PUBLIC DISCLOSURE

November 10, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First National Bank of St. Ignace
Charter Number 3886

132 N. State St.
St. Ignace MI 49781

Office of the Comptroller of the Currency
200 Public Square, Suite 1610
Cleveland, OH 44114

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.

Table of Contents

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 bank originated a majority of its loans inside of its Assessment Area (AA).
- The bank's lending record exhibited an excellent distribution of loans to small businesses and home mortgages among AA geographies of different income levels.
- The bank's lending record exhibited a reasonable distribution of loans to businesses of different sizes and home mortgages to borrowers of different income levels.

Loan-to-Deposit Ratio

Considering The First National Bank of St. Ignace's (FNB St. Ignace or bank) size, financial condition, and credit needs of the AA, the bank's loan-to-deposit ratio was reasonable.

The bank's LTD ratio was calculated on a bank-wide basis. Over the 12-quarter evaluation period, spanning 2022, 2023, and 2024, the bank's average quarterly LTD ratio was 26.6 percent. The bank's quarterly LTD ratios ranged from a low of 22.0 percent for the third quarter of 2022 to a high of 30.7 percent for the first quarter of 2024. The bank's LTD trend generally improved throughout the period. In comparison, over the 12-quarter period, LTD ratios for nine similarly situated AA lenders averaged 65.8 percent and ranged from 35.8 percent to 94.4 percent.

The bank originates residential real estate loans that are immediately sold on the secondary market. During the evaluation period, the bank originated and sold 20 loans totaling $2.8 million. As of December 31, 2024, the bank reported $17.5 million in loans serviced for others. This amount represents another 7.5 percent of total deposits that is not captured in the LTD ratio noted above. If adjusted to reflect the $17.5 million in loans serviced for others, the adjusted LTD of 45.9 percent would more closely approach that of peer banks.

COVID-19 pandemic stimulus programs contributed to deposit growth inflation resulting in higher than typical deposit levels for the bank in 2021 and therefore the start of the evaluation period on January 1, 2022. The bank's higher deposit levels adversely impacted the loan to deposit ratio used to measure the bank's lending activity. However, during the evaluation period, the bank's LTD improved, trending upward as loan growth outpaced deposits. Specifically, between December 31, 2022, and December 31, 2024, total loans increased by 11.0 percent. During the same time-period, total bank deposits decreased by 8.0 percent. Additionally, the bank's lending capacity may be inhibited by deposits the bank held from states and political subdivisions, which may have specific pledging requirements. Specifically, in 2022, 2023, and 2024, the bank held deposits from states and political subdivisions that equaled 18.1 percent, 21.1 percent, ad 22.6 percent of total deposits respectively.

Although the bank's LTD ratio was compared to nine other similarly situated institutions, the other bank's branching and lending operations were much less concentrated in Mackinac County, Michigan. Specially, of the nine peer banks to which FNB St. Ignace was compared, only one operates branch offices in Mackinac County and none operate a branch office in Luce County. The single peer bank that operates within Mackinac County operates just two of its seven branch offices there. FNB St. Ignace operates all but one of its seven branch offices in Mackinac County. Mackinac County is unique as it includes Mackinac Island, which is economically dependent on summer tourism. This summer tourism economy drives a fluctuating population and corresponding housing needs. In the tourism off-season, Mackinac County is sparsely populated, and the housing market is limited. Real estate for sale in Mackinac County, particularly affordable real estate, maybe limited to as few as 50 homes under $250,000. The bank's size, location, area demographics and economic conditions create challenges relative to its lending activity as measured by its LTD ratio. These factors were considered when reaching the conclusion that the bank's LTD ratio was reasonable.

Lending in Assessment Area

A majority of the bank's loans were inside its AA.

The analysis of the bank's lending inside verses outside of its AA was performed at the bank level. Over the evaluation period, of its total loan originations, the bank originated 85.0 percent by number and 76.3 percent by dollars inside of its AA.

Table 1: Lending Inside and Outside of the Assessment Area										**2022-2024**
Loan Category	**Number of Loans**				**Total #**	**Dollar Amount of Loans $(000s)**				**Total $(000s)**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**		**$**	**%**	**$**	**%**	
Home Mortgage	20	100.00	0	0.00	20	$1,543	100.00	0	0.00	$1,543
Small Business	14	70.00	6	30.00	20	$2,250	65.70	$1,176	34.30	$3,427
Total	34	85.00	6	15.00	40	$3,794	76.30	$1,176	23.70	$4,970
Source: 1/1/2022 – 12/31/2024 Bank Data										
Due to rounding, totals may not equal 100.0%										

Description of Institution

FNB St. Ignace is a full-service, intrastate community bank headquartered in St. Ignace, Michigan. The bank is a wholly owned subsidiary of Mackinac National Bancorp. Inc., a one-bank holding company located in St. Ignace Michigan. The bank serves geographies within the Michigan counties of Mackinac, Luce, Chippewa, Emmet, and Cheboygan. As a result, geographies within these counties comprise the bank's single CRA AA, and the state of Michigan comprises the bank's single CRA rating area. Within these five Michigan counties, the bank operates seven branch offices and 10 ATMs.

As of December 31, 2024; the bank's assets totaled $317.3 million. As of year-end 2022 and 2023, the bank's assets totaled $329.4 million and $341.0 million respectively. As of December 31, 2024; the bank's tier one capital totaled $23.9 million or 7.6 percent of total assets.

As of December 31, 2024, the bank's loan portfolio (net loans and leases) totaled $90.7 million. Of the loan portfolio, 84.0 percent was secured by real estate. The loan portfolio was comprised of commercial (non-farm, non-residential) real estate loans ($41.7 million or 46.0 percent), residential (1-4 family) real estate loans ($23.6 million or 26.0 percent), construction and development loans ($9.1 million or 10.0 percent), individual (consumer) loans ($6.9 million or 7.6 percent), commercial and industrial loans ($6.3 million or 6.9 percent), other loans and leases ($2.3 million or 2.5 percent), and farm loans ($0.5 million or 0.6 percent).

The bank's primary loan products are business and home mortgage loans. Specifically, the bank's business lending includes working capital, equipment, plant and facilities loans, as well as investment and commercial property loans. The bank's home mortgage lending includes home purchase, home improvement, construction, second home and vacant land loans. The bank also engages in consumer lending including debt consolidation, automobile, garden and lawn tractor, recreational boat, camper trailer, and recreational vehicle loans. The bank's deposit-related products include checking, savings, and money market accounts, certificates of deposit, and individual retirement accounts. Additionally, the bank offers deposit and general services including ATM, online banking including bill-pay, overdraft protection, direct deposit, check cashing, monetary instrument, wire transfer and safe deposit box services.

There are no legal financial, or other factors impeding the bank's ability to help meet the credit needs of the AA. The bank received a "Satisfactory" rating on the previous CRA performance evaluation dated October 11, 2022.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation assessed the bank's record of meeting the credit needs of its AA. The evaluation was performed using Small Bank CRA examination procedures which consists of a lending test. The Lending Test evaluates the bank's record of meeting AA credit needs through its lending activities. Home mortgage loans and small business loans represent the bank's primary loan products and strategic focus. The evaluation period for the lending test covers January 1, 2022, through December 31, 2024. The bank is not a Home Mortgage Disclosure Act (HMDA) reporter. To conduct the Lending Test, examiners analyzed a sample of home mortgage loans and loans to small business originated during the evaluation period. Examiners used supporting information to complete the review including internal bank reports and deposit market share data.

Selection of Areas for Full-Scope Review

The bank delineated one single AA, the St. Ignace non-MSA AA, which is comprised of two counties (Mackinac and Luce) in their entireties, in addition to three partial counties (Chippewa, Emmet, and Cheboygan) all of which are contiguous, non-MSA counties located within the state of Michigan. A full-scope review of this AA was performed to complete this CRA evaluation. Please refer to Appendix A – Scope of Examination for AA information.

Ratings

The bank's overall rating is based on the bank's rating in the state of Michigan in which the bank has delineated its only AA.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) (March 29, 2024) in determining a national banks 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 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: Satisfactory

The major factors that support this rating include:

- The bank's lending record exhibited an excellent distribution of loans to small businesses and home mortgages among AA geographies of different income levels.
- The bank's lending exhibited a reasonable distribution of loans to businesses of different sizes and home mortgages to borrowers of different income levels considering demographic and economic factors.

Description of Institution's Operations in Michigan

As of January 1, 2022, the bank had delineated one single AA within the state of Michigan, the St. Ignace non-MSA AA. The AA includes the entirety of Mackinac and Luce Counties and selected geographies within Chippewa, Emmet, and Cheboygan Counties. Specifically, the AA consists of 20 geographies (census tracts). Of the AA geographies with income classifications, all are designated as moderate-income or middle-income. None of the 20 geographies are designated as low- or upper-income. Additionally, some of the middle-income geographies are classified as underserved or distressed. Specifically, according to the FFEIC's 2024 listing of Underserved or Distressed Nonmetropolitan Middle-Income Geographies, twelve are represented within the bank's AA. These geographies have been designated as underserved or distressed due to characteristics such as unemployment levels and rural/remote locations. The bank's AA consists primarily of small towns and rural communities that are heavily reliant on tourism and related industries. The AA does not arbitrarily exclude any low-or moderate-income geographies.

During the evaluation period, within its AA, the bank operated seven full-service branch offices. Of the seven branch offices, the bank operated two offices (including its main office) in moderate-income, Mackinac County geographies, and four offices in middle-income, underserved or distressed, Mackinac County geographies. The bank operates its other branch office in a middle-income, underserved or distressed, geography in Luce County. Of the seven branch offices, six offer drive-through services and all seven operate on-site deposit taking ATMs. The branch located on Mackinac Island does not offer drive-through service because automobiles are not permitted on the Island. Of the seven branch offices, six offer walk-up ATM services either inside or outside of the offices. At the North Bay office, the bank operates a drive-through ATM. The bank also operates three additional, off-site ATMs. Of the three off-site ATMs, one is situated in a grocery store in St. Ignace and two are situated at a hotel and taxi stand on Mackinac Island. The bank did not open or close any branch offices since the previous CRA evaluation. However, in March 2024, the bank did close two grocery store ATM locations in Cedarville and Newberry. The bank operates branch ATMs within a mile of both of the closed ATM locations.

According to 2024 U.S. Census data, of the AA's population, 14.5 percent resides in moderate-income geographies, 79.2 reside in middle-income geographies, and 6.3 percent reside in geographies with no income classification. Of AA families, 21.1 percent were classified as low-income, 18.2 percent as moderate-income, 23.1 percent as middle-income, and 37.6 upper-income percent. Median family AA income was $63,042, with low-income families earning less than $31,521 and moderate-income families earning between $31,521 and $50,434. Of AA housing units, 50.5 percent were vacant, 10.8 percent were rental, and 37.7 percent were owner-occupied units. Of AA owner-occupied, 10.9 percent and 89.2 percent were located within moderate- and middle-income geographies respectively. AA households below the poverty level were 16.0 percent and the AA median housing value was $113,800. Therefore, housing availability and cost relative to income may inhibit home mortgage demand emanating from low-and moderate-income AA families.

Banking competition within the AA is high. According to the 2024 FDIC Deposit Market Share Report, there are eleven financial institutions operating 46 offices serving the bank's AA. The bank ranked 4th in AA deposit market share, with 12.2 percent of total AA deposits. The top five deposit taking AA institutions (including the bank) have accumulated a combined market share of 69.5 percent and include Central Savings Bank, Citizens National Bank of Cheboygan, JP Morgan Chase, and Huntington National Bank.

The bank has significant competition for home mortgage loans within its AA. Based on 2024 Home Mortgage Disclosure Act (HMDA) aggregate market share data, within the AA, 122 lenders originated home mortgage loans. The top ten home mortgage lenders combined garnered 50.0 percent of AA home mortgage lending. Of the top ten mortgage lenders, some were large banks, national mortgage originators and credit unions. Specifically, lenders with the greatest home mortgage loan, AA market share included: Rocket Mortgage (13.6 percent), Nicolet National Bank (10.5 percent), 4Front Credit Union (5.9 percent), Huntington National Bank (4.2 percent), United Wholesale Mortgage (3.7 percent), Mercantile Bank (2.6 percent), Mortgage Research Center (2.4 precent). LoanDepot.Com LLC (2.4 percent), Greenstone Farm Credit Service (2.4 percent), and Pennymac Loan Services LLC (2.2 percent). The bank also competes with local credit unions for home mortgage loans.

The bank also encountered significant competition for small loans to businesses within its AA. Based on 2023 CRA aggregate market share data, within the AA, 40 lenders originated small business loans. The top ten small business lenders combined garnered 91.9 percent of AA small business lending. Of the top ten small business lenders, some were large banks, and national credit card lenders. Specifically, lenders with the greatest small business loan, AA market share included: American Express National Bank (23.2 percent), JP Morgan Chase Bank, N.A. (18.4 percent), Synchrony Bank (10.4 percent), Citibank, N.A. (10.3 percent), Capital One N.A. (9.4 percent), US Bank N.A. (7.2 percent), Nicolet National Bank (4.9 percent), The Huntington National Bank (3.5 percent), PNC Bank N.A. (2.8 percent), and Bank of America N.A. (1.9 percent).

Two of the largest AA cities relative to where the bank is situated, are St. Ignace, and Sault Ste Marie which are located on the Mackinaw Peninsula. Major area employers include Grand Hotel, Sault Tribe of Chippewa Indians, and Sault Ste Marie Public Schools. In 2024, the annual unemployment rate in Mackinac County was 9.7 percent, which exceeded the state unemployment rate of 4.7 percent. Unemployment within the AA is seasonal, with higher unemployment rates during the fall and winter months and lower unemployment rates during the spring and summer tourist months.

Information obtained from an AA community contact was considered in developing an understanding of the community development needs and credit opportunities within the AA. The contact identified major area employers as: Sault Sainte Marie Tribe of Chippewa Indians, Lake Superior State University (Sault Ste. Marie), My Michigan Medical Center (Sault Ste. Marie), the Bay Mills Indian Community (Brimley), Walmart (Sault Ste. Marie) Mackinac Straits Health System (Ste. Ignace), Mackinac Bridge Authority (St. Ignace,), LMAS District Health Department (St, Ignace), Les Cheneaux Distillers (Cedarville), and Flotation Docking (Cedarville). The contact also indicated that since housing was already in short supply, modular housing needed to be installed in Kinchelow. Despite the temporary modular homes, a housing crisis remains. The contact added that several factors adversely impact housing availability including university off-campus housing, more remote workers relocating to live in the community, and projects such as the Soo Lock project increasing the local population. The contact also advised that the region lacks employees, resulting from the seasonal nature of the area's tourist economy. This results in unemployment rates swinging drastically from summer to winter since many jobs exist only during warmer tourism months.

St. Ignace Non-MSA AA

Assessment Area – St. Ignace Non-MSA AA 2024						
						2024
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	20	0.00	10.00	60.00	0.00	30.00
Population by Geography	36,917	0.00	14.51	79.21	0.00	6.28
Housing Units by Geography	29,786	0.00	10.48	89.52	0.00	0.00
Owner-Occupied Housing by Geography	11,520	0.00	10.85	89.15	0.00	0.00
Occupied Rental Units by Geography	3,211	0.00	33.85	66.15	0.00	0.00
Vacant Units by Geography	15,055	0.00	5.21	94.79	0.00	0.00
Businesses by Geography	1,226	0.00	14.60	85.07	0.00	0.00
Farms by Geography	95	0.00	1.05	98.95	0.00	0.00
Family Distribution by Income Level	9,498	21,09	18.21	23.13	37.57	0.00
Household Distribution by Income Level	14,731	24.02	16.16	19.82	40.00	0.00
Unemployment rate (%)	10.40	0.00	18.45	8.58	0.00	0.00
Households Below Poverty Level (%)	15.99	0.00	22.25	14.81	0.00	0.00
Median Family Income Michigan		$63,042			**Median Housing Value**	$113,800
Median Family Income Michigan for 2024		$78,300			**Median Gross Rent**	$629
					Families Below Poverty Level	10.55
FFIEC File – 2020 Census *FFIEC File – 2024 Census* *2024 Dun & Bradstreet SBSF Demographics* *Due to rounding, totals may not equal 100.00%* *(*) The N/A category consists of geographies that have not been assigned an income classification*						

Scope of Evaluation in Michigan

This analysis reflects a full-scope review of the St. Ignace non-MSA AA. To develop conclusions, consideration was afforded to the number of home mortgage loans and small loans to businesses originated or purchased by the bank during the evaluation period. Greater weight was afforded to the bank's record of making loans to small businesses than home mortgage lending since business lending represented a greater percentage of the bank's lending activity. Additionally, somewhat greater weight was afforded to the distribution of loans among geographies of different income levels than to borrowers of different income levels due to AA demographic and economic factors. Various relevant factors affecting the bank's ability to lend in its AA during the evaluation period were considered. Refer to Appendix A – Scope of Examination, for more information on this AA.

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 St. Ignace Non-MSA AA was reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibited excellent geographic distribution of loans in the State.

Small Loans to Businesses

Refer to Table 9 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.

During the evaluation period from January 1, 2022, through December 31, 2024, loans to small businesses originated in AA geographies by the bank, 45.0 percent of the number were originated in moderate-income AA geographies. The bank's record of originating loans to small businesses in the AA in moderate-income geographies exceeds both the percentage of AA businesses located in moderate-income geographies at 14.6 percent and the percentage of aggregate lending in moderate-income AA geographies at 20.1 percent.

Home Mortgage Loans

Refer to Table 7 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.

During the evaluation period from January 1, 2022, through December 31, 2024, of home mortgage loans in AA geographies originated by the bank, 25.0 percent of the number were originated in moderate-income AA geographies. The bank's record of originating home mortgage loans in moderate-income AA geographies exceeds both the percentage of AA moderate-income geographies at 10.9 percent and the percentage of aggregate lending in moderate-income AA geographies at 19.0 percent.

Lending Gap Analysis

The OCC reviewed summary reports and maps to identify any gaps in the geographic distribution of loans. The analysis did not identify any unexplained, conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibited a reasonable distribution of loans to businesses of different sizes and borrowers of different income levels considering demographic and economic factors.

Loans to Small Businesses

Refer to Table 10 in the state of Michigan section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of loans to small businesses.

During the evaluation period from January 1, 2022, through December 31, 2024, of loans to small businesses originated by the bank, the percentage of loans originated to in the AA (reporting annual revenues of less than or equal to $1 million) was 70.0 percent. The bank's percentage of loans originated to AA small businesses is near to the percentage of all AA small businesses at 74.7 percent and exceeds the aggregate percentage of loans to AA small businesses at 55.4 percent.

Multiple factors were considered when reaching conclusions regarding the bank's record of lending to AA small businesses. These factors encompassed the substantial level of competition encountered by the bank for AA business loans and the bank's demonstrated willingness to originate smaller dollar loans sought by AA small businesses. In reaching conclusions, greater weight was placed on comparing the bank's record of lending to AA small businesses against aggregate lending to AA businesses than the demographic percentage of AA businesses. As discussed in the "Description of Institution's Operations in Michigan" section, the bank encounters significant competition within its AA. Competition for small loans to AA businesses includes competition from larger regional and national lenders including lenders that offer credit cards which are often used by small businesses to facilitate easy access to credit.

In addition, the bank has demonstrated a willingness to originate smaller dollar business loans over the evaluation period. Specifically, of the 226 loans the bank originated in 2022, 2023, and 2024, 37 (16.4 percent) were for dollar amounts less than $50,000, 58 (25.7 percent) were for dollar amounts less than $100,000, 122 (54.9 percent) were for dollar amounts less than $250,000, and 174 (77.0 percent) were for dollar amounts less than $500,000. The high-interest rate environment may also encourage small businesses to use cash when possible as an alternative to financing funding needs.

Home Mortgage Loans

Refer to Table 8 in the state of Michigan section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home Mortgage Loans

Refer to Table 8 in the state of Michigan section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

During the evaluation period from January 1, 2022, through December 31, 2024, of home mortgage loans originated by the bank, the percentage of loans originated to AA borrowers that are low-income is well below the percentage of all AA families that were low-and moderate-income at 21.1 percent and significantly below the aggregate percentage of loans to AA borrowers that were low-income at 7.9 percent. However, the bank's percentage of loans originated to AA borrowers that are moderate-income exceeds both the percentage of all AA families that were moderate-income at 18.2 percent and the aggregate percentage of loans to AA borrowers that were moderate-income at 16.8 percent.

Multiple factors were considered when reaching conclusions regarding the bank's record of home mortgage lending to low-, and moderate-income AA families. These factors encompassed the substantial level of competition encountered by the bank for AA home mortgage loans and the bank's demonstrated willingness to originate smaller dollar amount loans sought by low-and moderate-income borrowers. As a result of demographic and economic factors, in reaching conclusions, greater weight was placed on comparing the bank's record of lending to moderate-income AA families than to low-income AA families.

Greater weight was placed on comparing the bank's record of lending against aggregate lending to AA families than on the demographic percentage of low-and moderate-income AA families.

As discussed in the "Description of Institution's Operations in Michigan" section, the bank encounters significant competition within its AA. Competition for home mortgage loans to low-and moderate-income AA borrowers includes competition from larger regional and national lenders including lenders, some of which were large banks, national mortgage originators and credit unions that have the capacity to facilitate easy access to credit.

Also, according to 2024 U.S. Census data, the AA's median housing value is $113,800, while low-income AA families earned a maximum household income less than $31,521, and moderate-income AA families earned between $31,5221and $50,434. For low-income AA families in particular, AA median housing values that equal over 3.5 times maximum household income could represent a barrier to home ownership affordability. Also, of total AA households, 16.0 percent live below the poverty level. AA residents struggling with poverty would likely encounter barriers to funding down payments, closing costs and other expenses related to home loan affordability.

Additionally, the bank has demonstrated a willingness to originate relatively smaller dollar amount home mortgage loans over the evaluation period. Specifically, of the 20 loans sampled over the evaluation period 50.0 percent were for dollar amounts equaling $100,000 or less and an additional 35.0 percent were originated for dollar amounts between $101,000 and $200,000.

Additionally, the community contact advised that the Soo Locks project increased the local population while housing was already in short supply. Despite temporary modular housing, a housing crisis persisted. The contact added that several factors adversely impact housing availability including University off-campus housing, more remote workers relocating to a living in the community, and projects such as the Soo Lock project increasing the local population.

Responses to Complaints

There were no CRA complaints concerning the bank's record of in meeting AA credit needs received by the bank or the agency since the prior CRA performance evaluation.

Appendix A: Scope of Examination

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".

Time Period Reviewed:	01/01/22 to 12/31/24	
Bank Products Reviewed:	Home mortgage, small business loans	
Affiliate(s)	**Affiliate Relationship**	**Products Reviewed**
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	**Type of Exam**	**Other Information**
Michigan		
St Ignace Non-MSA AA	Full -Scope	Counties of Mackinac and Luce and partial counties of Chippewa, Emmet, and Cheboygan

Appendix B: Summary of MMSA and State Ratings

RATINGS	
Overall Bank:	Lending Test Rating
The First National Bank of St. Ignace	Satisfactory
Michigan	Satisfactory

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/AA.

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 the 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 low- and moderate-income 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): 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 CD loans and qualified investments, branch distribution, and CD services).

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

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/AA.

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**.**

Multistate Metropolitan Statistical Area (MMSA): 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.

Prior Period Investments: Investments made in a previous evaluation period that are outstanding as of the end of the evaluation period.

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 multistate 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 multistate metropolitan statistical area, the institution will receive a rating for the multistate 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.

Unfunded Commitments: Legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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 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/AA. 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 7. **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 8. **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/AA. The table also presents aggregate peer data for the years the data is available.

Table 9. **Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** – Compares 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 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 AA.

Table 10. **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.

Table 11. **Assessment Area Distribution of Loans to Farms by Income Category of the Geography** – Compares the percentage distribution of the number of small loans (less than or equal to $500,000) to farms originated and purchased by the bank in low-, moderate-,

middle-, and upper-income geographies to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.

Table 12. **Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to $500,000) originated and purchased by the bank to farms with revenues of $1 million or less to: (1) the percentage distribution of farms with revenues of greater than $1 million; and, (2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.

Table 13. **Assessment Area Distribution of Consumer 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 households in those geographies.

Table 14. **Assessment Area Distribution of Consumer 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 households by income level in each MMSA/AA.

Table 7: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022-2024
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total Number	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
St. Ignace Non-MSA AA	20	5,127,200	100.00	1,397	0.00	0.00	0.00	10.85	25.00	18.97	89.15	75.00	81.03	0.00	0.00	0.00	0.00	0.00	0.00
Total	20	5,127,200	100.00	1,397	0.00	0.00	0.00	10.85	25.00	18.97	89.15	75.00	81.03	0.00	0.00	0.00	0.00	0.00	0.00
Source: FFIEC File - 2020 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Source: FFIEC File – 2020 Census; 1/1/2022 – 12/31/2024 Bank Data, 2022 HMDA Aggregate Data, "—" data not available. Due to rounding, totals may not equal 100.00%

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022-2024
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	$	% of Total Number	Overall Market	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate
St. Ignace Non-MSA AA	20	5,127,200	100.00	1,397	21.09	5.00	7.87	18.21	25.00	16.82	23.13	60.00	22.41	37.57	5.00	41.23	0.00	5.00	11.67
Total	20	5,127,200	100.00	1,397	21.09	5.00	7.87	18.21	25.00	16.82	23.13	60.00	22.41	37.57	5.00	41.23	0.00	5.00	11.67
Source: FFIEC File - 2020 Census; 1/1/2022 - 12/31/2023 Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table 9: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2022-2024
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 Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate
St. Ignace Non-MSA AA	20	2,904,475	100.00	907	0.00	0.00	0.00	14.60	45.00	20.07	85.07	55.00	79.93	0.00	0.00	0.0	0.33	0.00	0.00
Total	20	2,904,475	100.00	907	0.00	0.00	0.00	14.60	45.00	20.07	85.07	55.00	79.93	0.00	0.00	0.00	0.33	0.00	0.00
Source: FFIEC File - 2020 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, C7RA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table 10: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022-2024
Assessment Area:	**Total Loans to Small Businesses**				**Businesses with Revenues <= 1MM**			**Businesses with Revenues > 1MM**		**Businesses with Revenues Not Available**	
	#	**$**	**% of Total Number**	**Overall Market**	**% Businesses**	**% Bank Loans**	**% Aggregate**	**% Businesses**	**% Bank Loans**	**% Businesses**	**% Bank Loans**
St. Ignace Non-MSA AA	20	2,904,457	100.00	907	74.71	70.00	55.35	11.26	25.00	14.03	5.00
Total	20	2,904,457	100.00	907	74.71	70.00	55.35	11.26	25.00	14.03	5.00

Source: FFIEC File - 2020 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%