farm, non-residential, and

multifamily loans, 1.5 percent construction loans, and less than one percent consumer, HELOC, farm, and other loans.

FNBA's consumer deposit related products and services include checking, savings, health savings accounts, certificates of deposit, individual retirement accounts, online and mobile banking, automated teller machine (ATM) services, and safe deposit boxes. Business related products and services include checking, savings, business money market accounts, lockbox services, remote deposit capture, online banking, and night depository. The bank partners, with the Allpoint ATM network, to provide customers surcharge-free ATM network access to 50,000 ATMs across the country.

As of the evaluation, FNBA had three AAs, which are contiguous. The bank's primary AA is identified as the Lansing, Michigan Metropolitan Statistical Area (MSA), which includes the counties of Ingham, Eaton, Clinton, and Shiawassee counties and is part of the Lansing-East Lansing MSA. FNBA's other AAs include Kent County and Grand Traverse County. Kent County, identified as the Kent AA, is part of the Grand Rapids-Kentwood MSA. Grand Traverse County, identified as the Traverse City AA, is not part of an MSA.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of the communities it serves. FNBA received a rating of "Satisfactory" at the previous CRA examination dated May 10, 2021.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The OCC evaluated the bank using large bank performance criteria, which includes a lending test, investment test, and service test. The lending test evaluates FNBA's record of meeting the credit needs of its AAs through its lending activities. The investment and service tests evaluate the bank's responsiveness to CD needs in its AAs. The evaluation period for the lending and CD tests is January 1, 2021, through December 31, 2023. In evaluating the bank's lending performance, the OCC reviewed home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) and small loans to businesses reported under the CRA. Examiners considered qualifying activities performed in response to the significant impact of the COVID-19 pandemic across the U.S. in this evaluation. Examiners did not consider consumer, multi-family, or farm loans in this evaluation, as these lending products did not constitute a substantial majority of the bank's business. However, examiners did consider any multi-family loans that qualify as CD loans, as part of the CD lending assessment.

FNBA's AAs were impacted by the 2020 U.S. Census demographic changes which took effect January 1, 2022. Examiners evaluated the bank's lending performance for 2021 using 2015 American Community Survey (ACS) data. The bank's 2022 and 2023 performance were evaluated separately utilizing 2020 U.S. Census data which reflects updated population and housing demographic information, as well as changes to the number and income designations of some census tracts (CTs).

Performance between low-income and moderate-income categories was weighted equally unless otherwise noted. The loan distribution analyses compared home mortgage loans and small loans to businesses to demographic and aggregate data under the applicable Lending Test components.

Bank Response to COVID-19 Pandemic

In March 2020, the World Health Organization declared a worldwide COVID-19 pandemic. Due to the shelter-in-place orders, certain businesses deemed non-essential were shut down or limited in operations. The pandemic limited the ability of bank personnel to provide in-person services. Additionally, opportunities for virtual service deliveries were limited by the capacity of community organizations, and the ability of low- and moderate-income families and small businesses to access virtual technology. The evaluation of the bank's performance takes into consideration the impact of the pandemic.

The bank participated in the SBA's PPP, which provided small businesses impacted by the pandemic with funds to cover payroll costs or other expenses. During 2021, the bank originated 19 PPP loans within their AAs and worked with the SBA to have 40 loans forgiven within their AAs.

To assist borrowers experiencing financial difficulty due to the pandemic, the bank also offered a loan payment deferral relief option to both home mortgage and business loan customers. The bank allowed up to three payment deferrals for home mortgage borrowers across the country. Per bank records, FNBA processed payment deferrals on a total of 132 mortgage loan accounts across the country and approved 11 payment deferrals for three different business loan customers.

The American Rescue Plan Act established The Homeowner Assistance Fund (HAF), to help homeowners financially impacted by COVID-19 with certain housing-related costs. The program's goal is to prevent home mortgage issues like delinquencies, defaults, or foreclosures, the loss of home utility services, and homeowner displacement. FNBA began accepting HAF applications in early 2022 and assisted 151 customers nationwide with access to over \$1.0 million in funds.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA(s) within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA) or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating section for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is based on its lending and CD performance within the state of Michigan. The state rating is based on performance in all the bank's AAs. Examiners gave more consideration to the bank's performance within the Lansing MSA when determining the overall state rating as it represents the bank's most significant AA in terms of deposit concentration and HMDA and small business reportable lending. Refer to the "Scope" section under the State Rating section for details regarding how the areas were weighted in arriving at ratings. OCC Examiners based conclusions for the lending test on loan products weighted according to their relative volume. As a result, more weight was given to home mortgage activity than small loans to businesses.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c) 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 assessment area 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 Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution 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: High Satisfactory

The Investment Test is rated: Outstanding

The Service Test is rated: Low Satisfactory

The major factors that support this rating include:

- Lending levels reflected adequate responsiveness to AA credit needs.
- The bank exhibited an excellent geographic distribution of home mortgage and small business loans in its AAs.
- The bank exhibited a good distribution of loans among individuals of different income levels and loans to business of different sizes, given the product lines offered by the institution.
- The bank had an excellent level of qualified CD investments and grants.
- Service delivery systems were reasonably accessible to geographies and individuals of different income levels.
- The bank provided an adequate level of CD services.

Description of Institution's Operations in Michigan

FNBA has three AAs in the state of Michigan. Examiners performed full-scope reviews of the Lansing MSA and Kent AA and a limited-scope review of the Traverse City AA.

The bank operated three branch offices throughout its three contiguous AAs. One office is in each of the three AAs. All branch offices are open the same hours and days and offer the same products and services. The main office, located in the Lansing MSA, is the only one which offers ATM services. However, FNBA is a member of the Allpoint ATM network, which provides bank customers surcharge free access to over 50,000 ATMs across the country. Drive-through services are available only at the Kent AA branch location. The bank did not open or close any branch offices during the evaluation period.

The following tables provide information on the demographic composition of the Lansing MSA for both evaluation periods.

Lansing MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Lansing MSA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	148	6.8	20.9	43.2	23.0	6.1
Population by Geography	537,850	5.4	19.4	44.5	27.1	3.6
Housing Units by Geography	229,840	6.4	21.0	45.4	26.5	0.6
Owner-Occupied Units by Geography	138,873	2.5	16.5	50.8	30.1	0.1
Occupied Rental Units by Geography	71,443	12.3	28.3	35.5	22.3	1.6
Vacant Units by Geography	19,524	12.9	26.5	43.3	16.5	0.8
Businesses by Geography	35,639	6.6	19.8	39.5	31.7	2.4
Farms by Geography	1,774	2.0	7.8	62.0	27.6	0.7
Family Distribution by Income Level	128,571	21.0	17.3	20.7	41.0	0.0
Household Distribution by Income Level	210,316	24.1	15.8	18.0	42.2	0.0
Median Family Income MSA - 29620 Lansing-East Lansing, MI MSA		\$63,978	Median Housing Value			\$123,567
			Median Gross Rent			\$780
			Families Below Poverty Level			10.9%

Source: 2015 ACS and 2021 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.*

Table A-1 – Demographic Information of the Assessment Area						
Assessment Area: Lansing MSA 2022-2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	154	4.5	20.1	45.5	22.1	7.8
Population by Geography	541,297	3.3	18.1	47.9	26.1	4.6
Housing Units by Geography	233,860	3.9	20.7	49.0	24.8	1.7
Owner-Occupied Units by Geography	145,714	2.2	15.2	52.3	30.2	0.1
Occupied Rental Units by Geography	70,945	6.5	29.8	43.2	16.3	4.2
Vacant Units by Geography	17,201	8.3	29.3	44.7	13.5	4.2
Businesses by Geography	38,686	4.4	20.4	44.9	27.2	3.1
Farms by Geography	1,907	1.3	8.9	57.7	31.1	1.0
Family Distribution by Income Level	129,818	20.3	17.8	22.0	39.9	0.0
Household Distribution by Income Level	216,659	23.5	16.5	18.9	41.2	0.0
Median Family Income MSA - 29620 Lansing-East Lansing, MI MSA		\$78,657	Median Housing Value			\$154,426
			Median Gross Rent			\$887
			Families Below Poverty Level			7.8%

Source: 2020 U.S. Census and 2023 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 AA consists of the Lansing-East Lansing MI, MSA, which includes Ingham, Eaton, Clinton, and Shiawassee Counties. The 2020 U.S. Census changes affected the AA. Based on 2015 ACS data, in 2021 the AA contained 148 CTs and included 10 low-income CTs, 31 moderate-income CTs, 64 middle-income CTs, and 34 upper-income CTs. Nine CTs had no income designation. Beginning in 2022, the AA includes 154 CTs with seven low-income CTs, 31 moderate-income CTs, 70 middle-income CTs, and 34 upper-income CTs. Twelve CTs had no income designation.

Economic Data

Most non-farm businesses in the AA are small as measured by the number of employees and gross revenues. According to 2023 Dun & Bradstreet (D&B) data, 84.7 percent of businesses located in the AA have less than \$1 million in gross annual revenues and 67.2 percent of businesses reported employing fewer than five employees.

Based on data from the Moody's Analytics report, Lansing-East Lansing's economy is slowly advancing, but still at risk. State government accounts for the majority share of new positions while manufacturing jobs have fallen, including job cuts in the auto industry. Single-family house prices increased, surpassing the gains in other Michigan metro areas. Investment in the automotive industry, including electric vehicles and battery plants, will help increase jobs within the AA. Area economic drivers were state government, Michigan State University (MSU), and manufacturing. Area strengths included growth of private businesses and General Motors' commitment to maintain a presence in the MSA. Economic challenges included persistent out-migration of skilled workers, overreliance on low-growth job sectors, low per capita income, and a high poverty rate. The major employers in the MSA include MSU, Liberty National Life Insurance, Sparrow Health System, General Motors Corporation, and Auto Owners Insurance.

Employment levels in the MSA improved from 2021 through 2023. According to the U.S. Bureau of Labor Statistics (BLS), the annual Lansing MSA unemployment rates for 2021, 2022, and 2023 totaled 3.4 percent, 3.4 percent, and 3.1 percent respectively, which are slightly lower than the state of Michigan. For comparison, state of Michigan annual unemployment rates for 2021, 2022, and 2023 totaled 4.0 percent, 3.7 percent, and 3.5 percent respectively.

Community Contacts

Examiners contacted the executive director of a non-profit community-based organization serving the low-income population of the local area. The organization facilitates revitalization efforts while creating and preserving affordable housing options with support services for residents throughout the MSA. They build attainable homeownership opportunities paired with down payment assistance, develop, and sustain affordable rental housing, improve housing stock by making homes safer and energy efficient, deliver housing and financial counseling services, and provide emergency assistance to prevent homelessness. Opportunities for participation by local financial institutions consist of financial literacy, general operating support, lines of credit, construction financing, equity equivalent investments, gap financing, and home rehab lending products. The director indicated they have partnered with FNBA in providing homebuyer education counseling.

Examiners also reviewed information provided by the chief impact officer of a non-profit community-based, affordable housing and community services organization. The organization services low-income residents and has programs for self-sufficiency, jobs, food, housing, financial assistance, and small business development. Needs identified by the group include, general operating support, housing

counseling, utility assistance, emergency services funding, volunteers to assist with programs, and grants for capacity building.

The following tables provide information on the demographic composition of the Kent AA for both evaluation periods.

Kent AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Kent AA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	128	8.6	24.2	42.2	25.0	0.0
Population by Geography	622,590	6.2	22.1	41.9	29.8	0.0
Housing Units by Geography	248,224	5.4	23.6	43.2	27.7	0.0
Owner-Occupied Units by Geography	160,040	2.8	16.5	45.9	34.8	0.0
Occupied Rental Units by Geography	72,921	9.4	38.1	39.0	13.5	0.0
Vacant Units by Geography	15,263	13.4	29.6	35.2	21.8	0.0
Businesses by Geography	49,718	4.4	18.4	37.5	39.7	0.0
Farms by Geography	1,281	1.8	10.5	47.2	40.4	0.0
Family Distribution by Income Level	154,417	20.9	17.4	21.7	40.1	0.0
Household Distribution by Income Level	232,961	23.7	17.2	18.2	40.9	0.0
Median Family Income MSA - 24340 Grand Rapids-Kentwood, MI MSA		\$64,496	Median Housing Value			\$143,339
			Median Gross Rent			\$788
			Families Below Poverty Level			10.4%

Source: 2015 ACS and 2021 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.*

Table A-1 – Demographic Information of the Assessment Area						
Assessment Area: Kent AA 2022-2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	145	6.2	24.1	44.8	23.4	1.4
Population by Geography	657,974	4.8	22.3	42.4	29.6	0.9
Housing Units by Geography	257,115	4.5	22.6	43.7	28.1	1.1
Owner-Occupied Units by Geography	172,222	2.7	17.1	44.3	35.2	0.7
Occupied Rental Units by Geography	72,573	8.6	33.7	43.5	12.3	1.8
Vacant Units by Geography	12,320	7.1	33.0	36.7	21.9	1.3
Businesses by Geography	52,945	3.0	20.4	38.4	37.7	0.5
Farms by Geography	1,407	1.6	14.3	43.4	40.1	0.6
Family Distribution by Income Level	162,996	19.4	18.2	22.9	39.5	0.0
Household Distribution by Income Level	244,795	23.1	17.1	19.2	40.6	0.0
Median Family Income MSA - 24340 Grand Rapids-Kentwood, MI MSA		\$80,705	Median Housing Value			\$197,026
			Median Gross Rent			\$944
			Families Below Poverty Level			7.0%
<i>Source: 2020 U.S. Census and 2023 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.</i>						

The Kent AA consists of Kent County in its entirety and is situated within the Grand Rapids-Kentwood, MI MSA. The 2020 U.S. Census changes affected the AA. Based on 2015 ACS data, in 2021 the AA contained 128 CTs and included 11 low-income CTs, 31 moderate-income CTs, 54 middle-income CTs, and 32 upper-income CTs. Beginning in 2022, the AA includes 145 CTs and has nine low-income CTs, 35 moderate-income CTs, 65 middle-income CTs, and 34 upper-income CTs. Two CTs had no income designation.

Economic Data

Most non-farm businesses in the AA are small, as measured by the number of employees and gross revenues. According to 2023 D&B data, 84.1 percent of businesses located in the AA have less than \$1 million in gross annual revenues and 65.6 percent of businesses reported employing fewer than five employees.

According to Moody's Analytics, the Grand Rapids economy is stalling. Payrolls have been stagnant. However, several mitigating economic factors are present in this AA. The share of factory jobs in the metro area is twice the national average and is spread across different products for a range of end users. This diversity better insulates Grand Rapids from downturns than other Michigan metro areas that specialize in vehicle production. Housing prices are leveling off following slower growth in 2023. High rental affordability creates an affordable option that will likely help the area retain and entice residents. Area strengths include growing biotech and healthcare sectors, a diverse manufacturing base and a strong base of middle-income jobs. Economic challenges include an overvalued housing market, reliance on domestic vehicle industry, and a well below-average share of high-wage jobs. The major employers in the AA include Spectrum Health, Meijer, Inc., Mercy Health, Gentex Corp, and Axios, Inc.

Employment levels in the AA from 2021 through 2023 improved. According to the BLS, the annual Kent County unemployment rates for 2021, 2022, and 2023 totaled 3.1, 2.9, and 2.8 percent, respectively, which is lower than the state of Michigan. For comparison, state of Michigan annual unemployment rates for 2021, 2022, and 2023 totaled 4.0 percent, 3.7 percent, and 3.5 percent, respectively.

Examiners evaluated the disparity between the median income of families within the AA and the cost of housing. Based on the above table, low-income families earned less than \$32,248 in 2021 and \$40,353 in 2022-2023. The maximum low-income and maximum moderate-income annual income calculations are based on 50.0 percent and 80.0 percent of the FFIEC adjusted median family income for the AA. The median housing value, in the AA, is \$143,339 in 2021 and \$197,026 in 2022-2023. One method to determine housing affordability, assumes a maximum affordable monthly principal and interest payment, of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was between \$806 and \$1,009 for a low-income borrower. Assuming a 30-year mortgage with a 6.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the AA median housing value would be \$859 in 2021 and \$1,181 in 2023. Based on these calculations, low-income borrowers would be challenged to qualify for a mortgage loan in the AA.

Community Contacts

Examiners considered information from one community organization within the Kent AA. The organization constructs and rehabilitates affordable housing for low-income individuals and families primarily in Kent County, Michigan. A lack of available land for development within the city of Grand Rapids impedes the ability of developers to supply new affordable housing, and non-profit agencies find themselves in competition for available land with market-rate developers. Furthermore, increased labor and materials costs affect the organization's ability to develop affordable housing. Primary needs include increased donations, purchase of the organization's loans, which provides liquidity, and being a lender to the organization's clients, through flexible and innovative lending programs that include below market rates to increase affordability.

Scope of Evaluation in Michigan

Examiners completed full-scope reviews of the Lansing MSA and Kent AA and a limited-scope review of the Traverse City AA. The Lansing MSA performance was given greater consideration in determining the overall state rating as it was the bank's most significant AA, in terms of deposit concentration and lending activity. Additionally, home mortgage lending activity received more weight than small loans to businesses as it represented a significantly larger percentage of loan activity. Aggregate home mortgage and small business data for 2023 was not available during this performance evaluation. Therefore, examiners compared the bank's lending performance for 2023 to 2022 demographic and aggregate data. OCC examiners did not evaluate the bank's consumer or small loans to farms as neither of these are a lending focus of the bank.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MICHIGAN

LENDING TEST

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

Conclusions for Areas Receiving Full-Scope Reviews

Lending Activity

Lending levels reflect adequate responsiveness to AA credit needs.

Number of Loans*						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State Loans	%State Deposits
Full-Scope:						
Lansing MSA	98	82	35	215	69.8	58.3
Kent	56	2	2	60	19.5	20.2
Limited-Scope:						
Traverse City	4	17	4	25	8.1	21.5
Statewide	0	0	8	8	2.6	0.0
Total	158	101	49	308	100.0	100.0

Dollar Volume of Loans* (000)						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State* Loans	%State Deposits
Full-Scope:						
Lansing MSA	\$39,947	\$16,446	\$26,319	\$82,712	76.9	58.3
Kent	\$9,501	\$164	\$195	\$9,860	9.2	20.2
Limited-Scope:						
Traverse City	\$774	\$1,937	\$273	\$2,984	2.8	21.5
Statewide	0	0	\$11,993	\$11,993	11.1	0.0
Total	\$50,222	\$18,547	\$38,780	\$107,549	100.0	100.0

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Lansing MSA

During the evaluation period, FNBA originated 98 home loans totaling \$39.9 million and 82 small business loans totaling \$16.5 million in the Lansing MSA. After excluding brokered deposits from the report, the bank ranks fourth and in the top 20.0 percent of the deposit market.

The AA is highly competitive, with a mixture of community banks and large banks serving the area. Per the June 30, 2023, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, 20 institutions operate in the AA, maintaining 93 offices. This does not include credit unions or other financial services providers. FNBA ranked first in terms of deposit market share, with 21.8 percent, or \$2.5 billion of deposits. The five largest competitors for deposits include The Huntington National Bank, PNC Bank, N.A., Fifth Third Bank, N.A., JP Morgan Chase Bank, N.A., and The Dart Bank, which hold a combined 49.9 percent of the deposit market.

Significant competition for loans exists in the AA. Based on 2022 aggregate mortgage loan data, 380 lending institutions reported originating or purchasing home mortgage loans. The top five home mortgage

lenders included three large banks, a major credit union and a mortgage loan company with a national presence which account for 37.3 percent of the home mortgage loan market share. Based on 2022 peer mortgage data, for home mortgage lending, the bank ranked 82nd out of 380 lenders (top 21.6 percent) with a market share of 0.2 percent. According to 2022 peer small business data, 88 lending institutions reported originating or purchasing small business loans. The top five small business lenders are large national banks which offered credit card products and represent 60.3 percent of the AA's small business loan market. Based on the 2022 peer small business data, the bank ranked 31st out of 88 lenders (top 35.2 percent) for number of loans, with a market share of 0.2 percent. The bank's lending performance, relative to the number of lenders in this AA, is lower than the bank's deposit base.

Kent AA

During the evaluation period, FNBA originated 56 home loans totaling \$9.5 million and two small business loans totaling \$164,000 in the Kent AA. Based on the June 30, 2023, FDIC Summary of Deposit Market Share Report, the bank ranked 15th out of 24 FDIC-insured depository institutions (top 62.5 percent) with a 0.8 percent deposit market share.

Competition for deposits in the AA is considerable, with a mixture of community banks and large banks serving the area. Per the June 30, 2023, FDIC Deposit Market Share Report, 24 institutions operate in the AA, maintaining 152 offices. This does not include credit unions or other financial services providers. FNBA ranked 15th in terms of deposit market share, with 1.1 percent, or \$238.3 million of deposits. The largest competitors for deposits include Fifth Third Bank, The Huntington National Bank, Northpointe Bank, JP Morgan Chase Bank, N.A., and Mercantile Bank, which hold a combined 69.8 percent of the deposit market.

Significant competition for loans exists in the AA. Based on 2022 aggregate mortgage loan data, 411 lending institutions reported originating or purchasing home mortgage loans. The top five home mortgage lenders included two large banks, a large credit union, and two mortgage loan companies with a national presence which account for 40.4 percent of the home mortgage loan market share. For home mortgage lending, the bank ranked 129th out of 411 lenders (top 31.4 percent) with a market share of 0.1 percent according to 2022 peer mortgage data. According to 2022 peer small business data, 112 lending institutions reported originating or purchasing small business loans. The top five small business lenders are large national banks which offered credit card products and represent 59.0 percent of the AA's small business loan market. Based on the 2022 peer small business data, the bank ranked 103rd out of 112 lenders with a market share of 0.01 percent. The bank's home mortgage lending performance, relative to the number of lenders in this AA, is stronger than the bank's deposit base.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AAs.

Home Mortgage Loans

Refer to Table O in the state of Michigan section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Overall, the bank's geographic distribution of home mortgage loans is excellent. OCC examiners compared the bank to demographic data and aggregate lending data. Examiners also identified

demographic factors of the AA that could affect the bank's ability to lend. These factors included competition from larger institutions, the bank's branch presence, area demographics, and the location of most owner-occupied housing units. The economic impact of the COVID-19 pandemic created additional barriers for home mortgage lending due to the increase in job losses, a significant increase in unemployment, increased demand, and higher home prices, which contributed to a shortfall of homes for sale.

FNBA's volume of home mortgage loans during 2021 was not significant enough to allow for meaningful quantitative distribution analysis of loans by geography for all the bank's AAs. Therefore, these loans are not included in the analysis.

Lansing MSA

The geographic distribution of home mortgage loans is excellent. During 2022 and 2023, FNBA's distribution of home mortgage loans in low- and moderate-income CTs exceeded both the percentage of owner-occupied housing units located in those CTs and the aggregate percentage of all reporting lenders.

Examiners considered the lower volume of owner-occupied housing units in low- and moderate-income CTs and the high percentage of occupied rental units in low-income CTs, which limits the bank's lending opportunities. For the 2022 through 2023 period, as identified in Table A above, there were only 2.2 percent or 3,206 owner-occupied housing units in low-income CTs, as compared to 6.5 percent or 4,611 occupied rental units.

Kent AA

The geographic distribution of home mortgage loans is excellent. During 2022 and 2023, FNBA's distribution of home mortgage loans in low- and moderate-income CTs exceeded both the percentage of owner-occupied housing units located in those CTs and the aggregate percentage of all reporting lenders.

Examiners considered the lower volume of owner-occupied housing units in low- and moderate-income CTs and the high percentage of occupied rental units in low-income CTs, which limits the bank's lending opportunities. For the 2022 through 2023 period, as identified in Table A above, there were only 2.7 percent or 4,650 owner-occupied housing units in low-income CTs, as compared to 8.6 percent or 6,241 occupied rental units.

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 the geographic distribution of the bank's originations and purchases of small loans to businesses.

Overall, the bank's geographic distribution of small loans to businesses is excellent. In determining the conclusions, examiners 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 each AA.

Lansing MSA

The geographic distribution of small loans to businesses is excellent. In 2021, the distribution of small loans to businesses in low- and moderate-income CTs exceeded both the percentage of businesses and the aggregate percentage of all reporting lenders. During 2022 and 2023, the bank's lending performance was consistent with 2021.

Kent AA

FNBA's volume of small loans to businesses during the evaluation period was not significant enough to allow for meaningful quantitative distribution analysis of loans by geography. As a result, business loans in this AA were not included in the evaluation.

Lending Gap Analysis

The OCC analyzed FNBA's geographic lending patterns of home mortgage loans and small loans to businesses by mapping loan originations and purchases throughout the AA. Examiners did not identify any unexplained conspicuous lending gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of Michigan section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases.

In evaluating the borrower distribution of home mortgage loans, examiners considered the level of competition and its effect on limiting the bank's ability to lend to borrowers of different incomes, as well as the economic conditions in the AA. Examiners also considered the percentage of families that live below the poverty level, and barriers this creates for these families to qualify for home mortgage financing. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial ability to qualify for a home loan than those with income above the poverty level, without flexible terms or reduced closing costs. Additionally, the COVID-19 pandemic further exacerbated existing challenges for low-income borrowers.

FNBA's volume of home mortgage loans during 2021 was not significant enough to allow for meaningful quantitative distribution analysis of loans by income level of the borrower in each of the bank's AAs. Therefore, these loans are not included in the analysis.

Lansing MSA

The borrower distribution of home mortgage loans among individuals of different income levels is good.

For 2022 through 2023, the percentage of home mortgage loans to low-income borrowers was below the percentage of the AA's low-income families but near to the aggregate percentage of all reporting lenders.

The percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of those families in the AA and was below to the aggregate percentage of all reporting lenders.

Kent AA

The borrower distribution of home mortgage loans among individuals of different income levels is excellent. As noted in the description of the AA above, housing affordability in the Kent AA is challenging for low-income borrowers who may find it difficult to qualify for a mortgage loan based upon maximum affordable mortgage payments.

For 2022 through 2023, the percentage of home mortgage loans to low- and moderate-income borrowers exceeded both the percentage of the AA's low- and moderate-income families and the aggregate percentages of all reporting lenders.

Small Loans to Businesses

Refer to Table R in the state of Michigan section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses.

Lansing MSA

The distribution of loans to businesses of different sizes was excellent.

During 2021, the percentage of loans to small businesses with revenues of \$1 million or less was below the percentage of small businesses in the AA but exceeded the aggregate percentage of all reporting lenders. For 2022 through 2023, the bank's performance was stronger than the 2021 performance. FNBA exceeded both the percentage of small businesses in the AA and the aggregate percentage of all reporting lenders.

Kent AA

FNBA's volume of loans to small businesses during the evaluation period was not significant enough to allow for meaningful quantitative distribution analysis of loans by revenue. As a result, business loans in this AA were not included in the evaluation.

Community Development Lending

The institution has made a relatively high level of CD loans.

The Lending Activity Tables, shown under the Lending Activity section, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Lansing MSA

The bank made a relatively high level of CD loans in the Lansing MSA, which had a positive impact on lending performance in the MSA. FNBA originated 35 CD loans totaling \$26.3 million, which represented 9.9 percent of allocated tier 1 capital. CD loans primarily focused on affordable housing and economic

development. During the COVID-19 pandemic, the bank participated in the SBA's PPP loan program that provided small businesses with resources to maintain payroll, rehire laid off employees, and cover applicable overhead. The bank originated 14 qualified PPP loans totaling \$1.5 million within the AA. Examples of non-PPP loans originated in the Lansing MSA include:

- A \$9.3 million Low-Income Housing Tax Credit (LIHTC) construction loan. The purpose of the loan was to fund construction of a 49-unit affordable housing, townhome style apartment complex within the bank's Lansing MSA. Once constructed, the property will consist of eight one-bedroom apartments, 34 two-bedroom apartments, and seven 3-bedroom apartments. Targeted tenants would need to demonstrate income between 30 percent and 80 percent of the Area Median Income.
- A \$1.1 million for FNBA's portion of an SBA Certified Development Company 504 loan. The borrower renovated the property into a restaurant which promoted business growth and job creation.
- A \$1.8 million term loan for the acquisition and renovation of a 50-unit apartment complex. The apartment complex consists of two-bedroom apartments with monthly rents of \$674, which would be considered affordable for low- and moderate-income residents.

Kent AA

The bank made a low level of CD loans in the Kent AA. The bank originated two CD loans totaling \$195,000, which represented less than 1.0 percent of allocated tier 1 capital. FNBA funded one LIHTC loan project in the AA for \$191,000 and made one PPP loan for \$4,000 during the evaluation period. The Kent AA is a single county AA and has limited opportunities for CD lending, and examiners considered the impact of strong and increasing competition for CD loans in this AA.

Regional or Statewide Area

Over the evaluation period, FNBA funded eight CD loans totaling \$12.0 million outside of its AAs. These loans focused on affordable housing. During the COVID-19 pandemic, the bank supported area businesses by originating four PPP loans totaling \$260,000 outside of its AAs within the broader statewide or regional area.

Product Innovation and Flexibility

The institution makes limited use of innovative and/or flexible lending practices to serve AA credit needs.

FNBA offers flexible lending which helps address the credit needs of low- and moderate-income individuals and geographies and are available in areas that include the bank's AAs. However, most people who benefit from the programs are located outside of the bank's AAs.

FNBA's Near-Miss Program aids purchase and refinance borrowers who do not currently qualify for conforming financing because of a bankruptcy, short-sale, or because of slow mortgage payments within twelve months of application. The program also helps provide financing for self-employed individuals and borrowers with unusual property types. Per bank records, FNBA originated seven program loans totaling \$651,000 within the Lansing MSA to low-or moderate-income borrowers or to borrowers who lived in low-or moderate-income CTs. The bank originated 27 program loans totaling \$4.0 million within the Kent AA to those borrower demographics.

The bank also participated in the Federal Home Loan Bank of Indianapolis (FHLBI) Homeownership Initiatives Program by offering access to Neighborhood Impact (NIP) and Accessibility Modification (AMP) grants. The various programs provide down payment assistance and home rehabilitation subsidies to low-income borrowers. During the evaluation period, FNBA processed and disbursed 29 NIP and AMP grants totaling \$227,700 within the state of Michigan. Of the 29 grants, the bank disbursed 14 grants totaling \$103,149 within the Lansing MSA, two totaling \$17,491 within the Traverse City AA, and 13 additional grants outside of its AAs totaling \$107,062.

During this examination period, FNBA began participating in the Elevate Program, a small business grant fund through the FHLBI. The Elevate Program grant assists the growth and development of small businesses providing up to \$20,000 to qualifying small businesses for capital expenditures, workforce training, working capital, and a variety of other needs. FNBA sponsored 19 businesses over three years by processing and submitting their applications for the grant. Of the applications submitted, FHLBI awarded one FNBA sponsored recipient each year in 2021, 2022, and 2023 with total grant fund assistance of \$59,347. Two of the recipients were in the Lansing MSA and one was outside the bank's AAs.

In response to the COVID-19 pandemic, FNBA participated in the PPP program. Within its combined AAs, the bank processed 19 PPP loans for \$1.8 million. The bank also assisted existing commercial, mortgage, and consumer loan borrowers by offering loan payments deferrals. The initial deferment period could subsequently be extended an additional two times. The bank granted of 132 deferrals nationwide, with a total of two deferment requests within the bank's Lansing MSA, one to a low-income borrower located in a moderate-income CT. The bank also participated in the HAF fund, as noted in the Bank's Response to COVID-19 pandemic section above.

FNBA provided weather-related disaster relief to borrowers across the country affected by hurricanes, tornadoes, and floods during the evaluation period. The bank deferred a total of 57 loan payments to borrowers affected by these events.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Lending Test in the Traverse City AA is weaker than the bank's overall performance under the Lending Test in the full-scope areas. Due to the limited volume of lending conducted in this AA, these results did not impact the overall conclusions.

INVESTMENT TEST

The bank's performance under the Investment Test in Michigan is rated Outstanding.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Lansing MSA and Kent AA is excellent.

The institution has an excellent level of qualified CD investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits excellent responsiveness to credit and community economic development needs. The institution occasionally uses innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments*	
	#	\$	#	\$	#	% of Total #	\$	% of Total \$	#	\$
<i>Full Scope</i>										
Lansing MSA	2	\$4,434,757	52	\$8,195,745	54	45.0	\$12,630,502	46.3	1	\$4,756,075
Kent	2	\$4,345,295	31	\$3,931,647	33	27.5	\$8,276,942	30.3		0
<i>Limited Scope</i>										
Traverse City	2	\$2,215,965	25	\$1,081,375	27	22.5	\$3,297,340	12.1		0
Regional/State***	0	\$0	6	\$3,087,581	6	5.0	\$3,087,581	11.3	1	\$4,500,000
Total	6	\$10,996,017	114	\$16,296,348	120	100.0	\$27,292,365	100.0	2	\$9,256,075

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

*** Statewide means investments in statewide programs that have a purpose, mandate, or function to serve one or more of the bank's assessment areas within the state. Due to rounding, totals may not equal 100.0%.

The Qualified Investment Table, shown above, set forth the information and data used to evaluate FNBA's level of qualified CD investments. This table includes all CD investment, including prior period investments that remain outstanding as of the performance evaluation.

Lansing MSA

FNBA demonstrated excellent responsiveness to the CD needs of the Lansing MSA. Qualified AA investments totaled \$12.6 million, representing 4.8 percent of allocated tier one capital. FNBA funded 52 investments in the current period totaling \$8.2 million. Current period investments consisted of a CRA fund with underlying LMI borrower, mortgaged-backed securities, a community development, CRA mutual fund, and tax credits in a LIHTC Community Equity fund. The bank had two prior period investments with a total book value of \$4.4 million.

Primary examples of CD investments include:

- A \$3.8 million investment in a new CRA mutual community development fund. The investment funded 16 securities that focused on single-family and multi-family affordable housing in the Lansing MSA.

- A \$2.1 million investment in a CRA fund. The investment included funding \$1.2 million in nine qualifying Freddie Mac MBS pools and \$933,000 in eight qualifying Fannie Mae MBS pools. The MBS pools were secured by mortgages to low- and moderate-income borrowers in the Lansing MSA.
- Funding \$2.2 million of a \$7.0 million commitment to purchase tax credits in a community equity fund. Funds were allocated to a 49-unit affordable housing complex comprised of two buildings within the Lansing MSA. Apartment units are reserved for tenants who earn 30.0 to 80.0 percent of area median income.

Kent AA

FNBA demonstrated excellent responsiveness to the CD needs of its Kent AA. Qualified AA investments totaled \$8.3 million, representing 9.0 percent of allocated tier one capital. FNBA funded 31 investments in the current period totaling \$3.9 million. Current period investments consisted of a CRA fund with underlying LMI borrower, mortgaged-backed securities, and a community development, CRA mutual fund. The bank had two prior period investments with a total book value of \$4.3 million. The bank also funded 18 donations totaling \$9,000 primarily to support community services targeted to LMI individuals.

Primary examples of Kent AA CD investments include:

- A \$1.8 million investment in a new CRA mutual community development fund. The investment funded in two securities that focused on the Kent AA single-family and multi-family affordable housing.
- A \$2.1 million investment in a CRA fund. The investment included funding \$769,000 in seven qualifying Fannie Mae MBS pools, \$301,000 in two qualifying Fannie Mae MBS pools, and \$1.1 million in two qualifying Ginnie Mae MBS pools. The MBS pools were secured by mortgages low- and moderate-income borrowers in the Kent AA.
- Providing 18 grants and in-kind donations, totaling \$9,000 to area community-based organizations involved in CD initiatives including affordable housing and social services targeting Kent AA low- and moderate-income residents.

Statewide and Regional

FNBA invested in a Community Development Financial Institution SBA loan fund. The mission of the fund is to promote economic development by supporting permanent job creation, retention, and/or improvement in low- and moderate-income geographies, in areas targeted for redevelopment by Federal state, local, or tribal governments, or by supporting permanent job creation, retention, and/or improvement for persons who are currently low-or moderate-income. The fund's support is in the form of an expanded secondary market for CD loan financing provided to businesses and farms that meet the SBA 7(a) Program eligibility standards. The fund allocates new CD loans in an investor's targeted AAs as new capital is invested. FNBA subscribed to the SBA loan fund on December 22, 2023, with a targeted investment amount of \$6.5 million. The bank funded \$2.0 million during the evaluation period in advance of loan identification and allocation in its AAs and will fund the balance of \$4.5 million after its invested capital is fully deployed in its AAs. The bank also made an additional \$1.1 million CRA fund investment during

the evaluation period which was not earmarked to any AA as of December 31, 2023. During February 2024, \$453,837 was earmarked in the Kent and Traverse City AAs.

Nationwide

Over the evaluation period, FNBA invested in Minority Depository Institutions and CD financial institutions and low-income designated credit unions nationwide, as there were none located within the bank's AAs. Specifically, FNBA funded 73 qualified investments in depository institutions totaling \$38.4 million. These investments received positive consideration as FNBA has been responsive to the needs and opportunities in its AAs.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, FNBA's performance under the Investment Test in the Traverse City AA is weaker than the bank's performance under the investment test in full-scope AA, due to comparatively fewer qualified CD investments allocated to the AA.

SERVICE TEST

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

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Lansing MSA and Kent AA is adequate.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
		# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
	Low			Mod	Mid	Upp	Low	Mod	Mid	Upp	
Full-Scope											
Lansing	58.3	1	33.3	0.0	0.0	0.0	100.0	3.3	18.1	47.9	26.1
Kent	20.2	1	33.3	0.0	100.0	0.0	0.0	4.8	22.3	42.4	29.6
Limited Scope											
Traverse City	21.5	1	33.3	0.0	0.0	0.0	100.0	0.0	8.3	32.2	59.5

Data within table is based on the FDIC's Deposit Market Share Report as of June 30, 2023.

Lansing MSA

FNBA's branches are reasonably accessible to geographies and individuals of different income levels in the Lansing MSA, considering the bank's limited branch network. Overall, systems for delivering retail banking services are adequate. The bank operates one branch office in the AA located in an upper-income CT. However, the branch is near one low-income CT and three moderate-income CTs. The bank did not open or close any branches in the Lansing MSA during the evaluation period. Branch hours, and the level of services available, do not vary, in ways that inconvenience any portion of the AA, including low- and moderate-income individuals. The office also offers access to a full-service ATM. Other alternative delivery systems include internet banking, mobile banking, and remote deposit capture.

Kent AA

FNBA's branches are readily accessible to geographies and individuals of different income levels in the Kent AA. Overall, systems for delivering retail banking services are good. The bank operates one branch office in the AA located in a moderate-income CT. The branch is also near one low-income CT and 10 other moderate-income CTs. The bank did not open or close any branches in the Kent AA during the evaluation period. Branch hours, and the level of services available, do not vary in ways that inconvenience any portion of the AA, including low- and moderate-income individuals. Other alternative delivery systems include internet banking, mobile banking, and remote deposit capture.

Community Development Services

The institution provides an adequate level of CD services.

Lansing MSA

FNBA demonstrated an adequate level of responsiveness to community development needs by providing technical or financial expertise to area community-based groups that promote economic development and provide services targeted to LMI residents. During the evaluation period, bank records reflect 799 hours spent by employees providing CD services in the Lansing MSA.

Primary examples of bank officer and staff participation in Lansing MSA CD services include:

- A business development employee spent 135 hours serving as a member of the board of directors and on the program committee for the local commission of an international non-profit organization. The organization offers a wide range of social services to support individuals and families in need. The local commission of this organization provides community outreach, counseling to low-income individuals, and subsistence services. Services encompass homeless assistance, foster care, adoption, and refugee resettlement.
- A commercial loan officer spent over 400 hours serving as president of the local chapter of an international non-profit organization that promotes small business development and provides charitable grants for various service projects. The local chapter of this organization is comprised largely of small businesses owners that work to spark economic development, mentor, and provide financing to new businesses. This local chapter also provides a significant number of grants and donations to other non-profit organizations that provide housing and medical assistance to low- and moderate-income individuals.
- FNBA employees spent 247 hours processing FHLBI grant submissions. These grants included NIP, AMP, and the Elevate small business grant program. In conjunction with the FHLBI grant programs, bank employees also devoted time to outreach and training.

Kent AA

FNBA demonstrated an adequate level of responsiveness to community development needs by providing technical or financial expertise to area community-based groups that promote economic development and provide services targeted to low- and moderate-income residents. During the evaluation period, bank records reflect 379 hours spent by employees providing CD services in the Kent AA.

Primary examples of bank officer and staff participation in Kent AA CD services include:

- A branch manager provided 272 hours assisting with the facilitation of free tax preparation services offered in conjunction with the IRS's Volunteer Income Tax Assistance (VITA) program. The employee's assistance with VITA includes training volunteers, planning meetings, answering tax questions, and assisting clients with tax preparation.
- Multiple FNBA employees including a director, a manager, a supervisor, and an analyst developed and presented courses in conjunction with a local free financial and community resource fair targeted to low- and moderate-income individuals. The resource fair is organized by a community-based organization whose mission is to strengthen vulnerable Kent AA homeowners by offering

home repair and home counseling services. The courses that employees developed and presented included identity theft and home-buying.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Service Test in the Traverse City AA is weaker than the bank's overall performance under the Service Test in full-scope areas. FNBA provided a low level of CD services to the Traverse City AA. On a combined basis, employees provided a total of 36 hours of qualifying services teaching financial literacy.

Appendix A: Scope of Examination

The following table identifies the 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”.

Time Period Reviewed:	January 1, 2021, to December 31, 2023	
Bank Products Reviewed:	Home mortgage loans, business loans, community development loans, qualified investments, and community development services	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State(s)		
<u>State of Michigan</u>		
Lansing MSA	Full scope	Lansing -East Lansing MSA (Ingham, Eaton, Clinton, and Shiawassee Counties)
Kent AA	Full scope	Kent County
Traverse City AA	Limited scope	Grand Traverse County

Appendix B: Summary of MMSA and State Ratings

RATINGS		First National Bank of America		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
First National Bank of America	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory
MMSA or State:				
Michigan	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory

(*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

Appendix C: Definitions and Common Abbreviations

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 1003.2 of this title, and that is not an excluded transaction under 1003.3(c)(1) through (10) and (13) of this title.

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.

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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

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 loans are treated the same 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 30th 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 O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- 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.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2021
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Kent	12	1,561,043	37.5	40,135	2.8	25.0	2.9	16.5	16.7	17.1	45.9	33.3	43.6	34.8	25.0	36.3	0.0	0.0	0.0
Lansing MSA	19	5,862,410	59.4	24,799	2.5	15.8	2.3	16.5	47.4	15.1	50.8	26.3	48.6	30.1	10.5	34.0	0.1	0.0	0.1
Traverse City	1	30,764	3.1	5,096	0.0	0.0	0.0	5.6	0.0	2.6	36.3	0.0	37.1	58.0	100.0	60.4	0.0	0.0	0.0
Total	32	7,454,216	100.0	70,030	2.5	18.8	2.5	15.6	34.4	15.3	47.2	28.1	44.9	34.7	18.8	37.2	0.0	0.0	0.1

Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022-2023
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Kent	44	7,939,377	34.9	23,190	2.7	9.1	3.4	17.1	36.4	18.5	44.3	45.5	44.1	35.2	9.1	33.3	0.7	0.0	0.6
Lansing MSA	79	34,085,051	62.7	15,302	2.2	7.6	2.5	15.2	34.2	16.9	52.3	34.2	52.4	30.2	24.1	28.0	0.1	0.0	0.2
Traverse City	3	742,850	2.4	2,971	0.0	0.0	0.0	5.3	0.0	5.3	30.2	0.0	28.0	64.5	100.0	66.7	0.0	0.0	0.0
Total	126	42,767,278	100.0	41,463	2.2	7.9	2.8	15.3	34.1	17.0	46.5	37.3	46.1	35.6	20.6	33.7	0.4	0.0	0.4

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2023 Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2021
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Kent	12	1,561,043	37.5	40,135	20.9	8.3	8.9	17.4	16.7	21.7	21.7	8.3	22.3	40.1	0.0	34.9	0.0	66.7	12.2
Lansing MSA	19	5,862,410	59.4	24,799	21.0	10.5	9.7	17.3	5.3	22.9	20.7	10.5	23.9	41.0	5.3	31.3	0.0	68.4	12.3
Traverse City	1	30,764	3.1	5,096	12.9	0.0	2.9	14.0	0.0	13.1	21.2	0.0	21.4	51.8	0.0	53.4	0.0	100.0	9.2
Total	32	7,454,216	100.0	70,030	20.3	9.4	8.7	17.1	9.4	21.5	21.2	9.4	22.8	41.3	3.1	34.9	0.0	68.8	12.0

Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022-2023
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Kent	44	7,939,377	34.9	23,190	19.4	22.7	10.9	18.2	36.4	23.7	22.9	18.2	22.2	39.5	0.0	32.1	0.0	22.7	11.2
Lansing MSA	79	34,085,051	62.7	15,302	20.3	11.4	12.9	17.8	19.0	25.5	22.0	8.9	23.2	39.9	5.1	26.8	0.0	55.6	11.7
Traverse City	3	742,850	2.4	2,971	13.1	0.0	4.1	14.2	0.0	14.4	19.2	0.0	21.5	53.4	0.0	51.6	0.0	100.0	8.3
Total	126	42,767,278	100.0	41,463	19.3	15.1	11.1	17.8	24.6	23.7	22.2	11.9	22.5	40.7	3.2	31.6	0.0	45.2	11.2

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2023 Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2021
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
Kent	1	40	1.9	14,366	4.4	0.0	4.8	18.4	0.0	17.7	37.5	100.0	38.0	39.7	0.0	39.4	0.0	0.0	0.0
Lansing MSA	44	8,101	84.6	7,424	6.6	13.6	6.4	19.8	40.9	18.8	39.5	18.2	38.9	31.7	22.7	34.6	2.4	4.5	1.3
Traverse City	7	533	13.5	2,731	0.0	0.0	0.0	12.1	0.0	12.3	43.7	71.4	44.7	44.2	28.6	43.0	0.0	0.0	0.0
Total	52	8,674	100.0	24,521	4.7	11.5	4.8	18.2	34.6	17.4	38.9	26.9	39.0	37.2	23.1	38.4	0.9	3.8	0.4

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2022-2023
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
Kent	1	124	2.0	13,385	3.0	100.0	2.9	20.4	0.0	20.6	38.4	0.0	37.5	37.7	0.0	38.6	0.5	0.0	0.4
Lansing MSA	38	8,345	77.6	7,285	4.4	28.9	4.3	20.4	18.4	17.2	44.9	31.6	44.2	27.2	18.4	32.7	3.1	2.6	1.6
Traverse City	10	1,404	20.4	2,517	0.0	0.0	0.0	8.5	0.0	8.1	36.1	100.0	36.2	55.4	0.0	55.7	0.0	0.0	0.0
Total	49	9,873	100.0	23,187	3.2	24.5	3.0	19.1	14.3	18.2	40.6	44.9	39.5	35.7	14.3	38.6	1.4	2.0	0.7

Source: 2022 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2021
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
Kent	1	40	1.9	14,366	83.3	100.0	43.6	6.5	0.0	10.2	0.0
Lansing MSA	44	8,101	84.6	7,424	83.1	70.5	47.9	4.9	29.5	12.0	0.0
Traverse City	7	533	13.5	2,731	85.5	42.9	47.7	5.3	57.1	9.1	0.0
Total	52	8,674	100.0	24,521	83.5	67.3	45.4	5.8	32.7	10.7	0.0

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022-2023
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
Kent	1	124	2.0	13,385	83.8	100.0	46.9	5.9	0.0	10.2	0.0
Lansing MSA	38	8,345	77.6	7,285	84.1	92.1	49.7	4.4	7.9	11.5	0.0
Traverse City	10	1,404	20.4	2,517	85.9	10.0	54.1	4.8	90.0	9.3	0.0
Total	49	9,873	100.0	23,187	84.2	75.5	48.5	5.2	24.5	10.6	0.0

Source: 2022 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%