**Upper Peninsula of MI and US Banking Conditions -- Third Quarter 2019**

- Small increase in bank profits
- Loan growth was flat
- Small increase in problem loans

<table>
<thead>
<tr>
<th>Capital</th>
<th>Median</th>
<th>Change from previous quarter</th>
<th>Change from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Risk Based Capital Ratio</td>
<td>17.53%</td>
<td>-1 bps</td>
<td>-35 bps</td>
</tr>
</tbody>
</table>

**Asset Quality**

- Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 9.50%, 102 bps, -270 bps
- Construction and Land Development Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 0.23%, 23 bps, 23 bps
- Commercial Real Estate Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 3.13%, 66 bps, -120 bps

**Earnings**

- Return on Average Assets: 1.07%, 3 bps, 17 bps
- Net Interest Margin: 4.02%, 0 bps, 2 bps

**Liquidity**

- Noncore Funding as a Percent of Liabilities: 15.79%, 49 bps, 21 bps

**Net Loan Growth (over last four quarters)**

- Median: 2.05%, Change from previous quarter: 11 bps, Change from previous year: 29 bps

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**Nation**

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<tbody>
<tr>
<td>Total Risk Based Capital Ratio</td>
<td>16.26%</td>
<td>8 bps</td>
<td>18 bps</td>
</tr>
</tbody>
</table>

**Asset Quality**

- Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 5.94%, -10 bps, -45 bps
- Construction and Land Development Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 0.00%, 0 bps, 0 bps
- Commercial Real Estate Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 0.81%, 2 bps, -9 bps

**Earnings**

- Return on Average Assets: 1.16%, 2 bps, 2 bps
- Net Interest Margin: 3.90%, 0 bps, 1 bps

**Liquidity**

- Noncore Funding as a Percent of Liabilities: 20.38%, 20 bps, 67 bps

**Net Loan Growth (over last four quarters)**

- Median: 4.59%, Change from previous quarter: -49 bps, Change from previous year: -105 bps