

FDIC State Profile

Michigan

Third Quarter 2011

ECONOMIC INDICATORS

Employment Growth Rates (change from year ago, unless noted)

	Q3-11	Q2-11	Q3-10	2010	2009
Total Nonfarm (share of trailing four quarter employment in parentheses)	1.6%	1.5%	0.9%	-0.3%	-7.0%
Manufacturing (13%)	4.1%	5.2%	5.3%	2.1%	-19.0%
Other (non-manufacturing) Goods-Producing (3%)	8.1%	5.5%	-1.4%	-4.3%	-16.6%
Private Service-Producing (68%)	1.6%	1.9%	0.9%	-0.1%	-5.4%
Government (16%)	-1.8%	-3.6%	-1.9%	-1.7%	-0.5%
Unemployment Rate (% of labor force)	11.1%	10.3%	12.2%	12.5%	13.4%

Other Indicators (change from year ago, unless noted)

	Q3-11	Q2-11	Q3-10	2010	2009
Single-Family Home Permits	2.8%	0.4%	-0.3%	22.8%	-29.3%
Multifamily Building Permits	61.3%	-40.3%	80.3%	84.3%	-67.7%
Home Price Index	-3.6%	-4.7%	-2.8%	-6.2%	-6.1%
Nonbusiness Bankruptcy Filings per 1000 people (quarterly annualized level)	5.23	6.20	6.32	6.75	6.79

BANKING TRENDS

General Information

	Q3-11	Q2-11	Q3-10	2010	2009
Institutions (#)	133	134	137	136	146
Total Assets (in millions)	68,360	66,147	69,799	68,129	72,175
New Institutions (# < 3 years)	2	2	3	2	6
Subchapter S Institutions	17	17	18	17	18

Asset Quality

	Q3-11	Q2-11	Q3-10	2010	2009
Past-Due and Nonaccrual Loans / Total Loans (median %)	3.92	4.46	4.55	4.72	4.91
Noncurrent Loans / Total Loans (median %)	2.41	2.85	2.92	2.83	2.90
ALLL/Total Loans (median %)	1.81	1.78	1.76	1.81	1.65
ALLL/Noncurrent Loans (median multiple)	0.69	0.73	0.65	0.70	0.60
Net Loan Losses / Total Loans (median %)	0.49	0.58	0.72	0.74	0.71

Capital / Earnings

	Q3-11	Q2-11	Q3-10	2010	2009
Tier 1 Leverage (median %)	9.47	9.37	9.03	9.17	8.74
Return on Assets (median %)	0.68	0.58	0.48	0.37	0.23
Pretax Return on Assets (median %)	0.84	0.71	0.56	0.43	0.25
Net Interest Margin (median %)	4.01	3.93	3.93	3.89	3.78
Yield on Earning Assets (median %)	5.00	5.06	5.30	5.32	5.57
Cost of Funding Earning Assets (median %)	0.94	0.99	1.31	1.35	1.86
Provisions to Avg. Assets (median %)	0.35	0.37	0.52	0.63	0.78
Noninterest Income to Avg. Assets (median %)	0.67	0.61	0.71	0.67	0.66
Overhead to Avg. Assets (median %)	3.26	3.27	3.29	3.27	3.35

Liquidity/Sensitivity

	Q3-11	Q2-11	Q3-10	2010	2009
Net Loans to Assets (median %)	67.26	68.48	69.52	69.13	72.24
Noncore Funding to Assets (median %)	17.17	18.00	19.30	19.27	22.94
Long-term Assets to Assets (median %, call filers)	17.27	16.75	15.98	16.70	15.34
Brokered Deposits (number of institutions)	68	67	69	68	72
Brokered Deposits to Assets (median % for those above)	4.48	5.20	5.37	5.57	8.67

Loan Concentrations (median % of Total Risk-Based Capital)

	Q3-11	Q2-11	Q3-10	2010	2009
Commercial and Industrial	73.14	72.81	77.19	74.26	89.13
Commercial Real Estate	251.34	262.12	270.76	271.42	296.07
Construction & Development	25.91	23.25	30.48	27.69	35.75
Multifamily Residential Real Estate	11.44	10.94	10.87	10.33	10.42
Nonresidential Real Estate	207.64	215.61	222.59	218.92	235.02
Residential Real Estate	211.05	212.09	230.97	222.57	242.99
Consumer	17.15	16.85	19.69	18.53	21.91
Agriculture	4.39	4.18	3.69	3.84	3.70

BANKING PROFILE

Largest Deposit Markets (from 2011 Summary of Deposits)

	Institutions in Market	Deposits (\$ millions)	Asset Distribution	Institutions
Detroit-Warren-Livonia, MI	51	90,073	< \$100 million	37 (27.8%)
Grand Rapids-Wyoming, MI	28	12,907	\$100 million to \$250 million	45 (33.8%)
Ann Arbor, MI	19	6,230	\$250 million to \$1 billion	41 (30.8%)
Lansing-East Lansing, MI	23	5,030	\$1 billion to \$10 billion	9 (6.8%)
South Bend-Mishawaka, IN-MI	19	4,924	> \$10 billion	1 (0.8%)