



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

March 15, 2004

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

**The First National Bank of Damariscotta
Charter Number 446**

**Main Street
P.O. Box 940
Damariscotta, ME 04543**

**Comptroller of the Currency
New England Field Office
20 Winthrop Square, Suite 200
Boston, MA 02110-1229**

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, nor should it 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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Description of Institution

The First National Bank of Damariscotta (FNB) is a subsidiary of First National Lincoln Corporation, a one-bank holding company, located in Damariscotta, Maine. FNB operates intrastate with seven full-service offices, each with an automated teller machine (ATM), and three alternative location ATMs located through out Lincoln and Knox Counties. The Rockland office was opened September 2001, after our prior CRA evaluation was performed. FNB provides a full range of commercial and personal banking products through its branches, as well as investment management services through its investment division and trust division, Pemaquid Advisors.

As of December 31, 2003, the bank's total assets were \$566 million, of which 70% represented net loans. Total deposits were \$360 million. FNB is primarily a retail oriented bank given the majority of loans are residential real estate, 56% of the portfolio, and consumer loans are 5%. Commercial and commercial real estate loans represent 32% of the loan portfolio, while agricultural and municipal loans represent 4% and 3%, respectively. As of this date, tier one capital is \$42.9 million, 7.6% of total assets. The bank has no legal or financial impediments to its ability to meet the credit needs in its assessment area (AA).

FNB operates in a very competitive financial services market. Primary competitors include local savings institutions, national banks, trust companies, and credit unions. Third party financing companies are strong competition for consumer loans. FNB's business strategy calls for providing comprehensive commercial and retail services to meet the needs of small to medium size companies and retail customers. Please refer to Appendix B for a detailed description of the bank's assessment area. FNB's assessment area meets the technical and regulatory requirements as defined by the regulation.

Per the Maine State Credit Bureau, which reports on mortgage lending activity, the bank is the market share leader in Lincoln County with 27% for 2003, 25% for 2002, and 23% for 2001. For Knox County, the bank's market share is 15%, as of September 30, 2003, ranking them in second place. For 2002 and 2001, the ranking was 14% and 11%, respectively, and in second place.

Regarding deposits, FNB is the market share leader in Lincoln County with 50% as of June 30, 2003. In Knox County, FNB's market share is 4.5%, lower due to its more recent entrance into that county as well as the competition of large regional banks. Based on the entire AA, FNB ranks second place with a 25% deposit market share.

The last OCC CRA public evaluation (PE) was performed June 11, 2001, at which time the bank was issued a "Satisfactory" rating.

Evaluation Period

We evaluated the bank's lending data for January 1, 2001 through December 31, 2002, with the exception of community development (CD) loans. Loan data for 2003 are not included in the scope of this review. We evaluated CD loans, investments, and services since the last performance evaluation from June 11, 2001 to March 15, 2004.

Scope of the Evaluation

We performed a full scope review of the Lincoln-Knox County assessment area (AA).

The bank is not located in a Metropolitan Statistical Area (MSA) and, therefore, is not a Home Mortgage Data Act (HMDA) reporter. Because the bank is not a HMDA reporter, peer comparisons by mortgage product are not available. For the other peer comparisons in this PE, the data only include lenders who were required to file small business and small farm reports for this evaluation period.

For the lending test, we evaluated home purchase and refinance mortgage loans. Home improvement loans were not included in our review, due to the insignificant number. Small loans to businesses, small loans to farms, consumer loans (motor vehicle, home equity, other secured and other unsecured personal loans) and CD loans were evaluated. CD loans, investments, and services information provided by management were verified to ensure they meet regulatory definitions for community development.

Because the bank's system does not differentiate between home purchase and refinance mortgages, we selected a sample of loans from the bank's internal records to review for the two product types. Our sample consisted of 100 refinance loans and 33 home purchase originations made during this evaluation period. The results of the borrower distribution of home purchase and home refinance loans are based on this sample.

Overall CRA Rating

INSTITUTION’S CRA RATING: This institution is rated “Satisfactory.”

The following table indicates the performance level of **The First National Bank Of Damariscotta** with respect to the lending, investment, and service tests:

Performance Levels	The First National Bank of Damariscotta Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
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 bank’s primary product is mortgage loans. As such, we weighted mortgage loan activity more heavily to arrive at our conclusions. We performed a full scope review of the Lincoln-Knox County AA.

Affordable housing remains a critical issue especially for the more desirable locations along coastal Maine. Population growth from relocating retirees is seen as a factor driving housing costs higher and more rapidly than median incomes. Even with current low interest rates and low down payment requirements, home ownership remains unattainable due to high housing costs in relation to income. The average median price of housing is \$101 thousand. When compared to earnings in the low \$20 thousands for a low-income borrower, the cost of home ownership is prohibitive. The high cost of home ownership for a low-income person also limits the opportunities for home improvement and home refinance lending to this segment of the market.

The major factors that support this overall rating and conclusions with respect to performance tests:

Lending

Refer to Table 1 through 12 in Appendix C for facts and data used to evaluate the bank’s lending.

Performance under the lending test is rated high satisfactory. Performance in the Lincoln-Knox County AA is good.

- FNB's lending activity reflects an excellent responsiveness to AA credit needs. The bank's loan-to-deposit ratio, as of December 31, 2003, is 109%.
- A substantial majority, 92%, of FNB reportable loans was made inside its assessment area.
- FNB's distribution of mortgage loans to low- and moderate-income individuals is adequate.

Of all the residential real estate loans made in the evaluation period, 2% was made to low-income individuals and 10% was made to moderate-income individuals, which was lower than the percentage of families of those income levels, respectively. Within the AA, census data indicates that 17% of families are low-income and 19% are moderate-income.

We selected a sample to distinguish between home purchase and home refinance loans. The sample yielded different results for each product. Based on our sample of 33 purchases, the bank made 9% of purchases to low-income individuals and 12% to moderate-income individuals, which is somewhat lower than the percentage of families of those income levels.

Based on our sample of 100 refinance loans, 17% was made to moderate-income individuals, which is near to or equals the percentage of families of those income levels in the AA. We did not identify any refinance loans made to low-income borrowers in our sample.

Although the bank's overall lending to low- and-moderate income individuals is lower than the percentage of families of those respective income levels in the AA, the bank's performance is considered adequate given the difficulty for a low or moderate-income person to afford a home in the AA, based on housing costs. The lack of affordability of homeownership for a low-income person also limits the opportunities for home refinance lending to this segment of the market.

- FNB's distribution of small business and small farm loans is excellent. Of the bank's commercial borrowers, 93% are small businesses (revenues of \$1 million or less). This exceeds the percentage of small businesses in the AA of 75%. In addition, 95% of FNB's commercial portfolio was small loans made to businesses. More meaningful is that 84% of the small loans were made for \$100,000 or less. This activity meets a community credit need for small business financing, specifically for micro-businesses.
- FNB's distribution of loans to small farm loans is excellent. In this category small fishing operations dominate the total. Of the bank's farm loans, 100% are to small farms (revenues of \$1 million or less). This exceeds the number of small farms, 93%, in the AA.

- FNB's distribution of consumer loans to low- and/or moderate-income individuals is excellent. Of its consumer portfolio, 18% was made to low-income individuals, near to the percentage of households of low-income; and 22% was made to moderate-income individuals, which exceeds the percentage of moderate-income households.
- The bank has no low or moderate-income tracts in its AA. Therefore, an analysis of the geographic distribution of loans is not meaningful for this evaluation.

FNB's community development (CD) lending positively impacted its rating. FNB made \$1.7 million of qualifying CD loans. This activity is favorable because the financing of these projects met identified community credit needs, affordable housing and elderly care.

- FNB makes use of flexible underwriting to meet needs of low- and moderate-income individuals. FNB offers flexible standards on mortgage loans for first-time homebuyers through a Maine State Housing Authority (MSHA) program. During this evaluation period, the bank originated 36 loans for \$2.8 million.

Investments

Refer to Table 13 in Appendix C for facts and data used to evaluate the bank's level of qualified investments.

Performance under the investment test is rated low satisfactory. In reviewing the volume of qualified investments, we considered the community development opportunities in the AA, competition for investments, and FNB's financial capacity to invest.

FNB's performance in the Lincoln-Knox County AA is adequate in relation to the bank's size, resources, and the level of competition for community development opportunities in the AA. The bank has no significant financial constraints that would prevent additional investments.

During the evaluation period, the bank made a low level of qualified investments in the form of grants and contributions for \$14 thousand. No new equity investments were committed during this time. The bank had two prior period commitments totaling \$325 thousand, of which \$225 thousand has been extended. These investments continue to have a positive impact. The volume of investments reflects an adequate level of responsiveness to the needs of its AA, given the limited investment opportunities and competition for these investments among similar size banks. While it is recognized the FNB made grants and donations annually, these investments were neither complex nor innovative.

Discussions with community contacts and our own internal research of available opportunities indicated that opportunities exist, but are limited within the bank's AA. FNB has invested in funds in both community development organizations in the area. While the bank partners with these groups on direct financing of projects, no further equity investments

were needed during this evaluation period. In addition, a review of Performance Evaluations (PEs) for similarly situated banks revealed limited opportunities.

Given the lack of low- and moderate-income geographies in the area, specific low-income housing tax credit (LIHTC) projects may be limited. Our internal research revealed only one LIHTC in the bank's AA in this period, which was invested into by a competitor bank. Management states that the rural nature of most of its AA does not lend itself to housing developments. Based on economic data, Lincoln County did not have any multifamily housing permits granted in 2003.

Management has investigated investment opportunities through various brokers, national mutual fund groups, and contacts at various community action groups. None were found that benefited the bank's AA, or the broader, regional market.

Services

Refer to Table 14 in Appendix C for facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Performance under the service test is rated high satisfactory. In the Lincoln-Knox County AA, performance is good. Since the last public evaluation, FNB opened one branch in Rockland located in Knox County.

FNB's offices and retail services are accessible to geographies and individuals of all income levels. FNB has 6, or 83%, of its branches located in middle-income geographies. The majority of the assessment area population, or 91%, resides in the middle-income geographies. In addition, 94% of all families in the assessment area that are low- and moderate-income live in the middle-income geographies. A wide variety of standard banking products and services are offered to meet needs of the AA.

FNB's community development services are considered good when considering the limited community organizations and opportunities for these services. FNB has demonstrated a commitment to providing community development services in support of low- and moderate-income residents and neighborhoods within the bank's AA. Management actively provides their financial and technical expertise to four community organizations. The community development services provided are responsive to affordable housing needs of the community as well as daily and emergency needs of low- and moderate-income individuals.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of illegal discrimination or other illegal credit practices.

APPENDIX B: Market Profile - Demographic Information Tables

Lincoln and Knox County Full Scope Area

Demographic Information for Full Scope Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	24	0	0	79	8	13
Population by Geography	66,667	0	0	91	9	0
Owner-Occupied Housing by Geography	20,591	0	0	92	8	0
Business by Geography	3,831	0	0	89	11	0
Farms by Geography	174	0	0	95	5	0
Family Distribution by Income Level	18,383	17	19	25	39	0
Distribution of Low and Moderate Income Families throughout AA Geographies	6,567	0	0	94	6	0
Median Family Income (MFI) HUD Adjusted Median Family Income for 1990 Households Below Poverty Level	= \$31,358 = \$40,500 = 12%			Median Housing Value Unemployment Rate (1990 US Census)		= \$101,409 = 3.3%

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

Source: 1990 US Census and 2000 HUD updated MFI

The bank's assessment area is comprised entirely of Lincoln and Knox counties, and does not arbitrarily exclude any low and or moderate-income geographies. The Lincoln-Knox County AA is comprised of whole Block Numbering Areas (BNAs). None of the bank's offices is located in a Metropolitan Statistical Area (MSA).

Of the FNB's AA, 19 are located in middle-income tracts, 2 in upper income tracts, and 3 in geographies that are "NA". Of the NA tracts, two are uninhabited islands without a population and the third is the location of a state prison.

Management stated that the local economy has been stable. A large proportion of the economy is driven by tourism.

Discussions with two community contacts, community development organizations, revealed that the primary credit needs in the AA are affordable housing and assisted living facilities. We also noted that Maine has a high proportion of small businesses, as compared to other states. Approximately, 80% of businesses are considered small business, or those with \$1 million or less in annual revenues. Notably, the coastal Maine region has a high proportion of "micro-businesses," those that employ 5 or less people.

The cost of housing is strongly affected by its proximity to the coast. Population growth from relocating retirees is seen as a factor driving housing costs higher and more rapidly than median

incomes. In many cases, retirees arrive with a significantly higher wealth factor than local families in the AA. Even with current low interest rates and low down payment requirements, home ownership remains unattainable due to high housing costs in relation to income. The AA also provides residential options for upper income retirees, but very few options for low- and moderate-income elderly, especially assisted living facilities. In the bank's AA, 28% of the homes are vacant. The local market has seen a significant increase in seasonal units.

Per the Maine State Housing Authority, affordable housing remains a critical issue especially for the more desirable locations along coastal Maine. The lack of affordability of homeownership for a low-income person also limits the opportunities for home improvement and home refinance lending to this segment of the market. The average median price of housing is \$101 thousand. When compared to earnings in the low \$20 thousands for a low-income borrower, the cost of home ownership is prohibitive.

Per information from the Lincoln County Economic Development Council, over 67% of businesses in Lincoln County employ 4 employees or less, and 19% employ 5-9 employees. As a consequence of the retirees moving to coastal Maine, as well as the proportion of small businesses with relatively lower pay, affordable housing for local workers is a problem due to the disparity between average incomes and average home prices.

Appendix C: Content of Standard 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: 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 metropolitan area (MA) /assessment area. Tables without data are not included in this PE.

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

Table 1.

Lending Volume - 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.

Table 2.

Geographic Distribution of Home Purchase Loans - 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 - See Table 2.

Table 4.

Geographic Distribution of Home Mortgage Refinance Loans - See Table 2.

Table 5.

Geographic Distribution of Small Loans to Businesses - 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 6.

Geographic Distribution of Small Loans to Farms - 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 7.

Borrower Distribution of Home Purchase Loans - 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 8.

Borrower Distribution of Home Improvement Loans - See Table 7.

Table 9.

Borrower Distribution of Refinance Loans - See Table 7.

Table 10.

Borrower Distribution of Small Loans to Businesses - 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 11.

Borrower Distribution of Small Loans to Farms - 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 12.

Geographic and Borrower Distribution of Consumer Loans - 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 13.

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.

Table 14.

Distribution of Branch Delivery System and Branch Openings/Closings - 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.

TABLES OF PERFORMANCE DATA

Table 1. Lending Volume

LENDING VOLUME													State: Maine		Evaluation Period: January 1, 2001 TO December 31, 2002	
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses**		Small Loans to Farms**		Community Development***		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA				
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)					
Full-Scope:																
Lincoln- Knox assessment area (AA)	100	1,220	169,228	1,313	82,066	499	12,500	8	1,719	3,040	265,513	100				

(*) Deposit data as of June 30, 2003.

(**) The evaluation period for Home Mortgage Loans, Small Loans to Businesses and Small Loans to Farms is January 1, 2001 to December 31, 2002.

(***) The evaluation period for Community Development Loans is June 11, 2001 to March 15, 2004.

Table 2. Geographic Distribution of Home Purchase Loans – NOT APPLICABLE

Geographic Distribution: HOME PURCHASE													State: Maine		Evaluation Period: January 1, 2001 TO December 31, 2002	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank	Market Share by Geography					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans*	% Owner Occ Units	% BANK Loans*	% Owner Occ Units	% BANK Loans*	% Owner Occ Units	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																

Table 3. Geographic Distribution of Home Improvement Loans – NOT APPLICABLE

Geographic Distribution: HOME IMPROVEMENT																	State: Maine		Evaluation Period: January 1, 2001 to December 31, 2002	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				

Table 4. Geographic Distribution of Home Mortgage Refinance Loans – NOT APPLICABLE

Geographic Distribution: HOME MORTGAGE REFINANCE																	State: Maine		Evaluation Period: January 1, 2001 TO December 31, 2002	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Mortgage Refinance Loans					
	% Owner Occ Units	% BANK Loans*	% Owner Occ Units	% BANK Loans*	% Owner Occ Units	% BANK Loans*	% Owner Occ Units	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total				
Full-Scope:																				

Table 5. Geographic Distribution of Small Loans to Businesses – NOT APPLICABLE

Geographic Distribution: SMALL LOANS TO BUSINESSES																	State: Maine		Evaluation Period: January 1, 2001 TO December 31, 2002	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans					
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				

Table 6. Geographic Distribution of Small Loans to Farms – NOT APPLICABLE

Geographic Distribution: SMALL LOANS TO FARMS																	State: Maine		Evaluation Period: January 1, 2001 TO December 31, 2002											
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans															
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**														
Full-Scope:																														

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE																	State: Maine		Evaluation Period: January 1, 2001 TO December 31, 2002											
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank	Market Share by Borrower Income					Total Home Purchase Loans															
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total														
Full-Scope:																														
Lincoln-Knox assessment area (AA)	17	9	19	12	25	36	39	42	NA	NA	NA	NA	NA	NA	33	100														

(*) As a percentages of loans with borrower income information available in our sample. This data is based on a small sample of home purchase loans. A larger sample may have yielded different results.

Table 8. Borrower Distribution of Home Improvement Loans – NOT APPLICABLE

Borrower Distribution: HOME IMPROVEMENT																	State: Maine		Evaluation Period: January 1, 2001 TO December 31, 2002				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***							

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				State: Maine		Evaluation Period: January 1, 2001 TO December 31, 2002										
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank	Market Share by Borrower Income					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Lincoln – Knox County AA	17	0	19	17	25	33	39	50	NA	NA	NA	NA	NA	NA	100	100

(*) As a percentage of loans with borrower income information in our sample.

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES				State: Maine		Evaluation Period: January 1, 2001 TO December 31, 2002					
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses			
	% 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	#	% of Total****		
Full-Scope:											
Lincoln – Knox County AA	75	93	84	10	6	17	31	1,313	100		

(*) Businesses with revenues of \$1 million or less as a percentage of all businesses (Source: D&B 2002)

(**) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(***) Based on 2002 Peer Small Business Data

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

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS										State: Maine		Evaluation Period: January 1, 2001 TO December 31, 2002					
MSA/Assessment Area:	Farms with Revenues of \$1 million or less				Loans by Original Amount Regardless of Farm Size			Market Share***		Total Small Farm Loans							
	% of Farms*		% BANK Loans**		\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****						
Full-Scope:																	
Lincoln – Knox County AA	94		100		95	5	0	45	47	499	100						

(*) Farms with revenues of \$1 million or less as a percentage of all farms. (Source D&B 2002)

(**) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms.

(***) Based on 2002 Peer Small Business Data.

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

Table 12. Geographic and Borrower Distribution of Consumer Loans

Geographic and Borrower Distribution: CONSUMER LOANS																	State: Maine		Evaluation Period: January 1, 2001 TO December 31, 2002					
MSA/Assessment Area:	Geographic Distribution								Borrower Distribution															
	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Total Consumer Loans							
	% of Pop*	% BANK Loans	% of Pop*	% BANK Loans	% of Pop*	% BANK Loans	% of Pop*	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	#	% of Total**						
Full-Scope:																								
Lincoln – Knox County AA	NA	NA	NA	NA	NA	NA	NA	NA	NA	21	18	17	22	21	24	41	37	3,868	100					

(*) The percentage of the population in the assessment area that resides in these geographies.

(**) Consumer loans originated and purchased in the AA as a percentage of all consumer loans originated and purchased in the rated area.

Table 13. Qualified Investments

QUALIFIED INVESTMENTS										State: Maine		Evaluation Period: June 11, 2001 TO March 15, 2004							
MSA/Assessment Areas:		Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**										
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$s	#	\$ (000's)									
Full-Scope:																			
Lincoln – Knox County AA		2	325	16	14	18	339	100											

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

(**) Unfunded Commitments means legally binding investment commitments that are tacked and reported by the bank’s financial reporting system.

Table 14. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS														State: Maine		Evaluation Period: June 11, 2001 to March 15, 2004													
MSA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population															
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography															
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp												
Full-Scope:																													
Lincoln – Knox County AA	100	7	100	NA	NA	83	17	0	1				+1					NA	NA	91	9								