



PUBLIC DISCLOSURE

September 03, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First, National Association,
Charter Number 446

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Damariscotta, ME 04543

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Boston Field Office
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NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Satisfactory**.

The following table indicates the performance level of **The First, National Association, Charter Number 446**, with respect to the Lending, Investment, and Service Tests:

Performance Levels	The First, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service tests when arriving at an overall rating.

The major factors that support this rating include:

- Lending activity is good.
- A substantial majority of home mortgage loans, small loans to businesses, and small loans to farms were originated within the bank's assessment area (AA).
- The geographic distribution of loans reflects adequate penetration in the moderate-income tracts.
- The borrower distribution of home mortgage loans is adequate, the distribution of small loans to businesses is excellent, and the distribution of small loans to farms is good.
- Community development (CD) loans have a positive impact on the Lending Test.
- CD investments exhibit good responsiveness to community development needs.
- Accessibility to delivery systems is good and the bank provides a relatively high level of community development services.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

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

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

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

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

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

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine

the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

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

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

The First, National Association (The First) is an intrastate community bank headquartered in Damariscotta, Maine. As of June 30, 2013, The First had total assets of \$1.412 billion, Tier One Capital of \$117 million, net loans of \$854 million, and domestic deposits of \$1.029 billion. Net loans comprised 61% of total assets. The loan portfolio is comprised of 55% residential real estate mortgage products (includes 11% in home equity loans), 40% commercial related loans (31% commercial real estate and 9% commercial loans), 2% municipal, 2% consumer, 1% agriculture loans, and less than 1% other loans.

The First is a wholly-owned subsidiary of The First Bancorp, Inc. (ticker symbol FNLC), a financial services holding company also located in Damariscotta, ME, with assets of \$1.4 billion as of December 31, 2012. FNCL's common stock trades on the NASDAQ Global Select Market System. First Advisors is the investment management and trust division of The First, and offers a broad range of investment advisory services including investment management, financial and retirement planning, trust and estate administration, and custody safekeeping. Affiliate activities were not considered in this evaluation.

The First has 15 full-service banking offices in Mid-Coast Maine and its market area includes Lincoln, Knox, and Hancock counties, and a portion of Washington county. In February 2013, The First entered the Bangor market in Penobscot county with the purchase of a branch from another financial institution, bringing the total number of branches to 16; however, this is not included within the scope of this evaluation. Please refer to Appendices A and B for a detailed description of The First's AA.

The First is a full-service community bank offering a wide range of loan and deposit products listed in detail at the www.thefirst.com website. The business strategy is to provide comprehensive retail and commercial services for meeting the needs of retail customers and small to medium size companies. The First continues to focus on small business, commercial, and consumer loans.

There are no legal, financial, or other factors impeding The First's ability to help meet the credit needs in its AA.

The last CRA examination was dated August 2, 2010, and The First received a "Satisfactory" rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

For the Lending Test, with the exception of community development loans, our conclusions are based on home mortgage lending and small loans to business and farms from January 1, 2010 to June 30, 2013. For the period from January 1, 2010 to December 31, 2011, The First's performance was compared to the 2000 U.S. Census data. For the period from January 1, 2012 to June 30, 2013, performance was compared to the 2010 U.S. Census data. Home mortgage loans included purchase and refinance loans. Consumer loans, which would include home equity lines/loans for home improvement or other purposes, were not evaluated as they do not constitute a large majority of loans made. The evaluation period for community development loans, investments, and services is August 2, 2010 to September 3, 2013.

Data Integrity

For the evaluation period, The First was not required to file publicly home mortgage data under the Home Mortgage Disclosure Act (HMDA). The First voluntarily collected pertinent home mortgage loan data and presented the information for our review. We reviewed a sample and found the data was accurate; therefore, we used this data in our evaluation. An analysis of home mortgage lending could not be performed separately for home purchase and refinance loans, as this data is not tracked by bank management.

We previously determined that the bank has a history of accurate data collection of small loans to businesses and farms as reported on The First's CRA Loan Register. Therefore, we used this data in our evaluation. We also verified community development loans, investments, and services submitted by bank management for accuracy to ensure they met the community development definition.

Selection of Areas for Full-Scope Review

The First has one assessment area (AA) and it meets the technical and regulatory requirements as defined by the regulation. This AA received a full-scope review. Please refer to Appendix A for more information on the scope of the examination and Appendix B for further information regarding the market profiles of the full-scope AA.

Ratings

The First's overall rating is based on the full-scope review. The Lending Test was more heavily weighted than the Investment or Service Tests. During the entire evaluation period, the number of home mortgage loans was 50%, small loans to businesses accounted for 39%, and small loans to farms were 11%. Due to the record low interest rate environment, the increase in home mortgage lending was largely attributed to refinance activity, accounting for approximately 80% of all home mortgage loans made.

For the Lending Test evaluation period of January 1, 2010, through December 31, 2011, home mortgage loans and small loans made to businesses were equally weighted. During this evaluation period, 45% of the number of total loans originated was home mortgage loans with small loans to businesses accounting for 44%. Small loans to farms, at 11%, carried the least weight.

For the Lending Test evaluation period of January 1, 2012, through June 30, 2013, home mortgage loans were more heavily weighted than loans to small businesses. During this evaluation period, 55% of the number of total loans originated was home mortgage loans with small loans to businesses accounting for 35%. Small loans to farms, at 10%, carried the least weight.

More weight was given to distribution of loans by income level of borrower rather than income level of geography in our analysis. Moderate-income census tracts comprise approximately 10% of the AA and are all located in Washington county. Lending opportunities are challenged by limited infrastructure, rural and remote location, and an economically distressed profile with a very high poverty level of 20%.

The First had a good overall market share position, which was taken into account and weighted accordingly. Market share comparisons include only lenders who publicly reported small loans to businesses and farms during this evaluation period. Comparisons for market share of home mortgage products are not available as The First is not a HMDA reporter.

Other

We reviewed two recent community contacts made in the full-scope AA.

One contact is a Community Development Financial Institution (CDFI) that focuses on providing financing for affordable housing development and community facilities in low-income communities throughout Maine. The CDFI states that housing affordability, unemployment, and foreclosures continue to be issues. Also, reductions in state financing and cuts to federal stimulus are making funding existing new programs increasingly difficult. The CDFI provides loans and technical assistance to nonprofit entities as well as specialized programs targeted to the state's year round island communities, residents of mobile park communities, and a green loan program to help nonprofits make their facilities more energy efficient. The CDFI continually seeks investors to aid in its mission and in recent years has received support from local banks, both in investments and technical assistance. However, the CDFI states that there are fewer good investment opportunities than there have been in the past and that strong involvement from many local financial institutions make securing good quality investments more competitive.

Another contact, a nonprofit corporation that promotes affordable housing and community development in Maine and New Hampshire, emphasized the continued need for affordable housing. The corporation stated that local financial institutions have many opportunities to support community development and financing programs by supporting existing policies and programs designed to promote affordable housing development and preservation. The organization emphasized opportunities and the continued need in the Portland area, which is not part of The First's AA.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), in determining a national bank's CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

Performance under the Lending Test is rated "High Satisfactory." Based on a full-scope review, The First's performance is good.

Lending Activity

Refer to Tables 1a and 1b Lending Volume in Appendix C for the facts and data used to evaluate The First's lending activity.

Lending activity is good. During the entire Lending Test evaluation period, 86% in number of The First's originations were made in its assessment area. Another indicator of lending levels is the loan-to-deposit ratio. Over the course of the evaluation period, The First's quarterly average was 87%.

In deposit market share, The First ranked second in the AA with 23% of deposits as of June 30, 2012. In Lincoln county, where The First is headquartered, the bank held 67% of deposits.

Market share data is not available for home mortgages. In the AA, for 2011, there are 186 lenders reporting data under HMDA for originations and/or purchases.

During the Lending Test evaluation period of January 1, 2010, through December 31, 2011, small loans to businesses comprised 44% of all lending in the AA. The volume of small loans to farms was 11%. Based on 2011 Peer Small Business Data, The First ranked third out of 40 lenders with a 9% market share. The First had an 18% market share for small loans to farms and ranked fourth out of 11 lenders.

Distribution of Loans by Income Level of the Geography

The geographic distribution of loans reflects adequate penetration in the moderate-income tracts.

Home Mortgage Loans

Refer to Tables 2a and 2b in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations. An analysis of home mortgage lending could not be performed separately for home purchase and refinance loans, as this data is not tracked. No multifamily loans were originated. The AA has no low-income census tracts, therefore, we did not evaluate lending in these areas.

The geographic distribution of home mortgage loans originated in 2010 and 2011 reflects adequate penetration in the moderate-income tracts. The percent of home mortgage loans made in the moderate-income geographies is lower than the percent of owner-occupied housing units in the moderate-income tracts.

The geographic distribution of home mortgage loans originated in 2012 and year-to-date 2013 also reflects adequate penetration in the moderate-income tracts. The percent of home mortgage loans made

in the moderate-income geographies is lower than the percent of owner-occupied housing units in the moderate-income tracts.

The First's performance is considered adequate based on demographic factors. The percentage of individuals below poverty levels in Washington county, where all of the moderate tracts in the AA are located, is very high at 20%. In the portion of The First's AA in this county, all tracts are either moderate-income or distressed (poverty) and/or underserved nonmetropolitan middle-income tracts. Washington county is one of the most rural and poorest counties in Maine, primarily due to limited infrastructure and location. The unemployment rate is also high, at 9%. According to the Maine Real Estate Information System, Inc., single-family home sales in the four counties in the bank's AA for 2011 and 2012 totaled 2,630 units; however sales in Washington county accounted for only 11%.

The mortgage lending market is highly competitive. Although The First is not a HMDA reporter, based on 2011 Peer Mortgage Data, a longstanding local regional bank dominates with a large 12% mortgage origination market share and holds 24% deposit market share.

Of the 19 bank branches in Washington county, The First ranks third with two branches, while two longstanding competitors have a larger branch presence with six and four branches, respectively. The First is a relatively recent entrant in this market with the merger of The First National Bank of Bar Harbor in 2005.

Small Loans to Businesses

Refer to Tables 6a and 6b in Appendix C for the facts and data used to evaluate the geographic distribution of The First's originations of small loans to businesses.

The distribution of small loans to businesses during 2010 and 2011 by income level of the geographies is considered adequate. Although the percent of lending in the moderate-income tracts is lower than the percent of businesses located there, The First's market share of small loans to businesses, at 3%, equals the overall market share. Market share is notable, as competition for these loans is strong. All of the moderate-income tracts are located in Washington county, where the market is dominated by a longstanding local regional bank with 35% market share, followed by five very large nationwide banks, collectively comprising another 34% of the market. Opportunities to lend are further impacted by the county's wide span, limited business opportunities, and geographic barriers in the northern part of the county.

The AA includes several distressed (poverty) and/or underserved middle-income tracts, 11 of 29 middle-income tracts, or 38%. These tracts are located in Washington and Lincoln counties. Of the total small loans to businesses made in the middle-income tracts, 46% were made to businesses located in these distressed or underserved middle-income tracts.

The geographic distribution of small loans to businesses during 2012 and year-to-date 2013 is adequate. The percent of small loans to businesses is somewhat lower than the percent of businesses located in moderate-income tracts. Comparisons to market share are not available for 2012 or 2013.

The AA includes several underserved middle-income tracts, 12 of 31 middle-income tracts, or 39%. Of the total small loans to businesses made in the middle-income tracts, 35% were made to businesses located in underserved middle-income tracts in Washington and Lincoln counties.

Small Loans to Farms

Refer to Tables 7a and 7b in Appendix C for the facts and data used to evaluate the geographic distribution of The First's originations of small loans to farms.

The distribution of small loans to farms during 2010 and 2011 by income level of the geographies is poor. The First made no loans in the moderate-income tracts. The percentage of farms located in the moderate-income geographies is low, at 9%. Competition for these loans is strong; only five lenders comprise Washington county's market share with one longstanding local regional bank holding 80% market share. Lending opportunities are affected also by the same factors as discussed in the preceding small loans to businesses section.

The AA includes several distressed (poverty) and/or underserved middle-income tracts, 11 of 29 middle-income tracts, or 38%. These tracts are located in Washington and Lincoln counties. Of the total small loans to farms made in the middle-income tracts, 47% were made to farms located in these distressed or underserved middle-income tracts.

The geographic distribution of small loans to farms during 2012 and year-to-date 2013 is poor. The First made no loans in the moderate-income tracts. The percentage of farms located in the moderate-income geographies is low, at 6%. Lending opportunities are affected by the same factors as discussed in the preceding small loans to businesses section.

The AA includes several underserved middle-income tracts, 12 of 31 middle-income tracts, or 39%. Of the total small loans to farms made in the middle-income tracts, 35% were made to farms located in underserved middle-income tracts in Washington and Lincoln counties.

Lending Gap Analysis

Our review of the geographic distribution of loans did not detect any conspicuous gaps or areas of low penetration in The First's lending patterns. There are no low-income census tracts in the AA, therefore, we did not evaluate lending in these areas.

Inside/Outside Ratio

During the entire evaluation period, a substantial majority of the number of loans, 86%, were originated within The First's AA. Home mortgage loans, at 83%, small loans to businesses, of 89%, and small loans to farms, at 90% were originated in the AA. This performance contributes positively to the Lending Test analysis.

Distribution of Loans by Income Level of the Borrower

The distribution of home loans reflects adequate penetration among borrowers of different income levels, the distribution of small loans to businesses reflects excellent penetration among businesses of different sizes, and the distribution of small loans to farms reflects good penetration among farms of different sizes.

Home Mortgage Loans

Refer to Tables 8a and 8b in Appendix C for the facts and data used to evaluate the borrower distribution of The First's home mortgage loan originations. An analysis of home mortgage lending could not be performed separately for home purchase and refinance loans, as this data is not tracked by The First.

The distribution of home mortgage loans originated in 2010 and 2011 by income level of the borrowers is adequate. The percentage of home mortgage loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home mortgage loans to moderate-income borrowers is lower than the percentage of moderate-income families in the AA.

The distribution of home mortgage loans originated in 2012 and year-to-date 2013 by income level of the borrowers is adequate. The percentage of home mortgage loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home mortgage loans to moderate-income borrowers is lower than the percentage of moderate-income families in the AA.

The First's performance is considered adequate with consideration of demographic factors, including the cost of housing compared to median family income, high poverty levels, and strong market competition for mortgage lending.

In 2012, the median housing weighted average in the AA is \$201 thousand and the median family income is \$54 thousand. A low-income family earns less than \$27 thousand. Qualifying for a conventional mortgage, without spending more than 28% on income to purchase a home, would be very challenging for a low-income borrower. In the AA, 12% of households are below the poverty level and they would not likely qualify for a home mortgage loan. Despite lower home costs, home purchase opportunities are further limited in Washington county with high poverty and unemployment, and where a large percent, 50%, of low- and moderate-income families reside.

Small Loans to Businesses

Refer to Tables 11a and 11b in Appendix C for the facts and data used to evaluate the borrower distribution of The First's originations of small loans to businesses.

The distribution of small loans to businesses originated in 2010 and 2011 is excellent. The First's lending to small businesses exceeds the percentage of small businesses in the AA. Small loans to small businesses (businesses with revenues of \$1 million or less) represent 82% of all small loans to businesses originated compared to 67% of the businesses within the AA. The First's market share of small loans made to small businesses, at 14%, substantially exceeds its overall market share of 9%. The distribution by size of the loans shows that 76% of originations, are for \$100 thousand or less. Based on 2011 Peer Small Business Data, The First ranked third of 40 lenders in the AA. This high rank is particularly noteworthy as competition is strong from local lenders, very large regional banks, and non-bank financial institutions.

The distribution of small loans to businesses originated in 2012 and year-to-date 2013 is excellent. The First's lending to small businesses exceeds the percentage of small businesses in the AA. Small loans to small businesses represent 86% of all small loans to businesses originated compared to 73% of the

businesses within the AA. The distribution by size of loans shows that a large majority of the loan originations, 75%, are for \$100 thousand or less.

Small Loans to Farms

Refer to Tables 12a and 12b in Appendix C for the facts and data used to evaluate the borrower distribution of The First's originations of small loans to farms.

The distribution of small loans to farms originated in 2010 and 2011 is good. The First's lending to small farms equals the percentage of small farms in the AA. Small loans to small farms (farms with revenues of \$1 million or less) represent 97% of all small loans to farms originated compared to 97% of the farms within the AA. The First's market share of small loans made to small farms, at 18%, equals its overall market share. The distribution by size of the loans shows that 93% of originations, are for \$100 thousand or less. Based on 2011 Peer Small Farm Data, The First ranked fourth out of 11 lenders in the AA. This high rank is particularly noteworthy given the high level of competition.

The distribution of small loans to farms originated in 2012 and year-to-date 2013 is good. The First's lending to small farms is near to the percentage of small farms in the AA. Small loans to small farms represent 96% of all small loans to farms originated compared to 98% of the farms within the AA. The distribution by size of loans shows that a large majority of the loan originations, 92%, are for \$100 thousand or less.

Community Development Lending

Refer to Table 1a Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of community development (CD) lending. CD lending has a positive impact on the Lending Test. During the evaluation period, The First made 11 community development loans totaling \$1.5 million; this represents 1.3% of Tier One Capital. Some of the loans were related to affordable housing, an identified credit need in the AA, and others helped support underserved geographies.

- Four loans totaling \$665 thousand for lines of credit and short-term financing for a housing association that provides residential care for low-income mentally challenged adults.
- A \$500 thousand equipment loan to a nonprofit organization that creates jobs and helps revitalize a moderate-income tract in Washington county.
- A \$198 thousand commercial real estate loan to an organization that provides mental health services to low-income residents of Lincoln county, which has many underserved middle-income tracts.
- A \$50 thousand loan to an organization whose mission is building affordable housing, which resulted in a home, purchased, renovated and resold to a low-income family.
- Two loans totaling \$45 thousand to an organization that provides affordable housing and long-term care facilities for the low-income elderly population in Lincoln county.
- A \$20 thousand loan to an entity that provides substance abuse counseling and intensive outpatient addiction therapy to low-income residents of Hancock and Washington counties.

- A \$10 thousand working capital loan to an organization that provides needed food and transportation services to low-income youth and elderly in Lincoln county.

Product Innovation and Flexibility

Flexible lending programs had a positive impact on lending performance. The First continues to be a participant in the Maine State Housing Authority's (MSHA) first time homebuyer lending programs, which offer below market interest rates to qualified applicants. During the evaluation period, seven loans were made totaling \$777 thousand. The First also partners with U.S. Department of Agriculture's Rural Housing loan guarantee program, and originated four loans for \$555 thousand.

The First also participates in government loan programs designed to assist small businesses and include the Finance Authority of Maine (FAME) and the Small Business Administration (SBA). The First originated 42 FAME loans for \$4.3 million and five SBA loans totaling \$2 million.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

Performance under the Investment Test is rated "High Satisfactory." Based on the full-scope review, The First's performance is good.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the level of qualified investments.

Qualified investments and donations total \$2.3 million or 1.9% Tier One Capital. Current period investments total \$2.2 million.

A summary of the CD investments follow:

- A \$1 million investment in a senior housing crime prevention program that benefits primarily low- and moderate-income senior citizens residing in two nursing homes in the AA. This community service provides safe and secure living environments by reducing crime and promoting a higher quality of life for those who are most vulnerable.
- Two \$300 thousand renewals to a CDFI that focuses on providing financing for affordable housing development and community facilities in low-income communities throughout Maine.
- An investment in a Fannie Mae mortgage-backed security that provided \$284 thousand in low- and moderate-income mortgages in The First's AA.
- Two investments totaling \$140 thousand in a Maine-based organization's fund that invests in underserved markets, thereby creating quality employment opportunities, especially for people with low-to moderate-incomes, enriching distressed communities, and fostering environment sustainability.

Current period investments also include \$160 thousand in qualifying grants/donations to 58 community development organizations. The majority of the donations were to organizations that provide community services targeted to low- or moderate-income individuals.

During the evaluation period, The First made a \$1 million commitment to invest in a capital fund with a regional nonprofit corporation that manages equity funds that invest in affordable housing developments in the AA.

The prior period investment, with a current book value of \$81 thousand, was to an organization that makes equity investments in underserved markets. Also in the prior period, a New Market Tax Credit investment, with a current book value of \$650 thousand, was made in a statewide organization that funded the acquisition and renovation of a public market. This investment potentially benefits The First's AA as the market should result in approximately 200 jobs within a 45-minute commute of a portion of the AA.

This performance exhibits good responsiveness to community development needs, especially as the opportunities for qualified investments in the AA are limited as compared to more densely populated areas of the state. The AA does not contain any metropolitan areas where there are typically more investment opportunities, and the rural nature of the AA does not lend itself to housing developments. The economic environment has also challenged opportunities.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

Performance under the Service Test is rated "High Satisfactory." Based on the full-scope review, The First's performance is good.

Retail Banking Services

Refer to Tables 15a and 15b in Appendix C for the facts and data used to evaluate the distribution of The First's branch delivery system and branch openings and closings.

Accessibility to The First's delivery systems in the AA is good. The First's delivery systems are accessible to geographies and individuals of different income levels throughout the AA. In 2010 and 2011, there were 14 full-service branch locations in the AA. The majority of the branches are in town centers making them accessible to most residents. Of the 14 branches, one branch, or 7%, is in a moderate-income tract, and this is somewhat lower than the percentage of the moderate-income population in the AA, at 11%. Eight branches are in the middle-income tracts, with five, or 63% designated as distressed (poverty) and/or underserved nonmetropolitan middle-income tracts.

In October of 2012, The First purchased a branch in Rockland from a competing bank, making this the bank's second branch in that town. In 2012 and 2013, there are 15 full-service branch locations. Ten branches are in the middle-income tracts, with five, or 50% designated as underserved middle-income tracts. The previous year's moderate-income tract designation was changed to a middle-income underserved tract, based on the 2010 U.S. Census data.

The First also entered the Bangor market with the purchase of a branch in February 2013 from another financial institution; this branch is not included within the scope of this evaluation. No branches were closed during the evaluation period.

Banking hours and services are provided Monday through Friday and are supplemented by Saturday hours at most offices. All branches have automated teller machines (ATMs), with an additional non-deposit taking freestanding ATM in the AA. The First is a member of Maine Cash Access, the largest bank ATM Alliance in the state, which provides surcharge free ATM transactions. The majority of the branches have drive-up facilities. There are no material differences in availability or cost or services, and each location is full-service, providing a variety of deposit and loan products. Loan decisions are made directly by the customer's loan officer as opposed to a centralized model that many competitors have adopted. All branches provide, to both bank and non-bank customers, cashing of U.S. government checks with no fees. Free self-service coin counting machines are offered to bank customers.

Other alternative delivery systems include "First Phone Banking" which operates on weekdays and Saturdays until noon and offers full-service telephone banking transactions. "First Phone 24," a 24-hour automated version of "First Phone Banking," is also provided. The First also offers online banking, mobile banking, and online bill payment, all free. We could not place significant weight on the alternative delivery systems when drawing conclusions as The First could not provide data on the impact of these services to low- or moderate-income individuals.

Community Development Services

The First provides a relatively high level of CD services and is responsive to the needs of the community. Officers and employees, many in leadership roles, have provided services to organizations that have community development as their primary propose.

Highlights of CD service activities during the evaluation period include:

- A board member/senior bank officer serves on the board of three organizations. Two of the organizations provide critical services to low- or moderate-income families and individuals in Hancock and Washington counties including the outer islands. The second organization spurs economic development and job creation in Washington county, which is comprised of moderate and distressed and/or underserved middle-income tracts.
- Two senior bank officers serve as a board member and treasurer, respectively, on a foundation's capital campaign aimed to assist the town in funding recreation facilities and a community center in an underserved middle-income tract.
- A senior bank officer is a board member for a community development corporation that makes equity investments in underserved markets in the AA.
- Another senior bank officer is a member of a county council involved in sustainable housing and economic and resource development, which includes a moderate-income tract as well as several distressed and/or underserved middle-income tracts.
- A senior bank officer serves on the finance and investment committees of a fund that provides college grants for low- and moderate-income youth in an underserved middle-income tract.

- A bank officer is on a loan committee of an organization that provides loans funded by grant monies to attract new businesses to a town in a moderate-income tract.
- A bank manager serves as treasurer of a nonprofit housing agency that provides housing for low-income elderly and/or disabled persons that live in this moderate-income tract.
- Another bank manager is treasurer of an organization whose mission is to encourage and strengthen resource management and sustainable economic development in a region which includes a moderate-income tract as well as several distressed and/or underserved middle-income tracts.
- Eleven bank employees participated in a program designed to help students develop lifelong savings habits. Six of the schools in the program were located in a moderate-income tract or underserved middle-income tracts.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term "full-scope ") and those that received a less comprehensive review (designated by the term "limited-scope").

Time Period Reviewed	Lending Test (excludes CD Loans): (01/01/10 to 06/30/13) Investment and Service Tests and CD Loans: (08/02/10 to 09/03/13)	
Financial Institution	Products Reviewed	
The First, National Association (The First) Damariscotta, Maine	Home Mortgage Loans (includes purchase and refinance) and small loans to businesses/farms reported on the CRA Loan Register. Community development, loans, investments, and services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Non-Metropolitan Statistical Area (includes Lincoln, Knox and Hancock counties, and a portion of Washington county)	Full-Scope	See Market Profiles in Appendix B

Appendix B: Market Profiles for Full-Scope Areas

The First AA 2010 & 2011

Demographic Information for Full-Scope Area: The First AA 2010 & 2011						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	46	0.00	13.04	63.04	23.92	0.00
Population by Geography	147,340	0.00	10.54	69.56	19.90	0.00
Owner-Occupied Housing by Geography	47,897	0.00	10.88	68.92	20.20	0.00
Business by Geography	20,294	0.00	8.79	67.94	23.27	0.00
Farms by Geography	729	0.00	8.78	69.68	21.54	0.00
Family Distribution by Income Level	40,829	16.37	18.43	23.05	42.16	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	14,207	0.00	16.36	68.93	14.71	0.00
Median Family Income		\$40,084	Median Housing Value		\$106,390	
HUD Adjusted Median Family Income for 2011		\$54,200				
Households Below Poverty Level		12%				

(* The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 U.S. Census and 2011 HUD updated MFI

The First's operations are in the county of Lincoln, where the bank is headquartered, Knox and Hancock counties, and nine of 13 tracts in Washington county. All four counties are not located in a metropolitan statistical area. The portions of Washington county that are included border Hancock county to the west and the county's easternmost portion which includes Calais and Eastport, where two bank branches are located. The area around Machias is not included as there are no bank branches and it is a one-hour drive from either of the bank branches. Hancock county and the portion of Washington county were added to the AA in 2005 with The First National Bank of Bar Harbor merger.

This AA contains 46 census tracts, 14 branches, all with deposit taking ATMs, and an additional non-deposit taking freestanding ATM. There are no low-income tracts, six moderate-income tracts (13%) all located in Washington county, 29 middle-income tracts (63%), and 11 upper-income tracts (24%). Of the middle-income tracts, 11, or 38%, are distressed and/or underserved nonmetropolitan middle-income geographies as designated by the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. This designation is based on rates of poverty, unemployment, or population loss; or population size, density and dispersion. Eight of the underserved middle-income tracts are in Lincoln county and three are in Washington county.

The First AA 2012 & 2013

Demographic Information for Full-Scope Area: The First AA 2012						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	45	0.00	6.67	68.89	24.44	0.00
Population by Geography	149,916	0.00	4.81	72.04	23.16	0.00
Owner-Occupied Housing by Geography	51,290	0.00	4.59	73.21	22.20	0.00
Business by Geography	18,643	0.00	4.02	70.27	25.71	0.00
Farms by Geography	745	0.00	5.64	70.47	23.89	0.00
Family Distribution by Income Level	41,857	16.96	17.36	22.04	43.64	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	14,366	0.00	7.69	75.90	16.41	0.00
Median Family Income		\$51,782	Median Housing Value		\$200,567	
HUD Adjusted Median Family Income for 2012		\$54,900	Unemployment Rate		6.7% **	
Households Below Poverty Level		12%				

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 U.S. Census and 2012 HUD updated MFI

** Maine.gov/Department of Labor as of July 2013

Based on the 2010 U.S. Census data, the AA is now comprised of 45 census tracts. There are no low-income tracts, three moderate-income tracts (7%) all located in Washington county, 31 middle-income tracts (69%), and 11 upper-income tracts (24%). Of the middle-income tracts, 12, or 39%, are designated as underserved nonmetropolitan middle-income geographies. Six of the underserved middle-income tracts are in Lincoln county and six are in Washington county. In October of 2012, The First purchased a branch in Rockland from a competing bank, making this the bank's second branch in that town, and bringing the total number of full-service branches to 15.

As of June 30, 2012, The First holds 23% of the deposit market share in the AA, ranking second out of 14 institutions. The First is the deposit market share leader in Lincoln county, where the bank is headquartered, with 67% of the deposit market share. Deposit market share in Hancock, Knox, and Washington counties are 10%, 6%, and 8%, respectively. The First's overall market share for small loans to all businesses in its AA was 9%, ranking it third behind a large community bank and a large nationwide bank. The First ranked fourth behind three large community banks for small loans to farms with 18% market share. Market share data is not available for home mortgages.

Both Lincoln and Knox counties economies rely on small businesses and include lobstermen, small law firms, independent insurance agencies, contractors, landscapers, hotels, restaurants, and retailers. Both counties are heavily dependent on the tourism industry. In Lincoln county, the local school departments and two hospitals are large employers. Some workers seek employment outside the counties at Bath Iron Works, retailer L.L. Bean, and the State of Maine.

Hancock county also has a large tourist economy. Acadia National Park attracts several million visitors per year and many restaurants, hotels and other businesses cater to summer and fall visitors. Some larger employers include Jackson Laboratory, College of the Atlantic, and Mount Desert Island

Biological Laboratory. Hospitals and local school systems in Bar Harbor and Ellsworth also employ a large number of residents. Ellsworth contains the only large chain retail stores in the county and is becoming a hub for both small and large businesses. Washington county is very different from the other three counties as it remains challenged economically with high unemployment, and is geographically remote in a very rural part of the state.

Moody's Analytics report, dated January 2013, states that due to public sector cuts and an underperforming private sector, Maine will grow slowly over the next few years. Many long-term demographic challenges plague the state such as slow population growth, high out-migration of college graduates, and a rapidly aging workforce. In the long term, healthcare and tourism are the only drivers that will expand at an average rate. Based on Maine.gov/Department of Labor, in July 2013, the unemployment rate for the state of Maine was 6.6%, below the national rate of 7.7%. The unemployment rate for the four counties in the AA averaged 6.7%. Rates were 5.7%, 5.4%, 6.5%, and 9.3% for Lincoln, Knox, Hancock, and Washington counties, respectively.

Affordable housing remains a challenge, with real estate prices in Lincoln, Knox, and Hancock counties among the highest in the state, despite the national decline in real estate prices. Median housing values in 2012, in Lincoln, Knox, and Hancock counties, were \$227 thousand, \$217 thousand, and \$215 thousand, respectively. In Washington county, the median home price in 2012 was \$106 thousand. While home prices are much lower in Washington county than the other counties, the very high poverty rate, high unemployment, limited infrastructure, and rural location further challenge homeownership.

Competition is strong and includes Maine-based banks: Damariscotta Bank & Trust Company, Bath Savings Institution, Camden National Bank, First Federal Savings and Loan Association of Bath, The Bank of Maine, Rockland Savings Bank FSB, Bangor Savings Bank, Bar Harbor Bank & Trust, Machias Savings Bank, and Bar Harbor Savings & Loan Association. Large national banks provide further competition and include Bank of America, National Association; TD Bank, National Association; and KeyBank, National Association. The First also competes with a local credit union, Five County Credit Union.

Many nationwide entities provide further competition for home mortgage, business, and farm loans. These include: Citibank, National Association; American Express Bank, FSB; Chase Bank USA, National Association; JPMorgan Chase Bank, National Association; Capital One Bank, USA, National Association; Wells Fargo Bank, National Association; Quicken Loans; US Bank North Dakota; FIA Card Services, National Association; and PHH Mortgage Corporation.

The First's management has identified affordable housing as a credit need.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the "bank" include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume (1a and 1b)** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank's assessment area may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans (2a and 2b)** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - N/A.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Tables 2a and 2b.
- Table 5. Geographic Distribution of Multifamily Loans** - N/A. Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses (6a and 6b)** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses

originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table 7. Geographic Distribution of Small Loans to Farms (7a and 7b)** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans (8a and 8b)** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - N/A.
- Table 10. Borrower Distribution of Refinance Loans** - See Tables 8a and 8b.
- Table 11. Borrower Distribution of Small Loans to Businesses (11a and 11b)** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms (12a and 12b)** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings (15a and 15b) - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Institution ID: FIRST NA (1000000446)

Table 1a. Lending Volume 2010 & 2011

LENDING VOLUME												
Geography: THE FIRST AA 2010 11						Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011						
Assessment Area (2011):	% of Rated Area Loans (#) in MA/AA *	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA ***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
The First AA 2011	100.00	866	152,779	833	80,039	217	7,047	11	1,488	1,927	241,353	100.00

* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from August 02, 2010 to September 03, 2013.

*** Deposit Data as of June 30, 2012. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: FIRST NA (1000000446)

Table 1b. Lending Volume 2012 and 2013

LENDING VOLUME		Geography: THE FIRST AA 2012				Evaluation Period: JANUARY 1, 2012 TO JUNE 30, 2013						
Assessment Area (2012):	% of Rated Area Loans (#) in MA/AA *	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA ***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
The First AA 2012	100.00	957	179,962	602	64,899	178	6,323	0	See Table 1a	1,737	251,184	100.00

* Loan Data as of June 30, 2013. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from August 02, 2010 to September 03, 2013.

*** Deposit Data as of June 30, 2012. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: FIRST NA (1000000446)

Table 2a. Geographic Distribution of Home Purchase/Refinance Loans

Geographic Distribution: HOME PURCHASE/REFINANCE		Geography: THE FIRST AA 2010 11					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011					Market Share (%) by Geography				
Assessment Area:	Total Home Purchase/Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
The First AA 2011	866	100.00	0.00	0.00	10.88	3.70	68.92	65.01	20.20	31.29	0.00	0.00	0.00	0.00	0.00	

** Home purchase and refinance loans originated and purchased in the MA/AA as a percentage of all home purchase and refinance loans originated and purchased in the rated area.

*** Percentage of Owner-Occupied Units is the number of owner-occupied units in a particular geography divided by the number of owner-occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: FIRST NA (1000000446)

Table 2b. Geographic Distribution of Home Purchase/Refinance Loans

Geographic Distribution: HOME PURCHASE/REFINANCE		Geography: THE FIRST AA 2012				Evaluation Period: JANUARY 1, 2012 TO JUNE 30, 2013					Market Share (%) by Geography				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
Full Review:															
The First AA 2012	957	100.00	0.00	0.00	4.59	0.84	73.21	66.87	22.20	32.29	0.00	0.00	0.00	0.00	0.00

** Home purchase and refinance loans originated and purchased in the MA/AA as a percentage of all home purchase and refinance loans originated and purchased in the rated area.

*** Percentage of Owner-Occupied Units is the number of owner-occupied units in a particular geography divided by the number of owner-occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: FIRST NA (1000000446)

Table 6a. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: THE FIRST AA 2010 11					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total*	% of Business***	% BANK Loans	% of Business es***	% BANK Loans	% of Business es***	% BANK Loans	% of Business es***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
The First AA 2011	833	100.00	0.00	0.00	8.79	3.48	67.94	58.46	23.27	38.06	9.26	0.00	3.25	9.16	14.33									

* Based on 2011 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2011).

Institution ID: FIRST NA (1000000446)

Table 6b. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: THE FIRST AA 2012				Evaluation Period: JANUARY 1, 2012 TO JUNE 30, 2013					Market Share (%) by Geography				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total*	% of Business***	% BANK Loans	% of Business es***	% BANK Loans	% of Business es***	% BANK Loans	% of Business es***	% BANK Loans						
Full Review:																
The First AA 2012	602	100.00	0.00	0.00	4.02	0.83	70.27	56.81	25.71	42.36	0.00	0.00	0.00	0.00	0.00	

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2012).

Institution ID: FIRST NA (1000000446)

Table 7a. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: THE FIRST AA 2010 11					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011					Market Share (%) by Geography*				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms*	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans						
Full Review:																
The First AA 2011	217	100.00	0.00	0.00	8.78	0.00	69.68	87.10	21.54	12.90	17.89	0.00	0.00	28.53	13.13	

* Based on 2011 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2011).

Institution ID: FIRST NA (1000000446)

Table 7b. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: THE FIRST AA 2012						Evaluation Period: JANUARY 1, 2012 TO JUNE 30, 2013							
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Farms** *	% BANK Loans	% of Farms** *	% BANK Loans	% of Farms** *	% BANK Loans	% of Farms** *	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
The First AA 2012	178	100.00	0.00	0.00	5.64	0.00	70.47	72.47	23.89	27.53	0.00	0.00	0.00	0.00	0.00

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2012).

Institution ID: FIRST NA (1000000446)

Table 8a. Borrower Distribution of Home Purchase/Refinance Loans

Borrower Distribution: HOME PURCHASE/REFINANCE		Geography: THE FIRST AA 2010 11					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011					Market Share				
Assessment Area:	Total Home Purchase/Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total*	% Families***	% BANK Loans***	% Families ¹	% BANK Loans**	% Families***	% BANK Loans***	% Families**	% BANK Loans***						
Full Review:																
The First AA 2011	866	100.00	16.37	5.43	18.43	13.63	23.05	20.89	42.16	60.05	0.00	0.00	0.00	0.00	0.00	

** Home purchase and refinance loans originated and purchased in the MA/AA as a percentage of all home purchase and refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

¹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: FIRST NA (1000000446)

Table 8b. Borrower Distribution of Home Purchase/Refinance Loans

Borrower Distribution: HOME PURCHASE/REFINANCE			Geography: THE FIRST AA 2012						Evaluation Period: JANUARY 1, 2012 TO JUNE 30, 2013						
Assessment Area:	Total Home Purchase/Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total*	% Families***	% BANK Loans***	% Families ²	% BANK Loans**	% Families***	% BANK Loans***	% Families**	% BANK Loans***	Overall	Low	Mod	Mid	Upp
Full Review:															
The First AA 2012	957	100.00	16.96	4.18	17.36	12.33	22.04	23.72	43.64	59.77	0.00	0.00	0.00	0.00	0.00

** Home purchase and refinance loans originated and purchased in the MA/AA as a percentage of all home purchase and refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

² Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: FIRST NA (1000000446)

Table 11a. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: THE FIRST AA 2010 11			Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses**	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
The First AA 2011	833	100.00	67.35	81.87	76.47	13.69	9.84	9.26	13.67

* Based on 2011 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2011).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

Institution ID: FIRST NA (1000000446)

Table 11b. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: THE FIRST AA 2012			Evaluation Period: JANUARY 1, 2012 TO JUNE 30, 2013				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total **	% of Businesses * **	% BANK Loans ****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
The First AA 2012	602	100.00	73.73	86.05	74.58	13.79	11.63	0.00	0.00

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2012).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

Institution ID: FIRST NA (1000000446)

Table 12a. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: THE FIRST AA 2010 11			Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
The First AA 2011	217	100.00	97.39	97.24	92.63	5.99	1.38	17.89	18.16

* Based on 2011 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2011).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Institution ID: FIRST NA (1000000446)

Table 12b. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: THE FIRST AA 2012			Evaluation Period: JANUARY 1, 2012 TO JUNE 30, 2013				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share	
	#	% of ** Total	% of *** Farms	% BANK **** Loans	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
The First AA 2012	178	100.00	97.99	95.51	92.13	5.62	2.25	0.00	0.00

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2012).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Institution ID: FIRST NA (1000000446)

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: THE FIRST AA				Evaluation Period: AUGUST 2, 2010 TO SEPTEMBER 3, 2013			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total	#	\$ (000's)
Full Review:									
The First AA	1	81	147	2,183	148	2,264	77.69	1	1,030
Statewide/Regional with potential to benefit the AA:									
Statewide	1	650	0	0	1	650	22.31	0	0

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Institution ID: FIRST NA (1000000446)

Table 15a. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										Geography: THE FIRST AA 2010 11							
Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
The First AA 2011	100.00	14	100.00	0.00	7.14	57.14	35.72	0	0	0	0	0	0	0.00	10.54	69.56	19.90

Institution ID: FIRST NA (1000000446)

Table 15b. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: THE FIRST AA 2012									
Evaluation Period: JANUARY 1, 2012 TO JUNE 30, 2013																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
The First AA 2012	100.00	15	100.00	0.00	0.00	66.67	33.33	1	0	0	0	1	0	0.00	4.81	72.04	23.16

