



PUBLIC DISCLOSURE

September 4, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Rockland Savings Bank, FSB

Charter Number: 701454

582 Main Street
Rockland, ME 04841-3339

Office of the Comptroller of the Currency

99 Summer Street, Suite 1400
Boston, MA 02110

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

Table of Contents

OVERALL CRA RATING	3
DEFINITIONS AND COMMON ABBREVIATIONS	4
DESCRIPTION OF INSTITUTION	8
SCOPE OF THE EVALUATION.....	9
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	11
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....	12
LENDING TEST	12
APPENDIX A: SCOPE OF EXAMINATION.....	A1
APPENDIX B: COMMUNITY PROFILES FOR FULL-SCOPE AREAS.....	B1

Overall CRA Rating: This institution is rated "Satisfactory."

The Lending Test is rated: "Satisfactory."

The primary factors supporting the CRA rating are as follows:

- Rockland Savings Bank, FSB's ("RSB" or "the Bank") level of lending, as reflected by its loan-to-deposit (LTD) ratio, is considered more than reasonable, when compared to both local and national peer averages.
- A substantial majority of the Bank's originated and/or purchased loans were made within the Bank's delineated assessment area (AA).
- Overall, the Bank's distribution of lending among borrowers of different income levels, specifically regarding home mortgage and consumer auto loans, is considered reasonable, given AA competition and the Bank's volume of lending.

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 generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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 conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), 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 five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above 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 Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

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 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

Rockland Savings Bank is a \$73.1 million federally chartered mutual thrift headquartered in Rockland, Maine (ME). The Bank opened in 1888, and converted to a national thrift charter in 2008. The institution primarily serves the Midcoast Maine region, which includes the three counties comprising the Bank's AA, Knox, Lincoln, and Waldo counties. These counties are composed predominantly of middle- and upper-income geographies, with two census tracts (CTs) in the AA not having a designated income classification. In addition to the main branch on Main Street in Rockland, the Bank has a second branch located on Atlantic Highway in Waldoboro, ME, both of which are located in middle-income census tracts. Both locations are open 8:00 AM to 4:00 PM Monday through Thursday, 8:00 AM to 5:00 PM Friday, and the Rockland branch is open 8:00 AM to 12:00 PM Saturday. Both branches have additional drive-up automated teller machines (ATMs). No branches were opened or closed during the evaluation period.

RSB is a full service intrastate institution, offering a traditional array of loan and deposit products for both retail and business customers. This includes personal and business checking and savings accounts, traditional mortgage loan products, commercial real estate loans, C&I loans, construction loans, auto loans, personal loans, and home equity lines of credit. The Bank offers online banking and the ability for customers to apply for loans via their website, www.rocklandsavingsbank.com.

As of June 30, 2018, deposits totaled \$60.6 million and tier 1 capital was \$8.4 million. The Bank's total loan and leases were \$63.8 million, representing 87.3 percent of total assets as of the same date. The following table provides a summary of the loan mix.

Table 1 – Loan Portfolio Summary by Loan Product June 30, 2018	
Loan Category	% of Gross Loans and Leases
1-4 Family Residential Mortgages	59
Commercial Real Estate	15
Commercial & Industrial	13
Home Equity Lines of Credit	8
Consumer	3
Construction	2
Total	100

Source: Federal Deposit Insurance Corporation (FDIC) Call Report.

The Bank has no financial or legal factors impeding their ability to help meet the credit needs of the assessment area (AA). Using Small Bank (SB) CRA procedures, the Bank was rated "Satisfactory" at its last performance evaluation dated May 12, 2014.

Scope of the Evaluation

Rockland's CRA performance was evaluated using SB CRA evaluation procedures, which evaluates the Bank's performance solely according to components of a lending test. The lending test evaluates the Bank's record of performance in meeting the credit needs of the AA during the evaluation period through its record of lending.

The evaluation period for the lending test covers RSB's performance from January 1, 2015 to December 31, 2017. Due to updates made to the demographic information during the evaluation period, we evaluated the Bank's 2015 and 2016 performance independent of 2017 performance metrics. To account for this, loans originated in 2015 and 2016 were compared to US Census data collected in 2010, and loans originated in 2017 were compared to the 2015 American Community Survey (ACS) US Census data.

The Bank's primary loan products, based on loan originations during the evaluation period, include residential mortgage and consumer auto loans. Among all loans originated and/or purchased during our evaluation period, residential mortgages and consumer loans accounted for 15 and 59 percent, respectively, by number of loans. When considering the dollar amount of these products originated/purchased during the evaluation period, residential mortgages and consumer loans accounted for 41 and 19 percent, respectively. Within the consumer loan portfolio, auto loans accounted for 49 percent by volume and 41 percent by dollar amount of all consumer loans. For this reason, we specifically identified consumer auto loans as a primary product in addition to our selection of residential mortgage loans.

The Bank is not a HMDA reporter. To evaluate the Bank's lending performance, we selected a random sampling of residential mortgage and consumer auto loans originated and/or purchased during the evaluation period. When evaluating RSB's lending performance, a significant emphasis was placed on loans originated during the 2015-2016 time period, as the majority of lending occurred during this timeframe. Specifically, for residential mortgage and consumer loans originated during the evaluation period, RSB originated 87 and 84 percent, respectively, of these lending products during the 2015-2016 timeframe.

Data Integrity

The Bank is not subject to the reporting requirements of the HMDA. After identifying residential home mortgage and consumer auto loans as primary products, we performed random sampling in accordance with internal guidance to assess the Bank's performance under components of the lending test. This resulted in an initial random sample of 20 residential home mortgage loans and 20 consumer auto loans originated and/or purchased from January 1, 2015 through December 31, 2017, which were used to evaluate RSB's level of lending inside/outside the AA. Additional sampling was performed, as needed, and resulted in a total of 30 residential home mortgage and 40 consumer auto loans sampled within the AA. During sampling procedures, selected loans were vetted against internal Bank documentation to ensure both the accuracy of data and to validate the integrity of the Bank's reporting systems. No issues regarding data integrity were identified as part of random sampling procedures and we found the data to be reliable.

Selection of Areas for Full-Scope Review

The CRA requires an institution to define its AA in which it will be evaluated. RSB has delineated one AA that meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies. RSB's AA is composed entirely of ME nonmetropolitan statistical area (MSA) (#99999) geographies, specifically, the three full counties of Knox, Lincoln, and Waldoboro. Consequently, our evaluation of the Bank's lending was performed according to one full-scope AA.

Please refer to Appendix B of this evaluation for further discussion surrounding the Community Profile of the Bank's full-scope AA.

Ratings

The Bank's overall rating is based primarily on RSB's delineated AA which received a full-scope review. As previously discussed, the Bank's performance during the 2015-2016 evaluation period was more heavily weighted when arriving at overall conclusions, as a substantial majority of loan originations and/or purchases occurred during this period. Home mortgage and consumer loans originated during 2015-2016 represented 87 and 84 percent of total originations, respectively.

Please refer to the "Selection of Areas for Full-Scope Review" and the "Scope of the Evaluation" sections above for more information regarding how each product was weighted in arriving at their respective ratings for the lending test.

Discriminatory or Other Illegal Credit Practices Review

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

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

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

Conclusions with Respect to Performance Tests

LENDING TEST

Rockland Savings Bank's performance according to the lending test is rated Satisfactory. The Bank's LTD ratio is considered more than reasonable and a substantial majority of the Bank's primary lending products sampled during the evaluation period were made within the delineated AA. Overall, the Bank's distribution of lending among borrowers of different income levels is considered reasonable, given AA competition and the Bank's volume of lending. An analysis of the geographic distribution of loans was not performed, as there are no low- or moderate-income CTs within the Bank's AA. There were no CRA-related complaints received by the Bank or the OCC during the evaluation period.

Loan-to-Deposit Ratio

The Bank's LTD ratio is considered more than reasonable given the institution's size, financial condition, and the AA's credit needs and economic factors. The Bank's LTD ratio averaged 93.84 percent over the 12 quarters since the last CRA evaluation. This compares favorably to the local AA peer average of 83.39 percent. The Bank's LTD ratio is also higher than the national peer average of 72.90 percent during the same period. The Bank's LTD ratio reached a high of 101.04 percent as of December 31, 2017, and a low of 89.37 percent as of September 30, 2015.

Lending in Assessment Area

A substantial majority of the Bank's primary lending products were originated and/or purchased within the delineated AA, and the Bank meets the standard for excellent performance. As previously discussed, a random selection of 20 residential mortgage loans and 20 consumer auto loans originated and/or purchased during our evaluation period were sampled to determine the level of lending within the AA. RSB originated and/or purchased 95 percent by number and 99 percent by dollar amount of loans inside the AA from 2015 to 2017.

The following table details the Bank's lending within the AA by number and dollar amount of loans:

Table 2 – Distribution of Loans Inside and Outside of Assessment Area										
Loan Category of Type	Number of Loans					Dollar Volume				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$(000s)	%	\$(000s)	%	\$(000s)
Residential Home Mortgages	20	100.00	0	0.00	20	3,282	100.00	0	0.00	3,282
Consumer Auto Loans	18	90.00	2	10.00	20	274	89.67	32	10.33	305
Total Lending	38	95.00	2	5.00	40	3,556	99.12	32	0.88	3,587

Source: A randomly selected sample of 20 residential mortgage loans and 20 consumer auto loans originated and/or purchased from 01/01/2015 – 12/31/2017.

Lending to Borrowers of Different Incomes

Rockland Savings Bank's distribution of lending among borrowers of different incomes reflects reasonable penetration, given competition and volume of lending. RSB's level of lending was assessed according to random samplings of residential home mortgage and consumer auto loans originated/purchased during the evaluation period. The level of home mortgage lending was compared to the aggregate peer mortgage data and consumer auto lending was compared to the percent of low- and moderate-income households within the AA.

Residential Real Estate Loans 2015-2016 and 2017

The distribution of residential home mortgage loans to borrowers of different income levels originated during the evaluation period reflects reasonable penetration, given competition and volume of lending. The percentage of home mortgage lending to both low- and moderate-income borrowers during the 2015-2016 evaluation period exceeds the peer aggregate lending data. The Bank only originated/purchased ten home mortgage loans within the AA during 2017, so the full population was selected for analysis. The Bank did not make any home mortgage loans to low-income borrowers during 2017. Competition in this market area is strong, as the top five lenders account for more than half of home mortgage lending to low-income borrowers, according to 2017 Peer Mortgage data. The percentage of home mortgage lending to moderate-income borrowers during 2017 exceeds the peer aggregate lending data.

The following tables detail the Bank's home mortgage lending during the evaluation period:

Table 3A – Borrower Distribution of Residential Real Estate Loans in the Rockland SB AA ME – nonMSAs (#99999) 2015-2016								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans
Home Loans	4.30	5.00	14.30	20.00	20.10	25.00	46.00	50.00

Source: Randomly selected sample of 20 residential home mortgage loans originated and/or purchased during 2015-2016; 2016 Aggregate Peer Mortgage Data and 2010 US Census. Due to rounding, totals may not equal 100.00.

Table 3B – Borrower Distribution of Residential Real Estate Loans in the Rockland SB AA ME – nonMSAs (#99999) 2017								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans	% of Aggregate Lending Data	% of Bank Loans
Home Loans	3.70	0.00	14.20	20.00	21.20	30.00	46.00	50.00

Source: Randomly selected sample of ten residential home mortgage loans (entire population) originated and/or purchased during 2017; 2017 Aggregate Peer Mortgage Data and 2015 ACS Census. Due to rounding, totals may not equal 100.00.

Consumer Auto Loans 2015-2016 and 2017

The distribution of consumer auto loans to borrowers of different income levels originated during the evaluation period reflects reasonable penetration, given competition and volume of lending. The percentage of consumer auto lending to low-income borrowers during the 2015-2016 evaluation period exceeds the percent of low-income households within the AA, our primary comparator. The percentage of consumer auto lending to moderate-income borrowers during 2015-2016 evaluation period falls within a reasonable range below the percent of moderate-income households. The percentage of consumer auto lending to both low- and moderate-income borrowers in 2017 exceeds the percent of low- and moderate-income households within the AA. The Bank only originated/purchased 18 consumer auto loans within the AA during 2017, so the full population was used for analysis.

The following tables details the Bank's consumer auto lending during the evaluation period:

Table 4A – Borrower Distribution of Consumer Loans (Autos) in the Rockland SB AA ME – nonMSAs (#99999) 2015-2016								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Households	% of Bank Loans	% of Households	% of Bank Loans	% of Households	% of Bank Loans	% of Households	% of Bank Loans
Consumer Auto Loans	21.00	35.00	15.90	10.00	18.40	25.00	44.70	25.00

Source: Randomly selected sample of 20 consumer auto loans originated and/or purchased during 2015-2016; 2010 US Census. Due to rounding, totals may not equal 100.00.

Table 4B – Borrower Distribution of Consumer Loans (Autos) in the Rockland SB AA ME – nonMSAs (#99999) 2017								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Households	% of Bank Loans	% of Households	% of Bank Loans	% of Households	% of Bank Loans	% of Households	% of Bank Loans
Consumer Auto Loans	20.50	22.20	16.00	44.40	17.00	16.70	46.50	16.70

Source: Randomly selected sample of 18 consumer auto loans (entire population) originated and/or purchased during 2017; 2015 ACS Census. Due to rounding, totals may not equal 100.00. One of the loans sampled did not have applicant income information and was consequently coded as "NA".

Geographic Distribution of Loans

An analysis of the geographic distribution of loans was not performed, as there are no low- or moderate-income census tracts within the Bank's AA.

Responses to Complaints

There were no CRA-related complaints received by the Bank or the OCC during the evaluation period.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, 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: (1/1/15 to 12/31/17)	
Financial Institution		Products Reviewed
Rockland Savings Bank, FSB ("RSB" or "the Bank") Rockland, Maine		Residential mortgage loans (home loans) and consumer loans (auto) via sampling procedures.
Affiliate(s)	Affiliate Relationship	Products Reviewed
None reviewed.		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Rockland SB_AA ME – nonMSAs (#99999)	Full-Scope	<ul style="list-style-type: none"> • ME – nonMSAs (#99999): <ul style="list-style-type: none"> ○ Knox County (#013) ○ Lincoln County (#015) ○ Waldo County (#027)

Appendix B: Community Profiles for Full-Scope Areas

Rockland Savings Bank, FSB's Assessment Area (AA)

Rockland Savings Bank, FSB's AA consists of the three adjacent counties of Knox, Lincoln, and Waldo, all three of which are nonMSA (#99999) geographies located within ME, specifically a segment of the Midcoast Maine region. Since these three counties are nonMSA geographies and are adjacent, these CTs will be combined into a single, full-scope AA. The AA includes full cities/towns and does not arbitrarily exclude any geographies. Due to updates made to the demographic information during the evaluation period, the Bank's 2015 and 2016 performance was evaluated independently of the 2017 performance metrics. The Bank's lending performance between January 1, 2015 and December 31, 2016 was compared to the 2010 US Census data. The Bank's performance between January 1, 2017 and December 31, 2017 was compared to the 2015 ACS data.

RSB operates in a competitive market area, with significant presence from other local savings institutions and larger national banks. Based on the Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report as of June 30, 2016, Rockland Savings Bank had 2.31 percent of the market share for deposits in the AA. Rockland Savings Bank ranked 7th out of 11 financial institutions in the AA. Local competitors include, from most market share to least: The Camden National Bank, First National Bank, Bangor Savings Bank, and Damariscotta Bank and Trust Co. Larger nationwide institutions with market presence in the AA include KeyBank National Association and TD Bank, N.A.. The FDIC Deposit Market Share Report as of June 30, 2017 consists of the same 11 institutions within the AA. Rockland Savings Bank ranks 8th on this list, with 1.9 percent of the market share in the AA.

Based on Home Loan Market Share reports, Rockland Savings Bank has substantial competition from financial institutions for lending activity in the AA. Competitors include First National Bank, Camden National Bank, Bangor Savings Bank, Merrimack Mortgage Company, Wells Fargo, Quicken Loans, US Bank, Bank of America, and JP Morgan Chase. The 2016 market share report indicates that there are a total of 167 lenders in the AA, with the top ten lenders holding approximately 60 percent of the lending market share. The 2017 Home Loan Market Share report indicates that there are now 176 mortgage lenders in the AA. The top ten lenders still hold a significant amount of the market share at approximately 58 percent.

According to the Moody's Analytics economic report as of May 2018, Maine's top employment industries include education and health services, government, hospitality, professional services, retail trade, and manufacturing. Economic strengths include tourism and home buyers along the coast, a healthy forest products industry, and increasing healthcare demands as Maine's senior population continues to grow. Economic weaknesses include a smaller labor force as residents retire and young people move elsewhere, and high cost of business. Major employers in the state of

Maine include Maine Health, LL Bean, Bath Iron Works, Eastern Maine Medical Center, Walmart, Hannaford Bros, Unum Provident, Central Maine Healthcare Corp., University of Maine, and St Mary’s Regional Medical Center. The unemployment rate in the state of Maine was 3.5 percent and 3.1 percent for year ends 2016 and 2017, respectively.

In assessing the Bank’s performance, we reached out to several community contacts to better determine the credit needs of the local AA. We were unable to make contact with any local organizations, but did review historic community contact information and recent contact information collected as part of performance evaluations of other institutions located and operating within the same geographic location, specifically the Midcoast Maine region. One selected contact is an affordable/stable housing mission driven organization based in Sagadahoc County, which is adjacent to the Bank’s AA. The community contact noted that among the Midcoast Maine region, housing costs are one of the least affordable in the country and the need amongst LMI groups, as well as elderly and at risk families, is significant. Specifically, the contact noted that one in six residents live in unstable housing conditions, however, the contact added that local banks do an excellent job in meeting community credit needs.

Rockland SB AA ME – nonMSAs (#99999) 2015 – 2016:

Demographic information of RSB’s full-scope AA during 2015-2016 is detailed in the table below:

Demographic Information for Full Scope Area: Rockland SB AA ME – nonMSAs (#99999) 2015-2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	27	0.00	0.00	85.19	14.81	0.00
Population by Geography	112,979	0.00	0.00	90.53	9.47	0.00
Owner-Occupied Housing by Geography	39,130	0.00	0.00	89.77	10.23	0.00
Business by Geography	7,774	0.00	0.00	85.94	14.06	0.00
Farms by Geography	454	0.00	0.00	88.11	11.89	0.00
Family Distribution by Income Level	31,366	17.50	17.56	22.65	42.29	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	10,997	0.00	0.00	92.83	7.17	0.00
Median Family Income (MFI)		51,782	Median Housing Value		201,834	
FFIEC Adjusted MFI for 2016		55,300	Unemployment Rate (2010 US Census)		3.34%	
Households Below Poverty Level		13%	(BLS 2016 annual average of AA geographies)		3.80%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2016 FFIEC updated MFI

During the 2015-2016 evaluation period, the AA was comprised of 27 census tracts. There were no low-income or moderate-income tracts. There were 23 middle-income

census tracts, representing 85 percent, and 4 upper-income census tracts, representing 15 percent of the bank's AA. According to 2010 US Census data, the AA contains a population of nearly 113 thousand people, including over 31 thousand families. The FFIEC Adjusted Median Family Income for 2015-2016 was \$55,300 and the 2010 Median Housing Value was \$201,834. Approximately 18 percent of families are low-income, 18 percent are moderate-income, 23 percent are middle-income, and 42 percent are upper-income. The AA demographics show that 13 percent of households are below the poverty line.

Rockland SB AA ME – nonMSAs (#99999) 2017:

Demographic information of RSB's full-scope AA during 2017 is detailed in the table below:

Demographic Information for Full Scope Area: Rockland SB AA ME – nonMSAs (#99999) 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	29	0.00	0.00	62.07	31.03	6.90
Population by Geography	112,855	0.00	0.00	72.36	27.64	0.00
Owner-Occupied Housing by Geography	37,911	0.00	0.00	69.30	30.70	0.00
Business by Geography	7,634	0.00	0.00	66.88	33.12	0.00
Farms by Geography	448	0.00	0.00	72.54	27.46	0.00
Family Distribution by Income Level	30,865	17.06	17.12	21.52	44.30	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	10,552	0.00	0.00	77.08	22.92	0.00
Median Family Income (MFI)	54,862	Median Housing Value		200,967		
FFIEC Adjusted MFI for 2017	55,900	Unemployment Rate (2015 ACS US Census)		3.00%		
Households Below Poverty Level	13%	(BLS 2017 annual average of AA geographies)		3.30%		

(* The NA category consists of geographies that have not been assigned an income classification.
Source: 2015 ACS US Census and 2017 FFIEC updated MFI

During 2017, the AA was comprised of 29 census tracts. There were no low-income or moderate-income tracts. There were 18 middle-income census tracts, representing 62 percent, and 9 upper-income census tracts, representing 31 percent of the bank's AA. According to the 2015 ACS update, the AA contains a population of nearly 113 thousand people, including over 30 thousand families. The FFIEC Adjusted Median Family Income for 2017 was \$55,900 and the Median Housing Value was \$200,967. Approximately 17 percent of families are low-income, 17 percent are moderate-income, 22 percent are middle-income, and 44 percent are upper-income. The AA demographics show that 13 percent of households are below the poverty line.