



PUBLIC DISCLOSURE

March 23, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Federal Savings and Loan Association of Bath
Charter Number: 703786

125 Front Street
Bath, ME 04530-2610

Office of the Comptroller of the Currency

99 Summer Street
Suite 1400
Boston, MA 02110

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 **Outstanding**.

The Lending Test is rated: Outstanding.

The major factors that support this rating include:

- The Lending Test (LT) rating is based on the State of Maine (ME) rating which stems from the First Federal Savings and Loan Association of Bath's ("Bath" or "the Bank") record of performance in meeting the credit needs of its ME-based assessment area (AA) during the CRA evaluation period of January 1, 2017 through December 31, 2019.
- The State of ME LT rating is based on a combination of the ratings of Bath's two full-scope (FS) ME rating areas which comprise the entirety of the Bank's delineated AA, specifically the FS Portland-South Portland, ME Metropolitan Statistical Area (MSA) (#38860) and the FS ME non-MSA (#99999) ratings areas. Performance within the FS Portland-South Portland, ME MSA rating area was more heavily weighted when drawing final conclusions as 56 percent of the deposit base and 60 percent of primary product lending during this evaluation was located within this FS rating area.
- The Bank's average loan-to-deposit (LTD) ratio for the 22 quarters since the previous performance evaluation LTD analysis is considered more than reasonable and compares favorably to local peer groups.
- During this evaluation's timeframe, a substantial majority of the Bank's primary product lending activity occurred within its delineated ME AA.
- Lending levels reflect excellent responsiveness to AA credit needs.
- There were no CRA or Fair Lending (FL) related complaints received by the Bank or the Office of the Comptroller of the Currency (OCC) during the evaluation period.

Loan-to-Deposit Ratio

Given Bath's size, financial condition, and credit needs of the AA, the Bank's LTD ratio is considered more than reasonable. The Bank's net LTD ratio averaged approximately 103 percent over the 22 quarters, July 1, 2014 through December 31, 2019, since the previous CRA performance evaluation. During this period, the LTD ratio ranged from a quarterly low of 92.87 percent and a quarterly high of 110.21 percent. The Bank's LTD ratio compares favorably to other peer institutions located within the delineated AA, where the peer group's net LTD ratio averaged approximately 85 percent over the same time-period, from a quarterly low of 72.15 percent to a quarterly high of 98.31 percent.

Lending in Assessment Area

A substantial majority of the Bank's primary product lending activity occurred within its delineated AA.

The Bank originated and/or purchased 86.2 percent of its total loans inside the AA during the full evaluation period of January 1, 2017, through December 31, 2019. Additionally, Bath originated/purchased 84.3 percent by dollar amount of its total loans inside the AA during the evaluation period. This lending analysis was performed at the Bank, rather than the AA, level and meets the standard for outstanding performance.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2017	107	87.7	15	12.3	122	16,352	89.8	1,867	10.2	18,219
2018	125	89.3	15	10.7	140	18,663	84.4	3,455	15.6	22,119
2019	119	82.1	26	17.9	145	17,120	79.5	4,421	20.5	21,541
Subtotal	351	86.2	56	13.8	407	52,135	84.3	9,743	15.7	61,879
Total	351	86.2	56	13.8	407	52,135	84.3	9,743	15.7	61,879

Source: Evaluation Period: 1/1/2017 - 12/31/2019 Bank Data. Due to rounding, totals may not equal 100.0

Description of Institution

Founded in 1935, First Federal Savings and Loan Association of Bath is a federally chartered intrastate mutual institution headquartered in Bath, Maine with \$134.9 million in reported total assets as of December 31, 2019. The Bank does not maintain any operating subsidiaries or affiliate relationships that were considered as part of this performance evaluation. The Bank's main office is in Bath, ME and also operates four other full-service branches serving the Sagadahoc, Lincoln, and portions of Cumberland Counties. Specifically, these other branches are located in Bath, Damariscotta, Boothbay Harbor, and Wiscasset ME – the two offices located in Bath are based in moderate-income census tracts, while the three remaining branches are located in either middle- or upper-income geographies. Office hours, at a minimum, run from 9:00 am to 4:00 pm Monday through Friday, with branch locations offering extended hours. No branches were closed during this performance evaluation's timeframe.

The Bank continues to offer a traditional suite of lending and deposit-based products for both personal and commercial lines of business, and the Bank's website, www.firstfederalbath.com, provides a full listing of products and services offered. The Bank also maintains a variety of delivery channels and alternate methods of access for their banking customers, including: telephone banking, mobile banking applications, and online banking. Full-service automated service teller machines (ATMs) are housed at all office locations.

Bath's primary business consists of one- to four-family residential mortgage loans and to a much lesser extent, the Bank also originates commercial real estate loans, multi-family mortgage loans, and commercial business loans.

As of December 31, 2019, Bath reported total assets, total deposits, and tier 1 capital of \$134.9 million, \$110.3 million, and \$23.4 million, respectively. The loan portfolio totaled approximately \$117.3 million or approximately 87 percent of total assets.

The table below provides a summary of the loan mix as of December 31, 2019:

Loan Portfolio Summary by Loan Product	
December 31, 2019	
Loan Category	% of Gross Loans and Leases
1-4 Family Residential Mortgages – Closed End	86
Other Real Estate (Commercial)	6
Home Equity	3
Construction & Development	2
Consumer	1
Commercial & Industrial	1
Multifamily	<1
Total	100

Source: Federal Deposit Insurance Corporation Call Report, December 31, 2019

The Bank has no financial or legal impediments in meeting the credit needs of the AA. The Bank was rated 'Outstanding' using Small Bank (SB) procedures during the previous CRA performance evaluation dated October 14, 2014.

Scope of the Evaluation

Evaluation Period/Products Evaluated

First Federal Savings and Loan Association of Bath was evaluated using SB CRA evaluation procedures, which entails evaluating the Bank's record in meeting the credit needs of its delineated AA via its record of lending during the evaluation period.

The evaluation period for the LT, apart from the loan-to-deposit analysis, is January 1, 2017 through December 31, 2019. Our LTD analysis timeframe consists of the 22 quarters occurring since the previous CRA performance evaluation LTD analysis, specifically July 1, 2014 through December 31, 2019. Our conclusions as to the Bank's lending performance during the evaluation period are based on a single identified primary product type, specifically residential mortgage loans as reported via Bath's HMDA Loan Application Register (LAR) as this product type accounted for the majority of lending activity occurring during our evaluation period. During the evaluation period, residential mortgage loans accounted for approximately 48 percent by number and 80 percent by dollar amount of all loan originations.

The Bank's performance during the evaluation period was compared to 2015 American Community Survey (ACS) US Census, 2019 Dun & Bradstreet (D&B), and 2018 Home Mortgage Disclosure Act (HMDA) Aggregate data. Aggregate HMDA data for 2019 was not readily available for use as of this performance evaluation.

Selection of Areas for Full-Scope Review

In each state where the Bank has an office, one or more AAs within that state were selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same MSA, multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area.

The CRA requires an institution to define its AA in which it will be evaluated. Bath has delineated a single AA, comprised of two separate FS rating areas, that meet the requirements of the regulation by consisting of wholly-contiguous political subdivisions, contains the entirety of the customer deposit base, and does not arbitrarily exclude any low- or moderate-income census tracts. These two separate FS rating areas include the Portland-South Portland, ME MSA (#38860) AA rating area and the ME non-MSA (#99999) AA rating area.

The FS Portland-South Portland, ME MSA AA rating area is composed of the entirety of Sagadahoc County (#023) and portions of the adjacent Cumberland County (#005), specifically the cities/towns of Brunswick and Harpswell. The FS ME non-MSA AA rating area is composed of the entirety of Lincoln County (#015). As both the FS Portland-South Portland, ME MSA AA rating area and the FS ME non-MSA AA rating area did not contain any low-income census tracts, an assessment of the Bank's geographic distribution of loans amongst low-income geographies was not performed as such an assessment would not be considered significant. Additionally, the FS ME non-MSA AA rating area also did not contain any moderate-income census tracts, therefore an assessment of the Bank's geographic

distribution of loans amongst moderate-income geographies in this rating area was not performed as such an assessment would not be considered significant.

Refer to the “Scope” section under each State Rating for details regarding how FS AAs were selected.

Refer to Appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The Bank’s overall rating is based on the State of Maine rating.

When drawing overall conclusions regarding the Bank’s lending performance, more consideration was given to the Bank’s performance within the FS Portland-South Portland, ME MSA AA rating area as a majority of the customer deposit base and primary product lending is located within this rating area. Specifically, during our evaluation period approximately 56 percent of the deposit base and 60 percent of primary product lending occurred within the FS Portland-South Portland, ME MSA AA rating area.

The state rating is based on performance in all bank AAs. Refer to the “Scope” section under each State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Maine

CRA rating for the State of Maine: Outstanding.

The Lending Test is rated: Outstanding.

The major factors that support this rating include:

- Overall, the Bank exhibits an excellent geographic distribution of loans in the State of Maine. As discussed previously, due to the demographic characteristics of the delineated AA, our assessment of Bath's geographic distribution of loans was limited solely to the Bank's performance among moderate-income census tracts in the FS Portland-South Portland, ME MSA (#38860) AA rating area, where the Bank exhibited excellent performance.
- Overall, the Bank exhibits an excellent borrower distribution of loans to individuals of different income levels in the State of Maine, given the product lines offered by the Bank, stemming from excellent performance among both FS AA ratings areas.
- There were no CRA or FL related complaints received by the Bank or the agency since the previous CRA SB PE nor were there any noted complaints occurring during the evaluation period.

Description of Institution's Operations in Maine

The State of Maine represents Bath's primary area of operations and consists of a single delineated AA that is subdivided into two FS rating areas as previously discussed, the FS Portland-South Portland, ME MSA rating area and the FS ME non-MSA rating area. The FS Portland-South Portland, ME MSA rating area consists of a total of 15 census tracts, including three moderate- and 11 middle-income census tracts and one census tract that was not assigned an income classification as of the 2015 ACS Census update. The FS ME non-MSA AA rating area consists of a total of ten census tracts, including five middle- and four upper-income census tracts and one census tract that was not assigned an income classification as of the 2015 ACS Census update. As previously discussed, the Bank's AA rating areas did not contain any low-income census tracts nor did the FS ME non-MSA AA rating area contain any moderate income-census tracts, therefore an assessment of the Bank's geographic distribution of loans among these geographies was not performed, as any such analysis would not be considered significant.

The Bank operates five branches/deposit taking ATMs within the State of ME as of the end of our evaluation period, two of which are located within the FS Portland-South Portland, ME MSA rating area with the remaining three located in the FS ME non-MSA rating area. We reviewed FDIC Deposit Market Share data as of June 30, 2019 among the full counties of Sagadahoc, Cumberland, and Lincoln ME for performance context as to the level of competition among banking institutions in the area. As of this time period, Bath ranked 15th among 22 other competing financial institutions in this market area with less than one percent deposit market share representing approximately \$109 million in deposits, highlighting the significant competition for consumer deposits within the Bank's delineated AA. This significant level of competition remains consistent when filtering the FDIC Deposit Market Share

reports specific to each FS rating area. Primary competitors consist mainly of larger institutions that have a national or regional presence, such as TD Bank (15.25 percent market share), KeyBank (15.01 percent), Bank of America (14.97 percent), First National Bank (8.53 percent), Gorham Savings Bank (7.52 percent), and The Camden National Bank (7.3 percent). Furthermore, the top six lenders in this space account for nearly 69 percent of all deposits, with all remaining lenders outside of the top six individually maintaining less than seven percent market share.

As reported by Moody's Analytics Inc. in January 2020, the economies of both the Portland-South Portland, ME MSA and the greater State of Maine are expected to outperform the rest of the Northeast region, but overall will lag behind national metrics. This is attributed to a strong, but seasonal tourist economy, continued positive migration trends, and rising demands for medical and healthcare investment promoting gains in workforce employment, but will be constrained due to declining population growth and an aging workforce limiting long-term productivity.

During our evaluation, we conducted a local community contact to obtain relevant performance context, to better understand the demographics of the area, and to identify primary credit needs within each FS ME rating area. The organization we contacted is a local community organization whose mission is to provide community services, specifically food and meal services, to low- and moderate-income populations within the delineated AA whom have difficulty in supporting themselves independently. Our contact indicated that weekly their community groups services hundreds of local low- and moderate-income families whom without the community services provided would go hungry. Our contact detailed that the nature of the local organization's services being meal driven limits the opportunities for banking institutions to engage in CRA related services, however charitable donations, investments, and loans from local financial institutions presents opportunities for banks to support their mission to provide food and meals to LMI populations based in Bath's delineated AA.

Please refer to the tables below for demographic information pertaining to each of the Bank's FS ME AA rating areas during the evaluation period:

Demographic Information of the Assessment Area						
Assessment Area: Bath_2019 FS P-SP AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	15	0.0	20.0	73.3	0.0	6.7
Population by Geography	60,285	0.0	20.9	79.1	0.0	0.0
Housing Units by Geography	31,695	0.0	20.0	80.0	0.0	0.0
Owner-Occupied Units by Geography	18,884	0.0	18.3	81.7	0.0	0.0
Occupied Rental Units by Geography	6,887	0.0	31.9	68.1	0.0	0.0
Vacant Units by Geography	5,924	0.0	11.5	88.5	0.0	0.0
Businesses by Geography	4,247	0.0	23.4	76.6	0.0	0.0
Farms by Geography	148	0.0	16.2	83.8	0.0	0.0
Family Distribution by Income Level	16,007	24.1	18.1	21.5	36.3	0.0
Household Distribution by Income Level	25,771	26.2	17.2	18.0	38.7	0.0
Median Family Income MSA - 38860 Portland-South Portland, ME MSA	\$74,701	Median Housing Value				\$223,869
		Median Gross Rent				\$837
		Families Below Poverty Level				8.6%

Source: 2015 ACS Census and 2019 D&B Data. Due to rounding, totals may not equal 100.0. (*) The NA category consists of geographies that have not been assigned an income classification.

Demographic Information of the Assessment Area						
Assessment Area: Bath_2019 FS nonMSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.0	0.0	50.0	40.0	10.0
Population by Geography	34,156	0.0	0.0	62.4	37.6	0.0
Housing Units by Geography	23,602	0.0	0.0	52.1	47.9	0.0
Owner-Occupied Units by Geography	11,822	0.0	0.0	57.5	42.5	0.0
Occupied Rental Units by Geography	3,054	0.0	0.0	68.0	32.0	0.0
Vacant Units by Geography	8,726	0.0	0.0	39.2	60.8	0.0
Businesses by Geography	2,524	0.0	0.0	56.9	43.1	0.0
Farms by Geography	166	0.0	0.0	61.4	38.6	0.0
Family Distribution by Income Level	9,418	16.1	16.2	20.2	47.5	0.0
Household Distribution by Income Level	14,876	19.4	15.4	16.6	48.7	0.0
Median Family Income Non-MSAs - ME	\$54,862	Median Housing Value				\$220,268
		Median Gross Rent				\$803
		Families Below Poverty Level				7.9%

Source: 2015 ACS Census and 2019 D&B Data. Due to rounding, totals may not equal 100.0. (*) The NA category consists of geographies that have not been assigned an income classification.

Scope of Evaluation in Maine

We completed a full-scope review of the Bank's delineated ME AA which consists of two separate FS AA rating areas, namely the FS Portland-South Portland, ME MSA (#38860) AA rating area and the FS ME non-MSA (#99999) AA rating area. As previously discussed the Bank's performance within the FS Portland-South Portland, ME MSA AA rating area was more heavily weighted when drawing final conclusions as to Bath's lending performance according to the CRA and due to the concentration of LMI geographies within each rating area, an assessment of the Bank's geographic distribution of loans among low-income census tracts in the AA and moderate-income census tracts in the FS ME non-MSA AA rating area was not performed as such analyses would not be considered significant. The Bank's AA delineation is considered appropriate as it meets the regulatory definition by consisting of wholly-contiguous political subdivisions, contains all the Bank's branch locations, and does not arbitrarily exclude any low- or moderate-income census tracts.

LENDING TEST

The Bank's performance under the Lending Test in the State of Maine is rated **Outstanding**.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the Bank's performance in both the FS Portland-South Portland, ME MSA AA rating area and the FS ME non-MSA AA rating area is considered excellent.

Distribution of Loans by Income Level of the Geography

Overall, the Bank exhibits an excellent geographic distribution of loans in the State of Maine. As discussed previously, due to the demographic characteristics of the delineated AA, our assessment of Bath's geographic distribution of loans was limited solely to the Bank's performance among moderate-income census tracts in the FS Portland-South Portland, ME MSA (#38860) AA rating area, where the Bank exhibited excellent performance.

Home Mortgage Loans

FS Portland-South Portland, ME MSA (#38860) AA Rating Area

The Bank's geographic distribution of home mortgage loans within the FS Portland-South Portland, ME MSA AA rating area is considered excellent, and stems from the Bank's excellent distribution of home mortgage loans among moderate-income geographies. Specifically, Bath's level of lending during the evaluation period among moderate-income census tracts in the FS Portland-South Portland ME MSA rating area exceeded the primary aggregate lending comparator.

Refer to Table O in the State of Maine section of Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's home mortgage loan originations and purchases.

The following table highlights Bath's geographic distribution of home mortgage loans in the FS Portland-South Portland, ME MSA AA rating area during the evaluation period when compared to the aggregate lending data, our primary comparator.

Geographic Distribution of Home Mortgage Loans in the FS Portland-South Portland, ME MSA (#38660) AA Rating Area 2017-2019								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans
Home Mortgages	0.0	0.0	18.6	24.2	81.4	75.8	0.0	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0

Distribution of Loans by Income Level of the Borrower

Overall, the Bank exhibits an excellent borrower distribution of loans to individuals of different income levels in the State of Maine, given the product lines offered by the Bank.

Home Mortgage Loans

FS Portland-South Portland, ME MSA (#38860) AA Rating Area

The Bank's borrower distribution of home mortgage loans within the FS Portland-South Portland, ME MSA AA rating area is considered excellent, and stems from the Bank's excellent distribution of home mortgage loans to both low- and moderate-income borrowers. Specifically, Bath's level of lending during the evaluation period among both low- and moderate-income borrowers in the FS Portland-South Portland ME MSA rating area exceeded the primary aggregate lending comparator.

FS ME non-MSA (#99999) AA Rating Area

The Bank's borrower distribution of home mortgage loans within the FS ME non-MSA AA rating area is considered excellent and stems from the Bank's excellent distribution of home mortgage loans to both low- and moderate-income borrowers. Specifically, Bath's level of lending during the evaluation period among both low- and moderate-income borrowers in the FS ME non-MSA rating area exceeded the primary aggregate lending comparator.

Refer to Table P in the State of Maine section of Appendix D for the facts and data used to evaluate the borrower distribution of the Bank's home mortgage loan originations and purchases.

The following tables highlight Bath's borrower distribution of home mortgage loans in both the FS Portland-South Portland, ME MSA AA and FS ME non-MSA AA ratings areas during the evaluation period when compared to the aggregate lending data, our primary comparator.

Borrower Distribution of Home Mortgage Loans in the FS Portland-South Portland, ME MSA (#38660) AA Rating Area 2017-2019								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan type	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans
Home Mortgages	8.3	18.5	21.7	26.5	22.6	23.2	34.1	27.0

Source: 2015 ACS Census ; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0 and 4.7 percent of the Bank's lending and 13.2 percent of aggregate data occurred to borrowers without a reported income.

Borrower Distribution of Home Mortgage Loans in the FS ME non-MSA (#99999) AA Rating Area 2017-2019								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan type	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans
Home Mortgages	6.7	10.0	16.2	18.6	20.1	29.3	46.5	40.0

Source: 2015 ACS Census ; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0 and 2.1 percent of the Bank's lending and 10.4 percent of aggregate data occurred to borrowers without a reported income.

Responses to Complaints

There were no CRA or FL related complaints received by the Bank or the agency since the previous CRA SB PE nor were there any noted complaints occurring during the evaluation period.

Appendix A: Scope of Examination

The following table identifies the time-period covered in this evaluation, affiliate activities that were reviewed (if applicable), and loan products considered. The table also reflects the MSAs and non-MSAs that received a 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 – (01/01/2017 to 12/31/2019) <ul style="list-style-type: none"> • LTD Ratio Analysis – (07/01/2014 to 12/31/2019) 	
Bank Products Reviewed:	HMDA-reportable, residential mortgage loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None reviewed.		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Maine		
FS Portland-South Portland, ME MSA (#38860) AA	Full-scope	<ul style="list-style-type: none"> • Portland-South Portland, ME MSA (#38860) <ul style="list-style-type: none"> ○ full Sagadahoc County (#023) ○ portions of Cumberland County (#005) <ul style="list-style-type: none"> ▪ Brunswick and Harpswell
FS ME non-MSA (#99999) AA	Full-scope	<ul style="list-style-type: none"> • ME non-MSA (#99999) <ul style="list-style-type: none"> ○ full Lincoln County (#015)

Appendix B: Summary of State Ratings

Overall Bank:	Lending Test Rating	Institution's Overall CRA Rating
First FS & LA of Bath	Outstanding	Outstanding
State:		
Maine	Outstanding	Outstanding

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, 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-Scope 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 conduct 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 applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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-Scope 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: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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, and half below, a range of incomes.

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

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

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.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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) 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 1 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.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of 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 the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - 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 aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - 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 MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-2019		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Bath_2019 FS nonMSA AA	140	20,992	39.9	1,055	0.0	0.0	0.0	0.0	0.0	0.0	57.5	54.3	59.4	42.5	45.7	40.6	0.0	0.0	0.0		
Bath_2019 FS P-SP AA	211	31,144	60.1	1,996	0.0	0.0	0.0	18.3	24.2	18.6	81.7	75.8	81.4	0.0	0.0	0.0	0.0	0.0	0.1		
Total	351	52,135	100.0	3,051	0.0	0.0	0.0	11.3	14.5	12.2	72.4	67.2	73.8	16.4	18.2	14.0	0.0	0.0	0.0		

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-2019		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Bath_2019 FS nonMSA AA	140	20,992	39.9	1,055	16.1	10.0	6.7	16.2	18.6	16.2	20.2	29.3	20.1	47.5	40.0	46.5	0.0	2.1	10.4		
Bath_2019 FS P-SP AA	211	31,144	60.1	1,996	24.1	18.5	8.3	18.1	26.5	21.7	21.5	23.2	22.6	36.3	27.0	34.1	0.0	4.7	13.2		
Total	351	52,135	100.0	3,051	21.1	15.1	7.8	17.4	23.4	19.8	21.0	25.6	21.8	40.5	32.2	38.4	0.0	3.7	12.3		

Source: 2015 ACS Census ; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0.