



Comptroller of the Currency
Administrator of National Banks

LARGE BANK

PUBLIC DISCLOSURE

January 12, 1998

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

**Great Lakes National Bank Michigan
Charter Number 23255
401 East Liberty Street
Ann Arbor, Michigan 48104**

**Supervisory Agency: Office of the Comptroller of the Currency
Midwestern District
2345 Grand Boulevard, Suite 700
Kansas City, Missouri 64108**

Note: This evaluation is not, nor should it 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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GLOSSARY OF TERMS AND COMMON ABBREVIATIONS

The following terms and abbreviations are used throughout this Performance Evaluation.

Assessment Area (AA) - The geographic area which an institution selects as the community within which its regulator will assess the institution's record of CRA performance. Generally, an urban assessment area will not extend beyond the boundaries of a MSA. A rural assessment area may contain one or more neighboring counties.

Block Numbering Area (BNA) - Small statistical subdivisions of a county for grouping and numbering blocks in non-metropolitan counties where local census committees have not established census tracts. State agencies and the Census Bureau delineated BNAs for the 1990 census using guidelines similar to those for the delineation of census tracts. BNAs do not cross county boundaries.

Census Tract (CT) - Small, locally defined statistical areas within a MSA. These areas are determined by the United States Census Bureau in an attempt to group homogeneous populations. A CT has defined boundaries per 10-year census and an average population of 4 thousand.

Community Development Purpose is defined as affordable housing (including multifamily rental housing) for low- and moderate-income individuals; community services targeted to low- and moderate-income individuals; activities that promote economic development by financing businesses or farms that meet size and revenue standards defined by the CRA regulation; and activities that vitalize or stabilize low- and moderate-income geographies.

Community Development Loan - A loan which must have as its *primary* purpose community development. Community development loans specifically exclude loans which have been reported under the Home Mortgage Disclosure Act or as small loans to businesses or farms, except for multi-family rental housing loans, which can be reported under both categories.

Community Development Service - A service that must have community development as its *primary* purpose and be related to the provisions of financial services.

Demographic Characteristic - A statistical representation of people, housing, geographical areas or other measurable factors with regard to size, density, distribution, or other measurable characteristics.

Family - A family consists of a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. All persons in a household who are related to the householder are regarded as members of his or her family.

Geography - A census tract or a block numbering area as defined by the United States Census Bureau.

Home Mortgage Disclosure Act (HMDA) - A statute that requires certain mortgage lenders that do business or have banking offices in MSAs to file annual summary reports of their lending activity. The reports include such data: the race, gender, and the income of the applicant(s), the amount of loan requested and its disposition (e.g. made, turned down, withdrawn). The types of loan applications reported include governmentally-guaranteed home purchase and home improvement loans, conventional home purchase and home improvement loans, refinancing of home purchase home improvement loans, and loans for the purchase of multi-family (five or more units) dwellings.

Household - A household includes all the persons who occupy a housing unit. A household can contain only one family for purposes of Census tabulations. Not all households contain families because a household may be made up of a group of unrelated persons or one person living alone.

Income Levels - These relate to individuals, families, households, the CTs in a MSA, or BNAs in a non-MSA.

Low = An income level that is less than 50 percent of the median income.

Moderate = An income level that is at least 50 percent and less than 80 percent of the median income.

LMI = An income level that is less than 80 percent of the median income.

Middle = An income level that is at least 80 percent and less than 120 percent of the median income.

Upper = An income level that is 120 percent or more of the median income.

Large Financial Institution - A financial institution with total assets of \$250 million or more or an institution of an size that is an affiliate of a bank holding company with \$1 billion or more in banking and thrift assets.

Market Share - The average of all reporting lenders for a specific loan type - HMDA, small business or small farm in a MSA.

Median Family Income (MFI) - The median family income for a specific MSA as determined by the United States Census Bureau. The Department of Housing and Urban Development updates this figure annually using an estimate inflation factor.

Metropolitan Statistical Area (MSA) - An area containing a city with a population of at least 50 thousand or an urbanized area with a population of at least 50 thousand and a total metropolitan population of at least 100 thousand. Generally, MSAs consist of one or more whole counties that have a high degree of interaction.

Qualified Investment - A lawful investment that has as its *primary* purpose community development.

Small Business or Small Farm - A business or farm that has \$1 million or less in gross annual revenues.

Small Loan to a Business or Farm - A loan of \$1 million or less to a business of any size or a loan of \$500 thousand or less to a farm of any size, consistent with definitions in the instructions for preparation of the Consolidated Report Condition and Income.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Great Lakes National Bank Michigan, Ann Arbor, Michigan (GLNB)**, prepared by the **Office of the Comptroller of the Currency (OCC)** as of **January 12, 1998**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all, of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.

Institution's CRA Rating: This institution is rated **"Satisfactory Record of Meeting Community Credit Needs."**

We rated GLNB **"satisfactory"** because GLNB:

- C Demonstrated good responsiveness to HMDA credit needs within its communities, including good penetration among low- and moderate-income borrowers and geographies. Specifically, for borrower distribution, the bank made 9% of its HMDA loans to low-income borrowers and 19% to moderate-income borrowers. For comparison, 17% of the families in the bank's assessment areas have low incomes and 17% have moderate incomes. For geographic distribution, the bank made 1% of its HMDA loans in low-income CTs and 12% in moderate-income CTs, compared to the 3% of the families in the bank's assessment areas who live in low-income CTs and the 14% who live in moderate-income CTs.
- C Had poor distribution of consumer loans by both borrower and geography. For borrower distribution, 8% of the consumer loans the bank made were to low-income borrowers and 15% to moderate-income borrowers. For comparison, 21% of the households in the bank's assessment areas have low incomes and 15% have moderate incomes. For geographic distribution, the bank made 1% of its consumer loans in low-income CTs and 9% in moderate-income CTs, compared to the 4% of the households in the bank's assessment areas that are located in low-income CTs and the 15% located in moderate-income CTs.
- C Adequately responded to its communities' needs through making investments and grants which primarily served to promote financing and development of affordable housing for low- and moderate-income individuals. Investments and grants during the evaluation period totaled \$3,773,938.

- C Has a branch network that provides good access to its financial services to all of its communities, including low- to moderate-income areas. The bank also provided an adequate level of community development services which enhanced its efforts to meet the affordable housing needs of its assessment areas.

The following table indicates the performance level of GLNB with respect to the lending, investment, and service tests.

Great Lakes National Bank Michigan Performance Tests			
Performance Levels	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			X
Low Satisfactory	X	X	
Needs To Improve			
Substantial Noncompliance			

*Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

DESCRIPTION OF THE INSTITUTION

Great Lakes National Bank Michigan (GLNB) is a \$2.2 billion intrastate financial institution headquartered in Ann Arbor, Michigan. It is a subsidiary of TCF Financial Corporation (TCFFC), a \$10 billion holding company. TCFFC is comprised of four national banks, TCF National Bank Minnesota, TCF National Bank Illinois, TCF National Bank Wisconsin, and GLNB, and a one bank holding company, TCF Colorado Corporation, which owns TCF National Bank Colorado. TCF National Bank of Minnesota is the lead bank of TCFFC with assets totaling \$3.7 billion.

GLNB is a full-service banking institution, with a primary business focus on retail banking. As of December 31, 1999, GLNB's loan portfolio consisted of: 74 percent 1-4 family residential; 13 percent commercial and commercial real estate; seven percent multi-family; four percent construction and land development; and two percent loans to individuals.

For this evaluation period, GLNB had seven assessment areas within the state of Michigan. These assessment areas included all or portions of five MSAs and two non-metropolitan (non-MSA) areas. The MSA assessment areas were Ann Arbor (#0440), Detroit (#2160), Kalamazoo-Battle Creek (#3720), Saginaw-Bay City-Midland (#6960), and Jackson (#3520). Non-MSA areas consisted of Barry and Tuscola Counties. These assessment areas are described in more detail in the *Description of the Assessment Areas* and the *Appendix*, which also includes tables depicting the bank's CRA lending performance in these assessment areas.

For this evaluation period, GLNB operated 56 branches within the state of Michigan. The bank also operates five loan production offices in the state, one of which is within its defined assessment areas. The following table shows the number and percentage of deposits and branches which are attributed to each assessment area. As shown, the largest portion of GLNB's loan originations for the evaluation period and deposits are attributed to the Ann Arbor assessment area, the bank's headquarters. Also, 25 percent of the bank's branches are located within this assessment area.

Assessment Area	Loan Originations* (in millions)	% of Total Loan Originations*	Total Deposits (in millions)	% of Total Deposits	Total Branches	% of Total Branches
Ann Arbor MSA	245	43%	724	51%	14	25%
Detroit MSA	157	27%	223	16%	20	36%
Kalamazoo-Battle Creek MSA	80	14%	178	12%	7	13%
Saginaw-Bay City-Midland MSA	55	9%	214	15%	10	18%
Jackson MSA	16	3%	33	2%	2	3%
Barry-Eaton AA	17	3%	32	2%	2	3%
Tuscola AA	6	1%	31	2%	1	2%
Total	576	100%	1,435	100%	56	100%

Data Sources: Loan and branch information: Bank records as of June 30, 1997

Deposit information: Federal Deposit Insurance Corporation as of June 30, 1997

* Represents the dollar volume and percentage of HMDA, small business, and consumer loan originations from January 1, 1996 through September 30, 1997.

GLNB has the financial capacity to assist in meeting its communities' credit needs. Net income for 1997 totaled \$33 million. Equity capital as of December 31, 1997 was \$175 million. There are no known legal or financial constraint which could impede its CRA efforts. The Office of Thrift Supervision assigned a CRA rating of "Satisfactory Record of Meeting Community Credit Needs" during the last CRA evaluation dated December 2, 1996.

DESCRIPTION OF THE ASSESSMENT AREAS

Following are brief descriptions of the bank's seven assessment areas. All of the assessment areas comply with regulatory guidelines and none arbitrarily exclude low- and moderate-income areas. Population demographics for each assessment area are further detailed in the *Appendix*.

Ann Arbor Assessment Area:

The assessment area consists of Washtenaw and Livingston Counties. Major cities are Ann Arbor and Ypsilanti in Washtenaw County and Howell in Livingston County. The assessment area excludes Lenawee County, the southernmost and only other county in the Ann Arbor MSA. Ann Arbor is the Washtenaw county seat and the home of the University of Michigan, the city's largest employer. Per the 1990 U.S. Census, Ann Arbor had a population of approximately 110,000. The University with its 35,000 students has a strong influence on the housing market. Housing costs are high, including land costs, and both owner- and renter-occupied housing.

Detroit Assessment Area:

The Detroit assessment area includes Oakland and Macomb Counties and portions of Wayne and St. Clair Counties which are close in proximity to GLNB branch locations. Major cities include Pontiac, Dearborn, Rochester Hills, Warren, Troy, Sterling Heights, Canton, Eastpoint, and Port Huron. The economy of the greater Detroit regional area is reliant on the automobile industry. Major employers include General Motors Corporation, Ford Motor Co., and Chrysler Corporation.

Kalamazoo-Battle Creek Assessment Area (Kalamazoo):

The Kalamazoo assessment area consists of Calhoun and Kalamazoo Counties. It excludes VanBuren County, the westernmost county in this metropolitan area. Major cities in this assessment area include Battle Creek, Kalamazoo, Albion, and Marshall. Battle Creek is located in southwest Michigan, halfway between Detroit and Chicago, and is home of the Kellogg Company. Kalamazoo is located in the lower southwestern portion of Michigan. It is the urban center of Kalamazoo County and home to Western Michigan University and the multinational merged conglomerate Pharmacia and Upjohn Corporation.

Saginaw-Bay City-Midland Assessment Area (Saginaw):

The Saginaw assessment area consists of Bay and Saginaw Counties. It excludes Midland County, the westernmost county in the MSA. Predominant cities are Saginaw and Bay City. Saginaw is located in east-central Michigan. The auto parts manufacturing industry is integral to the economy of this city, however, health care, retail and wholesale trade, and other services are increasing in importance. Bay City, located in the eastern lower peninsula of Michigan north of Detroit, was once an industrial city but now relies more on service and tourism to support its economy.

Jackson Assessment Area:

The Jackson assessment area consists of Jackson County, the only county in the Jackson MSA. The Jackson MSA is located in the south central part of Michigan and is west of Ann Arbor. Jackson is the largest city in this MSA and serves as the county seat. Its economy is reliant on industrial manufacturing, including auto parts, machine tools, fittings and couplings for aerospace and industrial use. Manufacturers in Jackson are major suppliers to the auto industry.

Barry County Assessment Area:

The Barry County non-MSA assessment area consists of Barry County as well as one census tract (#208) in Bellevue of the Eaton MSA where the bank has a branch location. This CT is contiguous to Barry County on the east side and does not extend substantially beyond the Barry County assessment area. Barry County is just north of the Kalamazoo Battle Creek MSA. The most populous city in this county is Hastings.

Tuscola County Assessment Area:

This non-MSA assessment area consists of Tuscola County, which is located east of the Saginaw metropolitan area. This county encompasses the city of Caro where the bank has one branch location.

The following table shows the demographic characteristics of GLNB's combined assessment areas. Demographics for each assessment area are detailed in the *Appendix* of this Performance Evaluation.

ASSESSMENT AREA PROFILE: Combined Assessment Areas						
DEMOGRAPHIC CHARACTERISTICS	#	Low	Moderate	Middle	Upper	NA
Population	3,687,697					
Census Tracts in AA	943	6%	16%	48%	29%	1%
Income Level of Families in AA (7% below poverty)	984,146	17%	17%	23%	43%	--
Families Living in CT Category	984,146	3%	14%	50%	33%	--
Income Level of Households in AA (9% below poverty)	1,376,883	21%	15%	19%	45%	--
Households Living in CT Category	1,376,883	4%	15%	50%	31%	--
Owner-Occupied Housing (% of # in CT)	994,617	2%	12%	51%	35%	--
Businesses (% of # in CT)	143,935	5%	12%	47%	36%	--

Data Source: 1990 Census Data - U. S. Bureau of the Census; Dun & Bradstreet; Bureau of Labor Statistics
NA = No income designation.

We considered information from 18 community contacts from various cities within Michigan. The OCC and other regulatory agencies made these contacts within the last two years. These contacts were with nonprofit housing organizations, government agencies, realtors, and a chamber of commerce. They provided information on the economy of their respective areas, the condition of housing or small businesses, the availability of financial services, and the responsiveness of banks and other financial institutions within their communities. The contacts stated there is a need for financial counseling for individuals. There is also a need for more small business loan programs and technical assistance for small business owners. Particularly for the Detroit assessment area, the contacts cited a need for home improvement or home equity loans to facilitate the repairs that are needed on the aging housing stock.

SCOPE OF EXAMINATION

The OCC examined GLNB using the lending, investment, and service tests for large financial institutions pursuant to revised CRA regulation. These tests assess the bank's record of helping to meet community credit needs. We analyzed the bank's HMDA, small business, consumer, and community development loans; the number and types of qualified investments; branch distribution and accessibility; and retail and community development services. The bank offers small business loans, which are an identified need for the communities. Its small business loans during the evaluation period represented only three percent, by number, and 14 percent, by dollar volume, of its total loan originations. As a result of the limited volume, small business lending did not impact our rating decision and we have presented further analysis regarding the activity. The bank does not extend small farm loans. At its option, the bank asked that we consider its consumer loan data in our evaluation of its lending performance.

For analyzing lending performance, except for community development lending, we used reported loan data for 1996 through September 30, 1997. Although a portion of 1996 activity was considered in the prior evaluation period ending December 2, 1996, market share information was not available at that time. Therefore, we used data for the entire

year to assist in our analysis of trends in the bank's performance. The numbers of HMDA, small business, and consumer loans detailed in this evaluation depict activity from January 1, 1996 through September 30, 1997. Our analyses of the bank's community development lending and services encompass activities from the date of the last evaluation, December 2, 1996 through September 30, 1997. Our analysis of the bank's community development investments encompasses activities from December 2, 1996 through December 31, 1997. We focused on the Ann Arbor and Detroit assessment areas because these areas comprise 70 percent of the loan originations, a majority of qualified investments, and 61 percent of branches.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

GLNB's lending activity demonstrates adequate responsiveness to its communities' credit needs. The bank's favorable HMDA performance outweighed its weak consumer lending performance. As a former thrift savings institution, the bank has historically been a residential real estate lender and continues to achieve significant lending volumes in this category. GLNB reached more borrowers with its consumer lending than HMDA lending. However, we did not weigh this loan product type as heavily as HMDA loans because consumer loans total only two percent of the bank's outstanding loan volume. Consumer loans also are not the primary focus of the new CRA regulation and banks are required to collect consumer loan data.

Conclusions by individual assessment area are detailed in the *Appendix*. For the bank's Ann Arbor and Detroit assessment areas, we included more detailed information of the bank's lending performance, including a breakdown of HMDA and consumer loans by loan category. For example, we detailed HMDA loans by home purchase, refinance, and home improvement loan performance and consumer loans by home equity, motor vehicle, other secured, and other unsecured. We also included tables depicting the bank's performance relative to all other lenders in these markets. These more detailed tables are located in the *Appendix* of this Performance Evaluation under the respective *Metropolitan Area* discussion. Because these two markets encompass a majority of the loan originations, qualified investments, and branch facilities, they weighed most heavily in our conclusions about the bank's overall CRA performance.

Assessment Area Concentration

GLNB made a substantial majority of its loans within its assessment areas in 1997. By loan category, the bank made 84 percent of HMDA and 84 percent of consumer loans within its assessment areas. These percentages are higher than those achieved in 1996, based on similarly defined assessment areas. For 1996, GLNB made 76 percent of HMDA and 78 percent of consumer loans within its assessment areas.

Lending Activity - Overall Institution

GLNB’s loan volumes demonstrated good responsiveness to its assessment areas’ HMDA credit needs. The following table shows the lending volumes, by number and dollars, that the bank achieved during this evaluation period. It also shows the loan distribution by income level of the borrower (B) and geography (CT).

Table 1

LENDING TEST: COMBINED ASSESSMENT AREAS								
LOAN TYPE	#	\$ (000's)		Low % of # of loans	Moderate % of # of loans	Middle % of # of loans	Upper % of # of loans	NA % of # of loans
HMDA Products	4,183	316,860	CT	1%	12%	54%	33%	0%
			B	9%	19%	29%	42%	1%
Consumer Loans	6,216	179,717	CT	1%	9%	55%	35%	<1%
			B	8%	15%	27%	50%	<1%
Small Loans to Businesses	257	79,394	CT	5%	13%	40%	42%	0%
TOTAL LENDING	10,656	575,971						

Data Source: Bank Records (1996 and January through September, 1997)

(CT) = Income level of census tracts. (B) = Income level of borrower.

Lending Distribution by Borrower Profile

GLNB’s distribution of lending by borrower profile showed adequate penetration overall. The bank demonstrated better penetration to low- and moderate-income borrowers with its HMDA lending (28 percent) than with its consumer lending (23 percent). Because we weighed the bank’s HMDA lending performance more heavily, it outweighed the bank’s unfavorable performance in the consumer loan categories.

The bank demonstrated good penetration among low- and moderate-income borrowers for HMDA in two of its assessment areas, Detroit and Saginaw. Refer to the tables for these individual assessment areas in the *Appendix*. In these assessment areas, GLNB’s portion of HMDA loans to low- and moderate-income borrowers compared most favorably to the percentage of families at these income levels. Penetration to low- and moderate-income borrowers in the other assessment areas for HMDA lending was adequate.

Consumer lending to low- and moderate-income borrowers was poor. The bank made a significantly lower percentage of loans to borrowers at these income levels than the percentage of households within its assessment areas at these income levels. Within the Detroit assessment area, however, the bank was successful at reaching LMI borrowers, especially moderate-income households.

Distribution of Lending by Geography

GLNB's penetration of CTs of different income levels was good overall. For HMDA lending, the bank achieved penetration in low- and moderate-income CTs similar to the portion of owner-occupied housing within these CTs.

By assessment area, GLNB's HMDA penetration in low- and moderate-income CTs was good in the Detroit and Saginaw assessment areas where it met or exceeded the percentage of owner-occupied housing in those CTs. For the bank's other metropolitan assessment areas, HMDA penetration was adequate, but less proportionate to the percentage of owner-occupied housing in low- and moderate-income CTs.

For consumer lending, GLNB's penetration of low- and moderate-income CTs was poor in all its metropolitan assessment areas with a significantly lower portion of loans in low- and moderate-income CTs than the percentage of households located within those CTs. Geographic distribution of lending in the non-MSA assessment areas was not meaningful because there are no low- and moderate-income geographies in these assessment areas.

Community Development Lending

GLNB made six community development loans totaling \$5.7 million during this evaluation period. All but one loan totaling \$30,000 went to assist in the construction, purchase, or rehabilitation of housing for low- and moderate-income families. The \$30,000 loan assisted in financing new start-up businesses. Community development loans must meet community development definition as stated in the new CRA regulation. Refer to the *Glossary of Terms and Common Abbreviations* page for this definition.

Eighty-five percent of the dollar amount, \$4.9 million, benefited the Ann Arbor assessment area including the \$30,000 loan mentioned previously. It includes one loan to fund the construction of a 144 unit affordable housing complex. Thirteen percent of the dollars (\$746,000) funded three loans to a community development organization engaged in the purchase and rehabilitation of housing to be sold to low- and moderate-income families in Battle Creek within the Kalamazoo assessment area. The remaining community development loan dollars (\$102,000) benefited the Saginaw assessment area and represented the bank's participation in a loan pool to assist low- and moderate-income families purchasing or rehabilitating single-family housing.

In addition, GLNB made other loans with a community development purpose which we considered under the lending test as small business loans. The bank provided three examples of these efforts which totaled \$635,000. In general, these funds were used for: an Ann Arbor non-profit agency to purchase a building to use in providing free services to runaway and homeless youth; a loan to provide working capital to a community development organization in Battle Creek which is providing affordable housing to low- and moderate-income families; and a loan to finance the purchase of an adult foster care facility in Pontiac (Detroit assessment area) which contains 20 beds for residents who are at or below 80 percent of median income.

GLNB did not report any community development loans for the metropolitan assessment areas of Detroit and Jackson or the non-metropolitan areas of Barry County and Tuscola County.

Flexible Lending

GLNB participates in several federal-, city-, and state-sponsored programs to assist low- and moderate-income borrowers in obtaining affordable home loans. These programs offer down payment and closing cost assistance and funds for repairing homes.

INVESTMENT TEST

GLNB made adequate levels of qualifying grants and investments which benefit its assessment areas. Information from community contacts and our community reinvestment and development specialists indicates that the city of Detroit has significant community development needs for housing, including repairs, maintenance, and first purchase money. There is also a strong need for job training and job creation. In the greater Detroit and Ann Arbor areas, there are many opportunities to invest in small business, industrial development, housing, and other service-oriented organizations. These investments would assist in revitalization and stabilization of these areas through job creation, housing development, and services for low- and moderate-income individuals.

The bank reported 58 grants and four investments totaling \$3,773,938 for this evaluation period. This volume represents 2.16 percent of Tier I capital as of December 31, 1997. Many of the grants and all of the direct investments were made to organizations that develop, promote, or operate affordable housing programs for low- and moderate-income individuals. GLNB's grants also assisted other qualified community development organizations which: provide community services for LMI individuals, including food, shelter, and social services; provide job training for LMI individuals; create or maintain jobs that benefit LMI; and provide for the revitalization of LMI neighborhoods. None of the investments or grants is considered innovative or complex. The contributions and investments represent more common types that are routinely provided by other financial institutions.

Ninety-five percent of the total grants and investments (\$3,443,441) are attributed to the bank's purchase of three mortgage-backed securities in the latter part of the evaluation period. These Federal National Mortgage Association (FNMA) securities are collateralized by mortgages made to low- and moderate-income individuals and were tailored so they could benefit all counties of the bank's assessment areas. Additionally, the bank made a \$150,000 direct investment in a national equity fund that develops and operates affordable housing projects throughout the United States, including projects in the bank's assessment areas.

The portion of grants attributed to each of the bank's assessment areas was reasonable compared to the portion of the bank's operations associated with these assessment areas. To determine this, we considered the percentage of loan originations, deposits, market share of deposits relative to other financial institutions, and branch office locations within these areas. The largest portion of the grants, approximately 31 percent of all grant dollars, benefitted the Ann Arbor assessment area, which is where the largest portion of the bank's loan originations and deposits were attributed. Thirty percent of grant dollars benefitted the Saginaw assessment area; 20 percent benefitted Detroit; while 16 percent benefitted the Kalamazoo-Battle Creek assessment area. Grants in the Jackson MSA totaled three percent of all granted dollars which is commensurate with the portion of the bank's loans, deposits, and branches in this assessment area. The bank did not report any qualified grants for the non-MSA assessment areas in Barry and Tuscola Counties.

The following table summarizes the types of investments and grants that the bank has made throughout its Michigan assessment areas during this CRA evaluation period.

Table 2

INVESTMENT TEST: Combined Assessment Areas		
Investment Type	# of Investments	\$ (000's) of Investments
<i>Affordable Housing</i>		
Direct Investment	4	3,594
Grant/Contribution	14	27
<i>Economic Development</i>		
Direct Investment	0	0
Grant/Contribution	5	17
<i>Low/Mod Individuals</i>		
Direct Investment	0	0
Grant/Contribution	22	91
<i>Revitalize/Stabilize</i>		
Direct Investment	1	12
Grant/Contribution	16	27
TOTAL INVESTMENTS	62	3,768

SERVICE TEST

GLNB's retail delivery systems are accessible to essentially all geographies and individuals of different income level its assessment areas. The portion of branches in low- and moderate-income CTs is comparable to the percentage of CTs at that income level overall. GLNB provides an adequate level of community development services overall. The bank's strongest performance in this area was in the Ann Arbor assessment area where it provided extensive assistance to accomplish affordable housing objectives. This performance, however, was overshadowed by less concerted effort in the other assessment areas and in the Detroit assessment area which is the bank's second largest assessment area in concentration of loan originations and deposits.

Retail Banking Services

GLNB's portion of branch offices and ATMs in low- and moderate-income CTs exceeds the portion of families who reside in low- and moderate-income CTs, 21 percent versus 17 percent. The following table summarizes GLNB's branch and ATM distribution for all of its combined assessment areas.

Table 3

SERVICE TEST: COMBINED ASSESSMENT AREAS											
SERVICE TYPE	#	Low CTS		Moderate CTS		Middle CTS		Upper CTS		NA CTS	
Branch Offices	56	3	5%	9	16%	29	52%	14	25%	1	2%
Bank ATMs*	104	7	6%	17	15%	48	43%	31	27%	1	1%
% of CTS	943	6%		16%		48%		29%		1%	
% of Families in CTS	984,146	3%		14%		50%		33%		0%	

* 9 (8%) of GLNB's ATMs are in its assessment areas but could not be geocoded and are not included. The bank was unable to provide specific numbers on which ATMs are full- or limited- service, i.e. cash dispensing only.

Among the bank's individual assessment areas, branches are most accessible to LMI areas in the Ann Arbor, Kalamazoo, and Jackson assessment areas, because the portion of branches in these areas meets or exceeds the portion of CTS designated LMI and the portion of families that reside within those LMI areas. Branch accessibility in LMI areas is weakest in the Detroit assessment area with significantly lower representation in LMI areas compared to the demographic makeup of the assessment area. For the Saginaw assessment area and the non-MSA areas, branch distribution is reasonable. Refer to the *Appendix* for tables that show the branch distribution by assessment area.

GLNB sold one branch, located in an upper-income CT, but did not close any branches in Michigan since the last CRA evaluation performed by the Office of Thrift Supervision. The bank opened two new in-store branches in the Detroit assessment area during this evaluation period, one in a moderate-income CT (Port Huron Super K-Mart) and one in an upper-income CT (Sterling Heights Kroger Store). Recently, the bank opened six other branches: three in the Detroit assessment area including one in a moderate-income CT; one in Ypsilanti in a middle-income CT; one in Bay City in an upper-income CT; and one in a Jackson Kroger Store in a moderate-income CT.

GLNB's branch hours offer reasonable access and convenience. Branch hours are set based on the type of branch facility. Lobby-only branches offer extended hours on Fridays and some Saturday hours. Drive-up branches offer extended early morning hours. In-store branches, four K-marts and one Kroger location, offer banking services seven days a week, including evening hours on weekdays. Two of the K-Mart locations (Port Huron and Sterling Heights) are located in moderate-income CTS. Each GLNB branch is equipped with an ATM.

Deposit products are available at all branch locations. Brochures for residential and consumer loans are available at branches, however, loan officers are not physically located at all branches. Approximately 75 percent of all branches have onsite consumer lenders and 25 percent have residential lenders. In lieu of this, potential borrowers are referred to a loan officer assigned to the branch who then follows up on the borrower's request. Commercial loan product brochures and services are available only through the bank's two Commercial Loan Departments which are located in Ann Arbor and Troy. Potential commercial borrowers are referred to these departments via any branch location.

GLNB also has five loan production offices in Michigan which provide residential and consumer loan services, however, only one of these offices is located within the bank's defined assessment areas. None is located within low or moderate-income geographies.

Community Development Services

The bank has provided several community development services. Following are some examples of the community development services which GLNB provided during this evaluation period.

- C GLNB is a leader in pursuing and obtaining funding through the Federal Home Loan Bank's (FHLB) Affordable Housing Programs. These program dollars, which are facilitated through the bank sponsor, assist community organizations in providing affordable housing for low- and moderate-income persons. During this evaluation period GLNB:
 - C Submitted two applications on behalf of an Ann Arbor housing organization. As a result, the FHLB grant \$50,000 in subsidies for the organization to acquire and rehabilitate a seven-unit apartment building and two adjacent duplexes which will provide housing for low-income persons. The bank has historically submitted nine applications on behalf of this organization which have resulted in 91 units of affordable housing, including the eleven previously mentioned units. The bank continues to monitor these projects for compliance with FHLB guidelines during the 30-year duration.
 - C Obtained \$109,000 in awards during 1997 that provided down payment assistance for low- and moderate-income individuals. Sixty-three percent of the funds were allocated to two new construction projects in Battle Creek and Pontiac with the balance of the funds available to any of the bank's assessment areas. Under this program, the bank administers the grants to borrowers whose down payment dollars are matched 2:1, up to a maximum of \$2,500. To date, sixteen borrowers received assistance totaling \$27,000.
 - C Served as a disbursement point for FHLB funds previously awarded for making necessary repairs to homes for low- and moderate-income elderly and disabled persons. GLNB monitors these projects for their duration.

Bank officers and employees lent their expertise to community organizations that provided affordable housing opportunities for low- and moderate-income individuals; community services to low- and moderate-income individuals and revitalization to low- and moderate-income areas. Examples include:

- C Presenting information regarding mortgage lending, including criteria for loan eligibility and financing options, to potential low- and moderate-income home buyers during a home buyer education class sponsored by a local university in the Detroit assessment area.

- C Lending financial expertise to the Ann Arbor Local Initiatives Support Corporation (LISC) Committee, a nonprofit community development support organization which develops affordable housing for low-income households in the Ann Arbor/Ypsilanti area.
- C Several bank employees were actively involved in the Washtenaw County CRA Association, a consortium of 13 Ann Arbor banks which provides a united effort to meet the credit needs of low- and moderate-income people in this area. Involvement includes: serving as a member of the Board in 1996; assisting attendees of a credit improvement workshop in reviewing and understanding credit reports and providing advice on how to improve credit history; and serving on a mortgage loan review round table which reviews applications for creditworthiness.
- C Two bank officers served on the Board of Directors of a local housing network in the Detroit MSA, providing technical expertise on how to deliver information on purchasing a home to low- and moderate-income first-time home buyers.
- C A bank employee was Chairman of the Board of a local housing development corporation which promotes and assists in procuring safe, affordable housing for low- and moderate-income persons in Bay County. GLNB is one of two local banks that provides financing to mortgage loan applicants referred by this corporation.
- C Providing technical advice on credit and budgeting for workshops for a local nonprofit Community Development Corporation which serves Superior and Ypsilanti. These workshops primarily benefitted low- and moderate-income individuals.
- C A bank officer served as President of the Board and on the loan and finance committees of a Community Development Financial Institution in Battle Creek which is nationally recognized as a leader in neighborhood revitalization.
- C A bank officer lends his technical and financial expertise as a board member of a community development organization in the Kalamazoo assessment area which revitalizes low- and moderate-income areas through rehabilitating existing housing stock.
- C Bank officers lent their financial expertise to eight community service organizations that provide housing and human services for low- and moderate-income individuals in several of the bank's assessment areas. These officers served as Board and finance committee members, assisted with fundraising efforts, and provided advice on financial matters.
- C Thirty-three Ann Arbor bank employees lent their expertise in teaching children of predominantly low- and moderate-income families about banking, savings, and managing money through running a "bank" at their school.

Community Development Services Provided in All Assessment Areas:

- C Free checking accounts which earn interest without any minimum balance requirements.
- C Free small business checking accounts.
- C Free pre-approvals for home loan applicants whose household income is 80 percent or less of adjusted median income.

FAIR LENDING REVIEW

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified during our review. We reviewed the underwriting decisions the bank made during the first half of 1997 and focused on the race the applicants. The applications were for home improvement loans.

APPENDIX

METROPOLITAN AREAS

Description of Institution’s Operations in the Ann Arbor Assessment Area

GLNB operates 14 branches in the Ann Arbor Metropolitan Area, with 11 in Washtenaw County and three in Livingston County. The largest portion of the bank’s loan originations, 35 percent, by number, and 41 percent, by dollar volume were attributed to this assessment area. As of June 30, 1997, 51 percent of the bank’s deposits were attributed to this area. GLNB also held 17 percent of the deposits in Washtenaw and Livingston Counties as of this date which was the highest deposit market share of the 28 financial institutions reporting deposits in this assessment area. This market share was comparable to its nearest competitor. For these reasons, we weighed the bank’s CRA performance in this assessment area most heavily when we determined the bank’s overall rating.

The following table includes the demographic characteristics of the bank’s Ann Arbor assessment area.

ASSESSMENT AREA PROFILE: MSA # 0440 Ann Arbor, MI						
DEMOGRAPHIC CHARACTERISTICS	#	Low	Moderate	Middle	Upper	NA
Population	398,582					
Census Tracts in AA	103	9%	16%	46%	27%	2%
Income Level of Families in AA (5% below poverty)	96,224	17%	17%	25%	41%	--
Families Living in CT Category	96,224	3%	15%	53%	29%	--
Income Level of Households in AA (10% below poverty)	144,014	22%	15%	20%	43%	--
Households Living in CT Category	144,014	6%	18%	49%	27%	--
Owner-Occupied Housing (% of # in CT)	90,656	1%	11%	57%	31%	--
Businesses (% of # in CT)	16,857	9%	14%	47%	30%	--
Median Housing Value = \$104,479						
Median Family Income = \$45,123						
HUD Adjusted Median Family Income for 1997 = \$58,100						
Unemployment Rate = 3% in 1997						

Data Source: 1990 Census Data - U. S. Bureau of the Census; Dun & Bradstreet; Bureau of Labor Statistics

NA = No income designation.

Conclusions about Performance Tests in Ann Arbor, Michigan

GLNB’s lending performance in the Ann Arbor assessment area is somewhat weaker than that of the overall institution. Although lending volumes showed responsiveness to HMDA and consumer credit needs, distribution by borrower income and distribution by geography were weaker in this assessment area compared to the overall bank. The bank

made an adequate level of qualified investments. Branches are accessible to all portions of the assessment area, which is consistent with the overall institution's branch distribution. The bank provides a relatively high level of community development services in this assessment area, which is better than most of its other assessment areas.

LENDING TEST

Lending Activity-HMDA

GLNB showed responsiveness to area credit needs through its origination of HMDA and consumer loans. In 1996, GLNB reported the third highest volume of HMDA loans by number among 278 lenders in the Ann Arbor market. This represented 4.6 percent of all of the HMDA loans reported in the Ann Arbor market. Market share information not yet available for 1997. However, based on the number of HMDA loans reported for the first nine months of 1997 volumes appear comparable to the prior year.

Table 1 shows the number and dollar amount of HMDA-reportable loans GLNB made in the Ann Arbor MSA in calendar year 1996 and through September 1997.

Table 1 - Ann Arbor Assessment Area

HMDA PRODUCT	1996		January - September 1997	
	Number	\$ (000's)	Number	\$ (000's)
Home Purchase	207	23,587	176	24,354
Refinance	504	44,219	376	33,785
Home Improvement	135	2,497	71	1,303
Multifamily	7	2,192	9	17,992
TOTAL	853	72,495	632	77,434

Data Source: Bank Records

Lending Activity-Consumer

GLNB collected consumer loan data for consideration under the lending test. The bank originated 2,216 consumer loans totaling approximately \$77 million. However, because lenders are not required to collect this type of lending data, we do not have comparable data to determine how significant the volumes are relative to all consumer loans originated in the assessment area. Table 2 shows the consumer loan volume, by consumer loan category, for the Ann Arbor assessment area.

Table 2 - Ann Arbor Assessment Area

CONSUMER LOAN TYPE	1996		January - September 1997	
	Number	\$(000's)	Number	\$(000's)
Home Equity & Other RE Secured	1,006	36,505	895	36,325
Motor Vehicle	32	507	9	45
Other Secured	81	784	31	327
Other Unsecured	94	739	68	1,438
TOTAL	1,213	38,535	1,003	38,135

Data Source: Bank Records

Distribution of Lending by Borrower Profile-HMDA

GLNB's distribution of HMDA loans among borrowers of different income levels reflects adequate penetration although the portion of lending to low-income borrowers is significantly less than comparable demographics. The portion of home purchase and refinance loans made to low-income borrowers is significantly lower than the percentage of families in that income category, but is comparable to the percentage achieved by all lenders, in aggregate, within assessment area. The portion of home improvement loans to low-income borrowers is significantly higher, but is still below the comparable demographics. The bank's home improvement lending to low-income borrowers was above that achieved by all lenders, in aggregate, within this market during 1996. HMDA lending to moderate-income borrowers is good, with the bank's portion meeting or exceeding the percentage achieved by all other lenders and the comparable demographics at that income level.

Table 3 shows the portion of HMDA loans which GLNB and all other lenders, in aggregate, made to borrowers of different income levels compared to the percentage of families in each income category.

Table 3 - Ann Arbor Assessment Area

INCOME CATEGORY & HMDA PRODUCT	1996		1997 January - September	Percent of Families in Income Category (5% of all families are below the poverty level)
	All Lenders (% of #)	GLNB (% of #)	GLNB (% of #)	
LOW-INCOME BORROWERS				17%
<i>Home Purchase</i>	6%	5%	6%	
<i>Refinance</i>	5%	5%	6%	
<i>Home Improvement</i>	11%	15%	8%	
MODERATE-INCOME BORROWERS				17%
<i>Home Purchase</i>	19%	20%	19%	
<i>Refinance</i>	16%	16%	19%	
<i>Home Improvement</i>	22%	24%	23%	
MIDDLE-INCOME BORROWERS				25%
<i>Home Purchase</i>	32%	35%	27%	
<i>Refinance</i>	31%	31%	27%	
<i>Home Improvement</i>	32%	31%	31%	
UPPER-INCOME BORROWERS				41%
<i>Home Purchase</i>	42%	40%	43%	
<i>Refinance</i>	46%	48%	45%	
<i>Home Improvement</i>	35%	30%	38%	
BORROWERS WITH UNKNOWN INCOME				--
<i>Home Purchase</i>	1%	--	5%	
<i>Refinance</i>	2%	--	1%	
<i>Home Improvement</i>	--	--	--	

Data Sources: FFIEC 1996 Aggregate HMDA Data, Bank Records and 1990 Census Data-U.S. Bureau of the Census

In 1996, GLNB's overall market share of HMDA lending to low- and moderate-income borrowers was good, generally exceeding its overall market share of HMDA originations. There were two exceptions. The bank's market share to low-income borrowers for home purchase loans and its market share of refinance loans to moderate-income borrowers was smaller than its overall market share of originations in these product categories. Table 4 illustrates the market share percentages GLNB achieved in its Ann Arbor assessment area for all HMDA originations, by loan type to borrowers of different income levels.

Table 4 - Ann Arbor Assessment Area

HMDA PRODUCT & INCOME CATEGORY	1996
HOME PURCHASE	Overall Market Share = 2.33%
<i>Low-Income Borrowers</i>	1.55%
<i>Moderate-Income Borrowers</i>	2.46%
<i>Middle-Income Borrowers</i>	2.59%
<i>Upper-Income Borrowers</i>	2.25%
REFINANCE	Overall Market Share = 6.63%
<i>Low-Income Borrowers</i>	7.28%
<i>Moderate-Income Borrowers</i>	6.48%
<i>Middle-Income Borrowers</i>	6.67%
<i>Upper-Income Borrowers</i>	6.87%
HOME IMPROVEMENT	Overall Market Share = 6.66%
<i>Low-Income Borrowers</i>	8.93%
<i>Moderate-Income Borrowers</i>	7.50%
<i>Middle-Income Borrowers</i>	6.58%
<i>Upper-Income Borrowers</i>	5.59%

Data Source: FFIEC 1996 Aggregate HMDA Data

Distribution of Lending by Borrower Profile-Consumer

GLNB’s consumer loan distribution among borrowers of different income levels shows marginal penetration. Consumer lending to low-income borrowers is poor with the portion of consumer loans well below the comparable percentage of households at that level. Performance at this income level for 1997 shows an even lower portion of loans to low-income borrowers than in 1996. GLNB’s lending to moderate-income borrowers is favorable, with its percentage of loans to borrowers at that income level comparable to the percentage of households at that income level.

Table 5 shows the distribution of consumer loans among borrowers of different income levels compared to the percentage of households at that income level. The percentage of households at each income level is provided to give perspective on the potential lending opportunities to borrowers of different income levels. These percentages are not adjusted to reflect the 10 percent of households below the poverty level although we considered this factor in our analysis.

Table 5 - Ann Arbor Assessment Area

CONSUMER LOAN DISTRIBUTION BY INCOME LEVEL OF BORROWER					
CONSUMER LOANS	TIME PERIOD	Low-Income % of #	Moderate-Income % of #	Middle-Income % of #	Upper-Income % of #
	1996	8%	13%	27%	52%
	January - September 1997	6%	14%	27%	53%
% of Households at Income Level		22%	15%	20%	43%

Data Source: Bank Records

Distribution of Lending by Geography-HMDA

GLNB achieved adequate distribution of all types of HMDA loans in low- and moderate-income geographies. Though penetration in low-income CTs was not achieved for all HMDA product types in both years, only one percent of owner-occupied housing is located within these tracts which limits the opportunities for making HMDA loans. GLN penetration of moderate-income CTs was also consistently lower than the percentage of owner-occupied housing located in these CTs except for home improvement loan penetration in 1996. Table 6 shows the distribution of HMI loans by the CT income level. It also shows the percentage of the assessment area's owner-occupied housing to provide perspective regarding the lending opportunities in CTs of all income levels. This table also shows the portfolio percentages GLNB realized compared to the percentage of loans made by all lenders in each type of geography. For informational purposes, we also included the percent of families that reside within CTs of different income levels.

Table 6 - Ann Arbor Assessment Area

INCOME CATEGORY & HMDA PRODUCT IN PERCENTAGES	1996		(January-September) 1997	Percent of Families Living in CT	Percent of Owner- Occupied Housing
	All Lenders	GLNB	GLNB		
LOW-INCOME CTs				3%	1%
<i>Home Purchase</i>	1%	0%	1%		
<i>Refinance</i>	1%	1%	0%		
<i>Home Improvement</i>	1%	2%	0%		
MODERATE-INCOME CTs				15%	11%
<i>Home Purchase</i>	10%	9%	10%		
<i>Refinance</i>	8%	7%	7%		
<i>Home Improvement</i>	14%	17%	7%		
MIDDLE-INCOME CTs				53%	57%
<i>Home Purchase</i>	57%	59%	52%		
<i>Refinance</i>	58%	57%	57%		
<i>Home Improvement</i>	62%	59%	55%		
UPPER-INCOME CTs				29%	31%
<i>Home Purchase</i>	32%	32%	37%		
<i>Refinance</i>	33%	35%	36%		
<i>Home Improvement</i>	23%	22%	38%		

Data Source: FFIEC 1996 Aggregate HMDA Data and Bank Records

In 1996, GLNB's market share of home purchase and refinance loans within low- and moderate-income CTs was consistently lower than its overall market share. For home improvement loans, the bank's market share in low- and moderate-income geographies exceeded its overall market share of originations. Home improvement lending penetration does not, however, outweigh home purchase and refinance lending, because the bank achieved a much higher volume of originations in these two categories. Table 7 illustrates market share comparisons based on the geography of the loan.

Table 7 - Ann Arbor Assessment Area

HMDA PRODUCT & INCOME CATEGORY	1996
HOME PURCHASE	Overall Market Share = 2.33%
<i>Low-Income CTs</i>	0.00%
<i>Moderate-Income CTs</i>	2.07%
<i>Middle-Income CTs</i>	2.43%
<i>Upper-Income CTs</i>	2.32%
REFINANCE	Overall Market Share = 6.63%
<i>Low-Income CTs</i>	3.85%
<i>Moderate-Income CTs</i>	5.98%
<i>Middle-Income CTs</i>	6.43%
<i>Upper-Income CTs</i>	7.24%
HOME IMPROVEMENT	Overall Market Share = 6.66%
<i>Low-Income CTs</i>	10.00%
<i>Moderate-Income CTs</i>	7.93%
<i>Middle-Income CTs</i>	6.39%
<i>Upper-Income CTs</i>	6.48%

Data Source: FFIEC 1996 Aggregate HMDA Data

Distribution of Lending by Geography-Consumer

GLNB's distribution of consumer loans among CTs, by income level of the tracts, was very low in low- and moderate income areas when compared to the percentage of households living in these CTs. Table 8 shows the distribution of consumer loans among CTs of different income levels compared to the percentage of households at any income level that live in those CTs.

Table 8 - Ann Arbor Assessment Area

CONSUMER LOAN DISTRIBUTION BY INCOME LEVEL OF GEOGRAPHY					
CONSUMER LOANS	TIME PERIOD	Low-Income % of #	Moderate-Income % of #	Middle-Income % of #	Upper-Income % of #
	1996	1%	8%	56%	35%
	January - September 1997	<1%	7%	53%	40%
% of Households Living in CTs		6%	18%	49%	27%

Data Source: Bank Records

Community Development Lending

GLNB originated two community development loans totaling \$4,855,000 which benefitted its Ann Arbor assessment area. These loans were:

- C a \$4,825,000 loan for the construction of 144 units of affordable housing in west Ann Arbor. This low-income housing tax credit project is in conjunction with the Federal Home Loan Bank’s Community Investment Program and will provide housing for families at or below 60 percent of median income.
- C a \$30,000 loan to the Ann Arbor Community Development Corporation to assist with funding a \$185,000 Washtenaw County Micro Loan Pool. This pool provides very small loans, \$2,500 to \$15,000, to small start-up businesses that do not meet traditional bank loan guidelines. The bank was one of ten lenders participating in this pool and one of four lenders that provided \$30,000 (16 percent) of the total funding.

INVESTMENT TEST

GLNB made an adequate level of qualified grants and investments which benefit its Ann Arbor assessment area. The bank made 22 grants totaling \$56,827 to qualified community development organizations. This represented 31 percent of all grant dollars for this evaluation period. In addition, the FNMA mortgage-backed securities previously described under the investment test for the overall institution were designed with the potential to benefit this and TCF’s other assessment areas.

SERVICE TEST

GLNB’s retail delivery systems are readily accessible to essentially all portions of its assessment areas. As shown in the following table, the bank’s branches and ATMs show good distribution in low- and moderate-income geographic areas when compared to both the portion of CTs and families living in CTs of these income levels. GLNB also provided a relatively high level of community development services in this assessment area, primarily assisting with the procurement of affordable housing and housing rehabilitation. These services were previously described under *Community Development Services* for the bank’s overall service test.

The following table summarizes GLNB’s branch distribution in the Ann Arbor assessment area.

Table 9 - Ann Arbor Assessment Area

SERVICE TEST: MSA #0440 Ann Arbor, MI									
SERVICE TYPE	#	In Low CTs		In Moderate CTs		In Middle CTs		In Upper CTs	
Branch Offices	14	1	7%	3	21%	7	50%	3	21%
Bank ATMs*	40*	4	8%	8	17%	16	33%	12	25%
% of CTs	103	9%		16%		46%		27%	
% of Families in CTs	96,224	3%		15%		49%		27%	

* 8 (17%) of GLNB’s ATMs are in its Ann Arbor assessment area but could not be geocoded and are not included. The bank was unable to provide specific numbers on which ATMs are full- or limited- service, i.e. cash dispensing only.

METROPOLITAN AREAS

Description of Institution’s Operations in the Detroit Assessment Area

GLNB operated 20 branches in the Detroit Metropolitan Area, with nine in Oakland County, eight in Macomb County, two in Wayne County, and one in St. Clair County. Cities with branch locations include: Pontiac, Clarkston, Waterford (3), Lake Orion, Rochester Hills, Royal Oak, and Troy in Oakland County; New Baltimore, Eastpointe, Mt. Clemens, Roseville, Washington, Sterling Heights (2), and Warren in Macomb County; Dearborn and Lincoln Park in Wayne County; and Port Huron in St. Clair County. The second largest portion of the bank’s loan originations, 23 percent, by number, and 27 percent, by dollar volume, were attributed to this assessment area. As of June 30, 1997, 16 percent of the bank’s deposits were attributed to this assessment area. However, in this competitive market, GLNB held less than one-half of one percent (.4 percent) of the deposits as of June 30, 1997.

The following table includes the demographic characteristics of the bank’s Detroit assessment area.

ASSESSMENT AREA PROFILE: MSA # 2160 Detroit, MI						
DEMOGRAPHIC CHARACTERISTICS	#	Low	Moderate	Middle	Upper	NA
Population	2,346,139					
Census Tracts in AA	598	3%	16%	48%	33%	--
Income Level of Families in AA (6% below poverty)	636,852	16%	16%	23%	45%	--
Families Living in CT Category	636,852	3%	14%	47%	36%	--
Income Level of Households in AA (8% below poverty)	883,785	20%	14%	19%	47%	--
Households Living in CT Category	883,785	3%	15%	48%	34%	--
Owner-Occupied Housing (% of # in CT)	653,965	2%	12%	48%	38%	--
Businesses (% of # in CT)	94,086	2%	11%	46%	41%	--
Median Housing Value = \$84,852						
Median Family Income = \$40,727						
HUD Adjusted Median Family Income for 1997 = \$53,300						
Unemployment Rate = 3% in 1997						

Data Source: 1990 Census Data - U. S. Bureau of the Census; Dun & Bradstreet; Bureau of Labor Statistics

NA = No income designation.

Conclusions about Performance Tests in Detroit, Michigan

GLNB’s CRA performance in the Detroit assessment area is weaker than the bank’s overall performance, primarily as a result of the service test. Branches are accessible to only limited portions of the assessment area, which is weaker than the overall institution’s branch distribution. The bank provided very few community development services in the

assessment area, which is also inconsistent with the overall institution. GLNB's lending performance exceeds the bank's overall performance for distribution by borrower income with good penetration of low- and moderate-income borrowers for both HMDA and consumer loans. Penetration of low- and moderate-income geographies was strong for HMDA, but weak for consumer loans. Consistent with the bank's overall performance, the bank made an adequate level of qualified investments.

LENDING TEST

Lending Activity-HMDA

GLNB originated a reasonable number of HMDA loans within its Detroit assessment area based on its small presence compared to other financial institutions in this area. In 1996, GLNB originated less than one-half of one percent (.33 percent) of the HMDA loans in this assessment area among the 421 lenders reporting HMDA loans. Although HMDA originations in this assessment area account for 27 percent of the bank's volume, the bank is a small competitor among the financial institutions in the Detroit assessment area.

Table 1 shows the number and dollar amount of HMDA-reportable loans GLNB made in the Detroit MSA in calendar year 1996 and through September 1997.

Table 1 - Detroit Assessment Area

HMDA PRODUCT	1996		January - September 1997	
	Number	\$ (000's)	Number	\$ (000's)
Home Purchase	58	5,885	67	7,435
Refinance	217	13,336	276	17,926
Home Improvement	84	2,033	72	1,365
Multifamily	5	5,040	8	8,370
TOTAL	364	26,294	423	35,096

Data Source: Bank Records

Lending Activity-Consumer

GLNB collected consumer loan data for consideration under the lending test. The bank originated 1,516 consumer loans totaling approximately \$47 million. However, because lenders are not required to report this type of lending data, we do not have comparable data to determine how significant the volumes are relative to all consumer loans originated in the assessment area. Table 2 shows the consumer loan volume, by consumer loan category, for the Detroit assessment area.

Table 2 - Detroit Assessment Area

CONSUMER LOAN TYPE	1996		January - September 1997	
	Number	\$(000's)	Number	\$(000's)
Home Equity & Other RE Secured	613	21,572	590	19,952
Motor Vehicle	14	266	4	47
Other Secured	47	1,330	40	1,416
Other Unsecured	107	898	101	1,292
TOTAL	781	24,066	735	22,707

Data Source: Bank Records

Distribution of Lending by Borrower Profile-HMDA

GLNB's distribution of HMDA loans among borrowers of different income levels reflects good penetration, especially to moderate-income borrowers for all HMDA product types. The bank's portion of home purchase and refinance loans to moderate-income borrowers met or significantly exceeded the comparable percentage of families at that income level for both 1996 and 1997 through September 30. For home improvement loans, the bank showed excellent penetration to moderate-income borrowers, significantly exceeding both the percentage of families at that income level and the percentage that all other lenders achieved. Although penetration of low-income borrowers is significantly below the percentage of families in this income category, the bank's lending to low-income borrowers is similar to other lenders in the market during 1996.

Table 3 shows the portion of HMDA loans which GLNB and all other lenders, in aggregate, made to borrowers of different income levels compared to the percentage of families in each income category.

Table 3 - Detroit Assessment Area

INCOME CATEGORY & HMDA PRODUCT	1996		1997 January - September	Percent of Families in Income Category (6% of all families are below the poverty level)
	All Lenders (% of #)	GLNB (% of #)	GLNB (% of #)	
LOW-INCOME BORROWERS				16%
<i>Home Purchase</i>	9%	10%	8%	
<i>Refinance</i>	7%	8%	7%	
<i>Home Improvement</i>	13%	12%	15%	
MODERATE-INCOME BORROWERS				16%
<i>Home Purchase</i>	22%	16%	28%	
<i>Refinance</i>	17%	17%	17%	
<i>Home Improvement</i>	23%	28%	25%	
MIDDLE-INCOME BORROWERS				23%
<i>Home Purchase</i>	28%	38%	30%	
<i>Refinance</i>	26%	29%	33%	
<i>Home Improvement</i>	30%	30%	33%	
UPPER-INCOME BORROWERS				45%
<i>Home Purchase</i>	39%	34%	33%	
<i>Refinance</i>	47%	46%	43%	
<i>Home Improvement</i>	33%	30%	27%	
BORROWERS WITH UNKNOWN INCOME				--
<i>Home Purchase</i>	2%	2%	1%	
<i>Refinance</i>	3%	--	--	
<i>Home Improvement</i>	1%	--	--	

Data Sources: FFIEC 1996 Aggregate HMDA Data, Bank Records and 1990 Census Data-U.S. Bureau of the Census

GLNB's market share relative to other lenders is insignificant in the Detroit assessment area at less than one percent. The bank's own market share of HMDA originations to low- and moderate-income borrowers met or exceeded its market share of all HMDA originations for all product types, except for moderate-income borrowers for home purchase loans and low-income borrowers for home improvement loans. Table 4 shows the market shares among borrowers of different income levels compared to the bank's overall market share for the various HMDA loan categories.

Table 4 - Detroit Assessment Area

HMDA PRODUCT & INCOME CATEGORY	1996
HOME PURCHASE	Overall Market Share = 0.11%
<i>Low-Income Borrowers</i>	0.13
<i>Moderate-Income Borrowers</i>	0.08
<i>Middle-Income Borrowers</i>	0.15
<i>Upper-Income Borrowers</i>	0.10
<i>Borrowers with Unknown Income</i>	0.14
REFINANCE	Overall Market Share = 0.47%
<i>Low-Income Borrowers</i>	0.54
<i>Moderate-Income Borrowers</i>	0.47
<i>Middle-Income Borrowers</i>	0.51
<i>Upper-Income Borrowers</i>	0.46
<i>Borrowers with Unknown Income</i>	0.00
HOME IMPROVEMENT	Overall Market Share = 0.68%
<i>Low-Income Borrowers</i>	0.60
<i>Moderate-Income Borrowers</i>	0.83
<i>Middle-Income Borrowers</i>	0.69
<i>Upper-Income Borrowers</i>	0.62
<i>Borrowers with Unknown Income</i>	0.00

Data Source: FFIEC 1996 Aggregate HMDA Data

Distribution of Lending by Borrower Profile-Consumer

GLNB’s consumer loan distribution among borrowers of different income levels in this assessment area shows good penetration, especially among moderate-income borrowers. Consumer lending to low-income borrowers is marginal with lending levels significantly lower than the comparable percentage of households at that income level. However excellent penetration among moderate-income borrowers outweighs this performance.

Table 5 shows the distribution of consumer loans for the Detroit assessment area among borrowers of different income levels compared to the percentage of households at that income level. The percentage of households at each income level is provided to give some perspective on the potential lending opportunities to borrowers of different income level. These percentages are not adjusted to reflect the eight percent of households below the poverty level although we considered this factor in our analysis.

Table 5 - Detroit Assessment Area

CONSUMER LOAN DISTRIBUTION BY INCOME LEVEL OF BORROWER						
CONSUMER LOANS	TIME PERIOD	Low-Income % of #	Moderate-Income % of #	Middle-Income % of #	Upper-Income % of #	Income Unknown
	1996	11%	17%	25%	46%	1%

CONSUMER LOAN DISTRIBUTION BY INCOME LEVEL OF BORROWER						
	January - September 1997	10%	17%	27%	45%	1%
% of Households at Income Level		20%	14%	19%	47%	--

Data Source: Bank Records

Distribution of Lending by Geography-HMDA

GLNB achieved very good distribution of all types of HMDA loans in geographies of different income levels. Distribution was particularly strong in moderate-income geographies when compared to the percentage of owner-occupied housing in these CTs. GLNB’s penetration of moderate-income CTs significantly exceeded the percentage owner-occupied housing in these CTs when averaged over the evaluation period. Though penetration in low-income CTs was not achieved for all HMDA product types in both years, only two percent of owner-occupied housing is located within these tracts which limits the opportunities for making HMDA loans.

Table 6 shows the distribution of HMDA loans by the CT income level. It also shows the percentage of the assessment area’s owner-occupied housing to provide perspective regarding the lending opportunities in CTs of all income level. For informational purposes, we also included the percent of families that reside within CTs of different income level. Table 6 also shows the portfolio percentages GLNB realized compared to the percentage of loans made by all lenders in each type of geography.

Table 6 - Detroit Assessment Area

INCOME CATEGORY & HMDA PRODUCT IN PERCENTAGES	1996		(January- September) 1997	Percent of Families Living in CT	Percent of Owner-Occupied Housing in CT
	All Lenders	GLNB	GLNB		
LOW-INCOME CTs				3%	2%
<i>Home Purchase</i>	1%	0%	0%		
<i>Refinance</i>	1%	1%	1%		
<i>Home Improvement</i>	2%	1%	0%		
MODERATE-INCOME CTs				14%	12%
<i>Home Purchase</i>	9%	16%	9%		
<i>Refinance</i>	9%	12%	17%		
<i>Home Improvement</i>	17%	18%	21%		
MIDDLE-INCOME CTs				47%	48%
<i>Home Purchase</i>	49%	50%	49%		
<i>Refinance</i>	44%	50%	50%		
<i>Home Improvement</i>	52%	61%	60%		
UPPER-INCOME CTs				36%	38%
<i>Home Purchase</i>	41%	34%	42%		
<i>Refinance</i>	46%	37%	32%		
<i>Home Improvement</i>	29%	20%	19%		

Data Source: FFIEC 1996 Aggregate HMDA Data

GLNB’s market share of HMDA loans in low- and moderate-income geographies shows its stronger performance in moderate-income CTs for all HMDA product types and its weaker penetration of low-income CTs. The market share

GLNB achieved in moderate-income CTs consistently exceeds its overall market share of HMDA originations, but does not for low-income CTs. Table 7 illustrates market share comparisons based on the geography of the loan.

Table 7 - Detroit Assessment Area

HMDA PRODUCT & INCOME CATEGORY	1996
HOME PURCHASE	Overall Market Share = 0.11%
<i>Low-Income CTs</i>	0.00%
<i>Moderate-Income CTs</i>	0.19%
<i>Middle-Income CTs</i>	0.12%
<i>Upper-Income CTs</i>	0.10%
REFINANCE	Overall Market Share = 0.47%
<i>Low-Income CTs</i>	0.22%
<i>Moderate-Income CTs</i>	0.68%
<i>Middle-Income CTs</i>	0.52%
<i>Upper-Income CTs</i>	0.38%
HOME IMPROVEMENT	Overall Market Share = 0.68%
<i>Low-Income CTs</i>	0.43%
<i>Moderate-Income CTs</i>	0.71%
<i>Middle-Income CTs</i>	0.80%
<i>Upper-Income CTs</i>	0.47%

Data Source: FFIEC 1996 Aggregate HMDA Data

Distribution of Lending by Geography-Consumer

GLNB's distribution of consumer loans among CTs, by income level of the tracts, was poor in low- and moderate-income areas when compared to the percentage of households living in these CTs. Consumer loan originations for 1997 showed some improvement in penetration to moderate-income CTs, but were still below the comparable percentage of households residing in moderate-income CTs.

Table 8 shows the distribution of consumer loans among CTs of different income levels compared to the percentage households at any income level that live in those CTs.

Table 8 - Detroit Assessment Area

CONSUMER LOAN DISTRIBUTION BY INCOME LEVEL OF GEOGRAPHY					
CONSUMER LOANS	TIME PERIOD	Low-Income % of #	Moderate-Income % of #	Middle-Income % of #	Upper-Income % of #
		1996	1%	7%	50%
	January - September 1997	1%	12%	46%	41%
% of Households Living in CTs		3%	15%	48%	34%

Data Source: Bank Records

Community Development Lending

GLNB did not report any community development loans for the Detroit assessment area, although opportunities to make such loans are numerous. The bank did provide one example of a loan that had a community development purpose but received credit for it under the small business lending portion of the lending test. Refer to *Community Development Lending* for the overall institution for further details.

INVESTMENT TEST

GLNB made an adequate level of qualified grants and investments which benefit its Detroit assessment area. The bank made 13 grants totaling \$35,300 to qualified community development organizations. This represented 20 percent of grant dollars for this evaluation period. In addition, GLNB purchased \$3.4 million in mortgage-backed securities which financed homes purchased by LMI families within this and other TCF assessment areas. These were previously described under the investment test for the overall institution.

SERVICE TEST

GLNB’s branch offices are accessible to limited portions of the bank’s Detroit assessment area. As shown in the following table, the portion of the bank’s branches located in low- and moderate-income geographies is significantly lower than the portion of CTs which are low- and moderate-income and the portion of families that reside within the CTs. The bank also provided very limited community development services in this assessment area considering the many opportunities within this area. The following table summarizes GLNB’s branch and ATM distribution in the Detroit assessment area.

Table 9 - Detroit Assessment Area

SERVICE TEST: MSA #2160 Detroit, MI									
SERVICE TYPE	#	In Low CTS		In Moderate CTS		In Middle CTS		In Upper CTS	
Branch Offices	21	0	0%	2	9%	14	67%	5	24%
Bank ATMs*	31*	0	0%	2	6%	20	63%	9	28%
% of CTs	598	3%		16%		48%		33%	
% of Families in CTs	636,852	3%		14%		47%		36%	

* 1 (3%) of GLNB’s ATMs are within its assessment area but could not be geocoded and was not included.
The bank was unable to provide specific numbers on which ATMs are full- or limited- service, i.e. cash dispensing only.

METROPOLITAN AREAS

Description of Institution’s Operations in the Kalamazoo Assessment Area

GLNB operated seven branches in the Kalamazoo Metropolitan Area. Branches are located in the following cities: Battle Creek (4), Albion, Marshall, and Richland. This area ranked third in loan volume, representing 16 percent, by number, and 14 percent, by dollar volume, of all GLNB assessment areas for this evaluation period. As of June 30, 1997, thirteen percent of the bank’s deposits were attributed to this assessment area. GLNB ranked second of 12 financial institutions with 16 percent of the deposits in Calhoun County, but controlled less than one percent (.4 perc of the deposits in Kalamazoo County. The following table includes the demographic characteristics of the bank’s Kalamazoo assessment area.

ASSESSMENT AREA PROFILE: MSA # 3720 Kalamazoo-Battle Creek, MI						
DEMOGRAPHIC CHARACTERISTICS	#	Low	Moderate	Middle	Upper	NA
Population	359,393					
Census Tracts in AA	100	10%	19%	38%	29%	4%
Income Level of Families in AA (10% below poverty)	92,906	20%	16%	22%	42%	--
Families Living in CT Category	92,906	6%	16%	40%	38%	--
Income Level of Households in AA (13% below poverty)	135,877	24%	15%	19%	42%	--
Households Living in CT Category	135,877	7%	19%	39%	35%	--
Owner-Occupied Housing (% of # in CT)	90,675	4%	14%	43%	39%	--
Businesses (% of # in CT)	14,118	10%	15%	38%	35%	2%
Median Housing Value = \$54,771						
Median Family Income = \$34,702						
HUD Adjusted Median Family Income for 1997 = \$42,900						
Unemployment Rate = 4% in 1997						

Data Source: 1990 Census Data - U. S. Bureau of the Census; Dun & Bradstreet; Bureau of Labor Statistics
NA = No income designation.

Conclusions about Performance Tests in the Kalamazoo Assessment Area

GLNB’s lending performance and the level of investments and community development services provided within the assessment area is weaker than that of the overall institution. However, this variance did not warrant a downgrade in the bank’s overall rating for the lending, investment or service tests.

GLNB demonstrated responsiveness to HMDA and consumer credit needs within this assessment area. And, the bank’s distribution of HMDA loans to borrowers of different income levels was adequate, though weaker than the

bank's overall distribution. Distribution of consumer loans by borrower income level was especially weak. Distribution among geographies of different income levels reflected adequate penetration for HMDA lending, but poor penetration among low- and moderate-income CTs for consumer loans.

GLNB made an adequate level of qualified grants in this assessment area. GLNB made eight grants totaling \$29,750 (16 percent of all grant dollars) during this evaluation period. This included a \$10,000 donation to a college fund to provide scholarships for needy students. In addition, the FNMA mortgage-backed securities previously described under the investment test for the overall institution were designed with the potential to benefit this and TCF's other assessment areas.

GLNB's branches are accessible to all portions of its assessment area, including low- and moderate-income areas. Although the bank has no branches in low-income CTs within the Kalamazoo assessment area, one branch, located in a CT which has a "no income" (NA) census designation, is contiguous to and surrounded by low- and moderate-income CTs. The bank reported a limited number of community development services unique to this assessment area. It provided five examples of community development services which related to bank employees and officers lending their technical and financial expertise to community organizations engaged in revitalizing low- and moderate-income areas providing needed services to LMI individuals. Other services, offered bank-wide, are detailed under *Community Development Services* for the overall institution.

The following tables show lending performance and branch and ATM distribution in the Kalamazoo assessment area:

LENDING TEST: MSA #3720 Kalamazoo-Battle Creek, MI							
LOAN TYPE	#	\$ (000's)		Low % of # of loans	Moderate % of # of loans	Middle % of # of loans	Upper % of # of loans
HMDA Products	769	52,213	CT	0%	16%	37%	47%
			B	8%	17%	29%	45%
Consumer Loans	872	21,743	CT	1%	14%	42%	43%
			B	6%	14%	25%	55%
Small Loans to Businesses	18	5,684	CT	11%	17%	44%	28%
Community Development	3	746					
TOTAL LENDING	1,662	80,386					

Data Source: Bank Records (1996 and January through September 1997)

(CT) = Income level of census tracts. (B) = Income level of borrower.

SERVICE TEST: MSA #3720 Kalamazoo-Battle Creek, MI											
SERVICE TYPE	#	In Low CTS		In Moderate CTS		In Middle CTS		In Upper CTS		In NA CTS	
Branch Offices	7	0	0%	2	29%	1	14%	3	43%	1	14%
Bank ATMs*	9	0	0%	2	22%	1	11%	5	56%	1	11%
% of CTS	100	10%		19%		38%		29%		4%	

SERVICE TEST: MSA #3720 Kalamazoo-Battle Creek, MI						
% of Families in CTs	92,906	6%	16%	40%	38%	0%

* The bank was unable to provide specific numbers on whether ATMs are full- or limited- service, i.e. cash dispensing only.

METROPOLITAN AREAS

Description of Institution’s Operations in the Saginaw Assessment Area

GLNB operated ten branches in the Saginaw Metropolitan Area, with seven in Saginaw, two in Bay City, and one in Essexville. Of loan originations for this evaluation period, fifteen percent, by number, and nine percent, by dollar volume, were attributed to this assessment area. As of June 30, 1997, 14 percent of the bank’s deposits resulted from this assessment area. GLNB ranked sixth among all financial institutions in the Saginaw-Bay County area with seven percent of total deposits. The following table shows the demographic characteristics of GLNB’s Saginaw assessment area.

ASSESSMENT AREA PROFILE: MSA # 6960 Saginaw-Bay City-Midland, MI					
DEMOGRAPHIC CHARACTERISTICS	#	Low	Moderate	Middle	Upper
Population	323,669				
Census Tracts in AA	86	14%	20%	53%	13%
Income Level of Families in AA (13% below poverty)	88,311	24%	16%	23%	37%
Families Living in CT Category	88,311	8%	17%	60%	15%
Income Level of Households in AA (16% below poverty)	120,357	28%	15%	17%	40%
Households Living in CT Category	120,357	9%	18%	58%	15%
Owner-Occupied Housing (% of # in CT)	87,728	5%	16%	64%	15%
Businesses (% of # in CT)	10,866	10%	15%	58%	17%
Median Housing Value = \$47,492					
Median Family Income = \$34,727					
HUD Adjusted Median Family Income for 1997 = \$47,492					
Unemployment Rate = 5% in 1997					

Data Source: 1990 Census Data - U. S. Bureau of the Census; Dun & Bradstreet; Bureau of Labor Statistics

Conclusions about Performance Tests in the Saginaw Assessment Area

GLNB’s lending performance in the Saginaw assessment area was generally better than the bank’s overall performance. The level of investments and community development services provided within this assessment area was weaker than that of the overall institution. However, this variance did not warrant a downgrade in the bank’s overall rating for the investment or service tests.

GLNB demonstrated good responsiveness to HMDA and consumer credit needs within this assessment area. The bank’s distribution of loans to low- and moderate-income borrowers was strong for HMDA loans and adequate for consumer loans. Distribution among geographies of different income levels reflected excellent penetration of low- and

moderate-income geographies for HMDA lending, but poor penetration among low- and moderate-income CTs for consumer loans. GLNB made one community development loan totaling \$102,000 that benefitted this assessment area.

GLNB made an adequate level of grants in this assessment area. GLNB made 12 grants totaling \$53,360, (30 percent of all grant dollars) during this evaluation period. This included a \$16,000 in-kind donation of a residential property an affordable housing organization which was used as affordable rental housing for a low- or moderate-income family. In addition, the FNMA mortgage-backed securities previously described under the investment test for the overall institution were designed with the potential to benefit this and TCF's other assessment areas.

GLNB's branches are accessible to all portions of its assessment area, including low- and moderate-income areas. The bank had better representation in low-income CTs with two of its 11 branches located in these geographies. GLNB reported a limited number of community development services unique to this assessment area. It provided two examples of community development services where bank employees and officers provided technical and financial expertise to community development organizations for fundraising efforts, and advice to an organization that provides affordable housing to low- and moderate-income individuals. Other services, offered bank-wide, are detailed under *Community Development Services* for the overall institution.

The following table shows the lending performance and branch and ATM distribution in this assessment area.

LENDING TEST: MSA # 6960 Saginaw-Bay City- Midland, MI							
LOAN TYPE	#	\$ (000's)		Low % of # of loans	Moderate % of # of loans	Middle % of # of loans	Upper % of # of loans
HMDA Products	677	29,820	CT	5%	19%	59%	17%
			B	15%	23%	25%	37%
Consumer Loans	937	20,196	CT	4%	12%	65%	19%
			B	9%	18%	28%	45%
Small Loans to Businesses	15	5,164	CT	33%	0%	47%	20%
Community Development	1	102					
TOTAL LENDING	1,630	55,282					

Data Source: Bank Records (1996 and January through September 1997)

(CT) = Income level of census tracts. (B) = Income level of borrower.

SERVICE TEST: MSA #6960 Saginaw-Bay City-Midland, MI									
SERVICE TYPE	#	In Low CTS		In Moderate CTS		In Middle CTS		In Upper CTS	
Branch Offices	11	2	18%	1	9%	5	46%	3	27%

SERVICE TEST: MSA #6960 Saginaw-Bay City-Midland, MI									
Bank ATMs*	16	3	19%	1	6%	9	56%	3	19%
% of CTs	86	14%		20%		53%		13%	
% of Families in CTs	88,311	8%		17%		60%		15%	

* The bank was unable to provide specific numbers on whether ATMs are full- or limited- service, i.e. cash dispensing only.

METROPOLITAN AREAS

Description of Institution’s Operations in the Jackson Assessment Area

GLNB operated three branches in the Jackson Metropolitan Area. All three branches were located in the City of Jackson. Of the bank’s loan originations, five percent, by number, and three percent, by dollar volume, were attributed to this assessment area. As of June 30, 1997, only two percent of deposits came from this assessment area. Also, among all financial institutions, GLNB held only two percent of the total deposits, ranking sixth among 11 competitors. The following table shows the demographic characteristics of GLNB’s Jackson assessment area.

ASSESSMENT AREA PROFILE: MSA #3520 Jackson, MI						
DEMOGRAPHIC CHARACTERISTICS	#	Low	Moderate	Middle	Upper	NA
Population	149,756					
Census Tracts in AA	32	13%	19%	59%	6%	3%
Income Level of Families in AA (9% below poverty)	39,211	20%	18%	24%	38%	--
Families Living in CT Category	39,211	4%	11%	77%	8%	--
Income Level of Households in AA (12% below poverty)	53,891	24%	16%	20%	40%	--
Households Living in CT Category	53,891	6%	12%	75%	7%	--
Owner-Occupied Housing (% of # in CT)	39,528	2%	10%	80%	8%	--
Businesses (% of # in CT)	4,831	12%	17%	66%	5%	--
Median Housing Value = \$49,210						
Median Family Income = \$33,967						
HUD Adjusted Median Family Income for 1997 = \$43,100						
Unemployment Rate = 4% in 1997						

Data Source: 1990 Census Data - U. S. Bureau of the Census; Dun & Bradstreet; Bureau of Labor Statistics

NA = No income designation.

Conclusions about Performance Tests in the Jackson Assessment Area

GLNB’s performance in the Jackson assessment area was weaker than the overall institution in all areas, except for the service test. However, this variance did not warrant a downgrade in the bank’s overall ratings for the lending or investment tests.

GLNB demonstrated some responsiveness to HMDA and consumer credit needs within this assessment area. However, the distribution of loans to low- and moderate-income borrowers and within low- and moderate-income geographies was weak. The bank did not generate any community development loans in this assessment area for this evaluation period.

GLNB made an adequate level of qualified grants in this assessment area. The bank made three grants totaling \$5,200. This represented three percent of the total grant dollars for this evaluation period. In addition, the FNMA mortgage-backed securities previously described under the investment test for the overall institution were designed with the potential to benefit this and TCF's other assessment areas.

GLNB's branches are accessible to all portions of its assessment area, including low- and moderate-income areas. One of two branches was located in a moderate-income CT. The bank reported a limited number of community development services unique to this assessment area. These services stemmed from bank employees and officers lending their technical and financial expertise to assist potential low- and moderate-income borrowers in home ownership and understanding their credit reports. Other services, offered bank-wide, are detailed under *Community Development Services* for the overall institution.

The following tables summarize the lending performance and branch and ATM distribution in the Jackson assessment area.

LENDING TEST: MSA # 3520 Jackson, MI							
LOAN TYPE	#	\$ (000's)		Low % of # of loans	Moderate % of # of loans	Middle % of # of loans	Upper % of # of loans
HMDA Products	189	8,551	CT	2%	7%	83%	8%
			B	7%	16%	29%	48%
Consumer Loans	315	7,042	CT	1%	4%	87%	8%
			B	7%	18%	26%	49%
Small Loans to Businesses	2	718	CT	0%	0%	100%	0%
Community Development	0	0					
TOTAL LENDING	506	16,311					

Data Source: Bank Records (1996 and January through September 1997)

(CT) = Income level of census tracts. (B) = Income level of borrower.

SERVICE TEST: MSA #3520 Jackson, MI									
SERVICE TYPE	#	In Low CTS		In Moderate CTS		In Middle CTS		In Upper CTS	
Branch Offices	3	0	0%	2	67%	0	0%	1	33%
Bank ATMs*	5	0	0%	4	80%	0	0%	1	20%
% of CTs**	32	13%		19%		59%		6%	
% of Families in CTs	39,211	4%		11%		77%		8%	

* The bank was unable to provide specific numbers on whether ATMs are full- or limited- service, i.e. cash dispensing only.

** Percentage of CTs does not equal 100% as one CT, equating to 3% of total CTs, has a designated income of NA.

NON-METROPOLITAN STATEWIDE AREA

**Description of Institution’s Operations in the Non-metropolitan Michigan Area
 (Barry and Tuscola Counties and one contiguous census tract in the Eaton MSA #4040)**

GLNB has three branches in this combined area which consists of the entire counties of Barry and Tuscola and one census tract in Eaton County which is contiguous to Barry County. The branches are located in Hastings, Caro, and Bellevue, Michigan. Approximately four percent of the bank’s deposits and four percent of the bank’s HMDA and consumer loans were attributed to this assessment area. In addition, for Barry County, GLNB ranked fifth of the nine financial institutions reporting deposits, with a deposit market share of nine percent as of June 30, 1997. In Tuscola County, GLNB had a deposit market share of seven percent and ranked seventh of 12 reporting financial institutions. GLNB’s deposit market share in Eaton County was minimal. Refer to the previous discussion under the service test the entire institution for more information regarding the services provided.

The following table shows the combined demographic characteristics of GLNB’s non-MSA assessment areas, including the Barry-Eaton and Tuscola assessment areas.

ASSESSMENT AREA PROFILE: non-MSA: Barry-Eaton and Tuscola AA					
DEMOGRAPHIC CHARACTERISTICS	#	Low	Moderate	Middle	Upper
Population	110,158				
Block Numbering Areas in AA *	24	--	--	54%	46%
Income Level of Families in AA (9% below poverty)	30,642	15%	15%	22%	48%
Families Living in BNA Category	30,642	--	--	55%	45%
Income Level of Households in AA (11% below poverty)	38,959	17%	14%	18%	51%
Households Living in BNA Category	38,959	--	--	56%	44%
Owner-Occupied Housing (% of # in BNA)	32,065	--	--	54%	46%
Median Housing Value = \$55,716 (Barry County)					
Median Family Income = \$27,894 (Barry County)					
HUD Adjusted Median Family Income for 1997 = \$35,500 (statewide non-MSA)					
Unemployment Rate = 3% in 1997					

Data Source: 1990 Census Data - U. S. Bureau of the Census; Dun & Bradstreet; Bureau of Labor Statistics

* AA includes one contiguous census tract in Eaton County, Michigan

Conclusions about Performance Tests in Barry and Tuscola Counties Non-MSA Assessment Area

GLNB's lending, investment, and level of community development services within this assessment area was weaker than that of the overall institution. However, because only four percent of the bank's HMDA and consumer loan originations were attributed to this assessment area, this variance did not warrant a downgrade in the bank's overall rating for the lending, investment or service tests.

GLNB demonstrated some responsiveness to HMDA and consumer credit needs within this assessment area. However, the bank's distribution of HMDA and consumer loans to borrowers of different income levels was margin. Distribution among geographies of different income levels was not meaningful because there are no low- and moderate income BNAs in these areas. The bank made no qualified community development grants in these areas, however, it purchased mortgage-backed securities which GLNB purchased may include mortgages secured by properties within these counties. GLNB provides reasonable access to banking services, given the more rural area these branches serve. The bank reported no community development services unique to these defined areas other than those offered bank-wide and detailed under *Community Development Services* for the overall institution.

The following tables depict the lending performance and branch and ATM distribution in the non-MSA assessment areas.

LENDING TEST: non-MSA: Barry-Eaton and Tuscola AAs							
LOAN TYPE	#	\$ (000's)		Low % of # of loans	Moderate % of # of loans	Middle % of # of loans	Upper % of # of loans
HMDA Products	276	14,957	BNA	--	--	42%	58%
			B	3%	17%	27%	53%
Consumer Loans	360	7,293	BNA	--	--	49%	51%
			B	5%	10%	27%	58%
Small Loans to Businesses	1	400	BNA	--	--	0%	100%
Community Development	0	0					
TOTAL LENDING	637	22,650					

Data Source: Bank Records (1996 and January through September 1997)

BNA = Income level of block numbering areas. B = Income level of borrower.

SERVICE TEST: Barry-Eaton and Tuscola AAs									
SERVICE TYPE	#	Low BNAs		Moderate BNAs		Middle BNAs		Upper BNAs	
Branch Offices	3	0	0%	0	0%	2	67%	1	33%
Bank ATMs*	3	0	0%	0	0%	2	67%	1	33%
% of BNAs	24	--		--		54%		46%	

SERVICE TEST: Barry-Eaton and Tuscola AAs					
% of Families	30,642	--	--	55%	45%

* The bank was unable to provide specific numbers on whether the ATMs are full- or limited- service, i.e. cash dispensing only.