

FDIC State Profile

Michigan

Third Quarter 2018

ECONOMIC INDICATORS (NOT SEASONALLY ADJUSTED, UNLESS NOTED)

Employment Growth Rates (change from year ago, unless noted)	Q3-18	Q2-18	Q3-17	2017	2016
Total Nonfarm (share of trailing four quarter employment in parentheses)	1.5%	1.2%	1.0%	1.2%	1.8%
Manufacturing (14%)	1.6%	0.7%	1.2%	1.7%	2.3%
Other (non-manufacturing) Goods-Producing (4%)	7.7%	7.1%	5.1%	4.7%	4.1%
Private Service-Providing (68%)	1.3%	1.1%	0.8%	1.0%	1.7%
Government (14%)	0.9%	0.6%	0.6%	0.8%	0.9%
Unemployment Rate (% of labor force, seasonally adjusted)	4.1%	4.6%	4.6%	4.6%	5.0%

Other Indicators (change from year ago, unless noted)	Q3-18	Q2-18	Q3-17	2017	2016
Single-Family Home Permits	-4.0%	2.8%	-4.8%	6.5%	15.4%
Multifamily Building Permits	-47.7%	-65.1%	-28.6%	-9.1%	31.2%
Home Price Index	7.4%	7.5%	7.9%	7.5%	5.7%
Nonbusiness Bankruptcy Filings per 1000 people (quarterly annualized level)	2.70	3.16	2.84	3.04	3.03

BANKING TRENDS

General Information	Q3-18	Q2-18	Q3-17	2017	2016
Institutions (#)	94	96	100	98	104
Total Assets (in millions)	83,699	82,708	78,847	79,166	71,332
New Institutions (# < 3 years)	0	0	0	0	0
Subchapter S Institutions	9	9	10	9	12

Asset Quality	Q3-18	Q2-18	Q3-17	2017	2016
Past-Due and Nonaccrual Loans / Total Loans (median %)	1.16	1.09	1.22	1.08	1.32
Noncurrent Loans / Total Loans (median %)	0.58	0.54	0.60	0.54	0.71
ALLL/Total Loans (median %)	1.12	1.12	1.14	1.11	1.17
ALLL/Noncurrent Loans (median multiple)	1.58	1.83	1.82	1.92	1.53
Net Loan Losses / Total Loans (median %)	0.00	0.00	0.00	0.04	0.08

Capital / Earnings	Q3-18	Q2-18	Q3-17	2017	2016
Tier 1 Leverage (median %)	9.97	10.10	9.88	9.91	9.99
Return on Assets (median %)	1.07	1.03	0.95	0.81	0.89
Pretax Return on Assets (median %)	1.30	1.20	1.26	1.17	1.12
Net Interest Margin (median %)	3.94	3.91	3.85	3.79	3.69
Yield on Earning Assets (median %)	4.49	4.37	4.24	4.17	4.03
Cost of Funding Earning Assets (median %)	0.48	0.42	0.36	0.35	0.32
Provisions to Avg. Assets (median %)	0.02	0.01	0.06	0.05	0.06
Noninterest Income to Avg. Assets (median %)	0.67	0.67	0.72	0.72	0.74
Overhead to Avg. Assets (median %)	3.13	3.13	3.03	3.07	3.09

Liquidity/Sensitivity	Q3-18	Q2-18	Q3-17	2017	2016
Net Loans to Assets (median %)	69.25	70.37	66.62	67.72	66.55
Noncore Funding to Assets (median %)	7.03	6.73	5.98	6.51	7.27
Long-term Assets to Assets (median %, call filers)	22.00	22.21	22.32	22.30	24.85
Brokered Deposits (number of institutions)	39	39	47	47	51
Brokered Deposits to Assets (median % for those above)	4.39	4.62	4.66	4.86	4.55

Loan Concentrations (median % of Qualifying Total Capital)	Q3-18	Q2-18	Q3-17	2017	2016
Commercial and Industrial	66	73	70	70	69
Commercial Real Estate	236	235	245	232	242
Construction & Development	23	23	24	23	21
Multifamily Residential Real Estate	10	10	9	9	9
Nonresidential Real Estate	196	196	203	197	201
Residential Real Estate	172	172	174	176	181
Consumer	16	17	16	17	15
Agriculture	3	2	3	3	2

BANKING PROFILE

Largest Deposit Markets (from 2018 Summary of Deposits)	Institutions in Market	Deposits (\$ millions)	Asset Distribution	Institutions
Detroit-Warren-Dearborn, MI	46	133,307	< \$100 million	19 (20.2%)
Grand Rapids-Wyoming, MI	31	21,670	\$100 million to \$250 million	22 (23.4%)
Ann Arbor, MI	20	8,945	\$250 million to \$1 billion	40 (42.6%)
Lansing-East Lansing, MI	21	6,500	\$1 billion to \$10 billion	11 (11.7%)
South Bend-Mishawaka, IN-MI	16	5,138	> \$10 billion	2 (2.1%)