



PUBLIC DISCLOSURE

August 08, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank
Charter Number 446

223 Main Street
Damariscotta, ME 04543

Office of the Comptroller of the Currency

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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 **Satisfactory**.

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

Performance Levels	First National Bank (FNB) 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 levels reflect good responsiveness to assessment area credit needs.
- A substantial majority of loans are made in the bank's assessment area.
- Home purchase mortgages by income level of borrower is excellent.
- The geographic distribution of small loans to businesses is good.
- Small loans to businesses reflects excellent penetration among business customers of different sizes.
- Community development (CD) loans have a positive impact on the Lending Test.
- CD investments reflect good responsiveness to assessment area needs.
- CD services are responsive to the assessment area's community development needs.

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 metropolitan area (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 home mortgage, small business, or small farm loans. 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) 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.

Description of Institution

First National Bank (FNB) is an intrastate community bank headquartered in Damariscotta Maine. FNB is a subsidiary of First Bancorp, a State of Maine financial services holding company publicly traded on the NASDAQ under the symbol FNLC. As of June 30, 2016, FNB had total assets of \$1.59 billion, tier 1 capital of \$138 million, net loans of \$1.03 billion, and domestic deposits of \$1.15 billion. Net loans comprised 65% of total assets.

Originally incorporated in 1852 with the formation of People's Bank, the bank was re-chartered by the U.S. Treasury in 1864 to become The First National Bank of Damariscotta. In 2005, the bank merged with The First National Bank of Bar Harbor (organized in 1888), becoming The First, National Association (The First NA). During a rebranding effort beginning in 2015 and finalized during the first quarter of 2016, The First NA officially changed its name to become First National Bank.

FNB offers residential mortgage, commercial loan, and consumer loan products to its customers. As of June 30, 2016, the loan portfolio was comprised of 51% residential loans (includes 11% home equity), 36% commercial loans (25% commercial real estate and 11% commercial loans), 3% multi-family (5+ units), 3% construction, 2% agriculture, 2% consumer, 2% municipal, and less than 1% other loans.

FNB has 16 full-service branches primarily serving Maine's Mid-Coast region. Its market area includes all of Lincoln County (where the bank is headquartered), Knox County, Hancock County, and Washington County. Its market area also includes portions of Penobscot County, resulting from the opening of a branch (during the bank's prior evaluation period) in Bangor in February 2013. During the evaluation period (July 1, 2013 to June 30, 2016), the bank did not enter into any merger and acquisition activity, nor were any branches opened or closed. Please refer to Appendix A for a detailed description of the bank's assessment area (AA).

FNB is a full-service community bank offering a wide array of loan and deposit products at each of its branch locations. In addition to traditional banking systems, FNB offers on-line, mobile banking, and bill pay services to its customers. A detailed listing and description of the bank's deposit and loan services can be found at www.thefirst.com.

There are no legal, financial, or other factors impeding FNB's ability to help meet the credit needs in its AAs. The last CRA performance evaluation was dated September 3, 2013, and FNB received a "Satisfactory" rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending Test includes lending activity from July 1, 2013 through June 30, 2016. The evaluation includes FNB's loans subject to filing under the Home Mortgage Disclosure Act (HMDA), which includes home purchase, home refinance, and home improvement loans, as well as small loans to businesses and farms as reported under the requirements of CRA data collection for large banks (as defined by the CRA). Note: With the Bangor branch opening in Penobscot County (MSA 12460), FNB was required to begin filing publicly home mortgage data under HMDA in 2014. This resulted in residential mortgage data for third quarter 2013 and fourth quarter 2013 being sampled for this analysis, as it was not required to be compiled or reported under HMDA. Therefore, this period of data is not included in the accompanying tables. Any inconsistencies in performance within this data set compared to the bank's overall performance for 2014 through Q2 2016 HMDA data is noted in the evaluation. FNB originated a low volume of multi-family loans during the evaluation period, and an analysis of these loans would not be meaningful. In addition, consumer loans were not evaluated as they do not constitute a large majority of loans made.

The evaluation period for CD loans, investments, and services is September 3, 2013 to August 8, 2016.

Data Integrity

Prior to the start of this evaluation, we reviewed the accuracy of HMDA loans and small loans to businesses and farms, as reported in the bank's CRA Loan Register. Based on a sample of each loan type made during the evaluation period, we found the data to be accurate, and we used this data in our evaluation. We also verified CD loans, investments, and services submitted by bank management to ensure they met the regulatory definition of community development.

Selection of Areas for Full-Scope Review

FNB has delineated two AAs, which meet the technical and regulatory requirements as defined by the regulation. To determine which of the AAs would receive a full-scope review and a limited-scope review, we considered the number and percentages by both dollar and count of loans made inside each AA, deposit share percentages among the two AAs, as well as other factors, including the number of branches within each AA and where the bank maintains its headquarters.

The first AA (AA 1), a non-MSA, received a full-scope review. AA 1 contains all of the census tracts within Lincoln, Knox, Hancock, and Washington counties, and includes 94% of the bank's lending activity, 97% of all deposits, and 15 of the bank's 16 branches (including the bank's headquarters). The second AA (AA 2), which contains census tracts from a portion of Penobscot County, received a limited-scope review as only six percent of lending activity, three percent of all deposits, and one branch is located there.

Ratings

The bank's overall rating is based primarily on the area that received the full-scope review. The Lending Test was more heavily weighted than the Investment or Service Tests. Home mortgage and small loans to businesses were equally weighted. During the evaluation period, 43% of the number of total loans

originated were home mortgage loans with small loans to businesses also accounting for 43%. Small loans to farms, at 14%, carried the least weight.

More weight was given to distribution of loans by income level of the borrower rather than income level of the geography in our analysis. There are no low-income census tracts. Moderate-income census tracts comprise approximately 10% of AA 1 and are all located in Washington County.

Other

To assess the credit needs of the community, we reviewed two recent community contacts; one was with a nonprofit organization that promotes affordable housing in the area, and the second was with an economic development organization serving the area. The affordable housing community contact identified the primary credit needs of the area as affordable housing, financing, and assistance to the areas' low- and moderate-income borrowers and seniors. The economic development contact identified needs such as low-dollar loans or micro loans to start-up businesses, as well as long term financing for expansion. Both community contacts mentioned that the current economic environment has benefited from recent growth, but the local area has experienced state and federal government cut backs on assistance and funding, resulting in an increased gap between the demand and the availability of assistance programs.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c), or 12 CFR 195.28(c), in determining a national bank's (bank) or Federal Savings Association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA'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

FNB's performance under the lending test is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the non-MSA is good.

Lending Activity

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's lending activity.

Lending levels reflect good responsiveness to AA credit needs. During the evaluation period, 86% of total loan originations or purchases were within the bank's AA. Another indicator of lending levels is the loan-to-deposit ratio. Since the previous CRA performance evaluation, FNB's quarterly average loan-to-deposit ratio was 87%, slightly below the bank's peer group of 92%.

FNB's HMDA reported loans comprised 39% of all lending in the full-scope AA. The breakdown of these loans by purpose type included 46% home purchase loans, 34% home refinance loans, and 20% home improvement loans. The 2014 Peer Mortgage Market Share Data ranks FNB first in total HMDA loans by count in AA 1, generating 14% market share. FNB also ranked first of all lenders in market share by dollars, generating a 15% market share.

FNB's small loans to businesses loans comprised 46% of all lending in the full-scope AA. The 2014 Peer Small Business Market Share Data ranks FNB third in total overall loans by count, with a 10% market share, behind Camden National Bank and US Bank, N.A. By total dollars, FNB ranks second with a 25% market share, behind Camden National Bank.

Small loans to farms comprised 15% of all lending in the full-scope AA. The 2014 Peer Business Data ranks FNB third, with a 19% market share by count and 16% market share by dollars, behind Machias Savings Bank and Camden National Bank.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases. The full-scope AA has no low-income census tracts, therefore, we did not evaluate lending in these areas.

The geographic distribution of loans reflects adequate penetration throughout the full-scope AA. The bank's performance is considered adequate based on demographic factors. The percentage of individuals below the poverty level in the full-scope AA is high at 13%. Furthermore, all moderate-income tracts in the AA are located in Washington County, which has a very high poverty level of

18.5%. The bank's performance is also considered adequate given the significant competition in the mortgage lending market.

Home Purchase

FNB's home purchase lending performance reflects adequate penetration in the moderate-income geographies. The percent of home purchase mortgage loans made in the moderate-income geographies is lower than the percent of owner-occupied housing units in the moderate-income tracts. Although the bank was below the primary demographic comparator (% Owner Occupied Housing Units), the 2014 Peer Mortgage Market Share Data for home purchase loans indicates that lending was dominated by a large savings bank, which reported an overall market share of 51%. FNB ranks ninth, along with five other lenders, with a market share of approximately 2%.

Home Refinance

FNB's home refinance lending performance reflects adequate penetration within the moderate-income census tracts. Although the bank's home refinance loans were below the primary demographic comparator, FNB ranked fourth in market share, generating six percent of all home refinance loans originated or purchased in these moderate-income census tracts. There were a total of 51 home refinance loans made in 2014 among the 24 lenders originating or purchasing these loan types in these tracts.

Home Improvement

FNB's home improvement lending performance reflects adequate penetration within the moderate-income census tracts. Although the bank's home improvement loans were below the primary demographic comparator, of the eight lenders originating or purchasing a home improvement loan, FNB ranked second with a 16% market share by count and 31% market share by dollars. There were 25 home improvement loans originated or purchased by lenders in these moderate-income tracts during 2014.

Small Loans to Businesses

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is good considering the significant market competition from large financial institutions that dominate the market. The percent of small loans to businesses in moderate-income tracts was below the percent of businesses located in moderate-income tracts. However, six lenders capture a large market share. These national lenders and credit card companies include US Bank, N.A., Capital One Bank, N.A., Synchrony Bank, Citibank, N.A., and Chase Bank, NA. FNB ranked 11th with a two percent market share by count. By dollar amount, FNB ranked third with a 10% market share, behind Machias Savings Bank and Camden National Bank.

Small Loans to Farms

Refer to Table 7 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The geographic distribution of small loans to farms reflects poor penetration in the AA. FNB did not make any small loans to farms within the full-scope AA's five moderate-income census tracts. Based on 2014 Small Business Data, 11 lenders originated small loans in these tracts, amounting to 245 total loans, for which the market leader (Machias Savings Bank) captured 73% and 83% of all lending by count and dollar amount, respectively. This is not considered a primary loan product for FNB.

The full-scope AA includes several distressed or underserved tracts. Of the 33 middle-income tracts in the bank's AA, 23 or 70% were considered underserved during 2014. In assessing the bank's performance in middle-income tracts (due to this designation), the bank's lending exceeded the primary comparator demographic.

Lending Gap Analysis

We reviewed summary reports and maps to analyze FNB's home mortgage and small business lending to identify any gaps in the geographic distribution of loans within the AA. We did not identify any conspicuous gaps or areas of low penetration in the bank's lending patterns.

Inside/Outside Ratio

A substantial majority of loan originations and purchase were made within the bank's AA. During the evaluation period, 86% of originations or purchases were inside the AA. For home mortgage loans, 83% of the number and 84% of the dollar amount were within the bank's AA. For small loans made to businesses, 88% of the number and 87% of the dollar amount were within the AA. For small loans made to farms, 92% of the number and 91% of the dollar amount were within the bank's AA. This performance contributed positively to the Lending Test analysis.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

FNB's distribution of home mortgage loans by income level of the borrower is excellent. The home mortgage analysis took into consideration demographic factors, including high poverty levels and a lagging economy. We also considered market share data. According to 2014 Peer Mortgage Market Share Data, FNB ranked first in AA 1 among all lenders originating or purchasing mortgage loans to low- and moderate-income borrowers. FNB had a 13% market share by both number of loans and total dollar amount.

Home Purchase

FNB's distribution of home purchase mortgages by income level of borrower is excellent. The percent of home purchase loans made to low-income borrowers was below the percent of low-income families in the AA. Based on high poverty levels, median family income, and home sale prices, many of these low-income borrowers would face difficulties qualifying for a mortgage. FNB ranked third of all lenders

making a home purchase loan to low-income borrowers in the AA, capturing a nine percent market share.

The percent of home purchase loans made to moderate-income borrowers was slightly lower than the percent of moderate-income families in the AA. Out of 26 lenders, the bank is ranked first for home purchase loans to moderate-income borrowers. FNB has a market share of 13% by count and 12% by dollar amount.

Home Refinance

FNB's distribution of home refinance mortgages by income level of borrower is good.

The percent of home refinance loans made to low-income borrowers is lower than the percent of low-income families in the full-scope AA. However, the bank ranks first among 26 lenders with an 11% market share by count and a nine percent market share by dollar amount.

The percent of home refinance loans to moderate-income borrowers is lower than the percent of moderate-income families in the AA. FNB has a 13% market share by number of loans to moderate-income borrowers and is ranked first along with one other financial institution. By dollar amount, FNB ranks first out of 26 lenders with a 12% market share. Market share is a better performance measure than the primary comparator when assessing opportunities to make these loan types across the full-scope AA.

Home Improvement

FNB's distribution of home improvement mortgages by income level of borrowers is excellent. The bank ranks first among the 18 lenders in 2014 originating or purchasing a home improvement loan to low- or moderate- income borrowers within the full-scope AA, capturing a 21% market share by number and a 24% market share by dollar amount.

The percent of home improvement loans to low-income borrowers is lower than the percent of low-income families in the full-scope AA. However, based on Peer Mortgage Market Share Data FNB ranks second of the nine lenders originating or purchasing a home improvement loan to low-income borrowers. FNB has a market share of 16% by number and 18% by dollar amount. There were a total of 43 home improvement mortgages made within the full-scope AA during 2014, of which the bank originated seven loans compared to the 12 loans the market leader originated.

The percent of home improvement loans to moderate-income borrowers is near to the percent of moderate-income families in the full-scope AA. Based on 2014 market share data, FNB ranks first out of 16 lenders for a market share of 25% by number of loans and 27% by dollar amount. The bank generated 14 of the 57 total reported home improvement loans made to moderate-income borrowers within the full-scope AA.

Small Loans to Businesses

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of small loans to businesses reflects excellent penetration among business customers of different sizes.

The bank exceeded the primary comparator (% of businesses) in the full-scope AA. FNB is ranked third of all lenders originating small loans to businesses within the full-scope AA, behind Camden National Bank and US Bank, N.A., for a 10% market share by number. The bank ranks second, behind Camden National Bank, in total dollars, capturing a 25% market share. The bank's performance, by total dollars, ranks FNB ahead of larger commercial institutions such as US Bank, N.A., Capital One Bank, N.A., and American Express, FSB.

Small Loans to Farms

Refer to Table 12 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

FNB's distribution of small loans to farms reflects excellent penetration among farm customers of different sizes. FNB's lending was in-line with the primary comparator and is ranked third by both number and dollars, capturing a 19% and 16% market share, respectively.

Community Development Lending

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

FNB has made an adequate level of community development loans. This has a positive impact on the Lending Test. During the evaluation period, the bank originated 16 loans totaling \$4.8 million; this represents 3.5% of tier 1 capital. The community development loans were for affordable housing and economic revitalization of underserved geographies. Specific examples include:

- Two loans totaling \$600 thousand to affordable housing for low- or moderate-income individuals.
- Two loans totaling \$515 thousand to rehabilitate community facilities in moderate-income and (federally declared) Distressed or Underserved Non-metropolitan Middle-Income Geographies.
- Four loans totaling \$1.8 million to revitalize a Distressed or Underserved Non-metropolitan Middle Income Geography with job creation.
- A \$59 thousand loan to provide community services to a Distressed or Underserved Non-metropolitan Middle Income Geography.

Product Innovation and Flexibility

FNB's flexible loan programs have a positive impact on lending performance. The bank offers standard loan products as well as specialized and/or flexible loan products in order to serve AA credit needs.

Some examples include: participation in the Maine State Housing Authority's (MSHA) first time homebuyer lending program, which offers below market interest rates to qualified applicants; low down payment loans under Freddie Mac's Home Possible Advantage Program; participation in the U.S. Department of Agriculture's Rural Housing guaranteed loans, totaling \$1.7 million; MSHA self-insured or no insurance loan programs, totaling \$504 thousand in originations for seven loans; participation in Small Business Administration (SBA) loan programs; and, participation in the Freddie Mac Home Possible Advantage (HPA) loan program, generating 10 loans totaling \$1.0 million.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on the limited-scope review performed, the bank's performance under the lending test in AA2, Bangor, ME MSA (12620) is not inconsistent with the bank's overall 'High Satisfactory' performance under the lending test in the full-scope AA1, non-MSA (9999). The limited-scope review contributed positively to the overall Lending Test rating.

Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated 'High Satisfactory.' Based on the full-scope review, the bank's performance in AA1, non-MSA (99999) is good.

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

Community Development qualified investments and donations totaled \$6.03 million, representing 4.4% of tier 1 capital. Current period investments totaled \$1.68 million. The bank has a significant level of qualified community development investments and grants, and is occasionally in a leadership position. Some examples include:

- A \$300 thousand investment to provide flexible, below market financing for affordable housing in AA1.
- A \$500 thousand investment to fund start-up and nascent companies, creating jobs in AA1's Distressed or Underserved Non-metropolitan Middle-Income Geographies.
- A \$1 million investment in a fund that seeks to stimulate growth of small companies in designated Distressed or Underserved Non-metropolitan Middle-Income Geographies.
- A \$1 million investment to promote affordable housing in moderate-income geographies.

In evaluating the bank's performance, we considered CD investment opportunities within the full-scope AA, which are generally more limited in the non-MSA geography compared to more densely populated

areas of the state. The investments made during the evaluation period, or those with carried-over book values from the previous performance evaluation period, were made to support affordable housing or to revitalize underserved geographies by creating small business funding and job creation, an identified community development need.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on the limited-scope review, the bank's performance under the investment test in the Bangor, ME MSA (12460) is not inconsistent with the bank's overall 'High Satisfactory' performance under the investment test for the full-scope AA1 non-MSA (99999). Refer to Table 14 in Appendix C for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated 'High Satisfactory.' Based on the full-scope review, the bank's performance in AA1, non-MSA (99999) is good.

Retail Banking Services

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

FNB's delivery systems are accessible to essentially all portions of the bank's AA1. There are no low-income census tracts in AA1. The bank has 15 full service branches in AA1, 10 are located in middle-income census tracts and five in upper-income census tracts. The 10 branches located within middle-income census tracts include nine designated as a non-metropolitan distressed or underserved geography. All of the moderate-income census tracts (five) within AA1 are located in rural areas of Washington County, which represents eight percent of all moderate-income geographies in the bank's AA. The bank's branches are generally located in the center of towns, making accessibility more feasible. All of the branches offer Monday through Saturday business hours, have automated teller machines (ATMs), and the majority offer drive-up teller service. There are no major differences in the availability or cost of products or services within the bank's branch network. U.S. government check cashing is available, fee free, to all customers and non-customers.

The bank participates in the Maine Cash Access network, the largest bank automated teller machine (ATM) alliance in Maine. This network provides surcharge free ATM transactions. The bank also offers a call center, First Phone Banking, on-line bill pay, mobile banking (including remote deposit capture), and an automated phone banking system to all customers, making accessibility to products and services readily available.

FNB did not have any branch openings or closings during the evaluation period.

Community Development Services

FNB provides a relatively high level of community development services which are responsive to AA1's community development needs. Bank employees, managers, officers, and directors have provided

services to local community groups having a primary purpose of community development. Many of these volunteers provide financial expertise or guidance to a host of 19 different organizations located within AA1. Examples include:

- A bank officer is the treasurer and a board member for an organization that raises capital in a Distressed or Underserved Non-metropolitan Middle-Income Geography that supports revitalization of the area's community center and recreational facilities.
- A bank officer is a board member for an organization that seeks to assist in job placement through state programs.
- A branch manager is the treasurer for a non-profit housing organization that provides low-income housing to seniors.
- A board member serves on a finance committee of an organization that serves low- and moderate-income individuals within Hancock and Washington counties.
- A senior manager is a board member of an economic development organization that provides opportunity and advancement of individuals within the area's underserved geographies.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the Service Test in AA2, Bangor, ME MSA (12460), is not inconsistent with the bank's overall 'High Satisfactory' performance under the Service Test in non-MSA (99999).

Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

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 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 (excludes CD Loans): 7/01/2013 to 6/30/2016 Investment and Service Tests and CD Loans: 9/03/2013 to 8/08/2016	
Financial Institution	Products Reviewed	
First National Bank (FNB)	-HMDA (residential loans including home purchase, home refinance, and home improvement) -Small Loans to Businesses and Farms	
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Non-Metropolitan Statistical Area (Lincoln, Hancock, Knox, and Washington counties)	Full-Scope	
Bangor, ME MSA 12460 (portions of Penobscot County)	Limited-Scope	

Appendix B: Market Profiles for Full-Scope Areas

FNB AA1: Non-MSA (99999)

Demographic Information for Full Scope Area: AA1 MSA 99999						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	49	0.00	10.20	67.35	22.45	0.00
Population by Geography	161,467	0.00	8.02	70.48	21.50	0.00
Owner-Occupied Housing by Geography	54,832	0.00	7.46	71.78	20.77	0.00
Business by Geography	12,962	0.00	6.72	68.51	24.77	0.00
Farms by Geography	696	0.00	7.61	71.98	20.40	0.00
Family Distribution by Income Level	44,864	17.55	17.70	22.07	42.68	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	15,816	0.00	11.99	73.11	14.90	0.00
Median Family Income		51,782	Median Housing Value		237,300** 4.0%***	
FFIEC Adjusted Median Family Income for 2016		55,400	Unemployment Rate (seasonally adjusted)			
Households Below Poverty Level		13%				

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

(**) National Realtor Association updated CBSA 2015 median housing value

(***) Updated Bureau of Labor Statistics (December 2015)

Source: 2010 US Census and 2015 FFIEC updated MFI

The Maine non-MSA (99999) includes Lincoln County (location of FNB's headquarters), Knox County, Hancock County, and Washington County. This AA contains 49 census tracts. FNB operates 15 full service branches and one standalone ATM in this AA. There are no low-income census tracts within AA1. There are five moderate-income census tracts in AA1, comprising 10% of all geographies. According to 2010 U.S. Census data, the population of AA1 is approximately 161,467 persons, and includes 69,787 households and 44,864 families. The HUD MFI was \$51,782 and updated FFIEC adjusted MFI was \$55,400. In the AA, 17% of families are low-income, 18% are moderate-income, 22% are middle-income, and 43% are upper-income. Approximately 8,997 households are below the poverty level. There are 109,125 housing units in the AA, of which 50% are owner occupied, 14% are rental, and 36% are vacant. The median housing value is \$237,300.

FNB operates in a relatively competitive Maine market with competition from local savings banks, larger commercial banks, and mortgage companies. The FDIC Deposit Market Share Report, June 30, 2015 identifies 13 financial institutions serving AA1. These include: Camden National Bank, Bar Harbor Bank & Trust, Machias Savings Bank, Bath Savings Institution, TD Bank, N.A., and KeyBank N.A. FNB ranks second with a deposit market share of 23%. Lending activity is highly competitive.. Some of the financial institutions competing for these loans include community banks (Camden National Bank, Machias Savings Bank, and Bar Harbor Bank & Trust), larger commercial banks (US Bank, N.A., Capital One Bank, N.A., American Express FSB, Synchrony Bank, and Citibank, N.A.), and agricultural focused banks (John Deere Financial FSB and Texas Capital Bank).

Economic indicators show that Maine has underperformed economically for the past five years. Employment has consistently grown at half of the national rate, leaving Maine as one of only 11 states where payrolls have not yet reached prerecession levels. Wage gains are the second slowest in the Northeast because low-paying leisure/hospitality and administrative services have dominated job growth. As of August 2016, the Maine unemployment rate 4%, is one of the lowest in the nation, but this is largely because of the state's rapidly shrinking labor force. The housing market is mixed; house price appreciation is outpacing the regional average, but homebuilding continues to be near recessionary lows. Tourists and second home buyers are drawn to the extensive coastline, impacting the area's home prices and affordability. The aging population continues to place higher demands on healthcare services.

Maine's largest industries and employment sectors include Education and Health Services, Government, Retail Trade, Professional and Business Services, Leisure and Hospitality Services, and Manufacturing. The state's largest employers include Maine Medical Center, Bath Iron Works, L.L.Bean, Eastern Maine Medical Center, Unum Provident, and Hannaford Bros. Company.

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** - 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&A's __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans.
- 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 Multifamily Loans** - 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** - 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 is 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** - 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 is 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** - 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** - See Table 8.
- Table 10. Borrower Distribution of Home Mortgage Refinance Loans** - See Table 8.
- Table 11. 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 12. 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 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&A's __.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 - 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: FNB #446 (Included)

Table 1. Lending Volume

LENDING VOLUME												
Geography: FIRST NATIONAL BANK						Evaluation Period: JULY 1, 2013 TO JUNE 30, 2016						
Assessment Area (2013):	% 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:												
AA1 MSA 99999	94.34	1,132	196,485	1,335	149,116	449	24,233	16	4,807	2,932	374,641	97.03
Limited Review:												
AA2 MSA 12620	5.66	92	13,219	79	11,941	5	1,701	0	0	176	26,861	2.97

* Loan Data as of June 30, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from September 03, 2013 to August 08, 2016.

*** Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: FNB #446 (Included)

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: FIRST NATIONAL BANK					Evaluation Period: JULY 1, 2013 TO JUNE 30, 2016									
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]					
	#	% of Total ^{**}	% 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	
Limited Review:																
AA2 MSA 12620	65	11.21	0.00	0.00	3.35	6.15	44.89	49.23	51.76	44.62	2.36	0.00	2.33	2.19	2.51	
Full Review:																
AA1 MSA 99999	515	88.79	0.00	0.00	7.46	0.78	71.78	66.41	20.77	32.82	10.50	0.00	1.56	9.71	14.25	

^{*} Based on 2014 Peer Mortgage Data -- US and PR

^{**} Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase 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: FNB #446 (Included)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: FIRST NATIONAL BANK						Evaluation Period: JULY 1, 2013 TO JUNE 30, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]				
	#	% of Total ^{**}	% 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
Limited Review:															
AA2 MSA 12620	14	5.86	0.00	0.00	3.35	0.00	44.89	35.71	51.76	64.29	4.55	0.00	0.00	4.41	5.36
Full Review:															
AA1 MSA 99999	225	94.14	0.00	0.00	7.46	4.44	71.78	67.11	20.77	28.44	22.69	0.00	13.04	19.80	35.29

^{*} Based on 2014 Peer Mortgage Data -- US and PR

^{**} Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement 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: FNB #446 (Included)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: FIRST NATIONAL BANK				Evaluation Period: JULY 1, 2013 TO JUNE 30, 2016					Market Share (%) by Geography*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	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					
Limited Review:															
AA2 MSA 12620	10	2.53	0.00	0.00	3.35	10.00	44.89	40.00	51.76	50.00	0.17	0.00	0.00	0.00	0.33
Full Review:															
AA1 MSA 99999	386	97.47	0.00	0.00	7.46	1.55	71.78	66.32	20.77	32.12	10.93	0.00	5.88	10.65	12.63

* Based on 2014 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home 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: FNB #446 (Included)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: FIRST NATIONAL BANK					Evaluation Period: JULY 1, 2013 TO JUNE 30, 2016									
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography *					
	#	% of Total **	% of MF Units ***	% BANK Loans ****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Limited Review:																
AA2 MSA 12620	3	33.33	0.00	0.00	14.30	33.33	67.60	33.33	18.11	33.33	0.00	0.00	0.00	0.00	0.00	
Full Review:																
AA1 MSA 99999	6	66.67	0.00	0.00	7.58	0.00	73.14	83.33	19.28	16.67	42.86	0.00	0.00	40.00	50.00	

* Based on 2014 Peer Mortgage Data -- US and PR

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Institution ID: FNB #446 (Included)

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: FIRST NATIONAL BANK						Evaluation Period: JULY 1, 2013 TO JUNE 30, 2016							
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 Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Limited Review:															
AA2 MSA 12620	79	5.59	0.00	0.00	5.46	7.59	51.20	58.23	43.34	34.18	0.49	0.00	0.27	0.76	0.21
Full Review:															
AA1 MSA 99999	1,335	94.41	0.00	0.00	6.72	0.75	68.51	59.70	24.77	39.55	10.28	0.00	0.78	9.74	16.58

* Based on 2014 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 (2015).

Institution ID: FNB #446 (Included)

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: FIRST NATIONAL BANK					Evaluation Period: JULY 1, 2013 TO JUNE 30, 2016									
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	
Limited Review:																
AA2 MSA 12620	3	0.66	0.00	0.00	0.68	0.00	39.19	100.00	60.14	0.00	0.00	0.00	0.00	0.00	0.00	
Full Review:																
AA1 MSA 99999	449	99.34	0.00	0.00	7.61	0.00	71.98	77.95	20.40	22.05	19.21	0.00	0.00	20.54	41.43	

* Based on 2014 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 (2015).

Institution ID: FNB #446 (Included)

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: FIRST NATIONAL BANK					Evaluation Period: JULY 1, 2013 TO JUNE 30, 2016					Market Share*				
Assessment Area:	Total Home Purchase 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* ***						
Limited Review:																
AA2 MSA 12620	65	11.21	16.96	10.53	13.82	14.04	20.44	17.54	48.79	57.89	2.78	3.45	0.00	1.27	4.68	
Full Review:																
AA1 MSA 99999	515	88.79	17.55	3.84	17.70	15.76	22.07	18.79	42.68	61.62	11.73	8.57	12.74	10.31	12.24	

* Based on 2014 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase 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 4.8% 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: FNB #446 (Included)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: FIRST NATIONAL BANK					Evaluation Period: JULY 1, 2013 TO JUNE 30, 2016					Market Share *				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total **	% Families ***	% BANK Loans **	% Families ²	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Limited Review:																
AA2 MSA 12620	14	5.86	16.96	0.00	13.82	7.69	20.44	15.38	48.79	76.92	4.95	0.00	4.55	1.92	6.93	
Full Review:																
AA1 MSA 99999	225	94.14	17.55	7.37	17.70	17.51	22.07	19.35	42.68	55.76	22.37	16.28	24.56	12.77	27.96	

* Based on 2014 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement 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 3.8% 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: FNB #446 (Included)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: FIRST NATIONAL BANK					Evaluation Period: JULY 1, 2013 TO JUNE 30, 2016					Market Share *				
Assessment Area:	Total Home Mortgage 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 ³	% BANK Loans****	% Families** *	% BANK Loans****	% Families***	% BANK Loans****						
Limited Review:																
AA2 MSA 12620	10	2.53	16.96	14.29	13.82	0.00	20.44	28.57	48.79	57.14	0.21	0.00	0.00	0.00	0.37	
Full Review:																
AA1 MSA 99999	386	97.47	17.55	5.05	17.70	10.64	22.07	22.61	42.68	61.70	11.71	11.11	11.72	10.24	12.45	

* Based on 2014 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home 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 3.3% of loans originated and purchased by bank.

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: FNB #446 (Included)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: FIRST NATIONAL BANK			Evaluation Period: JULY 1, 2013 TO JUNE 30, 2016				
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
Limited Review:									
AA2 MSA 12620	79	5.59	72.19	70.89	68.35	10.13	21.52	0.49	0.50
Full Review:									
AA1 MSA 99999	1,335	94.41	79.01	81.27	72.51	15.28	12.21	10.28	14.31

* Based on 2014 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 - 2015).

**** 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: FNB #446 (Included)

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: FIRST NATIONAL BANK			Evaluation Period: JULY 1, 2013 TO JUNE 30, 2016				
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
Limited Review:									
AA2 MSA 12620	3	0.66	95.95	100.00	33.33	33.33	33.33	0.00	0.00
Full Review:									
AA1 MSA 99999	449	99.34	97.41	96.88	83.52	11.58	4.90	19.21	19.40

* Based on 2014 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 - 2015).

**** 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: FNB #446 (Included)

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: FIRST NATIONAL BANK				Evaluation Period: JULY 1, 2013 TO JUNE 30, 2016			
Assessment Area:	Prior Period Investments *		Current Period Investments		Total Investments			Unfunded Commitments **	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
AA1 MSA 99999	6	4,350	135	1,675	141	6,025	85.29	1	1,000
Limited Review:									
AA2 MSA 12620	0	0	17	1,039	17	1,039	14.71	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: FNB #446 (Included)

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: FIRST NATIONAL BANK Evaluation Period: JULY 1, 2013 TO JUNE 30, 2016																	
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:																	
AA1 MSA 99999	97.03	15	93.75	0.00	0.00	66.67	33.33	0	0	0	0	0	0	0.00	8.02	70.48	21.50
Limited Review:																	
AA2 MSA 12620	2.97	1	6.25	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	5.61	50.20	44.19

Institution ID: FNB #446 (Included)

Distribution of Branch and ATM Delivery System

Distribution of Branch and ATM Delivery System																		
Geography: FIRST NATIONAL BANK																		
Evaluation Period: JULY 1, 2013 TO JUNE 30, 2016																		
MA/Assessment Area:	Deposits	Branches						ATMs						Population				
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				# of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography				
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
Full Review:																		
AA1 MSA 99999	97.03	15	93.75	0	0	67	33	1	100.00	0	0	1	0	0.00	8.02	70.48	21.50	
Limited Review:																		
AA2 MSA 12620	2.97	1	6.25	0	0	100	0	0	0.00	0	0	0	0	0.00	5.61	50.20	44.19	

