### Upper Peninsula of MI and US Banking Conditions -- First Quarter 2020

Banks = 15, BHCs = 17 -- Data from quarterly call reports

-- Large decline in bank profits
-- Medium increase in loan growth
-- Medium decline 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>14.71%</td>
<td>-253 bps</td>
<td>-230 bps</td>
</tr>
</tbody>
</table>

#### Asset Quality

- Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 9.12% (Change: -187 bps, -119 bps)
- Construction and Land Development Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 0.00% (Change: -6 bps, 0 bps)
- Commercial Real Estate Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 2.60% (Change: -183 bps, -15 bps)

#### Earnings

- Return on Average Assets: 0.94% (Change: -11 bps, -6 bps)
- Net Interest Margin: 4.13% (Change: 9 bps, 18 bps)
- Provisions as a Percent of Average Assets

#### Liquidity

- Noncore Funding as a Percent of Liabilities: 15.82% (Change: -40 bps, 84 bps)

#### Nation

<table>
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<th>Change from previous quarter</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total Risk Based Capital Ratio</td>
<td>15.30%</td>
<td>-90 bps</td>
<td>-89 bps</td>
</tr>
</tbody>
</table>

#### Asset Quality

- Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 7.21% (Change: 104 bps, 52 bps)
- Construction and Land Development Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 0.00% (Change: 0 bps, 0 bps)
- Commercial Real Estate Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 1.12% (Change: 32 bps, 20 bps)

#### Earnings

- Return on Average Assets: 1.00% (Change: -15 bps, -11 bps)
- Net Interest Margin: 3.74% (Change: -14 bps, -11 bps)
- Provisions as a Percent of Average Assets

#### Liquidity

- Noncore Funding as a Percent of Liabilities: 19.58% (Change: -29 bps, -16 bps)

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

- National: 4.37% (Change: 10 bps, -108 bps)