PUBLIC DISCLOSURE

May 18, 2026

COMMUNITY REINVESTMENT ACT

PERFORMANCE EVALUATION

Northstar Bank
RSSD# 2958972

833 South Van Dyke
Bad Axe, Michigan 48413

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S CRA RATING

Northstar Bank is rated: Satisfactory
The Lending Test is rated: Satisfactory
The Community Development Test is rated: Satisfactory

Northstar Bank's lending test was satisfactory, driven by a loan-to-deposit ratio that was more than reasonable in comparison to competitor banks. Additionally, a majority of loans were originated inside the combined assessment areas. The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas and distribution reflects reasonable penetration among individuals of different incomes and businesses of different sizes. Neither the bank nor the Federal Reserve Bank of Chicago received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

The community development test was satisfactory. The bank demonstrates adequate responsiveness to assessment area needs through a variety of qualifying community development activities, with concentrated activities in areas with high proportions of low- and moderate-income census tracts, and investment and lending to create or support affordable housing, which is a critical need within the assessment areas.

SCOPE OF EXAMINATION

Northstar Bank's CRA performance was evaluated using the Intermediate Small Institution Examination Procedures issued by the Federal Financial Institutions Examination Council (FFIEC). Performance conclusions were made within the context of the institution's asset size, financial condition, competition, as well as the economic and demographic characteristics of the assessment areas in which the bank operates.

The evaluation included two full-scope reviews and one limited-scope review. A full scope review was selected for the Michigan Nonmetropolitan Statistical Area (Michigan Non-MSA) and the Warren-Troy-Farmington Hills, Michigan Metropolitan Division #47664 (Warren, MI MD). Full scope review areas were selected based on the distribution of the bank's branch locations, volume of deposits, and Home Mortgage Disclosure Act (HMDA) and small business lending activity. The Ann Arbor, Michigan Metropolitan Statistical Area #11460 (Ann Arbor, MI MSA) received a limited scope review due to the bank's limited presence in this area. The limited scope review assessment area was evaluated for consistency with the bank's performance in its full-scope review assessment areas.

Performance in the Michigan Non-MSA and Warren, MI MD held equal weight considering the distribution of the bank's deposits and lending across the areas. Primary products include HMDA-reportable lending and a sample of small business lending based on the bank's loan portfolio mix

and origination activity, with equal weight from both products impacting performance due to loan volume during the evaluation period.

Performance within the designated assessment areas was evaluated based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 13-quarter average loan-to-deposit ratio was calculated for the bank and compared to a sample of local competitors.

- ***Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated from January 1, 2024, to December 31, 2025, and a sample of small business loans originated from January 1, 2025, to December 31, 2025, were reviewed to determine the percentage of loans originated within the assessment area.

- ***Geographic Distribution of Lending in the Assessment Area*** – The bank's HMDA-reportable loans from January 1, 2024, to December 31, 2025, and a sample of small business loans from January 1, 2025, to December 31, 2025, originated within the assessment area, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate-income.

- ***Lending to Borrowers of Different Income and to Businesses of Different Sizes*** – The bank's HMDA-reportable loans from January 1, 2024, to December 31, 2025, and a sample of small business loans from January 1, 2025, to December 31, 2025, originated within the assessment area, were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses with different revenue sizes.

- ***Response to Substantiated Complaints*** – Complaints were reviewed to determine if any were related to the bank's record of helping to meet community credit needs and its responses to any received were evaluated for appropriateness.

- ***Community Development Activities*** – The bank's responsiveness to community development needs through community development loans, qualified investments, and community development services, from February 7, 2023, to May 18, 2026, were reviewed considering the capacity, need, and availability of such opportunities within the assessment area.

In addition, two community representatives were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the assessment area. The following types of organizations were contacted: state housing lender and community service organization.

DESCRIPTION OF INSTITUTION

Northstar Bank is a wholly owned subsidiary of Northstar Financial Group, Inc., headquartered in Bad Axe, Michigan. In addition to Northstar Bank, the holding company has majority ownership of West Michigan Community Bank, in Hudsonville, Michigan, and Mainstreet Community Bank of Florida, headquartered in Deland, Florida. Northstar Bank has three subsidiaries. The first, Northstar Financial Group Innovations, LLC (NFGI), provides bank operational support; Northstar Ann Arbor Properties holds real estate for the Ann Arbor branch; and the third is Cypress Capital Wealth Management, LLC.

As of December 31, 2025, Northstar Bank reported just over $1.1 billion in total assets based on the Uniform Banking Performance Report (UBPR). The bank is primarily a commercial lender, with commercial loans making up 71.2 percent of loan portfolio volume. A variety of additional lending products are offered, including residential, consumer, and agricultural loans, as well as standard deposit products such as checking, savings, money market, individual retirement accounts, and certificate of deposit accounts. Given the bank's financial condition, size, traditional product offers, and lending opportunities, the bank is positioned to meet the credit needs of its assessment areas.

Composition of Loan Portfolio
as of December 31, 2025
(000's)

Type	$	%
Commercial	686,630	71.2
Residential Real Estate	140,970	14.6
Agriculture	82,989	8.6
Consumer	23,038	2.4
Other	31,408	3.3
Total	965,035	
Note: Percentages may not total 100.0 percent due to rounding.		

There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

The bank was rated **satisfactory** under the CRA at its previous evaluation conducted on February 6, 2023.

DESCRIPTION OF ASSESSMENT AREA

Northstar Bank operates within three assessment areas in the eastern portion of Michigan, including the Michigan Non-MSA assessment area, the Warren, MI MD, and the Ann Arbor, MI MSA. The Michigan Non-MSA assessment area of Huron County and Tuscola County is in the "thumb" region of the state. South of this area and closer to the city of Detroit is the Warren, MI MD assessment area, comprised of Macomb County and St. Clair County. To the west of Detroit is the Ann Arbor, MI MSA assessment area, which is a one-county MSA comprised of Washtenaw County, the home of the University of Michigan. See Appendix A for a map of the assessment areas.

In total, the combined assessment areas hold 429 census tracts, of which 31 are low-income, 125 are moderate-income, 183 are middle-income, and 65 are upper-income. Twenty-five census tracts have unknown income, with many located in Washtenaw County around the University of Michigan campus. Of nearly 375,000 families across the three areas, 24.1 percent are low-income and 19.9 percent are moderate-income. Housing data show nearly 640,000 housing units that are 67.2 percent owner-occupied and 26.0 percent rental units. The remaining 6.9 percent are vacant. Only 3.6 percent of owner-occupied housing is in low-income census tracts, indicating very limited opportunities for home mortgage lending in these areas. However, more opportunities exist in moderate-income census tracts, which hold 26.4 percent of all owner-occupied housing. Of over 60,000 businesses located across the combined assessment area, 91.4 percent of them have revenues less than or equal to $1 million, indicating lending potential for these small businesses. The following table includes demographic data for all three assessment areas combined.

2025 Combined Assessment Area AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	31	7.2	19,922	5.3	5,047	25.3	90,224	24.1
Moderate	125	29.1	106,335	28.4	11,737	11.0	74,641	19.9
Middle	183	42.7	174,872	46.7	8,838	5.1	82,383	22.0
Upper	65	15.2	72,750	19.4	2,032	2.8	127,437	34.0
Unknown	25	5.8	806	0.2	274	34.0	0	0.0
Total AA	**429**	**100.0**	**374,685**	**100.0**	**27,928**	**7.5**	**374,685**	**100.0**
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	42,313	15,395	3.6	36.4	23,440	55.4	3,478	8.2
Moderate	192,823	113,060	26.4	58.6	66,897	34.7	12,866	6.7
Middle	290,518	213,283	49.8	73.4	54,504	18.8	22,731	7.8
Upper	104,908	85,787	20.0	81.8	15,072	14.4	4,049	3.9
Unknown	7,024	615	0.1	8.8	5,622	80.0	787	11.2
Total AA	**637,586**	**428,140**	**100.0**	**67.2**	**165,535**	**26.0**	**43,911**	**6.9**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	4,002	6.6	3,490	6.3	481	10.3	31	6.0
Moderate	17,016	28.2	15,584	28.3	1,313	28.0	119	23.0
Middle	26,538	44.0	24,481	44.4	1,797	38.3	260	50.2
Upper	11,529	19.1	10,568	19.2	864	18.4	97	18.7
Unknown	1,237	2.1	992	1.8	234	5.0	11	2.1
Total AA	**60,322**	**100.0**	**55,115**	**100.0**	**4,689**	**100.0**	**518**	**100.0**
Percentage of Total Businesses:				**91.4**		**7.8**		**0.9**
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	14	1.1	14	1.1	0	0.0	0	0.0
Moderate	103	8.1	101	8.2	2	7.7	0	0.0
Middle	932	73.7	914	73.9	18	69.2	0	0.0
Upper	213	16.9	206	16.7	6	23.1	1	100.0
Unknown	2	0.2	2	0.2	0	0.0	0	0.0
Total AA	**1,264**	**100.0**	**1,237**	**100.0**	**26**	**100.0**	**1**	**100.0**
Percentage of Total Farms:				**97.9**		**2.1**		**0.1**

Source: *2025 FFIEC Census Data*
2025 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: *Percentages may not total 100.0 percent due to rounding.*

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Northstar Bank's performance relative to the lending test is **Satisfactory** based on a more than reasonable loan-to-deposit ratio across all areas and products, a majority of lending inside the assessment areas, reasonable dispersion of loans across the assessment areas and reasonable distribution of loan products across census tract income levels. In addition, loan distribution reflects reasonable penetration among individuals of different income levels and businesses of different sizes.

Loan-to-Deposit Ratio

Northstar Bank had a more than reasonable loan-to-deposit (LTD) ratio (considering seasonal variations) given the bank's size, financial condition, the credit needs of its assessment areas, and taking into account, as appropriate, other lending-related activities such as loan originations for sale to the secondary market and community development loans and qualified investments.

With a 13-quarter average loan-to-deposit ratio from the first quarter of 2023 to the most recently available first quarter of 2026, the bank demonstrates active lending in comparison to its deposits with a 94.4 percent ratio. The bank's average LTD ratio is above the local peer average of 72.7 percent. Selected competitors are either similarly-sized financial institutions operating within the same counties as Northstar Bank and/or have similar percentages of lending composition within their respective loan portfolios.

Comparative Loan-to-Deposit Ratios as of March 31, 2026	
Comparative Data	**13-Quarter Average (%)**
Northstar Bank	94.4
Peer Average – Local	72.7
Competitors	
Chelsea State Bank	67.2
Eastern Michigan Bank	42.4
First State Bank	75.4
Thumb Bank & Trust	59.6
Tri-County Bank	85.1
University Bank	106.7

Assessment Area Concentration

Northstar Bank made a majority of its loans, and as appropriate, other lending-related activities, in the bank's combined assessment areas. Across all product types, 81.1 percent of loans were originated inside the bank's three assessment areas. Additionally, 85.1 percent of HMDA-reportable loans and 72.5 percent of small business loans in the sample were inside the delineated areas. These percentages demonstrate the bank's willingness to extend credit to borrowers within its communities.

Assessment Area Concentration								
	Inside				Outside			
Loan Types	#	%	$(000s)	%	#	%	$(000s)	%
Home Improvement	3	50.0	1,423	97.4	3	50.0	38	2.6
Home Purchase - Conventional	113	85.6	28,092	81.6	19	14.4	6,354	18.4
Multi-Family Housing	25	96.2	32,823	77.6	1	3.8	9,500	22.4
Refinancing	24	80.0	5,031	88.7	6	20.0	642	11.3
Total HMDA related	165	85.1	67,369	80.3	29	14.9	16,534	19.7
Total Small Business related	66	72.5	11,207	55.5	25	27.5	8,972	44.5
TOTAL LOANS	231	81.1	$78,576	75.5	54	18.9	25,506	24.5

Geographic and Borrower Distribution

Northstar Bank demonstrated a reasonable geographic distribution of loans given the bank's assessment areas. Analysis of dispersion of lending across the bank's footprint revealed no gaps in lending that are unexplained by performance context. In addition, the bank's distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income individuals) and businesses of different sizes is reasonable given the demographics of the bank's assessment areas. Detailed information regarding the bank's geographic and borrower distribution is found within the respective assessment area sections in the remainder of this report.

Response to Complaints

Neither the bank nor this Reserve Bank has received any CRA-related complaints since the previous examination.

COMMUNITY DEVELOPMENT TEST

The bank's performance relative to the community development test is Satisfactory.

Lending, Investment, and Services Activities

Northstar Bank demonstrates adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services. Performance conclusions are based on activities in the full-scope review assessment areas of the Michigan Non-MSA and the Warren, MI MD, while performance in the limited-scope review of Ann Arbor, MI MSA was compared to the full-scope review areas.

Northstar Bank's community development activities are distributed across activity type and primary purpose. Although activity numbers and dollar amounts declined since the previous CRA examination, the previous examination included unique lending opportunities such as increased community development loan volume due to the Paycheck Protection Program (PPP) loans offered during the COVID-19 pandemic. During the previous CRA examination, the bank originated 35 community development loans for over $39.4 million, 3 investments for over $3.5 million, 46 donations for approximately $111,000, and over 1,900 community development service hours.

Despite the decline in volume, the qualitative aspects of community development activities during this examination support adequate performance. During this evaluation period, notable loans include SBA 504 financing supporting permanent job creation, along with qualified investments in affordable housing, which is described by community representatives as being at crisis levels in certain areas of the state, and a number of employees serving on boards of directors of various community organizations across the assessment areas. Also supporting the bank's adequate performance is the focus on the Warren, MI MD assessment area, which holds the vast majority of the combined assessment areas' low- and moderate-income areas. Finally, two loans enhance the bank's performance overall after consideration for performance inside its assessment areas, including one loan to a statewide community redevelopment grant program. All community development activities across the combined assessment areas are displayed in the following table. See individual assessment area discussions for additional details regarding qualified community development activities.

Community Development Activities February 7, 2023, to May 18, 2026								
	Loans		Investments		Donations		Services	
AA	#	$	#	$	#	$	#	Hours
Full Scope								
Michigan Non-MSA	1	608,000	0	0	11	39,063	21	244
Warren, MI MD	14	13,021,993	2	3,000,000	20	41,900	37	769
Limited Scope								
Ann Arbor, MI MSA	3	2,788,000	0	0	18	40,825	11	241
Statewide	2	1,562,079	0	0	0	0	3	40
Total	20	17,980,072	2	3,000,000	49	121,788	72	1,294

MICHIGAN NON-MSA – FULL REVIEW

SCOPE OF EXAMINATION

The scope for this assessment area is consistent with the scope presented in the overall section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MICHIGAN NON-MSA[1]

Northstar Bank's Michigan Nonmetropolitan Area (Michigan Non-MSA) assessment area consists of the entirety of Huron County and Tuscola County in the "thumb" portion of the state, as it did during the previous CRA examination. However, due to updates from the 2020 Decennial Census and the 2016-2020 American Community Survey (ACS), the income designations of the assessment area's 27 census tracts changed since that time. The previous examination in February 2023 was based on 2021 census tract designations. As the following table demonstrates, there is one additional moderate-income census tract, three fewer middle-income census tracts, and two upper-income census tracts within the current assessment area. In addition to income designation changes, 11 middle-income census tracts in Huron County have been designated as underserved from 2023 to 2025 by the FFIEC due to their remote rural location. Twelve middle-income census tracts in Tuscola County were designated as distressed in 2023 due to elevated unemployment levels. The following table compares the income designation changes between 2021 and 2022 within the Michigan Non-MSA assessment area.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

[1] *Census tract designations are based on American Community Survey income data. For years 2022 and after, the designations are based on 2016-2020 ACS data. For years 2021 and before, the designations are based on 2011-2015 ACS data. For examinations that include performance before and after 2022, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.*

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	**2021 Designations (#)**	**2022 Designations (#)**	**Net Change (#)**
Low	0	0	--
Moderate	1	2	+1
Middle	24	21	-3
Upper	0	2	+2
Unknown	2	2	--
Total	27	27	--
Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 *U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020*			

The assessment area contains the bank's main office and four branch offices. The main office and the Caro, Pigeon, and Ubly branches also operate full-service automated teller machines (ATMs), while the Akron branch does not have an ATM. The branch structure remains unchanged since the previous CRA examination.

According to the Federal Deposit Insurance Corporation's (FDIC) Summary of Deposits Market Share Report dated June 30, 2024, Northstar Bank ranked second of nine financial institutions operating in Huron and Tuscola counties with 21.8 percent deposit market share. Northstar Bank was outranked in the area by Independent Bank, which had a 25.0 percent market share. When compared to other lenders in the area, Northstar Bank ranked 12th out of 144 HMDA-reporters with 31 HMDA-reportable originations in 2024. Top HMDA reporters in the market include Frankenmuth Credit Union with 191 originations and Rocket Mortgage, LLC with 130 originations in 2024. Northstar Bank is a prominent bank within the assessment area as a market leader based on deposit market share and HMDA-reportable lending.

Additional 2025 demographic information for the Michigan Non-MSA assessment area is provided in the following table.

2025 MI Non MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	4,157	18.3
Moderate	2	7.4	2,329	10.2	245	10.5	4,355	19.1
Middle	21	77.8	18,606	81.7	1,526	8.2	5,321	23.4
Upper	2	7.4	1,834	8.1	91	5.0	8,936	39.2
Unknown	2	7.4	0	0.0	0	0.0	0	0.0
Total AA	**27**	**100.0**	**22,769**	**100.0**	**1,862**	**8.2**	**22,769**	**100.0**

	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	4,598	3,055	10.4	66.4	855	18.6	688	15.0
Middle	37,905	23,591	80.3	62.2	5,051	13.3	9,263	24.4
Upper	3,251	2,738	9.3	84.2	337	10.4	176	5.4
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	**45,754**	**29,384**	**100.0**	**64.2**	**6,243**	**13.6**	**10,127**	**22.1**

	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	357	12.1	306	11.5	44	20.4	7	9.1
Middle	2,422	82.0	2,200	82.7	158	73.1	64	83.1
Upper	175	5.9	155	5.8	14	6.5	6	7.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	**2,954**	**100.0**	**2,661**	**100.0**	**216**	**100.0**	**77**	**100.0**
Percentage of Total Businesses:				**90.1**		**7.3**		**2.6**

	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	16	3.0	15	2.8	1	10.0	0	0.0
Middle	466	86.8	458	86.9	8	80.0	0	0.0
Upper	55	10.2	54	10.2	1	10.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	**537**	**100.0**	**527**	**100.0**	**10**	**100.0**	**0**	**0.0**
Percentage of Total Farms:				**98.1**		**1.9**		**0.0**

Source: *2025 FFIEC Census Data*
2025 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: *Percentages may not total 100.0 percent due to rounding.*

Population Characteristics

Population declines within the assessment area exceed declines generally across nonmetropolitan areas of the state of Michigan. The declines contrast with the modest growth across the state in its entirety. Huron County leads the decline with 2.7 percent population loss, which exceeds the 0.6 percent loss across combined areas of Non-MSA Michigan. Consultation with community representatives indicated that more recent population trends may be shifting from those displayed in the table below, with suggested increases occurring after 2020. Following the COVID-19 pandemic, the "thumb" area has experienced a resurgence of remote workers and seasonal residents who are not reflected in the 2015 to 2020 data, but who are demonstrating a positive impact on vacant retail properties in small town business corridors throughout this assessment area.

Population Change			
Area	**2015 Population**	**2020 Population**	**Percent Change (%)**
Assessment Area	86,710	84,730	-2.3
Huron County, MI	32,290	31,407	-2.7
Tuscola County, MI	54,420	53,323	-2.0
Non-MSA Michigan	1,669,627	1,659,797	-0.6
Michigan	9,900,571	10,077,331	1.8
Source: 2011-2015 U.S. Census Bureau American Community Survey *2020 U.S. Census Bureau Decennial Census*			

Income Characteristics

The median family income in the assessment area of $62,681 was consistent with that of Non-MSA Michigan in general, although it increased by a slightly lower percentage from 2015 to 2020. However, nonmetropolitan areas of the state fall below the 2020 median family income of the state of Michigan of $75,470, which also increased by a greater amount from 2015 to 2020 at 11.0 percent. In particular, Huron County shows a lower percentage of median family income growth, attributed by area representatives to its more agricultural composition and remote location as a final destination point at the "tip of the thumb," rather than having a more standard range of employment opportunities such as those available in Tuscola County.

Median Family Income Change			
Area	**2015 Median Family Income ($)**	**2020 Median Family Income ($)**	**Percent Change (%)**
Assessment Area	57,768	62,681	8.5
Huron County, MI	58,787	62,671	6.6
Tuscola County, MI	57,688	63,976	10.9

Non-MSA Michigan	57,546	63,042	9.6
Michigan	68,010	75,470	11.0
Source: 2011 - 2015 U.S. Census Bureau American Community Survey *2016 - 2020 U.S. Census Bureau American Community Survey* *Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*			

Housing Characteristics

As seen in the previously presented 2025 assessment area demographic table, there were almost 46,000 housing units across the two-county region, of which 64.2 percent were owner-occupied, 13.6 percent were rental units, and the remaining 22.1 percent were vacant. Although there were no low-income census tracts, the distribution of housing unit types across the two moderate-income census tracts in the assessment area were similar to the whole region, indicating some opportunity for home mortgage lending within those tracts for area financial institutions.

The following table displays housing cost burden data within the assessment area. A resident is considered housing cost burdened when they spend 30.0 percent or more of their income on housing costs. As evidenced in the table, low-income renters and owners were impacted by cost burden at a higher percentage than moderate-income residents. While there were no low-income census tracts in the assessment area, demographic data show that 18.3 percent of area families were low-income. Low-income renters in Tuscola County experienced a greater percentage of housing cost burden at 74.1 percent than those in Huron County at 68.0 percent. Similarly, 61.2 percent of Tuscola County low-income homeowners were cost burdened, compared to 57.2 percent in Huron County. Across renters of all income levels, a lower percentage in the assessment area were housing cost burdened at 34.1 percent, compared to the total Non-MSA Michigan percentage of 39.1 and renters across the state of Michigan at 42.9 percent. These percentages indicate that renting was more affordable within the assessment area than in other areas of the state. However, the percentage of all homeowners who were cost burdened was similar within the assessment area, the combined Non-MSA Michigan area, and the state.

Consistent with this data, community representatives indicated that despite the greater percentage of median family income increase relative to Huron County, Tuscola County has a greater portion of low-income residents, which would be reflected in the higher percentage of low-income renters and owners who experience housing cost burden.

Housing Cost Burden (%)						
	Cost Burden - Renters			Cost Burden - Owners		
Area	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	71.3	18.3	34.1	59.7	21.0	17.3
Huron County, MI	68.0	14.9	33.3	57.2	20.0	16.2
Tuscola County, MI	74.1	20.3	34.8	61.2	21.6	18.0
Non-MSA Michigan	66.8	30.6	39.1	59.4	24.6	17.2
Michigan	75.3	35.6	42.9	62.1	27.2	17.5
Cost Burden is housing cost that equals 30 percent or more of household income						
Source: U.S. Department of Housing and Urban Development (HUD), 2017-2021 Comprehensive Housing Affordability Strategy						

Employment and Industry Characteristics

According to the Bureau of Labor Statistics, unemployment rates within the assessment area from 2021 to 2025 remain consistent with Non-MSA Michigan, but higher than the state of Michigan. In addition, increases from the 2023 low across all compared areas have been greater in the assessment area as recently available data shows that rates have reached 7.3 percent from the low of 5.0 percent. Meanwhile, the Michigan 2023 low of 3.9 percent only increased to the most recent 5.5 percent.

Unemployment Rates (%)					
Area	2021	2022	2023	2024	2025*
Assessment Area	6.1	5.3	5.0	5.6	7.3
Huron County, MI	6.0	5.2	4.9	5.5	7.2
Tuscola County, MI	6.1	5.3	5.0	5.7	7.3
Non-MSA Michigan	5.8	5.1	5.0	5.6	7.2
Michigan	5.7	4.2	3.9	4.7	5.5
Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics *2025*: Annual average based on data from January to May 2025.*					

Major industries, as measured by number of workers, within the assessment area include health care and social assistance; manufacturing; and retail trade. Community representatives clarified that manufacturing in this assessment area is not as heavily concentrated in automobile manufacturing as it is nearer the city of Detroit. Instead, the area holds a foundry that manufactures steel for use in a number of other industries, as well as other non-automobile manufacturing.

Community Representatives

Discussions with community representatives indicate the assessment area is more rural and less diverse in residents, employers, and industries, when compared with the other assessment areas. Due to a limited number of hospitals and nearby access to health care, the region would benefit from support to increase access. In addition, the area lacks mission-based financial institutions that would be important in offering flexible lending practices to assist with economic development and housing initiatives. The area appears to be changing in the post-COVID-19 pandemic period as ex-manufacturing workers are adding entrepreneurial efforts to central business districts in small towns throughout the area. However, consistent with housing challenges across the state of Michigan, home building costs are high, and this area has less profitable building opportunities than more populous regions closer to the city of Detroit.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MICHIGAN NON-MSA

LENDING TEST

Geographic Distribution of Loans

Northstar Bank demonstrates reasonable geographic distribution of loans given the bank's assessment area.

An analysis of the dispersion of loans throughout the assessment area was conducted to identify any potential or conspicuous gaps in lending. The analysis of 2025 lending dispersion across the assessment area footprint shows the bank originated HMDA-reportable and small business loans in 74.1 percent of all census tracts. While the assessment area does not have any low-income census tracts, the bank did originate loans in one of the two moderate-income census tracts. As the assessment area with the bank’s main office, four branch offices, and significant deposit market share, this reach in lending is consistent with the bank’s presence in the region. Overall, there were no identified gaps in lending.

HMDA-Reportable Lending

An analysis of 2024 and 2025 HMDA-reportable loan distribution was conducted across all income levels. The analysis was focused on 2024 performance based on the available aggregate lender data from all other HMDA lenders in the same region. For total HMDA loans, the bank’s lending was significantly above aggregate lender performance, as well as the percentage of owner-occupied units in moderate-income census tracts. Again, there are no low-income census tracts in the assessment area to analyze. The bank originated 20.7 percent of total 2024 HMDA-reportable loans in the two moderate-income census tracts, compared to 10.3 percent of loans by aggregate lenders and 10.4 percent of owner-occupied housing in those census tracts. However, all of these loans are in only one of the two moderate-income census tracts, maintaining reasonable geographic

distribution performance. Bank performance in 2025 of total HMDA-reportable lending was similar to that of 2024.

Distribution of 2024 and 2025 Home Mortgage Lending By Income Level of Geography
Assessment Area: MI Non MSA

Geographic Income Level	Bank And Aggregate Loans By Year										Owner Occupied Units %
	2024						2025*				
	Bank		Agg	Bank		Agg	Bank				
	#	#%	#%	$(000)	$%	$%	#	#%	$(000)	$%	
Home Purchase Loans											
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Moderate	3	15.0	10.8	307	9.7	9.7	6	20.0	759	15.4	10.4
Middle	17	85.0	81.5	2,859	90.3	81.6	23	76.7	4,063	82.5	80.3
Upper	0	0.0	7.8	0	0.0	8.6	1	3.3	100	2.0	9.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	
Total	20	100.0	100.0	3,166	100.0	100.0	30	100.0	4,922	100.0	100.0
Refinance Loans											
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Moderate	1	14.3	9.6	180	24.5	10.5	2	40.0	56	9.6	10.4
Middle	5	71.4	82.0	438	59.7	82.4	3	60.0	529	90.4	80.3
Upper	1	14.3	8.4	116	15.8	7.1	0	0.0	0	0.0	9.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	
Total	7	100.0	100.0	734	100.0	100.0	5	100.0	585	100.0	100.0
Home Improvement Loans											
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Moderate	2	100.0	12.4	75	100.0	9.7	0	0.0	0	0.0	10.4
Middle	0	0.0	77.3	0	0.0	81.8	0	0.0	0	0.0	80.3
Upper	0	0.0	10.3	0	0.0	8.5	0	0.0	0	0.0	9.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	
Total	2	100.0	100.0	75	100.0	100.0	0	0.0	0	0.0	100.0
Multifamily Loans											Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	16.2
Middle	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	80.4
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	3.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	
Total	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	100.0
Total Home Mortgage Loans											Owner Occupied Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Moderate	6	20.7	10.3	562	14.1	9.6	8	22.9	815	14.8	10.4
Middle	22	75.9	81.1	3,297	82.9	82.1	26	74.3	4,592	83.4	80.3
Upper	1	3.4	8.5	116	2.9	8.3	1	2.9	100	1.8	9.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	
Total	29	100.0	100.0	3,975	100.0	100.0	35	100.0	5,507	100.0	100.0

Source: *2025 FFIEC Census Data*
2016-2020 U.S. Census Bureau: American Community Survey
Note: *Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.*

Small Business Lending

An analysis of the 2025 small business lending sample shows the bank originated 3.4 percent of all small business loans in the assessment area's moderate-income census tracts, which is lower than the percentage of businesses operating in those census tracts at 12.1 percent. However, Huron County had 11 census tracts designated by the FFIEC as "underserved" middle-income census tracts in 2025 due to their remote rural status; small business lending in these census tracts positively contributed to the bank's reasonable performance.

Distribution of 2025 Small Business Lending By Income Level of Geography
Assessment Area: MI Non MSA

Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	$(000)	$%	
Low	0	0.0	0	0.0	0.0
Moderate	1	3.4	154	5.6	12.1
Middle	28	96.6	2,589	94.4	82.0
Upper	0	0.0	0	0.0	5.9
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	29	100.0	2,744	100.0	100.0

Source: 2025 FFIEC Census Data
2025 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

Northstar Bank demonstrates a distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income individuals) and businesses of different sizes that is reasonable given the demographics of the bank's assessment area.

HMDA-Reportable Lending

The bank significantly exceeded aggregate lender performance of HMDA-reportable loans to low-income borrowers in 2024 with 20.7 percent of total HMDA loans compared to 10.6 percent by aggregate lenders. The bank's lending was also above the percentage of low-income families in the assessment area at 18.3 percent. Performance of lending to moderate-income borrowers was not as strong, with the percentage of HMDA-reportable loans to moderate-income borrowers of 17.2 percent falling below aggregate lenders at 24.5 percent and 19.1 percent of moderate-income families in the area. When comparing both years, HMDA loan distribution performance was weaker in 2025 for lending to low-income borrowers but exceeded performance from 2024 for

loans to moderate-income borrowers, which balanced the overall reasonable performance.

Distribution of 2024 and 2025 Home Mortgage Lending By Borrower Income Level
Assessment Area: MI Non MSA

Borrower Income Level	Bank And Aggregate Loans By Year										Families by Family Income %
	2024						2025*				
	Bank		Agg	Bank		Agg	Bank				
	#	#%	#%	$(000)	$%	$%	#	#%	$(000)	$%	
Home Purchase Loans											
Low	3	15.0	8.7	291	9.2	5.0	1	3.3	90	1.8	18.3
Moderate	3	15.0	23.9	285	9.0	17.8	12	40.0	1,419	28.8	19.1
Middle	6	30.0	22.7	874	27.6	21.7	2	6.7	301	6.1	23.4
Upper	8	40.0	27.9	1,716	54.2	38.5	11	36.7	2,423	49.2	39.2
Unknown	0	0.0	16.8	0	0.0	17.0	4	13.3	689	14.0	0.0
Total	20	100.0	100.0	3,166	100.0	100.0	30	100.0	4,922	100.0	100.0
Refinance Loans											
Low	2	28.6	14.0	95	12.9	7.9	0	0.0	0	0.0	18.3
Moderate	2	28.6	21.2	189	25.7	16.8	3	60.0	142	24.3	19.1
Middle	1	14.3	22.4	225	30.7	21.2	1	20.0	218	37.3	23.4
Upper	1	14.3	25.3	180	24.5	30.1	1	20.0	225	38.5	39.2
Unknown	1	14.3	17.2	45	6.1	24.0	0	0.0	0	0.0	0.0
Total	7	100.0	100.0	734	100.0	100.0	5	100.0	585	100.0	100.0
Home Improvement Loans											
Low	1	50.0	13.0	15	20.0	7.4	0	0.0	0	0.0	18.3
Moderate	0	0.0	34.6	0	0.0	28.0	0	0.0	0	0.0	19.1
Middle	0	0.0	22.2	0	0.0	22.2	0	0.0	0	0.0	23.4
Upper	0	0.0	28.1	0	0.0	39.4	0	0.0	0	0.0	39.2
Unknown	1	50.0	2.2	60	80.0	2.9	0	0.0	0	0.0	0.0
Total	2	100.0	100.0	75	100.0	100.0	0	0.0	0	0.0	100.0
Total Home Mortgage Loans											
Low	6	20.7	10.6	401	10.1	5.9	1	2.9	90	1.6	18.3
Moderate	5	17.2	24.5	474	11.9	18.2	15	42.9	1,561	28.3	19.1
Middle	7	24.1	23.6	1,099	27.6	22.1	3	8.6	519	9.4	23.4
Upper	9	31.0	27.2	1,896	47.7	36.8	12	34.3	2,648	48.1	39.2
Unknown	2	6.9	14.1	105	2.6	17.0	4	11.4	689	12.5	0.0
Total	29	100.0	100.0	3,975	100.0	100.0	35	100.0	5,507	100.0	100.0

Source: *2025 FFIEC Census Data*
2016-2020 U.S. Census Bureau: American Community Survey
Note: *Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.*
Multifamily loans are not included in the borrower distribution analysis.

Small Business Lending

An analysis of the sample of 2025 small business loans by revenue size demonstrates that 24 out of 29, or 82.8 percent of loans, were to businesses with revenues of $1 million or less, which is comparable to the 90.1 percent of businesses in the same revenue category that operate in the

assessment area. Twenty of the 24 loans to business with revenue of $1 Million or less, or 83.3 percent, were for amounts of $100,000 or less, which are considered most beneficial to small businesses. These smaller dollar loans are also notable when considering community representative's comments regarding entrepreneurial initiatives within local downtown areas in the region.

Distribution of 2025 Small Business Lending By Revenue Size of Businesses
Assessment Area: MI Non MSA

	Bank Loans				Total
	#	#%	$(000)	$%	Businesses
By Revenue					
$1 Million or Less	24	82.8	1,975	72.0	90.1
Over $1 Million	5	17.2	769	28.0	7.3
Revenue Unknown	0	0.0	0	0.0	2.6
Total	29	100.0	2,744	100.0	100.0
By Loan Size					
$100,000 or Less	22	75.9	894	32.6	
$100,001 - $250,000	4	13.8	699	25.5	
$250,001 - $1 Million	3	10.3	1,150	41.9	
Total	29	100.0	2,744	100.0	
By Loan Size and Revenues $1 Million or Less					
$100,000 or Less	20	83.3	771	39.0	
$100,001 - $250,000	2	8.3	354	17.9	
$250,001 - $1 Million	2	8.3	850	43.0	
Total	24	100.0	1,975	100.0	

Source: 2025 FFIEC Census Data
2025 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

COMMUNITY DEVELOPMENT TEST

Lending, Investment, and Services Activities

The bank demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. Although activities have significantly declined since the previous CRA examination, during which the bank originated over $4.4 million in community development loans, the evaluation period of the previous examination was during historically low lending rates, which encouraged high volumes of lending. In contrast, the evaluation period for this examination began with a significant spike in interest rates, stalling lending nationally. Community development service hours also decreased since the previous evaluation from 1,108 to 244. Consistent with previous evaluation, the bank had no community development investments in the

assessment area. However, community development donations increased from $30,360 to $39,063.

Supporting the adequate level of activity are the quality of donations and services focused on Huron County, which is comprised of 11 out of 13 census tracts that were designated as "underserved" by the FFIEC during this evaluation period. These activities are responsive to the area as it maintains the designation due to its small population that is distant from a major population center, making it likely to have difficulty financing the fixed costs of meeting essential community needs.

In addition to the community development activities displayed in the following table, the bank operates its main office location in a moderate-income census tract and the Pigeon and Ubly branch offices are located in two of the "underserved" middle-income census tracts in Huron County. These retail banking services are considered within the Community Development Test for intermediate small institutions.

Community Development Activity
Michigan Non-MSA
February 7, 2023, to May 18, 2026

Community Development Purpose	Community Development Loans		Qualified Investments				Community Development Services
			Investments		Donations		
	#	$	#	$	#	$	Hours
Affordable Housing	0	0	0	0	0	0	74
Community Services	1	608,000	0	0	10	38,813	78
Economic Development	0	0	0	0	1	250	92
Revitalization and Stabilization	0	0	0	0	0	0	0
AA Totals	1	608,000	0	0	11	39,063	244

Note: Dollar amounts may not total due to rounding.
Activities included in this table have a purpose, mandate, or function, or are to an organization with a purpose, mandate, or function of serving the bank's assessment area. [This includes activities or organizations with a broader statewide or regional or nationwide reach that have a purpose, mandate, or function of serving the bank's assessment area.]

WARREN-TROY-FARMINGTON HILLS, MI MD #47664 – FULL REVIEW

SCOPE OF EXAMINATION

The scope for this assessment area is consistent with the scope presented in the overall section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WARREN-TROY-FARMINGTON HILLS, MI MD #47664

Northstar Bank's assessment area in the Warren, MI MD consists of the entirety of Macomb County and St. Clair County, which are two of the five total counties within the whole MD, and part of the larger Detroit-Warren-Dearborn, MI MSA #19820. While the defined border of the assessment area is unchanged since the previous CRA examination, due to updates from the 2020 Decennial Census and the 2016-2020 American Community Survey (ACS), the census tracts comprising the assessment area changed in number and income designation. In particular, total census tracts increased from 267 to 295. In addition, the number of low-income census tracts decreased from 25 to 18, while moderate-income census tracts increased from 89 to 110. The following table compares the changes between 2021 and 2022 within the Warren, MI MD.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	**2021 Designations (#)**	**2022 Designations (#)**	**Net Change (#)**
Low	25	18	-7
Moderate	89	110	+21
Middle	130	122	-8
Upper	17	33	+16
Unknown	6	12	+6
Total	267	295	+28
Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 *U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020*			

The assessment area contains three branch offices with full-service ATMs in St. Clair County and one branch office with a full-service ATM in the northeast portion of Macomb County. Operational changes include the closure of one branch and ATM in a moderate-income census tract in St. Clair County, with a corresponding opening of a new branch and full-service ATM in a moderate-income census tract, approximately four miles away from the original.

The FDIC Summary of Deposits Market Share Report from June 30, 2024, indicates Northstar Bank was the 10th ranked financial institution out of 15 for deposit market share with 1.6 percent of deposits across both counties. Market leaders for deposits included The Huntington National Bank with 20.4 percent of deposits and JPMorgan Chase Bank, National Association at 18.9 percent. Among 397 HMDA reporters within the two counties, Northstar Bank was ranked 73rd in 2024 (most recent available) with 39 originated HMDA loans. This compares to top lenders, United Shore Financial Service and Rocket Mortgage, LLC who reported 3,399 and 2,562 HMDA originations and purchases, respectively, in 2024. The data indicates a strong, competitive market for the bank, which includes large national lenders.

Additional 2025 demographic information for the Warren, MI MD assessment area is provided in the following table.

2025 Warren-Troy-Farmington Hills, MI MD 47664 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	18	6.1	13,241	4.9	3,301	24.9	69,152	25.6
Moderate	110	37.3	95,756	35.4	10,411	10.9	55,931	20.7
Middle	122	41.4	121,153	44.8	5,958	4.9	59,647	22.0
Upper	33	11.2	40,268	14.9	1,169	2.9	85,894	31.7
Unknown	12	4.1	206	0.1	105	51.0	0	0.0
Total AA	**295**	**100.0**	**270,624**	**100.0**	**20,944**	**7.7**	**270,624**	**100.0**

	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	24,291	11,243	3.6	46.3	10,834	44.6	2,214	9.1
Moderate	170,081	102,399	32.9	60.2	56,681	33.3	11,001	6.5
Middle	191,402	148,433	47.8	77.6	32,494	17.0	10,475	5.5
Upper	53,774	48,451	15.6	90.1	3,989	7.4	1,334	2.5
Unknown	531	292	0.1	55.0	192	36.2	47	8.9
Total AA	**440,079**	**310,818**	**100.0**	**70.6**	**104,190**	**23.7**	**25,071**	**5.7**

	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	2,759	6.8	2,354	6.3	382	12.0	23	7.6
Moderate	15,168	37.1	13,861	37.1	1,201	37.8	106	35.2
Middle	17,259	42.3	16,039	42.9	1,099	34.6	121	40.2
Upper	4,967	12.2	4,610	12.3	315	9.9	42	14.0
Unknown	692	1.7	502	1.3	181	5.7	9	3.0
Total AA	**40,845**	**100.0**	**37,366**	**100.0**	**3,178**	**100.0**	**301**	**100.0**
Percentage of Total Businesses:				**91.5**		**7.8**		**0.7**

	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	8	2.1	8	2.1	0	0.0	0	0.0
Moderate	78	20.2	77	20.6	1	7.7	0	0.0
Middle	246	63.7	239	64.1	7	53.8	0	0.0
Upper	52	13.5	47	12.6	5	38.5	0	0.0
Unknown	2	0.5	2	0.5	0	0.0	0	0.0
Total AA	**386**	**100.0**	**373**	**100.0**	**13**	**100.0**	**0**	**0.0**
Percentage of Total Farms:				**96.6**		**3.4**		**0.0**

Source: *2025 FFIEC Census Data*
2025 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: *Percentages may not total 100.0 percent due to rounding.*

Population Characteristics

Population growth within the assessment area lags slightly behind growth across the entire metropolitan division (MD), in part due to the absence of growth in St. Clair County. St. Clair County is a less populated portion of the MD and is more distant than Macomb County from the core population of the MD near the city of Detroit. However, the MD has shown greater growth at 3.2 percent compared to population growth across the entire state from 2015 to 2020, which was 1.8 percent. Consistent with community representative's comments about the two counties and supported by population counts of just over 160,000 people, St. Clair County is much more rural with less of an industrial base to support a growing population. According to the representative, the variety of industry and employment options in Macomb County makes it more attractive to new residents compared to St. Clair County.

Population Change			
Area	**2015 Population**	**2020 Population**	**Percent Change (%)**
Assessment Area	1,015,118	1,041,600	2.6
Macomb County, MI	854,689	881,217	3.1
St. Clair County, MI	160,429	160,383	0.0
Warren-Troy-Farmington Hills, MI MD	2,517,447	2,598,480	3.2
Michigan	9,900,571	10,077,331	1.8
Source: 2011-2015 U.S. Census Bureau American Community Survey *2020 U.S. Census Bureau Decennial Census*			

Income Characteristics

The assessment area median family income growth from 2015 to 2020 of 8.9 percent was consistent with the growth in each county of the assessment area. However, median family income growth in the assessment area is less than growth across the MD, as well as the state of Michigan. One driver of median family income growth in the MD is the inclusion of Oakland County, a more affluent county according to area representatives. Oakland County was noted as having one of the highest incomes in the state of Michigan, therefore impacting the overall MD median income. While Macomb County has more automotive suppliers and St. Clair County is more rural in comparison to other counties in the MD, Oakland County has headquarters and corporate offices for large corporations, financial institutions, and real estate companies, which would employ executives with higher pay.

Median Family Income Change			
Area	2015 Median Family Income ($)	2020 Median Family Income ($)	Percent Change (%)
Assessment Area	72,221	78,619	8.9
Macomb County, MI	74,060	80,371	8.5
St. Clair County, MI	67,574	73,484	8.7
Warren-Troy-Farmington Hills, MI MD	83,843	92,419	10.2
Michigan	68,010	75,470	11.0
Source: 2011 - 2015 U.S. Census Bureau American Community Survey *2016 - 2020 U.S. Census Bureau American Community Survey* *Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*			

Housing Characteristics

According to the 2025 demographic data table, over 440,000 total housing units reside within the two-county assessment area. The majority of these housing units were owner-occupied at 70.6 percent, with 23.7 percent being rental units and 5.7 percent vacant. Housing type distribution differs in the 18 low-income census tracts in the area, which are 46.3 percent owner-occupied and 44.6 percent rental. Further, as a percentage of all owner-occupied units in the assessment area, only 3.6 percent are in low-income census tracts, indicating less lending opportunity for home mortgages in low-income census tracts. Over one-third of all census tracts were moderate-income, totaling 110 census tracts. Within these tracts, 60.2 percent of housing units were owner-occupied, and 33.3 percent were rental units, resulting in greater home mortgage lending opportunities within this income level.

The following table presents housing cost burden data within the assessment area, the counties that comprise the assessment area, the Warren-Troy-Farmington Hills, MI MD, and the state of Michigan. The table shows low-income renters and owners in Macomb County experienced greater percentages of housing cost burden across the assessment area compared to all other areas. A higher percentage of all renters (across all income levels) and all owners experience housing cost burden in the assessment area, than generally across the state of Michigan, indicating housing is less affordable in the assessment area than in other areas of the state. Information referenced by community representatives shows Macomb County in a region with the highest development per-unit expense in the state, which impacts affordability as housing costs increase proportionally with increased development costs.

Housing Cost Burden (%)						
	Cost Burden - Renters			Cost Burden - Owners		
Area	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	80.1	37.8	43.7	65.3	30.7	19.2
Macomb County, MI	81.0	39.5	43.4	66.7	32.7	19.5
St. Clair County, MI	75.3	26.6	45.6	58.9	21.9	17.4
Warren-Troy-Farmington Hills, MI MD	79.1	42.5	40.7	66.3	31.8	18.0
Michigan	75.3	35.6	42.9	62.1	27.2	17.5
Cost Burden is housing cost that equals 30 percent or more of household income						
Source: U.S. Department of Housing and Urban Development (HUD), 2017-2021 Comprehensive Housing Affordability Strategy						

Industry Characteristics and Unemployment

The assessment area's largest industries by employee count include manufacturing; health care and social assistance; and retail trade. Manufacturing is primarily focused on automobiles, consistent with the history of the area in and around the city of Detroit, Michigan.

Following a decreasing trend in unemployment rates during the post-COVID-19 pandemic period of 2022 and 2023, unemployment in the assessment area has increased from 2024 to 2025 based on the most recently available data. Unemployment in the assessment area of 5.0 percent in 2025 outpaces unemployment rates generally in the MD of 4.3 percent but remains lower than 2025 unemployment across the state of Michigan.

Unemployment Rates (%)					
Area	2021	2022	2023	2024	2025
Assessment Area	5.8	3.8	3.5	4.5	5.0
Macomb County, MI	5.8	3.8	3.5	4.5	4.9
St. Clair County, MI	5.7	3.9	3.7	4.5	5.1
Warren-Troy-Farmington Hills, MI MD	5.1	3.4	3.2	3.9	4.3
Michigan	5.7	4.2	3.9	4.7	5.5
Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics					

Community Representatives

A community representative from this area noted differences between the two counties based on the more rural nature of St. Clair County compared to Macomb County's closer proximity to the city of Detroit. Although Macomb County has more variety of industry and a larger population

than St. Clair County, neither county has the robust economy of nearby Oakland County in the same metropolitan division. Housing stock is very limited in the area, resulting in ownership and affordability concerns. Combined with high development costs, the area is experiencing significant housing affordability challenges.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WARREN-TROY-FARMINGTON HILLS, MI MD #47664

LENDING TEST

Geographic Distribution of Loans

Northstar Bank demonstrates reasonable geographic distribution of loans given the bank's assessment area.

An analysis of the dispersion of loans throughout the assessment area was conducted to identify any potential or conspicuous gaps in lending. The analysis of 2025 lending dispersion across the assessment area footprint shows the bank originated HMDA-reportable and small business loans in 11.9 percent of the 295 total census tracts. Additionally, loan originations are concentrated around the bank's four branch offices in the assessment area. Operations include three branch offices in St. Clair County, which has 51 total census tracts, while one branch office in the northeast portion of Macomb County serves Macomb County's 244 census tracts. Macomb County's census tracts increase significantly in number and density as the geography nears the city of Detroit and becomes more distant from the sole branch office in the county. As such, the bank's lending dispersion is reasonably explained by performance context.

HMDA-Reportable Lending

An analysis of the bank's HMDA-reportable lending in 2024 and 2025 focuses on 2024 lending due to the availability of aggregate lender data as a comparison. As a percentage of total HMDA loans, the bank exceeded aggregate lenders and the demographic comparator of owner-occupied units in low-income census tracts. The bank originated 5.3 percent of 2024 HMDA-reportable loans in low-income census tracts, compared to aggregate lenders who lent 4.9 percent of loans in those tracts and 3.6 percent of owner-occupied housing units in those tracts. However, the bank's lending in moderate-income census tracts at 26.3 percent, is below both the 33.3 percent of aggregate lenders who originated loans in those census tracts and the 32.9 percent of owner-occupied units in those tracts. Combined performance across income levels supports the conclusions for overall reasonable geographic distribution. Bank performance in 2025 of total HMDA-reportable lending was similar to that of 2024 with the exception of its performance in low-income census tracts, which exceeded its 2024 performance.

Distribution of 2024 and 2025 Home Mortgage Lending By Income Level of Geography
Assessment Area: Warren-Troy-Farmington Hills, MI MD 47664

Geographic Income Level	Bank And Aggregate Loans By Year										Owner Occupied Units %
	2024						2025*				
	Bank		Agg	Bank		Agg	Bank				
	#	#%	#%	$(000)	$%	$%	#	#%	$(000)	$%	
Home Purchase Loans											
Low	1	3.1	6.2	119	1.4	3.2	3	13.6	288	4.8	3.6
Moderate	8	25.0	35.3	1,621	18.8	27.5	5	22.7	1,242	20.5	32.9
Middle	20	62.5	45.3	5,545	64.4	48.5	13	59.1	4,225	69.7	47.8
Upper	3	9.4	13.1	1,329	15.4	20.8	1	4.5	304	5.0	15.6
Unknown	0	0.0	0.1	0	0.0	0.0	0	0.0	0	0.0	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	
Total	32	100.0	100.0	8,614	100.0	100.0	22	100.0	6,059	100.0	100.0
Refinance Loans											
Low	0	0.0	3.6	0	0.0	2.1	1	25.0	105	8.1	3.6
Moderate	1	33.3	31.9	55	22.2	26.1	1	25.0	420	32.2	32.9
Middle	2	66.7	46.2	193	77.8	47.6	1	25.0	215	16.5	47.8
Upper	0	0.0	18.3	0	0.0	24.2	1	25.0	563	43.2	15.6
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	
Total	3	100.0	100.0	248	100.0	100.0	4	100.0	1,303	100.0	100.0
Home Improvement Loans											
Low	0	0.0	3.2	0	0.0	2.2	0	0.0	0	0.0	3.6
Moderate	0	0.0	28.4	0	0.0	23.0	0	0.0	0	0.0	32.9
Middle	0	0.0	49.7	0	0.0	50.0	0	0.0	0	0.0	47.8
Upper	0	0.0	18.7	0	0.0	24.8	0	0.0	0	0.0	15.6
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	0	0.0	100.0
Multifamily Loans											Multi-family Units %
Low	1	33.3	9.4	3,700	69.1	1.7	0	0.0	0	0.0	5.5
Moderate	1	33.3	50.0	700	13.1	35.2	1	100.0	1,000	100.0	55.3
Middle	1	33.3	40.6	952	17.8	63.1	0	0.0	0	0.0	34.4
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	4.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	
Total	3	100.0	100.0	5,352	100.0	100.0	1	100.0	1,000	100.0	100.0
Total Home Mortgage Loans											Owner Occupied Units %
Low	2	5.3	4.9	3,819	26.9	2.8	4	14.8	393	4.7	3.6
Moderate	10	26.3	33.3	2,376	16.7	27.4	7	25.9	2,662	31.8	32.9
Middle	23	60.5	46.3	6,690	47.1	49.1	14	51.9	4,440	53.1	47.8
Upper	3	7.9	15.4	1,329	9.3	20.7	2	7.4	867	10.4	15.6
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	
Total	38	100.0	100.0	14,214	100.0	100.0	27	100.0	8,362	100.0	100.0

Source: *2025 FFIEC Census Data*
2016-2020 U.S. Census Bureau: American Community Survey
Note: *Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.*

Small Business Lending

The 2025 small business lending sample was compared to the total percentage of businesses in each geographic income level. The bank originated 21.4 percent of small business loans in low-income census tracts compared to only 6.8 percent of businesses which operate in those tracts. Lending in moderate-income census tracts shows 28.6 percent of all small business loans compared to 37.1 percent of businesses in those census tracts. The outperformance of lending in low-income areas when compared to demographic data is the basis for the reasonable performance conclusion, when balanced by performance in moderate-income census tracts.

Distribution of 2025 Small Business Lending By Income Level of Geography
Assessment Area: Warren-Troy-Farmington Hills, MI MD 47664

Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	$(000)	$%	
Low	6	21.4	960	17.4	6.8
Moderate	8	28.6	1,788	32.3	37.1
Middle	13	46.4	2,559	46.2	42.3
Upper	1	3.6	225	4.1	12.2
Unknown	0	0.0	0	0.0	1.7
Tract-Unk	0	0.0	0	0.0	
Total	28	100.0	5,533	100.0	100.0

Source: 2025 FFIEC Census Data
2025 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

Northstar Bank demonstrates a distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income individuals) and businesses of different sizes that is reasonable given the demographics of the bank's assessment area.

HMDA-Reportable Lending

The bank originated 22.9 percent of total HMDA loans in 2024 to low-income borrowers, exceeding aggregate lenders' percentage of 16.5 percent and demonstrating an element of performance strength for the bank. Although the bank fell slightly below the percentage of low-income families in the assessment area at 25.6 percent, this segment of families may also experience other challenges toward homeownership and therefore may not be fully representative of loan demand. While the bank did not exceed the aggregate lender percentage of loans to moderate-income borrowers, at 25.7 percent and 28.3 percent, respectively, the bank exceeded the comparator of 20.7

percent of moderate-income families living in the assessment area, supporting the reasonable borrower distribution performance. Performance for 2025 lending is similar to 2024 performance.

Distribution of 2024 and 2025 Home Mortgage Lending By Borrower Income Level
Assessment Area: Warren-Troy-Farmington Hills, MI MD 47664

Borrower Income Level	Bank And Aggregate Loans By Year										Families by Family Income %
	2024						2025*				
	Bank		Agg	Bank		Agg	Bank				
	#	#%	#%	$(000)	$%	$%	#	#%	$(000)	$%	
Home Purchase Loans											
Low	7	21.9	17.0	1,307	15.2	9.6	4	18.2	410	6.8	25.6
Moderate	8	25.0	29.9	1,620	18.8	24.4	5	22.7	1,147	18.9	20.7
Middle	6	18.8	20.8	1,549	18.0	22.8	4	18.2	1,121	18.5	22.0
Upper	8	25.0	18.4	3,573	41.5	28.4	7	31.8	3,243	53.5	31.7
Unknown	3	9.4	14.0	565	6.6	14.8	2	9.1	138	2.3	0.0
Total	32	100.0	100.0	8,614	100.0	100.0	22	100.0	6,059	100.0	100.0
Refinance Loans											
Low	1	33.3	16.3	58	23.4	9.6	0	0.0	0	0.0	25.6
Moderate	1	33.3	25.9	55	22.2	20.5	1	25.0	215	16.5	20.7
Middle	0	0.0	22.4	0	0.0	22.6	1	25.0	420	32.2	22.0
Upper	0	0.0	19.9	0	0.0	26.4	1	25.0	563	43.2	31.7
Unknown	1	33.3	15.5	135	54.4	20.9	1	25.0	105	8.1	0.0
Total	3	100.0	100.0	248	100.0	100.0	4	100.0	1,303	100.0	100.0
Home Improvement Loans											
Low	0	0.0	15.9	0	0.0	10.8	0	0.0	0	0.0	25.6
Moderate	0	0.0	25.8	0	0.0	20.0	0	0.0	0	0.0	20.7
Middle	0	0.0	28.2	0	0.0	26.9	0	0.0	0	0.0	22.0
Upper	0	0.0	27.9	0	0.0	39.7	0	0.0	0	0.0	31.7
Unknown	0	0.0	2.3	0	0.0	2.6	0	0.0	0	0.0	0.0
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	0	0.0	100.0
Total Home Mortgage Loans											
Low	8	22.9	16.5	1,365	15.4	9.7	4	15.4	410	5.6	25.6
Moderate	9	25.7	28.3	1,675	18.9	23.2	6	23.1	1,362	18.5	20.7
Middle	6	17.1	22.5	1,549	17.5	23.0	5	19.2	1,541	20.9	22.0
Upper	8	22.9	20.4	3,573	40.3	28.7	8	30.8	3,806	51.7	31.7
Unknown	4	11.4	12.3	700	7.9	15.4	3	11.5	243	3.3	0.0
Total	35	100.0	100.0	8,862	100.0	100.0	26	100.0	7,362	100.0	100.0

Source: *2025 FFIEC Census Data*
2016-2020 U.S. Census Bureau: American Community Survey
Note: *Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.*
Multifamily loans are not included in the borrower distribution analysis.

Small Business Lending

An analysis of the small business lending sample shows the bank originated 28 total small business loans in 2025, of which 18, or 64.3 percent, were to businesses with revenue of $1 million or less, which fell below the available percentage of businesses in the area of the same revenue size at 91.5 percent. Analysis of loan size to small businesses shows that of the 18 loans, 44.4 percent were loan sizes of $100,000 or less.. In general, these lending patterns exemplify reasonable performance within the assessment area.

Distribution of 2025 Small Business Lending By Revenue Size of Businesses
Assessment Area: Warren-Troy-Farmington Hills, MI MD 47664

	Bank Loans				Total Businesses
	#	#%	$(000)	$%	
By Revenue					
$1 Million or Less	18	64.3	3,999	72.3	91.5
Over $1 Million	10	35.7	1,533	27.7	7.8
Revenue Unknown	0	0.0	0	0.0	0.7
Total	28	100.0	5,533	100.0	100.0
By Loan Size					
$100,000 or Less	14	50.0	769	13.9	
$100,001 - $250,000	7	25.0	1,290	23.3	
$250,001 - $1 Million	7	25.0	3,474	62.8	
Total	28	100.0	5,533	100.0	
By Loan Size and Revenues $1 Million or Less					
$100,000 or Less	8	44.4	465	11.6	
$100,001 - $250,000	6	33.3	1,074	26.9	
$250,001 - $1 Million	4	22.2	2,460	61.5	
Total	18	100.0	3,999	100.0	

Source: 2025 FFIEC Census Data
2025 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

COMMUNITY DEVELOPMENT TEST

Lending, Investment, and Services Activities

The bank demonstrates adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services. This assessment area holds over 82.0 percent of total assessment area low- and moderate-income census tracts across the bank's footprint, indicating need for this significant portion of the bank's activities. Community development loans declined from the previous evaluation's lending total of almost $35 million; however, that total included Paycheck Protection Program loans only available during the COVID-19 pandemic government relief efforts. In contrast, qualified investments increased from approximately $1.3 million during the previous evaluation to the current $3.0 million. However, community development donations decreased from $52,950 to $41,900. Community development services increased from 737 hours to the current 769 hours.

Community development loans primarily support affordable housing and economic development projects in the area, with qualified investments also supporting affordable housing, which is characterized as reaching crisis levels by community representatives. The affordable housing activities supported by the bank are responsive to these needs.

In addition to the majority of the bank's overall community development activities included in the following table, the bank also operates two branch office locations in moderate-income census tracts within this assessment area, which are taken into consideration for intermediate small institutions within this test.

Community Development Activities
Warren-Troy-Farmington Hills, MI MD
February 7, 2023, to May 18, 2026

Community Development Purpose	Community Development Loans		Qualified Investments				Community Development Services
			Investments		Donations		
	#	$	#	$	#	$	Hours
Affordable Housing	8	7,320,005	2	3,000,000	5	16,000	54
Community Services	1	831,313	0	0	13	25,150	479
Economic Development	5	4,870,675	0	0	0	0	236
Revitalization and Stabilization	0	0	0	0	2	750	0
AA Totals	14	13,021,993	2	3,000,000	20	41,900	769

Note: Dollar amounts may not total due to rounding.
Activities included in this table have a purpose, mandate, or function, or are to an organization with a purpose, mandate, or function of serving the bank's assessment area. [This includes activities or organizations with a broader statewide or regional or nationwide reach that have a purpose, mandate, or function of serving the bank's assessment area.]

ANN ARBOR, MICHIGAN MSA #11460– LIMITED REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ANN ARBOR, MI MSA #11460[2]

Northstar Bank's Ann Arbor, Michigan MSA #11460 (Ann Arbor, MI MSA) is a one-county MSA comprised of Washtenaw County. This delineation is unchanged since the previous CRA examination; however, due to updates from the 2020 Decennial Census and the 2016-2020 American Community Survey (ACS), the census tracts comprising the assessment changed in number and income designations. Total census tracts in the assessment area increased by seven, from 100 in 2021 to 107 in 2022. Low-income and moderate-income census tracts decreased by three, from 16 to 13 each. In addition, middle-income census tracts increased to 40, and upper-income census tracts increased to 30. The following table compares the changes between 2021 and 2022 within the Ann Arbor, MI MSA.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	**2021 Designations (#)**	**2022 Designations (#)**	**Net Change (#)**
Low	16	13	-3
Moderate	16	13	-3
Middle	37	40	+3
Upper	25	30	+5
Unknown	6	11	+5
Total	100	107	+7
Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 *U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020*			

[2] *Census tract designations are based on American Community Survey income data. For years 2022 and after, the designations are based on 2016-2020 ACS data. For years 2021 and before, the designations are based on 2011-2015 ACS data. For examinations that include performance before and after 2022, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.*

The assessment area contains one branch with an ATM, which is in a new location in a middle-income census tract. The previous branch location in a moderate-income census tract was closed in July 2024.

Based on the June 30, 2024, FDIC Summary of Deposits Market Share Report, Northstar Bank ranked 14th out of 17 financial institutions operating within the MSA. Northstar Bank held 1.2 percent of the market share based on one branch office located in the area. Top-ranked JPMorgan Chase Bank, NA, held 20.1 percent market share with nine branch locations.

When compared to other HMDA-reporting institutions that lend within the MSA, Northstar Bank ranked 49th out of 320 reporters with 20 originations in 2024. First and second ranked lenders include Rocket Mortgage, LLC with 502 originations and purchases and United Shore Financial Service with 381 originations and purchases. The following table includes additional 2025 assessment area demographic information for the Ann Arbor, MI MSA.

2025 Ann Arbor, MI MSA 11460 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	13	12.1	6,681	8.2	1,746	26.1	16,915	20.8
Moderate	13	12.1	8,250	10.1	1,081	13.1	14,355	17.7
Middle	40	37.4	35,113	43.2	1,354	3.9	17,415	21.4
Upper	30	28.0	30,648	37.7	772	2.5	32,607	40.1
Unknown	11	10.3	600	0.7	169	28.2	0	0.0
Total AA	**107**	**100.0**	**81,292**	**100.0**	**5,122**	**6.3**	**81,292**	**100.0**
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	18,022	4,152	4.7	23.0	12,606	69.9	1,264	7.0
Moderate	18,144	7,606	8.6	41.9	9,361	51.6	1,177	6.5
Middle	61,211	41,259	46.9	67.4	16,959	27.7	2,993	4.9
Upper	47,883	34,598	39.3	72.3	10,746	22.4	2,539	5.3
Unknown	6,493	323	0.4	5.0	5,430	83.6	740	11.4
Total AA	**151,753**	**87,938**	**100.0**	**57.9**	**55,102**	**36.3**	**8,713**	**5.7**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1,243	7.5	1,136	7.5	99	7.6	8	5.7
Moderate	1,491	9.0	1,417	9.4	68	5.3	6	4.3
Middle	6,857	41.5	6,242	41.4	540	41.7	75	53.6
Upper	6,387	38.7	5,803	38.5	535	41.3	49	35.0
Unknown	545	3.3	490	3.2	53	4.1	2	1.4
Total AA	**16,523**	**100.0**	**15,088**	**100.0**	**1,295**	**100.0**	**140**	**100.0**
Percentage of Total Businesses:				**91.3**		**7.8**		**0.8**
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	6	1.8	6	1.8	0	0.0	0	0.0
Moderate	9	2.6	9	2.7	0	0.0	0	0.0
Middle	220	64.5	217	64.4	3	100.0	0	0.0
Upper	106	31.1	105	31.2	0	0.0	1	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	**341**	**100.0**	**337**	**100.0**	**3**	**100.0**	**1**	**100.0**
Percentage of Total Farms:				**98.8**		**0.9**		**0.3**

Source: 2025 FFIEC Census Data
2025 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS ANN ARBOR, MI MSA #11460

Assessment Area	Lending Test	Community Development Test
Ann Arbor, MI MSA	Below	Consistent

The institution's lending performance in the area is below the institution's overall lending performance; however, it does not change the rating for the institution. In addition, the institution's community development performance in the area is consistent with the institution's community development performance overall.

Distribution of 2024 and 2025 Home Mortgage Lending By Income Level of Geography
Assessment Area: Ann Arbor, MI MSA 11460

Geographic Income Level	Bank And Aggregate Loans By Year										Owner Occupied Units %
	2024						2025*				
	Bank		Agg	Bank		Agg	Bank				
	#	#%	#%	$(000)	$%	$%	#	#%	$(000)	$%	
Low	1	5.0	6.2	468	3.5	3.2	0	0.0	0	0.0	4.7
Moderate	0	0.0	9.4	0	0.0	20.9	0	0.0	0	0.0	8.6
Middle	1	5.0	48.4	320	2.4	34.3	2	12.5	8,565	39.0	46.9
Upper	1	5.0	34.8	560	4.2	38.4	2	12.5	2,491	11.4	39.3
Unknown	17	85.0	1.2	12,026	89.9	3.2	12	75.0	10,881	49.6	0.4
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	
Total	20	100.0	100.0	13,374	100.0	100.0	16	100.0	21,937	100.0	100.0

Source: 2025 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
*Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.*

Distribution of 2025 Small Business Lending By Income Level of Geography
Assessment Area: Ann Arbor, MI MSA 11460

Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	$(000)	$%	
Low	0	0.0	0	0.0	7.5
Moderate	0	0.0	0	0.0	9.0
Middle	3	33.3	1,290	44.0	41.5
Upper	6	66.7	1,641	56.0	38.7
Unknown	0	0.0	0	0.0	3.3
Tract-Unk	0	0.0	0	0.0	
Total	9	100.0	2,931	100.0	100.0

Source: 2025 FFIEC Census Data
2025 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2024 and 2025 Home Mortgage Lending By Borrower Income Level
Assessment Area: Ann Arbor, MI MSA 11460

Borrower Income Level	Bank And Aggregate Loans By Year										Families by Family Income %
	2024						2025*				
	Bank		Agg	Bank		Agg	Bank				
	#	#%	#%	$(000)	$%	$%	#	#%	$(000)	$%	
Low	0	0.0	8.4	0	0.0	3.5	0	0.0	0	0.0	20.8
Moderate	0	0.0	18.8	0	0.0	11.4	0	0.0	0	0.0	17.7
Middle	0	0.0	21.1	0	0.0	17.4	0	0.0	0	0.0	21.4
Upper	0	0.0	39.3	0	0.0	52.1	0	0.0	0	0.0	40.1
Unknown	7	100.0	12.4	3,259	100.0	15.6	8	100.0	5,581	100.0	0.0
Total	7	100.0	100.0	3,259	100.0	100.0	8	100.0	5,581	100.0	100.0

Source: 2025 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
*Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.*
Multifamily loans are not included in the borrower distribution analysis.

Distribution of 2025 Small Business Lending By Revenue Size of Businesses
Assessment Area: Ann Arbor, MI MSA 11460

	Bank Loans				Total Businesses
	#	#%	$(000)	$%	
By Revenue					
$1 Million or Less	5	55.6	1,066	36.4	91.3
Over $1 Million	3	33.3	1,564	53.4	7.8
Revenue Unknown	1	11.1	300	10.2	0.8
Total	9	100.0	2,931	100.0	100.0
By Loan Size					
$100,000 or Less	2	22.2	129	4.4	
$100,001 - $250,000	3	33.3	732	25.0	
$250,001 - $1 Million	4	44.4	2,069	70.6	
Total	9	100.0	2,931	100.0	
By Loan Size and Revenues $1 Million or Less					
$100,000 or Less	2	40.0	129	12.1	
$100,001 - $250,000	2	40.0	482	45.2	
$250,001 - $1 Million	1	20.0	455	42.7	
Total	5	100.0	1,066	100.0	

Source: 2025 FFIEC Census Data
2025 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Community Development Activities Ann Arbor, MI MSA February 7, 2023, to May 18, 2026							
Community Development Purpose	**Community Development Loans**		**Qualified Investments**				**Community Development Services**
			Investments		**Donations**		
	#	**$**	#	**$**	#	**$**	**Hours**
Affordable Housing	0	0	0	0	4	20,000	0
Community Services	3	2,788,000	0	0	14	20,825	241
Economic Development	0	0	0	0	0	0	0
Revitalization and Stabilization	0	0	0	0	0	0	0
AA Totals	3	2,788,000	0	0	18	40,825	241

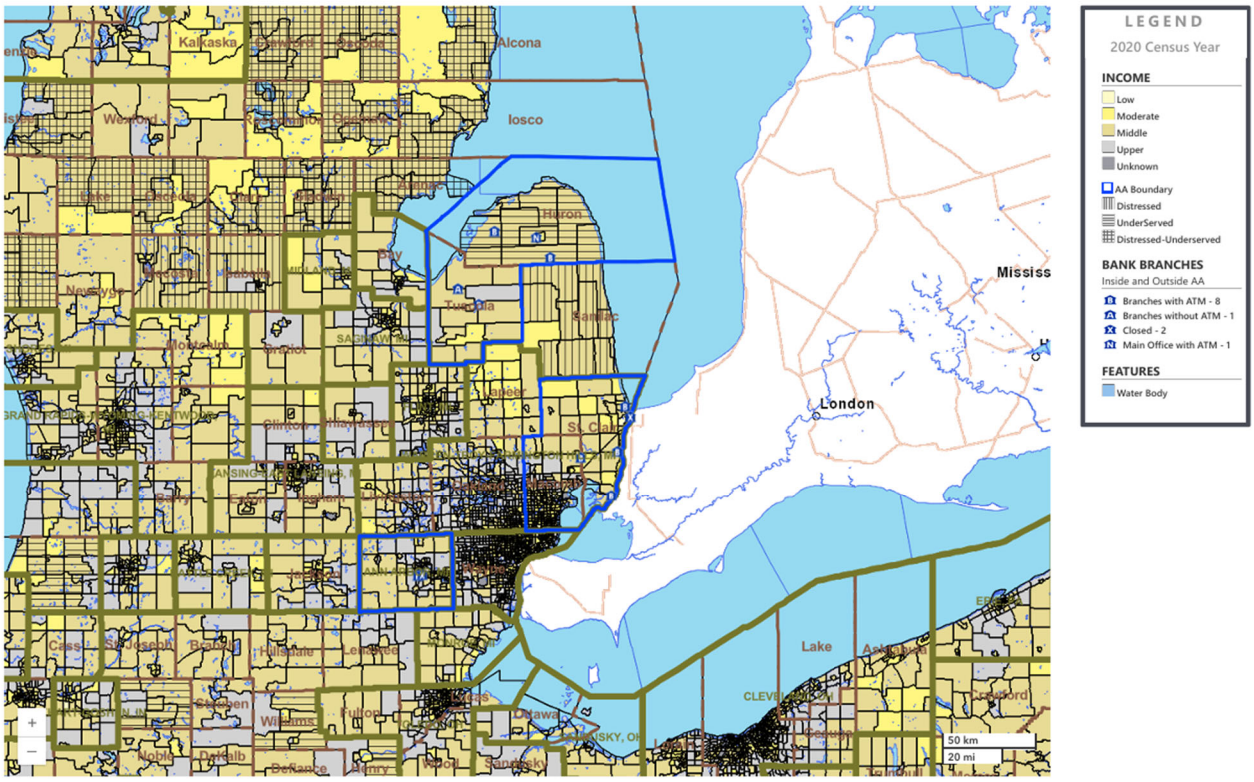
Note: Dollar amounts may not total due to rounding.
Activities included in this table have a purpose, mandate, or function, or are to an organization with a purpose, mandate, or function of serving the bank's assessment area. [This includes activities or organizations with a broader statewide or regional or nationwide reach that have a purpose, mandate, or function of serving the bank's assessment area.]

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – Maps of Assessment Areas

Northstar Bank 2958972
Combined Assessment Area



APPENDIX B – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	HMDA-reportable loans: January 1, 2024, to December 31, 2025 Small business loans (sample): January 1, 2025, to December 31, 2025 Community Development Activities: February 7, 2023, to May 18, 2026		
FINANCIAL INSTITUTION Northstar Bank			**PRODUCTS REVIEWED** • HMDA-reportable loans • Small business loans
AFFILIATE(S)	**AFFILIATE RELATIONSHIP**		**PRODUCTS REVIEWED**
None	N/A		N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	**TYPE OF EXAMINATION**	**BRANCHES VISITED**	**OTHER INFORMATION**
1. Michigan Non-MSA (Huron and Tuscola counties) **2. Warren-Troy-Farmington Hills, MI MSA #47664** **3. Ann Arbor, MI MSA #11460**	**1. Full scope review** **2. Full scope review** **3. Limited scope review**	None	N/A

APPENDIX C – Glossary

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the "five-year estimate data." The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.[3]

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

[3] *Source: FFIEC press release dated October 19, 2011.*

uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide non metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

   Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

   1) Low- or moderate-income geographies;
   2) Designated disaster areas; or
   3) Distressed or underserved nonmetropolitan middle-income geographies

designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:

a. Rates of poverty, unemployment or population loss; or
b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

1) Has as its primary purpose community development; and
2) Except in the case of a wholesale or limited purpose bank –
    a. Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
    b. Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Community Development Service: A community development service means a service that:

1) Has as its primary purpose community development; and
2) Is related to the provision of financial services.

Consumer loan: A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories of loans: motor vehicle, credit card, other consumer secured loan, includes loans for home improvement purposes not secured by a dwelling, and other consumer unsecured loan, includes loans for home improvement purposes not secured.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married couple family or other family, which is further classified into "male householder" (a family with a male household and no wife present) or "female householder" (a family with a female householder and no husband present).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to

permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

Geography: A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Income Level: Income level means:

1) Low-income – an individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a census tract;
2) Moderate-income – an individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a census tract;

3) Middle-income – an individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a census tract; and
4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment, and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

1) Consumer loan is located in the census tract where the borrower resides;
2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan production office: This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: A metropolitan statistical area (**MSA**) or a metropolitan division (**MD**) as

defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than $1.252 billion. Intermediate small bank means a small bank with assets of at least $313 million as of December 31 of both of the prior two calendar years and less than $1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of $1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: This term refers to a loan that is included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of $500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).