

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Old Kent Bank, Grand Rapids, Michigan**, prepared by the **Federal Reserve Bank of Chicago**, the institution's supervisory agency, as of **August 25, 1997**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

INSTITUTION'S RATING: This institution is rated Satisfactory.

Old Kent Bank promotes economic development and revitalization, consistent with its size, financial capacity, location, and the assessment areas' current economic conditions. The bank's efforts are primarily accomplished through the origination of 1- 4 family real estate loans, small business/agricultural loans and consumer installment loans. The bank has a high loan-to-deposit ratio and a high percentage of loans are originated within the assessment areas. The bank's distribution of loans demonstrates a strong level of lending to borrowers of different income levels and businesses of different sizes. According to the bank's 18-month CRA loan data, 18% of the bank's loans were made to low- income borrowers and 23% were to moderate-income borrowers. The HMDA data revealed that 18.41% of the loans made were to low-income individuals and 16.45% were to moderate-income individuals. According to the bank's June 30, 1997 Consolidated Report of Condition and Income, the bank's small farm/business lending (\$1.15 billion) comprises 35% of its total commercial/agricultural lending: commercial and industrial 26.9%, agricultural operating production 62%, commercial real estate 48.7%, and agricultural real estate 53%.

Lending in low-income and moderate-income geographies within the bank's assessment areas is low. The bank's 18-month CRA loan data showed 32,021 real estate loans, of which a total of 501 (1.56%) loans were made in low-income geographies and 2,140 (6.88%) were in moderate-income geographies. Additionally, 9.8% of all 1996 HMDA-related loans were made in low- and moderate-income geographies. Of the 76,244 consumer loans, 1,252, (1.64%) loans were made in low-income geographies and 5,638 (7.40%) loans were in moderate-income geographies. The distribution was better in terms of business lending; 682 (4.34%) of the small business/farm loans were made in low-income geographies and 1,414

(8.99%) were in moderate-income geographies. These numbers are affected by the bank's distribution system. The bank has nine full-service branches in low-income census tracts, which represents coverage of 3.3% of the low-income census tracts in the bank's assessment area. Similarly, the bank has 26 branches in moderate-income geographies, representing an 8.4% coverage.

The bank offers flexible lending products through participation in federal and state sponsored lending programs aimed at the credit needs of low- and moderate-income individuals and small businesses, including start-up companies. The bank's community development lending is limited. The bank augments this with qualified investments, grants and contributions targeted to community development.

The bank's level of participation in qualified investments and grants, and its donations to support community development in low- and moderate-income areas within the assessment areas is considered low satisfactory in relation to the needs in all assessment areas and the financial capacity and resources of the bank.

The bank's service performance is considered to be low satisfactory. Since the previous examination, the bank has increased its branches in low-income and moderate-income geographies, four and 16, respectively. However, its efforts in providing community development services throughout its entire assessment area are limited. Community representatives from the Benton Harbor MSA, Flint MSA, Lansing-East Lansing MSA revealed a necessity for community development services in credit repair, home-ownership counseling and small business management.

PUBLIC EVALUATION INDEX

Description of Institution	Page 7
Description of Bank's Assessment Areas	Pages 8-13
Conclusions with Respect to Performance Tests	Page 14

PERFORMANCE TEST CONCLUSIONS (ALL NINE ASSESSMENT AREAS):

Lending Test	Pages 15-28
Investment Test	Pages 29-30
Service Test	Pages 30-33
Overall Conclusion	Page 33-34

MSA PERFORMANCE TEST CONCLUSIONS:

STATE OF MICHIGAN

Ann Arbor MSA Assessment Area

Demographic Data	Page 35
Lending Test	Pages 36-41
Investment Test	Page 42
Service Test	Pages 42-43
Overall Conclusion	Page 43

Benton Harbor MSA Assessment Area

Demographic Data	Page 44
Lending Test	Pages 45-50
Investment Test	Page 51
Service Test	Page 52
Overall Conclusion	Page 52

Detroit MSA Assessment Area

Demographic Data	Page 53
Lending Test	Pages 54-59
Investment Test	Page 60
Service Test	Page 61
Overall Conclusion	Page 62

Flint MSA Assessment Area

Demographic Data	Page 63
Lending Test	Pages 64-70
Investment Test	Page 70
Service Test	Page 71
Overall Conclusion	Page 71

Grand Rapids-Muskegon-Holland MSA Assessment Area

Demographic Data	Pages 72-73
Lending Test	Pages 73-79
Investment Test	Pages 80-82
Service Test	Pages 82-83
Overall Conclusion	Page 83

Kalamazoo-Battle Creek MSA Assessment Area

Demographic Data	Pages 84-85
Lending Test	Pages 85-90
Investment Test	Pages 91
Service Test	Pages 92

Overall Conclusion	Page 92
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Lansing-East Lansing MSA Assessment Area

Demographic Data	Page 93
Lending Test	Pages 94-100
Investment Test	Page 100
Service Test	Pages 100-101
Overall Conclusion	Page 101

STATE OF ILLINOIS

Chicago MSA Assessment Area

Demographic Data	Page 111
Lending Test	Pages 112-117
Investment Test	Pages 118-119
Service Test	Pages 119-120
Overall Conclusion	Page 120

NON-METROPOLITAN PERFORMANCE TEST CONCLUSIONS:

Non-Metropolitan State of Michigan Areas

Demographic Data	Page 102
Lending Test	Pages 103-108
Investment Test	Pages 108-109
Service Test	Page 110
Overall Conclusion	Page 110

APPENDIX A

Pages 121-122

APPENDIX B

Page 123

PUBLIC EVALUATION INDEX

The following table indicates the performance level of **Old Kent Bank, Grand Rapids, Michigan**, with respect to the lending, investment and service tests. Based on the component test ratings for large banks, the assigned composite rating is **Satisfactory**.

PERFORMANCE LEVELS	OLD KENT BANK GRAND RAPIDS, MICHIGAN		
	PERFORMANCE TESTS		
	Lending	Investment	Service
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

*Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

DESCRIPTION OF INSTITUTION

Old Kent Bank (OKB), a multi-state bank with total assets of \$11.3 billion as of June 30, 1997, is a subsidiary of Old Kent Financial Corporation (OKFC), the third largest banking company in Michigan and the 54th largest nationally. On July 1, 1997, OKFC consolidated its Illinois bank in Elmhurst (approximately \$2 billion in assets) with Old Kent Bank, Grand Rapids, Michigan, under a single charter. Consolidated financial statements will take effect at the close of the third quarter reporting period in 1997. Since the previous examination, OKFC acquired Seaway Financial Corporation, a bank holding company which owned The Commercial and Savings Bank of St. Clair County and Algonac Savings Bank, both located in Michigan. On March 1, 1997, OKFC formed Old Kent Bank, N.A. (approximately \$110 million in assets) which serves Hillsdale County, Michigan.

Other non-bank subsidiaries provide insurance, brokerage and leasing services. Residential mortgage loans are offered from OKB and Old Kent Mortgage Company (OKMC), a wholly-owned subsidiary of Old Kent Mortgage Services, a subsidiary of OKB. In January 1996, OKMC acquired Republic Mortgage Corp. (RMC), a home mortgage company headquartered in Salt Lake City, Utah. RMC serves the states of Utah, Idaho and Nevada. In August 1996, OKMC acquired National Pacific Mortgage Corp. (NPMC), a home mortgage company headquartered in Anaheim, California. NPMC serves the states of California, Oregon and Arizona.

OKB provides a full range of retail and commercial banking products from its network of 233 full-service branches, and 241 on-site and 79 off-site automated teller machines (ATMs) in Michigan and northern Illinois. The bank's primary lending focus is 1-4 family real estate loans and small business/small farm loans.

OKB's primary competitors are offices and/or affiliates of the following institutions within the State of Michigan: Bank One, Comerica Bank, Community First Bank, DMR Financial Services, First of America Bank NA, First Michigan Bank, Lansing Automakers Federal Credit Union, Michigan National Bank, NBD Bank and Republic Bank. Primary competitors within the Chicago Metropolitan Statistical Area (MSA) include American National Bank and Trust Company of Chicago, Bank of America, Cole Taylor Bank, Comerica Bank, Citibank, First of America, First Chicago NBD, Harris Trust and Savings Bank, LaSalle Bank and Northern Trust Company.

DESCRIPTION OF OLD KENT BANK'S ASSESSMENT AREA¹

¹Demographic data is based on 1990 U.S. Census Data

OKB's main office is located in Grand Rapids, Michigan, approximately 150 miles west of Detroit in Kent County. The bank's community is defined by nine assessment areas: part of seven MSAs located in Michigan; a non-MSA area in the southern peninsula of the State of Michigan consisting of 21 counties; and one MSA in northeastern Illinois. The nine separate assessment areas include:

ASSESSMENT AREA	COUNTIES INCLUDED IN THE ASSESSMENT AREA
Ann Arbor MSA	Parts of Livingston and Washtenaw
Benton Harbor MSA	Part of Berrien
Detroit MSA	All of Macomb and St. Clair Counties and parts of Oakland, Wayne and Monroe Counties
Flint MSA	Part of Genesee County
Grand Rapids-Muskegon-Holland MSA	All of Allegan and Ottawa Counties and parts of Kent and Muskegon Counties
Kalamazoo-Battle Creek MSA	All of Kalamazoo and Van Buren Counties and part of Calhoun County
Lansing-East Lansing MSA	All of Clinton County and parts of Ingham and Eaton County
Non-Metro State Areas - Michigan	All of Cass, Shiawassee, Emmet, Charlevoix, Otsego, Crawford, Grand Traverse, Leelanau, Wexford, Missaukee, Osceola, Mecosta and Mason Counties and parts of St. Joseph, Newago, Montcalm, Ionia, Antrim, Benzie, Lake, and Isabella Counties
Chicago MSA	Parts of Cook, Kane and DuPage Counties

OKB's assessment area within the State of Michigan changed since the previous examination as a result of the bank's reevaluation of its assessment area, acquisitions and the creation of Old Kent Bank N.A. The following is a summary of the changes in Michigan:

BNA/CENSUS TRACT CHANGES - MICHIGAN				
Census Tract/BNA Income Level	1996 Assessment Area	Deletions	Additions	1997 Assessment Area
Low Income	67	1	5	71
Moderate Income	140	8	24	156
Middle Income	621	34	83	670
Upper Income	347	4	15	358
TOTAL CENSUS TRACTS/BNAs	1175	47	127	1255

As the preceding chart illustrates, there are currently 1,255 geographies in the current Michigan assessment area, of which 71 (5.7%) are low-income, 156 (12.4%) are moderate-income, 670 (53.4%) are middle-income, and 358 (28.5%) are upper-income census tracts.

The distribution of low- and moderate-income geographies within the nine assessment areas is as follows:

ASSESSMENT AREA	Median Family Income (\$)	# of Low-Income Tracts/BNAs	# of Moderate-Income Tracts/BNAs
Ann Arbor MSA	\$48,360	9	16
Benton Harbor MSA	32,036	7	4
Detroit MSA	46,397	5	47
Flint MSA	40,119	6	9
Grand Rapids-Muskegon-Holland MSA	36,982	18	30
Kalamazoo-Battle Creek MSA	35,038	11	22
Lansing-East Lansing MSA	38,392	10	18
Non-Metro State- Michigan	30,236	5	10
Total Low-Moderate Tracts/BNAs - Michigan		71	156
Chicago MSA - Illinois	42,429	197	152
TOTAL LOW - MODERATE TRACTS/BNAs Within the Bank's Assessment Area		268	308
Percent of Total Census Tracts/BNAs (1965) Within the			

Bank's Assessment Area that are Low-Income or Moderate-Income	13.6%	15.7%
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The preceding chart illustrates that 268 (13.6%) of the total geographies located within the bank's 1997 assessment area are low-income tracts/BNAs and 308 (15.7%) are moderate-income tracts/BNAs.

Of total families within the assessment area, approximately 18.40% are low-income and 16.67% are moderate-income. Of the total number of housing units in the assessment area, approximately 61% are owner-occupied units and 31% are rental units.

Forty-nine community representatives, contacted during the examination, stated that the economy has remained stable since the previous examination. Community representatives in the Benton Harbor, Kalamazoo-Battle Creek, Flint and Lansing MSAs indicated the need for affordable housing development programs and special underwriting programs. Representatives in the Ann Arbor, Detroit and Grand Rapids-Muskegon-Holland MSAs stated that there are designated renaissance zone projects throughout the central areas of their communities. Although these projects are receiving financing, the representatives stated that more opportunities exist for additional programs with underwriting standards suitable for low- and moderate-income individuals, small businesses (start-up money), and more diverse home mortgage programs (such as sweat equity consideration).

Community representatives within the non-metro State of Michigan areas reported that their communities are continuing to grow economically, and that financial institutions are very involved within the community. OKB was named as the sole provider in financing the installment contracts for Peninsula Township. The bank also provides banking services to residents of Independence Village, a new retirement community in Petoskey. Representatives mentioned that small business loans and community development services for the growing Native American community in Traverse City and Petoskey exist. Community representatives within the Chicago assessment area acknowledged OKB as being involved in credit programs for low- and moderate-income individuals and generally being highly visible within the community. Representatives from all assessment areas acknowledged OKB as an active financial resource within their communities.

According to the Michigan Employment Security Commission, June 1997, 1996 and 1995 unemployment figures for the assessment areas in the Michigan MSAs and for the State of Michigan are as follows:

UNEMPLOYMENT DATA			
Geographic Area	June 1997 (%)	June 1996 (%)	June 1995 (%)
Ann Arbor MSA	3.0	2.9	6.0
Benton Harbor MSA	4.7	6.4	5.6
Detroit MSA	4.8	4.8	5.6
Flint MSA	6.6	6.6	7.7
Grand Rapids-Muskegon-Holland MSA	3.5	4.7	4.8
Kalamazoo-Battle Creek MSA	4.1	4.7	4.8
Lansing-East Lansing MSA	2.9	3.9	4.1
STATE OF MICHIGAN	4.5	5.1	5.8
Chicago MSA	6.1	6.7	6.7
STATE OF ILLINOIS	4.7	5.3	5.2

As indicated in the previous chart, unemployment rates decreased from 1995 to 1997. This is primarily due to employment increases in the service, retail, construction and manufacturing sectors of the economy. The bank's assessment area has a diverse economic base. The following is a list of large employers in selected counties within Michigan and Illinois:

COMPANY NAME	COUNTY	# OF EMPLOYEES	TYPE OF BUSINESS
STATE OF MICHIGAN			
AC SPARK PLUG DIV.	Genesee	12000	Electronic components
AMWAY CORP.	Kent	13000	Polishes & sanitation goods
AUGAT WIRING SYSTEMS	Macomb	4500	Engine electrical equipment
B O C GROUP PLT. 3	Ingham	3235	Structural metal-fabricated
BECKER GROUP INC.	Macomb	3000	Motor vehicle parts & accessories
BUNDY NORTH AMERICA	Macomb	3900	Steel pipe & tubes
CADILLAC MOTOR CAR DIVISION	Genesee	3800	Motor vehicle parts & accessories
CHEVROLET-FLINT	Genesee	4600	Motor vehicle parts & accessories
CHRYSLER CORP.	Macomb	8200	Motor vehicles & car bodies
CHRYSLER CORP.	Macomb	4300	Automotive stamping
CHRYSLER STERLING HGTS ASSEMBLY PLT	Macomb	2860	Automotive stamping
CUTLER SPORTS	Kent	4999	Dresses & blouses-girl's & children's

APPAREL			
DELPHI INTERIOR & LIGHTING SYSTEMS	Macomb	4999	Motor vehicle parts & accessories
FORD MOTOR CO	Macomb	1250	Motor vehicle parts & accessories
FORD MOTOR CO.	Washtenaw	1200	Plastic products
FORD MOTOR CO.	Washtenaw	2900	Plastic products
FORD MOTOR CO.	Macomb	3400	Motor vehicle parts & accessories
FORD MOTOR CO.	Washtenaw	2432	Motor vehicle parts & accessories
FORD MOTOR CO/ROMEO PLT	Macomb	1200	Engines-internal combustion
G M CORP CHEVROLET DIV	Macomb	4999	Motor vehicles & car bodies
G M CORP OLDSMOBILE DIV	Ingham	9999	Motor vehicles & car bodies
G M CORP.	Genesee	8500	Motor vehicle parts & accessories
G M CORP.	Genesee	1650	Motor vehicle parts & accessories
G M CORP.	Genesee	3220	Motor vehicle parts & accessories
G M POWER TRAIN	Washtenaw	11200	Motor vehicle parts & accessories
GENERAL DYNAMICS - LAND SYSTEMS DIV.	Macomb	3300	Tanks & tank components
GENERAL MOTORS CORP.	Genesee	20000	Motor vehicles & car bodies
GENERAL MOTORS SVC PARTS	Genesee	4999	Motor vehicle parts & accessories
GM POWERTRAIN FLINT COMPONENTS OPERATION	Genesee	3100	Motor vehicle parts & accessories
HOLLEY REPLACEMENT PARTS DIVISION	Macomb	6000	Carburetors, pistons, rings & valves
KNAPE & VOGT MANUFACTURING CO.	Kent	4999	Hardware
TRI MAS CORP	Washtenaw	3800	Bolts, nuts, rivets & washers
UNIVERSAL FOREST PRODUCTS INC	Kent	4999	Structural wood members
VENTURE INDUSTRIES CORP.	Macomb	4999	Unsupported plastics film & sheet
WOLVERINE WORLD WIDE INC	Kent	4999	Footwear cut stock

GENERAL MOTORS CORP.	Genesee	52069	Motor vehicles & car bodies
AC SPARK PLUG DIV.	Genesee	12000	Electronic components
G M CORP OLDSMOBILE DIV	Ingham	9999	Motor vehicles & car bodies
B O C GROUP PLT. 3	Ingham	3235	Structural metal-fabricated
AMWAY CORP.	Kent	13000	Polishes & sanitation goods
CUTLER SPORTS APPAREL	Kent	6399	Dresses & blouses-girl's & children's
WOLVERINE WORLD WIDE INC	Kent	6199	Footwear cut stock

KNAPE & VOGT MANUFACTURING CO.	Kent	4999	Hardware
UNIVERSAL FOREST PRODUCTS INC	Kent	4999	Structural wood members
LACKS ENTERPRISES INC	Kent	5447	Motor vehicle parts & accessories
DELPHI INTERIOR & LIGHTING SYSTEMS	Kent	3183	Motor vehicle parts & accessories
CHRYSLER CORP.	Macomb	18910	Motor vehicles & car bodies
G M CORP CHEVROLET DIV	Macomb	6399	Motor vehicles & car bodies
HOLLEY REPLACEMENT PARTS DIVISION	Macomb	6000	Carburetors, pistons, rings & valves
FORD MOTOR CO.	Macomb	5850	Motor vehicle parts & accessories
GENERAL DYNAMICS - LAND SYSTEMS DIV.	Macomb	5400	Tanks & tank components
DELPHI INTERIOR & LIGHTING SYSTEMS	Macomb	4999	Motor vehicle parts & accessories
VENTURE INDUSTRIES CORP.	Macomb	4999	Unsupported plastics film & sheet
AUGAT WIRING SYSTEMS & COMPONENTS	Macomb	4500	Engine electrical equipment
BUNDY NORTH AMERICA	Macomb	3900	Steel pipe & tubes
BECKER GROUP INC.	Macomb	3000	Motor vehicle parts & accessories
G M POWER TRAIN	Washtenaw	11200	Motor vehicle parts & accessories
FORD MOTOR CO.	Washtenaw	5332	Motor vehicle parts & accessories
TRI MAS CORP	Washtenaw	3800	Bolts, nuts, rivets & washers
PLASTICS PAINT & VINYL	Washtenaw	3480	Motor vehicle parts & accessories
STATE OF ILLINOIS			
CHICAGO PUBLIC SCHOOLS	Cook	43158	Public schools
CITY OF CHICAGO	Cook	41789	City government
U.S. GOVERNMENT	Cook	30340	Federal Government
JEWEL-OSCO	Cook	29923	Grocery
COOK COUNTY	Cook	27167	County Government
MOTOROLA INC.	Cook	25000	Electronics
U.S. POSTAL SERVICE	Cook	24268	Postal Service
AMERITECH CORPORATION	Cook	22500	Telecommunications
STATE OF ILLINOIS	Cook	21197	State government
ADVOCATE HEALTH CARE	DuPage	19322	Health care
UNITED AIRLINES	Cook	17378	Airline
FIRST CHICAGO NBD CORP	Cook	17028	Banking/Financial Services
ABBOTT LABORATORIES	Lake	15300	Pharmaceuticals

CONCLUSIONS WITH RESPECT TO CRA PERFORMANCE TESTS

The bank is in compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity Act (ECOA) and Fair Housing Act. No substantive violations were noted and management has developed adequate policies, procedures and training programs to support nondiscrimination in lending activities. The bank is also in compliance with the technical requirements of the Community Reinvestment Act (CRA). The public file and CRA notices were reviewed and are in compliance.

In assessing the bank's CRA performance, all of the bank's consumer lending was evaluated. The bank's Consolidated Report of Condition and Income, the Uniform Bank Performance Report (UBPR), the Home Mortgage Disclosure Act (HMDA) data, the examination compliance loan sample and the bank's CRA loan reports were used to reach a conclusion regarding the bank's CRA performance. The bank's performance in the seven Michigan MSAs, two non-metro State of Michigan areas (combined into one area) and the Chicago MSA in the State of Illinois was evaluated to reach an overall conclusion of the bank performance. Each assessment area's percentage of the bank's total lending activity in 1996 is as follows:

<u>ASSESSMENT AREA</u>	<u>% OF TOTAL # OF LOANS</u>	<u>% OF TOTAL \$ AMOUNT OF LOANS</u>
<u>MICHIGAN</u>		
0440 ANN ARBOR	2.0	1.9
0870 BENTON HARBOR	2.2	1.4
2160 DETROIT	8.2	7.9
2640 FLINT	1.9	2.7
3000 GRAND RAPIDS- MUSKEGON-HOLLAND	34.6	37.4
3720 KALAMAZOO- BATTLE CREEK	8.9	7.3
4040 LANSING- EAST LANSING	4.4	6.0
NON-MSA AREAS	<u>28.6</u>	<u>24.2</u>
TOTAL MICHIGAN	<u>90.8</u>	<u>88.7</u>
<u>ILLINOIS</u>		
1600 CHICAGO	<u>9.2</u>	<u>11.3</u>
TOTAL - OLD KENT BANK	100.0	100.0

As indicated above, the majority of lending activity occurred in the Grand Rapids-Muskegon-Holland MSA and in the nonMSA areas within Michigan.

**CRA PERFORMANCE ASSESSMENT
FOR ALL NINE ASSESSMENT AREAS**

LENDING TEST

Lending Activity

The bank's loan portfolio was reviewed to evaluate the bank's volume of lending, loan mix and performance compared to its peer group. An analysis of Old Kent Bank, Grand Rapids and Old Kent Bank, Elmhurst's Consolidated Reports of Condition and Income for the seven quarters ending June 30, 1997 were reviewed.

Old Kent Bank, Grand Rapids

An analysis of the loan-to-deposit ratios for the seven quarters ending June 30, 1997 revealed an average loan-to-deposit ratio of 85.12%. This ratio is considered reasonable given the institution's size, financial condition and assessment area's credit needs. A review of the bank's June 30, 1997 Consolidated Report of Condition and Income revealed a loan-to-deposit ratio of 89.37%. The distribution of the bank's loan portfolio, by loan type, is as follows.

LOAN TYPE	DOLLAR AMOUNT* OUTSTANDING (\$000s)	PERCENT OF TOTAL LOANS
REAL ESTATE		
Construction	351,207	4.4
Residential (1-4)	2,497,514	31.5
Commercial	1,194,991	15.0
Agricultural	20,245	0.3
Multi-family	71,646	0.9
CONSUMER		
Open-end Credit	36,585	0.5
All Other	1,448,851	18.3
COMMERCIAL AND INDUSTRIAL	1,970,334	24.9
AGRICULTURAL	29,696	0.4
STATE AND POLITICAL	55,387	0.7
OBLIGATIONS	244,390	3.1
OTHER		

*gross loans

The bank's loan distribution as of June 30, 1995 (contained in the previous report of examination) was compared to the June 30, 1997 loan distribution. The most significant increase (56.3%) occurred in residential (1-4 family) lending from \$1.6 billion to \$2.5 billion.

This increase is a result of Old Kent Mortgage Company's purchase of Republic Mortgage Corp. in June 1996, and the purchase of National Pacific Mortgage Corp. in August 1996.

Overall, total loans increased by \$1.8 billion or 28.4% and the loan-to-deposit ratio increased from 88.31% to 91% since the previous examination.

According to the March 31, 1997 Uniform Bank Performance Report (UBPR), Old Kent Bank, Grand Rapids loan-to-deposit ratio was 89.49%, which continues to be slightly below its peers loan-to-deposit ratio of 92.28%. Management attributes the variance between the bank and peer groups loan-to-deposit ratio to the banks practice of referring 1-4 family mortgage loan applications to OKMC; OKMC sells most loans in the secondary market. According to the March 31, 1997 UBPR, the composition of the banks loan performance compared to its peer group is as follows:

LOAN TYPE	BANK AVERAGE LOAN MIX (%)	PEER AVERAGE LOAN MIX (%)
	4.39	2.03
REAL ESTATE LOANS	28.71	20.22
Construction/Development	3.98	3.06
1 - 4 Family Residential	16.51	9.86
Home Equity	0.25	0.08
Other Real Estate	0.88	0.91
Farmland	15.38	8.56
Multi-family	49.60	34.54
Commercial		
TOTAL REAL ESTATE LOANS		
LOANS TO INDIVIDUALS	22.26	16.08
CREDIT CARD LOANS	4.29	3.22
COMMERCIAL & INDUSTRIAL LOANS	22.57	23.91
AGRICULTURAL LOANS	0.41	.17
MUNICIPAL LOANS	0.98	.56
		2.68
OTHER LOANS	0.87	
* Excludes Financial Institution Loans, Acceptances of Other Banks, Foreign Office Loans and Leases, and Lease Financing Receivables		

As the preceding chart illustrates, the banks percentage of real estate loans exceeds the peer group by 15.06%.

The loan-to-deposit ratios of the bank's competitors, according to the Fall 1997 edition of McFadden's American Financial Directory, are as follows:

BANK	ASSET SIZE (\$000s)	LTD RATIO
Comerica Bank	\$27,051,459	127.6%
NBD Bank	22,374,450	98.9%
First of America Bank, National Association	14,338,768	83.7%
Michigan National Bank	9,202,420	99.9%

The bank is an active small business and small farm lender within its assessment areas. According to the June 30, 1997 Consolidated Report of Condition and Income, small business and small farm loans outstanding as of June 30, 1997 were as follows:

COMMERCIAL REAL ESTATE SECURED LOANS		
LOAN AMOUNT	NUMBER OF LOANS	AMOUNT OF LOANS (\$000s)
Less than or equal to \$100,000	1,552	57,900
Greater than \$100,000 through \$250,000	1,187	131,748
Greater than \$250,000 through \$1 Million	1,331	392,487
Total	4,070	582,135
COMMERCIAL AND INDUSTRIAL LOANS		
Less than or equal to \$100,000	5,885	109,884
Greater than \$100,000 through \$250,000	1,854	123,860
Greater than \$250,000 through \$1 Million	1,912	296,502
Total	9,651	530,246

AGRICULTURAL LOANS SECURED BY FARMLAND		
LOAN AMOUNT	NUMBER OF LOANS	AMOUNT OF LOANS (\$000s)
Less than or equal to \$100,000	149	5,040
Greater than \$100,000 through \$250,000	69	7,185
Greater than \$250,000 through \$1 Million	20	3,523
Total	238	15,748
AGRICULTURAL OPERATING/PRODUCTION LOANS		
Less than or equal to \$100,000	471	6,598
Greater than \$100,000 through \$250,000	115	5,649
Greater than \$250,000 through \$1 Million	85	6,162
Total	671	18,409

The preceding chart shows that approximately 55% of the total number of small businesses/small farms loans were in amounts less than \$100,000, and a reasonable distribution is shown within all dollar categories. For additional discussion of the bank's small business/small farm lending, refer to the discussion under each assessment area.

Old Kent Bank - Elmhurst

A review of Old Kent Bank, Elmhurst's June 30, 1997 Consolidated Report of Condition and Income revealed a loan-to-deposit ratio of 67%. The distribution of the bank's loan portfolio, by loan type, is as follows:

LOAN TYPE	DOLLAR AMOUNT* OUTSTANDING (\$000s)	PERCENT OF TOTAL LOANS
REAL ESTATE		
Construction	49,277	4.2
Residential (1-4)	311,039	26.8
Commercial	258,131	22.2
Agricultural	1,074	0.1
Multi-family	17,073	1.5
CONSUMER		0.3
Open-end Credit	3,399	20.0
All Other	232,618	22.0
COMMERCIAL AND INDUSTRIAL	255,641	0
AGRICULTURAL	0	1.0
STATE AND POLITICAL	12,224	1.9

OBLIGATIONS	27,175	
OTHER		

*gross loans

The bank's loan distribution as of June 30, 1995 (contained in the previous report of examination) was compared to the June 30, 1997 loan distribution. This comparison revealed that total loans increased by \$82,550,000 or 7.65% since the previous examination. The loan-to-deposit ratio remained stable.

An analysis of the Old Kent Bank, Elmhurst's Consolidated Reports of Condition and Income for the seven quarters in the examination review period (from December 31, 1995 through June 30, 1997) revealed an average loan-to-deposit ratio of 66%. This ratio is reasonable given the bank's size, financial condition and assessment areas credit needs.

According to the March 31, 1997 UBPR, Old Kent Bank, Elmhurst's loan-to-deposit ratio of 66.33% is significantly below its peer's loan-to-deposit ratio of 82.01%. The bank has consistently been below its peer's lending performance. Management attributes the variance to the bank's practice of referring 1-4 family mortgage loan applications to OKMC.

According to the March 31, 1997 UBPR, the composition of the bank's loan portfolio compared to its peer group is as follows:

LOAN TYPE	BANK AVERAGE LOAN MIX (%)	PEER AVERAGE LOAN MIX (%)
REAL ESTATE LOANS		
Construction/Development	3.08	3.05
1 - 4 Family Residential	26.30	24.92
Home Equity	9.71	2.94
Other Real Estate	22.70	18.88
Farmland	0.10	0.23
Multi-family	1.52	1.28
Commercial	21.09	16.10
TOTAL REAL ESTATE LOANS	52.08	52.57
LOANS TO INDIVIDUALS	19.48	17.10
CREDIT CARD LOANS	0.26	1.15
COMMERCIAL & INDUSTRIAL LOANS	25.37	18.33
AGRICULTURAL LOANS	0.00	0.15
MUNICIPAL LOANS	1.15	0.57

OTHER LOANS*	1.92	0.73
*Excludes Financial Institution Loans, Acceptances of Other Banks, Foreign Office Loans and Leases, and Lease Financing Receivables		

The preceding chart illustrates that the composition of the bank's loan portfolio is similar to that of its peer group.

Geographic Distribution of Loans

Lending in Assessment Area

A sample of loans was reviewed to determine the bank's level of lending within its assessment area. An analysis of the data revealed the following:

LOAN TYPE	TOTAL LOANS SAMPLED # / \$	LOANS WITHIN THE ASSESSMENT AREA # / \$	PERCENT OF TOTAL LOANS WITHIN THE ASSESSMENT AREA # / \$
Direct Installment	170 / \$1,858,702	165 / \$1,774,837	97% / 95%
Indirect Installment	209 / 2,015,211	174 / 1,818,946	83% / 90%
Single Payment	18 / 352,741	18 / 352,741	100% / 100%
Overdraft Protection	127 / 68,100	121 / 64,100	95% / 94%
Home Equity	79 / 2,684,070	77 / 2,634,070	97% / 98%
Real Estate-Bank	22 / 1,610,035	22 / 1,610,035	100% / 100%
Real Estate- Mtg. Co.**	65 / 5,764,080	59 / 4,986,880	91% / 87%
TOTAL LOANS SAMPLED	690 / \$14,352,939	636 / \$13,241,609	92% / 92%

**Indicates a review of loans made by the Mortgage Company located in Michigan and Illinois only.

The preceding chart shows that 92% of the total number of sampled loans and loan dollars were made within the bank's assessment area. The level of lending within the entire assessment area, by product and in aggregate, was high.

HMDA-Related Lending Activity

In 1996, the bank made 16,052 HMDA-related loans, of which 14,304 (89.11%) were made within the bank's assessment areas. In 1995, the bank made 14,626 HMDA-related loans, of which 10,525 (71.96%) were made within the assessment area.

Small Business/Small Farm Lending

The bank made a substantial majority of small business/small farm loans in its assessment area. Review of the bank's reports for 1996 and the first six months of 1997 revealed that the bank made 11,904 small business loans totaling \$1,205,847,000, of which 9,904 (88.48%) totaling

\$1,050,818,000 were within the assessment areas. The bank also made 719 small farm loans totaling \$31,915,000, of which 629 (87.48%) totaling \$28,391,000 were within the assessment areas. In 1997, the bank made a total of 6,924 small business and small farm loans totaling \$743,792,000, of which 5,191 (75%) totaling \$520,435,000 (70%) were within the assessment area.

Lending in Geographies of Different Income Levels

A sample of loans and the bank's 1996 and six-month 1997 CRA data were reviewed to determine the bank's lending performance in geographies of different income levels within the assessment area. The data was reviewed to determine the number and amount of loans made in the various geographies within the assessment area. The analysis revealed the following distribution of loans within low-, moderate-, middle-, and upper-income geographies:

LOAN TYPE	DISTRIBUTION OF EXAMINATION LOAN SAMPLE BY TYPE OF GEOGRAPHY ALL ASSESSMENT AREAS			
	Loans in Low-Income Geographies \$ / #	Loans in Moderate-Income Geographies \$ / #	Loans in Middle-Income Geographies \$ / #	Loans in Upper-Income Geographies \$ / #
Direct Installment	\$40,346 / 6	\$228,418 / 25	\$1,144,244 / 100	\$499,694 / 37
Indirect Installment	34,874 / 3	308,053 / 26	1,330,956 / 104	492,461 / 38
Single Payment	0 / 0	47,200 / 3	205,541 / 9	100,000 / 5
Over Draft Protection	0 / 0	2000 / 4	41,300 / 72	25,300 / 41
Home Equity	0 / 0	8000 / 1	1,118,920 / 42	156,650 / 35
Real Estate-Bank	0 / 0	97,500 / 2	1,512,535 / 18	219,200 / 2
Real Estate- Mtg. Co.**	116,300 / 1	545,700 / 7	2,832,080 / 30	2,446,400 / 20
TOTAL LOANS SAMPLED	\$191,520 / 10	\$1,236,871 / 68	\$8,185,576 / 375	\$5,348,705 / 178

**Indicates a review of loans made by the Mortgage Company located in Michigan and Illinois only.

The preceding chart illustrates that of 631 sampled loans, 78 (12.36%) loans were made in low- and moderate-income geographies; \$1,428,391 or 9.55% of the nearly \$15 million in total loans sampled were in low- and moderate-income geographies. The majority of the sampled loans, in number and in dollar amount, were made in middle-income geographies.

A review of the bank's 1996 and first six months of 1997 CRA loan data revealed the following distribution of loans among geographies of different income levels:

Geography Income Level	DISTRIBUTION OF OLD KENT BANK-S 1996 AND 1997 CRA DATA BY TYPE OF GEOGRAPHY ALL ASSESSMENT AREAS					
	# of Real Estate Loans	% of Total # of Real Estate Loans	# of Consumer Loans	% of Total # of Consumer Loans	# of Small Business Loans	% of Total # of Small Business Loans
Low-Income	501	1.56%	1,252	1.64%	682	4.34%
Moderate-Income	2,140	6.68%	5,638	7.40%	1,414	8.99%
Middle-Income	18,868	58.93%	45,078	59.14%	9,264	58.92%
Upper-Income	10,480	32.73%	24,232	31.79%	4,305	27.38%
Not Classified	32	0.10%	24	0.03%	59	0.37%
Total	32,021	100%	76,224	100%	15,724	100%

The preceding chart illustrates the following:

Real Estate Loans

Of the 32,021 real estate loans totaling \$1,826,295,000, 501 (1.56%) loans totaling \$21,527,000 (1.18%) were made in low-income geographies and 2,140 (6.68%) loans totaling \$83,839,000 (4.59%) were in moderate-income geographies. The majority of real estate loans were made in middle-income geographies.

Consumer Loans

Of the 76,224 consumer loans, 1,252 (1.64%) loans were made in low-income geographies and 5,638 (7.40%) were in moderate-income geographies. The majority of the consumer loans were made in middle-income geographies.

Small Business/Small Farm Loans

Of the 15,724 small business/small farm loans totaling \$1,599,644,000, 682 (4.34%) loans totaling \$83,062,000 (5.19%) were made in low-income geographies and 1,414 (8.99%) loans totaling \$163,511,000 (10.22%) were in moderate-income geographies. The majority of small business/small farm loans were made in middle-income geographies.

HMDA-Related Lending Activity

In 1996, the bank had HMDA-related loan activity in 71.8% of the total census tracts served

by the bank and in 44.9% of the low- and moderate-income census tracts. The bank made 1,555 or 9.8% of all HMDA loans in low- and moderate- income census tracts in 1996. In

1995, the bank had HMDA-related loan activity in 68.2% of the total census tracts served by the bank, and in 39.0% of the low- and moderate-income census tracts. Owner occupied units within low- and moderate-income census tracts comprise 13% of all owner occupied units within the assessment area.

The following chart shows the bank's 1996 and 1995 performance relative to potential real estate lending opportunities available within the assessment area. The charts compare the bank's originations in low- and moderate-income geographies (L/M), and middle- and upper-income geographies (non-L/M) to the number of owner-occupied units in those geographies per 1,000 units:

ALL ASSESSMENT AREAS	OWNER-OCCUPIED UNITS IN		HMDA-RELATED ORIGINATIONS IN		PERCENTAGE OF ORIGINATIONS PER 1,000 OWNER-OCCUPIED UNITS IN	
	Non-L/M	L/M	Non-L/M	L/M	Non-L/M	L/M
1996	1,622,801	214,565	20,246	1,821	12.48	8.49
1995	1,498,325	205,505	11,622	1,306	7.16	6.09

The preceding chart shows that HMDA-related loans per 1,000 owner-occupied units within low- and moderate-income geographies are lower than loans in middle- and upper-income geographies.

The distribution of the bank's 1996 and 1995 HMDA loans is depicted in the following charts:

1996 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within MSA-related Assessment Areas		Market Aggregate Within MSA-related Assessment Areas	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	260	13.87	350	1.59	7,772	2.84
Moderate - 50 to 79%	292	15.58	1,471	6.67	23,902	8.74
Middle - 80 to 119%	816	43.54	13,012	58.97	128,277	46.93
Upper - > 120%	506	27.01	7,234	32.78	113,375	41.48
Total	1,874	100.00	22,067	100.00	273,326	100.00

1995 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within MSA-related Assessment Areas		Market Aggregate Within MSA-related Assessment Areas	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	260	13.87	251	1.94	6,003	2.97
Moderate - 50 to 79%	292	15.58	1,055	8.16	18,844	9.31
Middle - 80 to 119%	816	43.54	7,309	56.54	92,578	45.76
Upper - > 120%	506	27.01	4,313	33.36	84,885	41.96
Total	1,874	100.00	12,928	100.00	202,310	100.00

The preceding charts show that 8.26% of 1996 HMDA originations and 10.10% of 1995 originations were made within low- and moderate-income census tracts. During these years, 29.5% of the bank's assessment areas consisted of low- and moderate-income census tracts.

Lending Analysis Based Upon Size of Business and Borrow Income

A sample of consumer loans, the bank's CRA report for consumer, small business/small farm loans, and 1996 and 1995 HMDA data were reviewed to assess the bank's lending performance to borrowers of different income levels.

Review of the examination loan sample, where borrower income information was available, revealed the following loan distribution:

LOAN TYPE	DISTRIBUTION OF EXAMINATION LOAN SAMPLE BY BORROWER INCOME LEVEL ALL ASSESSMENT AREAS				
	Low-Income Borrowers \$ / #	Moderate-Income Borrowers \$ / #	Middle-Income Borrowers \$ / #	Upper-Income Borrowers \$ / #	TOTAL \$ / #
Direct Installment	\$79,301 / 16	\$212,164 / 30	\$472,068 / 47	\$1,011,304 / 72	\$1,774,837 / 165
Indirect Installment	153,711 / 18	275,249 / 46	872,406 / 64	519,580 / 46	1,818,946 / 174
Single Payment	0 / 0	0 / 0	27,200 / 1	188,601 / 9	215,801 / 10
Over Draft Protection	7,000 / 14	16,500 / 33	20,100 / 29	13,500 / 38	57,100 / 114
Home Equity	15,000 / 1	93,000 / 5	210,800 / 10	2,315,270 / 61	2,634,070 / 77
Real Estate-Bank	0 / 0	208,200 / 4	322,775 / 4	1,079,060 / 14	1,610,035 / 22

TOTAL SAMPLED	\$255,012 / 49	\$803,113 / 118	1,925,349 / 155	\$5,127,315 / 240	\$8,110,789/ 562
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As the preceding chart illustrates, the majority of the bank's consumer loans were to upper-income borrowers. Of the total loans, 49 (8.7%) loans totaling \$255,012 (3.1%) were made to low-income borrowers and 118 (21%) loans totaling \$803,113 (9.9%) were to moderate-income borrowers.

The following table illustrates the results of the bank's internal analysis of its consumer loan activity (installment, secured/unsecured, and home equity loans) for 1996 and 1997:

DISTRIBUTION OF OLD KENT BANK'S 1996 AND 1997 CRA LOAN DATA BY BORROWER INCOME LEVEL				
BORROWER INCOME LEVEL	# of Loans	Percent of Total Loans	Dollar Amount (\$000's)	Percent of Total Dollars
Low-income	19,041	18%	109,820	5%
Moderate-income	24,575	23%	316,259	13%
Middle-income	25,742	24%	545,470	23%
Upper-income	35,824	33%	1,337,621	55%
Not Available	3,063	2%	102,419	4%
Total	108,245	100%	2,411,589	100%

The bank's internal analysis revealed that 18% of the bank's total loans made within all assessment areas were to low-income borrowers and 23% were to moderate-income borrowers; 5% of total loan dollars were made to low-income borrowers and 13% were to moderate-income borrowers.

HMDA-Related Lending

The distribution of 1996 and 1995 HMDA loans within the assessment areas, by borrower income level, is included in the following charts:

1996 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank within MSA-Related Assessment Areas		Market Aggregate Within MSA-Related Assessment Areas	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	340,064	18.41	1,639	7.43	19,787	7.24
Moderate - 50 to 79%	303,834	16.45	4,116	18.65	53,200	19.46
Middle - 80 to 119%	433,841	23.49	6,373	28.88	86,207	31.54
Upper - > 120%	769,346	41.65	9,939	45.04	114,132	41.76
Total	1,847,085	100.00	22,067	100.00	273,326	100.00

1995 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank within MSA-Related Assessment Areas		Market Aggregate Within MSA-Related Assessment Areas	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	340,064	18.41	1,148	8.88	13,992	6.92
Moderate - 50 to 79%	303,834	16.45	2,694	20.84	40,560	20.05
Middle - 80 to 119%	433,841	23.49	4,022	31.11	64,119	31.69
Upper - > 120%	769,346	41.65	5,064	39.17	83,639	41.34
Total	1,847,085	100.00	12,928	100.00	202,310	100.00

The number of originations above does not include loans for which borrower income was not identified.

As illustrated in the preceding charts, 26.08% and 29.72% of residential originations in 1996 and 1995, respectively, were to low- and moderate-income borrowers.

The distribution of loans among borrowers of different income levels is reasonable and shows loan activity in all income ranges. The bank's performance is consistent with market aggregate data and demographics.

Small Business/Small Farm Lending

In 1996, of the small business and small farms loans made within the assessment areas, 7,231 (74.7%) small business loans totaling \$561,289,000 and 684 (98.01%) small farm loans totaling \$27,313,000 were made to entities with annual revenues of less than \$1 million. By loan amount, 7,139 (73.8%) small business loans totaling \$260,791,000 and 628 (90.0%) small farm loans totaling \$15,868,000 were in amounts of \$100,000 or less.

In the first six months of 1997, the bank made 4,893 small business loans totaling \$503,905,000. Of these loans, 3,519 (71.9%) loans totaling \$247,878,000 (49.2%) were made to entities with annual revenues of less than \$1 million. By loan amount, 2,607 (74.1%) small business loans totaling \$133,524,000 (53.9%) were in amounts of \$100,000 or less. The bank made 298 small farm loans totaling \$16,525,000 in 1997. Of these loans, 278 (93.3%) totaling \$13,601,000 (82.3%) were to entities with annual revenues of less than \$1 million. By loan amount, 225 small farm loans totaling \$7,725,000 were in amounts of \$100,000 or less.

Community Development Lending

The bank's community development lending was reviewed. Interviews with bank management and a review of the bank's lending activity revealed the following community development loans:

PROGRAM	AMOUNT (\$)	DESCRIPTION
Inner City Christian Federation	3 lines of credit totaling \$300,000	A non-profit developer of affordable housing for low-and moderate-income individuals located in the Grand Rapids area. The organization prepares individuals for home ownership through a two year lease/purchase program.
Neighborhoods, Inc. of Battle Creek	2 loans for \$750,000	A non-profit organization which targets areas for rehabilitation, sale and provides mortgage financing. The bank provided a \$250,000 short term working capital loan and renewed a \$500,000 line of credit commitment.
Mecosta-Osceola Rehab Center	1 construction loan for \$117,000	A non-profit organization which assists with employment and health care for mentally-impaired citizens in Mecosta and Osceola Counties.
Habitat for Humanity	1 loan for \$10,000	A non-profit affordable housing developer. The bank provided a working capital loan for housing construction.

Although OKB's participation in community development loans is limited, the bank augments this through qualified investments, grants and contributions.

Innovative or Flexible Lending Practices

Innovative and/or flexible lending programs or practices in which the bank participated during the examination review period to meet the credit needs of low- and moderate-income individuals and geographies were reviewed. The following is a sample of these practices, programs and guaranteed loan programs:

GUARANTEED LOAN TYPE	# OF LOANS OUTSTANDING	\$ AMOUNT OUTSTANDING	# OF LOANS ORIGINATED 1/1/96-6/30/97	\$ ORIGINATED 1/1/96-6/30/97
FHA	1506	\$115,279,667	977	\$85,731,012
FmHA/RECD	101	5,866,543	98	5,624,510
VA	300	17,245,620	107	9,360,302
MSHDA Mortgage	501	20,753,028	120	6,034,863
SBA-7(a), Low Doc	262	30,692,831	115	11,630,348
SBA-504*	25	6,314,298	9	2,046,796
Capital Access (Start-Up Business)	99	2,375,643	63	1,192,564
Student	92,292	197,130,906	20,528	29,669,758
MSHDA (Mortgage)/HIP/CHIP	0	0	83	667,887
TOTAL	95,086	\$395,658,536	22,100	\$151,958,040

*While SBA 504 loans are not guaranteed by the SBA, participation in the 504 program allows the bank to meet customer needs it might otherwise not be able to meet.

Michigan Jobs Commission Capital Access Program

The program involves the pooling of funds from the borrower, the bank, and the state to help reduce the risks of lending to start-up businesses. The state contributes twice the proceeds contributed by the bank and borrower. The bank made 333 loans totaling \$8,428,063 in 1996 and 24 loans totaling \$929,401 during the first six months of 1997.

Old Kent Action Loan

Developed in February 1997, the Old Kent Action Loan is designed for low- and moderate income home buyers who represent good credit risks, but may not qualify for home financing based on traditional underwriting criteria. As of June 30, 1997, the bank made six loans totaling \$472,950.

Lending Test Conclusion - All Assessment Areas

The bank's overall lending performance is considered high satisfactory. The bank's loan volume and responsiveness to the credit needs within its assessment areas is considered strong. The bank's seven quarter average loan-to-deposit ratio of 87% is consistent with the peer group's loan-to-deposit ratio and is considered good. Lending to small farm/businesses is a significant part of the bank's total lending. Lending to low- and moderate-income individuals within its assessment area is good. Lending in low- and moderate-income communities is low and relates to a limited distribution network of branches in these

geographies.

INVESTMENT TEST

The bank's investment portfolio, donations and special programs that foster community development were reviewed. Qualified investments and grants were reviewed for innovation and responsiveness to credit and community development needs. These investments are outlined below.

Affordable Housing Investments

Since the previous examination, OKB invested \$2,427,745 in 17 Low-Income Housing Tax Credit projects which resulted in 1,473 affordable housing units in the OKB assessment areas and in a broader statewide area that includes the bank's assessment areas. These investments were realized through participation with the Michigan Capital Fund for Housing I and II, The Hayward Wells Estates and the Chicago Equity Fund.

The bank also participated in a consortium of third party loans. The bank's involvement is as follows:

ORGANIZATION	COMMITMENT (\$)	DESCRIPTION
Community Investment Corporation - Chicago	\$3,300,000 (1,800,000 outstanding)	A partnership that purchases, renovates and leases single-family housing for low- and moderate-income families who lease with an option to purchase.
Banker Alliance for Neighborhood Development- Grand Rapids	300,000	Commitment in a \$1,950,000 pool to make first mortgages in Grand Rapids. Benefit low- and moderate-income individuals and/or areas.
Kalamazoo Neighborhood Housing Services	1,200,000	Commitment in a \$10,000,000 pool to make first mortgages in Kalamazoo. Benefit low- and moderate-income individuals and/or areas.
Muskegon - Oceana Community Reinvestment Corporation	195,000	Commitment in a \$1,500,000 pool to make first mortgages in Muskegon and Oceana Counties. Benefit low- and moderate-income individuals and/or areas.

Municipal Bond Investments

Michigan State Housing Development Authority Single Family Mortgage Revenue Bonds

In 1996, OKB participated in the funding of Single Family Mortgage Revenue Bonds as co-manager with an investment of \$6,298,250. In 1997, the bank participated in the funding of Single Family Mortgage Revenue Bonds as co-manager with an investment of \$6,000,000. These bonds finance MSHDA's Single Family Mortgage program, which provides home purchase mortgages for low- and moderate-income families throughout the State of Michigan.

Michigan State Hospital Financing Authority Hospital Revenue Bonds: Sparrow Hospital (Lansing, MI)

In 1996, OKB participated in the funding of Hospital Revenue Bonds for Sparrow Hospital in Lansing, Michigan, as co-manager with an investment of \$2,072,000. These bonds financed improvements to Sparrow Hospital, which is located in a low- to moderate-income area.

Grand Rapids Community College: 1996 Refunding Bonds

In 1996, the bank participated in funding of Refunding Bonds for Grand Rapids Community College (GRCC) as co-manager with an investment of \$830,500. The funds were used for the construction of GRCC facilities, which is located in a moderate-income area.

Welcome Home Program

This grant program is designed to promote development in targeted areas in the City of Chicago and portions of the suburbs of Maywood, Bellwood, Elgin and Aurora. Proceeds may be used to cover down payment or closing costs or to reduce the interest rate on an approved mortgage. Five grants totaling \$7,400 and five loans totaling \$331,650 have been made since the previous examination.

Community Development Contributions

From January 1, 1996 through June 30, 1997, the bank supported community development needs through contributions to community development agencies. Over this period, OKB contributed \$662,500 to 75 different organization serving the areas of housing (\$130,900) economic development (\$410,100) and community development (\$121,500).

Investment Test Conclusion - All Assessment Areas

The bank's community development investments and donations demonstrate an adequate level of responsiveness to community development needs.

SERVICE TEST

The bank's system for delivering retail banking and community development services was reviewed for accessibility, innovation and responsiveness. Bank products and services are available through branch offices, the ATM network and a multi-lingual telephone banking center that also accommodates the hearing impaired.

Retail Banking Services

As of June 30, 1997, OKB operated 233 full-service branches with 240 on-site automated teller machines (ATMs) and 79 off-site ATMs. The distribution of branches by census tract/BNA income level are as follows:

GEOGRAPHY INCOME LEVEL	DISTRIBUTION OF OLD KENT BANK-S DELIVERY SYSTEM BY TYPE OF CENSUS TRACT/BNA WITHIN THE ASSESSMENT AREA					
	Full-Service Branches		On-Site ATMs		Off-Site ATMs	
	#	%	#	%	#	%
LOW	9	4%	8	3%	5	6%
MODERATE	26	11%	29	12%	17	21%
MIDDLE	125	54%	124	52%	36	46%
UPPER	73	31%	79	33%	21	27%
TOTAL	233	100%	240	100%	79	100%

As indicated in the preceding chart, nine (4%) branches, eight (3%) on-site ATMs and five (6%) off-site ATMs are located in low-income geographies. Twenty-six (11%) branches, 29 (12%) on-site ATMs and 17 (22%) off-site ATMs are located in moderate-income geographies. The location of full-service branches provides limited coverage of low- and moderate-income geographies in its assessment areas (3.3% of low-income and 8.4% of moderate-income geographies). The majority (approximately 51%) of the bank's facilities are located in middle-income geographies.

The bank offers Saturday banking/drive-up service at 187 (80%) of its branches and 21 (60%) of the branches located in low- and moderate-income geographies. To increase customer access, the bank established nine branches in grocery stores, seven in retirement homes and two in workplaces. ATMs are available at 196 (84%) of its branches and at 27 (77%) of the branches located in low- and moderate-income geographies.

Lobby hours are generally from 9:00 A.M. to 5:00 P.M., but most facilities have tailored hours to include extended drive-up facility hours on Fridays, a common payday in the area. Hours of operation are determined based on an analysis of branch transaction volume, competition from other banks, customer input, the number of other OKB branches in the area and branch alternatives available. The bank's telephone deposit services are available 24 hours per day through OKB's **ABank On Call.** The bank's telephone banking center allows additional customer access to banking products and services, but does not accept loan applications. Customer service representatives are available during regular business hours.

Record of Opening and Closing Offices

The bank's record of opening and closing of facilities was reviewed. The bank has a written plan for opening and closing its facilities. Bank management identifies areas where it is either over or under represented. All significant branch office data is evaluated in the context of overall bank/market performance and conclusions are reached after considering the costs/benefits and effects on the community.

Between December 1995 and June 30, 1997, the bank closed 47 branches, of which one was located in a low-income census tract/BNA and eight were in moderate-income tracts/BNAs. The bank increased its total branches by 127, of which five (3.9%) were low-income census tracts or BNAs and 24 (18.9%) were moderate-income. The branch closings have not adversely affected the accessibility of its delivery system, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. Of the total number of branches (233), 30 (12.9%) are in low- and moderate-income geographies.

Community Development Grants

The following grants are considered under the bank's service test as the bank does not provide funding, but provides servicing for the Federal Home Loan Bank. In 1996 and the first six months of 1997, the bank was awarded \$633,000 in grants under the Federal Home Loan Bank's Affordable Housing Program which include the following:

\$In January 1996, OKB awarded an \$85,000 grant to Inner City Christian Federation for use in its Reconstruction for Lease/Purchase Program. The funds were used to defer project costs and improve affordability for ICC's low- and moderate-income clients; the grant is forgivable over five years. This grant was made through the Federal Home Loan Bank of Indianapolis' Affordable Housing Program; \$25,000 of the grant has been disbursed.

\$In July 1996, OKB awarded a \$28,000 grant through the Federal Home Loan Bank of Indianapolis' Home Savings Pilot Program for use in assisting low- and moderate-income first-time home buyers in the City of Benton Harbor. The grant is used to provide down payment and closing costs assistance for home buyers.

\$In July 1996, OKB awarded a \$20,000 grant through the Federal Home loan Bank of Indianapolis' Home Savings Pilot Program for use in conjunction with Rural Opportunities' Inc., RECD Rural Housing Initiative. The grant provides a 2-to-1 match to home buyers' savings, is used to provide down payment assistance or pay closing costs, and is forgivable over five years; \$3,490 has been granted under this program since July 1996.

\$In November 1996, OKB awarded a \$500,000 grant to Nelson Neighborhood Improvement Association for use in the rehabilitation and construction of a 101 unit low- and moderate- income elderly housing facility in the City of Muskegon. The project renovated an empty hotel which created housing and eliminated an underutilized property. This grant allowed the property to serve more tenants with incomes less than 50% of the area median than would have otherwise been possible. This grant was made through the Federal Home Loan Bank of Indianapolis' Affordable Housing Program. The entire grant has been disbursed.

Community Development Services

As part of its community development services, OKB provides seminars and individual counseling. These services are provided based upon community need, and often in conjunction with a community group or an organization active in community development. The bank offers seminars on credit, credit repair, home ownership, home maintenance, budgeting, general product and qualification information, and small business management. In 1996, the bank held 39

seminars and 11 individual counseling sessions attended by 664 individuals. Through June 30, 1997, the bank provided 18 seminars and 21 individual counseling sessions attended by approximately 416 individuals.

The following activities were also noted during the examination:

Credit Counseling

The bank provided free credit and money management counseling services. These services were conducted through the Women's Resource Center in the Ann Arbor MSA; the John Grace Community Center, the Downriver Guidance Clinic and the Macomb County Community Service Agency in the Detroit MSA; the Bendle/Carmen-Ainsworth School in the Flint MSA; American Family Hope in the Grand Rapids-Muskegon-Holland MSA.

Small Business Presentations

The bank provided technical assistance for small businesses through the bank's Emerging Business seminars. Since the previous examination, the bank conducted two seminars in the Ann Arbor MSA, five in the Detroit MSA, three in the Grand Rapids-Muskegon-Holland MSA, one in the Kalamazoo-Battle Creek MSA and six in the non-metro State of Michigan areas.

Since the previous examination, the bank participated in 12 seminars/events in the Chicago area. Topics included home ownership, general product and loan qualification information, and specific information on student loans, small business loans and mortgage loans. Attendance statistics were not available.

Service Test Conclusion - All Assessment Areas

The bank's service performance is considered to be low satisfactory. Although the bank has increased its branches in low- and moderate-income geographies, its efforts in providing community development services throughout its entire assessment area are limited. Community representatives from the Benton Harbor MSA, Flint MSA, Lansing-East Lansing MSA revealed a necessity for community developments services in credit repair, home-ownership counseling and small business management.

OVERALL CONCLUSION

The bank has a high loan-to-deposit ratio and a high percentage of loans are originated within the assessment areas. The bank's distribution of loans demonstrates a strong level of lending to borrowers of different income levels and businesses of different sizes. According to the bank's 18-month CRA loan data, 18% of the bank's loans were made to low- income borrowers and 23% were to moderate-income borrowers. The HMDA data revealed that 18.41% of the loans made were to low-income individuals and 16.45% were to moderate-

income individuals. According to the bank's June 30, 1997 Consolidated Report of Condition and Income, the bank's small farm/business lending (\$1.15 billion) comprises 35% of its total commercial/agricultural lending: commercial and industrial 26.9%, agricultural operating production 62%, commercial real estate 48.7%, and agricultural real estate 53%.

Lending in low-income and moderate-income geographies within the bank's assessment areas is low. The bank's 18-month CRA loan data showed 32,021 real estate loans, of which a total of 501 (1.56%) loans were made in low-income geographies and 2,140 (6.88%) were in moderate-income geographies. Additionally, 9.8% of all 1996 HMDA-related loans were made in low- and moderate-income geographies. Of the 76,244 consumer loans, 1,252 (1.64%) loans were made in low-income geographies and 5,638 (7.40%) loans were in moderate-income geographies. The distribution was better in terms of business lending; 682 (4.34%) of the small business/farm loans were made in low-income geographies and 1,414 (8.99%) were in moderate-income geographies. These numbers are affected by the bank's distribution system. The bank has nine full-service branches in low-income census tracts, which represents coverage of 3.3% of the low-income census tracts in the bank's assessment area. Similarly, the bank has 26 branches in moderate-income geographies, representing an 8.4% coverage.

The bank offers flexible lending products through participation in federal and state sponsored lending programs aimed at the credit needs of low- and moderate-income individuals and small businesses, including start-up companies. The bank's community development lending is limited. The bank augments this with qualified investments, grants and contributions targeted at community development.

Investments are considered low satisfactory, based on the bank's participation in affordable housing investments and municipal bond investments within the assessment area. Contributions for 1996 and the first half of 1997 totaled \$662,500.

The bank's **service** performance is considered to be low satisfactory. Although the bank has increased its branches in low- and moderate-income geographies, its efforts in providing community development services throughout its entire assessment area are limited. Community representatives from the Benton Harbor MSA, Flint MSA, Lansing-East Lansing MSA revealed a necessity for community developments services in credit repair, home-ownership counseling and small business management.

**CRA PERFORMANCE ASSESSMENT
FOR THE ANN ARBOR MSA ASSESSMENT AREA**

DESCRIPTION OF ASSESSMENT AREA WITHIN THE ANN ARBOR MSA:

This assessment area has a population of 358,395 and encompasses parts of Livingston and Washtenaw Counties. The adjusted median family income of the assessment area is \$48,360. The following chart illustrates the percentage of total census tracts, population, and families within the Ann Arbor assessment area— low-, moderate-, middle-, and upper-income census tracts:

ANN ARBOR ASSESSMENT AREA					
Census Tract Income Level	Number of Tracts / %	Population	% of Total Population	Families	% of Total Families
Low	9 / 10%	35,251	9.8%	3,260	3.82%
Moderate	16 / 18%	55,654	15.53%	12,742	14.91%
Middle	41 / 45%	168,813	47.10%	44,612	52.21%
Upper	25 / 27%	98,677	27.53%	24,828	29.06%
TOTAL	91 / 100%	358,395	100%	85,442	100%

As illustrated in the preceding chart, the assessment area is comprised of 91 census tracts, of which 28% are low- and moderate-income, 45% are middle-income, and 27% are upper-income census tracts. The population in the Ann Arbor assessment area accounts for 5% of the total population within the nine assessment areas served by the bank. The assessment area has a total of 139,331 housing units, of which 57% are owner-occupied, 37% are rental, 6% are vacant, and 4% are mobile homes. The median housing value in the assessment area is \$97,867 and the median age of housing is 31 years.

Residents within Ann Arbor assessment area are employed in the following nonagricultural sectors of the economy: manufacturing - 20.6%; construction - 4.2%; service - 51.5%; and government - 23.7%.

Community representatives stated that OKB is actively involved in lending to the community, especially to small businesses.

LENDING TEST

Geographic Distribution of Loans

Lending in Assessment Area

A review of the bank's loan volume within the Ann Arbor MSA during 1996 and the first six months of 1997 revealed a total of 1,775 consumer loans totaling \$14,469,000. Of the total consumer loans, 1,663 (93.69%) loans totaling \$13,561,000 (93.72%) were made within the assessment area.

Small Business/Small Farm Lending

A substantial majority of the bank's small business/small farm loans are within the assessment area. In 1996, the bank made 147 small business loans totaling \$24,143,000 in the Ann Arbor MSA, of which 133 (90.48%) loans totaling \$23,054,000 were made within the assessment area. The bank also made six small farm loans totaling \$449,000 in the Ann Arbor MSA of which three (50%) loans totaling \$389,000 were within the assessment area.

In 1997, the bank made 55 small business loans, of which 51 (92.73%) loans totaling \$7,645,000 were made within the assessment area. In addition, the bank made three small farm loans totaling \$74,000, of which none were in the assessment area.

HMDA Lending

In 1996, the bank made 219 HMDA-related loans, of which 179 (82%) loans were made within the assessment area. In 1995, the bank made 328 HMDA-related loans, of which 288 (88%) were within the assessment area.

Lending in Geographies of Different Income Levels

A sample of loans and the bank's 1996 and six-month 1997 CRA loan data were reviewed to determine the bank's level of lending in census tracts of different income levels. The data was reviewed to determine the number and amount of loans made in the various census tracts within the assessment area. Analysis of a random sample of 25 loans totaling \$630,886 made within the assessment area indicated that no loans were made in low-income census tracts and that six loans totaling \$53,459 were in moderate-income census tracts. The majority of the loans, by number, were made in the middle-income census tracts, while the majority of loan dollars were in the high income census tracts.

Review of the bank's CRA loan data for 1996 and the first six months of 1997 revealed the

following distribution of loans among census tracts of different income levels:

DISTRIBUTION OF OLD KENT BANK-S 1996 AND 1997 CRA LOANS WITHIN THE ANN ARBOR ASSESSMENT AREA						
Geography Income Level	# of Real Estate Loans	% of Total # of Real Estate Loans	# of Consumer Loans	% of Total # of Consumer Loans	# of Small Business Loans	% of Total # of Small Business Loans
Low-Income	2	0.32%	16	0.96%	4	2.14%
Moderate-Income	17	2.73%	48	2.89%	6	3.21%
Middle-Income	377	60.61%	911	54.78%	107	57.22%
Upper-Income	226	36.34%	688	41.37%	70	37.43%
Not Classified	0	0.0	0	0	0	0
Total	622	100%	1,663	100%	187	100%

The preceding chart illustrates the following:

Real Estate Loans

Of the 622 real estate loans totaling \$49,870,000 that the bank made within the Ann Arbor assessment area, two (0.32%) loans totaling \$120,000 (0.24%) were made in low-income census tracts and 17 (2.73%) loans totaling \$915,000 (1.83%) were in moderate-income census tracts. The majority of the real estate loans, 377 (60.61%) of the total loans and \$27,293,000 (54.73%) of the total dollar amount, were made in middle-income census tracts.

Consumer Loans

Of the 1,663 consumer loans made within the Ann Arbor assessment area, 16 (0.96%) loans were made in low-income census tracts and 48 (2.89%) loans were made in moderate-income census tracts. The majority of the consumer loans were made in middle-income census tracts, representing 911 (54.78%) of the total number of loans.

Small Business/Small Farm Loans

Of the 187 small business/small farm loans totaling \$31,088,000 made within the Ann Arbor assessment area, four (2.14%) loans totaling \$1,290,000 (4.15%) were made in low-income census tracts and six (3.21%) loans totaling \$782,000 (2.52%) were in moderate-income census tracts. The majority of small business loans were made in middle-income census tracts.

HMDA-Related Lending Activity

In 1996, the bank had HMDA-related loan activity in 61.5% of the Ann Arbor assessment area's census tracts and in 32% of the low- and moderate-income census tracts. In 1995, the bank had HMDA-related loan activity in 48.4% of the Ann Arbor assessment area's census tracts and in 20% of the low- and moderate-income census tracts. Owner-occupied units within low- and moderate-income tracts comprise 12% of all owner-occupied units within the assessment area.

The following chart shows the bank's 1996 and 1995 performance relative to potential real estate lending opportunities available within the assessment area. The bank's originations in low- and moderate-income census tracts (L/M), and middle- and upper-income census tracts (non-L/M) are compared to the number of owner-occupied units in those census tracts per 1,000 units:

ANN ARBOR ASSESSMENT AREA	OWNER-OCCUPIED UNITS IN		HMDA-RELATED ORIGINATIONS IN		PERCENTAGE OF ORIGINATIONS PER 1,000 OWNER-OCCUPIED UNITS IN	
	Non-L/M	L/M	Non-L/M	L/M	Non-L/M	L/M
1996	69,964	9,519	402	14	5.75	1.47
1995	69,964	9,519	410	17	5.86	1.79

The preceding chart shows that HMDA-related loans per 1,000 owner-occupied units within low- and moderate-income census tracts are lower than loans in middle- and upper-income census tracts.

The distribution of the bank's 1996 and 1995 HMDA-related loans is included in the following charts:

1996 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within Ann Arbor Assessment Area		Market Aggregate Within Ann Arbor Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	9	9.89	2	0.48	163	1.00
Moderate - 50 to 79%	16	17.58	12	2.88	1,458	8.93
Middle - 80 to 119%	41	45.05	256	61.54	9,546	58.48
Upper - > 120%	25	27.47	146	35.10	5,157	31.59
Total	91	100.00	416	100.00	16,324	100.00

1995 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within Ann Arbor Assessment Area		Market Aggregate Within Ann Arbor Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	9	9.89	3	0.70	270	2.09
Moderate - 50 to 79%	16	17.58	14	3.28	1,156	9.01
Middle - 80 to 119%	41	45.05	256	59.95	7,405	57.27
Upper - > 120%	25	27.47	154	36.07	4,091	31.64
Total	91	100.00	427	100.00	12,931	100.00

The preceding charts show that 3.36% of 1996 HMDA originations and 3.98% of 1995 originations were made within low- and moderate-income census tracts. The distribution of loans in low- and moderate-income areas is weak when compared to aggregate data and is not consistent with the demographics of the assessment area.

Lending Analysis Based Upon Size of Business and Borrower Income

The following table illustrates the results of the bank's internal analysis of its consumer loan activity in the Ann Arbor assessment area for 1996 and 1997.

DISTRIBUTION OF OLD KENT BANK'S 1996 AND 1997 CRA LOANS BY BORROWER INCOME LEVEL ANN ARBOR ASSESSMENT AREA				
BORROWER INCOME LEVEL	# of Loans	Percent of Total Loans	Dollar Amount (\$000's)	Percent of Total Dollars
Low-income	480	21%	\$2,551	4%
Moderate-income	489	21%	7,694	12%
Middle-income	564	25%	17,040	27%
Upper-income	718	31%	34,638	55%
Not Available	34	1%	1,508	2%
Total	2,285	100%	\$63,431	100%

The bank's analysis revealed that 21% of the total consumer loans made within the Ann Arbor assessment area were made to low-income borrowers, and 21% were to moderate-income borrowers. Of total loan dollars, 4% were to low-income borrowers, and 12% were to moderate-income borrowers.

HMDA-Related Lending

The distribution of the 1996 and 1995 HMDA loans within the assessment area, by borrower income, is included in the following charts.

1996 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Ann Arbor Assessment Area		Market Aggregate Within Ann Arbor Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	14,406	18.86	35	8.41	1,009	6.18
Moderate - 50 to 79%	14,248	16.68	66	15.87	2,869	17.58
Middle - 80 to 119%	20,996	24.57	135	32.45	5,285	32.38
Upper - > 120%	35,790	41.89	180	43.27	7,161	43.87
Total	85,440	100.00	416	100.00	16,324	100.00

1995 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Ann Arbor Assessment Area		Aggregate Within Ann Arbor Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	14,406	16.86	43	10.07	874	6.76
Moderate - 50 to 79%	14,248	16.68	66	15.46	2,606	20.15
Middle - 80 to 119%	20,996	24.57	155	36.30	4,101	31.71
Upper - > 120%	35,790	41.89	163	38.17	5,350	41.37
Total	85,440	100.00	427	100.00	12,931	100.00

The number of originations does not include loans for which borrower income was not identified.

As illustrated in the preceding charts, 24.28% and 25.53% of HMDA originations in 1996 and 1995, respectively, were to low- and moderate-income borrowers. The distribution of loans among borrowers of different income levels is reasonable and shows loan activity in all income ranges. The bank's performance is consistent with market aggregate data.

Small Business/Small Farm Lending

In 1996, of the 133 small business and three small farm loans made within the assessment area, 90 (67.67%) small business loans totaling \$10,694,000 and all the small farm loans totaling \$389,000 were made to entities with annual revenues of less than \$1 million. By loan amount, 73 (54.89%) small business loans totaling \$3,380,000 and two small farm loans totaling \$110,000 were in amounts of \$100,000 or less.

In 1997, of the 51 small business loans made within the assessment area, 37 (72.55%) loans totaling \$3,766,000 were to businesses with annual revenues under \$1 million. By loan amount, 29 (56.86%) loans totaling \$1,286,000 were in amounts under \$100,000.

Community Development Contributions

Since the previous examination, the bank made a total of \$19,150 in charitable contributions within the Ann Arbor assessment area. The following chart lists the community development contributions:

ORGANIZATION	CONTRIBUTION (\$)	DESCRIPTION
United Way	\$9,500	Approximately 90% of all donations are used to support low- and moderate-income families.
Local Initiatives Support Corp.	2,000	Support low-income housing development projects in Ann Arbor and Ypsilanti.
Livingston Economic Development	4,000	Community development activities within Livingston County.
Christmas in April Program	3,000	Home improvement program for low- and moderate-income families in Livingston County.
Washtenaw County CRA	500	Supports home-buyers club and monthly credit workshops.
Habitat for Humanity	150	Donated meals for housing builders for low- and moderate-income families.
TOTAL CONTRIBUTIONS	\$19,150*	

*1996: \$15,500 - 1997: \$3,650

SERVICE TEST

Retail Banking Services

OKB operates five of its 233 full-service branches within the Ann Arbor assessment area, each with an on-site ATM . Four of the five branches are located in middle-income census tracts and one branch is located in an upper-income census tract.

Community Development Services

The bank participated in the following community development services within the Ann Arbor assessment area during the examination review period:

Credit Counseling

The bank provided money management counseling in conjunction with the Women’s Resource Center in Howell. Branch managers visit the center twice each month and work with interested participants during a one-hour financial counseling session, which can be a one-time event or on a monthly basis for as long as the participant chooses.

Small Business Presentations

The bank provided small business technical assistance through the bank's "Emerging Business" seminars. Since the previous examination, the bank conducted two seminars: one held in Ann Arbor on November 7, 1996, attended by 30 small business owners, and one in Ypsilanti on June 28, 1997, attended by 22 owners.

OVERALL CONCLUSION - ANN ARBOR ASSESSMENT AREA

The bank's overall lending performance is considered high satisfactory. The bank's 18 month CRA loan data and the HMDA data illustrate a high level of lending within the Ann Arbor assessment area. However, lending in low- and moderate-income census tracts was weak in comparison to the number of low- and moderate-income census tracts located within the assessment area. Lending to small businesses and farms was strong, and lending to low- and moderate-income borrowers was reasonable. Analysis of the HMDA data showed that the bank outperformed the market aggregate in lending to low-income borrowers for both 1995 and 1996. The bank did not participate in any community development loans within the Ann Arbor assessment area.

The bank's participation in investments within the Ann Arbor assessment area is considered to be a low satisfactory. The bank did not participate in any affordable housing investments within the Ann Arbor assessment area. The bank's services are accessible, and branches have reasonable business hours and locations. Community development services are satisfactory, given the bank's participation in credit counseling and small business presentations.

**CRA PERFORMANCE ASSESSMENT
FOR THE BENTON HARBOR MSA ASSESSMENT AREA**

DESCRIPTION OF THE ASSESSMENT AREA WITHIN THE BENTON HARBOR MSA:

This assessment area includes a portion of Berrien County. The adjusted median family income of the assessment area is \$32,036. The following chart illustrates the percentage of total census tracts, population and families within the Benton harbor assessment area— low-, moderate-, middle-, and upper-income census tracts:

BENTON HARBOR ASSESSMENT AREA					
Census Tract Income Level	Number of Tracts / %	Population	% of Total Population	Families	% of Total Families
Low	7 / 16%	15,715	11.31%	2,453	9.87%
Moderate	4 / 9%	10,543	7.59%	2,646	6.97%
Middle	23 / 51%	82742	59.57%	22,813	60.13%
Upper	11 / 24%	29,909	21.53%	8,733	23.03%
TOTAL	45 / 100%	138,910	100%	37,938	100%

As illustrated in the preceding chart, the assessment area is comprised of 45 census tracts, of which 25% are low- and moderate-income, 51% are middle-income, and 24% are upper-income census tracts. The population in the Benton Harbor assessment area accounts for 2% of the total population within the nine assessment areas served by the bank. The assessment area has a total of 57,251 housing units, of which 62% are owner-occupied, 8% are vacant, and 6% are mobile homes. The median housing value in the assessment area is \$51,156.

Residents within the Benton Harbor MSA are employed in the following nonagricultural sectors of the economy: manufacturing - 28.17%; construction - 3.67%; service - 57.32%; and government - 10.85%.

Community representatives indicated a need for small business loans and affordable housing. They also stated that there is a need for a first-time home buyers program in the area. OKB was acknowledged as an active lender in the community.

LENDING TEST

Geographic Distribution of Loans

Lending in Assessment Area

A review of the bank's loan volume within the Benton Harbor MSA during 1996 and the first six months of 1997 revealed a total of 1,785 consumer loans totaling \$12,093,000. Of the total consumer loans, 1,694 (94.90%) loans totaling \$11,511,000 (95.19%) were made within the assessment area.

Small Business/Small Farm Lending

A substantial majority of the bank's small business/small farm loans are within the assessment area. In 1996, the bank made 108 small business loans totaling \$13,068,000 in the Benton Harbor MSA, of which 106 (98.15%) loans totaling \$12,710,000 were made within the assessment area. The bank also made four small farm loans totaling \$160,000, all of which were within the assessment area.

In 1997, the bank made 80 small business loans, of which 78 (97.50%) loans totaling \$6,798,000 were within the assessment area. In addition, the bank made four small farm loans totaling \$167,000, all of which were within the assessment area.

HMDA-Related Lending

According to the HMDA data, the bank made 380 and 405 loans in 1995 and 1996 respectively. Of these loans, 305 loans (80.3%) in 1995 and 348 loans (85.9%) in 1996 were made within the Benton Harbor assessment area.

Lending in Geographies of Different Income Levels

A sample of loans and the bank's 1996 and six-month 1997 CRA data collection were reviewed to determine the bank's level of lending within the assessment area. The data was reviewed to determine the number and amount of loans made in the various census tracts within the assessment area. A random sample of seven loans totaling \$71,743 within the assessment area included no loans in low-income census tracts, and one loan for \$9,095 in a moderate-income census tract. The majority of the sampled loans were made in the upper-income census tracts, representing 57% of the total number of loans and 60.63% of the total dollar amount.

Review of the bank's internal CRA loan data for 1996 and the first six months of 1997

revealed the following distribution of loans among census tracts of different income levels:

DISTRIBUTION OF OLD KENT BANK-S 1996 AND 1997 CRA LOAN DATA BENTON HARBOR ASSESSMENT AREA						
GEOGRAPHY INCOME LEVEL	# of Real Estate Loans	% of Total # of Real Estate Loans	# of Consumer Loans	% of Total # of Consumer Loans	# of Small Business Loans	% of Total # of Small Business Loans
Low-Income	56	10.79%	106	6.26%	12	6.25%
Moderate- Income	37	7.13%	157	9.27%	56	29.17%
Middle-Income	320	61.66%	1,128	66.59%	104	54.17%
Upper-Income	106	20.42%	303	17.89%	20	10.42%
Not Classified	0	0	0	0	0	0
Total	519	100%	1,694	100%	192	100%

The preceding chart illustrates the following:

Real Estate Loans

Of the 519 real estate loans totaling \$14,357,000 that the bank made within the Benton Harbor assessment area, 56 (10.79%) loans totaling \$1,032,000 (7.19%) were in low-income census tracts and 37 (7.13%) loans totaling \$522,000 (3.64%) were in moderate-income census tracts. The majority of real estate loans, 320 (62%) of the total number of loans and \$8,237,000 (57%) of the total dollar amount, were made in middle-income census tracts.

Consumer Loans

Of the 1,694 consumer loans made within the Benton Harbor assessment area, 106 (6.26%) loans totaling \$706,000 (6.13%) were made in low-income census tracts and 157 (9.27%) loans totaling \$718,000 (6.24%) were in moderate-income census tracts. The majority of consumer loans were made in middle-income census tracts, representing 66.59% of the total number of loans and 64.26% of the total dollar amount.

Small Business/Small Farm Loans

Of the 192 small business/small farm loans totaling \$19,835,000 made within the Benton Harbor assessment area, 12 (6.25%) loans totaling \$2,157,000 (11%) were in low-income census tracts and 56 (29.17%) loans totaling \$5,759,000 (29%) were in moderate-income census tracts. The majority of small business loans were made in middle-income census tracts.

HMDA-Related Lending Activity

In 1996, the bank had HMDA-related loan activity in 97% of the Benton Harbor assessment area's census tracts and in all low- and moderate-income census tracts. In 1995, the bank had HMDA-related loan activity in 95.6% of the Benton Harbor assessment area's census tracts, and in all of the low- and moderate-income census tracts. Owner-occupied units within low- and moderate-income census tracts comprise 11.3% of all owner-occupied units within the assessment area.

The following chart shows the bank's 1996 and 1995 performance relative to potential real estate lending opportunities within the assessment area. The chart compares the bank's originations in low- and moderate-income census tracts (L/M), and middle- and upper-income census tracts (non-L/M) to the number of owner-occupied units in those census tracts per 1,000 units:

BENTON HARBOR ASSESSMENT AREA	OWNER-OCCUPIED UNITS IN		HMDA-RELATED ORIGINATIONS IN		PERCENTAGE OF ORIGINATIONS PER 1,000 OWNER-OCCUPIED UNITS IN	
	Non-L/M	L/M	Non-L/M	L/M	Non-L/M	L/M
1996	31,643	4,033	308	72	9.73	17.85
1995	31,643	4,033	338	67	10.68	16.61

The preceding chart shows that HMDA-related loans per 1,000 owner-occupied units within low- and moderate-income census tracts are higher than loans in middle- and upper-income census tracts.

The distribution of the bank's 1996 and 1995 HMDA-related loans is included in the following charts:

1996 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within Benton Harbor Assessment Area		Market Aggregate Within Benton Harbor Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	7	15.58	44	11.58	318	6.34
Moderate - 50 to 79%	4	8.89	28	7.37	277	5.52
Middle - 80 to 119%	23	51.11	235	61.84	2,996	59.73
Upper - > 120%	11	24.44	73	19.21	1,425	28.41
Total	45	100.00	380	100.00	5,016	100.00

1995 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within Benton Harbor Assessment Area		Market Aggregate Within Benton Harbor Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	7	15.56	33	8.15	289	6.71
Moderate - 50 to 79%	4	8.89	34	8.40	236	5.48
Middle - 80 to 119%	23	51.11	271	66.91	2,588	60.13
Upper - > 120%	11	24.44	67	16.54	1,191	27.67
Total	45	100.00	405	100.00	4,304	100.00

The preceding charts show that 18.95% of 1996 HMDA originations and 16.55% of the 1995 originations were made within low- and moderate-income census tracts. The distribution of loans among all census tracts is reasonable and consistent with the demographics of the assessment area.

Lending Analysis Based Upon Size of Business and Borrower Income

The following table illustrates the results of the bank's internal analysis of its loan activity in the Benton Harbor assessment area for 1996 and 1997:

DISTRIBUTION OF OLD KENT BANK'S 1996 AND 1997 CRA LOANS BY BORROWER INCOME LEVEL BENTON HARBOR ASSESSMENT AREA				
BORROWER INCOME LEVEL	# of Loans	Percent of Total Loans	Dollar Amount (\$000s)	Percent of Total Dollars
Low-income	564	25%	\$3,054	12%
Moderate-income	561	25%	4,393	17%
Middle-income	492	22%	5,712	22%
Upper-income	552	25%	12,287	47%
Not Available	44	2%	422	2%
Total	2,213	100%	\$25,868	100%

The bank's internal analysis revealed that 25% of the total loans made within the Benton Harbor assessment area were to low-income borrowers and 25% were to moderate-income borrowers; 47% of the total loan dollars were to upper-income borrowers, 12% were to low-income borrowers and 17% were to moderate-income borrowers.

Small Business/Small Farm Lending

In 1996, of the 106 small business and four small farms loans made within the assessment area, 80 (75.47%) small business loans totaling \$6,892,000 and four (100%) small farm loans totaling \$160,000 were made to businesses with annual revenues of less than \$1 million. By loan amount, 73 (68.9%) small business loans totaling \$3,088,000 and all small farm loans were in amounts of \$100,000 or less. In 1997, of the 78 small business loans made within the assessment area, 58 (74.36%) loans totaling \$3,607,000 were made to businesses with revenues under \$1 million. By loan amount, 60 (76.92%) loans totaling \$2,112,000 were in amounts of \$100,000 or less.

HMDA-Related Lending

The distribution of 1996 and 1995 HMDA loans within the assessment area, by borrower income, is included in the following charts.

1996 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Benton Harbor Assessment Area		Market Aggregate Within Benton Harbor Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	8,387	22.11	52	18.68	465	9.27
Moderate - 50 to 79%	6,262	16.51	90	23.68	1,068	21.29
Middle - 80 to 119%	8,666	22.84	104	27.37	1,511	30.12
Upper - > 120%	14,620	38.54	134	35.26	1,972	39.31
Total	37,935	100.00	380	100.00	6,016	100.00

1995 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Benton Harbor Assessment Area		Market Aggregate Within Benton Harbor Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	8,387	22.11	68	16.79	441	10.25
Moderate - 50 to 79%	6,262	16.51	95	23.46	851	19.77
Middle - 80 to 119%	8,666	22.84	106	26.17	1,178	27.25
Upper - > 120%	14,620	38.54	136	33.68	1,839	42.79
Total	37,935	100.00	405	100.00	4,304	100.00

The number of originations does not include loans for which borrower income was not identified.

As illustrated in the preceding charts, 42.36% and 40.25% of HMDA originations in 1996 and 1995, respectively, were to low- and moderate-income borrowers. This distribution of loans is reasonable and shows loan activity in all income ranges. The bank's performance is consistent with market aggregate data.

INVESTMENT TEST

Affordable Housing Investments

The bank supports community development-related investment initiatives through the Michigan Capital Fund for Housing (MCF). Since the previous examination, the bank invested in the following MCF low-income housing tax credit partnerships.

ORGANIZATION	INVESTMENT (\$)	UNITS DEVELOPED
Hayward Wells Estates Limited Partnership	\$269,172	Development of an 81-unit family housing facility in the City of Benton Harbor, Michigan. The project was sponsored by the Holy Trinity Church of God in Christ. OKFC purchased a 14% interest. This investment was made in 1996.

Community Development Contributions

Since the previous examination, the bank made a total of \$18,750 charitable contributions within the Benton Harbor assessment area. The following chart lists the community development contributions:

ORGANIZATION	CONTRIBUTION (\$)	DESCRIPTION
United Way	\$6,750	Approximately 90% of all donations are used to support low- and moderate-income families.
Cornerstone Alliance	2,000	Community/economic development activities in Benton Harbor/St. Joseph.
Neighborhood Information Sharing Exchange	10,000	Housing counseling and seminars located in Benton Harbor.
TOTAL CONTRIBUTIONS	\$18,750*	

* 1996: \$13,750 - 1997: \$5,000

The preceding chart shows that the bank's contributions for 1996 and 1997 in the Benton Harbor assessment area totaled \$18,750.

SERVICE TEST

Retail Banking Services

OKB operates nine of its 233 full-service branches within the Benton Harbor assessment area. Eight of the nine branches have on-site ATMs. Three of the full-service branches and two on-site ATMs, are located in moderate-income census tracts; four full-service branches with on-site ATMs are located in middle-income census tracts; and two full-service branches with on-site ATMs are located in upper-income census tracts.

Community Development Grants

In July 1996, OKB awarded a \$28,000 grant through the Federal Home Loan Bank of Indianapolis=Home Savings Pilot Program for use in assisting low- and-moderate income first-time home buyers in the City of Benton Harbor. The grant provides a 2-to-1 match to the home buyers savings, and is used to provide down payment assistance or pay closing costs.

OVERALL CONCLUSION - BENTON HARBOR ASSESSMENT AREA

The bank's lending performance is considered high satisfactory. The bank's 18-month CRA loan data and the HMDA data illustrate a high level of lending within the Benton Harbor assessment area. Lending in low- and moderate-income census tracts is adequate in comparison to the number of low- and moderate-income census tracts located within the assessment area. Lending to small businesses and farms, and to low- and moderate-income borrowers was strong. Analysis of the HMDA data showed that the bank outperformed the market aggregate in lending to low- and moderate-income borrowers for both 1995 and 1996.

The bank did not participate in any community development loans within the Benton Harbor assessment area.

The bank's participation in qualified investments and community development contributions within the Benton Harbor assessment area is considered low satisfactory. The bank's services are accessible, and branches have reasonable business hours and locations. The bank's community development services are limited.

**CRA PERFORMANCE ASSESSMENT
FOR THE DETROIT ASSESSMENT AREA MSA**

DESCRIPTION OF THE ASSESSMENT AREA WITHIN THE DETROIT MSA:

This assessment area encompasses all of Macomb and St. Clair Counties and portions of Monroe, Oakland and Wayne Counties and has a population of 1,931,588. The adjusted median family income of the assessment area is \$46,397. The following chart illustrates the percentage of total census tracts, and the population and families within the Detroit assessment area's low-, moderate-, middle-, and upper-income census tracts.

DETROIT ASSESSMENT AREA					
Census Tract Income Level	Number of Tracts / %	Population	% of Total Population	Families	% of Total Families
Low	5 / 1.0%	16,078	0.83%	464	0.11%
Moderate	47 / 9.3%	151,185	7.83%	19,151	4.60%
Middle	221 / 43.9%	1,005,811	52.07%	202,078	48.58%
Upper	230 / 45.8%	758,514	39.27%	194,307	46.71%
TOTAL	503 /100%	1,931,588	100%	416,000	100%

As illustrated in the preceding chart, the assessment area is comprised of 503 census tracts, of which 10.3% are low- and moderate-income, 43.9% are middle-income, and 45.8% are upper-income census tracts. The population in this assessment area accounts for 25.8% of the total population, and 11% of the low- and moderate-income population within the nine assessment areas served by the bank. This assessment includes 21% of the total number of census tracts and 5% of the low- and moderate-income census tracts within the nine assessment areas. The assessment area has a total of 750,498 housing units, of which 72% are owner-occupied, 5% are vacant, and 5% are mobile homes. The median housing value in the assessment area is \$80,546.

Residents within the Detroit assessment area are employed in the following nonagricultural sectors of the economy: manufacturing - 20.64%; construction - 4.24%; service - 65.21%; and government - 9.91%.

Community representatives indicated that opportunities are available for local banks to be proactive in the development of low-interest, home improvement loans and small business loans under \$100,000. OKB was acknowledged as an active lender in the community, having products that addressed these needs.

LENDING TEST

Geographic Distribution of Loans

Lending in Assessment Area

A review of the bank's loan volume within the Detroit MSA during 1996 and the first six months of 1997 revealed a total of 9,515 consumer loans totaling \$73,316,000. Of the total consumer loans, 8,020 (84.90%) loans totaling \$59,448,000 (81.06%) were made within the Detroit assessment area.

Small Business/Small Farm Lending

The majority of the bank's small business/small farm loans are within the assessment area. In 1996, the bank made 913 small business loans totaling \$146,077,000 in the Detroit MSA, of which 686 (75.14%) loans totaling \$100,074,000 were made within the Detroit assessment area. The bank also made three small farm loans totaling \$170,000, of which two loans totaling \$130,000 were within the assessment area.

In 1997, the bank made 564 small business loans totaling \$79,872,000, of which 473 (83.87%) loans totaling \$63,539,000 were made within the assessment area. In addition, the bank made four small farm loans totaling \$80,000, all of which were in the assessment area.

HMDA-Related Lending Activity

In 1996, the bank made 972 HMDA-related loans, of which 724 (74%) loans were made within the Detroit assessment area. In 1995, the bank made 1,123 HMDA-related loans, of which 871 (78%) loans were made within the assessment area.

Lending in Geographies of Different Income Levels

The bank's 1996 and six-month 1997 CRA data were reviewed to determine the bank's level of lending in census tracts of different income levels. The data was reviewed to determine the number and amount of loans made in the various census tracts within the assessment area. The analysis revealed the following distribution of loans within low-, moderate-, middle-, and upper-income census tracts:

DETROIT ASSESSMENT AREA						
Geography Income Level	# of Real Estate Loans	% of Total # of Real Estate Loans	# of Consumer Loans	% of Total # of Consumer Loans	# of Small Business Loans	% of Total # of Small Business Loans
Low-Income	2	0.07%	13	0.16	11	0.96
Moderate-Income	105	3.93%	286	3.57	119	10.34
Middle-Income	1,449	54.28%	4,464	55.66	618	53.69
Upper-Income	1,110	41.57%	3,257	40.61	403	35.01
Not Classified	4	0.15%	0	0	0	0
Total	2,670	100%	8,020	100%	1,151	100%

The preceding chart illustrates the following:

Real Estate Loans

Of the 2,670 real estate loans totaling \$191,462,000 that the bank made within the Detroit assessment area, 2 loans totaling \$123,000 were made in low-income census tracts and 105 loans totaling \$5,283,000 were in moderate-income census tracts. The majority of real estate loans were made in middle-income census tracts.

Consumer Loans

Of the 8,020 consumer loans made within the Detroit assessment area, 13 (0.16%) loans were made in low-income census tracts and 286 (3.57%) loans were made in moderate-income census tracts. The majority of the consumer loans were made in middle-income census tracts, representing 55.66% of the total number of loans. The bank made a total of \$59,448,000 in consumer loans, of which \$79,000 (0.13%) were in low-income census tracts and \$1,523,000 (3%) were in moderate-income census tracts. The majority of loan dollars \$29,069,000 (49%), were made in middle-income tracts.

Small Business/Small Farm Loans

Of the 1,151 small business/small farm loans totaling \$162,884,000 made in the Detroit assessment area, 11 (0.96%) loans totaling \$1,295,000 (0.79%) were made in low-income census tracts and 119 (10.34%) loans totaling \$19,485,000 (12%) were in moderate-income census tracts. The majority of small business loans were made in middle-income census tracts.

HMDA-Related Lending Activity

In 1996, the bank had HMDA-related loan activity in 76.5% of the Detroit assessment area's census tracts and in 50% of the low- and moderate-income census tracts. In 1995, the bank had HMDA-related loan activity in 71.4% of the Detroit assessment area's census tracts, and in 64.3% of the low- and moderate-income census tracts. Owner-occupied units in low- and moderate-income census tracts comprise 4.2% of all owner-occupied units within the assessment area.

The following chart shows the bank's 1996 and 1995 performance relative to potential real estate lending opportunities within the assessment area. The charts compare the bank's originations in low- and moderate-income (L/M) and middle- and upper-income census tracts (non-L/M) to the number of owner-occupied units in those census tracts per 1,000 units:

DETROIT ASSESSMENT AREA	OWNER-OCCUPIED UNITS IN		HMDA-RELATED ORIGINATIONS IN		PERCENTAGE OF ORIGINATIONS PER 1,000 OWNER- OCCUPIED UNITS IN	
	Non-L/M	L/M	Non-L/M	L/M	Non-L/M	L/M
1996	406,166	17,975	1,562	43	3.85	2.39
1995	406,166	17,975	1,275	53	3.14	2.95

The preceding chart shows that HMDA-related originations per 1,000 owner-occupied units within low- and moderate-income census tracts are lower than originations in middle- and upper-income census tracts.

The distribution of the bank's 1996 and 1995 HMDA-related loans is included in the following charts:

1996 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within Detroit Assessment Area		Market Aggregate Within Detroit Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	5	1.0	0	0.00	30	0.04
Moderate - 50 to 79%	47	9.3	43	2.68	3,168	4.26
Middle - 80 to 119%	221	43.9	834	51.96	33,762	45.42
Upper - > 120%	230	45.8	728	45.36	37,376	50.28
Total	503	100.00	1,605	100.00	74,336	100.00

1995 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within Detroit Assessment Area		Market Aggregate Within Detroit Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	4	1.0	0	0.00	40	0.07
Moderate - 50 to 79%	47	9.3	53	3.99	2,638	4.48
Middle - 80 to 119%	221	43.9	687	51.73	26,565	45.16
Upper - > 120%	230	45.8	588	44.28	29,579	50.29
Total	503	100.00	1,328	100.00	58,822	100.00

The preceding charts show no HMDA-related loans in low-income census tracts in 1995 and 1996. Of total originations, 2.68% in 1996 and 3.99% in 1995 were within moderate-income census tracts. The distribution among all income census tracts is reasonable and is consistent with the demographics of the assessment area.

Lending Analysis Based Upon Size of Business and Borrower Income

Review of the sampled loans, for which borrower income information was available, revealed the following distribution:

DISTRIBUTION OF EXAMINATION LOAN SAMPLE BY BORROWER INCOME DETROIT ASSESSMENT AREA				
LOAN TYPE	Low-Income Borrowers \$ / #	Moderate-Income Borrowers \$ / #	Middle-Income Borrowers \$ / #	Upper-Income Borrowers \$ / #
Single Payment	\$0/0	\$0/0	\$0/0	\$55,000/1
Installment - Direct	4,000/1	11,600/2	19,000/2	258,401/9
Installment - Indirect	55,997/5	109,399/9	147,150/9	107,134/8
Overdraft Protection	1,000/2	1,500/3	4,000/8	2,500/2
OKB Real Estate	0/0	0/0	141,500/1	0/0
OKM Real Estate	0/0	0/0	149,750/2	220,600/2

DISTRIBUTION OF EXAMINATION LOAN SAMPLE BY BORROWER INCOME DETROIT ASSESSMENT AREA				
LOAN TYPE	Low-Income Borrowers \$ / #	Moderate-Income Borrowers \$ / #	Middle-Income Borrowers \$ / #	Upper-Income Borrowers \$ / #
Home Equity	0/0	18,000/2	75,000/4	183,000/7
Total Sampled	\$60,977/8	\$140,499/16	\$536,400/26	\$826,635/29

As the preceding chart illustrates, the majority of the 79 sampled loans totaling \$1,564,511 were to high-income borrowers; eight (10.13%) loans totaling \$60,977 (3.90%) were made to low-income borrowers and 16 (20.25%) loans totaling \$140,499 (8.98%) were made to moderate-income borrowers.

The following table illustrates the results of the bank's internal analysis of its consumer loan activity in the Detroit assessment area for 1996 and 1997.

DISTRIBUTION OF OLD KENT BANK'S 1996 AND 1997 CRA LOANS BY BORROWER INCOME LEVEL DETROIT ASSESSMENT AREA				
BORROWER INCOME LEVEL	# of Loans	Percent of Total Loans	Dollar Amount (\$000's)	Percent of Total Dollars
Low-income	2,273	21%	\$11,697	5%
Moderate-income	2,219	21%	28,103	11%
Middle-income	2,561	24%	59,349	24%
Upper-income	3,280	31%	141,021	56%
Not Available	357	3%	10,740	4%
Total	10,690	100%	\$250,910	100%

The bank's internal analysis revealed that 21% of total loans made within the Detroit assessment area were to low-income borrowers and 21% were to moderate-income borrowers. The analysis also revealed that 56% of the total loan dollars were to upper-income borrowers, 5% were to low-income borrowers and 11% were to moderate-income borrowers.

HMDA-Related Lending

The distribution of 1996 and 1995 HMDA loans within the assessment area, by borrower income, is included in the following charts.

1996 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Detroit Assessment Area		Market Aggregate Within Detroit Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	51,613	12.41	110	6.86	4,816	6.48
Moderate - 50 to 79%	63,160	15.18	260	16.20	13,461	18.11
Middle - 80 to 119%	97,471	23.43	495	30.84	22,785	30.65
Upper - > 120%	203,760	48.98	740	46.11	33,274	44.76
Total	416,004	100.00	1,605	100.00	74,336	100.00

1995 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Detroit Assessment Area		Market Aggregate Within Detroit Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	51,613	12.41	85	6.40	3,400	5.78
Moderate - 50 to 79%	63,160	15.18	199	14.98	10,135	17.23
Middle - 80 to 119%	97,471	23.43	453	34.11	18,365	31.22
Upper - > 120%	203,760	48.98	591	44.50	26,922	45.77
Total	416,004	100.00	1,328	100.00	58,822	100.00

The number of originations does not include loans for which borrower income was not identified.

As illustrated in the preceding charts, 23.06% and 21.38% of residential originations in 1996 and 1995, respectively, were to low- and moderate-income borrowers. The distribution of loans among borrowers of different income levels is reasonable and shows loan activity in all income ranges. The bank's performance is consistent with market aggregate data.

INVESTMENT TEST

Affordable Housing Investments

The bank supports community development-related investment initiatives through the Michigan Capital Fund for Housing (MCF). Since the previous examination, the bank invested in the following MCF low-income housing tax credit partnerships.

Organization	Investment (\$)	# of Family Housing Units Developed in the City of Detroit
Victor Attar Courts	\$102,868	29 units
Lakewood Manor	63,169	30 units
Mildred Smith	65,416	28 units
Luther Haus	126,468	90 units*
Pilgrim Village	126,474	22 units
Edmonds Carr	39,520	9 units
Peterboro Place	141,941	91 units
Alexander Court	53,305	38 units

*elderly housing in Bedford Township

Community Development Contributions

Since the previous examination, the bank made a total of \$8,000 in charitable contributions within the Detroit assessment area. The following chart lists the community development contributions:

Organization	Contribution (\$)	Description
Housing Opportunity Macomb (HOM)	5,000	Provides home buyer training and affordable housing advocacy in Macomb County.
Christmas in April - Oakland	3,000	Home improvement for low- and moderate-income individuals in Oakland County.
TOTAL CONTRIBUTIONS	\$8,000*	

*1996: \$6,500 - 1997: \$1,500

SERVICE TEST

Retail Banking Services

OKB operates 50 of its 233 full-service branches in the Detroit assessment area; 47 of the branches have ATMs. OKB has 12 additional off-site ATMs in the assessment area. One full-service branch with an on-site ATM and one off-site ATM are located in low-income census tracts. Of the full-service branches, six (five with on-site ATMs and three off-site ATMs) are located in moderate-income census tracts, 29 full-service branches (27 with on-site ATMs and five off-site ATMs) are located in middle income census tracts, and 14 full-service branches (all with on-site ATMs and three off-site ATMs) are located in upper income census tracts.

Community Development Services

The bank participated in the following community development services in the Detroit assessment area during the examination review period:

Credit Counseling

OKB provides money management counseling in conjunction with three community groups: the Downriver Guidance Clinic in Southgate; John Grace Community Center in Southfield; and the Macomb County Community Service Agency. Branch managers meet with these groups monthly and work with interested participants during a one-hour financial counseling session.

Small Business Presentations

The bank provided technical assistance to small businesses through the bank's Emerging Business seminars. Since the previous examination, the bank conducted one session in Southfield, Michigan, attended by five small business owners. The bank also sponsored four sessions of the two-day seminar Managing and Financing Independent Business. One session was held in Detroit with nine participants, and three sessions were held in Farmington Hills with a total of 56 participants.

OVERALL CONCLUSION - DETROIT ASSESSMENT AREA

The bank's lending performance is considered high satisfactory. The bank's 18-month CRA loan data and the HMDA data illustrate a high level of lending within the Detroit assessment area. However, lending in low- and moderate-income census tracts was weak in comparison to the number of low- and moderate-income census tracts located within the assessment area.

Lending to small businesses and farms was strong, and lending to low-and moderate-income borrowers was reasonable. Analysis of the HMDA data showed that the bank's performance in lending to low-income borrowers is consistent with the market aggregate.

The bank's participation in investments within the Detroit assessment area is considered high satisfactory in relation to the total business conducted in the area. Retail services are accessible and branches have reasonable business hours and locations. The bank participates in limited community development initiatives.

**CRA PERFORMANCE
FOR THE FLINT MSA ASSESSMENT AREA**

DESCRIPTION OF THE ASSESSMENT AREA WITHIN THE FLINT MSA:

This assessment area includes a part of Genesee County and has a population of 256,746. The adjusted median family income of the assessment area is \$40,119. The following chart illustrates the percentage of total census tracts, and the population and families, within the Flint assessment area— low-, moderate-, middle-, and upper-income census tracts.

FLINT ASSESSMENT AREA					
Census Tract Income Level	Number of Tracts / %	Population	% of Total Population	Families	% of Total Families
Low	6 / 11%	19,616	7.64%	4,183	6.00%
Moderate	9 / 16%	37,496	14.60%	9,793	14.04%
Middle	22 / 40%	98,840	38.50%	27,312	39.16%
Upper	18 / 33%	100,794	39.26%	28,453	40.80%
TOTAL	55 / 100%	256,746	100%	69,741	100%

As illustrated in the preceding chart, the assessment area is comprised of 55 census tracts, of which 27% are considered low- and moderate-income, 40% are middle-income, and 33% are upper-income census tracts. The population in the Flint assessment area accounts for 3.4% of the total population and 4% of the population in low- and moderate-income census tracts within the nine assessment areas served by the bank. The assessment area has a total of 102,538 housing units, of which 68% are owner-occupied, 6% are vacant and 6% are mobile homes. The median housing value in the assessment is \$56,578.

Residents within the Flint assessment area are employed in the following nonagricultural sectors of the economy: manufacturing - 22.49%; construction - 4.26%; service - 61.02%; and government - 12.23%.

Community representatives indicated that there is a need for a more expedient response to residential loan applications by financial institutions within the community. Although OKB is considered to be active in the community, the community representatives would like to see a more proactive response to credit needs.

LENDING TEST

Geographic Distribution of Loans

Lending in Assessment Area

A review of the bank's loan volume within the Flint MSA during 1996 and the first six months of 1997 revealed a total of 1,578 consumer loans totaling \$11,212,000. Of the total consumer loans, 1,322 (83.78%) loans totaling \$9,822,000 (87.60%) were made within the Flint assessment area.

Small Business/Small Farm Lending

The majority of the bank's small business/small farm loans are within the assessment area. In 1996, the bank made 369 small business loans totaling \$38,100,000 in the Flint MSA, of which 325 (88.08%) loans totaling \$32,115,000 were made within the assessment area. The bank also made 14 small farm loans totaling \$955,000, of which 12 (85.71%) loans totaling \$875,000 were made within the assessment area.

In 1997, the bank made 159 small business loans totaling \$16,185,000, of which 136 (85.53%) loans totaling \$13,361,000 were made within the assessment area. In addition, the bank made eight small farm loans totaling \$936,000, of which seven (87.5%) totaling \$716,000 were in the assessment area.

HMDA-Related Lending Activity

In 1996, the bank made 349 HMDA-related loans, of which 257 (74%) were made within the Flint assessment area. In 1995, the bank made 325 HMDA-related loans, of which 239 (74%) were made within the Flint assessment area.

Lending in Geographies of Different Income Levels

The bank's 1996 and six-month 1997 CRA loan data were reviewed to determine the bank's level of lending in census tracts of different income levels. The data was reviewed to determine the number and amount of loans made in various census tracts within the assessment area.

FLINT ASSESSMENT AREA						
Geography Income Level	# of Real Estate Loans	% of Total # of Real Estate Loans	# of Consumer Loans	% of Total # of Consumer Loans	# of Small Business Loans	% of Total # of Small Business Loans
Low-Income	7	1.52%	17	1.29%	14	2.92%
Moderate-Income	48	10.39%	123	9.30%	67	13.96%
Middle-Income	161	34.85%	338	25.57%	164	34.17%
Upper-Income	246	53.25%	844	63.84%	235	48.96%
Not Classified	0	0	0	0	0	0
Total	462	100%	1,322	100%	480	100%

The preceding chart illustrates the following:

Real Estate Loans

Of the 462 real estate loans totaling \$26,227,000 that the bank made within the Flint assessment area, seven loans totaling \$180,000 were in low-income census tracts and 48 loans totaling \$1,091,000 were in moderate-income census tracts. The majority of the real estate loans, 246 (53.25%) of the total number of loans and \$16,733,000 (63.80%) of the total dollar amount, were made in upper-income census tracts.

Consumer Loans

Of the 1,322 consumer loans made within the Flint assessment area, 17 (1.29%) loans were made in low-income census tracts and 123 (9.30%) loans were in moderate-income census tracts. The majority of the consumer loans were made in the upper-income census tracts, representing 63.84% of the total number of loans. The bank made a total of \$9,822,000 in consumer loans, of which \$86,000 (0.88%) were in low-income census tracts and \$597,000 (6.08%) were in moderate-income census tracts.

Small Business/Small Farm Loans

Of the 480 small business/small farm loans totaling \$47,067,000 made within the Flint assessment area, 14 loans totaling \$939,000 (2%) were in low-income census tracts and 67 (13.96%) loans totaling \$7,805,000 (16.58%) were in moderate-income census tracts. The largest concentration of small business loans was made in upper-income census tracts.

HMDA-Related Lending

In 1996, the bank had HMDA-related loan activity in 87.3% of the Flint assessment area's census tracts and in 66.7% of the low- and moderate-income census tracts. In 1995, the bank had HMDA-related loan activity in 87.3% of the Flint assessment area's census tracts, and in 60.0% of the low- and moderate-income census tracts. Owner-occupied units within low- and moderate-income census tracts comprise 16.2% of all owner-occupied units within the assessment area.

The following chart shows the bank's 1996 and 1995 performance relative to potential real estate lending opportunities available within the assessment area. The charts compare the bank's originations in low- and moderate-income census tracts (L/M), and middle- and upper-income census tracts (non-L/M) to the number of owner-occupied units in those census tracts per 1,000 units:

FLINT ASSESSMENT AREA	OWNER-OCCUPIED UNITS IN		HMDA-RELATED ORIGINATIONS IN		PERCENTAGE OF ORIGINATIONS PER 1,000 OWNER- OCCUPIED UNITS IN	
	Non-L/M	L/M	Non-L/M	L/M	Non-L/M	L/M
1996	58,103	11,226	284	31	4.89	2.76
1995	58,103	11,226	241	23	4.15	2.05

The preceding chart shows that HMDA-related originations per 1,000 owner-occupied units within low- and moderate-income census tracts are lower than originations in middle- and upper-income census tracts.

The distribution of the bank's 1996 and 1995 HMDA-related loans is included in the following charts:

1996 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within Flint Assessment Area		Market Aggregate Within Flint Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	6	10.91	4	1.27	161	1.59
Moderate - 50 to 79%	9	18.36	27	8.57	870	8.61
Middle - 80 to 119%	22	40.00	110	34.92	4,044	40.00
Upper - > 120%	18	32.73	174	55.24	5,034	49.80
Total	55	100.00	315	100.00	10,109	100.00

1995 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within Flint Assessment Area		Market Aggregate Within Flint Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	6	10.91	3	1.14	130	1.58
Moderate - 50 to 79%	9	16.36	20	7.58	713	8.67
Middle - 80 to 119%	22	40.00	110	41.67	3,182	38.70
Upper - > 120%	18	32.73	131	49.62	4,198	51.05
Total	55	100.00	264	100.00	8,223	100.00

The preceding charts show that 9.84% of the bank's 1996 HMDA originations and 8.72% of the 1995 originations were made within low- and moderate-income census tracts. The distribution among all income census tracts is reasonable and is consistent with the demographics of the assessment area.

Lending Analysis Based Upon Size of Business and Borrower Income

The following table illustrates, the results of bank's internal analysis of its consumer loan activity within the Flint assessment area for 1996 and 1997.

DISTRIBUTION OF OLD KENT BANK-S 1996 AND 1997 CRA LOANS BY BORROWER INCOME LEVEL FLINT ASSESSMENT AREA				
BORROWER INCOME LEVEL`	# of Loans	Percent of Total Loans	Dollar Amount (\$000's)	Percent of Total Dollars
Low-income	344	19%	\$1,734	5%
Moderate-income	378	21%	4,239	12%
Middle-income	455	26%	8,472	24%
Upper-income	569	32%	20,178	56%
Not Available	38	2%	1,426	4%
Total	1,784	100%	\$36,049	100%

The bank's internal analysis revealed that 19% of total loans made within the Flint assessment area were made to low-income borrowers and 21% were to moderate-income borrowers. The analysis also revealed that of the total loan dollars, 5% were to low-income borrowers, 12% were to moderate-income borrowers and 56% were to upper-income borrowers.

The distribution of the 1996 and 1995 HMDA loans within the assessment area, by borrower income, is included in the following chart.

1996 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Flint Assessment Area		Market Aggregate Within Flint Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	13,906	19.94	21	6.87	800	7.91
Moderate - 50 to 79%	10,180	14.60	60	19.05	1,878	18.58
Middle - 80 to 119%	15,144	21.71	99	31.43	3,211	31.76
Upper - > 120%	30,509	43.75	135	42.86	4,220	41.74
Total	69,739	100.00	315	100.00	10,109	100.00

1995 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Flint Assessment Area		Market Aggregate Within Flint Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	13,906	19.94	19	7.20	705	8.57
Moderate - 50 to 79%	10,180	14.60	60	22.73	1,536	18.68
Middle - 80 to 119%	15,144	21.72	97	36.74	2,734	33.25
Upper - > 120%	30,509	43.75	88	33.33	3,248	39.50
Total	69,739	100.00	264	100.00	8,223	100.00

The number does not include loans for which borrower income was not identified.

As illustrated in the preceding charts, 25.92% and 29.93% of HMDA originations in 1996 and 1995, respectively, were to low- and moderate-income borrowers. This distribution of loans among borrowers of different income levels is reasonable and shows loan activity in all income ranges. The bank's performance is consistent with market aggregate data.

In 1996, of the 325 small business and 12 small farms loans made within the Flint assessment area, 289 business loans (88.92%) totaling \$27,453,000 and all 12 farm loans were to entities with annual revenues of less than \$1 million. By loan amount, 237 (72.92%) loans totaling \$8,578,000 and eight (66.67%) loans totaling \$244,000 were in amounts of \$100,000 or less.

In 1997, of the loans made within the assessment area, 113 (83.09%) small business loans totaling \$8,440,000 and all the small farm loans were made to entities with annual revenues under \$1 million. By loan amount, 97 (71.32%) small business loans totaling \$3,322,000 and three small farm loans (42.86%) totaling \$99,000 were in amounts under \$100,000.

INVESTMENT TEST

Community Development Contributions

Since the previous examination the bank made a total of \$5,900 in charitable contributions benefitting the Flint assessment area. The following chart lists the community development contributions:

Organization	Contributions (\$)	Description
United Way	\$1,900	Approximately 90% of all donations benefit low- and moderate-income individuals.
Local Initiatives Support Corporation - Flint	1,000	Housing and community development needs in the Flint area.
Salem Housing Task Force	2,200	Construction or rehabilitation of homes for low-income families in Flint.
Community Coalition of Flint	800	Coordinate home ownership and credit training.
Total Contributions	\$5,900*	

*1996: \$3,900 - 1997: \$2,000

SERVICE TEST

Retail Banking Services

OKB operates five of its 233 full-service branches in the Flint assessment area, each with an on-site ATM. OKB has one off-site ATM in this assessment area. One branch is located in a moderate-income census tract, three are located in middle-income census tracts, and one is located in an upper-income census tract. The off-site ATM is located in an upper-income census tract.

Community Development Services

The bank participated in the following community development services in the Flint assessment area during the examination review period.

Home ownership/Credit Counseling

OKB provides individualized money management and credit counseling in conjunction with Bendle/Carman-Ainsworth School in Flint. Branch managers visit the school monthly and work with interested participants during a one-hour session.

OVERALL CONCLUSION - FLINT ASSESSMENT AREA

The bank's lending performance is considered high satisfactory. The bank's 18-month CRA loan data and the HMDA data illustrate a high level of lending within the Flint assessment area. However, lending in low- and moderate-income census tracts was weak in comparison to the number of low- and moderate-income census tracts located within the assessment area. Lending to small businesses and farms was strong, and lending to low-and moderate-income borrowers was reasonable. Analysis of the HMDA data showed that the bank's performance in lending to low-income borrowers is consistent with the market aggregate. The bank did not participate in any community development loans within the Flint assessment area.

The bank's participation in investments within the Flint assessment area is considered weak. The bank did not participate in any affordable housing initiatives within the Flint assessment area. Retail services are accessible and branches have reasonable business hours and locations. The bank's community development services are very limited.

**CRA PERFORMANCE ASSESSMENT
FOR THE GRAND RAPIDS-MUSKEGON-HOLLAND MSA ASSESSMENT AREA**

DESCRIPTION OF ASSESSMENT AREA WITHIN THE GRAND RAPIDS-MUSKEGON-HOLLAND MSA:

This assessment area encompasses all of Allegan and Ottawa Counties, and parts of Kent and Muskegon Counties and has a population of 886,337. The adjusted median family income of the assessment area is \$36,982. The following chart illustrates the percentage of total census tracts, and the population and families within the Grand Rapids-Muskegon-Holland assessment area’s low-, moderate-, middle-, and upper-income census tracts.

GRAND RAPIDS-MUSKEGON-HOLLAND ASSESSMENT AREA					
Census Tract Income Level	Number of Tracts / %	Population	% of Total Population	Families	% of Total Families
Low	18 / 9%	44,275	5.0%	9,933	4.26%
Moderate	30 / 15%	120,429	13.6%	28,446	12.19%
Middle	113/ 58%	543,089	61.3%	145,991	62.56%
Upper	35 / 18%	178,544	20.1%	48,996	21.00%
TOTAL	198/100%	886,337	100%	233,366	100%

As illustrated in the preceding chart, the assessment area is comprised of 198 census tracts, of which 24% are low- and moderate-income, 58% are middle-income, and 18% are upper-income census tracts. The population within the Grand Rapids-Muskegon-Holland assessment area accounts for 12% of the total population within the nine assessment areas served by the bank. The assessment area has a total of 337,681 housing units, of which 68% are owner-occupied, 25% are rental, 6% are vacant, and 6.2% are mobile homes. The median housing value in the assessment area is \$66,033 and the median age of the housing stock is 35 years.

Residents within the Grand Rapids-Muskegon-Holland assessment area are employed in the following nonagricultural sectors of the economy: manufacturing - 28.42%; construction - 5.03%; service - 58.07%; and government - 8.48%.

Community representatives stated that the economy is stable with low unemployment and no significant population shifts. They indicated that the demand for conventional mortgages and mortgages for first-time home buyers has increased. With the new development and growth in the area, there is an opportunity for local financial institutions to provide more diverse home mortgage products for low- and moderate-income families. A representative from

the Muskegon area indicated that there is a need in the community for small business loans, assistance with mortgage down payments, and resolution of credit problems. The representatives identified OKB as an active lender in the community, and as being proactive in business development.

LENDING TEST

Geographic Distribution of Loans

Lending in Assessment Area

A review of the bank's loan volume within the Grand Rapids-Muskegon-Holland MSA during 1996 and the first six months of 1997 revealed a total of 26,769 consumer loans totaling \$201,090,000. Of the total consumer loans, 26,120 (97.58%) loans totaling \$196,089,000 (97.51%) were made within the Grand Rapids-Muskegon-Holland assessment area.

Small Business/Small Farm Lending

A substantial majority of the bank's small business/small farm loans are within the assessment area. In 1996, the bank made 3,766 small business loans totaling \$425,667,000 in the Grand Rapids-Muskegon-Holland MSA, of which 3,704 (98.35%) loans totaling \$418,737,000 were made within the assessment area. The bank also made 91 small farm loans totaling \$7,274,000, of which 81 (89.01%) loans totaling \$6,879,000 were within the assessment area.

In 1997, the bank made 2,005 small business loans totaling \$219,495,000, of which 1,975 (98.50%) loans totaling \$215,628,000 were made within the assessment area. In addition, the bank made 43 small farm loans totaling \$4,381,000, of which 39 (90.7%) loans totaling \$4,325,000 were made in the assessment area.

HMDA-Related Lending

In 1996, the bank made 5,400 HMDA-related loans, of which 5,199 (96%) loans were made within the Grand Rapids-Muskegon-Holland assessment area. In 1995, the bank made 4,480 HMDA-related loans, of which 4,292 (96%) loans were made within this assessment area.

Lending in Geographies of Different Income Levels

A sample of loans, and the bank's 1996 and six-month 1997 CRA loan data were reviewed to determine the bank's level of lending in census tracts of different income levels. The data was reviewed to determine the number and amount of loans made in the various census tracts within the assessment area. Analysis of the loan sample revealed the following distribution of loans by low-, moderate-, middle-, and upper-income census tracts:

LOAN TYPE	Low-Income Census Tract \$ / #	Moderate-Income Census Tract \$ / #	Middle-Income Census Tract \$ / #	Upper-Income Census Tract \$ / #
Single Payment	\$0/0	\$0/0	\$55,801/3	\$75,000/4
Installment - Direct	40,346/6	160,744/17	506,200/41	202,826/17
Installment -Indirect	0/0	112,710/8	252,300/25	78,053/5
Overdraft Protection	0/0	500/1	15,800/31	4,500/9
OKB Real Estate	0/0	97,500/2	1,094,735/13	0/0
OKM Real Estate	0/0	196,000/4	1,185,450/15	379,250/4
Home Equity	0/0	0/0	462,720/13	805,000/13
Total Originations	\$40,346/6	\$567,454/32	\$3,573,006/141	\$1,544,629/52

The preceding chart illustrates that of a random sample of 231 loans totaling \$5,725,435 made within the assessment area, six loans totaling \$40,346 were made in low-income census tracts and 32 loans totaling \$567,454 were in moderate-income census tracts. The majority of the sampled loans, by number and dollar amount, were made in middle-income census tracts.

Review of the bank's CRA loan data for 1996 and the first six months of 1997 revealed the following distribution of loans among census tracts of different income levels.

DISTRIBUTION OF OLD KENT BANK-S 1996 AND 1997 CRA LOAN DATA GRAND RAPIDS-MUSKEGON-HOLLAND ASSESSMENT AREA						
Geography Income Level	# of Real Estate Loans	% of Total # of Real Estate Loans	# of Consumer Loans	% of Total # of Consumer Loans	# of Small Business Loans	% of Total # of Small Business Loans
Low-Income	209	1.86%	715	2.74	428	7.38
Moderate-Income	937	8.33%	2,593	9.93	795	13.71
Middle-Income	7,190	63.93%	16,564	63.42	3,304	56.98
Upper-Income	2,907	25.85%	6,248	23.92	1,272	21.94
Not Classified	3	0.03%	0	0	0	0
Total	11,246	100%	26,120	100%	5,799	100%

The preceding chart illustrates the following:

Real Estate Loans

Of the 11,246 real estate loans totaling \$580,822,000 that the bank made within the Grand Rapids-Holland-Muskegon assessment area, 209 (1.86%) loans totaling \$4,808,000 (0.83%) were made in low-income census tracts and 937 (8.33%) loans totaling \$26,952,000 (4.64%) were in moderate-income census tracts. The majority of the real estate loans, 7,190 (62.93%) of the total number and \$338,442,000 (58%) of the total dollar amount, were in middle-income census tracts.

Consumer Loans

Of the 26,120 consumer loans within the Grand Rapids-Muskegon-Holland assessment area, 715 (2.74%) loans were made in low-income census tracts and 2,593 (9.93%) loans were in moderate-income census tracts. The majority of the consumer loans were made in middle-income census tracts, representing 63.42% of the total number of loans. The bank made a total of \$196,089,000 in consumer loans, of which \$53,904,000 (1.72%) were in low-income census tracts and \$14,569,000 (7.43%) were in moderate-income census tracts.

Small Business/Small Farm Loans

Of the 5,799 small business/small farm loans totaling \$645,569,000 within the Grand Rapids-Muskegon-Holland assessment area, 428 (7.38%) loans totaling \$53,904,000 (8%) were made in low-income census tracts and 795 (13.71%) loans totaling \$85,778,000 (13%) were in moderate-income census tracts. The majority of small business loans were made in middle-income census tracts.

HMDA-Related Lending Activity

In 1996, the bank had HMDA-related loan activity in 98% of the Grand Rapids-Muskegon-Holland assessment area's census tracts and in 96% of the low- and moderate-income census tracts. In 1995, the bank had HMDA-related loan activity in 98.5% of the assessment area's census tracts and in 98% of the low- and moderate-income census tracts. Owner-occupied units within low- and moderate-income census tracts comprise 13.8% of all owner-occupied units within the assessment area.

The following chart shows the bank's 1996 and 1995 performance relative to potential real

estate lending opportunities within the assessment area. The chart compares the bank's originations in low- and moderate-income (L/M), and middle- and upper-income (non-L/M) census tracts to the number of owner-occupied units in those census tracts per 1,000 units:

GRAND RAPIDS-MUSKEGON-HOLLAND ASSESSMENT AREA	OWNER-OCCUPIED UNITS IN		HMDA-RELATED ORIGINATIONS IN		PERCENTAGE OF ORIGINATIONS PER 1,000 OWNER- OCCUPIED UNITS IN	
	Non-L/M	L/M	Non-L/M	L/M	Non-L/M	L/M
1996	198,954	31,969	6,876	803	34.56	25.12
1995	198,954	31,969	5,576	695	28.03	21.74

The preceding chart shows that HMDA-related originations per 1,000 owner-occupied units within low- and moderate-income census tracts are lower than originations in middle- and upper-income census tracts.

The distribution of the bank's 1996 and 1995 HMDA-related loans is included in the following charts:

1996 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within Grand Rapids-Muskegon-Holland Assessment Area		Market Aggregate Within Grand Rapids-Muskegon-Holland Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	18	9.09	146	1.90	919	2.30
Moderate - 50 to 79%	30	15.15	657	8.56	3,966	9.92
Middle - 80 to 119%	115	58.08	4,923	64.11	25,552	63.93
Upper - > 120%	35	17.68	1,953	25.43	9,532	23.85
Total	198	100.00	7,679	100.00	39,969	100.00

1995 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA

Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within Grand Rapids-Muskegon-Holland Assessment Area		Market Aggregate Within Grand Rapids-Muskegon-Holland Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	18	9.09	117	1.87	653	2.21
Moderate - 50 to 79%	30	15.15	578	9.22	3,003	10.17
Middle - 80 to 119%	115	58.08	4,083	65.11	19,032	64.44
Upper - > 120%	35	17.68	1,493	23.81	6,848	23.19
Total	198	100.00	6,271	100.00	29,536	100.00

The preceding charts show that 10.46% of 1996 residential originations and 11.09% of 1995 originations were made within low- and moderate-income census tracts. The distribution of loans among census tracts of different income levels is reasonable and is consistent with the demographics of the assessment area.

Lending Analysis Based Upon Size of Business and Borrower Income

Review of the sampled loans, for which borrower income information was available, revealed the following distribution:

DISTRIBUTION OF EXAMINATION LOAN SAMPLE BY BORROWER INCOME GRAND RAPIDS-MUSKEGON-HOLLAND ASSESSMENT AREA				
LOAN TYPE	Low-Income Borrowers \$ / #	Moderate-Income Borrowers \$ / #	Middle-Income Borrowers \$ / #	Upper-Income Borrowers \$ / #
Single Payment	\$0/0	\$0/0	\$0/0	\$90,601/5
Installment - Direct	64,928/11	157,537/18	264,905/24	422,748/28
Installment - Indirect	25,779/3	161,777/13	168,913/17	85,365/7
Overdraft Protection	3,000/6	8,500/17	9,800/10	10,500/10
OKB Real Estate	0/0	208,200/4	181,275/3	802,760/8
OKM Real Estate	0/0	271,950/5	603,000/9	903,250/9
Home Equity	0/0	50,000/1	76,200/4	1,141,520/21
Total Sampled	\$93,707/20	\$857,964/58	\$1,304,093/67	\$3,456,744/98

As the preceding chart illustrates, the majority of the 243 sampled consumer loans totaling \$5,712,508, were made to high-income borrowers. Of the total loans, 20 (8.23%) loans totaling \$93,707 (1.64%) were to low-income borrowers and 58 (23.87%) loans totaling \$857,964 (15.02%) were to moderate-income borrowers.

The following table illustrates the results of the bank's internal analysis of its loan activity in the Grand Rapids-Muskegon-Holland assessment area for 1996 and 1997.

DISTRIBUTION OF OLD KENT BANK'S 1996 AND 1997 CRA LOANS BY BORROWER INCOME LEVEL GRAND RAPIDS-MUSKEGON-HOLLAND ASSESSMENT AREA				
BORROWERS INCOME LEVEL	# of Loans	Percent of Total Loans	Dollar Amount (\$000's)	Percent of Total Dollars
Low-income	7,229	19%	\$44,325	6%
Moderate-income	9,065	24%	118,761	15%
Middle-income	8,646	23%	182,988	24%
Upper-income	10,989	29%	393,894	51%
Not Available	1,437	4%	36,943	5%
Total	37,366	100%	\$776,911	100%

The bank's internal analysis revealed that 19% of total loans made within the Grand Rapids-Muskegon-Holland assessment area were made to low-income borrowers and 24% were to moderate-income borrowers. The majority of the total loan dollars were to upper-income borrowers.

Small Business/Small Farm Lending

In 1996, of the 3,704 small business and 81 small farms loans made within the assessment area, 2,640 (71.27%) small business loans totaling \$210,622,000 and 75 (92.59%) small farm loans totaling \$5,682,000 were made to entities with annual revenues of less than \$1 million. By loan amount, 2,695 (72.76%) small business loans totaling \$98,652,000 and 60 (74.07%) small farm loans totaling \$2,734,000 were in amounts of \$100,000 or less.

In 1997, of the 1,975 small business loans totaling \$215,628,000 and 39 small farm loans made within the assessment area, 1,418 (71.80%) small business loans totaling \$103,821,000 and 34 (87.18%) farms loans totaling \$2,807,000 were made to entities with revenues under \$1 million. By loan amount, 1,436 (72.71%) small business loans totaling \$54,946,000 and 29 small farm (74.36%) loans totaling \$1,458,000 were in amounts under \$100,000.

HMDA-Related Lending

The distribution of the 1996 and 1995 HMDA loans within the assessment area, by borrower income, is included in the following charts.

1996 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Grand Rapids-Muskegon-Holland Assessment Area		Market Aggregate Within Grand Rapids-Muskegon-Holland Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	40,871	17.51	700	9.12	3,584	8.97
Moderate - 50 to 79%	42,218	18.09	1,638	21.33	9,324	23.33
Middle - 80 to 119%	62,373	26.73	2,300	29.95	13,010	32.55
Upper - > 120%	87,889	37.66	3,041	39.60	14,051	35.15
Total	233,366	100.00	7,679	100.00	39,969	100.00

1995 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Grand Rapids-Muskegon-Holland Assessment Area		Market Aggregate Within Grand Rapids-Muskegon-Holland Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	40,871	17.51	643	10.25	2,640	8.94
Moderate - 50 to 79%	42,218	18.09	1,501	23.94	7,224	24.46
Middle - 80 to 119%	62,373	26.73	1,883	30.03	9,548	32.33
Upper - > 120%	87,889	37.67	2,244	35.78	10,124	34.28
Total	233,351	100.00	6,271	100.00	29,536	100.00

The number of originations does not include loans for which borrower income was not identified.

As illustrated in the preceding charts, 30.45% and 34.19% of HMDA originations in 1996 and 1995, respectively, were to low- and moderate-income borrowers. The distribution of loans among borrowers of different income levels is reasonable and shows activity in all income ranges. The bank's performance is consistent with aggregate data.

INVESTMENT TEST

Affordable Housing Investments

The bank supports community development investment initiatives through the Michigan Capital Fund for Housing (MCF) and New Hope Homes LTD. MCF promotes and advances safe affordable housing by investing in affordable apartments throughout Michigan. Since the previous examination, the bank invested in the following:

Organization	Investment (\$)	Units Developed
New Hope Homes Limited Partnership	\$550,000	Development of six duplexes (12 units) of affordable housing for families in Grand Rapids.
MCF : Marsh Ridge	124,983	Development of a 100 unit elderly housing facility in the Grand Rapids.
MCF : Marsh Ridge II	147,464	Development of Phase II of Marsh Ridge, 100 units of elderly housing in Grand Rapids; 50 are complete.
MCF : Nelson Place	93,338	Development of 101 units of elderly housing in Muskegon; 100 units are complete.
MCF: Buena Vista	71,683	Development of 40 units of family housing rural Allegan County.
TOTAL	\$937,469	TOTAL UNITS COMPLETED: 302

Community Development Contributions

Since the previous examination, the bank made a total of \$469,700 in charitable contributions within the Grand Rapids-Muskegon-Holland assessment area. The following chart lists the community development contributions:

Organization	Contribution (\$)	Description
United Way	\$135,150	Approximately 90% of charitable donations benefit low- and moderate-income individuals.
Habitat for Humanity	10,000	Construction or rehabilitation of homes for low-income individuals.
Local Initiatives Support Corporation	22000	Housing development projects within the Grand Rapids Area.
Children's Museum - Grand Rapids	35,000	Revitalization of vacant facility in low-moderate income area in Grand Rapids.
Grand Valley University Grand Design Campaign	60,000	Revitalization of low- and moderate-income area through campus expansion.
Greater Grand Rapids	110,000	Attract and retain businesses and provide a resource for economic

Organization	Contribution (\$)	Description
Chamber Foundation		development in the Kent County area.
Monroe Center Redesign Project	50,000	Initiative to improve downtown retail activity within the low- and moderate-income areas.
Inner City Christian Federation	8,500	Provider of affordable housing and home ownership training in the Grand Rapids area.
Goodwill Industries	2,000	Job training and employment for disabled individuals in Kent County.
Grandville Ave Neighborhood Library Project	5,000	Revitalization of a low-income area library project.
Southeast Economic Development	1,000	Provide operating support in low- and moderate-income areas.
MSU: Faith Based Economic Development	600	Provides information on community and economic development.
Grand Rapids Opportunities for Women	4,000	Micro-business training.
Dwelling Place, Inc.	500	Provider of affordable housing in Grand Rapids.
Home Repair Service of West Michigan	2,000	Assist low- and moderate-income homeowners with critical house repairs in the Grand Rapids area.
Direction Center	1,000	Provides technical assistance to nonprofit organizations in Grand Rapids.
Lakeshore Habitat for Humanity - Holland	2,000	Housing for low- and moderate-income individuals and families in the Holland area.
Housing Opportunities Made Equitable (HOME)	1,250	Housing for low- and moderate-income individuals and families - Holland.
Community Action House	200	Provides services to low- and moderate-income individuals in the Holland area.
HOME COR	4,000	Home ownership program in central Holland.
Local Initiatives Support Corporation-Muskegon	4,000	Support for community and housing development projects.
Grand Haven Habitat for Humanity	2,500	Construction or rehab of homes for low-income individuals in the Grand Haven/Spring Lake and Ferryburg communities.
Association of Commerce and Industry	5,000	Economic development fund for the purchase of real estate for development in the Grand Haven area.
Muskegon Area Fair Housing	5,000	Provide training on credit repair; tool program for home owners; tool lending library for low-income individuals.
TOTAL CONTRIBUTIONS	\$469,700*	

*1996: \$304,500 - 1997: \$165,200

Municipal Bonds

In 1996, OKB invested \$830,500 in the Refunding Bonds for Grand Rapids Community College (GRCC). These bonds provide revenue for the construction of GRCC facilities which are located in a low- and moderate-income area.

SERVICE TEST

Retail Banking Services

OKB operates 65 (28%) of its 233 full-service branches, 79 (33%) of its 241 on-site ATMs and 32 (41%) of its 79 off-site ATMs in the Grand Rapids-Muskegon-Holland assessment area. Three full-service branches with on-site ATMs and two off-site ATMs are located in low-income census tracts; 11 full-service branches (17%) with on-site ATMs (16%) and five off-site ATMs (16%) are located in moderate-income census tracts; 34 full-service branches (52%) with on-site ATMs (52%) and 16 off-site ATMs (50%) are located in middle-income census tracts; and 17 full-service branches (26%) with on-site ATMs (28%) and nine off-site ATMs (28%) are located in upper-income census tracts.

Community Development Services

The bank participated in the following community development services in the Grand Rapids-Muskegon-Holland assessment area during the examination review period:

Federal Home Loan Bank Grants

\$In January 1996, OKB awarded an \$85,000 grant to Inner City Christian Federation (ICCF) to be used to help defer project cost and improve affordability for ICCF's low- and moderate-income clients. This grant was made through the Federal Home Loan Bank of Indianapolis Affordable Housing Program; \$25,000 of the grant has been disbursed.

\$In July 1996, OKB was awarded a \$20,000 grant through the Federal Home Loan Bank of Indianapolis Home Savings Pilot Program for use in conjunction with Rural Opportunities Inc. RECD Rural Housing Initiative. The grants are made to the home buyer, but are marketed and disbursed in conjunction with ROI. The grant provides a 2-to-1 match to the home buyers savings and is used to provide down payment assistance or pay closing costs. The grant is forgivable over five years; \$3,490 has been granted under this program since July 1996.

In November 1996, OKB awarded a \$500,000 grant to Nelson Neighborhood Improvement Association for use in the rehab and construction of a 101-unit housing facility for the low- and moderate-income elderly in the City of Muskegon. The funds were used to finance the

renovation of an empty hotel. The property serves tenants with incomes of less than 50% of area median. This grant was made through the Federal Home Loan Bank of Indianapolis Affordable Housing Program. The entire grant has been disbursed.

Credit Counseling

OKB provides a quarterly money management seminar in conjunction with American Family Hope, as part of a self-improvement/employment workshop. Two OKB representatives conduct the seminars on financial counseling and credit repair.

Small Business Presentations

The bank provided technical assistance to small businesses through the bank's Emerging Business seminars. Since the previous examination, the bank conducted one seminar in Grand Rapids on October 17, 1996, attended by 54 small business owners. The bank also sponsored two sessions of the Managing and Financing Independent Business seminar, both in Grand Rapids in May and November of 1996. A total of 55 small business customers attended.

OVERALL CONCLUSION

The bank's lending is considered high satisfactory. The bank's 18 months of CRA loan data and the HMDA data illustrate a high level of lending within the Grand Rapids-Muskegon-Holland assessment area. However, lending in low- and moderate-income census tracts was weak in comparison to the number of low- and moderate-income census tracts located within the assessment area. Lending to small businesses and farms was strong, and lending to low- and moderate-income borrowers was reasonable. Analysis of the HMDA data showed that the bank's performance in lending to low-income borrowers is consistent with the market aggregate. The bank did not participate in any community development loans within the Grand Rapids-Muskegon-Holland assessment area.

The bank's participation in investments within the Grand Rapids-Muskegon-Holland assessment area is considered high satisfactory, based on the bank's participation in affordable housing investments and level of contributions. Retail services are accessible and branches have reasonable business hours and locations. The bank's community development initiatives are limited. Overall, the service test is low satisfactory.

**CRA PERFORMANCE ASSESSMENT
FOR THE KALAMAZOO-BATTLE CREEK MSA ASSESSMENT AREA**

DESCRIPTION OF THE ASSESSMENT AREA WITHIN THE KALAMAZOO-BATTLE CREEK MSA:

This assessment area encompasses all of Kalamazoo and Van Buren Counties, and part of Calhoun County and has a population of 390,892. The adjusted median family income of the assessment area is \$35,038. The following chart illustrates the percentage of total census tracts, and the population and families within the Kalamazoo-Battle Creek assessment areas- low-, moderate-, middle-, and upper-income census tracts.

KALAMAZOO-BATTLE CREEK ASSESSMENT AREA MSA					
Census Tract Income Level	Number of Tracts / %	Population	% of Total Population	Families	% of Total Families
Low	11 / 10.7%	34,648	8.86%	23,561	21.00%
Moderate	22 / 21.4%	81,429	20.83%	19,263	17.17%
Middle	40 / 38.8%	153,774	39.34%	25,333	22.58%
Upper	30 / 29.1%	121,041	30.97%	44,040	39.25%
TOTAL	103/ 100%	390,892	100%	112,197	100%

As illustrated in the preceding chart, the assessment area is comprised of 103 census tracts, of which 32.1% are low- and moderate-income, 38.8% are middle-income, and 29.1% are upper-income census tracts. The population in the Kalamazoo-Battle Creek assessment area accounts for 6% of the total population within the nine assessment areas served by the bank.

The assessment area has a total of 147,392 housing units, of which 62% are owner-occupied and 9% are vacant. The median housing value in the assessment area is \$54,523 and the median age of housing is 38 years.

Residents within the Kalamazoo-Battle Creek assessment area are employed in the following nonagricultural sectors of the economy: manufacturing - 24.02%; construction - 4.20%; service - 57.12%; and government - 14.66%.

Community representatives indicated that there are new home developments in the White Lake area (north of Muskegon) and in southern Norton Shores (southwest of Muskegon). The representatives indicated that they would like financial institutions to be more proactive in providing technical assistance, and to use more flexible underwriting standards for individuals with credit history problems. Housing organizations in Battle Creek are actively buying and

rehabbing homes to be used as rental properties. The representatives indicated that the community needs more lending programs that target high-risk borrowers with adequate down payments, as well as housing for low- and moderate-income individuals. One representative stated that the north side of Kalamazoo is under-served by financial institutions, and is in need of more single-family housing development.

LENDING TEST

Geographic Distribution of Loans

Lending in Assessment Area

A review of the bank's loan volume within the Kalamazoo-Battle Creek MSA during 1996 and the first six months of 1997, revealed a total of 6,816 consumer loans totaling \$58,636,000. All of these consumer loans were made within the Kalamazoo-Battle Creek assessment area.

Small Business/Small Farm Lending

The bank's small business/small farm loans are primarily made within the assessment area. In 1996, the bank made 570 small business loans totaling \$70,601,000 and 17 small farm loans totaling \$1,801,000 within the Kalamazoo-Battle Creek assessment area.

In 1997, the bank made 341 small business loans totaling \$36,912,000 and seven small farm loans totaling \$727,000. All small business and small farm loans made in 1996 and 1997 were within the Kalamazoo-Battle Creek assessment area.

HMDA-Related Lending

In 1995 and 1996, the bank made 1,465 and 2,056 HMDA-related loans, respectively. Of these loans, 1,064 (72.7%) in 1995 and 1,254 (61.0%) in 1996 were made within the Kalamazoo-Battle Creek assessment area.

Lending in Geographies of Different Income Levels

The bank's 1996 and six-month 1997 CRA loan data were reviewed to determine the bank's level of lending in geographies of different income levels. The data was reviewed to determine the number and amount of loans made in the various census tracts within the assessment area.

DISTRIBUTION OF OLD KENT BANK-S 1996 AND 1997 CRA DATA KALAMAZOO-BATTLE CREEK ASSESSMENT AREA						
Geography Income Level	# of Real Estate Loans	% of Total # of Real Estate Loans	# of Consumer Loans	% of Total # of Consumer Loans	# of Small Business Loans	% of Total # of Small Business Loans
Low-Income	81	2.84	237	3.49	86	9.20
Moderate-Income	358	12.57	998	14.68	99	10.59
Middle-Income	1,267	44.47	3,051	44.88	386	41.28
Upper-Income	1,141	40.05	2,505	36.85	332	35.51
Not Classified	2	0.07	7	0.10	32	3.42
Total	2,849	100%	6,798	100%	935	100%

The preceding chart illustrates the following:

Real Estate Loans

Of the 2,849 real estate loans totaling \$129,507,000 that the bank made within the Kalamazoo-Battle Creek assessment area, 81 (2.84%) loans totaling \$2,413,000 (2%) were made in low-income census tracts and 358 (12.57%) loans totaling \$11,199,000 (9%) were in moderate-income census tracts. The largest concentration of real estate loans was in the middle-income census tracts, but the majority of the loan dollars were in upper-income tracts, representing \$66,421,000 (51%) of the total dollar amount.

Consumer Loans

Of the 6,798 consumer loans made within the Kalamazoo-Battle Creek assessment area, 237 (3.49%) loans were made in low-income census tracts and 998 (14.68%) loans were in moderate-income census tracts. The majority of the consumer loans were made in middle-income census tracts, representing 45% of the total number of loans.

Small Business/Small Farm Loans

Of the 935 small business/small farm loans totaling \$110,041,000 made within the Kalamazoo-Battle Creek assessment area, 86 (9%) loans totaling \$8,428,000 (8%) were in low-income census tracts and 99 (11%) loans totaling \$14,755,000 (13%) were in moderate-income census tracts. The largest concentration of small business loans was in middle-income census tracts.

HMDA-Related Lending

In 1996, the bank had HMDA-related loan activity in 91.3% of the Kalamazoo-Battle Creek assessment area's census tracts and in 89.2% of the low- and moderate-income census tracts.

In 1995, the bank had HMDA-related loan activity in 93.0% of the Kalamazoo-Battle Creek assessment area's census tracts and in 91.9% of the low- and moderate-income census tracts.

Owner-occupied units within low- and moderate-income census tracts comprise 21.8% of all owner-occupied units within the assessment area.

The following chart shows the bank's 1996 and 1995 performance relative to potential real estate loan opportunities within the assessment area. The chart compares the bank's originations in low- and moderate-income census tracts (L/M), and middle- and upper-income census tracts (non-L/M) to the number of owner-occupied units in those census tracts per 1,000 units:

KALAMAZOO-BATTLE CREEK ASSESSMENT AREA	OWNER-OCCUPIED UNITS IN		HMDA-RELATED ORIGINATIONS IN		PERCENTAGE OF ORIGINATIONS PER 1,000 OWNER-OCCUPIED UNITS IN	
	Non-L/M	L/M	Non-L/M	L/M	Non-L/M	L/M
1996	86,178	23,976	1,730	326	20.07	13.60
1995	86,178	23,976	1,209	256	14.03	10.68

The preceding chart shows that HMDA-related loan originations per 1,000 owner-occupied units within low- and moderate-income census tracts are lower than originations in middle- and upper-income census tracts.

The distribution of the bank's 1996 and 1995 HMDA-related loans is included in the following charts:

1996 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within Kalamazoo-Battle Creek Assessment Area		Market Aggregate Within Kalamazoo-Battle Creek Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	11	10.7	61	2.97	504	3.32
Moderate - 50 to 79%	22	22.61	265	12.89	2,522	16.63
Middle - 80 to 119%	40	38.8	915	44.50	6,586	43.42
Upper - > 120%	30	29.1	815	39.64	5,556	36.63
Total	103	100.00	2,056	100.00	15,168	100.00

1995 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank within Kalamazoo-Battle Creek Assessment Area		Market Aggregate within Kalamazoo-Battle Creek Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	11	10.7	46	3.14	379	3.31
Moderate - 50 to 79%	22	22.61	210	14.33	1,906	16.65
Middle - 80 to 119%	40	38.8	652	44.51	5,045	44.08
Upper - > 120%	30	29.1	557	38.02	4,116	35.96
Total	103	100.00	1,465	100.00	11,446	100.00

The preceding charts show that 15.86% of 1996 HMDA originations and 17.47% of the 1995 originations were made within low- and moderate-income census tracts. The distribution among all income census tracts is reasonable and is consistent with the demographics of the assessment area.

Lending Analysis Based Upon Size of Business and Borrower Income

The following table illustrates the results of the bank's internal analysis of its consumer loan activity in the Kalamazoo-Battle Creek assessment area for 1996 and 1997.

DISTRIBUTION OF OLD KENT BANK'S 1996 AND 1997 CRA LOANS BY BORROWER INCOME LEVEL KALAMAZOO-BATTLE CREEK ASSESSMENT AREA				
BORROWER INCOME LEVEL	# of Loans	Percent of Total Loans	Dollar Amount (\$000's)	Percent of Total Dollars
Low-income	1,537	16%	\$8,889	5%
Moderate-income	2,009	21%	24,629	13%
Middle-income	2,493	26%	42,786	23%
Upper-income	3,420	35%	104,652	56%
Not Available	188	2%	7,050	4%
Total	9,647	100%	\$188,006	100%

The bank's analysis revealed that 16% of the bank's total consumer loans were to low-income borrowers and 21% were to moderate-income borrowers. The analysis also revealed that 56% of the total loan dollars were to upper-income borrowers, 5% were to low-income borrowers and 13% were to moderate-income borrowers.

Small Business/Small Farm Lending

In 1996, of the 570 small business loans totaling \$70,601,000 and 17 small farm loans totaling \$1,801,000 made within the assessment area, 396 (69.47%) small business loans totaling \$34,703,000 and 16 (94.12%) small farm loans totaling \$1,301,000 were made to entities with annual revenues of less than \$1 million. By loan amount, 399 (70.00%) small business loans totaling \$16,176,000 and 14 (82.35%) small farm loans totaling \$601,000 were in amounts of \$100,000 or less.

In 1997, of the 341 small business loans totaling \$36,912,000 and 7 small farm loans totaling \$727,000, 229 (67.16%) small business loans totaling \$14,614,000 and six (85.71%) small farms loans totaling \$507,000 were to entities with annual revenues under \$1 million. By loan amount, 248 (72.73%) small business loans totaling \$8,915,000 and five (71.43%) small farm loans totaling \$107,000 were in amounts under \$100,000.

The distribution of the 1996 and 1995 HMDA loans within the assessment area, by borrower income, is included in the following charts.

1996 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Kalamazoo-Battle Creek Assessment Area		Market Aggregate Within Kalamazoo-Battle Creek Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	23,561	21.00	158	7.44	1,209	7.97
Moderate - 50 to 79%	19,263	17.17	378	18.39	2,940	19.38
Middle - 80 to 119%	25,333	22.58	611	29.72	4,760	31.38
Upper - > 120%	44,040	39.25	914	44.46	6,259	41.26
Total	112,197	100.00	2,056	100.00	15,168	100.00

1995 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Kalamazoo-Battle Creek Assessment Area		Market Aggregate Within Kalamazoo-Battle Creek Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	23,561	21.00	148	10.10	1,097	9.58
Moderate - 50 to 79%	19,263	17.17	297	20.27	2,446	21.37
Middle - 80 to 119%	25,333	22.58	453	30.92	3,528	30.82
Upper - > 120%	44,040	39.25	667	38.70	4,375	38.22
Total	112,197	100.00	1,465	100.00	11,446	100.00

The number of originations does not include loans for which borrower income was not identified.

As illustrated in the preceding charts, 25.83% and 30.37% of HMDA originations in 1996 and 1995, respectively, were to low- and moderate-income borrowers. The distribution of loans among borrowers of different income levels is reasonable and shows loan activity in all income ranges. The bank's performance is consistent with the market aggregate data.

INVESTMENT TEST

Affordable Housing Investments

The bank supports community development related investment initiatives through the Michigan Capital Fund for Housing (MCF). Since the previous examination, the bank invested in the following low-income housing tax credit partnership.

Organization	Investment (\$)	Units Developed
Spring Manor	\$123,742	Development of a 106 unit elderly housing facility in Portage.

Community Development Contributions

Since the previous examination, the bank made a total of \$101,600 in charitable contributions within the Kalamazoo-Battle Creek assessment area. The following chart lists the community development contributions:

Organization	Contribution (\$)	Description
United Way	\$48,600	Approximately 90% of the charitable donations benefit low- and moderate-income individuals.
Local Initiatives Support Corporation (LIST)	10,000	Promote community development projects in low- and moderate-income neighborhoods in Kalamazoo.
Kalamazoo Neighborhood Housing Services	15,000	Provide home ownership counseling and a loan pool in Kalamazoo.
Neighborhoods Inc. Of Battle Creek	5,000	Home ownership programs and loan pool for home ownership in Battle Creek.
CEO Council	10,000	Promotes community economic development in low- and moderate-income areas in Kalamazoo.
Family and Children Services	3,000	Building fund drive; provides stabilization in moderate-income area in Kalamazoo.
Goodwill Industries	10,000	Capital fund drive; provides training and employment for disabled individuals in Southwestern Michigan.
TOTAL CONTRIBUTIONS	\$101,600*	

*1996: \$82,600 - 1997: \$19,000

SERVICE TEST

Retail Banking Services

OKB operates 19 of its 233 full-service branches, and 17 of its 241 on-site ATMs in the Kalamazoo-Battle Creek assessment area. There are no off-site ATMs in this assessment area. Five full-service branches (three with on-site ATMs), are located in low-income census tracts; two full-service branches with on-site ATMs are located in moderate-income census tracts; five full-service branches with nine on-site ATMs are located in middle-income census tracts; and seven full-service branches with seven on-site ATMs are located in upper-income census tracts.

Community Development Services

The bank participated in only one community development service in the Kalamazoo-Battle Creek assessment area during the examination review period.

Small Business Presentations

In May 1996, the bank conducted one session of the **A**Managing and Financing Independent Business@seminar in Kalamazoo; 27 small business owners attended.

OVERALL CONCLUSION

The bank's lending is considered high satisfactory. The bank's 18 months of CRA loan data and the HMDA data illustrate a high level of lending within the Kalamazoo-Battle Creek assessment area. Lending in low- and moderate-income census tracts was adequate in comparison to the number of low- and moderate-income census tracts located within the assessment area. Lending to low- and moderate-income borrowers is reasonable. Analysis of the HMDA data showed that the bank's performance in lending to low-income borrowers is consistent with the market aggregate. The bank did not participate in any community development loans within the Kalamazoo-Battle Creek assessment area.

The bank's participation in investments within the Grand Rapids-Muskegon-Holland assessment area is considered low satisfactory. Retail services are accessible and branches have reasonable business hours and locations. Community development services are rarely provided by the bank. Overall the service test is low satisfactory.

**CRA PERFORMANCE ASSESSMENT
LANSING-EAST LANSING MSA ASSESSMENT AREA**

DESCRIPTION OF THE ASSESSMENT AREA WITHIN THE LANSING-EAST LANSING MSA:

This assessment area includes all of Clinton County and parts of Ingham and Eaton Counties, and has a population of 369,419. The adjusted median family income of the assessment area is \$38,392. The following chart illustrates the percentage of total census tracts, population and families within the Lansing-East Lansing assessment areas low-, moderate-, middle-, and upper-income census tracts:

LANSING-EAST LANSING ASSESSMENT AREA					
Census Tract Income Level	Number of Tracts / %	Population	% of Total Population	Families	% of Total Families
Low	10 / 10.5%	23,376	6.3%	5,072	6.84%
Moderate	18 / 18.9%	58,613	15.9%	12,259	16.52%
Middle	45 / 47.4%	180,106	48.8%	36,265	48.87%
Upper	22 / 23.2%	107,324	29.1%	20,602	27.77%
TOTAL	95 / 100%	369,419	100%	74,198	100%

As illustrated in the preceding chart, the assessment area is comprised of 95 census tracts, of which 29.4% are low- and moderate-income, 47.4% are middle-income, and 23.2% are upper-income census tracts. The population in the Lansing-East Lansing assessment area accounts for 4.3% of the total population within the nine assessment areas served by the bank. The assessment area has a total of 141,515 housing units, of which 59% are owner-occupied, 36% are rental, 5% are vacant and 5% are mobile homes. The median housing value in the assessment area is \$65,208.

Residents within the Lansing - East Lansing assessment area are employed in the following nonagricultural sectors of the economy: manufacturing - 13.36%; construction - 4.28%; service - 56.26%; and government - 26.15%.

A community representative indicated a need for financial institutions to participate in housing rehabilitation projects within the Lansing area. The bank participates in the Michigan Capital Fund for Housing (MCF) through business loans to small contractors to assist in rehab projects.

LENDING TEST

Geographic Distribution of Loans

Lending in Assessment Area

A review of the bank's loan volume within the Lansing-East Lansing MSA during 1996 and the first six months of 1997 revealed a total of 2,962 consumer loans totaling \$25,182,000, of which 2,636 (88.99%) loans totaling \$21,823,000 (86.66%) were made within the Lansing-East Lansing assessment area.

Small Business/Small Farm Lending

A substantial majority of the bank's small business/small farm loans are within the assessment area. In 1996, the bank made 757 small business loans totaling \$74,723,000 in the Lansing-East Lansing MSA, of which 652 (86.13%) loans totaling \$63,843,000 were made within the Lansing-East Lansing assessment area. The bank also made 209 small farm loans totaling \$7,029,000, of which 193 (92.34%) loans totaling \$6,253,000 were made within the assessment area.

In 1997, the bank made 381 small business loans totaling \$33,532,000, of which 363 (95.28%) loans totaling \$31,899,000 were made within the assessment area. In addition, the bank made 110 small farm loans totaling \$4,145,000, of which 106 (96.36%) loans totaling \$4,066,000 were in the assessment area.

HMDA-Related Lending

According to the HMDA data, the bank made 862 and 1,082 loans in 1995 and 1996, respectively. Of these loans, 596 loans (69.1%) in 1995 and 655 loans (60.5%) in 1996 were made within the Lansing-East Lansing assessment area.

Lending in Geographies of Different Income Levels

The bank's 1996 and six-month 1997 CRA loan data were reviewed to determine the bank's level of lending in geographies of different income levels. The data was reviewed to determine the number and amount of loans made in the various census tracts within the assessment area.



DISTRIBUTION OF OLD KENT BANK-S 1996 AND 1997 CRA DATA LANSING-EAST LANSING ASSESSMENT AREA						
Geography Income Level	# of Real Estate Loans	% of Total # of Real Estate Loans	# of Consumer Loans	% of Total # of Consumer Loans	# of Small Business Loans	% of Total # of Small Business Loans
Low-Income	25	1.62%	61	2.31%	95	7.23%
Moderate- Income	83	5.37%	154	5.84%	99	7.53%
Middle-Income	960	62.10%	1,855	70.37%	813	61.87%
Upper-Income	478	30.92%	566	21.48%	307	23.37%
Not Classified	0	0	0	0	0	0
Total	1,546	100%	2,636	100%	1,314	100%

The preceding chart illustrates the following:

Real Estate Loans

Of the 1,546 real estate loans totaling \$101,525,000 that the bank made within the Lansing-East Lansing assessment area, 25 (1.62%) loans totaling \$877,000 (1%) were made in low-income census tracts and 83 (5.37%) loans totaling \$3,286,000 (3%) were in moderate-income census tracts. The majority of real estate loans were made in middle-income census tracts.

Consumer Loans

Of the 2,636 consumer loans made within the Lansing-East Lansing assessment area, 61 (2.31%) loans were in low-income census tracts and 154 (5.84%) loans were in moderate-income census tracts. The majority of the consumer loans were made in middle-income census tracts, representing 70.37% of the total number of loans.

Small Business/Small Farm Loans

Of the 1,314 small business/small farm loans totaling \$106,061,000 made within the Lansing-East Lansing assessment area, 95 (7%) loans totaling \$10,644,000 (10%) were in low-income census tracts and 99 (8%) loans totaling \$10,397,000 (10%) were in moderate-income census tracts. The majority of small business loans were made in middle-income census tracts.

HMDA-Related Lending Activity

In 1996, the bank had HMDA-related loan activity in 91.3% of the Lansing-East Lansing assessment area's census tracts and in 56.8% of the low- and moderate-income census tracts.

In 1995, the bank had HMDA-related loan activity in 91.3% of the Lansing-East Lansing census tracts, and in 55.3% of the low- and moderate-income census tracts. Owner-occupied units within low- and moderate-income census tracts comprise 17.1% of all owner-occupied units within the assessment area.

The following chart shows the bank's 1996 and 1995 performance relative to potential real estate lending opportunities within the assessment area. The chart compares the bank's originations in low- and moderate-income census tracts (L/M), and middle- and upper-income census tracts (non-L/M) to the number of owner-occupied units in those census tracts per 1,000 units:

LANSING-EAST LANSING ASSESSMENT AREA	OWNER-OCCUPIED UNITS IN		HMDA-RELATED ORIGINATIONS IN		PERCENTAGE OF ORIGINATIONS PER 1,000 OWNER- OCCUPIED UNITS IN	
	Non-L/M	L/M	Non-L/M	L/M	Non-L/M	L/M
1996	56,905	11,699	1,014	68	17.82	5.81
1995	56,905	11,699	804	58	14.13	4.96

The preceding chart shows that HMDA-related loan originations per 1,000 owner-occupied units within low- and moderate-income census tracts are lower than originations in middle- and upper-income census tracts.

following charts:

1996 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within Lansing-East Lansing Assessment Area		Market Aggregate Within Lansing-East Lansing Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	10	10.5	15	1.39	361	4.13
Moderate - 50 to 79%	18	18.9	53	4.90	1,101	12.59
Middle - 80 to 119%	45	47.4	662	61.18	4,604	52.65
Upper - > 120%	22	23.2	352	32.53	2,678	30.63
Total	95	100.00	1,082	100.00	8,744	100.00

1995 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank within Lansing-East Lansing Assessment Area		Market Aggregate Within Lansing-East Lansing Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	10	10.5	16	1.86	283	3.66
Moderate - 50 to 79%	18	18.9	42	4.87	907	11.72
Middle - 80 to 119%	45	47.4	540	62.65	4,005	51.76
Upper - > 120%	22	23.2	264	30.63	2,543	32.86
Total	95	100.00	862	100.00	7,738	100.00

The preceding charts show that 6.29% of 1996 HMDA originations and 6.73% of 1995 originations were made within low- and moderate-income census tracts. The distribution of loans among census tracts of different income levels is reasonable, and is consistent with the demographics of the assessment area.

Lending Analysis Based Upon Size of Business and Borrower Income

Review of the sampled loans, for which borrower income information was available, revealed that of a random sample of 16 loans totaling \$440,154, the majority of the bank's consumer loans were made to high-income borrowers; no loans were made to low-income borrowers and one (6.25%) loan for \$5,000 (1.14%) was made to a moderate-income borrower.

The following table illustrates the results of the bank's internal analysis of its loan activity in the Lansing-East Lansing assessment area for 1996 and 1997:

DISTRIBUTION OF OLD KENT BANK'S 1996 AND 1997 CRA LOANS BY BORROWER INCOME LEVEL LANSING-EAST LANSING ASSESSMENT AREA				
BORROWER INCOME LEVEL	# of Loans	Percent of Total Loans	Dollar Amount (\$000's)	Percent of Total Dollars
Low-income	776	19%	\$6,329	5%
Moderate-income	927	22%	16,455	13%
Middle-income	984	24%	28,163	23%
Upper-income	1,392	33%	65,136	53%
Not Available	103	2%	7,265	6%
Total	4,182	100%	\$123,348	100%

The bank's analysis revealed that 19% of total loans made within the Lansing-East Lansing assessment area were to low-income borrowers and 22% were to moderate-income borrowers. The analysis also revealed that 53% of the total loan dollars were to upper-income borrowers, 5% were to low-income borrowers and 13% were to moderate-income borrowers.

Small Business/Small Farm Lending

In 1996, of the 652 small business and 193 small farms loans made within the Lansing-East Lansing assessment area, 484 (74.23%) small business loans totaling \$33,798,000 and 193 (100%) small farm loans totaling \$6,253,000 were made to entities with annual revenues of less than \$1 million. By loan amount, 495 (75.92%) small business loans totaling \$17,205,000 and 177 (91.71%) small farm loans totaling \$3,724,000 were in amounts of \$100,000 or less.

In 1997, of the 363 small business loans and 106 small farm loans made within the Lansing-

East Lansing assessment area, 284 (78.24%) small business loans totaling \$20,484,000 and 98 (92.45%) small farms loans totaling \$3,400,000 were to entities with annual revenues under

\$1 million. By loan amount, 273 (75.21%) small business loans totaling \$11,104,000 and 95 (89.62%) small farm loans totaling \$2,312,000 were in amounts of \$100,000 or less.

HMDA-Related Lending

The distribution of the 1996 and 1995 HMDA loans within the assessment area, by borrower income, is included in the following charts:

1996 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Lansing-East Lansing Assessment Area		Market Aggregate Within Lansing-East Lansing Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	15,361	20.70	95	8.78	935	10.69
Moderate - 50 to 79%	12,934	17.43	175	16.17	1,794	20.52
Middle - 80 to 119%	17,576	23.68	318	29.39	2,832	32.39
Upper - > 120%	28,338	38.19	494	45.66	3,183	36.40
Total	74,209	100.00	1,082	100.00	8,744	100.00

1995 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Lansing-East Lansing Assessment Area		Market Aggregate within Lansing-East Lansing Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	15,361	20.70	70	8.12	741	9.58
Moderate - 50 to 79%	12,934	17.43	168	19.49	1,741	22.50
Middle - 80 to 119%	17,576	23.68	278	32.25	2,505	32.37
Upper - > 120%	28,338	38.19	346	40.14	2,751	35.55
Total	74,209	100.00	862	100.00	7,738	100.00

The number of originations does not include loans for which borrower income was not identified.

As illustrated in the preceding charts, 24.95% and 27.61% of HMDA originations in 1996 and 1995, respectively, were to low- and moderate-income borrowers. The distribution of loans among borrowers of different income levels is reasonable and shows loan activity in all income ranges. The bank's performance is consistent with market aggregate data.

INVESTMENT TEST

Affordable Housing Investments

The bank supports community development related investment initiatives through the Michigan Capital Fund for Housing (MCF). Since the previous examination, the bank invested in the following low-income housing tax credit partnership:

Organization	Investment (\$)	Units Developed
Marsh Pointe	\$128,201	Development of a 108 unit elderly housing facility in Lansing.

Community Development Contributions

In 1996, the bank made a total of \$6,100 in charitable contributions within the Lansing-East Lansing assessment area. The following chart lists the community development contributions:

Organization	Contribution (\$)	Description
United Way	\$6,100	Approximately 90% of all contributions benefit low- and moderate-income individuals.

Municipal Bonds

In 1996, OKB participated in the funding of Hospital Revenue Bonds for Sparrow Hospital in Lansing, Michigan, with an investment of \$2,072,000. These bonds financed improvements to the hospital which is located in a low- and moderate-income area.

SERVICE TEST

Retail Banking Services

OKB operates 12 of its 233 full-service branches, with eight on-site ATMs, and nine off-site ATMs in the Lansing-East Lansing assessment area. One full-service branch (with an on-site ATM) and one off-site ATM are located in low-income census tracts; one full-service branch is located in a moderate-income census tract; four full-service branches with two on-site ATMs and six off-site ATMs are located in middle-income census tracts; and six full-service branches with five on-site ATMs, and two off-site ATMs are located in upper-income census tracts.

Community Development Services

The bank participated in the following community development service during the examination review period:

Small Business Presentations

The bank conducted two sessions of the **Managing and Financing Independent Business** seminar in Lansing; 13 small business owners attended the June 1996 session and 29 attended the September 1996 session.

OVERALL CONCLUSION - LANSING-EAST LANSING ASSESSMENT AREA

The bank's lending is considered high satisfactory. The bank's 18-month CRA loan data and the HMDA data illustrate a high level of lending within the Lansing-East Lansing assessment area. However, lending in low- and moderate-income census tracts was weak in comparison to the number of low- and moderate-income census tracts located within the assessment area.

Lending to low- and moderate-income borrowers is reasonable. Analysis of the HMDA data showed that the bank's performance in lending to low-income borrowers is consistent with the market aggregate. The bank's small business and farm lending in the assessment area is strong. The bank did not participate in any community development loans within the Lansing-East Lansing assessment area.

The bank's participation in investments within the Lansing-East Lansing assessment area is considered low satisfactory. Retail services are accessible and branches have reasonable business hours and locations. The bank provides few community development services. Overall, the service test is considered low satisfactory.

**CRA PERFORMANCE ASSESSMENT
FOR THE NON-METRO STATE OF MICHIGAN AREAS**

DESCRIPTION OF THE NON-METRO STATE-MICHIGAN ASSESSMENT AREA

This assessment area has a population of 545,979 and encompasses all of Cass, Shiawassee, Emmet, Charlevoix, Otsego, Crawford, Grand Traverse, Leelanau, Wexford, Missaukee, Osceola, Mecosta and Mason Counties and parts of St. Joseph, Newaygo, Montcalm, Ionia, Antrim, Benzie, Lake and Isabella Counties, all located in Michigan. The adjusted median family income of the assessment area is \$30,236. The following chart illustrates the percentage of total block numbering areas (BNAs), population and families within the non-metro state of Michigan assessment areas low-, moderate-, middle-, and upper-income geographies:

NON-METRO STATE OF MICHIGAN ASSESSMENT AREA					
BNA Income Level	Number of BNAs / %	Population	% of Total Population	Families	% of Total Families
Low	5 / 3%	1,769	0.3%	77	0.05%
Moderate	10 / 6%	25,766	4.7%	7,189	4.50%
Middle	112 / 68%	371,467	68.0%	109,338	68.47%
Upper	38 / 23%	146,977	26.9%	43,077	26.98%
TOTAL	165 / 100%	545,979	100%	159,681	100%

As illustrated in the preceding chart, the assessment area is comprised of 165 BNAs, of which 9% are low- and moderate-income, 68% are middle-income and 23% are upper-income areas. The population in the non-metro state assessment area accounts for 7% of the total population within the nine assessment areas served by the bank. The assessment area has a total of 265,874 housing units, of which 58% are owner-occupied, 17% are rental, 25% are vacant, and 14% are mobile homes. The median housing value in the assessment area is \$50,501.

Community representatives indicated that OKB is actively involved in the community.

LENDING TEST

Geographic Distribution of Loans

Lending in Assessment Area

A review of the bank's loan volume within the non-metro-state areas during 1996 and the first six months of 1997 revealed a total of 19,562 consumer loans totaling \$134,936,000. According to bank data, all the consumer loans were made within the assessment area.

Small Business/Small Farm Lending

In 1996, the bank made a total of 2,898 small business loans and 314 small farm loans totaling \$192,709,000 and \$11,389,000, respectively. In 1997, the bank made 1,083 small business loans totaling \$74,098,000 and 129 small farm loans totaling \$6,269,000. All loan originations in both years were within the assessment area.

HMDA-Related Lending

In 1996, the bank made 5,976 HMDA-related loans, of which 5,838 loans (97.7%) were made within the non-metro state assessment area.

Lending in Geographies of Different Income Levels

A sample of loans and the bank's 1996 and six-month 1997 CRA loan data were reviewed to determine the bank's level of lending in BNAs of different income levels. The data was reviewed to determine the number and amount of loans made in the various BNAs within the assessment area. The analysis of the data revealed that of a random sample of 131 loans totaling \$2,753,194 made within the assessment area, no loans were made within low-income BNAs and nine (6.87%) loans totaling \$179,744 (6.53%) were made in moderate-income BNAs. The majority of the sampled loans were in middle-income BNAs, representing 94 loans (72%) totaling \$1,624,772 (59%).

Review of the bank's CRA loan data for 1996 and the first six months of 1997 revealed the following distribution of loans among BNAs of different income levels:

DISTRIBUTION OF OLD KENT BANK-S 1996 AND 1997 CRA DATA NON-METRO STATE AREAS						
Type of BNA NON-METRO	# of Real Estate Loans	% of Total # of Real Estate Loans	# of Consumer Loans	% of Total # of Consumer Loans	# of Small Business Loans	% of Total # of Small Business Loans
Low-Income	5	0.06%	4	0.02%	0	0.0
Moderate-Income	367	4.25%	1,010	5.16%	76	1.72%
Middle-Income	5,826	67.49%	13,085	66.89%	3,281	74.16%
Upper-Income	2,428	28.13%	5,462	27.92%	1,066	24.10%
Not Classified	7	0.08%	1	0.01%	1	0.02%
Total	8,633	100%	19,562	100%	4,424	100%

The preceding chart illustrates the following:

Real Estate Loans

Of the 8,633 real estate loans totaling \$369,967,000 that the bank made within the non-metro state areas, five loans totaling \$51,000 were in low-income BNAs and 367 loans totaling \$10,235,000 were in moderate-income BNAs. The majority of the real estate loans, 5,826 (67.46%) of the total number of loans and \$233,959,000 (63.24%) of the total dollar amount, were in middle-income BNAs.

Consumer Loans

Of the 19,562 consumer loans made within the non-metro state areas, four loans were made in low-income BNAs and 1,010 loans were in moderate-income BNAs. The majority of consumer loans were made in middle-income BNAs, representing 66.89% of the total number of loans.

Small Business/Small Farm Loans

Of the 4,424 small business/small farm loans totaling \$284,465,000, no loans were made in low-income BNAs and 76 (2%) loans totaling \$3,304,000 (1%) were in moderate-income BNAs. The majority of loans were made in middle-income BNAs, representing 3,281 (74%) of the number of loans and \$209,289,000 (74%) of the total dollar amount.

HMDA-Related Lending

In 1996, the bank had HMDA-related loan activity in 96.5% of the non-metro state assessment areas BNAs and in all low- and moderate-income BNAs. Owner-occupied units within low- and moderate-income BNAs comprise 5.9% of all owner-occupied units within the assessment area.

The following chart shows the bank's 1996 performance relative to potential real estate lending opportunities within the assessment area. The chart compares the bank's originations in low- and moderate-income BNAs (L/M), and middle- and upper-income BNAs (non-L/M) to the number of owner-occupied units in those BNAs per 1,000 units:

NON-METRO-STATE ASSESSMENT AREAS	OWNER-OCCUPIED UNITS IN		HMDA-RELATED ORIGINATIONS IN		PERCENTAGE OF ORIGINATIONS PER 1,000 OWNER- OCCUPIED UNITS IN	
	Non-L/M	L/M	Non-L/M	L/M	Non-L/M	L/M
1996	265,560	16,598	5,976	266	22.50	16.03

The preceding chart shows that HMDA-related loan originations per 1,000 owner-occupied units within low- and moderate-income BNAs are lower than originations in middle- and upper-income BNAs.

The distribution of the bank's 1996 HMDA-related loans is included in the following chart:

1996 HMDA LOANS IN NON-MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
BNA Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within Non-Metro-State Assessment Area		Market Aggregate Within Non-Metro-State Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	1	0.58	4	0.06	7	0.05
Moderate - 50 to 79%	10	5.78	262	4.20	623	3.42
Middle - 80 to 119%	122	70.52	4,199	67.27	10,077	65.96
Upper - > 120%	40	23.12	1,777	28.47	4,671	30.57
Total	173	100.00	6,242	100.00	15,278	100.00

The preceding chart shows that 4.26% of 1996 HMDA originations were made within low-

and moderate-income BNAs. The distribution among all income geographies is reasonable and consistent with the demographics of the assessment area.

Lending Analysis Based Upon Size of Business and Borrower Income

A review of loans sampled, for which borrower income information was available, revealed the following distribution:

DISTRIBUTION OF EXAMINATION LOAN SAMPLE BY BORROWER INCOME NON-METRO STATE AREAS				
LOAN TYPE	Low-Income Borrowers \$ / #	Moderate-Income Borrowers \$ / #	Middle-Income Borrowers \$ / #	Upper-Income Borrowers \$ / #
Single Payment	\$0/0	\$0/0	\$27,200/1	\$43,000/3
Installment - Direct	3,873/1	37,557/8	108,586/12	223,625/16
Installment -Indirect	34,342/6	101,228/11	320,335/22	536,136/33
Overdraft Protection	500/1	2,000/4	800/1	8,200/11
OKB Real Estate	0/0	0/0	0/0	224,300/3
OKM Real Estate	0/0	0/0	176,250/2	687,005/8
Home Equity	15,000/1	0/0	0/0	247,500/10
Total Sampled	\$53,715/9	\$140,785/23	\$633,171/38	\$1,969,766/84

As the preceding chart illustrates, the majority of the 154 (54.54%) consumer loans sampled totaling \$2,797,437 were made to high-income borrowers; nine (5.84%) loans totaling \$53,715 (1.92%) were to low-income borrowers; and 23 (14.94%) loans totaling \$140,785 (5.03%) were to moderate-income borrowers.

The following table illustrates the results of the bank's internal analysis of its consumer loan

activity in the non-metro state areas for 1996 and 1997:

DISTRIBUTION OF OLD KENT BANK-S 1996 AND 1997 CRA LOANS BY BORROWER INCOME LEVEL NON-METRO STATE AREAS				
BORROWER INCOME LEVEL	# of Loans	Percent of Total Loans	Dollar Amount (\$000's)	Percent of Total Dollars
Low-income	3,709	13%	\$19,456	4%
Moderate-income	6,412	23%	60,508	12%
Middle-income	6,784	24%	99,805	20%
Upper-income	10,804	38%	308,285	61%
Not Available	486	2%	16,849	3%
Total	28,195	100%	\$504,903	100%

The bank's analysis revealed that 13% of the bank's total loans made within the non-metro state assessment area were to low-income borrowers and 23% were to moderate-income borrowers. The report also revealed that 61% of the total loan dollars were made to upper-income borrowers, 4% were to low-income borrowers and 12% were to moderate-income borrowers.

Small Business/Small Farm Lending

In 1996, of the 2,898 small business loans totaling \$192,709,000 and 314 small farm loans totaling \$11,389,000 were within the assessment area, 2,393 (82.57%) small business loans totaling \$118,037,000 and 309 (98.41%) small farm loans totaling \$10,937,000 were made to entities with annual revenues of less than \$1 million. By loan amount, 2,430 (83.85%) small business loans totaling \$73,645,000 and 289 (92.04%) small farm loans totaling \$6,772,000 were in amounts of \$100,000 or less.

In 1997, of the 1,083 small business loans totaling \$74,098,000 and 129 small farm loans totaling \$6,269,000 made within the assessment area, 845 (78.02%) small business loans totaling \$41,960,000 and 125 (96.90%) small farms loans totaling \$5,814,000 were made to entities with revenues under \$1 million. By loan amount, 909 (83.93%) small business loans totaling \$28,742,000 and 114 (88.37%) small farm loans totaling \$3,477,000 were in amounts under \$100,000.

HMDA-Related Lending

The distribution of the 1996 HMDA loans within the assessment area, by borrower income, is included in the following chart:

1996 HMDA LOANS IN NON-MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Non-Metro-State Assessment Area		Market Aggregate Within Non-Metro-State Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	26,999	16.91	368	5.90	715	4.68
Moderate - 50 to 79%	27,359	17.13	1,077	17.25	2,520	16.49
Middle - 80 to 119%	36,097	22.60	1,601	25.65	3,880	25.40
Upper - > 120%	69,234	48.36	3,196	51.20	8,163	53.43
Total	159,688	100.00	6,242	100.00	15,278	100.00

The number of originations does not include loans for which borrower income was not identified.

As illustrated in the preceding chart, 23.15% of HMDA originations in 1996 were to low- and moderate-income borrowers. The distribution of loans among borrowers of different income levels is reasonable and shows activity in all income ranges. The bank's performance is consistent with market aggregate data.

INVESTMENT TEST

Community Development Contributions

Since the previous examination, the bank made a total of \$73,150 in charitable contributions. The following chart lists its community development contributions:

Organization	Contribution (\$)	Description
United Way	\$41,050	Approximately 90% of the contributions benefit low- and moderate-income families.
Wexford County Habitat for Humanity	1,000	Annual support for housing to low- and moderate-income families.
Northern Opportunities Center	1,000	Job training and employment for disabled individuals.
NCCS Center for Non-profit	2,500	Provider of affordable housing and home ownership training in Newago County.

Organization	Contribution (\$)	Description
Mecosta County Economic Development Corp	10,000	Benefits community development activities in low- and moderate-income areas within Mecosta County.
Osceola County Economic Development Corporation	1,000	Benefits community development activities in Osceola County.
Northern Lakes Economic Alliance	3,000	Benefits community development activities in the Petoskey area.
Charlevoix/Emmett Housing Coalition	1,000	Affordable housing advocacy in Charlevoix and Emmett Counties.
Habitat for Humanity	1,000	Housing development for low- and moderate-income individuals in the Traverse City area.
Traverse Bay Economic Development Corp	8,500	Promotes community development activities within Grand Traverse, Kalkaska and Leelanau Counties.
Habitat for Humanity	2,000	Housing development for low- and moderate-income individuals in Shiawassee County.
Habitat for Humanity	1,100	Housing development for low- and moderate-income individuals in Mason County.
TOTAL CONTRIBUTIONS	\$73,150*	

*1996: \$59,600 - 1997: \$13,550

Municipal Bonds

Michigan State Housing Development Authority Single-Family Mortgage Revenue Bonds:
 \$In 1996, OKB participated in the funding of Single Family Mortgage Revenue Bonds with an investment of 5% or \$6,298,250. The proceeds from these bonds were used to finance MSHDA's Single Family Mortgage program, which provides home purchase mortgages for low- and moderate-income families throughout the State of Michigan.

\$In 1997, OKB participated in the funding of Single Family Mortgage Revenue Bonds with an investment of \$6,000,000. The proceeds from these bonds were used to finance MSHDA's Single Family Mortgage program.

SERVICE TEST

Retail Banking Services

OKB operates 42 of its 233 full-service branches, 34 of its 241 on-site ATMs and 12 of its 79 off-site ATMs in the non-metro state assessment area. One off-site ATM is located in a low-income BNA; one full-service branch and seven off-site ATMs are located in moderate-income BNAs; 32 full-service branches with 26 on-site ATMs, and four off-site ATMs are located in middle-income BNAs; and nine full-service branches with eight on-site ATMs are located in upper-income BNAs.

Community Development Services

The bank participated in the following community development services in the non-metro state assessment area during the examination review period:

Small Business Presentations

The bank sponsored six sessions of the **A**Managing and Financing Independent Business[®] seminars in Bid Rapids (May/1996; May/1997), Fremont (May/1996), Cadillac (September/1996), Traverse City (October/1996) and Gaylord (October, 1996).

OVERALL CONCLUSION - NON-METRO STATE ASSESSMENT AREA

The bank's lending is considered high satisfactory. The bank's 18-month CRA loan data and the HMDA data illustrate a high level of lending within the non-metro assessment area. However, lending in low- and moderate-income geographies was weak in comparison to the number of low- and moderate-income geographies located within the assessment area. Lending to low- and moderate-income borrowers is reasonable. Analysis of the HMDA data showed that the bank's performance in lending to low-income borrowers is consistent with the market aggregate. Lending to small businesses and farms in the non-metro state area is strong. The bank did not participate in any community development loans within the non-metro state assessment area.

The bank's participation in investments within the non-metro state assessment area is considered high satisfactory. The bank did not participate in any affordable housing investments within the non-metro assessment area, but was active in its municipal bond investments targeted to low- and moderate-income individuals. Retail services are accessible and branches have reasonable business hours and locations. The bank's community development services are limited. Overall, the service test is a low satisfactory.

**CRA PERFORMANCE ASSESSMENT
FOR THE CHICAGO MSA**

DESCRIPTION OF ASSESSMENT AREA WITHIN THE CHICAGO MSA

This assessment area encompasses parts of Cook, Kane and DuPage Counties and has a population of 2,684,050. The adjusted median family income of the assessment area is \$42,429. The following chart illustrates the percentage of total census tracts, population and families within the Chicago assessment area— low-, moderate-, middle-, and upper-income census tracts:

CHICAGO ASSESSMENT AREA					
Census Tract Income Level	Number of Tracts / %	Population	% of Total Population	Families	% of Total Families
Low	197 / 28%	444,051	16.5%	94,679	14.38%
Moderate	152 / 21%	489,609	18.2%	109,222	16.59%
Middle	200 / 28%	867,714	32.3%	224,896	34.15%
Upper	161 / 23%	882,676	32.9%	229,743	34.89%
TOTAL	710/ 100%	2,684,050	100%	658,540	100%

As illustrated in the preceding chart, the assessment area is comprised of 710 census tracts, of which 49% are low- and moderate-income, 28% are middle-income, and 23% are upper-income census tracts. The population in the Chicago assessment area accounts for 35.8% of the total population in the nine assessment areas served by the bank. The assessment area has a total of 1,029,864 housing units, of which 52% are owner-occupied, 40% are rental and 8% are vacant. The median housing value in the assessment area is \$120,785 and the median age of housing stock is 38 years.

Community representatives stated that there is a need for rehab loans in low- and moderate-income areas. Representatives also indicated a need for loan programs that are geared toward high credit risk borrowers. OKB was noted as being visible within the community and involved in programs which help higher risk borrowers.

LENDING TEST**Geographic Distribution of Loans****Lending in Assessment Area**

A review of the bank's loan volume within the Chicago MSA during 1996 and the first six months of 1997 revealed a total of 10,935 consumer loans totaling \$111,801,000. Of the total consumer loans, 8,409 (76.90%) loans totaling \$79,605,000 (71.20%) were made within the Chicago assessment area.

Small Business/Small Farm Lending

In 1996, the bank made 1,056 small business loans totaling \$169,222,000 in the Chicago MSA, of which 884 (83.71%) loans totaling \$137,914,000 were within the Chicago assessment area. The bank made seven small farm loans totaling \$1,018,000, of which 3 (42.86%) totaling \$515,000 were within the assessment area.

In 1997, the bank made 501 small business loans totaling \$70,516,000, of which 393 (78.44%) loans totaling \$54,030,000 were within the Chicago assessment area. The bank made two small farm loans totaling \$175,000, both of which were in the assessment area.

HMDA-Related Lending

The bank made 1,879 and 2,292 HMDA-related loans in 1995 and 1996, respectively. Of these loans, 707 (37.6%) in 1995 and 976 (42.6%) in 1996 were made within the Chicago assessment area.

Lending in Geographies of Different Income Levels

The bank's 1996 and six-month 1997 CRA loan data were reviewed to determine the bank's level of lending in census tracts of different income levels. The data was reviewed to determine the number and amount of loans made in the various census tracts within the assessment area. The analysis revealed the following distribution of loans in low-, moderate-, middle-, and upper-income census tracts:

CHICAGO ASSESSMENT AREA						
Geography Income Level	# of Real Estate Loans	% of Total # of Real Estate Loans	# of Consumer Loans	% of Total # of Consumer Loans	# of Small Business Loans	% of Total # of Small Business Loans
Low-Income	114	3.29%	83	0.99%	32	2.58%
Moderate-Income	188	5.41%	269	3.20%	97	7.81%
Middle-Income	1,318	37.94%	3,682	43.79%	487	39.21%
Upper-Income	1,838	52.91%	4,359	51.84%	600	48.31%
Not Classified	16	0.47%	16	0.19%	26	2.10%
Total	3,474	100%	8,409	100%	1,242	100%

The preceding chart illustrates the following:

Real Estate Loans

Of the 3,474 real estate loans totaling \$362,558,000 that the bank made within the Chicago assessment area, 114 (3%) loans totaling \$11,923,000 (3%) were in low-income census tracts and 188 (5%) loans totaling \$24,356,000 (7%) were in moderate-income census tracts. The majority of the real estate loans, 1,838 (53%) of the total number of loans and \$212,258,000 (59%) of the total dollar amount, were made in upper-income census tracts.

Consumer Loans

Of the 8,409 consumer loans made within the Chicago assessment area, 83 (1%) loans were made in low-income census tracts and 269 (3.20%) loans were in moderate-income census tracts. The bank made total loans of \$79,605,000, of which \$328,000 were in low-income census tracts and \$1,483,000 (2%) were in moderate-income census tracts. The majority of loans were made in the upper-income census tracts, representing 4,359 (52%) of the total number of loans and \$50,649,000 (64%) of the total dollar amount.

Small Business Loans

Of the 1,242 small business/small farm loans totaling \$192,634,000 made within the Chicago assessment area, 32 (3%) loans totaling \$4,405,000 (2%) were in low-income census tracts and 97 (8%) loans totaling \$15,446,000 (8%) were in moderate-income census tracts. The largest concentration of small business loans was made in middle-income census tracts.

HMDA-Related Lending

In 1996, the bank had HMDA-related loan activity in 54.8% of the Chicago assessment area's census tracts and in 28.4% of the low- and moderate-income census tracts. In 1995, the bank had HMDA-related loan activity in 50.3% of the Chicago assessment area's census tracts, and in 18.8% of the low- and moderate-income census tracts. Owner-occupied units within low- and moderate-income census tracts comprise 16.3% of all owner-occupied units within the assessment area.

The following chart shows the bank's 1996 and 1995 performance relative to potential real estate lending opportunities within the assessment area. The chart compares the bank's originations in low- and moderate-income census tracts (L/M), and middle- and upper-income census tracts (non-L/M) to the number of owner-occupied units in those census tracts per 1,000 units:

CHICAGO ASSESSMENT AREA	OWNER-OCCUPIED UNITS IN		HMDA-RELATED ORIGINATIONS IN		PERCENTAGE OF ORIGINATIONS PER 1,000 OWNER-OCCUPIED UNITS IN	
	Non-L/M	L/M	Non-L/M	L/M	Non-L/M	L/M
1996	449,328	87,570	2,094	198	4.66	2.26
1995	449,328	87,570	1,769	137	3.94	1.56

The preceding chart shows that HMDA-related loans originations per 1,000 owner-occupied units within low- and moderate-income census tracts are lower than originations in middle- and upper-income census tracts.

The distribution of the bank's 1996 and 1995 HMDA related loans is included in the following charts:

1996 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within Chicago Assessment Area		Market Aggregate Within Chicago Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	197	27.75	74	3.23	5,309	6.01
Moderate - 50 to 79%	152	21.41	124	5.41	10,017	11.33
Middle - 80 to 119%	200	28.17	878	38.31	31,110	35.20
Upper - > 120%	161	22.68	1,216	53.05	41,946	47.46
Total	710	100.00	2,292	100.00	88,382	100.00

1995 HMDA LOANS IN MSAs BY GEOGRAPHY INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Census Tract Income Classification	# of Census Tracts	% of Total Census Tracts	Old Kent Bank Within Chicago Assessment Area		Market Aggregate Within Chicago Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	197	27.75	33	1.73	3,959	5.71
Moderate - 50 to 79%	152	21.41	104	5.46	8,276	11.94
Middle - 80 to 119%	200	28.17	710	37.25	24,756	35.72
Upper - > 120%	161	22.68	1,059	55.56	32,319	46.63
Total	710	100.00	1,906	100.00	69,310	100.00

The preceding charts show that 8.64% of 1996 HMDA related originations and 7.19% of 1995 originations were made within low- and moderate-income census tracts. The distribution among all income census tracts is reasonable and consistent with the demographics of the assessment area.

Lending Analysis Based Upon Size of Business and Borrower Income

The following table illustrates the results of the bank's internal analysis of its consumer loan activity in the Chicago assessment area for 1996 and 1997:

DISTRIBUTION OF OLD KENT BANK'S 1996 AND 1997 CRA LOANS BY BORROWER INCOME LEVEL CHICAGO ASSESSMENT AREA				
BORROWER INCOME LEVEL	# of Loans	Percent of Total Loans	Dollar Amount (\$000's)	Percent of Total Dollars
Low-income	2,129	18%	\$11,785	3%
Moderate-income	2,515	21%	51,477	12%
Middle-income	2,763	23%	101,155	23%
Upper-income	4,100	35%	257,530	58%
Not Available	376	3%	20,216	5%
Total	11,883	100%	\$442,163	100%

The bank's analysis revealed that 18% of the total consumer loans made within the Chicago assessment area were to low-income borrowers and 21% were to moderate-income borrowers. The analysis also revealed that 58% of the total loan dollars were made to upper-income borrowers, 3% were to low-income borrowers and 12% were to moderate-income borrowers.

HMDA-Related Lending

The distribution of 1996 and 1995 HMDA loans within the assessment area, by borrower income, is included in the following charts:

1996 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1996 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Chicago Assessment Area		Market Aggregate Within Chicago Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	144,960	22.01	105	4.68	6,254	7.08
Moderate - 50 to 79%	108,210	16.43	372	16.23	17,846	19.63
Middle - 80 to 119%	150,185	22.81	710	30.98	28,933	32.74
Upper - > 120%	255,166	38.75	1,105	48.21	35,849	40.56
Total	658,521	100.00	2,292	100.00	88,882	100.00

1995 HMDA LOANS IN MSAs BY BORROWER INCOME AND AS A PERCENTAGE OF TOTAL LOANS IN COMPARISON TO AREA DEMOGRAPHICS AND 1995 AGGREGATE DATA						
Borrower Income Classification	# of Families	% of Total Families	Old Kent Bank Within Chicago Assessment Area		Market Aggregate Within Chicago Assessment Area	
			Number of Originations	Percentage of Total Originations	Number of Originations	Percentage of Total Originations
Low - 0 to 49%	144,960	22.01	72	3.78	4,094	5.91
Moderate - 50 to 79%	108,210	16.43	308	16.16	14,021	20.23
Middle - 80 to 119%	150,185	22.81	597	31.32	22,165	31.98
Upper - > 120%	255,166	38.75	929	48.74	29,030	41.88
Total	658,521	100.00	1,906	100.00	69,310	100.00

The number of originations does not include loans for which borrower income was not identified.

As illustrated in the preceding charts, 20.91% and 19.94% of HMDA originations in 1996 and 1995, respectively, were to low- and moderate-income borrowers. This distribution of loans among borrowers of different income levels is reasonable and shows loan activity in all income ranges. The bank's performance is consistent with the market aggregate data.

Small Business Lending

In 1996, the bank made 884 small business loans totaling \$137,914,000 and 393 small farm loans totaling \$54,030,000 within the Chicago assessment area. Of these loans, 621 (70.2%) small business loans totaling \$61,751,000 and 7 (1.8%) small farm loans totaling \$1,018,000 were made to entities with annual revenues of less than \$1 million. By loan amount, 548 (88.2%) small business loans totaling \$57,765,000 and four (57.1%) small farm loans totaling \$223,000 were in amounts of \$100,000 or less.

In 1997, the bank made 393 small business loans totaling \$54,030,000 within the Chicago assessment area. Of these loans, 270 (68.7%) loans totaling \$18,739,000 were to entities with annual revenues of less than \$1 million. By loan amount, 165 (61.1%) small business loans totaling \$7,002,000 (37.4%) were in amounts of \$100,000 or less.

INVESTMENT TEST

Affordable Housing Investments

The bank supports community development-related investment initiatives through the Chicago Equity Fund. Since the previous examination, the bank invested in the following low-income housing tax credit partnership:

Organization	Investment (\$)	Units Developed
Chicago Equity Fund 1996	\$250,000 investment in a \$20,000,000 equity fund	This was an investment in seven projects (Lyndale Place Limited Partnership, Garfield Associates Limited Partnership, Landmeier Road Limited Partnership, Broadmoor Apartments Associates Limited Partnership, South Park Apartments Limited Partnership, 4257 S. King Drive Associates Limited Partnership and Keeler Apartments Limited Partnership) which helped finance 562 units of affordable housing for residents of Chicago, Aurora, and Elk Grove Village.

Community Development Contributions

Since the previous examination, the bank made a total of \$211,900 in charitable contributions within the Chicago assessment area. The following chart lists the community development contributions:

Organization	Contribution (\$)	Description
United Way	\$36,000	Approximately 90% of contributions benefit low- and moderate-income families.
Neighborhood Housing Services of St. Charles	5,000	Annual support for housing services.
Executive Services Corp of Chicago	1,500	Annual support that provides counsel to low- and moderate-income individuals.
Neighborhood Housing of Elgin	15,900	Annual support that provides home improvement benefits to low- and moderate-income individuals.
CANDO	10,000	Retail initiative.
West Cluster Collaborative	10,000	Pre-development of Roosevelt Road Community Corridor.
Neighborhood Housing Services of Chicago	20,000	Annual Support for Boulevards Program: Grand Boulevard, Kenwood-Oakland, Washington Park, Garfield Boulevard.
New City YMCA LEED Council	4,000	Retail Development Feasibility Study for the near north

Organization	Contribution (\$)	Description
		side.
Cosmopolitan Chamber of Commerce	20,000	Upgrade of computer equipment for small business training.
Bethel New Life	15,000	Pre-development for affordable housing acquisition in West Garfield Park.
Faithcorp	7,500	Home purchase education in the Grand Boulevard area.
Ahkenaton Community Development Corp	10,000	Pre-development coordination for rehabilitation of Singer Mansion in the Grand Boulevard area.
Mid-south Planning and Development	7,500	Pre-development for Overton Building in the Greater Grand Boulevard area.
PRIDE	7,500	Madison Renaissance Project-affordable housing and commercial development.
Metropolitan Planning Council	2,000	Neighborhood revitalization through legislative reform.
Partners in Community Development	5,000	Housing development project that benefits the Kenwood-Oakland and Grand Boulevard areas.
Near North Development Corp	10,000	Senior citizen housing and child/parent center.
Uptown Habitat for Humanity	5,000	Benefits the Warren Boulevard and Kameding Affordable Housing Development Projects on the Central West Side.
Local Initiative Support Corporation	10,000	Technical assistance for community- based CDCs.
Northeastern Illinois Planning Commission	10,000	Provide suburban affordable housing development study.
TOTAL CONTRIBUTIONS	\$211,900*	

*1996: \$97,900 - 1997: \$114,000

SERVICE TEST

Retail Banking Services

OKB operates 26 (11%) of its 233 full-service branches, 38 (16%) of its 241 on-site ATMs and 12 (15%) of its 79 off-site ATMs in the Chicago assessment area. Two full-service branches with two on-site ATMs are located in low-income census tracts; two of the full-service branches with six on-site ATMs and two off-site ATMs are located in moderate-income census tracts; nine full-service branches with 12 on-site ATMs and four off-site ATMs are located in middle-income census tracts; and 13 full-service branches with 18 on-site ATMs and six off-site ATMs are located in upper-income census tracts.

Community Development Services

The bank has been active in 12 seminars/events in the Chicago assessment area. Topics included home ownership and general product qualification information. Details on the specific activities and the number attendees were not available.

OVERALL CONCLUSION

The bank's lending is considered high satisfactory. The bank's 18-month CRA loan data and the HMDA data illustrate a high level of lending within the Chicago assessment area. However, lending in low- and moderate-income geographies was weak in comparison to the number of low- and moderate-income geographies located within the assessment area. Lending to low- and moderate-income borrowers is reasonable. Analysis of the HMDA data showed that the bank's performance in lending to low-income borrowers is consistent with the market aggregate. Lending to small businesses in the area is strong. The bank did not participate in any community development loans within the Chicago assessment area.

The bank's participation in qualified investments within the Chicago assessment area is considered low, but augmented by contributions to community development organizations. Retail services are accessible and branches have reasonable business hours and locations. The bank's community development services are limited. Overall, the bank services in this assessment area are a low satisfactory.

APPENDIX A

SCOPE OF EXAMINATION

A regular, comprehensive examination was conducted using the procedures established by the Board of Governors of the Federal Reserve System to determine the bank's level of compliance with consumer laws and regulations, and to assess the bank's performance with respect to the Community Reinvestment Act (CRA). Individuals within the community were interviewed and bank records were inspected to determine the credit needs of the bank's community and its efforts to meet those needs.

The CRA performance evaluation of **Old Kent Bank, Grand Rapids, Michigan**, includes separate evaluations and ratings of the institution as a whole, and of its performance in Illinois and Michigan. The written evaluation contains separate presentations of the Ann Arbor, Benton Harbor, Detroit, Flint, Grand Rapids-Muskegon-Holland, Kalamazoo-Battle Creek, Lansing-East Lansing, and Chicago MSA assessment areas, as well as nonmetro State of Michigan areas. The ratings for each state are based on conclusions about the institution's performance in each assessment area. The following factors were considered in determining the overall CRA rating: the significance of the institution's activities in each assessment area compared to the institution's overall activities; the credit needs present in each assessment area and the bank's efforts in addressing those needs; and, the demographic and economic conditions in each assessment area.

EXAMINATION REVIEW PERIOD

January 1, 1996 to June 30, 1997

FINANCIAL INSTITUTION

Old Kent Bank,
Grand Rapids, Michigan

LOAN PRODUCTS REVIEWED

Small Business
Small Farm
Real Estate Mortgages
All Consumer Loans

AFFILIATES

Old Kent Mortgage Company

Real Estate Mortgages

ASSESSMENT AREAS

MSA #0440 - ANN ARBOR

MSA #0870 - BENTON HARBOR

MSA #2160 - DETROIT

MSA #2640 - FLINT

MSA #3000 - GRAND RAPIDS-MUSKEGON-HOLLAND

MSA #3720 - BATTLE CREEK-KALAMAZOO

MSA #4040 - LANSING-EAST LANSING

MSA #1600 - CHICAGO

NON-METRO AREAS (3 - all in Michigan)

**BRANCH VISITS
CONDUCTED**

STATE OF MICHIGAN

31

STATE OF ILLINOIS

2

*The examination was centralized and conducted on-site in Grand Rapids, Michigan.

APPENDIX B

SUMMARY OF OVERALL, STATE, AND ASSESSMENT AREA CRA RATINGS

GEOGRAPHIC AREA	LENDING TEST RATING	INVESTMENT TEST RATING	SERVICE TEST RATING	OVERALL RATING
BANK OVERALL	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
STATE OF MICHIGAN	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
STATE OF ILLINOIS	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory