

# **Public Disclosure**

May 10, 1999

## **Community Reinvestment Act Performance Evaluation**

**First National Bank of Bar Harbor  
Charter Number 3941  
102 Main Street  
Bar Harbor, Maine 04609-1838**

**The Office of the Comptroller of the Currency  
New England Field Office  
150 Federal Street, Second Floor  
Boston, Massachusetts 02110-1745**

**Note: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

## TABLE OF CONTENTS

Definitions .....	3
General Information .....	4
Description of Institution.....	5
Description of Assessment Areas.....	5
Conclusions with Respect to Performance Criteria	
Loan to Deposit Ratio.....	9
Lending in Assessment Areas .....	9
Lending to Borrowers of Different Incomes and Businesses of Different Sizes .....	10
Geographic Distribution of Loans.....	17
Response to Complaints .....	23
Fair Lending Results .....	23

## Definitions

Geography - a census tract or block numbering area.

HMDA loan - a ~~A~~home improvement loan~~@~~, ~~A~~refinance loan~~@~~ or ~~A~~home purchase loan~~@~~ that is reported on the Home Mortgage Disclosure Act Report.

Home improvement loan - any loan that is for the purpose in whole or in part of repairing, rehabilitating, remodeling or improving a dwelling or the real property on which it is located and is classified by the financial institution as a home improvement loan.

Home purchase loan - any loan secured by and made for the purpose of purchasing a dwelling.

Low income - an individual income that is less than 50% of the area median income, or median family income (MFI) that is less than 50%, in the case of a geography.

Moderate income - an individual income that is at least 50% and less than 80% of the area median income, or a MFI that is at least 50% and less than 80%, in the case of a geography.

Middle income - an individual income that is at least 80% and less than 120% of the area median income, or a MFI that is at least 80% and less than 120%, in the case of a geography.

Upper income - an individual income that is 120% or more of the area median income, or a MFI that is 120% or more, in the case of a geography.

Refinance loan - any loan in which the existing obligation, involving either a home purchase or a home improvement loan, is satisfied and replaced by a new obligation.

Small Business Loan - a business loan for \$1 million or less.

Small Business - a business with annual revenues of \$1 million or less.

## General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of The First National Bank of Bar Harbor prepared by The Office of the Comptroller of the Currency, the institution's supervisory agency, as of May 10, 1999. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

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

The primary factors supporting the overall rating are:

- ! A strong loan to deposit ratio since the last CRA examination, averaging 92% over the past seven calendar quarters.
- ! An excellent level of lending within the bank's assessment areas, with 97% of the number and 94% of the dollar volume of HMDA and small business loans originated during the evaluation period.
- ! A reasonable level of lending to borrowers of different incomes, with 5% of the number and 1% of the dollar volume of HMDA loans to low-income borrowers and 12% of the number and 6% of the dollar volume to moderate-income borrowers, and an excellent level of lending to small businesses, with 81% of the business loans.
- ! A reasonable level of lending to borrowers in different geographies, with 14% of the number and 8% of the dollar volume of HMDA loans, and 11% of the number and 3% of the dollar volume of small business loans, located in moderate-income geographies.

## **Description of Institution**

The First National Bank of Bar Harbor (FNB) is the wholly owned subsidiary of FNB Bankshares (FNBB), a one-bank holding company with total assets of \$137 million as of December 31, 1998 and located in Bar Harbor, Maine. FNBB has no other subsidiaries or affiliates and the asset size of the holding company essentially equals the asset size of FNB.

FNB is a full service commercial and retail bank operating in Northeastern coastal Maine. FNB's main branch is located in downtown Bar Harbor in Hancock County. In addition to the main office, there are six branches in the towns of Southwest Harbor, Ellsworth, Northeast Harbor, Eastport, Calais and Holden. The Northeast Harbor branch was opened during the evaluation period and no branches have been closed. All branches, with the exception of the Eastport branch, are located in middle-income geographies. The Eastport branch is in a moderate-income geography. The Northeast Harbor branch is the only branch without a drive-up facility. All branches have automated teller machines (ATMs). The bank also has three proprietary ATMs located in Hancock County.

Net loans represent 71% of total assets. FNB primarily makes commercial and residential real estate loans, which represent 45% and 37% respectively of the bank's total loan portfolio. Commercial loans and consumer loans make up 10% and 5%. Municipal loans were nominal at 2%. Agricultural loans were only 1%, and are therefore not included in this evaluation. There are no legal or financial circumstances impeding the bank's ability to help meet the credit needs of its community.

The last CRA examination was conducted during the second quarter of 1997. FNB was rated **Satisfactory**. Information obtained from bank reports was analyzed and reviewed for accuracy.

## **Description of Assessment Areas**

FNB's assessment areas meet the criteria of the regulation and do not arbitrarily exclude low- or moderate-income geographies. The bank has delineated three assessment areas based on the geographic location of its branches. The first consists of all of Hancock County, which is not in a metropolitan statistical area (MSA), and includes the Bar Harbor, Southwest Harbor, Ellsworth and Northeast Harbor branches. The second assessment area is a portion of the Bangor MSA in Penobscot County, where the bank's Holden branch is located, and is contiguous to Hancock County. The third assessment area is a portion of Washington County, which is not in a MSA and is not contiguous to either Hancock or Penobscot County. The Eastport and Calais branches are in Washington County.

The most recently updated non-MSA statewide median family income for Hancock and Washington counties was \$35,900. The Penobscot County's MSA family income is \$38,900. Income levels are categorized based on the Department of Housing and Urban Development's estimates of median family income. Table 1 indicates the income designations of the geographies for the assessment areas, and Table 2 indicates the percent

of families, by income level and geography for the assessment areas. Table 3 shows additional demographic information for each of the counties.

Table 1

<b>Income Designations of Geographies</b>								
	Hancock County		Washington County*		Penobscot County*		Assessment Areas Combined	
	#	%	#	%	#	%	#	%
Low Income Geographies	There are no low income geographies							
Moderate Income Geographies	2	13	3	43	3	27	8	24
Middle Income Geographies	13	87	4	57	6	55	23	70
Upper Income Geographies	0	--	0	--	2	18	2	6

\* consists of the portion of the county included in FNB's assessment area.

Source: 1990 Census Information

Table 2

<b>Percent of Families by Income Level of Tract</b>					
	Total Families	Low Income Families	Moderate Income Families	Middle Income Families	Upper Income Families
<b>Hancock County</b>					
Low Income Geographies	There are no low income geographies				
Moderate Income Geographies	13%	16%	18%	13%	8%
Middle Income Geographies	87%	84%	82%	87%	92%
Upper Income Geographies	There are no upper income geographies				
<b>Penobscot County*</b>					
Low Income Geographies	There are no low income geographies				
Moderate Income Geographies	14%	24%	20%	15%	5%
Middle Income Geographies	71%	65%	72%	74%	72%
Upper Income Geographies	15%	11%	8%	11%	23%
<b>Washington County*</b>					
Low Income Geographies	There are no low income geographies				

Moderate Income Geographies	33%	42%	43%	32%	21%
Middle Income Geographies	67%	58%	57%	68%	79%
Upper Income Geographies	There are no upper income geographies				

\* consists of the portion of the county included in FNB's assessment area.

Source: 1990 Census Information

Table 3

<b>Additional Demographic Data</b>				
	Hancock County	Washington County*	Penobscot County*	Assessment Areas Combined
Population	43,867	14,071	32,422	90,360
Percent owner-occupied housing	46%	58%	54%	50%
Median housing value	\$87,182	\$51,711	\$78,930	\$79,640
Percent below poverty level	11%	18%	13%	13%

\* consists of the portion of the county included in FNB's assessment area.

Source: 1990 Census Information

The Hancock County economy is strong. Seasonal tourism, forestry and fishing are the main sources of revenue. The natural beauty of the Maine coastline and Acadia National Park have historically brought a substantial number of vacationers to the area. In addition, Jackson Laboratory, a biomedical research organization, the College of the Atlantic and the Mount Desert Island Hospital are large employers in the Bar Harbor area.

Washington County has always been the economically weakest county in the state, though it is improving. Georgia-Pacific and Calais Regional Hospital are major employers. Fishing, logging, the manufacture of paper and wood products and the harvest of wild blueberries are the main sources of revenue.

The Penobscot County economy is healthy. Large employers include the University of Maine and the Eastern Maine Medical Center. Logging, manufacturing and retail are important sources of employment.



Table 4 indicates the annual average unemployment rates in the Hancock, Penobscot and Washington counties, and the overall state of Maine, for 1997 and 1998.

Table 4

<b>Annual Average Unemployment Rates</b>		
	1997	1998
Maine	5.4%	4.3%
Hancock County	5.9%	5.0%
Penobscot County	5.8%	4.4%
Washington County	11.0%	9.3%

Source: Maine State Planning Office, March 1999

Competition throughout the assessment areas is strong. Competition *on island*, which refers to the branches in Hancock County with the exception of the Ellsworth branch, consists of branches of Bar Harbor Banking and Trust, Union Trust Company and Machias Savings Bank, all of which exceed \$250 million in total assets but are less than \$500 million. The town of Ellsworth, which is *off island*, also has strong competition, including the previously noted three banks as well as branches of Bangor Savings Bank, with total assets of approximately \$1.3 billion, People's Heritage Bank, a large regional bank, Key Bank, Fleet and a local credit union. In Washington County, competition in Eastport consists of a branch of Bangor Savings Bank, and in Calais, Bangor Savings Bank and Machias Savings Bank have branches. The Holden branch of FNB is the only bank in the town. However, competition is provided from Ellsworth and Bangor. Nationwide mortgage companies and banks also provide competition for HMDA loans throughout the assessment areas.

Small business loans were described as credit needs for the Hancock County assessment area by both bank management and community contacts. We conducted a total of three community contacts, one in each of the bank's assessment areas. One contact was a town official, the other two were local businessmen. Each contact noted that there is

considerable competition among financial institutions in their communities, and all spoke positively about the bank's responsiveness to credit needs.

## Conclusions with Respect to Performance Criteria

### Loan to Deposit Ratio

FNB's loan to deposit ratio exceeds the standards for satisfactory performance. The loan to deposit ratio is 87% as of December 31, 1998. For the seven calendar quarters since the last CRA examination, the average loan to deposit ratio equaled 92%. FNB's average loan to deposit ranked higher when compared to local peer banks in Hancock and Penobscot counties, whose average loan to deposit ratios for the seven calendar quarters ranged from 62% to 88%. Local peers have total assets less than \$250 million. There are no local banks headquartered in Washington county. Average loan to deposit ratios for the eighteen banks with total assets less than \$250 million throughout Maine ranged from 62% to 101%. FNB had the fourth highest ratio in the state.

### Lending in Assessment Area

FNB's lending in the three assessment areas exceeds the standards for satisfactory performance. During the evaluation period, which is from January 1, 1997 through December 31, 1998, FNB originated a total of 285 HMDA loans for \$16.7 million and 348 small business loans for \$25.1 million. Table 4 shows the number and dollar amount of loans originated inside and outside the combined Hancock, Washington and Penobscot county assessment areas. Overall lending within the assessment areas is strong at 97% of the number and 94% of the dollar volume.

Table 4

<b>Loan Originations (\$000)</b>								
<b>Loan Type</b>	<i>Inside Assessment Area</i>				<i>Outside Assessment Area</i>			
	<b># Loans</b>	<b>%</b>	<b>\$ Amt</b>	<b>%</b>	<b># Loans</b>	<b>%</b>	<b>\$ Amt</b>	<b>%</b>
<b>HMDA</b>	279	98	16,453	99	6	2	214	1
<b>Small Business</b>	333	96	22,968	91	15	4	2,157	9
<b>Total</b>	612	97	39,421	94	21	3	2,371	6

Source: Bank prepared data

### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of loans to borrowers of different income levels and to small businesses meets the standards for satisfactory performance. During the evaluation period, FNB originated 279 HMDA loans for \$16.4 million within the assessment areas. Of those loans, 69% of the number and 81% of the dollar volume of HMDA loans were originated in Hancock County, 28% of the number and 16% of the dollar were originated in Washington County and 3% of the number and dollar volume were originated in Penobscot County. HMDA loans were primarily refinance loans, at 42% of the number and 61% of the dollar volume. This large percentage of refinance loans was due to the declining rate environment in effect during the evaluation period. Home improvement loans comprised 34% of the number and 8% of the dollar volume, and home purchase loans were 24% of the number and 31% of the dollar volume.

Information regarding FNB's distribution of loans by borrower's income level is based on the 1997 and 1998 HMDA Loan Application Registers (HMDA-LAR), which were tested for accuracy. Tables 5 shows the HMDA distribution by borrower by loan product for the overall bank, and Tables 6, 7 and 8 show the HMDA distribution by loan product by assessment area.

Table 5

<b>HMDA Originations (\$000) - Total Bank</b>					
By Borrower Income		Home Purchase	Home Improvement	Refinance	% of Families
Low income	#/% of total	2/3%	11/12%	2/2%	19%
	\$/% of total	\$73/1%	\$67/5%	\$72/1%	
Moderate income	#/% of total	9/14%	16/17%	9/8%	20%
	\$/% of total	\$409/8%	\$156/12%	\$405/4%	
Middle income	#/% of total	21/31%	22/23%	24/20%	24%
	\$/% of total	\$1,177/23%	\$269/20%	\$1,510/15%	
Upper income	#/% of	35/52%	44/47%	79/67%	37%

	total				
	\$/% of total	\$3,502/68%	\$833/62%	\$7,645/77%	
Income N/A	#/% of total	0/--	1/1%	4/3%	N/A
	\$/% of total	0/--	\$12/1%	\$323/3%	
Total	#/% of total	67/100%	94/100%	118/100%	100%
	\$/% of total	\$5,161/100%	\$1,337/100%	\$9,955/100%	

Source: Bank prepared data

For the combined HMDA products, 5% of the number and 1% of the dollar volume of originations were to low-income borrowers, and 12% of the number and 6% of the dollar volume of originations were to moderate-income borrowers.

Table 6

<b>HMDA Originations (\$000) - Hancock County</b>					
By Borrower Income		Home Purchase	Home Improvement	Refinance	Percent of Families
Low income	#/% of total	2/4%	5/9%	2/2%	18%
	\$/% of total	\$73/2%	\$41/6%	\$72/1%	
Moderate income	#/% of total	6/14%	8/15%	7/8%	21%
	\$/% of total	\$327/8%	\$55/8%	\$348/4%	
Middle income	#/% of total	13/28%	12/23%	18/19%	24%
	\$/% of total	\$796/19%	\$95/13%	\$1,229/14%	
Upper income	#/% of total	25/54%	28/53%	62/67%	37%

	\$/% of total	\$2,949/71%	\$520/73%	\$6,514/77%	
Income N/A	#/% of total	0/--	0/--	4/4%	N/A
	\$/% of total	0/--	0/--	\$323/4%	
Total	#/% of total	46/100%	53/100%	93/100%	100%
	\$/% of total	\$4,145/100%	\$711/100%	\$8,486/100%	

Source: Bank prepared data

Table 7

<b>HMDA Originations (\$000) - Washington County</b>					
By Borrower Income		Home Purchase	Home Improvement	Refinance	Percent of Families
Low income	#/% of total	0/--	6/16%	0/--	26%
	\$/% of total	0/--	\$26/5%	0/--	
Moderate income	#/% of total	3/15%	8/22%	2/10%	20%

	\$/% of total	\$82/8%	\$101/19%	\$57/5%	
Middle income	#/% of total	8/40%	10/27%	4/19%	22%
	\$/% of total	\$381/39%	\$174/32%	\$192/17%	
Upper income	#/% of total	9/45%	13/35%	15/71%	32%
	\$/% of total	\$509/53%	\$238/44%	\$888/78%	
Income N/A	#/% of total	0/--	0/--	0/--	N/A
	\$/% of total	0/--	0/--	0/--	
Total	#/% of total	20/100%	37/100%	21/100%	100%
	\$/% of total	\$972/100%	\$539/100%	\$1,137/100%	

Source: Bank prepared data

Table 8

<b>HMDA Originations (\$000) - Penobscot County</b>
---

By Borrower Income		Home Purchase	Home Improvement	Refinance	Percent of Families
Low income	#/% of total	0/--	0/--	0/--	18%
	\$/% of total	0/--	0/--	0/--	
Moderate income	#/% of total	0/--	0/--	0/--	18%
	\$/% of total	0/--	0/--	0/--	
Middle income	#/% of total	0/--	0/--	2/50%	25%
	\$/% of total	0/--	0/--	\$89/27%	
Upper income	#/% of total	1/100%	3/75%	2/50%	39%
	\$/% of total	\$44/100%	\$75/86%	\$243/73%	
Income N/A	#/% of total	0/--	1/25%	0/--	N/A
	\$/% of total	0/--	\$12/14%	0/--	
Total	#/% of total	1/100%	4/100%	4/100%	100%
	\$/% of total	\$44/100%	\$87/100%	\$332/100%	

Source: Bank prepared data

During the evaluation period, FNB originated 333 small business loans for \$23 million in the assessment areas. Of those loans, 75% of the number and 91% of the dollar volume were in Hancock County, 23% of the number and 7% of the dollar volume were in Washington County, and 2% of the number and dollar volume were in Penobscot County.

To determine the percent of businesses that are small, we sampled twenty loans from the Hancock County and Washington County assessment areas, and three loans originated in Penobscot County, given the significantly lower percentage of originations. In Penobscot County, two of the loans sampled were to the same borrower.

Tables 9, 10, 11 and 12 show the percentage distribution of small business borrowers by annual revenues. FNB's percentage of lending to small businesses was excellent, with 81% of the loans made to small businesses, and exceeded the percentage of small businesses in the assessment areas combined.

Table 9

<b>Percentage Distribution of Small Business Borrowers by Annual Revenues - Total Bank</b>			
Revenue	< or = \$1 million	> \$1 million	Percent of Small Businesses
Number	34	8	
Percentage	81%	19%	75%

Source: Bank prepared data

Table 10

<b>Percentage Distribution of Small Business Borrowers by Annual Revenues - Hancock County</b>			
Revenue	< or = \$1 million	> \$1 million	Percent of Small Businesses
Number	15	5	
Percentage	75%	25%	79%

Source: Bank prepared data

Table 11

<b>Percentage Distribution of Small Business Borrowers by Annual Revenues - Washington County</b>			
Revenue	< or = \$1 million	> \$1 million	Percent of Small Businesses
Number	18	2	
Percentage	90%	10%	72%

Source: Bank prepared data

Table 12

<b>Percentage Distribution of Small Business Borrowers by Annual Revenues -</b>			
---	--	--	--



<b>Penobscot County</b>			
Revenue	< or = \$1 million	> \$1 million	Percent of Small Businesses
Number	1	1	
Percentage	50%	50%	71%

Source: Bank prepared data

We also reviewed all commercial loans within the bank's assessment areas to analyze the bank's small business lending performance based on loan size by number of originations. Table 13 reflects FNB's strong willingness to help meet the credit needs of borrowers with modest financing requirements. Table 14, 15 and 16 are for each of the assessment areas.

Table 13

<b>Percentage of Commercial Loan Originations by Loan Size - Total Bank</b>			
	< or = \$100,000	\$100,001 to \$250,000	\$250,001 to \$1,000,000
Number	275	40	18
Percentage	83%	12%	5%

Source: Bank prepared data

Table 14

<b>Percentage of Commercial Loan Originations by Loan Size - Hancock County</b>			
	< or = \$100,000	\$100,001 to \$250,000	\$250,001 to \$1,000,000
Number	191	39	18
Percentage	77%	16%	7%

Source: Bank prepared data

Table 15

<b>Percentage of Commercial Loan Originations by Loan Size - Washington County</b>			
	< or = \$100,000	\$100,001 to \$250,000	\$250,001 to \$1,000,000
Number	76	1	0
Percentage	99%	1%	--

Source: Bank prepared data

Table 16

<b>Percentage of Commercial Loan Originations by Loan Size - Penobscot County</b>			
	< or = \$100,000	\$100,001 to \$250,000	\$250,001 to \$1,000,000
Number			
Percentage			

	< or = \$100,000	\$100,001 to \$250,000	\$250,001 to \$1,000,000
Number	8	0	0
Percentage	100%	--	--

Source: Bank prepared data

### Geographic Distribution of Loans

The distribution of HMDA and small business loans by geography meets the standards for satisfactory performance. Table 17 shows the percentage of FNB's HMDA lending for the total bank by geography compared to the percent of owner-occupied housing in each geographic income category by product. Tables 18, 19 and 20 show the geographic distribution for each of the assessment areas.

Table 17

Geographic Distribution of HMDA Originations (\$000) - Total Bank					
By Geographic Location		Home Purchase	Home Improvement	Refinance	Percent of Owner-Occupied Housing
Low income		There are no low income geographies			
Moderate income	#/% of total	11/16%	21/22%	8/7%	15%
	\$/% of total	\$483/9%	\$305/23%	\$571/6%	
Middle income	#/% of total	56/84%	73/78%	110/93%	80%
	\$/% of total	\$4,678/91%	\$1,032/77%	\$9,384/94%	
Upper income	#/% of total	0/--	0/--	0/--	5%
	\$/% of total	0/--	0/--	0/--	
Total	#/% of	67/100%	94/100%	118/100%	100%

	total				
	\$/% of total	\$5,161/100 %	\$1,337/100%	\$9,955/100%	

Source: Bank prepared data

For the combined HMDA products, 14% of the number and 8% of the dollar volume of HMDA loans were in moderate-income geographies.

Table 18

Geographic Distribution of HMDA Originations (\$000) - Hancock County					
By Geographic Location		Home Purchase	Home Improvement	Refinance	Percent of Owner-Occupied Housing
Low income		There are no low income geographies			
Moderate income	#/% of total	1/2%	2/4%	3/3%	12%
	\$/% of total	\$3/--	\$39/5%	\$322/4%	
Middle income	#/% of total	45/98%	51/96%	90/97%	88%
	\$/% of total	\$4,142/100%	\$672/95%	\$8,164/96%	
Upper income		There are no upper income geographies			
Total	#/% of total	46/100%	53/100%	93/100%	100%
	\$/% of total	\$4,145/100%	\$711/100%	\$8,486/100 %	

Source: Bank prepared data

Table 19

Geographic Distribution of HMDA Originations (\$000) - Washington County					
By Geographic Location		Home Purchase	Home Improvement	Refinance	Percent of Owner-Occupied Housing
Low income		There are no low income geographies			
Moderate income	#/% of total	10/50%	19/51%	5/24%	35%
	\$/% of total	\$480/49%	\$266/49%	\$249/22%	
Middle income	#/% of total	10/50%	18/49%	16/76%	65%
	\$/% of total	\$492/51%	\$273/51%	\$888/78%	
Upper income		There are no upper income geographies			
Total	#/% of	20/100%	37/100%	21/100%	100%

	total				
	\$/% of total	\$972/100%	\$539/100%	\$1,137/100%	

Source: Bank prepared data

Table 20

Geographic Distribution of HMDA Originations (\$000) - Penobscot County					
By Geographic Location		Home Purchase	Home Improvement	Refinance	Percent of Owner-Occupied Housing
Low income		There are no low income geographies			
Moderate income	#/% of total	0/--	0/--	0/--	10%
	\$/% of total	0/--	0/--	0/--	
Middle income	#/% of total	1/100%	4/100%	4/100%	73%

	\$/% of total	\$44/100%	\$87/100%	\$332/100%	
Upper income	#/% of total	0/--	0/--	0/--	17%
	\$/% of total	0/--	0/--	0/--	
Total	#/% of total	1/100%	4/100%	4/100%	100%
	\$/% of total	\$44/100%	\$87/100%	\$332/100%	

Source: Bank prepared data

Table 21 shows the distribution of small business loans by geography compared to the percent of businesses in each geographic category. Eleven percent of the number and 3% of the dollar volume of small business loans were in moderate-income geographies. Tables 22, 23 and 24 show the distribution by the assessment areas.

Table 21

Geographic Distribution of Small Business Originations (\$000) - Total Bank			
By Geographic Location		Small Business Loans	Percent of Businesses
Low income		There are no low income geographies	
Moderate income	#/% of total	38/11%	23%
	\$/% of	\$675/3%	

	total		
Middle income	#/% of total	295/89%	74%
	\$/% of total	\$22,293/97%	
Upper income	#/% of total	0/--	3%
	\$/% of total	0/--	
Total	#/% of total	333/100%	100%
	\$/% of total	22,968/100%	

Source: Bank prepared data

Table 22

Geographic Distribution of Small Business Originations (\$000) -Hancock County
--

By Geographic Location		Small Business Loans	Percent of Businesses
Low income                      There are no low income geographies			
Moderate income	#/% of total	1/--	10%
	\$/% of total	\$10/--	
Middle income	#/% of total	247/100%	90%
	\$/% of total	\$20,821/100%	
Upper income                  There are no upper income geographies			
Total	#/% of total	248/100%	100%
	\$/% of total	\$20,831/100%	

Source: Bank prepared data

Table 23

Geographic Distribution of Small Business Originations (\$000) - Washington County			
By Geographic Location		Small Business Loans	Percent of Businesses
Low income                      There are no low income geographies			
Moderate income	#/% of total	37/48%	30%
	\$/% of total	\$665/40%	
Middle income	#/% of total	40/52%	70%
	\$/% of total	\$977/60%	
Upper income                  There are no upper income geographies			
Total	#/% of total	77/100%	100%
	\$/% of total	\$1,642/100%	

Source: Bank prepared data



Table 24

Geographic Distribution of Small Business Originations (\$000) - Penobscot County			
By Geographic Location		Small Business Loans	Percent of Businesses
Low income		There are no low income geographies	
Moderate income	#/% of total	0/--	38%
	\$/% of total	0/--	
Middle income	#/% of total	8/100%	54%
	\$/% of total	\$495/100%	
Upper income	#/% of total	0/--	8%
	\$/% of total	0/--	
Total	#/% of total	8/100%	100%
	\$/% of total	\$495/100%	

Source: Bank prepared data

### Response to Complaints

FNB did not receive any complaints during the evaluation period.

### Results of Fair Lending Review

Our fair lending review did not identify evidence of disparate treatment or violations of the substantive provisions of the antidiscrimination laws and regulations. The scope of our fair lending review compared denied single female applicants for HMDA products to single male applicants that were granted credit during the evaluation period. Fair lending policies, procedures, training programs and internal assessment efforts are effective.