



## **PUBLIC DISCLOSURE**

April 06, 2015

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Camden National Bank  
Charter Number: **2311**

2 Elm Street  
Camden, ME 04843

Office of the Comptroller of the Currency

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Boston, MA 02110

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

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## Overall CRA Rating

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

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

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	x		
High Satisfactory		x	x
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- The Bank's lending activity is excellent;
- A substantial majority of home mortgage loans and small loans to businesses and farms are originated or purchased within the Bank's assessment areas;
- The distribution of loans to borrowers of different income levels and businesses and farms of different sizes is excellent;
- The Bank has a high level of community development loans that has a positive impact on the Lending Test;
- The Bank's Investments are responsive to identified community credit needs;
- The Bank provides a high 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 statistical 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, the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include 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

Camden National Bank (CNB), headquartered in Camden Maine, is an intrastate community bank. Originally founded in 1875, CNB became a direct, wholly owned subsidiary of Camden National Corporation (CNC) as a result of a corporate reorganization in 1984. CNC is a publicly held bank holding company, incorporated under the laws of the State of Maine and headquartered in Camden Maine. As of March 31, 2015, CNB had total assets of \$2.782 billion, tier one capital of \$274 million, net loans of 1.8 billion, and domestic deposits of \$2.0 billion. Net loans comprised 64 percent of bank assets.

CNB's loan portfolio is comprised of 53 percent residential real estate mortgage products, 44 percent commercial related loans, and three percent consumer and other loans. The balance sheet composition has experienced a slight increase in commercial loans since the prior CRA evaluation, when residential loans were 58 percent, commercial loans were 40 percent, and consumer and other loans were two percent of gross loans.

CNB has 44 full-service branches. The Bank's market area includes Knox, Hancock, Waldo, Lincoln, Franklin, Piscataquis, Somerset, York, Cumberland, and Androscoggin counties. The market area also includes portions of Kennebec, Penobscot, and Washington counties, as well as parts of the Portland-South Portland-Biddeford metropolitan statistical area (MSA), Lewiston-Auburn MSA, and Bangor MSA. During the evaluation period (March 26, 2012 to April 6, 2015), merger and acquisition activity included the Bank acquiring 15 banking centers throughout the region from Bank of America. The Bank closed one branch location, referred to as an 'in-store' branch of the Kennebunk Hannaford location in April 2013. In October 2013, the Bank sold five branches to Skowhegan Savings Bank. In July 2014, the bank opened a Loan Production Office in Manchester, NH, whose primary focus is commercial lending and does not offer traditional banking services.

The Bank offers a wide array of loan and deposit products at each of its branch locations. CNB's website, [www.cambdennational.com](http://www.cambdennational.com), provides a detailed listing and description of the Bank's deposit and loan services. In addition to traditional banking systems, the Bank offers on-line, telephone, and mobile banking services to both consumer and business banking customers.

There are no legal, financial, or other factors impeding the Bank's ability to help meet the credit needs in its assessment areas (AA). During the last CRA performance evaluation, dated March 26, 2012, CNB received an "Outstanding" rating.



## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The evaluation period for the Lending Test included lending activity from January 1, 2012 through December 31, 2014. This evaluation included CNB's loans subject to filing under the Home Mortgage Disclosure Act (HMDA), including home purchase, home refinance, and home improvement loans, as well as small loans to businesses as reported under requirements of CRA data collection for large banks. Community development (CD) loans, investments, and services were included for review from the date of the last evaluation (March 26, 2012) through the date of this evaluation (April 6, 2015). We noted the Bank originated very low volume of multi-family loans during the evaluation period; therefore, an analysis of these loans would not be meaningful. In addition, we did not evaluate consumer loans, as they did not constitute a substantial portion of the Bank's lending activity.

### **Data Integrity**

Prior to the start of this evaluation, we reviewed the accuracy of data collected and reported under HMDA and small loans to business and farms. Based on the review of a valid statistical sample of each loan type made during the evaluation period, we found the data to be accurate and reliable for this evaluation. We also validated CD loans, investments, and services submitted by Bank management to ensure they met the regulatory definition for community development.

### **Selection of Areas for Full-Scope Review**

CNB has delineated five AAs, which meet the technical and regulatory requirements as defined by the CRA. To determine which of the AAs would receive a full scope review and limited scope reviews, we considered the number and percentages by both dollar and count of loans in each MSA, deposit share percentages between all the AAs, as well as other factors, such as number of branches and where the Bank is headquartered. This resulted in the selection for the Bank's non-MSA for the full scope review, which includes the counties of Knox (location of the Bank's headquarters), Hancock, Waldo, Lincoln, Piscataquis, and Franklin. This designated full-scope AA, herein referred to as AA1, contains 23 branches, holds 68 percent of the Bank's deposit market share, and 72 percent of all loans made during the evaluation period.

The other four delineated AAs (referred to as AA2, AA3, AA4, and AA5) received limited scope reviews. AA2 is comprised of Somerset and portions of Kennebec and Washington Counties. This AA contains seven of CNB banking branches, and includes seven percent of the Bank's total deposit share and eight percent of all lending activity. AA3 is comprised of York and Cumberland counties and portions of the Portland-South Portland-Biddeford MSA. This AA contains two banking branches, and includes eight percent of the Bank's total deposit share and two percent of all lending activity. AA4 is comprised of Androscoggin County, which is

part of the Lewiston-Auburn MSA, and includes two banking branches and represents six percent of deposit share and seven percent lending activity. AA5 is comprised of a portion of Penobscot County, which is part of the Bangor ME MSA, and includes 10 branches and represents 11 percent of total deposit share and 11 percent of all lending activity.

## **Ratings**

The Bank's overall rating is based primarily on the area included in the full-scope review.

The Lending Test rating receives more weight than the Investment Test and the Service Test ratings.

During the evaluation period, the number of small loans to businesses and farms accounted for 59 percent of lending activity and residential lending accounted for 41 percent. As a result, small loans to businesses and farms received more weight in the overall rating for the Lending Test.

## **Other**

To understand the credit needs of the community, we contacted a community development organization and reviewed an economic development organization within the full-scope AA. The community contact organization identified the primary credit needs of the area as affordable housing, financing, and assistance to the areas' low- and moderate-income borrowers and seniors. The economic development organization identified needs such as low-dollar loans or micro loans to start-up businesses as well as long term financing for expansion. Both community contacts mentioned that the current economic environment, although benefiting from recent growth, has seen state and federal government cut backs on assistance and funding, resulting in an increased gap between the demand and the availability of such programs.

## **Fair Lending or Other Illegal Credit Practices Review**

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

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

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The Bank's performance under the lending test is rated Outstanding. Based on the full-scope review, the Bank's performance in the non-MSA is excellent.

### **Lending Activity**

Refer to Tables 1 Lending Volume in Appendix D for the facts and data used to evaluate the Bank's lending activity.

Lending levels reflect good responsiveness to assessment area credit needs. The Bank's lending patterns are reflective of the credit needs of the community. During the evaluation period, 72 percent of the Bank's loan originations or purchases were in this AA. Since the previous CRA evaluation, the Bank's quarterly average loan-to-deposit ratio was 87 percent, slightly below the Bank's peer group of 92 percent.

Small business lending has been a strategic focus of the bank and is an identified community need. Small loans to businesses comprised 54 percent of all lending for the Bank in this AA. Small loans to farms comprised seven percent of all loans in the AA. Market share reports, based on 2013 Peer Small Business Data, ranks CNB first by count and by dollar amount of lending to small businesses and farms. Specifically, CNB generated 1,271 loans amounting to a 16 percent market share in the AA. The institution ranked second by count was U.S. Bank N.A. with 740 loans, or nine percent market share. CNB, also the market leader by total dollar amount of small business and farm loans, generated over \$103 million during 2013, capturing a 27 percent market share by dollar. The second ranked institution, The First N.A., generated approximately \$60 million in total loans.

Residential lending, or HMDA reportable loans, comprised 39 percent of the Bank's lending in the AA. The breakdown of these originated or purchased loans by purpose, included: Home Purchase representing 29 percent of HMDA loans; Home Improvement representing 16 percent of loans; and Home Refinance representing 55 percent of loans. The volume of multifamily loans was very small. Therefore, these multifamily loans were not included in the analysis performed. The 2013 Peer Mortgage Data ranks CNB first in total HMDA loans (including all three of the aforementioned purposes) by count in the AA, generating nine percent market share, ahead of second ranked Wells Fargo Bank, N.A. (WFBNA). CNB ranked second by total dollar for all HMDA loans in the AA, behind WFBNA, with \$122 million in total lending, compared to \$143 million.

### **Distribution of Loans by Income Level of the Geography**

The geographic distribution of loans reflects excellent penetration throughout the AA.

### ***Home Mortgage Loans***

Refer to Tables 2, 3, and 4 in Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's home mortgage loans.

The geographic distribution of home loans is excellent.

The following analysis focuses on lending within the moderate-income tracts, as there are no low-income census tracts within the AA.

### ***Home Purchase***

CNB's performance reflects excellent penetration throughout the moderate-income tracts. The Bank exceeded the primary demographic comparator (percent of owner occupied units) in these tracts. Specifically, the Bank's loan portfolio breakdown in the AA included 12 percent of these HMDA loans originated or purchased within these moderate-income tracts, when compared to nine percent of all owner occupied units in the AA being within these moderate-income tracts. CNB is ranked sixth of 62 lenders competing for loans within the moderate-income tracts in the AA, generating a seven percent market share.

### ***Home Improvement***

CNB's lending performance exceeded the primary comparator for these home improvement loans, generating 13 percent of loans in the moderate-income tracts, compared to nine percent of owner occupied units in these tracts. The Bank ranked second in market share, capturing close to 15 percent of the home improvement loans within the moderate-income tracts.

### ***Home Refinance***

CNB's lending performance was slightly below the primary comparator, but ranked first in market share, capturing over 11 percent of all home refinance loans within the moderate-income tracts. The Bank's ranking of first in market share, while performing slightly below the demographic comparator, signifies the lack of opportunities to provide home refinance loans in these tracts. Therefore, market share is the better comparator for the Bank's performance within this group. These home refinance loans are the primary purpose HMDA product made by the Bank and receives the greatest weight in the overall rating in this borrower distribution analysis.

### ***Small Loans to Businesses***

Refer to Tables 6 in appendix D for the facts and data used to evaluate the geographic distribution of the Bank's small loans to businesses.

Small loans to businesses represented 88 percent and small loans to farms represented 12 percent of CNB's small loans originated or purchased in the AA.

The distribution of small loans to businesses is excellent.

The Bank's lending in the moderate-income tracts was in-line with the primary demographic comparator, which is the percentage of business in the AA residing in moderate-income tracts. The bank generated 10 percent of their lending portfolio to these businesses in the moderate-income tracts. CNB was ranked first of 46 lenders competing for loans in these tracts, generating close to a 16 percent market share by count, ahead of U.S. Bank, N.A. that generated 10 percent market share. CNB also ranked first in market share by total dollars, or \$98 million in total loans, ahead of the second ranked institution, Bangor Savings Bank that generated \$54 million in loans.

### ***Small Loans to Farms***

Refer to Tables 6 in Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's small loans to farms.

CNB exceeded the demographic comparator for small loans to farms in the AA's moderate-income tracts. The Bank ranked third of lenders competing for these loans, generating a 17 percent market share by count.

### ***Lending Gap Analysis***

We reviewed summary reports, maps, analyzed CNB's home mortgage, and small loans to business and farms activity over the evaluation period to identify any gaps in the geographic distribution of loans. No identified or conspicuous gaps existed in the review performed. CNB's AAs consist of whole geographies, meet the requirements of the CRA, and does not arbitrarily exclude any low- or moderate-income census tracts.

### ***Inside/Outside Ratio***

This analysis of the Bank's lending activity inside/outside its AAs was at the bank level, which included all of CNB AAs, as opposed to the individual AA level.

A substantial majority of the Bank's lending was inside its AAs. Specifically, residential loans originated or purchased within the AAs amounted to 90.6 percent by count and 89.3 percent by dollar of total lending. Small loans to businesses amounted to 92.6 percent by count and 89.8 percent by dollar and small loans to farms amounted to 97.5 percent by count and 95.9 percent by count of all CRA loans originated or purchased during the evaluation period. This performance contributed positively to the Lending Test analysis.

### ***Distribution of Loans by Income Level of the Borrower***

The distribution of loans to borrowers reflects, given the product lines offered by the institution, excellent penetration among retail customers of different income levels and business customers of different size.

### ***Home Mortgage Loans***

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

The distribution of loans to borrowers is excellent.

### ***Home Purchase***

CNB is ranked seventh (of 88 lenders) in market share for home purchase loans to low- and moderate-income borrowers in the AA.

The Bank's performance in lending to low-income borrowers was below the primary demographic comparator, which is percentage of low-income families in the AA. Based on the poverty levels, median family income, and home sale prices, many of these low-income families face difficulties in qualifying for market conforming mortgages. CNB generated almost five percent of its lending portfolio to low-income borrowers, compared to almost 19 percent of the AA's families being in this income range. Overall, CNB ranked sixth in market share in the AA, generating a six percent market share, behind Bangor Savings Bank, Residential Mortgage Services, Wells Fargo Bank, N.A., Machias Savings Bank, and Northeast Bank.

The Bank's lending performance to moderate-income borrowers was slightly below the demographic comparator, but challenges relating to qualifying for home purchase loans for these moderate-income families exist. The Bank is ranked seventh among 65 lenders originating or purchasing loans to moderate-income borrowers, capturing about four percent of the market.

### ***Home Improvement***

CNB's loan portfolio represents over 12 percent of its loans made to low-income borrowers for home improvement loans. This is relatively in-line with the demographic comparator. The Bank ranked first in market share by both, count (20 percent market share) and by total dollars (30 percent of market share) among 18 lenders in the AA. This performance is excellent.

The Bank's lending to moderate-income borrowers exceeded the demographic comparator and ranked first among the 26 lenders in the AA, generating 22 percent market share. This performance is excellent.

### ***Home Refinance***

The percentage of the Bank's loans to low-income borrowers was below the demographic comparator, but in terms of market share, which is a better comparator to illustrate opportunities within this demographic, the Bank ranked second with more than an eight percent market share. This was just behind Quicken Loans, ranked first with a nine percent market share. There are 52 lenders in the AA originating or purchasing a home refinance loan to a low-income borrower.

The Bank's performance in lending to moderate-income borrowers, was in-line with the demographic comparator. CNB ranked first in market share with over 11 percent of all lending in the AA among 82 lenders. CNB also ranked first and captured over 10 percent of market share by total dollar lending to moderate-income borrowers. Home refinance loans are the primary HMDA product of the Bank and receives greater weight in the overall rating. This performance is excellent.

### ***Small Loans to Businesses***

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

The distribution of the Bank's small loans to businesses is excellent. The bank's lending to small businesses exceeded the percentage of small businesses in the AA. CNB ranked first of 46 lenders by count and dollar amount for lending to small businesses. Specifically, the Bank captured 23 percent by count and 32 percent by total dollars of all lending. CNB was ranked higher than larger commercial institutions such as US Bank, N.A. and American Express, FSB, generating over twice as many loan originations or purchases than the closest competitor.

### ***Small Loans to Farms***

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

CNB lending of small loans to farms was in-line with the demographic comparator (percent of farms in the AA.) The Bank ranked third, of 15 lenders, in loans by count and fourth by total dollars. Small loans to farms represented 12 percent of the Bank's total small business/farm loan lending, and accordingly receives less weight in the overall rating. This performance is very good.

### **Community Development Lending**

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

CNB has made a relatively high level of community development loans. The CD lending has a positive impact on the lending test. During the evaluation period, the Bank originated 29 loans that qualified as CD loans and benefited the full-scope non-MSA. This represented about 10 percent of tier one capital. CD loans were made to finance affordable housing, develop underserved or distressed areas, help provide financing to economic development organizations, and help the most needy, low- or moderate-income individuals with temporary housing, care, transitional service, and other purposes.

Some examples of CD loans that the Bank provided include:

- \$1.2 million for refinance and improvements to an elderly care facility serving qualified LMI individuals
- \$2.1 million for improvements to a Maine Care funded elderly residential facility
- \$385 thousand to refinance a 14 unit Section 8 apartment buildings
- \$2.2 million to fund public facility improvements in LMI tracts within the Bank's AA
- \$1.2 million to refinance a low-income housing, Section 8 and HUD for a 70 unit building

### **Product Innovation and Flexibility**

The Bank's flexible loan programs have a positive impact on lending performance. The Bank offers standard loan products as well as many specialized and/or flexible loan practices in helping to meet the credit needs of the community. These programs promote first-time homebuyers, offer additional lending opportunities to low- and moderate-income borrowers, as well as promoting small business funding and startups. Some of these flexible loan programs include an Equity Builder Program through the Federal Home Loan Bank, which offers members grants to provide households below 80 percent of MFI with down payment, closing costs, homebuyer counseling, and rehabilitation assistance. The Bank also participates with the Maine State Housing Authority program that helps support affordable housing.

CNB also participates in several government loan programs, including with the Small Business Administration, Finance Authority of Maine, Federal Housing Authority, Veterans Administration, and Rural Housing Service. These types of loans help provide loans to citizens of Maine in pursuing business and higher education opportunities, resulting in the creation and retention of jobs in the state.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the Bank's performance under the lending test in the limited scope AAs is not inconsistent with the bank's overall outstanding performance under the lending test. In the non-MSA (secondary) and MSA 38860, the Bank's performance is generally stronger than the bank's overall performance in the state. In the 30340 MSA and 12620 MSA, the Bank's performance is comparable to the full-scope AA rating.

Overall, the limited scope areas contributed positively to the overall lending test rating given. Refer to the Tables 1 through 11 in Appendix D for the facts and data that support these conclusions.

### **INVESTMENT TEST**



## **Conclusions for Areas Receiving Full-Scope Reviews**

The Bank's performance under the investment test in the full-scope AA is rated High Satisfactory.

Based on the full-scope review, the Bank's performance in the non-MSA is good when considering the broader, regional, and statewide investments as well as the targeted grants the Bank has made in the AA. The total qualified investments amount to approximately 1.3 percent of tier one capital. The Bank made other significant investments as well, but these qualified for CD purposes.

Refer to Table 14 in Appendix D for the facts and data used to evaluate the Bank's level of qualified investments. CNB is receiving positive consideration for qualified investments that are located in the broader statewide or regional area. Based on the review of these investments and the lack of targeting a specific AA, they were not included in Table 14 in Appendix D. The Investments that qualified as CD included eight broader statewide or regional investments totaling \$3.2 million.

These included current period investments and prior period carry overs of statewide organizations that benefit the Bank's entire AA. Six current period investments totaling \$1.5 million was made that included investments to a statewide housing fund that invests in affordable housing developments.

In evaluating the Bank's performance, we considered CD Investment opportunities within specific AAs. There were few noted investment opportunities in the full-scope non-MSA compared to the more densely populated areas of the state. In addition, economic challenges posed greater limitations to these opportunities. The investments made during the evaluation period or carry ongoing book values were made to an identified need of the community, which was affordable housing.

## **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in the 38860 MSA, 30340 MSA, and the 12620 MSA is not inconsistent with the Bank's overall adequate performance under the investment test. In the non-MSA, (secondary) the Bank's performance is weaker than the bank's overall performance in the state. Refer to the Tables 12 in Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test in the non-MSA is rated High Satisfactory.

### **Retail Banking Services**

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

Delivery systems are accessible to essentially all portions of the Bank's AAs. CNB has 23 branches in the full-scope non-MSA. The AA contains no low-income census tracts. There are two branches located in the moderate-income census tracts, representing nine percent in distribution of all branches in the AA. This is in-line with the demographic comparator of population breakdown of moderate-income persons in the AA. No branches closed in the AA.

Banking hours and services are generally comparable across all of the geographies. The Bank offers Monday through Friday hours at all branches and has extended evening hours at some locations. The majority of branches have drive-up facilities as well as 24 hour ATMs available, which are fee free. Many of the branches are in close proximity of shopping centers or grocery stores, generally located on main and accessible routes. There are no material differences in availability of services by location and the bank offers eBanking, Mobile Banking, as well as Telephone Banking to its customers. All branches accept and cash government checks for both customers and non-customers for no fee. Product and loan offerings are standardized at branches and are approved at a centralized loan-processing center.

### **Community Development Services**

CNB provides a high level of qualified community development services. The bank is highly responsive to the needs of the community. Bank management and employees have dedicated a significant number of hours to local community groups. These volunteers provide financial expertise or guidance to a host of different community organizations (in approximately 36 different organizations that support the community) in the full-scope non-MSA. Some highlights of programs and participation contributions include:

- A bank officer is on the board of directors for a community development organization that provides financing, guidance to small businesses for job creation initiatives, and counseling to members of the community for affordable housing.
- A director at the bank serves on the board for a local community group that provide emergency services and financial assistance to those in need.
- A bank officer participates at a local economic development organization by serving as an advisor to seek out affordable housing opportunities.
- A bank officer serves on the board of an organization that works to promote economic development by assisting in the retention and expansion of local businesses.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the Bank's performance under the service test in the limited-scope AAs is not inconsistent with the Bank's overall High Satisfactory rating. Refer to Table 15 in Appendix D for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

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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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 1/1/2012 to 12/31/2014 Investment and Service Tests and CD Loans: 3/6/2012 to 4/6/2015	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Camden National Bank Camden, Maine	HMDA (residential loans including home purchase, home refinance, and home improvement) CRA Small business loans	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Non-MSA (primary)	Full-Scope	
Non-MSA (secondary)	Limited-Scope	
MSA 38860	Limited-Scope	
MSA 30340	Limited-Scope	
MSA 12620	Limited-Scope	

## Appendix B: Summary of Ratings

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Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State Rating
Camden National Bank	Outstanding	High Satisfactory	High Satisfactory	Outstanding

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

# Appendix C: Market Profiles for Full-Scope Areas

## State of Maine Full-Scope Areas

Non-MSA 99999

Demographic Information for Full Scope Area: AA1 non-MSA 99999						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	104	0.00	14.42	66.35	19.23	0.00
Population by Geography	372,091	0.00	9.60	71.52	18.88	0.00
Owner-Occupied Housing by Geography	120,737	0.00	9.01	72.50	18.48	0.00
Business by Geography	27,841	0.00	10.47	68.88	20.65	0.00
Farms by Geography	1,343	0.00	7.30	76.02	16.68	0.00
Family Distribution by Income Level	101,893	18.59	17.71	22.05	41.65	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	36,986	0.00	14.13	73.28	12.60	0.00
Median Family Income HUD Adjusted Median Family Income for 2014 Households Below Poverty Level		51,782 51,782 14%	Median Housing Value Unemployment Rate (2010 US Census)		167,822 3.52%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2014 HUD updated MFI

Maine non-MSA includes the Knox (location of the Bank’s headquarters), Hancock, Waldo, Lincoln, Piscataquis, and Franklin counties. This AA contains 104 census tracts. CNB operates 23 full service branches in the AA. There are no low-income census tracts in the AA. There are 15 moderate-income census tracts in the AA, comprising 14 percent of all geographies in the AA. According to the 2010 U.S. Census data, the population of the AA is approximately 372 thousand and contains 157,779 households and 101,893 families. The HUD MFI was \$51,782. Approximately 18,941 families (19 percent) are low-income, 18,045 families (18 percent) are moderate-income, 22,467 (22 percent) are middle-income, and 42,438 (42 percent) are upper-income families. There are 22,089 households (14 percent) below the poverty level. There are 221,058 housing units in the AA, of which 55 percent are owner occupied, 17 percent are rental, and 28 percent are vacant. The median housing value is \$167,822.

CNB operates in a relatively competitive ME markets with competition from local savings banks, larger commercial banks, as well as mortgage companies. The FDIC Deposit Market Share Report, June 30, 2014 (most recent) identifies 19 institutions in this AA. These include, for example, The First, N.A., Bar Harbor Bank & Trust, Machias Savings Bank, TD Bank, N.A., and People’s United Bank.

Economic indicators show that Maine continues to lag the nation in key gauges, including employment. Job additions have trailed the national trend average since 2010, with most industries lagging. Slow growth in health care has held back private services, and

weaknesses in manufacturing have hurt the performance of goods-producing industries. Homebuilding has been weak, and home sales have only inched up slightly. A challenging business climate and dearth of talent suggests Maine will struggle to attract high-value-added investments and jobs. Business costs in the state are among the highest in the nation, with high state and local take rates and high-energy costs. With an expanding elderly population, along with an outside share of enrollees from the Affordable Care Act, suggests that healthcare will be a more reliable source of growth. Maine's recovery is expected to strengthen this year, but job and income growth will continue to be below average. Manufacturing is also expected to perform better and stronger demand should support health care growth.

The top employers in Maine are LL Bean, Inc., Wal-Mart stores, Inc., Hannaford Bros. Co., Maine Medical Center, and Bath Iron Works. The leading sectors for employment include Education and Health Services, Government, Retail Trade, Leisure and Hospitality Services, Professional and Business Services, and Manufacturing.

## Appendix D: Tables of Performance Data

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### 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.

## Tables of Performance Data

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**Table 1. Lending Volume**

LENDING VOLUME												
Geography: CNB												
Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014												
Assessment Area (2014):	% 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)	
<b>Full Review:</b>												
AA1 non-MSA 99999	72.19	2,416	347,767	3,351	294,932	449	19,793	29	27,444	6,245	689,936	68.13
<b>Limited Review:</b>												
AA2 non-MSA 99999	7.93	325	41,273	293	32,342	68	2,762	0	0	686	76,377	7.07
AA3 MSA 38860 Port-S Port-Biddeford	2.14	77	15,992	105	28,079	0	0	3	8,302	185	52,373	8.24
AA4 MSA 30340 Lewiston-Auburn ME	6.70	283	31,541	295	46,536	2	18	0	0	580	78,095	5.72
AA5 MSA 12620 Bangor ME	11.04	442	51,932	497	52,537	10	414	6	12,030	955	116,913	10.85

\* Loan Data as of December 31, 2014. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from March 26, 2012 to April 06, 2015.

\*\*\* Deposit Data as of June 30, 2014. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: CNB				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014						Market Share (%) by Geography*				
Assessment Area:	Total Home Purchase 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						
<b>Full Review:</b>																
AA1 non-MSA 99999	684	75.75	0.00	0.00	9.01	11.84	72.50	72.08	18.48	16.08	5.96	0.00	6.86	6.39	4.25	
<b>Limited Review:</b>																
AA2 non-MSA 99999	62	6.87	0.00	0.00	7.55	19.35	65.64	56.45	26.81	24.19	1.95	0.00	4.21	2.08	1.10	
AA3 MSA 38860 Portland-S Portland-Biddeford	24	2.66	1.01	4.17	8.75	16.67	57.16	58.33	33.08	20.83	0.14	1.79	0.29	0.10	0.09	
AA4 MSA 30340 Lewiston- Auburn ME	38	4.21	0.78	5.26	7.38	5.26	67.18	71.05	24.66	18.42	1.07	11.11	0.00	1.05	0.97	
AA5 MSA 12620 Bangor ME	95	10.52	0.26	0.00	9.05	7.37	58.58	54.74	32.11	37.89	2.15	0.00	2.13	2.34	1.88	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT															Geography: CNB		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
AA1 non-MSA 99999	385	73.75	0.00	0.00	9.01	13.25	72.50	72.99	18.48	13.77	15.22	0.00	14.93	16.67	10.39						
<b>Limited Review:</b>																					
AA2 non-MSA 99999	55	10.54	0.00	0.00	7.55	21.82	65.64	60.00	26.81	18.18	7.44	0.00	13.33	9.56	1.56						
AA3 MSA 38860 Portland-S Portland-Biddeford	7	1.34	1.01	0.00	8.75	14.29	57.16	57.14	33.08	28.57	0.20	0.00	0.00	0.36	0.00						
AA4 MSA 30340 Lewiston- Auburn ME	19	3.64	0.78	0.00	7.38	26.32	67.18	52.63	24.66	21.05	2.13	0.00	11.76	0.74	2.53						
AA5 MSA 12620 Bangor ME	56	10.73	0.26	0.00	9.05	10.71	58.58	57.14	32.11	32.14	5.13	0.00	5.41	7.69	1.68						

\* Based on 2013 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: CNB					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
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	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
AA1 non-MSA 99999	1,315	64.49	0.00	0.00	9.01	7.30	72.50	74.68	18.48	18.02	10.37	0.00	11.39	10.93	8.37									
<b>Limited Review:</b>																								
AA2 non-MSA 99999	192	9.42	0.00	0.00	7.55	6.77	65.64	68.75	26.81	24.48	6.28	0.00	4.60	6.56	6.03									
AA3 MSA 38860 Portland-S Portland-Biddeford	40	1.96	1.01	5.00	8.75	12.50	57.16	60.00	33.08	22.50	0.20	0.00	0.42	0.20	0.16									
AA4 MSA 30340 Lewiston- Auburn ME	212	10.40	0.78	1.42	7.38	10.38	67.18	62.26	24.66	25.94	6.79	10.00	8.46	6.59	6.78									
AA5 MSA 12620 Bangor ME	280	13.73	0.26	0.00	9.05	7.86	58.58	53.21	32.11	38.93	8.35	0.00	9.09	8.36	8.21									

\* Based on 2013 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY															Geography: CNB		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
AA1 non-MSA 99999	32	40.51	0.00	0.00	18.27	25.00	66.60	59.38	15.13	15.63	25.81	0.00	0.00	28.57	40.00						
<b>Limited Review:</b>																					
AA2 non-MSA 99999	16	20.25	0.00	0.00	24.53	18.75	58.80	50.00	16.67	31.25	22.22	0.00	0.00	22.22	40.00						
AA3 MSA 38860 Portland-S Portland-Biddeford	6	7.59	15.59	33.33	31.24	0.00	43.79	33.33	9.38	33.33	2.50	0.00	0.00	4.55	14.29						
AA4 MSA 30340 Lewiston- Auburn ME	14	17.72	18.71	7.14	32.57	57.14	45.94	28.57	2.78	7.14	23.81	0.00	25.00	25.00	0.00						
AA5 MSA 12620 Bangor ME	11	13.92	0.90	0.00	24.93	18.18	59.84	27.27	14.33	54.55	4.55	0.00	0.00	0.00	16.67						

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: CNB		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
AA1 non-MSA 99999	3,351	73.79	0.00	0.00	10.47	9.61	68.88	75.44	20.65	14.95	15.74	0.00	16.07	18.22	11.79						
<b>Limited Review:</b>																					
AA2 non-MSA 99999	293	6.45	0.00	0.00	17.30	29.35	57.92	47.78	24.78	22.87	4.97	0.00	7.49	4.21	5.73						
AA3 MSA 38860 Portland-S Portland- Biddeford	105	2.31	17.74	30.48	7.97	9.52	50.30	41.90	23.99	18.10	0.70	1.08	0.76	0.63	0.77						
AA4 MSA 30340 Lewiston-Auburn ME	295	6.50	7.95	9.83	11.78	14.24	64.22	66.10	16.04	9.83	7.45	12.00	13.76	7.16	5.51						
AA5 MSA 12620 Bangor ME	497	10.94	0.38	0.00	11.31	8.65	56.60	53.72	31.70	37.63	6.56	0.00	5.05	6.97	7.32						

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).



**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS															Geography: CNB					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
AA1 non-MSA 99999	449	84.88	0.00	0.00	7.30	11.80	76.02	82.41	16.68	5.79	17.38	0.00	15.09	19.62	8.14									
<b>Limited Review:</b>																								
AA2 non-MSA 99999	68	12.85	0.00	0.00	8.42	67.65	71.20	30.88	20.38	1.47	9.86	0.00	15.79	5.26	0.00									
AA3 MSA 38860 Portland-S Portland-Biddeford	0	0.00	9.37	0.00	6.61	0.00	55.92	0.00	28.10	0.00	0.00	0.00	0.00	0.00	0.00									
AA4 MSA 30340 Lewiston- Auburn ME	2	0.38	1.39	0.00	4.17	0.00	69.44	50.00	25.00	50.00	8.33	0.00	0.00	0.00	14.29									
AA5 MSA 12620 Bangor ME	10	1.89	0.65	0.00	5.18	0.00	63.43	90.00	30.74	10.00	7.14	0.00	0.00	9.68	0.00									

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE															
Geography: CNB															
Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families**	% BANK Loans****	% Families <sub>1</sub>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
AA1 non-MSA 99999	684	75.75	18.59	4.91	17.71	12.88	22.05	17.79	41.65	64.42	6.44	5.75	3.59	4.51	8.74
<b>Limited Review:</b>															
AA2 non-MSA 99999	62	6.87	17.50	7.14	17.07	12.50	21.87	21.43	43.56	58.93	1.91	3.66	0.77	1.00	2.97
AA3 MSA 38860 Portland-S Portland-Biddeford	24	2.66	20.36	5.26	17.88	0.00	22.48	10.53	39.29	84.21	0.09	0.00	0.00	0.00	0.20
AA4 MSA 30340 Lewiston- Auburn ME	38	4.21	20.06	6.25	18.25	15.63	22.11	34.38	39.58	43.75	1.10	1.47	0.29	1.93	0.90
AA5 MSA 12620 Bangor ME	95	10.52	19.85	4.49	15.61	16.85	21.69	25.84	42.85	52.81	2.58	0.81	1.66	3.43	3.17

\* Based on 2013 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 6.1% of loans originated and purchased by bank.

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

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT															Geography: CNB					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*													
	#	% of Total**	% Families**	% BANK Loans****	% Families <sup>2</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
AA1 non-MSA 99999	385	73.75	18.59	12.13	17.71	20.22	22.05	23.99	41.65	43.67	15.54	19.67	22.06	11.05	14.61									
<b>Limited Review:</b>																								
AA2 non-MSA 99999	55	10.54	17.50	13.21	17.07	32.08	21.87	26.42	43.56	28.30	7.80	18.75	14.29	5.45	5.05									
AA3 MSA 38860 Portland-S Portland- Biddeford	7	1.34	20.36	0.00	17.88	20.00	22.48	0.00	39.29	80.00	0.21	0.00	0.00	0.00	0.45									
AA4 MSA 30340 Lewiston-Auburn ME	19	3.64	20.06	33.33	18.25	22.22	22.11	5.56	39.58	38.89	2.24	11.76	2.17	0.00	1.83									
AA5 MSA 12620 Bangor ME	56	10.73	19.85	19.61	15.61	17.65	21.69	27.45	42.85	35.29	5.08	7.69	1.89	3.70	6.56									

\* Based on 2013 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 4.6% of loans originated and purchased by bank.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															
Geography: CNB					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014										
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 <sup>3</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
AA1 non-MSA 99999	1,315	64.49	18.59	4.46	17.71	16.06	22.05	22.83	41.65	56.65	11.91	8.17	11.48	11.41	12.65
<b>Limited Review:</b>															
AA2 non-MSA 99999	192	9.42	17.50	3.68	17.07	16.32	21.87	20.00	43.56	60.00	7.63	4.88	8.62	4.66	9.17
AA3 MSA 38860 Portland-S Portland- Biddeford	40	1.96	20.36	11.43	17.88	28.57	22.48	8.57	39.29	51.43	0.19	0.48	0.38	0.08	0.13
AA4 MSA 30340 Lewiston-Auburn ME	212	10.40	20.06	3.09	18.25	14.43	22.11	24.74	39.58	57.73	7.28	4.29	5.93	7.23	7.91
AA5 MSA 12620 Bangor ME	280	13.73	19.85	4.20	15.61	13.74	21.69	22.52	42.85	59.54	9.30	7.63	8.26	7.25	11.27

\* Based on 2013 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.8% of loans originated and purchased by bank.

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

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES									
Geography: CNB					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
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
<b>Full Review:</b>									
AA1 non-MSA 99999	3,351	73.79	74.01	77.56	80.60	12.18	7.22	15.74	22.93
<b>Limited Review:</b>									
AA2 non-MSA 99999	293	6.45	71.30	77.82	71.67	17.06	11.26	4.97	8.14
AA3 MSA 38860 Portland-S Portland-Biddeford	105	2.31	70.70	50.48	40.00	26.67	33.33	0.70	0.95
AA4 MSA 30340 Lewiston- Auburn ME	295	6.50	72.49	57.97	58.31	23.73	17.97	7.45	12.43
AA5 MSA 12620 Bangor ME	497	10.94	70.26	67.81	75.05	14.08	10.87	6.56	10.59

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2014).

\*\*\*\* 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.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: CNB			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
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
<b>Full Review:</b>									
AA1 non-MSA 99999	449	84.88	98.06	96.44	90.87	5.79	3.34	17.38	19.03
<b>Limited Review:</b>									
AA2 non-MSA 99999	68	12.85	97.01	98.53	88.24	8.82	2.94	9.86	10.71
AA3 MSA 38860 Portland-S Portland-Biddeford	0	0.00	96.42	0.00	0.00	0.00	0.00	0.00	0.00
AA4 MSA 30340 Lewiston- Auburn ME	2	0.38	96.30	100.00	100.00	0.00	0.00	8.33	20.00
AA5 MSA 12620 Bangor ME	10	1.89	95.79	90.00	90.00	10.00	0.00	7.14	13.64

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2014).

\*\*\*\* 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.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
			Geography: CNB		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
AA1 non-MSA 99999	0	0	192	118	192	118	61.46	0	0
<b>Limited Review:</b>									
AA2 non-MSA 99999	0	0	0	0	0	0	0.00	0	0
AA3 MSA 38860 Portland-S Portland-Biddeford	0	0	12	11	12	11	5.73	0	0
AA4 MSA 30340 Lewiston- Auburn ME	0	0	18	22	18	22	11.46	0	0
AA5 MSA 12620 Bangor ME	0	0	57	41	57	41	21.35	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.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
								Geography: CNB				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					
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
<b>Full Review:</b>																	
AA1 non-MSA 99999	68.13	23	52.27	0.00	8.70	73.91	17.39	0	0	0	0	0	0	0.00	9.60	71.52	18.88
<b>Limited Review:</b>																	
AA2 non-MSA 99999	7.07	7	15.91	0.00	42.86	42.86	14.29	0	0	0	0	0	0	0.00	9.69	63.97	26.34
AA3 MSA 38860 Portland-S Portland-Biddeford	8.24	2	4.55	50.00	0.00	0.00	50.00	0	1	0	0	0	- 1	4.50	14.21	53.84	27.45
AA4 MSA 30340 Lewiston- Auburn ME	5.72	2	4.55	0.00	0.00	100.0	0.00	0	0	0	0	0	0	4.96	14.53	61.04	19.47
AA5 MSA 12620 Bangor ME	10.85	10	22.73	0.00	20.00	40.00	40.00	0	0	0	0	0	0	0.48	14.03	57.92	27.58



**Distribution of Branch and ATM Delivery System**

Distribution of Branch and ATM Delivery System																	
Geography: CNB																	
Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014																	
MA/Assessment Area:	Deposits	Branches						ATMs						Population			
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				#of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
AA1 non-MSA 99999	68.13	23	52.27	0	9	74	17	0	0.00	0	0	0	0	0.00	9.60	71.52	18.88
<b>Limited Review:</b>																	
AA2 non-MSA 99999	7.07	7	15.91	0	43	43	14	0	0.00	0	0	0	0	0.00	9.69	63.97	26.34
AA3 MSA 38860 Portland-S Portland-Biddeford	8.24	2	4.55	50	0	0	50	0	0.00	0	0	0	0	4.50	14.21	53.84	27.45
AA4 MSA 30340 Lewiston- Auburn ME	5.72	2	4.55	0	0	100	0	0	0.00	0	0	0	0	4.96	14.53	61.04	19.47
AA5 MSA 12620 Bangor ME	10.85	10	22.73	0	20	40	40	0	0.00	0	0	0	0	0.48	14.03	57.92	27.58

