



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First, National Association
Charter Number: 446

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Damariscotta, ME 04543

Office of the Comptroller of the Currency

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

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Overall CRA Rating

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

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

Performance Levels	The First, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
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 major factors that support this rating include:

- Lending activity is good.
- A substantial majority of small loans to businesses, home equity products, home mortgage loans, and small loans to farms were originated within the bank's assessment area (AA).
- The geographic distribution of loans reflects adequate dispersion in the moderate-income tracts.
- The borrower distribution of home mortgage loans is adequate, small loans to businesses and farms is excellent, and the distribution of home equity products is good.
- Accessibility to delivery systems is good and the bank provides a good level of community development services.

Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of Institution

The First, National Association (FNA) is an intrastate community bank headquartered in Damariscotta, Maine. As of June 30, 2010, FNA had total assets of \$1.294 billion, Tier One Capital of \$120 million, net loans of \$921 million, and domestic deposits of \$950 million. Net loans comprised 71% of total assets. The loan portfolio is comprised of 51% residential real estate mortgage products (includes 10% in home equity loans), 44% commercial related loans (34% commercial real estate and 10% commercial loans), 3% municipal, 2% consumer, and less than 1% other loans.

FNA is a wholly-owned subsidiary of The First Bancorp (FNCL), a financial services holding company also located in Damariscotta, ME, with assets of \$1.3 billion as of December 31, 2009. FNCL has been traded on NASDAQ since July 1999. First Advisors is the investment management and trust division of FNA, and offers a range of investment advisory services including investment management, custody safekeeping, financial and retirement planning, and estate settlement. Affiliate activities were not considered in this evaluation.

FNA has 14 full-service banking offices in Mid-Coast Maine and its market area includes Lincoln, Knox, and Hancock counties, and a portion of Washington county. Please refer to Appendices A and B for a detailed description of the FNA's AA.

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

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

The last CRA examination was dated May 21, 2007 and FNA received a "Satisfactory" rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

For the lending test, with the exception of community development loans, our conclusions are based on small loans to business and farms, home mortgage lending, and home equity lines of credit/loans from January 1, 2007 to December 31, 2009. Home mortgage loans included purchase and refinance loans; FNA does not offer home improvement loans. A low volume of multifamily loans were originated during the evaluation period; therefore, an analysis of these loans is not meaningful. Consumer loans, in the form of home equity loans/lines of credit, were provided by FNA for our consideration. The evaluation period for community development loans, investments, and services is May 21, 2007 to August 2, 2010.

Data Integrity

We reviewed the accuracy of small loans to businesses and farms originated in the evaluation period and reported on FNA's CRA Loan Register. Based on a sample, we found the data to be accurate and we used this data in our evaluation. We also verified community development loans, investments, and services submitted by bank management for accuracy to ensure they met the community development definition.

FNA is not required to publicly file home mortgage data under the Home Mortgage Disclosure Act (HMDA) as its assessment area is not located in a metropolitan area. FNA voluntarily collected pertinent home mortgage and home equity loans/lines of credit data and presented the information for our review. We reviewed a sample of each product type and found the data was accurate; therefore, we used this data in our evaluation. An analysis of home mortgage lending could not be performed separately for home purchase and refinance loans, as this data is not tracked by bank management.

Selection of Areas for Full-Scope Review

FNA has one assessment area (AA) and it meets the technical and regulatory requirements as defined by the regulation. This AA received a full-scope review. Refer to Appendix A for details.

Ratings

FNA's overall rating is based on the full-scope review. Small loans to businesses, home equity products, and home mortgage loans received equal weight in the lending test, followed by small loans to farms. During the evaluation period, the number of small loans to businesses was 35%, home equity and home mortgage loans accounted for 31% and 26%, respectively, and small loans to farms were 8%. Due to the economic conditions in 2009, FNA saw strong growth in home equity loan products which was offset by a decline in home mortgage loans.

More weight was given to borrower distribution analysis rather than geographic distribution analysis. Moderate-income census tracts comprise 11% of the AA and are all located in Washington county. Lending opportunities are challenged by limited infrastructure, rural and remote location, and an economically distressed profile with a very high poverty level of 20%.

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

Other

We contacted two organizations at their locations. One community contact is a community loan fund involved in affordable housing and vital community facilities. The organization notes that current economic conditions are improving and business activity is increasing. In general, banks tightened credit requirements such as debt service coverage and reserves, are not lending long-term interest rates. This entity provided financing when the banks did not. This organization is easily able to raise capital through banks. For affordable housing projects, a bank's role is limited to construction as this entity provides the permanent financing. There is lending for Low-Income Housing Tax Credits and longer term as well but there is hesitancy in the market right now. There is good capacity for investments; especially for this entity. Local banks have approached this agency for investments and they are trying to bring on new banks. This organization does not have a need for community development loans.

Another community contact, an entity that strives to improve services to elders, particularly low- and moderate-income, by creating homes that function like a regular household. Banking/credit needs include lower rates on used auto loans. Overall participation by local banks has been positive. Many local banks have provided small dollar grants to this agency; and this agency has not had a need to approach the banks for larger amounts. They have found that the local banks are responsive to this organization's loan needs, particularly FNA, and FNA has provided loans at competitive rates.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

Performance under the lending test is rated "High Satisfactory." Based on a full-scope review, FNA's performance is good.

Lending Activity

Refer to Tables 1 Lending Volume and 1 Other Products in Appendix C for the facts and data used to evaluate FNA's lending activity.

Lending activity is good. During the evaluation period, 92% of FNA's originations were made in its assessment area. Another indicator of lending levels is the loan-to-deposit ratio. Over the course of the evaluation period, FNA's quarterly average was 106%. This exceeded the peer group of 91%.

Small loans to businesses comprised 35% of all lending in the AA. The volume of small loans to farms was 8%. Based on 2008 Peer Small Business Data, FNA ranked fourth out of 34 lenders with a 10% market share. FNA had a 28% market share for small loans to farms and ranked second out of 11 lenders.

In deposit market share, FNA ranked second in the AA with 23% of deposits as of June 30, 2009. In Lincoln county, where FNA is headquartered, the bank held 64% of deposits.

Market share data is not available for home mortgages or consumer loans. In the AA, there are 227 lenders reporting data under HMDA.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Table 2 in Appendix C for the facts and data used to evaluate the geographic distribution of FNA's home mortgage loan originations. An analysis of home mortgage lending could not be performed separately for home purchase and refinance loans, as this data is not tracked. A low volume of multifamily loans were originated during the evaluation period; therefore, an analysis of these loans is not meaningful.

The geographic distribution of loans reflects adequate dispersion in the moderate-income tracts. The percent of lending is significantly lower than the percent of owner-occupied housing in those tracts. The AA has no low-income census tracts, therefore, we did not evaluate lending in these areas.

The percentage of individuals below poverty levels in Washington county, where all of the moderate tracts in the AA are located, is very high at 20%. Due to limited infrastructure and

location, Washington county is one of the most rural and poorest counties in Maine. In the portion of FNA's AA in this county, all tracts are either moderate-income or underserved middle-income tracts. Real estate sales in 2008 show that 17 units sold in Washington county, far below 117 in Hancock county, 88 in Lincoln county, and 83 in Knox county. According to the Maine Real Estate Information System, Inc., half of the closings statewide remain second homes.

The mortgage lending market is highly competitive. Although FNA is not a HMDA reporter, based on 2008 Peer Mortgage Data, a longstanding local regional bank dominates with a large 26% mortgage market share and holds 64% deposit market share. Of the 19 bank branches in Washington county, FNA ranks fourth with two branches, while three longstanding competitors have a larger branch presence with six, four, and three branches, respectively. FNA is a fairly recent entrant in this market with the merger of The First National Bank of Bar Harbor in 2005.

Small Loans to Businesses

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

The distribution of small loans to businesses by income level of the geographies is adequate. The percent of lending in the moderate-income tracts is somewhat lower than the percent of businesses located there. FNA's market share of small loans to businesses, at 4%, is lower than the overall market share of 10%. However, competition for these loans is strong as Washington county's market is dominated by six very large nationwide banks and non-bank financial companies, and they collectively hold 71% of the market share. Opportunities to lend are further impacted by the county's wide span, limited business opportunities, and geographic barriers in the northern part of the county.

The AA includes several underserved middle-income tracts, 11 of 29 middle-income tracts, or 38%. These tracts are located in Washington and Lincoln counties. Of the total small loans to businesses made in the middle-income tracts, 44% were made to businesses located in underserved middle-income tracts.

Small Loans to Farms

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

The distribution of small loans to farms by income level of the geographies is adequate. The percent of lending in the moderate-income tracts is significantly lower than the percent of farms located there. Lending opportunities are affected by the same factors as discussed in the preceding small loans to businesses section.

Of the total small loans to farms made in the middle-income tracts, 41% were made to farms located in underserved middle-income tracts.

Consumer Loans – Home Equity

Consumer loans, in the form of home equity loans/lines of credit, were provided by FNA for consideration.

Refer to Table 13 in Appendix C for the facts and data used to evaluate the geographic distribution of home equity loan product originations.

Geographic distribution for home equity products is adequate. The percentage of home equity loan products to moderate-income borrowers is lower than the percentage of households in the moderate-income geographies in the AA. All the moderate-income geographies are located in Washington county, and lending opportunities are impacted by high poverty levels, low population, rural geography, branch network, and strong competition.

Lending Gap Analysis

We found no conspicuous gaps or areas of low penetration in FNA's lending patterns. There are no low-income census tracts in the AA, therefore, we did not evaluate lending in these areas.

Inside/Outside Ratio

A substantial majority of small loans to businesses, home equity products, home mortgage loans, and small loans to farms were originated within FNA's AA. For home equity products, 93%, for small loans to farms, 92%, and for home mortgage loans and small loans to businesses, 91% were originated in the AA. This performance contributes positively to the lending test analysis.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Table 8 in Appendix C for the facts and data used to evaluate the borrower distribution of home mortgage loan originations. An analysis of home mortgage lending could not be performed separately for home purchase and refinance loans, as this data is not tracked by FNA. We considered demographic factors, including the high cost of housing compared to median family income and the percentage of individuals below poverty levels. Market share information is not available; however, the market for mortgage lending is highly competitive.

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

Maine State Housing Authority issued "A Report on Housing Costs in Maine, 2008." Home prices have increased two to five times faster than incomes in counties across the state. Housing is considered affordable if a median family income household can buy a median

priced home without spending more than 28% of income. In 2009, the median priced home in the AA is \$147 thousand and the adjusted median family income is \$52 thousand. A low-income borrower earns less than \$26 thousand, while a moderate-income borrower earns at least \$26 thousand but less than \$42 thousand. Based on loan estimates from Ginnie Mae, low-income families would spend approximately 56% of their income on housing and 35% for moderate-income families. Qualifying for a conventional mortgage to purchase a home would be challenging.

As of 2008, a high level of households, 14%, is below the poverty level, and they would not likely qualify for a home mortgage loan. Home purchase opportunities are further limited in Washington county, where a large percent of low- and moderate-income families reside and the poverty level is high at 20%.

Small Loans to Businesses

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

The distribution of small loans to businesses is excellent. FNA's lending to small businesses exceeds the percentage of small businesses in the AA. Small loans to small businesses (businesses with revenues of \$1 million or less) represent 80% of all small loans to businesses originated compared to 72% of the businesses within the AA. FNA's market share of small loans made to small businesses, at 18%, substantially exceeds its overall market share of 10%. The distribution by size of loans shows that a large majority of the loan originations are for \$100 thousand or less. Based on 2008 Peer Small Business Data, FNA ranked fourth out of 34 lenders in the AA with a 10% market share. This high rank is particularly noteworthy as competition is strong from local lenders, very large regional banks, and non-bank financial institutions.

Small Loans to Farms

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

The distribution of small loans to farms is excellent. FNA's lending to small farms exceeds the percentage of small farms in the AA. Small loans to small farms (farms with revenues of \$1 million or less) represent 98% of all small loans to farms originated by FNA compared to 97% of the farms within the AA. FNA's market share of small loans made to small farms, at 29%, exceeds its overall market share. The distribution by size of loans shows that a substantial majority of the loan originations are for \$100 thousand or less. FNA had a 28% market share for small loans to farms and ranked second out of 11 lenders in the AA who originated small loans to farms. This top ranking is especially notable as competition is strong.

Consumer Loans – Home Equity

Refer to Table 13 in Appendix C for the facts and data used to evaluate the borrower distribution of home equity loan product originations.

Borrower distribution for home equity products is good. The percentage of home equity loan products loans to low-income borrowers is significantly lower than the percentage of low-income households in the AA. The percentage of home improvement loans to moderate-income borrowers exceeds the percentage of moderate-income households in the AA.

Competition, the high cost of housing compared to median family income, and the percentage of individuals below poverty levels, are all factors that limit home ownership and, thereby, home equity lending opportunities.

Community Development Lending

FNA made loans that have community development characteristics but must be reported as and considered in the evaluation of small loans to businesses or farms. Some of the loans were related to affordable housing, an identified credit need in the AA. Highlights of these loans include:

- A total of three loans for \$1 million to an organization that provides needed emergency medical services in Washington county, which does not have a private ambulance service and includes low- or moderate-income individuals and several underserved middle-income tracts.
- Five loans totaling \$535 thousand to a non-profit organization in Hancock county devoted to serving primarily low- and moderate-income adults and children with developmental disabilities and their families.
- Four loans totaling \$361 thousand to an organization that provides affordable housing and long-term care facilities for the low-income elderly population in Lincoln county, which has many underserved middle-income tracts.
- A \$200 thousand bridge loan to a private non-profit organization which provides services and affordable housing to disabled low- and moderate-income individuals.
- Four loans totaling \$165 thousand for a bridge loan and three vehicles for a housing association that provides residential care for low-income mentally challenged adults.
- A \$30 thousand commercial loan to a non-profit child care facility designed to meet the needs of working parents, which are primarily of low- and moderate-income.

Product Innovation and Flexibility

Flexible lending programs had a positive impact on lending performance. FNA continues to be participant Maine State Housing Authority's (MSHA) first time homebuyer lending programs. During the evaluation period, 19 loans were made totaling \$2 million. MSHA also offers a Home Energy Loan Program (HELP), and FNA is a participant in this program that assists qualified borrowers to make energy efficient home improvements. Eight loans were made for

\$112 thousand. FNA also partners with US Department of Agriculture's Rural Housing loan guarantee program, and originated 10 loans for \$1.3 million.

FNA also participates in government loan programs designed to assist small businesses and include the Small Business Administration (SBA) and the Finance Authority Maine (FAME).

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

Performance under the investment test is rated "Low Satisfactory." Based on the full-scope review, FNA's performance is adequate.

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

Qualified investments and donations total \$524 thousand, which is low when compared to FNA's capacity and resources. Current period investments total \$414 thousand. They consist of two \$150 thousand renewals to a statewide nonprofit organization that provides housing and services to the underserved, and \$114 thousand in qualifying grants/donations to 51 community development organizations. The majority of the donations were to organizations that provide community services targeted to low- or moderate-income individuals. Included in this total were two donations, of \$10 thousand each for affordable housing and a \$10 thousand grant to a help fund construction of a recreation center, which will serve to revitalize/stabilize an underserved middle-income tract.

FNA also made a \$1.4 million New Market Tax Credit investment in a statewide organization that funded the acquisition and renovation of a public market. This investment has the potential to benefit FNA's AA as the market has and is projected to create in total approximately 200 jobs within a 45 minute commute of a portion of the AA.

A prior period investment with a current book value of \$110 thousand was to organization that makes equity investments in underserved markets.

Opportunities for qualified investments in the AA are limited as compared to more densely populated areas of the state. The AA does not contain any metropolitan areas where there are typically more investment opportunities, and investments that may benefit the entire state do not typically include FNA's AA. Low-Income Housing Tax Credit projects are also limited, as FNA's management states that the rural nature of the AA does not lend itself to housing developments. The recent troubled economic conditions have also challenged opportunities and heightened credit risk may also be a factor.

Discussions with community contacts and our own research of opportunities indicated that few opportunities exist. We reviewed competitor's Public Evaluations and found similar performance with a low number of investments made in the AA during the evaluation period. And, if the competitor's AA included a metropolitan area, the investments were typically centered there.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

Retail Banking Services

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

Accessibility to FNA's delivery systems in the AA is good. FNA's delivery systems are accessible to geographies and individuals of different income levels throughout the AA. There are 14 full-service branch locations in its AA. Of the 14 branches, one branch, or 7%, is in a moderate-income tract, 57%, or eight branches are located in middle-income tracts, and 36%, or five branches, are in upper-income tracts. Of the eight branches in the middle-income tracts, five, or 65% are designated as underserved middle-income tracts. The majority of the branches are in town centers making them accessible to most residents. No branches were opened or closed during the evaluation period.

Banking hours and services are provided Monday through Friday and are supplemented by Saturday hours at most offices. All branches have automated teller machines (ATMs), and an additional seven non-deposit taking free-standing ATMs are in the AA. The majority of the branches have drive-up facilities. There are no material differences in availability or cost or services, and each location is full-service, providing a variety of deposit and loan products. All branches provide cashing of U.S. government checks with no fees. Loan decisions are made directly by the customer's loan officer as opposed to a centralized model that many competitors have adopted.

Other alternative delivery systems include a "First Phone 24" automated telephone banking system, and "First Phone Banking" which operates on weekdays and Saturdays until noon and offers full-service telephone banking transactions. FNA also offers online banking, mobile banking, online bill payment, direct deposit, and, as a member of Maine Cash Access, the largest bank ATM alliance in the state, offers surcharge free ATM transactions. Free self-service coin handling is offered to bank customers. We could not place significant weight on the alternative delivery systems when drawing conclusions as FNA could not provide data on the impact of these services to low- or moderate-income individuals.

Community Development Services

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

Highlights of CD service activities during the evaluation period include:

- A board member/senior bank officer serves on the board of two organizations. The first organization provides critical services to low- or moderate-income families and individuals in Hancock and Washington counties including the outer islands. The second organization spurs economic development and job creation in Washington county, which is comprised of moderate and underserved middle-income tracts.
- A bank officer serves on a loan committee of an organization that provides loans funded by grant monies to attract new businesses to a town in a moderate-income tract.
- Two senior bank officers serve as a board member and treasurer, respectively, on a foundation's capital campaign aimed to assist the town in funding recreation facilities and a community center in an underserved middle-income tract.
- A senior bank officer serves on the board committee of a housing coalition that studies affordable housing issues in the AA.
- Another bank manager is treasurer of an organization whose mission is to encourage and strengthen resource management and sustainable economic development in a region which includes a moderate-income tract as well as several underserved middle-income tracts.
- Several bank employees participated in a program designed to help students develop lifelong savings habits. Seven of the schools in the program were in moderate tracts or underserved middle-income tracts.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans): (01/01/2007 to 12/31/2009) Investment and Service Tests and CD Loans: (05/21/2007 to 08/02/2010)	
Financial Institution	Products Reviewed	
The First, National Association (FNA) Damariscotta, Maine	Home mortgage loans (includes purchase and refinance), small loans to businesses/farms reported on the CRA Loan Register, and home equity loan products. Community development, loans, investments, and services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Non-MSA – includes Lincoln, Knox, and Hancock counties, and a portion of Washington county	Full-Scope	See Market Profile in Appendix B

Appendix B: Market Profiles for Full-Scope Areas

The First AA

Demographic Information for Full-Scope Area: The First AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	45	0.00	11.11	64.45	24.44	0.00
Population by Geography	143,778	0.00	8.33	71.28	20.39	0.00
Owner-Occupied Housing by Geography	46,690	0.00	8.57	70.71	20.72	0.00
Businesses by Geography	17,545	0.00	5.79	70.12	24.09	0.00
Farms by Geography	547	0.00	7.86	69.47	22.67	0.00
Family Distribution by Income Level	39,833	16.03	18.22	23.05	42.70	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	13,642	0.00	12.89	71.79	15.32	0.00
Median Family Income	\$40,084	Median Housing Value 2000 = \$107,339 Median Housing Value 2009 = \$146,813 Unemployment Rate 2.53% 2000 U.S. Census March 2010 11.13%				
HUD Adjusted Median Family Income for 2009	\$52,000					
Households Below the Poverty Level 2000	12%					
Households Below the Poverty Level 2008	14%					

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 U.S. Census, and 2009 HUD updated MFI.

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

This AA contains 45 census tracts, 14 branches, all with deposit taking ATMs, and an additional seven non-deposit taking ATMs. There are no low-income tracts, five moderate-income tracts (11%) all located in Washington county, 29 middle-income tracts (65%), and 11 upper-income tracts (24%). Of the middle-income tracts, 11, or 38%, are designated as underserved nonmetropolitan middle-income geographies by the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. Population size, density, and dispersion indicate the area's population is sufficiently small, thin, and distant from a population center that the tracts are likely to have difficulty financing the fixed costs of meeting essential community needs. Eight of the underserved middle-income tracts are in Lincoln county and three in Washington county.

As of June 30, 2009, FNA holds 23% of the deposit market share in the AA, ranking second out of 14 institutions. FNA is the deposit market share leader in Lincoln county, where the bank is headquartered, with 64% of the deposit market share. Deposit market share in Hancock, Knox, and Washington counties are 10%, 6%, and 8%, respectively. FNA's overall market share for small loans to all businesses in its AA was 10%, ranking it fourth behind two large nationwide banks and one large community bank. FNA ranked second behind one large community bank for small loans for farms with 28% market share. Market share data is not available for home mortgages or consumer loans.

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

Hancock county also has a large tourist economy. Acadia National Park attracts several million visitors per year and many restaurants, hotels and other businesses cater to summer and fall visitors. Some larger employers include Jackson Laboratory, College of the Atlantic, and Mount Desert Island Biological Laboratory. Hospitals and local school systems also employ a large number of residents in Bar Harbor and Ellsworth. Washington county is very different from the other three counties as it is economically disadvantaged and is geographically remote in a very rural part of the state.

Economic conditions are affected by the global recession and this has taken its toll on the Maine economy. Based on the Bureau of Labor Statistics, in March 2010 the not seasonally adjusted unemployment rate for the state of Maine was 9.2%, below the national rate of 10.4%. The unemployment rate for the four counties in the AA averaged 11.13%. Rates were 9.5%, 9.6%, 12%, and 13.4% for Lincoln, Knox, Hancock, and Washington counties, respectively.

Despite the national declines in real estate prices, affordable housing is a continued need in FNA's AA as home prices and rental housing costs continue to rise faster than median incomes. According to the Maine State Housing Authority's 2008 Report on Housing Costs in Maine, between 2000 and 2007, home prices and rents in the state have increased by 69% and 30%, respectively, while median income has only increased by 20%.

The Maine State Housing Authority's 2009 report on county homeownership shows that from 2000 to 2009 housing costs have outpaced incomes in each of the four counties in the AA. The average median home price in FNA's AA in 2009 was \$146,813. In Hancock county, the median home price increased 52% while median income only increased 26%. In Knox county, median income increased by 29% but the median home price increased by 46%. In Lincoln county, the median home price increased 32% and median income only increased 22%.

In Washington county, the median home price increased 27% and median income by 25%. While the home price to income disparity is not as severe as in the other counties, the very high 20% poverty rate, limited infrastructure, and rural location further challenge homeownership.

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

Many nationwide entities provide further competition for mortgage, business, and farm loans. These include: Citibank, National Association; American Express Bank, FSB; Chase Bank USA, National Association; JP Morgan Chase Bank; Capital One Bank, USA, National Association; GE Capital Financial Inc.; Wells Fargo Bank, National Association; and FIA Card Services, National Association.

FNA's management has identified affordable housing as a credit need as real estate prices in Knox, Lincoln, and Hancock counties are among the highest in the state.

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. [Note: Do not renumber the tables.]

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&As ___12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - 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 are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - 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 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&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - 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: THE FIRST, N.A. (1000000446) (Included)

Table 1. Lending Volume

LENDING VOLUME		Geography: THE FIRST AA						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009				
Assessment Area (2009):	% of Rated Area Loans (#) in MA/AA [*]	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans ^{**}		Total Reported Loans		% of Rated Area Deposits in MA/AA ^{***}
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
The First AA	100.00	1,521	305,349	2,017	213,995	444	13,899	0	Included in small loans to businesses columns	3,982	533,243	100.00

^{*} Loan Data as of December 31, 2009. Rated area refers to either state or multi-state MA rating area.

^{**} The evaluation period for Community Development Loans is from May 21, 2007 to August 02, 2010.

^{***} Deposit Data as of June 30, 2010. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: THE FIRST, N.A. (10000000446) (Included)

Table 1. Other Products

LENDING VOLUME		Geography: THE FIRST AA						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009						
Assessment Area (2009):	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:														
The First AA	100.00	1,785	128,576	0	0	1,785	128,576	0	0	0	0	0	0	100.00

* Loan Data as of December 31, 2009. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is from January 01, 2007 to December 31, 2009.

*** Deposit Data as of June 30, 2010. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: THE FIRST, N.A. (10000000446) (Included)

Table 1. Other Products

LENDING VOLUME		Geography: THE FIRST AA		Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009	
Assessment Area (2009):	Other Unsecured Consumer Loans		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
Full Review:					
NOT APPLICABLE	NA	NA	NA	NA	NA

* The evaluation period for Optional Product Line(s) is from January 01, 2007 to December 31, 2009.

Institution ID: THE FIRST, N.A. (1000000446) (Included)

Table 2. Geographic Distribution of Home Purchase/Refinance Loans

Geographic Distribution: HOME PURCHASE/REFINANCE			Geography: THE FIRST AA				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009					Market Share (%) by Geography				
Assessment Area:	Total Home Purchase/Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
The First AA	1,521	100%	0.00	0.00	8.57	1.71	70.71	65.88	20.72	32.41	NA	NA	NA	NA	NA	

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

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

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

Institution ID: THE FIRST, N.A. (1000000446) (Included)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: THE FIRST AA						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009						
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	Overa ll	Low	Mod	Mid	Upp
Full Review:															
NOT APPLICABLE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

** Home improvement loans originated in the MA/AA as a percentage of all home improvement loans originated in the rated area.

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

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

Institution ID: THE FIRST, N.A. (1000000446) (Included)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: THE FIRST AA						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009							
Assessment Area:	Total Home Mortgage Refinance 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	Overa ll	Low	Mod	Mid	Upp
SEE TABLE 2															

** 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 2000 Census information.

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

Institution ID: THE FIRST, N.A. (1000000446) (Included)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: THE FIRST AA						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009							
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	Overa II	Low	Mod	Mid	Upp
Full Review:															
NOT APPLICABLE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2007 to December 31, 2009.

^{**} 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 2000 Census information.

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

Institution ID: THE FIRST, N.A. (1000000446) (Included)

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: THE FIRST AA					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography										
	#	% of Total**	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
Full Review:																					
The First AA	2,017	100.00	0.00	0.00	5.79	2.48	70.12	55.97	24.09	41.55	9.67	0.00	3.98	9.44	14.47						

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2009).

Institution ID: THE FIRST, N.A. (1000000446) (Included)

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: THE FIRST AA				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009					Market Share (%) by Geography*				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans						
Full Review:																
The First AA	444	100.00	0.00	0.00	7.86	0.45	69.47	84.46	22.67	15.09	27.56	0.00	8.16	38.31	12.77	

* Based on 2008 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2009).

Institution ID: THE FIRST, N.A. (1000000446) (Included)

Table 8. Borrower Distribution of Home Purchase/Refinance Loans

Borrower Distribution: HOME PURCHASE		Geography: THE FIRST AA						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009							
Assessment Area:	Total Home Purchase/Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families ¹	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
The First AA	1,521	100	16.03	4.34	18.22	14.20	23.05	22.88	42.70	58.58	NA	NA	NA	NA	NA

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

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

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

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

Institution ID: THE FIRST, N.A. (1000000446) (Included)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: THE FIRST AA				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009					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****						
Full Review:																
NOT APPLICABLE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	

** 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 2000 Census information.

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

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

Institution ID: THE FIRST, N.A. (1000000446) (Included)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: THE FIRST AA						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families ³	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans*** *	Overall	Low	Mod	Mid	Upp
SEE TABLE 8															

** 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 2000 Census information.

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

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

Institution ID: THE FIRST, N.A. (1000000446) (Included)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: THE FIRST AA			Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share [*]	
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans ^{****}	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
The First AA	2,017	100.00	71.66	79.72	72.34	16.76	10.91	9.67	17.80

^{*} Based on 2008 Peer Small Business Data -- US and PR

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

^{***} Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2009).

^{****} 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: THE FIRST, N.A. (1000000446) (Included)

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: THE FIRST AA			Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share [*]	
	#	% of Total ^{**}	% of Farms ^{***}	% BANK Loans ^{****}	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
The First AA	444	100.00	97.26	97.97	92.34	6.98	0.68	27.56	28.66

^{*} Based on 2008 Peer Small Business Data -- US and PR

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

^{***} Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2009).

^{****} 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.

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Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution's Option) HOME EQUITY

Geographic and Borrower Distribution: CONSUMER LOANS																			Geography: THE FIRST AA				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009			
Assessment Area:	Geographic Distribution										Borrower Distribution ***															
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers									
	#	% of Total	% of Hhlds **	% of BANK Loans	% of Hhlds **	% of BANK Loans	% of Hhlds **	% of BANK Loans	% of Hhlds **	% of BANK Loans	% of Hhlds **	% of BANK Loans	% of Hhlds **	% of BANK Loans	% of Hhlds **	% of BANK Loans	% of Hhlds **	% of BANK Loans								
Full Review:																										
The First AA	1,785	100	0.00	0.00	8.30	3.47	70.41	67.96	21.29	28.57	22.60	9.25	16.48	17.03	19.98	24.09	40.94	49.24								

* Consumer Loans originated in the MA/AA as a percentage of all consumer loans originated in the rated area.

** Percentage of households is based on 2000 Census Information.

*** No information was available for 0.39% of loans originated and purchased by bank.

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Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: THE FIRST AA				Evaluation Period: MAY 21, 2007 TO AUGUST 2, 2010			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
The First AA	1	110	53	414	54	524	27.93	0	0

Statewide/Regional with potential to benefit the AA:									
Statewide	0	0	1	1,352	1	1,352	72.07	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.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	Geography: THE FIRST AA				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2009			
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population										
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography										
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp							
Full Review:																								
The First AA	100.00	14	100.00	0.00	7.14	57.15	35.71	0	0	0	0	0	0	0.00	8.33	71.28	20.39							

